



**NOTICE OF A
REGULAR MEETING OF THE
CALOPTIMA BOARD OF DIRECTORS'
FINANCE AND AUDIT COMMITTEE**

**THURSDAY, MAY 18, 2017
2:00 P.M.**

**CALOPTIMA
505 CITY PARKWAY WEST, SUITE 108-N
ORANGE, CALIFORNIA 92868**

Board of Directors' Finance and Audit Committee

Lee Penrose, Chair
Ron DiLuigi
Scott Schoeffel

CHIEF EXECUTIVE OFFICER
Michael Schrader

CHIEF COUNSEL
Gary Crockett

CLERK OF THE BOARD
Suzanne Turf

This agenda contains a brief description of each item to be considered. Except as provided by law, no action shall be taken on any item not appearing on the agenda. To speak on an item, complete a Public Comment Request Form(s) identifying the item(s) and submit to the Clerk of the Board. To speak on a matter not appearing on the agenda, but within the subject matter jurisdiction of the Board of Directors' Finance and Audit Committee, you may do so during Public Comments. Public Comment Request Forms must be submitted prior to the beginning of the Consent Calendar, the reading of the individual agenda items, and/or the beginning of Public Comments. When addressing the Committee, it is requested that you state your name for the record. Address the Committee as a whole through the Chair. Comments to individual Committee Members or staff are not permitted. Speakers are limited to three (3) minutes per item.

In compliance with the Americans with Disabilities Act, those requiring accommodations for this meeting should notify the Clerk of the Board's Office at least 72 hours prior to the meeting at (714) 246-8806.

The Board of Directors' Finance and Audit Committee Meeting Agenda and supporting documentation is available for review 8:00 a.m. – 5:00 p.m., Monday-Friday at CalOptima, 505 City Parkway West, Orange, CA 92868, and online at www.caloptima.org.

CALL TO ORDER

Pledge of Allegiance
Establish Quorum

MANAGEMENT REPORTS

Chief Executive Officer Report
Chief Financial Officer Report

PUBLIC COMMENTS

At this time, members of the public may address the Committee on matters not appearing on the agenda, but under the jurisdiction of the Board of Directors' Finance and Audit Committee. Speakers will be limited to three (3) minutes.

INVESTMENT ADVISORY COMMITTEE UPDATE

1. [Treasurer's Report](#)

CONSENT CALENDAR

2. [Minutes](#)
 - a. Approve Minutes of the February 16, Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee
 - b. Receive and File Minutes of the January 23, 2017 Meeting of the CalOptima Board of Directors' Investment Advisory Committee

REPORTS

3. [Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2017-18 Operating Budget](#)
4. [Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2017-18 Capital Budget](#)
5. [Consider Recommending Appointment to the CalOptima Board of Directors' Investment Advisory Committee](#)
6. [Consider Recommending Board of Directors' Approval of Compensation Review Consultant, and Authorization of Agreement for Employee Compensation Program Review, Revisal, Update, and Design](#)
7. [Consider Recommending Board of Directors' Approval of the Revised Reinsurance Program for Catastrophic Claims and Update CalOptima Policy Accordingly](#)

INFORMATION ITEMS

8. [2017 Audit Planning – Presentation by Moss-Adams LLP](#)
9. [CalOptima Care Network \(CCN\) Network Performance: Financial and Quality Analysis](#)
10. [Update on CalOptima Business Insurance – Policy Year 2018](#)
11. [March 2017 Financial Summary](#)
12. [CalOptima Computer Systems Security Update](#)

13. [Cost Containment Improvements/Initiatives](#)
14. [Update on 505 City Parkway West Development Rights](#)
15. Quarterly Reports to the Finance and Audit Committee
 - a. [Shared Risk Pool Performance](#)
 - b. [Reinsurance Report](#)
 - c. [Health Network Financial Report](#)
 - d. [Purchasing Report](#)

COMMITTEE MEMBER COMMENTS

ADJOURNMENT

**Board of Directors' Finance and Audit Committee
May 18, 2017**

**Quarterly Treasurer's Report
January 1, 2017, through March 31, 2017**

Overview

To fulfill the requirements of Government Code section 53646, subdivision (b) and the 2017 Annual Investment Policy adopted by CalOptima's Board of Directors on December 1, 2016, the Treasurer submits this quarterly investment report for the period January 1, 2017, through March 31, 2017.

Meketa Investment Group, Inc., completed an independent compliance review of the monthly investment reports prepared by CalOptima's three (3) investment managers: Logan Circle Partners, Payden & Rygel and Wells Capital. The review found that all investments were compliant with Government Code section 53600 *et seq.*, and CalOptima's 2017 Annual Investment Policy.

Portfolio Summary

As of March 31, 2017, the market values of the Short-Term Operating and Restricted Reserve portfolios are as follows (in millions):

	Payden & Rygel	Logan Circle	Wells Capital	Total
Short-Term Operating	\$583,022,729	\$582,486,068	\$582,961,652	\$1,748,470,449
Board Designated Reserves				
Tier 1	\$145,711,189	\$145,451,947	\$145,463,504	\$436,626,640
Tier 2	--	\$96,422,381	--	\$96,422,381
Total	\$728,733,918	\$824,360,396	\$728,425,156	\$2,281,519,470

Six Month Cash Sufficiency

Based upon a review of forecasted revenues and expenses, CalOptima has sufficient cash on-hand plus projected revenues to meet its operating requirements for the next six (6) months.

Investments Compared to Reserve Policy

In accordance with CalOptima Policy GA.3001: Board-designated Reserve Funds, CalOptima shall maintain a minimum reserve level of one point four (1.4) months and a maximum of two (2) months in consolidated capitation revenues. The following provides a comparison of investments to the minimum and maximum level of Board-designated reserve funds as of March 31, 2017, demonstrating funds in excess to satisfy minimum requirements.

A) Board-designated Reserve Fund (*CalOptima Policy GA.3001*)

Reserve Name	Market Value	Benchmark		Variance	
		Low 1.4	High 2.0	Low 1.4	High 2.0
Tier 1 - Payden & Rygel	\$145,711,189				
Tier 1 - Logan Circle	\$145,451,948				
Tier 1 - Wells Capital	\$145,463,504				
	\$436,626,641	\$313,071,502	\$488,125,007	\$123,555,138	(\$51,498,367)

B) CalOptima's Regulatory Compliance Requirements

Reserve Name	Market Value	Regulatory Compliance Requirements		Variance	
		TNE	TNE	TNE	TNE
Tier 2 - Logan Circle	\$96,422,381	\$95,386,676	\$95,386,676	\$1,035,705	\$1,035,705
Consolidated:	\$533,049,022	\$408,458,178	\$583,511,683	\$124,590,844	(\$50,462,661)
<i>Compliance Level</i>	<i>1.83</i>	<i>1.40</i>	<i>2.00</i>	<i>-</i>	<i>-</i>

CalOptima continues to meet the minimum level of Board-designated reserve funds with a surplus of \$124,590,844 for the third quarter of Fiscal Year (FY) 2016-17.

Update on Fund Transfers

Pursuant to CalOptima Policy GA.3001: Board-designated Reserve Funds, CalOptima will monitor liquidity requirements for the next twelve (12) months, and will transfer funds from Short-Term Operating to Board-designated reserves, if necessary. At the April 24, 2017, meeting, Staff notified the Investment Advisory Committee members and CalOptima's investment managers that Short-Term Operating accounts were rebalanced in March to keep the ending balance relatively close for all three managers at quarter's end. CalOptima's Board-designated Reserve Compliance Level is currently at 1.83.

Attachment

Quarterly Investment Report – January 1, 2017, through March 31, 2017

FUND EVALUATION REPORT

CalOptima

Quarterly Review
March 31, 2017



M E K E T A I N V E S T M E N T G R O U P

BOSTON
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UNITED KINGDOM

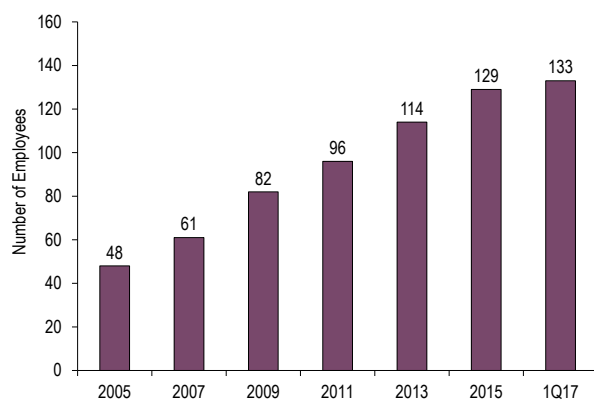
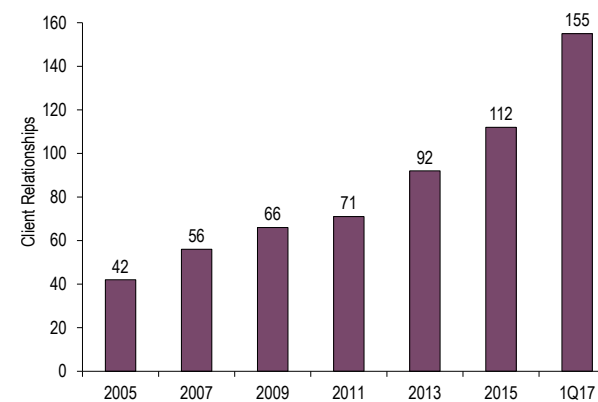
www.meketagroup.com

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1. **Corporate Update**
2. **1Q17 Review**
3. **Quarterly Investment Report Supplement**
4. **Custom Peer Group**
5. **Performance Attribution**
6. **Holdings**
7. **Disclaimer, Glossary, and Notes**

Meketa Investment Group Corporate Update

- Staff of 133, including 85 investment professionals and 26 CFA Charterholders
- 155 clients, with over 250 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, Portland (OR), San Diego, and London
- Clients have aggregate assets of over \$890 billion
 - Over \$60 billion in assets committed to alternative investments
 - Private Equity ▪ Infrastructure ▪ Natural Resources
 - Real Estate ▪ Hedge Funds ▪ Commodities

Employee Growth**Client Growth**

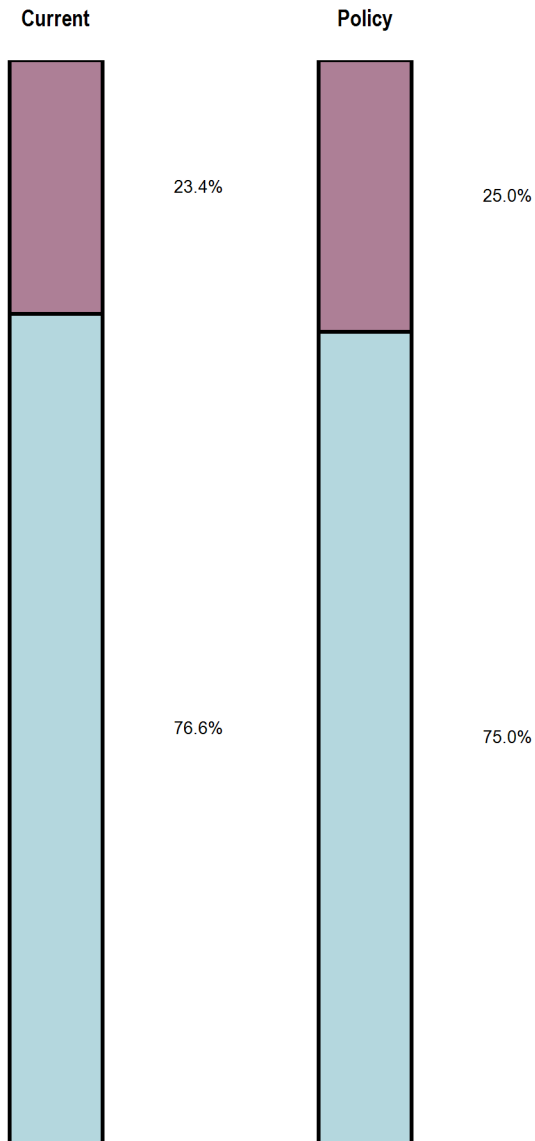
Meketa Investment Group is proud to work for over 5 million American families everyday.



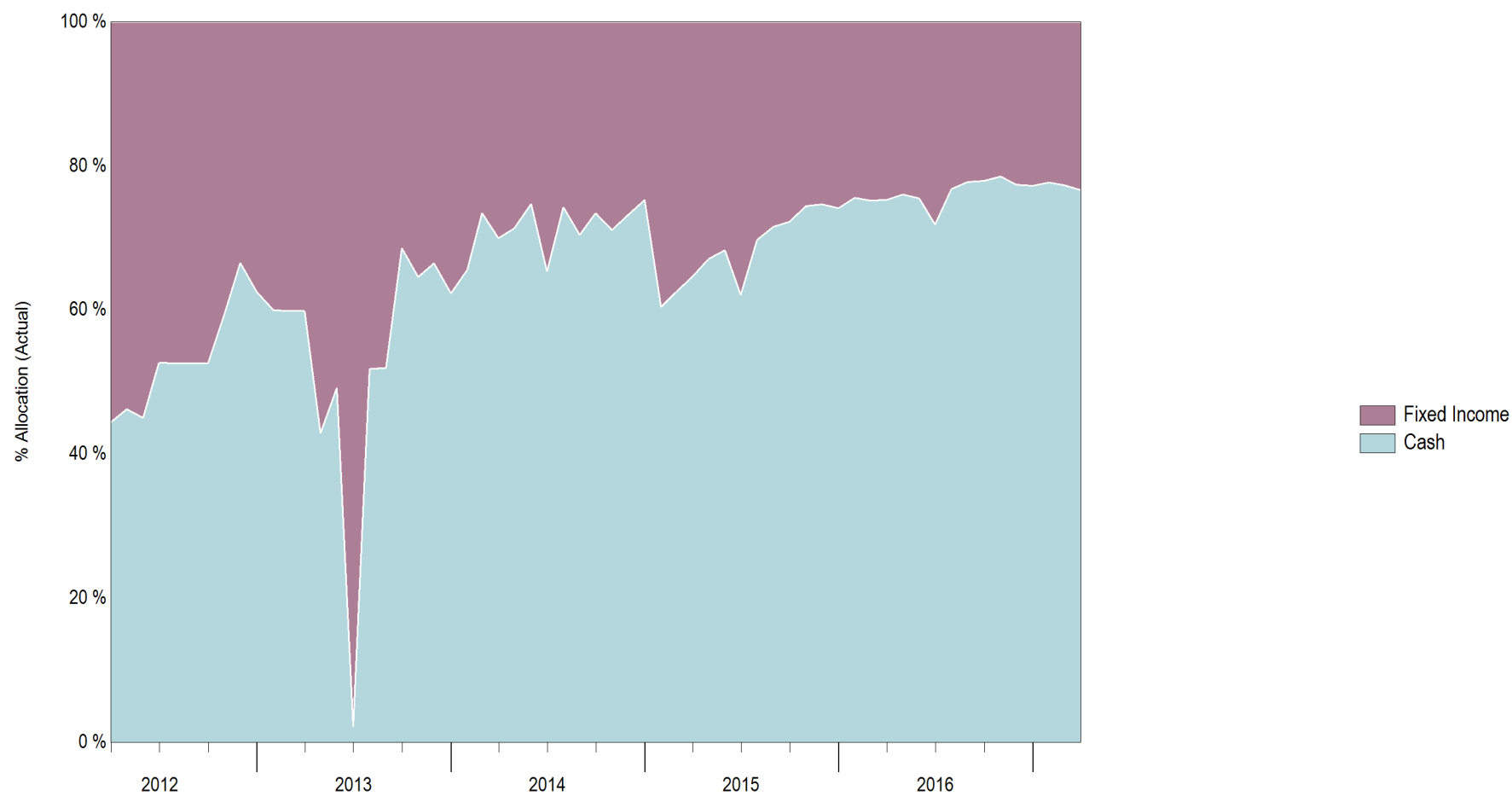
Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> - Passive - Enhanced Index - Large Cap - Midcap - Small Cap - Microcap - 130/30 	<ul style="list-style-type: none"> - Large Cap Developed - Small Cap Developed - Emerging Markets - Frontier Markets 	<ul style="list-style-type: none"> - Buyouts - Venture Capital - Private Debt - Special Situations - Secondaries - Fund of Funds 	<ul style="list-style-type: none"> - Public REITs - Core Real Estate - Value Added Real Estate - Opportunistic Real Estate - Infrastructure - Timber - Natural Resources - Commodities 	<ul style="list-style-type: none"> - Short-Term - Core - Core Plus - TIPS - High Yield - Bank Loans - Distressed - Global - Emerging Markets 	<ul style="list-style-type: none"> - Long/Short Equity - Event Driven - Relative Value - Fixed Income Arbitrage - Multi Strategy - Market Neutral - Global Macro - Fund of Funds - Portable Alpha

1Q17 Review



Allocation vs. Targets and Policy		
	Current Balance	Current Allocation
Fixed Income	\$533,049,021	23%
Cash	\$1,748,470,449	77%
Total	\$2,281,519,470	100%

Asset Allocation History
5 Years Ending March 31, 2017

As of March 31, 2017

Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund(Gross)	2,281,519,470	100.000	0.271	0.811	--	--	--	0.671	Oct-14
Total Fund(Net)			0.244	0.726	--	--	--	0.582	
Fixed Income(Gross)	533,049,021	23.364	0.417	0.690	--	--	--	1.086	Oct-14
Fixed Income(Net)			0.396	0.607	--	--	--	1.057	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>			<i>0.260</i>	<i>0.245</i>	<i>0.722</i>	<i>0.636</i>	<i>1.998</i>	<i>0.745</i>	<i>Oct-14</i>
Cash(Gross)	1,748,470,449	76.636	0.229	0.845	0.438	0.310	0.764	1.981	Jul-99
Cash(Net)			0.200	0.747	0.343	0.203	--	--	
<i>Citi 3mth Treasury Bill</i>			<i>0.121</i>	<i>0.338</i>	<i>0.147</i>	<i>0.113</i>	<i>0.615</i>	<i>1.771</i>	<i>Jul-99</i>

As of March 31, 2017

Trailing Period Performance

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund(Gross)	2,281,519,470	100.000	--	0.271	0.811	--	--	--	0.671	Oct-14
Fixed Income(Gross)	533,049,021	23.364	23.364	0.417	0.690	--	--	--	1.086	Oct-14
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.260	0.245	0.722	0.636	1.998	0.745	Oct-14
Tier One: Payden Low Duration(Gross)	145,711,189	6.387	27.335	0.387	0.798	0.968	0.880	2.274	3.097	Jul-99
Tier One: Payden Low Duration(Net)				0.368	0.722	0.879	0.776	--	--	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.260	0.245	0.722	0.636	1.998	3.008	Jul-99
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>				0.393	0.697	0.961	0.971	2.346	3.341	Jul-99
Tier One: Logan Circle STAMP 1-3 Year(Gross)	145,451,947	6.375	27.287	0.415	--	--	--	--	0.604	Jun-16
Tier One: Logan Circle STAMP 1-3 Year(Net)				0.394	--	--	--	--	0.533	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.260	0.245	0.722	0.636	1.998	0.316	Jun-16
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>				0.393	0.697	0.961	0.971	2.346	0.627	Jun-16
Tier One: Wells Capital Reserve Account(Gross)	145,463,504	6.376	27.289	0.353	--	--	--	--	0.610	Jun-16
Tier One: Wells Capital Reserve Account(Net)				0.335	--	--	--	--	0.550	
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>				0.260	0.245	0.722	0.636	1.998	0.316	Jun-16
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>				0.393	0.697	0.961	0.971	2.346	0.627	Jun-16
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	96,422,381	4.226	18.089	0.561	0.495	1.589	--	--	1.267	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)				0.530	0.370	1.463	--	--	1.140	
<i>BofA Merrill Lynch US Treasuries 1-5 Yrs</i>				0.372	-0.104	1.139	0.917	2.651	0.832	Apr-13
<i>BofA Merrill Lynch US Corp & Gov 1-5 Yrs</i>				0.558	0.563	1.430	1.377	2.982	1.186	Apr-13

As of March 31, 2017

	Market Value (\$)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Cash(Gross)	1,748,470,449	76.636	76.636	0.229	0.845	0.438	0.310	0.764	1.981	Jul-99
<i>Citi 3mth Treasury Bill</i>				<i>0.121</i>	<i>0.338</i>	<i>0.147</i>	<i>0.113</i>	<i>0.615</i>	<i>1.771</i>	<i>Jul-99</i>
Operating: Payden Enhanced Cash(Gross)	583,022,729	25.554	33.345	0.239	0.927	0.465	0.327	0.772	1.986	Jul-99
Operating: Payden Enhanced Cash(Net)				0.219	0.849	0.377	0.223	--	--	
<i>Citi 3mth Treasury Bill</i>				<i>0.121</i>	<i>0.338</i>	<i>0.147</i>	<i>0.113</i>	<i>0.615</i>	<i>1.771</i>	<i>Jul-99</i>
Operating: Logan Circle Enhanced Cash(Gross)	582,486,068	25.531	33.314	0.244	--	--	--	--	0.707	Jun-16
Operating: Logan Circle Enhanced Cash(Net)				0.223	--	--	--	--	0.638	
<i>Citi 3mth Treasury Bill</i>				<i>0.121</i>	<i>0.338</i>	<i>0.147</i>	<i>0.113</i>	<i>0.615</i>	<i>0.293</i>	<i>Jun-16</i>
Operating: Wells Capital Enhanced Cash(Gross)	582,961,652	25.551	33.341	0.176	--	--	--	--	0.556	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.158	--	--	--	--	0.496	
<i>Citi 3mth Treasury Bill</i>				<i>0.121</i>	<i>0.338</i>	<i>0.147</i>	<i>0.113</i>	<i>0.615</i>	<i>0.293</i>	<i>Jun-16</i>

As of March 31, 2017

Asset Class Performance Summary

	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)	Fiscal 2009 (%)
Total Fund(Gross)	0.842	--	--	--	--	--	--	--
Total Fund(Net)	0.778	--	--	--	--	--	--	--
Fixed Income(Gross)	1.775	--	--	--	--	--	--	--
Fixed Income(Net)	1.699	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	<i>1.307</i>	<i>0.876</i>	<i>0.765</i>	<i>0.328</i>	<i>0.776</i>	<i>1.331</i>	<i>2.692</i>	<i>4.394</i>
Cash(Gross)	0.509	0.166	0.131	0.112	0.185	0.137	0.138	0.774
Cash(Net)	0.446	0.058	0.018	-0.023	0.044	-0.008	-0.003	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>

As of March 31, 2017

Trailing Period Performance

	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)	Fiscal 2009 (%)
Total Fund(Gross)	0.842	--	--	--	--	--	--	--
Fixed Income(Gross)	1.775	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	1.307	0.876	0.765	0.328	0.776	1.331	2.692	4.394
Tier One: Payden Low Duration(Gross)	1.461	0.893	1.048	0.534	1.248	1.478	2.946	5.823
Tier One: Payden Low Duration(Net)	1.388	0.783	0.933	0.399	1.105	1.331	2.801	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	1.307	0.876	0.765	0.328	0.776	1.331	2.692	4.394
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>	1.581	0.901	1.246	0.861	1.169	1.947	3.796	4.576
Tier One: Logan Circle STAMP 1-3 Year(Gross)	--	--	--	--	--	--	--	--
Tier One: Logan Circle STAMP 1-3 Year(Net)	--	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	1.307	0.876	0.765	0.328	0.776	1.331	2.692	4.394
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>	1.581	0.901	1.246	0.861	1.169	1.947	3.796	4.576
Tier One: Wells Capital Reserve Account(Gross)	--	--	--	--	--	--	--	--
Tier One: Wells Capital Reserve Account(Net)	--	--	--	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-3 Yrs</i>	1.307	0.876	0.765	0.328	0.776	1.331	2.692	4.394
<i>BofA Merrill Lynch US Corp & Gov 1-3 Yrs</i>	1.581	0.901	1.246	0.861	1.169	1.947	3.796	4.576
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	3.021	1.494	2.095	--	--	--	--	--
Tier Two: Logan Circle STAMP 1-5 Year(Net)	2.894	1.367	1.969	--	--	--	--	--
<i>BofA Merrill Lynch US Treasuries 1-5 Yrs</i>	2.426	1.376	1.157	-0.027	2.198	2.154	4.114	5.484
<i>BofA Merrill Lynch US Corp & Gov 1-5 Yrs</i>	2.649	1.344	2.000	0.718	2.524	2.957	5.717	5.052

As of March 31, 2017

	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)	Fiscal 2009 (%)
Cash(Gross)	0.509	0.166	0.131	0.112	0.185	0.137	0.138	0.774
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>
Operating: Payden Enhanced Cash(Gross)	0.573	0.166	0.131	0.112	0.185	0.137	0.138	0.774
Operating: Payden Enhanced Cash(Net)	0.505	0.058	0.018	-0.023	0.044	-0.008	-0.003	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>
Operating: Logan Circle Enhanced Cash(Gross)	--	--	--	--	--	--	--	--
Operating: Logan Circle Enhanced Cash(Net)	--	--	--	--	--	--	--	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>
Operating: Wells Capital Enhanced Cash(Gross)	--	--	--	--	--	--	--	--
Operating: Wells Capital Enhanced Cash(Net)	--	--	--	--	--	--	--	--
<i>Citi 3mth Treasury Bill</i>	<i>0.138</i>	<i>0.021</i>	<i>0.038</i>	<i>0.079</i>	<i>0.044</i>	<i>0.138</i>	<i>0.123</i>	<i>0.780</i>

As of March 31, 2017

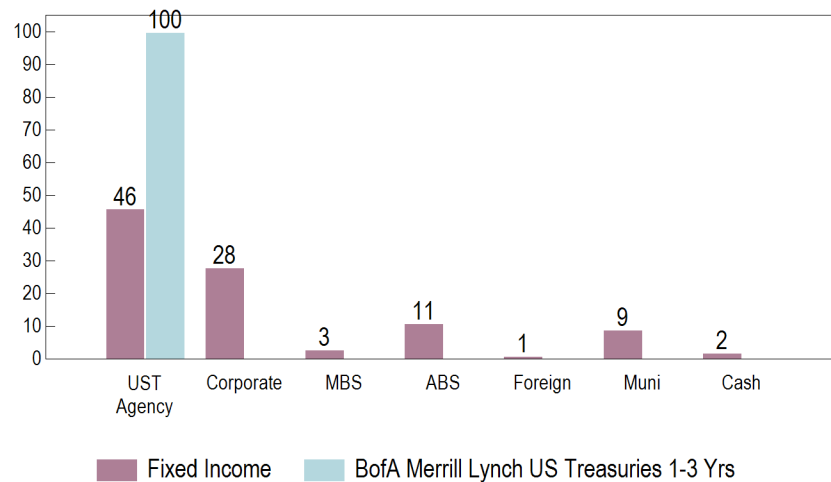
Asset Allocation on March 31, 2017

	Actual	Actual
Tier One: Payden Low Duration	\$145,711,189	27.3%
Tier One: Logan Circle STAMP 1-3 Year	\$145,451,947	27.3%
Tier One: Wells Capital Reserve Account	\$145,463,504	27.3%
Tier Two: Logan Circle STAMP 1-5 Year	\$96,422,381	18.1%
Total	\$533,049,021	100.0%

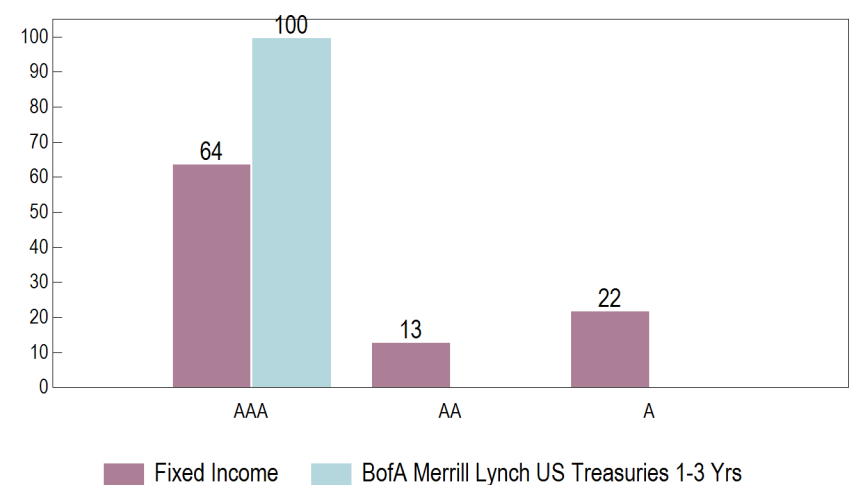
Fixed Income Characteristics
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.5	1.3	1.5
Average Duration	1.7	1.9	1.8
Average Quality	AA	AAA	AA

Sector Allocation



Credit Quality Allocation



Tier One: Payden Low Duration

As of March 31, 2017

Account Information

Account Name	Tier One: Payden Low Duration
Account Structure	Separate Account
Investment Style	Active
Inception Date	7/01/99
Account Type	US Fixed Income Short Term
Benchmark	BofA Merrill Lynch US Treasuries 1-3 Yrs
Universe	eA US Short Duration Fixed Inc Net

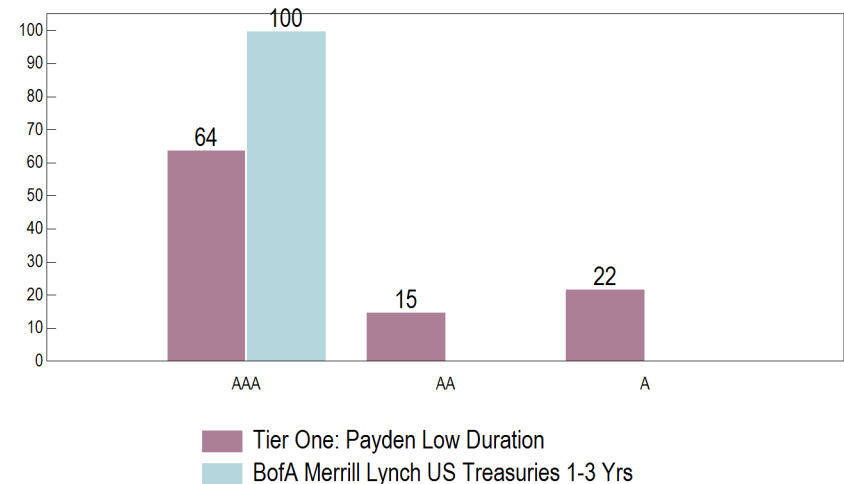
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Payden Low Duration(Gross)	0.387	0.387	0.798	0.968	0.880	2.274	3.097	Jul-99
Tier One: Payden Low Duration(Net)	0.368	0.368	0.722	0.879	0.776	--	--	
BofA Merrill Lynch US Treasuries 1-3 Yrs	0.260	0.260	0.245	0.722	0.636	1.998	3.008	Jul-99
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	0.393	0.393	0.697	0.961	0.971	2.346	3.341	Jul-99

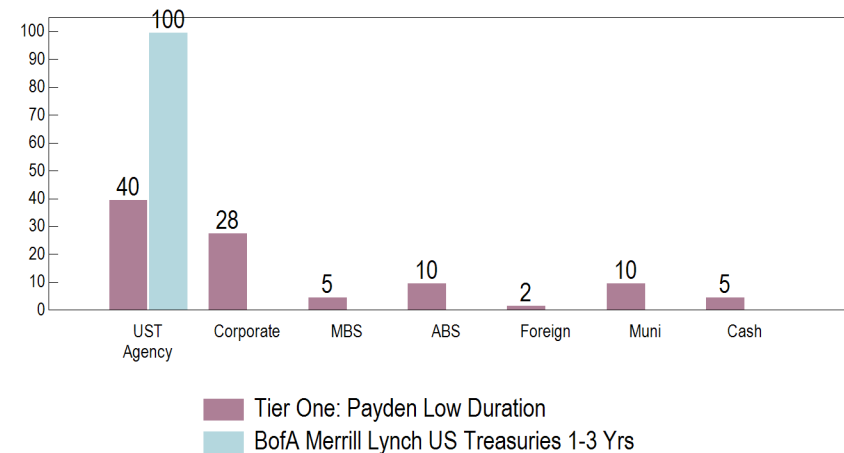
Tier One: Payden Low Duration Fixed Income Characteristics
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.50	1.27	1.36
Average Duration	1.61	1.89	1.54
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account

As of March 31, 2017

Account Information

Account Name	Tier One: Wells Capital Reserve Account
Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	US Fixed Income
Benchmark	BofA Merrill Lynch US Treasuries 1-3 Yrs
Universe	eA US Short Duration Fixed Inc Net

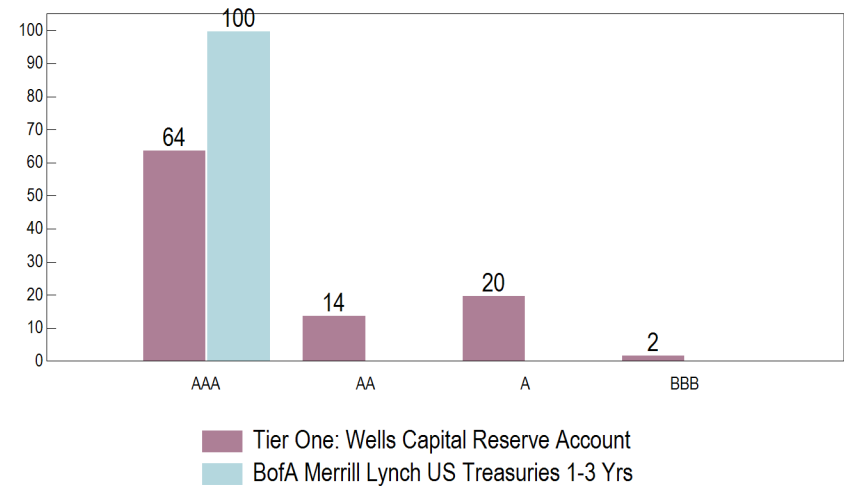
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Wells Capital Reserve Account(Gross)	0.353	0.353	--	--	--	--	0.610	Jun-16
Tier One: Wells Capital Reserve Account(Net)	0.335	0.335	--	--	--	--	0.550	
BofA Merrill Lynch US Treasuries 1-3 Yrs	0.260	0.260	0.245	0.722	0.636	1.998	0.316	Jun-16
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	0.393	0.393	0.697	0.961	0.971	2.346	0.627	Jun-16

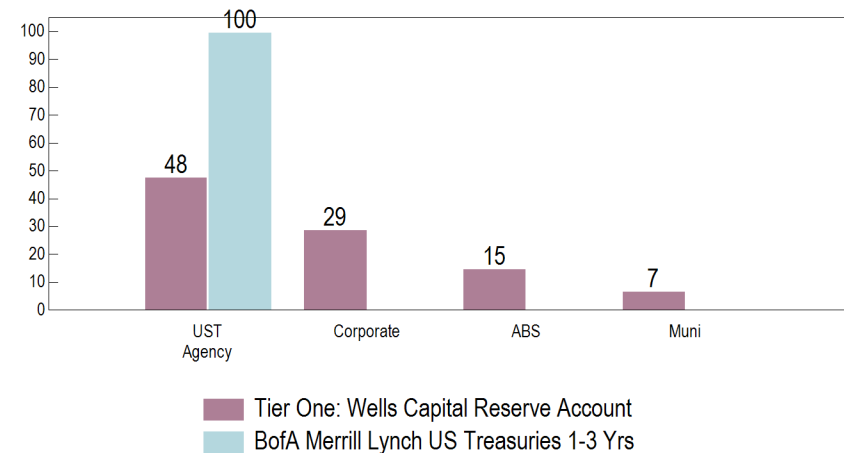
Tier One: Wells Capital Reserve Account Fixed Income Characteristics
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.49	1.27	1.42
Average Duration	1.63	1.89	1.75
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Logan Circle STAMP 1-3 Year

As of March 31, 2017

Account Information

Account Name	Tier One: Logan Circle STAMP 1-3 Year
Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	US Fixed Income
Benchmark	BofA Merrill Lynch US Treasuries 1-3 Yrs
Universe	eA US Short Duration Fixed Inc Net

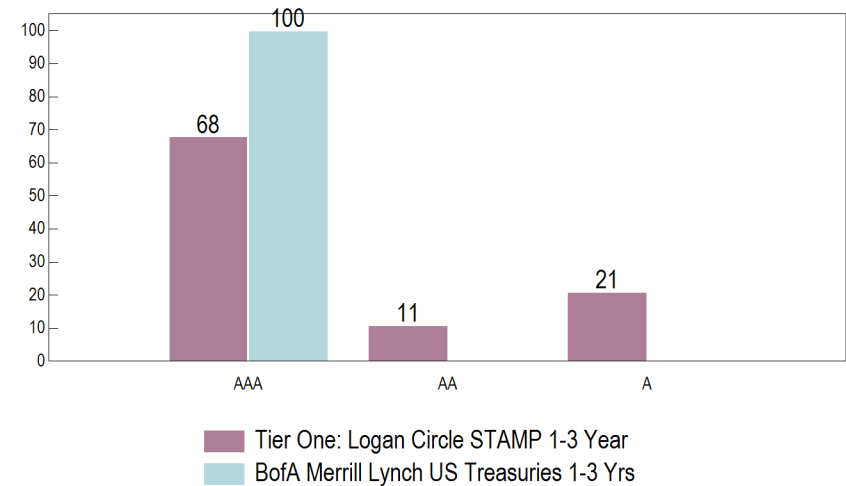
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Logan Circle STAMP 1-3 Year(Gross)	0.415	0.415	--	--	--	--	0.604	Jun-16
Tier One: Logan Circle STAMP 1-3 Year(Net)	0.394	0.394	--	--	--	--	0.533	
BofA Merrill Lynch US Treasuries 1-3 Yrs	0.260	0.260	0.245	0.722	0.636	1.998	0.316	Jun-16
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	0.393	0.393	0.697	0.961	0.971	2.346	0.627	Jun-16

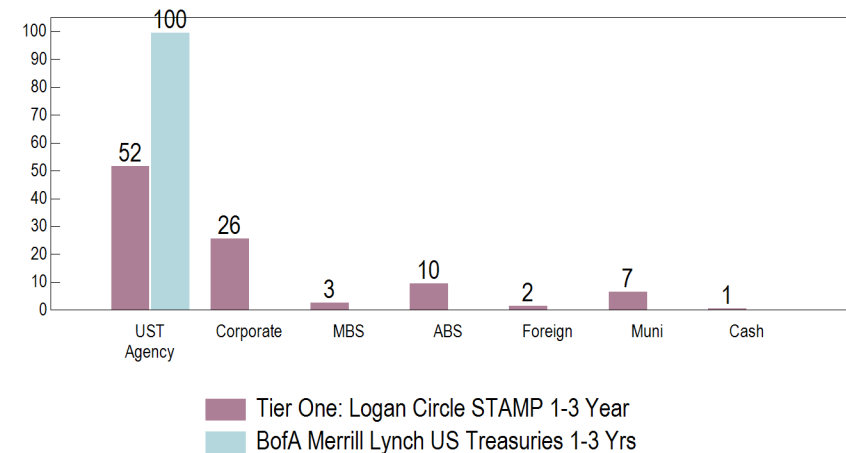
Tier One: Logan Circle STAMP 1-3 Year Fixed Income Characteristics
vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.43	1.27	1.43
Average Duration	1.52	1.89	1.68
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier Two: Logan Circle STAMP 1-5 Year

As of March 31, 2017

Account Information

Account Name	Tier Two: Logan Circle STAMP 1-5 Year
Account Structure	Separate Account
Investment Style	Active
Inception Date	4/01/13
Account Type	US Fixed Income Short Term
Benchmark	BofA Merrill Lynch US Treasuries 1-5 Yrs
Universe	eA US Short Duration Fixed Inc Net

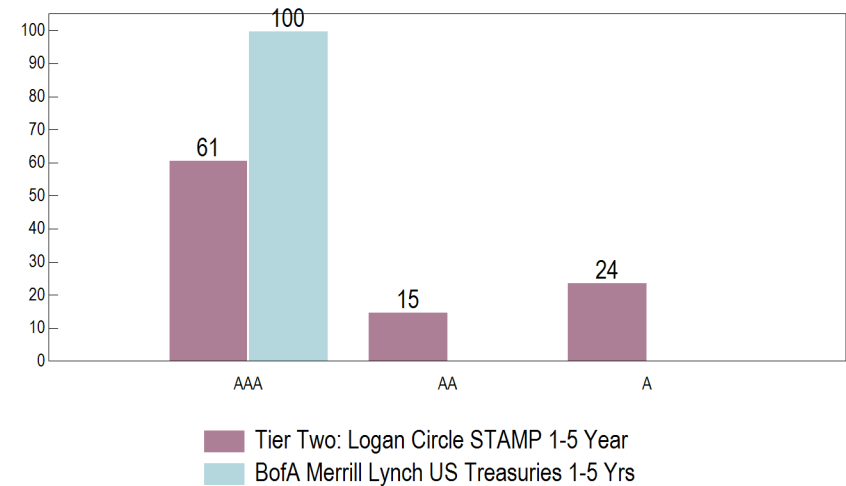
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	0.561	0.561	0.495	1.589	--	--	1.267	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)	0.530	0.530	0.370	1.463	--	--	1.140	
BofA Merrill Lynch US Treasuries 1-5 Yrs	0.372	0.372	-0.104	1.139	0.917	2.651	0.832	Apr-13
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	0.558	0.558	0.563	1.430	1.377	2.982	1.186	Apr-13

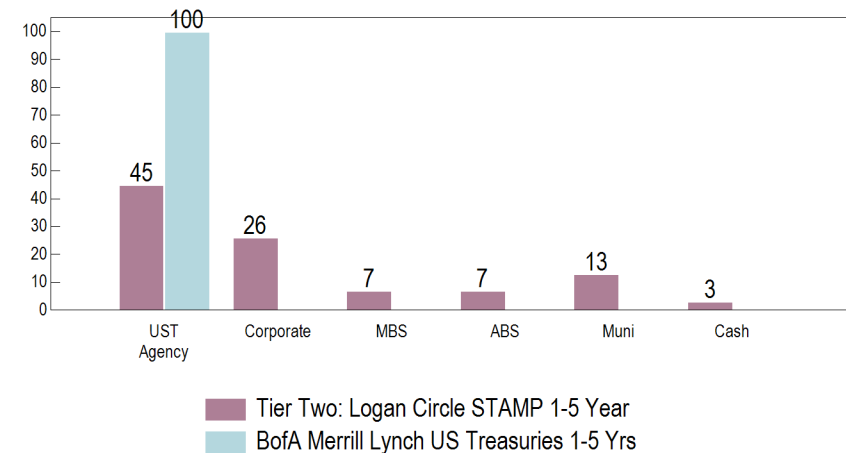
Tier Two: Logan Circle STAMP 1-5 Year Fixed Income Characteristics
vs. BofA Merrill Lynch US Treasuries 1-5 Yrs

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.71	1.48	1.76
Average Duration	2.38	2.69	2.58
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



As of March 31, 2017

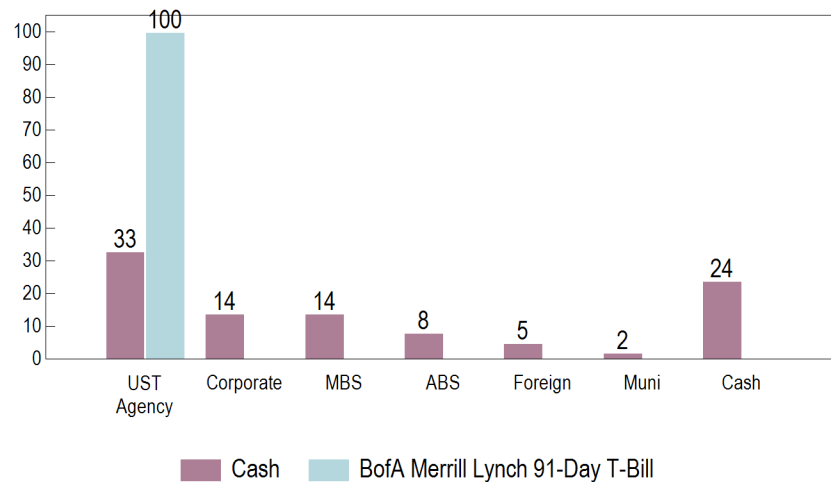
Asset Allocation on March 31, 2017

	Actual	Actual
Operating: Logan Circle Enhanced Cash	\$582,486,068	33.3%
Operating: Payden Enhanced Cash	\$583,022,729	33.3%
Operating: Wells Capital Enhanced Cash	\$582,961,652	33.3%
Total	\$1,748,470,449	100.0%

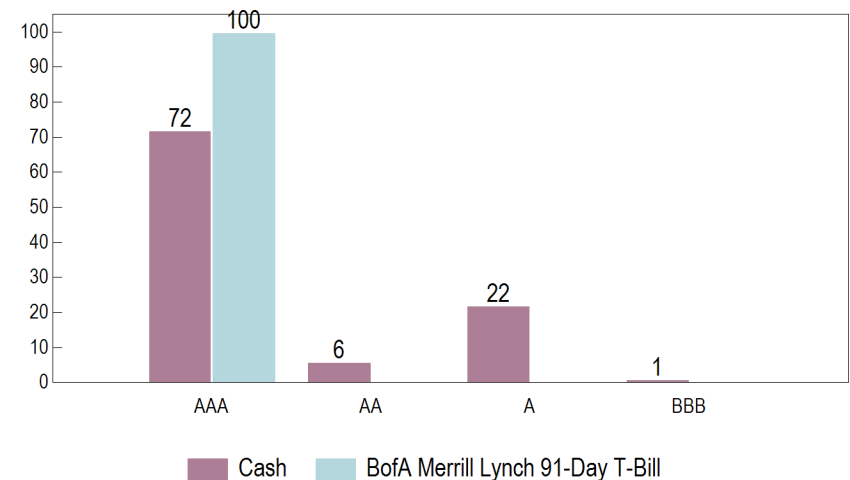
Cash Characteristics
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.1	0.8	0.8
Average Duration	0.3	0.2	0.2
Average Quality	AA	AAA	AAA

Sector Allocation



Credit Quality Allocation



Operating: Payden Enhanced Cash

As of March 31, 2017

Account Information

Account Name	Operating: Payden Enhanced Cash
Account Structure	Separate Account
Investment Style	Active
Inception Date	7/01/99
Account Type	Cash Alternatives
Benchmark	Citi 3mth Treasury Bill
Universe	eA US Enh Cash Management Net

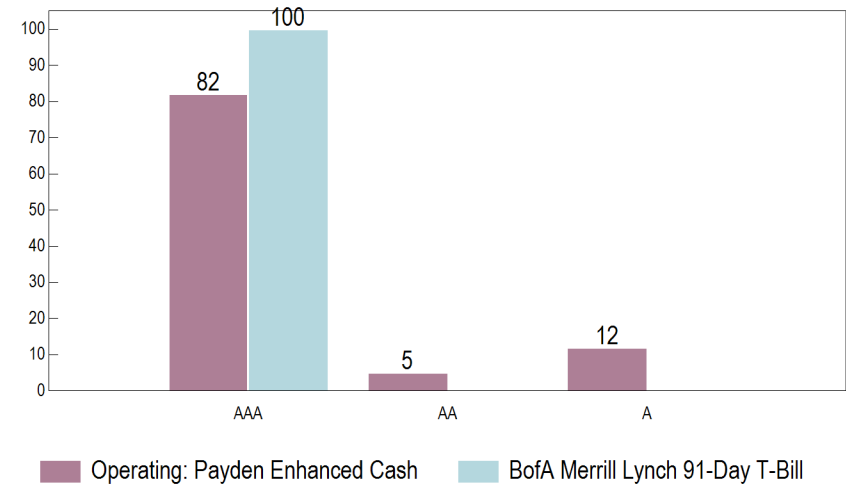
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Payden Enhanced Cash(Gross)	0.239	0.239	0.927	0.465	0.327	0.772	1.986	Jul-99
Operating: Payden Enhanced Cash(Net)	0.219	0.219	0.849	0.377	0.223	--	--	
Citi 3mth Treasury Bill	0.121	0.121	0.338	0.147	0.113	0.615	1.771	Jul-99

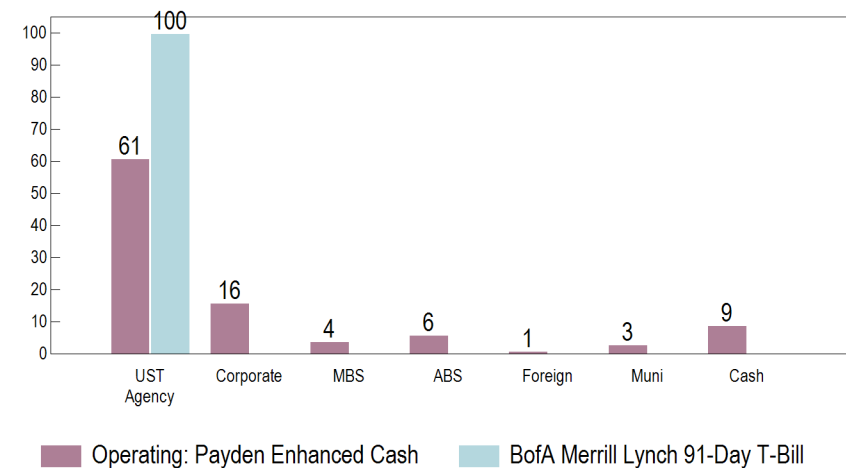
Operating: Payden Enhanced Cash Fixed Income Characteristics
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.04	0.76	0.81
Average Duration	0.35	0.24	0.34
Average Quality	AA	AAA	AAA

Credit Quality Allocation



US Sector Allocation



Operating: Logan Circle Enhanced Cash

As of March 31, 2017

Account Information

Account Name	Operating: Logan Circle Enhanced Cash
Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	Cash
Benchmark	Citi 3mth Treasury Bill
Universe	eA US Enh Cash Management Net

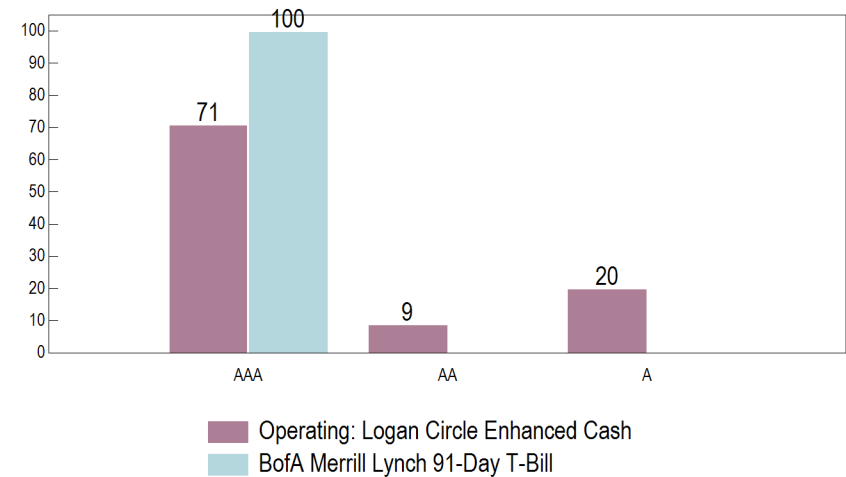
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Logan Circle Enhanced Cash(Gross)	0.244	0.244	--	--	--	--	0.707	Jun-16
Operating: Logan Circle Enhanced Cash(Net)	0.223	0.223	--	--	--	--	0.638	
Citi 3mth Treasury Bill	0.121	0.121	0.338	0.147	0.113	0.615	0.293	Jun-16

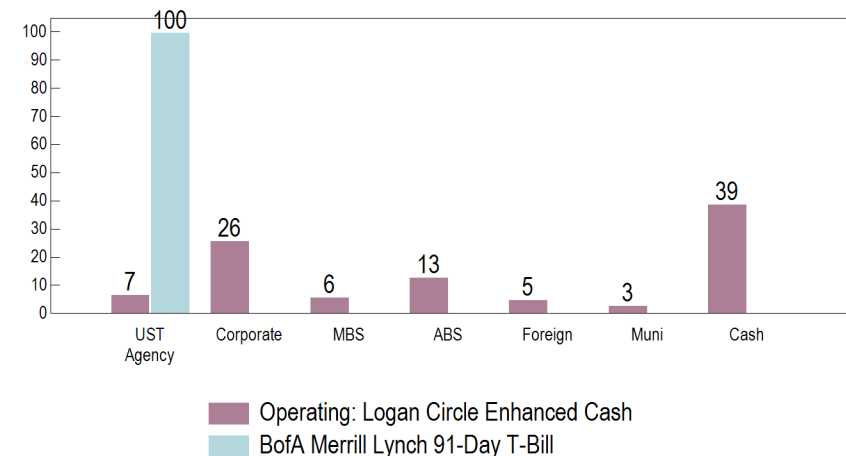
Operating: Logan Circle Enhanced Cash Fixed Income Characteristics
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.06	0.76	0.89
Average Duration	0.12	0.24	0.12
Average Quality	A	AAA	AAA

Credit Quality Allocation



US Sector Allocation



Operating: Wells Capital Enhanced Cash

As of March 31, 2017

Account Information

Account Name	Operating: Wells Capital Enhanced Cash
Account Structure	Separate Account
Investment Style	Active
Inception Date	6/01/16
Account Type	Cash
Benchmark	Citi 3mth Treasury Bill
Universe	eA US Enh Cash Management Net

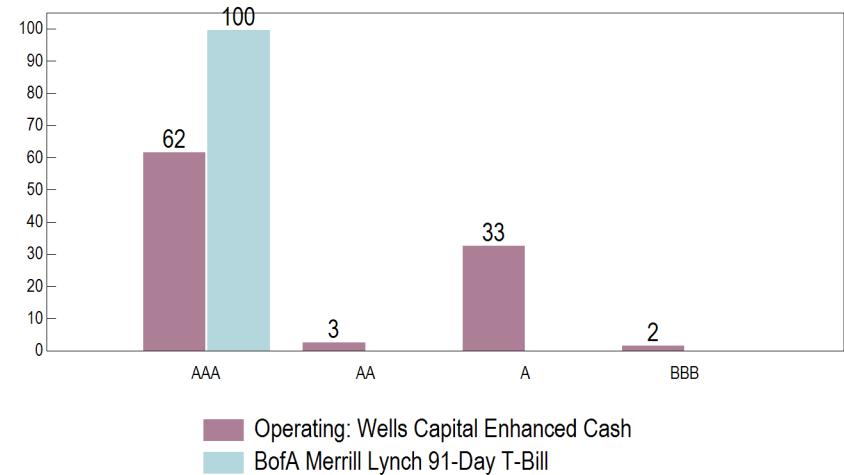
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Wells Capital Enhanced Cash(Gross)	0.176	0.176	--	--	--	--	0.556	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.158	0.158	--	--	--	--	0.496	
Citi 3mth Treasury Bill	0.121	0.121	0.338	0.147	0.113	0.615	0.293	Jun-16

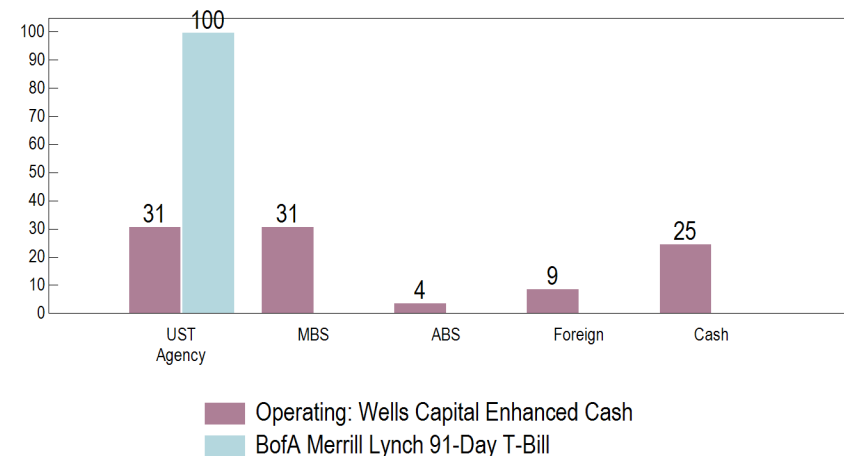
Operating: Wells Capital Enhanced Cash Fixed Income Characteristics
vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q1-17	Index Q1-17	Portfolio Q4-16
Fixed Income Characteristics			
Yield to Maturity	1.15	0.76	0.67
Average Duration	0.45	0.24	0.16
Average Quality	AA	AAA	AAA

Credit Quality Allocation



US Sector Allocation



As of March 31, 2017

Annual Investment Expense Analysis
As Of March 31, 2017

Name	Fee Schedule	Market Value
Fixed Income		\$533,049,021
Tier One: Payden Low Duration	0.10% of First \$100.0 Mil, 0.08% of Next \$250.0 Mil, 0.07% Thereafter	\$145,711,189
Tier One: Logan Circle STAMP 1-3 Year	0.10% of First \$50.0 Mil, 0.09% of Next \$250.0 Mil, 0.07% Thereafter	\$145,451,947
Tier One: Wells Capital Reserve Account	0.09% of First \$100.0 Mil, 0.07% of Next \$200.0 Mil, 0.06% Thereafter	\$145,463,504
Tier Two: Logan Circle STAMP 1-5 Year	0.15% of First \$50.0 Mil, 0.10% of Next \$250.0 Mil, 0.07% Thereafter	\$96,422,381
Cash		\$1,748,470,449
Operating: Payden Enhanced Cash	0.10% of First \$100.0 Mil, 0.08% of Next \$250.0 Mil, 0.07% Thereafter	\$583,022,729
Operating: Logan Circle Enhanced Cash	0.10% of First \$50.0 Mil, 0.09% of Next \$250.0 Mil, 0.07% Thereafter	\$582,486,068
Operating: Wells Capital Enhanced Cash	0.09% of First \$100.0 Mil, 0.07% of Next \$200.0 Mil, 0.06% Thereafter	\$582,961,652
Total		\$2,281,519,470

Please note that Logan Circle, Payden, and Wells Capital charge their investment management fees on an aggregate basis across Operating Cash, Tier One and Tier Two portfolios.



Quarterly Investment Report Supplement

Annual Investment Policy (2016) Maturity and Quality Requirements

Maximum Permitted Maturity				Actual Maximum Maturity								Compliance
Allowable Instruments	Operating Funds	Tier One	Tier Two	Operating Funds			Tier One			Tier Two		
				<i>LC</i>	<i>P&R</i>	<i>WF</i>	<i>LC</i>	<i>P&R</i>	<i>WF</i>	<i>LC</i>		
U.S. Treasuries	450 days	5 years	5 years	27 days	425 days	334 days	4.92 years	2.96 years	2.12 years	4.92 years	Yes	
U.S. Agencies	450 days	5 years	5 years	NA	131 days	300 days	1.55 years	2.91 years	2.92 years	1.99 years	Yes	
State & Local Obligations ¹	450 days	5 years	5 years	123 days	154 days	NA	4.34 years	2.58 years	2.42 years	4.34 years	Yes	
Supranationals	450 days	5 years	5 years	109 days	NA	291 days	NA	2.12 years	NA	NA	Yes	
Negotiable Cert of Deposit	1 year	1 year	1 year	46 days	186 days	NA	NA	0.45 years	NA	3 days	Yes	
Commercial Paper	270 days	270 days	270 days	21 days	NA	180 days	NA	NA	NA	NA	Yes	
Repurchase Agreements	30 days	30 days	30 days	NA	NA	NA	NA	NA	NA	NA	Yes	
Medium Term Notes	450 days	5 years	5 years	147 days	326 days	360 days	3.69 years	3.74 years	3.00 years	4.38 years	Yes	
Mortgage/ Asset-Backed	450 days	5 years	5 years	354 days	239 days	379 days	4.21 years	2.21 years	2.64 years	4.17 years	Yes	
Variable & Floating Rate	450 days	5 years	5 years	79 days	88 days ²	379 days	2.93 years	110 days	2.00 years	3.69 years	Yes	

- Investment managers have independently verified that they have maintained compliance with CalOptima's Investment Policy Statement-designated security credit rating requirements during the review quarter.

¹ Includes CA and any other state in the U.S.

² Effective Maturity.



Annual Investment Policy (2016) Diversification Compliance¹

Allowable Instruments	Maximum (%)	Logan Circle (%)	Logan Circle (\$ mm)	Payden (%)	Payden (\$ mm)	Wells Capital (%)	Wells Capital (\$ mm)	Total (%)	Total (\$ mm)
U.S. Treasuries	100	11.6	95.4	31.0	226.1	26.1	190.0	22.4	511.5
U.S. Agencies	100	2.8	23.3	24.0	175.0	7.3	52.9	11.0	251.2
State & Local Obligations ²	25	4.9	40.3	4.0	29.3	1.4	10.5	3.5	80.1
Supranationals	30	3.8	31.5	0.4	2.6	4.8	34.8	3.0	68.9
Negotiable Certificate of Deposit	30	20.1	165.3	6.0	43.7	0.0	0.0	1.9	43.7
Commercial Paper	25	7.7	63.5	0.0	0.0	19.4	141.2	6.2	141.2
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	18.1	148.9	6.6	48.1	25.7	187.2	16.8	384.2
Money Market Funds	20	3.9	32.4	0.8	6.1	0.3	2.2	11.8	269.5
Mortgage/Asset-Backed	20	6.3	51.9	5.8	42.5	6.2	44.9	6.1	139.3
Variable & Floating Rate	30	20.9	172.0	21.3	155.4	8.9	64.9	17.2	392.3
Total		100.0	824.4	100.0	728.7	100.0	728.4	100.0	2281.5

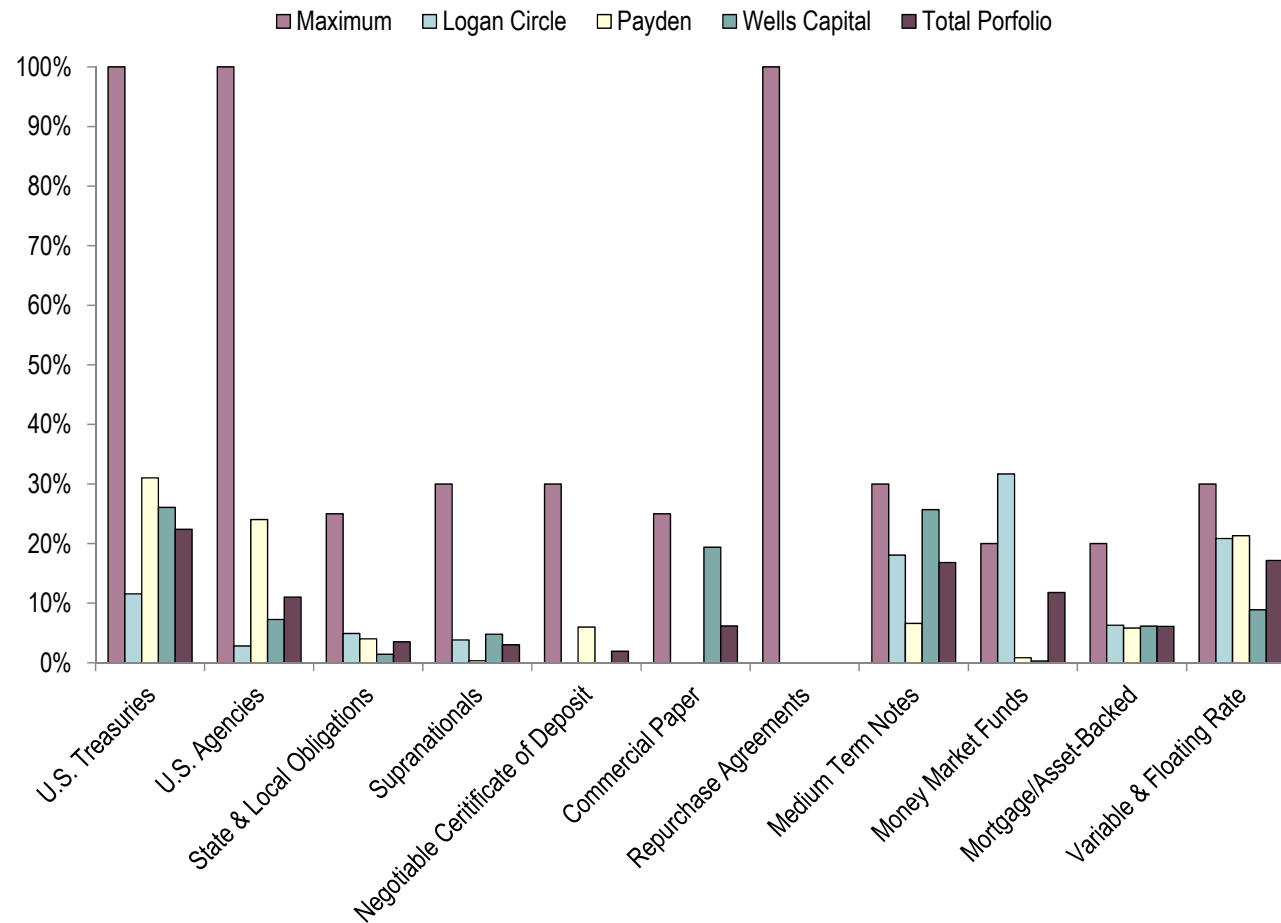
- Investment composition of each portfolio and the total portfolio are in compliance with the CalOptima Annual Investment Policy 2016.

¹ Blended allocations for Payden & Rygel, Logan Circle, and Wells Capital accounts.

² Includes CA and any other state in the U.S.

Annual Investment Policy (2016) Actual vs. Diversity Requirements

As of March 31, 2017



Custom Peer Group

Custom Peer Group

- Given CalOptima's unique investment guidelines, traditional fixed income peer groups are not the best comparison tool for the Tier One and Tier Two pools.
- Meketa Investment Group surveyed the eVestment Alliance U.S. Short Duration Fixed Income universe and Morningstar's Short Duration Fixed Income universe to create custom peer universes for each of the Tier One and Tier Two pools in order to provide a more accurate performance comparison¹.
 - For the analysis, the combined eVestment and Morningstar universe was pared down through the elimination of funds with exposure to securities with below-"A"-rated credit.
 - Two unique buckets were established based on each portfolio's historical average effective duration relative to the Merrill Lynch 1-3 Year Treasury index (Tier One peer group) and the Merrill Lynch 1-5 year Treasury index (Tier Two peer group).
 - The Tier One peer group consists of thirteen strategies with a median effective duration of 1.8 years, while the Tier Two peer group consists of nine strategies with an average effective duration of 2.5 years as of December 31, 2016.
- Please note that the analysis is as of December 31, 2016, as the universe of investment managers that had reported data as of March 31, 2017 was very small at the date that these materials were submitted.
- This analysis is based on a small peer universe that may change significantly over time, potentially resulting in large changes in peer rankings quarter-to-quarter.

¹ Though this comparison is more accurate than ranking the managers relative to the broad short duration peer group, these peer managers are not subject to the restrictions of the California Government Code. They are likely to have more degrees of freedom to invest across fixed income securities and sectors.

Custom Peer Group: Logan Circle Tier One

Gross of Fees Returns as of 12/31/2016¹	4Q 2016 (%)
Tier One: Logan Circle STAMP 1-3 Year	-0.41
Peer Group Median Return	-0.36
Peer Group Rank (percentile)	77

- The Logan Circle Tier One portfolio underperformed the peer group in the fourth quarter of 2016, ranking in the 77th percentile.

¹ Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

Custom Peer Group: Payden Tier One

Gross of Fees Returns as of 12/31/2016¹	4Q 2016 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	-0.18	1.14	0.91	0.86	2.38
Peer Group Median Return	-0.36	1.28	1.02	0.99	2.52
Peer Group Rank (percentile)	19	59	77	77	59

Standard Deviation as of 9/30/2016²	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.59	0.54	1.27
Median Standard Deviation	0.78	0.75	1.18
Peer Group Rank (percentile)	87	86	42

- The Payden Tier One portfolio outperformed the peer group in the fourth quarter of 2016, and performance ranks in the third or fourth quartile over the one-, three-, five-, and ten-year trailing periods.
- Standard deviation has ranked favorably versus peers over three- and five-year trailing periods, though ten-year trailing standard deviation is slightly above the peer group median. The ten-year peer group rank is influenced by the tight concentration of peer manager standard deviation between 1.15 and 1.25.

¹ Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

² For peer group standard deviation rankings, a percentile rank of 99 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 1 would indicate that the strategy exhibited the highest standard deviation relative to the peer group.

