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

THURSDAY, SEPTEMBER 21, 2017
2:00 P.M.

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

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 you 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 (714) 246-8806, at least 72 hours prior to the meeting.

The Board of Directors' Finance and Audit Committee Meeting Agenda and supporting documentation is available for review at CalOptima, 505 City Parkway West, Orange, CA 92868, 8:00 a.m. – 5:00 p.m., Monday-Friday, 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' Quality Assurance 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 May 18, 2017 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee
   b. Receive and File Minutes of the April 24, 2017 Meeting of the CalOptima Board of Directors' Investment Advisory Committee

REPORTS
3. Consider Recommending that the Board of Directors Accept and Receive and File Fiscal Year 2017 CalOptima Audited Financial Statements

4. Consider Recommending Board of Directors' Authorization of Additional Expenditures Related to the OneCare and OneCare Connect Sales Incentive Program

INFORMATION ITEMS
5. July 2017 Financial Summary

6. CalOptima Computer Systems Security Update

7. Cost Containment Improvements/Initiatives

8. 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

CalOptima
A Public Agency
Better. Together.

Board of Directors' Finance and Audit Committee Meeting
September 21, 2017

Quarterly Treasurer's Report
April 1, 2017 through June 30, 2017

Overview
To fulfill the requirements of Government Code, Section 53646(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 April 1, 2017, through June 30, 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 June 30, 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	$361,535,811	$583,988,827	$584,444,088	$1,529,968,725
Board Designated Reserves				
Tier 1	$146,225,298	$145,997,548	$145,964,635	$438,187,481
Tier 2	--	$96,950,892	--	$96,950,892
Total	$507,761,109	$826,937,267	$730,408,723	$2,065,107,098

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 April 30, 2017, demonstrating funds in excess to satisfy minimum requirements.

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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	$146,225,298				
Tier 1 - Logan Circle	$145,997,548				
Tier 1 - Wells Capital	$145,964,635				
	$438,187,482	$305,408,833	$478,489,252	$132,778,649	($40,301,770)

B) CalOptima's Regulatory Compliance Requirements

Reserve Name	Market Value	Regulatory Compliance Requirements		Variance	
		TNE	*TNE*	*TNE*	*TNE*
Tier 2 - Logan Circle	$96,950,892	$98,445,479	$98,445,479	($1,494,587)	($1,494,587)
Consolidated:	**$535,138,374**	**$403,854,312**	**$576,934,731**	**$131,284,062**	**($41,796,357)**
Compliance Level	***1.86***	***1.40***	***2.00***	***-***	***-***

CalOptima continues to meet the minimum level of Board-designated reserve funds with a surplus of $131,284,062 as of June 30, 2017.

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 July 24, 2017, meeting, Staff notified the Investment Advisory Committee members and CalOptima's investment managers that Short-Term Operating accounts will be rebalanced upon receiving May and June Capitation payment from the State of California expected in July and August of 2017 respectively. CalOptima's Board-designated Reserve Compliance Level is currently at 1.86.

Attachment

Quarterly Investment Report – April 1, 2017, through June 30, 2017

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FUND EVALUATION REPORT

CalOptima

Quarterly Review
June 30, 2017

MEKETA INVESTMENT GROUP

BOSTON MASSACHUSETTS	CHICAGO ILLINOIS	MIAMI FLORIDA	PORTLAND OREGON	SAN DIEGO CALIFORNIA	LONDON UNITED KINGDOM

www.meketagroup.com

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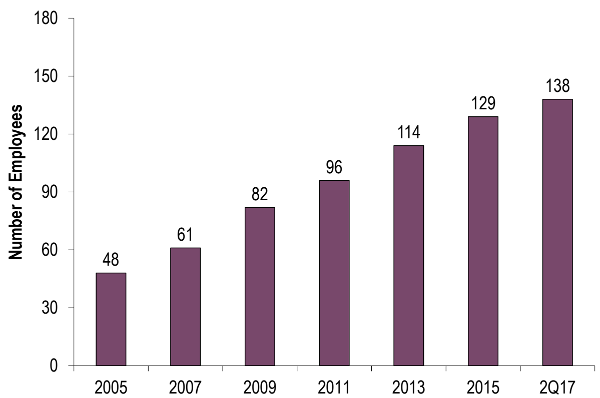
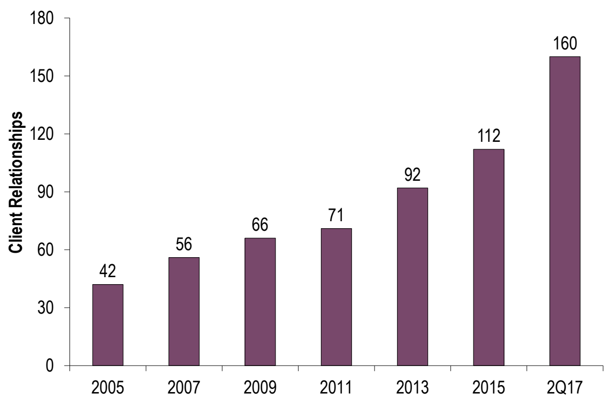
Meketa Investment Group
Corporate Update

- Staff of 138, including 91 investment professionals and 28 CFA Charterholders
- 160 clients, with over 270 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, Portland (OR), San Diego, and London
- We advise on over $500 billion in client assets
  - Over $70 billion in assets committed to alternative investments
    - Private Equity
    - Infrastructure
    - Natural Resources
    - Real Estate
    - Hedge Funds
    - Commodities

Employee Growth



Client Growth

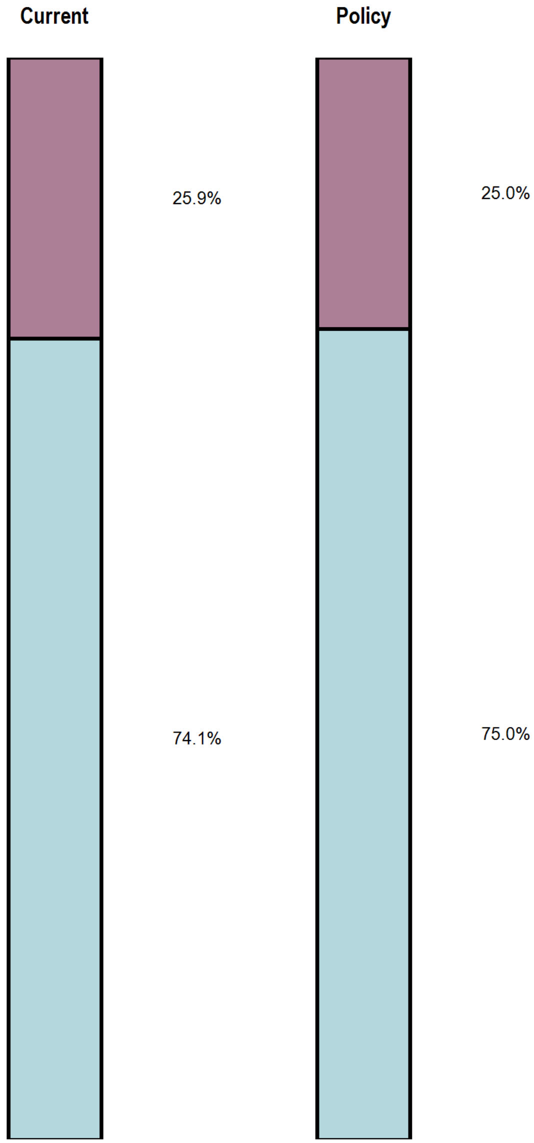


Meketa Investment Group is proud to work for over 5 million American families everyday.

Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
- Passive	- Large Cap Developed	- Buyouts	- Public REITs	- Short-Term	- Long/Short Equity
- Enhanced Index	- Small Cap Developed	- Venture Capital	- Core Real Estate	- Core	- Event Driven
- Large Cap	- Emerging Markets	- Private Debt	- Value Added Real Estate	- Core Plus	- Relative Value
- Midcap	- Frontier Markets	- Special Situations	- Opportunistic Real Estate	- TIPS	- Fixed Income Arbitrage
- Small Cap		- Secondaries	- Infrastructure	- High Yield	- Multi Strategy
- Microcap		- Fund of Funds	- Timber	- Bank Loans	- Market Neutral
- 130/30			- Natural Resources	- Distressed	- Global Macro
			- Commodities	- Global	- Fund of Funds
				- Emerging Markets	- Portable Alpha

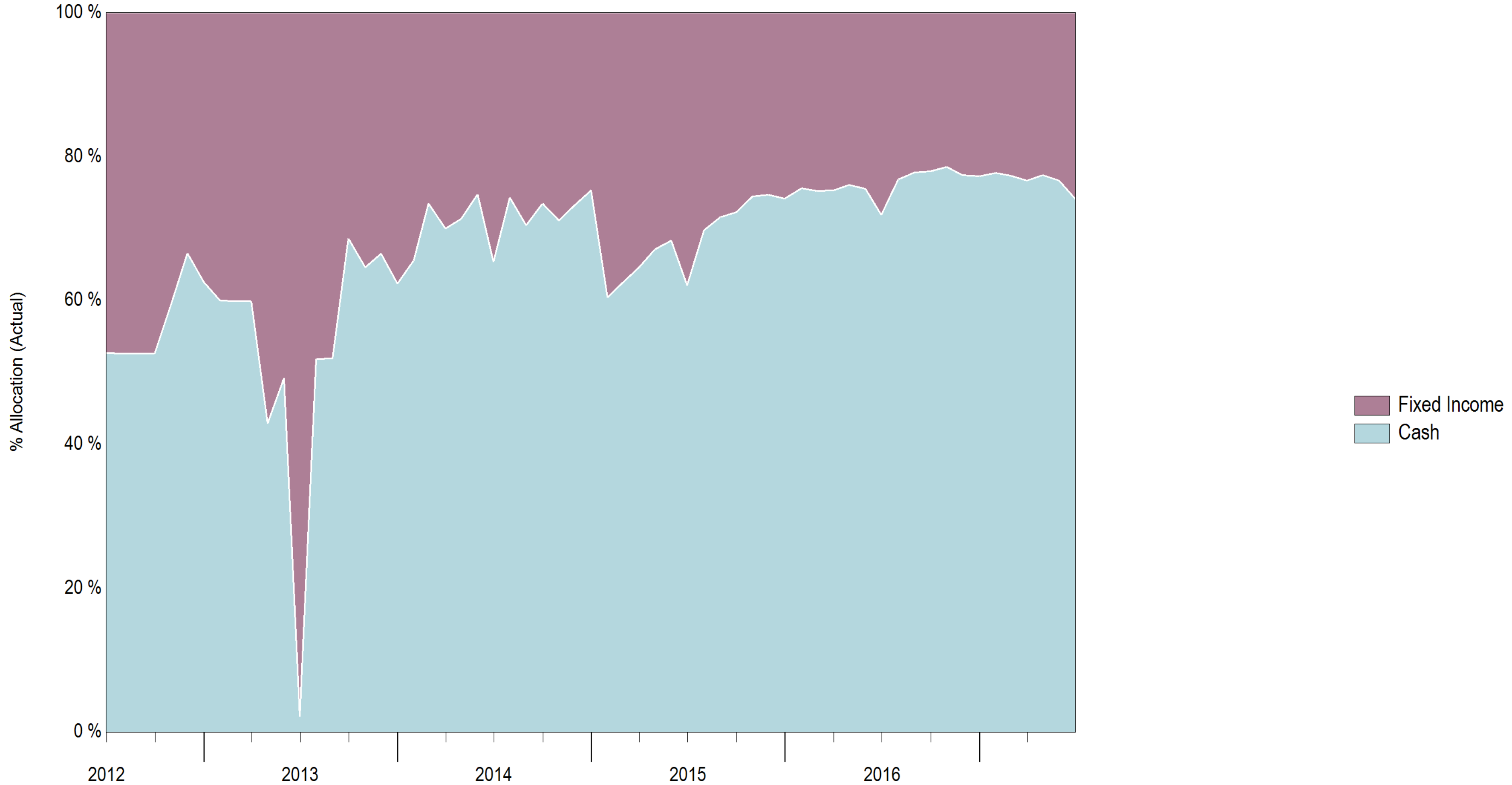
2Q17 Review



Allocation vs. Targets and Policy

	Current Balance	Current Allocation
Fixed Income	$535,138,374	26%
Cash	$1,529,968,725	74%
Total	**$2,065,107,099**	**100%**

Asset Allocation History
5 Years Ending June 30, 2017



Total Fund

As of June 30, 2017

Asset Class Performance Summary

	Market Value ($)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund(Gross)	**2,065,107,099**	**100.000**	**0.288**	**0.754**	**--**	**--**	**--**	**0.715**	**Oct-14**
Total Fund(Net)			**0.272**	**0.666**	**--**	**--**	**--**	**0.628**	
Fixed Income(Gross)	**535,138,374**	**25.913**	**0.392**	**0.427**	**--**	**--**	**--**	**1.131**	**Oct-14**
Fixed Income(Net)			**0.371**	**0.336**	**--**	**--**	**--**	**1.096**	
BofA Merrill Lynch US Treasuries 1-3 Yrs			*0.174*	*-0.108*	*0.690*	*0.632*	*1.945*	*0.741*	*Oct-14*
Cash(Gross)	**1,529,968,725**	**74.087**	**0.258**	**0.858**	**0.511**	**0.355**	**0.657**	**1.968**	**Jul-99**
Cash(Net)			**0.243**	**0.758**	**0.420**	**0.251**	**--**	**--**	
Citi 3mth Treasury Bill			*0.182*	*0.455*	*0.204*	*0.146*	*0.509*	*1.757*	*Jul-99*

Total Fund

As of June 30, 2017

Trailing Period Performance

	Market Value ($)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund(Gross)	**2,065,107,099**	**100.000**	**--**	**0.288**	**0.754**	**--**	**--**	**--**	**0.715**	**Oct-14**
Fixed Income(Gross)	**535,138,374**	**25.913**	**25.913**	**0.392**	**0.427**	**--**	**--**	**--**	**1.131**	**Oct-14**
BofA Merrill Lynch US Treasuries 1-3 Yrs				*0.174*	*-0.108*	*0.690*	*0.632*	*1.945*	*0.741*	*Oct-14*
Tier One: Payden Low Duration(Gross)	146,225,298	7.081	27.325	0.352	0.583	0.978	0.903	2.255	3.073	Jul-99
Tier One: Payden Low Duration(Net)				0.334	0.508	0.892	0.802	--	--	
BofA Merrill Lynch US Treasuries 1-3 Yrs				*0.174*	*-0.108*	*0.690*	*0.632*	*1.945*	*2.976*	*Jul-99*
BofA Merrill Lynch US Corp & Gov 1-3 Yrs				*0.303*	*0.336*	*0.938*	*0.984*	*2.303*	*3.311*	*Jul-99*
Tier One: Logan Circle STAMP 1-3 Year(Gross)	145,997,548	7.070	27.282	0.375	0.478	--	--	--	0.906	Jun-16
Tier One: Logan Circle STAMP 1-3 Year(Net)				0.355	0.395	--	--	--	0.822	
BofA Merrill Lynch US Treasuries 1-3 Yrs				*0.174*	*-0.108*	*0.690*	*0.632*	*1.945*	*0.452*	*Jun-16*
BofA Merrill Lynch US Corp & Gov 1-3 Yrs				*0.303*	*0.336*	*0.938*	*0.984*	*2.303*	*0.859*	*Jun-16*
Tier One: Wells Capital Reserve Account(Gross)	145,964,635	7.068	27.276	0.344	0.403	--	--	--	0.883	Jun-16
Tier One: Wells Capital Reserve Account(Net)				0.326	0.330	--	--	--	0.810	
BofA Merrill Lynch US Treasuries 1-3 Yrs				*0.174*	*-0.108*	*0.690*	*0.632*	*1.945*	*0.452*	*Jun-16*
BofA Merrill Lynch US Corp & Gov 1-3 Yrs				*0.303*	*0.336*	*0.938*	*0.984*	*2.303*	*0.859*	*Jun-16*
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	96,950,892	4.695	18.117	0.548	0.140	1.545	--	--	1.322	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)				0.516	0.016	1.419	--	--	1.196	
BofA Merrill Lynch US Treasuries 1-5 Yrs				*0.378*	*-0.532*	*1.083*	*0.875*	*2.647*	*0.872*	*Apr-13*
BofA Merrill Lynch US Corp & Gov 1-5 Yrs				*0.552*	*0.134*	*1.371*	*1.365*	*2.998*	*1.247*	*Apr-13*

	Market Value ($)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Cash(Gross)	**1,529,968,725**	**74.087**	**74.087**	**0.258**	**0.858**	**0.511**	**0.355**	**0.657**	**1.968**	**Jul-99**
Citi 3mth Treasury Bill				*0.182*	*0.455*	*0.204*	*0.146*	*0.509*	*1.757*	*Jul-99*
Operating: Payden Enhanced Cash(Gross)	361,535,811	17.507	23.630	0.269	0.887	0.542	0.373	0.667	1.973	Jul-99
Operating: Payden Enhanced Cash(Net)				0.253	0.812	0.458	0.273	--	--	
Citi 3mth Treasury Bill				*0.182*	*0.455*	*0.204*	*0.146*	*0.509*	*1.757*	*Jul-99*
Operating: Logan Circle Enhanced Cash(Gross)	583,988,827	28.279	38.170	0.258	0.898	--	--	--	0.893	Jun-16
Operating: Logan Circle Enhanced Cash(Net)				0.237	0.814	--	--	--	0.809	
Citi 3mth Treasury Bill				*0.182*	*0.455*	*0.204*	*0.146*	*0.509*	*0.439*	*Jun-16*
Operating: Wells Capital Enhanced Cash(Gross)	584,444,088	28.301	38.200	0.254	0.721	--	--	--	0.749	Jun-16
Operating: Wells Capital Enhanced Cash(Net)				0.236	0.649	--	--	--	0.677	
Citi 3mth Treasury Bill				*0.182*	*0.455*	*0.204*	*0.146*	*0.509*	*0.439*	*Jun-16*

Asset Class Performance Summary

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)
Total Fund(Gross)	**0.754**	**0.842**	**--**	**--**	**--**	**--**	**--**	**--**
Total Fund(Net)	**0.666**	**0.778**	**--**	**--**	**--**	**--**	**--**	**--**
Fixed Income(Gross)	**0.427**	**1.775**	**--**	**--**	**--**	**--**	**--**	**--**
Fixed Income(Net)	**0.336**	**1.699**	**--**	**--**	**--**	**--**	**--**	**--**
BofA Merrill Lynch US Treasuries 1-3 Yrs	*-0.108*	*1.307*	*0.876*	*0.765*	*0.328*	*0.776*	*1.331*	*2.692*
Cash(Gross)	**0.858**	**0.509**	**0.166**	**0.131**	**0.112**	**0.185**	**0.137**	**0.138**
Cash(Net)	**0.758**	**0.446**	**0.058**	**0.018**	**-0.023**	**0.044**	**-0.008**	**-0.003**
Citi 3mth Treasury Bill	*0.455*	*0.138*	*0.021*	*0.038*	*0.079*	*0.044*	*0.138*	*0.123*

Trailing Period Performance

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)
Total Fund(Gross)	**0.754**	**0.842**	**--**	**--**	**--**	**--**	**--**	**--**
Fixed Income(Gross)	**0.427**	**1.775**	**--**	**--**	**--**	**--**	**--**	**--**
BofA Merrill Lynch US Treasuries 1-3 Yrs	*-0.108*	*1.307*	*0.876*	*0.765*	*0.328*	*0.776*	*1.331*	*2.692*
Tier One: Payden Low Duration(Gross)	0.583	1.461	0.893	1.048	0.534	1.248	1.478	2.946
Tier One: Payden Low Duration(Net)	0.508	1.388	0.783	0.933	0.399	1.105	1.331	2.801
BofA Merrill Lynch US Treasuries 1-3 Yrs	*-0.108*	*1.307*	*0.876*	*0.765*	*0.328*	*0.776*	*1.331*	*2.692*
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	*0.336*	*1.581*	*0.901*	*1.246*	*0.861*	*1.169*	*1.947*	*3.796*
Tier One: Logan Circle STAMP 1-3 Year(Gross)	0.478	--	--	--	--	--	--	--
Tier One: Logan Circle STAMP 1-3 Year(Net)	0.395	--	--	--	--	--	--	--
BofA Merrill Lynch US Treasuries 1-3 Yrs	*-0.108*	*1.307*	*0.876*	*0.765*	*0.328*	*0.776*	*1.331*	*2.692*
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	*0.336*	*1.581*	*0.901*	*1.246*	*0.861*	*1.169*	*1.947*	*3.796*
Tier One: Wells Capital Reserve Account(Gross)	0.403	--	--	--	--	--	--	--
Tier One: Wells Capital Reserve Account(Net)	0.330	--	--	--	--	--	--	--
BofA Merrill Lynch US Treasuries 1-3 Yrs	*-0.108*	*1.307*	*0.876*	*0.765*	*0.328*	*0.776*	*1.331*	*2.692*
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	*0.336*	*1.581*	*0.901*	*1.246*	*0.861*	*1.169*	*1.947*	*3.796*
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	0.140	3.021	1.494	2.095	--	--	--	--
Tier Two: Logan Circle STAMP 1-5 Year(Net)	0.016	2.894	1.367	1.969	--	--	--	--
BofA Merrill Lynch US Treasuries 1-5 Yrs	*-0.532*	*2.426*	*1.376*	*1.157*	*-0.027*	*2.198*	*2.154*	*4.114*
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	*0.134*	*2.649*	*1.344*	*2.000*	*0.718*	*2.524*	*2.957*	*5.717*

	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)	Fiscal 2012 (%)	Fiscal 2011 (%)	Fiscal 2010 (%)
Cash(Gross)	**0.858**	**0.509**	**0.166**	**0.131**	**0.112**	**0.185**	**0.137**	**0.138**
Citi 3mth Treasury Bill	*0.455*	*0.138*	*0.021*	*0.038*	*0.079*	*0.044*	*0.138*	*0.123*
Operating: Payden Enhanced Cash(Gross)	0.887	0.573	0.166	0.131	0.112	0.185	0.137	0.138
Operating: Payden Enhanced Cash(Net)	0.812	0.505	0.058	0.018	-0.023	0.044	-0.008	-0.003
Citi 3mth Treasury Bill	*0.455*	*0.138*	*0.021*	*0.038*	*0.079*	*0.044*	*0.138*	*0.123*
Operating: Logan Circle Enhanced Cash(Gross)	0.898	--	--	--	--	--	--	--
Operating: Logan Circle Enhanced Cash(Net)	0.814	--	--	--	--	--	--	--
Citi 3mth Treasury Bill	*0.455*	*0.138*	*0.021*	*0.038*	*0.079*	*0.044*	*0.138*	*0.123*
Operating: Wells Capital Enhanced Cash(Gross)	0.721	--	--	--	--	--	--	--
Operating: Wells Capital Enhanced Cash(Net)	0.649	--	--	--	--	--	--	--
Citi 3mth Treasury Bill	*0.455*	*0.138*	*0.021*	*0.038*	*0.079*	*0.044*	*0.138*	*0.123*

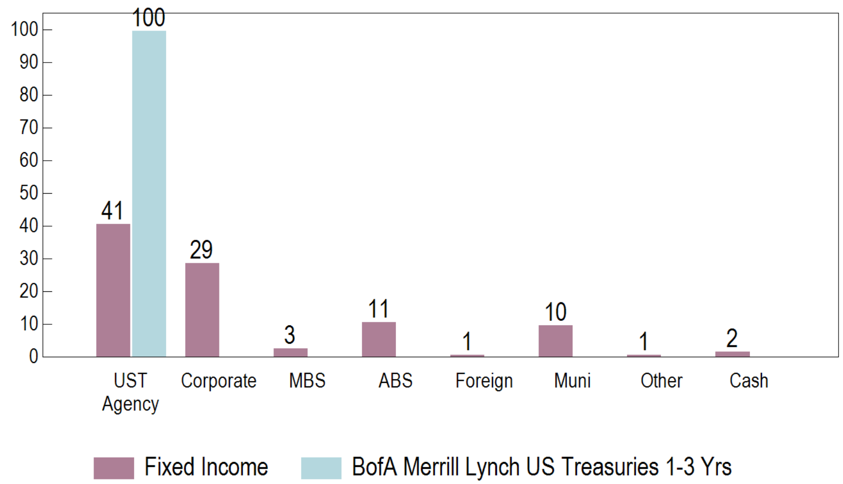
Asset Allocation on June 30, 2017

	Actual	Actual
Tier One: Payden Low Duration	$146,225,298	27.3%
Tier One: Logan Circle STAMP 1-3 Year	$145,997,548	27.3%
Tier One: Wells Capital Reserve Account	$145,964,635	27.3%
Tier Two: Logan Circle STAMP 1-5 Year	$96,950,892	18.1%
Total	**$535,138,374**	**100.0%**

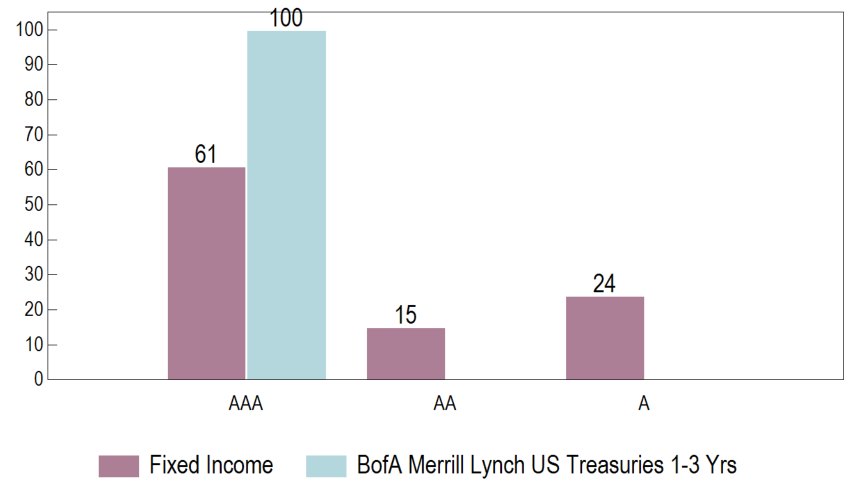
Fixed Income Characteristics vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	1.6	1.4	1.5
Average Duration	1.6	1.9	1.7
Average Quality	AA	AAA	AA

Sector Allocation



Credit Quality Allocation



Tier One: Payden Low Duration

As of June 30, 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**

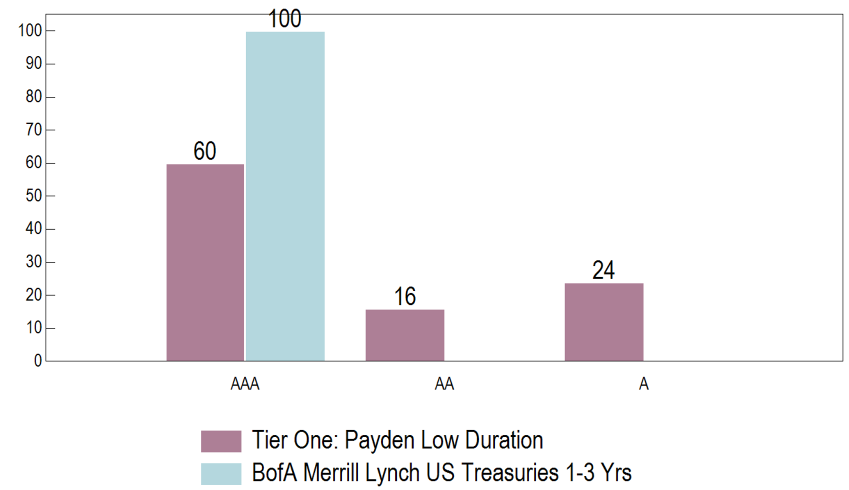
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Payden Low Duration(Gross)	0.352	0.741	0.583	0.978	0.903	2.255	3.073	Jul-99
Tier One: Payden Low Duration(Net)	0.334	0.704	0.508	0.892	0.802	--	--	
BofA Merrill Lynch US Treasuries 1-3 Yrs	*0.174*	*0.435*	*-0.108*	*0.690*	*0.632*	*1.945*	*2.976*	*Jul-99*
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	*0.303*	*0.696*	*0.336*	*0.938*	*0.984*	*2.303*	*3.311*	*Jul-99*

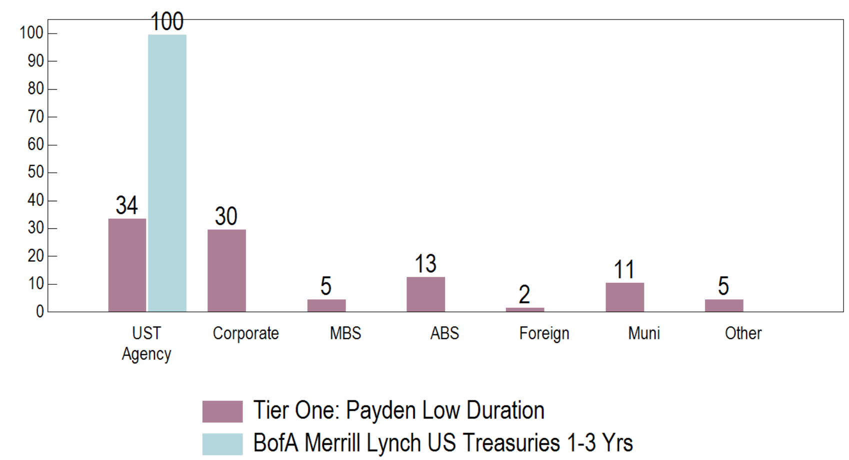
Tier One: Payden Low Duration Fixed Income Characteristics vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	1.61	1.40	1.50
Average Duration	1.60	1.89	1.61
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Wells Capital Reserve Account

As of June 30, 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**

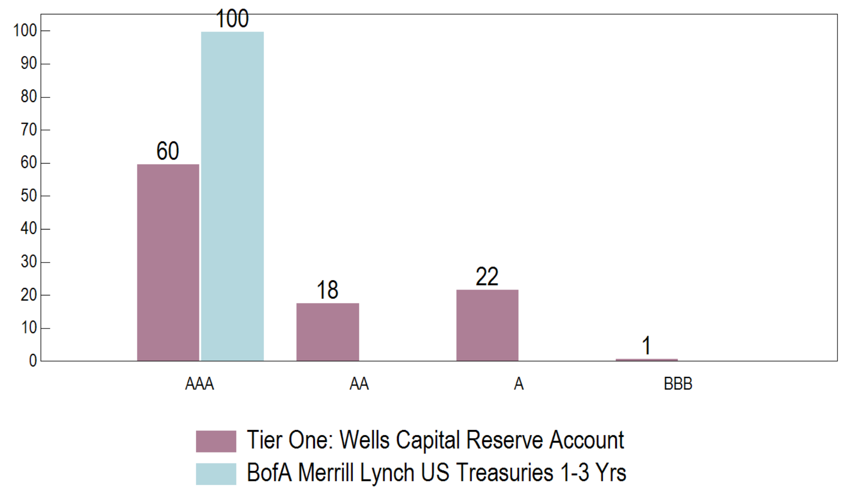
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Wells Capital Reserve Account(Gross)	0.344	0.699	0.403	--	--	--	0.883	Jun-16
Tier One: Wells Capital Reserve Account(Net)	0.326	0.663	0.330	--	--	--	0.810	
BofA Merrill Lynch US Treasuries 1-3 Yrs	*0.174*	*0.435*	*-0.108*	*0.690*	*0.632*	*1.945*	*0.452*	*Jun-16*
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	*0.303*	*0.696*	*0.336*	*0.938*	*0.984*	*2.303*	*0.859*	*Jun-16*

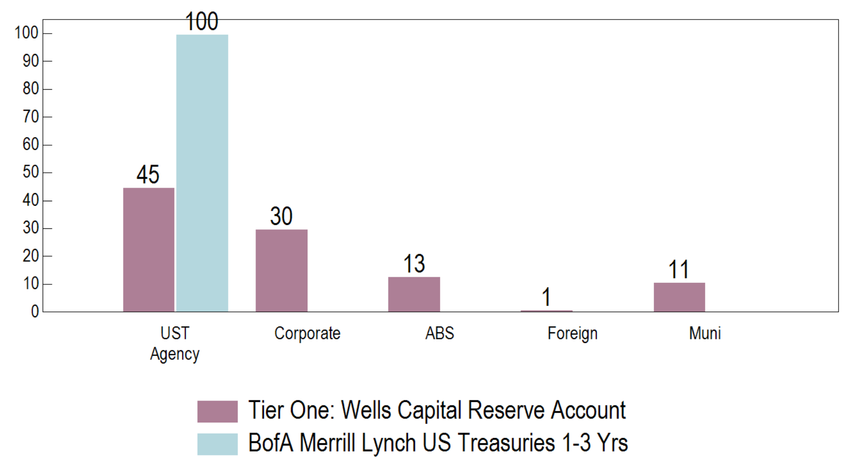
Tier One: Wells Capital Reserve Account Fixed Income Characteristics vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	1.62	1.40	1.49
Average Duration	1.81	1.89	1.63
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier One: Logan Circle STAMP 1-3 Year

As of June 30, 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**

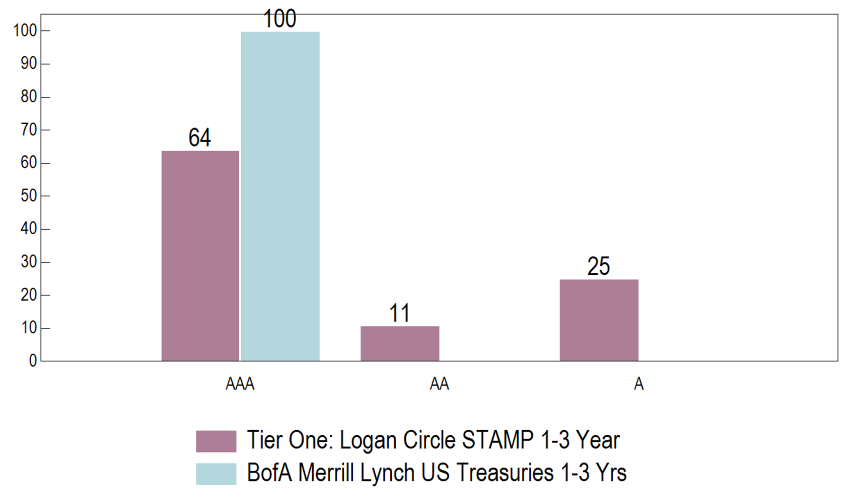
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier One: Logan Circle STAMP 1-3 Year(Gross)	0.375	0.791	0.478	--	--	--	0.906	Jun-16
Tier One: Logan Circle STAMP 1-3 Year(Net)	0.355	0.751	0.395	--	--	--	0.822	
BofA Merrill Lynch US Treasuries 1-3 Yrs	*0.174*	*0.435*	*-0.108*	*0.690*	*0.632*	*1.945*	*0.452*	*Jun-16*
BofA Merrill Lynch US Corp & Gov 1-3 Yrs	*0.303*	*0.696*	*0.336*	*0.938*	*0.984*	*2.303*	*0.859*	*Jun-16*

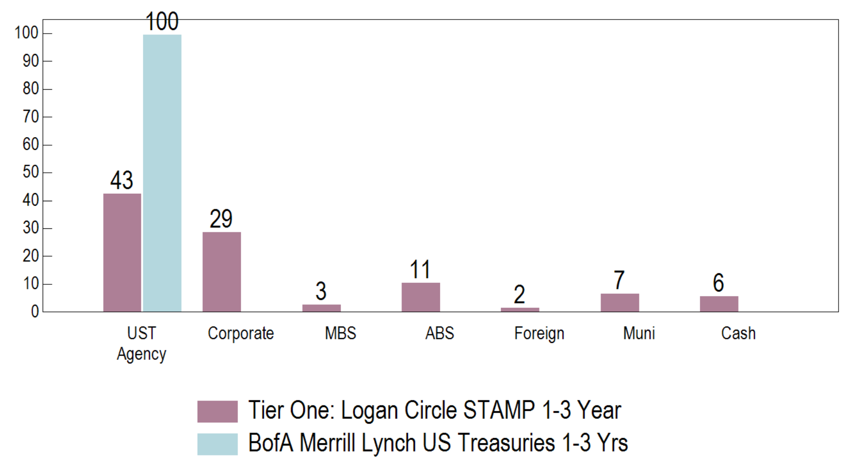
Tier One: Logan Circle STAMP 1-3 Year Fixed Income Characteristics vs. BofA Merrill Lynch US Treasuries 1-3 Yrs

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	1.47	1.40	1.43
Average Duration	1.16	1.89	1.52
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Tier Two: Logan Circle STAMP 1-5 Year

As of June 30, 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**

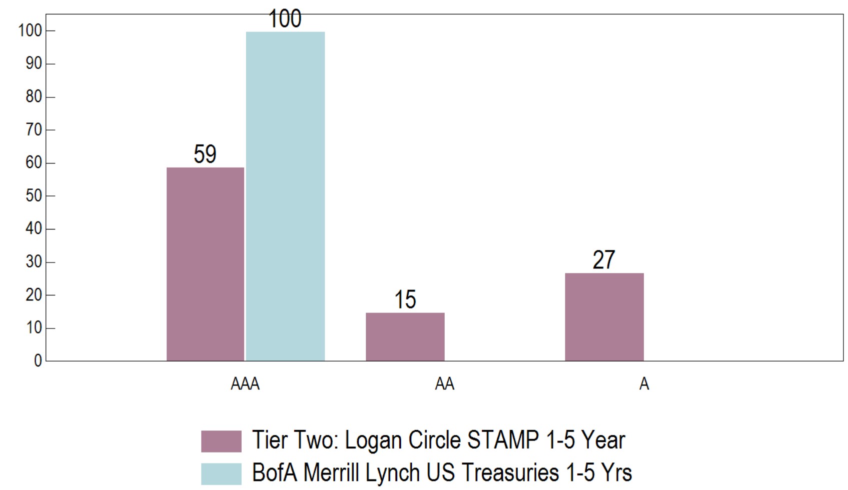
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Tier Two: Logan Circle STAMP 1-5 Year(Gross)	0.548	1.112	0.140	1.545	--	--	1.322	Apr-13
Tier Two: Logan Circle STAMP 1-5 Year(Net)	0.516	1.049	0.016	1.419	--	--	1.196	
BofA Merrill Lynch US Treasuries 1-5 Yrs	*0.378*	*0.752*	*-0.532*	*1.083*	*0.875*	*2.647*	*0.872*	*Apr-13*
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	*0.552*	*1.113*	*0.134*	*1.371*	*1.365*	*2.998*	*1.247*	*Apr-13*

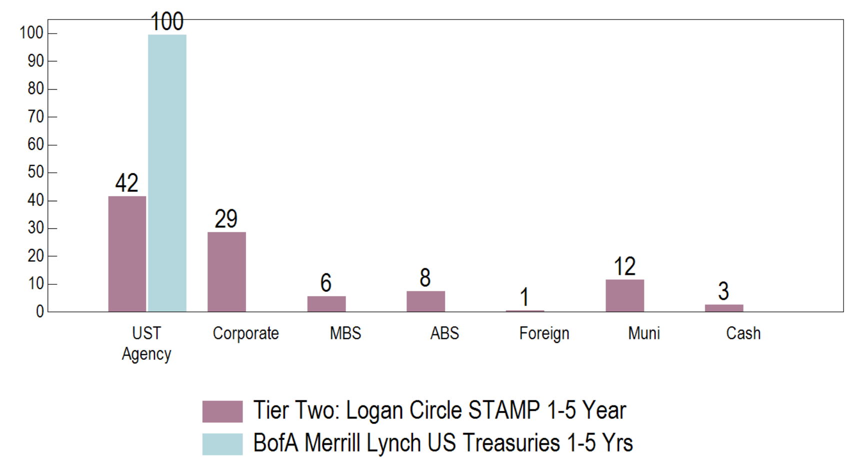
Tier Two: Logan Circle STAMP 1-5 Year Fixed Income Characteristics vs. BofA Merrill Lynch US Treasuries 1-5 Yrs

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	1.71	1.54	1.71
Average Duration	2.16	2.68	2.38
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Cash