Custom Peer Group: Wells Capital Tier One

Gross of Fees Returns as of 12/31/2016 ¹	4Q 2016 (%)
Tier One: Wells Capital Reserve Account	-0.31
Peer Group Median Return	-0.36
Peer Group Rank (percentile)	31

- The Wells Capital Tier One portfolio outperformed the short duration peer group in the fourth quarter of 2016, ranking in the 31st percentile of the peer group.

¹ Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

Custom Peer Group: Logan Circle Tier Two

Gross of Fees Returns as of 12/31/2016¹	4Q 2016 (%)	1 Year (%)	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	-0.99	1.64	1.56
Peer Group Median Return	-0.86	1.50	1.65
Peer Group Rank (percentile)	62	33	59

Standard Deviation as of 12/31/2016²	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	1.32
Median Standard Deviation	1.21
Peer Group Rank (percentile)	41

- Logan Circle has performed well over the one-year trailing period ended December 31, 2016, ranking in the 33rd percentile of the peer group, though three-year trailing performance ranks slightly below the peer group median.
- Standard deviation for the strategy over the trailing three year period exceeds the peer group median, ranking in the 41st percentile of the peer group.

¹ Investment managers are ranked based on performance gross of fees; given the discounted fee structures offered by CalOptima's investment managers, performance on a net-of-fee basis is more compelling relative to peers.

² For peer group standard deviation rankings, a percentile rank of 1 would indicate that the strategy exhibited the lowest standard deviation relative to the peer group, and a percentile rank of 99 would indicate that the strategy exhibited the highest standard deviation relative to the peer group.

Performance Attribution

Performance Attribution

- The following pages present attribution data for the Logan Circle Tier One and Tier Two portfolios, the Payden & Rygel Tier One portfolio, and the Wells Capital Tier One portfolio.
- Attribution represents outperformance or underperformance, based on active investment decisions across fixed income sub-sectors, relative to a manager's benchmark index. Attribution data demonstrates where managers are able to most effectively add incremental value versus the benchmark.
- Attribution data is provided by the investment managers and is presented gross of investment management fees as of March 31, 2017. Attribution data fields will vary slightly across investment managers.

Logan Circle Tier One Performance Attribution

Gross of Fees as of 3/31/2017

Benchmark Relative Attribution (basis points)	1Q 2017	9 Month
Duration	5	12
Yield Curve	-2	-17
Sector Selection	12	34
Treasury	-2	-3
Agency	0	2
Corporate	9	20
Financial	7	17
Industrial	0	1
Utilities	2	2
MBS	0	2
CMBS	0	1
ABS	1	5
Municipal	4	7
Total Excess Return	15	29
Logan Circle Tier One Return	41	60
Merrill Lynch 1-3 Year Treasury Return	26	32

Payden & Rygel Tier One Performance Attribution
Gross of Fees as of 3/31/2017

Benchmark Relative Attribution (basis points)	1Q 2017	6 Month	1 Year
Duration	3	17	15
Yield Curve	-5	-6	-10
Sector Selection	17	28	51
Treasury ¹	NA	NA	NA
Agency	3	6	8
Corporate	10	16	30
Financial	6	8	19
Industrial	3	5	7
Utilities	1	3	4
MBS	0	0	0
CMBS	1	1	2
ABS	2	4	11
Municipal	0	0	0
Total Excess Return	13	38	55
Payden & Rygel Tier One Return	39	21	80
Merrill Lynch 1-3 Year U.S. Treasury Return	26	-17	25

¹ Treasury sector selection attribution is included in Duration and Yield Curve attribution figures.

Wells Capital Tier One Performance Attribution
Gross of Fees as of 3/31/2017

Benchmark Relative Attribution (basis points)	1Q 2017	6 Month
Duration	-2	2
Sector Selection	NA	NA
Treasury ¹	NA	NA
Agency	0	1
Corporate	8	12
Financial	6	9
Industrial	2	3
Utilities	NA	NA
MBS	NA	NA
CMBS	NA	NA
ABS	2	3
Municipal	0	0
Error Factor	1	4
Total Excess Return	9	22
Wells Capital Tier One Return (%)	35	4
Merrill Lynch 1-3 Year U.S. Treasury Return (%)	26	-18

¹ Treasury sector selection attribution is included in Duration figure.



Logan Circle Tier Two Performance Attribution

Gross of Fees as of 3/31/2017

Benchmark Relative Attribution (basis points)	1Q 2017	1 Year
Duration	3	9
Yield Curve	0	-15
Sector Selection	16	66
Treasury	-4	-15
Agency	0	1
Corporate	13	44
Financial	9	36
Industrial	2	4
Utilities	2	4
MBS	0	2
CMBS	0	7
ABS	0	4
Municipal	7	23
Total Excess Return	19	60
Logan Circle Tier Two Return	56	50
Merrill Lynch 1-5 Year U.S. Treasury Return	37	-10

Holdings

CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
Cash							
	CASH OR STIF	USD	158,617.92	158,617.92	0.00	1.000	0.11%
Total for Cash			158,617.92	158,617.92	0.00		0.11%
Money Markets							
1,350,000.000	BANK OF TOKYO-MITSUBISHI NY YCD	06538M7L7	1,350,000.00	1,351,493.10	1,493.10	100.111	0.94%
	Mat: 8/30/17 Cpn: 1.53%		0.00	12,278.25			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 8/29/16 St Date: 8/30/16						
1,350,000.000	BANK OF NOVA SCOTIA HOUSTON YCD 3ML FRN	06417GPD4	1,350,000.00	1,350,000.00	0.00	100.000	0.93%
	Mat: 9/7/17 Cpn: 1.60%		0.00	1,501.57			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 9/1/16 St Date: 9/7/16						
1,180,000.000	RABOBANK NEDERLAND NY YCD 3ML FRN	21684BR89	1,180,000.00	1,180,000.00	0.00	100.000	0.81%
	Mat: 9/8/17 Cpn: 1.58%		0.00	1,239.96			
	Moody's: P-1 S&P: A-1 Fitch: F1+						
	Tr Date: 9/2/16 St Date: 9/8/16						
1,350,000.000	NORDEA BANK FINLAND YCD	65558LSW3	1,350,000.00	1,350,366.82	366.82	100.027	0.93%
	Mat: 9/8/17 Cpn: 1.35%		0.00	10,175.63			
	Moody's: P-1 S&P: A-1+ Fitch:						
	Tr Date: 9/8/16 St Date: 9/12/16						
1,350,000.000	BNP PARIBAS NY YCD	05582WDW1	1,350,000.00	1,351,340.64	1,340.64	100.099	0.94%
	Mat: 9/13/17 Cpn: 1.52%		0.00	11,286.00			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 9/13/16 St Date: 9/15/16						
Total for Money Markets			6,580,000.00	6,583,200.57	3,200.57		4.54%
			0.00	36,481.40			
Treasuries							
3,200,000.000	U.S. TREASURY NOTE	912828R93	3,200,125.00	3,180,224.13	(19,900.87)	99.382	2.19%
	Mat: 6/30/18 Cpn: 0.63%		706.52	5,027.62			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/8/16 St Date: 7/13/16						
2,170,000.000	U.S. TREASURY NOTE	912828L40	2,177,205.08	2,164,726.99	(12,478.09)	99.757	1.49%
	Mat: 9/15/18 Cpn: 1.00%		3,177.07	1,002.45			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 11/4/16 St Date: 11/7/16						



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,730,000.000	U.S. TREASURY NOTE Mat: 11/30/18 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/14/16 St Date: 12/19/16	912828U40	3,714,581.52 1,946.98	3,717,429.97 12,501.65	2,848.45	99.663	2.56%
7,080,000.000	U.S. TREASURY NOTE Mat: 1/31/19 Cpn: 1.13% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/25/17 St Date: 1/31/17	912828V56	7,062,151.28 2,414.71	7,066,194.00 13,201.66	4,042.72	99.805	4.86%
1,700,000.000	U.S. TREASURY NOTE Mat: 2/28/19 Cpn: 1.13% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/28/17 St Date: 3/6/17	912828W30	1,695,342.00 311.82	1,696,158.03 1,663.04	816.03	99.774	1.17%
1,815,000.000	U.S. TREASURY NOTE Mat: 3/15/19 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/7/16 St Date: 10/11/16	912828P95	1,817,410.55 1,303.59	1,806,015.70 838.45	(11,394.85)	99.505	1.24%
6,635,000.000	U.S. TREASURY NOTE Mat: 6/15/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/24/16 St Date: 6/29/16	912828R85	6,614,843.76 21,121.44	6,571,701.97 17,065.99	(43,141.79)	99.046	4.52%
5,495,000.000	U.S. TREASURY NOTE Mat: 7/15/19 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/1/16 St Date: 9/6/16	912828S43	5,472,032.62 5,935.50	5,422,850.43 8,652.35	(49,182.19)	98.687	3.73%
5,395,000.000	U.S. TREASURY NOTE Mat: 2/15/20 Cpn: 1.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/1/17 St Date: 2/15/17	912828W22	5,367,428.92 0.00	5,378,329.56 9,221.43	10,900.64	99.691	3.70%
2,133,000.000	U.S. TREASURY NOTE Mat: 3/15/20 Cpn: 1.63% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/2/17 St Date: 3/15/17	912828W63	2,130,582.22 0.00	2,140,828.05 1,601.20	10,245.83	100.367	1.47%
Total for Treasuries			39,251,702.94 36,917.63	39,144,458.82 70,775.83	(107,244.12)		26.91%

Government Related

1,080,000.000	INTL BANK RECON & DEVELOP Mat: 7/19/18 Cpn: 0.88% Moody's: Aaa S&P: AAA Fitch: AAAu Tr Date: 4/12/16 St Date: 4/19/16	459058FE8	1,078,088.40 0.00	1,074,286.80 1,890.00	(3,801.60)	99.471	0.74%
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CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,300,000.000	HOUSING URBAN DEVELOPMENT Mat: 8/1/18 Cpn: 1.33% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/19/15 St Date: 5/28/15	911759LZ9	1,300,000.00 0.00	1,302,834.00 2,881.67	2,834.00	100.218	0.90%
1,500,000.000	INTER-AMERICAN DEVELOPMENT BANK Mat: 5/13/19 Cpn: 1.00% Moody's: Aaa S&P: AAA Fitch: AAA Tr Date: 4/5/16 St Date: 4/12/16	458182DX7	1,495,500.00 0.00	1,485,435.00 5,750.00	(10,065.00)	99.029	1.02%
Total for Government Related			3,873,588.40 0.00	3,862,555.80 10,521.67	(11,032.60)		2.66%

Agencies

1,350,000.000	FNMA C 7/27/17 1X Mat: 7/27/18 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/7/16 St Date: 7/27/16	3135G0L68	1,347,975.00 0.00	1,337,701.50 1,800.00	(10,273.50)	99.089	0.92%
1,350,000.000	FHLMC C 12/14/16 Q Mat: 9/14/18 Cpn: 1.15% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/29/16 St Date: 9/14/16	3134GAJQ8	1,350,000.00 0.00	1,346,895.00 733.13	(3,105.00)	99.770	0.92%
1,350,000.000	FHLB Mat: 10/1/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/25/16 St Date: 8/26/16	3130A9AE1	1,349,082.00 0.00	1,342,696.50 5,906.25	(6,385.50)	99.459	0.93%
1,360,000.000	FHLMC Mat: 10/12/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/15/16 St Date: 9/16/16	3137EAED7	1,359,415.20 0.00	1,352,642.40 6,445.83	(6,772.80)	99.459	0.93%
2,900,000.000	FHLB Mat: 1/16/19 Cpn: 1.25% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/7/16 St Date: 12/8/16	3130AAE46	2,899,884.00 0.00	2,896,578.00 7,552.08	(3,306.00)	99.882	1.99%
3,830,000.000	FNMA Mat: 2/26/19 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/19/16 St Date: 2/23/16	3135G0J53	3,820,961.20 0.00	3,804,836.90 3,723.61	(16,124.30)	99.343	2.61%
1,490,000.000	FHLB Mat: 3/18/19 Cpn: 1.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/9/17 St Date: 3/10/17	3130AAXX1	1,486,543.20 0.00	1,490,640.70 1,195.10	4,097.50	100.043	1.02%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,320,000.000	FNMA C 12/13/16 Q Mat: 6/13/19 Cpn: 1.25% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 6/13/16 St Date: 6/15/16	3135G0K77	1,320,000.00 91.67	1,310,971.20 4,950.00	(9,028.80)	99.316	0.90%
935,000.000	FHLMC Mat: 7/19/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/19/16 St Date: 7/20/16	3137EAEB1	932,737.30 0.00	923,714.55 1,636.25	(9,022.75)	98.793	0.64%
1,420,000.000	FNMA Mat: 8/2/19 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/29/16 St Date: 8/2/16	3135G0N33	1,417,614.40 0.00	1,401,483.20 2,036.32	(16,131.20)	98.696	0.96%
1,350,000.000	FNMA Mat: 8/28/19 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/31/16 St Date: 9/2/16	3135G0P49	1,347,894.00 0.00	1,335,285.00 1,162.50	(12,609.00)	98.910	0.92%
870,000.000	FNMA Mat: 2/28/20 Cpn: 1.50% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/24/17 St Date: 2/28/17	3135G0T29	869,443.20 0.00	868,390.50 1,123.75	(1,052.70)	99.815	0.60%
Total for Agencies			19,501,549.50 91.67	19,411,835.45 38,264.83	(89,714.05)		13.35%

Taxable Muni

600,000.000	MN MINNESOTA ST TAXABLE Mat: 6/1/17 Cpn: 1.05% Moody's: S&P: AA Fitch: AA+ Tr Date: 10/30/15 St Date: 11/4/15	604146AX8	600,492.00 2,685.15	599,916.00 2,106.00	(576.00)	99.986	0.41%
1,600,000.000	CA SACRAMENTO CITY USD GO/ULT TAXABLE Mat: 8/1/17 Cpn: 1.25% Moody's: S&P: AA Fitch: Tr Date: 5/15/15 St Date: 6/4/15	785870WA0	1,600,000.00 0.00	1,600,320.00 3,328.00	320.00	100.020	1.10%
200,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/17 Cpn: 1.51% Moody's: Aa3 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERP1	200,000.00 0.00	200,218.00 1,004.67	218.00	100.109	0.14%
610,000.000	WI STATE TAXABLE Mat: 5/1/18 Cpn: 1.64% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 10/27/15 St Date: 10/30/15	977100CQ7	617,411.50 4,986.34	612,562.00 4,178.50	(4,849.50)	100.420	0.42%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
670,000.000	CA UNIV OF CALIFORNIA TXB Mat: 5/15/18 Cpn: 1.30% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 9/27/16 St Date: 9/29/16	91412GPZ2	672,860.90 3,232.08	668,666.70 3,280.32	(4,194.20)	99.801	0.46%
375,000.000	CA MORGAN HILL UNIF SCH DIST GO/ULT TXB Mat: 8/1/18 Cpn: 1.64% Moody's: Aa1 S&P: Fitch: Tr Date: 11/18/15 St Date: 12/17/15	617403EJ5	375,000.00 0.00	376,020.00 1,025.63	1,020.00	100.272	0.26%
1,500,000.000	MS STATE ULT/OG TAXABLE Mat: 10/1/18 Cpn: 1.47% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 2/4/15 St Date: 2/18/15	605581FY8	1,500,000.00 0.00	1,505,745.00 11,040.00	5,745.00	100.383	1.04%
1,400,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/18 Cpn: 2.34% Moody's: S&P: A+ Fitch: A+ Tr Date: 11/4/15 St Date: 11/19/15	544587B98	1,400,000.00 0.00	1,420,412.00 13,673.33	20,412.00	101.458	0.98%
750,000.000	CA PASADENA UNIF SCH DIST GO/ULT TXB Mat: 11/1/18 Cpn: 1.86% Moody's: Aa2 S&P: A+ Fitch: Tr Date: 7/23/15 St Date: 7/28/15	702282ND2	755,820.00 3,373.06	755,445.00 5,815.63	(375.00)	100.726	0.52%
450,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/18 Cpn: 2.04% Moody's: Aa3 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERQ9	450,000.00 0.00	451,696.50 3,054.00	1,696.50	100.377	0.31%
270,000.000	CA LOS ANGELES DEPT AIRPORTS-LAX TXBL Mat: 5/15/19 Cpn: 1.75% Moody's: Aa3 S&P: AA Fitch: AA Tr Date: 11/16/16 St Date: 12/6/16	544445AY5	270,000.00 0.00	269,784.00 1,509.38	(216.00)	99.920	0.19%
2,500,000.000	CA EARTHQUAKE AUTH TAXABLE Mat: 7/1/19 Cpn: 2.81% Moody's: A3 S&P: Fitch: A Tr Date: 2/6/15 St Date: 2/11/15	13017HAE6	2,529,925.00 7,791.67	2,524,425.00 17,531.25	(5,500.00)	100.977	1.74%
2,000,000.000	CA UNIVERSITY OF CALIFORNIA TAXABLE Mat: 7/1/19 Cpn: 1.80% Moody's: Aa2 S&P: AA Fitch: AA Tr Date: 3/2/15 St Date: 3/5/15	91412GSB2	2,018,160.00 3,891.33	2,012,980.00 8,980.00	(5,180.00)	100.649	1.39%
335,000.000	CA SAN FRANCISCO REDEV AGY TXB Mat: 8/1/19 Cpn: 2.19% Moody's: S&P: A Fitch: Tr Date: 3/10/17 St Date: 3/29/17	79770GFZ4	335,000.00 0.00	336,983.20 40.81	1,983.20	100.592	0.23%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
370,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/19 Cpn: 2.85% Moody's: S&P: A+ Fitch: A+ Tr Date: 2/25/16 St Date: 3/1/16	544587C22	381,536.60 2,983.56	377,322.30 4,387.58	(4,214.30)	101.979	0.26%
Total for Taxable Muni			13,706,206.00 28,943.19	13,712,495.70 80,955.09	6,289.70		9.47%
Credit							
510,000.000	UNITEDHEALTH GROUP Mat: 7/17/17 Cpn: 1.45% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 7/20/15 St Date: 7/23/15	91324PCK6	509,903.10 0.00	510,365.67 1,520.08	462.57	100.072	0.35%
800,000.000	BB&T CORPORATION Mat: 8/15/17 Cpn: 1.60% Moody's: A2 S&P: A- Fitch: A+ Tr Date: 1/22/15 St Date: 1/27/15	05531FAL7	805,896.00 5,760.00	800,524.80 1,635.56	(5,371.20)	100.066	0.55%
1,200,000.000	JPMORGAN CHASE Mat: 8/15/17 Cpn: 2.00% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 1/21/15 St Date: 1/26/15	48126EAA5	1,212,708.00 10,733.33	1,202,744.40 3,066.67	(9,963.60)	100.229	0.83%
700,000.000	MORGAN STANLEY Mat: 8/28/17 Cpn: 6.25% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 8/26/14 St Date: 8/29/14	617446V71	791,567.00 121.53	713,476.40 4,010.42	(78,090.60)	101.925	0.49%
1,210,000.000	US BANK OHIO Mat: 9/11/17 Cpn: 1.38% Moody's: A1 S&P: AA- Fitch: AA Tr Date: 9/8/14 St Date: 9/11/14	90331HMH3	1,212,672.40 2,578.13	1,210,591.69 924.31	(2,080.71)	100.049	0.83%
1,250,000.000	PNC BANK Mat: 9/21/17 Cpn: 4.88% Moody's: A3 S&P: A- Fitch: A Tr Date: 1/21/15 St Date: 1/26/15	69349LAC2	1,354,225.00 21,158.86	1,269,490.00 1,692.71	(84,735.00)	101.559	0.87%
250,000.000	BB&T CORPORATION Mat: 10/1/17 Cpn: 1.35% Moody's: A1 S&P: A Fitch: A+ Tr Date: 8/7/14 St Date: 8/14/14	07330NAK1	249,845.00 0.00	250,021.50 1,687.50	176.50	100.009	0.17%
1,200,000.000	CHEVRON Mat: 12/5/17 Cpn: 1.10% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 1/21/15 St Date: 1/26/15	166764AA8	1,200,624.00 1,876.80	1,198,119.60 4,268.80	(2,504.40)	99.843	0.83%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
250,000.000	METLIFE Mat: 12/15/17 Cpn: 1.90% Moody's: A3 S&P: A- Fitch: A- Tr Date: 9/30/14 St Date: 10/7/14	59156RBK3	250,763.25 376.29	250,970.00 211.44	206.75	100.388	0.17%
123,000.000	JOHN DEERE CAPITAL CORP Mat: 1/16/18 Cpn: 1.35% Moody's: A2 S&P: A Fitch: A Tr Date: 1/13/15 St Date: 1/16/15	24422EST7	122,938.50 0.00	123,095.08 345.94	156.58	100.077	0.08%
880,000.000	WELLS FARGO Mat: 1/22/18 Cpn: 1.65% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 1/22/16 St Date: 1/29/16	94988J5A1	879,744.80 0.00	879,612.80 2,783.00	(132.00)	99.956	0.61%
695,000.000	CAPITAL ONE BANK Mat: 2/5/18 Cpn: 1.65% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 2/4/15 St Date: 2/9/15	14042E4L1	694,576.05 127.42	695,026.41 1,783.83	450.36	100.004	0.48%
1,200,000.000	CITIGROUP Mat: 2/5/18 Cpn: 1.80% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/29/15 St Date: 2/5/15	172967JH5	1,199,088.00 0.00	1,200,864.00 3,360.00	1,776.00	100.072	0.83%
480,000.000	EXXON MOBIL Mat: 3/1/18 Cpn: 1.44% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 2/29/16 St Date: 3/3/16	30231GAU6	480,000.00 0.00	480,505.92 575.60	505.92	100.105	0.33%
570,000.000	ELI LILLY & CO Mat: 3/1/18 Cpn: 1.25% Moody's: A2 S&P: AA- Fitch: Au Tr Date: 2/24/15 St Date: 3/5/15	532457BK3	569,498.40 0.00	569,409.48 593.75	(88.92)	99.896	0.39%
375,000.000	EXXON MOBIL Mat: 3/6/18 Cpn: 1.31% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 3/3/15 St Date: 3/6/15	30231GAL6	375,000.00 0.00	374,751.38 339.84	(248.63)	99.934	0.26%
900,000.000	CHARLES SCHWAB Mat: 3/10/18 Cpn: 1.50% Moody's: A2 S&P: A Fitch: A Tr Date: 3/3/15 St Date: 3/10/15	808513AK1	898,866.00 0.00	899,945.10 787.50	1,079.10	99.994	0.62%
1,275,000.000	BANK OF AMERICA Mat: 3/26/18 Cpn: 1.65% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 3/20/15 St Date: 3/26/15	06050TLY6	1,274,590.25 1,989.17	1,275,682.13 292.19	1,091.88	100.054	0.88%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,220,000.000	ABBVIE Mat: 5/14/18 Cpn: 1.80% Moody's: Baa2 S&P: A- Fitch: Tr Date: 5/5/15 St Date: 5/14/15	00287YAN9	1,218,755.60 0.00	1,221,134.72 8,357.00	2,379.12	100.093	0.84%
205,000.000	QUALCOMM Mat: 5/18/18 Cpn: 1.40% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/13/15 St Date: 5/20/15	747525AG8	204,725.30 0.00	204,874.96 1,044.36	149.66	99.939	0.14%
1,200,000.000	BNY MELLON Mat: 5/22/18 Cpn: 1.60% Moody's: A1 S&P: A Fitch: AA- Tr Date: 5/22/15 St Date: 5/29/15	06406HDB2	1,199,892.00 0.00	1,199,844.00 6,880.00	(48.00)	99.987	0.83%
415,000.000	CISCO SYSTEMS Mat: 6/15/18 Cpn: 1.65% Moody's: A1 S&P: AA- Fitch: Tr Date: 6/10/15 St Date: 6/17/15	17275RAU6	414,929.45 0.00	416,240.87 2,016.21	1,311.42	100.299	0.29%
280,000.000	JOHN DEERE CAPITAL Mat: 7/13/18 Cpn: 1.60% Moody's: A2 S&P: A Fitch: A Tr Date: 7/9/15 St Date: 7/14/15	24422ESX8	279,893.60 0.00	280,081.22 970.67	187.62	100.029	0.19%
590,000.000	UNITEDHEALTH GROUP Mat: 7/16/18 Cpn: 1.90% Moody's: A3 S&P: A+ Fitch: A- Tr Date: 7/20/15 St Date: 7/23/15	91324PCL4	589,250.70 0.00	591,705.11 2,335.42	2,454.41	100.289	0.41%
60,000.000	BERKSHIRE HATHAWAY Mat: 8/15/18 Cpn: 1.15% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 8/8/16 St Date: 8/15/16	084670BX5	59,992.80 0.00	59,667.60 88.17	(325.20)	99.446	0.04%
700,000.000	FIFTH THIRD BANK Mat: 8/20/18 Cpn: 2.15% Moody's: A3 S&P: A- Fitch: A Tr Date: 8/17/15 St Date: 8/20/15	31677QBD0	699,881.00 0.00	703,730.98 1,714.03	3,849.98	100.533	0.48%
100,000.000	NEXTERA ENERGY Mat: 9/1/18 Cpn: 1.65% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 8/25/16 St Date: 9/1/16	65339KAJ9	100,250.00 0.00	99,737.50 137.42	(512.50)	99.738	0.07%
395,000.000	JP MORGAN CHASE Mat: 9/21/18 Cpn: 1.45% Moody's: Aa3 S&P: A+ Fitch: AA- Tr Date: 9/20/16 St Date: 9/23/16	48125LRF1	394,814.35 0.00	393,941.41 127.28	(872.94)	99.732	0.27%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,000,000.000	MICROSOFT Mat: 11/3/18 Cpn: 1.30% Moody's: Aaa S&P: AAA Fitch: AA+u Tr Date: 10/29/15 St Date: 11/3/15	594918BF0	999,000.00 0.00	999,690.02 5,344.44	690.02	99.969	0.69%
515,000.000	WELLS FARGO Mat: 11/28/18 Cpn: 1.80% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 12/1/16 St Date: 12/8/16	94988J5F0	514,572.55 0.00	515,788.98 2,909.75	1,216.43	100.153	0.36%
1,320,000.000	WISCONSIN ELECTRIC POWER Mat: 12/4/18 Cpn: 1.65% Moody's: A1 S&P: A- Fitch: A+ Tr Date: 12/1/15 St Date: 12/4/15	976843BK7	1,318,772.40 0.00	1,315,583.28 7,078.50	(3,189.12)	99.665	0.91%
470,000.000	MORGAN STANLEY Mat: 2/1/19 Cpn: 2.45% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/22/16 St Date: 1/27/16	61746BDX1	469,685.10 0.00	474,042.00 1,919.17	4,356.90	100.860	0.33%
395,000.000	APPLE Mat: 2/8/19 Cpn: 1.55% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 2/2/17 St Date: 2/9/17	037833CE8	394,699.80 0.00	395,820.81 884.36	1,121.01	100.208	0.27%
320,000.000	APPLE Mat: 2/22/19 Cpn: 1.70% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 2/16/16 St Date: 2/23/16	037833BQ2	319,945.60 0.00	321,062.40 574.22	1,116.80	100.332	0.22%
450,000.000	BRISTOL-MYERS SQUIBB Mat: 2/27/19 Cpn: 1.60% Moody's: A2 S&P: A+ Fitch: A-u Tr Date: 2/22/17 St Date: 2/27/17	110122BA5	449,640.00 0.00	449,149.49 680.00	(490.51)	99.811	0.31%
200,000.000	CHEVRON Mat: 2/28/19 Cpn: 1.69% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 2/28/17 St Date: 3/3/17	166764BS8	200,000.00 0.00	200,408.00 265.21	408.00	100.204	0.14%
550,000.000	CISCO SYSTEMS Mat: 2/28/19 Cpn: 1.60% Moody's: A1 S&P: AA- Fitch: Tr Date: 2/22/16 St Date: 2/29/16	17275RBB7	549,840.50 0.00	550,175.99 806.67	335.49	100.032	0.38%
450,000.000	EXXON MOBIL Mat: 3/1/19 Cpn: 1.71% Moody's: Aaa S&P: AA+ Fitch: Tr Date: 2/29/16 St Date: 3/3/16	30231GAP7	450,000.00 0.00	450,773.99 640.50	773.99	100.172	0.31%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
420,000.000	STRYKER Mat: 3/8/19 Cpn: 2.00% Moody's: Baa1 S&P: A Fitch: Tr Date: 3/3/16 St Date: 3/10/16	863667AK7	419,512.80 0.00	421,012.19 536.67	1,499.39	100.241	0.29%
650,000.000	AT&T Mat: 3/11/19 Cpn: 2.30% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 5/3/16 St Date: 5/12/16	00206RCC4	661,810.50 2,533.19	653,146.01 830.56	(8,664.49)	100.484	0.45%
790,000.000	BERKSHIRE HATHAWAY Mat: 3/15/19 Cpn: 1.70% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 3/8/16 St Date: 3/15/16	084664CG4	789,399.60 0.00	791,619.52 596.89	2,219.92	100.205	0.54%
520,000.000	FIFTH THIRD BANK Mat: 3/15/19 Cpn: 2.30% Moody's: A3 S&P: A- Fitch: A Tr Date: 3/10/16 St Date: 3/15/16	31677QBF5	519,880.40 0.00	523,509.97 531.56	3,629.57	100.675	0.36%
350,000.000	OGLETHORPE POWER Mat: 3/15/19 Cpn: 6.10% Moody's: Baa1 S&P: A Fitch: A Tr Date: 3/29/17 St Date: 4/3/17	677050AE6	377,244.00 1,067.50	376,923.75 1,067.50	(320.25)	107.693	0.26%
325,000.000	CITIBANK Mat: 3/20/19 Cpn: 2.00% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 3/13/17 St Date: 3/20/17	17325FAA6	324,733.50 0.00	326,140.74 198.61	1,407.24	100.351	0.22%
330,000.000	CATERPILLAR FINANCIAL Mat: 3/22/19 Cpn: 1.90% Moody's: A3e S&P: A Fitch: A Tr Date: 3/20/17 St Date: 3/23/17	14912L6W6	329,802.00 0.00	330,207.91 139.33	405.91	100.063	0.23%
120,000.000	JPMORGAN CHASE Mat: 4/23/19 Cpn: 6.30% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 7/15/16 St Date: 7/20/16	46625HHL7	134,949.24 1,870.75	130,298.39 3,318.00	(4,650.85)	108.582	0.09%
290,000.000	BRANCH BANKING & TRUST Mat: 5/10/19 Cpn: 1.45% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/16 St Date: 5/10/16	07330NAL9	289,736.10 0.00	287,083.76 1,646.96	(2,652.34)	98.994	0.20%
670,000.000	COCA-COLA Mat: 5/30/19 Cpn: 1.38% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 5/25/16 St Date: 5/31/16	191216BV1	669,531.00 0.00	666,797.42 3,096.42	(2,733.58)	99.522	0.46%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
140,000.000	CITIGROUP Mat: 6/7/19 Cpn: 2.05% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 6/2/16 St Date: 6/9/16	172967KS9	139,927.20 0.00	139,853.00 908.83	(74.20)	99.895	0.10%
560,000.000	WALT DISNEY COMPANY Mat: 7/12/19 Cpn: 0.88% Moody's: A2 S&P: A Fitch: A Tr Date: 7/7/16 St Date: 7/12/16	25468PDL7	558,118.40 0.00	550,410.56 1,075.28	(7,707.84)	98.288	0.38%
295,000.000	CISCO SYSTEMS Mat: 9/20/19 Cpn: 1.40% Moody's: A1 S&P: AA- Fitch: Tr Date: 9/13/16 St Date: 9/20/16	17275RBG6	294,672.55 0.00	292,613.46 126.19	(2,059.09)	99.191	0.20%
285,000.000	FIFTH THIRD BANK Mat: 9/27/19 Cpn: 1.63% Moody's: A3 S&P: A- Fitch: A Tr Date: 9/22/16 St Date: 9/27/16	31677QBH1	284,526.90 0.00	281,950.50 51.46	(2,576.40)	98.930	0.19%
145,000.000	PEPSICO Mat: 10/4/19 Cpn: 1.35% Moody's: A1 S&P: A Fitch: Au Tr Date: 10/3/16 St Date: 10/6/16	713448DJ4	144,978.25 0.00	143,961.66 951.56	(1,016.60)	99.284	0.10%
595,000.000	JOHN DEERE CAPITAL CORP Mat: 10/9/19 Cpn: 1.25% Moody's: A2 S&P: A Fitch: A Tr Date: 9/6/16 St Date: 9/9/16	24422ETJ8	593,798.10 0.00	585,771.53 4,173.26	(8,026.57)	98.449	0.40%
475,000.000	HONEYWELL INTL Mat: 10/30/19 Cpn: 1.40% Moody's: A2 S&P: A Fitch: A Tr Date: 10/24/16 St Date: 10/31/16	438516BJ4	474,624.75 0.00	471,337.73 2,789.31	(3,287.02)	99.229	0.33%
270,000.000	UNITED TECHNOLOGIES Mat: 11/1/19 Cpn: 1.50% Moody's: A3 S&P: A- Fitch: A-u Tr Date: 10/27/16 St Date: 11/1/16	913017CF4	269,724.60 0.00	267,964.21 1,687.50	(1,760.39)	99.246	0.19%
170,000.000	CATERPILLAR FINANCIAL Mat: 1/10/20 Cpn: 2.10% Moody's: A3 S&P: A Fitch: A Tr Date: 1/5/17 St Date: 1/12/17	14912L6Y2	169,813.00 0.00	169,925.20 783.42	112.20	99.956	0.12%
510,000.000	CITIGROUP Mat: 1/10/20 Cpn: 2.45% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LF6	509,796.00 0.00	512,458.21 2,811.38	2,662.21	100.482	0.35%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
510,000.000	BRANCH BANKING & TRUST Mat: 1/15/20 Cpn: 2.10% Moody's: A1 S&P: A Fitch: A+ Tr Date: 1/23/17 St Date: 1/26/17	07330NAN5	509,959.20 0.00	510,591.63 1,933.75	632.43	100.116	0.35%
545,000.000	US BANK CINCINNATI Mat: 1/24/20 Cpn: 2.00% Moody's: A1 S&P: AA- Fitch: AA Tr Date: 1/19/17 St Date: 1/24/17	90331HNB5	543,850.05 0.00	547,242.68 2,028.61	3,392.63	100.412	0.38%
520,000.000	IBM Mat: 1/27/20 Cpn: 1.90% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 1/24/17 St Date: 1/27/17	459200JN2	519,500.80 0.00	521,502.81 1,756.44	2,002.01	100.289	0.36%
530,000.000	CAPITAL ONE Mat: 1/31/20 Cpn: 2.35% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 1/26/17 St Date: 1/31/17	14042RFH9	529,682.00 0.00	530,470.11 2,110.43	788.11	100.089	0.37%
495,000.000	SUNTRUST BANK Mat: 1/31/20 Cpn: 2.25% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 1/25/17 St Date: 2/1/17	86787EAR8	494,811.90 0.00	496,004.86 1,856.25	1,192.96	100.203	0.34%
505,000.000	MICROSOFT Mat: 2/6/20 Cpn: 1.85% Moody's: Aaa S&P: AAA Fitch: AA+u Tr Date: 1/30/17 St Date: 2/6/17	594918BV5	504,661.65 0.00	505,979.70 1,427.33	1,318.05	100.194	0.35%
535,000.000	ESTEE LAUDER CO Mat: 2/7/20 Cpn: 1.80% Moody's: A2 S&P: A+ Fitch: Tr Date: 2/6/17 St Date: 2/9/17	29736RAL4	534,925.10 0.00	535,315.64 1,391.00	390.54	100.059	0.37%
225,000.000	PACCAR FINANCIAL Mat: 2/27/20 Cpn: 1.95% Moody's: A1 S&P: A+ Fitch: Tr Date: 2/22/17 St Date: 2/27/17	69371RN69	224,595.00 0.00	225,008.98 414.38	413.98	100.004	0.15%
250,000.000	CITIZENS BANK Mat: 3/2/20 Cpn: 2.25% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAG6	249,762.50 0.00	249,815.75 453.13	53.25	99.926	0.17%
375,000.000	AMERICAN EXPRESS Mat: 3/3/20 Cpn: 2.20% Moody's: A2 S&P: A- Fitch: A Tr Date: 2/28/17 St Date: 3/3/17	0258M0EE5	374,610.00 0.00	375,933.78 641.67	1,323.78	100.249	0.26%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
465,000.000	WALT DISNEY COMPANY Mat: 3/4/20 Cpn: 1.95% Moody's: A2 S&P: A Fitch: A Tr Date: 3/1/17 St Date: 3/6/17	25468PDP8	464,879.10 0.00	466,315.97 629.69	1,436.87	100.283	0.32%
250,000.000	HUNTINGTON NATL BANK Mat: 3/10/20 Cpn: 2.38% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RU9	249,985.00 0.00	250,855.01 346.35	870.01	100.342	0.17%
400,000.000	JOHN DEERE CAPITAL Mat: 3/13/20 Cpn: 2.20% Moody's: A2 S&P: A Fitch: A Tr Date: 3/10/17 St Date: 3/15/17	24422ETQ2	399,688.00 0.00	401,968.02 391.11	2,280.02	100.492	0.28%
605,000.000	CONSOLIDATED EDISON Mat: 3/15/20 Cpn: 2.00% Moody's: A3 S&P: BBB+ Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	209115AD6	604,800.35 0.00	604,566.22 974.72	(234.14)	99.928	0.42%
100,000.000	BANK OF AMERICA Mat: 11/9/20 Cpn: 2.15% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 11/4/16 St Date: 11/9/16	06051GGB9	100,000.00 0.00	98,991.00 848.45	(1,009.00)	98.991	0.07%
505,000.000	GOLDMAN SACHS Mat: 12/27/20 Cpn: 2.60% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWG5	504,651.55 0.00	505,398.96 145.89	747.41	100.079	0.35%
500,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.21% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/3/17 St Date: 3/8/17	61746BEE2	505,560.00 1,442.71	505,178.00 2,179.41	(382.00)	101.036	0.35%
390,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 1.96% Moody's: A2 S&P: A Fitch: AA- Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	390,000.00 0.00	392,472.60 999.86	2,472.60	100.634	0.27%
510,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 2.06% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	510,000.00 0.00	510,617.10 669.99	617.10	100.121	0.35%
Total for Credit			41,083,547.59 51,635.67	40,905,864.18 123,171.63	(177,683.41)		28.16%

Mortgage-Backed


CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
40,985.050	FNA 2014-M9 ASQ2 CMBS Mat: 4/25/17 Cpn: 1.46% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/13/14 St Date: 8/29/14	3136AKXS7	41,394.63 46.60	40,946.40 49.93	(448.23)	99.906	0.03%
189,997.243	FNA 2012-M9 ASQ2 CMBS Mat: 12/25/17 Cpn: 1.51% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/26/13 St Date: 5/1/13	3136A7L26	194,197.96 0.00	190,046.07 239.55	(4,151.89)	100.026	0.13%
2,000,000.000	FNA 2015-M7 ASQ2 CMBS Mat: 4/25/18 Cpn: 1.55% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 4/15/15 St Date: 4/30/15	3136ANJY4	2,019,992.80 2,497.22	1,998,682.00 2,583.33	(21,310.80)	99.934	1.37%
505,912.399	FNA 2014-M8 FA 1MOFRN CMBS Mat: 5/25/18 Cpn: 1.02% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/11/14 St Date: 7/31/14	3136AKQJ5	505,776.81 169.48	506,300.43 444.11	523.62	100.077	0.35%
980,364.690	FHMS K704 A2 CMBS Mat: 8/25/18 Cpn: 2.41% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/2/14 St Date: 10/7/14	3137AH6Q6	1,004,490.86 394.11	988,961.51 1,970.53	(15,529.35)	100.877	0.68%
792,417.487	FNA 14-M1 ASQ2 CMBS Mat: 11/25/18 Cpn: 2.32% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/17/14 St Date: 1/30/14	3136AHUV0	805,472.21 1,446.69	799,236.24 1,533.99	(6,235.97)	100.861	0.55%
236,345.850	FNMA #890170 10YR Mat: 9/1/19 Cpn: 4.50% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/3/14 St Date: 10/20/14	31410K6F6	250,674.32 561.32	242,502.42 886.30	(8,171.89)	102.605	0.17%
1,873,692.581	FNA 2015-M13 ASQ2 CMBS Mat: 9/25/19 Cpn: 1.65% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/7/15 St Date: 10/30/15	3136AQDQ0	1,892,455.55 2,484.41	1,874,162.88 2,570.08	(18,292.67)	100.025	1.29%
200,591.873	FHMS KJ02 A1 CMBS Mat: 10/25/19 Cpn: 1.64% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/10/15 St Date: 11/17/15	3137BLVY1	200,088.79 146.12	200,569.61 273.98	480.82	99.989	0.14%
Total for Mortgage-Backed			6,914,543.93 7,745.95	6,841,407.56 10,551.81	(73,136.37)		4.70%

Asset-Backed


CALOPTIMA - RESERVE ACCOUNT TIER ONE

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Portfolio Positions

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
324,065.446	TOYOTA 2014-C A3 CAR Mat: 7/16/18 Cpn: 0.93% Moody's: Aaa S&P: AAA Fitch: Tr Date: 10/7/14 St Date: 10/15/14	89190AAC4	324,051.41 0.00	323,829.53 133.95	(221.89)	99.927	0.22%
229,064.056	VOLKSWAGEN 2014-2 A3 CAR Mat: 4/22/19 Cpn: 0.95% Moody's: S&P: AAA Fitch: AAA Tr Date: 12/20/16 St Date: 12/23/16	92867TAC9	228,419.81 18.14	228,545.68 66.49	125.87	99.774	0.16%
2,150,000.000	JOHN DEERE 2015-B A3 EQP Mat: 10/15/19 Cpn: 1.44% Moody's: Aaa S&P: Fitch: AAA Tr Date: 9/1/15 St Date: 9/9/15	47787WAC3	2,149,590.00 0.00	2,150,159.10 1,376.00	569.11	100.007	1.48%
1,850,000.000	JOHN DEERE 2016-A A3 EQP Mat: 4/15/20 Cpn: 1.36% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/23/16 St Date: 3/2/16	47788MAC4	1,849,708.81 0.00	1,846,497.95 1,118.22	(3,210.86)	99.811	1.27%
1,150,000.000	BMW 2017-1 A3 LEASE Mat: 5/20/20 Cpn: 1.98% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/15/17 St Date: 3/22/17	055657AC4	1,149,867.87 0.00	1,153,898.19 569.25	4,030.32	100.339	0.79%
900,000.000	USAA 2016-1 A3 CAR Mat: 6/15/20 Cpn: 1.20% Moody's: Aaa S&P: AAA Fitch: Tr Date: 9/12/16 St Date: 9/21/16	90327CAC4	899,851.95 0.00	894,040.81 480.00	(5,811.14)	99.338	0.61%
1,155,000.000	BMW 2016-A A3 CAR Mat: 11/25/20 Cpn: 1.16% Moody's: Aaa S&P: Fitch: AAA Tr Date: 7/12/16 St Date: 7/20/16	05582QAD9	1,154,994.80 0.00	1,144,010.07 223.30	(10,984.73)	99.049	0.79%
1,360,000.000	CITI 2017-A2 A2 CDT Mat: 1/19/21 Cpn: 1.74% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/19/17 St Date: 1/26/17	17305EGA7	1,359,739.56 0.00	1,361,911.19 4,272.67	2,171.63	100.141	0.94%
1,069,000.000	TOYOTA 2017-A A3 CAR Mat: 2/16/21 Cpn: 1.73% Moody's: Aaa S&P: AAA Fitch: Tr Date: 3/7/17 St Date: 3/15/17	89238MAD0	1,068,874.18 0.00	1,069,708.96 821.94	834.78	100.066	0.73%
870,000.000	JOHN DEERE 2017-A A3 EQP Mat: 4/15/21 Cpn: 1.78% Moody's: Aaa S&P: Fitch: AAA Tr Date: 2/22/17 St Date: 3/2/17	47787XAC1	869,876.11 0.00	870,039.15 1,247.48	163.04	100.005	0.60%



CALOPTIMA - RESERVE ACCOUNT TIER ONE

Portfolio 2481

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,080,000.000	SDART 2017-1 B CAR Mat: 6/15/21 Cpn: 2.10% Moody's: Aa1 S&P: AA Fitch: Tr Date: 2/23/17 St Date: 2/28/17	80284TAH8	1,079,917.16 0.00	1,079,220.24 1,008.00	(696.92)	99.928	0.74%
1,240,000.000	HONDA 2017-1 A3 CAR Mat: 7/21/21 Cpn: 1.72% Moody's: Aaa S&P: Fitch: AAA Tr Date: 3/21/17 St Date: 3/28/17	43814TAC6	1,239,926.22 0.00	1,240,882.88 177.73	956.66	100.071	0.85%
1,340,000.000	CHASE 2017-A1 A CDT 1MOFRN Mat: 1/18/22 Cpn: 1.21% Moody's: S&P: AAA Fitch: AAA Tr Date: 1/30/17 St Date: 2/6/17	161571HJ6	1,340,000.00 0.00	1,345,025.00 767.07	5,025.00	100.375	0.92%
Total for Asset-Backed			14,714,817.88 18.14	14,707,768.76 12,262.10	(7,049.13)		10.10%
Grand Total			145,784,574.17 125,352.25	145,328,204.75 382,984.36	(456,369.41)		100.00%



CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 3/31/2017

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
CASH & CASH EQUIVALENTS												
CASH												
NA9123459	US DOLLARS	.983	4/3/2017		Agency	905,793	905,793.090	0.000	-	.983	.62%	905,793.09
USD120030	USD INTEREST RECEIVABLE	-				466,405	0.000	-	-	-	.32%	466,404.98
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(2,711,163)	(2,711,163.460)	-	-	-	(1.86%)	(2,711,163.46)
USD120010	USD RECEIVABLE FOR INVESTMENTS SOLD	-				2,717,745	2,717,745.240	-	-	-	1.87%	2,717,745.24
CASH TOTALS							912,374.870					1,378,779.85
CASH & CASH EQUIVALENTS TOTALS							912,374.870					1,378,779.85
FIXED INCOME												
AGENCIES												
3130A5EP0	FEDERAL HOME LOAN BANKS	.625	5/30/2017	5/30/2017	Agency	3,750,000	3,749,546.720	.167	.163	.796	2.58%	3,748,920.00
3130A62S5	FEDERAL HOME LOAN BANKS	.750	8/28/2017	8/28/2017	Agency	3,900,000	3,897,351.580	.408	.408	.901	2.68%	3,897,593.70
3130A7CX1	FEDERAL HOME LOAN BANKS	.875	3/19/2018	3/19/2018	Agency	1,980,000	1,979,694.510	.967	.958	1.114	1.36%	1,975,469.76
3130A6LZ8	FEDERAL HOME LOAN BANKS	.625	10/26/2017	10/26/2017	Agency	2,875,000	2,872,566.670	.569	.567	.970	1.97%	2,869,385.13
3137EADX4	FEDERAL HOME LOAN MORTGAGE CORP	1.000	12/15/2017	12/15/2017	Agency	3,110,000	3,108,642.280	.706	.703	1.017	2.14%	3,109,629.91
3134G8L98	FEDERAL HOME LOAN MORTGAGE CORP	1.050	2/26/2018	2/26/2018	Agency	915,000	915,000.000	.903	.768	1.156	.63%	914,152.71
3137EADV8	FEDERAL HOME LOAN MORTGAGE CORP	.750	7/14/2017	7/14/2017	Agency	2,850,000	2,849,452.530	.286	.286	.878	1.96%	2,848,948.35
3135G0E58	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.125	10/19/2018	10/19/2018	Agency	2,000,000	1,997,977.260	1.550	1.525	1.231	1.37%	1,996,760.00
AGENCIES TOTALS							21,370,231.550					21,360,859.56
ASSET BACKED												
05581RAD8	BMW VEHICLE LEASE TRUST 2016-1	1.340	1/22/2019	7/20/2018	Aaa	500,000	499,966.700	.922	.910	1.421	.34%	499,631.70
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	995,000	994,889.140	1.670	1.638	1.636	.68%	991,675.01
161571FT6	CHASE ISSUANCE TRUST	1.172	12/16/2019	12/15/2017	AAA	2,170,000	2,171,593.940	.714	.047	1.048	1.49%	2,173,123.72
161571GQ1	CHASE ISSUANCE TRUST	1.380	11/15/2019	11/15/2017	AAA	1,500,000	1,503,882.240	.625	.621	1.301	1.03%	1,500,707.70
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.728	4/22/2019	4/20/2017	Aaa	1,000,000	999,966.160	.056	.054	1.128	.69%	1,000,333.20
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.478	1/21/2020	1/22/2018	Aaa	600,000	599,504.730	.806	.055	1.362	.41%	600,768.84
43814KAC5	HONDA AUTO RECEIVABLES 2015-1 OWNER TRUST	1.050	10/15/2018	2/15/2018	Aaa	2,129,132	2,129,130.510	.416	.412	1.266	1.46%	2,127,191.96
477877AD6	JOHN DEERE OWNER TRUST 2014-B	1.070	11/15/2018	12/15/2017	Aaa	310,183	310,157.530	.311	.308	1.217	.21%	310,034.65
47787UAD5	JOHN DEERE OWNER TRUST 2015	1.320	6/17/2019	7/15/2018	Aaa	417,717	418,243.790	.559	.552	1.364	.29%	417,608.34
47787WAC3	JOHN DEERE OWNER TRUST 2015-B	1.440	10/15/2019	11/15/2018	Aaa	725,000	725,110.170	.837	.825	1.446	.50%	724,963.03
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	7/15/2020	Aaa	450,000	449,938.740	2.371	2.298	1.801	.31%	449,831.07
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	430,000	430,618.560	.447	.443	1.332	.30%	430,005.59
58768MAA9	MERCEDES-BENZ AUTO LEASE TRUST	.750	11/15/2017	5/15/2017		182,018	182,017.750	.088	.084	.727	.13%	182,017.88
58772PAD0	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2015-1	1.340	12/16/2019	12/15/2018	AAA	1,675,000	1,677,577.270	.791	.782	1.427	1.15%	1,673,854.80
65478QAD0	NISSAN AUTO LEASE TRUST 2016-A	1.490	3/15/2019	10/15/2018	Aaa	585,000	584,982.750	1.253	1.232	1.538	.40%	584,660.00
65474VAL5	NISSAN MASTER OWNER TRUST RECEIVABLES	1.540	6/15/2021	6/17/2019	Aaa	400,000	399,956.830	2.214	2.158	1.919	.27%	396,968.36
92867VAD2	VOLKSWAGEN AUTO LEASE TRUST	1.250	12/20/2017	7/20/2017	Aaa	470,641	470,619.970	.192	.190	1.322	.32%	470,562.26
ASSET BACKED TOTALS							14,548,156.780					14,533,938.11
CMBS												
3136AK2A0	FANNIE MAE-ACES	2.171	9/25/2019	9/25/2019	Agency	200,000	203,399.380	2.423	2.343	1.792	.14%	201,528.82
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	6/25/2017	Agency	218,388	218,828.570	.166	.163	.822	.15%	218,408.24
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	525,229	526,378.440	.807	.800	1.427	.36%	524,822.06

CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 3/31/2017

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
CMBS (Continued)												
3137AME52	FHLMC MULTICLASS	1.891	12/25/2020	11/25/2019	Agency	404,977	408,195.600	1.358	1.326	1.679	.28%	405,623.74
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	833,310	845,021.560	1.236	1.209	1.589	.58%	840,362.45
CMBS TOTALS							2,201,823.550					2,190,745.31
CMOS												
31394GB77	FREDDIE MAC REMICS	4.500	7/15/2018	6/15/2018	Agency	281,734	286,450.910	.511	.503	1.742	.20%	285,160.44
31393WN47	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	302,082	307,172.170	.517	.511	(.389)	.21%	309,168.83
31393WVB2	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	738,619	751,465.190	.555	.548	(.063)	.52%	755,945.67
CMOS TOTALS							1,345,088.270					1,350,274.94
CORPORATES												
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	1,867,000	1,881,733.000	1.594	1.543	1.765	1.29%	1,870,190.70
0258M0EF2	AMERICAN EXPRESS CREDIT CORP	1.523	3/3/2020	3/3/2020	A2	835,000	835,000.000	2.928	.176	1.633	.57%	834,226.79
037833BR0	APPLE INC	1.873	2/22/2019	2/22/2019	Aa1	425,000	428,898.370	1.900	.158	1.182	.30%	431,438.75
06050TLY6	BANK OF AMERICA NA	1.650	3/26/2018	3/26/2018	A+	1,800,000	1,801,825.400	.986	.976	1.610	1.24%	1,800,703.80
05531FAQ6	BB&T CORP	2.250	2/1/2019	2/1/2019	A2	580,000	589,518.030	1.753	1.759	1.851	.40%	583,967.78
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	1,420,000	1,444,108.380	2.750	2.706	2.118	.98%	1,430,620.18
084664CP4	BERKSHIRE HATHAWAY FINANCE CORP	1.249	1/11/2019	1/11/2019	Aa2	500,000	500,671.160	1.781	.033	1.282	.34%	501,224.00
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	805,000	843,248.520	.917	.896	1.696	.58%	842,744.84
07330NAP0	BRANCH BANKING & TRUST CO	1.482	1/15/2020	1/15/2020	A1	790,000	790,000.000	2.792	.055	1.545	.54%	791,713.51
14916RAE4	CATHOLIC HEALTH INITIATIVES	2.600	8/1/2018	8/1/2018	BBB+	340,000	342,481.000	1.333	1.308	2.137	.24%	342,051.56
17275RAZ5	CISCO SYSTEMS INC	1.652	2/21/2018	2/21/2018	A1	1,100,000	1,104,592.950	.892	.141	1.152	.76%	1,106,002.70
172967JH5	CITIGROUP INC	1.800	2/5/2018	2/5/2018	BBB+	2,055,000	2,056,496.790	.844	.842	1.737	1.41%	2,056,056.27
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	1,100,000	1,107,971.160	1.586	1.593	1.982	.76%	1,105,489.00
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A2	470,000	500,272.980	3.078	2.944	2.227	.34%	494,702.73
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	1,100,000	1,146,976.420	1.003	.958	1.629	.79%	1,145,816.10
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	520,000	527,835.350	2.583	2.472	2.503	.36%	521,729.52
26442CAD6	DUKE ENERGY CAROLINAS LLC	5.100	4/15/2018	4/16/2018	AA-	1,050,000	1,093,772.720	1.039	1.001	1.681	.75%	1,086,805.65
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	1,050,000	1,050,691.290	.908	.892	1.566	.72%	1,048,898.55
31677QBD0	FIFTH THIRD BANK/CINCINNATI OH	2.150	8/20/2018	8/20/2018	A-	250,000	249,971.500	1.303	1.318	1.694	.17%	251,463.25
36962G7J7	GENERAL ELECTRIC CO	1.250	5/15/2017	5/15/2017	AA-	230,000	229,997.300	.083	.123	1.203	.16%	230,000.00
38145GAK6	GOLDMAN SACHS GROUP INC/THE	1.920	12/13/2019	12/13/2019	A3	500,000	500,000.000	2.706	.214	1.703	.35%	503,613.00
38147MAA3	GOLDMAN SACHS GROUP INC/THE	2.900	7/19/2018	7/19/2018	A3	1,750,000	1,776,184.800	1.300	1.271	1.886	1.22%	1,772,662.50
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	1,310,000	1,320,322.010	1.511	1.525	1.917	.90%	1,315,554.40
46623EKD0	JPMORGAN CHASE & CO	1.700	3/1/2018	3/1/2018	A-	1,200,000	1,202,842.570	.833	.874	1.673	.83%	1,200,268.80
46625HJF8	JPMORGAN CHASE & CO	1.938	1/25/2018	1/25/2018	A-	485,000	486,879.150	.819	.071	1.338	.34%	487,916.79
49327M2A1	KEYBANK NA/CLEVELAND OH	1.650	2/1/2018	2/1/2018	A-	1,450,000	1,452,813.190	.833	.831	1.568	1.00%	1,450,974.40
49327M2P8	KEYBANK NA/CLEVELAND OH	1.600	8/22/2019	8/22/2019	A-	600,000	593,807.140	2.392	2.335	2.062	.41%	593,563.80
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	800,000	801,109.800	.933	.924	1.605	.55%	798,849.60
59156RAR9	METLIFE INC	6.817	8/15/2018	8/15/2018	A-	435,000	463,784.010	1.372	1.319	1.912	.32%	463,751.76
617446V71	MORGAN STANLEY	6.250	8/28/2017	8/28/2017	A3	275,000	285,912.500	.408	.408	1.522	.19%	280,266.53
61746BDY9	MORGAN STANLEY	2.409	2/1/2019	2/1/2019	A3	770,000	778,544.350	1.836	.102	1.662	.54%	782,544.07
61746BEH5	MORGAN STANLEY	1.842	2/14/2020	2/14/2020	A3	690,000	690,000.000	1.869	.157	1.828	.48%	691,500.75
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	1,080,000	1,105,939.010	3.206	3.062	2.265	.74%	1,082,812.32

CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 3/31/2017

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
CORPORATES (Continued)												
65339KAJ9	NEXTERA ENERGY CAPITAL HOLDINGS INC	1.649	9/1/2018	9/4/2018	BBB+	825,000	824,047.810	1.417	1.407	1.862	.57%	822,550.58
69353RER5	PNC BANK NA	1.850	7/20/2018	7/20/2018	A	950,000	951,480.820	1.214	1.248	1.673	.65%	952,084.30
842434CN0	SOUTHERN CALIFORNIA GAS CO	1.550	6/15/2018	6/15/2018	AA-	410,000	409,839.920	1.206	1.188	1.549	.28%	410,003.69
86787EAS6	SUNTRUST BANK/ATLANTA GA	1.564	1/31/2020	1/31/2020	A-	1,000,000	1,000,000.000	2.753	.093	1.552	.69%	1,004,063.00
90331HMQ3	US BANK NA/CINCINNATI OH	1.350	1/26/2018	1/26/2018	A1	650,000	649,537.040	.819	.805	1.500	.45%	649,205.70
90331HMQ4	US BANK NA/CINCINNATI OH	1.450	1/29/2018	1/29/2018	AA-	1,505,000	1,506,474.210	.828	.805	1.482	1.03%	1,504,595.16
94974BFV7	WELLS FARGO & CO	1.501	4/22/2019	4/22/2019	A	1,000,000	997,898.760	2.061	.065	1.469	.69%	1,003,279.00
94974BGR5	WELLS FARGO & CO	2.550	12/7/2020	12/7/2020	A	500,000	512,767.000	3.683	3.483	2.405	.35%	502,535.50
94988JSE3	WELLS FARGO BANK NA	1.654	5/24/2019	5/24/2019	Aa2	415,000	415,915.770	2.150	.155	1.456	.29%	417,733.61
971807AD4	WILMINGTON TRUST CORP	8.500	4/2/2018	4/2/2018	A3	415,000	440,568.500	1.006	.942	2.156	.30%	440,949.95
CORPORATES TOTALS							37,692,730.680					37,607,124.89
MORTGAGES												
31403CYQ8	FANNIE MAE POOL	5.500	12/1/2019	4/25/2019	Agency	104,279	108,143.070	.948	.922	1.479	.07%	107,818.79
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	3/25/2018	Agency	304,120	310,171.040	.491	.486	(1.313)	.21%	312,545.40
31402DPU8	FANNIE MAE POOL	5.000	11/1/2019	6/25/2019	Agency	217,049	222,943.010	1.012	.986	1.046	.15%	224,919.08
3128M1B99	FREDDIE MAC GOLD POOL	5.000	4/1/2021	7/15/2020	Agency	110,949	115,299.250	1.415	1.360	1.503	.08%	116,129.93
MORTGAGES TOTALS							756,556.370					761,413.20
MUNICIPALS												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,410,000	1,410,000.000	2.503	2.436	1.817	.96%	1,392,332.70
13034PYC5	CALIFORNIA HOUSING FINANCE AGENCY	1.594	2/1/2018	2/1/2018	A2	1,000,000	1,000,000.000	.833	.832	1.699	.69%	999,130.00
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	695,000	709,957.870	3.583	3.403	1.897	.48%	705,411.10
544445AY5	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	1.750	5/15/2019	5/15/2019	AA	600,000	600,000.000	2.122	2.065	1.838	.41%	598,902.00
769036AW4	CITY OF RIVERSIDE CA	.980	6/1/2017	6/1/2017	SP-1+	470,000	470,000.000	.167	.169	1.264	.32%	469,774.40
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	585,000	585,000.000	4.333	4.159	2.151	.39%	570,667.50
68428LDQ4	COUNTY OF ORANGE CA	1.208	6/30/2017	6/30/2017	AA	750,000	750,219.740	.250	.248	1.348	.52%	749,707.50
544587B80	MUNICIPAL IMPROVEMENT CORP OF LOS ANGELES	1.924	11/1/2017	11/1/2017	A+	1,100,000	1,105,888.160	.583	.581	1.462	.76%	1,102,937.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	600,000	612,798.760	3.250	3.121	1.919	.41%	602,058.00
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	1,185,000	1,185,000.000	3.719	3.550	2.175	.80%	1,165,577.85
93265PBQ1	WALNUT ENERGY CENTER AUTHORITY	4.650	1/1/2018	1/2/2018	A+	1,000,000	1,026,020.920	.750	.743	1.495	.70%	1,023,420.00
MUNICIPALS TOTALS							9,454,885.450					9,379,918.05
SOVEREIGN DEBT												
45950KCA6	INTERNATIONAL FINANCE CORP	1.750	9/4/2018	9/4/2018	Aaa	2,500,000	2,527,217.960	1.428	1.407	1.353	1.73%	2,513,977.50
SOVEREIGN DEBT TOTALS							2,527,217.960					2,513,977.50
US TREASURIES												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	3,628,730	3,677,634.000	3.041	3.009	1.675	2.53%	3,682,837.99
912828N55	UNITED STATES TREASURY NOTE/BOND	1.000	12/31/2017	1/2/2018	Govt	1,300,000	1,299,352.150	.751	.751	1.026	.89%	1,299,746.50
912828L40	UNITED STATES TREASURY NOTE/BOND	1.000	9/15/2018	9/17/2018	Govt	4,563,000	4,578,174.900	1.457	1.447	1.176	3.13%	4,551,414.54

CalOptima (OCHA) STAMP 1-3

Account #: LCEF00238B2

As of 3/31/2017

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
US TREASURIES (Continued)												
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	4,435,000	4,396,651.150	3.083	2.998	1.547	3.01%	4,378,870.64
912828VK3	UNITED STATES TREASURY NOTE/BOND	1.375	6/30/2018	7/2/2018	Govt	2,750,000	2,760,883.540	1.251	1.236	1.141	1.90%	2,757,950.25
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,100,000	6,283,050.510	3.416	3.282	1.649	4.26%	6,196,026.20
912828C73	UNITED STATES TREASURY NOTE/BOND	.875	4/15/2017	4/17/2017	Govt	2,700,000	2,700,000.000	.041	.046	.685	1.86%	2,700,207.90
912828H37	UNITED STATES TREASURY NOTE/BOND	.875	1/15/2018	1/16/2018	Govt	3,750,000	3,742,473.840	.793	.790	1.028	2.58%	3,745,458.75
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	3,910,000	4,032,264.320	3.837	3.662	1.755	2.72%	3,963,457.52
912828J43	UNITED STATES TREASURY NOTE/BOND	1.750	2/28/2022	2/28/2022	Govt	950,000	932,732.500	4.916	4.675	1.939	.65%	941,613.40
912828RC6	UNITED STATES TREASURY NOTE/BOND	2.125	8/15/2021	8/16/2021	Govt	4,525,000	4,677,651.490	4.378	4.153	1.843	3.15%	4,578,381.43
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	13,300,000	13,316,615.460	2.751	2.688	1.445	9.07%	13,185,699.80
912828UR9	UNITED STATES TREASURY NOTE/BOND	.750	2/28/2018	2/28/2018	Govt	2,400,000	2,400,000.000	.916	.907	1.059	1.65%	2,393,251.20
US TREASURIES TOTALS							54,797,483.860					54,374,916.12
FIXED INCOME TOTALS							144,694,174.470					144,073,167.68
PORTFOLIO TOTALS							145,606,549.340					145,451,947.53

WELLS CAPITAL - TIER ONE
March 2017

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN HONDA FINANCE CORP	HNDA	02665WAC5	US02665WAC55	02665WAC5	1.20%	\$1,750,538.17
APPLE INC	AAPL	037833CK4	US037833CK41	037833CK4	0.95%	\$1,382,776.24
BANK OF AMERICA NA	BAC	06050TME9	US06050TME90	06050TME9	1.53%	\$2,226,243.07
BANK OF NEW YORK MELLON CORP	BK	06406HCU1	US06406HCU14	06406HCU1	0.73%	\$1,066,674.12
BANK OF NEW YORK MELLON CORP	BK	06406HDB2	US06406HDB24	06406HDB2	0.22%	\$326,803.21
BERKSHIRE HATHAWAY FINANCE CORP	BRK	084664CK5	US084664CK54	084664CK5	1.02%	\$1,488,133.67
BMWLT 161 A3	BMWLT	05581RAD8	US05581RAD89	05581RAD8	0.34%	\$499,836.42
BMWOT 16A A3	BMWOT	05582QAD9	US05582QAD97	05582QAD9	0.74%	\$1,080,173.69
BRANCH BANKING AND TRUST CO	BBT	07330NAL9	US07330NAL91	07330NAL9	1.51%	\$2,189,699.97
CAPITAL ONE NA	COF	14042RBS9	US14042RBS94	14042RBS9	0.95%	\$1,388,319.80
Cash	---	CCYUSD	---	CCYUSD	0.01%	\$13,749.21
CCCIT 16A1 A1	CCCIT	17305EFW0	US17305EFW03	17305EFW0	1.31%	\$1,907,331.83
CHAIT 155 A	CHAIT	161571GY4	US161571GY45	161571GY4	1.31%	\$1,899,209.87
CHEVRON CORP	CVX	166764BH2	US166764BH21	166764BH2	1.31%	\$1,904,867.33
CISCO SYSTEMS INC	CSCO	17275RAU6	US17275RAU68	17275RAU6	0.21%	\$302,419.60
CITIGROUP INC	C	172967HN4	US172967HN46	172967HN4	0.08%	\$113,524.34
CITIGROUP INC	C	172967HY0	US172967HY01	172967HY0	0.31%	\$450,831.43
CITIGROUP INC	C	172967JH5	US172967JH59	172967JH5	0.50%	\$732,419.22
COAST CMNTY COLLEGE DIST CALIF	CA	190335JD2	US190335JD27	190335JD2	1.00%	\$1,454,297.88
COCA-COLA CO	KO	191216BV1	US191216BV17	191216BV1	1.10%	\$1,600,247.24
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAV9	US22546QAV95	22546QAV9	0.86%	\$1,257,437.78
EXXON MOBIL CORP	XOM	30231GAL6	US30231GAL68	30231GAL6	0.38%	\$550,058.99
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGJ48	US3133EGJ480	3133EGJ48	1.03%	\$1,495,029.75
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGW92	US3133EGW921	3133EGW92	1.03%	\$1,504,656.00
FEDERAL HOME LOAN BANKS	FHLB	313376BR5	US313376BR50	313376BR5	2.44%	\$3,547,482.36
FEDERAL HOME LOAN BANKS	FHLB	313379EE5	US313379EE59	313379EE5	1.35%	\$1,968,013.83
FEDERAL HOME LOAN BANKS	FHLB	313379DT3	US313379DT38	313379DT3	5.18%	\$7,536,177.08
FEDERAL HOME LOAN BANKS	FHLB	3130A7CX1	US3130A7CX17	3130A7CX1	1.36%	\$1,976,047.26
FEDERAL HOME LOAN BANKS	FHLB	3130A8BD4	US3130A8BD45	3130A8BD4	1.37%	\$1,996,742.22
FEDERAL HOME LOAN BANKS	FHLB	3130A9EP2	US3130A9EP21	3130A9EP2	1.02%	\$1,483,834.33
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3137EADX4	US3137EADX42	3137EADX4	1.45%	\$2,115,961.69
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G9Q75	US3134G9Q755	3134G9Q75	0.34%	\$498,110.97
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0E58	US3135G0E585	3135G0E58	1.38%	\$2,006,885.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0P49	US3135G0P490	3135G0P49	0.68%	\$990,293.67
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0R39	US3135G0R397	3135G0R39	2.39%	\$3,472,526.17
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0T29	US3135G0T294	3135G0T29	0.57%	\$824,148.60
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082	316175108	0.70%	\$1,013,051.91
FIFTH THIRD BANK	FITB	31677QBD0	US31677QBD07	31677QBD0	0.17%	\$252,075.40
FIFTH THIRD BANK (OHIO)	FITB	31677QBH1	US31677QBH11	31677QBH1	0.34%	\$493,975.28
FREDDIE MAC	FHLMC	3137EAAE5	US3137EAAE51	3137EAAE5	1.03%	\$1,502,235.50
GEORGIA POWER CO	SO	373334KG5	US373334KG57	373334KG5	1.30%	\$1,892,005.86
GOLDMAN SACHS GROUP INC	GS	38145XAA1	US38145XAA19	38145XAA1	0.98%	\$1,422,014.88
HAROT 163 A3	HAROT	438124AC3	US438124AC33	438124AC3	1.23%	\$1,790,069.38
HDMOT 16A A3	HDMOT	41284DAC6	US41284DAC65	41284DAC6	1.37%	\$1,994,888.71
HSBC USA INC	HSBC	40428HPQ9	US40428HPQ91	40428HPQ9	1.52%	\$2,203,803.31
INTERCONTINENTALEXCHANGE INC	ICE	45866FAB0	US45866FAB04	45866FAB0	0.35%	\$512,663.89
JDOT 15B A3	JDOT	47787WAC3	US47787WAC38	47787WAC3	0.43%	\$625,368.13
JDOT 16B A3	JDOT	47788NAC2	US47788NAC20	47788NAC2	0.68%	\$994,346.16
JPMORGAN CHASE & CO	JPM	46625HQU7	US46625HQU76	46625HQU7	1.44%	\$2,101,538.25
KEYBANK NA	KEY	49327M2A1	US49327M2A10	49327M2A1	1.03%	\$1,505,133.00