As of June 30, 2017

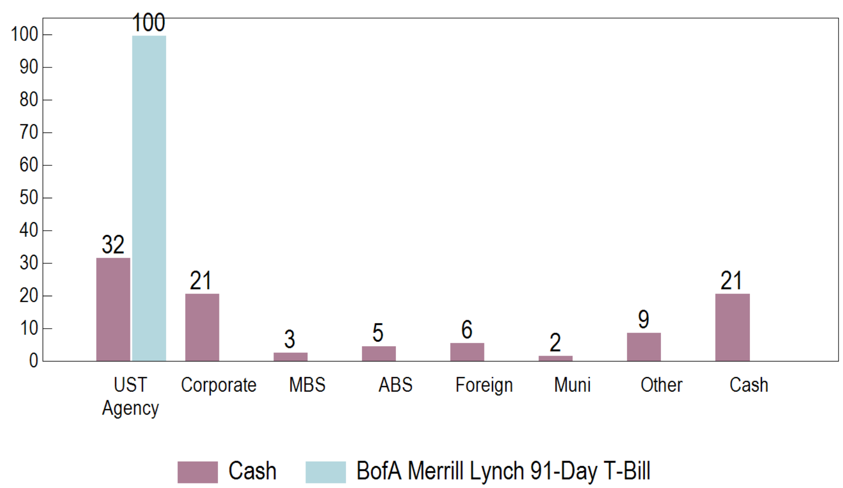
Asset Allocation on June 30, 2017

	Actual	Actual
Operating: Logan Circle Enhanced Cash	$583,988,827	38.2%
Operating: Payden Enhanced Cash	$361,535,811	23.6%
Operating: Wells Capital Enhanced Cash	$584,444,088	38.2%
Total	**$1,529,968,725**	**100.0%**

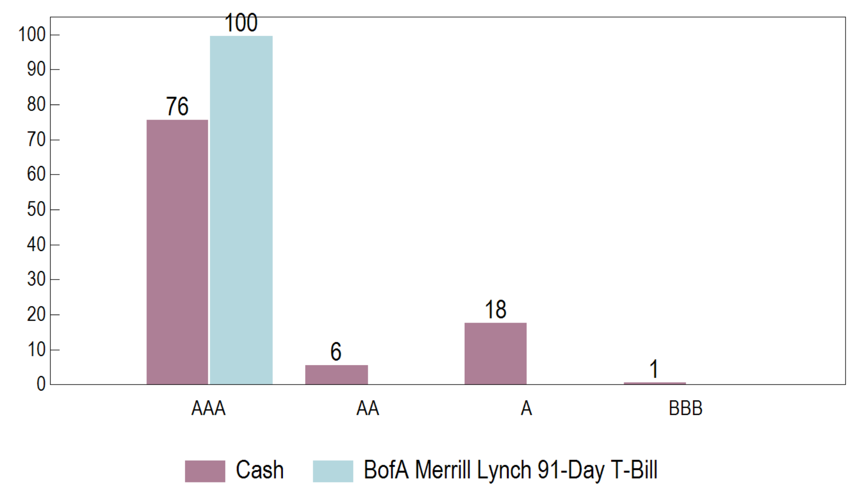
Cash Characteristics vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	1.2	1.0	1.1
Average Duration	0.2	0.2	0.3
Average Quality	AA	AAA	AA

Sector Allocation



Credit Quality Allocation



Operating: Payden Enhanced Cash

As of June 30, 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**

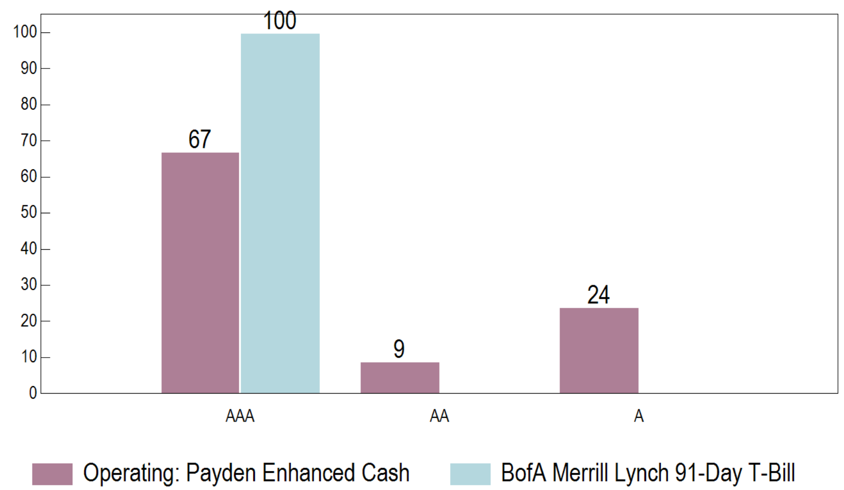
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Payden Enhanced Cash(Gross)	0.269	0.509	0.887	0.542	0.373	0.667	1.973	Jul-99
Operating: Payden Enhanced Cash(Net)	0.253	0.473	0.812	0.458	0.273	--	--	
Citi 3mth Treasury Bill	*0.182*	*0.303*	*0.455*	*0.204*	*0.146*	*0.509*	*1.757*	*Jul-99*

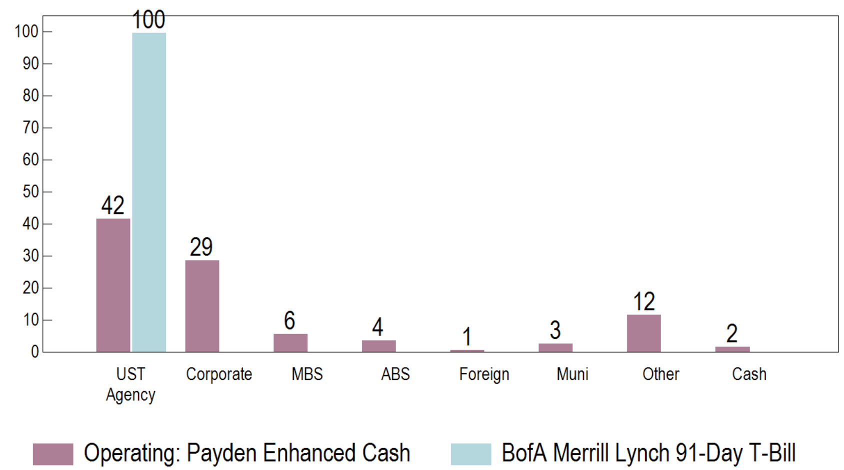
Operating: Payden Enhanced Cash Fixed Income Characteristics vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	1.34	1.02	1.04
Average Duration	0.37	0.24	0.35
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Operating: Logan Circle Enhanced Cash

As of June 30, 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**

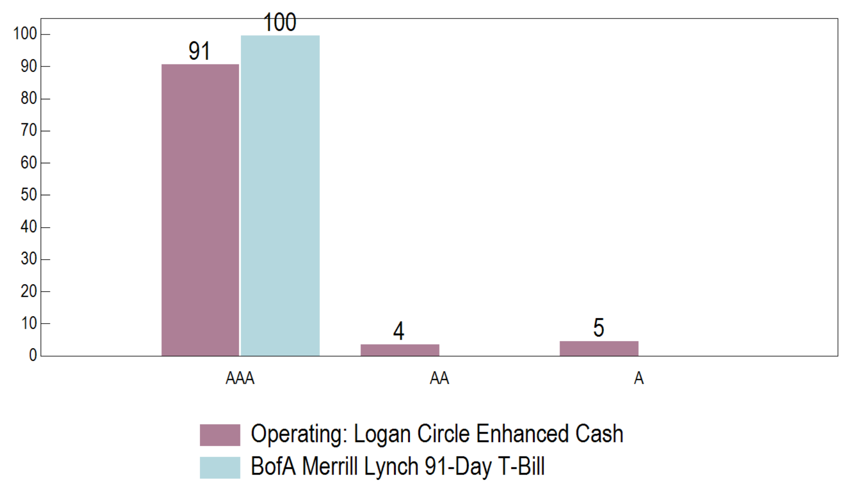
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Logan Circle Enhanced Cash(Gross)	0.258	0.503	0.898	--	--	--	0.893	Jun-16
Operating: Logan Circle Enhanced Cash(Net)	0.237	0.461	0.814	--	--	--	0.809	
Citi 3mth Treasury Bill	*0.182*	*0.303*	*0.455*	*0.204*	*0.146*	*0.509*	*0.439*	*Jun-16*

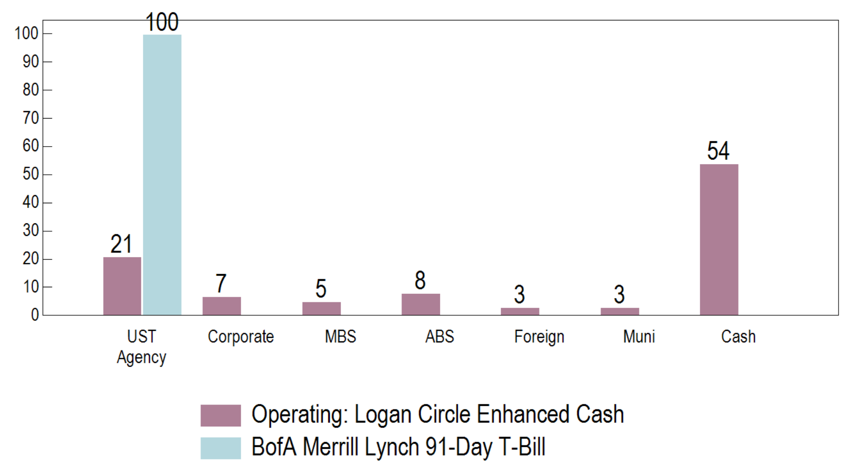
Operating: Logan Circle Enhanced Cash Fixed Income Characteristics vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	1.11	1.02	1.06
Average Duration	0.07	0.24	0.12
Average Quality	AA	AAA	A

Credit Quality Allocation



US Sector Allocation



Operating: Wells Capital Enhanced Cash

As of June 30, 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**

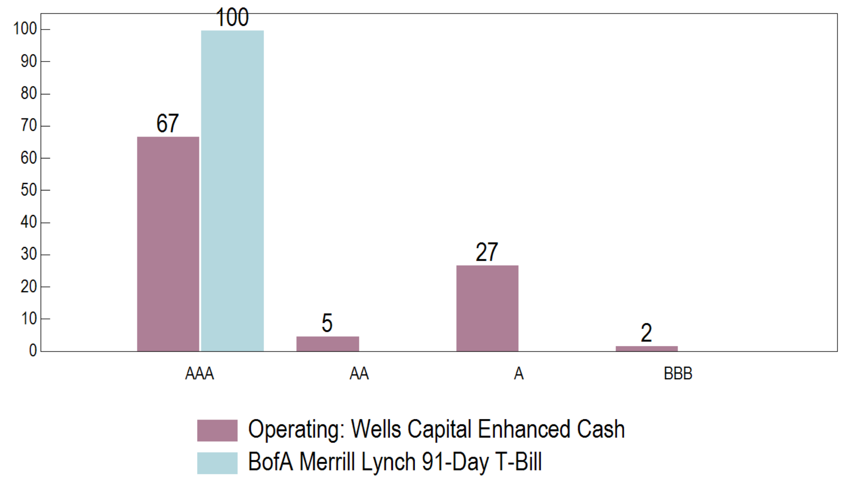
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Operating: Wells Capital Enhanced Cash(Gross)	0.254	0.431	0.721	--	--	--	0.749	Jun-16
Operating: Wells Capital Enhanced Cash(Net)	0.236	0.395	0.649	--	--	--	0.677	
Citi 3mth Treasury Bill	*0.182*	*0.303*	*0.455*	*0.204*	*0.146*	*0.509*	*0.439*	*Jun-16*

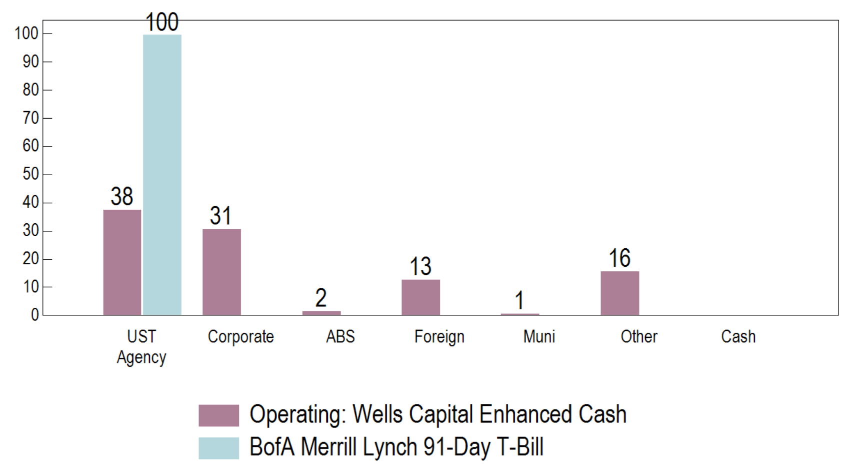
Operating: Wells Capital Enhanced Cash Fixed Income Characteristics vs. BofA Merrill Lynch 91-Day T-Bill

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	1.30	1.02	1.15
Average Duration	0.34	0.24	0.45
Average Quality	AA	AAA	AA

Credit Quality Allocation



US Sector Allocation



Annual Investment Expense Analysis
As Of June 30, 2017

Name	Fee Schedule	Market Value
Fixed Income		**$535,138,374**
Tier One: Payden Low Duration	0.10% of First $100.0 Mil, 0.08% of Next $250.0 Mil, 0.07% Thereafter	$146,225,298
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	$145,997,548
Tier One: Wells Capital Reserve Account	0.09% of First $100.0 Mil, 0.07% of Next $200.0 Mil, 0.06% Thereafter	$145,964,635
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	$96,950,892
Cash		**$1,529,968,725**
Operating: Payden Enhanced Cash	0.10% of First $100.0 Mil, 0.08% of Next $250.0 Mil, 0.07% Thereafter	$361,535,811
Operating: Logan Circle Enhanced Cash	0.10% of First $50.0 Mil, 0.09% of Next $250.0 Mil, 0.07% Thereafter	$583,988,827
Operating: Wells Capital Enhanced Cash	0.09% of First $100.0 Mil, 0.07% of Next $200.0 Mil, 0.06% Thereafter	$584,444,088
Total		**$2,065,107,099**

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	
				LC	*P&R*	*WF*	*LC*	*P&R*	*WF*	*LC*	
U.S. Treasuries	450 days	5 years	5 years	62 days	396 days	442 days	3.17 years	2.96 years	1.92 years	4.67 years	Yes
U.S. Agencies	450 days	5 years	5 years	80 days	126 days	335 days	1.30 years	2.66 years	2.95 years	1.74 years	Yes
State & Local Obligations[1]	450 days	5 years	5 years	32 days	428 days	N/A	4.09 years	3.34 years	2.92 years	4.09 years	Yes
Supranationals	450 days	5 years	5 years	18 days	N/A	258 days	1.18 years	1.87 years	N/A	1.71 years	Yes
Negotiable Cert of Deposit	1 year	1 year	1 year	56 days	94 days	N/A	21 days	0.21 years	N/A	5 days	Yes
Commercial Paper	270 days	270 days	270 days	17 days	N/A	143 days	N/A	N/A	N/A	N/A	Yes
Repurchase Agreements	30 days	30 days	30 days	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Yes
Medium Term Notes	450 days	5 years	5 years	78 days	335 days	336 days	3.92 years	3.36 years	3.08 years	4.76 years	Yes
Mortgage/ Asset-Backed	450 days	5 years	5 years	290 days	158 days	1111 days	3.96 years	2.77 years	4.39 years	3.92 years	No[2]
Variable & Floating Rate	450 days	5 years	5 years	80 days	89 days[3]	396 days	3.92 days	0.20 years	2.00 years	3.92 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] Wells Fargo had previously used average life in error for the Operating Fund, rather than final maturity date for ABS Securities. This has been corrected and the Operating Fund is back in compliance with the Investment Policy.
[3] Effective Maturity.

Annual Investment Policy (2016)
Diversification Compliance[1]

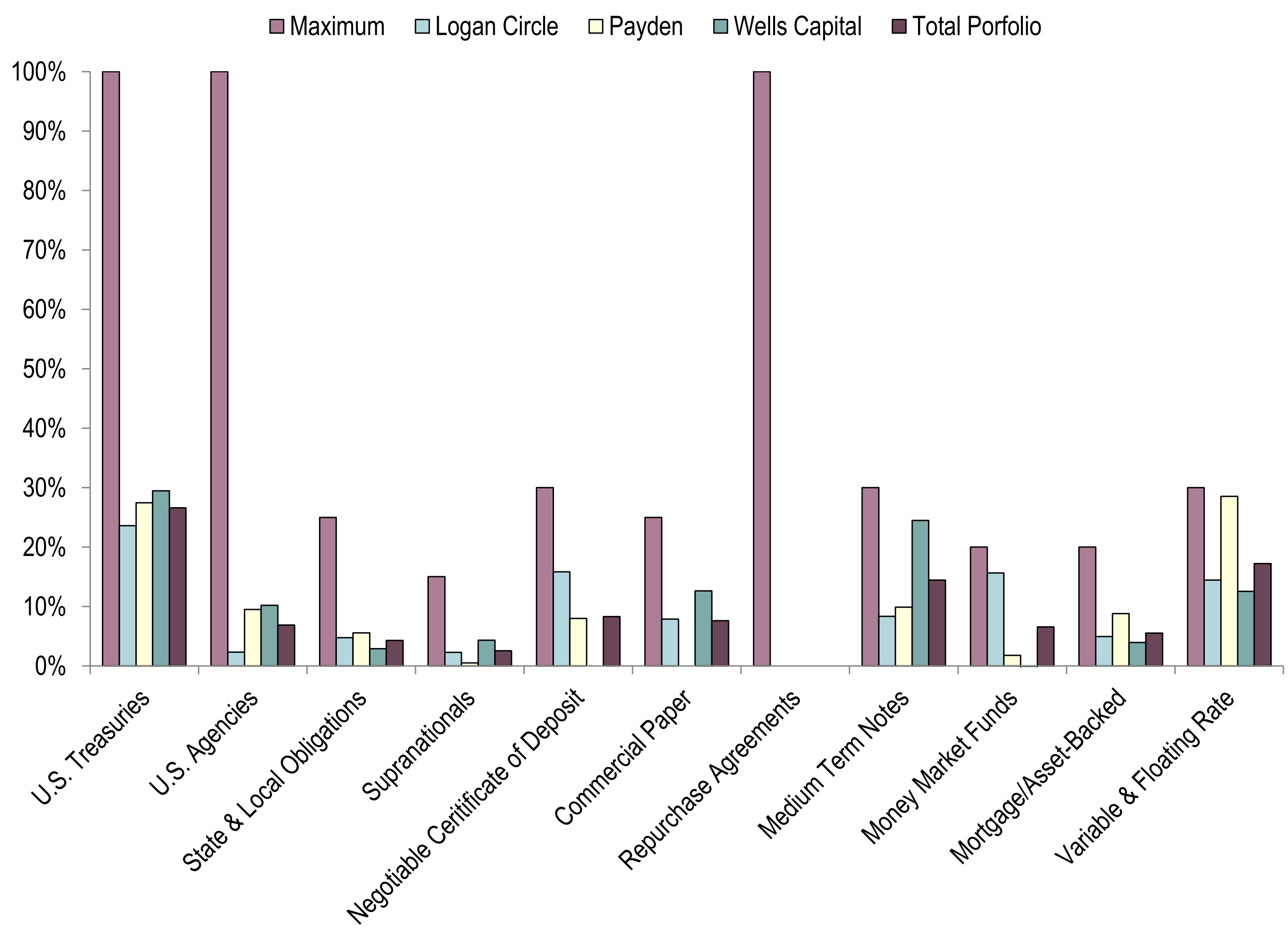
Allowable Instruments	Maximum (%)	Logan Circle (%)	Logan Circle ($ mm)	Payden (%)	Payden ($ mm)	Wells Capital (%)	Wells Capital ($ mm)	Total (%)	Total ($ mm)
U.S. Treasuries	100	23.6	195.1	27.5	139.5	29.5	215.3	26.6	549.8
U.S. Agencies	100	2.3	19.1	9.5	48.2	10.2	74.4	6.9	141.7
State & Local Obligations[2]	25	4.8	39.4	5.6	28.2	2.9	21.2	4.3	88.7
Supranationals	15	2.3	18.7	0.5	2.6	4.3	31.5	2.6	52.8
Negotiable Certificate of Deposit	30	15.8	130.9	8.0	40.6	0.0	0.0	8.3	171.6
Commercial Paper	25	7.9	65.2	0.0	0.0	12.6	92.3	7.6	157.4
Repurchase Agreements	100	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Medium Term Notes	30	8.4	69.1	9.9	50.2	24.5	178.9	14.4	298.1
Money Market Funds	20	15.7	129.5	1.8	8.9	-0.4	-3.1	6.5	135.2
Mortgage/Asset-Backed	20	4.9	40.8	8.8	44.6	3.9	28.6	5.5	114.1
Variable & Floating Rate	30	14.4	119.3	28.5	144.9	12.5	91.5	17.2	355.7
Total		**100.0**	**826.9**	**100.0**	**507.8**	**100.0**	**730.4**	**100.0**	**2065.1**

- 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 June 30, 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 comparison[1].
  - 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 1.89 years, while the Tier Two peer group consists of eight strategies with a median effective duration of 2.43 years as of March 31, 2017.
- Please note that the analysis is as of March 31, 2017, as the universe of investment managers that had reported data as of June 30, 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 3/31/2017[1]	1Q 2017 (%)	Since Inception[2] (%)
Tier One: Logan Circle STAMP 1-3 Year	0.41	0.60
Peer Group Median Return	0.45	0.60
Peer Group Rank (percentile)	57	49

- The Logan Circle Tier One portfolio underperformed the peer group in the first quarter of 2017, ranking in the 57th percentile. The strategy has narrowly outperformed the peer group since inception.

[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] Formal inception date is June 2016.

Custom Peer Group: Payden Tier One

Gross of Fees Returns as of 3/31/2017[1]	1Q 2017 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.39	0.80	0.97	0.88	2.27
Peer Group Median Return	0.45	0.70	1.02	1.02	2.40
Peer Group Rank (percentile)	64	36	70	75	59

Standard Deviation as of 3/31/2017[2]	3 Years (%)	5 Years (%)	10 Years (%)
Tier One: Payden Low Duration	0.58	0.53	1.25
Median Standard Deviation	0.74	0.73	1.17
Peer Group Rank (percentile)	87	87	43

- The Payden Tier One portfolio's trailing returns rank in the third quartile of the peer group 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 1.10 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 3/31/2017[1]	1Q 2017 (%)	Since Inception[2] (%)
Tier One: Wells Capital Reserve Account	0.35	0.61
Peer Group Median Return	0.45	0.60
Peer Group Rank (percentile)	69	48

- The Wells Capital Tier One portfolio underperformed the short duration peer group in the first quarter of 2017, ranking in the 69th percentile of the peer group. Since inception, the strategy has outperformed the peer group median slightly, ranking in the 48th 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.
[2] Formal inception date is June 2016.

Custom Peer Group: Logan Circle Tier Two

Gross of Fees Returns as of 3/31/2017[1]	1Q 2017 (%)	1 Year (%)	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	0.56	0.50	1.59
Peer Group Median Return	0.50	0.47	1.61
Peer Group Rank (percentile)	24	46	52

Standard Deviation as of 3/31/2017[2]	3 Years (%)
Tier Two: Logan Circle STAMP 1-5 Year	1.28
Median Standard Deviation	1.15
Peer Group Rank (percentile)	40

- Logan Circle's Tier Two portfolio performed reasonably well over the one-year trailing period ended March 31, 2017, ranking in the 46th 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 40th 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 June 30, 2017. Attribution data fields will vary slightly across investment managers.

Logan Circle Tier One Performance Attribution
Gross of Fees as of 6/30/2017

Benchmark Relative Attribution (basis points)	2Q 2017	YTD
Duration	**1**	**6**
Yield Curve	**-4**	**-6**
Sector Selection	**23**	**35**
Treasury	20	18
Agency	-2	-2
Corporate	4	14
Financial	3	11
Industrial	1	1
Utilities	0	2
MBS	0	0
CMBS	0	0
ABS	0	1
Municipal	1	4
Total Excess Return	**20**	**36**
Logan Circle Tier One Return	**38**	**79**
Merrill Lynch 1-3 Year Treasury Return	**17**	**44**

Payden & Rygel Tier One Performance Attribution

Gross of Fees as of 6/30/2017

Benchmark Relative Attribution (basis points)	2Q 2017	6 Month	1 Year
Duration	**4**	**6**	**24**
Yield Curve	**-3**	**-8**	**-9**
Sector Selection	**0**	**0**	**0**
Treasury[1]	NA	NA	NA
Agency	3	6	11
Corporate	11	21	30
Financial	6	12	17
Industrial	4	7	9
Utilities	1	2	4
MBS	0	0	0
CMBS	1	2	2
ABS	3	6	11
Municipal	0	0	0
Total Excess Return	**18**	**30**	**69**
Payden & Rygel Tier One Return	**35**	**74**	**58**
Merrill Lynch 1-3 Year U.S. Treasury Return	**17**	**44**	**-11**

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 6/30/2017

Benchmark Relative Attribution (basis points)	2Q 2017	YTD
Duration	**1**	**-1**
Sector Selection	**NA**	**NA**
Treasury[1]	NA	NA
Agency	2	2
Corporate	11	19
Financial	7	13
Industrial	3	5
Utilities	1	1
MBS	NA	NA
CMBS	NA	NA
ABS	3	5
Municipal	1	1
Error Factor	0	0
Total Excess Return	**18**	**26**
Wells Capital Tier One Return (%)	**35**	**70**
Merrill Lynch 1-3 Year U.S. Treasury Return (%)	**17**	**44**

1 Treasury sector selection attribution is included in Duration figure.

Logan Circle Tier Two Performance Attribution

Gross of Fees as of 6/30/2017

Benchmark Relative Attribution (basis points)	2Q 2017	1 Year
Duration	**-2**	**15**
Yield Curve	**-1**	**-14**
Sector Selection	**21**	**67**
Treasury	15	5
Agency	0	0
Corporate	6	36
Financial	4	27
Industrial	1	5
Utilities	1	4
MBS	0	2
CMBS	0	6
ABS	0	3
Municipal	-1	15
Total Excess Return	**17**	**68**
Logan Circle Tier Two Return	**55**	**14**
Merrill Lynch 1-5 Year U.S. Treasury Return	**38**	**-53**

Holdings

Portfolio Positions

as of June 30, 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	388,390.42	388,390.42	0.00	1.000	0.27%
Total for Cash			**388,390.42**	**388,390.42**	**0.00**		**0.27%**
Money Markets							
1,350,000.000	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	1,350,000.00 0.00	1,350,509.06 17,499.38	509.06	100.038	0.94%
1,350,000.000	BANK OF NOVA SCOTIA HOUSTON YCD 3ML FRN Mat: 9/7/17 Cpn: 1.72% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/1/16 St Date: 9/7/16	06417GPD4	1,350,000.00 0.00	1,350,810.00 1,547.60	810.00	100.060	0.92%
1,180,000.000	RABOBANK NEDERLAND NY YCD 3ML FRN Mat: 9/8/17 Cpn: 1.69% Moody's: P-1 S&P: A-1 Fitch: F1+ Tr Date: 9/2/16 St Date: 9/8/16	21684BR89	1,180,000.00 0.00	1,180,826.00 1,273.32	826.00	100.070	0.81%
1,350,000.000	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	1,350,000.00 0.00	1,350,111.51 14,782.50	111.51	100.008	0.93%
1,350,000.000	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	1,350,000.00 0.00	1,350,586.94 16,473.00	586.94	100.044	0.93%
Total for Money Markets			**6,580,000.00** **0.00**	**6,582,843.51** **51,575.80**	**2,843.51**		**4.54%**
Treasuries							
2,000,000.000	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	1,991,732.72 1,043.96	1,990,639.96 1,693.99	(1,092.76)	99.532	1.36%
5,040,000.000	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	5,026,773.15 2,414.71	5,022,107.85 23,651.11	(4,665.30)	99.645	3.45%

Portfolio Positions

as of June 30, 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
1,700,000.000	U.S. TREASURY NOTE	912828W30	1,695,342.00	1,693,709.95	(1,632.05)	99.630	1.16%
	Mat: 2/28/19 Cpn: 1.13%		311.82	6,392.32			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 2/28/17 St Date: 3/6/17						
1,815,000.000	U.S. TREASURY NOTE	912828P95	1,817,410.55	1,804,091.89	(13,318.66)	99.399	1.24%
	Mat: 3/15/19 Cpn: 1.00%		1,303.59	5,326.63			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 10/7/16 St Date: 10/11/16						
5,865,000.000	U.S. TREASURY NOTE	912828ST8	5,860,283.55	5,851,393.08	(8,890.47)	99.768	4.01%
	Mat: 4/30/19 Cpn: 1.25%		2,041.10	12,351.56			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 4/25/17 St Date: 5/1/17						
6,635,000.000	U.S. TREASURY NOTE	912828R85	6,614,843.76	6,571,171.43	(43,672.33)	99.038	4.50%
	Mat: 6/15/19 Cpn: 0.88%		21,121.44	2,537.98			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/24/16 St Date: 6/29/16						
5,495,000.000	U.S. TREASURY NOTE	912828S43	5,472,032.62	5,424,993.59	(47,039.03)	98.726	3.72%
	Mat: 7/15/19 Cpn: 0.75%		5,935.50	19,012.40			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 9/1/16 St Date: 9/6/16						
840,000.000	U.S. TREASURY NOTE	912828W22	835,707.19	837,446.39	1,739.20	99.696	0.58%
	Mat: 2/15/20 Cpn: 1.38%		0.00	4,339.23			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 2/1/17 St Date: 2/15/17						
400,000.000	U.S. TREASURY NOTE	912828W63	399,391.97	401,295.99	1,904.02	100.324	0.28%
	Mat: 3/15/20 Cpn: 1.63%		0.00	1,907.61			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 3/8/17 St Date: 3/15/17						
6,000,000.000	U.S. TREASURY NOTE	912828XU9	6,000,807.42	5,992,380.06	(8,427.36)	99.873	4.10%
	Mat: 6/15/20 Cpn: 1.50%		1,229.51	3,934.43			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/15/17 St Date: 6/20/17						
Total for Treasuries			**35,714,324.92**	**35,589,230.19**	**(125,094.73)**		**24.39%**
			35,401.63	**81,147.25**			
Government Related							
1,080,000.000	INTL BANK RECON & DEVELOP	459058FE8	1,078,088.40	1,074,502.80	(3,585.60)	99.491	0.74%
	Mat: 7/19/18 Cpn: 0.88%		0.00	4,252.50			
	Moody's: Aaa S&P: AAA Fitch: AAAu						
	Tr Date: 4/12/16 St Date: 4/19/16						

Portfolio Positions

as of June 30, 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			911759LZ9	1,300,000.00	1,301,365.00	1,365.00	100.105	0.89%
	Mat: 8/1/18	Cpn: 1.33%			0.00	7,204.17			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA						
	Tr Date: 5/19/15	St Date: 5/28/15							
1,500,000.000	INTER-AMERICAN DEVELOPMENT BANK			458182DX7	1,495,500.00	1,486,170.00	(9,330.00)	99.078	1.02%
	Mat: 5/13/19	Cpn: 1.00%			0.00	2,000.00			
	Moody's: Aaa	S&P: AAA	Fitch: AAA						
	Tr Date: 4/5/16	St Date: 4/12/16							
Total for Government Related					**3,873,588.40**	**3,862,037.80**	**(11,550.60)**		**2.65%**
					0.00	**13,456.67**			
Agencies									
3,830,000.000	FNMA			3135G0J53	3,820,961.20	3,804,492.20	(16,469.00)	99.334	2.61%
	Mat: 2/26/19	Cpn: 1.00%			0.00	13,298.61			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA						
	Tr Date: 2/19/16	St Date: 2/23/16							
1,490,000.000	FHLB			3130AAXX1	1,486,543.20	1,489,567.90	3,024.70	99.971	1.02%
	Mat: 3/18/19	Cpn: 1.38%			0.00	6,316.98			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA						
	Tr Date: 3/9/17	St Date: 3/10/17							
2,090,000.000	FHLB			3130ABF92	2,086,049.90	2,088,035.40	1,985.50	99.906	1.43%
	Mat: 5/28/19	Cpn: 1.38%			0.00	3,911.49			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA						
	Tr Date: 5/11/17	St Date: 5/12/17							
1,320,000.000	FNMA C 09/13/17 Q			3135G0K77	1,320,000.00	1,315,393.20	(4,606.80)	99.651	0.90%
	Mat: 6/13/19	Cpn: 1.25%			91.67	825.00			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA						
	Tr Date: 6/13/16	St Date: 6/15/16							
935,000.000	FHLMC			3137EAEB1	932,737.30	924,275.55	(8,461.75)	98.853	0.63%
	Mat: 7/19/19	Cpn: 0.88%			0.00	3,681.56			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA						
	Tr Date: 7/19/16	St Date: 7/20/16							
1,420,000.000	FNMA			3135G0N33	1,417,614.40	1,403,173.00	(14,441.40)	98.815	0.96%
	Mat: 8/2/19	Cpn: 0.88%			0.00	5,142.57			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA						
	Tr Date: 7/29/16	St Date: 8/2/16							
1,350,000.000	FNMA			3135G0P49	1,347,894.00	1,336,635.00	(11,259.00)	99.010	0.92%
	Mat: 8/28/19	Cpn: 1.00%			0.00	4,537.50			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA						
	Tr Date: 8/31/16	St Date: 9/2/16							

Portfolio Positions

as of June 30, 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
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	868,103.40 4,458.75	(1,339.80)	99.782	0.60%
Total for Agencies			**13,281,243.20** **91.67**	**13,229,675.65** **42,172.47**	**(51,567.55)**		**9.08%**
Taxable Muni							
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	1,599,840.00 8,320.00	(160.00)	99.990	1.10%
200,000.000	CA LOS ANGELES PUB WORKS TAXABLE Mat: 12/1/17 Cpn: 1.51% Moody's: Aa2 S&P: AA Fitch: AA- Tr Date: 8/13/15 St Date: 9/2/15	54473ERP1	200,000.00 0.00	200,020.00 251.17	20.00	100.010	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	611,329.80 1,671.40	(6,081.70)	100.218	0.42%
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	669,289.80 1,109.52	(3,571.10)	99.894	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	375,528.75 2,564.06	528.75	100.141	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	1,501,305.00 5,520.00	1,305.00	100.087	1.03%
1,400,000.000	CA LOS ANGELES MUNI IMPT TAXABLE Mat: 11/1/18 Cpn: 2.34% Moody's: S&P: AA- Fitch: A+ Tr Date: 11/4/15 St Date: 11/19/15	544587B98	1,400,000.00 0.00	1,412,376.00 5,469.33	12,376.00	100.884	0.97%
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	753,877.50 2,326.25	(1,942.50)	100.517	0.52%

Portfolio Positions

as of June 30, 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
450,000.000	CA LOS ANGELES PUB WORKS TAXABLE			54473ERQ9	450,000.00	451,426.50	1,426.50	100.317	0.31%
	Mat: 12/1/18	Cpn: 2.04%			0.00	763.50			
	Moody's: Aa2	S&P: AA	Fitch: AA-						
	Tr Date: 8/13/15	St Date: 9/2/15							
750,000.000	CA STATE GO/ULT TXB			13063DAB4	750,000.00	749,400.00	(600.00)	99.920	0.51%
	Mat: 4/1/19	Cpn: 1.59%			0.00	2,124.00			
	Moody's: Aa3	S&P: AA-	Fitch: AA-						
	Tr Date: 4/21/17	St Date: 4/27/17							
270,000.000	CA LOS ANGELES DEPT AIRPORTS-LAX TXBL			544445AY5	270,000.00	269,460.00	(540.00)	99.800	0.18%
	Mat: 5/15/19	Cpn: 1.75%			0.00	603.75			
	Moody's: Aa3	S&P: AA	Fitch: AA						
	Tr Date: 11/16/16	St Date: 12/6/16							
75,000.000	CA UNIV OF CALIFORNIA TXB			91412GS71	75,000.00	74,917.50	(82.50)	99.890	0.05%
	Mat: 5/15/19	Cpn: 1.61%			0.00	144.23			
	Moody's: Aa2	S&P: AA	Fitch: AA						
	Tr Date: 5/5/17	St Date: 5/18/17							
2,500,000.000	CA EARTHQUAKE AUTH TAXABLE			13017HAE6	2,529,925.00	2,514,425.00	(15,500.00)	100.577	1.74%
	Mat: 7/1/19	Cpn: 2.81%			7,791.67	35,062.50			
	Moody's: A3	S&P:	Fitch: A						
	Tr Date: 2/6/15	St Date: 2/11/15							
2,655,000.000	CA UNIVERSITY OF CALIFORNIA TAXABLE			91412GSB2	2,676,120.60	2,660,947.20	(15,173.40)	100.224	1.84%
	Mat: 7/1/19	Cpn: 1.80%			8,074.01	23,841.90			
	Moody's: Aa2	S&P: AA	Fitch: AA						
	Tr Date: 3/2/15	St Date: 3/5/15							
335,000.000	CA SAN FRANCISCO REDEV AGY TXB			79770GFZ4	335,000.00	335,793.95	793.95	100.237	0.23%
	Mat: 8/1/19	Cpn: 2.19%			0.00	1,877.45			
	Moody's:	S&P: A	Fitch:						
	Tr Date: 3/10/17	St Date: 3/29/17							
500,000.000	NY ST GO/ULT-TXBL			649791EJ5	521,530.00	519,565.00	(1,965.00)	103.913	0.36%
	Mat: 9/1/19	Cpn: 3.60%			4,750.00	6,000.00			
	Moody's: Aa1	S&P: AA+	Fitch: AA+						
	Tr Date: 6/1/17	St Date: 6/6/17							
370,000.000	CA LOS ANGELES MUNI IMPT TAXABLE			544587C22	381,536.60	377,670.10	(3,866.50)	102.073	0.26%
	Mat: 11/1/19	Cpn: 2.85%			2,983.56	1,755.03			
	Moody's:	S&P: AA-	Fitch: A+						
	Tr Date: 2/25/16	St Date: 3/1/16							
690,000.000	CA ST HSG FIN AGY REV-TXBL			13034PZF7	690,000.00	690,096.60	96.60	100.014	0.47%
	Mat: 8/1/20	Cpn: 2.30%			0.00	88.17			
	Moody's: A1	S&P: AA-	Fitch:						
	Tr Date: 6/21/17	St Date: 6/29/17							