WELLS CAPITAL - TIER ONE
March 2017

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAA8	US55279HAA86	55279HAA8	0.69%	\$999,528.67
MARIN CALIF CMNTY COLLEGE DIST	CA	56781RGL5	US56781RGL50	56781RGL5	0.34%	\$501,819.17
MBART 161 A3	MBART	58769BAD6	US58769BAD64	58769BAD6	1.37%	\$1,990,179.60
MICROSOFT CORP	MSFT	594918BF0	US594918BF05	594918BF0	0.25%	\$356,817.40
MORGAN STANLEY	MS	617446V71	US617446V714	617446V71	0.19%	\$281,842.05
MORGAN STANLEY	MS	61746BDX1	US61746BDX10	61746BDX1	0.77%	\$1,114,377.37
MUFG UNION BANK NA	UNBC	90521APJ1	US90521APJ15	90521APJ1	1.24%	\$1,809,309.77
NALT 16A A3	NALT	65478QAD0	US65478QAD07	65478QAD0	1.24%	\$1,800,145.84
NAROT 16C A3	NAROT	65478WAD7	US65478WAD74	65478WAD7	0.85%	\$1,239,237.06
OREGON ST DEPT ADMINISTRATIVE SVCS LOTTERY REV	OR	68607VS71	US68607VS710	68607VS71	0.69%	\$1,001,210.00
PACCAR FINANCIAL CORP	PCAR	69371RM37	US69371RM374	69371RM37	0.69%	\$1,000,383.06
Payable	---	CCYUSD	---	CCYUSD	-1.73%	-\$2,512,404.50
PNC BANK NA	PNC	69353RER5	US69353RER57	69353RER5	1.28%	\$1,860,808.83
Receivable	---	CCYUSD	---	CCYUSD	1.03%	\$1,501,224.61
SAN DIEGO CNTY CALIF PENSION OBLIG	CA	797398DH4	US797398DH41	797398DH4	1.13%	\$1,645,149.58
SAN FRANCISCO CALIF CITY & CNTY REDEV AGY SUCCESSO	CA	79770GFF8	US79770GFF81	79770GFF8	0.17%	\$250,120.14
SAN FRANCISCO CALIF CITY & CNTY REDEV AGY SUCCESSO	CA	79770GFG6	US79770GFG64	79770GFG6	0.41%	\$601,291.57
SMAT 162US A3A	SMAT	83191GAD1	US83191GAD16	83191GAD1	1.42%	\$2,071,407.45
SOUTHERN CALIF PUB PWR AUTH REV	CA	84247PHT1	US84247PHT12	84247PHT1	1.74%	\$2,533,468.50
TAOT 16B A3	TAOT	89231UAD9	US89231UAD90	89231UAD9	0.48%	\$698,147.92
TAOT 16C A3	TAOT	89237WAD9	US89237WAD92	89237WAD9	0.82%	\$1,191,880.76
TAOT 16D A3	TAOT	89231LAD9	US89231LAD91	89231LAD9	0.20%	\$298,048.40
TOYOTA MOTOR CREDIT CORP	TOYOTA	89236TDE2	US89236TDE29	89236TDE2	1.30%	\$1,894,511.74
UNITED STATES TREASURY	UST	912828RH5	US912828RH57	912828RH5	1.38%	\$2,005,935.14
UNITED STATES TREASURY	UST	912828UR9	US912828UR92	912828UR9	1.03%	\$1,496,760.26
UNITED STATES TREASURY	UST	912828VE7	US912828VE70	912828VE7	3.44%	\$5,009,728.24
UNITED STATES TREASURY	UST	912828A75	US912828A750	912828A75	1.39%	\$2,016,917.44
UNITED STATES TREASURY	UST	912828H37	US912828H375	912828H37	0.62%	\$900,563.41
UNITED STATES TREASURY	UST	912828XK1	US912828XK13	912828XK1	3.43%	\$4,991,995.08
UNITED STATES TREASURY	UST	912828L40	US912828L401	912828L40	3.13%	\$4,552,524.53
UNITED STATES TREASURY	UST	912828Q52	US912828Q525	912828Q52	3.42%	\$4,979,567.31
UNITED STATES TREASURY	UST	912828Q94	US912828Q947	912828Q94	1.37%	\$1,998,564.34
UNITED STATES TREASURY	UST	912828R44	US912828R440	912828R44	3.42%	\$4,972,612.32
UNITED STATES TREASURY	UST	912828T83	US912828T834	912828T83	2.74%	\$3,984,472.69
UNITEDHEALTH GROUP INC	UNH	91324PCF7	US91324PCF71	91324PCF7	1.18%	\$1,722,083.33
UNIVERSITY CALIF REVS	CA	91412GSB2	US91412GSB22	91412GSB2	1.04%	\$1,514,084.50
US BANK NA	USB	90331HML4	US90331HML41	90331HML4	1.39%	\$2,027,508.50
USAOT 161 A3	USAOT	90327CAC4	US90327CAC47	90327CAC4	1.20%	\$1,743,092.98
VWALT 15A A3	VWALT	92867VAD2	US92867VAD29	92867VAD2	0.32%	\$470,742.02
WALT DISNEY CO	DIS	25468PDL7	US25468PDL76	25468PDL7	0.44%	\$639,903.64
YUBA CALIF LEVEE FING AUTH REV	CA	988211BL1	US988211BL13	988211BL1	0.69%	\$1,003,271.67

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
CASH & CASH EQUIVALENTS												
CASH												
06427KLJ4	BANK OF MONTREAL CH	1.100	4/3/2017	4/3/2017	A-1	2,000,000	2,000,016.380	.008	.008	1.000	2.07%	2,000,016.38
NA9123459	US DOLLARS	.983	4/3/2017		Agency	440,933	440,932.740	0.000	-	.983	.46%	440,932.74
USD120030	USD INTEREST RECEIVABLE	-				399,160	0.000	-	-	-	.41%	399,159.67
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(401,360)	(401,359.530)	-	-	-	(.42%)	(401,359.53)
USD120010	USD RECEIVABLE FOR INVESTMENTS SOLD	-				522,004	522,004.420	-	-	-	.54%	522,004.42
CASH TOTALS							2,561,594.010					2,960,753.68
CASH & CASH EQUIVALENTS TOTALS							2,561,594.010					2,960,753.68
FIXED INCOME												
AGENCIES												
3137EACA5	FEDERAL HOME LOAN MORTGAGE CORP	3.750	3/27/2019	3/27/2019	Agency	1,425,000	1,477,812.880	1.989	1.921	1.344	1.55%	1,492,074.75
3135G0ZB2	FEDERAL NATIONAL MORTGAGE ASSOCIATION	.750	4/20/2017	4/20/2017	Agency	400,000	400,001.200	.053	.054	.789	.41%	399,991.20
AGENCIES TOTALS							1,877,814.080					1,892,065.95
ASSET BACKED												
05522RCT3	BA CREDIT CARD TRUST	1.242	6/15/2020	1/16/2018	AAA	1,250,000	1,248,901.110	.797	.047	1.081	1.30%	1,252,466.63
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	710,000	709,921.720	1.670	1.638	1.636	.73%	707,627.39
17305EFF7	CITIBANK CREDIT CARD ISSUANCE TRUST	1.288	9/10/2020	9/10/2018	Aaa	1,040,000	1,040,332.880	1.444	.030	1.149	1.08%	1,044,250.27
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.728	4/22/2019	4/20/2017	Aaa	1,000,000	1,000,108.050	.056	.054	1.128	1.04%	1,000,333.20
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.478	1/21/2020	1/22/2018	Aaa	430,000	429,623.000	.806	.055	1.362	.45%	430,551.00
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	7/15/2020	Aaa	300,000	299,959.060	2.371	2.298	1.801	.31%	299,887.38
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	1,125,000	1,125,487.750	.447	.443	1.332	1.17%	1,125,014.63
65475WAD0	NISSAN AUTO RECEIVABLES 2015-B OWNER TRUST	1.340	3/16/2020	2/15/2019	Aaa	815,000	814,245.180	.947	.934	1.488	.84%	813,869.51
ASSET BACKED TOTALS							6,668,578.750					6,674,000.01
CMBS												
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	6/25/2017	Agency	567,808	568,250.260	.166	.163	.822	.59%	567,861.42
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	746,064	745,147.130	.807	.800	1.427	.77%	745,485.83
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	588,219	593,937.410	1.236	1.209	1.589	.62%	593,197.02
CMBS TOTALS							1,907,334.800					1,906,544.27
CMOS												
31393BF91	FANNIE MAE REMICS	5.000	5/25/2018	4/25/2018	Agency	32,103	31,850.760	.465	.460	(.455)	.03%	32,806.90
31392GPN9	FANNIE MAE REMICS	5.000	1/25/2018	12/25/2017	Agency	32,796	32,370.760	.342	.338	1.946	.03%	33,023.91
31396YXB3	FANNIE MAE REMICS	4.000	12/25/2018	4/25/2018	Agency	59,429	58,969.170	.528	.520	1.511	.06%	60,041.93
31398GZS1	FANNIE MAE REMICS	2.500	12/25/2018	7/25/2018	Agency	44,398	44,214.900	.531	.525	1.593	.05%	44,534.65
31398M5L6	FANNIE MAE REMICS	3.750	8/25/2018	6/25/2018	Agency	74,957	74,939.720	.597	.588	1.343	.08%	75,834.12
3137A1LC5	FREDDIE MAC REMICS	2.000	8/15/2020	12/15/2019	Agency	139,807	140,186.670	1.249	1.223	1.569	.15%	140,441.17
31393GWV2	FREDDIE MAC REMICS	5.000	12/15/2017	12/15/2017	Agency	28,980	29,050.770	.324	.320	1.810	.03%	29,218.77
31398VUA2	FREDDIE MAC REMICS	2.000	3/15/2019	12/15/2018	Agency	312,173	311,483.370	.676	.666	1.606	.32%	312,749.00
31398WLZ5	FREDDIE MAC REMICS	2.000	11/15/2018	10/15/2018	Agency	33,696	33,581.850	.454	.449	1.596	.03%	33,730.25
31393NDD8	FREDDIE MAC REMICS	5.000	3/15/2018	3/15/2018	Agency	24,111	23,904.150	.412	.407	.052	.03%	24,552.20

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
CMOS (Continued)												
62888WAA4	NON GUARANTEED NOT V	1.337	12/8/2020	11/5/2020	Aaa	485,187	486,677.350	2.476	.077	1.281	.51%	487,150.90
CMOS TOTALS							1,267,229.470					1,274,083.80
CORPORATES												
0258M0EF2	AMERICAN EXPRESS CREDIT CORP	1.523	3/3/2020	3/3/2020	A2	555,000	555,000.000	2.928	.176	1.633	.58%	554,486.07
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	440,000	439,980.920	1.594	1.543	1.765	.46%	440,751.96
0258M0DP1	AMERICAN EXPRESS CREDIT CORP	2.250	8/15/2019	8/15/2019	A2	650,000	649,425.110	2.372	2.301	1.908	.68%	655,124.60
03076CAE6	AMERIPRISE FINANCIAL INC	5.300	3/15/2020	3/16/2020	A3	605,000	654,145.600	2.956	2.758	2.260	.68%	657,281.68
037833BR0	APPLE INC	1.873	2/22/2019	2/22/2019	Aa1	385,000	385,000.000	1.900	.158	1.182	.41%	390,832.75
060505DP6	BANK OF AMERICA CORP	5.750	12/1/2017	12/1/2017	BBB+	1,200,000	1,230,307.450	.667	.653	1.749	1.28%	1,231,647.60
05531FAU7	BB&T CORP	2.625	6/29/2020	6/29/2020	A2	850,000	859,231.910	3.158	3.055	2.290	.89%	858,670.00
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	750,000	760,484.050	2.750	2.706	2.118	.78%	755,609.25
084664CD1	BERKSHIRE HATHAWAY FINANCE CORP	1.318	1/12/2018	1/12/2018	Aa2	445,000	444,856.230	.794	.038	1.178	.46%	445,952.30
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	505,000	528,231.640	.917	.896	1.696	.55%	528,678.44
07330NAP0	BRANCH BANKING & TRUST CO	1.482	1/15/2020	1/15/2020	A1	525,000	525,000.000	2.792	.055	1.545	.55%	526,138.73
17275RAZ5	CISCO SYSTEMS INC	1.652	2/21/2018	2/21/2018	A1	875,000	878,472.350	.892	.141	1.152	.91%	879,774.88
172967JH5	CITIGROUP INC	1.800	2/5/2018	2/5/2018	BBB+	635,000	634,946.700	.844	.842	1.737	.66%	635,326.39
172967HM6	CITIGROUP INC	2.550	4/8/2019	4/8/2019	BBB+	880,000	885,944.620	2.019	1.945	2.047	.92%	888,719.04
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	950,000	952,397.410	1.586	1.593	1.982	.99%	954,740.50
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A2	480,000	510,490.310	3.078	2.944	2.227	.52%	505,228.32
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	250,000	259,535.850	1.003	.958	1.629	.27%	260,412.75
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	210,000	214,628.940	2.583	2.472	2.503	.22%	210,698.46
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	500,000	498,682.790	.908	.892	1.566	.52%	499,475.50
31677QBG3	FIFTH THIRD BANK/CINCINNATI OH	2.250	6/14/2021	6/14/2021	A-	715,000	725,419.050	4.203	3.949	2.536	.73%	706,887.61
38145GAK6	GOLDMAN SACHS GROUP INC/THE	1.920	12/13/2019	12/13/2019	A3	575,000	578,679.330	2.706	.214	1.703	.60%	579,154.95
38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250	7/27/2021	7/27/2021	A3	450,000	501,693.970	4.322	3.874	2.850	.51%	493,612.20
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	460,000	464,015.230	1.511	1.525	1.917	.48%	461,950.40
446438RV7	HUNTINGTON NATIONAL BANK/THE	1.619	3/10/2020	3/10/2020	A3	450,000	450,000.000	2.950	.203	1.663	.47%	450,219.60
48121CYK6	JPMORGAN CHASE BANK NA	6.000	10/1/2017	10/2/2017	A	976,000	994,135.390	.503	.490	1.763	1.03%	996,448.18
49327M2F0	KEYBANK NA/CLEVELAND OH	2.500	12/15/2019	12/16/2019	A-	900,000	914,776.050	2.706	2.599	2.068	.94%	910,160.10
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	500,000	499,193.710	.933	.924	1.605	.52%	499,281.00
55279HAH3	MANUFACTURERS & TRADERS TRUST CO	1.338	7/25/2017	7/25/2017	A	500,000	499,521.680	.322	.074	1.193	.52%	500,371.50
59156RAR9	METLIFE INC	6.817	8/15/2018	8/15/2018	A-	285,000	303,857.210	1.372	1.319	1.912	.32%	303,837.36
61746BDY9	MORGAN STANLEY	2.409	2/1/2019	2/1/2019	A3	800,000	800,000.000	1.836	.102	1.662	.84%	813,032.80
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	810,000	828,884.700	3.206	3.062	2.265	.84%	812,109.24
69353RDD7	PNC BANK NA	2.250	7/2/2019	7/2/2019	A	620,000	622,662.070	2.169	2.147	1.904	.65%	624,539.02
86787EAS6	SUNTRUST BANK/ATLANTA GA	1.564	1/31/2020	1/31/2020	A-	660,000	660,000.000	2.753	.093	1.552	.69%	662,681.58
91324PBJ0	UNITEDHEALTH GROUP INC	6.000	2/15/2018	2/15/2018	A-	725,000	752,320.410	.872	.859	1.532	.78%	752,940.78
91159HHE3	US BANCORP	1.950	11/15/2018	11/15/2018	A+	366,000	367,418.620	1.539	1.547	1.554	.38%	368,192.34
90331HNV2	US BANK NA/CINCINNATI OH	1.619	1/29/2018	1/29/2018	AA-	500,000	500,000.000	.747	.081	1.220	.52%	501,943.00
92343VDG6	VERIZON COMMUNICATIONS INC	1.750	8/15/2021	8/16/2021	BBB+	800,000	794,147.370	4.372	4.169	2.793	.79%	765,861.60
94974BGR5	WELLS FARGO & CO	2.550	12/7/2020	12/7/2020	A	950,000	975,406.220	3.683	3.483	2.405	.99%	954,817.45
971807AD4	WILMINGTON TRUST CORP	8.500	4/2/2018	4/2/2018	A3	275,000	292,884.100	1.006	.942	2.156	.30%	292,195.75

CalOptima (The Orange County Health Authority)

Account #: LCEF0023802

As of 3/31/2017

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
CORPORATES (Continued)												
98389BAS9	XCEL ENERGY INC	2.400	3/15/2021	3/15/2021	BBB+	750,000	769,620.040	3.956	3.731	2.492	.78%	747,416.25
CORPORATES TOTALS							25,161,397.030					25,077,201.93
MORTGAGES												
31413XVG5	FANNIE MAE POOL	4.361	6/1/2019	6/25/2019	Agency	600,000	622,382.610	2.236	2.115	3.687	.63%	608,047.27
31385XBG1	FANNIE MAE POOL	6.000	3/1/2018	6/25/2017	Agency	2,914	2,870.300	.150	.148	2.134	0%	2,918.85
31371KT68	FANNIE MAE POOL	5.500	10/1/2017	9/25/2017	Agency	7,857	7,855.240	.268	.264	1.482	.01%	7,911.69
31371KVC2	FANNIE MAE POOL	5.500	11/1/2017	10/25/2017	Agency	10,728	10,598.910	.306	.302	1.464	.01%	10,819.57
31391WS93	FANNIE MAE POOL	5.500	11/1/2017	10/25/2017	Agency	4,179	4,116.240	.306	.302	1.494	0%	4,214.25
3138EJRP5	FANNIE MAE POOL	4.380	6/1/2021	5/25/2021	Agency	911,699	998,529.940	3.985	3.632	2.451	1.01%	978,216.63
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	3/25/2018	Agency	435,166	443,692.630	.491	.486	(1.313)	.46%	447,221.65
31381Q6B7	FANNIE MAE POOL	4.295	6/1/2021	6/25/2021	Agency	1,183,938	1,293,681.080	4.051	3.694	2.458	1.31%	1,267,635.96
31294KUP8	FREDDIE MAC GOLD POOL	5.000	11/1/2018	9/15/2018	Agency	36,879	36,693.920	.676	.664	.341	.04%	37,960.81
36200MMZ3	GINNIE MAE I POOL	4.500	6/15/2018	4/15/2018	Govt	15,725	15,637.530	.530	.521	2.172	.02%	15,888.91
36200MPV9	GINNIE MAE I POOL	4.500	7/15/2018	5/15/2018	Govt	8,160	8,128.100	.571	.561	2.180	.01%	8,251.90
MORTGAGES TOTALS							3,444,186.500					3,389,087.49
MUNICIPALS												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,010,000	1,010,000.000	2.503	2.436	1.817	1.03%	997,344.70
03667PEB4	ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT	1.954	8/1/2018	8/1/2018	Aa2	345,000	345,000.000	1.333	1.313	1.506	.36%	347,032.05
072031AF4	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	1.914	10/1/2019	10/1/2019	Aa3	150,000	150,262.910	2.503	2.413	1.770	.16%	150,519.00
13034PUF2	CALIFORNIA HOUSING FINANCE AGENCY	2.379	8/1/2020	8/3/2020	A1	450,000	448,008.090	3.333	3.192	2.400	.47%	449,694.00
13077CT38	CALIFORNIA STATE UNIVERSITY	1.982	11/1/2019	11/1/2019	AA-	245,000	245,000.000	2.583	2.495	1.603	.26%	247,337.30
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	495,000	505,548.860	3.583	3.403	1.897	.52%	502,415.10
156792GT4	CERRITOS COMMUNITY COLLEGE DISTRICT	2.165	8/1/2019	8/1/2019	Aa2	175,000	175,000.000	2.333	2.265	1.783	.18%	176,520.75
156792GR8	CERRITOS COMMUNITY COLLEGE DISTRICT	1.312	8/1/2017	8/1/2017	Aa2	500,000	500,000.000	.333	.335	1.042	.52%	500,445.00
45656RCK6	CITY OF INDUSTRY CA	2.500	1/1/2020	1/2/2020	A1	230,000	229,775.500	2.750	2.644	2.352	.24%	230,894.70
544445AZ2	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	2.092	5/15/2020	5/15/2020	AA	715,000	715,000.000	3.122	2.994	2.259	.74%	711,410.70
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	415,000	415,000.000	4.333	4.159	2.151	.42%	404,832.50
70914PPE6	COMMONWEALTH OF PENNSYLVANIA	4.250	7/15/2020	7/15/2020	Aa3	500,000	533,035.880	3.289	3.061	1.986	.56%	535,860.00
452650JD7	IMPERIAL IRRIGATION DISTRICT ELECTRIC SYSTEM REVENUE	1.320	11/1/2019	11/1/2019	AA-	655,000	653,346.740	2.583	2.518	1.989	.67%	644,015.65
54473ERR7	LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY	2.560	12/1/2019	12/2/2019	AA-	305,000	305,623.380	2.667	2.559	2.213	.32%	307,720.60
621196XM1	MOUNT DIABLO UNIFIED SCHOOL DISTRICT/CA	3.887	8/1/2017	8/1/2017	Aa2	400,000	403,235.620	.333	.335	1.397	.42%	403,292.00
630360EJ0	NAPA VLY CA CMNTY C	1.776	8/1/2018	8/1/2018	AA-	600,000	600,000.000	1.333	1.314	1.375	.63%	603,162.00
661334DS8	NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT/CA	1.540	8/1/2018	8/1/2018	Aa1	165,000	164,663.430	1.333	1.316	1.403	.17%	165,297.00
683042AC9	ONTARIO INTERNATIONAL AIRPORT AUTHORITY	1.818	5/15/2019	5/15/2019	A-	490,000	490,000.000	2.122	2.060	2.197	.50%	486,168.20
735000QD6	PORT OF OAKLAND	5.000	5/1/2017	5/1/2017	A+	525,000	526,547.240	.083	.085	1.461	.55%	526,533.00
76886PFB4	RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION	2.848	8/1/2020	8/3/2020	Aa2	355,000	362,423.100	3.333	3.172	2.021	.38%	364,411.05

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
MUNICIPALS (Continued)												
786005NA2	SACRAMENTO MUNICIPAL UTILITY DISTRICT	5.000	8/15/2017	8/15/2017	AA-	160,000	162,200.440	.372	.374	.873	.17%	162,446.40
79765A7G5	SAN FRANCISCO CITY & COUNTY AIRPORTS COMM-SAN FRANCISCO INTERNATIONAL AIRPORT	5.000	5/1/2017	5/1/2017	A+	600,000	601,679.910	.083	.085	1.379	.62%	601,794.00
83412PDW9	SOLANO COUNTY COMMUNITY COLLEGE DISTRICT	1.840	8/1/2018	8/1/2018	Aa3	600,000	600,000.000	1.333	1.314	1.435	.63%	603,192.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	780,000	796,522.960	3.250	3.121	1.919	.81%	782,675.40
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	845,000	845,000.000	3.719	3.550	2.175	.86%	831,150.45
649791CJ7	STATE OF NEW YORK	4.290	3/1/2019	3/1/2019	AA+	225,000	234,503.660	1.917	1.843	1.522	.25%	236,720.25
932889VJ4	WALNUT VALLEY UNIFIED SCHOOL DISTRICT	2.000	8/1/2018	8/1/2018	Aa2	285,000	285,912.860	1.333	1.313	1.308	.30%	287,596.35
MUNICIPALS TOTALS							12,303,290.580					12,260,480.15
US TREASURIES												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	2,384,594	2,397,373.620	3.041	3.009	1.675	2.51%	2,420,150.68
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	7,260,000	7,457,935.470	3.837	3.662	1.755	7.63%	7,359,258.72
912828UB4	UNITED STATES TREASURY NOTE/BOND	1.000	11/30/2019	12/2/2019	Govt	1,100,000	1,092,892.350	2.668	2.614	1.416	1.13%	1,088,055.10
912828J43	UNITED STATES TREASURY NOTE/BOND	1.750	2/28/2022	2/28/2022	Govt	6,855,000	6,743,369.220	4.916	4.675	1.939	7.05%	6,794,484.06
912828C73	UNITED STATES TREASURY NOTE/BOND	.875	4/15/2017	4/17/2017	Govt	1,500,000	1,500,054.680	.041	.046	.685	1.56%	1,500,115.50
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,130,000	6,247,578.240	3.416	3.282	1.649	6.46%	6,226,498.46
912828RC6	UNITED STATES TREASURY NOTE/BOND	2.125	8/15/2021	8/16/2021	Govt	8,755,000	8,985,642.660	4.378	4.153	1.843	9.19%	8,858,282.74
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	5,525,000	5,535,789.600	2.751	2.688	1.445	5.68%	5,477,518.15
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	1,280,000	1,263,488.730	3.083	2.998	1.547	1.31%	1,263,800.32
US TREASURIES TOTALS							41,224,124.570					40,988,163.73
FIXED INCOME TOTALS							93,853,955.780					93,461,627.33
PORTFOLIO TOTALS							96,415,549.790					96,422,381.01

CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
Cash							
	CASH OR STIF	USD	5,956,356.85	5,956,356.85	0.00	1.000	1.02%
Total for Cash			5,956,356.85	5,956,356.85	0.00		1.02%
Money Markets							
5,760,000.000	SUMITOMO MITSUI NY YCD	86563YFY4	5,760,000.00	5,760,219.17	219.17	100.004	0.99%
	Mat: 4/5/17 Cpn: 1.25%		0.00	35,600.00			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 10/3/16 St Date: 10/5/16						
15,000,000.000	FHLB DISCOUNT NOTE	313385EL6	14,994,900.00	14,994,933.29	33.29	99.966	2.57%
	Mat: 4/17/17 Cpn: 0.00%		0.00	300.00			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/30/17 St Date: 3/31/17						
1,440,000.000	RABOBANK NEDERLAND NY YCD	21684BXH2	1,437,782.40	1,440,063.40	2,281.00	100.004	0.25%
	Mat: 4/21/17 Cpn: 1.07%		5,906.40	6,848.00			
	Moody's: S&P: Fitch:						
	Tr Date: 9/7/16 St Date: 9/9/16						
6,500,000.000	FNMA DISCOUNT NOTE	313589FC2	6,492,651.39	6,492,579.89	(71.50)	99.931	1.11%
	Mat: 5/3/17 Cpn: 0.00%		0.00	3,073.06			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/9/17 St Date: 3/9/17						
50,000,000.000	FHLB DISCOUNT NOTE	313385FK7	49,932,631.94	49,920,876.39	(11,755.56)	99.916	8.57%
	Mat: 5/10/17 Cpn: 0.00%		0.00	37,847.22			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 2/9/17 St Date: 2/10/17						
1,650,000.000	MIZUHO BANK LTD YCD	60689D4A8	1,650,000.00	1,650,000.00	0.00	100.000	0.28%
	Mat: 5/24/17 Cpn: 1.10%		252.08	2,621.67			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 2/9/17 St Date: 2/13/17						
15,000,000.000	FHLB DISCOUNT NOTE	313385GJ9	14,973,995.83	14,974,468.33	472.50	99.865	2.57%
	Mat: 6/2/17 Cpn: 0.00%		0.00	5,595.83			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/14/17 St Date: 3/15/17						
10,000,000.000	FHLB DISCOUNT NOTE	313385GP5	9,980,250.00	9,980,527.67	277.67	99.854	1.71%
	Mat: 6/7/17 Cpn: 0.00%		0.00	5,047.22			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/9/17 St Date: 3/9/17						



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
5,800,000.000	DNB NOR BANK YCD Mat: 6/28/17 Cpn: 1.06% Moody's: P-1 S&P: A-1 Fitch: Tr Date: 3/27/17 St Date: 3/28/17	23340QB28	5,800,000.00 0.00	5,800,000.00 683.11	0.00	100.000	0.99%
3,800,000.000	SWEDBANK NY YCD Mat: 6/29/17 Cpn: 0.99% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 3/28/17 St Date: 3/29/17	87019UZG7	3,800,000.00 0.00	3,800,000.00 313.50	0.00	100.000	0.65%
19,000,000.000	U.S. TREASURY BILL Mat: 7/20/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/19/16 St Date: 7/21/16	912796KB4	18,894,338.89 0.00	18,881,626.31 73,730.55	(12,712.58)	99.764	3.25%
38,000,000.000	FAMC DISCOUNT NOTE Mat: 7/27/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 7/27/16 St Date: 7/28/16	31315LJR0	37,750,255.56 0.00	37,728,171.86 169,469.44	(22,083.70)	99.729	6.50%
3,800,000.000	TORONTO DOMINION NY YCD Mat: 8/3/17 Cpn: 1.18% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 2/2/17 St Date: 2/3/17	89113WWA0	3,800,000.00 0.00	3,800,000.00 7,099.67	0.00	100.000	0.65%
20,000,000.000	FHLB DISCOUNT NOTE Mat: 8/9/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/23/17 St Date: 2/24/17	313385KE5	19,939,133.33 0.00	19,925,560.28 13,200.00	(13,573.05)	99.692	3.42%
3,800,000.000	BANK OF TOKYO-MITSUBISHI NY YCD Mat: 8/30/17 Cpn: 1.53% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 8/29/16 St Date: 8/30/16	06538M7L7	3,800,000.00 0.00	3,804,202.80 34,561.00	4,202.80	100.111	0.66%
2,020,000.000	MIZUHO BANK LTD YCD Mat: 9/6/17 Cpn: 1.30% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 3/6/17 St Date: 3/7/17	60689D5J8	2,020,000.00 0.00	2,020,000.00 1,823.61	0.00	100.000	0.35%
3,800,000.000	BANK OF NOVA SCOTIA HOUSTON YCD 3ML FRN Mat: 9/7/17 Cpn: 1.60% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/1/16 St Date: 9/7/16	06417GPD4	3,802,532.00 3,427.08	3,800,000.00 4,226.63	(2,532.00)	100.000	0.65%
3,310,000.000	RABOBANK NEDERLAND NY YCD 3ML FRN Mat: 9/8/17 Cpn: 1.58% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/2/16 St Date: 9/8/16	21684BR89	3,310,000.00 0.00	3,310,000.00 3,478.19	0.00	100.000	0.57%



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Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,800,000.000	NORDEA BANK FINLAND YCD Mat: 9/8/17 Cpn: 1.35% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 9/8/16 St Date: 9/12/16	65558LSW3	3,800,000.00 0.00	3,801,032.54 28,642.50	1,032.54	100.027	0.66%
3,800,000.000	BNP PARIBAS NY YCD Mat: 9/13/17 Cpn: 1.52% Moody's: P-1 S&P: A-1 Fitch: F1 Tr Date: 9/13/16 St Date: 9/15/16	05582WDW1	3,800,000.00 0.00	3,803,773.67 31,768.00	3,773.67	100.099	0.66%
3,800,000.000	WESTPAC BANKING NY YCD Mat: 10/3/17 Cpn: 1.36% Moody's: P-1 S&P: A-1+ Fitch: F1+ Tr Date: 9/29/16 St Date: 10/3/16	96121TX52	3,800,000.00 0.00	3,800,174.00 25,840.00	174.00	100.005	0.66%
12,040,000.000	U.S. TREASURY BILL Mat: 2/1/18 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/31/17 St Date: 2/2/17	912796LJ6	11,941,392.40 0.00	11,927,120.65 15,712.20	(14,271.75)	99.191	2.05%
Total for Money Markets			231,479,863.74 9,585.56	231,415,330.23 507,481.41	(64,533.51)		39.78%

Treasuries

37,000,000.000	U.S. TREASURY NOTE Mat: 7/31/17 Cpn: 0.63% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/16 St Date: 8/2/16	912828XP0	37,015,898.44 1,256.79	36,977,431.11 38,328.73	(38,467.33)	99.939	6.35%
50,000,000.000	U.S. TREASURY NOTE Mat: 11/15/17 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 9/7/16 St Date: 9/8/16	912828G20	50,107,421.88 137,907.61	49,977,501.00 165,573.20	(129,920.88)	99.955	8.60%
11,850,000.000	U.S. TREASURY NOTE Mat: 1/31/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/14/16 St Date: 12/19/16	912828UJ7	11,831,524.07 39,728.09	11,833,765.38 17,185.77	2,241.31	99.863	2.03%
10,000,000.000	U.S. TREASURY NOTE Mat: 2/28/18 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/21/17 St Date: 2/22/17	912828UR9	9,982,812.50 36,256.91	9,972,300.00 6,521.74	(10,512.50)	99.723	1.71%
20,000,000.000	U.S. TREASURY NOTE Mat: 3/31/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 2/21/17 St Date: 2/22/17	912828Q45	19,961,718.75 73,557.69	19,958,999.60 478.14	(2,719.15)	99.795	3.42%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
27,000,000.000	U.S. TREASURY NOTE Mat: 5/31/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 3/9/17 St Date: 3/10/17	912828R51	26,896,171.88 66,057.69	26,923,048.92 79,182.69	26,877.04	99.715	4.63%
Total for Treasuries			155,795,547.52 354,764.78	155,643,046.01 307,270.28	(152,501.51)		26.75%
Government Related							
3,820,000.000	INTL FINANCE CORP FRN Mat: 3/6/18 Cpn: 0.88% Moody's: Aaa S&P: AAA Fitch: Tr Date: 2/27/17 St Date: 3/6/17	45950VKP0	3,820,000.00 0.00	3,820,878.60 2,427.82	878.60	100.023	0.66%
Total for Government Related			3,820,000.00 0.00	3,820,878.60 2,427.82	878.60		0.66%
Agencies							
4,200,000.000	FFCB 1ML FRN Mat: 8/1/18 Cpn: 0.92% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/13/16 St Date: 10/14/16	3133EGPA7	4,206,548.14 1,011.95	4,212,348.00 3,343.39	5,799.86	100.294	0.72%
10,000,000.000	FNMA 1ML FRN Mat: 2/28/19 Cpn: 0.98% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/12/16 St Date: 10/13/16	3135G0HZ9	9,965,700.00 6,695.50	10,007,700.00 7,163.33	42,000.00	100.077	1.72%
Total for Agencies			14,172,248.14 7,707.45	14,220,048.00 10,506.72	47,799.86		2.44%
Tax-Exempt							
820,000.000	CA STATE PUBLIC WORKS BOARD Mat: 4/1/17 Cpn: 3.00% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 10/6/16 St Date: 10/13/16	13068LZC2	828,339.40 0.00	820,000.00 11,480.00	(8,339.40)	100.000	0.14%
2,500,000.000	MA STATE GO/LTD NOTES Mat: 4/24/17 Cpn: 2.00% Moody's: MIG1 S&P: SP-1+ Fitch: AA+ Tr Date: 8/24/16 St Date: 8/30/16	57582RKR6	2,522,625.00 0.00	2,501,775.00 29,315.07	(20,850.00)	100.071	0.43%
1,350,000.000	CA LOS ANGELES CNTY TRANS Mat: 6/30/17 Cpn: 3.00% Moody's: MIG1 S&P: SP-1+ Fitch: F1+ Tr Date: 10/19/16 St Date: 10/21/16	544657HT9	1,371,019.50 12,375.00	1,356,804.00 30,375.00	(14,215.50)	100.504	0.24%



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Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,510,000.000	OR STATE TANS GO/LTD Mat: 6/30/17 Cpn: 2.00% Moody's: MIG1 S&P: SP-1+ Fitch: F1+ Tr Date: 10/18/16 St Date: 10/19/16	68609BVE4	3,539,589.30 17,160.00	3,519,722.70 48,750.00	(19,866.60)	100.277	0.61%
4,100,000.000	CA STATE GO/ULT Mat: 8/1/17 Cpn: 4.00% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 10/19/16 St Date: 11/3/16	13063C4D9	4,199,589.00 0.00	4,142,886.00 27,333.33	(56,703.00)	101.046	0.72%
Total for Tax-Exempt			12,461,162.20 29,535.00	12,341,187.70 147,253.40	(119,974.50)		2.14%
Taxable Muni							
3,000,000.000	CA LOS ANGELES REDEV AGY TAX TXB Mat: 9/1/17 Cpn: 0.89% Moody's: Aa3 S&P: AA Fitch: Tr Date: 8/5/16 St Date: 8/25/16	54465AGH9	3,000,000.00 0.00	2,994,210.00 2,232.50	(5,790.00)	99.807	0.51%
Total for Taxable Muni			3,000,000.00 0.00	2,994,210.00 2,232.50	(5,790.00)		0.51%
Credit							
2,240,000.000	HUNTINGTON NATL BANK FRN Mat: 4/24/17 Cpn: 1.47% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 1/29/15 St Date: 2/3/15	446438RJ4	2,237,827.20 339.04	2,240,589.12 6,121.76	2,761.92	100.026	0.39%
1,150,000.000	GOLDMAN SACHS FRN Mat: 5/22/17 Cpn: 1.72% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 5/19/15 St Date: 5/22/15	38148LAD8	1,150,000.00 0.00	1,150,968.30 2,088.02	968.30	100.084	0.20%
2,000,000.000	BRANCH BANKING & TRUST FRN Mat: 5/23/17 Cpn: 1.35% Moody's: A2 S&P: A- Fitch: A Tr Date: 10/21/15 St Date: 10/26/15	10513KAC8	1,990,700.00 2,201.85	2,000,290.00 2,782.07	9,590.00	100.015	0.34%
1,020,000.000	PACCAR FINANCIAL FRN Mat: 6/6/17 Cpn: 1.29% Moody's: A1 S&P: A+ Fitch: Tr Date: 7/31/14 St Date: 8/5/14	69371RL95	1,020,549.90 702.89	1,020,399.84 950.30	(150.06)	100.039	0.18%
1,800,000.000	VERIZON COMMUNICATIONS FRN Mat: 6/9/17 Cpn: 1.51% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 1/29/15 St Date: 2/3/15	92343VCD4	1,797,038.00 1,693.87	1,800,828.00 1,732.15	3,790.00	100.046	0.31%



CALOPTIMA - OPERATING FUND

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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
3,604,000.000	IBM Mat: 9/14/17 Cpn: 5.70% Moody's: Aa3 S&P: AA- Fitch: A+ Tr Date: 7/11/16 St Date: 7/14/16	459200GJ4	3,804,042.62 68,476.00	3,676,649.43 9,700.77	(127,393.19)	102.016	0.63%
730,000.000	AMERICAN EXPRESS FRN Mat: 9/22/17 Cpn: 1.46% Moody's: A2 S&P: A- Fitch: A Tr Date: 9/18/14 St Date: 9/23/14	0258M0DS5	730,000.00 0.00	730,792.05 295.29	792.05	100.109	0.13%
2,960,000.000	GENERAL MILLS Mat: 10/20/17 Cpn: 1.40% Moody's: A3 S&P: BBB+ Fitch: BBB+ Tr Date: 10/27/16 St Date: 11/1/16	370334BU7	2,969,116.80 1,151.11	2,961,805.60 18,417.78	(7,311.20)	100.061	0.51%
493,000.000	BERKSHIRE HATHAWAY FRN Mat: 1/12/18 Cpn: 1.32% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 10/13/15 St Date: 10/16/15	084664CD1	491,895.68 25.50	494,111.72 1,425.77	2,216.04	100.226	0.08%
1,800,000.000	WELLS FARGO FRN Mat: 1/22/18 Cpn: 1.78% Moody's: Aa2 S&P: AA- Fitch: AA Tr Date: 1/22/16 St Date: 1/29/16	94988J5B9	1,800,000.00 0.00	1,809,381.60 6,056.15	9,381.60	100.521	0.31%
5,000,000.000	JPMORGAN CHASE FRN Mat: 1/25/18 Cpn: 1.94% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 4/15/15 St Date: 4/20/15	46625HJF8	5,050,815.70 13,624.35	5,030,675.00 17,763.99	(20,140.70)	100.614	0.87%
1,780,000.000	CATERPILLAR Mat: 2/23/18 Cpn: 1.50% Moody's: A3 S&P: A Fitch: A Tr Date: 12/15/16 St Date: 12/20/16	14912L6P1	1,777,828.40 8,677.50	1,777,677.10 2,818.33	(151.30)	99.870	0.31%
2,000,000.000	WELLS FARGO FRN Mat: 4/23/18 Cpn: 1.67% Moody's: A2 S&P: A Fitch: AA- Tr Date: 1/29/15 St Date: 2/3/15	94974BFBK1	2,003,940.00 542.12	2,009,662.00 6,313.50	5,722.00	100.483	0.35%
3,000,000.000	GOLDMAN SACHS FRN Mat: 4/30/18 Cpn: 2.24% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	38141GVK7	3,050,390.00 6,625.48	3,027,030.00 11,381.58	(23,360.00)	100.901	0.52%
5,000,000.000	QUALCOMM FRN Mat: 5/18/18 Cpn: 1.32% Moody's: A1 S&P: A+ Fitch: Tr Date: 5/13/15 St Date: 5/20/15	747525AH6	5,000,000.00 0.00	4,999,925.00 7,162.62	(75.00)	99.999	0.86%



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1,825,000.000	AMERICAN EXPRESS FRN Mat: 5/22/18 Cpn: 1.64% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/14/15 St Date: 4/17/15	025816BH1	1,828,522.25 2,330.98	1,832,228.83 3,159.49	3,706.58	100.396	0.31%
3,200,000.000	KEYBANK FRN Mat: 6/1/18 Cpn: 1.57% Moody's: A3 S&P: A- Fitch: A- Tr Date: 5/27/15 St Date: 6/1/15	49327M2L7	3,200,000.00 0.00	3,212,572.80 4,338.79	12,572.80	100.393	0.55%
3,200,000.000	PNC BANK FRN Mat: 6/1/18 Cpn: 1.47% Moody's: A2 S&P: A Fitch: A+ Tr Date: 5/27/15 St Date: 6/1/15	69353REN4	3,200,000.00 0.00	3,210,300.80 4,063.23	10,300.80	100.322	0.55%
2,910,000.000	CISCO SYSTEMS FRN Mat: 6/15/18 Cpn: 1.44% Moody's: A1 S&P: AA- Fitch: Tr Date: 6/10/15 St Date: 6/17/15	17275RAY8	2,910,000.00 0.00	2,921,226.78 1,980.48	11,226.78	100.386	0.50%
3,000,000.000	FIFTH THIRD BANK FRN Mat: 8/20/18 Cpn: 1.97% Moody's: A3 S&P: A- Fitch: A Tr Date: 10/13/15 St Date: 10/16/15	31677QBE8	3,005,250.00 5,903.54	3,018,489.00 6,555.00	13,239.00	100.616	0.52%
680,000.000	LOWES COMPANIES FRN Mat: 9/14/18 Cpn: 1.72% Moody's: A3 S&P: A- Fitch: Tr Date: 9/9/15 St Date: 9/16/15	548661DF1	680,403.20 93.55	685,580.76 585.21	5,177.56	100.821	0.12%
3,000,000.000	VERIZON COMMUNICATIONS FRN Mat: 9/14/18 Cpn: 2.87% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 4/15/15 St Date: 4/20/15	92343VBM5	3,123,600.00 6,230.18	3,064,164.00 4,306.83	(59,436.00)	102.139	0.53%
1,000,000.000	WELLS FARGO FRN Mat: 9/14/18 Cpn: 1.52% Moody's: A2 S&P: A Fitch: AA- Tr Date: 9/16/14 St Date: 9/23/14	94974BGD6	1,000,000.00 0.00	1,002,152.00 760.61	2,152.00	100.215	0.17%
1,270,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 10/15/18 Cpn: 1.28% Moody's: A2 S&P: A Fitch: A Tr Date: 1/3/17 St Date: 1/6/17	24422ETN9	1,270,000.00 0.00	1,273,553.46 3,823.56	3,553.46	100.280	0.22%
3,000,000.000	US BANCORP FRN Mat: 11/15/18 Cpn: 1.53% Moody's: A1 S&P: A+ Fitch: AA Tr Date: 10/21/15 St Date: 10/26/15	91159HHF0	3,000,630.00 4,727.92	3,015,984.00 5,733.75	15,354.00	100.533	0.52%



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5,050,000.000	CHEVRON FRN Mat: 11/16/18 Cpn: 1.55% Moody's: Aa2 S&P: AA- Fitch: Tr Date: 11/9/15 St Date: 11/17/15	166764BB5	5,050,000.00 0.00	5,086,602.40 9,550.46	36,602.40	100.725	0.87%
1,000,000.000	AT&T FRN Mat: 11/27/18 Cpn: 1.96% Moody's: Baa1 S&P: BBB+ Fitch: A- Tr Date: 7/30/14 St Date: 8/4/14	00206RCB6	1,019,860.00 2,179.54	1,009,381.00 1,798.80	(10,479.00)	100.938	0.17%
2,220,000.000	CITIGROUP FRN Mat: 12/7/18 Cpn: 1.96% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 12/1/15 St Date: 12/7/15	172967KF7	2,220,000.00 0.00	2,237,577.96 3,024.24	17,577.96	100.792	0.38%
1,828,000.000	ORACLE FRN Mat: 1/15/19 Cpn: 1.60% Moody's: A1 S&P: AA- Fitch: A+ Tr Date: 7/30/14 St Date: 8/4/14	68389XAR6	1,836,100.79 1,073.19	1,844,305.76 6,181.45	8,204.97	100.892	0.32%
1,100,000.000	MORGAN STANLEY FRN Mat: 1/24/19 Cpn: 1.89% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 4/15/15 St Date: 4/20/15	61746BDN3	1,104,125.00 2,838.99	1,108,855.00 3,876.29	4,730.00	100.805	0.19%
1,430,000.000	CITIBANK FRN Mat: 3/20/19 Cpn: 1.49% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 3/13/17 St Date: 3/20/17	17325FAB4	1,430,000.00 0.00	1,430,684.97 711.08	684.97	100.048	0.25%
1,075,000.000	CATERPILLAR FINANCIAL FRN Mat: 3/22/19 Cpn: 1.44% Moody's: A3e S&P: A Fitch: A Tr Date: 3/20/17 St Date: 3/23/17	14912L6X4	1,075,000.00 0.00	1,075,373.03 385.98	373.03	100.035	0.18%
1,280,000.000	BRANCH BANKING & TRUST FRN Mat: 5/1/19 Cpn: 1.56% Moody's: A1 S&P: A Fitch: A+ Tr Date: 5/5/16 St Date: 5/10/16	07330NAM7	1,280,000.00 0.00	1,285,387.52 3,280.92	5,387.52	100.421	0.22%
700,000.000	MORGAN STANLEY FRN Mat: 7/23/19 Cpn: 1.78% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	61746BDS2	700,350.00 170.30	704,106.20 2,355.17	3,756.20	100.587	0.12%
720,000.000	BERKSHIRE HATHAWAY FRN Mat: 8/15/19 Cpn: 1.30% Moody's: Aa2 S&P: AA Fitch: A+u Tr Date: 8/8/16 St Date: 8/15/16	084664CL3	720,000.00 0.00	721,776.96 1,169.10	1,776.96	100.247	0.12%



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Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,775,000.000	FIFTH THIRD BANK FRN Mat: 9/27/19 Cpn: 1.74% Moody's: A3 S&P: A- Fitch: A Tr Date: 9/22/16 St Date: 9/27/16	31677QBJ7	1,775,000.00 0.00	1,776,073.88 429.67	1,073.88	100.061	0.30%
1,915,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 10/9/19 Cpn: 1.29% Moody's: A2 S&P: A Fitch: A Tr Date: 9/6/16 St Date: 9/9/16	24422ETK5	1,915,000.00 0.00	1,919,128.74 5,645.58	4,128.74	100.216	0.33%
1,390,000.000	CATERPILLAR FINANCIAL FRN Mat: 1/10/20 Cpn: 1.53% Moody's: A3 S&P: A Fitch: A Tr Date: 1/5/17 St Date: 1/12/17	14912L6Z9	1,390,000.00 0.00	1,395,094.35 4,660.49	5,094.35	100.367	0.24%
1,330,000.000	CITIGROUP FRN Mat: 1/10/20 Cpn: 1.80% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 1/4/17 St Date: 1/10/17	172967LE9	1,330,000.00 0.00	1,334,983.51 5,386.83	4,983.51	100.375	0.23%
1,385,000.000	BRANCH BANKING & TRUST FRN Mat: 1/15/20 Cpn: 1.48% Moody's: A1 S&P: A Fitch: A+ Tr Date: 1/23/17 St Date: 1/26/17	07330NAP0	1,385,000.00 0.00	1,388,553.91 3,705.48	3,553.91	100.257	0.24%
1,150,000.000	SUNTRUST BANK FRN Mat: 1/31/20 Cpn: 1.56% Moody's: Baa1 S&P: A- Fitch: A- Tr Date: 1/25/17 St Date: 2/1/17	86787EAS6	1,150,000.00 0.00	1,155,148.55 2,947.71	5,148.55	100.448	0.20%
1,900,000.000	MORGAN STANLEY FRN Mat: 2/14/20 Cpn: 1.84% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 2/14/17 St Date: 2/17/17	61746BEH5	1,900,000.00 0.00	1,904,655.00 4,179.82	4,655.00	100.245	0.33%
865,000.000	CITIZENS BANK FRN Mat: 3/2/20 Cpn: 1.60% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAH4	865,000.00 0.00	867,275.82 1,156.22	2,275.82	100.263	0.15%
930,000.000	AMERICAN EXPRESS FRN Mat: 3/3/20 Cpn: 1.52% Moody's: A2 S&P: A- Fitch: A Tr Date: 2/28/17 St Date: 3/3/17	0258M0EF2	930,000.00 0.00	929,535.00 1,140.82	(465.00)	99.950	0.16%
845,000.000	HUNTINGTON NATL BANK FRN Mat: 3/10/20 Cpn: 1.62% Moody's: A3 S&P: BBB+ Fitch: A- Tr Date: 3/7/17 St Date: 3/10/17	446438RV7	845,000.00 0.00	845,774.87 836.03	774.87	100.092	0.15%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,325,000.000	GOLDMAN SACHS FRN Mat: 12/27/20 Cpn: 1.88% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 3/22/17 St Date: 3/27/17	38141GWF7	1,325,000.00 0.00	1,323,885.68 346.50	(1,114.33)	99.916	0.23%
1,330,000.000	JPMORGAN CHASE FRN Mat: 3/9/21 Cpn: 1.66% Moody's: A3 S&P: A- Fitch: A+ Tr Date: 3/2/17 St Date: 3/9/17	46647PAC0	1,330,000.00 0.00	1,325,128.21 1,407.33	(4,871.79)	99.634	0.23%
1,485,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.21% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 1/17/17 St Date: 1/20/17	61746BEE2	1,485,000.00 0.00	1,500,378.66 6,472.86	15,378.66	101.036	0.26%
880,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 1.96% Moody's: A2 S&P: A Fitch: AA- Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	880,000.00 0.00	885,579.20 2,256.10	5,579.20	100.634	0.15%
1,360,000.000	WALT DISNEY CO FRN Mat: 3/4/22 Cpn: 1.49% Moody's: A2 S&P: A Fitch: A Tr Date: 3/1/17 St Date: 3/6/17	25468PDS2	1,360,000.00 0.00	1,365,070.08 1,463.51	5,070.08	100.373	0.23%
1,330,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 2.06% Moody's: Baa1 S&P: BBB Fitch: A- Tr Date: 3/6/17 St Date: 3/9/17	14040HBM6	1,330,000.00 0.00	1,331,609.30 1,747.22	1,609.30	100.121	0.23%
Total for Credit			95,722,985.54 129,607.90	95,718,962.72 206,432.70	(4,022.82)		16.45%

Mortgage-Backed

2,495,590.390	FHMS K502 A2 CMBS Mat: 8/25/17 Cpn: 1.43% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/1/16 St Date: 8/4/16	3137B03W2	2,500,464.59 296.56	2,495,785.05 2,965.59	(4,679.55)	100.008	0.43%
568,523.122	NGN 2010-R2 1A 1MOFRN NCUA GNTD Mat: 11/6/17 Cpn: 1.15% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/17/16 St Date: 8/22/16	62888UAA8	568,700.78 239.50	568,641.94 417.10	(58.84)	100.021	0.10%
1,930,000.000	FHMS K701 A2 CMBS Mat: 11/25/17 Cpn: 3.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/16/16 St Date: 11/21/16	3137A7JU5	1,966,187.50 4,162.37	1,945,544.22 6,243.55	(20,643.28)	100.805	0.33%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
5,459,690.875	FNA 2012-M9 ASQ2 CMBS Mat: 12/25/17 Cpn: 1.51% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/20/16 St Date: 10/25/16	3136A7L26	5,478,458.56 5,507.00	5,461,094.02 6,883.76	(17,364.54)	100.026	0.94%
3,030,000.000	FMPRE 2017-TK01A 1MOFRN CMBS Mat: 2/25/20 Cpn: 1.09% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 1/31/17 St Date: 2/16/17	30258EAA3	3,030,000.00 0.00	3,036,875.07 642.19	6,875.07	100.227	0.52%
1,164,343.354	NGN 2011-R4 1A 1MOFRN NCUA GNTD Mat: 3/6/20 Cpn: 1.23% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/20/16 St Date: 12/23/16	62889FAA0	1,164,798.17 471.95	1,164,605.33 918.28	(192.84)	100.023	0.20%
3,915,081.573	NGN 2011-R3 1A 1MO FRN NCUA GNTD Mat: 3/11/20 Cpn: 1.29% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/18/15 St Date: 5/21/15	62889EAA3	3,932,282.29 598.45	3,918,068.78 2,526.32	(14,213.51)	100.076	0.67%
687,864.300	FHMS KF02 A1 1MOFRN CMBS Mat: 7/25/20 Cpn: 1.16% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/19/15 St Date: 11/24/15	3137B5J79	687,864.30 330.72	688,237.81 154.93	373.51	100.054	0.12%
6,302,655.845	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 1.34% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/17/16 St Date: 10/20/16	62888WAB2	6,325,306.01 2,664.82	6,336,129.25 5,382.36	10,823.24	100.531	1.09%
Total for Mortgage-Backed			25,654,062.21 14,271.36	25,614,981.47 26,134.09	(39,080.74)		4.40%

Asset-Backed

373,524.936	USAA 2016-1 A1 CAR Mat: 9/15/17 Cpn: 0.68% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 9/12/16 St Date: 9/21/16	90327CAA8	373,524.94 0.00	373,526.43 119.94	1.49	100.000	0.06%
3,425,000.000	HONDA 2017-1 A1 CAR Mat: 12/21/17 Cpn: 1.05% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 3/21/17 St Date: 3/28/17	43814TAA0	3,425,000.00 0.00	3,425,424.70 399.58	424.70	100.012	0.59%
3,710,000.000	JOHN DEERE 2017-A A1 EQP Mat: 3/15/18 Cpn: 0.88% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 2/22/17 St Date: 3/2/17	47787XAA5	3,710,000.00 0.00	3,709,873.86 2,720.67	(126.14)	99.997	0.64%



CALOPTIMA - OPERATING FUND

Portfolio 2480

Portfolio Positions

as of March 31, 2017

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
2,877,783.802	SDART 2017-1 A1 CAR Mat: 3/15/18 Cpn: 0.95% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 2/23/17 St Date: 2/28/17	80284TAB1	2,877,783.80 0.00	2,877,824.09 1,291.01	40.29	100.001	0.49%
2,820,000.000	BMW 2017-1 A1 LEASE Mat: 3/20/18 Cpn: 1.00% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 3/15/17 St Date: 3/22/17	055657AA8	2,820,000.00 0.00	2,820,076.14 783.33	76.14	100.003	0.48%
2,970,000.000	NISSAN 2017-A A1 CAR Mat: 4/16/18 Cpn: 1.00% Moody's: P-1 S&P: Fitch: F1+ Tr Date: 3/21/17 St Date: 3/28/17	654747AA2	2,970,000.00 0.00	2,970,000.00 330.00	0.00	100.000	0.51%
4,500,000.000	TOYOTA 2016-C A2B CAR 1MOFRN Mat: 1/15/19 Cpn: 1.09% Moody's: Aaa S&P: AAA Fitch: Tr Date: 8/1/16 St Date: 8/10/16	89237WAC1	4,500,000.00 0.00	4,502,416.50 2,320.97	2,416.50	100.054	0.77%
6,200,000.000	GEDFT 2014-2 A 1MOFRN FLOOR Mat: 10/20/19 Cpn: 1.43% Moody's: Aaa S&P: Fitch: AAA Tr Date: 1/29/15 St Date: 2/3/15	36159LCN4	6,199,741.60 1,060.04	6,204,929.00 2,951.88	5,187.40	100.080	1.06%
3,650,000.000	CITI 2017-A1 A1 CDT 1MOFRN Mat: 1/19/21 Cpn: 1.19% Moody's: Aaa S&P: AAA Fitch: Tr Date: 1/19/17 St Date: 1/26/17	17305EFZ3	3,650,000.00 0.00	3,655,971.40 1,814.02	5,971.40	100.164	0.63%
3,520,000.000	CHASE 2017-A1 A CDT 1MOFRN Mat: 1/18/22 Cpn: 1.21% Moody's: S&P: AAA Fitch: AAA Tr Date: 1/30/17 St Date: 2/6/17	161571HJ6	3,520,000.00 0.00	3,533,200.00 2,014.98	13,200.00	100.375	0.61%
Total for Asset-Backed			34,046,050.34 1,060.04	34,073,242.12 14,746.38	27,191.78		5.85%
Grand Total			582,108,276.53 546,532.09	581,798,243.70 1,224,485.31	(310,032.84)		100.00%



CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 3/31/2017

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
CASH & CASH EQUIVALENTS												
ASSET BACKED												
055657AA8	BMW VEHICLE LEASE TRUST	.950	3/20/2018	11/20/2017		4,500,000	4,500,000.000	.336	.334	1.017	.77%	4,500,025.65
43814TAA0	HONDA AUTO RECEIVABLES 2017-1 OWNER TRUST	1.050	12/21/2017	8/21/2017		5,000,000	5,000,000.000	.221	.219	1.065	.86%	5,000,000.00
ASSET BACKED TOTALS							9,500,000.000					9,500,025.65
CASH												
06427KPD3	BANK OF MONTREAL CH	1.080	4/10/2017	4/10/2017	A-1	15,000,000	15,000,000.000	.028	.027	1.077	2.58%	15,000,000.00
06538NST5	BANK TOKYO-MITSUBIS	.990	4/20/2017	4/20/2017	F1	15,000,000	15,000,000.000	.056	.054	.988	2.58%	15,000,000.00
05582WLP7	BNP PARIBAS NY BRH	1.050	4/17/2017	4/17/2017	A-1	15,000,000	15,000,000.000	.047	.046	1.048	2.58%	15,000,000.00
22534HVR9	CREDIT AGRICOLE COR	1.040	4/24/2017	4/24/2017	F1	15,000,000	15,000,000.000	.067	.065	1.038	2.58%	15,000,000.00
23340QXK4	DNB BANK ASA 3(A)2	.960	4/26/2017	4/26/2017	A-1	15,000,000	15,000,000.000	.072	.071	.958	2.58%	15,000,000.00
30229AR35	EXXON CORP DISC D	0.000	4/3/2017	4/3/2017	A-1+	7,500,000	7,499,660.370	.008	.008	.544	1.29%	7,499,660.37
30229ARM3	EXXON CORP DISC D	0.000	4/21/2017	4/21/2017	A-1+	7,500,000	7,496,583.240	.058	.057	.781	1.29%	7,496,583.24
313385DY9	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	4/5/2017	4/5/2017	Agency	3,000,000	2,999,763.360	.014	.014	.568	.51%	2,999,763.36
313385EL6	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	4/17/2017	4/17/2017	Agency	8,500,000	8,497,166.630	.047	.046	.706	1.46%	8,497,166.63
38480JRH2	GRAINGER W W INC D D	0.000	4/17/2017	4/17/2017	P-1	15,000,000	14,994,200.010	.047	.046	.819	2.57%	14,994,200.01
46640PR70	J P MORGAN SEC DIS D	0.000	4/7/2017	4/7/2017	P-1	2,000,000	1,999,683.360	.019	.019	.815	.34%	1,999,683.36
50066BLC3	KOREA DEV BANK NY I	1.010	4/10/2017	4/10/2017	P-1	15,000,000	15,000,000.000	.028	.027	1.008	2.58%	15,000,000.00
60689D2W2	MIZUHO BANK LTD INS	1.100	4/27/2017	4/27/2017	F1	15,000,000	15,000,000.000	.075	.074	1.098	2.58%	15,000,000.00
63743CRK1	NATIONAL RURAL DIS D	0.000	4/19/2017	4/19/2017	F1	11,500,000	11,495,112.530	.053	.052	.815	1.97%	11,495,112.53
63873F4X3	NATIXIS NY BRH INST	1.060	4/19/2017	4/19/2017	A-1	15,000,000	15,000,000.000	.053	.052	1.058	2.58%	15,000,000.00
65602UMS4	NORINCHUKIN BK C/D	1.030	5/16/2017	5/16/2017	A-1	15,000,000	15,000,183.840	.128	.125	1.019	2.58%	15,000,183.84
69372ARC8	PACCAR FINL CORP D D	0.000	4/12/2017	4/12/2017	A-1	15,000,000	14,996,333.070	.033	.033	.851	2.57%	14,995,744.95
83369YJT4	SOCIETE GENERALE NY	.990	4/20/2017	4/20/2017	F1	15,000,000	15,000,000.000	.056	.054	.988	2.58%	15,000,000.00
89113WUT1	TORONTO DOMINION BA	.990	4/17/2017	4/17/2017	A-1+	15,000,000	15,000,000.000	.047	.046	.988	2.58%	15,000,000.00
912796JP5	UNITED STATES TREASURY BILL	0.000	4/27/2017	4/27/2017	Govt	15,000,000	14,991,550.000	.075	.074	.736	2.57%	14,991,550.00
NA9123459	US DOLLARS	.983	4/3/2017		Agency	115,483	115,483.120	0.000	-	.983	.02%	115,483.12
USD120030	USD INTEREST RECEIVABLE	-				1,244,013	0.000	-	-	-	.21%	1,244,012.52
USD120090	USD RECEIVABLE FOR PAYDOWNS	-				664,214	664,213.770	-	-	-	.11%	664,213.77
93884ER72	WASHINGTON GAS/LT D	0.000	4/7/2017	4/7/2017	F1	4,865,000	4,864,262.190	.019	.019	.769	.84%	4,864,262.19
CASH TOTALS							255,614,195.490					256,857,619.89
MUNICIPALS												
190335HB8	COAST COMMUNITY COLLEGE DISTRICT	.795	8/1/2017	8/1/2017	Aa1	4,865,000	4,865,000.000	.333	.335	.947	.83%	4,862,518.85
MUNICIPALS TOTALS							4,865,000.000					4,862,518.85
CASH & CASH EQUIVALENTS TOTALS							269,979,195.490					271,220,164.39
FIXED INCOME												
AGENCIES												
3133EFEC7	FEDERAL FARM CREDIT BANKS	1.122	9/18/2018	9/18/2018	Agency	5,000,000	4,998,459.140	1.469	1.447	.920	.86%	5,015,850.00
3134G72G5	FEDERAL HOME LOAN MORTGAGE CORP	.983	4/20/2017	4/20/2017	Agency	5,000,000	4,999,945.340	.056	.054	.801	.86%	5,000,505.00
AGENCIES TOTALS							9,998,404.480					10,016,355.00

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 3/31/2017

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
ASSET BACKED												
02582JGN4	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST	1.282	12/15/2021	5/15/2019	AAA	7,014,000	7,028,675.800	2.131	.052	1.131	1.21%	7,048,983.73
02582JGY0	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST 2014-3	1.202	5/15/2020	10/16/2017	AAA	6,000,000	6,008,102.110	.547	.047	1.046	1.03%	6,007,720.80
02587TAA1	AMERICAN EXPRESS ISSUANCE TRUST II	1.192	2/15/2019	3/15/2018	AAA	10,000,000	10,012,520.640	.964	.047	1.086	1.72%	10,017,503.00
05580PAD3	BMW VEHICLE LEASE TRUST 2015-1	1.240	12/20/2017	5/20/2017	Aaa	2,732,040	2,732,991.600	.097	.095	1.208	.47%	2,732,038.32
05581RAC0	BMW VEHICLE LEASE TRUST 2016-1	1.478	1/22/2018	8/21/2017	Aaa	3,120,494	3,122,583.450	.214	.055	1.087	.54%	3,123,318.52
05581RAB2	BMW VEHICLE LEASE TRUST 2016-1	1.170	1/22/2018	8/20/2017	Aaa	825,255	825,309.210	.214	.211	1.185	.14%	825,206.77
161571GW8	CHASE ISSUANCE TRUST	1.162	4/15/2019	4/17/2017	AAA	2,800,000	2,799,963.930	.047	.046	1.162	.48%	2,800,000.00
161571FH2	CHASE ISSUANCE TRUST	1.182	5/15/2019	5/15/2017	AAA	8,675,000	8,680,749.500	.131	.046	1.023	1.49%	8,676,735.00
161571FT6	CHASE ISSUANCE TRUST	1.172	12/16/2019	12/15/2017	AAA	7,830,000	7,835,750.350	.714	.047	1.048	1.35%	7,841,271.29
36159LCN4	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.428	10/20/2019	10/20/2017	Aaa	3,610,000	3,607,288.490	.556	.055	1.336	.62%	3,612,431.34
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.478	1/21/2020	1/22/2018	Aaa	2,160,000	2,158,217.520	.806	.055	1.362	.37%	2,162,767.82
36159LBW5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.728	4/22/2019	4/20/2017	Aaa	4,000,000	3,999,955.280	.056	.054	1.128	.69%	4,001,332.80
47788NAA6	JOHN DEERE OWNER TRUST	.640	8/15/2017	4/15/2017		379,063	379,062.830	.042	.041	.649	.07%	379,061.39
47787XAA5	JOHN DEERE OWNER TRUST 2017	.880	3/15/2018	12/15/2017		3,000,000	3,000,000.000	.336	.330	.902	.52%	2,999,825.70
58768MAA9	MERCEDES-BENZ AUTO LEASE TRUST	.750	11/15/2017	5/15/2017		1,005,055	1,005,054.590	.088	.084	.727	.17%	1,005,055.29
65478WAA3	NISSAN AUTO RECEIVABLES 2016-C OWNER TRUST	.620	8/15/2017	4/17/2017		619,203	619,202.920	.047	.046	.619	.11%	619,203.11
89231TAB6	TOYOTA AUTO RECEIVABLES 2015-C OWNER TRUST	.920	2/15/2018	4/15/2017	Aaa	129,169	129,156.120	.042	.041	1.163	.02%	129,152.98
ASSET BACKED TOTALS							63,944,584.340					63,981,607.86
CMBS												
3136AP3Z3	FANNIE MAE MULTIFAMILY REMIC TRUST 2015-M12	1.035	4/25/2020	12/25/2019	Agency	4,374,354	4,377,271.400	2.096	.070	1.275	.75%	4,375,075.97
3136ALYC9	FANNIE MAE-ACES	1.637	11/25/2017	11/25/2017	Agency	89,957	89,966.990	.368	.365	1.113	.02%	90,028.83
3136ANA98	FANNIE MAE-ACES	.951	3/25/2019	3/25/2019	Agency	9,558,263	9,561,508.370	1.649	.069	1.175	1.64%	9,562,722.14
3136ANMF1	FANNIE MAE-ACES	.877	11/25/2018	11/25/2018	Agency	6,717,631	6,714,848.110	1.395	.069	1.091	1.15%	6,718,388.24
3136A8G38	FANNIE MAE-ACES	1.246	8/25/2017	8/25/2017	Agency	307,730	307,721.930	.253	.250	1.356	.05%	307,380.86
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	2,321,752	2,323,399.400	.807	.800	1.427	.40%	2,319,952.09
3136AGGF3	FANNIE MAE-ACES	1.532	10/25/2017	8/25/2017	Agency	68,788	68,853.400	.371	.367	1.232	.01%	68,791.91
3137A7JT8	FHLMC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.776	6/25/2017	6/25/2017	Agency	939,811	941,578.420	.153	.151	1.286	.16%	940,142.84
3137B03W2	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	1.426	8/25/2017	7/25/2017	AAA	1,257,261	1,258,123.600	.277	.274	1.066	.22%	1,257,273.05
3137ABFV8	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	3.154	2/25/2018	2/25/2018	Agency	4,342,281	4,394,759.920	.839	.826	1.574	.75%	4,390,087.65
CMBS TOTALS							30,038,031.540					30,029,843.58
CMOS												
62888YAA0	NCUA GUARANTEED NOTES TRUST 2011-R1	1.227	1/8/2020		Aaa	4,226,645	4,246,994.810	2.050	.082	.610	.73%	4,233,128.63
62889FAA0	NCUA GUARANTEED NOTES TRUST 2011-R4	1.157	3/6/2020		Agency	293,177	293,245.200	0.000	.082	0.000	.05%	293,236.17
CMOS TOTALS							4,540,240.010					4,526,364.80
CORPORATES												
025816BH1	AMERICAN EXPRESS CO	1.640	5/22/2018	5/22/2018	A3	1,000,000	1,001,062.500	1.144	.144	1.416	.17%	1,003,793.00