Portfolio Positions

as of June 30, 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
350,000.000	CA LOS ANGELES MUNI IMPT CORP LEASE TXB			544587C30	360,734.50	359,782.50	(952.00)	102.795	0.25%
	Mat: 11/1/20	Cpn: 3.15%			0.00	1,835.17			
	Moody's:	S&P: AA-	Fitch: A+						
	Tr Date: 4/26/17	St Date: 5/1/17							
Total for Taxable Muni					**16,160,939.10**	**16,127,051.20**	**(33,887.90)**		**11.10%**
					35,190.72	**101,327.43**			
Credit									
250,000.000	METLIFE			59156RBK3	250,763.25	250,437.75	(325.50)	100.175	0.17%
	Mat: 12/15/17	Cpn: 1.90%			376.29	211.44			
	Moody's: A3	S&P: A-	Fitch: A-						
	Tr Date: 9/30/14	St Date: 10/7/14							
1,200,000.000	CITIGROUP			172967JH5	1,199,088.00	1,201,082.40	1,994.40	100.090	0.83%
	Mat: 2/5/18	Cpn: 1.80%			0.00	8,760.00			
	Moody's: Baa1	S&P: BBB+	Fitch: A						
	Tr Date: 1/29/15	St Date: 2/5/15							
1,275,000.000	BANK OF AMERICA			06050TLY6	1,274,590.25	1,275,980.48	1,390.23	100.077	0.88%
	Mat: 3/26/18	Cpn: 1.65%			1,989.17	5,551.56			
	Moody's: A1	S&P: A+	Fitch: A+						
	Tr Date: 3/20/15	St Date: 3/26/15							
1,220,000.000	ABBVIE			00287YAN9	1,218,755.60	1,221,798.28	3,042.68	100.147	0.84%
	Mat: 5/14/18	Cpn: 1.80%			0.00	2,867.00			
	Moody's: Baa2	S&P: A-	Fitch:						
	Tr Date: 5/5/15	St Date: 5/14/15							
415,000.000	CISCO SYSTEMS			17275RAU6	414,929.45	415,881.88	952.43	100.213	0.28%
	Mat: 6/15/18	Cpn: 1.65%			0.00	304.33			
	Moody's: A1	S&P: AA-	Fitch:						
	Tr Date: 6/10/15	St Date: 6/17/15							
280,000.000	JOHN DEERE CAPITAL			24422ESX8	279,893.60	280,209.99	316.39	100.075	0.19%
	Mat: 7/13/18	Cpn: 1.60%			0.00	2,090.67			
	Moody's: A2	S&P: A	Fitch: A						
	Tr Date: 7/9/15	St Date: 7/14/15							
590,000.000	UNITEDHEALTH GROUP			91324PCL4	589,250.70	591,893.85	2,643.15	100.321	0.41%
	Mat: 7/16/18	Cpn: 1.90%			0.00	5,137.92			
	Moody's: A3	S&P: A+	Fitch: A-						
	Tr Date: 7/20/15	St Date: 7/23/15							
60,000.000	BERKSHIRE HATHAWAY			084670BX5	59,992.80	59,743.20	(249.60)	99.572	0.04%
	Mat: 8/15/18	Cpn: 1.15%			0.00	260.67			
	Moody's: Aa2	S&P: AA	Fitch: A+u						
	Tr Date: 8/8/16	St Date: 8/15/16							

Portfolio Positions

as of June 30, 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
700,000.000	FIFTH THIRD BANK			31677QBD0	699,881.00	703,037.93	3,156.93	100.434	0.48%
	Mat: 8/20/18	Cpn: 2.15%			0.00	5,476.53			
	Moody's: A3	S&P: A-	Fitch: A						
	Tr Date: 8/17/15	St Date: 8/20/15							
100,000.000	NEXTERA ENERGY			65339KAJ9	100,250.00	99,726.10	(523.90)	99.726	0.07%
	Mat: 9/1/18	Cpn: 1.65%			0.00	549.67			
	Moody's: Baa1	S&P: BBB+	Fitch: A-						
	Tr Date: 8/25/16	St Date: 9/1/16							
395,000.000	JP MORGAN CHASE			48125LRF1	394,814.35	393,791.30	(1,023.05)	99.694	0.27%
	Mat: 9/21/18	Cpn: 1.45%			0.00	1,559.15			
	Moody's: Aa3	S&P: A+	Fitch: AA-						
	Tr Date: 9/20/16	St Date: 9/23/16							
1,000,000.000	MICROSOFT			594918BF0	999,000.00	997,979.97	(1,020.03)	99.798	0.68%
	Mat: 11/3/18	Cpn: 1.30%			0.00	2,094.44			
	Moody's: Aaa	S&P: AAA	Fitch: AA+u						
	Tr Date: 10/29/15	St Date: 11/3/15							
515,000.000	WELLS FARGO			94988J5F0	514,572.55	516,150.00	1,577.45	100.223	0.35%
	Mat: 11/28/18	Cpn: 1.80%			0.00	849.75			
	Moody's: Aa2	S&P: AA-	Fitch: AA						
	Tr Date: 12/1/16	St Date: 12/8/16							
570,000.000	CITIZENS BANK			17401QAC5	572,490.90	571,527.59	(963.31)	100.268	0.39%
	Mat: 12/3/18	Cpn: 2.30%			6,045.17	1,019.67			
	Moody's: Baa1	S&P: A-	Fitch: BBB+						
	Tr Date: 5/16/17	St Date: 5/19/17							
1,320,000.000	WISCONSIN ELECTRIC POWER			976843BK7	1,318,772.40	1,317,585.72	(1,186.68)	99.817	0.90%
	Mat: 12/4/18	Cpn: 1.65%			0.00	1,633.50			
	Moody's: A1	S&P: A-	Fitch: A+						
	Tr Date: 12/1/15	St Date: 12/4/15							
470,000.000	MORGAN STANLEY			61746BDX1	469,685.10	473,322.94	3,637.84	100.707	0.33%
	Mat: 2/1/19	Cpn: 2.45%			0.00	4,797.92			
	Moody's: A3	S&P: BBB+	Fitch: A						
	Tr Date: 1/22/16	St Date: 1/27/16							
320,000.000	APPLE			037833BQ2	319,945.60	320,841.60	896.00	100.263	0.22%
	Mat: 2/22/19	Cpn: 1.70%			0.00	1,934.22			
	Moody's: Aa1	S&P: AA+	Fitch:						
	Tr Date: 2/16/16	St Date: 2/23/16							
1,085,000.000	BRISTOL-MYERS SQUIBB			110122BA5	1,083,516.05	1,083,253.12	(262.93)	99.839	0.74%
	Mat: 2/27/19	Cpn: 1.60%			2,088.44	5,979.56			
	Moody's: A2	S&P: A+	Fitch: A-u						
	Tr Date: 2/22/17	St Date: 2/27/17							

Currency: USD

Units	Security			Identifier	Original Principal Cost / Purchased Accrued	Principal Market Value / Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
200,000.000	CHEVRON			166764BS8	200,000.00	200,047.99	47.99	100.024	0.14%
	Mat: 2/28/19	Cpn: 1.69%			0.00	1,105.27			
	Moody's: Aa2	S&P: AA-	Fitch:						
	Tr Date: 2/28/17	St Date: 3/3/17							
550,000.000	CISCO SYSTEMS			17275RBB7	549,840.50	549,818.52	(21.98)	99.967	0.38%
	Mat: 2/28/19	Cpn: 1.60%			0.00	3,006.67			
	Moody's: A1	S&P: AA-	Fitch:						
	Tr Date: 2/22/16	St Date: 2/29/16							
450,000.000	EXXON MOBIL			30231GAP7	450,000.00	451,079.96	1,079.96	100.240	0.31%
	Mat: 3/1/19	Cpn: 1.71%			0.00	2,562.00			
	Moody's: Aaa	S&P: AA+	Fitch:						
	Tr Date: 2/29/16	St Date: 3/3/16							
420,000.000	STRYKER			863667AK7	419,512.80	420,613.25	1,100.45	100.146	0.29%
	Mat: 3/8/19	Cpn: 2.00%			0.00	2,636.67			
	Moody's: Baa1	S&P: A	Fitch:						
	Tr Date: 3/3/16	St Date: 3/10/16							
650,000.000	AT&T			00206RCC4	661,810.50	653,789.55	(8,020.95)	100.583	0.45%
	Mat: 3/11/19	Cpn: 2.30%			2,533.19	4,568.06			
	Moody's: Baa1	S&P: BBB+	Fitch: A-						
	Tr Date: 5/3/16	St Date: 5/12/16							
790,000.000	BERKSHIRE HATHAWAY			084664CG4	789,399.60	791,603.72	2,204.12	100.203	0.54%
	Mat: 3/15/19	Cpn: 1.70%			0.00	3,954.39			
	Moody's: Aa2	S&P: AA	Fitch: A+u						
	Tr Date: 3/8/16	St Date: 3/15/16							
225,000.000	EXXON MOBIL			30231GAD4	225,866.25	225,823.49	(42.76)	100.366	0.16%
	Mat: 3/15/19	Cpn: 1.82%			636.65	1,205.09			
	Moody's: Aaa	S&P: AA+	Fitch:						
	Tr Date: 5/8/17	St Date: 5/11/17							
520,000.000	FIFTH THIRD BANK			31677QBF5	519,880.40	522,781.98	2,901.58	100.535	0.36%
	Mat: 3/15/19	Cpn: 2.30%			0.00	3,521.56			
	Moody's: A3	S&P: A-	Fitch: A						
	Tr Date: 3/10/16	St Date: 3/15/16							
350,000.000	OGLETHORPE POWER			677050AE6	377,244.00	372,508.85	(4,735.15)	106.431	0.26%
	Mat: 3/15/19	Cpn: 6.10%			1,067.50	6,286.39			
	Moody's: Baa1	S&P: A	Fitch: A						
	Tr Date: 3/29/17	St Date: 4/3/17							
325,000.000	CITIBANK			17325FAA6	324,733.50	326,147.26	1,413.76	100.353	0.22%
	Mat: 3/20/19	Cpn: 2.00%			0.00	1,823.61			
	Moody's: A1	S&P: A+	Fitch: A+						
	Tr Date: 3/13/17	St Date: 3/20/17							

Portfolio Positions

as of June 30, 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
330,000.000	CATERPILLAR FINANCIAL	14912L6W6	329,802.00	330,828.27	1,026.27	100.251	0.23%
	Mat: 3/22/19 Cpn: 1.90%		0.00	1,706.83			
	Moody's: A3 S&P: A Fitch: A						
	Tr Date: 3/20/17 St Date: 3/23/17						
120,000.000	JPMORGAN CHASE	46625HHL7	134,949.24	129,145.20	(5,804.04)	107.621	0.09%
	Mat: 4/23/19 Cpn: 6.30%		1,870.75	1,428.00			
	Moody's: A3 S&P: A- Fitch: A+						
	Tr Date: 7/15/16 St Date: 7/20/16						
1,210,000.000	US BANK OHIO	90331HMY6	1,202,413.45	1,202,861.00	447.55	99.410	0.82%
	Mat: 4/26/19 Cpn: 1.40%		632.53	3,058.61			
	Moody's: A1 S&P: AA- Fitch: AA						
	Tr Date: 5/5/17 St Date: 5/10/17						
875,000.000	PEPSICO	713448DR6	874,343.75	874,940.50	596.75	99.993	0.60%
	Mat: 5/2/19 Cpn: 1.55%		0.00	2,222.74			
	Moody's: A1 S&P: A+ Fitch: Au						
	Tr Date: 4/27/17 St Date: 5/2/17						
195,000.000	AMERICAN EXPRESS	0258M0EK1	194,920.05	195,036.66	116.61	100.019	0.13%
	Mat: 5/3/19 Cpn: 1.88%		0.00	589.06			
	Moody's: A2 S&P: A- Fitch: A						
	Tr Date: 4/27/17 St Date: 5/3/17						
515,000.000	AMGEN	031162CK4	514,737.35	515,370.83	633.48	100.072	0.35%
	Mat: 5/10/19 Cpn: 1.90%		0.00	1,359.03			
	Moody's: Baa1 S&P: A Fitch: BBBu						
	Tr Date: 5/8/17 St Date: 5/11/17						
640,000.000	BRANCH BANKING & TRUST	07330NAL9	637,027.10	635,200.64	(1,826.46)	99.250	0.44%
	Mat: 5/10/19 Cpn: 1.45%		126.88	1,314.67			
	Moody's: A1 S&P: A Fitch: A+						
	Tr Date: 5/5/16 St Date: 5/10/16						
1,085,000.000	PFIZER	717081DL4	1,093,904.95	1,094,656.58	751.63	100.890	0.75%
	Mat: 5/15/19 Cpn: 2.10%		11,160.33	2,911.42			
	Moody's: A1 S&P: AA Fitch: A+u						
	Tr Date: 5/8/17 St Date: 5/11/17						
240,000.000	QUALCOMM	747525AM5	239,889.60	240,535.22	645.62	100.223	0.16%
	Mat: 5/20/19 Cpn: 1.85%		0.00	431.67			
	Moody's: A1 S&P: A Fitch:						
	Tr Date: 5/19/17 St Date: 5/26/17						
670,000.000	COCA-COLA	191216BV1	669,531.00	667,179.31	(2,351.69)	99.579	0.46%
	Mat: 5/30/19 Cpn: 1.38%		0.00	793.30			
	Moody's: Aa3 S&P: AA- Fitch: A+						
	Tr Date: 5/25/16 St Date: 5/31/16						

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			172967KS9	139,927.20	140,070.02	142.82	100.050	0.10%
	Mat: 6/7/19	Cpn: 2.05%			0.00	191.33			
	Moody's: Baa1	S&P: BBB+	Fitch: A						
	Tr Date: 6/2/16	St Date: 6/9/16							
285,000.000	CARDINAL HEALTH			14149YBL1	285,000.00	285,826.50	826.50	100.290	0.20%
	Mat: 6/14/19	Cpn: 1.95%			0.00	293.01			
	Moody's: Baa2	S&P: A-	Fitch: BBB+						
	Tr Date: 6/1/17	St Date: 6/12/17							
560,000.000	WALT DISNEY COMPANY			25468PDL7	558,118.40	551,842.48	(6,275.92)	98.543	0.38%
	Mat: 7/12/19	Cpn: 0.88%			0.00	2,300.28			
	Moody's: A2	S&P: A+	Fitch: A						
	Tr Date: 7/7/16	St Date: 7/12/16							
295,000.000	CISCO SYSTEMS			17275RBG6	294,672.55	292,757.99	(1,914.56)	99.240	0.20%
	Mat: 9/20/19	Cpn: 1.40%			0.00	1,158.69			
	Moody's: A1	S&P: AA-	Fitch:						
	Tr Date: 9/13/16	St Date: 9/20/16							
285,000.000	FIFTH THIRD BANK			31677QBH1	284,526.90	282,135.76	(2,391.14)	98.995	0.19%
	Mat: 9/27/19	Cpn: 1.63%			0.00	1,209.27			
	Moody's: A3	S&P: A-	Fitch: A						
	Tr Date: 9/22/16	St Date: 9/27/16							
145,000.000	PEPSICO			713448DJ4	144,978.25	143,767.07	(1,211.19)	99.150	0.10%
	Mat: 10/4/19	Cpn: 1.35%			0.00	473.06			
	Moody's: A1	S&P: A+	Fitch: Au						
	Tr Date: 10/3/16	St Date: 10/6/16							
595,000.000	JOHN DEERE CAPITAL CORP			24422ETJ8	593,798.10	587,532.77	(6,265.33)	98.745	0.40%
	Mat: 10/9/19	Cpn: 1.25%			0.00	1,694.10			
	Moody's: A2	S&P: A	Fitch: A						
	Tr Date: 9/6/16	St Date: 9/9/16							
475,000.000	HONEYWELL INTL			438516BJ4	474,624.75	471,100.25	(3,524.50)	99.179	0.32%
	Mat: 10/30/19	Cpn: 1.40%			0.00	1,126.81			
	Moody's: A2	S&P: A	Fitch: A						
	Tr Date: 10/24/16	St Date: 10/31/16							
270,000.000	UNITED TECHNOLOGIES			913017CF4	269,724.60	268,385.40	(1,339.20)	99.402	0.18%
	Mat: 11/1/19	Cpn: 1.50%			0.00	675.00			
	Moody's: A3	S&P: A-	Fitch: A-u						
	Tr Date: 10/27/16	St Date: 11/1/16							
355,000.000	CHEVRON			166764AN0	357,879.05	357,921.64	42.59	100.823	0.25%
	Mat: 11/15/19	Cpn: 2.19%			3,806.07	994.77			
	Moody's: Aa2	S&P: AA-	Fitch:						
	Tr Date: 5/8/17	St Date: 5/11/17							

Portfolio Positions

as of June 30, 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
170,000.000	CATERPILLAR FINANCIAL			14912L6Y2	169,813.00	170,481.11	668.11	100.283	0.12%
	Mat: 1/10/20	Cpn: 2.10%			0.00	1,675.92			
	Moody's: A3	S&P: A	Fitch: A						
	Tr Date: 1/5/17	St Date: 1/12/17							
510,000.000	CITIGROUP			172967LF6	509,796.00	512,978.36	3,182.36	100.584	0.35%
	Mat: 1/10/20	Cpn: 2.45%			0.00	5,935.13			
	Moody's: Baa1	S&P: BBB+	Fitch: A						
	Tr Date: 1/4/17	St Date: 1/10/17							
510,000.000	BRANCH BANKING & TRUST			07330NAN5	509,959.20	511,784.99	1,825.79	100.350	0.35%
	Mat: 1/15/20	Cpn: 2.10%			0.00	4,611.25			
	Moody's: A1	S&P: A	Fitch: A+						
	Tr Date: 1/23/17	St Date: 1/26/17							
545,000.000	US BANK CINCINNATI			90331HNB5	543,850.05	547,544.06	3,694.01	100.467	0.38%
	Mat: 1/24/20	Cpn: 2.00%			0.00	4,753.61			
	Moody's: A1	S&P: AA-	Fitch: AA						
	Tr Date: 1/19/17	St Date: 1/24/17							
520,000.000	IBM			459200JN2	519,500.80	520,254.82	754.02	100.049	0.36%
	Mat: 1/27/20	Cpn: 1.90%			0.00	4,226.44			
	Moody's: A1	S&P: A+	Fitch: A+						
	Tr Date: 1/24/17	St Date: 1/27/17							
530,000.000	CAPITAL ONE			14042RFH9	529,682.00	530,490.78	808.78	100.093	0.37%
	Mat: 1/31/20	Cpn: 2.35%			0.00	5,224.18			
	Moody's: Baa1	S&P: BBB+	Fitch: A-						
	Tr Date: 1/26/17	St Date: 1/31/17							
495,000.000	SUNTRUST BANK			86787EAR8	494,811.90	496,618.66	1,806.76	100.327	0.34%
	Mat: 1/31/20	Cpn: 2.25%			0.00	4,640.63			
	Moody's: Baa1	S&P: A-	Fitch: A-						
	Tr Date: 1/25/17	St Date: 2/1/17							
505,000.000	MICROSOFT			594918BV5	504,661.65	506,262.54	1,600.89	100.250	0.35%
	Mat: 2/6/20	Cpn: 1.85%			0.00	3,762.95			
	Moody's: Aaa	S&P: AAA	Fitch: AA+u						
	Tr Date: 1/30/17	St Date: 2/6/17							
535,000.000	ESTEE LAUDER CO			29736RAL4	534,925.10	535,000.00	74.90	100.000	0.37%
	Mat: 2/7/20	Cpn: 1.80%			0.00	3,798.50			
	Moody's: A2	S&P: A+	Fitch:						
	Tr Date: 2/6/17	St Date: 2/9/17							
225,000.000	PACCAR FINANCIAL			69371RN69	224,595.00	224,995.50	400.50	99.998	0.15%
	Mat: 2/27/20	Cpn: 1.95%			0.00	1,511.25			
	Moody's: A1	S&P: A+	Fitch:						
	Tr Date: 2/22/17	St Date: 2/27/17							

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
690,000.000	KIMBERLY-CLARK			494368BP7	689,710.20	689,644.65	(65.55)	99.949	0.47%
	Mat: 3/1/20	Cpn: 1.85%			2,446.63	4,255.00			
	Moody's: A2	S&P: A	Fitch: A						
	Tr Date: 5/5/17	St Date: 5/10/17							
250,000.000	CITIZENS BANK			17401QAG6	249,762.50	249,926.00	163.50	99.970	0.17%
	Mat: 3/2/20	Cpn: 2.25%			0.00	1,859.38			
	Moody's: Baa1	S&P: A-	Fitch: BBB+						
	Tr Date: 2/27/17	St Date: 3/2/17							
375,000.000	AMERICAN EXPRESS			0258M0EE5	374,610.00	377,051.21	2,441.21	100.547	0.26%
	Mat: 3/3/20	Cpn: 2.20%			0.00	2,704.17			
	Moody's: A2	S&P: A-	Fitch: A						
	Tr Date: 2/28/17	St Date: 3/3/17							
465,000.000	WALT DISNEY COMPANY			25468PDP8	464,879.10	466,204.36	1,325.26	100.259	0.32%
	Mat: 3/4/20	Cpn: 1.95%			0.00	2,896.56			
	Moody's: A2	S&P: A+	Fitch: A						
	Tr Date: 3/1/17	St Date: 3/6/17							
250,000.000	HUNTINGTON NATL BANK			446438RU9	249,985.00	251,124.97	1,139.97	100.450	0.17%
	Mat: 3/10/20	Cpn: 2.38%			0.00	1,830.73			
	Moody's: A3	S&P: BBB+	Fitch: A-						
	Tr Date: 3/7/17	St Date: 3/10/17							
400,000.000	JOHN DEERE CAPITAL			24422ETQ2	399,688.00	403,000.03	3,312.03	100.750	0.28%
	Mat: 3/13/20	Cpn: 2.20%			0.00	2,591.11			
	Moody's: A2	S&P: A	Fitch: A						
	Tr Date: 3/10/17	St Date: 3/15/17							
605,000.000	CONSOLIDATED EDISON			209115AD6	604,800.35	605,021.18	220.83	100.004	0.42%
	Mat: 3/15/20	Cpn: 2.00%			0.00	3,999.72			
	Moody's: A3	S&P: BBB+	Fitch: BBB+						
	Tr Date: 2/27/17	St Date: 3/2/17							
730,000.000	UNITED TECHNOLOGIES			913017CM9	729,642.30	731,168.03	1,525.73	100.160	0.50%
	Mat: 5/4/20	Cpn: 1.90%			0.00	2,196.08			
	Moody's: A3	S&P: A-	Fitch: A-u						
	Tr Date: 5/1/17	St Date: 5/4/17							
290,000.000	AMGEN FRN			031162CN8	290,000.00	291,128.10	1,128.10	100.389	0.20%
	Mat: 5/11/20	Cpn: 1.63%			0.00	670.48			
	Moody's: Baa1	S&P: A	Fitch: BBBu						
	Tr Date: 5/8/17	St Date: 5/11/17							
665,000.000	APPLE			037833CS7	664,321.70	664,888.28	566.58	99.983	0.46%
	Mat: 5/11/20	Cpn: 1.80%			0.00	1,662.50			
	Moody's: Aa1	S&P: AA+	Fitch:						
	Tr Date: 5/4/17	St Date: 5/11/17							

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
725,000.000	INTEL			458140AZ3	724,724.50	725,188.51	464.01	100.026	0.50%
	Mat: 5/11/20	Cpn: 1.85%			0.00	1,862.85			
	Moody's: A1	S&P: A+	Fitch: A+						
	Tr Date: 5/8/17	St Date: 5/11/17							
720,000.000	PNC BANK			69353RFC7	719,186.40	718,596.00	(590.40)	99.805	0.49%
	Mat: 5/19/20	Cpn: 2.00%			0.00	1,680.00			
	Moody's: A2	S&P: A	Fitch: A+						
	Tr Date: 5/16/17	St Date: 5/19/17							
730,000.000	VERIZON COMMUNICATIONS FRN			92343VDZ4	730,000.00	730,854.10	854.10	100.117	0.50%
	Mat: 5/22/20	Cpn: 1.72%			0.00	1,396.51			
	Moody's: Baa1	S&P: BBB+	Fitch: A-						
	Tr Date: 5/11/17	St Date: 5/22/17							
250,000.000	CITIZENS BANK			17401QAJ0	249,770.00	249,542.50	(227.50)	99.817	0.17%
	Mat: 5/26/20	Cpn: 2.20%			0.00	534.72			
	Moody's: Baa1	S&P: A-	Fitch: BBB+						
	Tr Date: 5/22/17	St Date: 5/26/17							
740,000.000	WALT DISNEY COMPANY			25468PDU7	739,141.60	738,718.32	(423.28)	99.827	0.51%
	Mat: 6/5/20	Cpn: 1.80%			0.00	925.00			
	Moody's: A2	S&P: A+	Fitch: A						
	Tr Date: 6/1/17	St Date: 6/6/17							
455,000.000	HOME DEPOT FRN			437076BR2	455,000.00	455,552.37	552.37	100.121	0.31%
	Mat: 6/5/20	Cpn: 1.37%			0.00	449.56			
	Moody's: A2e	S&P: A	Fitch: Au						
	Tr Date: 5/24/17	St Date: 6/5/17							
515,000.000	CITIBANK			17325FAE8	514,778.55	515,401.67	623.12	100.078	0.35%
	Mat: 6/12/20	Cpn: 2.10%			0.00	570.79			
	Moody's: A1	S&P: A+	Fitch: A+						
	Tr Date: 6/6/17	St Date: 6/12/17							
360,000.000	JOHN DEERE CAPITAL CORP			24422ETS8	359,780.40	360,147.57	367.17	100.041	0.25%
	Mat: 6/22/20	Cpn: 1.95%			0.00	175.50			
	Moody's: A2	S&P: A	Fitch: A						
	Tr Date: 6/19/17	St Date: 6/22/17							
100,000.000	BANK OF AMERICA			06051GGB9	100,000.00	99,557.00	(443.00)	99.557	0.07%
	Mat: 11/9/20	Cpn: 2.15%			0.00	310.70			
	Moody's: Baa1	S&P: BBB+	Fitch: A						
	Tr Date: 11/4/16	St Date: 11/9/16							
505,000.000	GOLDMAN SACHS			38141GWG5	504,651.55	508,454.19	3,802.64	100.684	0.35%
	Mat: 12/27/20	Cpn: 2.60%			0.00	145.89			
	Moody's: A3	S&P: BBB+	Fitch: A						
	Tr Date: 3/22/17	St Date: 3/27/17							

Portfolio Positions

as of June 30, 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
620,000.000	JPMORGAN CHASE FRN			46647PAG1	620,000.00	621,200.94	1,200.94	100.194	0.43%
	Mat: 6/1/21	Cpn: 1.88%			0.00	972.25			
	Moody's: A3	S&P: A-	Fitch: A+						
	Tr Date: 5/23/17	St Date: 6/1/17							
500,000.000	MORGAN STANLEY FRN			61746BEE2	505,560.00	505,259.50	(300.50)	101.052	0.35%
	Mat: 1/20/22	Cpn: 2.34%			1,442.71	2,336.22			
	Moody's: A3	S&P: BBB+	Fitch: A						
	Tr Date: 3/3/17	St Date: 3/8/17							
390,000.000	WELLS FARGO FRN			949746SP7	390,000.00	393,502.98	3,502.98	100.898	0.27%
	Mat: 2/11/22	Cpn: 2.11%			0.00	1,166.88			
	Moody's: A2	S&P: A	Fitch: AA-						
	Tr Date: 2/6/17	St Date: 2/13/17							
510,000.000	CAPITAL ONE FINL FRN			14040HBM6	510,000.00	509,325.27	(674.73)	99.868	0.35%
	Mat: 3/9/22	Cpn: 2.17%			0.00	676.63			
	Moody's: Baa1	S&P: BBB	Fitch: A-						
	Tr Date: 3/6/17	St Date: 3/9/17							
510,000.000	CITIGROUP FRN			172967LH2	510,000.00	513,193.11	3,193.11	100.626	0.35%
	Mat: 4/25/22	Cpn: 2.12%			0.00	2,008.65			
	Moody's: Baa1	S&P: BBB+	Fitch: A						
	Tr Date: 4/18/17	St Date: 4/25/17							
405,000.000	UNITED PARCEL SERVICE FRN			911312BB1	405,000.00	406,661.31	1,661.31	100.410	0.28%
	Mat: 5/16/22	Cpn: 1.56%			0.00	807.07			
	Moody's: A1	S&P: A+	Fitch:						
	Tr Date: 5/11/17	St Date: 5/16/17							
535,000.000	MANUFACTURERS & TRADERS TRUST FRN			55279HAM2	535,000.00	535,150.34	150.34	100.028	0.37%
	Mat: 5/18/22	Cpn: 1.79%			0.00	1,171.23			
	Moody's: A3	S&P: A	Fitch: A						
	Tr Date: 5/15/17	St Date: 5/18/17							
Total for Credit					**43,404,834.29**	**43,427,426.06**	**22,591.77**		**29.83%**
					36,222.31	**189,675.36**			
Mortgage-Backed									
110,538.446	FNA 2012-M9 ASQ2 CMBS			3136A7L26	112,982.38	110,469.80	(2,512.58)	99.938	0.08%
	Mat: 12/25/17	Cpn: 1.51%			0.00	139.37			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA						
	Tr Date: 4/26/13	St Date: 5/1/13							
1,859,684.020	FNA 2015-M7 ASQ2 CMBS			3136ANJY4	1,878,274.17	1,857,963.81	(20,310.35)	99.908	1.27%
	Mat: 4/25/18	Cpn: 1.55%			2,322.02	2,402.09			
	Moody's: Aaa	S&P: AA+u	Fitch: AAA						
	Tr Date: 4/15/15	St Date: 4/30/15							

Portfolio Positions

as of June 30, 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
235,099.687	FNA 2014-M8 FA 1MOFRN CMBS	3136AKQJ5	235,036.68	235,137.30	100.62	100.016	0.16%
	Mat: 5/25/18 Cpn: 1.29%		78.76	251.93			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 7/11/14 St Date: 7/31/14						
975,374.070	FHMS K704 A2 CMBS	3137AH6Q6	999,377.42	982,445.53	(16,931.89)	100.725	0.67%
	Mat: 8/25/18 Cpn: 2.41%		392.10	1,960.50			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 10/2/14 St Date: 10/7/14						
774,927.638	FNA 14-M1 ASQ2 CMBS	3136AHUV0	787,694.22	781,505.22	(6,189.00)	100.849	0.54%
	Mat: 11/25/18 Cpn: 2.32%		1,414.76	1,500.13			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 1/17/14 St Date: 1/30/14						
1,375,897.870	FHMS KP03 A2 CMBS	3137BNN26	1,379,337.61	1,377,132.05	(2,205.56)	100.090	0.94%
	Mat: 7/25/19 Cpn: 1.78%		748.34	2,040.92			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/7/17 St Date: 6/12/17						
198,563.450	FNMA #890170 10YR	31410K6F6	210,601.36	203,429.45	(7,171.91)	102.451	0.14%
	Mat: 9/1/19 Cpn: 4.50%		471.59	744.61			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 10/3/14 St Date: 10/20/14						
1,703,809.781	FNA 2015-M13 ASQ2 CMBS	3136AQDQ0	1,720,871.56	1,703,951.20	(16,920.36)	100.008	1.17%
	Mat: 9/25/19 Cpn: 1.65%		2,259.15	2,337.06			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 10/7/15 St Date: 10/30/15						
Total for Mortgage-Backed			**7,324,175.40**	**7,252,034.37**	**(72,141.03)**		**4.97%**
			7,686.72	**11,376.62**			
Asset-Backed							
2,016,069.897	JOHN DEERE 2015-B A3 EQP	47787WAC3	2,015,685.43	2,015,569.91	(115.52)	99.975	1.38%
	Mat: 10/15/19 Cpn: 1.44%		0.00	1,290.28			
	Moody's: Aaa S&P: Fitch: AAA						
	Tr Date: 9/1/15 St Date: 9/9/15						
1,850,000.000	JOHN DEERE 2016-A A3 EQP	47788MAC4	1,849,708.81	1,846,159.40	(3,549.41)	99.792	1.26%
	Mat: 4/15/20 Cpn: 1.36%		0.00	1,118.22			
	Moody's: Aaa S&P: Fitch: AAA						
	Tr Date: 2/23/16 St Date: 3/2/16						
1,060,000.000	MERCEDES 2017-A A3 LEASE	58769DAD2	1,059,975.83	1,061,437.36	1,461.53	100.136	0.73%
	Mat: 4/15/20 Cpn: 1.79%		0.00	843.29			
	Moody's: Aaae S&P: AAA Fitch: AAA						
	Tr Date: 4/19/17 St Date: 4/26/17						

Portfolio Positions

as of June 30, 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
1,150,000.000	BMW 2017-1 A3 LEASE	055657AC4	1,149,867.87	1,153,594.75	3,726.88	100.313	0.79%
	Mat: 5/20/20 Cpn: 1.98%		0.00	695.75			
	Moody's: Aaa S&P: Fitch: AAA						
	Tr Date: 3/15/17 St Date: 3/22/17						
900,000.000	USAA 2016-1 A3 CAR	90327CAC4	899,851.95	896,062.18	(3,789.77)	99.563	0.61%
	Mat: 6/15/20 Cpn: 1.20%		0.00	480.00			
	Moody's: Aaa S&P: AAA Fitch:						
	Tr Date: 9/12/16 St Date: 9/21/16						
1,155,000.000	BMW 2016-A A3 CAR	05582QAD9	1,154,994.80	1,146,938.80	(8,056.00)	99.302	0.78%
	Mat: 11/25/20 Cpn: 1.16%		0.00	223.30			
	Moody's: Aaa S&P: Fitch: AAA						
	Tr Date: 7/12/16 St Date: 7/20/16						
1,360,000.000	CITI 2017-A2 A2 CDT	17305EGA7	1,359,739.56	1,361,807.88	2,068.32	100.133	0.94%
	Mat: 1/19/21 Cpn: 1.74%		0.00	10,254.40			
	Moody's: Aaa S&P: AAA Fitch:						
	Tr Date: 1/19/17 St Date: 1/26/17						
1,069,000.000	TOYOTA 2017-A A3 CAR	89238MAD0	1,068,874.18	1,069,065.26	191.08	100.006	0.73%
	Mat: 2/16/21 Cpn: 1.73%		0.00	821.94			
	Moody's: Aaa S&P: AAA Fitch:						
	Tr Date: 3/7/17 St Date: 3/15/17						
870,000.000	JOHN DEERE 2017-A A3 EQP	47787XAC1	869,876.11	871,294.56	1,418.45	100.149	0.60%
	Mat: 4/15/21 Cpn: 1.78%		0.00	688.27			
	Moody's: Aaa S&P: Fitch: AAA						
	Tr Date: 2/22/17 St Date: 3/2/17						
1,080,000.000	SDART 2017-1 B CAR	80284TAH8	1,079,917.16	1,078,371.24	(1,545.92)	99.849	0.74%
	Mat: 6/15/21 Cpn: 2.10%		0.00	1,008.00			
	Moody's: Aa1 S&P: AA Fitch:						
	Tr Date: 2/23/17 St Date: 2/28/17						
1,500,000.000	TOYOTA 2017-B A3 CAR	89190BAD0	1,499,884.95	1,500,722.30	837.35	100.048	1.03%
	Mat: 7/15/21 Cpn: 1.76%		0.00	1,173.33			
	Moody's: Aaa S&P: AAA Fitch:						
	Tr Date: 5/9/17 St Date: 5/17/17						
1,240,000.000	HONDA 2017-1 A3 CAR	43814TAC6	1,239,926.22	1,240,338.66	412.44	100.027	0.85%
	Mat: 7/21/21 Cpn: 1.72%		0.00	592.44			
	Moody's: Aaa S&P: Fitch: AAA						
	Tr Date: 3/21/17 St Date: 3/28/17						
1,200,000.000	AMEX 2017-4 A CDT	02582JHG8	1,199,807.76	1,199,408.40	(399.36)	99.951	0.82%
	Mat: 12/15/21 Cpn: 1.64%		0.00	874.67			
	Moody's: S&P: AAA Fitch: AAA						
	Tr Date: 5/22/17 St Date: 5/30/17						

Portfolio Positions

as of June 30, 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
1,340,000.000	CHASE 2017-A1 A CDT 1MOFRN	161571HJ6	1,340,000.00	1,346,098.34	6,098.34	100.455	0.92%
	Mat: 1/18/22 Cpn: 1.46%		0.00	868.85			
	Moody's: S&P: AAA Fitch: AAA						
	Tr Date: 1/30/17 St Date: 2/6/17						
1,460,000.000	CITI 2017-A3 A3 CDT	17305EGB5	1,459,579.37	1,461,846.11	2,266.74	100.126	1.00%
	Mat: 4/7/22 Cpn: 1.92%		0.00	6,229.33			
	Moody's: S&P: AAA Fitch: AAA						
	Tr Date: 4/4/17 St Date: 4/11/17						
Total for Asset-Backed			**19,247,690.00**	**19,248,715.14**	**1,025.14**		**13.18%**
			0.00	**27,162.08**			
Grand Total			**145,975,185.74**	**145,707,404.34**	**(267,781.40)**		**100.00%**
			114,593.05	**517,893.66**			

CalOptima (OCHA) STAMP 1-3
Account #: LCEF00238B2
As of 6/30/2017

LOGANCIRCLE PARTNERS

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												
06538NN78	BANK TOKYO-MITSUBIS	1.040	7/5/2017	7/5/2017	F1	2,600,000	2,600,000.000	.014	.014	1.038	1.78%	2,600,000.00
63873NDL2	NATIXIS NY INSTL C/	1.130	7/5/2017	7/5/2017	A-1	2,600,000	2,600,000.000	.014	.014	1.127	1.78%	2,600,000.00
89113WY26	TORONTO DOMINION BA	1.060	7/21/2017	7/21/2017	A-1+	2,000,000	1,999,843.180	.058	.057	1.193	1.37%	1,999,843.18
NA9123459	US DOLLARS	1.224	7/3/2017		Agency	4,155,356	4,155,355.710	0.000	-	1.224	2.85%	4,155,355.71
USD120030	USD INTEREST RECEIVABLE	-				504,612	0.000	-	-	-	.35%	504,612.14
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(3,313,351)	(3,313,351.410)	-	-	-	(2.27%)	(3,313,351.41)
CASH TOTALS							**8,041,847.480**					**8,546,459.62**
CASH & CASH EQUIVALENTS TOTALS							***8,041,847.480***					***8,546,459.62***
FIXED INCOME												
AGENCIES												
3130A6LZ8	FEDERAL HOME LOAN BANKS	.625	10/26/2017	10/26/2017	Agency	2,875,000	2,873,630.960	.322	.321	1.093	1.97%	2,870,667.38
3130A62S5	FEDERAL HOME LOAN BANKS	.750	8/28/2017	8/28/2017	Agency	3,900,000	3,898,969.560	.161	.161	1.089	2.67%	3,897,858.90
3130A7CX1	FEDERAL HOME LOAN BANKS	.875	3/19/2018	3/19/2018	Agency	1,980,000	1,979,771.860	.719	.711	1.231	1.35%	1,974,958.92
3134G8L98	FEDERAL HOME LOAN MORTGAGE CORP	1.050	2/26/2018	2/26/2018	Agency	915,000	915,000.000	.656	.642	1.341	.63%	913,293.53
3137EADX4	FEDERAL HOME LOAN MORTGAGE CORP	1.000	12/15/2017	12/15/2017	Agency	3,110,000	3,109,121.690	.458	.457	1.167	2.13%	3,107,623.96
3137EADV8	FEDERAL HOME LOAN MORTGAGE CORP	.750	7/14/2017	7/14/2017	Agency	2,850,000	2,849,930.280	.039	.038	.994	1.95%	2,849,726.40
3135G0E58	FEDERAL NATIONAL MORTGAGE ASSOCIATION	1.125	10/19/2018	10/19/2018	Agency	2,000,000	1,998,300.130	1.303	1.286	1.366	1.37%	1,993,780.00
AGENCIES TOTALS							**17,624,724.480**					**17,607,909.09**
ASSET BACKED												
055657AC4	BMW VEHICLE LEASE TRUST	1.980	5/20/2020	9/20/2019	Aaa	670,000	672,991.390	1.904	1.855	1.806	.46%	672,260.85
05581RAD8	BMW VEHICLE LEASE TRUST 2016-1	1.340	1/22/2019	7/20/2018	Aaa	500,000	499,971.250	.658	.651	1.430	.34%	499,720.65
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	995,000	994,900.060	1.409	1.386	1.633	.68%	992,259.47
161571FT6	CHASE ISSUANCE TRUST	1.419	12/16/2019	12/15/2017	AAA	2,170,000	2,171,448.770	.464	.047	1.257	1.49%	2,172,334.70
161571GQ1	CHASE ISSUANCE TRUST	1.380	11/15/2019	11/15/2017	AAA	1,500,000	1,503,519.380	.375	.375	1.362	1.03%	1,500,122.25
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.712	1/21/2020	1/22/2018	Aaa	600,000	599,680.810	.556	.055	1.455	.41%	601,074.96
43814KAC5	HONDA AUTO RECEIVABLES 2015-1 OWNER TRUST	1.050	10/15/2018	2/15/2018	Aaa	1,418,697	1,418,697.200	.301	.300	1.354	.97%	1,417,419.38
477877AD6	JOHN DEERE OWNER TRUST 2014-B	1.070	11/15/2018	12/15/2017	Aaa	163,352	163,341.090	.233	.232	1.494	.11%	163,193.18
47787UAD5	JOHN DEERE OWNER TRUST 2015	1.320	6/17/2019	7/15/2018	Aaa	310,376	310,723.800	.451	.447	1.404	.21%	310,265.17
47787WAC3	JOHN DEERE OWNER TRUST 2015-B	1.440	10/15/2019	11/15/2018	Aaa	679,838	679,912.630	.608	.601	1.501	.47%	679,604.88
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	6/15/2020	Aaa	450,000	449,945.430	2.094	2.038	1.730	.31%	450,515.66
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	340,866	341,262.800	.247	.246	1.423	.23%	340,800.17
58769DAD2	MERCEDES-BENZ AUTO LEASE TRUST 2017-A	1.790	4/15/2020	6/15/2019	AAA	1,405,000	1,404,969.750	1.686	1.649	1.732	.96%	1,406,488.32
58772PAD0	MERCEDES-BENZ AUTO RECEIVABLES TRUST 2015-1	1.340	12/16/2019	11/15/2018	AAA	1,478,858	1,480,433.240	.621	.615	1.503	1.01%	1,477,414.21
65478QAD0	NISSAN AUTO LEASE TRUST 2016-A	1.490	3/15/2019	9/15/2018	Aaa	585,000	584,985.480	.968	.955	1.553	.40%	584,675.33
65479AAB8	NISSAN AUTO LEASE TRUST 2017-A	1.640	9/16/2019	5/15/2019	Aaa	1,800,000	1,799,907.090	1.428	1.402	1.679	1.23%	1,799,171.10
65474VAL5	NISSAN MASTER OWNER TRUST RECEIVABLES	1.540	6/15/2021	6/17/2019	Aaa	400,000	399,961.840	1.964	1.919	1.858	.27%	397,773.00
92867VAD2	VOLKSWAGEN AUTO LEASE TRUST	1.250	12/20/2017	7/20/2017	Aaa	98,336	98,333.300	.056	.054	1.376	.07%	98,329.15
ASSET BACKED TOTALS							**15,574,985.310**					**15,563,422.43**