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 3/31/2017

Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
CORPORATES (Continued)												
0258M0DN6	AMERICAN EXPRESS CREDIT CORP	1.370	6/5/2017	6/5/2017	A2	2,066,000	2,065,565.570	.183	.180	1.227	.35%	2,066,535.09
0258M0DM8	AMERICAN EXPRESS CREDIT CORP	1.125	6/5/2017	6/5/2017	A2	7,000,000	7,000,444.880	.178	.180	1.099	1.20%	7,000,273.00
03073EAK1	AMERISOURCEBERGEN CORP	1.150	5/15/2017	5/15/2017	A-	10,000,000	9,999,473.810	.122	.123	1.398	1.72%	9,996,900.00
037833AN0	APPLE INC	1.104	5/5/2017	5/5/2017	Aa1	1,500,000	1,499,974.500	.097	.095	.951	.26%	1,500,220.50
037833AM2	APPLE INC	1.050	5/5/2017	5/5/2017	Aa1	10,820,000	10,822,827.060	.097	.095	.962	1.86%	10,820,562.64
037833AG5	APPLE INC	1.285	5/3/2018	5/3/2018	Aa1	1,500,000	1,500,655.500	1.092	.093	.954	.26%	1,504,873.50
06051GFJ3	BANK OF AMERICA CORP	1.700	8/25/2017	8/25/2017	BBB+	4,268,000	4,273,462.520	.400	.400	1.308	.73%	4,274,619.67
06050TKX9	BANK OF AMERICA NA	1.431	6/15/2017	6/15/2017	A-	10,000,000	10,000,000.000	.211	.207	1.355	1.72%	10,001,580.00
06050TKW1	BANK OF AMERICA NA	6.100	6/15/2017	6/15/2017	A-	2,175,000	2,195,162.600	.206	.207	1.603	.38%	2,194,909.95
59562VAW7	BERKSHIRE HATHAWAY ENERGY CO	1.100	5/15/2017	5/15/2017	A3	15,000,000	15,001,789.680	.122	.123	1.113	2.58%	14,999,670.00
084664CH2	BERKSHIRE HATHAWAY FINANCE CORP	1.821	3/15/2019	3/15/2019	Aa2	1,600,000	1,600,000.000	1.961	.218	1.256	.28%	1,618,713.60
14912L6Q9	CATERPILLAR FINANCIAL SERVICES CORP	1.753	2/23/2018	2/23/2018	A	1,215,000	1,215,000.000	.897	.147	1.325	.21%	1,220,900.04
166764AX8	CHEVRON CORP	1.398	11/9/2017	11/9/2017	AA-	1,250,000	1,250,000.000	.608	.107	1.167	.22%	1,252,662.50
172967JQ5	CITIGROUP INC	1.727	4/27/2018	4/27/2018	BBB+	2,340,000	2,337,320.480	1.075	.077	1.456	.40%	2,350,017.54
30231GAS1	EXXON MOBIL CORP	1.654	2/28/2018	2/28/2018	AA+	2,355,000	2,355,000.000	.919	.168	1.099	.41%	2,368,986.35
31677QBA6	FIFTH THIRD BANK/CINCINNATI OH	1.350	6/1/2017	6/1/2017	A-	10,000,000	10,002,789.680	.086	.103	1.132	1.72%	10,001,460.00
38141EC49	GOLDMAN SACHS GROUP INC/THE	1.931	12/15/2017	12/15/2017	A3	4,900,000	4,900,392.540	.711	.208	1.464	.84%	4,917,502.80
38148LAD8	GOLDMAN SACHS GROUP INC/THE	1.720	5/22/2017	5/22/2017	A3	5,200,000	5,202,682.180	.144	.142	1.152	.89%	5,204,274.40
437076BJ0	HOME DEPOT INC/THE	1.501	9/15/2017	9/15/2017	A	503,000	503,487.060	.461	.207	1.098	.09%	503,998.96
446438RH8	HUNTINGTON NATIONAL BANK/THE	1.375	4/24/2017	4/24/2017	A3	7,730,000	7,730,050.970	.064	.065	1.412	1.33%	7,729,775.83
24422ESU4	JOHN DEERE CAPITAL CORP	1.313	1/16/2018	1/16/2018	A	1,309,000	1,306,986.200	.794	.050	1.187	.23%	1,311,810.42
48121CVZ6	JPMORGAN CHASE BANK NA	6.000	7/5/2017	7/5/2017	A	6,047,000	6,120,085.760	.261	.261	1.420	1.05%	6,118,735.56
55279HAF7	MANUFACTURERS & TRADERS TRUST CO	1.400	7/25/2017	7/25/2017	A	6,360,000	6,363,309.750	.317	.303	1.597	1.09%	6,355,961.40
617446H51	MORGAN STANLEY	5.550	4/27/2017	4/27/2017	A3	4,452,000	4,466,219.100	.072	.074	1.815	.77%	4,463,855.68
63743HEK4	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1.284	5/12/2017	5/12/2017	A	1,000,000	999,955.400	.117	.114	1.087	.17%	1,000,227.00
65339KAB6	NEXTERA ENERGY CAPITAL HOLDINGS INC	1.586	6/1/2017	6/1/2017	BBB+	8,560,000	8,562,724.320	.167	.169	1.419	1.47%	8,562,276.96
68389XAT2	ORACLE CORP	1.209	7/7/2017	7/7/2017	A+	3,000,000	3,001,030.060	.269	.019	1.011	.52%	3,002,766.00
717081DF7	PFIZER INC	1.431	6/15/2018	6/15/2018	A+	500,000	500,769.470	1.217	.214	1.149	.09%	501,863.00
842400GB3	SOUTHERN CALIFORNIA EDISON CO	1.125	5/1/2017	5/1/2017	A+	8,752,000	8,752,000.000	.083	.084	1.231	1.50%	8,751,186.06
92343VCD4	VERIZON COMMUNICATIONS INC	1.506	6/9/2017	6/9/2017	BBB+	4,485,000	4,485,750.880	.194	.191	1.282	.77%	4,486,942.01
929903DU3	WACHOVIA CORP	1.401	6/15/2017	6/15/2017	A	5,000,000	5,000,148.810	.211	.207	1.222	.86%	5,001,875.00
94974BFK1	WELLS FARGO & CO	1.671	4/23/2018	4/23/2018	A	1,052,000	1,053,176.580	1.064	.069	1.355	.18%	1,056,917.05
CORPORATES TOTALS							153,069,297.860					153,146,645.51
MORTGAGES												
31381NUY7	FANNIE MAE POOL	2.623	9/1/2017	9/25/2017	Agency	458,671	460,825.130	.484	.479	2.358	.08%	458,575.25
MORTGAGES TOTALS							460,825.130					458,575.25
MUNICIPALS												
769036AW4	CITY OF RIVERSIDE CA	.980	6/1/2017	6/1/2017	SP-1+	1,695,000	1,695,000.000	.167	.169	1.264	.29%	1,694,186.40
542411KT9	LONG BEACH COMMUNITY COLLEGE DISTRICT	.930	8/1/2017	8/1/2017	AA-	1,755,000	1,755,000.000	.333	.335	1.211	.30%	1,753,350.30
546415Z29	STATE OF LOUISIANA	1.087	8/1/2017	8/1/2017	AA-	635,000	635,464.710	.333	.335	1.256	.11%	634,638.05

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 3/31/2017



Portfolio Profile

Security ID	Security Description	Coupon	Maturity Date	Eff. Mat. Date	Rating	Par Value	Amortized Cost (BV)	WAL	Duration	Yield to Worst	% of Market	Market Value
FIXED INCOME (Continued)												
MUNICIPALS (Continued)												
93974DYT9	STATE OF WASHINGTON	.500	8/1/2017	8/1/2017	AA+	9,745,000	9,737,782.640	.333	.335	.773	1.67%	9,736,132.05
MUNICIPALS TOTALS							13,823,247.350					13,818,306.80
SOVEREIGN DEBT												
4581X0CG1	INTER-AMERICAN DEVELOPMENT BANK	1.000	7/14/2017	7/14/2017	AAA	6,982,000	6,985,700.030	.289	.286	1.100	1.20%	6,979,933.33
459058DC4	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	1.125	7/18/2017	7/18/2017	AAA	8,500,000	8,508,539.760	.297	.297	1.155	1.46%	8,499,175.50
459058CG6	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	.875	4/17/2017	4/17/2017	AAA	8,502,000	8,502,293.820	.044	.046	.851	1.46%	8,502,076.52
45950KBS8	INTERNATIONAL FINANCE CORP	1.000	4/24/2017	4/24/2017	Aaa	5,000,000	5,000,745.290	.067	.065	1.174	.86%	4,999,405.00
SOVEREIGN DEBT TOTALS							28,997,278.900					28,980,590.35
US TREASURIES												
912828M23	UNITED STATES TREASURY FLOATING RATE NOTE	.950	10/31/2017	10/31/2017	Govt	6,300,000	6,302,305.710	.583	.011	.769	1.08%	6,306,577.20
US TREASURIES TOTALS							6,302,305.710					6,306,577.20
FIXED INCOME TOTALS							311,174,215.320					311,264,866.35
PORTFOLIO TOTALS							581,153,410.810					582,485,030.74

WELLS CAPITAL - OPERATING FUNDS
March 2017

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0DN6	US0258M0DN61	0258M0DN6	0.20%	\$1,167,455.69
AMERICAN HONDA FINANCE CORP	HNDA	02665WAQ4	US02665WAQ42	02665WAQ4	1.73%	\$10,064,271.11
AMXCA 142 A	AMXCA	02582JGS3	US02582JGS33	02582JGS3	1.72%	\$10,007,469.00
APPLE INC	AAPL	037833AG5	US037833AG56	037833AG5	0.86%	\$5,026,414.43
APPLE INC	AAPL	037833AN0	US037833AN08	037833AN0	0.26%	\$1,502,703.87
BANK OF AMERICA NA	BAC	06050TLY6	US06050TLY63	06050TLY6	1.20%	\$7,004,341.17
BANK OF NEW YORK MELLON CORP	BK	06406HCJ6	US06406HCJ68	06406HCJ6	0.39%	\$2,299,446.85
BANK OF NEW YORK MELLON CORP	BK	06406HDC0	US06406HDC07	06406HDC0	0.93%	\$5,424,805.23
BB&T CORP	BBT	05531FAM5	US05531FAM59	05531FAM5	1.38%	\$8,024,247.56
Cafco, LLC	C	1247P2TE4	US1247P2TE42	1247P2TE4	2.57%	\$14,969,531.25
CAPITAL ONE NA	COF	14042E3Z1	US14042E3Z13	14042E3Z1	0.64%	\$3,702,150.93
Cash	---	CCYUSD	---	CCYUSD	0.04%	\$212,454.27
CCCIT 14A4 A4	CCCIT	17305EFQ3	US17305EFQ35	17305EFQ3	0.52%	\$3,016,271.30
CHAIT 153 A	CHAIT	161571GW8	US161571GW88	161571GW8	0.34%	\$2,001,097.65
CHAIT 155 A	CHAIT	161571GY4	US161571GY45	161571GY4	1.37%	\$7,996,673.16
CHEVRON CORP	CVX	166764BC3	US166764BC34	166764BC3	0.52%	\$3,016,909.00
Chevron Corporation	CVX	16677JUT1	US16677JUT14	16677JUT1	0.17%	\$996,922.17
Chevron Corporation	CVX	16677JV45	US16677JV459	16677JV45	3.42%	\$19,933,360.00
CITIGROUP INC	C	172967HY0	US172967HY01	172967HY0	1.25%	\$7,292,448.76
COMCAST CORP	CMCSA	20030NAU5	US20030NAU54	20030NAU5	0.56%	\$3,256,059.69
COMET 145A A	COMET	14041NET4	US14041NET46	14041NET4	0.26%	\$1,537,470.09
CRC Funding, LLC	C	12619TSK1	US12619TSK15	12619TSK1	1.71%	\$9,986,375.30
CRC Funding, LLC	C	12619TTD6	US12619TTD62	12619TTD6	0.86%	\$4,988,889.70
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAM9	US22546QAM96	22546QAM9	1.71%	\$9,955,493.94
FEDERAL HOME LOAN BANKS	FHLB	3130AAQ43	US3130AAQ433	3130AAQ43	1.71%	\$9,990,830.00
FEDERAL HOME LOAN BANKS	FHLB	313385NS1	US313385NS13	313385NS1	1.71%	\$9,946,410.00
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G72G5	US3134G72G51	3134G72G5	0.86%	\$5,002,143.88
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082	316175108	0.33%	\$1,916,067.45
FIFTH THIRD BANK	FITB	31677QAV1	US31677QAV14	31677QAV1	0.86%	\$5,001,400.83
FIFTH THIRD BANK	FITB	31677QBA6	US31677QBA67	31677QBA6	0.47%	\$2,742,683.58
GENERAL ELECTRIC COMPANY	GE	369604BC6	US369604BC61	369604BC6	1.79%	\$10,420,958.33
GOLDMAN SACHS GROUP INC	GS	38141EB99	US38141EB990	38141EB99	1.12%	\$6,501,863.77
HSBC USA INC (NEW)	HSBC	40428HPH9	US40428HPH92	40428HPH9	0.47%	\$2,757,582.90
INTEL CORP	INTC	458140AL4	US458140AL48	458140AL4	1.57%	\$9,170,171.36
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0BQ0	US4581X0BQ01	4581X0BQ0CORP	1.50%	\$8,768,367.37
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CL0	US4581X0CL05	4581X0CL0	1.73%	\$10,057,449.44
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CG1	US4581X0CG10	4581X0CG1	1.74%	\$10,141,655.56
INTER-AMERICAN DEVELOPMENT BANK	IADB	45818WAY2	US45818WAY21	45818WAY2	1.72%	\$10,001,584.93
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	45905UTJ3	US45905UTJ33	45905UTJ3	1.72%	\$10,000,480.12
INTERNATIONAL FINANCE CORP	IFC	45950KBV1	US45950KBV17	45950KBV1	0.47%	\$2,767,030.51
JPMORGAN CHASE BANK NA	JPM	48121CYK6	US48121CYK60	48121CYK6	1.86%	\$10,824,795.30
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAF7	US55279HAF73	55279HAF7	1.72%	\$10,019,316.67
MORGAN STANLEY	MS	617446V71	US617446V714	617446V71	0.88%	\$5,124,400.83
MORGAN STANLEY	MS	61744YAD0	US61744YAD04	61744YAD0	0.41%	\$2,380,846.27
NATIONAL RURAL UTILITIES COOP FINANCE CORP	NRUC	63743HEK4	US63743HEK41	63743HEK4	0.17%	\$1,001,902.97
NYSE EURONEXT	ICE	629491AB7	US629491AB74	629491AB7	0.70%	\$4,059,111.11
Old Line Funding, LLC	OLDLLC	67983TRL2	US67983TRL25	67983TRL2	1.54%	\$8,995,525.02
Old Line Funding, LLC	OLDLLC	67983TSF4	US67983TSF48	67983TSF4	2.06%	\$11,985,150.00
ORACLE CORP	ORCL	68389XAT2	US68389XAT28	68389XAT2	0.52%	\$3,011,230.96
PEPSICO INC	PEP	713448CU0	US713448CU00	713448CU0	0.71%	\$4,160,941.82
Pfizer Inc.	PFE	71708ET13	US71708ET137	71708ET13	1.71%	\$9,985,102.80

WELLS CAPITAL - OPERATING FUNDS
March 2017

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
Pfizer Inc.	PFE	71708ES14	US71708ES147	71708ES14	0.69%	\$3,997,203.12
PNC BANK NA	PNC	69353REJ3	US69353REJ32	69353REJ3	0.32%	\$1,892,089.08
PRECISION CASTPARTS CORP	PCP	740189AK1	US740189AK18	740189AK1	1.61%	\$9,368,052.22
Receivable	---	CCYUSD	---	CCYUSD	0.00%	\$9,746.35
SOUTHERN CALIFORNIA EDISON CO	EIX	842400GB3	US842400GB36	842400GB3	0.86%	\$5,022,972.50
The Coca-Cola Company	KO	19121AWT4	US19121AWT41	19121AWT4	0.84%	\$4,871,825.00
The Coca-Cola Company	KO	19121AS93	US19121AS930	19121AS93	0.51%	\$2,997,318.75
The Coca-Cola Company	KO	19121AT76	US19121AT763	19121AT76	0.77%	\$4,492,528.52
The Coca-Cola Company	KO	19121ATK7	US19121ATK78	19121ATK7	0.51%	\$2,993,953.32
Thunder Bay Funding, LLC	TBLLC	88602TRA3	US88602TRA33	88602TRA3	3.43%	\$19,995,272.20
Toyota Motor Credit Corporation	TOYOTA	89233GS80	US89233GS802	89233GS80	1.89%	\$10,988,992.63
Toyota Motor Credit Corporation	TOYOTA	89233GW77	US89233GW770	89233GW77	1.02%	\$5,968,240.02
Toyota Motor Credit Corporation	TOYOTA	89233GS49	US89233GS497	89233GS49	0.51%	\$2,997,367.83
UNITED STATES TREASURY	UST	912828PA2	US912828PA23	912828PA2	3.45%	\$20,093,984.59
UNITED STATES TREASURY	UST	912828UA6	US912828UA67	912828UA6	3.43%	\$19,995,015.60
UNITED STATES TREASURY	UST	912828UE8	US912828UE89	912828UE8	1.72%	\$9,998,543.59
UNITED STATES TREASURY	UST	912828UJ7	US912828UJ76	912828UJ7	3.43%	\$20,000,865.52
UNITED STATES TREASURY	UST	912828UR9	US912828UR92	912828UR9	3.42%	\$19,956,803.48
UNITED STATES TREASURY	UST	912828G79	US912828G799	912828G79	1.38%	\$8,023,516.48
UNITED STATES TREASURY	UST	912828XP0	US912828XP00	912828XP0	3.43%	\$20,001,898.23
UNITED STATES TREASURY	UST	912828M72	US912828M722	912828M72	1.72%	\$10,021,906.92
UNITED STATES TREASURY	UST	912828N55	US912828N555	912828N55	4.30%	\$25,057,970.30
VISA INC	V	92826CAA0	US92826CAA09	92826CAA0	2.10%	\$12,254,139.79
WORLD BANK - INTERNATIONAL BANK FOR RECONSTRUCTIO	IBRD	459058CG6	US459058CG66	459058CG6	2.03%	\$11,843,180.07

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Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material. Note that for unlisted securities the valuations may be lagged by one or more calendar quarters, or may reflect original cost.

This document may contain certain forward-looking statements, forecasts, estimates, projections, and opinions (“Forward Statements”). No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. A number of factors, in addition to any risk factors stated in this material, could cause actual future results to vary materially from the Forward Statements. No representation is given that the assumptions disclosed in this document upon which Forward Statements may be based are reasonable. There can be no assurance that the investment strategy or objective of any fund or investment will be achieved, or that the Fund will receive a return of the amount invested.

In some cases, Meketa Investment Group assists the Trustees in handling capital calls or asset transfers among investment managers. In these cases, we do not make any representations as to the managers’ use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the Trustees.

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- $[\text{Risk Free Rate} + \text{Beta} * (\text{market return} - \text{Risk Free Rate})]$.

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about its future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a “basis book.” For example, a 5% bond pays \$5 a year interest on each \$100 par value. To figure its current yield, divide \$5 by \$95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay \$100 for the bond that can be bought now for \$95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = 1\% \text{ pro rata, plus } 5.26\% \text{ (current yield)} = 6.26\% \text{ (yield to maturity)}$$

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991.

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.

MINUTES
REGULAR MEETING
OF THE
CALOPTIMA BOARD OF DIRECTORS'
FINANCE AND AUDIT COMMITTEE

CALOPTIMA
505 CITY PARKWAY WEST
ORANGE, CALIFORNIA

FEBRUARY 16, 2017

CALL TO ORDER

Chair Lee Penrose called the meeting to order at 2:01 p.m. Director Schoeffel led the Pledge of Allegiance.

Members Present: Lee Penrose, Chair; Scott Schoeffel

Members Absent: Ron DiLuigi

Others Present: Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Richard Helmer, M.D., Chief Medical Officer; Nancy Huang, Interim Chief Financial Officer; Ladan Khamseh, Chief Operating Officer; Len Rosignoli, Chief Information Officer; Suzanne Turf, Clerk of the Board

MANAGEMENT REPORTS

Chief Financial Officer (CFO) Report

Nancy Huang, Interim Chief Financial Officer, provided an update on the progress of the health network medical loss ratio audit. Audit results will be presented at a future Board of Directors' Finance and Audit Committee meeting.

CalOptima staff is working with the insurance broker regarding the renewal of insurance policies effective April 8, 2017, and an update on insurance coverage will be presented to the Committee at a future meeting.

PUBLIC COMMENT

1. Shirley Dettloff, Maria Zamora, Dr. Marie Torres, AltaMed; and Isabel Becerra, Coalition of Orange County Community Health Centers – Oral re: Agenda Item 3, Receive Program of All-Inclusive Care for the Elderly (PACE) Operational Analysis and Business Plan Follow Up and Consider Recommending Next Steps; and
2. Pamela Pimentel, MOMS Orange County – Oral re: Agenda Item 5, Consider Recommending Issuance of Request for Proposal (RFP) for Medi-Cal Perinatal Support Services.

INVESTMENT ADVISORY COMMITTEE UPDATE

1. Treasurer's Report

Ms. Huang presented an overview of the Treasurer's Report for the period October 1, 2016 through December 31, 2016. Based on a review by the Board of Directors' Investment Advisory Committee, all investments were compliant with Government Code section 53600 *et seq.*, and with CalOptima's Annual Investment Policy.

CONSENT CALENDAR

2. Approve the Minutes of the November 17, 2016 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Receive and File Minutes of the October 24, 2016 Meeting of the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Director Schoeffel, seconded and carried, the Committee approved the Consent Calendar as presented. (Motion carried 2-0-0; Director DiLuigi absent)

REPORTS

3. Receive Program of All-Inclusive Care for the Elderly (PACE) Operational Analysis and Business Plan Follow Up and Consider Recommending Next Steps

Richard Helmer, M.D., Chief Medical Officer, reviewed the February 4, 2016 Board action, which authorized staff to submit a PACE Service Area Expansion application to the Department of Health Care Services and the Centers for Medicare & Medicaid Services, initiate a Request for Proposal process for Alternative Care Settings (ACS) model for PACE expansion satellite locations, staff to perform financial analysis of the Community-Based Adult Services (CBAS) business model and present to the Board of Directors' Finance and Audit Committee for review, and when the Garden Grove PACE Center reaches 80% capacity, staff to return to the Board to consider one or more additional PACE Centers.

A follow up presentation on the PACE operational analysis and business plan, as requested by the Board of Directors' Finance and Audit Committee (FAC) at the September 2016 meeting, was provided for discussion, including a review of the following: PACE financial performance; the cost of like populations; the status of interventions in the areas of risk adjustment factor scores, meals, staffing, specialty referrals, inpatient utilization and pharmacy; options to the current PACE model; and the risks of alternative care settings.

After considerable discussion of the matter, Chair Penrose thanked staff for the detailed report in response to the Committee's questions and concerns, and recommended presenting the PACE Operational Analysis and Business Plan Follow Up to the Board of Directors at the March 2, 2017 meeting for further discussion and direction.

Action: *On motion of Chair Penrose, seconded and carried, the Committee received and filed the PACE Operational Analysis and Business Plan Follow Up and recommended presentation of this item to the Board of Directors for further discussion and direction. (Motion carried 2-0-0; Director DiLuigi absent)*

4. Consider Recommending Board of Directors Receive and File Compliance Strategies' Compliance Program Effectiveness Audit Report

Action: *On motion of Director Schoeffel, seconded and carried, the Committee recommended the Board of Directors receive and file Compliance Strategies' 2016 Compliance Program Effectiveness Audit Report. (Motion carried 2-0-0; Director DiLuigi absent)*

5. Consider Recommending Issuance of Request for Proposal for Medi-Cal Perinatal Support Services
Dr. Helmer presented the actions to recommend Board of Directors authorize the issuance of a Request for Proposal (RFP) to identify community partner(s) experienced with providing Medi-Cal covered Perinatal Support Services, and authorize the Chief Executive Officer, with the assistance of Legal Counsel, to contract with qualifying RFP responders and in compliance with Medi-Cal Perinatal support program requirements established by the California Department of Health Care Services (DHCS). A brief overview of the new proposed program designed to provide a more comprehensive approach to increase utilization, coordination of services and member engagement, was presented for discussion. CalOptima staff proposes to conduct an RFP process to identify partner(s) to meet the requirements of the new program design for Perinatal Care for CalOptima members.

Chief Executive Officer Michael Schrader recommended a modification of the recommended actions to add the following: amend the contract with the current vendor to reflect per member per month and incentive payment based only on the CalOptima Classic Medi-Cal population until the RFP process is completed.

Action: *On motion of Director Schoeffel, seconded and carried, the Committee recommended the Board of Directors authorize the issuance of a Request for Proposal (RFP) to identify community partner(s) experienced with providing Medi-Cal covered Perinatal Support Services, authorize the Chief Executive Officer, with the assistance of Legal Counsel, to contract with qualifying RFP responders and in compliance with Medi-Cal Perinatal Support program requirements established by the California Department of Health Care Services, and amend the contract with the current vendor to reflect per member per month and incentive payment based only on the CalOptima Classic Medi-Cal population until the RFP process is completed. (Motion carried 2-0-0; Director DiLuigi absent)*

INFORMATION ITEMS

The following Information Items were accepted as presented:

6. December 2016 and November 2016 Financial Summaries
7. CalOptima Computer Systems Security Update
9. Cost Containment Improvements/Initiatives
10. Quarterly Reports to the Finance and Audit Committee
 - a. Shared Risk Pool Performance
 - b. Reinsurance Report
 - c. Health Network Financial Report
 - d. Purchasing Report

8. Update on 505 City Parkway West Development Rights

Ms. Huang provided an update on staffing needs for the 505 Building including optimizing telecommuting, recapturing all of the space in the 505 Building, and current space projections, which currently indicates a surplus of 174 spaces.

Glen Allen of Newport Real Estate Services, Inc. presented a review of a preliminary site plan and options for exercising the development rights, including the pros and cons of direct sale, ground lease, direct development, joint venture, or exchange for a nearby property. A conceptual development timeline was also presented. It was noted that the current development agreement expires in October 2020, and an option to extend the current development agreement for additional years beyond 2020 that requires approval by the City of Orange.

After discussion of the matter, Director Schoeffel recommended presentation of this item to the Board of Directors at the March 2, 2017 meeting for further consideration.

ADJOURNMENT

Hearing no further business, Chair Penrose adjourned the meeting at 4:43 p.m.

/s/ Suzanne Turf

Suzanne Turf
Clerk of the Board

Approved: May 18, 2017

MINUTES

REGULAR MEETING OF THE CALOPTIMA BOARD OF DIRECTORS' INVESTMENT ADVISORY COMMITTEE

January 23, 2017

A Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee was held on Monday, January 23, 2017, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

The meeting was called to order at 3:01 p.m. Lisa Laird, Acting Chair, led the Pledge of Allegiance.

ROLL CALL

Members Present: Lisa Laird, Acting Chair; Peggy Eckroth, Caroline Harkins, Nancy Huang, Rodney Johnson, David Young,

Members Absent: Patrick Moore

Others Present: Laura Wirick, Ted Benedict, Meketa Investment Group; Larry Manis, Thomas Elder, Jeffrey Cleveland, Darren Marco, Payden & Rygel; Scott Pavlak, Wendy Kaszak, Logan Circle Partners; Tony Mellville, Zach Smith, Gary Schlossberg, Wells Capital Management; Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Eugene Chen, Manager, Accounting; Pamela Reichardt, Executive Assistant

MINUTES

Approve Minutes of the October 24, 2016, Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee

Action: On motion of Acting Chair Laird, seconded and carried, the Minutes of the October 24, 2016 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 6-0-0; Member Moore absent)

PUBLIC COMMENT

There were no requests for public comment.

MANAGEMENT REPORTS

Chief Executive Officer Report

Michael Schrader, Chief Executive Officer, reported that the Governor released his proposed FY 2017-18 budget in January that includes: the continuation of the Cal MediConnect (CMC)

Program, known as the OneCare Connect program in Orange County, through December 31, 2019; the discontinuation of the broader Coordinated Care Initiative (CCI) on January 1, 2018; and returns the responsibility for In-Home Supportive Services (IHSS) to the counties. Mr. Schrader briefly reported on the Affordable Care Act (ACA), and noted that CalOptima has joined the Medicaid Plans of America. Mr. Schrader also congratulated Nancy Huang as CalOptima's Interim Chief Financial Officer and Treasurer.

Chief Financial Officer Report

Nancy Huang, Interim Chief Financial Officer and Treasurer, provided an update on the budget impact to CalOptima related to the OneCare Connect program. Staff continues to monitor the program performance. The proposed budget currently under development delays certain initiatives, including the transition of California Children's Services, which will start July 2018. Ms. Huang reported that CalOptima has fully reserved the State's overpayment related to rates, and the total impact of the reconciliation is anticipated in May.

REPORTS

Recommend Reappointment to the Board of Directors' Investment Advisory Committee to the CalOptima Board of Directors' Finance and Audit Committee

Action: Action: On motion of Acting Chair Laird, seconded and carried, the Investment Advisory Committee recommended reappointment of Patrick Moore to the Board of Directors' Investment Advisory Committee for a two year term beginning March 7, 2017. (Motion carried 6-0-0; Member Moore absent)

Consideration of a recommendation on the Investment Advisory Committee Chair position was continued to the April 24, 2017, meeting.

INFORMATION ITEMS

Presentation by Meketa Investment Group

Laura Wirick, Senior Vice President, Meketa Investment Group, presented a performance summary, highlighting the current positive returns and the trailing performance across all management accounts. The cash accounts are all strong. Ms. Wirick provided an overview of the Tier 1 account and a detailed explanation of the Annual Investment Expense Analysis, the Custom Peer Groups and the fund performance analysis. She also reported that CalOptima's investment funds are in compliance for the quarter.

Presentation by Payden & Rygel

Larry Manis, Investment Manager, Payden & Rygel, gave a firm update and economic update. Mr. Manis introduced Darren Marco, a new Vice President for the firm. Mr. Manis provided a fourth quarter overview and a 2016 interest rate review. Mr. Marco provided a fund overview, a Tier 1 overview, and fund highlights.

Presentation by Logan Circle Partners

Wendy Kaszak, Vice President of Client Services, Logan Circle Partners, presented an update on the firm. Scott Pavlak, Senior Portfolio Manager, provided a market overview and discussed the current themes, the yield curve positions and the performance attribution. Mr. Pavlak reviewed the Tier 2 portfolio, the Tier 1 portfolio and the Operating Fund for the quarter.

Presentation by Wells Capital Management

Zachary Smith, Managing Director, Wells Capital Management, provided a firm update and introduced, Gary Schlossberg, Senior Economist. Mr. Schlossberg then provided an economic update and showed the fund is looking at growth of 2% to 2.5% in the coming year. Mr. Schlossberg went into further detail on growth cycles. Tony Mellville, Portfolio Manager, reviewed the Tier 1 performance, the portfolio summary and the index comparison.

October 2016 Financial Update

Ms. Huang provided an enrollment summary. As of October 2016, CalOptima had 800,000 members, including approximately 231,000 members enrolled in Medi-Cal Expansion, about one-third of CalOptima's total revenue. Ms. Huang provided an overview of the financial highlights, the balance sheet, and Board-designated reserves.

ADJOURNMENT

Hearing no further business, Acting Chair Laird, adjourned the meeting at 4:57 p.m.

/s/ Pamela Reichardt

Pamela Reichardt
Executive Assistant

Approved: April 24, 2017

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 18, 2017

Regular Meeting of the CalOptima Board of Directors' **Finance and Audit Committee**

Report Item

3. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2017-18 Operating Budget

Contact

Nancy Huang, Interim Chief Financial Officer, (714) 246-8400

Recommended Actions

Recommend that the CalOptima Board of Directors:

1. Approve the CalOptima Fiscal Year (FY) 2017-18 Operating Budget;
2. Authorize the expenditure and appropriate the funds for items listed in Attachment B: Administrative Budget Details, which shall be procured in accordance with CalOptima Policy GA.5002: Purchasing Policy; and
3. Approve continued Medi-Cal medical expenditures at payment rates in effect on June 30, 2017, until the Board approves a final FY 2017-18 Medi-Cal medical budget. In authorizing continued Medi-Cal medical expenditures, the Board expressly reserves the right to consider retroactive adjustments based on Board approved rate amendments from the State.

Background

The CalOptima FY 2017-18 Operating Budget provides revenues and appropriations for the period of July 1, 2017, through June 30, 2018, and includes the following budget categories:

- Medi-Cal;
- OneCare Connect;
- OneCare;
- Program for All-Inclusive Care for the Elderly (PACE);
- Facilities; and
- Investment income.

Staff is submitting the complete budget for all lines of business for approval with assumptions based on available information to date. Pursuant to CalOptima Policies GA. 3202: CalOptima Signature Authority, GA. 5002: Purchasing Policy, and GA.5003: Budget and Operations Forecasting, the Board's approval of the budget appropriates the funds requested and authorizes the expenditure of the item without further Board action.

The primary revenue source is the State of California. As of this writing, the Legislature continues to meet in hearings to discuss the Governor's budget proposal released in January. The January Budget included funding for mandatory and optional Medi-Cal expansion, continued implementation of the Cal MediConnect program, removal of financing for In-Home Supportive Services (IHSS) in managed care, delayed implementation of certain initiatives, including palliative care, Whole-Child Model, Health Homes Program, and Whole Person Care Pilots, and implementation of federal Medicaid managed care regulations.

The Governor will update the budget with revisions to revenue projections and additional budget proposals on May 11, 2017. The Legislature will consider any additional proposals, take final actions on pending items, and pass a final budget by June 15, 2017.

Until the final budget is enacted, CalOptima's budget will have a level of uncertainty.

- FY 2017-18 rates for Medi-Cal, including rates for both the Classic and Expansion populations, were made available in draft form on April 28, 2017. However, draft rates are subject to change, and are not finalized until the California Department of Health Care Services (DHCS) receives federal approval and CalOptima executes a signed contract amendment with DHCS; and
- FY 2017-18 rates for Medi-Cal supplemental benefits, such as Behavioral Health Treatment (BHT), and Managed Long Term Services and Supports (MLTSS) have not yet been released.

CalOptima Budget Overview

I. Consolidated Operating Budget

The FY 2017-18 consolidated Operating Budget is a combined income and spending plan for all CalOptima programs and activities.

	FY 2017-18 Budget
Average Monthly Enrollment	803,499
Revenue	\$3,186,646,826
Medical Costs	\$3,047,176,463
Administrative Costs	\$144,164,516
Operating Income/Loss	(\$4,694,154)
Investments, Net	\$3,000,000
Change in Net Assets	(\$1,694,154)
Medical Loss Ratio (MLR)	95.62%
Administrative Loss Ratio (ALR)	4.52%

Budget Assumptions

Medical Cost: Several methods were utilized in the development of the medical expense forecasts. Predominantly, projections were based on trends calculated from historical experience. In addition, adjustments were applied to account for any known changes to operations, program structure, benefits, and regulatory policies. For new programs, Staff used proxy data and industry benchmarks, and source data, assumptions, and results were checked for reasonability and credibility.

Administrative Cost: To take into consideration seasonal and cyclical spending patterns, FY 2017-18 was forecasted on a 12 month rolling actual. To ensure inclusion in the budget, Staff reviewed all contract encumbrances. Lastly, internal departments identified resource requirements based on changes to enrollment, regulatory and organizational needs. Staff considered:

- Salaries, Wages & Benefits for current staff, open budgeted positions and new budgeted positions;
- Professional Fees, Purchased Services, Printing & Postage and Other Operating Costs based on the needs and priorities of providing care to members;

- Depreciation & Amortization on current assets and projected assets according to Generally Accepted Accounting Principles (GAAP); and
- Indirect Cost Allocation based on revenue and refined, where appropriate.

Of note, CalOptima has several contracts for claims administration, credit balance recovery, and Social Security Income conversion that are paid on a contingency basis. The following table provides a comparison of consolidated general and administrative expenses from the previous fiscal year.

	FY 2016-17 Budget	FY 2016-17 Annualized*	FY 2017-18 Budget	FY 2018 Budget vs. FY 2017 Annualized
Revenues	\$3,385,703,076	\$3,370,164,864	\$3,186,646,826	(\$183,518,038)
Salaries & Related	\$93,158,686	\$74,192,570	\$82,916,883	\$8,724,313
Non-Salaries & Related	\$47,140,105	\$36,607,675	\$61,247,633	\$24,639,958
Total G&A	\$140,298,791	\$110,800,245	\$144,164,516	\$33,364,271
ALR	4.14%	3.29%	4.52%	1.23%
ALR Breakdown:				
Salaries & Related	2.75%	2.20%	2.60%	0.40%
Non-Salaries & Related	1.39%	1.09%	1.92%	0.83%

* Annualized as of March 2017

The FY 2017-18 Operating Budget ALR is 4.52%. The increase in general and administrative expenses is due to FY 2017-18 expenses that were not included in the previous year, including:

- Salaries & Related:
 - \$5.8 million in open positions;
 - \$136,000 increase in new positions; and
 - \$2.8 million increase to Salaries & Related.
- Non-Salaries & Related:
 - \$9.6 million in behavioral health contractual administrative fees;
 - \$1.6 million in depreciation expense due to new capital; and
 - \$13.3 million for contractual obligations and increases to member communications.

Attachment B: Administrative Budget Details provide additional information regarding all general and administrative expenses included in the FY 2017-18 Operating Budget.

II. Enrollment by Line of Business

The following table provides a comparison of total average enrollment for the past two (2) fiscal years.

Total Average Enrollment by Program

Program	FY 2015-16 Actual*	FY 2016-17 Forecast*	FY 2017-18 Budget*	% Change 17 v. 18
Medi-Cal	777,033	784,400	787,881	0.4%
OneCare Connect	18,384	15,670	15,698	0.2%
OneCare	1,174	1,306	1,420	8.7%

Program	FY 2015-16 Actual*	FY 2016-17 Forecast*	FY 2017-18 Budget*	% Change 17 v. 18
PACE	167	212	271	27.8%
Total	796,758	801,587	805,269	0.5%

*Enrollment as of June of every fiscal year when available, otherwise most current month

III. Operating Budget by Line of Business

A. Medi-Cal Program

Through a contract with DHCS, CalOptima has administered the Medi-Cal program for Orange County since October 1995. CalOptima's current contract expires on December 31, 2020. The table below illustrates the Consolidated Medi-Cal Operating Budget.

FY 2017-18 Medi-Cal Consolidated Operating Budget – Includes MSSP

	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Average Monthly Enrollment	778,289	781,461	786,312
Revenue	\$2,987,292,092	\$2,821,016,503	\$2,835,653,991
Medical Costs	\$2,891,328,771	\$2,706,100,756	\$2,716,207,230
Administrative Costs	\$87,106,234	\$108,495,427	\$117,916,733
Operating Income/Loss	\$8,857,088	\$6,420,321	\$1,530,027
MLR	96.79%	95.93%	95.79%
ALR	2.92%	3.85%	4.16%

* Annualized as of March 2017

The Medi-Cal membership is defined into two primary categories: Medi-Cal Classic and Medi-Cal Expansion. The following table illustrates the Medi-Cal Operating Budget by each of these categories.

FY 2017-18 Medi-Cal Operating Budget by Group

	Medi-Cal Classic	Medi-Cal Expansion	Total
Average Monthly Enrollment	549,643	236,669	786,312
Revenue	\$1,563,400,467	\$1,272,253,524	\$2,835,653,991
Medical Costs	\$1,552,993,143	\$1,163,214,087	\$2,716,207,230
Administrative Costs			\$117,916,733
Operating Income/Loss			\$1,530,027
MLR	99.33%	91.43%	95.79%
ALR			4.16%

DHCS uses Category of Aid (COA) to classify Medi-Cal enrollment into cohorts of similar acuity. DHCS develops CalOptima's capitation rates based on these cohorts. The following table shows the projected enrollment distribution by COA.

FY 2017-18 Medi-Cal Enrollment Projection

	FY 2016-17 Annualized*	FY 2017-18 Budget*	Variance	
			Diff	%
BCCTP	617	617	-	0.0%
Disabled	48,733	48,837	104	0.2%
Long Term Care	3,268	3,268	-	0.0%
Aged	61,466	66,134	4,668	7.6%
TANF <= 18	330,215	328,572	(1,642)	-0.5%
TANF > 18	104,202	103,289	(913)	-0.9%
Subtotal - Medi-Cal Classic	548,501	550,718	2,217	0.4%
Medi-Cal Expansion	235,899	237,163	1,264	0.5%
Total	784,400	787,881	3,481	0.4%

*Enrollment as of June of every fiscal year when available, otherwise most current month

General Budget Assumptions – Medi-Cal

Consolidated Enrollment: Enrollment projections are based on actual data through March 2017 and trended through June 2018. The budget assumes a maturation of Medi-Cal Expansion enrollment, and slight growth in the Aged aid category offset by small decreases in the Adult and Child aid categories.

Classic Revenue: The FY 2017-18 Operating Budget applies draft FY 2017-18 capitation rates released by DHCS on April 28, 2017. Rates reflect a reduction of 4.6% from the prior fiscal year rates. In addition, the following program changes have been incorporated into the revenue assumptions:

- Hepatitis C revenue is based on historical utilization trends applied to the current weekly reimbursement rates;
- Coordinated Care Initiative rates are based on Calendar Year (CY) 2015 draft rates for the Duals population; and
- Capitation rates for BHT for autism services are based on FY 2016-17 rates.

Classic Medical Cost: Provider capitation payments were based on capitation rates and enrollment distribution as of February 2017. Fee-for-service (FFS) costs were based on historical claims trended to June 2018, and were developed by network type, aid code, and category of service. Attachment points for the reinsurance program were increased to \$17,000 for Professional and \$150,000 for Hospital and coinsurance was increased to 20%. Mental health expenses were converted from FFS reimbursement to a capitation expense. The budget also incorporated Monarch and Prospect transitioning from a Shared Risk Group (SRG) to a Health Maintenance Organization (HMO) network type. The budget reflects the removal of IHSS as a managed care benefit effective January 2018, and projected expenses for quality improvement programs.

Expansion Revenue: The FY 2017-18 Operating Budget applies draft FY 2017-18 capitation rates released by DHCS on April 28, 2017. Rates reflect a reduction of 4.8% from prior fiscal year.

Expansion Medical Cost: Provider capitation payments for Professional Services were kept at FY 2016-17 levels. Provider capitation payments for Hospital services were reduced by 29% to account for the revenue reductions by the State. Analysis shows that the current reimbursement level for this population is significantly higher than membership acuity and experience suggests. FFS costs trends were developed by network type, COA, and category of service. Staff maintained current FFS reimbursement levels (including hospital inpatient/outpatient and specialist/Primary Care Provider contract rates). Attachment points for the reinsurance program were increased to \$17,000 for Professional and \$150,000 for Hospital and coinsurance was increased to 20%. The budget includes projected expenses for quality improvement programs.

Medi-Cal Consolidated Administrative Budget Assumptions

Medi-Cal administrative costs reflect both Medi-Cal Classic and Medi-Cal Expansion. The following table illustrates changes from FY 2016-17 to FY 2017-18 by major administrative expense categories.

Medi-Cal Administrative Cost by Category

Medi-Cal (000's)	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget	% Change 17 v. 18
Administrative Expenses				
Salaries, Wages & Benefits	\$63,285	\$80,380	\$70,738	11.78%
Professional Fees	\$1,594	\$3,817	\$4,332	171.82%
Purchased services	\$8,339	\$9,336	\$18,690	124.14%
Printing & Postage	\$2,381	\$3,747	\$4,807	101.90%
Depreciation & Amortization	\$3,945	\$4,597	\$5,535	40.31%
Other Operating Expenses	\$11,934	\$13,103	\$17,215	44.25%
Indirect Cost Allocation, Occupancy Expense	(\$4,371)	(\$6,484)	(\$3,400)	-22.20%
Total	\$87,106	\$108,495	\$117,917	35.37%
ALR	2.92%	3.85%	4.16%	42.61%

* Annualized as of March 2017

Primary variances between the FY 2016-17 Annualized and FY 2017-18 Budget include:

- Salaries, Wages & Benefits: Increase due to program changes, open positions, annual merit, and increase in benefit costs; and
- Professional Fees: Increase due to addition of Compensation Study, Mock Audit and anticipated litigation legal fees;
- Purchased Services: Increase due to behavioral health contractual administrative fee and increase to contingency fee contracts
- Printing & Postage: Increase due to regulatory requirements for member communications;
- Depreciation & Amortization: Reflects new capital; and
- Other Operating Expense: Includes claim editing tool and hardware/software maintenance expense.

B. OneCare Connect

Through a three-way contract with the Center for Medicare & Medicaid Services (CMS), DHCS, and CalOptima, CalOptima began the OneCare Connect Program in July 2015. The Cal MediConnect

(CMC) program is a three-year Medicare and Medicaid demonstration program that promotes coordinated health care delivery to seniors and persons with disabilities who are dually eligible for Medicare and Medi-Cal services. The initial demonstration period began October 2013, and ends on December 31, 2019. The table below illustrates the OneCare Connect Operating Budget.

FY 2017-18 OneCare Connect Operating Budget

	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Average Monthly Enrollment	17,195	21,828	15,576
Revenue	\$350,284,781	\$533,118,659	\$314,293,716
Medical Costs	\$342,682,725	\$504,173,683	\$296,135,555
Administrative Costs	\$20,963,313	\$28,007,571	\$23,016,025
Operating Income/Loss	(\$13,361,257)	\$937,405	(\$4,857,863)
MLR	97.83%	94.57%	94.22%
ALR	5.98%	5.25%	7.32%

* Annualized as of March 2017

General Budget Assumptions – OneCare Connect

Enrollment: OneCare Connect membership has begun to stabilize in recent months and is projected to begin a steady growth of approximately 15 to 20 members per month at the start of the fiscal year due to improved sales growth and a declining disenrollment rate.

Revenue: The FY 2017-18 Operating Budget applies rates from CY 2017 actuals for Medicare Parts C and D, and projects a 3% increase to Part C base rates effective January 2018 (per the CMS 2018 rate book). Forecasted Risk Adjustment Factors (RAF) are based on actual prior experience. Staff applied Medi-Cal Calendar Year 2015 rates and adjusted for actual enrollment in the specified population cohorts. The final Medi-Cal revenue will be adjusted to reflect the actual population mix. The budget does not include projections for sweep risk adjustment. In addition, the budget assumes a Year 3 savings target of 5.5% and a quality withhold of 3%.

Medical Cost: Provider capitation payments were based on Percent of Premium (POP) rates for the Medicare component and fixed per member per month (PMPM) rates for the Medi-Cal component. FFS expenses were projected based on actual OneCare Connect experience, trended through June 2018. Staff applied the projected enrollment mix for Physician Hospital Consortia, SRGs, HMOs, and the CalOptima Community Network taking into account recent health network risk changes. In addition, the budget includes expenses for approved supplemental benefits.

MLTSS costs were based on data provided by DHCS. The budget reflects the removal of IHSS as a managed care benefit effective January 2018, and projected expenses for quality improvement programs.

Administrative Cost:

OneCare Connect Administrative Cost by Category

OneCare Connect (000's)	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget	% Change 17 v. 18
Administrative Expenses				
Salaries, Wages & Benefits	\$9,539	\$11,405	\$10,766	12.86%
Professional Fees	\$424	\$959	\$460	8.45%
Purchased services	\$1,603	\$2,160	\$2,879	79.60%
Printing & Postage	\$681	\$1,699	\$1,246	82.94%
Depreciation & Amortization	\$0	\$0	\$0	0.00%
Other Operating Expenses	\$453	\$535	\$604	33.45%
Indirect Cost Allocation, Occupancy Expense	\$8,264	\$11,250	\$7,062	-14.54%
Total	\$20,963	\$28,008	\$23,016	9.79%
ALR	5.98%	5.25%	7.32%	22.36%

* Annualized as of March 2017

Primary variances between the FY 2016-17 Annualized and FY 2017-18 Budget include:

- Salaries, Wages & Benefits: Increase due to program changes, open positions, annual merit, and increase in benefit costs; and
- Purchased Services: Reflects change in behavioral health contractual administrative fee;
- Printing & Postage: Increase due to regulatory requirements for member communication; and
- Other Operating Expenses: Reflects hardware/software maintenance expense.

C. OneCare

Through a contract with the CMS and the Department of Managed Health Care (DMHC), CalOptima has administered a Medicare Advantage Dual Eligible Special Needs Plan (D-SNP) since October 2005. OneCare will continue to provide services for beneficiaries not eligible for the OneCare Connect program.

The table below illustrates the OneCare Operating Budget.

FY 2017-18 OneCare Operating Budget

	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Average Monthly Enrollment	1,235	1,186	1,367
Revenue	\$17,176,889	\$16,771,979	\$17,160,358
Medical Costs	\$15,502,191	\$15,191,738	\$17,373,904
Administrative Costs	\$1,103,692	\$1,253,728	\$1,177,720
Operating Income/Loss	\$571,005	\$326,512	(\$1,391,266)
MLR	90.25%	90.58%	101.24%
ALR	6.43%	7.48%	6.86%

* Annualized as of March 2017

The Operating Income/Loss variance between the FY 2016-17 Annualized and FY 2017-18 Budget is primarily due to decreasing revenue rates.

General Budget Assumptions – OneCare

Enrollment: The FY 2017-18 Operating Budget assumes OneCare enrollment will increase slightly at 0.7% per month (10 members per month) due to increased sales growth.

Revenue: Staff based Medicare Parts C and D rates on CY 2017 Monthly Membership Report (MMR) actuals, and projected a 3% increase to Part C base rates effective January 2018. The budget does not include projections for sweep risk adjustment.

Medical Cost: Provider capitation payments were based on 38.6 POP (inclusive of quality incentive payments). FFS medical expenses were based on historical claims incurred through December 2016. In addition, the budget includes expenses for approved supplemental benefits, and a change to the Part D member cost sharing amounts.

Administrative Cost:

OneCare Administrative Cost by Category

OneCare (000's)	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget	% Change 17 v. 18
Administrative Expenses				
Salaries, Wages & Benefits	\$239	\$258	\$247	3.24%
Professional Fees	\$193	\$190	\$160	-17.02%
Purchased services	\$286	\$293	\$144	-49.60%
Printing & Postage	\$95	\$158	\$239	152.36%
Depreciation & Amortization	\$0	\$0	\$0	0.00%
Other Operating Expenses	\$3	\$1	\$2	-23.94%
Indirect Cost Allocation, Occupancy Expense	\$288	\$354	\$386	33.66%
Total	\$1,104	\$1,254	1,178	6.71%
ALR	6.43%	7.48%	6.86%	6.81%

* Annualized as of March 2017

Primary variances between the FY 2016-17 Annualized and FY 2017-18 Budget include:

- Salaries, Wages & Benefits: annual merit adjustments and increase in benefit costs; and
- Printing & Postage: Increase due to regulatory requirements for member communication.

D. PACE

Through a contract with CMS, CalOptima began Orange County's first PACE program on October 1, 2013. The PACE program provides coordinated care for persons age 55 and older who need a higher level of care to remain in their homes.

The table below illustrates the PACE Operating Budget.

FY 2017-18 PACE Operating Budget

	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Average Monthly Enrollment	184	193	244
Revenue	\$15,121,226	\$14,540,515	\$19,495,986
Medical Costs	\$13,216,169	\$15,567,776	\$17,459,774
Administrative Costs	\$1,399,891	\$1,450,395	\$1,827,923
Operating Income/Loss	\$505,166	(\$2,477,656)	\$208,289
MLR	87.40%	107.06%	89.56%
ALR	9.26%	9.97%	9.38%

* Annualized as of March 2017

Although PACE has reached the operational breakeven point during FY 2016-17, Management will continue to focus on several areas of opportunities to improve the PACE program, including:

- Migration to a Rate Development Template (RDT) process (effective CY 2018 per state guidance) to better reflect actual experience and costs;
- More acute management of medical utilization, mix, and expense; and
- Implementation of initiatives to gain greater administrative efficiencies and operational economies of scale.

General Budget Assumptions – PACE

Enrollment: The FY 2017-18 Operating Budget assumes PACE enrollment will increase net 5 members per month (ending at 271 members by June 2018) which is consistent with the prior year's growth. Population is projected to consist of 52% Dual members and 48% Medi-Cal only members.

Revenue: The FY 2017-18 Operating Budget applies rates from CY 2017 actuals for Medicare Parts C and D. Staff applied a projected RAF score of 2.25 to Part C revenue. Medi-Cal PMPM rates are based on CY 2016 AWOP (Amount That Would Have Otherwise Been Paid) rates provided by DHCS on January 27, 2016. No additional trend assumptions were applied.

Medical Cost: Medical expenses were projected using a combination of actual experience and industry benchmarks. The budget includes material depreciation costs associated with start-up capital expenses. Staff reclassified some administrative expenses to medical expenses at 96%. The projected aggregate MLR is 89.6%, and will decrease to 84.6% by June 30, 2018.

Administrative Cost:

PACE Administrative Cost by Category

PACE (000's)	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget	% Change 17 v. 18
Administrative Expenses				
Salaries, Wages & Benefits	\$1,129	\$1,115	\$1,167	3.32%
Professional Fees	\$59	\$115	\$60	2.43%
Purchased services	\$51	\$12	\$254	401.36%
Printing & Postage	\$3	\$21	\$67	1807.66%
Depreciation & Amortization	\$25	\$25	\$25	0.02%
Other Operating Expenses	\$105	\$151	\$222	110.60%
Indirect Cost Allocation, Occupancy Expense	\$28	\$12	\$34	22.58%
Total	\$1,400	\$1,450	\$1,828	30.58%
ALR	9.26%	9.97%	9.38%	1.28%

* Annualized as of March 2017

Primary variances between the FY 2016-17 Annualized and FY 2017-18 Budget include:

- Salaries, Wages & Benefits: Increase due to program changes, open positions, annual merit, and increase in benefit costs; and
- Purchased Services: Increase reflects the transfer of marketing expenses from Medi-Cal to PACE;
- Printing & Postage: Increase due to regulatory requirements for member communication; and
- Other Operating Expenses: Reflects building security services.

E. Facilities

CalOptima purchased the 505 City Parkway West Building in 2011 as the headquarters for all operations. Currently, CalOptima leases one-half (1/2) of a floor to a tenant, with the remainder of the building housing CalOptima operations.

The table below illustrates the Facilities Operating Budget.

	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Rental Income	\$289,875	\$225,419	\$42,774
Operating Costs	\$227,115	\$1,091,669	\$226,115
Operating Income/Loss	\$62,760	(\$836,250)	(\$183,341)

* Annualized as of March 2017

Budget Assumptions – Facilities

Revenue: Revenues of \$42,774 is in accordance with the tenant lease.

Operating Cost: Building costs include common area maintenance, building and tenant improvement depreciation, repair and maintenance, leased building, as well as building management fees.

F. Investment Income

The table below illustrates projected net investment income.

	FY 2016-17 YTD March 2016	FY 2016-17 Budget	FY 2017-18 Budget
Investment Income	\$11,814,575	\$2,500,000	\$3,000,000

Budget Assumptions – Investment Income

The projected \$3,000,000 net investment income for the FY 2017-18 Budget is lower than FY 2016-17 Annualized due to forecasted cash outflows from CalOptima's portfolio in FY 2017-18. This includes the Medi-Cal Expansion rate adjustment from DHCS' recoupment of overpayment, a contingency payable to DHCS due to the 85% MLR reconciliation, and the FY 2016-17 and FY 2017-18 shared risk pool payout.

Fiscal Impact

As outlined above and more detailed information contained in Attachment A: FY 2017-18 Budget for all Lines of Business, the FY 2017-18 Operating Income totals a loss of \$4.7 million. In addition, the budget includes investment income of \$3 million, resulting in a total loss of \$1.7 million in changes to net assets.

Rationale for Recommendation

Management submits the FY 2017-18 Operating Budget for all program areas using the best available assumptions in order to provide health care services to CalOptima's forecasted enrollment.

Concurrence

Gary Crockett, Chief Counsel

Attachments

Attachment A: FY 2017-18 Budget for all Lines of Business

Attachment B: Administrative Budget Details

/s/ Michael Schrader
Authorized Signature

5/11/2017
Date

CalOptima Fiscal Year 2017-18 Budget
Budgeted Statement of Revenue & Expenses
By Line of Business

	Medi-Cal (Classic)	Medical (Expansion)	Total	OCC	OneCare	PACE	Facilities	Other	Consolidated
Member Months	6,595,717	2,840,025	9,435,742	186,915	16,407	2,922	-		9,641,986
Avg Members	549,643	236,669	786,312	15,576	1,367	244	-		803,499
Revenues									
Capitation revenue	\$ 1,563,400,467	\$ 1,272,253,524	\$ 2,835,653,991	\$ 314,293,716	\$ 17,160,358	\$ 19,495,986	\$ 42,774		\$ 3,186,646,826
Total	<u>\$ 1,563,400,467</u>	<u>\$ 1,272,253,524</u>	<u>\$ 2,835,653,991</u>	<u>\$ 314,293,716</u>	<u>\$ 17,160,358</u>	<u>\$ 19,495,986</u>	<u>\$ 42,774</u>		\$ 3,186,646,826
Medical Costs									
1 Provider capitation	\$ 420,934,241	\$ 578,439,821	\$ 999,374,062	\$ 104,734,909	\$ 4,754,013	\$ -	\$ -		\$ 1,108,862,984
2 Claims Payments	\$ 401,698,105	\$ 336,466,814	\$ 738,164,919	\$ 68,695,980	\$ 6,435,469	\$ -	\$ -		\$ 813,296,369
3 LTC/Skilled Nursing Facilities	\$ 471,975,488	\$ 21,332,539	\$ 493,308,027	\$ 39,704,782	\$ -	\$ -	\$ -		\$ 533,012,809
4 Prescription Drugs	\$ 220,988,042	\$ 218,409,977	\$ 439,398,019	\$ 66,532,953	\$ 5,825,416	\$ -	\$ -		\$ 511,756,388
5 Case Mgmt & Oth Medical	\$ 36,173,005	\$ 8,564,936	\$ 45,962,203	\$ 16,466,930	\$ 359,006	\$ 17,459,774	\$ -		\$ 80,247,914
Total	<u>\$ 1,551,768,881</u>	<u>\$ 1,163,214,087</u>	<u>\$ 2,716,207,230</u>	<u>\$ 296,135,555</u>	<u>\$ 17,373,904</u>	<u>\$ 17,459,774</u>	<u>\$ -</u>		\$ 3,047,176,463
MLR	99.26%	91.43%	95.79%	94.22%	101.24%	89.56%	0.00%		95.62%
Gross Margin	\$ 11,631,586	\$ 109,039,437	\$ 119,446,761	\$ 18,158,161	\$ (213,546)	\$ 2,036,212	\$ 42,774		\$ 139,470,362
Administrative Expenses									
Salaries, Wages, & Employee Benefits			\$ 70,737,591	\$ 10,765,591	\$ 247,130	\$ 1,166,570	\$ -		\$ 82,916,883
Professional Fees			\$ 4,332,257	\$ 460,000	\$ 160,000	\$ 60,000	\$ 0		\$ 5,012,257
Purchased services			\$ 18,690,418	\$ 2,878,516	\$ 143,930	\$ 253,632	\$ 278,231		\$ 22,244,727
Printing & Postage			\$ 4,806,825	\$ 1,245,605	\$ 238,952	\$ 66,566	\$ 0		\$ 6,357,948
Depreciation & Amortization			\$ 5,534,951	\$ 0	\$ -	\$ 24,624	\$ 1,937,684		\$ 7,497,259
Other Operating Expenses			\$ 17,215,174	\$ 603,864	\$ 2,100	\$ 222,041	\$ 2,006,859		\$ 20,050,038
Indirect Cost Allocation, Occupancy Expense			\$ (3,400,483)	\$ 7,062,448	\$ 385,608	\$ 34,490	\$ (3,996,659)		\$ 85,404
Total			<u>\$ 117,916,733</u>	<u>\$ 23,016,025</u>	<u>\$ 1,177,720</u>	<u>\$ 1,827,923</u>	<u>\$ 226,115</u>		\$ 144,164,516
ALR			4.16%	7.32%	6.86%	9.38%			4.52%
Operating Income/(Loss)			<u>\$ 1,530,027</u>	<u>\$ (4,857,863)</u>	<u>\$ (1,391,266)</u>	<u>\$ 208,289</u>	<u>\$ (183,341)</u>	\$ -	\$ (4,694,154)
Investment Income								\$ 3,000,000	\$ 3,000,000
MCO Tax Revenue			\$ 131,028,771						\$ 131,028,771
MCO Tax Expense			<u>\$ (131,028,771)</u>						\$ (131,028,771)
CHANGE IN NET ASSETS			<u>\$ 1,530,027</u>	<u>\$ (4,857,863)</u>	<u>\$ (1,391,266)</u>	<u>\$ 208,289</u>	<u>\$ (183,341)</u>	<u>\$ 3,000,000</u>	<u>\$ (1,694,154)</u>

Attachment B

Medi-Cal: Professional Fees				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Authorization	Appropriation
Legal	General and Adversarial Legal Fees	1,200,000	X	X
Consulting	Salary Compensation Study	500,000	X	X
Consulting	Additional Expenses Related to Professional Fees for Maintenance of Business	326,274	X	X
Consulting	Executive Office Consulting Services	265,100	X	X
Consulting	Government Affairs Contract and Management of State and Federal Lobbyists	236,000	X	X
Consulting	Consulting Fees To Support Program Outreach, Website Redesign Efforts, Acquisition Of Data For Strategic Direction, And Digital Initiatives	213,200	X	X
Audit Fees	Health Network Medical Loss Ratio Audit	200,000	X	X
Audit Fees	Financial Audit Annual Contract	175,000	X	X
Consulting	Rebasing, Network Support and Other Related Actuarial Consulting Services	150,000	X	X
Consulting	Health Insurance Portability and Accountability Act (HIPAA) Security	135,000	X	X
Consulting	Consultant for Medi-Cal Mock Audit	100,000	X	X
Consulting	Consulting Support for Palliative Care, Homeless, Members with Behavioral Health Conditions, and Other Related Services	80,000	X	X
Consulting	Investment Advisory Annual Contract	77,500	X	X
Professional Fees	Core System (Facets) Upgrade Consultation Support	76,000	X	X
Professional Fees	Professional Fees for Various Accounting Projects	75,700	X	X
Professional Fees	Consulting Service for Claims System Enhancements and Additional Module Functionality	60,000	X	X
Consulting	Virtualization Architecture Assessment	60,000	X	X
Consulting	Core Application Support	56,000	X	X
Professional Fees	Consulting Services to Provide Outreach to the Vietnamese and Latino Community	54,850	X	X
Consulting	Consulting Support for California Technical Assistance Program (CTAP)	54,800	X	X
Consulting	Semi-Annual Chronic Illness and Disability Payment System (CDPS) Risk Adjustment	40,000	X	X
Consulting	Real Estate Consultant	37,000	X	X
Consulting	Space Planning Services	29,000	X	X
Professional Fees	Professional Services Required for Corporate Applications and Systems	28,200	X	X
Professional Fees	Professional Services to Support the Accounting Application and Finance Systems	25,000	X	X
Consulting	General Consulting Services for Budgeting and Vendor Management, Audit and Oversight and Behavioral Health Integration	20,300	X	X
Professional Fees	Miscellaneous Consulting/Professional Services at the CalOptima Data Center	15,000	X	X
Consulting	Annual IBNR Certification Review	15,000	X	X
Professional Fees	Professional Fees to Enhance the Use of the HR Application Virtualization Architecture Assessment	12,333	X	X
Consulting	Required Annual A-133 Audit	10,000	X	X

Attachment B

Medi-Cal: Professional Fees				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Authorization	Appropriation
Professional Fees	Professional Services for Ad-Hoc Updates Request by Customer Service for Phone Surveys	5,000	X	X
Total Professional Fees		4,332,257		

Attachment B

Medi-Cal: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Authorization	Appropriation
Purchased Services	Behavioral Health Contractual Administrative Fees	8,200,000	X	X
Purchased Services	Pharmacy Benefits Management Fees (70% Administrative)	2,875,000	X	X
Claims Review	Coordination Of Benefits (COB) Project	1,500,000	X	X
Claims Review	Forensic Validation Review Services	1,000,000	X	X
Purchased Services	Additional Expenses Related to Purchased Services for Maintenance of Business	695,691	X	X
Claims Review	Claims Web Based Fraud, Waste, and Abuse Services	600,000	X	X
Imaging Services	Claims Imaging and Indexing Services	450,000	X	X
EDI Claims Clearinghouse	Electronic Data Interchange Institutional Claims	425,000	X	X
Purchased Services	Conversion Of Temporary Assistance To Needy Families (TANF) to Supplemental Security Income (SSI)	330,000	X	X
Purchased Services	Disaster Recovery Technology Services	269,200	X	X
Interpretive Services	Language Interpreter Services	253,483	X	X
Bank Fees	Business Bank Fees	252,000	X	X
Claims Review	Long-Term Care Rate Adjustments	250,000	X	X
Purchased Services	Third Party Check Printing and Mailing Fees	180,000	X	X
Advertising	Radio, Television, Print, Outdoor and Digital Advertising to Promote and Support Enrollment and Participation	177,000	X	X
Advertising	Online Career Site for Recruitment Advertisement and Sourcing	170,000	X	X
Purchased Services	Application Security Testing to Reduce Chance of Loss of Restricted Data	120,000	X	X
Purchased Services	Benefit Broker Services	100,000	X	X
Purchased Services	Temporary Outsource Service	99,000	X	X
Broker Services	Insurance Broker Services	79,008	X	X
Purchased Services	Tax Form Processing Fees and Other General Purchased Services	69,900	X	X
Purchased Services	Claims Pricing Automation Enhancements	63,000	X	X
Bank Fees	Custodial Bank Fees	60,000	X	X
Translation Services	Language Translation Services of Written Materials	53,352	X	X
Purchased Services	Healthcare Productivity Automation Services	50,000	X	X
Purchased Services	Offsite Backup Tape Storage and Services	48,850	X	X
Purchased Services	Regulatory 508 Compliance Remediation Services for PDF Files to Make Them Accessible to People with Disabilities on the Website as Required by the Centers for Medicare & Medicaid Services (CMS), Department of Health Care Services (DHCS) and Section 508 Regulations	47,570	X	X
Purchased Services	OCSD (Orange County Sheriff Department) Armed Security Services for Board and Other Meetings, Restacking Services, Flu Shots and Tuberculosis (TB) Tests	42,396	X	X
Purchased Services	Retirement Funds Advisory	41,500	X	X
Employee Benefits	Flexible Spending Accounts (FSA)/ Consolidated Omnibus Budget Reconciliation Act (COBRA)	31,500	X	X
Purchased Services	Photography Services and Stock Photograph Purchases for Use in Member, Provider, Marketing, Outreach and Other Community Oriented Materials	25,000	X	X

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Attachment B

Medi-Cal: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Authorization	Appropriation
Purchased Services	Application Security Measures to Prevent Gaps in the Security Policy of an Application or the Underlying System (Vulnerabilities) through Flaws in the Design, Development, Deployment, Upgrade, or Maintenance of the Application	20,000	X	X
Purchased Services	General Services for Customer Services, Member Liaison, Provider Data Management Services, Provider Relations, and Other Various Departments	19,135	X	X
License fees	Compensation System Subscription Fee	15,000	X	X
Wellness Program	Background Screening	15,000	X	X
Purchased Services	Imaging Services and Member Experience Satisfaction Survey	14,400	X	X
EDI Claims Clearinghouse	Electronic Data Interchange Translator for Testing and Validating Files	13,468	X	X
Purchased Services	Destruction of Electronic Media	10,000	X	X
Purchased Services	Online Phishing Testing Service and Security Newsletter Subscription	9,200	X	X
Interpretive Services	Video Interpretative Services and Design Software for Regulatory Mandated Annual Member Materials	7,215	X	X
Purchased Services	Drug Screenings	3,500	X	X
Imaging Services	Imaging Services	3,050	X	X
Purchased Services	Language Interpreter Services	2,000	X	X
Total Purchased Services		18,690,418		

Attachment B

Medi-Cal: Printing & Postage				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Authorization	Appropriation
Printing	Print, Fulfillment and Postage for all Regular Monthly Mailings	2,716,194	X	X
Postage	General Postage for Outgoing Mail	529,992	X	X
Printing	Print Fulfillment and Postage for Quarterly Newsletters	466,766	X	X
Printing	Print Fulfillment and Postage for New Member/Enrollment Packages	450,441	X	X
Printing	Additional Expenses Related to Printing and Postage for Maintenance of Business	368,357	X	X
Printing	Programming Changes for New And Existing Packets	69,000	X	X
Printing	Printing of the Annual Report to the Community, Holiday Cards, CalOptima Brochures, Marketing Materials, Ad Hoc Materials, Provider Press Mailings, Stock Photo License and Community Events Materials	62,900	X	X
Courier	Mail Services Charges, Courier/Delivery of Materials	44,640	X	X
Printing	Printing Services for Facilities Projects/Events (Business Continuity Plan (BCP), Safety and Security, Other CalOptima Departments Printing Needs)	39,000	X	X
Printing	Miscellaneous Member Materials, Printing Expenses and Supplies For Various Departments	32,535	X	X
Printing	Printing of Member Needs Assessment Report, Posters, Fliers, and Brochures	27,000	X	X
Total Printing & Postage		4,806,825		

Attachment B

Medi-Cal: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Maintenance	Network Connectivity Maintenance And Support For CalOptima Sites (Network Monitoring Tools, Web Filters, All Main Distribution Frame and Intermediate Distribution Frame Batteries, Internet Optimizers, Routers, Wireless Application Protocol Devices, Other Tools)	1,617,677	X	X
Maintenance	CalOptima Link Software Licenses, an Online System for Provider Networks to Submit and View Authorizations, Check Claim Status and Remittance Payment Advice, and to Verify Member Eligibility for Point of Service and Care	1,576,856	X	X
Equipment	Telecommunications and Network Connectivity Expenses	1,482,382	X	X
Maintenance	Facets Core System (Enrollment, Claims, Authorizations, and Other Modules) License Renewal and Maintenance	1,462,600	X	X
Maintenance	Clinical Editing Tool and Maintenance	1,232,000	X	X
Maintenance	Corporate Software Maintenance (Provider Sanctioning and Analytics, Data Warehouse Cleansing, Analytics, Business Application Workflow, Website Content Management, Compliance Applications)	785,420	X	X
Other Expenses*	Additional Expenses Related to Other Operating Expenses for Maintenance of Business	627,018	X	X
Maintenance	Server Connectivity Maintenance and Support for Server Equipment (Servers, Storage, Virtual Machine Licenses, Backup Software)	619,892	X	X
Maintenance	Maintenance and Support Annual Renewal for the Telecommunications Network Systems	547,493	X	X
Professional Dues	Association Membership Dues (Provide Advocacy, Program Support, Technical Support Regarding State and Federal Regulatory Issues)	508,500	X	X
Equipment	Replacement Hardware for Operating System Upgrade	500,000	X	X
Maintenance	Operating Systems and Office Software Suite License Costs to Support Entire Organization	447,664	X	X
Maintenance	Additional Software License and Upgrade Costs for Operating Systems and Office Software Suite	447,050	X	X
Office Supplies	Office Supplies (Paper, Toner, Batteries, Mouse Pads, Keyboards, Environmental Health And Safety, Disaster Recovery, Other Miscellaneous Items) for Company-Wide Usage	352,700	X	X
Maintenance	Human Resources Corporate Application Software Maintenance (Training, Recruitment, Performance Evaluation, HR Benefits, Employee Time and Attendance and Payroll)	344,200	X	X
Subscriptions	Healthcare Information Research and Analysis and Information Systems Audit and Control Association Subscription Renewal	281,962	X	X
Maintenance	Contract Management System	272,364	X	X
Repair & Maintenance	Maintenance for Windows and Carpet Cleaning, Furniture Repair, Refreshment, Doors, Audio Visual Equipment, Plumbing and Other General Maintenance Needs	259,800	X	X
Maintenance	Facets Software True-Up Maintenance	258,880	X	X
Equipment	Purchases and Installation of Office Furniture for Adds, Moves, Furniture, Fixture And Equipment, and Various Other Articles of Minor Equipment	246,300	X	X
Maintenance	Information Security Data Loss Prevention Solution Annual Maintenance	189,720	X	X
Maintenance	24/7 Support to Assist CalOptima's Operating Systems and Office Software Suite Related Questions and Issues	179,065	X	X
Equipment	Business Telephones and Accessories (Desk Phones, Headsets, Tablets Accessories)	167,700	X	X
Maintenance	Maintenance and Support for the Production/Development Citrix Operating System/Software Environments	161,159	X	X
Maintenance	Software to Generate and Interface with Facets Letters	151,852	X	X

Attachment B

Medi-Cal: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Maintenance	Finance Corporate Applications Software Maintenance (Accounting and Finance, Procurement, Bids, Accounting, Administrative Contract Management, Budget Systems)	139,586	X	X
Maintenance	User Licenses for Claims Medicare Pricing Software	137,577	X	X
Maintenance	Application Software Maintenance - IT Development Tools (Data Modeling, Architecture, Technical Libraries, Documentation, Technical Frameworks, Electronic Data Interchange, Software Development Testing)	130,852	X	X
Maintenance	Office Suite Software Upgrade License	125,346	X	X
Software	Desktop Software License Audit	100,000	X	X
Office Supplies	Office Supplies for Various Departments' Needs for Everyday Operations	91,098	X	X
Maintenance	Database Administrator License Renewals, Maintenance, and Support	87,742	X	X
Public Activities**	Sponsorship, Registration Fees and Other Related Costs for New and Anticipated Community Events and Health Fairs	84,500	X	X
Maintenance	Provider and Physician Credentialing System Maintenance and License Renewal	78,280	X	X
Training	System and Software Update Training	74,400	X	X
Training & Seminar	Training and Seminars for Professional Development and Education to Provide Additional Support	70,000	X	X
Maintenance	Subscription Renewal for Standard Medical Coding Schedules and Multiple User Licenses	67,600	X	X
Education	Tuition Reimbursement for Staff Development	66,000	X	X
Training & Seminar	Human Resources Conferences and Training Supplies for Staff	61,400	X	X
Maintenance	Accounting Software Annual Maintenance	53,400	X	X
Maintenance	Information Services Corporate Software Maintenance - Enterprise Help Desk Management Application	52,500	X	X
Travel	Travel Expenses for Various Conferences and State Health Organization Meetings	50,000	X	X
Travel	Travel Expenses for Conferences/Seminars and Meetings	43,465	X	X
Equipment	Laptops, Desktops, Flat Panel Monitors, Printers for New Employees and Other Minor Equipment	41,925	X	X
Training & Seminar	Training and Seminars for Professional Development and Education	35,178	X	X
Maintenance	Annual Maintenance for MSSP Software License	35,000	X	X
Travel	Travel Expenses for Conferences/Seminars and Meetings	33,750	X	X
Public Activities	Employee Engagement Events	30,200	X	X
Maintenance	Maintenance and Support for Printers	30,000	X	X
Training	Board Member Conferences and Training	30,000	X	X
Travel	Travel Expenses for Annual Audits, Training, Conferences/Seminars and Meetings	28,000	X	X
Maintenance	Maintenance and Renewal for Procurement Software	27,000	X	X
Travel	Mileage Reimbursement for Duties Required by Job Function and Travel to Community Presentations, Provider Offices, and Member Enrollment	25,230	X	X
Food Services	Employee Appreciation Events	25,200	X	X
Public Activities	Supplies and Costs Associated with Various Outreach, Community Events, Sponsorships and Health Fairs	24,748	X	X
Telephone	Field Staff Phone Service and Other Telephone Expenses	24,300	X	X
Education	Organizational Development Programs (CalOptima Special Speakers, Trainers, Computer Classes, Other Training Events)	24,000	X	X
Training & Seminar	Training, Seminars and Conferences for Staff Development	23,300	X	X
Subscriptions	Subscription Fees for Various Licenses, Literature and Organizations	22,810	X	X

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Attachment B

Medi-Cal: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Food Services	Food Services Allowances as Needed for Sponsoring Member and Provider Meetings, Conferences and Other Events	22,369	X	X
Professional Dues	Professional Dues and Member Fees for Various Professional Associations	22,176	X	X
Training & Seminar	Accounting and Reporting Software Upgrade and Other Training	21,500	X	X
Public Activities	Orange County Community Indicators Report	20,610	X	X
Software	Computer Software for Medical Coding and Design of Print Materials	20,591	X	X
Maintenance	Maintenance and Renewal for Budgeting Software	20,000	X	X
Training & Seminar	Professional Development and Education related to Department Functions (Staff Training, Seminars/Conferences, Professional Certifications, Additional Development Opportunities)	19,600	X	X
Food Services	General Supplies for CalOptima Staff	19,596	X	X
Travel	Travel Expenses for State Meetings, Regulatory and Legislative Issues, Strategic Development, Conferences/Seminars, and Association Meetings	19,595	X	X
Training & Seminar	Training and Seminars for Certifications, Continuing Legal Education and Staff Development	17,635	X	X
Food Services	Food Services for Provider Advisory Committee and CalOptima Community Network Lunch and Learn Events and CCN Anniversary Event	17,000	X	X
Training & Seminar	Training and Seminars for Professional Development and Education	17,000	X	X
Training & Seminar	Training for Facilities Staff in International Facilities Management Association (IFMA) Classes, Environmental Health & Safety (EH&S) Classes, OSHA Classes, Floor Warden Training and Other Training Courses	16,800	X	X
Food Services	Food Services for CalOptima Informational Series, Legislative Luncheon Events, Member And Provider Meetings/Conferences, Board Meetings and Other Events	16,750	X	X
Professional Dues	Medical Licenses and Required Certifications	16,000	X	X
Subscriptions	Subscription Fees for Both Clinical and Programmatic Support, as well as Normal Maintenance of Certification Licensure	16,000	X	X
Maintenance	Maintenance of Computer Software and Hardware	15,575	X	X
Maintenance	Facets Network Connection License	15,000	X	X
Training & Seminar	Training and Seminars for Professional Development and Education	15,000	X	X
Travel	Staff Mileage and Travel Expenses (Airfare, Hotel, Food) for Sacramento Meetings Three Times per Year	15,000	X	X
Subscriptions	Subscription Fees for Various Professional Organizations, Institutes and Associations	14,450	X	X
Education	Continuing Education for Actuarial Certification	14,000	X	X
Maintenance	Encryption Key Replacement	13,430	X	X
Training	Process Improvement Training and Personnel Development	13,300	X	X
Training & Seminar	Training and Seminars for Professional Development And Education	13,200	X	X
Public Activities	Promotional/Marketing and Outreach Activities to Help Elevate the CalOptima Brand in the Community to Support Enrollment	13,000	X	X
Maintenance	Maintenance and Support for Batch Scheduler System	12,580	X	X
Food Services	Food Services for Community Events and Department Training	11,300	X	X
Public Activities	Physician Forums for California Children's Services (CCS) Transition	11,000	X	X
Equipment	Laptops, Desktops, Flat Panel Monitors, Printers for New Employees	10,400	X	X
Public Activities	Orange County Strategic Plan for Aging	10,000	X	X
Subscriptions	Subscriptions for Existing Software and Databases	9,576	X	X

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Attachment B

Medi-Cal: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Incentives	Incentive Items for Provider Outreach and Employee Engagement Events	8,000	X	X
Other Expenses	State Non-Reimbursable Funds for Services and Items for MSSP Clients	2,500	X	X
Total Other Operating Expenses		17,215,174		

* Small Items (Each Under \$10,000) To Be Procured Consistent With The Board-Approved Purchasing Policy

** All Community Events And Activities Involving Financial Support From Caloptima Of Over \$1,000 Require Prior Explicit Board Approval

Attachment B

OneCare Connect: Professional Fees				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Consulting	Annual Mock Audit using Centers for Medicare & Medicaid Services (CMS) Audit Protocols	325,000	X	X
Consulting	Annual Compliance Program Effectiveness (CPE) Audit	85,000	X	X
Actuary	Provider Capitation Development, Revenue Cap Review and Other Related Actuarial Consulting Services	50,000	X	X
Total Professional Fees		460,000		

OneCare Connect: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Purchased Services	Behavioral Health Contractual Administrative Fees	1,400,000	X	X
Purchased Services	Pharmacy Benefits Management	940,000	X	X
Advertising	Advertising and Media Buys (Newspapers, Magazines, Radio, Bus Shelter, Other Media)	268,700	X	X
Interpreter Services	Telephonic Language Interpretation and Translation of Member Materials	129,099	X	X
Data Transmission	Claims Processing through Automation Data Flow	109,200	X	X
Data Transmission	Data Submission To and From Centers For Medicare & Medicaid Services (CMS) for Enrollment and Regulatory Reporting and Hierarchical Condition Category (HCC) Scores Analytics	24,000	X	X
Purchased Services	Service to Review Member Phone Number Data Accuracy, Materials for Customer Service Week and Compliance Week and Compliance Badge Attachments	7,517	X	X
Total Purchased Services		2,878,516		

Attachment B

OneCare Connect: Printing & Postage				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Member Communications	Maintenance of Enrolled Members (Printing, Fulfillment, Postage)	417,579	X	X
Member Communications	Member Routine Annual and Quarterly Mailings	301,467	X	X
Printing & Postage	Marketing Materials Including Sales Brochures, Posters, Handouts and Other Member and Provider Oriented Materials and Postage	235,500	X	X
Member Communications	Health Risk Assessment Mailings	106,581	X	X
Member Communications	New Member Enrollment Packets	71,151	X	X
Member Communications	Printing Programming Service	55,200	X	X
Imaging	Imaging for Record Keeping	29,397	X	X
Printing & Postage	Printing of Enrollment Materials and Other Related Printing Expenses	23,400	X	X
Member Communications	Member and Provider Materials and Other Printing Fees for Various Departments	5,330	X	X
Total Printing & Postage		1,245,605		

OneCare Connect: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Maintenance	User Licenses for Claims Medicare Pricing Automation	431,340	X	X
Public Activities	Marketing and Outreach Activities and Promotional Items for Various Events	43,832	X	X
Public Activities	Fees for Registration, Sponsorships, Promotional Items for Community Events, Resource Fairs, Health Fairs and Other Events; Costs Tied to Supplies to Prepare And Participate	31,368	X	X
Training & Seminars	Training and Seminars for Professional Development and Education	18,900	X	X
Travel	Travel Allowance for Staff as Required by their Job Functions	18,210	X	X
Travel	Travel Expenses for Visits to Provider Offices, Presentations, Health Fairs, Community Events, Annual Audits and Conferences	18,925	X	X
Food Services	Food Services Allowances as Needed for Sponsoring Member and Provider Meetings, Conferences and Other Events	14,860	X	X
Subscriptions	Subscriptions and Professional Dues	11,329	X	X
Office Supplies	Office Supplies Needed for Everyday Department Operations	9,100	X	X
Equipment	Printers, Monitors, Desktops, Laptops and Other Minor Equipment	6,000	X	X
Total Other Operating Expenses		603,864		

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Attachment B

OneCare: Professional Fees				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Consulting	Annual Contract Bid for Calendar Year 2018	160,000	X	X
Total Professional Fees		160,000		

OneCare: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Purchased Services	Pharmacy Benefits Management	120,000	X	X
Interpreter Services	Telephonic Language Interpretation and Translation of Member Materials	23,600	X	X
Purchased Services	Service to Improve Member Phone Number Data Accuracy	330	X	X
Total Purchased Services		143,930		

OneCare: Printing & Postage				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Member Communications	Maintenance of Enrolled Members (Printing, Fulfillment, Postage)	128,349	X	X
Member Communications	Member Routine Annual and Quarterly Mailings	78,148	X	X
Member Communications	Health Risk Assessment Mailings	18,088	X	X
Member Communications	Printing of OneCare Brochures	7,500	X	X
Member Communications	Member Marketing Materials	2,700	X	X
Imaging	Imaging of Records Fees	2,388	X	X
Member Communications	New Member Enrollment Packets	1,779	X	X
Total Printing & Postage		238,952		

OneCare: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Travel	Travel Allowance for Various Departments as Required by their Job Functions	800	X	X
Office Supplies	Office Supplies for Various Departments Needed for Everyday Operations	600	X	X
Public Activities	Public Activities for Various Outreach, Community Events, Sponsorships and Health Fairs	300	X	X
Training & Seminars	Training, Conferences and Professional Certifications for Professional Development and Education	250	X	X
Food Services	Food Services Allowances as Needed for Sponsoring Member and Provider Meetings and Conferences	150	X	X
Total Other Operating Expenses		2,100		

Attachment B

PACE: Professional Fees				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Professional Fees	Part D Actuarial Services and Other Consulting Fees	60,000	X	X
Total Professional Fees		60,000		

PACE: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Purchased Services	Advertising (Radio, Television, Print, Outdoor, Digital) to Promote and Support Enrollment and Participation	193,000	X	X
Purchased Services	Encounter Reporting Services, and Translation Services	60,632	X	X
Total Purchased Services		253,632		

PACE: Printing & Postage				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Printing	Communication (Mass Mailers, Fliers, Letterheads, Envelopes, Brochures In Multiple Languages)	66,566	X	X
Total Printing & Postage		66,566		

PACE: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Repairs & Maintenance	Repairs and Maintenance of Minor Equipment, Building and Unforeseen Incidentals and Building Security Services	101,306	X	X
Public Activities	Outreach Events and Promotional Marketing Items to Help Elevate PACE Center and Support Program Enrollment	34,623	X	X
Insurance	Professional and General Liability and Property Tax Assessment	31,835	X	X
Training	Staff Development Training (Registration Fees, Travel, Accommodations, Incidentals)	15,000	X	X
Minor Equipment & Supplies	Minor Equipment and Supplies (Kitchen, Rehab, Social Day, Staff Break Room, Clinic Small Equipment)	11,254	X	X
Supplies	Office Supplies for Staff	10,000	X	X
Food Services	Food Services Allowances, as Needed, for Sponsoring Member and Provider Meetings and Conferences	7,429	X	X
Travel	Staff Travel and Mileage For Home Visits, Marketing and Enrollment	7,000	X	X
Subscriptions	Subscriptions, Membership, Registration for Dietetic and Other Discipline Specific Memberships	1,816	X	X
Telephone	Business Telephone Accessories	1,778	X	X
Total Other Operating Expenses		222,041		

Attachment B

Facilities: Purchased Services				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Building Administration	Property Management Company Fee	190,358	X	X
Building Administration	Management Fee	72,000	X	X
Building Administration	Various Administration Expenses (Telephone, Office Supplies, Permits, Licenses, Fees, Furniture, Equipment Lease, Postage, Courier)	15,873	X	X
Total Purchased Services		278,231		

Facilities: Other Operating Expenses				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Utilities	Electricity	481,000	X	X
Janitorial	Janitorial Night Contract	289,416	X	X
Fire/Life Safety Security	Security Contract	144,374	X	X
Janitorial	Janitorial Day Contract	119,996	X	X
Insurance	Property, Liability, and Earthquake Insurance	109,400	X	X
Janitorial	Janitorial Supplies	67,200	X	X
Landscape	Exterior Landscape Contract	33,000	X	X
Fire/Life Safety Security	Other Fire/Life Safety Expenses (Phone, Emergency Generator, Other Expenses)	27,215	X	X
Utilities	Water-Building	22,700	X	X
Landscape	Landscape Extras	21,500	X	X
Property Tax	Property Tax Assessments	19,254	X	X
Fire/Life Safety Security	Security Equipment and Maintenance	17,424	X	X
Building Expenses	Various Building Expenses (Trash, Water For Irrigation, Interior Plants)	12,300	X	X
Utilities	Gas	11,970	X	X
Total Other Operating Expenses		1,376,749		

Facilities: Repairs & Maintenance				
Specific Type	Objective of the Item Proposed	Budget FY2018 Input	Appropriation	Authorization
Other Repairs & Maintenance	Engineering Contract	260,000	X	X
Other Repairs & Maintenance	Plumbing	49,990	X	X
Repairs & Maintenance	HVAC Miscellaneous	41,400	X	X
Other Repairs & Maintenance	Electrical Repairs and Supplies	36,750	X	X
Other Repairs & Maintenance	Other Repair and Maintenance (Signage, Steam Cleaning, Roof, Locksmith, Pest Control Contract, Other Maintenance)	35,830	X	X
Other Repairs & Maintenance	Painting	31,200	X	X
Other Repairs & Maintenance	Windows	26,400	X	X
Parking Lot Maintenance	Parking Lot Maintenance	25,420	X	X
Other Repairs & Maintenance	Common Area and Lobby Maintenance Miscellaneous	24,800	X	X
Repairs & Maintenance	Elevator Maintenance Contract	23,280	X	X
Other Repairs & Maintenance	Walls/Ceilings/Floors/Sidewalks/Railings	17,500	X	X
Other Repairs & Maintenance	Common Area Maintenance and Repairs	16,400	X	X
Other Repairs & Maintenance	Door Maintenance and Repair	16,100	X	X
Repairs & Maintenance	HVAC Maintenance Contract	15,040	X	X
Repairs & Maintenance	Water Treatment	10,000	X	X
Total Repairs & Maintenance		630,110		



CalOptima
Better. Together.

Fiscal Year 2017-18 Proposed Operating and Capital Budget

**Board of Directors' Finance and Audit Committee Meeting
May 18, 2017**

Nancy Huang, Interim Chief Financial Officer





Background

- Budget Period: July 1 – June 30 (Fiscal Year)
- General Assumptions
 - Enrollment drives the budget
 - Budget is based on a per capita methodology
 - Revenues
 - Medical expenses
 - General and administrative expenses
 - Based on current run rate and business requirements
 - Direct & indirect allocation to LOBs
 - Labor
 - Non-Labor
 - Capital Budget
 - Information systems
 - 505 Building Improvements
 - PACE

Overview

- Consolidated Operating Budget
- Operating Budgets by Line of Business
 - Medi-Cal
 - OneCare Connect
 - OneCare
 - PACE
 - Facilities (505 Building)
- Capital Budget

Lines of Business

	Start Date	Program Type	Contractor/ Regulator
 <p>Medi-Cal CalOptima A Public Agency Better. Together.</p>	October 1995	California's Medicaid program	California Department of Health Care Services (DHCS)
 <p>OneCare (HMO SNP) CalOptima A Public Agency Better. Together.</p>	October 2005	Medicare Advantage Special Needs Plan (SNP)	Centers for Medicare & Medicaid Services (CMS)
 <p>PACE CalOptima A Public Agency Better. Together.</p>	October 2013	Medicare and Medicaid Program	Three-way contract: CMS, DHCS and CalOptima
 <p>OneCare Connect CalOptima A Public Agency Better. Together.</p>	July 2015	Medicare and Medicaid Duals Demonstration	Three-way contract: CMS, DHCS and CalOptima

- Medi-Cal program includes: (1) Classic and (2) Medi-Cal Expansion

FY 2017-18 Program Changes/Delays

- Coordinated Care Initiative

- Cal MediConnect will continue through 12/31/19
- Jan 2018: Removes IHSS financing from managed care

- Program Delays

Program	Implementation Date
Palliative Care	<ul style="list-style-type: none">• No sooner than 7/1/18
Whole-Child Model (CCS Redesign)	<ul style="list-style-type: none">• Phase 1: No sooner than 7/1/18• Phase 2 (includes Orange County): No sooner than 1/1/19
Health Homes Program	<ul style="list-style-type: none">• Phase 1: No sooner than 7/1/18• Phase 2 (includes Orange County): No sooner than 1/1/19
Whole Person Care Pilots	<ul style="list-style-type: none">• No sooner than 7/1/18
FQHC Alternate Payment Methodology	<ul style="list-style-type: none">• No sooner than 1/1/18

- Budget uncertainty

- State payment reconciliation for Medi-Cal Expansion and IHSS

Comparative Budget - Consolidated

	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Average Monthly Enrollment	796,903	804,667	803,499
Revenue	\$3,370,164,864	\$3,385,703,076	\$3,186,646,826
Medical Costs	\$3,262,729,856	\$3,241,033,953	\$3,047,176,463
Administrative Costs	\$110,800,245	\$140,298,791	\$144,164,516
Operating Income/Loss	(\$3,365,238)	\$4,370,332	(\$4,694,154)
Investments, Net	\$11,814,575	\$2,500,000	\$3,000,000
Change in Net Assets	\$8,449,337	\$6,870,332	(\$1,694,154)
Medical Loss Ratio	96.81%	95.73%	95.62%
Administrative Loss Ratio	3.29%	4.14%	4.52%

* Annualized as of March 2017

Major Changes in the FY 2017-18 Budget

- Decreased Revenue
 - \$117 million decrease in Medi-Cal capitation rates
 - Discontinuation of IHSS as a managed care benefit
 - Deterioration of RAF scores for OneCare Connect and OneCare
- Increased Administrative Cost
 - Inclusion of behavioral health contractual administrative fees
 - Budget includes unfilled FTEs
 - Contractual obligations
 - Increases in member communication expenses
- Investment Income Variance
 - Reduction of total portfolio balance after DHCS reconciliation

FY 2017-18 Consolidated Enrollment

Program	FY 2015-16 Actual*	FY 2016-17 Forecast*	FY 2017-18 Budget*	% Change 17 v. 18
Medi-Cal	777,033	784,400	787,881	0.4%
OneCare Connect	18,384	15,670	15,698	0.2%
OneCare	1,174	1,306	1,420	8.7%
PACE	167	212	271	27.8%
Total	796,758	801,587	805,269	0.5%

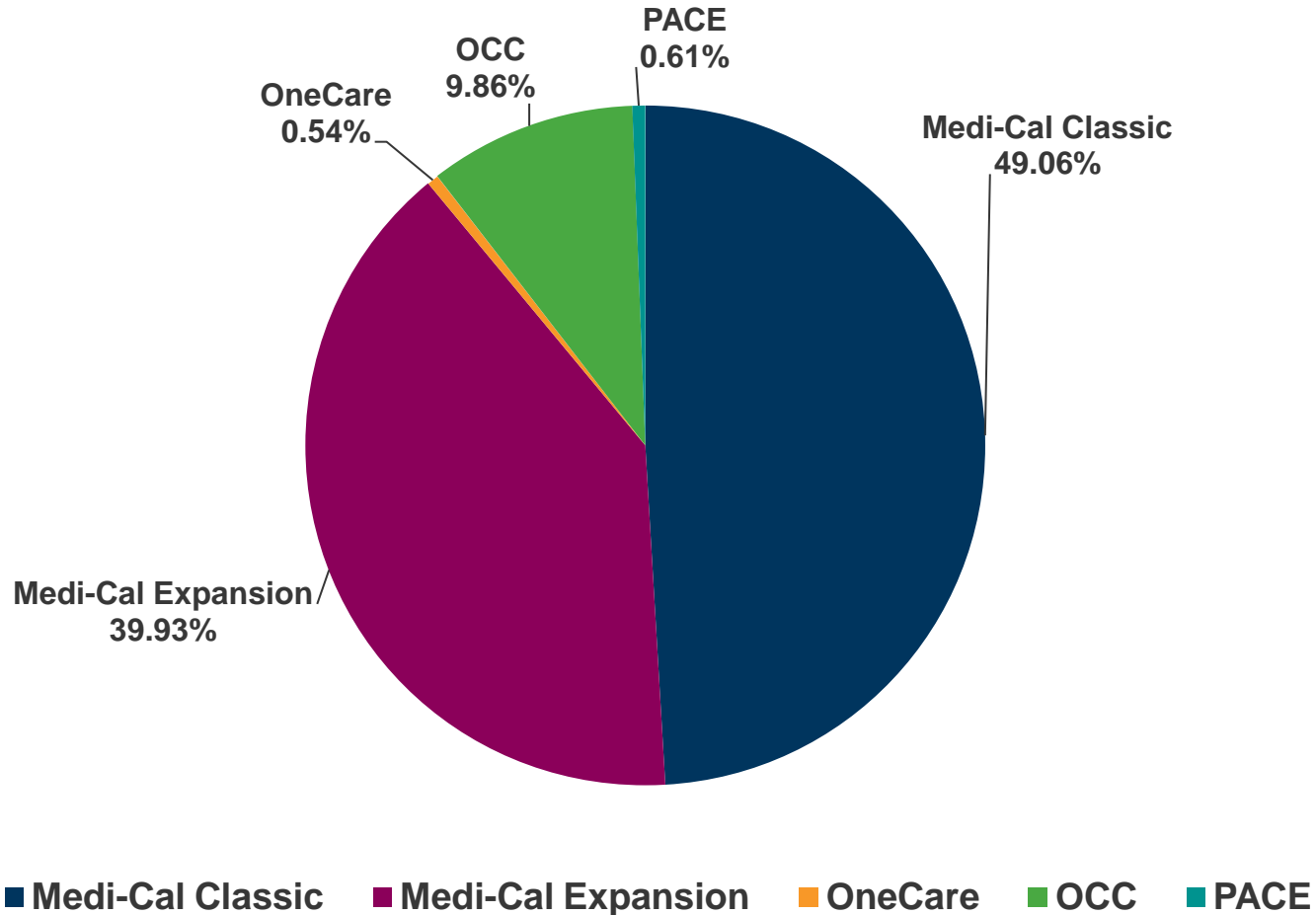
* Annualized as of March 2017

** Enrollment as of June of every fiscal year when available, otherwise most current month

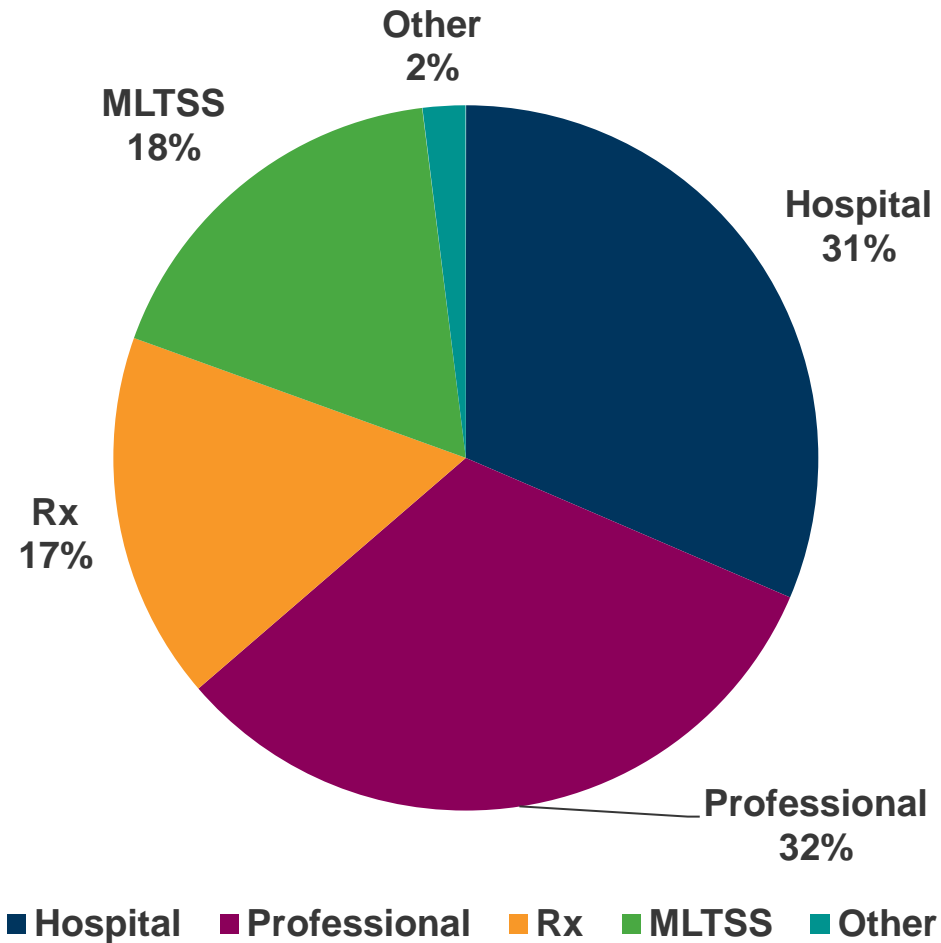
Enrollment Assumptions

- Medi-Cal: Maturation of Medi-Cal Expansion enrollment; Slight growth in Aged offset by small decreases in Adult and Child enrollment
- OneCare Connect: Increased sales efforts, combined with an improving disenrollment rate, are projected to reverse declining enrollment starting in August 2017
- OneCare: Projected net new enrollment of 0.7% per month
- PACE: Population currently consists of approximately 52% duals and 48% Medi-Cal only; Net monthly enrollment is projected to increase by 5 members

FY 2017-18 Consolidated Revenues



FY 2017-18 Medical Expenses by Type



Consolidated General and Administrative Expenses

	FY 2016-17 Budget	FY 2016-17 Annualized*	FY 2017-18 Budget	FY 2018 Budget vs. FY 2017 Annualized
Revenues	\$3,385,703,076	\$3,370,164,864	\$3,186,646,826	(\$183,518,038)
Salaries & Related	\$93,158,686	\$74,192,570	\$82,916,883	\$8,724,313
Non-Salaries & Related	\$47,140,105	\$36,607,675	\$61,247,633	\$24,639,958
Total G&A	\$140,298,791	\$110,800,245	\$144,164,516	\$33,364,271
Admin Loss Ratio (ALR)	4.14%	3.29%	4.52%	1.23%
ALR Breakdown:				
Salaries & Related	2.75%	2.20%	2.60%	0.40%
Non-Salaries & Related	1.39%	1.09%	1.92%	0.83%

* Annualized as of March 2017

Note: FY 2016-17 annualized figures do not include unfilled open positions

Consolidated General and Administrative Expenses

- Total ALR increase from FY 2017 Annualized to FY 2018 Budget = 1.23%

Breakdown of ALR Increase	Major Changes
0.4% from Salaries & Related	<ul style="list-style-type: none">• Comprises one-third of increase• Unfilled positions in FY 2017 due to:<ul style="list-style-type: none">➤ Delay hires➤ Difficult to fill positions• \$10 million less than FY 2017 Budget
0.83% from Non-Salaries & Related	<ul style="list-style-type: none">• Comprises two-thirds of increase<ul style="list-style-type: none">➤ Behavioral health contractual administrative fee➤ Depreciation of new capital➤ Contractual obligations➤ Increase to member mailings

CalOptima Consolidated Income Statement: Attachment A

Attachment A

CalOptima Fiscal Year 2017-18 Budget By Line of Business

	Medi-Cal (Classic)	Medical (Expansion)	Total	OCC	OneCare	PACE	Facilities	Other	Consolidated
Member Months	6,595,717	2,840,025	9,435,742	186,915	16,407	2,922	-		9,641,986
Avg Members	549,643	236,669	786,312	15,576	1,367	244	-		803,499
Revenues									
Capitation revenue	\$ 1,563,400,467	\$ 1,272,253,524	\$ 2,835,653,991	\$ 314,293,716	\$ 17,160,358	\$ 19,495,986	\$ 42,774		\$ 3,186,646,826
Total	\$ 1,563,400,467	\$ 1,272,253,524	\$ 2,835,653,991	\$ 314,293,716	\$ 17,160,358	\$ 19,495,986	\$ 42,774		\$ 3,186,646,826
Medical Costs									
1 Provider capitation	\$ 420,934,241	\$ 578,439,821	\$ 999,374,062	\$ 104,734,909	\$ 4,754,013	\$ -	\$ -		\$ 1,108,862,984
2 Claims Payments	\$ 401,698,105	\$ 336,466,814	\$ 738,164,919	\$ 68,695,980	\$ 6,435,469	\$ -	\$ -		\$ 813,296,369
3 LTC/Skilled Nursing Facilities	\$ 471,975,488	\$ 21,332,539	\$ 493,308,027	\$ 39,704,782	\$ -	\$ -	\$ -		\$ 533,012,809
4 Prescription Drugs	\$ 220,988,042	\$ 218,409,977	\$ 439,398,019	\$ 66,532,953	\$ 5,825,416	\$ -	\$ -		\$ 511,756,388
5 Case Mgmt & Oth Medical	\$ 36,173,005	\$ 8,564,936	\$ 45,962,203	\$ 16,466,930	\$ 359,006	\$ 17,459,774	\$ -		\$ 80,247,914
Total	\$ 1,551,768,881	\$ 1,163,214,087	\$ 2,716,207,230	\$ 296,135,555	\$ 17,373,904	\$ 17,459,774	\$ -		\$ 3,047,176,463
MLR	99.26%	91.43%	95.79%	94.22%	101.24%	89.56%	0.00%	*	95.62%
Gross Margin	\$ 11,631,586	\$ 109,039,437	\$ 119,446,761	\$ 18,158,161	\$ (213,546)	\$ 2,036,212	\$ 42,774		\$ 139,470,362
Administrative Expenses									
Salaries, Wages, & Employee Benefits			\$ 70,737,591	\$ 10,765,591	\$ 247,130	\$ 1,166,570	\$ -		\$ 82,916,883
Professional Fees			\$ 4,332,257	\$ 460,000	\$ 160,000	\$ 60,000	\$ 0		\$ 5,012,257
Purchased services			\$ 18,690,418	\$ 2,878,516	\$ 143,930	\$ 253,632	\$ 278,231		\$ 22,244,727
Printing & Postage			\$ 4,806,825	\$ 1,245,605	\$ 238,952	\$ 66,566	\$ 0		\$ 6,357,948
Depreciation & Amortization			\$ 5,534,951	\$ 0	\$ -	\$ 24,624	\$ 1,937,684		\$ 7,497,259
Other Operating Expenses			\$ 17,215,174	\$ 603,864	\$ 2,100	\$ 222,041	\$ 2,006,859		\$ 20,050,038
Indirect Cost Allocation, Occupancy Expense			\$ (3,400,483)	\$ 7,062,448	\$ 385,608	\$ 34,490	\$ (3,996,659)		\$ 85,404
Total			\$ 117,916,733	\$ 23,016,025	\$ 1,177,720	\$ 1,827,923	\$ 226,115		\$ 144,164,516
ALR			4.16%	7.32%	6.86%	9.38%		*	4.52%
Operating Income/(Loss)			\$ 1,530,027	\$ (4,857,863)	\$ (1,391,266)	\$ 208,289	\$ (183,341)	\$ -	\$ (4,694,154)
Investment Income								\$ 3,000,000	\$ 3,000,000
MCO Tax Revenue			\$ 131,028,771						\$ 131,028,771
MCO Tax Expense			\$ (131,028,771)						\$ (131,028,771)
CHANGE IN NET ASSETS			\$ 1,530,027	\$ (4,857,863)	\$ (1,391,266)	\$ 208,289	\$ (183,341)	\$ 3,000,000	\$ (1,694,154)

[Back to Agenda](#)

FY 2017-18 Operating Budget

Budgets by Line of Business

Medi-Cal Program

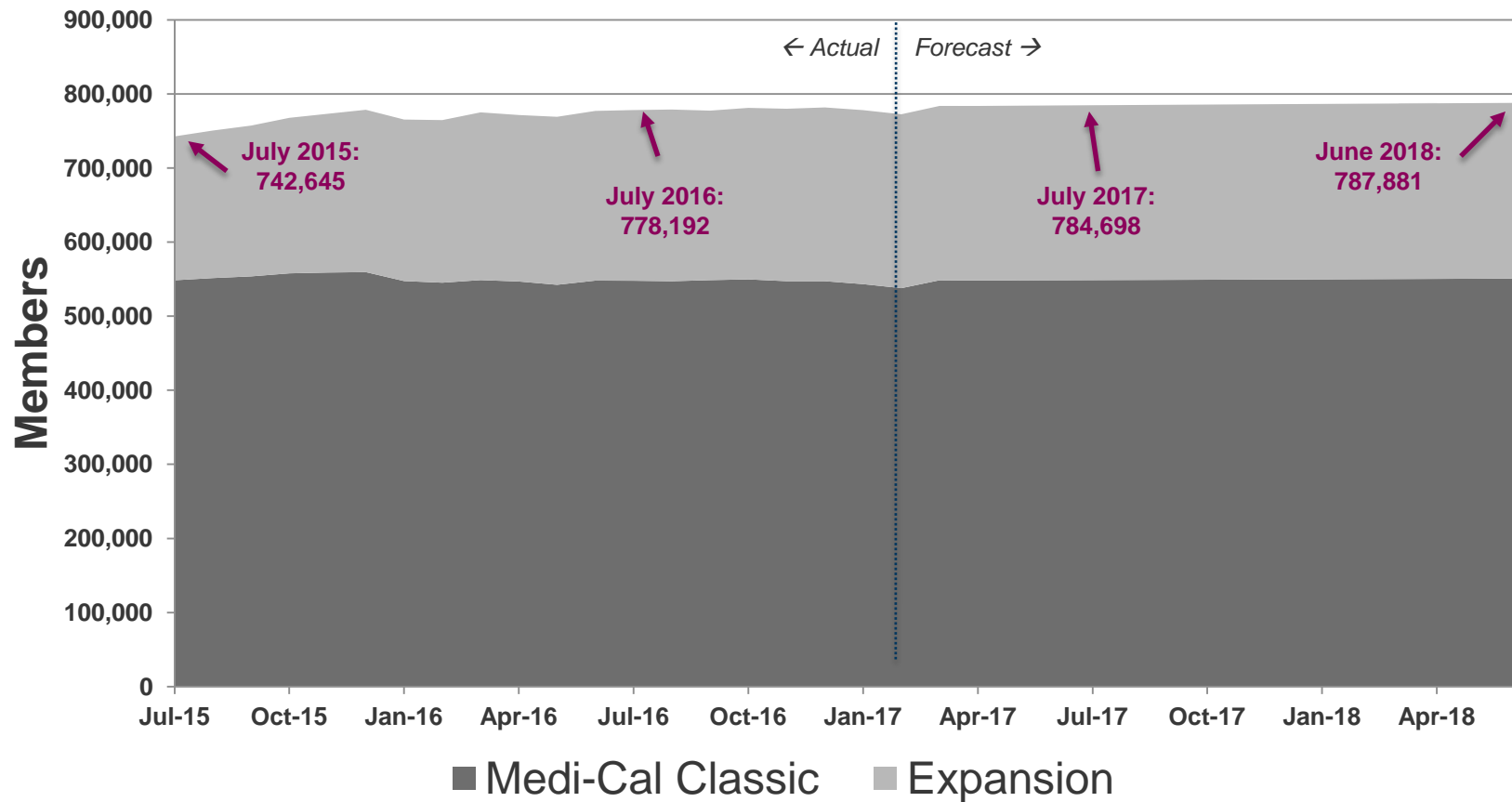
Start Date	October 1995
Program Type	California's Medicaid Program
Contractor/ Regulator	California Department of Health Care Services (DHCS)
Eligibility	<ul style="list-style-type: none">• Child and family• Senior• Persons with disabilities• Low-income (includes Medi-Cal Expansion)
Services	<ul style="list-style-type: none">• Comprehensive health• Prescriptions• Vision• Mental Health• MLTSS• (Dental provided by DHCS)

Medi-Cal Budget

	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Average Monthly Enrollment	778,289	781,461	786,312
Revenue	\$2,987,292,092	\$2,821,016,503	\$2,835,653,991
Medical Costs	\$2,891,328,771	\$2,706,100,756	\$2,716,207,230
Administrative Costs	\$87,106,234	\$108,495,427	\$117,916,733
Operating Income/Loss	\$8,857,088	\$6,420,321	\$1,530,027
Medical Loss Ratio	96.79%	95.93%	95.79%
Administrative Loss Ratio	2.92%	3.85%	4.16%

* Annualized as of March 2017

Enrollment: Medi-Cal Classic & Expansion



Medi-Cal Assumptions: Classic

- Revenue

- Based on draft FY 2017-18 capitation rates released on April 28, 2017; Medi-Cal Classic rates decreased by 4.6%
- CCI rates are based on CY15 draft rates for the Duals population; Removal of IHSS as a managed care benefit effective January 2018
- Behavioral Health Treatment rates based on FY 2016-17 rates

- Medical Costs

- FFS costs trends developed by network type, aid code, and service type
- Current provider reimbursement rates are kept at FY 2016-17 levels
- Reinsurance attachment points increased to \$17K (Professional) and \$150K (Hospital); Coinsurance increased to 20%
- Mental health expense converted from FFS reimbursement to capitation
- Monarch and Prospect converted from SRG to HMO network types
- Removal of IHSS as a managed care benefit effective January 2018
- Includes projected expenses for Quality Improvement programs

Medi-Cal Assumptions: Expansion

- Revenue

- Based on draft FY 2017-18 rates released on April 28, 2017; Medi-Cal Expansion rates decreased by 4.8%

- Medical Costs

- FFS costs trends developed by network type, aid code, and service type
- Assumes a 29% decrease to Medi-Cal Expansion hospital capitation rates
- All other provider reimbursement rates are kept at FY 2016-17 levels
- Reinsurance attachment points increased to \$17K (Professional) and \$150K (Hospital); Coinsurance increased to 20%
- Includes projected expenses for Quality Improvement programs

Medi-Cal Revenue Impact

- Classic rate setting methodology matches actual risk
 - Based on Managed Care Plan's actual costs (RDT filing)
 - FY 2017-18 Rates are based on CY 2015 data and trended forward
 - Rates are submitted and certified by CMS
- MCE rates uses a blend of RDT and initial base data
 - Cost and utilization similar to Adult TANF
 - DHCS will likely move to 100% of actual experience
- FY 2017-18 Medi-Cal Revenue Change:

Revenue Type	% Change vs FY 16/17 Rate	\$ Change vs FY 16/17 Rate
Classic	-4.6%	-\$55M
Expansion	-4.8%	-\$62M
Total	-4.7%	-\$117M

Medi-Cal Expansion Capitation History

- MCE health network capitation rates
 - Professional rates derived from a 50/50 blend of Adult TANF and Disabled populations
 - Hospital rates based on 100% of the Disabled population
 - Expectation of high risk for MCE population at program start
 - Incentive to develop sufficient provider networks
- MCE Capitation Rate History:

Service Type	Adult Classic	Jan 2014	Sep 2014	Sep 2015	Jul 2016
Prof Cap	\$88.68	\$147.97	\$199.91	\$170.17	\$144.64
Hospital Cap	\$58.56	\$267.66	\$361.61	\$307.81	\$261.64
Total Cap	\$147.24	\$415.63	\$561.52	\$477.98	\$406.28
% Change		+20%	+35.1%	-15.0%	-15.0%

Proposed MCE Capitation Change

- Proposed MCE rate change

Service Type	Jul 2016 – Current	Proposed	PMPM Change	% Change
Prof Cap	\$144.64	\$144.64	\$0.00	0%
Hospital Cap	\$261.64	\$185.76	-\$75.88	-29.0%
Total Cap	\$406.28	\$330.41	-\$75.88	-18.7%

- Fiscal impact of rate reduction

Cost Type	\$ Change
Professional Cap	\$0
Hospital Cap	-\$83M
Shared Risk Pool	-\$32M
Total	-\$115M

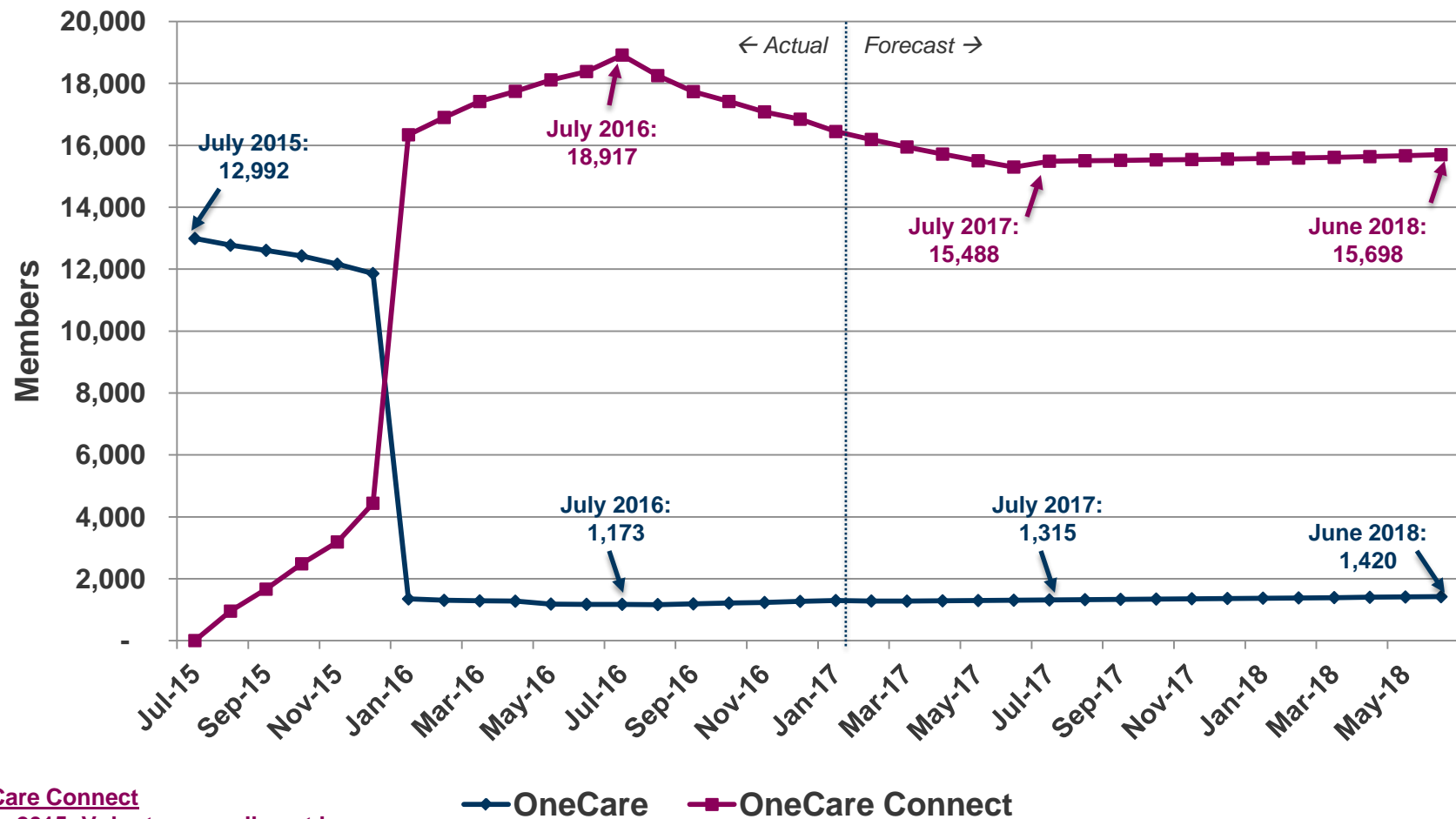
Medi-Cal Assumptions: Administrative Cost

- FY 2016-17 ALR is low due to:
 - Higher aggregate revenue due to higher rates and IHSS benefit
 - Lag time in filling open positions
 - Some projects remain in implementation stage
- FY 2017-18 includes the following items:
 - Behavioral health contractual administrative fee
 - Increase in regulatory requirements for member communication
 - Increasing CalOptima Community Network (CCN) population

OneCare Connect Program

Start Date	July 2015
Program Type	Medicare and Medicaid Duals Demonstration
Contractor/ Regulator	CMS and DHCS
Eligibility	Medi-Cal member who also has Medicare (i.e., dual eligible)
Services	<ul style="list-style-type: none">• Comprehensive health• Prescriptions• Vision• MLTSS• Assessment• Care planning• Care coordination• Supplemental benefits

Enrollment: OneCare & OneCare Connect



OneCare Connect

- July 2015: Voluntary enrollment began
- Jan 2016: Passive enrollment began

OneCare Connect Budget

	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Average Monthly Enrollment	17,195	21,828	15,576
Revenue	\$350,284,781	\$533,118,659	\$314,293,716
Medical Costs	\$342,682,725	\$504,173,683	\$296,135,555
Administrative Costs	\$20,963,313	\$28,007,571	\$23,016,025
Operating Income/Loss	(\$13,361,257)	\$937,405	(\$4,857,863)
Medical Loss Ratio	97.83%	94.57%	94.22%
Administrative Loss Ratio	5.98%	5.25%	7.32%

* Annualized as of March 2017

OneCare Connect Assumptions

- Revenue

- Medicare rates are based on CY 2017 rate report from CMS
- Part C base rate applies a 3% increase effective January 2018
- Assumes improved Aged/Disabled Part C RAF score to 1.11
- Medi-Cal rates are based on CY 2015 draft rates from DHCS
- Applies Year 3 savings targets of 5.5% and quality withhold of 3%
- Projected population mix by cohort based on actual enrollment

- Medical cost

- Applied projected enrollment mix for PHC, SRG, HMO, and CCN networks
- Capitation rates were based on POP rates for the Medicare component and fixed PMPM rates for the Medi-Cal component
- FFS expenses are based on actual OneCare Connect experience trended through June 2018

OneCare Connect Assumptions (cont.)

- Medical cost
 - Includes expenses for approved supplemental benefits
 - MLTSS costs are based on utilization data provided by DHCS
 - Removal of IHSS as a managed care benefit effective January 2018
 - Includes projected expenses for Quality Improvement programs
- Administrative cost
 - Behavioral health contractual administrative fee
 - Increase in regulatory requirements for member communication

OneCare Program

Start Date	October 2005
Program Type	Medicare Advantage Special Needs Plan (SNP)
Contractor/ Regulator	Centers for Medicare & Medicaid Services (CMS)
Eligibility	Medi-Cal member who also has Medicare (i.e., dual eligible)
Services	<ul style="list-style-type: none">• Comprehensive health• Prescriptions• Vision• Mental Health• Supplemental Benefits

OneCare Budget

	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Average Monthly Enrollment	1,235	1,186	1,367
Revenue	\$17,176,889	\$16,771,979	\$17,160,358
Medical Costs	\$15,502,191	\$15,191,738	\$17,373,904
Administrative Costs	\$1,103,692	\$1,253,728	\$1,177,720
Operating Income/Loss	\$571,005	\$326,512	(\$1,391,266)
Medical Loss Ratio	90.25%	90.58%	101.24%
Administrative Loss Ratio	6.43%	7.48%	6.86%

* Annualized as of March 2017

OneCare Assumptions

- Revenue

- Medicare Part C and Part D rates based on CY 2017 Monthly Membership Report (MMR) actuals
- Part C base rate applies a 3% increase effective January 2018
- Assumes improved Aged/Disabled Part C RAF score of 1.01

- Medical cost

- Provider capitation payments based on 38.6 percent of premium (POP)
- FFS medical costs based on historical claims through January 2017
- Change to Part D member cost sharing amounts
- Includes expenses for approved supplemental benefits

- Administrative cost

- Contains both direct and indirect costs. Indirect costs are allocated based on percentage of revenue

PACE Program

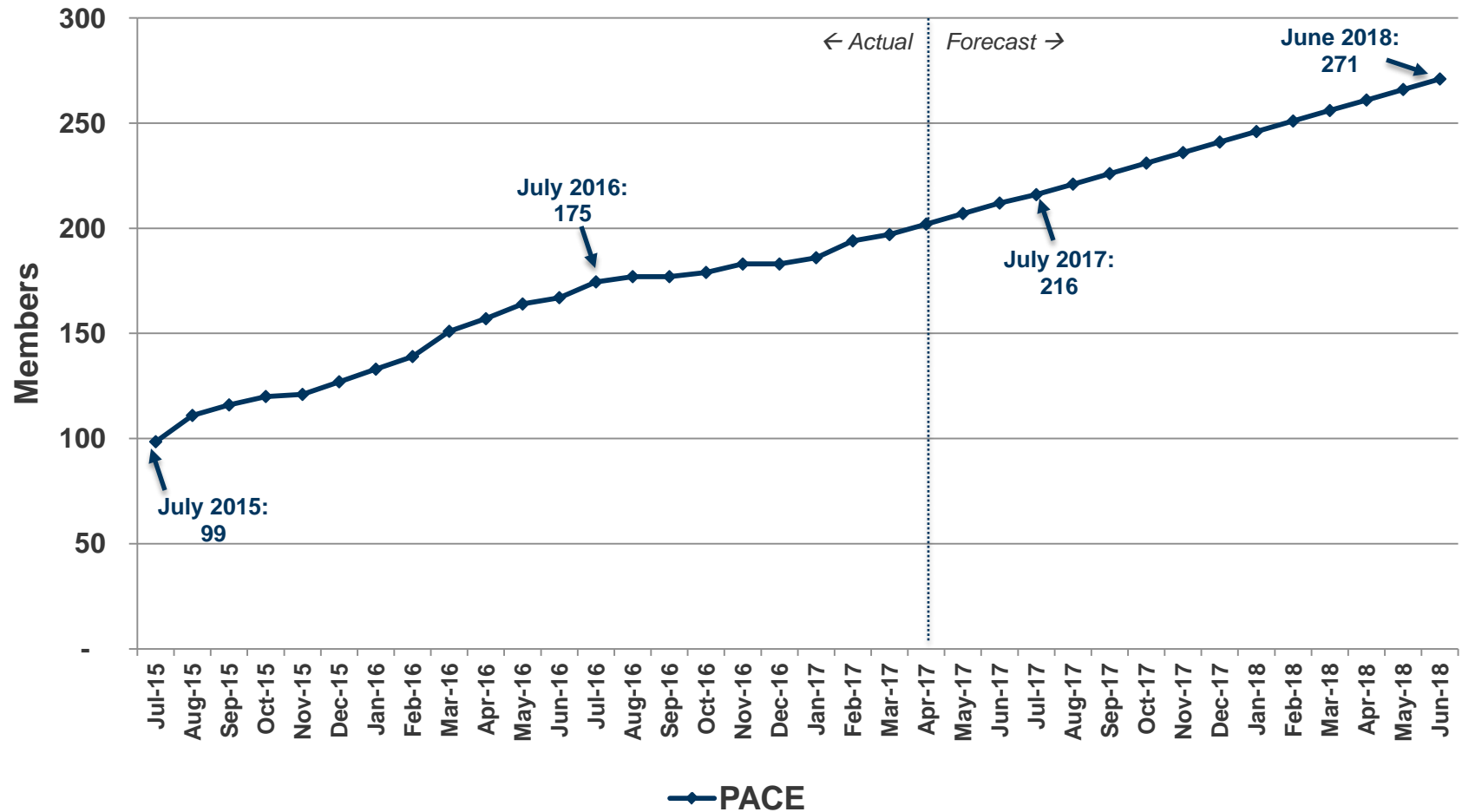
Start Date	October 2013
Program Type	Medicare and Medicaid Program
Contractor/ Regulator	CMS and DHCS
Eligibility	Member who is: <ul style="list-style-type: none">• ≥ 55;• Meet nursing facility level of care; and• Live in a PACE service area
Services	<ul style="list-style-type: none">• All Medicare and Medicaid services• 16 additional services, such as social services, nursing facility care, personal care, nutritional counseling and recreational therapy

PACE Budget

Program	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Average Monthly Enrollment	184	193	244
Revenue	\$15,121,226	\$14,540,515	\$19,495,986
Medical Costs	\$13,216,169	\$15,567,776	\$17,459,774
Administrative Costs	\$1,399,891	\$1,450,395	\$1,827,923
Operating Income/Loss	\$505,166	(\$2,477,656)	\$208,289
Medical Loss Ratio	87.40%	107.06%	89.56%
Administrative Loss Ratio	9.26%	9.97%	9.38%

* Annualized as of March 2017

Enrollment: PACE



PACE Assumptions

- Revenue
 - Based on current Medicare Parts C and D and Medi-Cal PMPM rates
 - Medi-Cal rates based on CY 2016 AWOP rates
 - Assumes 2.2% increase to Medicare Part C base rate effective January 2018
 - Medicare Part D rates and subsidies are based on CY 2017 payments
 - Applies projected Part C Aged & Disabled RAF score of 2.25
 - CMS updated RAF methodology for the duals population
 - Assumes improved coding and submission of diagnostic data
- Medical cost
 - Based on mix of trended historic experience and industry benchmarks
 - Includes material depreciation costs associated with start-up capital expenses
 - Some administrative expenses are reclassified at 96% to medical

Facilities (505 Building) Budget

Program	FY 2016-17 Annualized*	FY 2016-17 Budget	FY 2017-18 Budget
Rental Income	\$289,875	\$255,419	\$42,774
Operating Costs	\$227,115	\$1,091,669	\$226,115
Operating Income/Loss	\$62,760	(\$836,250)	(\$183,341)

* Annualized as of March 2017

Key points

- Lower rental income due to tenant's exit
- Operating costs include:
 - Common area maintenance;
 - Building and tenant improvement depreciation;
 - Repair and maintenance;
 - Building management fees; and
 - New building lease.

FY 2017-18 Capital Budget

Capital Budget by Category

Capital Budget

Category	FY 2017-18 Budget
Information Systems	
Hardware	\$2,214,667
Software	\$2,566,000
Professional fees related to implementation	\$2,141,500
Subtotal	\$6,922,167
505 Building Improvements	\$1,395,356
PACE	\$52,000
Total	\$8,369,523

Information Systems Budget

Project Type	FY 2017-18 Budget
Infrastructure	\$2,758,167
Applications Management	\$1,341,000
Applications Development	\$2,323,000
Electronic Health Data Integration	\$500,000
Total	\$6,922,167

- Represents nearly 82.7% of total Capital Budget
- Addresses information technology infrastructure needs
- Supports internal operations
- Ensures compliance with state and federal statutory, regulatory and contractual requirements

505 Building Improvements

Project Type	FY 2017-18 Budget
10th Floor Building Improvement	\$400,000
8th Floor Remodel	\$215,000
Upgrade HVAC Automation	\$133,000
Xerox Capital Lease	\$125,156
Video Streaming for 1st Floor Assembly Rooms	\$110,000
Upgrade Card Access System	\$105,000
Asphalt Repairs, Slurry Seal and Re-Stripe	\$65,000
HVAC Condenser Pump	\$45,000
Replace Lights in Passenger Elevators	\$40,000
Convert Pneumatic Controls	\$38,000
Retrofit Lobby Doors	\$32,000
Fire Proofing	\$30,000
505 Tower Light Sensors	\$25,000
Retro Commissioning	\$15,000
Central Plant Controller	\$9,000
Automate Chilled Water Pump	\$8,200
Total	\$1,395,356

PACE Budget

Project Type	FY 2017-18 Budget
Furniture, Fixtures & Equipment	\$25,000
Cold Laser Therapy	\$10,000
Dishwasher	\$10,000
Sun Protection - Patio	\$4,000
Freezer	\$3,000
Total	\$52,000

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 18, 2017 **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

Report Item

4. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2017-18 Capital Budget

Contact

Nancy Huang, Interim Chief Financial Officer, (714) 246-8400

Recommended Actions

Recommend that the CalOptima Board of Directors:

1. Approve the CalOptima Fiscal Year (FY) 2017-18 Capital Budget; and
2. Authorize the expenditure and appropriate the funds for the items listed in Attachment A: Fiscal Year 2017-18 Capital Budget by Project, which shall be procured in accordance with CalOptima policy.

Background

As of March 31, 2017, CalOptima has recorded gross capital assets of \$90.2 million in the 505 building, building improvements, furniture, equipment, and information systems. To account for these fixed assets wearing out over time, staff has charged against the cost of these assets an accumulated depreciation totaling \$37.2 million. Staff will record capital assets acquired in FY 2017-18 at acquisition cost and will depreciate the value on a straight-line basis over their estimated useful lives as follows:

- Five (5) years for office furniture and fixtures;
- Three (3) years for computer equipment and software;
- The lesser of 15 years or remaining term of lease for leasehold improvements; and
- Ten (10) to 20 years based on components for building improvements.

The resulting net book value of these fixed assets was \$53.0 million as of March 31, 2017. Prior board-approved capital budgets were \$10.1 million in FY 2016-17, and \$7.8 million in FY 2015-16 respectively.

Pursuant to CalOptima Policies GA. 3202: CalOptima Signature Authority, GA. 5002: Purchasing Policy, and GA. 5003: Budget and Operations Forecasting, the Board's approval of the budget appropriates the funds requested and authorizes the expenditure of the item without further Board action.

Discussion

Management proposes a Capital Budget of \$8,369,523 for FY 2017-18 for the following asset types within three (3) asset categories:

Category	Amount	% of Total
Information Systems		
Hardware	\$2,214,667	
Software	\$2,566,000	
Professional fees related to implementation	\$2,141,500	
Subtotal	\$6,922,167	82.7%
505 Building Improvements	\$1,395,356	16.7%
PACE	\$52,000	0.6%
Total	\$8,369,523	100%

1. Information Systems

Information Systems represent the largest portion of the Capital Budget (82.7%). This asset category primarily addresses CalOptima's information technology infrastructure needs.

Project Type	Amount	% of Total
Infrastructure	\$2,758,167	39.8%
Applications Management	\$1,341,000	19.4%
Applications Development	\$2,323,000	33.6%
Electronic Health Data Integration	\$500,000	7.2%
Total	\$6,922,167	100%

The Capital Budget includes hardware, software, and professional fees related to implementation to fund multiple systems upgrades. More detailed information is provided in Attachment A: Fiscal Year 2017-18 Capital Budget by Project. These upgrades are necessary to support internal operations, and to continue to comply with state and federal contractual, regulatory and statutory requirements.

2. 505 Building Improvements

505 Building Improvements represents (16.7%) of the Capital Budget. The largest item (28.7%) within the 505 Building capital expenditures is for improvements to the 10th floor of the building.

Project Type	Amount	% of Total
10th Floor Building Improvement	\$400,000	28.7%
8th Floor Remodel	\$215,000	15.4%
Upgrade HVAC Automation	\$133,000	9.5%
Xerox Capital Lease	\$125,156	9.0%
Video Streaming for 1st Floor Assembly Rooms	\$110,000	7.9%
Upgrade Card Access System	\$105,000	7.5%
Asphalt Repairs, Slurry Seal & Re-Stripe	\$65,000	4.7%
HVAC Condenser Pump	\$45,000	3.2%
Replace Lights in Passenger Elevators	\$40,000	2.9%
Convert Pneumatic Controls	\$38,000	2.7%
Retrofit Lobby Doors	\$32,000	2.3%
Fire Proofing	\$30,000	2.1%
505 Tower Light Sensors	\$25,000	1.8%
Retro Commissioning	\$15,000	1.1%

Project Type	Amount	% of Total
Central Plant Controller	\$9,000	0.6%
Automate Chilled Water Pump	\$8,200	0.6%
Total	\$1,395,356	100%

3. Program for All-Inclusive Care for the Elderly (PACE)

The remaining portion of the Capital Budget (0.6%) is for capital expenditures at the PACE center.