LOGAN CIRCLE PARTNERS

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												
3136AK2A0	FANNIE MAE-ACES	2.171	9/25/2019	9/25/2019	Agency	200,000	203,062.760	2.173	2.109	1.728	.14%	201,628.18
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	472,616	473,363.360	.552	.550	1.405	.32%	472,289.40
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	7/25/2017	Agency	127,056	127,225.110	.069	.068	1.108	.09%	126,963.23
3137AME52	FHLMC MULTICLASS	1.891	12/25/2020	11/25/2019	Agency	368,765	371,505.220	1.227	1.201	1.617	.25%	369,549.30
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	829,068	838,655.640	.992	.973	1.541	.57%	834,874.75
CMBS TOTALS							**2,013,812.090**					**2,005,304.86**
CMOS												
31394GB77	FREDDIE MAC REMICS	4.500	7/15/2018	6/15/2018	Agency	206,211	209,004.620	.417	.412	2.040	.14%	207,956.21
31393WN47	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	225,463	228,537.010	.426	.423	(1.226)	.16%	230,598.66
31393WVB2	FREDDIE MAC REMICS	4.500	7/15/2018	7/15/2018	Agency	567,197	575,179.630	.449	.445	(.945)	.40%	580,112.80
CMOS TOTALS							**1,012,721.260**					**1,018,667.67**
CORPORATES												
0258M0EF2	AMERICAN EXPRESS CREDIT CORP	1.648	3/3/2020	3/3/2020	A2	835,000	835,000.000	2.681	.187	1.663	.57%	836,865.39
0258M0EJ4	AMERICAN EXPRESS CREDIT CORP	1.502	5/3/2019	5/3/2019	A2	325,000	325,000.000	1.756	.117	1.463	.22%	325,923.98
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	1,867,000	1,879,325.740	1.347	1.306	1.757	1.28%	1,869,906.92
031162CN8	AMGEN INC	1.632	5/11/2020	5/11/2020	Baa1	565,000	565,000.000	2.867	.122	1.647	.39%	566,961.68
037833BR0	APPLE INC	2.006	2/22/2019	2/22/2019	Aa1	425,000	428,388.120	1.653	.157	1.363	.29%	430,361.38
06050TLY6	BANK OF AMERICA NA	1.650	3/26/2018	3/26/2018	A+	1,800,000	1,801,367.670	.739	.728	1.559	1.23%	1,801,189.80
05531FAQ6	BB&T CORP	2.250	2/1/2019	2/1/2019	A2	580,000	588,170.320	1.506	1.503	1.853	.40%	583,402.86
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	1,420,000	1,441,956.230	2.503	2.453	2.042	.98%	1,432,352.58
084664CP4	BERKSHIRE HATHAWAY FINANCE CORP	1.408	1/11/2019	1/11/2019	Aa2	500,000	500,577.330	1.531	.032	1.404	.34%	501,281.50
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	805,000	832,965.520	.669	.648	1.768	.57%	832,211.42
07330NAP0	BRANCH BANKING & TRUST CO	1.608	1/15/2020	1/15/2020	A1	790,000	790,000.000	2.542	.052	1.661	.54%	792,261.77
14040HBQ7	CAPITAL ONE FINANCIAL CORP	1.941	5/12/2020	5/12/2020	Baa1	620,000	620,000.000	2.783	.164	1.878	.43%	623,028.08
14912L6M8	CATERPILLAR FINANCIAL SERVICES CORP	1.800	11/13/2018	11/13/2018	A	810,000	812,323.900	1.369	1.349	1.645	.56%	811,684.80
17325FAD0	CITIBANK NA	1.728	6/12/2020	6/12/2020	A+	400,000	400,000.000	2.956	.208	1.733	.27%	401,018.80
172967JH5	CITIGROUP INC	1.800	2/5/2018	2/5/2018	BBB+	2,055,000	2,056,054.530	.597	.594	1.671	1.41%	2,056,557.69
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	1,100,000	1,106,740.420	1.339	1.355	2.030	.76%	1,103,962.20
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A2	470,000	497,876.040	2.831	2.674	2.094	.34%	494,553.74
207597ED3	CONNECTICUT LIGHT & POWER CO/THE	5.650	5/1/2018	5/1/2018	A+	890,000	920,039.780	.836	.816	1.652	.63%	919,402.04
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	1,100,000	1,135,341.160	.753	.737	1.624	.78%	1,134,609.30
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	620,000	627,542.260	2.336	2.257	2.124	.43%	627,198.82
26442CAD6	DUKE ENERGY CAROLINAS LLC	5.100	4/15/2018	4/16/2018	A	1,050,000	1,083,315.630	.792	.777	1.655	.74%	1,078,310.10
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	1,050,000	1,050,481.080	.661	.651	1.659	.72%	1,048,553.10
31677QBD0	FIFTH THIRD BANK/CINCINNATI OH	2.150	8/20/2018	8/20/2018	A-	250,000	249,976.960	1.056	1.061	1.746	.17%	251,050.50
38147MAA3	GOLDMAN SACHS GROUP INC/THE	2.900	7/19/2018	7/19/2018	A3	1,750,000	1,771,175.250	1.053	1.024	1.805	1.21%	1,769,876.50
38145GAK6	GOLDMAN SACHS GROUP INC/THE	2.036	12/13/2019	12/13/2019	A3	500,000	500,000.000	2.458	.214	1.878	.34%	502,952.00
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	1,310,000	1,318,643.270	1.264	1.289	1.981	.90%	1,313,622.15
24422ESF7	JOHN DEERE CAPITAL CORP	1.950	12/13/2018	12/13/2018	A	980,000	985,219.000	1.453	1.430	1.600	.67%	984,900.00
46647PAG1	JPMORGAN CHASE & CO	1.882	6/1/2021	6/1/2021	A-	1,340,000	1,340,039.400	3.844	.180	1.966	.92%	1,341,854.56
46623EKD0	JPMORGAN CHASE & CO	1.700	3/1/2018	3/1/2018	A-	700,000	701,131.270	.586	.613	1.640	.48%	700,241.50
49327M2A1	KEYBANK NA/CLEVELAND OH	1.650	2/1/2018	2/1/2018	A-	1,450,000	1,451,971.440	.586	.584	1.538	.99%	1,450,941.05
49327M2P8	KEYBANK NA/CLEVELAND OH	1.600	8/22/2019	8/22/2019	A-	600,000	594,450.120	2.144	2.089	1.954	.41%	595,554.00

LOGAN CIRCLE PARTNERS

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)												
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	800,000	800,785.840	.686	.677	1.493	.55%	799,761.60
59156RAR9	METLIFE INC	6.817	8/15/2018	8/15/2018	A-	435,000	458,643.420	1.125	1.071	1.778	.31%	459,293.88
617446V71	MORGAN STANLEY	6.250	8/28/2017	8/28/2017	A3	275,000	279,247.660	.161	.161	1.878	.19%	276,913.73
61746BDY9	MORGAN STANLEY	2.545	2/1/2019	2/1/2019	A3	770,000	777,393.630	1.589	.101	1.744	.54%	781,659.34
61746BEH5	MORGAN STANLEY	1.982	2/14/2020	2/14/2020	A3	690,000	690,000.000	1.625	.128	1.870	.47%	692,829.00
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	1,080,000	1,103,914.370	2.958	2.850	2.120	.74%	1,087,093.44
65339KAJ9	NEXTERA ENERGY CAPITAL HOLDINGS INC	1.649	9/1/2018	9/4/2018	BBB+	825,000	824,212.520	1.169	1.160	1.911	.56%	822,506.85
69353RER5	PNC BANK NA	1.850	7/20/2018	7/20/2018	A	950,000	951,197.810	.967	.997	1.739	.65%	951,083.95
69353RFD5	PNC BANK NA	1.538	5/19/2020	5/19/2020	A	545,000	545,000.000	2.889	.142	1.591	.37%	546,350.51
842434CN0	SOUTHERN CALIFORNIA GAS CO	1.550	6/15/2018	6/15/2018	AA-	410,000	409,872.680	.958	.948	1.555	.28%	409,981.55
86787EAS6	SUNTRUST BANK/ATLANTA GA	1.702	1/31/2020	1/31/2020	A-	1,000,000	1,000,000.000	2.506	.094	1.592	.69%	1,006,386.00
867914BF9	SUNTRUST BANKS INC	2.350	11/1/2018	11/1/2018	BBB+	200,000	201,402.270	1.253	1.257	1.865	.14%	201,194.20
90331HMU4	US BANK NA/CINCINNATI OH	1.450	1/29/2018	1/29/2018	AA-	1,505,000	1,505,970.070	.494	.542	1.385	1.03%	1,505,534.28
90331HMQ3	US BANK NA/CINCINNATI OH	1.350	1/26/2018	1/26/2018	AA-	650,000	649,678.090	.572	.553	1.438	.44%	649,673.05
927804FM1	VIRGINIA ELECTRIC & POWER CO	1.200	1/15/2018	1/16/2018	A2	725,000	723,543.320	.542	.540	1.551	.50%	723,631.20
94974BFV7	WELLS FARGO & CO	1.613	4/22/2019	4/22/2019	A	1,000,000	998,152.160	1.811	.065	1.528	.69%	1,004,509.00
94988J5E3	WELLS FARGO BANK NA	1.792	5/24/2019	5/24/2019	Aa2	415,000	415,809.530	1.903	.158	1.469	.29%	418,466.50
971807AD4	WILMINGTON TRUST CORP	8.500	4/2/2018	4/2/2018	A3	415,000	434,264.930	.756	.731	2.213	.30%	434,416.61
CORPORATES TOTALS							**41,979,160.740**					**41,953,874.90**
MORTGAGES												
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	4/25/2018	Agency	206,981	210,623.270	.418	.415	(1.512)	.15%	211,956.85
31402DPU8	FANNIE MAE POOL	5.000	11/1/2019	7/25/2019	Agency	185,114	188,566.720	.946	.923	1.300	.13%	190,923.91
31403CYQ8	FANNIE MAE POOL	5.500	12/1/2019	5/25/2019	Agency	86,702	89,627.420	.880	.858	1.842	.06%	89,148.14
3128M1B99	FREDDIE MAC GOLD POOL	5.000	4/1/2021	7/15/2020	Agency	98,015	101,039.860	1.322	1.273	1.820	.07%	101,879.32
MORTGAGES TOTALS							**589,857.270**					**593,908.22**
MUNICIPALS												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,410,000	1,410,000.000	2.253	2.204	1.859	.95%	1,392,812.10
13034PZF7	CALIFORNIA HOUSING FINANCE AGENCY	2.300	8/1/2020	8/3/2020	A1	1,000,000	1,000,000.000	3.086	2.979	2.344	.68%	998,670.00
13034PYC5	CALIFORNIA HOUSING FINANCE AGENCY	1.594	2/1/2018	2/1/2018	A1	1,000,000	1,000,000.000	.586	.584	1.511	.69%	1,000,480.00
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	695,000	708,948.100	3.336	3.196	1.869	.48%	705,355.50
544445AY5	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	1.750	5/15/2019	5/15/2019	AA	600,000	600,000.000	1.875	1.834	1.908	.41%	598,254.00
769036AY0	CITY OF RIVERSIDE CA	1.625	6/1/2019	6/3/2019	AA-	1,450,000	1,441,954.490	1.919	1.887	1.994	.99%	1,439,966.00
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	585,000	585,000.000	4.086	3.915	2.088	.39%	572,872.95
544587B80	MUNICIPAL IMPROVEMENT CORP OF LOS ANGELES	1.924	11/1/2017	11/1/2017	A+	1,100,000	1,103,378.790	.336	.337	1.429	.75%	1,101,804.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	600,000	611,830.520	3.003	2.876	1.910	.41%	602,082.00
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	1,166,577	1,166,577.400	3.530	3.399	1.791	.80%	1,163,485.97

LOGAN CIRCLE PARTNERS

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)												
93265PBQ1	WALNUT ENERGY CENTER AUTHORITY	4.650	1/1/2018	1/2/2018	A+	1,000,000	1,017,348.620	.503	.495	1.703	.70%	1,014,690.00
MUNICIPALS TOTALS							**10,645,037.920**					**10,590,472.52**
SOVEREIGN DEBT												
45950KCA6	INTERNATIONAL FINANCE CORP	1.750	9/4/2018	9/4/2018	Aaa	2,500,000	2,522,515.080	1.178	1.159	1.433	1.72%	2,509,195.00
SOVEREIGN DEBT TOTALS							**2,522,515.080**					**2,509,195.00**
US TREASURIES												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	3,654,245	3,699,130.950	2.792	2.765	1.584	2.51%	3,659,868.88
912828WT3	UNITED STATES TREASURY NOTE/BOND	.875	7/15/2017	7/17/2017	Govt	3,300,000	3,299,871.100	.041	.046	.872	2.26%	3,300,000.00
912828H37	UNITED STATES TREASURY NOTE/BOND	.875	1/15/2018	1/16/2018	Govt	3,750,000	3,744,835.290	.541	.542	1.165	2.56%	3,744,135.00
912828L40	UNITED STATES TREASURY NOTE/BOND	1.000	9/15/2018	9/17/2018	Govt	4,563,000	4,575,604.150	1.209	1.200	1.313	3.11%	4,545,888.75
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	4,435,000	4,399,684.000	2.834	2.769	1.523	3.00%	4,386,144.04
912828VK3	UNITED STATES TREASURY NOTE/BOND	1.375	6/30/2018	7/2/2018	Govt	2,750,000	2,758,708.680	1.000	.995	1.288	1.89%	2,752,362.25
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,100,000	6,270,035.690	3.168	3.037	1.602	4.25%	6,198,173.40
912828QQ6	UNITED STATES TREASURY NOTE/BOND	2.375	5/31/2018	5/31/2018	Govt	1,425,000	1,440,671.580	.918	.906	1.318	.99%	1,438,692.83
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	13,300,000	13,315,117.780	2.500	2.456	1.462	9.03%	13,190,381.40
912828UR9	UNITED STATES TREASURY NOTE/BOND	.750	2/28/2018	2/28/2018	Govt	2,400,000	2,400,000.000	.668	.659	1.209	1.64%	2,392,687.20
US TREASURIES TOTALS							**45,903,659.220**					**45,608,333.75**
FIXED INCOME TOTALS							***137,866,473.370***					***137,451,088.44***
PORTFOLIO TOTALS							***145,908,320.850***					***145,997,548.06***

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0EK1	US0258M0EK14	0258M0EK1	0.69%	$1,002,940.83
AMERICAN HONDA FINANCE CORP	HNDA	02665WAC5	US02665WAC55	02665WAC5	1.19%	$1,739,278.19
APPLE INC	AAPL	037833CK4	US037833CK41	037833CK4	0.95%	$1,388,758.86
BANK OF AMERICA NA	BAC	06050TME9	US06050TME90	06050TME9	1.52%	$2,213,203.67
BANK OF NEW YORK MELLON CORP	BK	06406HCU1	US06406HCU14	06406HCU1	0.73%	$1,061,675.07
BERKSHIRE HATHAWAY FINANCE CORP	BRK	084664CK5	US084664CK54	084664CK5	1.03%	$1,496,476.67
BMWLT 171 A3	BMWLT	055657AC4	US055657AC48	055657AC4	0.41%	$602,387.64
BMWOT 16A A3	BMWOT	05582QAD9	US05582QAD97	05582QAD9	0.74%	$1,083,001.15
BRANCH BANKING AND TRUST CO	BBT	07330NAL9	US07330NAL91	07330NAL9	1.50%	$2,187,429.57
CALIFORNIA ST	CA	13063DAB4	US13063DAB47	13063DAB4	1.37%	$2,003,824.00
CAPITAL ONE NA	COF	14042RBS9	US14042RBS94	14042RBS9	0.96%	$1,395,931.60
Cash	---	CCYUSD	---	CCYUSD	0.01%	$15,000.15
CCCIT 16A1 A1	CCCIT	17305EFW0	US17305EFW03	17305EFW0	1.30%	$1,902,187.03
CHEVRON CORP	CVX	166764BH2	US166764BH21	166764BH2	1.30%	$1,898,172.68
CISCO SYSTEMS INC	CSCO	17275RAU6	US17275RAU68	17275RAU6	0.21%	$300,815.50
CITIBANK NA	C	17325FAE8	US17325FAE88	17325FAE8	0.58%	$851,216.63
CITIGROUP INC	C	172967HN4	US172967HN46	172967HN4	0.08%	$113,735.09
COAST CMNTY COLLEGE DIST CALIF	CA	190335JD2	US190335JD27	190335JD2	1.00%	$1,458,825.51
COCA-COLA CO	KO	191216BV1	US191216BV17	191216BV1	1.09%	$1,595,590.44
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAV9	US22546QAV95	22546QAV9	0.86%	$1,253,692.78
E I DU PONT DE NEMOURS AND CO	DD	263534CL1	US263534CL10	263534CL1	0.35%	$504,516.28
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGJ48	US3133EGJ480	3133EGJ48	1.02%	$1,491,159.75
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EGW92	US3133EGW921	3133EGW92	1.03%	$1,499,116.50
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EHEZ2	US3133EHEZ20	3133EHEZ2	2.06%	$3,008,759.33
FEDERAL FARM CREDIT BANKS FUNDING CORP	FFCB	3133EHFL2	US3133EHFL25	3133EHFL2	0.69%	$1,000,990.33
FEDERAL HOME LOAN BANKS	FHLB	313376BR5	US313376BR50	313376BR5	2.41%	$3,521,750.36
FEDERAL HOME LOAN BANKS	FHLB	313379EE5	US313379EE59	313379EE5	1.34%	$1,958,124.40
FEDERAL HOME LOAN BANKS	FHLB	3130A0JR2	US3130A0JR23	3130A0JR2	3.15%	$4,600,055.25
FEDERAL HOME LOAN BANKS	FHLB	313383HU8	US313383HU84	313383HU8	1.17%	$1,707,345.04
FEDERAL HOME LOAN BANKS	FHLB	3130A8BD4	US3130A8BD45	3130A8BD4	1.36%	$1,991,737.22
FEDERAL HOME LOAN BANKS	FHLB	3130A9EP2	US3130A9EP21	3130A9EP2	1.02%	$1,488,721.33
FEDERAL HOME LOAN BANKS	FHLB	3130ABF92	US3130ABF921	3130ABF92	2.06%	$3,002,404.58
FEDERAL HOME LOAN MORTGAGE CORP	FHLMC	3134G9Q75	US3134G9Q755	3134G9Q75	0.34%	$499,725.97
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0E58	US3135G0E585	3135G0E58	1.37%	$1,998,280.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0P49	US3135G0P490	3135G0P49	0.68%	$993,646.67
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0R39	US3135G0R397	3135G0R39	2.38%	$3,467,737.39
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0T29	US3135G0T294	3135G0T29	0.57%	$827,065.80
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082	316175108	0.07%	$95,475.33
FIFTH THIRD BANK	FITB	31677QBD0	US31677QBD07	31677QBD0	0.17%	$253,006.40
FIFTH THIRD BANK (OHIO)	FITB	31677QBH1	US31677QBH11	31677QBH1	0.34%	$497,243.53
FREDDIE MAC	FHLMC	3137EAEE5	US3137EAEE51	3137EAEE5	1.03%	$1,508,990.00
GEORGIA POWER CO	SO	373334KG5	US373334KG57	373334KG5	1.31%	$1,906,616.86
GOLDMAN SACHS GROUP INC	GS	38145XAA1	US38145XAA19	38145XAA1	0.98%	$1,429,565.78
HAROT 163 A3	HAROT	438124AC3	US438124AC33	438124AC3	1.23%	$1,790,665.36
HAWAII ST	HI	419792SM9	US419792SM99	419792SM9	1.69%	$2,464,160.56
HDMOT 16A A3	HDMOT	41284DAC6	US41284DAC65	41284DAC6	1.36%	$1,991,361.71
HSBC USA INC (NEW)	HSBC	40428HPJ5	US40428HPJ58	40428HPJ5	1.53%	$2,236,684.82
INTEL CORP	INTC	458140AQ3	US458140AQ35	458140AQ3	1.06%	$1,540,848.67
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CX4	US4581X0CX43	4581X0CX4	1.03%	$1,501,439.96
INTERCONTINENTALEXCHANGE INC	ICE	45866FAB0	US45866FAB04	45866FAB0	0.35%	$507,288.89

JDOT 16B A3	JDOT	47788NAC2	US47788NAC20	47788NAC2	0.68%	$996,107.56
JOHN DEERE CAPITAL CORP	DE	24422ETJ8	US24422ETJ81	24422ETJ8	0.68%	$990,150.22
JPMORGAN CHASE & CO	JPM	46625HQU7	US46625HQU76	46625HQU7	1.44%	$2,108,474.55
LOS ANGELES CALIF WASTEWATER SYS REV	CA	53945CGW4	US53945CGW47	53945CGW4	0.80%	$1,163,298.49
MANUFACTURERS AND TRADERS TRUST CO	MTB	55279HAG5	US55279HAG56	55279HAG5	0.97%	$1,423,121.00
MARIN CALIF CMNTY COLLEGE DIST	CA	56781RGL5	US56781RGL50	56781RGL5	0.34%	$503,435.42
MBART 161 A3	MBART	58769BAD6	US58769BAD64	58769BAD6	1.36%	$1,991,433.60
MICROSOFT CORP	MSFT	594918BF0	US594918BF05	594918BF0	0.24%	$355,179.43
MORGAN STANLEY	MS	61746BDX1	US61746BDX10	61746BDX1	0.77%	$1,118,576.07
MUFG UNION BANK NA	UNBC	90521APJ1	US90521APJ15	90521APJ1	1.25%	$1,820,029.19
NALT 17A A3	NALT	65479AAD4	US65479AAD46	65479AAD4	0.51%	$749,095.70
NAROT 16C A3	NAROT	65478WAD7	US65478WAD74	65478WAD7	0.85%	$1,241,644.56
OREGON ST DEPT ADMINISTRATIVE SVCS LOTTERY REV	OR	68607VS71	US68607VS710	68607VS71	0.69%	$1,004,167.00
PNC BANK NA	PNC	69353RFC7	US69353RFC79	69353RFC7	1.37%	$2,001,574.67
QUALCOMM INC	QCOM	747525AP8	US747525AP86	747525AP8	0.16%	$226,487.85
Receivable	---	CCYUSD	---	CCYUSD	0.00%	$101.60
SAN DIEGO CNTY CALIF PENSION OBLIG	CA	797398DH4	US797398DH41	797398DH4	1.13%	$1,648,828.33
SAN FRANCISCO CALIF CITY & CNTY REDEV AGY SUCCESSO	CA	79770GFF8	US79770GFF81	79770GFF8	0.17%	$250,996.39
SAN FRANCISCO CALIF CITY & CNTY REDEV AGY SUCCESSO	CA	79770GFG6	US79770GFG64	79770GFG6	0.41%	$603,132.07
SMAT 162US A3A	SMAT	83191GAD1	US83191GAD16	83191GAD1	1.42%	$2,076,004.35
SOUTHERN CALIF PUB PWR AUTH REV	CA	84247PHT1	US84247PHT12	84247PHT1	1.74%	$2,538,814.80
TAOT 16B A3	TAOT	89231UAD9	US89231UAD90	89231UAD9	0.48%	$698,443.95
TAOT 16C A3	TAOT	89237WAD9	US89237WAD92	89237WAD9	0.82%	$1,193,891.00
TAOT 16D A3	TAOT	89231LAD9	US89231LAD91	89231LAD9	0.20%	$298,238.09
TOYOTA MOTOR CREDIT CORP	TOYOTA	89236TDE2	US89236TDE29	89236TDE2	1.30%	$1,891,536.34
UNITED STATES TREASURY	UST	912828RH5	US912828RH57	912828RH5	1.38%	$2,007,694.57
UNITED STATES TREASURY	UST	912828ST8	US912828ST86	912828ST8	1.51%	$2,199,218.95
UNITED STATES TREASURY	UST	912828A75	US912828A750	912828A75	1.37%	$2,004,457.52
UNITED STATES TREASURY	UST	912828XK1	US912828XK13	912828XK1	3.37%	$4,923,333.39
UNITED STATES TREASURY	UST	912828L40	US912828L401	912828L40	3.12%	$4,558,280.98
UNITED STATES TREASURY	UST	912828Q52	US912828Q525	912828Q52	3.40%	$4,965,454.24
UNITED STATES TREASURY	UST	912828R44	US912828R440	912828R44	4.21%	$6,149,529.07
UNITED STATES TREASURY	UST	912828T83	US912828T834	912828T83	2.72%	$3,974,118.35
UNITED STATES TREASURY	UST	912828XS4	US912828XS49	912828XS4	0.68%	$998,636.74
UNITED TECHNOLOGIES CORP	UTX	913017CM9	US913017CM98	913017CM9	1.03%	$1,507,085.00
UNIVERSITY CALIF REVS	CA	91412GSB2	US91412GSB22	91412GSB2	1.04%	$1,518,945.00
US BANK NA	USB	90331HML4	US90331HML41	90331HML4	1.39%	$2,022,313.50
USAOT 161 A3	USAOT	90327CAC4	US90327CAC47	90327CAC4	1.20%	$1,744,681.81
WALT DISNEY CO	DIS	25468PDL7	US25468PDL76	25468PDL7	0.44%	$643,010.32
YUBA CALIF LEVEE FING AUTH REV	CA	988211BL1	US988211BL13	988211BL1	0.69%	$1,006,486.67

CalOptima (The Orange County Health Authority)
Account #: LCEF0023802
As of 6/30/2017

LOGANCIRCLE PARTNERS

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												
06538NN78	BANK TOKYO-MITSUBIS	1.040	7/5/2017	7/5/2017	F1	600,000	600,000.000	.014	.014	1.038	.62%	600,000.00
63873NDL2	NATIXIS NY INSTL C/	1.130	7/5/2017	7/5/2017	A-1	1,500,000	1,500,000.000	.014	.014	1.127	1.55%	1,500,000.00
NA9123459	US DOLLARS	1.224	7/3/2017		Agency	1,653,578	1,653,578.240	0.000	-	1.224	1.71%	1,653,578.24
USD120030	USD INTEREST RECEIVABLE	-				456,117	0.000	-	-	-	.47%	456,116.51
USD220010	USD PAYABLE FOR INVESTMENTS PURCHASED	-				(1,204,855)	(1,204,855.060)	-	-	-	(1.24%)	(1,204,855.06)
CASH TOTALS							**2,548,723.180**					**3,004,839.69**
CASH & CASH EQUIVALENTS TOTALS							***2,548,723.180***					***3,004,839.69***
FIXED INCOME												
AGENCIES												
3137EACA5	FEDERAL HOME LOAN MORTGAGE CORP	3.750	3/27/2019	3/27/2019	Agency	1,425,000	1,471,147.130	1.742	1.674	1.397	1.53%	1,482,484.50
AGENCIES TOTALS							**1,471,147.130**					**1,482,484.50**
ASSET BACKED												
05522RCT3	BA CREDIT CARD TRUST	1.489	6/15/2020	1/16/2018	AAA	1,250,000	1,248,986.180	.547	.047	1.283	1.29%	1,251,993.00
05582XAD4	BMW VEHICLE LEASE TRUST 2016-2	1.430	9/20/2019	3/20/2019	AAA	710,000	709,929.910	1.409	1.386	1.633	.73%	708,044.45
17305EFF7	CITIBANK CREDIT CARD ISSUANCE TRUST	1.547	9/10/2020	9/10/2018	Aaa	1,040,000	1,040,308.710	1.194	.029	1.366	1.08%	1,043,890.74
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.712	1/21/2020	1/22/2018	Aaa	430,000	429,741.120	.556	.055	1.455	.44%	430,770.39
47787XAC1	JOHN DEERE OWNER TRUST 2017	1.780	4/15/2021	6/15/2020	Aaa	300,000	299,963.610	2.094	2.038	1.730	.31%	300,343.77
58769AAD8	MERCEDES BENZ AUTO LEASE TRUST 2015-B	1.340	7/16/2018	12/15/2017	AAA	891,801	892,009.250	.247	.246	1.423	.92%	891,628.36
58769DAD2	MERCEDES-BENZ AUTO LEASE TRUST 2017-A	1.790	4/15/2020	6/15/2019	AAA	935,000	934,980.000	1.686	1.649	1.732	.97%	935,990.45
65479AAB8	NISSAN AUTO LEASE TRUST 2017-A	1.640	9/16/2019	5/15/2019	Aaa	1,200,000	1,199,938.200	1.428	1.402	1.679	1.24%	1,199,447.40
65475WAD0	NISSAN AUTO RECEIVABLES 2015-B OWNER TRUST	1.340	3/16/2020	2/15/2019	Aaa	815,000	814,307.070	.705	.697	1.542	.84%	813,877.58
ASSET BACKED TOTALS							**7,570,164.050**					**7,575,986.14**
CMBS												
3136A7L26	FANNIE MAE-ACES	1.513	12/25/2017	7/25/2017	Agency	330,345	330,179.310	.069	.068	1.108	.34%	330,104.42
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	671,329	669,728.060	.552	.550	1.405	.69%	670,865.57
3137AH6Q6	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	2.412	8/25/2018	8/25/2018	Aaa	585,224	589,906.010	.992	.973	1.541	.61%	589,323.34
CMBS TOTALS							**1,589,813.380**					**1,590,293.33**
CMOS												
31393BF91	FANNIE MAE REMICS	5.000	5/25/2018	4/25/2018	Agency	21,234	21,067.060	.364	.362	(.906)	.02%	21,621.35
31392GPN9	FANNIE MAE REMICS	5.000	1/25/2018	12/25/2017	Agency	18,442	18,202.790	.242	.241	2.236	.02%	18,503.79
31396YXB3	FANNIE MAE REMICS	4.000	12/25/2018	5/25/2018	Agency	41,770	41,447.310	.455	.450	1.751	.04%	42,085.12
31398GZS1	FANNIE MAE REMICS	2.500	12/25/2018	7/25/2018	Agency	31,447	31,317.620	.433	.429	1.889	.03%	31,478.43
31398M5L6	FANNIE MAE REMICS	3.750	8/25/2018	7/25/2018	Agency	55,220	55,206.950	.501	.495	1.542	.06%	55,690.18
3137A1LC5	FREDDIE MAC REMICS	2.000	8/15/2020	12/15/2019	Agency	118,986	119,062.890	1.141	1.119	1.729	.12%	119,264.7
31398VUA2	FREDDIE MAC REMICS	2.000	3/15/2019	1/15/2019	Agency	244,874	244,333.660	.582	.574	1.858	.25%	8
31398WLZ5	FREDDIE MAC REMICS	2.000	11/15/2018	10/15/2018	Agency	22,961	22,882.680	.364	.361	1.913	.02%	244,894.9
31393GWV2	FREDDIE MAC REMICS	5.000	12/15/2017	12/15/2017	Agency	18,067	18,111.220	.225	.224	2.033	.02%	9
31393NDD8	FREDDIE MAC REMICS	5.000	3/15/2018	3/15/2018	Agency	17,089	16,942.170	.309	.307	(.381)	.02%	22,950.55
												18,152.68
												17,339.60

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	1.552	12/8/2020	11/5/2020	Aaa	465,698	467,033.140	2.315	.097	1.574	.48%	468,237.60
CMOS TOTALS							**1,055,607.490**					**1,060,219.07**
CORPORATES												
0258M0DZ9	AMERICAN EXPRESS CREDIT CORP	1.875	11/5/2018	11/5/2018	A2	440,000	439,984.560	1.347	1.306	1.757	.45%	440,685.08
0258M0EF2	AMERICAN EXPRESS CREDIT CORP	1.648	3/3/2020	3/3/2020	A2	555,000	555,000.000	2.681	.187	1.663	.57%	556,239.87
0258M0DP1	AMERICAN EXPRESS CREDIT CORP	2.250	8/15/2019	8/15/2019	A2	650,000	649,486.080	2.125	2.055	1.834	.68%	655,599.10
0258M0EJ4	AMERICAN EXPRESS CREDIT CORP	1.502	5/3/2019	5/3/2019	A2	215,000	215,000.000	1.756	.117	1.463	.22%	215,611.25
03076CAE6	AMERIPRISE FINANCIAL INC	5.300	3/15/2020	3/16/2020	A3	605,000	649,892.260	2.708	2.512	2.190	.67%	654,199.21
031162CN8	AMGEN INC	1.632	5/11/2020	5/11/2020	Baa1	375,000	375,000.000	2.867	.122	1.647	.39%	376,302.00
037833BR0	APPLE INC	2.006	2/22/2019	2/22/2019	Aa1	385,000	385,000.000	1.653	.157	1.363	.40%	389,856.78
060505DP6	BANK OF AMERICA CORP	5.750	12/1/2017	12/1/2017	BBB+	1,200,000	1,218,888.360	.419	.419	1.679	1.26%	1,220,307.60
05531FAU7	BB&T CORP	2.625	6/29/2020	6/29/2020	A2	850,000	858,516.770	2.911	2.835	2.024	.89%	864,432.15
084659AB7	BERKSHIRE HATHAWAY ENERGY CO	2.400	2/1/2020	2/3/2020	A3	750,000	759,547.660	2.503	2.453	2.042	.78%	756,524.25
084664CD1	BERKSHIRE HATHAWAY FINANCE CORP	1.456	1/12/2018	1/12/2018	Aa2	445,000	444,901.850	.544	.038	1.333	.46%	445,617.66
09062XAB9	BIOGEN IDEC INC SR	6.875	3/1/2018	3/1/2018	Baa1	505,000	521,874.380	.669	.648	1.768	.54%	522,070.52
07330NAP0	BRANCH BANKING & TRUST CO	1.608	1/15/2020	1/15/2020	A1	525,000	525,000.000	2.542	.052	1.661	.54%	526,503.08
14040HBQ7	CAPITAL ONE FINANCIAL CORP	1.941	5/12/2020	5/12/2020	Baa1	410,000	410,000.000	2.783	.164	1.878	.42%	412,002.44
14912L6M8	CATERPILLAR FINANCIAL SERVICES CORP	1.800	11/13/2018	11/13/2018	A	650,000	652,005.000	1.369	1.349	1.645	.67%	651,352.00
17325FAD0	CITIBANK NA	1.728	6/12/2020	6/12/2020	A+	300,000	300,000.000	2.956	.208	1.733	.31%	300,764.10
172967JH5	CITIGROUP INC	1.800	2/5/2018	2/5/2018	BBB+	635,000	634,962.170	.597	.594	1.671	.66%	635,481.33
172967HM6	CITIGROUP INC	2.550	4/8/2019	4/8/2019	BBB+	880,000	885,209.690	1.772	1.722	2.006	.92%	888,279.04
17401QAC5	CITIZENS BANK NA/PROVIDENCE RI	2.300	12/3/2018	12/3/2018	BBB+	950,000	952,039.710	1.339	1.355	2.030	.98%	953,421.90
202795HV5	COMMONWEALTH EDISON CO	4.000	8/1/2020	8/3/2020	A2	480,000	508,124.310	2.831	2.674	2.094	.52%	505,076.16
209111ET6	CONSOLIDATED EDISON CO OF NEW YORK INC	5.850	4/1/2018	4/2/2018	A-	250,000	257,142.550	.753	.737	1.624	.27%	257,865.75
254010AC5	DIGNITY HEALTH	2.637	11/1/2019	11/1/2019	A	410,000	415,065.750	2.336	2.257	2.124	.43%	414,760.51
31677QAV1	FIFTH THIRD BANK/CINCINNATI OH	1.450	2/28/2018	2/28/2018	A-	500,000	499,045.880	.661	.651	1.659	.52%	499,311.00
31677QBG3	FIFTH THIRD BANK/CINCINNATI OH	2.250	6/14/2021	6/14/2021	A-	715,000	724,795.640	3.956	3.743	2.328	.74%	712,910.77
38145GAK6	GOLDMAN SACHS GROUP INC/THE	2.036	12/13/2019	12/13/2019	A3	575,000	578,340.990	2.458	.214	1.878	.60%	578,394.80
38141GGQ1	GOLDMAN SACHS GROUP INC/THE	5.250	7/27/2021	7/27/2021	A3	450,000	498,528.080	4.075	3.631	2.742	.51%	493,222.50
446438RV7	HUNTINGTON NATIONAL BANK/THE	1.738	3/10/2020	3/10/2020	A3	450,000	450,000.000	2.703	.207	1.721	.47%	451,269.45
446438RR6	HUNTINGTON NATIONAL BANK/THE	2.200	11/6/2018	11/6/2018	A3	460,000	463,387.330	1.264	1.289	1.981	.48%	461,271.90
46647PAG1	JPMORGAN CHASE & CO	1.882	6/1/2021	6/1/2021	A-	795,000	795,000.000	3.844	.180	1.966	.82%	796,100.28
46623EKD0	JPMORGAN CHASE & CO	1.700	3/1/2018	3/1/2018	A-	650,000	650,602.600	.586	.613	1.640	.67%	650,224.25
49327M2F0	KEYBANK NA/CLEVELAND OH	2.500	12/15/2019	12/16/2019	A-	900,000	913,398.730	2.458	2.382	2.082	.94%	908,974.80
55279HAA8	MANUFACTURERS & TRADERS TRUST CO	1.450	3/7/2018	3/7/2018	A	500,000	499,407.560	.686	.677	1.493	.52%	499,851.00
59156RAR9	METLIFE INC	6.817	8/15/2018	8/15/2018	A-	285,000	300,372.820	1.125	1.071	1.778	.31%	300,916.68
61746BDY9	MORGAN STANLEY	2.545	2/1/2019	2/1/2019	A3	800,000	800,000.000	1.589	.101	1.744	.84%	812,113.60
637432MU6	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	2.350	6/15/2020	6/15/2020	A1	810,000	827,394.860	2.958	2.850	2.120	.84%	815,320.08
69353RDD7	PNC BANK NA	2.250	7/2/2019	7/2/2019	A	620,000	622,364.500	1.922	1.892	1.861	.64%	624,532.82
86787EAS6	SUNTRUST BANK/ATLANTA GA	1.702	1/31/2020	1/31/2020	A-	660,000	660,000.000	2.506	.094	1.592	.69%	664,214.76
87236YAE8	TD AMERITRADE HOLDING CORP	2.950	4/1/2022	4/1/2022	A-	880,000	901,772.100	4.586	4.326	2.410	.93%	900,499.60
91324PBJ0	UNITEDHEALTH GROUP INC	6.000	2/15/2018	2/15/2018	A-	725,000	744,382.480	.625	.612	1.687	.77%	744,344.45
91159HHE3	US BANCORP	1.950	11/15/2018	11/15/2018	A+	366,000	367,200.280	1.292	1.303	1.546	.38%	367,882.34
90331HMV2	US BANK NA/CINCINNATI OH	1.752	1/29/2018	1/29/2018	AA-	500,000	500,000.000	.497	.080	1.376	.52%	501,269.00