Project Type	Amount	% of Total
Furniture, Fixtures & Equipment	\$25,000	48.1%
Cold Laser Therapy	\$10,000	19.2%
Dishwasher	\$10,000	19.2%
Sun Protection - Patio	\$4,000	7.7%
Freezer	\$3,000	5.8%
Total	\$52,000	100%

Fiscal Impact

Investment in the Capital Budget will reduce CalOptima's investment principal by \$8,369,523. At a 1% return rate, this would reduce annual interest income by approximately \$83,695. Depreciation expense for Current Program Infrastructure and 505 Building Improvements is reflected in CalOptima's operating budget.

Rationale for Recommendation

The FY 2017-18 Capital Budget will enable necessary system upgrades, enhance operational efficiencies, support strategic initiatives, comply with federal and state requirements, and provide expansion of building capacity to accommodate CalOptima's growth.

Concurrence

Gary Crockett, Chief Counsel

Attachment

Attachment A: Fiscal Year 2017-18 Capital Budget by Project

/s/ Michael Schrader
Authorized Signature

5/11/2017
Date

Attachment A

Fiscal Year 2017-18 Capital Budget by Project

INFRASTRUCTURE	HARDWARE	SOFTWARE	PROFESSIONAL FEES RELATED TO IMPLEMENTATION	TOTAL CAPITAL
Disaster Recovery	750,000	-	200,000	950,000
Security	144,000	650,000	76,000	870,000
Upgrades/Replacements	216,167	30,000	269,000	515,167
Network	274,500	-	13,500	288,000
Storage	70,000	65,000	-	135,000
TOTAL INFRASTRUCTURE	\$ 1,454,667	\$ 745,000	\$ 558,500	\$ 2,758,167

APPLICATIONS MANAGEMENT	HARDWARE	SOFTWARE	PROFESSIONAL FEES RELATED TO IMPLEMENTATION	TOTAL CAPITAL
SSNRI Medicare HICN to MBI	100,000	-	250,000	350,000
Altruista Community Portal	50,000	300,000	-	350,000
Altruista Guiding Care Enhancement	-	-	250,000	250,000
ACE Implementation; CES Phase 2	-	-	175,000	175,000
Legal File Tracking Software System	-	100,000	10,000	110,000
TriZetto Workflow Customer Service Implementation	-	-	100,000	100,000
Member Safety First Quality Management	-	6,000	-	6,000
TOTAL APPLICATIONS MANAGEMENT	\$ 150,000	\$ 406,000	\$ 785,000	\$ 1,341,000

APPLICATIONS DEVELOPMENT	HARDWARE	SOFTWARE	PROFESSIONAL FEES RELATED TO IMPLEMENTATION	TOTAL CAPITAL
Analytics Software	150,000	500,000	100,000	750,000
Modernize the HIPAA X12 Standard Gateway Product	220,000	100,000	312,000	632,000
Fuel Data Warehouse Expansion	240,000	-	286,000	526,000
Fraud Waste and Abuse	-	400,000	-	400,000
911 Emergency Notification System	-	15,000	-	15,000
TOTAL APPLICATIONS DEVELOPMENT	\$ 610,000	\$ 1,015,000	\$ 698,000	\$ 2,323,000

ELECTRONIC HEALTH DATA INTEGRATION	HARDWARE	SOFTWARE	PROFESSIONAL FEES RELATED TO IMPLEMENTATION	TOTAL CAPITAL
EHR / HIE Data Integration	-	400,000	100,000	500,000
TOTAL ELECTRONIC HEALTH DATA INTEGRATION	\$ -	\$ 400,000	\$ 100,000	\$ 500,000

505 BUILDING IMPROVEMENTS	BUILDING				TOTAL CAPITAL
10th Floor Building Improvement	400,000	-	-	-	400,000
8th Floor Remodel	215,000	-	-	-	215,000
Upgrade HVAC Automation	133,000	-	-	-	133,000
Xerox Capital Lease	125,156	-	-	-	125,156
Video Streaming for 1st Floor Assembly Rooms	110,000	-	-	-	110,000
Upgrade Card Access System	105,000	-	-	-	105,000
Asphalt Repairs, Slurry Seal & Re-Stripe	65,000	-	-	-	65,000
HVAC Condenser Pump	45,000	-	-	-	45,000
Replace Lights in Passenger Elevators	40,000	-	-	-	40,000
Convert Pneumatic Controls	38,000	-	-	-	38,000
Retrofit Lobby Doors	32,000	-	-	-	32,000
Fire Proofing	30,000	-	-	-	30,000
505 Tower Light Sensors	25,000	-	-	-	25,000
Retro Commissioning	15,000	-	-	-	15,000
Central Plant Controller	9,000	-	-	-	9,000
Automate Chilled Water Pump	8,200	-	-	-	8,200
TOTAL 505 BUILDING IMPROVEMENTS	\$ 1,395,356	\$ -	\$ -	\$ -	\$ 1,395,356

PACE	EQUIPMENT				
Furniture, Fixtures & Equipment	25,000	-	-	-	25,000
Cold Laser Therapy	10,000	-	-	-	10,000
Dishwasher	10,000	-	-	-	10,000
Sun Protection - Patio	4,000	-	-	-	4,000
Freezer	3,000	-	-	-	3,000
TOTAL PACE	\$ 52,000	\$ -	\$ -	\$ -	\$ 52,000

TOTAL FY18 NEW CAPITAL BUDGET	\$ 3,662,023	\$ 2,566,000	\$ 2,141,500	\$ 8,369,523
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[Back to Agenda](#)

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 18, 2017

Regular Meeting of the CalOptima Board of Directors'

Finance and Audit Committee

Report Item

5. Consider Recommending Appointment to the CalOptima Board of Directors' Investment Advisory Committee

Contact

Nancy Huang, Interim Chief Financial Officer, (714) 246-8400

Recommended Action

Recommend reappointment of Rodney Johnson to the CalOptima Board of Directors' Investment Advisory Committee for a two-year term beginning June 7, 2017.

Background

At a Special Meeting of the CalOptima Board of Directors held on September 10, 1996, the Board authorized the creation of the CalOptima Investment Advisory Committee (IAC), established qualifications for committee members, and directed staff to proceed with the recruitment of the volunteer members of the Committee.

When creating the IAC, the Board specified that the Committee would consist of five (5) members; one (1) member would automatically serve by virtue of his or her position as CalOptima's Chief Financial Officer. The remaining four (4) members would be Orange County residents who possess experience in one (1) or more of the following areas: investment banking, investment brokerage and sales, investment management, financial management and planning, commercial banking, or financial accounting.

At the September 5, 2000, meeting, the Board approved expanding the composition of the IAC from five (5) members to seven (7) members in order to have more diverse opinions and backgrounds to advise CalOptima on its investment activities.

Discussion

The candidate recommended for reappointment, Rodney Johnson, has consistently provided leadership and service to CalOptima's investment strategies through his participation as an IAC member.

Mr. Johnson has served as a member of the IAC since June 6, 2013. Mr. Johnson has extensive experience working with public agencies. He is currently Deputy Treasurer of the Orange County Transportation Authority (OCTA), where he has worked for over 19 years. He is responsible for daily analysis of short-term and long-term cash flow needs, executing investments, overseeing five (5) different investment management firms, and ensuring compliance with the OCTA investment policy. Prior to that, Mr. Johnson held positions at BNY Western Trust Company, Fund Services

Associates, Inc., and Muni Financial Services, Inc. Mr. Johnson has a M.P.A. from California State University Long Beach, and a B.A. from California State University Fullerton. In addition, he was part of CalOptima's investment manager request for proposal (RFP) evaluation team. His current term expires on June 6, 2017.

Fiscal Impact

There is no fiscal impact. Individuals appointed to the IAC are responsible for assisting CalOptima in meeting the objectives of CalOptima's annual investment policy, including preservation of capital, meeting the agency's liquidity needs, and obtaining an acceptable return on investment of available funds.

Rationale for Recommendation

The individual recommended for CalOptima's IAC has extensive experience that meets or exceeds the specified qualifications for membership on the IAC. In addition, the candidate has already provided outstanding service as a member of the IAC.

Concurrence

Gary Crockett, Chief Counsel
Board of Directors' Investment Advisory Committee

Attachment

None

/s/ Michael Schrader
Authorized Signature

5/11/2017
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 18, 2017
Regular Meeting of the CalOptima Board of Directors'
Finance and Audit Committee

Report Item

6. Consider Recommending Board of Directors' Approval of Compensation Review Consultant, and Authorization of Agreement for Employee Compensation Program Review, Revisal, Update, and Design

Contact

Ladan Khamseh, Chief Operations Officer, (714) 246-8400

Vicki Hewlett, Interim Director Human Resources, (714) 246-8400

Recommended Actions

Recommend that the Board of Directors:

1. Select recommended compensation review consultant, Grant Thornton; and
2. Authorize the Chief Executive Officer, with the assistance of Legal Counsel, to enter into contract with the selected consultant to conduct a full review, revisal, update and design to the CalOptima employee Compensation Program.

Background

On August 4, 2016, the Board authorized the issuance of a Request for Proposal (RFP) for consulting services to conduct a compensation study. Based on this direction, the CalOptima Vendor Management Department and the Human Resources Department worked to issue the RFP (17-005), selected a recommended Consultant (i.e., Grant Thornton, LLP), and is negotiating a contract, subject to Board approval. As proposed, the contract includes six specific significant aspects of total compensation to be reviewed and evaluated by the consultant over a projected four month period.

Task 1: Conduct internal CalOptima review, to include review of current compensation, classifications and benefits program.

Task 2: Perform external market comparisons, using both custom and published market data.

Task 3: Review surveys and benchmark against CalOptima's competitive market.

Task 4: Collect data to prepare compensation benchmarking analysis.

Task 5: Complete data analysis to develop broad strategies and goals for CalOptima's compensation and benefits program.

Task 6: Prepare reports and provide ongoing compensation support.

Management recommends approval to ensure that CalOptima meets its ongoing obligation to provide competitive and equitable compensation that meets organizational standards and provides access to skilled and desirable employees.

CalOptima Board Action Agenda Referral
Consider Recommending Board of Directors' Approval of
Compensation Review Consultant, and Authorization of
Agreement for Employee Compensation Program Review,
Revisal, Update, and Design
Page 2

CalOptima received five proposals in response to the RFP from the following companies:

- CPS HR Consulting
- FutureSense, Inc.
- Grant Thornton, LLP
- NFP Corporation
- Sjoberg Evashenk Consulting, Inc.

An evaluation team made up of the Purchasing, Finance, Human Resources, Information Services, and Medical/Clinical Departments evaluated the proposals in accordance with the Purchasing policy.

Selection criteria for scoring the proposals included:

- Organization and completeness of response, adherence to CalOptima RFP requirements
- Vendor's ability to perform all aspects of the contract, knowledge of industry, proper qualifications and ability to handle CalOptima's size and needs
- Related experience working with organizations similar to CalOptima
- References
- Qualifications of team assigned to perform the work
- Geographic location
- Price

From the Proposals, the team selected three (3) vendors: FutureSense, Inc., Grant Thornton, LLP, and NFP Corporation, based on scoring and meeting the above criteria to bring onsite and interview.

Based on the evaluation team's scoring including the interviews, the results for the RFP were as follows:

Vendor	Score
Grant Thornton, LLP	43.7
FutureSense, Inc.	41.2
NFP Corporation	35.3

From the interviews, the team chose the top two finalists (FutureSense and Grant Thornton) and requested Best And Final Offers. Based on the final submissions, the team recommends Grant Thornton, LLP based upon industry knowledge, breadth of subject matter expertise, experience with similar clients, and its' qualifications of the proposed core team assigned to CalOptima.

Fiscal Impact

The fiscal impact for the recommended action is estimated at \$375,000. Staff plans to include the proposed funding for the consulting services in the FY 2017-18 CalOptima Operating Budget.

CalOptima Board Action Agenda Referral
Consider Recommending Board of Directors' Approval of
Compensation Review Consultant, and Authorization of
Agreement for Employee Compensation Program Review,
Revisal, Update, and Design
Page 3

Rationale for Recommendation

Results from the compensation study will enable CalOptima to update and revise its compensation structure to ensure equitability in job classifications, and compensation practices.

Concurrence

Gary Crockett, Chief Counsel

Attachments

None

/s/ Michael Schrader
Authorized Signature

5/11/2017
Date

CALOPTIMA BOARD ACTION AGENDA REFERRAL

Action To Be Taken May 18, 2017 **Regular Meeting of the CalOptima Board of Directors'** **Finance and Audit Committee**

Report Item

7. Consider Recommending Board of Directors' Approval of the Revised Reinsurance Program for Catastrophic Claims and Update CalOptima Policy Accordingly

Contact

Nancy Huang, Interim Chief Financial Officer, (714) 246-8400

Recommended Actions

1. Recommend that the Board of Directors:
 - a. Approve proposed revision of the CalOptima reinsurance program for capitated health networks, excluding health maintenance organizations (HMO) that are at-risk for catastrophic claims, to include reinsurance attachment points of \$17,000 for physician groups and \$150,000 for hospitals and a coinsurance level of 20% effective July 1, 2017; and
2. Direct staff to update CalOptima Policy No. FF.1007: Health Network Reinsurance Coverage, consistent with the proposed changes for Policy Year 2017-2018.

Background

CalOptima has provided a reinsurance program for eligible Medi-Cal health networks in order to relieve the financial stress on health networks caused by catastrophic claims. Under the program, capitated HMOs, physician groups and hospitals are reimbursed for submitted claims exceeding the thresholds, and shared risk pools are adjusted for claims exceeding the thresholds. Over the past few years, CalOptima has increased the reimbursement rates to our providers. The changes are including Medi-Cal Expansion enhanced payment, shift to APR-DRG hospital reimbursement and other rate increases. As a result of these increases, more claims now qualify for reinsurance reimbursement, including a larger share of regular, non-catastrophic claims that are outside the original intent of the reinsurance policy.

At its October 1, 2009, meeting, the CalOptima Board of Directors approved the 2009 reinsurance program for capitated HMOs, physician groups and hospitals. Specifically, the board action updated the reinsurance attachment points and changed the reinsurance program year from a calendar year basis to a fiscal year basis. The purpose of the reinsurance program is to mitigate costs incurred by capitated health networks for member care costs that exceed a designated threshold.

Pursuant to CalOptima Policy FF.1007, 2016-2017: Health Network Reinsurance Coverage, CalOptima shall provide reinsurance coverage to its eligible health networks, excluding any HMOs that are at-risk for catastrophic claims. Effective July 1, 2016, through June 30, 2017, the reinsurance attachments points are as follows:

- \$100,000 of covered hospital expenses per member during the coverage period; and
- \$13,000 of covered physician expenses per member during the coverage period.

Discussion

Staff estimated Fiscal Year (FY) 2017-18 reinsurance expense for capitated and shared risk entities using the same experience as FY 2016-17 and applying the proposed higher deductibles. CalOptima Policy FF.1007, 2016-17 states that CalOptima will indemnify 90% of covered expenses for losses in excess of the annual deductible. For Policy Year 2017-18, Staff recommends an increase to the coinsurance level from 10% to 20%. In addition, Staff recommends revising the attachment points to \$17,000 for physician groups and \$150,000 for hospitals. The intent of these changes is to restore the original intent of the policy, which was to provide reinsurance for truly catastrophic claims.

The following table provides a comparison of projected reinsurance costs between FY 2016-17 and FY 2017-18.

Summary of Limits for the FY 2017-18 CalOptima Reinsurance Policies

	<u>Physician Group</u>		<u>Hospital</u>		<u>Total</u>	
	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
Annual	\$5.6M	\$4.0M	\$10.0M	\$6.6M	\$15.6M	\$10.6M
Budget						
Deductible	\$13,000	\$17,000	\$100,000	\$150,000	--	--

By adopting the updated attachment points and coinsurance level, Staff anticipates that the FY 2017-18 reinsurance program will save \$5.8 million as compared to FY 2016-17.

Fiscal Impact

The fiscal impact of the revised reinsurance program for FY 2017-18 is estimated to be \$10.6 million. This total cost includes direct payment to eligible health networks and the impact to the shared risk pool payouts. Funding will be budgeted under the proposed CalOptima FY 2017-18 Operating Budget pending Board approval.

Rationale for Recommendation

The proposed action updates the current reinsurance program for capitated health networks, excluding HMOs that are at-risk for catastrophic claims.

Concurrence

Gary Crockett, Chief Counsel

Attachments

PowerPoint Presentation: Reinsurance Coverage

/s/ Michael Schrader
Authorized Signature

5/11/2017
Date



CalOptima
Better. Together.

Reinsurance Coverage

**Board of Directors' Finance and Audit Committee Meeting
May 18, 2017**

**Nancy Huang
Interim Chief Financial Officer**

Overview

- Background
 - Reimbursement Process
 - Attachment Point Changes
 - Rate Increases and Effects
- Reinsurance Expense Trend
- Recommended Actions

Background

- Purpose

- Relieve the financial stress on health networks caused by catastrophic claims
- Capitated networks and hospitals are reimbursed for submitted claims exceeding thresholds
- Shared Risk Pools are adjusted for claims exceeding thresholds

- Most recent update to the policy

- 11/1/12: Internal CalOptima policy for Fiscal Year (FY) 2012-13 updated with revised attachment points

Reimbursement Process

- Eligible Medi-Cal networks and hospitals may submit reinsurance claims for the coverage period
 - Eligible networks and hospitals submit claims quarterly
 - Required to submit all claims within 6 months after the end of the coverage period
- Shared risk pools are credited for claims exceeding reinsurance attachment points

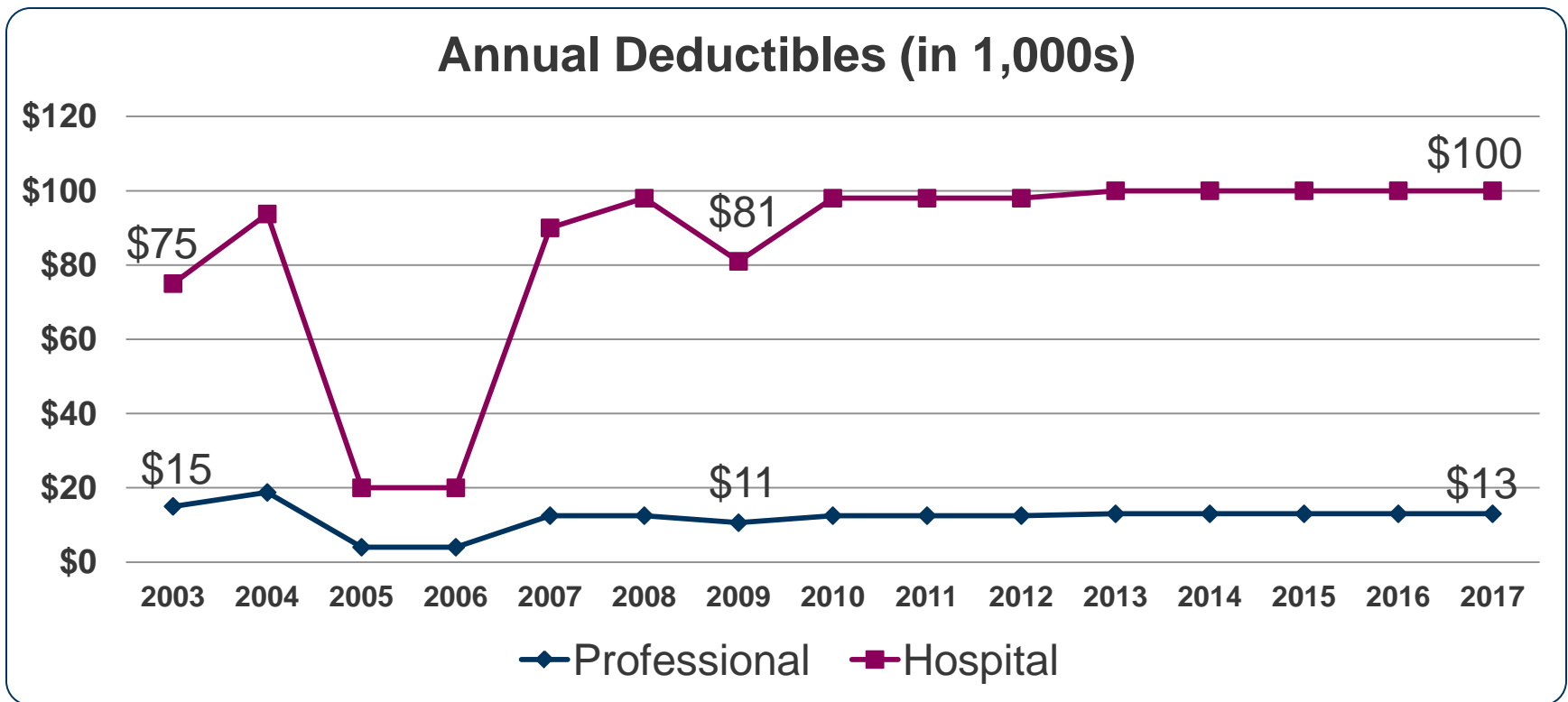
Model	Covered Physician Expenses	Covered Hospital Expenses
HMO*	Yes	Yes
PHC	Yes	Yes
SRG	Yes	No**

* Excludes Kaiser

** Covered hospital expenses for SRGs complies with FF.1010: Shared Risk Pool

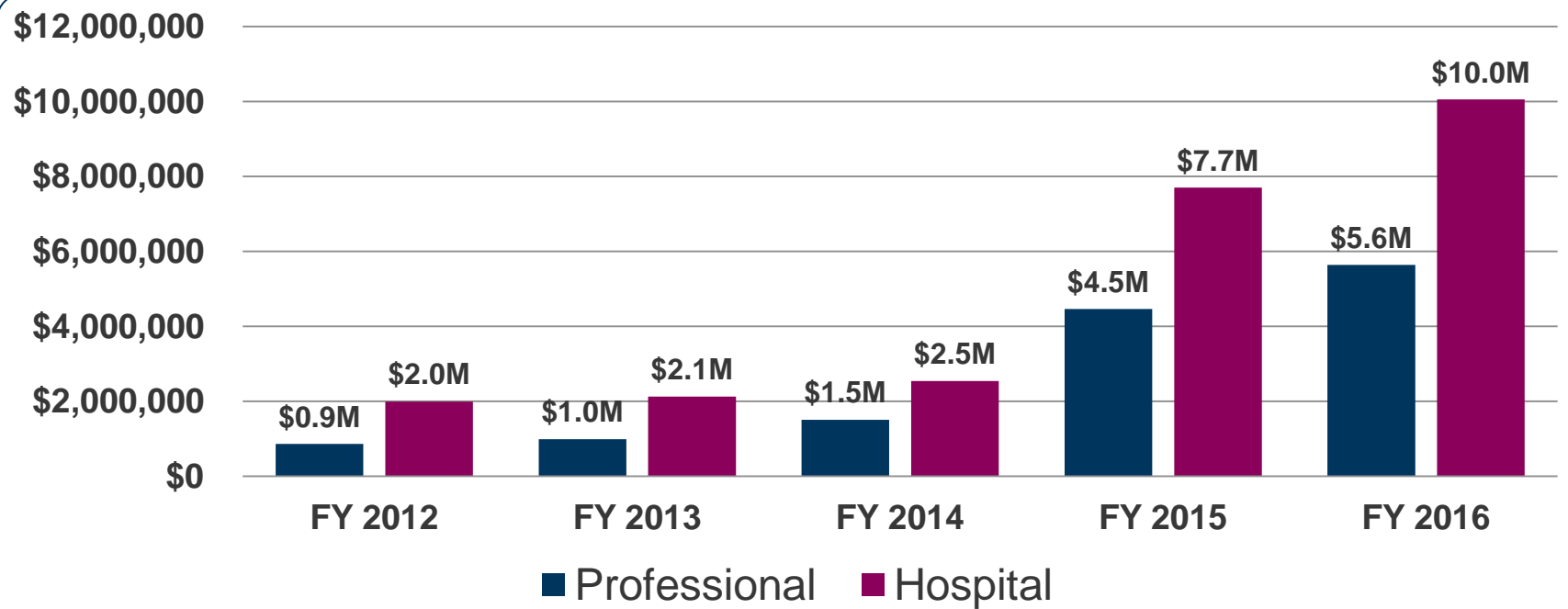
Attachment Point Changes

- Attachment points have not been updated since 11/1/12
- CalOptima indemnifies 90% of covered expenses for losses in excess of the annual deductible



Reinsurance Expense Trend

- 550% increase in professional reinsurance claims from 2012 to 2016.
- 400% increase in hospital reinsurance claims and risk pool adjustments from 2012 to 2016.



Updating the Reinsurance Program

- Reinsurance program was designed to assist eligible networks and hospitals cover catastrophic cases
 - CalOptima has provided this enhanced supplemental benefit since 1996
 - Not provided by the majority of other public plans in the State
- Reset the program to the appropriate level of protection
 - Program has not been updated since 2012

Proposed Annual Deductible (per member)

Date	Covered Physician Expenses	Covered Hospital Expenses	Coinsurance Level
11/1/12	\$13,000	\$100,000	10%
<i>Proposed</i>	<i>\$17,000</i>	<i>\$150,000</i>	<i>20%</i>

Recommended Actions

- Consider Recommending Board of Directors' Approval to:
 - Increase the attachment point for covered physician expenses from \$13,000 to \$17,000
 - Increase the attachment point for covered hospital expenses from \$100,000 to \$150,000
 - Increase the coinsurance level to 20%
- Fiscal Impact
 - Staff estimates that the FY 2017-18 reinsurance program will save \$5.8 million as compared to FY 2016-17



AUDIT ENTRANCE

CalOptima

2017 AUDIT PLANNING – DISCUSSION WITH AUDIT COMMITTEE

MOSS-ADAMS LLP
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Audit Committee

CalOptima

Dear Committee Members:

Thank you for your continued engagement of Moss Adams LLP, the provider of choice for health plans and healthcare organizations. We are pleased to present our audit plan for CalOptima (the “Health Plan”) for the year ending June 30, 2017. We would also like to discuss current-year developments and auditing standard changes that will affect our audit.

We welcome any questions or input you may have regarding our audit plan, and we look forward to working with you.

Agenda

- Your Service Team
- Required Communications to Those Charged with Governance
- Audit Process
- Significant Audit Areas
- Risks Discussion
- Consideration of Fraud
- Audit Timeline
- Audit Deliverables
- Accounting Update

Your Service Team

John Blakey

Engagement Reviewer and Partner

Chris Pritchard

Concurring Reviewer Partner

Aparna Venkateswaran

Audit Senior Manager

Frank Jurado

Audit Manager

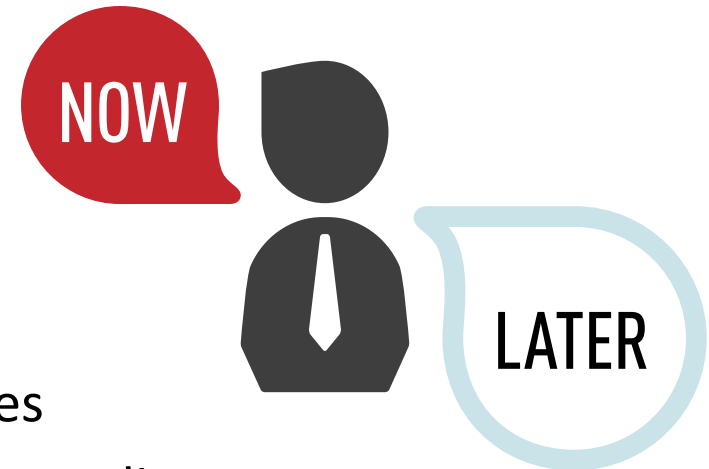
Shivali Kumar

Audit Senior



Required Communications to those Charged with Governance

- Auditor's responsibility under US generally accepted auditing standards
 - Planned scope and timing of audit
-
- Significant audit findings
 - Qualitative aspects of accounting practices
 - Difficulties encountered in performing the audit
 - Corrected and uncorrected misstatements
 - Management representations
 - Management consultations with other independent accountants
 - Other audit findings or issues



Our Responsibility Under U.S. Auditing Standards

- 1** To express our opinion on whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, and conform to U.S. GAAP. However, our audit does not relieve you or management of your responsibilities.
- 2** To perform an audit in accordance with generally accepted auditing standards issued by the AICPA, and Government Auditing Standards issued by the Comptroller General of the United States and design the audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement.
- 3** To consider internal control over financial reporting and internal control over compliance as a basis for designing audit procedures but not for the purpose of expressing an opinion on its effectiveness or to provide assurance concerning such internal control.
- 4** To communicate findings that, in our judgment, are relevant to your responsibilities in overseeing the financial reporting process and administering federal awards. However, **we** are not required to design procedures for the purpose of identifying other matters to communicate to you.

Audit Process

INTERNAL CONTROLS

- Includes Information Technology



ANALYTICAL PROCEDURES

- Revenues and expenses
- Trends, comparisons, and expectations

SUBSTANTIVE PROCEDURES

- Confirmation of account balances
- Vouching to supporting documentation
- Representations from attorneys and management
- Examining objective evidence

What is Materiality?

It's the amount of a misstatement that could influence the economic decisions of users, taken on the basis of the financial statements

It's calculated using certain **quantitative** (*e.g., total assets*) and **qualitative** factors (*e.g., covenants, expectations, or industry factors*)



It's used to identify :

- Significant risk areas
- Nature, timing, extent, and scope of test work
- Findings or misstatements

Significant Audit Areas



Capitation revenue and receivables



Cash and cash equivalents



Investments



Medical claims liability, capitation payable and payable to State of California

Capitation Revenue, Receivables and Unearned Revenue

Accounting Issue	Audit Risk	Moss Adams Audit Response
<ul style="list-style-type: none">• Capitation revenue recognition and completeness of unearned revenue• Valuation of capitation receivables	<ul style="list-style-type: none">• Revenue recognition could be inappropriate• Receivables can be overstated	<ul style="list-style-type: none">• Develop independent expectation of revenue using membership data and rates• Gain an understanding of the nature of the unearned revenue to determine whether revenue recognition is appropriate• Verifying subsequent receipt of cash and other substantive procedures

Cash and Cash Equivalents and Investments

Accounting Issue	Audit Risk	Moss Adams Audit Response
<ul style="list-style-type: none">• Existence of cash and cash equivalents, and investments• Valuation of investments• Restrictions on cash have not been properly disclosed	<ul style="list-style-type: none">• Cash and investments have been misappropriated• Cash equivalents or investments recorded in the financial statements do not exist or fair value has been impaired• Restrictions on cash are not disclosed	<ul style="list-style-type: none">• Confirmation of cash and investments with financial institutions or other custodian• Test the fair value of investments• Perform audit testing to determine whether all restrictions have been disclosed

Medical Claims Liability, Capitation Payable and Payable to State of California

Accounting Issue	Audit Risk	Moss Adams Audit Response
<ul style="list-style-type: none"> Claims liability, capitation payable and payable to the State of California are accurately recorded in the appropriate period 	<ul style="list-style-type: none"> Claims payment and provider capitation expense to providers are understated IBNR for claims incurred prior to the balance sheet date but not received are understated Amounts payable to the State of California are not estimated based on all available information using a reasonable methodology 	<ul style="list-style-type: none"> Test the internal controls for claims payment and provider capitation systems Test the data used by the actuary to estimate the claims liability Test the provider capitation accrual calculation and agree accrual to the subsequent payments Review the experience and qualifications of the actuary Perform a retrospective review of the prior year claims liability Gain an understanding of the nature of the amounts payable to the State of California and test inputs into the estimate

Risks Discussion

What are your view regarding:

- CalOptima's objectives, strategies and business risks that may result in material misstatements
- Significant communications with regulators
- Attitudes, awareness, and actions concerning
 - CalOptima's internal control and importance
 - How those charged with governance oversee the effectiveness of internal control
 - Detection or the possibility of fraud
 - Other matters relevant to the audit

Do you have any areas of concern?

Consideration of Fraud



Auditor's responsibility: Obtain reasonable assurance the financial statements as a whole are free from material misstatement – whether caused by fraud or error

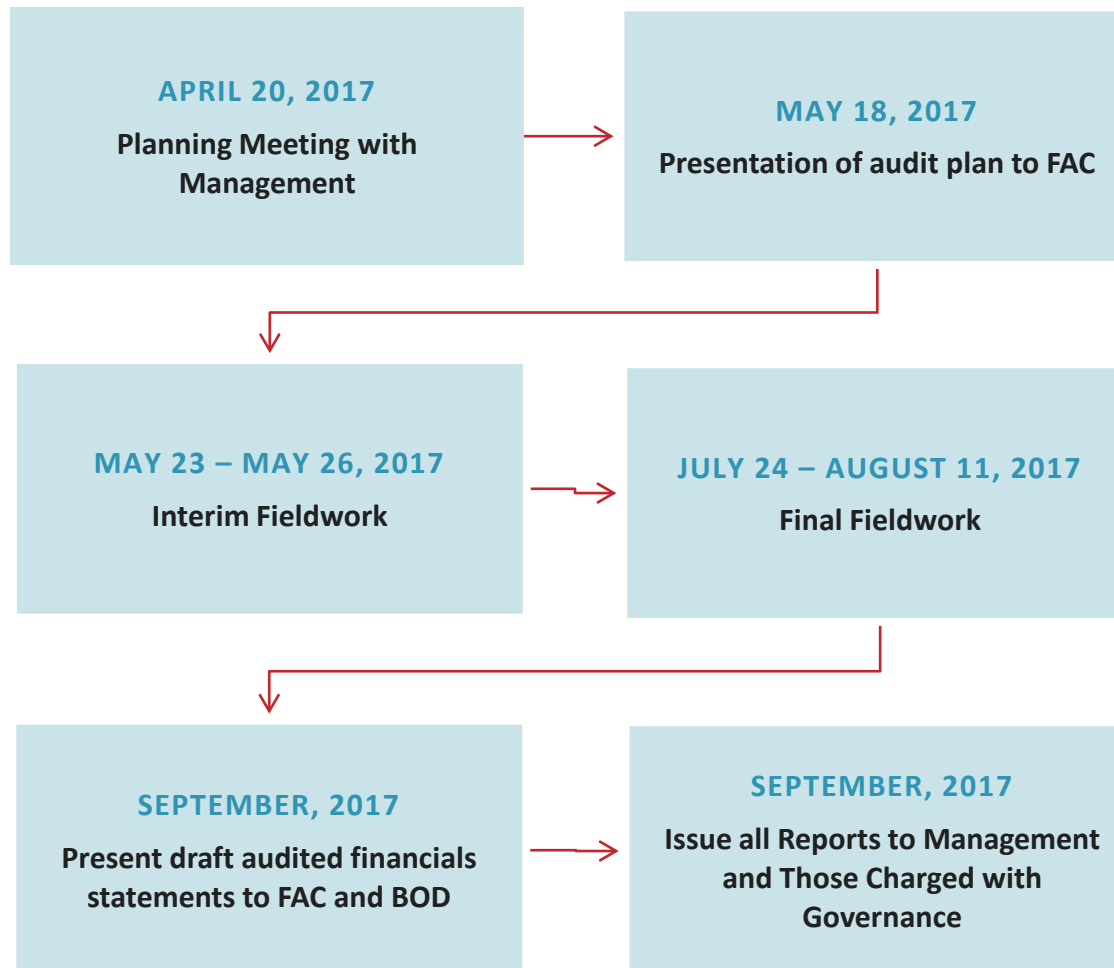
How we gather information to identify fraud-related risks of material misstatement:

- Brainstorm with team
- Conduct personnel interviews
- Document understanding of internal control
- Consider unusual or unexpected relationships identified in planning and performing the audit

Procedures to be performed:

- Examine general journal entries for nonstandard transactions
- Evaluate policies and accounting for revenue recognition
- Test and analyze significant accounting estimates for biases
- Evaluate the business rationale for significant unusual transactions

Audit Timeline



Audit Deliverables

We will issue the following:

- Report of Independent Auditors on consolidated financial statements for the year ended June 30, 2017
- Report to Those Charged With Governance (communicating required matters and other matters of interest)
- Report to Management (communicating internal control related matters identified in the audit)

We have also been engaged to perform the following non-attest services:

- Assist in the drafting of the consolidated financial statements for the year ending June 30, 2017

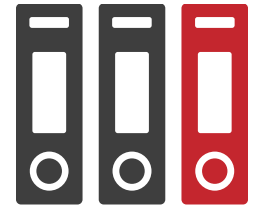


Accounting Update

MOSS ADAMS_{LLP}
Certified Public Accountants | Business Consultants

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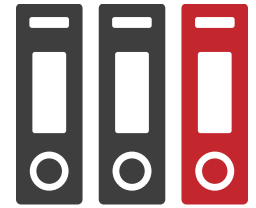
New Standards



GASB 74 / 75 | Financial Reporting for Postemployment Benefits other than Pension Plans (OPEB)

- Effectively replaces GASB 43 and 45
- OPEB Plans – defined benefit and defined contribution – administered through trusts that meet the following criteria:
 - Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable
 - OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms
 - OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members
- Effective for OPEB plan annual periods beginning after June 15, 2016 and employers for annual periods beginning after June 15, 2017

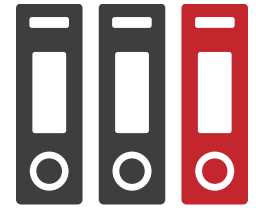
New Standards



GASB 76 | The Hierarchy of GAAP for Governments

- Establishes two categories:
 - Category A: Formally approved statements by the GASB Board
 - Category B: GASB Technical Bulletins and Implementation Guides
- Effective for annual periods beginning after June 15, 2016

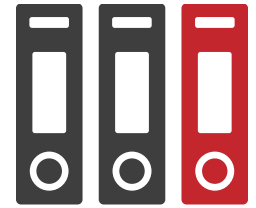
New Standards



GASB 83 | **Certain Asset Retirement Obligations**

- Asset retirement obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset
- Establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs
- Effective for fiscal years beginning after December 15, 2018

Exposure Drafts



Leases

- Would treat all leases as financings (no classification of capital v. operating) similar to FASB ASU 2016-02
- Includes non-cancellable period + periods covered by options to renew if reasonably certain to be exercised
- Lessee would record an intangible asset (amortized over the shorter of its useful life or lease term) and present value of future lease payments as a liability
- Lessor would record a lease receivable and deferred inflow of resources for cash received up front + future payments (revenue recognized over lease term in a systematic and rational basis)
- Final statement expected in late 2016 or early 2017



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2017 Health Care Conference: Expect the Unexpected

SAVE THE DATE: Nov. 16 & 17, 2017

Red Rock Resort, Spa and Casino | Las Vegas, NV

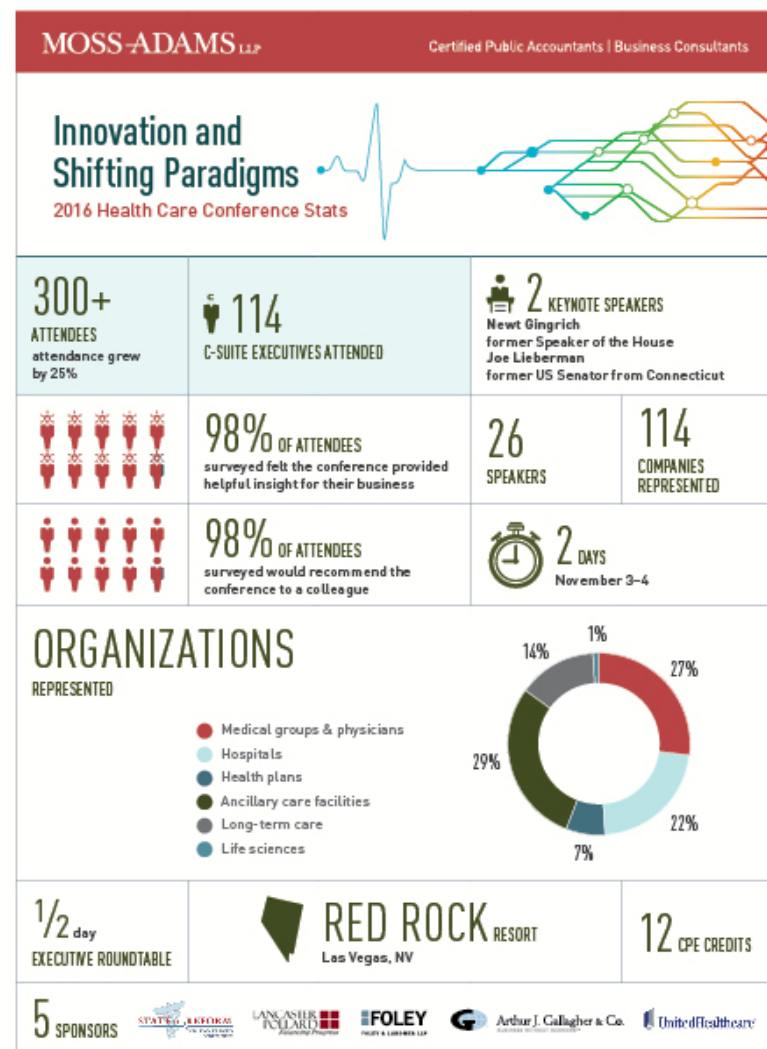
Moss Adams holds an annual two-day health care conference designed for our clients. The conference brings together notable C-suite and executive teams from across the country to share industry knowledge, best practices, and new ideas. This year, the conference will provide a forum for executives to discuss pressing topics including the Trump administration's progress and platform for repealing and replacing the ACA and the impact of further reforming health care.

2017 Keynotes Include:

- **Dr. Sanjay Gupta**, Emmy® award-winning chief medical correspondent for CNN and practicing neurosurgeon
- **Dr. Tom Coburn**, former Republican US senator from Oklahoma, physician, and two-time cancer survivor
- **Wendy Davis**, former Democratic state senator from Texas and a recognized leader on women's equality.
- **Ken Leonczyk**, legal and public policy expert and senior director of The Advisory Board Company
- **Dr. Lowell Catlett**, futurist, economist, and renowned speaker and author

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Highlights from our 2016 Conference:



Our Services for Healthcare Organizations

ASSURANCE

- Agreed-upon procedures
- [Audits and reviews](#)
- Federal awards audits
- Compliance examinations pursuant to federal reporting requirements
- [Employee benefit plan services](#)
- Written acknowledgments and agreed-upon procedure engagements in connection with tax-exempt bond offerings

CONSULTING

- [Endowment management and investment consulting](#)
- [Fraud investigation and forensic accounting](#)
- [IT consulting](#)
- [Strategic business planning](#)
- [Sustainability services](#)
- [Systems Control & Operations Risk Evaluation \(SCORE!\)](#)
- [Wealth services](#)

TAX

- Alternative investment issues
- Compensation, payroll, and employment tax issues, including fringe benefits, deferred compensation, and policy setting to meet the rebuttable presumption process
- Complex group structures, including non-501(c)(3) exempt organizations
- Donor-advised fund planning and reporting
- [Estate planning](#) for donors and development department marketing
- For-profit organization formation and operations
- Formation of new entities, including preparation of Forms 1023 and 1024 and associated state filings
- Independent contractor versus employee determinations
- IRS and state audit representation
- Joint venture formation and operation
- Lobbying and political expenditure classification and reporting
- Maintaining tax-exempt status and public charity status
- Member versus nonmember activity issues
- Preparation of Form 990, 990-T, 990-PF, and relevant state forms
- [Private foundation planning analysis](#)
- Public support test planning
- Sales and use tax exemptions
- [State and local tax services, including credits and incentives](#)
- State solicitation registration and annual filings
- Tax-exempt bond consultation, including private business use and post-issuance bond compliance procedures
- Third-party management agreements and sponsorship planning
- Transfer pricing and expense allocation methodology
- Unrelated business taxable income



Moss Adams by the Numbers

HEALTH CARE CLIENTS in the Western United States

Our team of dedicated professionals has served clients across the health care continuum for 38 years.



200
professionals
that focus on the
health care sector*



265
partners



4.9
staff-to-partner ratio



84%
staff retention rate

101

years in
business

403

million dollars
in revenue



largest firm
headquartered
in the west

Data as of October 2014

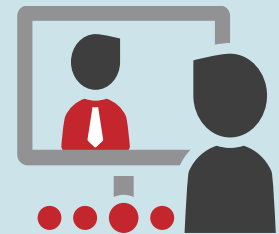
*Includes staff accountants serving other additional sectors.

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MOSS ADAMS_{LLP}
Certified Public Accountants | Business Consultants

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CCN Performance: Financial and Quality Analysis

**Board of Directors' Finance and Audit Committee Meeting
May 18, 2017**

**Richard Helmer, M.D., Chief Medical Officer
Nancy Huang, Interim Chief Financial Officer**

CalOptima Community Network (CCN) Analysis

- Financial Performance
 - Revenue
 - Utilization/Risk Adjustment Factor
 - Medical Loss Ratio
- Performance on Quality Measures
 - Clinical Measures
 - CAHPS (Satisfaction) Measures

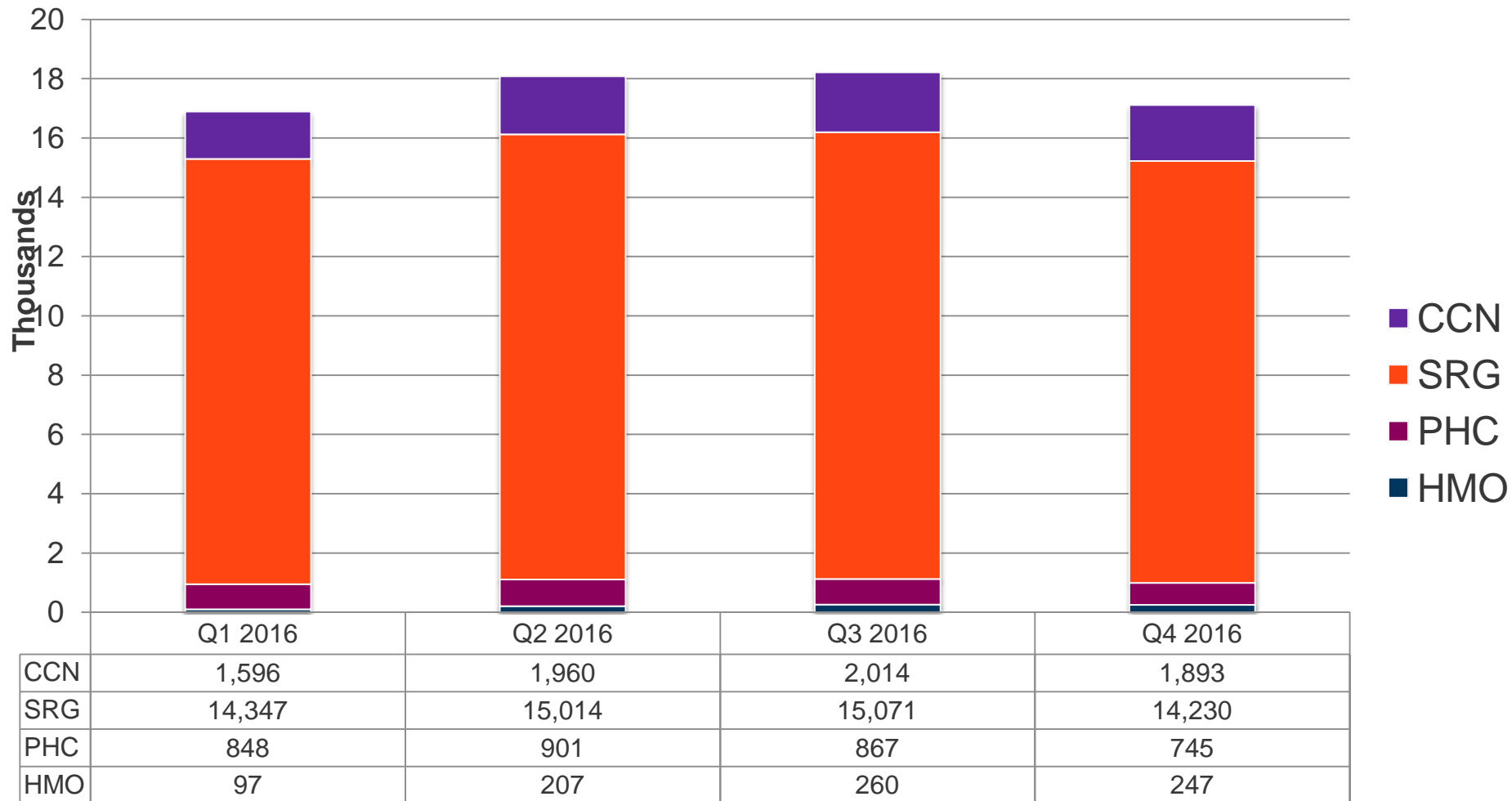
Financial/Utilization Measures

- Use OneCare Connect (OCC)
 - Revenue follows member
 - Comparable membership (no special populations)
- Calculate for Calendar Year 2016
- Include Medicare revenue and costs only
- Exclude Medi-Cal revenue and costs
 - Long-Term Services and Supports (LTSS) are major components and managed by CalOptima

Financial/Utilization Measures (Cont.)

- Include claims and capitation payment but not encounter data
- Define performance as medical loss ratio (MLR)
 - Exclude administrative loss ratio (ALR)
 - Add CalOptima medical management based on resources required by network type
 - Exclude shared risk group (SRG) pool funding or settlements
- Align with Finance reports — with some exceptions

OCC Membership by Network Type



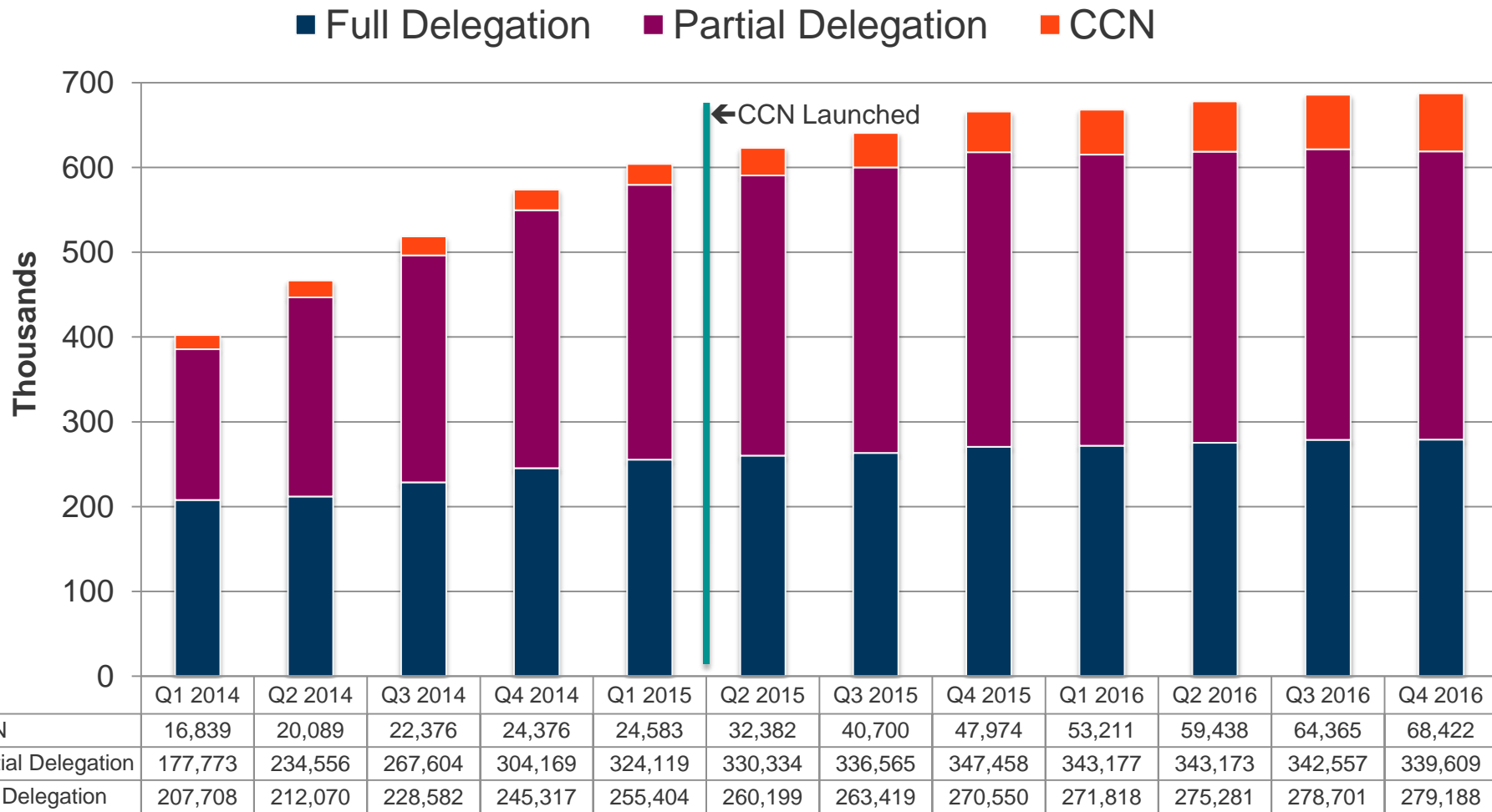
OCC Summary of Performance

	CCN	SRG	PHC	HMO	All
Average Member Months	1,888	14,664	840	203	17,595
Revenue PMPM	\$1,584	\$1,445	\$1,153	\$1,559	\$1,448
Risk Adjustment Factor (RAF)	1.30	1.17	0.91	1.34	1.17
Non-Psych Inpatient (Bed Days Per 1,000 Per Year)	1,911	1,224	N/A	N/A	1,225
Pharmacy PMPM	\$385	\$339	\$282	\$314	\$342
Medical Cost PMPM	\$1,323	\$1,256	\$1,111	\$1,424	\$1,258
MLR	83.5%	86.9%	96.4%	91.3%	86.9%

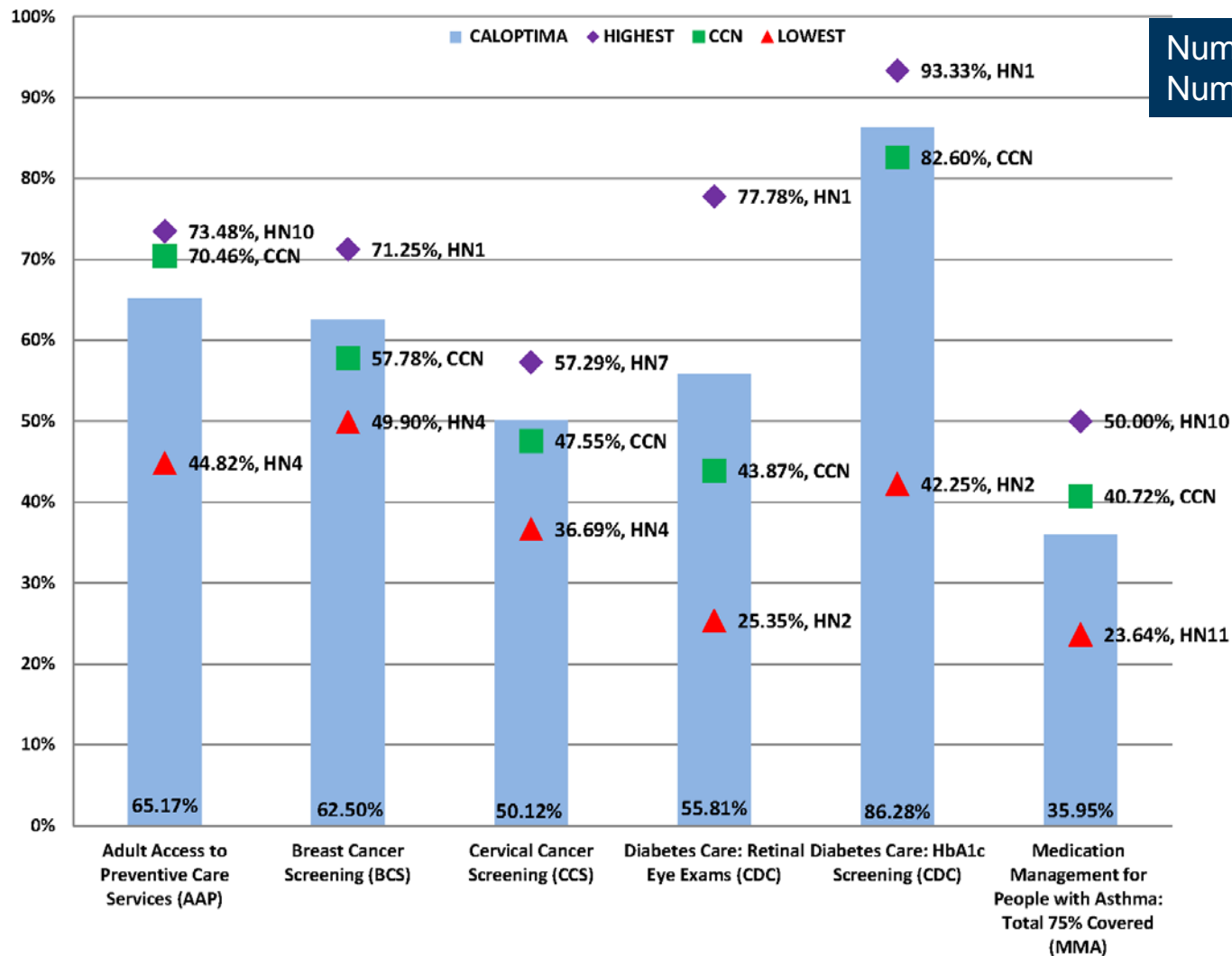
Medical Management Allocation

Medical Management Accounts	CCN	SRG	PHC	HMO
Behavioral Health	25%	25%	25%	25%
Case Management	40%	20%	20%	20%
Health Education/ Disease Management	25%	25%	25%	25%
Long-Term Services and Supports	25%	25%	25%	25%
Pharmacy Management	25%	25%	25%	25%
Quality Improvement/ Analytics	25%	25%	25%	25%
Utilization Management	60%	20%	10%	10%
Amount	\$87.74	\$52.76	\$49.06	\$49.06

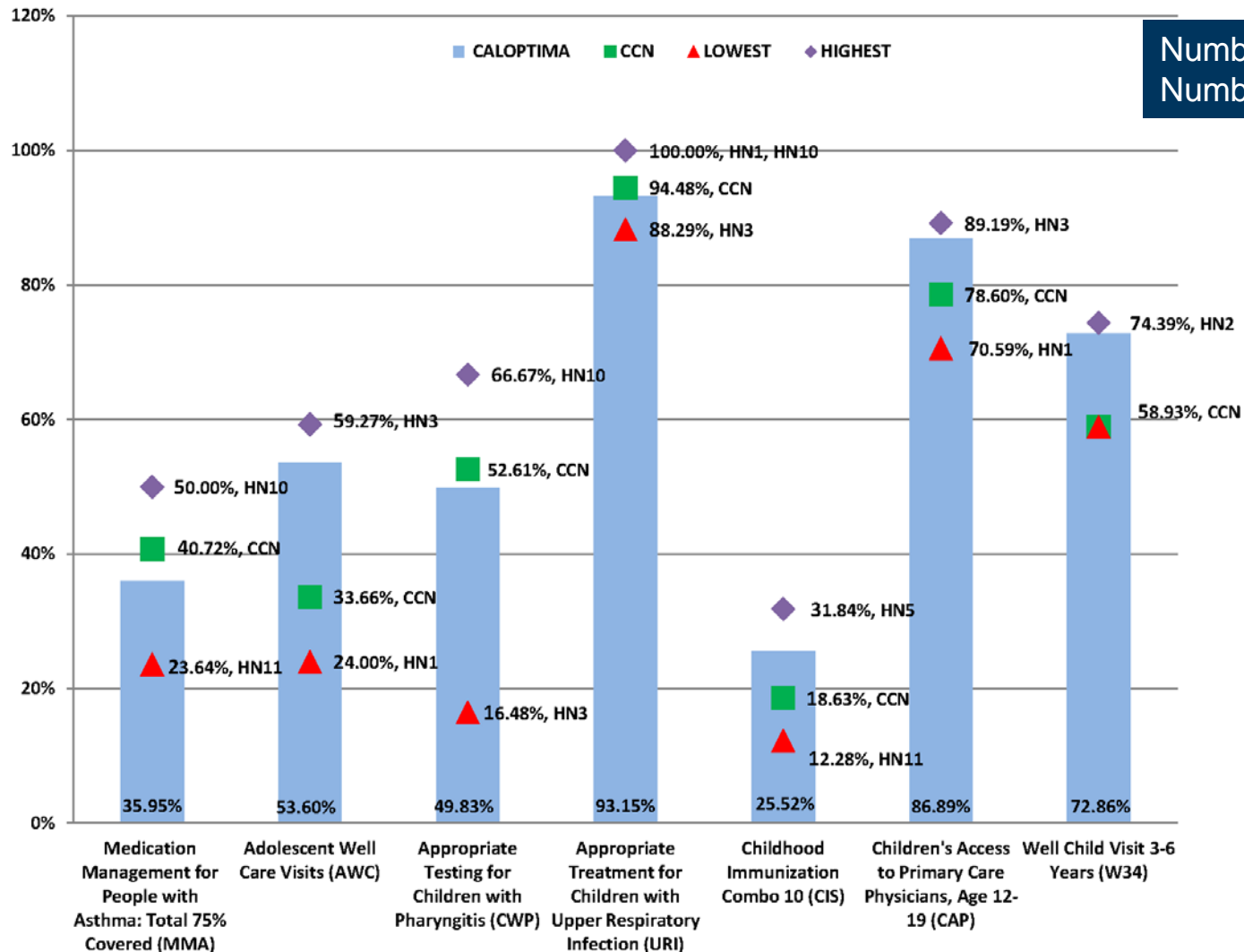
Medi-Cal Members by Network Type



Adult Medi-Cal Clinical Measures

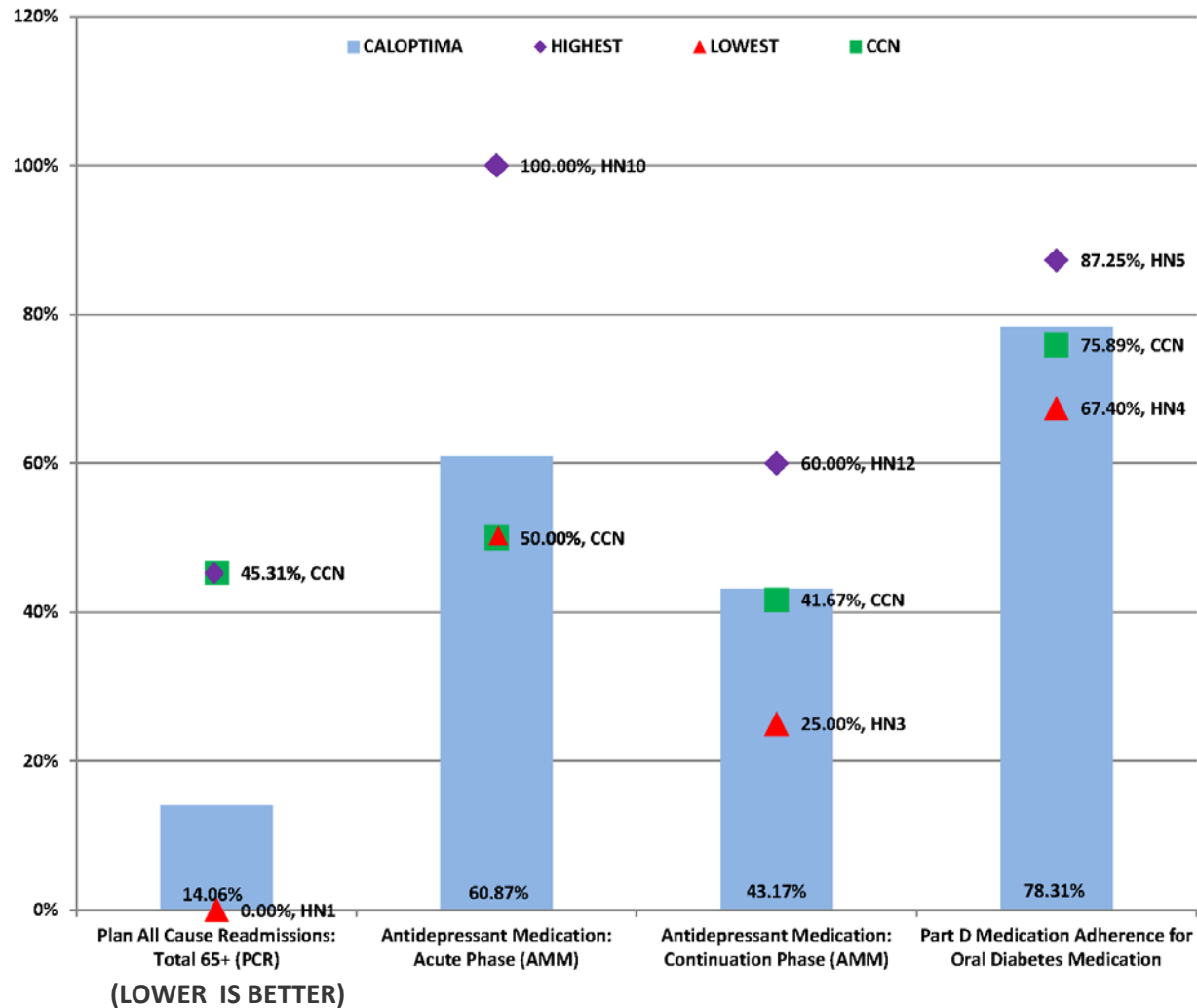


Child Medi-Cal Clinical Measures



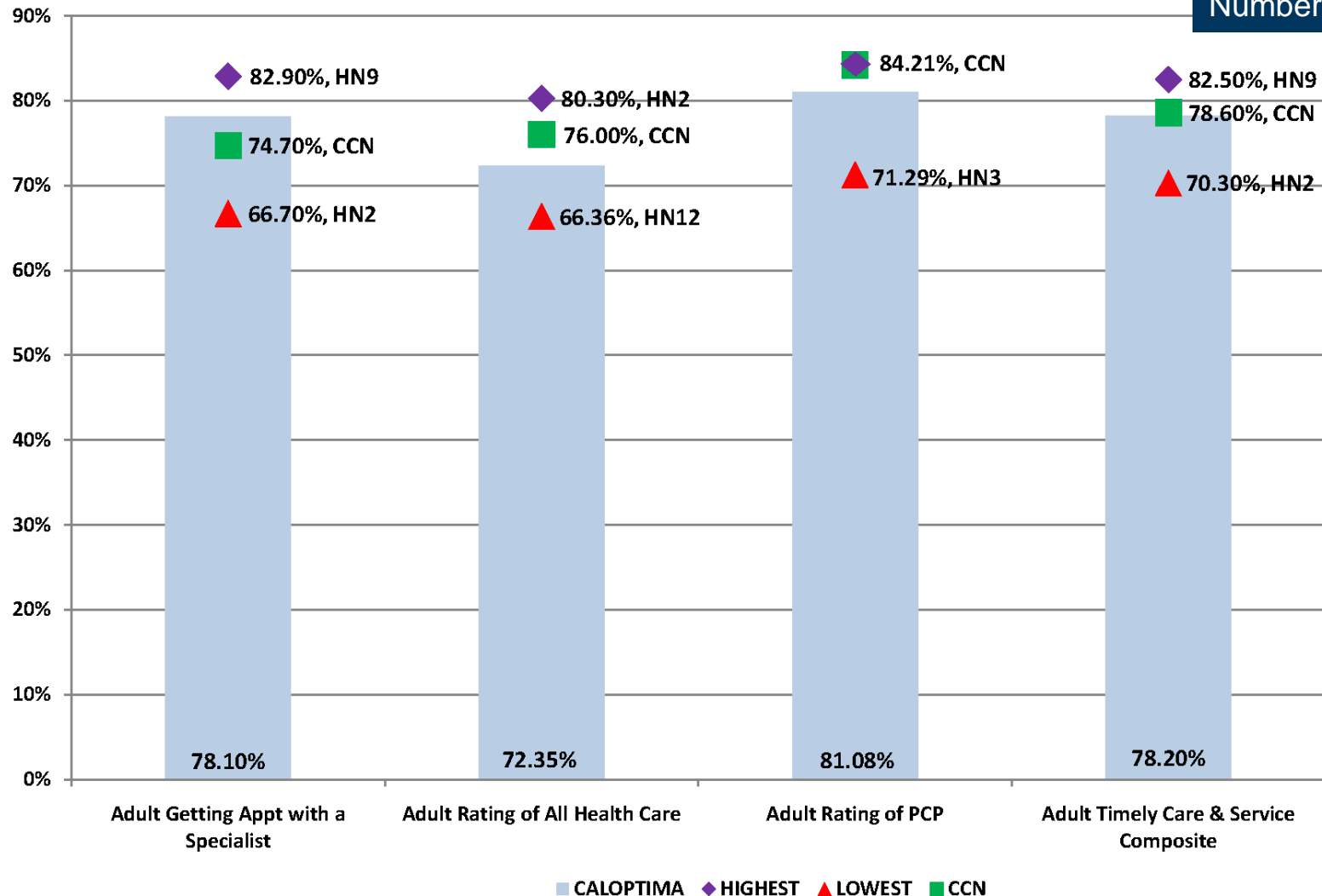
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Adult OCC Clinical Measures