LOGANCIRCLE PARTNERS

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)												
92343VDG6	VERIZON COMMUNICATIONS INC	1.750	8/15/2021	8/16/2021	BBB+	800,000	794,481.340	4.125	3.923	2.592	.80%	773,799.20
927804FM1	VIRGINIA ELECTRIC & POWER CO	1.200	1/15/2018	1/16/2018	A2	480,000	479,034.540	.542	.540	1.551	.49%	479,093.76
94974BGR5	WELLS FARGO & CO	2.550	12/7/2020	12/7/2020	A	950,000	973,663.100	3.436	3.280	2.201	.99%	960,894.60
971807AD4	WILMINGTON TRUST CORP	8.500	4/2/2018	4/2/2018	A3	275,000	289,857.440	.756	.731	2.213	.30%	287,866.43
98389BAS9	XCEL ENERGY INC	2.400	3/15/2021	3/15/2021	BBB+	750,000	768,377.890	3.625	3.482	2.349	.77%	751,315.50
CORPORATES TOTALS							**27,714,049.260**					**27,678,545.35**
MORTGAGES												
31381Q6B7	FANNIE MAE POOL	4.295	6/1/2021	6/25/2021	Agency	1,179,166	1,281,632.060	3.820	3.504	2.261	1.31%	1,266,572.24
3138EJRP5	FANNIE MAE POOL	4.380	6/1/2021	5/25/2021	Agency	907,935	988,994.560	3.752	3.441	2.259	1.01%	976,823.31
31374CNE2	FANNIE MAE POOL	5.000	5/1/2019	4/25/2018	Agency	296,170	301,270.750	.418	.415	(1.512)	.31%	303,289.36
31385XBG1	FANNIE MAE POOL	6.000	3/1/2018	9/25/2017	Agency	297	292.650	.150	.150	2.627	0%	297.43
31371KT68	FANNIE MAE POOL	5.500	10/1/2017	9/25/2017	Agency	3,155	3,154.020	.150	.150	2.017	0%	3,159.80
31371KVC2	FANNIE MAE POOL	5.500	11/1/2017	10/25/2017	Agency	4,983	4,923.120	.190	.189	1.699	.01%	5,000.94
31391WS93	FANNIE MAE POOL	5.500	11/1/2017	10/25/2017	Agency	2,309	2,274.390	.190	.189	2.338	0%	2,314.50
31294KUP8	FREDDIE MAC GOLD POOL	5.000	11/1/2018	9/15/2018	Agency	28,323	28,181.330	.571	.563	.193	.03%	29,044.50
36200MPV9	GINNIE MAE I POOL	4.500	7/15/2018	5/15/2018	Govt	6,038	6,015.130	.451	.445	1.705	.01%	6,103.70
36200MMZ3	GINNIE MAE I POOL	4.500	6/15/2018	4/15/2018	Govt	11,106	11,044.400	.411	.406	1.566	.01%	11,220.18
MORTGAGES TOTALS							**2,627,782.410**					**2,603,825.96**
MUNICIPALS												
032556BZ4	ANAHEIM HOUSING & PUBLIC IMPROVEMENTS AUTHORITY	1.304	10/1/2019	10/1/2019	AA-	1,010,000	1,010,000.000	2.253	2.204	1.859	1.03%	997,688.10
03667PEB4	ANTELOPE VALLEY COMMUNITY COLLEGE DISTRICT	1.954	8/1/2018	8/1/2018	Aa2	345,000	345,000.000	1.086	1.066	1.651	.36%	346,117.80
072031AF4	BAY AREA WATER SUPPLY & CONSERVATION AGENCY	1.914	10/1/2019	10/1/2019	Aa3	150,000	150,236.520	2.253	2.190	1.764	.16%	150,493.50
13034PUF2	CALIFORNIA HOUSING FINANCE AGENCY	2.379	8/1/2020	8/3/2020	A1	450,000	448,158.240	3.086	2.947	2.373	.46%	450,076.50
13034PZH3	CALIFORNIA HOUSING FINANCE AGENCY	2.512	8/1/2021	8/2/2021	A1	675,000	675,000.000	4.086	3.877	2.589	.69%	672,981.75
13077CT38	CALIFORNIA STATE UNIVERSITY	1.982	11/1/2019	11/1/2019	AA-	245,000	245,000.000	2.336	2.272	1.639	.25%	246,913.45
13077CT46	CALIFORNIA STATE UNIVERSITY	2.332	11/1/2020	11/2/2020	AA-	495,000	504,809.690	3.336	3.196	1.869	.52%	502,375.50
156792GT4	CERRITOS COMMUNITY COLLEGE DISTRICT	2.165	8/1/2019	8/1/2019	Aa2	175,000	175,000.000	2.086	2.019	1.838	.18%	176,165.50
156792GR8	CERRITOS COMMUNITY COLLEGE DISTRICT	1.312	8/1/2017	8/1/2017	Aa2	500,000	500,000.000	.086	.087	1.247	.52%	500,025.00
45656RCK6	CITY OF INDUSTRY CA	2.500	1/1/2020	1/2/2020	A1	230,000	229,795.520	2.503	2.398	2.376	.24%	230,690.00
544445AZ2	CITY OF LOS ANGELES DEPARTMENT OF AIRPORTS	2.092	5/15/2020	5/15/2020	AA	715,000	715,000.000	2.875	2.775	2.257	.73%	711,732.45
190335HF9	COAST COMMUNITY COLLEGE DISTRICT	1.556	8/1/2021	8/2/2021	Aa1	415,000	415,000.000	4.086	3.915	2.088	.42%	406,397.05
70914PPE6	COMMONWEALTH OF PENNSYLVANIA	4.250	7/15/2020	7/15/2020	Aa3	500,000	530,432.370	3.042	2.816	1.978	.55%	533,375.00
452650JD7	IMPERIAL IRRIGATION DISTRICT ELECTRIC SYSTEM REVENUE	1.320	11/1/2019	11/1/2019	AA-	655,000	653,505.980	2.336	2.288	2.022	.66%	644,552.75
54473ERR7	LOS ANGELES COUNTY PUBLIC WORKS FINANCING AUTHORITY	2.560	12/1/2019	12/2/2019	Aa2	305,000	305,565.140	2.419	2.343	2.154	.32%	307,903.60
621196XM1	MOUNT DIABLO UNIFIED SCHOOL DISTRICT/CA	3.887	8/1/2017	8/1/2017	Aa2	400,000	400,821.390	.086	.087	1.959	.41%	400,652.00
630360EJ0	NAPA VLY CA CMNTY C	1.776	8/1/2018	8/1/2018	AA-	600,000	600,000.000	1.086	1.067	1.521	.62%	601,638.00
661334DS8	NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT/CA	1.540	8/1/2018	8/1/2018	Aa1	165,000	164,727.130	1.086	1.068	1.547	.17%	164,986.80

LOGAN CIRCLE PARTNERS

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)												
683042AC9	ONTARIO INTERNATIONAL AIRPORT AUTHORITY	1.818	5/15/2019	5/15/2019	A-	490,000	490,000.000	1.875	1.833	2.266	.50%	485,986.90
76886PFB4	RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION	2.848	8/1/2020	8/3/2020	Aa2	355,000	361,858.900	3.086	2.927	2.008	.38%	363,878.55
786005NA2	SACRAMENTO MUNICIPAL UTILITY DISTRICT	5.000	8/15/2017	8/15/2017	AA-	160,000	160,728.970	.125	.125	1.360	.17%	160,721.60
83412PDW9	SOLANO COUNTY COMMUNITY COLLEGE DISTRICT	1.840	8/1/2018	8/1/2018	Aa3	600,000	600,000.000	1.086	1.066	1.581	.62%	601,662.00
842477TV3	SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	2.029	7/1/2020	7/1/2020	AA-	780,000	795,232.580	3.003	2.876	1.910	.81%	782,706.60
13066YTY5	STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES POWER SUPPLY REVENUE	1.713	5/1/2021	5/3/2021	Aa1	831,863	831,863.210	3.530	3.399	1.791	.86%	829,658.77
649791CJ7	STATE OF NEW YORK	4.290	3/1/2019	3/1/2019	AA+	225,000	233,256.050	1.669	1.596	1.621	.24%	234,848.25
932889VJ4	WALNUT VALLEY UNIFIED SCHOOL DISTRICT	2.000	8/1/2018	8/1/2018	Aa2	285,000	285,740.870	1.086	1.065	1.456	.30%	286,664.40
MUNICIPALS TOTALS							**11,826,732.560**					**11,790,891.82**
SOVEREIGN DEBT												
459058DL4	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	1.875	3/15/2019	3/15/2019	AAA	725,000	730,263.350	1.708	1.666	1.527	.75%	729,233.28
SOVEREIGN DEBT TOTALS							**730,263.350**					**729,233.28**
US TREASURIES												
912828K33	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	4/15/2020	4/15/2020	Govt	955,324	965,309.410	2.792	2.765	1.584	.99%	956,794.29
912828SA9	UNITED STATES TREASURY INFLATION INDEXED BONDS	.125	1/15/2022	1/18/2022	Govt	1,458,351	1,465,106.160	4.541	4.496	1.846	1.50%	1,456,169.31
912828S76	UNITED STATES TREASURY NOTE/BOND	1.125	7/31/2021	8/2/2021	Govt	4,900,000	4,771,785.920	4.086	3.952	1.770	4.93%	4,775,971.20
912828VA5	UNITED STATES TREASURY NOTE/BOND	1.125	4/30/2020	4/30/2020	Govt	1,280,000	1,264,813.700	2.834	2.769	1.523	1.31%	1,265,899.52
912828L99	UNITED STATES TREASURY NOTE/BOND	1.375	10/31/2020	11/2/2020	Govt	5,000,000	4,957,714.280	3.334	3.242	1.629	5.11%	4,958,985.00
912828B58	UNITED STATES TREASURY NOTE/BOND	2.125	1/31/2021	2/1/2021	Govt	6,520,000	6,688,208.920	3.586	3.418	1.681	6.83%	6,620,349.32
912828J43	UNITED STATES TREASURY NOTE/BOND	1.750	2/28/2022	2/28/2022	Govt	4,555,000	4,478,199.130	4.668	4.432	1.845	4.68%	4,535,604.81
912828WT3	UNITED STATES TREASURY NOTE/BOND	.875	7/15/2017	7/17/2017	Govt	1,200,000	1,199,953.130	.041	.046	.872	1.24%	1,200,000.00
912828UF5	UNITED STATES TREASURY NOTE/BOND	1.125	12/31/2019	12/31/2019	Govt	4,975,000	4,982,960.410	2.500	2.456	1.462	5.09%	4,933,996.05
912828VK3	UNITED STATES TREASURY NOTE/BOND	1.375	6/30/2018	7/2/2018	Govt	2,500,000	2,507,227.380	1.000	.995	1.288	2.58%	2,502,147.50
912828VV9	UNITED STATES TREASURY NOTE/BOND	2.125	8/31/2020	8/31/2020	Govt	6,130,000	6,238,982.380	3.168	3.037	1.602	6.42%	6,228,656.22
US TREASURIES TOTALS							**39,520,260.820**					**39,434,573.22**
FIXED INCOME TOTALS							***94,105,820.450***					***93,946,052.67***
PORTFOLIO TOTALS							***96,654,543.630***					***96,950,892.36***

Portfolio Positions

as of June 30, 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	8,562,161.20	8,562,161.20	0.00	1.000	2.37%
Total for Cash			**8,562,161.20**	**8,562,161.20**	**0.00**		**2.37%**
Money Markets							
5,700,000.000	SUMITOMO MITSUI NY YCD	86563YTM5	5,700,000.00	5,699,894.49	(105.51)	99.998	1.58%
	Mat: 7/5/17 Cpn: 1.10%		0.00	15,152.50			
	Moody's: P-1 S&P: A-1 Fitch: F1						
	Tr Date: 4/4/17 St Date: 4/5/17						
5,000,000.000	FHLB DISCOUNT NOTE	313385HY5	4,998,450.00	4,998,380.56	(69.44)	99.973	1.38%
	Mat: 7/10/17 Cpn: 0.00%		0.00	387.50			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/27/17 St Date: 6/28/17						
7,000,000.000	FHLB DISCOUNT NOTE	313385JB3	6,997,497.50	6,997,522.78	25.28	99.965	1.94%
	Mat: 7/13/17 Cpn: 0.00%		0.00	192.50			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/29/17 St Date: 6/30/17						
2,675,000.000	FHLB DISCOUNT NOTE	313385JK3	2,673,198.83	2,673,239.40	40.57	99.943	0.74%
	Mat: 7/21/17 Cpn: 0.00%		0.00	300.19			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/26/17 St Date: 6/27/17						
3,000,000.000	FHLB DISCOUNT NOTE	313385JN7	2,997,750.00	2,997,778.00	28.00	99.934	0.83%
	Mat: 7/24/17 Cpn: 0.00%		0.00	333.33			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 6/26/17 St Date: 6/27/17						
3,800,000.000	SWEDBANK NY YCD	87019UQ51	3,800,000.00	3,800,000.00	0.00	100.000	1.05%
	Mat: 7/28/17 Cpn: 1.16%		0.00	244.89			
	Moody's: P-1 S&P: A-1+ Fitch: F1+						
	Tr Date: 6/28/17 St Date: 6/29/17						
3,800,000.000	TORONTO DOMINION NY YCD	89113WWA0	3,800,000.00	3,799,677.04	(322.96)	99.992	1.06%
	Mat: 8/3/17 Cpn: 1.18%		0.00	18,434.22			
	Moody's: P-1 S&P: A-1+ Fitch: F1+						
	Tr Date: 2/2/17 St Date: 2/3/17						
6,000,000.000	FHLB DISCOUNT NOTE	313385KE5	5,981,740.00	5,979,496.00	(2,244.00)	99.889	1.66%
	Mat: 8/9/17 Cpn: 0.00%		0.00	13,970.00			
	Moody's: Aaa S&P: AA+u Fitch: AAA						
	Tr Date: 2/23/17 St Date: 2/24/17						

Portfolio Positions

as of June 30, 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
3,800,000.000	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	3,801,432.90 49,257.50	1,432.90	100.038	1.07%
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	2,020,007.72 8,461.56	7.72	100.000	0.56%
3,800,000.000	BANK OF NOVA SCOTIA HOUSTON YCD 3ML FRN Mat: 9/7/17 Cpn: 1.72% 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	3,802,280.00 4,356.22	(252.00)	100.060	1.05%
3,310,000.000	RABOBANK NEDERLAND NY YCD 3ML FRN Mat: 9/8/17 Cpn: 1.69% 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	3,312,317.00 3,571.77	2,317.00	100.070	0.92%
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	3,800,313.88 41,610.00	313.88	100.008	1.06%
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	3,801,652.13 46,368.44	1,652.13	100.044	1.06%
5,800,000.000	DNB NOR BANK YCD Mat: 9/28/17 Cpn: 1.20% Moody's: P-1 S&P: A-1 Fitch: Tr Date: 6/27/17 St Date: 6/28/17	23340QS79	5,800,000.00 0.00	5,800,000.00 580.00	0.00	100.000	1.60%
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	3,800,433.77 38,903.56	433.77	100.011	1.06%
10,000,000.000	FAMC DISCOUNT NOTE Mat: 11/3/17 Cpn: 0.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/10/17 St Date: 5/11/17	31315LNU8	9,949,644.44 0.00	9,947,999.44 14,591.67	(1,645.00)	99.623	2.76%
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	11,922,176.56 40,364.10	(19,215.84)	99.354	3.31%

Portfolio Positions

as of June 30, 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
Total for Money Markets			**88,972,205.17** **3,427.08**	**88,954,601.67** **297,079.95**	**(17,603.50)**		**24.69%**
Treasuries							
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	9,969,899.70 25,067.93	(12,912.80)	99.699	2.76%
10,000,000.000	U.S. TREASURY NOTE Mat: 5/15/18 Cpn: 1.00% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/10/17 St Date: 5/11/17	912828XA3	9,980,859.38 48,895.03	9,976,999.70 12,771.74	(3,859.68)	99.770	2.76%
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	26,903,339.46 20,010.25	7,167.58	99.642	7.45%
15,000,000.000	U.S. TREASURY NOTE Mat: 7/15/18 Cpn: 0.88% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/2/17 St Date: 5/3/17	912828XK1	14,950,195.31 39,157.46	14,936,550.45 60,549.03	(13,644.86)	99.577	4.15%
30,000,000.000	U.S. TREASURY NOTE Mat: 7/31/18 Cpn: 0.75% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/9/17 St Date: 5/10/17	912828S68	29,823,046.88 61,533.15	29,827,800.90 93,853.59	4,754.02	99.426	8.28%
Total for Treasuries			**91,633,085.95** **251,900.24**	**91,614,590.21** **212,252.54**	**(18,495.74)**		**25.40%**
Government Related							
3,820,000.000	INTL FINANCE CORP FRN Mat: 3/6/18 Cpn: 1.14% Moody's: Aaa S&P: AAA Fitch: Tr Date: 2/27/17 St Date: 3/6/17	45950VKP0	3,820,000.00 0.00	3,820,668.50 3,014.01	668.50	100.018	1.06%
Total for Government Related			**3,820,000.00** **0.00**	**3,820,668.50** **3,014.01**	**668.50**		**1.06%**
Agencies							
4,200,000.000	FFCB 1ML+14.0 FRN Mat: 8/1/18 Cpn: 1.19% 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	4,212,663.00 4,166.75	6,114.86	100.302	1.17%

Portfolio Positions

as of June 30, 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
10,000,000.000	FNMA 1ML+0.0 FRN Mat: 2/28/19 Cpn: 1.22% 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	10,021,200.00 10,006.69	55,500.00	100.212	2.77%
Total for Agencies			**14,172,248.14** **7,707.45**	**14,233,863.00** **14,173.44**	**61,614.86**		**3.94%**
Tax-Exempt							
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	4,109,184.00 68,333.33	(90,405.00)	100.224	1.16%
Total for Tax-Exempt			**4,199,589.00** **0.00**	**4,109,184.00** **68,333.33**	**(90,405.00)**		**1.16%**
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	2,997,690.00 8,930.00	(2,310.00)	99.923	0.83%
2,680,000.000	CA OAKLAND-ALAMEDA LEASE TXB Mat: 2/1/18 Cpn: 1.69% Moody's: Aa3 S&P: Fitch: AA Tr Date: 5/12/17 St Date: 5/17/17	672211BE8	2,681,611.35 13,419.61	2,678,686.80 18,905.17	(2,924.55)	99.951	0.75%
1,050,000.000	CA STATE GO/ULT TXB Mat: 4/1/18 Cpn: 1.25% Moody's: Aa3 S&P: AA- Fitch: AA- Tr Date: 4/21/17 St Date: 4/27/17	13063DAA6	1,050,000.00 0.00	1,047,963.00 2,329.60	(2,037.00)	99.806	0.29%
1,025,000.000	CA LOS ANGELES CNTY REDEV AGY TAB-TXBL Mat: 9/1/18 Cpn: 1.00% Moody's: Aa3 S&P: AA Fitch: Tr Date: 6/16/17 St Date: 6/21/17	54465AGJ5	1,018,337.50 3,131.94	1,019,526.50 3,416.67	1,189.00	99.466	0.28%
Total for Taxable Muni			**7,749,948.85** **16,551.55**	**7,743,866.30** **33,581.43**	**(6,082.55)**		**2.15%**
Credit							
3,604,000.000	IBM Mat: 9/14/17 Cpn: 5.70% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 7/11/16 St Date: 7/14/16	459200GJ4	3,804,042.62 68,476.00	3,635,127.75 61,057.77	(168,914.87)	100.864	1.02%

Portfolio Positions

as of June 30, 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
730,000.000	AMERICAN EXPRESS FRN			0258M0DS5	730,000.00	730,332.88	332.88	100.046	0.20%
	Mat: 9/22/17	Cpn: 1.59%			0.00	289.67			
	Moody's: A2	S&P: A-	Fitch: A						
	Tr Date: 9/18/14	St Date: 9/23/14							
2,960,000.000	GENERAL MILLS			370334BU7	2,969,116.80	2,958,158.88	(10,957.92)	99.938	0.82%
	Mat: 10/20/17	Cpn: 1.40%			1,151.11	8,057.78			
	Moody's: A3	S&P: BBB+	Fitch: BBB+						
	Tr Date: 10/27/16	St Date: 11/1/16							
493,000.000	BERKSHIRE HATHAWAY FRN			084664CD1	491,895.68	493,722.25	1,826.57	100.147	0.14%
	Mat: 1/12/18	Cpn: 1.46%			25.50	1,594.77			
	Moody's: Aa2	S&P: AA	Fitch: A+u						
	Tr Date: 10/13/15	St Date: 10/16/15							
1,800,000.000	WELLS FARGO FRN			94988J5B9	1,800,000.00	1,806,661.80	6,661.80	100.370	0.50%
	Mat: 1/22/18	Cpn: 1.89%			0.00	6,436.78			
	Moody's: Aa2	S&P: AA-	Fitch: AA						
	Tr Date: 1/22/16	St Date: 1/29/16							
5,000,000.000	JPMORGAN CHASE FRN			46625HJF8	5,050,815.70	5,026,450.00	(24,365.70)	100.529	1.40%
	Mat: 1/25/18	Cpn: 2.06%			13,624.35	19,134.27			
	Moody's: A3	S&P: A-	Fitch: A+						
	Tr Date: 4/15/15	St Date: 4/20/15							
1,780,000.000	CATERPILLAR			14912L6P1	1,777,828.40	1,778,143.46	315.06	99.896	0.49%
	Mat: 2/23/18	Cpn: 1.50%			8,677.50	9,493.33			
	Moody's: A3	S&P: A	Fitch: A						
	Tr Date: 12/15/16	St Date: 12/20/16							
955,000.000	PNC BANK			69353REJ3	954,937.25	955,118.42	181.17	100.012	0.27%
	Mat: 2/23/18	Cpn: 1.50%			4,894.38	5,093.33			
	Moody's: A2	S&P: A	Fitch: A+						
	Tr Date: 6/21/17	St Date: 6/26/17							
2,000,000.000	WELLS FARGO FRN			94974BFK1	2,003,940.00	2,008,940.00	5,000.00	100.447	0.56%
	Mat: 4/23/18	Cpn: 1.78%			542.12	6,736.42			
	Moody's: A2	S&P: A	Fitch: AA-						
	Tr Date: 1/29/15	St Date: 2/3/15							
3,000,000.000	GOLDMAN SACHS FRN			38141GVK7	3,050,390.00	3,023,229.00	(27,161.00)	100.774	0.84%
	Mat: 4/30/18	Cpn: 2.37%			6,625.48	12,649.49			
	Moody's: A3	S&P: BBB+	Fitch: A						
	Tr Date: 7/29/14	St Date: 8/1/14							
5,000,000.000	QUALCOMM FRN			747525AH6	5,000,000.00	5,004,965.00	4,965.00	100.099	1.39%
	Mat: 5/18/18	Cpn: 1.44%			0.00	8,009.56			
	Moody's: A1	S&P: A	Fitch:						
	Tr Date: 5/13/15	St Date: 5/20/15							

Currency: USD

Units	Security	Identifier	Original Principal Cost / Purchased Accrued	Principal Market Value / Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
1,825,000.000	AMERICAN EXPRESS FRN	025816BH1	1,828,522.25	1,832,334.68	3,812.43	100.402	0.51%
	Mat: 5/22/18 Cpn: 1.76%		2,330.98	3,572.38			
	Moody's: A3 S&P: BBB+ Fitch: A						
	Tr Date: 4/14/15 St Date: 4/17/15						
3,200,000.000	KEYBANK FRN	49327M2L7	3,200,000.00	3,212,547.20	12,547.20	100.392	0.89%
	Mat: 6/1/18 Cpn: 1.72%		0.00	4,591.41			
	Moody's: A3 S&P: A- Fitch: A-						
	Tr Date: 5/27/15 St Date: 6/1/15						
2,145,000.000	PNC BANK	69353REM6	2,147,317.20	2,147,117.12	(200.09)	100.099	0.59%
	Mat: 6/1/18 Cpn: 1.60%		2,383.33	2,860.00			
	Moody's: A2 S&P: A Fitch: A+						
	Tr Date: 6/21/17 St Date: 6/26/17						
3,000,000.000	FIFTH THIRD BANK FRN	31677QBE8	3,005,250.00	3,014,931.00	9,681.00	100.498	0.84%
	Mat: 8/20/18 Cpn: 2.08%		5,903.54	6,765.59			
	Moody's: A3 S&P: A- Fitch: A						
	Tr Date: 10/13/15 St Date: 10/16/15						
680,000.000	LOWES COMPANIES FRN	548661DF1	680,403.20	684,734.16	4,330.96	100.696	0.19%
	Mat: 9/14/18 Cpn: 1.84%		93.55	591.38			
	Moody's: A3 S&P: A- Fitch:						
	Tr Date: 9/9/15 St Date: 9/16/15						
3,000,000.000	VERIZON COMMUNICATIONS FRN	92343VBM5	3,123,600.00	3,054,822.00	(68,778.00)	101.827	0.85%
	Mat: 9/14/18 Cpn: 2.99%		6,230.18	4,238.20			
	Moody's: Baa1 S&P: BBB+ Fitch: A-						
	Tr Date: 4/15/15 St Date: 4/20/15						
1,000,000.000	WELLS FARGO FRN	94974BGD6	1,000,000.00	1,002,560.00	2,560.00	100.256	0.28%
	Mat: 9/14/18 Cpn: 1.64%		0.00	775.23			
	Moody's: A2 S&P: A Fitch: AA-						
	Tr Date: 9/16/14 St Date: 9/23/14						
2,632,000.000	JOHN DEERE CAPITAL CORP FRN	24422ETN9	2,636,126.86	2,638,424.71	2,297.85	100.244	0.73%
	Mat: 10/15/18 Cpn: 1.43%		2,972.35	7,728.18			
	Moody's: A2 S&P: A Fitch: A						
	Tr Date: 1/3/17 St Date: 1/6/17						
1,330,000.000	CITIBANK FRN	17325FAC2	1,330,000.00	1,330,889.77	889.77	100.067	0.37%
	Mat: 11/9/18 Cpn: 1.41%		0.00	2,761.62			
	Moody's: A1 S&P: A+ Fitch: A+						
	Tr Date: 5/3/17 St Date: 5/9/17						
3,000,000.000	US BANCORP FRN	91159HHF0	3,000,630.00	3,016,380.00	15,750.00	100.546	0.84%
	Mat: 11/15/18 Cpn: 1.67%		4,727.92	6,547.81			
	Moody's: A1 S&P: A+ Fitch: AA						
	Tr Date: 10/21/15 St Date: 10/26/15						

Portfolio Positions

as of June 30, 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
5,050,000.000	CHEVRON FRN			166764BB5	5,050,000.00	5,078,850.65	28,850.65	100.571	1.41%
	Mat: 11/16/18	Cpn: 1.69%			0.00	10,902.36			
	Moody's: Aa2	S&P: AA-	Fitch:						
	Tr Date: 11/9/15	St Date: 11/17/15							
1,000,000.000	AT&T FRN			00206RCB6	1,019,860.00	1,009,065.00	(10,795.00)	100.907	0.28%
	Mat: 11/27/18	Cpn: 1.96%			2,179.54	1,798.80			
	Moody's: Baa1	S&P: BBB+	Fitch: A-						
	Tr Date: 7/30/14	St Date: 8/4/14							
890,000.000	CITIGROUP FRN			172967KF7	890,000.00	896,743.53	6,743.53	100.758	0.25%
	Mat: 12/7/18	Cpn: 2.08%			0.00	1,233.87			
	Moody's: Baa1	S&P: BBB+	Fitch: A						
	Tr Date: 12/1/15	St Date: 12/7/15							
1,100,000.000	MORGAN STANLEY FRN			61746BDN3	1,104,125.00	1,108,131.20	4,006.20	100.739	0.31%
	Mat: 1/24/19	Cpn: 2.00%			2,838.99	4,162.14			
	Moody's: A3	S&P: BBB+	Fitch: A						
	Tr Date: 4/15/15	St Date: 4/20/15							
1,430,000.000	CITIBANK FRN			17325FAB4	1,430,000.00	1,432,431.00	2,431.00	100.170	0.40%
	Mat: 3/20/19	Cpn: 1.61%			0.00	705.04			
	Moody's: A1	S&P: A+	Fitch: A+						
	Tr Date: 3/13/17	St Date: 3/20/17							
1,075,000.000	CATERPILLAR FINANCIAL FRN			14912L6X4	1,075,000.00	1,077,219.88	2,219.88	100.207	0.30%
	Mat: 3/22/19	Cpn: 1.57%			0.00	421.19			
	Moody's: A3	S&P: A	Fitch: A						
	Tr Date: 3/20/17	St Date: 3/23/17							
1,280,000.000	BRANCH BANKING & TRUST FRN			07330NAM7	1,280,000.00	1,285,689.60	5,689.60	100.445	0.36%
	Mat: 5/1/19	Cpn: 1.56%			0.00	3,392.14			
	Moody's: A1	S&P: A	Fitch: A+						
	Tr Date: 5/5/16	St Date: 5/10/16							
1,825,000.000	AMERICAN EXPRESS FRN			0258M0EJ4	1,825,000.00	1,830,659.33	5,659.33	100.310	0.51%
	Mat: 5/3/19	Cpn: 1.50%			0.00	4,493.43			
	Moody's: A2	S&P: A-	Fitch: A						
	Tr Date: 4/27/17	St Date: 5/3/17							
1,315,000.000	QUALCOMM FRN			747525AN3	1,315,000.00	1,319,473.63	4,473.63	100.340	0.37%
	Mat: 5/20/19	Cpn: 1.54%			0.00	2,025.02			
	Moody's: A1	S&P: A	Fitch:						
	Tr Date: 5/19/17	St Date: 5/26/17							
1,905,000.000	US BANK CINCINNATI FRN			90331HNE9	1,905,000.00	1,906,335.41	1,335.41	100.070	0.53%
	Mat: 5/24/19	Cpn: 1.35%			0.00	2,217.48			
	Moody's: A1	S&P: AA-	Fitch:						
	Tr Date: 5/25/17	St Date: 5/31/17							

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
700,000.000	MORGAN STANLEY FRN Mat: 7/23/19 Cpn: 1.89% Moody's: A3 S&P: BBB+ Fitch: A Tr Date: 7/29/14 St Date: 8/1/14	61746BDS2	700,350.00 170.30	705,147.80 2,503.19	4,797.80	100.735	0.20%
720,000.000	BERKSHIRE HATHAWAY FRN Mat: 8/15/19 Cpn: 1.44% 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	722,709.36 1,355.27	2,709.36	100.376	0.20%
1,775,000.000	FIFTH THIRD BANK FRN Mat: 9/27/19 Cpn: 1.88% 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	1,785,996.13 371.42	10,996.13	100.620	0.49%
1,915,000.000	JOHN DEERE CAPITAL CORP FRN Mat: 10/9/19 Cpn: 1.44% 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	1,920,586.06 6,282.90	5,586.06	100.292	0.53%
1,390,000.000	CATERPILLAR FINANCIAL FRN Mat: 1/10/20 Cpn: 1.67% 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	1,398,857.08 5,272.81	8,857.08	100.637	0.39%
1,330,000.000	CITIGROUP FRN Mat: 1/10/20 Cpn: 1.95% 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	1,340,086.72 5,893.45	10,086.72	100.758	0.37%
1,385,000.000	BRANCH BANKING & TRUST FRN Mat: 1/15/20 Cpn: 1.61% 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	1,389,463.86 4,579.14	4,463.86	100.322	0.39%
1,150,000.000	SUNTRUST BANK FRN Mat: 1/31/20 Cpn: 1.70% 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	1,157,778.60 3,366.07	7,778.60	100.676	0.32%
1,900,000.000	MORGAN STANLEY FRN Mat: 2/14/20 Cpn: 1.98% 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	1,908,242.20 4,915.92	8,242.20	100.434	0.53%
865,000.000	CITIZENS BANK FRN Mat: 3/2/20 Cpn: 1.75% Moody's: Baa1 S&P: A- Fitch: BBB+ Tr Date: 2/27/17 St Date: 3/2/17	17401QAH4	865,000.00 0.00	866,031.95 1,219.41	1,031.95	100.119	0.24%

Portfolio Positions

as of June 30, 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
930,000.000	AMERICAN EXPRESS FRN			0258M0EF2	930,000.00	932,431.02	2,431.02	100.261	0.26%
	Mat: 3/3/20	Cpn: 1.65%			0.00	1,106.95			
	Moody's: A2	S&P: A-	Fitch: A						
	Tr Date: 2/28/17	St Date: 3/3/17							
845,000.000	HUNTINGTON NATL BANK FRN			446438RV7	845,000.00	847,716.68	2,716.68	100.322	0.23%
	Mat: 3/10/20	Cpn: 1.74%			0.00	775.15			
	Moody's: A3	S&P: BBB+	Fitch: A-						
	Tr Date: 3/7/17	St Date: 3/10/17							
755,000.000	AMGEN FRN			031162CN8	755,000.00	757,936.95	2,936.95	100.389	0.21%
	Mat: 5/11/20	Cpn: 1.63%			0.00	1,745.56			
	Moody's: Baa1	S&P: A	Fitch: BBBu						
	Tr Date: 5/8/17	St Date: 5/11/17							
1,930,000.000	PNC BANK FRN			69353RFD5	1,930,000.00	1,935,595.07	5,595.07	100.290	0.54%
	Mat: 5/19/20	Cpn: 1.54%			0.00	3,546.42			
	Moody's: A2	S&P: A	Fitch: A+						
	Tr Date: 5/16/17	St Date: 5/19/17							
2,380,000.000	VERIZON COMMUNICATIONS FRN			92343VDZ4	2,380,000.00	2,382,784.60	2,784.60	100.117	0.66%
	Mat: 5/22/20	Cpn: 1.72%			0.00	4,552.99			
	Moody's: Baa1	S&P: BBB+	Fitch: A-						
	Tr Date: 5/11/17	St Date: 5/22/17							
405,000.000	CITIZENS BANK FRN			17401QAK7	405,000.00	405,527.31	527.31	100.130	0.11%
	Mat: 5/26/20	Cpn: 1.77%			0.00	715.88			
	Moody's: Baa1	S&P: A-	Fitch: BBB+						
	Tr Date: 5/22/17	St Date: 5/26/17							
1,980,000.000	WALT DISNEY CO FRN			25468PDT0	1,980,000.00	1,981,665.18	1,665.18	100.084	0.55%
	Mat: 6/5/20	Cpn: 1.41%			0.00	1,942.19			
	Moody's: A2	S&P: A+	Fitch: A						
	Tr Date: 6/1/17	St Date: 6/6/17							
1,185,000.000	HOME DEPOT FRN			437076BR2	1,185,000.00	1,186,438.59	1,438.59	100.121	0.33%
	Mat: 6/5/20	Cpn: 1.37%			0.00	1,170.83			
	Moody's: A2e	S&P: A	Fitch: Au						
	Tr Date: 5/24/17	St Date: 6/5/17							
1,115,000.000	JOHN DEERE CAPITAL CORP FRN			24422ETR0	1,115,000.00	1,116,844.21	1,844.21	100.165	0.31%
	Mat: 6/22/20	Cpn: 1.58%			0.00	439.65			
	Moody's: A2	S&P: A	Fitch: A						
	Tr Date: 6/19/17	St Date: 6/22/17							
1,325,000.000	GOLDMAN SACHS FRN			38141GWF7	1,325,000.00	1,327,746.73	2,746.73	100.207	0.37%
	Mat: 12/27/20	Cpn: 2.02%			0.00	297.87			
	Moody's: A3	S&P: BBB+	Fitch: A						
	Tr Date: 3/22/17	St Date: 3/27/17							

Portfolio Positions

as of June 30, 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
1,330,000.000	JPMORGAN CHASE FRN Mat: 3/9/21 Cpn: 1.77% 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	1,330,478.80 1,439.43	478.80	100.036	0.37%
1,485,000.000	MORGAN STANLEY FRN Mat: 1/20/22 Cpn: 2.34% 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	1,500,620.72 6,938.57	15,620.72	101.052	0.42%
880,000.000	WELLS FARGO FRN Mat: 2/11/22 Cpn: 2.11% Moody's: A2 S&P: A Fitch: AA- Tr Date: 2/6/17 St Date: 2/13/17	949746SP7	880,000.00 0.00	887,904.16 2,632.96	7,904.16	100.898	0.25%
1,360,000.000	WALT DISNEY CO FRN Mat: 3/4/22 Cpn: 1.61% 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	1,367,715.28 1,579.47	7,715.28	100.567	0.38%
1,330,000.000	CAPITAL ONE FINL FRN Mat: 3/9/22 Cpn: 2.17% 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	1,328,240.41 1,764.54	(1,759.59)	99.868	0.37%
1,325,000.000	CITIGROUP FRN Mat: 4/25/22 Cpn: 2.12% Moody's: Baa1 S&P: BBB+ Fitch: A Tr Date: 4/18/17 St Date: 4/25/17	172967LH2	1,325,000.00 0.00	1,333,295.83 5,218.54	8,295.83	100.626	0.37%
2,825,000.000	APPLE FRN Mat: 5/11/22 Cpn: 1.53% Moody's: Aa1 S&P: AA+ Fitch: Tr Date: 5/4/17 St Date: 5/11/17	037833CP3	2,825,000.00 0.00	2,834,449.63 6,131.19	9,449.63	100.335	0.79%
1,385,000.000	INTEL FRN Mat: 5/11/22 Cpn: 1.53% Moody's: A1 S&P: A+ Fitch: A+ Tr Date: 5/8/17 St Date: 5/11/17	458140BC3	1,385,000.00 0.00	1,386,941.77 3,005.91	1,941.77	100.140	0.38%
1,390,000.000	MANUFACTURERS & TRADERS TRUST FRN Mat: 5/18/22 Cpn: 1.79% Moody's: A3 S&P: A Fitch: A Tr Date: 5/15/17 St Date: 5/18/17	55279HAM2	1,390,000.00 0.00	1,390,390.59 3,043.00	390.59	100.028	0.39%
Total for Credit			**105,769,150.96** **133,847.12**	**105,729,812.53** **294,143.13**	**(39,338.44)**		**29.33%**

Mortgage-Backed

Currency: USD

Units	Security	Identifier	Original Principal Cost Purchased Accrued	Principal Market Value Accrued Income	Gain / (Loss) from Cost	Market Price	Percent of Portfolio
820,537.800	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	822,140.41 97.51	819,879.73 975.07	(2,260.69)	99.920	0.23%
523,997.834	NGN 2010-R2 1A 1MOFRN NCUA GNTD Mat: 11/6/17 Cpn: 1.45% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 8/17/16 St Date: 8/22/16	62888UAA8	524,161.58 220.75	524,257.21 508.01	95.63	100.050	0.15%
1,698,838.747	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	1,730,691.97 3,663.83	1,703,770.48 5,495.74	(26,921.50)	100.290	0.47%
3,176,392.125	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	3,187,310.97 3,203.92	3,174,419.59 4,004.90	(12,891.39)	99.938	0.88%
3,030,000.000	FMPRE 2017-TK01A 1MOFRN CMBS Mat: 2/25/20 Cpn: 1.35% 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	3,039,953.55 681.44	9,953.55	100.329	0.84%
647,393.016	NGN 2011-R4 1A 1MOFRN NCUA GNTD Mat: 3/6/20 Cpn: 1.46% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 12/20/16 St Date: 12/23/16	62889FAA0	647,645.90 262.41	647,505.02 631.95	(140.89)	100.017	0.18%
3,636,489.330	NGN 2011-R3 1A 1MO FRN NCUA GNTD Mat: 3/11/20 Cpn: 1.52% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 5/18/15 St Date: 5/21/15	62889EAA3	3,652,466.07 555.86	3,636,558.42 2,911.73	(15,907.64)	100.002	1.01%
468,639.300	FHMS KF02 A1 1MOFRN CMBS Mat: 7/25/20 Cpn: 1.38% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 11/19/15 St Date: 11/24/15	3137B5J79	468,639.30 225.32	469,221.35 107.40	582.05	100.124	0.13%
6,085,952.659	NGN 2010-R3 2A 1MOFRN NCUA GNTD Mat: 12/8/20 Cpn: 1.64% Moody's: Aaa S&P: AA+u Fitch: AAA Tr Date: 10/17/16 St Date: 10/20/16	62888WAB2	6,107,824.04 2,573.19	6,121,652.86 6,671.10	13,828.81	100.587	1.70%
Total for Mortgage-Backed			**20,170,880.25** **10,802.79**	**20,137,218.20** **21,987.33**	**(33,662.05)**		**5.58%**

Asset-Backed

Portfolio Positions

as of June 30, 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
1,413,032.724	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	1,413,032.72 0.00	1,413,116.09 412.13	83.37	100.006	0.39%
2,250,003.610	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	2,250,003.61 0.00	2,248,208.11 880.00	(1,795.50)	99.920	0.62%
812,077.686	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	812,077.69 0.00	811,923.39 342.88	(154.29)	99.981	0.22%
1,373,110.498	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	1,373,110.50 0.00	1,373,135.21 419.56	24.72	100.002	0.38%
4,405,031.590	MERCEDES 2017-A A1 LEASE Mat: 4/16/18 Cpn: 1.15% Moody's: P-1e S&P: A-1+ Fitch: F1+ Tr Date: 4/19/17 St Date: 4/26/17	58769DAA8	4,405,031.59 0.00	4,405,137.31 2,251.46	105.72	100.002	1.22%
1,808,154.423	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	1,808,154.42 0.00	1,808,185.16 803.62	30.74	100.002	0.50%
3,620,000.000	DRIVE 2017-1 A1 CAR Mat: 7/16/18 Cpn: 1.35% Moody's: P-1 S&P: A-1+ Fitch: Tr Date: 6/21/17 St Date: 6/28/17	26208EAA2	3,620,000.00 0.00	3,620,057.92 407.25	57.92	100.002	1.00%
Total for Asset-Backed			**15,681,410.53** **0.00**	**15,679,763.20** **5,516.91**	**(1,647.33)**		**4.34%**
Grand Total			**360,730,680.05** **424,236.22**	**360,585,728.80** **950,082.08**	**(144,951.25)**		**100.00%**

LOGAN CIRCLE PARTNERS

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	1.000	3/20/2018	11/20/2017		2,191,134	2,191,133.730	.225	.225	1.022	.38%	2,191,142.28
43814TAA0	HONDA AUTO RECEIVABLES 2017-1 OWNER TRUST	1.050	12/21/2017	9/21/2017		2,062,821	2,062,821.450	.100	.100	1.067	.35%	2,062,821.45
ASSET BACKED TOTALS							**4,253,955.180**					**4,253,963.73**
CASH												
06427KGR2	BANK OF MONTREAL CH	1.190	8/16/2017	8/16/2017	A-1	5,820,000	5,820,095.170	.131	.128	1.169	1.00%	5,820,095.17
06538NN78	BANK TOKYO-MITSUBIS	1.040	7/5/2017	7/5/2017	F1	10,000,000	10,000,000.000	.014	.014	1.038	1.71%	10,000,000.00
17305TKM3	CITIBANK NA NY INST	1.250	7/21/2017	7/21/2017	A-1	7,000,000	7,000,175.990	.058	.057	1.202	1.20%	7,000,175.99
22534HA92	CREDIT AGRICOLE COR	1.150	7/27/2017	7/27/2017	F1	9,400,000	9,400,193.790	.075	.073	1.120	1.61%	9,400,193.79
22549VMV2	CREDIT SUISSE NY IN	1.680	8/25/2017	8/25/2017	F1	9,000,000	9,006,313.700	.156	.152	1.211	1.54%	9,006,313.70
31315LHR2	FEDERAL AGRICULTURAL MORTGAGE CORP DISCOUNT NOTES	0.000	7/3/2017	7/3/2017	Agency	8,900,000	8,899,629.170	.008	.008	.500	1.52%	8,899,629.17
313313HR2	FEDERAL FARM CREDIT DISCOUNT NOTES	0.000	7/3/2017	7/3/2017	A-1+	5,000,000	4,999,791.670	.008	.008	.500	.86%	4,999,791.67
313385HR0	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	7/3/2017	7/3/2017	Agency	15,000,000	14,999,583.300	.008	.008	.334	2.57%	14,999,583.30
313385HT6	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	7/5/2017	7/5/2017	Agency	6,000,000	5,999,340.000	.014	.014	.725	1.03%	5,999,340.00
313385JC1	FEDERAL HOME LOAN BANK DISCOUNT NOTES	0.000	7/14/2017	7/14/2017	Agency	20,000,000	19,993,561.150	.039	.038	.830	3.42%	19,993,561.15
459053HY3	IBRD DISCOUNT NOTES	0.000	7/10/2017	7/10/2017	A-1+	11,000,000	10,997,305.010	.028	.027	.699	1.88%	10,997,866.00
46640PUH4	J P MORGAN SEC DIS D	0.000	7/17/2017	7/17/2017	P-1	10,000,000	9,994,666.580	.047	.046	1.130	1.71%	9,994,666.58
46640PU50	J P MORGAN SEC DIS D	0.000	7/5/2017	7/5/2017	P-1	7,000,000	6,999,222.120	.014	.014	.925	1.20%	6,999,222.12
50066BLU3	KOREA DEV BANK NY I	1.130	7/11/2017	7/11/2017	P-1	10,000,000	10,000,000.000	.031	.030	1.127	1.71%	10,000,000.00
60682A6W1	MITSUBISHI TR & BLG	1.030	7/10/2017	7/10/2017	F1	15,000,000	15,000,000.000	.028	.027	1.029	2.57%	15,000,000.00
60689DZC0	MIZUHO BANK LTD INS	1.300	7/13/2017	7/13/2017	F1	6,100,000	6,100,585.430	.036	.035	1.027	1.04%	6,100,585.43
63743CUC5	NATIONAL RURAL DIS D	0.000	7/12/2017	7/12/2017	F1	10,000,000	9,996,638.920	.033	.033	1.009	1.71%	9,996,638.92
63743CUH4	NATIONAL RURAL UTILS COOP FIN CORP	0.000	7/17/2017	7/17/2017	F1	10,000,000	9,994,977.800	.047	.046	1.064	1.71%	9,994,977.80
63873NDL2	NATIXIS NY INSTL C/	1.130	7/5/2017	7/5/2017	A-1	10,000,000	10,000,000.000	.014	.014	1.127	1.71%	10,000,000.00
65590AHB5	NORDEA BANK AB C/D	1.100	7/10/2017	7/10/2017	A-1+	15,000,000	15,000,000.000	.028	.027	1.099	2.57%	15,000,000.00
65602URQ3	NORINCHUKIN BK C/D	1.180	8/14/2017	8/14/2017	A-1	10,000,000	10,000,356.500	.125	.122	1.149	1.71%	10,000,356.50
69372AUD2	PACCAR FINL CORP D D	0.000	7/13/2017	7/13/2017	A-1	8,000,000	7,997,013.320	.036	.035	1.034	1.37%	7,997,013.32
74433GUD6	PRUDENTIAL FDG DIS D	0.000	7/13/2017	7/13/2017	P-1	20,000,000	19,992,666.650	.036	.035	1.016	3.42%	19,992,666.65
86563Q6R6	SUMITOMO MITSUI BKG	1.450	7/19/2017	7/19/2017	F1	8,425,000	8,426,370.070	.053	.052	1.055	1.44%	8,426,370.07
89113WY26	TORONTO DOMINION BA	1.060	7/21/2017	7/21/2017	A-1+	11,000,000	10,999,137.490	.058	.057	1.193	1.88%	10,999,137.49
89113WEE2	TORONTO DOMINION BA	1.200	7/13/2017	7/13/2017	A-1+	3,800,000	3,800,239.390	.036	.035	1.014	.65%	3,800,239.39
912796KB4	UNITED STATES TREASURY BILL	0.000	7/20/2017	7/20/2017	Govt	20,000,000	19,991,502.620	.056	.054	.776	3.42%	19,991,502.62
NA9123459	US DOLLARS	1.224	7/3/2017		Agency	31,049,337	31,049,336.570	0.000	-	1.224	5.32%	31,049,336.57
USD120030	USD INTEREST RECEIVABLE	-				1,579,792	0.000	-	-	-	.27%	1,579,792.15
CASH TOTALS							**312,458,702.410**					**314,039,055.55**
MUNICIPALS												
190335HB8	COAST COMMUNITY COLLEGE DISTRICT	.795	8/1/2017	8/1/2017	Aa1	4,865,000	4,865,000.000	.086	.087	1.082	.83%	4,863,783.75
MUNICIPALS TOTALS							**4,865,000.000**					**4,863,783.75**
CASH & CASH EQUIVALENTS TOTALS							***321,577,657.590***					***323,156,803.03***

CalOptima (OCHA) - Enhanced Cash
Account #: LCEF00238A2
As of 6/30/2017

LOGAN CIRCLE
PARTNERS

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												
AGENCIES												
3133EFEC7	FEDERAL FARM CREDIT BANKS	1.237	9/18/2018	9/18/2018	Agency	5,000,000	4,998,718.620	1.222	.218	1.142	.86%	5,008,345.00
AGENCIES TOTALS							**4,998,718.620**					**5,008,345.00**
ASSET BACKED												
02582JGN4	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST	1.529	12/15/2021	5/15/2019	AAA	7,014,000	7,026,927.780	1.881	.050	1.381	1.21%	7,044,120.22
02582JGY0	AMERICAN EXPRESS CREDIT ACCOUNT MASTER TRUST 2014-3	1.449	5/15/2020	10/16/2017	AAA	6,000,000	6,007,465.120	.297	.046	1.301	1.03%	6,003,910.80
02587TAA1	AMERICAN EXPRESS ISSUANCE TRUST II	1.439	2/15/2019	3/15/2018	AAA	10,000,000	10,010,865.910	.714	.047	1.267	1.72%	10,017,189.00
05581RAB2	BMW VEHICLE LEASE TRUST 2016-1	1.170	1/22/2018	8/20/2017	Aaa	270,841	270,853.270	.090	.089	1.319	.05%	270,805.46
05581RAC0	BMW VEHICLE LEASE TRUST 2016-1	1.712	1/22/2018	8/21/2017	Aaa	1,024,117	1,024,592.780	.090	.054	1.328	.18%	1,024,518.70
161571FT6	CHASE ISSUANCE TRUST	1.419	12/16/2019	12/15/2017	AAA	7,830,000	7,835,226.550	.464	.047	1.257	1.34%	7,838,424.30
36159LCN4	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.662	10/20/2019	10/20/2017	Aaa	3,610,000	3,607,549.520	.306	.055	1.432	.62%	3,613,021.57
36159LCR5	GE DEALER FLOORPLAN MASTER NOTE TRUST	1.712	1/21/2020	1/22/2018	Aaa	2,160,000	2,158,850.720	.556	.055	1.455	.37%	2,163,869.86
47787XAA5	JOHN DEERE OWNER TRUST 2017	.880	3/15/2018	12/15/2017		1,819,410	1,819,409.920	.243	.238	1.223	.31%	1,817,926.74
65478TAD4	NISSAN AUTO LEASE TRUST 2015-B	1.540	4/16/2018	11/15/2017	Aaa	1,236,083	1,236,597.950	.186	.186	1.410	.21%	1,236,391.18
ASSET BACKED TOTALS							**40,998,339.520**					**41,030,177.83**
CMBS												
3136AP3Z3	FANNIE MAE MULTIFAMILY REMIC TRUST 2015-M12	1.379	4/25/2020	12/25/2019	Agency	4,104,594	4,107,111.240	1.832	.071	1.408	.70%	4,112,132.03
3136ANMF1	FANNIE MAE-ACES	1.203	11/25/2018	11/25/2018	Agency	6,577,953	6,575,638.050	1.150	.069	1.259	1.13%	6,582,165.14
3136AC3C3	FANNIE MAE-ACES	1.451	2/25/2018	2/25/2018	Agency	2,089,176	2,090,247.660	.552	.550	1.405	.36%	2,087,733.83
3136A8G38	FANNIE MAE-ACES	1.246	8/25/2017	8/25/2017	Agency	66,444	66,443.040	.082	.081	1.442	.01%	66,378.16
3136AGGF3	FANNIE MAE-ACES	1.532	10/25/2017	8/25/2017	Agency	59,020	59,050.950	.124	.124	1.360	.01%	58,972.36
3136ALYC9	FANNIE MAE-ACES	1.637	11/25/2017	11/25/2017	Agency	28,283	28,284.620	.295	.294	1.501	0%	28,263.49
3136ANA98	FANNIE MAE-ACES	1.286	3/25/2019	3/25/2019	Agency	8,616,299	8,618,875.000	1.428	.069	1.411	1.48%	8,618,691.22
3137ABFV8	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	3.154	2/25/2018	2/25/2018	Agency	4,317,578	4,355,348.420	.593	.587	1.606	.74%	4,348,042.12
3137B03W2	FREDDIE MAC MULTIFAMILY STRUCTURED PASS THROUGH CERTIFICATES	1.426	8/25/2017	7/25/2017	AAA	413,381	413,487.910	.069	.068	1.237	.07%	413,042.52
CMBS TOTALS							**26,314,486.890**					**26,315,420.87**
CMOS												
62888YAA0	NCUA GUARANTEED NOTES TRUST 2011-R1	1.442	1/8/2020		Aaa	3,975,696	3,993,108.310	2.050	.082	.610	.68%	3,980,061.38
62889FAA0	NCUA GUARANTEED NOTES TRUST 2011-R4	1.372	3/6/2020		Agency	163,011	163,045.750	0.000	.082	0.000	.03%	163,037.92
CMOS TOTALS							**4,156,154.060**					**4,143,099.30**
CORPORATES												
025816BH1	AMERICAN EXPRESS CO	1.762	5/22/2018	5/22/2018	A3	1,000,000	1,000,829.610	.897	.146	1.451	.17%	1,003,888.00
037833AG5	APPLE INC	1.422	5/3/2018	5/3/2018	Aa1	1,500,000	1,500,505.570	.844	.095	1.233	.26%	1,503,163.50
06051GFJ3	BANK OF AMERICA CORP	1.700	8/25/2017	8/25/2017	BBB+	4,268,000	4,270,058.210	.153	.152	1.408	.73%	4,269,843.78
084664CH2	BERKSHIRE HATHAWAY FINANCE CORP	1.936	3/15/2019	3/15/2019	Aa2	1,600,000	1,600,000.000	1.714	.217	1.426	.28%	1,615,633.60
14912L6Q9	CATERPILLAR FINANCIAL SERVICES CORP	1.886	2/23/2018	2/23/2018	A	1,215,000	1,215,000.000	.650	.148	1.375	.21%	1,219,976.64
166764AX8	CHEVRON CORP	1.540	11/9/2017	11/9/2017	AA-	1,250,000	1,250,000.000	.361	.109	1.334	.21%	1,251,421.25
172967JQ5	CITIGROUP INC	1.860	4/27/2018	4/27/2018	BBB+	2,340,000	2,337,943.310	.825	.076	1.573	.40%	2,348,302.32
30231GAS1	EXXON MOBIL CORP	1.800	2/28/2018	2/28/2018	AA+	2,355,000	2,355,000.000	.672	.170	1.316	.40%	2,363,932.52

CalOptima (OCHA) - Enhanced Cash

Account #: LCEF00238A2

As of 6/30/2017

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)												
38141EC49	GOLDMAN SACHS GROUP INC/THE	2.046	12/15/2017	12/15/2017	A3	4,900,000	4,900,255.290	.464	.210	1.541	.84%	4,912,397.00
437076BJ0	HOME DEPOT INC/THE	1.616	9/15/2017	9/15/2017	A	503,000	503,226.540	.214	.210	1.311	.09%	503,325.44
24422ESU4	JOHN DEERE CAPITAL CORP	1.448	1/16/2018	1/16/2018	A	1,309,000	1,307,621.370	.544	.047	1.352	.22%	1,310,840.45
48121CVZ6	JPMORGAN CHASE BANK NA	6.000	7/5/2017	7/5/2017	A	6,047,000	6,050,076.730	.014	.014	5.830	1.04%	6,047,000.00
617446V71	MORGAN STANLEY	6.250	8/28/2017	8/28/2017	A3	7,000,000	7,053,549.380	.161	.161	1.878	1.21%	7,048,713.00
68389XAT2	ORACLE CORP	1.350	7/7/2017	7/7/2017	A+	3,000,000	3,000,064.480	.019	.019	1.315	.51%	3,000,018.00
717081DF7	PFIZER INC	1.546	6/15/2018	6/15/2018	A+	500,000	500,612.040	.969	.215	1.319	.09%	501,317.50
94974BFK1	WELLS FARGO & CO	1.783	4/23/2018	4/23/2018	A	1,052,000	1,052,899.500	.814	.067	1.407	.18%	1,056,577.25
CORPORATES TOTALS							**39,897,642.030**					**39,956,350.25**
MORTGAGES												
31381NUY7	FANNIE MAE POOL	2.623	9/1/2017	9/25/2017	Agency	456,187	457,045.440	.236	.236	2.380	.08%	455,727.10
MORTGAGES TOTALS							**457,045.440**					**455,727.10**
MUNICIPALS												
542411KT9	LONG BEACH COMMUNITY COLLEGE DISTRICT	.930	8/1/2017	8/1/2017	AA-	1,755,000	1,755,000.000	.086	.087	1.332	.30%	1,754,385.75
546415Z29	STATE OF LOUISIANA	1.087	8/1/2017	8/1/2017	AA-	635,000	635,118.000	.086	.087	1.198	.11%	634,936.50
93974DYT9	STATE OF WASHINGTON	.500	8/1/2017	8/1/2017	AA+	9,745,000	9,743,166.200	.086	.087	1.033	1.67%	9,740,517.30
MUNICIPALS TOTALS							**12,133,284.200**					**12,129,839.55**
SOVEREIGN DEBT												
4581X0CG1	INTER-AMERICAN DEVELOPMENT BANK	1.000	7/14/2017	7/14/2017	AAA	6,982,000	6,982,463.160	.039	.038	1.159	1.20%	6,981,553.15
459058DC4	INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT	1.125	7/18/2017	7/18/2017	AAA	8,500,000	8,501,344.390	.050	.049	1.269	1.46%	8,499,362.50
SOVEREIGN DEBT TOTALS							**15,483,807.550**					**15,480,915.65**
US TREASURIES												
912828M23	UNITED STATES TREASURY FLOATING RATE NOTE	1.171	10/31/2017	10/31/2017	Govt	6,300,000	6,301,330.080	.336	.014	1.026	1.08%	6,303,868.20
912828TG5	UNITED STATES TREASURY NOTE/BOND	.500	7/31/2017	7/31/2017	Govt	20,000,000	19,994,591.460	.086	.084	.843	3.42%	19,994,100.00
912828TM2	UNITED STATES TREASURY NOTE/BOND	.625	8/31/2017	8/31/2017	Govt	20,000,000	19,991,064.160	.168	.169	.995	3.42%	19,987,500.00
912828WT3	UNITED STATES TREASURY NOTE/BOND	.875	7/15/2017	7/17/2017	Govt	30,000,000	30,000,825.420	.041	.046	.872	5.14%	30,000,000.00
912828D49	UNITED STATES TREASURY NOTE/BOND	.875	8/15/2017	8/15/2017	Govt	20,000,000	19,999,227.320	.127	.125	.955	3.42%	19,997,900.00
912828NW6	UNITED STATES TREASURY NOTE/BOND	1.875	8/31/2017	8/31/2017	Govt	20,000,000	20,033,284.050	.168	.169	1.013	3.43%	20,028,780.00
US TREASURIES TOTALS							**116,320,322.490**					**116,312,148.20**
FIXED INCOME TOTALS							***260,759,800.800***					***260,832,023.75***
PORTFOLIO TOTALS							***582,337,458.390***					***583,988,826.78***

WELLS CAPITAL - OPERATING FUNDS
JUNE 2017

HoldingName	Ticker	CUSIP	ISIN	SEDOL	% Market Value	Holding Value
AMERICAN EXPRESS CREDIT CORP	AXP	0258M0DW6	US0258M0DW60	0258M0DW6	0.26%	$1,511,430.91
AMERICAN HONDA FINANCE CORP	HNDA	02665WAQ4	US02665WAQ42	02665WAQ4	1.71%	$10,013,801.11
APPLE INC	AAPL	037833AG5	US037833AG56	037833AG5	0.86%	$5,022,200.20
Apple Inc.	AAPL	03785DW51	US03785DW514	03785DW51	0.85%	$4,989,605.70
BANK OF AMERICA NA	BAC	06050TLY6	US06050TLY63	06050TLY6	1.20%	$7,035,106.17
BANK OF NEW YORK MELLON CORP	BK	06406HCJ6	US06406HCJ68	06406HCJ6	0.39%	$2,307,460.05
BANK OF NEW YORK MELLON CORP	BK	06406HDC0	US06406HDC07	06406HDC0	0.93%	$5,427,108.72
BB&T CORP	BBT	05531FAM5	US05531FAM59	05531FAM5	1.38%	$8,050,343.56
BB&T CORP	BBT	05531FAP8	US05531FAP80	05531FAP8	0.26%	$1,500,517.52
CALIFORNIA ST	CA	13063DAA6	US13063DAA63	13063DAA6	0.86%	$5,005,943.33
CAPITAL ONE NA	COF	14042E3Z1	US14042E3Z13	14042E3Z1	0.64%	$3,718,212.63
Cash	---	CCYUSD	---	CCYUSD	-0.77%	-$4,503,736.49
CHAIT 155 A	CHAIT	161571GY4	US161571GY45	161571GY4	1.37%	$7,997,953.96
CHARLES SCHWAB CORP	SCHW	808513AK1	US808513AK10	808513AK1	0.07%	$401,961.20
CHEVRON CORP	CVX	166764BC3	US166764BC34	166764BC3	0.51%	$3,005,299.00
Chevron Corporation	CVX	16677JV45	US16677JV459	16677JV45	2.56%	$14,984,002.05
CISCO SYSTEMS INC	CSCO	17275RAY8	US17275RAY80	17275RAY8	0.52%	$3,010,708.08
CITIGROUP INC	C	172967HY0	US172967HY01	172967HY0	0.98%	$5,712,941.17
COMCAST CORP	CMCSA	20030NAU5	US20030NAU54	20030NAU5	0.54%	$3,168,109.02
COMCAST CORP	CMCSA	20030NAR2	US20030NAR26	20030NAR2	0.36%	$2,096,926.89
COMCAST CORP	CMCSA	20030NAW1	US20030NAW11	20030NAW1	0.54%	$3,129,402.00
COMET 145A A	COMET	14041NET4	US14041NET46	14041NET4	0.26%	$1,536,436.42
CRC Funding, LLC	C	12619TWT7	US12619TWT77	12619TWT7	1.19%	$6,977,693.17
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAV9	US22546QAV95	22546QAV9	0.26%	$1,504,431.33
CREDIT SUISSE AG (NEW YORK BRANCH)	CS	22546QAW7	US22546QAW78	22546QAW7	1.21%	$7,050,371.87
EXXON MOBIL CORP	XOM	30231GAM4	US30231GAM42	30231GAM4	0.22%	$1,267,463.69
EXXON MOBIL CORP	XOM	30231GAS1	US30231GAS12	30231GAS1	0.86%	$5,026,966.73
FEDERAL FARM CREDIT BANKS	FFCB	313313XK9	US313313XK99	313313XK9	0.85%	$4,944,085.00
FEDERAL FARM CREDIT BANKS	FFCB	313313JH2	US313313JH27	313313JH2	1.62%	$9,495,782.00
FEDERAL HOME LOAN BANKS	FHLB	3130AAQ43	US3130AAQ433	3130AAQ43	1.71%	$10,008,400.00
FEDERAL HOME LOAN BANKS	FHLB	313385NS1	US313385NS13	313385NS1	1.70%	$9,964,040.00
FEDERAL HOME LOAN BANKS	FHLB	313385XL5	US313385XL59	313385XL5	0.68%	$3,955,132.00
FEDERAL NATIONAL MORTGAGE ASSOCIATION	FNMA	3135G0PQ0	US3135G0PQ06	3135G0PQ0	0.26%	$1,501,310.79
FIDELITY INST : GOV PT CL I MMF	FIGXX	316175108	US3161751082	316175108	1.70%	$9,919,913.92
FIFTH THIRD BANK	FITB	31677QAV1	US31677QAV14	31677QAV1	0.86%	$5,017,880.83
FRANKLIN RESOURCES INC	BEN	354613AH4	US354613AH43	354613AH4	0.52%	$3,011,737.83
GENERAL ELECTRIC COMPANY	GE	369604BC6	US369604BC61	369604BC6	1.75%	$10,200,668.33
GOLDMAN SACHS GROUP INC	GS	38141GFM1	US38141GFM15	38141GFM1	0.18%	$1,047,465.00
GOLDMAN SACHS GROUP INC	GS	38141EC49	US38141EC493	38141EC49	0.73%	$4,268,630.09
HSBC USA INC (NEW)	HSBC	40428HPH9	US40428HPH92	40428HPH9	0.47%	$2,771,405.77
INTEL CORP	INTC	458140AL4	US458140AL48	458140AL4	1.31%	$7,680,725.69
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0BQ0	US4581X0BQ01	4581X0BQ0CORP	1.50%	$8,795,186.20
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0BZ0	US4581X0BZ00	4581X0BZ0	1.20%	$6,994,465.72
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CL0	US4581X0CL05	4581X0CL0	1.72%	$10,025,889.44
INTER-AMERICAN DEVELOPMENT BANK	IADB	4581X0CG1	US4581X0CG10	4581X0CG1	1.74%	$10,169,311.60
INTER-AMERICAN DEVELOPMENT BANK	IADB	45818WAY2	US45818WAY21	45818WAY2	3.82%	$22,309,332.70
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM	IBRD	45905UTJ3	US45905UTJ33	45905UTJ3	2.60%	$15,201,732.96
INTERNATIONAL FINANCE CORP	IFC	45950KBV1	US45950KBV17	45950KBV1	0.47%	$2,766,998.60
INTERNATIONAL FINANCE CORP	IFC	45950VKP0	US45950VKP03	45950VKP0	0.38%	$2,211,743.71
INTERNATIONAL FINANCE CORP	IFC	45950VFH4	US45950VFH42	45950VFH4	1.37%	$8,003,343.13

JPMORGAN CHASE BANK NA	JPM	48121CYK6	US48121CYK60	48121CYK6	1.81%	$10,560,075.00
Koch Resources, LLC	GP	50000AUT7	US50000AUT77	50000AUT7	1.71%	$9,991,405.00
Koch Resources, LLC	GP	50000AUH3	US50000AUH30	50000AUH3	0.34%	$1,998,929.94
MBART 151 A3	MBART	58772PAD0	US58772PAD06	58772PAD0	0.12%	$706,051.32
MORGAN STANLEY	MS	617446V71	US617446V714	617446V71	0.88%	$5,141,565.83
MORGAN STANLEY	MS	61744YAD0	US61744YAD04	61744YAD0	0.40%	$2,322,549.40
NYSE EURONEXT	ICE	629491AB7	US629491AB74	629491AB7	0.69%	$4,025,111.11
Old Line Funding, LLC	OLDLLC	67983TUH7	US67983TUH75	67983TUH7	1.71%	$9,994,309.70
Old Line Funding, LLC	OLDLLC	67983TUA2	US67983TUA23	67983TUA2	0.34%	$1,999,336.66
ORACLE CORP	ORCL	68389XAT2	US68389XAT28	68389XAT2	0.51%	$3,009,583.26
Payable	---	CCYUSD	---	CCYUSD	-1.48%	-$8,635,669.99
PEPSICO INC	PEP	713448CU0	US713448CU00	713448CU0	0.71%	$4,164,427.00
Pfizer Inc.	PFE	71708EYF6	US71708EYF68	71708EYF6	1.19%	$6,967,370.69
Pfizer Inc.	PFE	71708EYL3	US71708EYL37	71708EYL3	0.51%	$2,985,390.18
PNC BANK NA	PNC	69353REJ3	US69353REJ32	69353REJ3	0.33%	$1,900,159.38
PNC BANK NA	PNC	69353REM6	US69353REM60	69353REM6	0.47%	$2,761,234.63
PNC BANK NA	PNC	69353REN4	US69353REN44	69353REN4	0.21%	$1,238,149.51
PRECISION CASTPARTS CORP	PCP	740189AK1	US740189AK18	740189AK1	1.61%	$9,396,978.03
QUALCOMM INC	QCOM	747525AH6	US747525AH60	747525AH6	0.20%	$1,152,835.80
Receivable	---	CCYUSD	---	CCYUSD	0.00%	$6,657.32
The Coca-Cola Company	KO	19121AWT4	US19121AWT41	19121AWT4	0.84%	$4,886,202.29
Thunder Bay Funding, LLC	TBLLC	88602TUA9	US88602TUA95	88602TUA9	0.51%	$2,999,004.99
Thunder Bay Funding, LLC	TBLLC	88602TVM2	US88602TVM25	88602TVM2	1.45%	$8,484,591.37
Thunder Bay Funding, LLC	TBLLC	88602TVN0	US88602TVN08	88602TVN0	0.34%	$1,996,304.72
Toyota Motor Credit Corporation	TOYOTA	89233GW77	US89233GW770	89233GW77	1.02%	$5,986,970.52
Toyota Motor Credit Corporation	TOYOTA	89233GWK8	US89233GWK83	89233GWK8	1.19%	$6,982,092.25
UNITED STATES TREASURY	UST	912828PA2	US912828PA23	912828PA2	3.44%	$20,132,582.30
UNITED STATES TREASURY	UST	912828TM2	US912828TM25	912828TM2	4.11%	$24,035,135.87
UNITED STATES TREASURY	UST	912828UA6	US912828UA67	912828UA6	3.42%	$19,969,327.43
UNITED STATES TREASURY	UST	912828UE8	US912828UE89	912828UE8	1.71%	$9,980,153.80
UNITED STATES TREASURY	UST	912828UJ7	US912828UJ76	912828UJ7	3.43%	$20,037,977.24
UNITED STATES TREASURY	UST	912828UR9	US912828UR92	912828UR9	3.42%	$19,989,195.87
UNITED STATES TREASURY	UST	912828UZ1	US912828UZ19	912828UZ1	0.17%	$995,740.99
UNITED STATES TREASURY	UST	912828G79	US912828G799	912828G79	1.11%	$6,498,454.03
UNITED STATES TREASURY	UST	912828XP0	US912828XP00	912828XP0	4.17%	$24,358,515.47
UNITED STATES TREASURY	UST	912828L40	US912828L401	912828L40	0.43%	$2,497,961.96
UNITED STATES TREASURY	UST	912828M72	US912828M722	912828M72	1.71%	$9,996,971.20
UNITED STATES TREASURY	UST	912828N55	US912828N555	912828N55	4.27%	$24,981,104.35
US BANK NA	USB	90331HMU4	US90331HMU40	90331HMU4	0.34%	$2,012,954.44
VISA INC	V	92826CAA0	US92826CAA09	92826CAA0	1.49%	$8,722,555.30

Disclaimer, Glossary, and Notes

Disclaimer

The material contained in this report is confidential and may not be reproduced, disclosed, or distributed, in whole or in part, to any person or entity other than the intended recipient. The data are provided for informational purposes only, may not be complete, and cannot be relied upon for any purpose other than for discussion.

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- [Risk Free Rate+Beta*(market return-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 is 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%.

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

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

Notes

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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

MAY 18, 2017

CALL TO ORDER

Chair Lee Penrose called the meeting to order at 2:04 p.m. Director DiLuigi led the Pledge of Allegiance.

Members Present: Lee Penrose, Chair; Ron DiLuigi, Scott Schoeffel

Members Absent: All members present

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 a brief update on the Department of Health Care Services' (DHCS) Medical Loss Ratio (MLR) reconciliation. The DHCS continues to develop the draft MLR methodology for Medi-Cal Expansion members. It is anticipated that the MLR reconciliation will be conducted in two phases: Phase 1, January 2014 to June 2015; and Phase 2, July 2015 to June 2016. Staff will keep the Committee informed of the progress.

PUBLIC COMMENT

1. Marlene Turner, AltaMed Health Services; Kenneth McFarland, Fountain Valley Regional Hospital; Bill Barcellona, CAPG; and Teri Miranti, Monarch HealthCare – Oral re: Agenda Item 3, Consider Board of Directors' Approval of the CalOptima Fiscal Year 2017-18 Operating Budget; and
2. Bill Barcellona, CAPG; and Teri Miranti, Monarch HealthCare – Oral re: Agenda Item 9, CalOptima Care Network Performance: Financial and Quality Analysis.

Back to Agenda

INVESTMENT ADVISORY COMMITTEE UPDATE

1. Treasurer's Report
Ms. Huang presented an overview of the Treasurer's Report for the period January 1, 2017 through March 31, 2017. 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 February 16, 2017 Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee; Receive and File Minutes of the January 23, 2017 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 3-0-0)***

REPORTS

3. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2017-18 Operating Budget
Chief Executive Officer Michael Schrader commented on the proposed FY 2017-18 Operating and Capital Budgets, noting that for the past two years, the state has gradually lowered Medi-Cal Expansion (MCE) rates to more closely match Medi-Cal Classic rates. CalOptima has received its Medi-Cal rates from the state, which included reductions in Medi-Cal Classic and MCE rates totaling $117 million. While the state is lowering CalOptima's rates for Classic and MCE members, management's proposed FY 2017-18 Operating Budget does not recommend passing these reductions along to physicians, specialists, health networks for professional (physician) services, or the hospitals that CalOptima pays. Management's proposed operating budget includes recommended reductions in the capitation rates that CalOptima pays to health networks for hospital services, which would also impact the size of health network shared risk pools. Additionally, CalOptima proposes eliminating $17 million in capital projects, cutting 93 open, vacant staff positions totaling $9.5 million, and eliminating $1.5 million in vendor services for a total of $28 million. Since receiving the state's rate reduction, staff has met with the Provider and Member Advisory Committees, the Hospital Association of Southern California, and with the health networks regarding the proposed reductions.

Ms. Huang reported that the proposed FY 2017-18 Operating Budget assumes an average monthly enrollment of approximately 803,000 members, revenue at approximately $3.1 billion, medical costs of approximately $3 billion, operating income of ($4.7) million, and a total change in net assets of ($1.7) million. A detailed review of the proposed FY 2017-18 Operating Budget by line of business was presented to the Committee for discussion.

After considerable discussion of the matter, the Committee directed staff to revise the budget to remove the compensation study, and to examine further opportunities to reduce administrative expenses beyond staff's proposal that includes eliminating 93 open, vacant positions. The Committee also suggested that staff meet with risk sharing health networks to hear their recommendations on addressing the rate reductions received from the state, and to work with the health networks throughout the year to increase Risk Adjustment Factor (RAF) scores.

Action: ***On motion of Director DiLuigi, seconded and carried, the Committee recommended that the 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. (Motion carried 3-0-0)***

<u>4. Consider Recommending Board of Directors' Approval of the CalOptima Fiscal Year 2017-18 Capital Budget</u>
Ms. Huang presented the action to recommend that the CalOptima Board of Directors approve the CalOptima FY 2017-18 Capital Budget composed of the following: information systems hardware, software and professional fees, $8.4 million; 505 Building improvements, $1.4 million; and PACE, $52,000. As proposed, 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.

Action: ***On motion of Director DiLuigi, seconded and carried, the Committee recommended Board of Directors' approval of the CalOptima FY 2017-18 Capital Budget as presented. (Motion carried 3-0-0)***

<u>5. Consider Recommending Appointment to the CalOptima Board of Directors' Investment Advisory Committee</u>

Action: ***On motion of Director DiLuigi, seconded and carried, the Committee recommended that the Board of Directors reappoint Rodney Johnson to the CalOptima Board of Directors' Investment Advisory Committee for a two-year term beginning June 7, 2017. (Motion carried 3-0-0)***

<u>6. Consider Recommending Board of Directors' Approval of Compensation Review Consultant, and Authorization of Agreement for Employee Compensation Program Review, Revisal, Update, and Design</u>
This item was continued to a future Board of Directors' Finance and Audit Committee meeting.

7. Consider Recommending Board of Directors' Approval of the Revised Reinsurance Program for Catastrophic Claims and Update CalOptima Policy Accordingly
Ms. Huang presented the action to consider recommending Board of Directors' approval of the revised reinsurance program for catastrophic claims, and update CalOptima policy accordingly. The reinsurance program was designed to assist eligible Medi-Cal health networks and hospitals cover catastrophic cases. 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. CalOptima has provided this enhanced supplemental benefit since 1996, and the program has not been updated since 2012. It was noted that reinsurance is not provided by the majority of other public plans in the state.

Ms. Huang reported that, pursuant to CalOptima Policy FF.1007, 2016-17 Health Network Reinsurance Coverage, CalOptima will pay for 90% of covered expenses for losses in excess of the annual deductible. An increase to the coinsurance level from 10% to 20% for Policy Year 2017-18 was recommended. In addition, it was recommended that the attachment points be revised to $17,000 for physician groups and $150,000 for hospitals.

Action: ***On motion of Director DiLuigi, seconded and carried, the Committee recommended that the Board of Directors: 1) Approve the proposed revision of the CalOptima reinsurance program for capitated health networks, excluding health maintenance organizations that are at-risk for catastrophic claims 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 2017-18. (Motion carried 2-0-0; Director Schoeffel absent)***

INFORMATION ITEMS

8. 2017 Audit Planning
John Blakey and Aparna Venkateswaran of Moss-Adams LLP, presented a review of the scope of services for the annual consolidated financial statement audit for the year ending June 30, 2017, and provided a brief overview of the recent changes in accounting standards. Interim fieldwork is scheduled to begin on May 23, 2017, and final fieldwork will begin on July 24, 2017. The draft audited financial statements will be presented to the Finance and Audit Committee for review at the September meeting.

9. CalOptima Care Network (CCN) Network Performance: Financial and Quality Analysis
Richard Helmer, M.D., Chief Medical Officer, presented a review of the financial and quality performance of the CalOptima Care Network. Financial performance included revenue, utilization/Risk Adjustment Factor (RAF), and Medical Loss Ratio (MLR). Performance on quality measures included clinical measures and Consumer Assessment of Healthcare Providers & Systems (CAHPS) satisfaction measures.

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Based on this analysis, it was noted that CCN financial performance, as measured by the MLR, is comparable with delegated health networks. CCN performed better than average on Medi-Cal clinical quality, and performed better than the average health network model on satisfaction in the areas of Adult and Child CAHPS, and highest in primary care provider satisfaction for both Adult and Child.

10. Update on CalOptima Business Insurance – Policy Year 2018
Kelly Klipfel, Financial Compliance Director, provided a review of business insurance coverage for policy year 2018. Coverage for 505 City Parkway West, the Data Center, and the PACE Center includes the following: Managed Care and Excess E&O, PACE Medical Malpractice, D&O/Excess D&O, Umbrella and Excess Liability, Network & Privacy, Pollution, Earthquake, and Workers Comp. A savings of $208,000 over policy year 2017 was reported.

The following Information Items were accepted as presented:
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
Committee members thanked staff for their work on the FY 2017-18 Operating and Capital Budgets.

ADJOURNMENT
Hearing no further business, Chair Penrose adjourned the meeting at 5:22 p.m.

/s/ Suzanne Turf
Suzanne Turf
Clerk of the Board

Approved: September 21, 2017

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MINUTES

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

April 24, 2017

A Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee was held on Monday, April 24, 2017, at CalOptima, 505 City Parkway West, Orange, California.