Adult Medi-Cal CAHPS

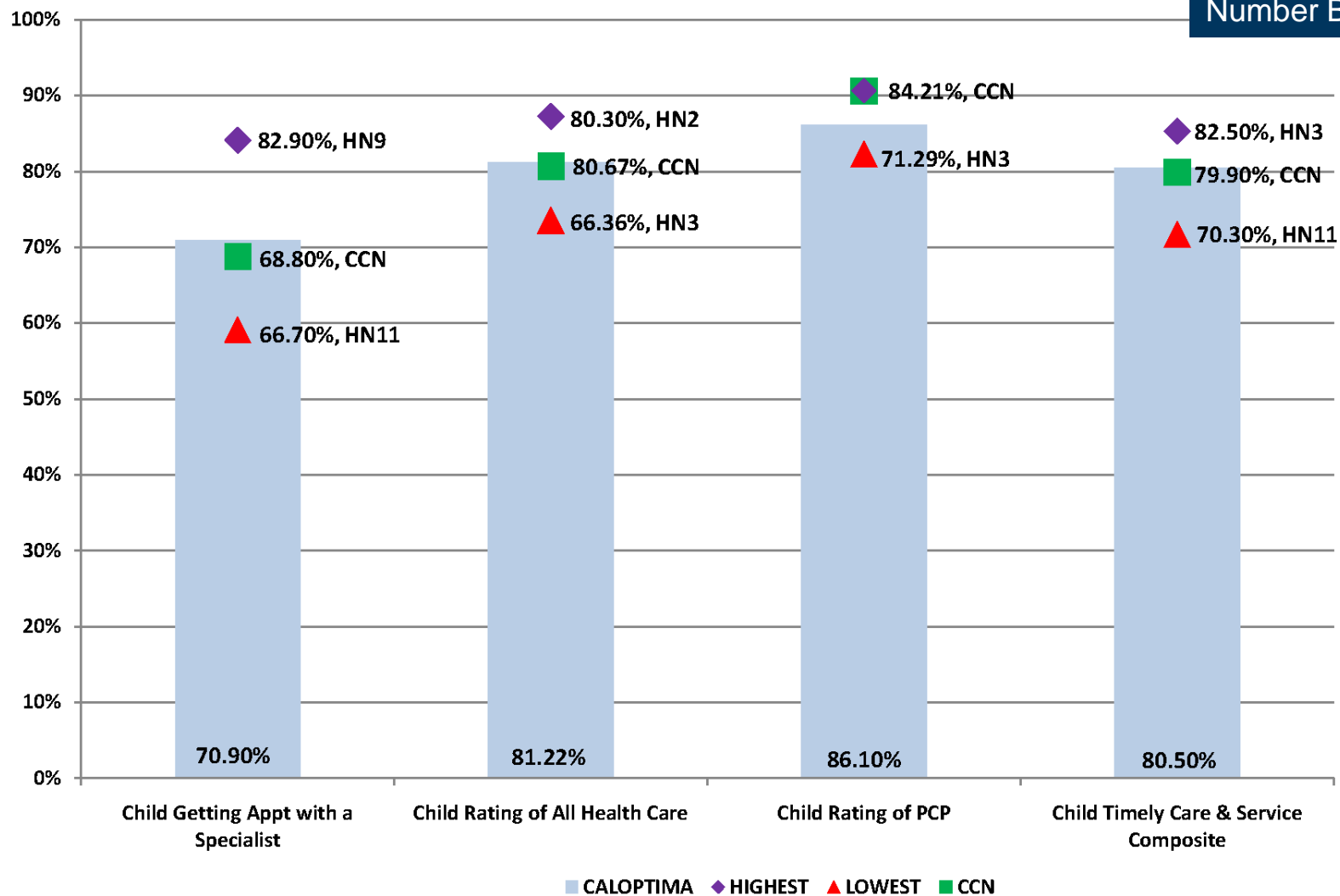
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Child Medi-Cal CAHPS

Number Above: 1
Number Below: 3



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Conclusion

- For OCC

- Financial Performance

- CCN financial performance as measured by the MLR is comparable with health networks

- Clinical Quality

- OCC Adult CAHPS – CCN did not perform better than CalOptima overall in any of the four measures

- For Medi-Cal

- Clinical Quality

- Medi-Cal - CCN performed better than CalOptima overall in four of thirteen clinical measures

- Satisfaction

- Medi-Cal Adult and Child CAHPS: CCN performed better than CalOptima overall for four of the eight measures



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Business Insurance – Policy Year (PY) 2018

**Board of Directors' Finance and Audit Committee Meeting
May 18, 2017**

**Nancy Huang, Interim Chief Financial Officer
Kelly Klipfel, Director, Financial Compliance**

Agenda

- Coverage Summary
- Timeline
- Process
- Highlighted Changes

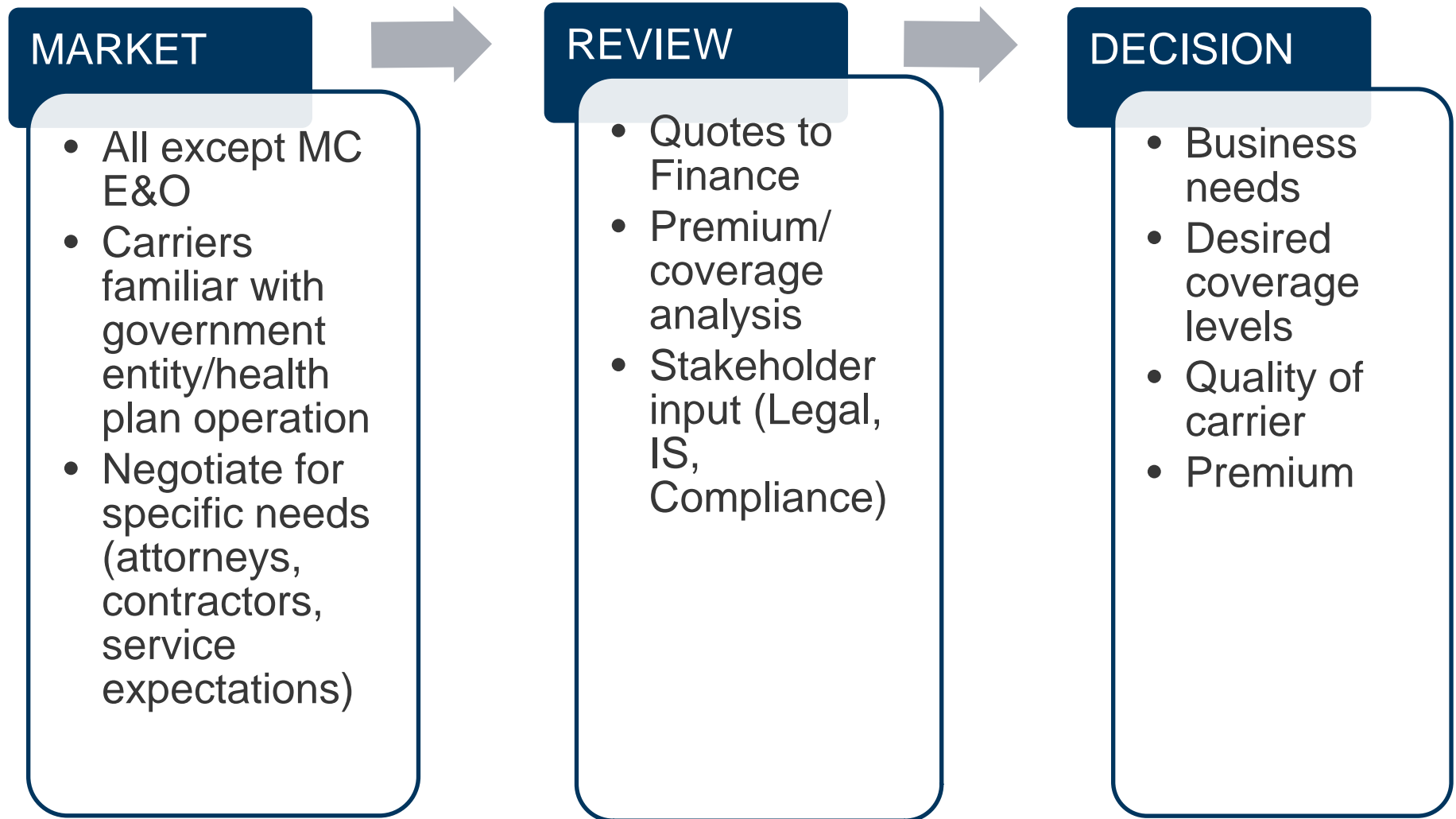
Coverage Summary

- Mandatory coverage for HMO model
 - Managed Care E&O
- Mandatory coverage for PACE
 - Medical Malpractice
- Mandatory coverage for any businesses
 - Workers Comp; General Liability; Property
- Additional coverage
 - D&O/Employment Practices Liability (EPL)
 - Crime
 - Network/Privacy
 - Auto; Earthquake; Pollution
 - Umbrella; Excess

Timeline

Timeline	Action
January – February 2017	<ul style="list-style-type: none">• Complete Applications• Discussions with Finance, Human Resources, and Legal
February – March 2017	<ul style="list-style-type: none">• Broker Markets Coverage Lines• Quotes/Terms Presented to Finance• Stakeholder Input• Broker Issues Bind Orders for April 7 Policy Effective Date
April 2017	<ul style="list-style-type: none">• Binders Received and Reviewed• Invoices Paid

Process



Highlighted Changes

- D&O/EPL:

- 26% premium increase, service level and coverage concerns with current carrier necessitated marketing and negotiation
 - Managed Care E&O and D&O/EPL/Crime were placed with the same carrier to minimize the risk of claims falling into a “grey area” between coverage lines
 - Retention was increased by \$25K to balance premium and risk exposure

- Pollution:

- Placed with a new carrier offering 25% premium reduction
 - Coverage limits were doubled
 - PACE was added

Highlighted Changes (continued)

- Cyber:
 - Placed with a new carrier
- Worker's Compensation:
 - Savings from prior year = 18.9%

Comparison PY17 v PY18

CalOptima Insurance Coverage Summary by Type

For 2017-18

Includes 505 City Parkway West, Data Center, and PACE center

Includes Taxes/Fees and Discounts/Credits

PY2017					PY2018					Net	
Coverage	Limits	Deductible	Company	Net Annual Premium	Limits	Deductible	Company	Net Annual Premium		Premium (Inc)/Dec	
Managed Care E&O	\$10M	\$150k	Homeland Ins of NY (One Beacon)	\$ 253,457	\$10M	\$150k	Homeland Ins of NY (One Beacon)	\$ 253,457			
Excess E&O	\$10M	-	Ironshore Specialty Ins. Co	\$ 144,366	\$10M	-	Ironshore Specialty Ins. Co	\$ 144,366			
Subtotal				\$ 397,823				\$ 397,823	\$ -	0.0%	
D&O/Empl Practices	\$5M	\$100k	AIG	\$ 103,140	\$5M	\$125K	Atlantic Specialty (One Beacon)	\$ 136,054			
Commercial Crime	\$5M	\$25k	AIG	\$ 18,187	\$5M	\$25k	Atlantic Specialty (One Beacon)	\$ 14,290			
Excess D&O	\$15M	-	Multiple	\$ 94,812	\$15M	-	Multiple	\$ 99,813			
Subtotal				\$ 216,139				\$ 250,157	\$ (34,018)	-15.7%	
Umbrella Liability	\$10M	-	Am. Guarantee & Liability (Zurich)	\$ 10,638	\$10M	-	Am. Guarantee & Liability (Zurich)	\$ 10,630			
Excess Liability	\$25M	-	Great American	\$ 38,530	\$25M	-	Firemans' Fund	\$ 35,030			
Subtotal				\$ 49,168				\$ 45,660	\$ 3,508	7.1%	
Network & Privacy	\$10M	\$250k	Lloyd's of London/Ascent	\$ 119,180	\$10M	\$250k	Ace America (Chubb)	\$ 111,709	\$ 7,471	6.3%	
Pollution (3 years)	\$1M/\$2M	\$25k	Steadfast Ins. Co	\$ 7,081	\$2M/4M	\$25k	Ironshore Specialty	\$ 5,273			
Earthquake	\$50M	\$50k min.	Multiple	\$ 163,056	\$50M	\$50k min.	Multiple	\$ 153,149			
Commercial Package*	\$120	\$5k	Zurich American Ins. Co	\$ 67,948	\$119M	\$5k	Zurich American Ins. Co	\$ 65,151			
Subtotal				\$ 238,085				\$ 223,573	\$ 14,512	6.1%	
Workers Comp	Stat \$1M/1M/1M	-	Zurich American Ins. Co	\$ 1,198,523	Stat \$1M/1M/1M	-	Am Guarantee & Liability (Zurich)	\$ 972,100	\$ 226,423	18.9%	
Med Malpractice - PACE	\$1M/3M	\$5k	Illinois Union (ACE)	\$ 17,544	\$1M/3M	\$5k	Illinois Union (ACE)	\$ 27,571	\$ (10,027)	-57.2%	
TOTAL COVERAGE				\$ 2,236,462				\$ 2,028,593	\$ 207,869	9.3%	
										Savings	

*Includes General Liability, Property, and Auto



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Financial Summary

March 2017

Board of Directors' Finance and Audit Committee Meeting

May 18, 2017

Nancy Huang

Interim Chief Financial Officer

FY 2016-17: Consolidated Enrollment

- March 2017 MTD:

- Overall enrollment was 793,442 member months
 - Actual lower than budget by 13,721 or 1.7%
 - Medi-Cal: unfavorable variance of 8,296 members
 - Medi-Cal Expansion (MCE) favorable to budget by 12,083 members
 - SPD enrollment is favorable to budget by 5,384
 - TANF unfavorable variance of 26,277 members
 - OneCare Connect: unfavorable variance of 5,540 members
 - 0.3% or 2,339 increase from prior month
 - Medi-Cal: increase of 2,475 from February
 - OneCare Connect: decrease of 136 from February
 - OneCare: decrease of 3 from February
 - PACE: increase of 3 from February

FY 2016-17: Consolidated Enrollment

- March 2017 YTD:

- Overall enrollment was 7,172,126 member months
 - Actual lower than budget by 54,328 or 0.8%
 - Medi-Cal: unfavorable variance of 11,955 members
 - Medi-Cal Expansion (MCE) growth higher than budget by 88.2K
 - SPD enrollment higher than budget by 39.7K due to less than anticipated dual eligible members transferring to OneCare Connect
 - Offset by lower than budget TANF enrollment of 144.9K
 - OneCare Connect: unfavorable variance of 42,648 members or 21.6%
 - PACE: unfavorable variance of 9 members or 0.5%
 - OneCare: favorable variance of 284 members or 2.6%

FY 2016-17: Consolidated Revenues

- March 2017 MTD:

- Actual higher than budget by \$22.7 million or 8.0%
 - Medi-Cal: favorable to budget by \$42.4 million or 17.9%
 - Price related favorable variance of \$44.9 million due to:
 - \$6.5 million of LTC revenue for non-LTC members
 - \$14.2 million for YTD CCI revenue true-up
 - Remaining from member mix difference versus budget
 - Volume related unfavorable variance of \$2.5 million
 - OneCare Connect: unfavorable variance of \$20.5 million or 47.3%
 - Unfavorable volume variance of \$11.1 million
 - Unfavorable price variance of \$9.4 million
 - OCC Medicare Part A and B revenue decreases due to base rate and RAF score changes
 - OCC Medi-Cal adjustments related to prior year updates.
 - OCC Medi-Cal cohorts mix true-up for prior periods

FY 2016-17: Consolidated Revenues (con't.)

- March 2017 YTD:

- Actual lower than budget by \$9.1 million or 0.4%
 - Medi-Cal: favorable to budget by \$130.5 million or 6.2%
 - OneCare Connect: unfavorable variance of \$140.8 million or 34.9%
 - Medi-Cal revenue unfavorable \$47.8 million
 - Medicare revenue unfavorable \$93.0 million
 - OneCare: favorable \$0.4 million or 3.2%
 - PACE: favorable \$0.8 million

FY 2016-17: Consolidated Medical Expenses

- March 2017 MTD:
 - Actual higher than budget by \$24.1 million or 8.8%
 - Medi-Cal: unfavorable variance of \$39.8 million
 - MLTSS unfavorable variance \$18.3 million
 - LTC unfavorable variance \$9.3 million
 - IHSS related unfavorable variance approximately \$8.7 million
 - Provider Capitation unfavorable variance of \$15.0 million
 - \$12.5 million due to one shared risk network move to HMO model in February
 - \$2.3 million unfavorable variance related to Kaiser capitation reconciliation
 - Facilities expenses unfavorable variance of \$5.6 million due to IBNR restatement in current month relating to prior periods
 - OneCare Connect: favorable variance of \$15.9 million
 - Favorable volume variance of \$10.7 million
 - Favorable price variance of \$5.2 million
 - Lower than budget prescription drugs and LTC costs

FY 2016-17: Consolidated Medical Expenses (Cont.)

- March 2017 YTD:

- Actual higher than budget by \$23.1 million or 1.0%
 - Medi-Cal: unfavorable variance of \$147.4 million
 - Unfavorable price variance of \$150.8 million
 - IHSS estimated expense \$51.4 million higher than budget
 - Long Term Care expense \$50.0 million higher than budget
 - Favorable volume variance of \$3.4 million
 - OneCare Connect: favorable variance of \$123.1 million
 - Favorable volume variance of \$82.1 million
 - Favorable price variance of \$41.0 million

- Medical Loss Ratio (MLR):

- March 2017 MTD: Actual: 97.7% Budget: 97.0%
- March 2017 YTD: Actual: 96.8% Budget: 95.6%

FY 2016-17: Consolidated Administrative Expenses

- March 2017 MTD:

- Actual lower than budget by \$2.8 million or 23.4%
 - Salaries and Benefits: favorable variance of \$1.7 million
 - Other categories: favorable variance of \$1.0 million

- March 2017 YTD:

- Actual lower than budget by \$21.7 million or 20.8%
 - Salaries and Benefits: favorable variance of \$14.6 million driven by lower than budgeted FTE
 - Other categories: favorable variance of \$7.2 million

- Administrative Loss Ratio (ALR):

- March 2017 MTD: Actual: 3.0% Budget: 4.2%
- March 2017 YTD: Actual: 3.3% Budget: 4.1%

FY 2016-17: Change in Net Assets

- March 2017 MTD:

- \$0.9 million deficit
- \$2.5 million favorable to budget
 - Higher than budgeted revenue of \$22.7 million
 - Higher than budgeted medical expenses of \$24.1 million
 - Lower than budgeted administrative expenses of \$2.8 million
 - Higher than budgeted investment income of \$1.1 million

- March 2017 YTD:

- \$6.2 million surplus
- \$2.9 million unfavorable to budget
 - Lower than budgeted revenue of \$9.1 million
 - Higher than budgeted medical expenses of \$23.1 million
 - Lower than budgeted administrative expenses of \$21.7 million
 - Higher than budgeted investment income of \$7.0 million

Enrollment Summary:

March 2017

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
59,945	56,019	3,926	7.0%	Aged	528,179	498,540	29,639	5.9%
617	679	(62)	(9.1%)	BCCTP	5,592	6,094	(502)	(8.2%)
48,820	47,300	1,520	3.2%	Disabled	437,298	426,754	10,544	2.5%
328,225	344,010	(15,785)	(4.6%)	TANF Child	2,995,530	3,068,664	(73,134)	(2.4%)
98,235	108,727	(10,492)	(9.6%)	TANF Adult	912,453	984,138	(71,685)	(7.3%)
3,249	2,735	514	18.8%	LTC	29,350	24,316	5,034	20.7%
236,790	224,707	12,083	5.4%	MCE	2,096,198	2,008,048	88,150	4.4%
775,881	784,177	(8,296)	(1.1%)	Medi-Cal	7,004,600	7,016,555	(11,955)	(0.2%)
16,086	21,626	(5,540)	(25.6%)	OneCare Connect	154,757	197,406	(42,648)	(21.6%)
197	205	(8)	(3.9%)	PACE	1,656	1,665	(9)	(0.5%)
1,278	1,155	123	10.6%	OneCare	11,113	10,829	284	2.6%
793,442	807,163	(13,721)	(1.7%)	CalOptima Total	7,172,126	7,226,455	(54,328)	(0.8%)

Financial Highlights:

March 2017

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
793,442	807,163	(13,721)	(1.7%)	Member Months	7,172,126	7,226,454	(54,328)	(0.8%)
304,813,539	282,139,998	22,673,541	8.0%	Revenues	2,527,406,241	2,536,467,681	(9,061,440)	(0.4%)
297,912,863	273,806,051	(24,106,812)	(8.8%)	Medical Expenses	2,447,047,392	2,423,945,257	(23,102,135)	(1.0%)
9,098,588	11,875,544	2,776,955	23.4%	Administrative Expenses	82,929,848	104,665,680	21,735,832	20.8%
(2,197,912)	(3,541,597)	1,343,684	(37.9%)	Operating Margin	(2,570,998)	7,856,744	(10,427,742)	(132.7%)
1,306,382	134,754	1,171,628	869.5%	Non Operating Income (Loss)	8,796,549	1,259,488	7,537,061	598.4%
(891,530)	(3,406,842)	2,515,312	73.8%	Change in Net Assets	6,225,551	9,116,232	(2,890,681)	(31.7%)
97.7%	97.0%	(0.7%)		Medical Loss Ratio	96.8%	95.6%	(1.3%)	
3.0%	4.2%	1.2%		Administrative Loss Ratio	3.3%	4.1%	0.8%	
<u>(0.7%)</u>	<u>(1.3%)</u>	0.5%		Operating Margin Ratio	<u>(0.1%)</u>	<u>0.3%</u>	(0.4%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

Consolidated Performance Actual vs. Budget: March (in millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
2.2	(2.6)	4.8	Medi-Cal	6.5	7.3	(0.8)
0.7	0.0	0.7	OneCare	0.4	0.2	0.2
(4.8)	(0.7)	(4.1)	OCC	(10.0)	2.3	(12.3)
<u>(0.3)</u>	<u>(0.2)</u>	<u>(0.1)</u>	PACE	<u>0.4</u>	<u>(2.0)</u>	<u>2.4</u>
(2.2)	(3.5)	1.3	Operating	(2.7)	7.9	(10.5)
<u>1.3</u>	<u>0.1</u>	<u>1.2</u>	Inv./Rental Inc, MCO tax	<u>8.9</u>	<u>1.3</u>	<u>7.6</u>
1.3	0.1	1.2	Non-Operating	8.9	1.3	7.6
(0.9)	(3.4)	2.5	TOTAL	6.2	9.1	(2.9)

Consolidated Revenue & Expense:

March 2017 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	539,091	236,790	775,881	1,278	16,086	197	793,442
REVENUES							
Capitation Revenue	\$ 189,280,126	\$ 89,162,436	\$ 278,442,561	\$ 2,237,364	\$ 22,893,140	\$ 1,240,473	\$ 304,813,539
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>189,280,126</u>	<u>89,162,436</u>	<u>278,442,561</u>	<u>2,237,364</u>	<u>22,893,140</u>	<u>1,240,473</u>	<u>304,813,539</u>
MEDICAL EXPENSES							
Provider Capitation	47,225,846	43,347,983	90,573,829	352,383	8,653,359	-	99,579,571
Facilities	37,644,775	25,855,002	63,499,777	292,873	9,499,937	316,334	73,608,921
Ancillary	-	-	-	57,503	1,035,401	-	1,092,904
Skilled Nursing	-	-	-	45,814	-	-	45,814
Professional Claims	5,454,626	12,055,982	17,510,608	-	-	343,049	17,853,657
Prescription Drugs	19,744,177	18,206,918	37,951,096	626,505	6,637,343	151,816	45,366,760
Long-term Care Facility Payments	53,528,133	2,541,154	56,069,287	-	(1,142,264)	14,771	54,941,794
Medical Management	3,085,647	-	3,085,647	18,288	1,131,471	443,480	4,678,885
Reinsurance & Other	(593,434)	1,095,710	502,276	6,034	88,809	147,438	744,556
Total Medical Expenses	<u>166,089,770</u>	<u>103,102,750</u>	<u>269,192,520</u>	<u>1,399,399</u>	<u>25,904,056</u>	<u>1,416,888</u>	<u>297,912,863</u>
Medical Loss Ratio	87.7%	115.6%	96.7%	62.5%	113.2%	114.2%	97.7%
GROSS MARGIN	23,190,355	(13,940,314)	9,250,041	837,965	(3,010,916)	(176,415)	6,900,676
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			5,344,552	46,408	751,099	110,778	6,252,836
Professional fees			184,134	10,344	1,563	10,128	206,168
Purchased services			515,663	25,103	114,067	3,250	658,084
Printing and Postage			105,618	1,045	20,839	352	127,854
Depreciation and Amortization			429,717	-	-	2,087	431,804
Other expenses			1,021,156	0	49,717	22,536	1,093,409
Indirect cost allocation, Occupancy expense			(582,577)	30,641	877,727	2,643	328,434
Total Administrative Expenses			<u>7,018,262</u>	<u>113,540</u>	<u>1,815,011</u>	<u>151,775</u>	<u>9,098,588</u>
Admin Loss Ratio			2.5%	5.1%	7.9%	12.2%	3.0%
INCOME (LOSS) FROM OPERATIONS			2,231,779	724,425	(4,825,926)	(328,190)	(2,197,912)
INVESTMENT INCOME			-	-	-	-	1,296,868
NET RENTAL INCOME			-	-	-	-	5,100
NET GRANT INCOME			4,048	-	-	-	4,048
OTHER INCOME			366	-	-	-	366
CHANGE IN NET ASSETS			<u>\$ 2,236,193</u>	<u>\$ 724,425</u>	<u>\$ (4,825,926)</u>	<u>\$ (328,190)</u>	<u>\$ (891,530)</u>
BUDGETED CHANGE IN ASSETS			(2,600,178)	2,883	(727,120)	(217,182)	(3,406,842)
VARIANCE TO BUDGET - FAV (UNFAV)			<u>4,836,371</u>	<u>721,542</u>	<u>(4,098,806)</u>	<u>(111,008)</u>	<u>2,515,312</u>

Consolidated Revenue & Expense:

March 2017 YTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	4,908,402	2,096,198	7,004,600	11,113	154,757	1,656	7,172,126
REVENUES							
Capitation Revenue	\$ 1,294,049,487	\$ 946,419,582	\$ 2,240,469,069	\$ 12,882,666	\$ 262,713,586	\$ 11,340,920	\$ 2,527,406,241
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,294,049,487</u>	<u>946,419,582</u>	<u>2,240,469,069</u>	<u>12,882,666</u>	<u>262,713,586</u>	<u>11,340,920</u>	<u>2,527,406,241</u>
MEDICAL EXPENSES							
Provider Capitation	312,814,056	387,527,553	700,341,609	3,601,167	67,104,447	-	771,047,223
Facilities	258,731,928	265,358,263	524,090,192	2,854,681	80,867,861	2,366,081	610,178,814
Ancillary	-	-	-	390,044	7,081,208	-	7,471,252
Skilled Nursing	-	-	-	512,745	-	-	512,745
Professional Claims	79,643,775	81,415,199	161,058,975	-	-	2,027,091	163,086,065
Prescription Drugs	164,020,120	150,704,470	314,724,591	4,026,370	45,884,211	827,470	365,462,642
Long-term Care Facility Payments	418,330,806	18,697,236	437,028,042	-	46,197,448	58,151	483,283,640
Medical Management	26,250,586	-	26,250,586	198,831	9,053,759	3,599,473	39,102,649
Reinsurance & Other	(4,282,400)	9,284,985	5,002,584	42,805	823,110	1,033,862	6,902,361
Total Medical Expenses	<u>1,255,508,871</u>	<u>912,987,707</u>	<u>2,168,496,578</u>	<u>11,626,643</u>	<u>257,012,044</u>	<u>9,912,127</u>	<u>2,447,047,392</u>
Medical Loss Ratio	97.0%	96.5%	96.8%	90.3%	97.8%	87.4%	96.8%
GROSS MARGIN	38,540,616	33,431,875	71,972,491	1,256,023	5,701,542	1,428,793	80,358,849
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			47,463,677	179,536	7,154,431	846,784	55,644,428
Professional Fees			1,195,359	144,614	318,115	43,933	1,702,021
Purchased services			6,254,076	214,162	1,202,054	37,942	7,708,235
Printing and Postage			1,785,569	71,016	510,651	2,617	2,369,853
Depreciation and Amortization			2,958,702	-	-	18,465	2,977,167
Other expenses			8,950,587	2,071	339,385	79,076	9,371,119
Indirect cost allocation, Occupancy expense			(3,278,297)	216,371	6,197,848	21,102	3,157,025
Total Administrative Expenses			<u>65,329,675</u>	<u>827,769</u>	<u>15,722,485</u>	<u>1,049,918</u>	<u>82,929,848</u>
Admin Loss Ratio			2.9%	6.4%	6.0%	9.3%	3.3%
INCOME (LOSS) FROM OPERATIONS			6,642,816	428,254	(10,020,943)	378,875	(2,570,998)
INVESTMENT INCOME			-	-	-	-	8,860,931
NET RENTAL INCOME			-	-	-	-	47,070
NET GRANT INCOME			(112,664)	-	-	-	(112,664)
OTHER INCOME			1,213	-	-	-	1,213
CHANGE IN NET ASSETS			<u>\$ 6,531,364</u>	<u>\$ 428,254</u>	<u>\$ (10,020,943)</u>	<u>\$ 378,875</u>	<u>\$ 6,225,552</u>
BUDGETED CHANGE IN ASSETS			7,339,669	202,859	2,291,562	(1,977,345)	9,116,232
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(808,305)</u>	<u>225,395</u>	<u>(12,312,504)</u>	<u>2,356,220</u>	<u>(2,890,680)</u>

Balance Sheet:

As of March 2017

ASSETS

Current Assets

Operating Cash	\$499,619,891
Catastrophic Reserves	11,173,846
Investments	1,434,341,743
Capitation receivable	296,898,752
Receivables - Other	18,564,393
Prepaid Expenses	12,421,963

Total Current Assets 2,273,020,588

Capital Assets

Furniture and equipment	35,790,228
Leasehold improvements	6,419,233
505 City Parkway West	49,271,389
	<u>91,480,850</u>
Less: accumulated depreciation	(36,638,498)
Capital assets, net	<u>54,842,352</u>

Other Assets

Restricted deposit & Other	300,000
Board-designated assets	
Cash and cash equivalents	11,633,228
Long term investments	521,415,794
Total Board-designated Assets	<u>533,049,022</u>
Total Other Assets	<u>533,349,022</u>

Deferred outflows of Resources - Pension Contributions	3,787,544
Deferred outflows of Resources - Difference in Experience	1,215,473

TOTAL ASSETS & OUTFLOWS 2,866,214,979

LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	\$38,879,762
Medical claims liability	680,912,203
Accrued payroll liabilities	10,627,236
Deferred revenue	907,321,771
Deferred lease obligations	216,199
Capitation and withholds	517,833,992
Total Current Liabilities	<u>2,155,791,162</u>

Other employment benefits liability 29,750,410

Net Pension Liabilities 12,626,137
Long Term Liabilities 100,000

TOTAL LIABILITIES 2,198,267,709

Deferred inflows of Resources - Excess Earnings 502,900
Deferred inflows of Resources - changes in Assumptions 1,651,640

Tangible net equity (TNE) 95,386,676
Funds in excess of TNE 570,406,054

Net Assets 665,792,730

TOTAL LIABILITIES, INFLOWS & FUND BALANCES 2,866,214,979

Board Designated Reserve and TNE Analysis As of March 2017

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	145,711,189				
	Tier 1 - Logan Circle	145,451,948				
	Tier 1 - Wells Capital	145,463,504				
		436,626,641	313,071,502	488,125,007	123,555,138	(51,498,367)
TNE Requirement	Tier 2 - Logan Circle	96,422,381	95,386,676	95,386,676	1,035,705	1,035,705
Consolidated:		533,049,022	408,458,178	583,511,683	124,590,844	(50,462,661)
<i>Current reserve level</i>		<i>1.83</i>	<i>1.40</i>	<i>2.00</i>		



CalOptima
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UNAUDITED FINANCIAL STATEMENTS

March 2017

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**CalOptima - Consolidated
Financial Highlights
For the Nine Months Ended March 31, 2017**

Month-to-Date					Year-to-Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
793,442	807,163	(13,721)	(1.7%)	Member Months	7,172,126	7,226,454	(54,328)	(0.8%)
304,813,539	282,139,998	22,673,541	8.0%	Revenues	2,527,406,241	2,536,467,681	(9,061,440)	(0.4%)
297,912,863	273,806,051	(24,106,812)	(8.8%)	Medical Expenses	2,447,047,392	2,423,945,257	(23,102,135)	(1.0%)
9,098,588	11,875,544	2,776,955	23.4%	Administrative Expenses	82,929,848	104,665,680	21,735,832	20.8%
(2,197,912)	(3,541,597)	1,343,684	(37.9%)	Operating Margin	(2,570,998)	7,856,744	(10,427,742)	(132.7%)
1,306,382	134,754	1,171,628	869.5%	Non Operating Income (Loss)	8,796,549	1,259,488	7,537,061	598.4%
(891,530)	(3,406,842)	2,515,312	73.8%	Change in Net Assets	6,225,551	9,116,232	(2,890,681)	(31.7%)
97.7%	97.0%	(0.7%)		Medical Loss Ratio	96.8%	95.6%	(1.3%)	
3.0%	4.2%	1.2%		Administrative Loss Ratio	3.3%	4.1%	0.8%	
<u>(0.7%)</u>	<u>(1.3%)</u>	0.5%		Operating Margin Ratio	<u>(0.1%)</u>	<u>0.3%</u>	(0.4%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

CalOptima
Financial Dashboard
For the Nine Months Ended March 31, 2017

MONTH

Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	775,881	784,177	↓	(8,296) (1.1%)
OneCare	1,278	1,155	↑	123 10.6%
OneCare Connect	16,086	21,626	↓	(5,540) (25.6%)
PACE	197	205	↓	(8) (3.9%)
Total	793,442	807,163	↓	(13,721) (1.7%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 2,236	\$ (2,600)	↑	\$ 4,836 186.0%
OneCare	724	3	↑	722 25024.1%
OneCare Connect	(4,826)	(727)	↓	(4,099) (563.7%)
PACE	(328)	(217)	↓	(111) (51.1%)
505 Bldg.	5	(74)	↑	79 106.9%
Investment Income & Other	1,297	208	↑	1,089 522.5%
Total	\$ (892)	\$ (3,407)	↑	\$ 2,515 73.8%

MLR	Actual	Budget	% Point Var
Medi-Cal	96.7%	97.2%	↑ 0.5
OneCare	62.5%	90.7%	↑ 28.1
OneCare Connect	113.2%	96.3%	↓ (16.9)

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 7,018	\$ 9,275	↑	\$ 2,257 24.3%
OneCare	114	123	↑	9 7.5%
OneCare Connect	1,815	2,348	↑	533 22.7%
PACE	152	129	↓	(23) (17.5%)
Total	\$ 9,099	\$ 11,876	↑	\$ 2,777 23.4%

Total FTE's Month	Actual	Budget	Fav / (Unfav)
Medi-Cal	845	886	41
OneCare	4	3	(1)
OneCare Connect	231	239	7
PACE	47	59	12
Total	1,128	1,186	58

MM per FTE	Actual	Budget	Fav / (Unfav)
Medi-Cal	918	885	33
OneCare	319	385	(66)
OneCare Connect	69	91	(21)
PACE	4	4	1
Total	1,311	1,364	(53)

YEAR - TO - DATE

Year To Date Enrollment	Actual	Budget	Fav / (Unfav)	
Medi-Cal	7,004,600	7,016,555	↓	(11,955) (0.2%)
OneCare	11,113	10,829	↑	284 2.6%
OneCare Connect	154,757	197,405	↓	(42,648) (21.6%)
PACE	1,656	1,665	↓	(9) (0.5%)
Total	7,172,126	7,226,454	↓	(54,328) (0.8%)

Change in Net Assets (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 6,531	\$ 7,340	↓	\$ (808) (11.0%)
OneCare	428	203	↑	225 111.1%
OneCare Connect	(10,021)	2,292	↓	(12,313) (537.3%)
PACE	379	(1,977)	↑	2,356 119.2%
505 Bldg.	47	(616)	↑	663 107.6%
Investment Income & Other	8,861	1,875	↑	6,986 372.6%
Total	\$ 6,226	\$ 9,116	↓	\$ (2,891) (31.7%)

MLR	Actual	Budget	% Point Var
Medi-Cal	96.8%	95.8%	↓ (1.0)
OneCare	90.3%	90.8%	↑ 0.5
OneCare Connect	97.8%	94.2%	↓ (3.6)

Administrative Cost (\$000)	Actual	Budget	Fav / (Unfav)	
Medi-Cal	\$ 65,330	\$ 81,538	↑	\$ 16,208 19.9%
OneCare	828	949	↑	121 12.7%
OneCare Connect	15,722	21,102	↑	5,379 25.5%
PACE	1,050	1,077	↑	27 2.5%
Total	\$ 82,930	\$ 104,666	↑	\$ 21,736 20.8%

Total FTE's YTD	Actual	Budget	Fav / (Unfav)
Medi-Cal	7,580	7,973	393
OneCare	33	27	(6)
OneCare Connect	2,037	2,147	110
PACE	379	515	135
Total	9,908	10,662	754

MM per FTE	Actual	Budget	Fav / (Unfav)
Medi-Cal	924	880	44
OneCare	333	401	(68)
OneCare Connect	76	92	(16)
PACE	4	3	1
Total	1,338	1,376	(39)

**CalOptima - Consolidated
Statement of Revenue and Expenses
For the One Month Ended March 31, 2017**

	Actual		Month Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	793,442		807,163		(13,721)	
Revenues						
Medi-Cal	\$ 278,442,561	\$ 358.87	\$ 236,069,830	\$ 301.04	\$ 42,372,732	\$ 57.83
OneCare	2,237,364	1,750.68	1,345,621	1,165.04	891,743	585.64
OneCare Connect	22,893,140	1,423.17	43,439,106	2,008.65	(20,545,966)	(585.48)
PACE	1,240,473	6,296.82	1,285,441	6,270.44	(44,968)	26.37
Total Operating Revenue	304,813,539	384.17	282,139,998	349.55	22,673,541	34.62
Medical Expenses						
Medi-Cal	269,192,520	346.95	229,394,757	292.53	(39,797,763)	(54.42)
OneCare	1,399,399	1,094.99	1,220,000	1,056.28	(179,399)	(38.71)
OneCare Connect	25,904,056	1,610.35	41,817,866	1,933.68	15,913,810	323.34
PACE	1,416,888	7,192.32	1,373,427	6,699.64	(43,461)	(492.68)
Total Medical Expenses	297,912,863	375.47	273,806,051	339.22	(24,106,812)	(36.25)
Gross Margin	6,900,676	8.70	8,333,947	10.32	(1,433,271)	(1.63)
Administrative Expenses						
Salaries and Benefits	6,252,836	7.88	7,987,216	9.90	1,734,380	2.01
Professional fees	206,168	0.26	445,418	0.55	239,250	0.29
Purchased services	658,084	0.83	1,051,208	1.30	393,125	0.47
Printing and Postage	127,854	0.16	475,204	0.59	347,350	0.43
Depreciation and Amortization	431,804	0.54	385,117	0.48	(46,686)	(0.07)
Other	1,093,409	1.38	1,104,075	1.37	10,667	(0.01)
Indirect cost allocation, Occupancy expense	328,434	0.41	427,305	0.53	98,871	0.12
Total Administrative Expenses	9,098,588	11.47	11,875,544	14.71	2,776,955	3.25
Income (Loss) From Operations	(2,197,912)	(2.77)	(3,541,597)	(4.39)	1,343,684	1.62
Investment income						
Interest income	2,043,846	2.58	208,333	0.26	1,835,513	2.32
Realized gain/(loss) on investments	(230,282)	(0.29)	-	-	(230,282)	(0.29)
Unrealized gain/(loss) on investments	(516,696)	(0.65)	-	-	(516,696)	(0.65)
Total Investment Income	1,296,868	1.63	208,333	0.26	1,088,535	1.38
Net Rental Income	5,100	0.01	(73,579)	(0.09)	78,679	0.10
Total Net Grant Income	4,048	0.01	-	-	4,048	0
Other Income	366	0.00	-	-	366	0.00
Change In Net Assets	(891,530)	(1.12)	(3,406,842)	(4.22)	2,515,312	3.10
Medical Loss Ratio	97.7%		97.0%		(0.7%)	
Administrative Loss Ratio	3.0%		4.2%		1.2%	

* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

** Includes MSSP

**CalOptima - Consolidated - Year to Date
Statement of Revenue and Expenses
For the Nine Months Ended March 31, 2017**

	Actual		Year to Date Budget		Variance	
	\$	PMPM*	\$	PMPM*	\$	PMPM
Member Months**	7,172,126		7,226,454		(54,328)	
Revenues						
Medi-Cal	\$ 2,240,469,069	\$ 319.86	\$ 2,109,976,285	\$ 300.71	\$ 130,492,784	\$ 19.14
OneCare	12,882,666	1,159.24	12,482,727	1,152.71	399,939	6.53
OneCare Connect	262,713,586	1,697.59	403,508,157	2,044.06	(140,794,571)	(346.47)
PACE	11,340,920	6,848.38	10,500,512	6,306.61	840,407	541.77
Total Operating Revenue	<u>2,527,406,241</u>	<u>352.39</u>	<u>2,536,467,681</u>	<u>351.00</u>	<u>(9,061,440)</u>	<u>1.40</u>
Medical Expenses						
Medi-Cal	2,168,496,578	309.58	2,021,098,521	288.05	(147,398,057)	(21.53)
OneCare	11,626,643	1,046.22	11,331,153	1,046.37	(295,490)	0.15
OneCare Connect	257,012,044	1,660.75	380,114,724	1,925.56	123,102,680	264.81
PACE	9,912,127	5,985.58	11,400,859	6,847.36	1,488,732	861.78
Total Medical Expenses	<u>2,447,047,392</u>	<u>341.19</u>	<u>2,423,945,257</u>	<u>335.43</u>	<u>(23,102,135)</u>	<u>(5.76)</u>
Gross Margin	80,358,849	11.20	112,522,424	15.57	(32,163,575)	(4.37)
Administrative Expenses						
Salaries and Benefits	55,644,428	7.76	70,220,128	9.72	14,575,701	1.96
Professional fees	1,702,021	0.24	3,744,267	0.52	2,042,246	0.28
Purchased services	7,708,235	1.07	8,705,888	1.20	997,653	0.13
Printing and Postage	2,369,853	0.33	4,197,315	0.58	1,827,462	0.25
Depreciation and Amortization	2,977,167	0.42	3,466,055	0.48	488,888	0.06
Other	9,371,119	1.31	10,481,433	1.45	1,110,314	0.14
Indirect cost allocation, Occupancy expense	3,157,025	0.44	3,850,593	0.53	693,568	0.09
Total Administrative Expenses	<u>82,929,848</u>	<u>11.56</u>	<u>104,665,680</u>	<u>14.48</u>	<u>21,735,832</u>	<u>2.92</u>
Income (Loss) From Operations	(2,570,998)	(0.36)	7,856,744	1.09	(10,427,742)	(1.45)
Investment income						
Interest income	13,653,663	1.90	1,875,001	0.26	11,778,662	1.64
Realized gain/(loss) on investments	(25,923)	(0.00)	-	-	(25,923)	(0.00)
Unrealized gain/(loss) on investments	(4,766,808)	(0.66)	-	-	(4,766,808)	(0.66)
Total Investment Income	<u>8,860,931</u>	<u>1.24</u>	<u>1,875,001</u>	<u>0.26</u>	<u>6,985,931</u>	<u>0.98</u>
Net Rental Income	47,070	0.01	(615,513)	(0.09)	662,583	0.09
Total Net Grant Income	(112,664)	(0)	-	-	(112,664)	(0)
Other Income	1,213	0.00	-	-	1,213	0.00
Change In Net Assets	<u>6,225,552</u>	<u>0.87</u>	<u>9,116,232</u>	<u>1.26</u>	<u>(2,890,680)</u>	<u>(0.39)</u>
Medical Loss Ratio	96.8%		95.6%		(1.3%)	
Administrative Loss Ratio	3.3%		4.1%		0.8%	

* PMPMs for Revenues and Medical Expenses are calculated using line of business enrollment

** Includes MSSP

**CalOptima - Consolidated - Month to Date
Statement of Revenues and Expenses by LOB
For the One Month Ended March 31, 2017**

	<u>Medi-Cal Classic</u>	<u>Medi-Cal Expansion</u>	<u>Total Medi-Cal</u>	<u>OneCare</u>	<u>OneCare Connect</u>	<u>PACE</u>	<u>Consolidated</u>
Member Months	539,091	236,790	775,881	1,278	16,086	197	793,442
REVENUES							
Capitation Revenue	\$ 189,280,126	\$ 89,162,436	\$ 278,442,561	\$ 2,237,364	\$ 22,893,140	\$ 1,240,473	\$ 304,813,539
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	<u>189,280,126</u>	<u>89,162,436</u>	<u>278,442,561</u>	<u>2,237,364</u>	<u>22,893,140</u>	<u>1,240,473</u>	<u>304,813,539</u>
MEDICAL EXPENSES							
Provider Capitation	47,225,846	43,347,983	90,573,829	352,383	8,653,359	-	99,579,571
Facilities	37,644,775	25,855,002	63,499,777	292,873	9,499,937	316,334	73,608,921
Ancillary	-	-	-	57,503	1,035,401	-	1,092,904
Skilled Nursing	-	-	-	45,814	-	-	45,814
Professional Claims	5,454,626	12,055,982	17,510,608	-	-	343,049	17,853,657
Prescription Drugs	19,744,177	18,206,918	37,951,096	626,505	6,637,343	151,816	45,366,760
Long-term Care Facility Payments	53,528,133	2,541,154	56,069,287	-	(1,142,264)	14,771	54,941,794
Medical Management	3,085,647	-	3,085,647	18,288	1,131,471	443,480	4,678,885
Reinsurance & Other	(593,434)	1,095,710	502,276	6,034	88,809	147,438	744,556
Total Medical Expenses	<u>166,089,770</u>	<u>103,102,750</u>	<u>269,192,520</u>	<u>1,399,399</u>	<u>25,904,056</u>	<u>1,416,888</u>	<u>297,912,863</u>
Medical Loss Ratio	87.7%	115.6%	96.7%	62.5%	113.2%	114.2%	97.7%
GROSS MARGIN	23,190,355	(13,940,314)	9,250,041	837,965	(3,010,916)	(176,415)	6,900,676
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			5,344,552	46,408	751,099	110,778	6,252,836
Professional fees			184,134	10,344	1,563	10,128	206,168
Purchased services			515,663	25,103	114,067	3,250	658,084
Printing and Postage			105,618	1,045	20,839	352	127,854
Depreciation and Amortization			429,717	-	-	2,087	431,804
Other expenses			1,021,156	0	49,717	22,536	1,093,409
Indirect cost allocation, Occupancy expense			(582,577)	30,641	877,727	2,643	328,434
Total Administrative Expenses			<u>7,018,262</u>	<u>113,540</u>	<u>1,815,011</u>	<u>151,775</u>	<u>9,098,588</u>
Admin Loss Ratio			2.5%	5.1%	7.9%	12.2%	3.0%
INCOME (LOSS) FROM OPERATIONS			2,231,779	724,425	(4,825,926)	(328,190)	(2,197,912)
INVESTMENT INCOME			-	-	-	-	1,296,868
NET RENTAL INCOME			-	-	-	-	5,100
NET GRANT INCOME			4,048	-	-	-	4,048
OTHER INCOME			366	-	-	-	366
CHANGE IN NET ASSETS			<u>\$ 2,236,193</u>	<u>\$ 724,425</u>	<u>\$ (4,825,926)</u>	<u>\$ (328,190)</u>	<u>\$ (891,530)</u>
BUDGETED CHANGE IN ASSETS			(2,600,178)	2,883	(727,120)	(217,182)	(3,406,842)
VARIANCE TO BUDGET - FAV (UNFAV)			<u>4,836,371</u>	<u>721,542</u>	<u>(4,098,806)</u>	<u>(111,008)</u>	<u>2,515,312</u>

CalOptima - Consolidated - Year to Date
Statement of Revenues and Expenses by LOB
For the Nine Months Ended March 31, 2017

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare	OneCare Connect	PACE	Consolidated
Member Months	4,908,402	2,096,198	7,004,600	11,113	154,757	1,656	7,172,126
REVENUES							
Capitation Revenue	\$ 1,294,049,487	\$ 946,419,582	\$ 2,240,469,069	\$ 12,882,666	\$ 262,713,586	\$ 11,340,920	\$ 2,527,406,241
Other Income	-	-	-	-	0	-	-
Total Operating Revenues	<u>1,294,049,487</u>	<u>946,419,582</u>	<u>2,240,469,069</u>	<u>12,882,666</u>	<u>262,713,586</u>	<u>11,340,920</u>	<u>2,527,406,241</u>
MEDICAL EXPENSES							
Provider Capitation	312,814,056	387,527,553	700,341,609	3,601,167	67,104,447	-	771,047,223
Facilities	258,731,928	265,358,263	524,090,192	2,854,681	80,867,861	2,366,081	610,178,814
Ancillary	-	-	-	390,044	7,081,208	-	7,471,252
Skilled Nursing	-	-	-	512,745	-	-	512,745
Professional Claims	79,643,775	81,415,199	161,058,975	-	-	2,027,091	163,086,065
Prescription Drugs	164,020,120	150,704,470	314,724,591	4,026,370	45,884,211	827,470	365,462,642
Long-term Care Facility Payments	418,330,806	18,697,236	437,028,042	-	46,197,448	58,151	483,283,640
Medical Management	26,250,586	-	26,250,586	198,831	9,053,759	3,599,473	39,102,649
Reinsurance & Other	(4,282,400)	9,284,985	5,002,584	42,805	823,110	1,033,862	6,902,361
Total Medical Expenses	<u>1,255,508,871</u>	<u>912,987,707</u>	<u>2,168,496,578</u>	<u>11,626,643</u>	<u>257,012,044</u>	<u>9,912,127</u>	<u>2,447,047,392</u>
Medical Loss Ratio	97.0%	96.5%	96.8%	90.3%	97.8%	87.4%	96.8%
GROSS MARGIN	38,540,616	33,431,875	71,972,491	1,256,023	5,701,542	1,428,793	80,358,849
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			47,463,677	179,536	7,154,431	846,784	55,644,428
Professional Fees			1,195,359	144,614	318,115	43,933	1,702,021
Purchased services			6,254,076	214,162	1,202,054	37,942	7,708,235
Printing and Postage			1,785,569	71,016	510,651	2,617	2,369,853
Depreciation and Amortization			2,958,702			18,465	2,977,167
Other expenses			8,950,587	2,071	339,385	79,076	9,371,119
Indirect cost allocation, Occupancy expense			(3,278,297)	216,371	6,197,848	21,102	3,157,025
Total Administrative Expenses			<u>65,329,675</u>	<u>827,769</u>	<u>15,722,485</u>	<u>1,049,918</u>	<u>82,929,848</u>
Admin Loss Ratio			2.9%	6.4%	6.0%	9.3%	3.3%
INCOME (LOSS) FROM OPERATIONS			6,642,816	428,254	(10,020,943)	378,875	(2,570,998)
INVESTMENT INCOME			-	-	-	-	8,860,931
NET RENTAL INCOME			-	-	-	-	47,070
NET GRANT INCOME			(112,664)	-	-	-	(112,664)
OTHER INCOME			1,213	-	-	-	1,213
CHANGE IN NET ASSETS			<u>\$ 6,531,364</u>	<u>\$ 428,254</u>	<u>\$ (10,020,943)</u>	<u>\$ 378,875</u>	<u>\$ 6,225,552</u>
BUDGETED CHANGE IN ASSETS			7,339,669	202,859	2,291,562	(1,977,345)	9,116,232
VARIANCE TO BUDGET - FAV (UNFAV)			<u>(808,305)</u>	<u>225,395</u>	<u>(12,312,504)</u>	<u>2,356,220</u>	<u>(2,890,680)</u>

March 31, 2017 Unaudited Financial Statements

SUMMARY

MONTHLY RESULTS:

- Change in Net Assets is (\$0.9) million, \$2.5 million favorable to budget
- Operating deficit is \$2.2 million with a surplus in non-operating of \$1.3 million

YEARLY RESULTS:

- Change in Net Assets is \$6.2 million, \$2.9 million unfavorable to budget
- Operating deficit is \$2.6 million with a surplus in non-operating of \$8.8 million

Change in Net Assets by LOB (\$millions)

MONTH-TO-DATE				YEAR-TO-DATE		
<u>Actual</u>	<u>Budget</u>	<u>Variance</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
2.2	(2.6)	4.8	Medi-Cal	6.5	7.3	(0.8)
0.7	0.0	0.7	OneCare	0.4	0.2	0.2
(4.8)	(0.7)	(4.1)	OCC	(10.0)	2.3	(12.3)
<u>(0.3)</u>	<u>(0.2)</u>	<u>(0.1)</u>	PACE	<u>0.4</u>	<u>(2.0)</u>	<u>2.4</u>
(2.2)	(3.5)	1.3	Operating	(2.6)	7.9	(10.4)
<u>1.3</u>	<u>0.1</u>	<u>1.2</u>	Inv./Rental Inc, MCO tax	<u>8.8</u>	<u>1.3</u>	<u>7.5</u>
1.3	0.1	1.2	Non-Operating	8.8	1.3	7.5
(0.9)	(3.4)	2.5	TOTAL	6.2	9.1	(2.9)

CalOptima
Enrollment Summary
For the Nine Months Ended March 31, 2017

Month-to-Date				Enrollment (By Aid Category)	Year-to-Date			
Actual	Budget	Variance	%		Actual	Budget	Variance	%
59,945	56,019	3,926	7.0%	Aged	528,179	498,540	29,639	5.9%
617	679	(62)	(9.1%)	BCCTP	5,592	6,094	(502)	(8.2%)
48,820	47,300	1,520	3.2%	Disabled	437,298	426,754	10,544	2.5%
328,225	344,010	(15,785)	(4.6%)	TANF Child	2,995,530	3,068,664	(73,134)	(2.4%)
98,235	108,727	(10,492)	(9.6%)	TANF Adult	912,453	984,138	(71,685)	(7.3%)
3,249	2,735	514	18.8%	LTC	29,350	24,316	5,034	20.7%
236,790	224,707	12,083	5.4%	MCE	2,096,198	2,008,048	88,150	4.4%
775,881	784,177	(8,296)	(1.1%)	Medi-Cal	7,004,600	7,016,555	(11,955)	(0.2%)
16,086	21,626	(5,540)	(25.6%)	OneCare Connect	154,757	197,406	(42,648)	(21.6%)
197	205	(8)	(3.9%)	PACE	1,656	1,665	(9)	(0.5%)
1,278	1,155	123	10.6%	OneCare	11,113	10,829	284	2.6%
793,442	807,163	(13,721)	(1.7%)	CalOptima Total	7,172,126	7,226,455	(54,328)	(0.8%)

Enrollment (By Network)								
137,033	49,658	87,375	176.0%	HMO	614,792	433,407	181,385	41.9%
222,645	236,463	(13,818)	(5.8%)	PHC	2,057,767	2,115,027	(57,260)	(2.7%)
241,027	339,926	(98,899)	(29.1%)	Shared Risk Group	2,867,751	3,064,554	(196,803)	(6.4%)
175,176	158,130	17,046	10.8%	Fee for Service	1,464,290	1,403,575	60,715	4.3%
775,881	784,177	(8,296)	(1.1%)	Medi-Cal	7,004,600	7,016,555	(11,955)	(0.2%)
16,086	21,626	(5,540)	(25.6%)	OneCare Connect	154,757	197,406	(42,648)	(21.6%)
197	205	(8)	(3.9%)	PACE	1,656	1,665	(9)	(0.5%)
1,278	1,155	123	10.6%	OneCare	11,113	10,829	284	2.6%
793,442	807,163	(13,721)	(1.7%)	CalOptima Total	7,172,126	7,226,455	(54,328)	(0.8%)

CalOptima
Enrollment Trend by Network Type
Fiscal Year 2017

Network Type	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	MMs
HMO													
Aged	351	350	355	368	363	381	379	3,103	3,062	-	-	-	8,712
BCCTP	1	1	1	(8)	2	1	1	1	1	-	-	-	1
Disabled	1,799	1,797	1,813	1,866	1,853	1,858	1,875	5,780	5,752	-	-	-	24,393
TANF Child	24,211	24,455	24,733	24,928	24,987	25,083	24,928	53,811	53,432	-	-	-	280,568
TANF Adult	7,929	7,872	7,914	7,850	8,029	7,967	7,871	25,446	25,155	-	-	-	106,033
LTC	-	-	-	-	-	-	-	3	4	-	-	-	7
MCE	12,989	13,224	13,464	14,034	13,897	14,116	14,200	49,527	49,627	-	-	-	195,078
	47,280	47,699	48,280	49,038	49,131	49,406	49,254	137,671	137,033	-	-	-	614,792
PHC													
Aged	1,495	1,464	1,488	1,458	1,427	1,419	1,408	1,439	1,420	-	-	-	13,018
BCCTP	-	-	-	1	-	-	-	-	-	-	-	-	1
Disabled	7,903	7,872	7,862	7,865	7,804	7,779	7,783	7,751	7,741	-	-	-	70,360
TANF Child	169,358	168,529	169,733	169,714	168,615	168,294	165,979	164,330	163,343	-	-	-	1,507,895
TANF Adult	15,260	14,945	14,649	14,593	14,161	13,880	13,457	13,195	13,019	-	-	-	127,159
LTC	-	-	-	4	-	-	-	-	-	-	-	-	4
MCE	38,002	38,200	37,601	38,070	37,874	37,886	37,361	37,214	37,122	-	-	-	339,330
	232,018	231,010	231,333	231,705	229,881	229,258	225,988	223,929	222,645	-	-	-	2,057,767
Shared Risk Group													
Aged	7,658	7,627	7,635	7,726	7,528	7,546	7,501	4,834	4,813	-	-	-	62,868
BCCTP	-	-	-	8	1	-	-	-	-	-	-	-	9
Disabled	14,428	14,307	14,189	14,253	14,073	14,084	14,005	10,083	10,022	-	-	-	119,444
TANF Child	118,748	118,149	118,421	117,922	116,971	116,744	114,746	84,105	83,246	-	-	-	989,052
TANF Adult	63,849	62,814	62,579	62,266	61,355	60,893	59,355	40,848	40,247	-	-	-	514,206
LTC	-	-	-	3	3	3	5	3	5	-	-	-	22
MCE	140,640	140,811	137,172	139,776	139,565	140,094	138,165	103,233	102,694	-	-	-	1,182,150
	345,323	343,708	339,996	341,954	339,496	339,364	333,777	243,106	241,027	-	-	-	2,867,751
Fee for Service (Dual)													
Aged	43,684	45,173	45,173	45,522	46,007	46,233	46,592	46,682	46,856	-	-	-	411,922
BCCTP	27	26	24	23	23	23	25	27	27	-	-	-	225
Disabled	19,790	20,086	20,071	20,264	20,375	20,497	20,471	20,510	20,662	-	-	-	182,726
TANF Child	3	2	2	3	4	3	3	2	2	-	-	-	24
TANF Adult	1,179	1,162	1,184	1,197	1,181	1,216	1,220	1,200	1,211	-	-	-	10,750
LTC	2,868	2,910	2,941	2,906	2,940	2,914	2,914	2,913	2,887	-	-	-	26,193
MCE	2,960	2,975	2,721	2,750	2,822	2,893	2,818	2,842	2,852	-	-	-	25,633
	70,511	72,334	72,116	72,665	73,352	73,779	74,043	74,176	74,497	-	-	-	657,473
Fee for Service (Non-Dual)													
Aged	3,746	2,850	3,183	3,608	3,450	3,667	3,600	3,761	3,794	-	-	-	31,659
BCCTP	606	608	598	589	594	595	587	590	589	-	-	-	5,356
Disabled	4,533	4,269	4,390	4,368	4,488	4,548	4,567	4,569	4,643	-	-	-	40,375
TANF Child	22,710	23,011	22,504	23,069	23,658	23,949	25,193	25,695	28,202	-	-	-	217,991
TANF Adult	15,792	16,253	16,501	17,109	17,090	17,340	17,949	17,668	18,603	-	-	-	154,305
LTC	368	370	362	314	334	328	357	338	353	-	-	-	3,124
MCE	35,946	36,543	37,812	36,999	38,607	39,499	42,203	41,903	44,495	-	-	-	354,007
	83,701	83,904	85,350	86,056	88,221	89,926	94,456	94,524	100,679	-	-	-	806,817
MEDI-CAL TOTAL													
Aged	56,934	57,464	57,834	58,682	58,775	59,246	59,480	59,819	59,945	-	-	-	528,179
BCCTP	634	635	623	613	620	619	613	618	617	-	-	-	5,592
Disabled	48,453	48,331	48,325	48,616	48,593	48,766	48,701	48,693	48,820	-	-	-	437,298
TANF Child	335,030	334,146	335,393	335,636	334,235	334,073	330,849	327,943	328,225	-	-	-	2,995,530
TANF Adult	104,009	103,046	102,827	103,015	101,816	101,296	99,852	98,357	98,235	-	-	-	912,453
LTC	3,236	3,280	3,303	3,227	3,277	3,245	3,276	3,257	3,249	-	-	-	29,350
MCE	230,537	231,753	228,770	231,629	232,765	234,488	234,747	234,719	236,790	-	-	-	2,096,198
	778,833	778,655	777,075	781,418	780,081	781,733	777,518	773,406	775,881	-	-	-	7,004,800
PACE	177	179	179	180	183	183	184	194	197	-	-	-	1,656
OneCare	1,171	1,164	1,192	1,220	1,228	1,275	1,304	1,281	1,278	-	-	-	11,113
OneCare Connect	18,902	18,245	17,727	17,352	17,067	16,810	16,346	16,222	16,086	-	-	-	154,757
TOTAL	799,083	798,243	796,173	800,170	798,559	800,001	795,352	791,103	793,442	-	-	-	7,172,126

ENROLLMENT:

Overall MTD enrollment was 793,442

- Unfavorable to budget by 13,721
- Increased 2,339 or 0.3% from prior month
- Increased 573 or 0.1% from prior year (March 2016)

Medi-Cal enrollment was 775,881

- Unfavorable to budget by 8,296
 - Expansion favorable by 12,083
 - SPD favorable by 5,384
 - LTC favorable by 514
 - TANF unfavorable by 26,277
- Increased 2,475 from prior month

OneCare Connect enrollment was 16,086

- Unfavorable to budget by 5,540
- Decreased 136 from prior month

OneCare enrollment was 1,278

- Favorable to budget by 123
- Decreased 3 from prior month

PACE enrollment at 197

- Unfavorable to budget by 8
- Increased 3 from prior month

**CalOptima - Medi-Cal Total
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2017**

Actual	Month Budget	\$ Variance	% Variance
775,881	784,177	(8,296)	(1.1%)
278,442,561	236,069,830	42,372,732	17.9%
278,442,561	236,069,830	42,372,732	17.9%
90,573,829	75,530,838	(15,042,991)	(19.9%)
63,499,777	57,857,604	(5,642,174)	(9.8%)
17,510,608	18,252,565	741,957	4.1%
37,951,096	35,316,888	(2,634,208)	(7.5%)
56,069,287	37,732,246	(18,337,041)	(48.6%)
3,085,647	4,687,950	1,602,303	34.2%
502,276	16,667	(485,609)	(2,913.7%)
269,192,520	229,394,757	(39,797,763)	(17.3%)
9,250,041	6,675,073	2,574,969	38.6%
5,344,552	6,877,656	1,533,104	22.3%
184,134	329,611	145,477	44.1%
515,663	829,632	313,968	37.8%
105,618	310,442	204,824	66.0%
429,717	383,061	(46,656)	(12.2%)
1,021,156	1,085,551	64,396	5.9%
(582,577)	(540,702)	41,875	7.7%
7,018,262	9,275,251	2,256,988	24.3%
10,198,945	8,881,828	(1,317,117)	(14.8%)
10,201,625	0	(10,201,625)	0.0%
(2,680)	8,881,828	8,884,508	100.0%
0	0	0	0.0%
(203,750)	287,500	(491,250)	(170.9%)
(233,750)	250,000	483,750	193.5%
25,952	37,500	11,548	30.8%
4,048	0	4,048	0.0%
366	0	366	0.0%
2,236,193	(2,600,178)	4,836,371	186.0%
=====	=====	=====	=====
96.7%	97.2%	0.5%	0.5%
2.5%	3.9%	1.4%	35.8%

	Year - To - Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	7,004,600	7,016,555	(11,955)	(0.2%)
Revenues				
Capitation revenue	2,240,469,069	2,109,976,285	130,492,784	6.2%
Total Operating Revenues	2,240,469,069	2,109,976,285	130,492,784	6.2%
Medical Expenses				
Provider capitation	700,341,609	676,164,147	(24,177,463)	(3.6%)
Facilities	524,090,192	507,891,674	(16,198,517)	(3.2%)
Professional Claims	161,058,975	155,362,298	(5,696,676)	(3.7%)
Prescription drugs	314,724,591	308,081,210	(6,643,381)	(2.2%)
MLTSS	437,028,042	333,175,414	(103,852,628)	(31.2%)
Medical Management	26,250,586	40,273,778	14,023,192	34.8%
Reinsurance & other	5,002,584	150,000	(4,852,584)	(3,235.1%)
Total Medical Expenses	2,168,496,578	2,021,098,521	(147,398,057)	(7.3%)
Gross Margin	71,972,491	88,877,764	(16,905,273)	(19.0%)
Administrative Expenses				
Salaries, wages & employee benefits	47,463,677	60,617,207	13,153,530	21.7%
Professional fees	1,195,359	2,828,042	1,632,682	57.7%
Purchased services	6,254,076	6,846,476	592,399	8.7%
Printing and postage	1,785,569	2,811,495	1,025,925	36.5%
Depreciation & amortization	2,958,702	3,447,550	488,847	14.2%
Other operating expenses	8,950,587	9,848,796	898,209	9.1%
Indirect cost allocation	(3,278,297)	(4,861,470)	(1,583,173)	(32.6%)
Total Administrative Expenses	65,329,675	81,538,095	16,208,419	19.9%
Operating Tax				
Tax Revenue	104,180,927	79,535,921	(24,645,006)	(31.0%)
Premium tax expense	92,099,168	0	(92,099,168)	0.0%
Sales tax expense	12,081,759	79,535,921	67,454,162	84.8%
Total Net Operating Tax	0	0	0	0.0%
Grant Income				
Grant Revenue	453,750	2,587,500	(2,133,750)	(82.5%)
Grant expense - Service Partner	385,688	2,250,000	1,864,313	82.9%
Grant expense - Administrative	180,727	337,500	156,773	46.5%
Total Net Grant Income	(112,664)	0	(112,664)	0.0%
Other income	1,213	0	1,213	0.0%
Change in Net Assets	6,531,365	7,339,669	(808,304)	(11.0%)
	=====	=====	=====	=====
Medical Loss Ratio	96.8%	95.8%	-1.0%	-1.0%
Admin Loss Ratio	2.9%	3.9%	0.9%	24.5%

MEDI-CAL INCOME STATEMENT – MARCH MONTH:

REVENUES of \$278.4 million are favorable to budget by \$42.4 million, driven by:

- Price related favorable variance of \$44.9 million due to:
 - \$6.5 million of LTC revenue for non-LTC members
 - \$14.2 million for IHSS
 - Remaining from member mix
- Volume related unfavorable variance of: \$2.5 million

MEDICAL EXPENSES: Overall \$269.2 million, unfavorable to budget by \$39.8 million due to:

- **Long term care claim payments (MLTSS)** are unfavorable to budget \$18.3 million due to:
 - LTC unfavorable variance of \$9.3 million driven by:
 - Higher LTC claim expense due to less than anticipated members enrolling in OneCare Connect
 - IHSS related unfavorable variance of approximately \$8.7 million
- **Provider Capitation** are unfavorable to budget \$15.0 million due to:
 - \$12.5 million unfavorable variance due to one shared risk network move to HMO model in February
 - \$2.3 million unfavorable variance from Kaiser's rate increase
- **Facilities** expenses are unfavorable to budget \$5.6 million due to:
 - Unfavorable variance due to \$5 million of claims in the current month relating to prior periods due to system error

ADMINISTRATIVE EXPENSES are \$7 million, favorable to budget \$2.3 million, driven by:

- Salary & Benefits: \$1.5 million favorable to budget
- Non-Salary: \$0.7 million favorable to budget

CHANGE IN NET ASSETS is \$2.2 million for the month, favorable to budget by \$4.8 million

**CalOptima - OneCare Connect
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2017**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
16,086	21,626	(5,540)	(25.6%)	Member Months	154,757	197,405	(42,648)	(21.6%)
				Revenues				
4,131,036	11,464,262	(7,333,226)	(64.0%)	Medi-Cal Capitation revenue	59,108,220	106,870,626	(47,762,406)	(44.7%)
18,762,105	31,974,844	(13,212,739)	(41.3%)	Medicare Capitation revenue	203,605,366	296,637,531	(93,032,165)	(31.4%)
22,893,140	43,439,106	(20,545,966)	(47.3%)	Total Operating Revenue	262,713,586	403,508,157	(140,794,571)	(34.9%)
				Medical Expenses				
8,653,359	9,566,654	913,295	9.5%	Provider capitation	67,104,447	88,855,536	21,751,089	24.5%
9,499,937	11,234,538	1,734,601	15.4%	Facilities	80,867,861	102,513,511	21,645,649	21.1%
1,035,401	676,670	(358,732)	(53.0%)	Ancillary	7,081,208	6,176,747	(904,461)	(14.6%)
(1,142,264)	10,215,045	11,357,309	111.2%	Long Term Care	46,197,448	93,244,513	47,047,066	50.5%
6,637,343	8,192,064	1,554,721	19.0%	Prescription drugs	45,884,211	72,423,619	26,539,408	36.6%
1,131,471	1,310,093	178,622	13.6%	Medical management	9,053,759	11,215,765	2,162,005	19.3%
88,809	622,802	533,994	85.7%	Other medical expenses	823,110	5,685,033	4,861,923	85.5%
25,904,056	41,817,866	15,913,810	38.1%	Total Medical Expenses	257,012,044	380,114,724	123,102,680	32.4%
(3,010,916)	1,621,240	(4,632,156)	(285.7%)	Gross Margin	5,701,542	23,393,433	(17,691,891)	(75.6%)
				Administrative Expenses				
751,099	990,128	239,029	24.1%	Salaries, wages & employee benefits	7,154,431	8,570,668	1,416,237	16.5%
1,563	86,521	84,958	98.2%	Professional fees	318,115	699,083	380,968	54.5%
114,067	181,216	67,149	37.1%	Purchased services	1,202,054	1,615,914	413,860	25.6%
20,839	149,345	128,506	86.0%	Printing and postage	510,651	1,253,130	742,479	59.2%
49,717	3,660	(46,057)	(1,258.4%)	Other operating expenses	339,385	525,660	186,275	35.4%
877,727	937,491	59,764	6.4%	Indirect cost allocation, Occupancy Expense	6,197,848	8,437,416	2,239,568	26.5%
1,815,011	2,348,360	533,349	22.7%	Total Administrative Expenses	15,722,485	21,101,871	5,379,386	25.5%
(883)	0	(883)	0.0%	Operating Tax				
(883)	0	883	0.0%	Tax Revenue	(465,917)	0	(465,917)	0.0%
0	0	0	0.0%	Sales tax expense	(465,917)	0	465,917	0.0%
				Total Net Operating Tax	0	0	0	0.0%
(4,825,926)	(727,120)	(4,098,806)	(563.7%)	Change in Net Assets	(10,020,943)	2,291,562	(12,312,504)	(537.3%)
113.2%	96.3%	-16.9%	-17.5%	Medical Loss Ratio	97.8%	94.2%	-3.6%	-3.9%
7.9%	5.4%	-2.5%	-46.7%	Admin Loss Ratio	6.0%	5.2%	-0.8%	-14.4%

ONECARE CONNECT INCOME STATEMENT – MARCH MONTH:

REVENUES of \$22.9 million are unfavorable to budget by \$20.5 million driven by:

- Volume related unfavorable variance of \$11.1 million due to lower enrollment
- Price related unfavorable variance of \$9.4 million due:
 - CMC Medicare Part A and B rate decreases due to base rate and RAF score changes
 - CMC Medi-Cal member mix true-up

MEDICAL EXPENSES are favorable to budget \$15.9 million due to:

- Volume related favorable variance of \$10.7 million across all categories related to the provider group moving to HMO in February as well as lower long term care expenses
- Price related favorable variance of \$5.2 million

ADMINISTRATIVE EXPENSES are favorable to budget by \$0.5 million

CHANGE IN NET ASSETS is (\$4.8) million, \$4.1 million unfavorable to budget

**CalOptima - OneCare
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2017**

Month					Year - To - Date			
Actual	Budget	\$ Variance	% Variance		Actual	Budget	\$ Variance	% Variance
1,278	1,155	123	10.6%	Member Months	11,113	10,829	284	2.6%
				Revenues				
2,237,364	1,345,621	891,743	66.3%	Capitation revenue	12,882,666	12,482,727	399,939	3.2%
2,237,364	1,345,621	891,743	66.3%	Total Operating Revenue	12,882,666	12,482,727	399,939	3.2%
				Medical Expenses				
352,383	367,622	15,239	4.1%	Provider capitation	3,601,167	3,395,858	(205,309)	(6.0%)
292,873	300,962	8,089	2.7%	Inpatient	2,854,681	2,775,960	(78,721)	(2.8%)
57,503	46,173	(11,330)	(24.5%)	Ancillary	390,044	425,854	35,810	8.4%
45,814	21,977	(23,837)	(108.5%)	Skilled nursing facilities	512,745	202,339	(310,406)	(153.4%)
626,505	441,507	(184,998)	(41.9%)	Prescription drugs	4,026,370	4,137,952	111,582	2.7%
18,288	50,848	32,561	64.0%	Medical management	198,831	311,701	112,870	36.2%
6,034	(9,089)	(15,123)	(166.4%)	Other medical expenses	42,805	81,489	38,684	47.5%
1,399,399	1,220,000	(179,399)	(14.7%)	Total Medical Expenses	11,626,643	11,331,153	(295,490)	(2.6%)
837,965	125,621	712,345	567.1%	Gross Margin	1,256,023	1,151,574	104,449	9.1%
				Administrative Expenses				
46,408	22,453	(23,955)	(106.7%)	Salaries, wages & employee benefits	179,536	193,791	14,255	7.4%
10,344	17,619	7,275	41.3%	Professional fees	144,614	137,143	(7,471)	(5.4%)
25,103	39,373	14,270	36.2%	Purchased services	214,162	234,462	20,299	8.7%
1,045	13,710	12,666	92.4%	Printing and postage	71,016	117,080	46,065	39.3%
0	89	89	100.0%	Other operating expenses	2,071	797	(1,273)	(159.7%)
30,641	29,494	(1,147)	(3.9%)	Indirect cost allocation, Occupancy Expense	216,371	265,442	49,071	18.5%
113,540	122,737	9,197	7.5%	Total Administrative Expenses	827,769	948,715	120,946	12.7%
724,425	2,883	721,542	25,024.1%	Change in Net Assets	428,254	202,859	225,395	111.1%
=====	=====	=====	=====		=====	=====	=====	=====
62.5%	90.7%	28.1%	31.0%	Medical Loss Ratio	90.3%	90.8%	0.5%	0.6%
5.1%	9.1%	4.0%	44.4%	Admin Loss Ratio	6.4%	7.6%	1.2%	15.5%

CalOptima - PACE
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2017

Actual	Month		
	Budget	\$ Variance	% Variance
197	205	(8)	(3.9%)
997,717	918,103	79,614	8.7%
242,756	367,338	(124,582)	(33.9%)
1,240,473	1,285,441	(44,968)	(3.5%)

346,932	422,265	75,333	17.8%
0	0	0	0.0%
316,334	266,882	(49,452)	(18.5%)
343,049	286,287	(56,761)	(19.8%)
151,816	137,774	(14,042)	(10.2%)
14,771	27,333	12,562	46.0%
89,493	84,847	(4,646)	(5.5%)
50,090	49,349	(741)	(1.5%)
37,655	37,214	(441)	(1.2%)
8,728	13,833	5,105	36.9%
75	311	236	75.9%
25,778	24,547	(1,231)	(5.0%)
0	0	0	0.0%
32,167	22,785	(9,382)	(41.2%)

1,416,888	1,373,427	(43,461)	(3.2%)
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(176,415)	(87,986)	(88,429)	(100.5%)
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110,778	96,979	(13,799)	(14.2%)
10,128	11,667	1,539	13.2%
3,250	988	(2,262)	(229.0%)
352	1,708	1,355	79.4%
2,087	2,056	(31)	(1.5%)
22,536	14,775	(7,761)	(52.5%)
2,643	1,023	(1,620)	(158.4%)

151,775	129,196	(22,579)	(17.5%)
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14,215	0	14,215	0.0%
14,215	0	(14,215)	0.0%
0	0	0	0.0%

(328,190)	(217,182)	(111,008)	(51.1%)
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114.2%	106.8%	-7.4%	-6.9%
12.2%	10.1%	-2.2%	-21.7%

	Year - To - Date			
	Actual	Budget	\$ Variance	% Variance
Member Months	1,656	1,665	(9)	(0.5%)
Revenues				
Medi-Cal capitation revenue	8,618,792	7,451,814	1,166,979	15.7%
Medicare capitation revenue	2,722,127	3,048,699	(326,571)	(10.7%)
Total Operating Revenues	11,340,920	10,500,512	840,407	8.0%
Medical Expenses				
Clinical salaries & benefits	2,673,948	3,614,342	940,393	26.0%
Pace Center Support salaries & benefits	0	0	0	0.0%
Claims payments to hospitals	2,366,081	2,127,283	(238,797)	(11.2%)
Professional Claims	2,027,091	2,259,149	232,058	10.3%
Prescription drugs	827,470	1,173,879	346,408	29.5%
Long-term care facility payments	58,151	217,871	159,720	73.3%
Patient Transportation	719,798	676,304	(43,494)	(6.4%)
Depreciation & amortization	443,153	444,141	988	0.2%
Occupancy expenses	340,044	334,926	(5,118)	(1.5%)
Utilities & Facilities Expense	141,139	124,497	(16,642)	(13.4%)
Purchased Services	1,189	2,478	1,289	52.0%
Indirect Allocation	166,420	220,923	54,503	24.7%
Reinsurance	0	0	0	0.0%
Other Expenses	147,644	205,066	57,422	28.0%
Total Medical Expenses	9,912,127	11,400,859	1,488,732	13.1%
Gross Margin	1,428,793	(900,347)	2,329,140	258.7%
Administrative Expenses				
Salaries, wages & employee benefits	846,784	838,463	(8,321)	(1.0%)
Professional fees	43,933	80,000	36,067	45.1%
Purchased services	37,942	9,036	(28,906)	(319.9%)
Printing and postage	2,617	15,610	12,993	83.2%
Depreciation & amortization	18,465	18,505	41	0.2%
Other operating expenses	79,076	106,180	27,104	25.5%
Indirect cost allocation, Occupancy Expense	21,102	9,205	(11,897)	(129.3%)
Total Administrative Expenses	1,049,918	1,076,999	27,081	2.5%
Operating Tax				
Tax Revenue	14,215	0	14,215	0.0%
Premium tax expense	14,215	0	(14,215)	0.0%
Total Net Operating Tax	0	0	0	0.0%
Change in Net Assets	378,875	(1,977,345)	2,356,220	119.2%
Medical Loss Ratio	87.4%	108.6%	21.2%	19.5%
Admin Loss Ratio	9.3%	10.3%	1.0%	9.7%

**CalOptima - Building 505 City Parkway
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2017**

Actual	Month		% Variance
	Budget	\$ Variance	
24,056	21,285	2,772	13.0%
24,056	21,285	2,772	13.0%
1,525	2,085	560	26.8%
29,505	22,405	(7,101)	(31.7%)
158,697	210,141	51,444	24.5%
16,000	14,300	(1,700)	(11.9%)
110,500	198,033	87,533	44.2%
28,984	0	(28,984)	0.0%
(326,256)	(352,100)	(25,844)	(7.3%)
18,957	94,864	75,907	80.0%
5,100	(73,579)	78,679	106.9%
=====	=====	=====	=====

Revenues

Rental income

Total Operating Revenue

Administrative Expenses

Professional fees

Purchase services

Depreciation & amortization

Insurance expense

Repair and maintenance

Other Operating Expense

Indirect allocation, Occupancy Expense

Total Administrative Expenses

Change in Net Assets

Actual	Year - To - Date		% Variance
	Budget	\$ Variance	
217,406	191,564	25,842	13.5%
217,406	191,564	25,842	13.5%
13,147	18,765	5,618	29.9%
269,060	201,643	(67,417)	(33.4%)
1,414,671	1,891,267	476,596	25.2%
144,004	128,702	(15,302)	(11.9%)
885,290	1,735,599	850,308	49.0%
375,736	0	(375,736)	0.0%
(2,931,573)	(3,168,898)	(237,326)	(7.5%)
170,336	807,077	636,741	78.9%
47,070	(615,513)	662,583	107.6%
=====	=====	=====	=====

OTHER STATEMENTS – MARCH MONTH:

ONECARE INCOME STATEMENT

REVENUES of \$2.2 million; \$0.9 million are favorable to budget

MEDICAL EXPENSES are \$1.4 million, \$0.2 million unfavorable to budget

CHANGE IN NET ASSETS is \$0.7 million; \$0.7 million favorable to budget

PACE INCOME STATEMENT

CHANGE IN NET ASSETS for the month is (\$0.3) million; \$0.1 million unfavorable to budget

505 CITY PARKWAY BUILDING INCOME STATEMENT

CHANGE IN NET ASSETS for the month is \$5.1 thousand; \$78.7 thousand favorable to budget

**CalOptima
BALANCE SHEET
March 31, 2017**

ASSETS

Current Assets

Operating Cash	\$499,619,891
Catastrophic Reserves	11,173,846
Investments	1,434,341,743
Capitation receivable	296,898,752
Receivables - Other	18,564,393
Prepaid Expenses	12,421,963

Total Current Assets

2,273,020,588

Capital Assets Furniture and equipment

35,790,228

Leasehold improvements

6,419,233

505 City Parkway West

49,271,389

91,480,850

Less: accumulated depreciation

(36,638,498)

Capital assets, net

54,842,352

Other Assets Restricted deposit & Other

300,000

Board-designated assets

Cash and cash equivalents

11,633,228

Long term investments

521,415,794

Total Board-designated Assets

533,049,022

Total Other Assets

533,349,022

Deferred outflows of Resources - Pension Contributions

3,787,544

Deferred outflows of Resources - Difference in Experience

1,215,473

TOTAL ASSETS & OUTFLOWS

2,866,214,979

LIABILITIES & FUND BALANCES

Current Liabilities

Accounts payable	\$38,879,762
Medical claims liability	680,912,203
Accrued payroll liabilities	10,627,236
Deferred revenue	907,321,771
Deferred lease obligations	216,199
Capitation and withholds	517,833,992

Total Current Liabilities

2,155,791,162

Other employment benefits liability

29,750,410

Net Pension Liabilities

12,626,137

Long Term Liabilities

100,000

TOTAL LIABILITIES

2,198,267,709

Deferred inflows of Resources - Excess Earnings

502,900

Deferred inflows of Resources - changes in Assumptions

1,651,640

Tangible net equity (TNE)

95,386,676

Funds in excess of TNE

570,406,054

Net Assets

665,792,730

TOTAL LIABILITIES, INFLOWS & FUND BALANCES

2,866,214,979

CalOptima
Board Designated Reserve and TNE Analysis
as of March 31, 2017

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
Board-designated Reserve	Tier 1 - Payden & Rygel	145,711,189				
	Tier 1 - Logan Circle	145,451,948				
	Tier 1 - Wells Capital	145,463,504				
		436,626,641	313,071,502	488,125,007	123,555,138	(51,498,367)
TNE Requirement	Tier 2 - Logan Circle	96,422,381	95,386,676	95,386,676	1,035,705	1,035,705
Consolidated:		533,049,022	408,458,178	583,511,683	124,590,844	(50,462,661)
<i>Current reserve level</i>		<i>1.83</i>	<i>1.40</i>	<i>2.00</i>		

CalOptima
Statement of Cash Flows
March 31, 2017

	<u>Month Ended</u>	<u>Year-To-Date</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	(891,530)	6,225,551
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	1,093,409	9,371,119
Changes in assets and liabilities:		
Prepaid expenses and other	(325,429)	(5,637,716)
Catastrophic reserves		
Capitation receivable	21,689,306	171,287,862
Medical claims liability	46,725,759	82,217,345
Deferred revenue	(10,504,394)	316,619,129
Payable to providers	276,878	116,007,690
Accounts payable	9,948,225	32,259,928
Other accrued liabilities	1,118,429	8,000,110
Net cash provided by/(used in) operating activities	<u>69,130,652</u>	<u>736,351,018</u>
 GASB 68 CalPERS Adjustments	 -	 -
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	92,746,981	(415,077,111)
Purchase of property and equipment	(1,026,104)	(9,217,906)
Change in Board designated reserves	(389,384)	(57,213,656)
Net cash provided by/(used in) investing activities	<u>91,331,492</u>	<u>(481,508,674)</u>
 NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	 160,462,144	 254,842,343
 CASH AND CASH EQUIVALENTS, beginning of period	 <u>\$350,331,592</u>	 <u>255,951,393</u>
 CASH AND CASH EQUIVALENTS, end of period	 <u><u>\$ 510,793,737</u></u>	 <u><u>\$ 510,793,737</u></u>

BALANCE SHEET:

ASSETS increased \$46.7 million from February

- **Cash and Cash Equivalents** increased by \$160.7million due to the timing of state checks received, month-end cut-off
- **Short-term Investments** decreased \$92.7 million due to payment receipt timing and cash funding requirements
- **Net Capitation Receivables** decreased \$20.2 million based upon payment receipt timing and receivables

LIABILITIES increased \$47.6 million from February

- **Deferred Revenue** decreased \$10.5 million driven by DHS overpayments
- **Medical Claims Liability** by LOB increased \$46.7 million driven by IBNR margins
- **Accrued Expenses** increased \$8.9 million based on the timing of sales tax payments

NET ASSETS are \$665.8 million

**CalOptima Foundation
Balance Sheet
March 31, 2017**

<u>ASSETS</u>		<u>LIABILITIES & NET ASSETS</u>	
Operating cash	2,893,139	Accounts payable-Current	0
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
Total Current Assets	<u>2,893,139</u>	Grants-Foundation	0
		Total Current Liabilities	<u>0</u>
		Total Liabilities	<u>0</u>
		Net Assets	<u>2,893,139</u>
TOTAL ASSETS	<u>2,893,139</u>	TOTAL LIABILITIES & NET ASSETS	<u>2,893,139</u>

CalOptima Foundation
Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2017
Consolidated

Month				Year - To - Date			
Actual	Budget	\$ Variance	% Variance	Actual	Budget	\$ Variance	% Variance
				Revenues			
0	2,264	(2,264)	(100.0%)	Income - Grant	27,164	20,380	6,784 33.3%
2,084	0	2,084	100.0%	In Kind Revenue - HITEC Grant	72,413	0	72,413 100.0%
2,084	2,264	(180)	(8.0%)	Total Operating Revenue	99,577	20,380	79,198 388.6%
				Operating Expenditures			
0	6,184	6,184	100.0%	Personnel	27,195	55,658	28,463 51.1%
0	2,985	2,985	100.0%	Taxes and Benefits	26,240	26,863	623 2.3%
0	0	0	0.0%	Travel	(3)	0	3 0.0%
0	0	0	0.0%	Supplies	7,009	10,000	2,991 29.9%
0	0	0	0.0%	Contractual	20,388	17,174	(3,214) (18.7%)
2,084	232,065	229,981	99.1%	Other	20,454	2,088,587	2,068,133 99.0%
2,084	241,234	239,150	99.1%	Total Operating Expenditures	101,284	2,198,282	2,096,998 95.4%
0	0	0	0.0%	Investment Income	0	0	0 0.0%
0 (238,970)	(238,970)	(100.0%)		Program Income	(1,706)	(2,177,902)	(2,176,196) (99.9%)
=====	=====	=====	=====		=====	=====	=====

CALOPTIMA FOUNDATION – MARCH MONTH

INCOME STATEMENT:

Revenues

- Revenues from Health Information Technology for Economic and Clinical Health Act (HITECH) and in-kind contributions from CalOptima
- The Foundation recognized \$99,577 FY17 YTD in total operating revenues
 - HITECH Grant revenue totaled \$27,164 YTD which leaves \$0 remaining in HITECH Grant funding as of March 2017
 - CalOptima in-kind contribution totaled \$72,413 YTD
- Revenue budget variances attributed to:
 - YTD CalOptima grant budget is \$0, as the ONC grant funding was to have ended in the previous fiscal year. The grant was extended through September 26, 2016
 - CalOptima in-kind revenue was not included in FY17 budget

Expenses

- Operating expenses were \$101,284 for grant related activities incurred YTD FY17
- Expense categories include staff services, travel and miscellaneous supplies
 - \$2.1 million favorable variance YTD
 - FY17 budget was based on remaining fund balance in Foundation total assets
 - Actual expenses were much lower than anticipated for CalOptima support activities

BALANCE SHEET:

Assets

- Cash of \$2.9 million remains from the FY14 transfer of \$3.0 million from CalOptima for grants and programs in support of providers and the community

Liabilities

- \$0

Budget Allocation Changes
Reporting changes for March 2017

Transfer Month	Line of Business	From	To	Amount	Expense Description	Fiscal Year
July	OneCare Connect	Office of Compliance - Professional Fees (Consultant for Annual CPE Audit & CMS Mock Audit)	Office of Compliance - Professional Fees - Consultant for DMHC Mock Audit	\$69,000	Re-purpose \$53,631 from Professional Fees (Consultant for Annual CPE Audit) and \$15,369 from Professional Fees (Consultant for CMS Mock Audit) to pay for consultant for DMHC Mock Audit	2017
July	COREC	REC - Other	REC - Comp Supply/Minor Equip	\$10,000	Re-allocate funds to cover costs for computer equipment upgrade which is approved ONC grant managers	2017
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$63,810	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for FY17 Ceridian Software Maintenance	2017
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$15,010	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for FY17 Talentova Learning Management System	2017
July	Medi-Cal	IS-Application Development - Software Maintenance - Corporate Software Maintenance	IS-Application Development - Software Maintenance - Human Resources Corporate Application Software Maintenance	\$23,900	Re-purpose funds within Software Maintenance (from Corporate Software Maintenance to Human Resources Corporate Application Software Maintenance) to pay for Silk Road	2017
July	Medi-Cal	Claims Administration - Purchased Services - Integration of Claim Editing Software	Claims Administration - Purchased Services - LTC Rate Adjustments	\$98,000	Re-purpose funds from within Purchased Services (Integration of Claim Editing Software) to pay for LTC Adjustments (TriZetto Robot Process)	2017
July	Medi-Cal	Human Resources - Advertising, Travel, Comp Supply/Minor Equip, Subscriptions, Courier/Delivery	Human Resources - Professional Fees (Salary & Compensation Research), Public Activities, Office Supplies, Food Service Supplies, Professional Dues, Training & Seminars, Cert./Cont. Education	\$84,491	Re-allocate HR FY17 Budget based on HR dept's past spending trends to better meet department's need	2017
July	Medi-Cal	IS-Infrastructure - Telephone - General Telecommunication and Network Connectivity	IS-Infrastructure - Purchased Services - Disaster Recovery Services	\$35,575	Re-allocate funds from Telephone (General Telecommunication and Network Connectivity) to Purchased Services to pay for Disaster Recovery Services	2017
August	Medi-Cal	Other Pay	Quality Analytics - Purchased Services	\$67,000	Re-allocate funds to Quality Analytics Purchased Services for additional funds that is needed for CG-CAHPS survey	2017
August	Medi-Cal	Other Pay	Community Relations - Professional Fees & Printing	\$43,640	Re-allocate funds to Community Relations Professional Fees and Printing budgets for contracts with Tony Lam and Communications Lab and printing costs of Community Option Fair	2017
August	Medi-Cal	IS-Application Management - Purchased Services - Healthcare Productivity Automation	IS-Application Management - Purchased Services - Direct Hire Fees	\$10,957	Re-purpose funds from Purchased Services (Healthcare Productivity Automation) to pay for Direct Hire fees	2017
August	Medi-Cal	Other Pay	IS-Application Development - Comp Supplies/Minor Equipments	\$20,400	Re-allocate funds to cover costs of DocuSign, Box, and Primal Script 2016	2017
August	Medi-Cal	Claims Administration - Purchased Services	Claims Administration - Office Supplies, Training & Seminars, Printing	\$15,000	Re-allocate funds from Purchased Services (Integration of Claim Editing Software & Inventory Management Forecasting) to Office Supplies, Training & Seminars, and Printing to better meet department's needs	2017
September	Medi-Cal	Health Education & Disease Management - Professional Fees	Health Education & Disease Management - Other Operating Expenses	\$30,000	Re-allocate funds from Professional Fees (Childhood Obesity Program Design & Evaluation) to Member & Provider Incentives to support incentives for the Group Needs Assessment (GNA) and other Health Education / Disease Management activities.	2017
October	Capital	Facilities - Relocate Trash Enclosure	Facilities - 505 Sound Recording System	\$50,555	Re-allocate from Relocate Trash Enclosure project for additional funds that are needed for the 505 Sound Recording System project.	2017
October	Medi-Cal	IS-Infrastructure - Professional Fees - Enterprise Identity Access Management	IS-Infrastructure - HW/SW Maintenance - Information Security Data Loss Prevention Solution	\$21,041	Re-allocate from Professional Services for an Enterprise Identity Access Management to HW/SW Maintenance for Information Security Data Loss Prevention Solution Annual Maintenance on additional funds that are needed.	2017
October	Medi-Cal	Facilities - Computer Supply/Minor Equipment - Office Furniture & Equipment	Facilities - Computer Supply/Minor Equipment - Other Articles of Minor Equipment	\$27,000	Repurpose funds in Comp supply/minor equipment for re-upholstering chairs in the member service lobby and other minor equipment expenses to better meet the Department's need.	2017
December	Medi-Cal	Human Resources - Professional Fees - Executive Coaching	Human Resources - Professional Fees - Consultant Fees	\$20,000	Repurpose from Executive Coaching for interim director of HR consultant fees	2017
December	Medi-Cal	Health Education & Disease Management - Medical Management Activities	Health Education & Disease Management - Medical Management Activities	\$75,000	Repurpose funds for the department printing and postage needs	2017
January	Medi-Cal	IS-Application Development - Finance Reporting Tool to Great Plains	IS-Application Development - Great Plains Software Upgrade	\$20,000	Re-allocate funds from Finance Reporting Software for Great Plains budget to Great Plains Software Upgrade budget for additional funds are needed to complete the project.	2017
February	Medi-Cal	IS-Application Management - Purchased Services	IS-Application Development - Purchased Services	\$19,320	Re-allocate funds from IS Application Management Purchased Services budget for direct placement fee needed in the Department.	2017
February	Medi-Cal	IS-Application Management - Comp supply/Minor Equip	IS-Infrastructure - Subscriptions	\$30,000	Re-allocate funds from Computer Supply/Minor Equipment for Gartner Subscription needed in the Department.	2017
February	Medi-Cal	IS-Infrastructure - Training & Seminars	IS-Infrastructure - Subscriptions	\$30,000	Re-allocate funds from Training & Seminars for Gartner Subscription needed in the Department.	2017
February	Medi-Cal	IS-Application Management - Training & Seminars	IS-Infrastructure - Subscriptions	\$10,741	Re-allocate funds from Training & Seminars for Gartner Subscription needed in the Department.	2017
February	Medi-Cal	Accounting - Professional Fees	Facilities - Professional Fees	\$17,000	Re-allocate funds from Accounting Financial Audit budget to Facilities Professional Fees budget for consulting services related to restacking and other Facilities projects.	2017
February	Capital	IS-Application Development - Data Warehouse Enterprise Infrastructure Expansion	IS-Application Development - K2 Business Application Workflow Upgrade	\$47,300	Re-allocate funds from Data Warehouse Enterprise Infrastructure Expansion to K2 Business Application Workflow Upgrade for additional funds needed to complete the project.	2017
March	Medi-Cal	IS - Infrastructure - Telephone	IS-Application Management - Maintenance HW/SW	\$29,000	Re-allocate funds from Telephone Budget to HW/SW Maintenance budget for funds needed on Claim Editor Annual Renewal	2017
March	Medi-Cal	IS - Infrastructure - Professional Fees	IS - Infrastructure - Professional Fees	\$14,000	Repurpose funds from miscellaneous consulting/professional services at the CalOptima Data Center to support upcoming Microsoft 2016 upgrade.	2017

This report summarizes budget transfers between general ledger classes that are greater than \$10,000 and less than \$100,000.
This is the result of Board Resolution No. 12-0301-01 which permits the CEO to make budget allocation changes within certain parameters.

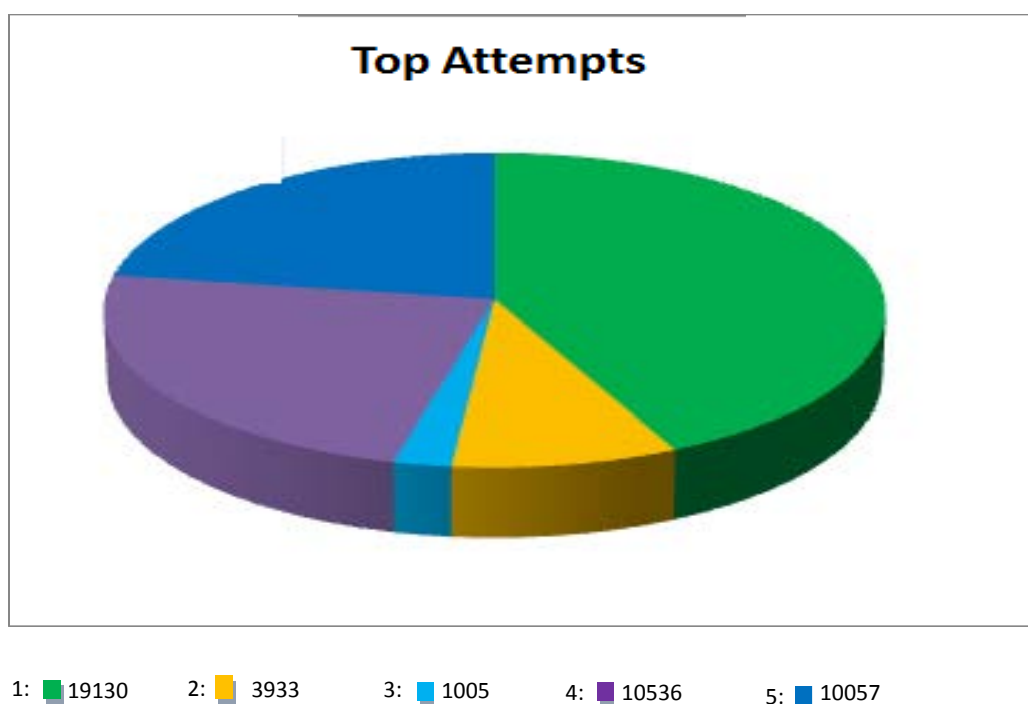
Board of Directors' Finance and Audit Committee Meeting May 18, 2017

Information Systems Security Update

Top External Attempts

Background













The following report shows the malicious activities that were prevented from accessing CalOptima's network. **None of the attempts were successful.** Also, it is important to note that these attempts are not specifically targeted at CalOptima, but rather are commonly triggered attempts against entire areas of the Internet. The results are typical of many organizations and are not considered out of the ordinary.



	Attack Name	Severity	Hit count	Description
1	DNS: ISC BIND UDP DNS	Critical	19130	This exploit creates a session with escalated (administrative) permissions under the attacker's control.
2	HTTP: Apple iTunes Buffer Overflow	Critical	3933	Blocked attempts to exploit a buffer overflow vulnerability in Apple iTunes which could result in remote code execution.
3	MS-SQL: Slammer-Sapphire Worm	Critical	1005	A program or process tried to store more data than it was intended to hold. The extra data may contain codes designed to trigger

	Attack Name	Severity	Hit count	Description
				specific malicious actions.
4	IP Spoof (reserved)	Minor	10536	Attacks to resemble in-network machines to set up man in the middle attacks.
5	IP Spoof (Multicast)	Minor	10057	Attempts to slow down / deny service or usability to several machines.

The following charts show the inbound email traffic through our IronPort appliances with the ultimate goal of delivering clean messages to the intended CalOptima email recipients. The majority of the messages that are stopped are from senders of poor reputation and spammers. Other protection that is applied protects CalOptima against malicious emails containing known viruses, malware and malicious URLs.

Incoming Mail Summary +		
Message Category	%	Messages
 Stopped by Reputation Filtering	71.8%	2.1M
 Stopped as Invalid Recipients	2.0%	60.2k
 Spam Detected	2.6%	77.6k
 Virus Detected	0.0%	4
 Detected by Advanced Malware Protection	0.0%	0
 Messages with Malicious URLs	0.1%	3,261
 Stopped by Content Filter	0.1%	2,899
 Stopped by DMARC	0.0%	0
 S/MIME Verification/Decryption Failed	0.0%	0
Total Threat Messages:	76.5%	2.3M
 Marketing Messages	7.1%	210.8k
 S/MIME Verification/Decryption Successful	0.0%	0
 Clean Messages	16.4%	489.1k
Total Attempted Messages:		3.0M

Recent and Upcoming Activities:

1. The Information Services Security Team (Security Team) had undertaken a review and update of several of the key Information Security policies. These were approved by the Board on February 2, 2017.
2. In March, the Security Team completed the phishing tests that had started in November, 2016. To continue to raise the awareness of the risk of email phishing and educate employees in how to react, a second phishing exercise, targeting only employees who failed the first test, is scheduled to be started in May of 2017.
3. On April 24, 2017, the Security Team participated in an on-site Cyber Resilience Review, conducted by the local Department of Homeland Security (DHS) office. This was a no-cost service included in our no-cost membership in the National 'Stop.Think.Connect.' campaign for Cyber Security Awareness. A report of their suggestions and recommendations is expected by the end of May, 2017. Annually, beginning in October, 2017, CalOptima will participate in the national DHS Cyber Security Awareness Month activities each October.
4. On March 14, 2017, the Information Services team blocked most cloud storage websites to continue to reduce the risk of data exposure. This included sites such as Shutterfly, Photobucket, Snapfish and others.
5. Although not directly related to Security, in April, the Information Services team completed its application for CalOptima to receive its Seal for achievement of CORE certification. CORE is the Committee for Operating Rules for Information Exchange. The Seal will acknowledge that CalOptima has met all requirements for a series of standardized electronic information exchange transactions, as currently required by the Council for Affordable Quality Healthcare.



CalOptima
Better. Together.

Cost Containment Improvements/Initiatives

**Board of Directors' Finance & Audit Committee Meeting
May 18, 2017**

**Nancy Huang, Interim Chief Financial Officer
Ken Wong, Director, Budget and Vendor Management**

Resources Committee - Labor

Report of Open Position/Temporary - March 2017

Line of Business	March 2017		YTD Open Position (\$)	Temporary Help		Variance
	FTE's	Dollars		Actual	Budget	
MC	69.00	\$ 746,018	\$ 6,459,294	\$ 1,361,040	\$ 606,761	\$ (754,279)
EX	1.00	\$ 7,359	\$ 32,259	\$ -	\$ -	\$ -
OC		\$ -	\$ 11,885	\$ 25,018	\$ 352	\$ (24,667)
OCC	28.00	\$ 224,078	\$ 1,686,462	\$ -	\$ 159,060	\$ 159,060
PACE	10.00	\$ 45,067	\$ 758,308	\$ 310,747	\$ 402,441	\$ 91,695
MSSP		\$ -	\$ 7,225	\$ 1,568	\$ 21,538	\$ 19,970
Total	108.00	\$ 1,022,522	\$ 8,955,433	\$ 1,698,373	\$ 1,190,153	\$ (508,221)

Notes:

- Dollars include Employee Benefits.
- FTE's and Dollars include Medical and Administrative Positions.

Resources Committee – Non-Labor

Professional Fees

LOB	Mar MTD		Variance		YTD		Variance		FY 2017
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 189,898	\$ 356,360	\$ 166,463	47%	\$ 1,254,232	\$ 3,166,199	\$ 1,911,967	60%	\$ 4,235,282
OC	\$ 10,344	\$ 17,730	\$ 7,386	42%	\$ 144,614	\$ 137,809	\$ (6,804)	-5%	\$ 191,000
OCC	\$ 1,563	\$ 94,535	\$ 92,972	98%	\$ 318,115	\$ 770,541	\$ 452,427	59%	\$ 1,054,146
PACE	\$ 10,128	\$ 11,667	\$ 1,539	13%	\$ 43,933	\$ 80,000	\$ 36,067	45%	\$ 115,000
MSSP	\$ 710	\$ 833	\$ 124	15%	\$ 6,386	\$ 7,500	\$ 1,114	15%	\$ 10,000
Total	\$ 212,642	\$ 481,125	\$ 268,484	56%	\$ 1,767,279	\$ 4,162,050	\$ 2,394,771	58%	\$ 5,605,428

Purchased Services

LOB	Mar MTD		Variance		YTD		Variance		FY 2017
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 542,973	\$ 979,792	\$ 436,820	45%	\$ 7,438,051	\$ 7,930,860	\$ 492,809	6%	\$ 10,870,657
OC	\$ 16,473	\$ 51,269	\$ 34,796	68%	\$ 301,328	\$ 343,524	\$ 42,196	12%	\$ 437,330
OCC	\$ 92,667	\$ 263,299	\$ 170,632	65%	\$ 1,331,703	\$ 2,352,664	\$ 1,020,961	43%	\$ 3,142,607
PACE	\$ 3,325	\$ 1,299	\$ (2,026)	-156%	\$ 39,131	\$ 11,514	\$ (27,617)	-240%	\$ 15,435
MSSP	\$ -	\$ 417	\$ 417	100%	\$ 86	\$ 3,750	\$ 3,665	98%	\$ 5,000
Total	\$ 655,438	\$ 1,296,076	\$ 640,638	49%	\$ 9,110,299	\$ 10,642,312	\$ 1,532,014	14%	\$ 14,471,029

Resources Committee – Non-Labor (cont.)

Printing and Postage

LOB	Mar MTD		Variance		YTD		Variance		FY 2017
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 201,261	\$ 389,855	\$ 188,594	48%	\$ 2,030,262	\$ 3,268,726	\$ 1,238,464	38%	\$ 4,441,993
OC	\$ 1,045	\$ 16,264	\$ 15,220	94%	\$ 76,270	\$ 142,068	\$ 65,798	46%	\$ 190,861
OCC	\$ 20,839	\$ 178,709	\$ 157,870	88%	\$ 528,599	\$ 1,485,658	\$ 957,058	64%	\$ 2,019,550
PACE	\$ 352	\$ 1,708	\$ 1,355	79%	\$ 2,617	\$ 15,610	\$ 12,993	83%	\$ 20,738
MSSP	\$ -	\$ 333	\$ 333	100%	\$ -	\$ 3,000	\$ 3,000	100%	\$ 4,000
Total	\$ 223,497	\$ 586,869	\$ 363,372	62%	\$ 2,637,748	\$ 4,915,061	\$ 2,277,313	46%	\$ 6,677,142

Other Operating Expenses

LOB	Mar MTD		Variance		YTD		Variance		FY 2017
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 1,116,947	\$ 1,435,010	\$ 318,063	22%	\$ 9,845,495	\$ 12,300,234	\$ 2,454,739	20%	\$ 16,602,724
OC	\$ -	\$ 2,080	\$ 2,080	100%	\$ 8,224	\$ 14,673	\$ 6,449	44%	\$ 20,913
OCC	\$ 50,990	\$ 45,390	\$ (5,599)	-12%	\$ 366,953	\$ 838,569	\$ 471,615	56%	\$ 973,240
PACE	\$ 63,421	\$ 41,006	\$ (22,415)	-55%	\$ 367,847	\$ 342,254	\$ (25,593)	-7%	\$ 465,271
MSSP	\$ 6,804	\$ 8,288	\$ 1,484	18%	\$ 63,217	\$ 74,592	\$ 11,374	15%	\$ 99,456
Total	\$ 1,238,162	\$ 1,531,774	\$ 293,613	19%	\$ 10,651,737	\$ 13,570,322	\$ 2,918,585	22%	\$ 18,161,604

Resources Committee – Non-Labor (cont.)

Consolidated - Non-Labor

LOB	Mar MTD		Variance		YTD		Variance		FY 2017
	Actual	Budget	\$	%	Actual	Budget	\$	%	
MC	\$ 2,051,079	\$ 3,161,017	\$ 1,109,938	35%	\$ 20,568,040	\$ 26,666,019	\$ 6,097,979	23%	\$ 36,150,656
OC	\$ 27,861	\$ 87,343	\$ 59,482	68%	\$ 530,435	\$ 638,075	\$ 107,639	17%	\$ 840,104
OCC	\$ 166,058	\$ 581,934	\$ 415,875	71%	\$ 2,545,371	\$ 5,447,432	\$ 2,902,061	53%	\$ 7,189,543
PACE	\$ 77,226	\$ 55,679	\$ (21,547)	-39%	\$ 453,528	\$ 449,378	\$ (4,150)	-1%	\$ 616,444
MSSP	\$ 7,514	\$ 9,871	\$ 2,358	24%	\$ 69,688	\$ 88,842	\$ 19,153	22%	\$ 118,456
Total	\$ 2,329,738	\$ 3,895,844	\$ 1,566,106	40%	\$ 24,167,063	\$ 33,289,745	\$ 9,122,682	27%	\$ 44,915,203

Contingency Contract Report

CalOptima Active Contingency Contracts			Q3 FY17		invoiced and paid as of 4/26/2017									
Quarterly & Annual Medical Cost Savings or Additional Revenue and Fees Paid														
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17					
	Total	Total	Total	Total	Total	Total	Total	Total	Qtr 1 *	Qtr 2 **	Qtr 3 ***	Qtr 4	Total	
MEDICAL COST														
<i>HMS - Coordination of Benefits i.e. ensure Medi-Cal is the payor of last resort - (expires 5/14/20)</i>														
Savings	\$ 1,189,393	\$ 2,811,751	\$ 1,937,748	\$ 2,565,125	\$ 2,346,048	\$ 1,444,807	\$ 3,336,995	\$ 3,954,564	\$ 341,469	\$ 642,463	\$ 269,973		\$ 1,253,905	
Fee	\$ 297,348	\$ 702,938	\$ 484,359	\$ 641,281	\$ 586,762	\$ 361,202	\$ 794,557	\$ 909,550	\$ 78,538	147,767	\$ 62,094		\$ 288,398	
Net Savings	\$ 892,045	\$ 2,108,813	\$ 1,453,389	\$ 1,923,843	\$ 1,759,286	\$ 1,083,605	\$ 2,542,438	\$ 3,045,014	\$ 262,931	494,697	207,879	-	\$ 965,507	
<i>Verscend (Verisk/HCI) - Claims review for appropriate billing - (services terminated 12/31/16) ****</i>														
Savings	\$ 164,913	\$ 2,397,831	\$ 3,385,560	\$ 2,517,497	\$ 2,817,113	\$ 2,647,841	\$ 3,562,859	\$ 3,524,096	\$ 1,333,769	1,356,828			\$ 2,690,597	
Fee	\$ 37,165	\$ 483,209	\$ 691,554	\$ 559,136	\$ 595,632	\$ 727,333	\$ 1,371,137	\$ 638,601	\$ 190,163	203,292			\$ 393,455	
Net Savings	\$ 127,748	\$ 1,914,622	\$ 2,694,006	\$ 1,958,361	\$ 2,221,482	\$ 1,920,508	\$ 2,191,722	\$ 2,885,495	\$ 1,143,606	1,153,537	-	-	\$ 2,297,143	
<i>Verscend (Verisk/HCI)/ TAG - Facility claims forensic review - (expires 12/31/17)</i>														
Savings	-	-	\$ 900,976	\$ 1,362,980	\$ 3,516,297	\$ 3,727,308	\$ 16,538,781	\$ 3,726,475	\$ 516,607	1,945,319	838,809		\$ 3,300,736	
Fee	-	-	\$ 270,293	\$ 408,904	\$ 1,054,889	\$ 1,118,193	\$ 2,008,000	\$ 791,798	\$ 154,982	583,596	209,778		\$ 948,356	
Net Savings	-	-	\$ 630,683	\$ 954,076	\$ 2,461,408	\$ 2,609,114	\$ 14,530,781	\$ 2,934,678	\$ 361,625	1,361,724	629,031	-	\$ 2,352,380	
<i>Socrates - Third party liability - (expires 12/31/18)</i>														
Savings	-	-	13,783	244,770	53,141	\$ 3,108	N/A	\$ 219,258	-	-	-		\$ -	
Fee	-	-	3,446	61,223	13,285	\$ 777	N/A	\$ 54,815	-	-	-		\$ -	
Net Savings	-	-	10,338	183,548	39,856	2,331		164,443	-	-	-	-	\$ -	
<i>OptumInsight - Credit balance recovery - (expires 12/31/17)</i>														
Savings	-	-	-	76,715	26,203	\$ 30,246	N/A	\$ 44,834	-	-			\$ -	
Fee	-	-	-	9,206	3,144	\$ 3,630	N/A	\$ 5,380	-	-			\$ -	
Net Savings	-	-	-	67,509	23,059	26,616		39,454	-	-	-	-	\$ -	
TOTAL														
Savings	\$ 1,354,306	\$ 5,209,582	\$ 6,238,068	\$ 6,767,087	\$ 8,758,803	\$ 7,853,309	\$ 23,438,635	\$ 11,469,227	\$ 2,191,845	3,944,611	1,108,782	-	\$ 7,245,238	
Fee	\$ 334,514	\$ 1,186,146	\$ 1,449,652	\$ 1,679,749	\$ 2,253,713	\$ 2,211,134	\$ 4,173,694	\$ 2,400,143	\$ 423,683	934,654	271,872	-	\$ 1,630,209	
Net Savings	\$ 1,019,792	\$ 4,023,436	\$ 4,788,416	\$ 5,087,338	\$ 6,505,090	\$ 5,642,175	\$ 19,264,941	\$ 9,069,083	\$ 1,768,162	\$ 3,009,957	\$ 836,910	\$ -	\$ 5,615,030	
REVENUE														
<i>Human Arc - SSI Outreach & Aid Code Conversion - (expires 12/31/17)</i>														
Capitation Revenue				\$ 1,723,235	\$ 4,526,183	\$ 5,231,987	\$ 6,539,353	\$ 7,782,145	\$ 2,154,390	2,239,677	\$2,371,163		\$ 6,765,230	
Fee				\$ 501,700	\$ 345,100	\$ 285,650	\$ 232,092	\$ 301,556	\$ 57,876	84,130	\$117,418		\$ 259,424	
Total Net Revenue	-	-	-	\$ 1,221,535	\$ 4,181,083	\$ 4,946,337	\$ 6,307,261	\$ 7,480,589	\$ 2,096,514	\$ 2,155,547	\$ 2,253,745	\$ -	\$ 6,505,806	
Note:														
*Socrates and OptumInsight Q1 FY17 data unavailable														
**Socrates and OptumInsight Q2 FY17 data unavailable														
***Socrates and OptumInsight Q3 FY17 data unavailable														
****Pre-payment claims reviews for appropriate billing (NCCI edits) handled in-house as of January 2017														

Board of Directors' Finance and Audit Committee Meeting May 18, 2017

Update on 505 City Parkway West Development Rights

At the request of the Board and senior staff, Newport Real Estate Services, Inc. (NRES), has prepared this update on the Agency's development rights.

Market Overview

- Lease rates in the market have risen fairly significantly over the last 24 months as a result of increased demand and decreased supply;
- It is likely this trend will continue as the remaining space in the market is absorbed, and new development lags;
- Vacancy rates have fallen from historic highs in the 15% range, but are still persistently above 10%;
- Rates (i.e., \$2.20/sf.mo. FSG), while increasing, have yet to rise to the level necessary to justify new development (i.e., between \$3.00 and \$3.25/sf.mo. FSG);
- There are fewer available class A office building sites in the market as high density residential has absorbed a number of possible sites. However, continued conversion of industrial sites to higher and better uses can provide increased competition, although most would not be as well located as the Agency site;
- Continued economic recovery in Orange County will likely drive increased demand for office space, however much of this will be in South County where most of the technology firms are located; and
- If the site were rezoned to high density residential, it may be possible to identify and market the site to an alternate developer, however this use would not accommodate the Agency's need for potential future space for growth.

Responses to the CalOptima Request for Information (RFI)

- Received one response that was generic in nature without real new data;
- Lack of response attributed to: Lease rate not begin high enough yet to justify new office building development, concerns over the historical lack of net new absorption, developers' working on other, more current transactions, competition from high density residential developers that can justify higher land values for available sites, and nature of a public entity looking for information without a specific transaction in mind; and
- Many expressed interest in the site if it were rezoned to high density residential.

Status of Existing Entitlements

- Current entitlements allowing for the development of the proposed office building were extended by the Agency until October 2020; and
- CalOptima Staff and NRES to research possible extension of entitlement with the City of Orange.

Potential for Alternate Uses of the Property

There currently appears to be stronger demand in the market for high density residential. Changing the land use designation to high density residential would broaden the property's appeal, but would pose a number of challenges:

- Any use change would require full re-negotiation of the Development Agreement with the City of Orange;
- Uses other than office would not meet one of the Agency's stated goals of providing possible expansion space to accommodate potential employment growth at the Agency; and
- Extensive environmental work, including a full Environmental Impact Report, as required under the California Environmental Quality Act (CEQA), would undoubtedly be required. This process would likely require 24 to 30 months.

Next Steps

Staff is currently evaluating costs associated with potentially seeking a change in the land use designation, as well as exploring the possibility of obtaining an extension from the City of Orange of the existing development rights as they currently exist. Staff plans to return to the Board and/or Finance and Audit Committee in the future with further recommendations.

Board of Directors' Finance and Audit Committee Meeting May 18, 2017

Shared Risk Pool Performance Update

Medi-Cal: As of March 31, 2017, Medi-Cal has total six (6) Shared Risk Groups (SRGs).

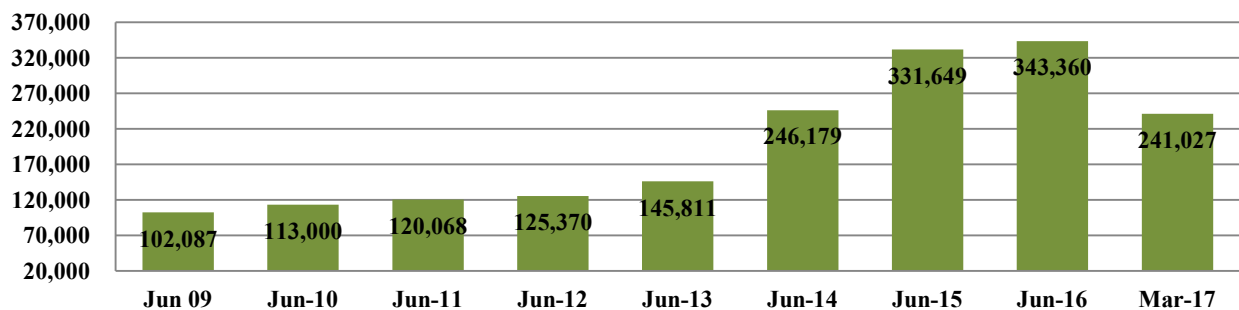
Effective Dates:

- Prospect – May 2007
- Noble and Talbert – January 2008
- Arta, and UCMG – July 2008
- AltaMed – March 2014

Enrollment

- SRGs are serving approximately 241,000 members. This represents about 31% of CalOptima's Medi-Cal enrollment. Monarch became an HMO group in February 2017.

Medi-Cal Shared Risk Groups (SRG) Enrollment



Pool Performance - (Classic + Medi-Cal Expansion)

Period	Gross Deficit	Gross Surplus	CalOptima Share (40%)	Group Share (60%)	Number of SRGs		
					Total	In Deficit	In Surplus
2007	\$(729,095)	\$ -	\$(573,542)	\$(155,553)	1	1	0
2008	(534,826)	618,829	247,532	(163,529)	3	1	2
2009	(6,786,764)	623,088	(2,465,470)	(3,698,206)	6	3	3
2010	(5,890,543)	1,636,861	(1,701,473)	(2,552,209)	6	4	2
2011	(5,127,172)	5,042,040	(34,053)	(51,079)	6	3	3
2012	(1,688,610)	7,574,810	2,354,480	3,531,720	6	3	3
One-Time Revenue		17,233,958	12,917,452	4,316,506	6	3	3
2013	(1,568,113)	10,019,190	3,380,430	5,070,646	6	1	5
2014	-	57,225,077	22,890,031	34,335,046	7	0	7
2015*	-	87,266,163	34,906,465	52,359,698	7	0	7
2016*	-	90,292,670	36,117,068	54,175,602	7	0	7
2017Q2	-	30,604,021	12,241,608	18,362,413	7	0	7
	\$ (22,325,123)	\$308,136,707	\$120,280,529	\$165,531,055			

Note: 1) Table above was calculated based on 85% MLR for MCE population

2) MCE result summary if calculated based on the actual paid claims experience:

- FY2015 surplus on MCE only = \$335,751,485 CalOptima Share (40%) = \$134,300,594, and Group Share (60%) = \$201,450,891
- FY2016 surplus on MCE only = \$382,708,047 CalOptima Share (40%) = \$153,083,219, and Group Share (60%) = \$229,624,828
- Q2FY2017 surplus on MCE only = \$153,257,100 CalOptima Share (40%) = \$61,302,840, and Group Share (60%) = \$91,954,260

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OneCare: As of March 31, 2017, OneCare has eight (8) Participating Medical Groups (PMGs). MCMF IPA, GNPs' (four PMGs) and MCMF's contracts were terminated on October 31, 2014.

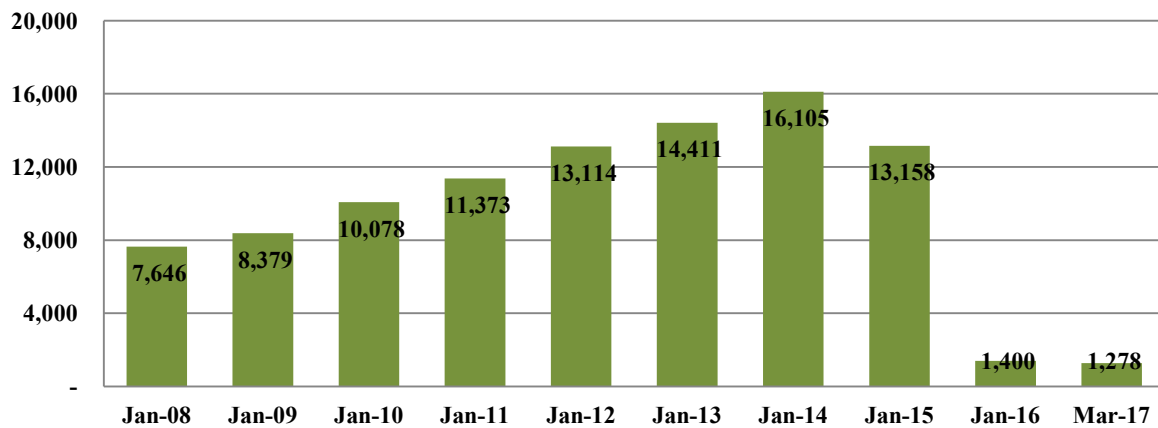
Effective Dates:

- AMVI/Prospect - October 2005
- Talbert, Monarch – October 2005
- MCMF IPA, GNP (four PMGs) - Term
- Noble – December 2012
- Family Choice – October 2005
- Memorial Care (MCMF) – Term
- AltaMed – August 2008
- Arta, UCMG – January 2013

Enrollment

- The overall enrollment decrease is due to members moved from OneCare to OneCare Connect program in January 2016.

**OneCare Shared Risk Groups (PMG)
Enrollment**



Pool Performance

CY	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2005	\$(14,221)	\$163,580	\$67,920	\$81,435	4	1	3
2006	-	15,004,268	7,502,134	7,502,134	5	0	5
2007	(21,936)	3,759,945	1,859,817	1,878,193	8	2	6
2008	(491,522)	3,919,765	1,591,331	1,836,913	8	2	6
2009	(313,648)	5,643,332	2,525,933	2,803,751	9	2	7
2010	(566,705)	4,767,002	1,891,456	2,308,841	8	3	5
2011	-	9,406,281	4,703,141	4,703,141	8	0	8
2012	(433,732)	7,325,076	3,305,088	3,586,257	11	2	9
2013	(1,949,544)	11,124,918	4,015,560	5,159,814	13	2	11
2014	(3,485,139)	10,050,507	1,962,394	4,602,974	13	3	10
2015	(149,155)	9,720,088	4,729,164	4,841,769	8	1	7
2016	(600,839)	264,060	(397,985)	61,206	8	4	4
	\$ (8,026,441)	\$ 81,148,822	\$ 33,755,953	\$ 39,366,427			

Note: Group share deficit limited to \$5.00 PMPM

OneCare Connect: As of March 31, 2017, OneCare Connect has seven (7) Shared Risk Groups (SRGs).

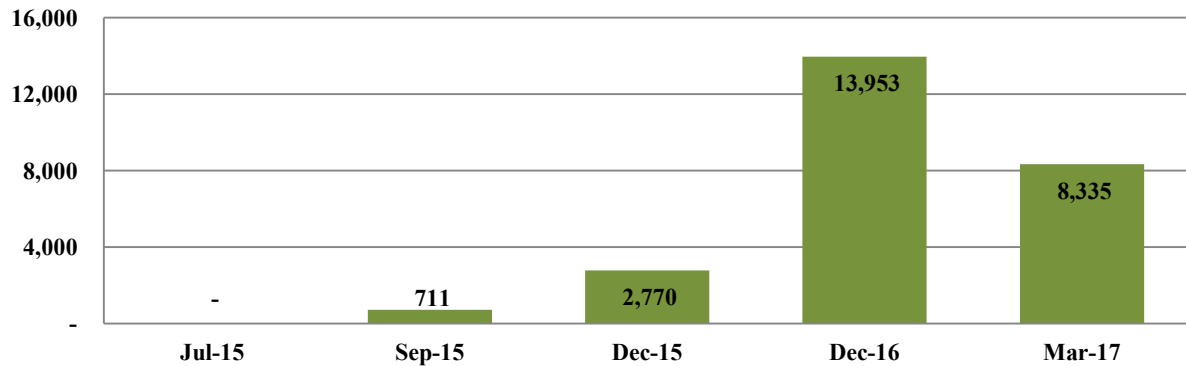
Effective Dates:

- Monarch – (Term)
- Prospect – July 2015
- Noble – July 2015
- UCMG – July 2015
- AltaMed – July 2015
- Talbert – January 2016
- Arta Western – January 2016
- FCMG – January 2016

Enrollment

SRGs are serving approximately 8,300 members. This represents about 52% of CalOptima's OneCare Connect enrollment. Monarch became an HMO group in February 2017.

**OneCare Connect Shared Risk Groups (PMG)
Enrollment**



Pool Performance

CY	Gross Deficit	Gross Surplus	CalOptima Share (50%)	Group Share (50%)	Total	In Deficit	In Surplus
2015	\$(264,328)	\$233,671	\$(120,302)	\$89,646	5	2	3
2016	(1,722,345)	8,335,492	2,512,761	4,100,386	8	2	6
2017Q1	(5,102,253)	1,057,318	(4,459,014)	414,079	8	6	2
	\$ (7,088,926)	\$ 9,626,481	\$ (2,066,555)	\$ 4,604,111			

Note: Group share deficit limited to \$5.00 PMPM

**Board of Directors' Finance and Audit Committee Meeting
May 18, 2017**

Quarterly Reinsurance Report

Summary of Reinsurance Payments Made by CalOptima to Contracted Medi-Cal Providers for Policy Years (PY) 2016 and 2017

Reinsurance is an after-the-fact payment mechanism CalOptima provides that is intended to mitigate the financial impact of catastrophic claims on participating providers. CalOptima's policy allows participating providers through December 31st following the policy year end (i.e., June 30) to submit reinsurance claims. CalOptima issues payment to providers within forty-five (45) business days after the quarter's end.

The figures reported below reflect the estimated results for PY 2016 and PY 2017 as of March 31, 2017.

	PY 2016	PY 2017
Total Budgeted Reinsurance Costs	\$4,680,964	\$ 4,628,918*
Amount paid through March 31, 2017	\$2,761,705	\$ 96,202
Remaining Budget Amount by PY	\$1,919,259	\$ 4,532,716
Total Accrued Liability as of March 31, 2017	\$2,867,445	\$ 3,673,800
Under/(Over) Budget	\$(948,186)	\$ 858,916

* Reinsurance costs were budgeted for PY 2017 under provider capitation because reinsurance was expected to be incorporated into provider capitation during the budget development cycle.

The total estimated liability at March 31, 2017 is \$6.5million for both policy years.

PY 2016 and PY 2017 thresholds remain at \$13,000 Professional and \$100,000 Hospital.

Policy Years:

PY 2016 = Fiscal Year 2016 (July 1, 2015, through June 30, 2016)

PY 2017 = Fiscal Year 2017 (July 1, 2016, through June 30, 2017)

**Board of Directors' Finance and Audit Committee Meeting
May 18, 2017**

Quarterly Health Network Financial Update

On a quarterly basis, CalOptima reviews the unaudited financial statements of the capitated hospitals and physician groups in the health network. After internal review, CalOptima financial staff makes a determination as to whether the capitated entity has the ability to assume the risk of a capitated contract.

With the exception of one entity whose quarter-end financial statements ended as of October 30, 2016, all other Health Network entities were required to submit their unaudited financial statements for the period ending December 31, 2016.

Results of the December 31, 2016 Financial Review

	Physician Groups	Hospitals	HMOs
Total	11	4	2
Passed Review	11	4	2
Failed Review	0	0	0
On Notice	0	0	0
On-Site Review	0	0	0
Did Not Submit Statements	0	0	0

Note 1: Physician Groups and Hospitals must pass the following tests:

- a) Current Ratio - must be ≥ 1.0
- b) Tangible Net Equity - must be ≥ 1.0
- c) Cash to Claims Ratio - must be ≥ 0.75

Note 2: HMOs must pass the following test:

- a) Tangible Net Equity - Greater of \$1M, % of premium revenues, or % of healthcare expenses

Note 3: Financial Security Reserves:

- a) Medi-Cal, OneCare, and OneCare Connect Total Current Balance = \$20.3M



CalOptima
Better. Together.

Purchasing Report

**Board of Director's Finance and Audit Committee Meeting
May 18, 2017**

**Nancy Huang, Interim Chief Financial Officer
Ken Wong, Director, Budget and Vendor Management**

Quarterly Purchasing Reports Commitments

Quarterly Purchasing Report
January 1, 2017 through March 31, 2017
Completed Major Commitments over \$100,000

Nature of Services	FY17 Budgeted Current Year	Purchase or Contract Highlights	Bidding Outcome	Previous Vendor	Contract Amount	Spent Year 2017	Remaining Amount on Contract	Expires
Telephony Server Upgrade	\$ 104,254	Nth Generation Computing Inc	Single Source	Nth Generation	\$ 104,254	104,255	0	6/30/2017
Customize Commvault Service	\$ 106,425	Nth Generation Computing Inc	Single Source	Nth Generation	\$ 106,425	-	106,425	6/30/2017
2018 Medicare Advantage Bid Submission	\$ 130,500	Milliman USA	Single Acceptable Source	Milliman	\$ 130,500	-	130,500	10/31/2017
Additional Database Servers	\$ 164,795	Nth Generation Computing Inc	Single Source	Nth Generation	\$ 164,795	-	164,795	6/30/2017
HEDIS Copy Service Replenishment	\$ 193,088	J & H Copy Services Inc	Year 2 of 4	J & H	\$ 193,088	193,089	0	10/31/2017
CAHPS Survey	\$ 193,450	DataStat	Year 2 of 5	DataStat	\$ 193,450	-	193,450	8/31/2017
COB Contingency Contract replenishment	\$ 260,000	Health Management Systems Inc	Extended by Board thru 5/14/2020	HMS	\$ 260,000	160,076	99,924	5/14/2020
QSI Software Fee	\$ 269,699	Inovalon Inc	Year 3 of 5	Inovalon	\$ 269,699	198,871	70,828	10/31/2019

Quarterly Purchasing Reports Commitments

Quarterly Purchasing Report
January 1, 2017 through March 31, 2017
Completed Major Commitments over \$100,000

<i>Nature of Services</i>	<i>FY17 Budgeted Current Year</i>	<i>Purchase or Contract Highlights</i>	<i>Bidding Outcome</i>	<i>Previous Vendor</i>	<i>Contract Amount</i>	<i>Spent Year 2017</i>	<i>Remaining Amount on Contract</i>	<i>Expires</i>
Gartner Reports	\$ 278,904	County of Ventura Info Tech Svc Dept	Sole Source	County of Ventura Info Tech	\$ 278,904	-	278,904	4/30/2018
IS Supplemental Help	\$ 280,267	Teksystems Inc.	Year 2 of 5	TekSystems	\$ 280,267	101,409	178,858	6/30/2017
Membership Health Needs Assessment	\$ 414,405	Harder & Company Community	Five proposals received	New	\$ 414,405	-	414,405	12/29/2017
Annual Microsoft License replenishment	\$ 425,031	SoftwareONE, Inc.	Year 3 of 3	SoftwareOne (fka CompuCom)	\$ 425,031	-	425,031	10/31/2017
Customer Service Daily Mailing replenishment	\$ 485,200	Dome Printing	Year 2 of 3	Dome	\$ 485,200	362,728	122,472	7/16/2018
FY18 PACE lease replenishment	\$ 500,905	Young S Kim & Soon Y Kim	Sole Source	Young S Kim & Soon Y Kim	\$ 500,905	-	500,905	12/31/2021
Clinical Editing software replenishment	\$ 1,231,564	Optuminsight Inc	Year 2 of 5	Optuminsight	\$ 1,231,564	1,231,564	0	2/18/2019

Quarterly Purchasing Report – In Process

Quarterly Purchasing Report
January 1, 2017 through March 31, 2017
Major Commitments Greater than \$100,000 in Process

<i>Nature of Services</i>	<i>Procurement Status</i>
<u>Internal Auditor</u> 16-074	RFP issued 4/8/16 Four proposals received Staff is negotiating contract terms
<u>Commercial Banking</u> 16-072	RFP issued 3/31/16 Five proposals received Staff is negotiating contract terms
<u>DRG Review</u> 17-011	RFP issued 9/20/2016 Proposals are due 11/3 Staff is negotiating contract terms
<u>Extreme Networks</u> 17-014	RFP issued 9/28/16 Proposals due 10/10 Signatures are pending
<u>Fraud Waste and Abuse Software</u> 17-007	RFP issued 11/8/16 Three proposals received Staff is negotiating contract terms
<u>Imperva Software upgrade</u> 17-023	RFP issued 11/22/16 Four proposals received Contract Awarded 1/3/17
<u>Member Needs Assessment</u> 17-025	RFP issued 12/15/16 Five proposals received Contract Awarded 3/3/17
<u>OCC Risk Adjustment Services</u> 17-020	RFP issued 11/7/16 Two proposals received Staff is negotiating contract terms