CALL TO ORDER

The meeting was called to order at 3:10 p.m. Chair Patrick Moore led the Pledge of Allegiance.

ROLL CALL

Members Present:	Patrick Moore, Chair; Peggy Eckroth, Caroline Harkins, Nancy Huang, Lisa Laird, Rodney Johnson
Members Absent:	David Young
Others Present:	Laura Wirick, Hanna Schriner, Meketa Investment Group; Asha Joshi, Thomas Elder, Darren Marco, Payden & Rygel; Scott Pavlak, Wendy Kaszak, Logan Circle Partners; Steve Scharre, Tony Mellville, Wells Capital Management; Michael Schrader, Chief Executive Officer; Gary Crockett, Chief Counsel; Faye Heidari, Senior Accountant; Joyce Mellinger, Manager, Accounting; Pamela Reichardt, Executive Assistant

MINUTES

Approve Minutes of the January 23, 2017, Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee

Action: ***On motion of Chair Moore, seconded and carried, the Minutes of the January 23, 2017 Regular Meeting of the CalOptima Board of Directors' Investment Advisory Committee were approved as presented. (Motion carried 6-0-0; Member Young absent)***

PUBLIC COMMENT

There were no requests for public comment.

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MANAGEMENT REPORTS

Chief Executive Officer Report
Michael Schrader, Chief Executive Officer, reported on the Affordable Care Act, provided updates on Medicare Expansion, the Centers for Medicare & Medicaid (CMS) MegaReg, the proposed FY 2017-18 State Budget, and the continuation of the Cal Medi Connect program.

Chief Financial Officer Report
Nancy Huang, Interim Chief Financial Officer and Treasurer, provided an update on the state budget as it relates to CalOptima's capitation rates, and noted that there may be a possible decrease in the rates CalOptima receives for the Medi-Cal expansion population.

Ms. Huang spoke about the Medical Loss Ratio (MLR) reconciliation. DHCS continues to develop a draft methodology for the MLR calculation for Medi-Cal Expansion members. CalOptima understands that the state plans to perform the reconciliation in two phases. Phase I includes the first 18 months of Medi-Cal Expansion, from January 2014 to June 2015; Phase II covers the next 12 months, from July 2015 to June 2016. Staff will share more information about the reconciliation process once it is available.

REPORTS

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

The recommendation for the Investment Advisory Committee Chair position was continued to the July 24, 2017 Investment Advisory Committee meeting.

> ***Action: On motion of Chair Moore, seconded and carried, the Investment Advisory Committee recommended the reappointment of Rodney Johnson to the Board of Directors' Investment Advisory Committee for a two year term beginning June 7, 2017. (Motion carried 6-0-0; Member Young absent)***

Consider Recommending Approval of Proposed Changes to the Annual Investment Policy for Calendar Year 2017

This item was continued to the July 24, 2017 Investment Advisory Committee meeting.

INFORMATION ITEMS

Presentation by Meketa Investment Group
Laura Wirick, Senior Vice President, Meketa Investment Group, presented a corporate update, and provided a portfolio performance summary that showed the cash accounts and Tier One and Tier Two portfolios are outperforming their benchmarks.

Hanna Schriner, Vice President, Meketa Investment Group, discussed compliance and peer groups as of March 31, 2017. Ms. Schriner provided a summary report of the various managers' funds, and noted all funds in Tier One and Tier Two are in compliance.

Presentation by Wells Capital Management

Steve Scharre, Client Relations, Wells Capital Management, provided a summary of fund performance. Tony Mellville, Portfolio Manager, Wells Capital Management provided a brief portfolio update and economic forecast.

Presentation by Payden & Rygel

Asha Joshi, Managing Principal, Payden & Rygel provided a market and portfolio update. Darren Marco, Vice President, Payden & Rygel, presented an overview of the portfolio performance.

Presentation by Logan Circle Partners

Wendy Kaszak, Vice President of Client Services, Logan Circle Partners, announced the potential acquisition of Fortress Investment Group LLC. It was noted that Logan Circle Partners and the investment team would remain the same. Scott Pavlak, Senior Portfolio Manager, Logan Circle Partners, presented a market review and performance overview.

April 2017 Financial Update

Ms. Huang presented key highlights of the February 2017 financial summary, including Medical and Administrative Loss Ratios, the balance sheet, and cash flow summary. Ms. Huang provided the updates the Quality Assurance Fee (QAF) payout, the State MLR reconciliation status, and shared risk pool balance. Ms. Huang also outlined the Committee recruitment process, as Committee Member Lisa Laird is completing her committee service on April 24, 2017.

COMMITTEE MEMBER COMMENTS

Chair Patrick Moore and other committee members thanked and recognized IAC Member Lisa Laird for her service on the Committee since 2013.

ADJOURNMENT

Hearing no further business, Chair Moore, adjourned the meeting at 4:47 p.m.

/s/ Pamela Reichardt
Pamela Reichardt
Executive Assistant

Approved: July 24. 2017

CalOptima Board Action Agenda Referral

Action To Be Taken September 21, 2017
Regular Meeting of the CalOptima Board of Directors'
Finance and Audit Committee

Report Item

3. Consider Recommending that the Board of Directors Accept and Receive and File Fiscal Year 2017 CalOptima Audited Financial Statements

Contact

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

Recommended Action

Recommend that the CalOptima Board of Directors accept and receive and file the Fiscal Year (FY) 2017 CalOptima consolidated audited financial statements as submitted by independent auditors Moss-Adams, LLP.

Background

CalOptima has contracted with financial auditors Moss-Adams, LLP since May 21, 2015, to complete CalOptima's annual financial audit. At the May 18, 2017, meeting of the CalOptima Finance and Audit Committee, Moss-Adams presented the 2017 Audit Plan. The plan includes performing mandatory annual consolidated financial statement audit, and drafting of the consolidated financial statements for the year ending June 30, 2017.

Discussion

Moss-Adams conducted the interim audit from May 23, 2017, through May 26, 2017, and the on-site year-end audit from July 24, 2017, through August 11, 2017. The significant audit areas that Moss-Adams reviewed included:

- Capitation revenue and receivables;
- Cash and cash equivalents;
- Investments; and
- Medical claims liability, capitation payable and obligations payable to State of California.

Results from CalOptima's FY 2017 Audit were positive. The auditor made no changes in CalOptima's approach to applying critical accounting policies, and did not report encountering any significant difficulties during the audit. Additionally, there were no material misstatements identified by the auditor. As such, Management recommends that the Board accept the CalOptima FY 2017 audited financial statements as presented.

Fiscal Impact

There is no fiscal impact related to this recommended action.

Concurrence

Gary Crockett, Chief Counsel

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Attachments
1. FY 2017 CalOptima Audited Financial Statements
2. Presentation by Moss-Adams, LLP

/s/ Michael Schrader *9/14/2017*
Authorized Signature **Date**

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Report of Independent Auditors and
Consolidated Financial Statements
with Supplementary Information for

Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima

June 30, 2017 and 2016

CONTENTS

The intent of management's discussion and analysis of CalOptima's consolidated financial performance is to provide readers with an overview of the agency's financial activities for the fiscal years ended June 30, 2017 and 2016. Readers should review this summation in conjunction with CalOptima's consolidated financial statements and accompanying notes to the consolidated financial statements to enhance their understanding of CalOptima's financial performance.

Key Operating Indicators

The table below compares key operating indicators for CalOptima for the fiscal years ended June 30, 2017, 2016 and 2015:

Key Operating Indicators	2017	2016	2015
Members (at end of fiscal period):			
Medi-Cal program	772,228	776,713	739,567
OneCare	1,121	1,174	12,951
OneCare Connect	15,505	29,416	-
PACE	212	168	95
Average member months			
Medi-Cal program	777,057	765,938	698,718
OneCare	1,237	6,879	13,595
OneCare Connect	16,834	9,626	-
PACE	190	135	71
Operating revenues (in millions)	$ 3,549	$ 3,148	$ 2,916
Operating expenses (in millions)			
Medical expenses	3,400	3,022	2,600
Administrative expenses	111	107	88
Operating income (in millions)	$ 38	$ 19	$ 228
Operating revenues PMPM (per member per month)	$ 372	$ 337	$ 365
Operating expenses PMPM			
Medical expenses PMPM	356	323	328
Administative expenses PMPM	12	11	10
Opeating income (loss) PMPM	$ 4	$ 3	$ 27
Medical loss ratio	96%	96%	90%
Administrative expenses ratio	3%	3%	3%
Premium tax revenue and expenses not included above			
Operating revenues (in millions)	$ 138	$ 114	$ 125
Administrative expenses (in millions)	138	114	125

Overview of the Consolidated Financial Statements

This annual report consists of consolidated financial statements and notes to those statements, which reflect CalOptima's financial position as of June 30, 2017 and 2016 and results of its operations for the fiscal years ended June 30, 2017 and 2016. The consolidated financial statements of CalOptima, including the consolidated statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows, represent the consolidated accounts and transactions of the five (5) programs – Medi-Cal, OneCare, OneCare Connect, Program of All-inclusive Care for the Elderly (PACE), and CalOptima Foundation.

- The consolidated statements of net position include all of CalOptima's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the accrual basis of accounting, as well as an indication about which assets and deferred outflows of resources are utilized to fund obligations to providers and which are restricted as a matter of Board of Directors' policy.
- The consolidated statements of revenues, expenses and changes in net position present the results of operating activities during the fiscal year and the resulting increase or decrease in net position.
- The consolidated statements of cash flows report the net cash provided by or used in operating activities, as well as other sources and uses of cash from investing and capital and related financing activities.

The following discussion and analysis addresses CalOptima's overall program activities. CalOptima's Medi-Cal program accounted for 88.6 percent, 89.4 percent, and 93.8 percent of its annual revenues during fiscal years 2017, 2016, and 2015, respectively. CalOptima's OneCare accounted for 0.5 percent, 3.3 percent, and 6.0 percent of its annual revenues during fiscal years 2017, 2016, and 2015, respectively. CalOptima's OneCare Connect program accounted for 10.5 percent and 7.0 percent of its annual revenues during fiscal year 2017 and 2016. All other programs consolidated accounted for 0.4 percent, 0.3 percent, and 0.2 percent of CalOptima's annual revenues during fiscal years 2017, 2016, and 2015, respectively.

CalOptima Foundation (the Foundation) was formed as a not-for-profit benefit corporation in 2010 and is dedicated to the betterment of public health care services in Orange County. The activities of the Foundation are included in the consolidated financial statements of CalOptima.

2017 and 2016 Financial Highlights

As of June 30, 2017 and 2016, total assets and deferred outflows of resources were approximately $2,743.0 million and $2,307.8 million, respectively, and exceeded liabilities and deferred inflows of resources by approximately $716.3 million and $662.5 million, respectively.

Net position increased by approximately $53.9 million, or 8.1 percent, during fiscal year 2017 and increased by approximately $32.5 million, or 5.2 percent, during fiscal year 2016.

Table 1a: Condensed Consolidated Statements of Net Position as of June 30,
(Dollars in Thousands)

Financial Position	2017	2016	Change From 2016 Amount	Change From 2016 Percentage
Assets				
Current assets	$ 2,141,667	$ 1,771,671	$ 369,996	20.9%
Board-designated assets and restricted cash	535,438	476,146	59,292	12.5%
Capital assets, net	54,301	54,996	(695)	-1.3%
Total assets	$ 2,731,406	$ 2,302,813	$ 428,593	18.6%
Deferred outflows of resources	$ 11,577	$ 5,003	$ 6,574	131.4%
Total assets and deferred outflows of resources	$ 2,742,983	$ 2,307,816	$ 435,167	18.9%
Liabilities				
Current liabilities	$ 1,981,295	$ 1,609,330	$ 371,965	23.1%
Other liabilities	44,017	33,864	10,153	30.0%
Total liabilities	$ 2,025,312	$ 1,643,194	$ 382,118	23.3%
Deferred inflows of resources	$ 1,340	$ 2,155	$ (815)	-
Net posiition				
Net investment in capital assets	$ 54,104	$ 54,995	$ (891)	-1.6%
Restricted	98,445	89,284	9,161	10.3%
Unrestricted	563,782	518,188	45,594	8.8%
Total net position	$ 716,331	$ 662,467	$ 53,864	8.1%
Total liabilities, deferred inflows of resources and net position	$ 2,742,983	$ 2,307,816	$ 435,167	18.9%

Current assets increased $370.0 million from $1,771.7 million in 2016 to $2,141.7 million in 2017. The increase in current assets is due to increases in cash, short-term investments and premium receivables. Current liabilities increased $ 372.0 million from $1,609.3 million in 2016 to $1,981.2 million in 2017. The increase is mainly due to additional payables to the health networks of approximately $173.0 million related to shared risk payout estimates and an increase of $549.4 million in the Due to DHCS liability account, which is the result from the change in categorization of excess payments related to Medi-Cal expansion rate changes from unearned revenue. Both are offset by a decrease of $387.9 million in the unearned revenue for the above mentioned category change. The net increase of the excess Medi-Cal expansion payments is $161.5 million from fiscal year 2016.

2017 and 2016 Financial Highlights (continued)

Board-designated assets and restricted cash increased by $59.3 million and $15.7 million in fiscal years 2017 and 2016, respectively. The Board of Directors' policy is to augment Board-designated assets to provide a desired level of funds between 1.4 months and 2 months of premium revenue to meet future contingencies. CalOptima's reserve level of tier one and two investment portfolios as of June 30, 2017 is at 1.9 times of monthly average premium revenue. CalOptima is also required to maintain a $300,000 restricted deposit as a part of the Knox-Keene Health Care Service Plan Act of 1975.

2016 and 2015 Financial Highlights

As of June 30, 2016 and 2015, total assets and deferred outflows of resources were approximately $2,307.8 million and $1,869.5 million, respectively, and exceeded liabilities and deferred inflows of resources by approximately $662.5 million and $629.9 million, respectively.

Net position increased by approximately $32.5 million, or 5.2 percent, during fiscal year 2016 and increased by approximately $231.0 million, or 57.9 percent, during fiscal year 2015.

Table 1b: Condensed Consolidated Statements of Net Position as of June 30,
(Dollars in Thousands)

Financial Position	2016	2015	Change From 2015 Amount	Change From 2015 Percentage
Assets				
Current assets	$ 1,771,671	$ 1,350,744	$ 420,927	31.2%
Board-designated assets and restricted cash	476,146	460,449	15,697	3.4%
Capital assets, net	54,996	53,349	1,647	3.1%
Total assets	$ 2,302,813	$ 1,864,542	$ 438,271	23.5%
Deferred outflows of resources - pension contributions	$ 5,003	$ 4,951	$ 52	1.1%
Total assets and deferred outflows of resources	$ 2,307,816	$ 1,869,493	$ 438,323	23.4%
Liabilities				
Current liabilities	$ 1,609,330	$ 1,206,097	$ 403,233	33.4%
Other liabilities	33,864	27,861	6,003	21.5%
Total liabilities	$ 1,643,194	$ 1,233,958	$ 409,236	33.2%
Deferred inflows of resources - excess earnings	$ 2,155	$ 5,581	$ (3,426)	-
Net posiition				
Net investment in capital assets	$ 54,995	$ 53,349	$ 1,646	3.1%
Restricted	89,284	86,144	3,140	3.6%
Unrestricted	518,188	490,461	27,727	5.7%
Total net position	$ 662,467	$ 629,954	$ 32,513	5.2%
Total liabilities, deferred inflows of resources and net position	$ 2,307,816	$ 1,869,493	$ 438,323	23.4%

2016 and 2015 Financial Highlights (continued)

Current assets increased $420.9 million from $1,350.7 million in 2015 to $1,771.7 million in 2016. The increase in current assets is primarily due to the delay of the Department of Healthcare Services' (DHCS) recovery of Medi-Cal Expansion capitation rate overpayments in fiscal 2016 that resulted in increased cash and investments. The excess payments are primarily due to capitation payments received that do not reflect the current Medi-Cal expansions rates issued by DHCS. Current liabilities increased $ 403.2 million from $1,206.1 million in 2015 to $1,608.9 million in 2016. Current liabilities increased in the Due to DHCS liability category from the above Medi-Cal Expansion overpayments. Moreover, additional payables to the health networks of approximately $163.1 million were recorded for shared risk payout estimate in 2016. Deferred outflows of resources – pension contributions and deferred inflows of resources – excess earnings were recognized in the 2015 consolidated statement of net position related to the implementation of GASB 68. Refer to Note 6 for additional information.

Board-designated assets and restricted cash increased by $15.7 million and $305.4 million in fiscal years 2016 and 2015, respectively. The Board of Directors' policy is to augment Board-designated assets to provide a desired level of funds between 1.4 months and 2 months of premium revenue to meet future contingencies. CalOptima's reserve level of tier one and two investment portfolios as of June 30, 2017 is at 1.8 times of monthly average premium revenue. CalOptima is also required to maintain a $300,000 restricted deposit as a part of the Knox-Keene Health Care Service Plan Act of 1975.

2017 and 2016 Results of Operations

CalOptima's fiscal year 2017 operations and nonoperating revenues resulted in a $53.9 million increase in net position, $21.4 million higher compared to a $32.5 million increase in fiscal year 2016. The following table reflects the changes in revenues and expenses for 2017 compared to 2016:

Table 2a: Consolidated Revenues, Expenses and Changes in Net Position for Fiscal Years Ended June 30 (Dollars in Thousands)

Results of Operations	2017	2016	Change From 2016 Amount	Change From 2016 Percentage
Capitation revenues	$ 3,549,462	$ 3,148,260	$ 401,202	12.7%
Other income	27	305	(278)	-91.1%
Total operating revenues	3,549,489	3,148,565	400,924	12.7%
Medical expenses	3,399,612	3,022,418	377,194	12.5%
Administative expenses	113,736	107,182	6,554	6.1%
Total operating expenses	3,513,348	3,129,600	383,748	12.3%
Operating income	36,141	18,965	17,176	90.6%
Nonoperating revenues and expenses	17,724	13,548	4,176	30.8%
Increase in net position	53,865	32,513	21,352	65.7%
Net position, beginning of year	662,467	629,954	32,513	5.2%
Net position, end of year	$ 716,332	$ 662,467	$ 53,865	8.1%

2017 and 2016 Operating Revenues

The increase in consolidated operating revenues of $ 401.2 million in fiscal year 2017 is attributable to additional revenue from rate increases, continued growth in Medi-Cal Expansion and update in the revenue recognition methodology for Care Coordinated Initiative (CCI) and Long-term care (LTC) services. An update to the revenue recognition methodology for CCI resulted in additional revenue of $64.7 million for fiscal year 2016 reflected in fiscal year 2017. Similarly, $56.3 million of additional revenue for Long-term Care (LTC) services for fiscal year 2016 was reflected in fiscal year 2017.

2017 and 2016 Medical Expenses

Overall medical expenses increased by 12.5 percent in fiscal year 2017, totaling $3,399.6 million, compared to $ 3,022.4 million in fiscal year 2016. CalOptima's medical loss ratio, or medical expenses as a percentage of operating revenues, was 95.8 percent in fiscal year 2017 compared to 96.0 percent in fiscal year 2016.

Medi-Cal Provider capitation, comprising capitation payments to CalOptima's contracted health networks, increased by 5.3 percent from fiscal year 2016 to fiscal year 2017 due to the transition of one shared risk group network and a Managed Behavior Health Organization (MBHO) to an HMO model during the year. Capitated member enrollment accounted for approximately 78.6 percent of CalOptima's enrollment, averaging members 610,893 during fiscal year 2017, and 80.0 percent of CalOptima's enrollment, averaging 612,704 members during fiscal year 2016. Included in the capitated environment are 298,552 or 48.9 percent and 342,498 or 44.7 percent members in a Shared Risk Network for fiscal years 2017 and 2016, respectively. Shared Risk Networks receive capitation for professional services and are claim-based for hospital services.

Medi-Cal capitation expenses totaled $985.2 million in fiscal year 2017, compared to $935.4 million in fiscal year 2016, which reflects the increased enrollment in capitated networks.

Medi-Cal Claim expense to providers and facilities, including LTC facilities increased by 16.2 percent from fiscal year 2016 to fiscal year 2017. This increase is attributable to an overall increase in cost per member, enrollment and a change in methodology to account for In-Home Supportive Services (IHSS) benefits.

In addition to the above Medi-Cal revenues and claims expenses in fiscal year 2017, Quality Assurance Fee (QAF) payments received and passed through to hospitals increased from $ 42.1 million to $307.8 million from fiscal year 2016 to fiscal year 2017. These receipts and payments are not included in the consolidated statements of revenues, expenses and changes in net position.

Pharmacy costs increased by 8.6 percent in fiscal year 2017, compared to fiscal year 2016. Results from fiscal year 2017 reflect higher enrollment and increase Pharmacy drug prices.

2017 and 2016 Administrative Expenses

Total administrative expenses were $111.2 million in 2017 compared to $107.2 million in 2016. Overall administrative expenses increased by 3.8 percent or $4.1 million, due to increases in salaries and benefits, along with typical inflation factors. During fiscal years 2017 and 2016, respectively, CalOptima's administrative expenses were 3.1 percent and 3.4 percent of total operating revenues.

2016 and 2015 Results of Operations

CalOptima's fiscal year 2016 operations and nonoperating revenues resulted in a $32.5 million increase in net position, $198.5 million lower compared to a $231.0 million increase in fiscal year 2015. The following table reflects the changes in revenues and expenses for 2016 compared to 2015:

Table 2b: Consolidated Revenues, Expenses and Changes in Net Position for Fiscal Years Ended June 30
(Dollars in Thousands)

Results of Operations	2016	2015	Change From 2015 Amount	Change From 2015 Percentage
Capitation revenues	$ 3,148,260	$ 2,910,655	$ 237,605	8.2%
Other income	305	5,233	(4,928)	-94.2%
Total operating revenues	3,148,565	2,915,888	232,677	8.0%
Medical expenses	3,022,418	2,599,868	422,550	16.3%
Administative expenses	107,182	88,382	18,800	21.3%
Total opeating expenses	3,129,600	2,688,250	441,350	16.4%
Operating income	18,965	227,638	(208,673)	-91.7%
Nonoperating revenues and expenses	13,548	3,389	10,159	299.8%
Increase in net position	32,513	231,027	(198,514)	-85.9%
Net position, beginning of year	629,954	398,927	231,027	57.9%
Net position, end of year	$ 662,467	$ 629,954	$ 32,513	5.2%

2016 and 2015 Operating Revenues

The increase in consolidated operating revenues of $ 232.7 million in fiscal year 2016 is attributable to additional revenue from the new IHSS benefit and continued growth in Medi-Cal Expansion program, offset by rate reductions from State of California Department of Health Care Services (DHCS) for the Medi-Cal Expansion population, as well as a decrease of $187.1 million of contingency payable to the State for meeting the 85 percent medical loss ratio as compared to fiscal year 2015. Hepatitis C drug revenue totaled $40.8 million and $18.4 million in fiscal year 2016 and 2015, respectively.

2016 and 2015 Medical Expenses

Overall medical expenses increased by 16.3 percent in fiscal year 2016, totaling $3,022 million, compared to $ 2,600 million in fiscal year 2015. CalOptima's medical loss ratio, or medical expenses as a percentage of operating revenues, was 96.0 percent in fiscal year 2016, compared to 89.2 percent in fiscal year 2015.

Medi-Cal Provider capitation, comprising capitation payments to CalOptima's contracted health networks, increased by 9.2 percent from fiscal year 2015 to fiscal year 2016 due to an overall increase in enrollment and Medi-Cal expansion rates. Capitated member enrollment accounted for approximately 80.0 percent of CalOptima's enrollment, averaging members 612,704 during fiscal year 2016, and 79.3 percent of CalOptima's enrollment, averaging 554,271 members during fiscal year 2015. Included in the capitated environment are 342,498 or 44.7 percent and 306,847, or 43.9 percent members in a Shared Risk Network for fiscal years 2016 and 2015, respectively. Shared Risk Networks receive capitation for professional services and are claim-based for hospital services.

Medi-Cal capitation expense totaled $935.4 million in fiscal year 2016, compared to $856.4 million in fiscal year 2015, which reflects the increased enrollment in capitated networks.

Medi-Cal Claim expense to providers and facilities, including LTC facilities increased by 10.7 percent from fiscal year 2015 to fiscal year 2016. This increase is mainly attributable to new IHSS benefits starting July 1, 2015.

In addition to the above Medi-Cal revenues and claims expense in fiscal year 2016, Quality Assurance Fee (QAF) payments received and passed through to hospitals decreased from $ 102.6 million to $42.1 million from fiscal year 2015 to fiscal year 2016. These receipts and payments are not included in the consolidated statements of revenues, expenses and changes in net position.

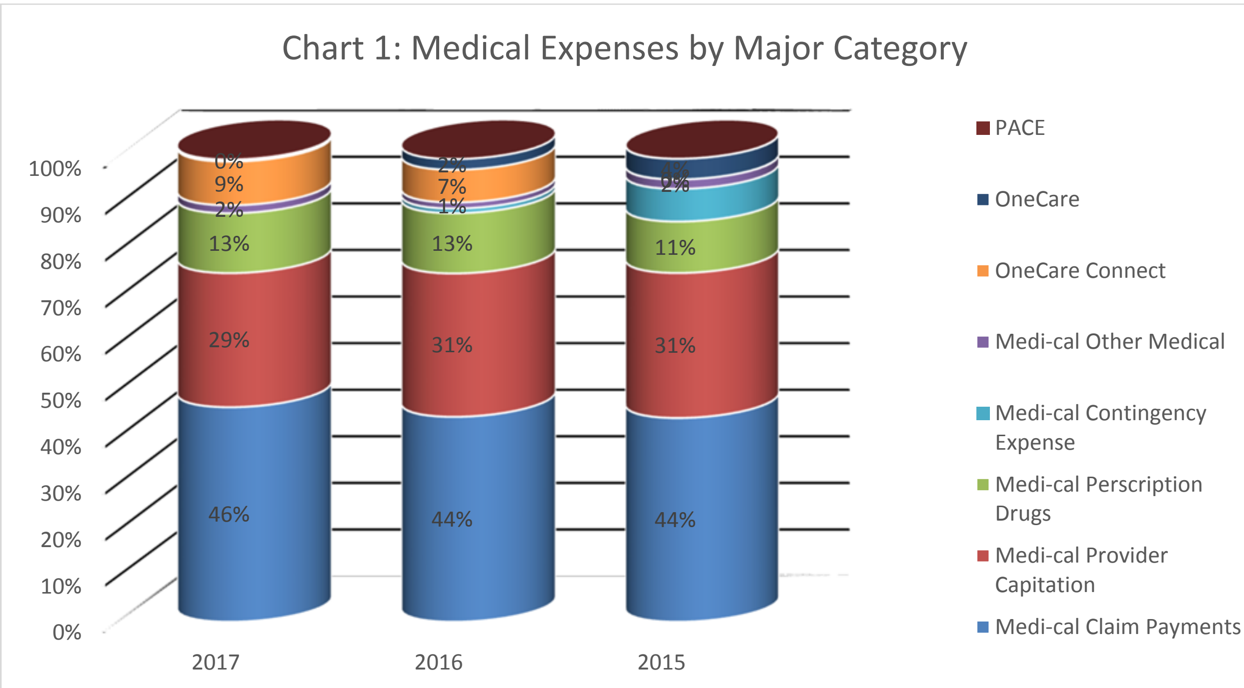
Pharmacy costs increased by 30.3 percent in fiscal year 2016, compared to fiscal year 2015. Results from fiscal year 2016 reflect higher enrollment and new Hepatitis C drug costs.

2016 and 2015 Administrative Expenses

Total administrative expenses were $107.2 million in 2016. Overall administrative expenses increased by 21.2 percent, due to additional expenses related to higher enrollment and new program implementation costs for the OneCare Connect program. During fiscal years 2016 and 2015, respectively, administrative expenses were 3.4 percent and 2.8 percent of operating revenues.

2017, 2016 and 2015 Medical Expenses by Major Category

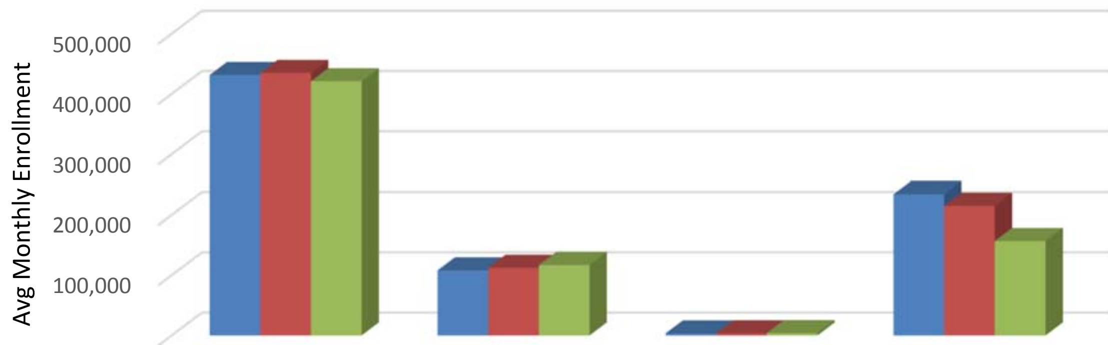
Below is a comparison chart of medical expenses by major category and their respective percentages of the overall medical expenditures by fiscal year.



2017, 2016 and 2015 Enrollment

During fiscal year 2017, CalOptima served an average of 777,057 Medi-Cal members per month compared to an average of 765,938 members per month in 2016, and 698,718 members per month in 2015. The chart below displays a comparative view of average monthly membership by Medi-Cal aid category during 2017, 2016, and 2015:

Chart 2: Medi-Cal Membership by Aid Category
(Shown as Average Member Months)



	TANF	Disabled/Aged	LTC	MCE
2017	431,452	108,130	3,283	234,192
2016	434,854	112,328	3,518	215,238
2015	421,012	116,963	3,894	156,849

Significant aid categories are defines as follows:

Temporary Assistance to Needy Families (TANF) includes families, children and poverty-level members who qualify for the TANF federal welfare program, which provides cash aid and job-search assistance to poor families. TANF also includes members who migrated from CalOptima, Health Net and Kaiser Healthy Family programs.

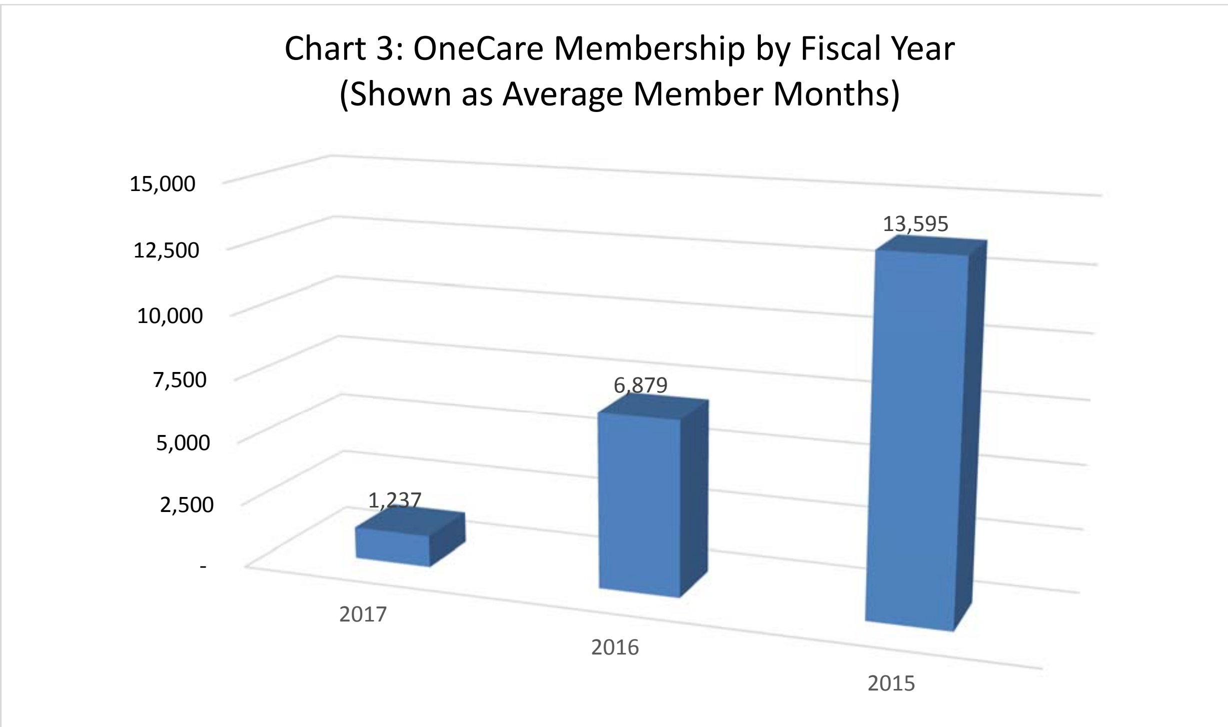
Disabled and Aged includes individuals who have met the criteria for disability set by the Social Security Administration, and individuals of 65 years of age and older who receive supplemental security income (SSI) checks, or are medically needy, or have an income of 100 percent or less of the federal poverty level.

LTC includes frail elderly, nonelderly adults with disabilities and children with developmental disabilities and other disabling conditions requiring long-term care services.

Medi-Cal Expansion program (MCX and MSI) includes adults without children, ages 19-64, qualified based upon income, as required by the Patient Protection and Affordable Care Act (ACA).

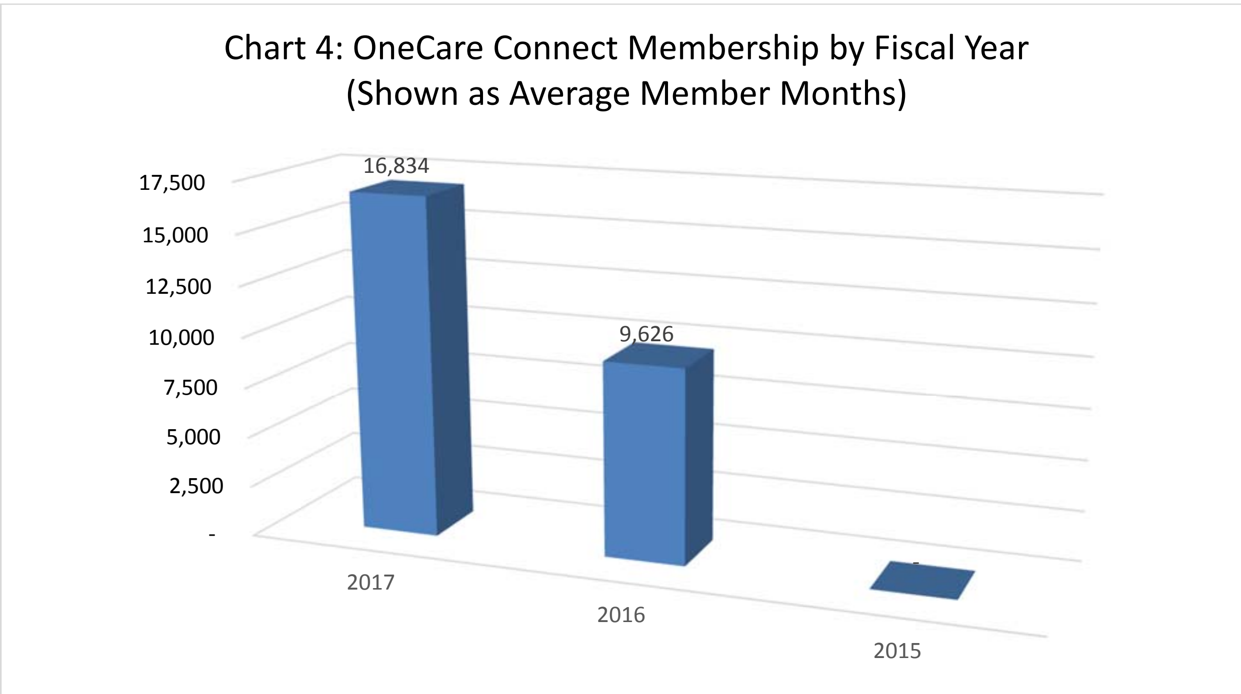
2017, 2016 and 2015 Enrollment (continued)

OneCare was introduced in fiscal year 2006 to service the unique Medicare Advantage Special Needs Plan. It provides a full range of health care services to average member months of 1,237, 6,879, and 13,595 for the years ended June 30, 2017, 2016, and 2015, respectively. Members are eligible for both the Medicare and Medi-Cal programs. The membership decrease in 2017 was primarily due to more than 10,000 OneCare members transitioning to CalOptima's OneCare Connect. The chart below displays the average member months for the past three years.



2017, 2016 and 2015 Enrollment (continued)

CalOptima launched OneCare Connect (OCC) program to serve dual eligible members in Orange County on July 1, 2015. This new program combines members' Medicare and Medi-Cal coverage and adds other benefits and supports. Average member months were 16,834 in fiscal year 2017. The chart below displays the average member months for the past three years.



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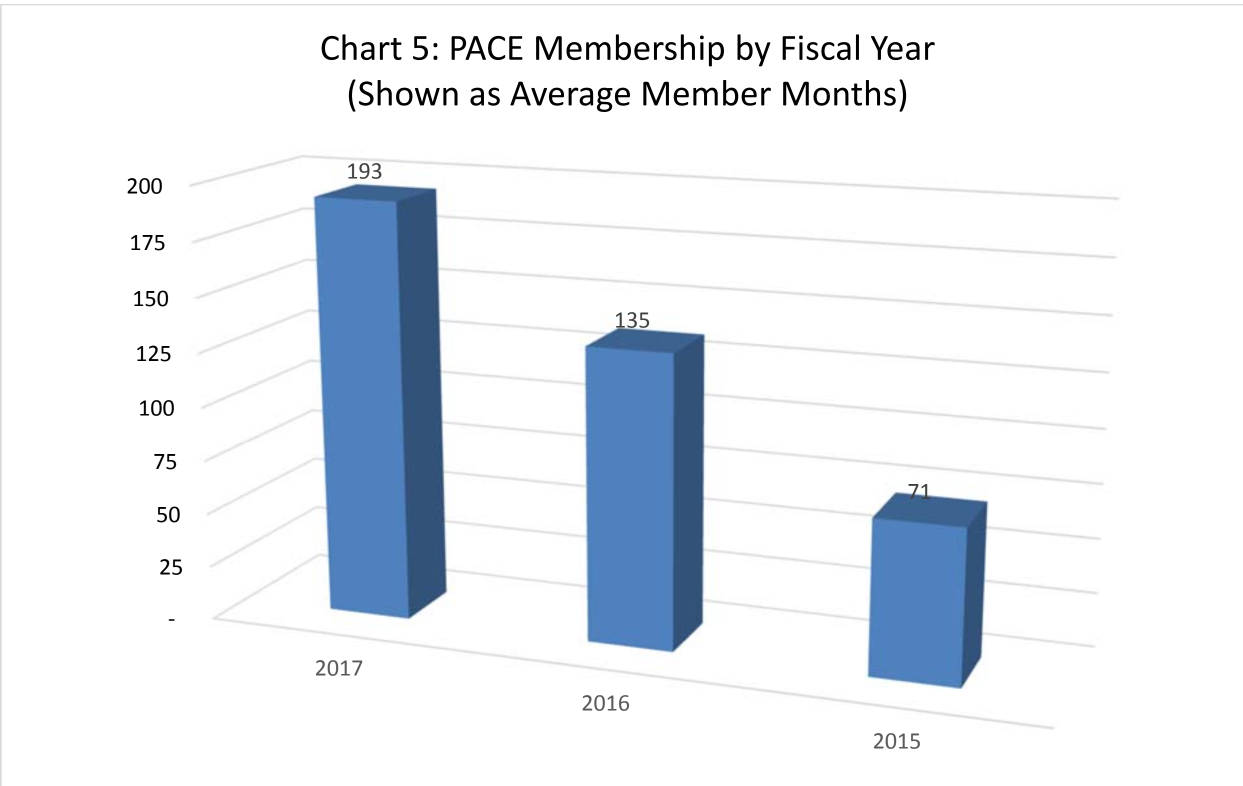
2017, 2016 and 2015 Enrollment (continued)

PACE (Program of All-Inclusive Care for the Elderly) started operation in October 2013. It is a community-based Medicare and Medi-Cal program that provides coordinated and integrated health care services to frail elders to help them continue living independently in the community. It provides a full range of health care services to average member months of 193, 135, and 71 for the years ended June 30, 2017, 2016, and 2015, respectively. The chart below displays the average member months for the past three years.



Economic Factors and the State's Fiscal Year 2017 Budget

On June 27, 2017, Governor Jerry Brown signed the Fiscal Year (FY) 2017-18 budget. The budget is consistent with his overall focus for a balanced state budget while addressing his key priorities: pay down debts and liabilities, make infrastructure improvements, invest in education, fund the earned income tax credit and provide Medi-Cal coverage for millions of Californians.

General Fund spending in the budget package is $125.1 billion, an increase of $3.7 billion or 3% from the revised FY 2016-17 budget. The budget includes $19.5 billion in General Fund spending for the Medi-Cal program, representing a $577 million or 3% increase compared to last fiscal year. Major Medi-Cal policies adopted in the budget include: an allocation of $1.3 billion in Proposition 56 tobacco tax revenue to Medi-Cal to fund increases to provider payments and anticipated program growth, the restoration of full adult dental benefits effective January 1, 2018, the removal of the In-Home Supportive Services as a Medi-Cal managed care benefit and the continuation of the Cal Medi-Connect Program for two additional years.

The budget projects $125.9 billion in General Fund revenues and transfers in FY 2017-18, an increase of $7.3 million or 6% compared to last fiscal year. The three largest General Fund taxes (i.e., personal income tax, sales and use tax, corporation tax) are projected to increase by 5%. The state is projected to end FY 2017-18 with $9.9 billion in total reserves.

Patient protection and affordable care act

In March 2010, the President signed into law the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively referred to as the Healthcare Reform Legislation), which considerably transforms the U.S. health-care system and increases regulations within the U.S. health insurance industry. This legislation is intended to expand the availability of health insurance coverage to millions of Americans. The Healthcare Reform Legislation contains provisions that take effect from 2010 through 2018, with most measures effective in 2015. Under the Healthcare Reform Legislation, Medi-Cal coverage expanded as of January 2015 for low-income families, children, pregnant women, seniors, and persons with disabilities. For the years ended June 30, 2017 and 2016, CalOptima served an average of 231,000 and 199,000 Medi-Cal Expansion members per month, with increased revenues by approximately $88,812,000 and $100,431,000, respectively.

DHCS medical review (February 2014) – DHCS conducted a Focused Medical Review of CalOptima's Medi-Cal program in February 2014. The corrective actions from the DHCS report were received in March 2014 and were consistent with the corrective actions that were identified by CMS.

DHCS listed its findings and recommendations in seven areas: Utilizations Management, Prior Authorization Procedures, Referral Tracking System, Delegation of Utilization Management, Pharmaceutical Services, Grievances and Appeals, and Antifraud and Abuse Program.

During the year ended June 30, 2016, CalOptima had passed the audit from CMS and the medical review from DHCS. CMS sanction had been lifted during the year ended June 30, 2016.

Requests for Information

This financial report has been prepared in the spirit of full disclosure to provide the reader with an overview of CalOptima's operations. If the reader has questions or would like additional information about CalOptima Foundation, please direct the requests to CalOptima, 505 City Parkway West, Orange, CA 92868 or call 714.347.3237.

REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima

Report on Financial Statements

We have audited the accompanying consolidated financial statements of Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima ("CalOptima") (a discrete component unit of the County of Orange, California), as of and for the years ended June 30, 2017 and 2016, and the related notes to the consolidated financial statements, which collectively comprise CalOptima's basic consolidated financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CalOptima as of June 30, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability and related ratios, schedule of plan contributions, and schedule of funding progress for the postemployment health-care plan, as listed in the table of contents, be presented to supplement the basic consolidated financial statements. Such information, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September XX, 2017 on our consideration of the CalOptima's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CalOptima's internal control over financial reporting and compliance.

Irvine, California
[DATE]

ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY/DBA ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL ASSISTANCE/DBA CALOPTIMA

CONSOLIDATED STATEMENTS OF NET POSITION

	JUNE 30, 2017	JUNE 30, 2016
Current Assets		
Cash and cash equivalents	$ 510,062,983	$ 258,888,726
Investments	1,082,425,753	1,019,222,143
Premiums receivable from the State of California	522,793,705	470,263,571
Prepaid expenses and other	26,384,678	23,296,446
Total current assets	2,141,667,119	1,771,670,886
Board-Designated Assets and Restricted Cash		
Cash and cash equivalents	17,709,682	10,144,102
Investments	517,428,691	465,701,798
Restricted deposit	300,000	300,000
	535,438,373	476,145,900
Capital Assets, net	54,301,035	54,995,566
Total assets	2,731,406,527	2,302,812,352
Deferred Outflows of Resources	11,577,140	5,003,017
Total assets and deferred outflows of resources	$ 2,742,983,667	$ 2,307,815,369

ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY/DBA ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL ASSISTANCE/DBA CALOPTIMA

CONSOLIDATED STATEMENTS OF NET POSITION (CONTINUED)

	JUNE 30, 2017	JUNE 30, 2016
Current Liabilities		
Medical claims liability and capitation payable		
Medical claims liability	$ 1,074,345,956	$ 800,095,760
Provider capitation and withholds	580,839,710	401,826,300
Accrued insurance costs	5,681,300	4,884,800
Payable to State of California and the Centers for Medicare and Medicaid Services (CMS)	198,204,767	181,769,823
Unearned revenue	102,298,450	198,309,455
	1,961,370,183	1,586,886,138
Accounts payable and other	9,823,907	10,606,638
Accrued payroll and employee benefits and other	10,101,233	11,837,190
Total current liabilities	1,981,295,323	1,609,329,966
Postemployment health-care plan	28,586,000	27,327,000
Net pension liability	15,430,763	6,536,809
Total Liabilities	2,025,312,086	1,643,193,775
Deferred Inflows of Resources	1,340,010	2,154,540
Net position		
Net investment in capital assets, net of related debt	54,103,912	54,995,566
Restricted - required tangible net equity and restricted deposit	98,445,479	89,283,747
Unrestricted	563,782,180	518,187,741
Total net position	716,331,571	662,467,054
Total liabilities, deferred inflows of resources and net position	$ 2,742,983,667	$ 2,307,815,369

ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY/DBA ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL ASSISTANCE/DBA CALOPTIMA

CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

	YEARS ENDED JUNE 30, 2017	YEARS ENDED JUNE 30, 2016
REVENUES:		
Premium revenues	$ 3,549,461,873	$ 3,148,260,022
Other income	27,164	304,591
Total operating revenues	3,549,489,037	3,148,564,613
OPERATING EXPENSES:		
Medical expenses		
Provider capitation	984,439,058	935,360,536
Claims expense to providers and facilities	1,567,941,100	1,349,950,877
Prescription drugs	425,136,805	391,480,137
OneCare	16,424,252	86,724,744
OneCare Connect	355,096,108	205,122,734
Other medical	50,575,067	53,779,018
Total medical expenses	3,399,612,390	3,022,418,046
Administrative expenses		
Salaries, wages and employee benefits	71,882,654	64,666,948
Professional fees	1,241,416	4,368,357
Purchased services	11,278,918	10,032,627
Supplies, occupancy, insurance and other	22,788,692	24,972,237
Depreciation	6,544,639	3,142,262
Total administrative expenses	113,736,319	107,182,431
Total operating expenses	3,513,348,709	3,129,600,477
OPERATING INCOME	36,140,328	18,964,136
NON-OPERATING REVENUES (EXPENSES):		
Investment income	15,766,423	13,880,954
Rental income, net of related expenses	1,957,766	(332,490)
Total non-operating revenues and expenses	17,724,189	13,548,464
Increase in net position	53,864,517	32,512,600
Net position, beginning of year	662,467,054	629,954,454
Net position, end of year	$ 629,954,454	$ 662,467,054

See accompanying notes.

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ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY/DBA ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL ASSISTANCE/DBA CALOPTIMA

CONSOLIDATED STATEMENTS OF CASH FLOWS

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Capitation payments received and other	$ 3,417,382,842	$ 3,407,332,160
Payment to providers and facilities	(2,945,552,284)	(2,792,070,397)
Payments to vendors	(39,179,989)	(41,899,573)
Payments to employees	(70,854,310)	(59,538,135)
Net cash provided by operating activities	361,796,259	513,824,055
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(5,850,108)	(4,788,437)
Net cash used in capital and related financing activities	(5,850,108)	(4,788,437)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	11,823,120	10,003,777
Purchases of securities	(644,508,178)	(435,645,219)
Sales of securities	527,913,164	150,063,575
Net cash used in investing activities	(104,771,894)	(275,577,867)
Net increase in cash and cash equivalents	251,174,257	233,457,751
CASH AND CASH EQUIVALENTS, beginning of year	258,888,726	25,430,975
CASH AND CASH EQUIVALENTS, end of year	$ 510,062,983	$ 258,888,726
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 36,140,328	$ 18,964,136
ADJUSTMENT TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	6,544,639	3,142,262
Changes in assets and liabilities		
Capitation receivable from the State of California	(52,530,134)	88,846,559
Prepaid expenses and other assets	(3,088,232)	(2,885,883)
Medical claims liability	274,250,196	159,174,641
Payable to the State of California and CMS	16,434,944	164,064,697
Unearned revenue	(96,011,005)	(9,636,709)
Capitation and withholds	179,013,410	111,193,389
Accounts payable and other	(782,731)	359,531
Accrued payroll and employee benefits and other	(1,735,957)	2,605,109
Accrued insurance costs	796,500	(24,527,381)
Postemployment health-care plan	1,259,000	524,508
Net pension obligation	1,505,301	1,999,196
Net cash provided by operating activities	$ 361,796,259	$ 513,824,055
SUPPLEMENTAL SCHEDULE OF NON-CASH OPERATING AND INVESTING ACTIVITIES		
Change in unrealized appreciation on investments	$ (1,252,325)	$ 3,007,940

See accompanying notes.

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Note 1 – Organization

Orange County Health Authority, a Public Agency/dba Orange Prevention and Treatment Integrated Medical Assistance/dba CalOptima ("CalOptima") is a county-organized health system ("COHS") serving primarily Medi-Cal beneficiaries in Orange County, California. Pursuant to the California Welfare and Institutions Code, CalOptima was formed by the Orange County Board of Supervisors as a public/private partnership through the adoption of Ordinance NO. 3896 in August 1992. The agency began operations in October 1995.

As a COHS, CalOptima maintains an exclusive contract with the State of California Department of Health Care Services ("DHCS") to arrange for the provision of health-care services to Orange County's approximately 772,000 and 777,000 Medi-Cal beneficiaries for the years ended June 30, 2017 and 2016, respectively. CalOptima also offers OneCare, a Medicare Advantage Special Needs Plan, via a contract with the Centers for Medicare, and Medicaid Services ("CMS"). In January 2016, CalOptima began transferring subscribers from OneCare to the OneCare Connect Cal MediConnect Plan. OneCare serves approximately 1,100 and 1,000 members eligible for both Medicare and Medi-Cal for the years ended June 30, 2017 and 2016, respectively. In January 2016, CalOptima began offering OneCare Connect Cal MediConnect Plan ("OCC"), a Medicare-Medicaid Plan, via a contract with CMS. OCC serves approximately 16,000 and 29,000 members eligible for both Medicare and Medi-Cal for the years ended June 30, 2017 and 2016, respectively. CalOptima also contracts with the California Department of Aging to provide case management of social and health-care services to approximately 200 Medi-Cal eligible seniors under California's Multipurpose Senior Services program. The Program of All-inclusive Care for the Elderly ("PACE") provides services to 55 years of age or older members who reside in the PACE service area and meet California nursing facility level of care requirements. The program receives Medicare and Medi-Cal funding.

CalOptima in turn subcontracts the delivery of health-care services through health maintenance organizations and provider-sponsored organizations, known as Physician/Hospital Consortia, and Shared Risk Groups. Additionally, CalOptima has direct contracts with hospitals and providers for its fee-for service network.

CalOptima is licensed by the State of California as a Health Care Service Plan pursuant to the Knox-Keene Health Care Services Act of 1975 (the "Act"), as amended. As such, CalOptima is subject to the regulatory requirements of the Department of Managed Health Care under Section 1300, Title 28 of the California Administrative Code, including minimum requirements of Tangible Net Equity, which CalOptima exceeded as of June 30, 2017 and 2016.

CalOptima Foundation (the "Foundation") was formed as a not-for-profit benefit corporation in 2010 and is dedicated to the betterment of public health-care services in Orange County.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation – CalOptima is a county-organized health system governed by an 11-member Board of Directors appointed by the Orange County Board of Supervisors. The CalOptima Board of Directors also serves as the Board of Directors of the Foundation. Effective for the fiscal year ended June 30, 2014, CalOptima began reporting as a discrete component unit of the County of Orange, California. The County made this determination based on the County Board of Supervisors having the right to elect 100 percent of the CalOptima Board of Directors.

Principle of consolidation – The consolidated financial statements include the accounts of CalOptima and the Foundation (collectively referred to herein as the "Organization").

Basis of accounting – CalOptima uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. The accompanying consolidated financial statements have been prepared in accordance with the standards of the Governmental Accounting Standards Board ("GASB").

Use of estimates – The preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents – The Organization considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents.

Investments – Investments are stated at fair value in accordance with GASB Codification Section 150. The fair value of investments is estimated based on quoted market prices, when available. For debt securities not actively traded, fair values are estimated using values obtained from external pricing services or are estimated by discounting the expected future cash flows, using current market rates applicable to the coupon rate, credit and maturity of the investments.

All investments with an original maturity of one year or less when purchased are recorded as current investments, unless designated or restricted.

Board-designated assets and restricted cash – CalOptima's Board of Directors designated the establishment of certain reserve funds for contingencies. According to CalOptima's policy, the desired level for these funds is between 1.4 months and 2 months of premium revenues. CalOptima is required to maintain a $300,000 restricted deposit as a part of the Knox-Keene Health Care Service Plan Act of 1975 (see Note 9).

Note 2 – Summary of Significant Accounting Policies (continued)

Capital assets – Capital assets are stated at cost at the date of acquisition. The costs of normal maintenance, repairs and minor replacements are charged to expense when incurred.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Long-lived assets are periodically reviewed for impairment. The following estimated useful lives are used:

	Years
Furniture	5 years
Vehicles	5 years
Computers and software	3 years
Leasehold improvements	15 years or life of lease, whichever is less
Building	40 years
Building components	10 to 30 years
Land improvements	8 to 25 years
Tenant improvements	7 years or life of lease, whichever is less

Fair value of financial instruments – The consolidated financial statements include financial instruments for which the fair market value may differ from amounts reflected on a historical basis. Financial instruments of the Organization consist of cash deposits, investments, premium receivable, accounts payable, and certain accrued liabilities. The Organization's other financial instruments generally approximate fair market value based on the relatively short period of time between origination of the instruments and their expected realization.

Medical claims liability and expenses – CalOptima establishes a claims liability based on estimates of the ultimate cost of claims in process and a provision for incurred but not yet reported ("IBNR") claims, which is actuarially determined based on historical claim payment experience and other statistics. Such estimates are continually monitored and analyzed with any adjustments made as necessary in the period the adjustment is determined. CalOptima retains an outside actuary to perform an annual review of the actuarial projections. Amounts for claims payment incurred related to prior years vary from previously estimated liabilities as the claims ultimately are settled.

Note 2 – Summary of Significant Accounting Policies (continued)

Provider capitation and withholds – CalOptima has provider services agreements with several health networks in Orange County, whereby the health networks provide care directly to covered members or through subcontracts with other health-care providers. Payment for the services provided by the health networks is on a fully capitated basis. The capitation amount is based on contractually agreed-upon terms with each health network. CalOptima withholds amounts from providers at an agreed upon percentage of capitation payments made to ensure the financial solvency of each contract. CalOptima also records a liability related to quality incentive payments and risk-share provisions. The quality incentive liability is estimated based on member months and rates agreed upon by the Board of Directors. For the risk-share provision liability, management allocates surplus or deficits, multiplied by a contractual rate, with the shared-risk groups. Estimated amounts due to health networks pertaining to risk-share provisions are approximately $532,665,000 and $359,800,000 as of June 30, 2017 and 2016, respectively. During the years ended June 30, 2017 and 2016, CalOptima incurred approximately $1,096,426,000 and $973,118,000, respectively, of capitation expense relating to health-care services provided by health networks. The Capitation expense is included in the provider capitation and OneCare line items in the consolidated statements of revenues, expenses and changes in net position. Estimated amounts due to health networks as of June 30, 2017 and 2016, related to the capitation withhold arrangements, quality incentive payments, and risk-share provisions are approximately $580,840,000 and $401,826,000, respectively.

Premium deficiency reserves – CalOptima performs periodic analyses of its expected future health care costs and maintenance costs to determine whether such costs will exceed anticipated future revenues under its contracts. Should expected costs exceed anticipated revenues, a premium deficiency reserve is accrued. Investment income is not included in the calculation to estimate premium deficiency reserves. CalOptima's management determined that no premium deficiency reserves were necessary as of June 30, 2017 and 2016.

Accrued compensated absences – CalOptima's policy permits employees who are regularly scheduled to work more than 20 hours per week to accrue 18 days of paid time off (PTO) (23 days for exempt employees) based on their years of continuous service, with an additional week of accrual after three years of service and another after 10 years of service. Unused PTO may be carried over into subsequent years, not to exceed two and a half times the annual accrual. If an employee reaches his/her PTO maximum accrual, a portion of the accrued PTO equal to half of the employees' annual PTO accruals will be automatically paid out to the employees. Accumulated PTO will be paid to the employees upon separation from service with CalOptima. All compensated absences are accrued and recorded in accordance with GASB Codification Section C60, and are included in accrued payroll and employee benefits.

Note 2 – Summary of Significant Accounting Policies (continued)

Net position – Net position is reported in three categories, defined as follows:

- **Net investment in capital assets** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation, and is reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable (if any) to the acquisition, construction or improvement of those assets.

- **Restricted** – This component of net position consists of external constraints placed on net asset use by creditors (such as through debt covenants), grantors, contributors, or the law or regulations of other governments. It also pertains to constraints imposed by law or constitutional provisions or enabling legislation (see also Note 9).

- **Unrestricted** – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets, net of related debt."

Operating revenues and expenses – CalOptima's consolidated statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with arranging for the provision of health-care services. Operating expenses are all expenses incurred to arrange for the provision of health-care services as well as the costs of administration. Unpaid claims adjustment expenses are an estimate of the cost to process the IBNR claims and are included in operating expenses. Non-exchange revenues and expenses are reported as nonoperating revenues and expenses.

Revenue recognition and receivable from the State of California and CMS – Premium revenue is recognized in the period the members are eligible to receive healthcare services. Premium revenue is generally received from the State of California (the "State") each month following the month of coverage based on estimated enrollment and capitation rates as provided for in the State contract. As such, premium revenue includes an estimate for amounts receivable from or refundable to the State for these retrospective adjustments. These estimates are continually monitored and analyzed, with any adjustments recognized in the period when determined. OneCare premium revenue is generally received from CMS each month for the month of coverage. Premiums received in advance are recorded in unearned revenue on the consolidated statements of net position. CalOptima recognized an increase to premium revenue in the amount of approximately $164,025,000 and a decrease of approximately $1,000,000 related to retroactive capitation rate adjustments during the years ended June 30, 2017 and 2016, respectively.

Note 2 – Summary of Significant Accounting Policies (continued)

Effective with the enrollment of the Medi-Cal Expansion Population per the Affordable Care Act ("ACA") CalOptima is subject to DHCS requirements to meet the minimum 85% medical loss ratio (MLR) for this population. Specifically, CalOptima will be required to expend at least 85% of the Medi-Cal premium revenue received for this population on allowable medical expenses as defined by DHCS. In the event CalOptima expends less than the 85% requirement, CalOptima will be required to return to DHCS the difference between the minimum threshold and the actual allowed medical expenses. During 2017, CalOptima expended more than 85% of the Medi-Cal premium revenue, therefore no reserve was recorded for the period ending June 30, 2017. Approximately $15,493,000 for the year ended June 30, 2016, was recorded as a reduction to the premium revenues in the consolidated statements of revenues, expenses, and changes in net position to meet the 85% requirement. As of June 30, 2017 and 2016, approximately $164,875,000 was accrued. This liability is presented in the Payable to State of California line item in the accompanying consolidated statements of net position.

Premium revenue and related net receivables as a percent of the totals were as follows:

	Years Ended June 30,			
	2017		2016	
Revenue	Revenue	%	Revenue	%
Medi-Cal	$ 3,143,998,722	88.6%	$ 2,829,513,864	89.9%
OneCare	18,615,729	0.5%	104,201,695	3.3%
OneCare Connect	371,630,947	10.5%	220,185,400	7.0%
PACE	15,216,475	0.4%	9,852,063	0.3%
MLR Reduction	-	0.0%	(15,493,000)	-0.5%
	$ 3,549,461,873	100.0%	$ 3,148,260,022	100.0%

	As of June 30,			
	2017		2016	
Receivables	Receivables	%	Receivables	%
Medi-Cal	$ 506,599,613	96.9%	$ 447,869,626	95.2%
OneCare	28,106	0.0%	-	0.0%
OneCare Connect	12,630,469	2.4%	21,241,317	4.5%
PACE	3,535,517	0.7%	1,152,628	0.3%
	$ 522,793,705	100.0%	$ 470,263,571	100.0%

Administrative services contract – CalOptima previously contracted with a specialty managed mental health-care organization to arrange, coordinate and manage mental health outpatient services for its Mental Health Program. Revenue was recognized based on contractual terms, which could not exceed a prescribed budgeted administrative rate. The contract ended June 30, 2016. Revenue of approximately $4,984,000 is included in other income during the year ended June 30, 2016.

Note 2 – Summary of Significant Accounting Policies (continued)

Intergovernmental transfer – CalOptima entered into an agreement with DHCS and the University of California, Irvine ("UCI") to receive an intergovernmental transfer ("IGT") through a capitation rate increase of approximately $71,309,000 and $30,457,000 during the years ended June 30, 2017 and 2016, respectively. Under the agreement, approximately $56,891,000 and $23,500,000 of the funds that were received from the IGT were passed through to UCI during the years ended June 30, 2017 and 2016, respectively. Under GASB, the amounts that will be passed through to UCI are not reported in the consolidated statements of revenues, expenses, and changes in net position or the consolidated statements of net position. CalOptima accounts for the IGT transfer for CalOptima purposes as an exchange transaction requiring funds to be expended prior to revenue recognition. The funds were not yet expended for the required purpose during the years ended June 30, 2017 or 2015 as the revenue recognition criteria had not been met. CalOptima retains a portion of the IGT, which must be used to enhance provider reimbursement rates and strengthen the delivery system. A retainer in the amount of approximately $14,418,000 and $6,996,000 as of June 30, 2017 and 2016, respectively, is included in unearned revenues in the consolidated statements of net position.

Medicare Part D – CalOptima covers prescription drug benefits in accordance with Medicare Part D under multiple contracts with CMS. The payments CalOptima receives monthly from CMS and members, which are determined from its annual bid, represent amounts for providing prescription drug insurance coverage. CalOptima recognizes premiums for providing this insurance coverage ratably over the term of its annual contract. CalOptima's CMS payment is subject to risk sharing through the Medicare Part D risk corridor provisions. In addition, receipts for reinsurance and low-income cost subsidies, as well as receipts for certain discounts on brand name prescription drugs in the coverage gap represent payments for prescription drug costs for which CalOptima is not at risk.

The risk corridor provisions compare costs targeted in CalOptima's bids to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to CalOptima or require CalOptima to refund to CMS a portion of the premiums CalOptima received. CalOptima estimates and recognizes an adjustment to premiums revenue related to these risk corridor provisions based upon pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period. Accordingly, this estimate provides no consideration to future pharmacy claims experience. CalOptima records a receivable or payable at the contract level and classifies the amount as current or long-term in the accompanying consolidated statements of net position based on the timing of expected settlement.

Grant revenue recognition – The Foundation recognized approximately $80,800 and $653,300 in grant revenues during the years ended June 30, 2017 and 2016, respectively. Grant revenue is recognized when all eligibility requirements are met, and is included in other income in the consolidated statements of revenues, expenses, and changes in net position.

Note 2 – Summary of Significant Accounting Policies (continued)

Income taxes – CalOptima operates under the purview of the Internal Revenue Code, Section 501(a), and corresponding California Revenue and Taxation Code provisions. As such, CalOptima is not subject to federal or state taxes on related income. The Foundation is operated as a tax-exempt organization under Section 501(c)(3) of the federal Internal Revenue Code and applicable sections of the California statutes. Accordingly, no provision for income tax has been recorded in the accompanying consolidated financial statements.

Premium taxes – California passed Senate Bill 78 *Public health: Medi-Cal managed care plan taxes* (SB 78) pursuant of Section 1 Article V of the Revenue and Taxation Code. Effective July 1, 2013, SB 78 levies a tax on all sellers of Medi-Cal managed care plans for the privilege of selling Medi-Cal health care services at retail at a rate of 3.94 percent of gross receipts. CalOptima recognized sales tax expense of $113,654,000 in the consolidated statements of revenue, expenses, and change in net position for the year ended June 30, 2016. Effective July 1, 2016, sales tax under SB 78 is no longer imposed.

Effective July 1, 2016, Senate Bill X2-2 (SB X2-2) *Managed Care Organization Tax* authorized Department of Health Care Services (DHCS) to implement a Managed Care Organization provider tax subject to approval by the federal Centers for Medicare and Medicaid Services. This approved tax structure is based on enrollment (total member months) between specified tiers that are assessed different tax rates. Using the approved structure, each MCO's total tax liability for year ended June 30, 2017 was calculated. CalOptima recognized premium tax expense of $137,975,000 in the consolidated statements of revenue, expenses, and change in net position for the year ended June 30, 2017.

Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of CalOptima's California Public Employees' Retirement System Plan (the "CalPERS Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Reclassifications – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Recent accounting pronouncements – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application,* ("GASB No. 72") which is effective for periods beginning after June 15, 2015. GASB No. 72 addresses accounting and financial reporting issues related to fair value measurements. GASB No. 72 provides guidance for determining a fair value measurement for financial reporting purposes as well as guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Organization has adopted GASB No. 72 effective July 1, 2015.

Note 2 – Summary of Significant Accounting Policies (continued)

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB No. 75"), The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Organization is evaluating the impact of adopting this standard on the consolidated financial statements.

In June 2015, GASB also issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* ("GASB No. 76"), which is effective for periods beginning after June 15, 2015. The objective of GASB No. 76 is to identify the hierarchy of generally accepted accounting principles ("GAAP") in the context of the current governmental financial reporting environment. The Statement reduces GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specific within a source of authoritative GAAP. The Organization has adopted GASB No. 76 effective July 1, 2015.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants* ("GASB No. 79"). This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. The Organization has adopted GASB No. 79 effective July 1, 2015.

Note 3 – Cash and Investments

The Organization categorizes its fair value investments within the fair value hierarchy established by GAAP. The hierarchy for fair value measurements is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly

Level 3 Significant unobservable inputs

The following is a description of the valuation methodologies used for instruments at fair value on a recurring basis and recognized in the accompanying consolidated statements of net position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Marketable securities – Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. These securities are classified within Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 3 – Cash and Investments (continued)

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall:

	Investment Assets at Fair Value as of June 30, 2017			
	Level 1	Level 2	Level 3	Total
U.S. treasury notes	$ 540,798,261	$ -	$ -	$ 540,798,261
Government	-	109,063,165	-	109,063,165
U.S. agencies	-	119,391,299	-	119,391,299
Asset-backed securities	-	97,004,215	-	97,004,215
Corporate bonds	-	451,582,267	-	451,582,267
Mortgage-backed securities	-	84,380,043	-	84,380,043
Municipal bonds	-	88,409,606	-	88,409,606
Certificates of deposit	-	55,580,933	-	55,580,933
Commercial paper	-	47,777,235	-	47,777,235
	$ 540,798,261	$ 1,053,188,763	$ -	$ 1,593,987,024

	Investment Assets at Fair Value as of June 30, 2016			
	Level 1	Level 2	Level 3	Total
U.S. treasury notes	$ 615,829,030	$ -	$ -	$ 615,829,030
Money market funds	-	34,971,635	-	34,971,635
Government	-	72,625,568	-	72,625,568
U.S. agencies	-	202,911,440	-	202,911,440
Asset-backed securities	-	115,567,448	-	115,567,448
Corporate bonds	-	332,854,276	-	332,854,276
Mortgage-backed securities	-	39,116,801	-	39,116,801
Municipal bonds	-	67,822,241	-	67,822,241
Tax exempt	-	70,000	-	70,000
	$ 615,829,030	$ 865,939,409	$ -	$ 1,481,768,439

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Note 3 – Cash and Investments (continued)

Cash and investments are reported in the June 30 consolidated statements of net position as follows:

	June 30, 2017	June 30, 2016
Current assets:		
Cash and cash equivalents	$ 510,062,983	$ 258,888,726
Investments	1,082,425,753	1,019,222,143
Board-designated assets and restricted cash:		
Cash and cash equivalents	17,709,682	10,144,102
Investments	517,428,691	465,701,798
Restricted deposit	300,000	300,000
	$ 2,127,927,109	$ 1,754,256,769

Custodial credit risk-deposits – Custodial credit risk is the risk that in the event of a bank failure the Organization may not be able to recover its deposits or collateral securities that are in the possession of an outside party. The California Government Code requires that a financial institution secure deposits made by public agencies by pledging securities in an undivided collateral pool held by a depository regulated under the state law. At June 30, 2017 and 2016, no deposits were exposed to custodial credit risk, as the Organization has pledged collateral to cover the amounts.

Investments – CalOptima invests in obligations of the U.S. Treasury, other U.S. government agencies and instrumentalities, state obligations, corporate securities, money market funds, and mortgage or asset-backed securities.

Note 3 – Cash and Investments (continued)

Interest rate risk – In accordance with its Annual Investment Policy ("investment policy"), CalOptima manages its exposure to decline in fair value from increasing interest rates by matching maturity dates to the extent possible with CalOptima's expected cash flow draws. Its investment policy limits maturities to five years, while also staggering maturities. CalOptima maintains a low-duration strategy, targeting a portfolio duration of three years or less, with the intent of reducing interest rate risk. Portfolios with low duration are less volatile because they are less sensitive to interest rate changes. As of June 30, 2017 and 2016, CalOptima's investments, including cash equivalents, had the following modified duration:

	June 30, 2017			
		Investment Maturities (In Years)		
Investment Type	Fair Value	Less Than 1	1-5	More Than 5
U.S. agencies	$ 119,391,299	$ 48,257,233	$ 71,134,066	$ -
Asset-backed securities	97,004,215	-	97,004,215	-
Corporate bonds	451,582,267	206,123,298	245,458,969	-
Government	109,063,165	86,287,057	22,776,108	-
Money market funds	-	-	-	-
Mortgage-backed securities	84,380,043	18,022,438	66,357,605	-
Municipal bonds	88,409,606	19,158,923	69,250,683	-
Tax exempt	-	-	-	-
U.S. treasury notes	540,798,261	239,393,915	301,404,346	-
Certificates of deposit	55,580,933	36,574,619	19,006,314	-
Commercial paper	47,777,235	47,777,235	-	-
Cash equivalents	427,030,649	427,030,649	-	-
Cash	38,188,358	38,188,358	-	-
		$ 1,166,813,725	$ 892,392,306	$ -
Accrued interest receivable	5,901,069			
	$ 2,065,107,100			

Note 3 – Cash and Investments (continued)

	June 30, 2016			
		Investment Maturities (In Years)		
Investment Type	Fair Value	Less Than 1	1-5	More Than 5
U.S. agencies	$ 202,911,440	$ 129,250,132	$ 73,661,308	$ -
Asset-backed securities	115,567,448	33,757,195	81,810,253	-
Corporate bonds	332,854,276	172,443,370	160,410,906	-
Government	80,201,578	63,092,333	17,109,245	-
Money market funds	49,203,358	49,203,358	-	-
Mortgage-backed securities	39,116,801	4,571,699	34,545,102	-
Municipal bonds	67,822,241	31,268,171	36,554,070	-
Tax exempt	70,000	70,000	-	-
U.S. treasury notes	594,021,297	427,506,736	166,514,561	-
Cash equivalents	206,178,840	162,945,771	43,233,069	-
Cash	2,434,995	2,434,995	-	-
		$ 1,076,543,760	$ 613,838,514	$ -
Accrued interest receivable	3,544,687			
	$ 1,693,926,961			

Investment with fair values highly sensitive to interest rate fluctuations – When interest rates fall, debt is refinanced and paid off early. The reduced stream of future interest payments diminishes the fair value of the investment. The mortgage-backed and asset-backed securities in the CalOptima portfolio are of high credit quality, with relatively short average lives that represent limited prepayment and interest rate exposure risk. CalOptima's investments include the following investments that are highly sensitive to interest rate and prepayment fluctuations to a greater degree than already indicated in the information provided above:

	June 30,	
	2017	2016
Asset-backed securities	$ 97,004,215	$ 115,567,448
Mortgage-backed securities	84,380,043	39,116,803
	$ 181,384,258	$ 154,684,251

Note 3 – Cash and Investments (continued)

Credit risk – CalOptima's investment policy conforms to the California Government Code as well as to customary standards of prudent investment management. Credit risk is mitigated by investing in only permitted investments. The investment policy sets minimum acceptable credit ratings for investments from the three nationally recognized rating services: Standard and Poor's Corporation ("S&P"), Moody's Investor Service ("Moody's") and Fitch Ratings ("Fitch"). For an issuer of short-term debt, the rating must be no less than A-1 ("S&P"), P-1 ("Moody's") or F-1 ("Fitch"), while an issuer of long-term debt shall be rated no less than an "A."

As of June 30, 2017, following are the credit ratings of investments and cash equivalents:

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End AAA	Aa & Aa+	Aa-	A+	A/A-1	A-
U.S. Treasury notes	$ 556,751,675	N/A	$ 556,751,675	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Agency notes	165,604,426	N/A	165,604,426	-	-	-	-	-	-
Corporate bonds	383,257,883	A-	-	13,708,720	31,590,024	30,992,688	104,003,338	135,217,263	67,745,850
FRN securities	144,908,196	A-	-	45,470,984	13,985,742	6,212,772	25,873,521	37,150,063	16,215,114
Asset-backed securities	125,246,607	AAA	-	97,063,263	15,854,777	9,441,408	-	2,887,159	-
Mortgage-backed securities	84,491,487	AAA	-	83,412,108	1,079,379	-	-	-	-
Municpal bonds	63,298,591	A	-	2,566,925	27,034,118	33,210,423	-	-	487,125
Supranational	79,184,258	AAA	-	79,184,258	-	-	-	-	-
Certificates of deposit	40,642,387	A1/P1	-	40,642,387	-	-	-	-	-
Commercial paper	92,223,209	A1/P1	-	92,223,209	-	-	-	-	-
Money market mutual funds	329,498,381	AAA	-	329,498,381	-	-	-	-	-
Total	$ 2,065,107,100		$ 722,356,101	$ 783,770,235	$ 89,544,040	$ 79,857,291	$ 129,876,859	$ 175,254,485	$ 84,448,089

As of June 30, 2016, following are the credit ratings of investments and cash equivalents:

Investment Type	Fair Value	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End AAA	Aa & Aa+	Aa-	A+	A/A-1	A-
U.S. Treasury notes	$ 616,851,820	N/A	$ 616,851,820	$ -	$ -	$ -	$ -	$ -	$ -
U.S. Agency notes	309,299,967	N/A	309,299,967	-	-	-	-	-	-
Corporate bonds	291,879,044	A-	-	6,770,725	20,108,792	33,512,510	81,895,966	100,120,087	49,470,964
FRN securities	109,240,846	A-	-	29,305,294	10,348,080	7,764,295	22,470,192	23,481,111	15,871,874
Asset-backed securities	124,658,150	AAA	-	87,932,577	15,578,743	15,523,429	1,836,149	3,787,252	-
Mortgage-backed securities	73,327,090	A	-	73,327,090	-	-	-	-	-
Municpal bonds	36,798,228	AAA	-	4,763,191	17,750,954	12,009,958	2,274,125	-	-
Supranational	27,322,075	AAA	-	27,322,075	-	-	-	-	-
Commercial paper	19,930,039	A1/P1	-	19,930,039	-	-	-	-	-
Money market mutual funds	84,619,702	AAA	-	84,619,702	-	-	-	-	-
Total	$ 1,693,926,961		$ 926,151,787	$ 333,970,693	$ 63,786,569	$ 68,810,192	$ 108,476,432	$ 127,388,450	$ 65,342,838

Note 3 – Cash and Investments (continued)

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of CalOptima's investment in a single issuer. CalOptima's investment policy limits to no more than 5 percent of the total fair value of investments in the securities of any one issuer, except for obligations of the U.S. government, U.S. government agencies or government-sponsored enterprises; and no more than 10 percent may be invested in one money market mutual fund unless approved by the governing board. The investment policy also places a limit of 35 percent of the amount of investment holdings with any one government-sponsored issuer and 5 percent of all other issuers. At June 30, 2017 and 2016, all holdings complied with the foregoing limitations. The following holdings exceeded 5 percent of the portfolio at June 30, 2017 and 2016:

		Percentage of Portfolio June 30,	
Investment Type	Issuer	2017	2016
U.S agency notes	Federal Home Loan Bank	2.05	5.28
U.S. Treasury notes	United States Treasury	26.09	35.14

Note 4 – Capital Assets

Capital assets activity during the year ended June 30, 2017 consisted of the following:

	June 30, 2016	Additions	Retirements	Transfers	June 30, 2017
Capital assets not being depreciated:					
Land	$ 5,876,002	$ -	$ -	$ -	$ 5,876,002
Construction in progress	6,256,236	5,850,106	-	(11,403,807)	702,535
	12,132,238	5,850,106	-	(11,403,807)	6,578,537
Capital assets being depreciated:					
Furniture and equipment	10,259,595	-	(3,905,109)	8,491,231	14,845,717
Computers and software	18,470,898	-	-	-	18,470,898
Land improvement	45,665	-	-	-	45,665
Leasehold improvements	5,043,363	-	(1,112)	137,894	5,180,145
Building	40,847,315	-	-	2,774,682	43,621,997
	74,666,836	-	(3,906,221)	11,403,807	82,164,422
Less accumulated depreciation for:					
Furniture and equipment	3,156,343	1,029,162	-	-	4,185,505
Computers and software	19,668,092	3,036,775	(3,905,109)	-	18,799,758
Land improvement	2,240,662	2,283	-	-	2,242,945
Leasehold improvements	2,138,972	590,196	(1,112)	-	2,728,056
Building	4,599,439	1,886,221	-	-	6,485,660
	31,803,508	6,544,637	(3,906,221)	-	34,441,924
Total depreciable assets, net	42,863,328	(6,544,637)	-	11,403,807	47,722,498
Capital assets, net	$ 54,995,566	$ (694,531)	$ -	$ -	$ 54,301,035

Note 4 – Capital Assets (continued)

Capital asset activity during the year ended June 30, 2016 consisted of the following:

	June 30, 2015	Additions	Retirements	Transfers	June 30, 2016
Capital assets not being depreciated:					
Land	$ 5,876,002	$ -	$ -	$ -	$ 5,876,002
Construction in progress	3,011,170	3,263,116	-	(18,050)	6,256,236
	8,887,172	3,263,116	-	(18,050)	12,132,238
Capital assets being depreciated:					
Furniture and equipment	6,633,398	3,842,809	(216,612)	-	10,259,595
Computers and software	18,470,898	-	-	-	18,470,898
Land improvement	45,665	-	-	-	45,665
Leasehold improvements	5,043,363	-	-	-	5,043,363
Building	40,747,980	81,285	-	18,050	40,847,315
	70,941,304	3,924,094	(216,612)	18,050	74,666,836
Less accumulated depreciation for:					
Furniture and equipment	2,185,730	970,613	-	-	3,156,343
Computers and software	17,611,500	2,273,204	(216,612)	-	19,668,092
Land improvement	1,126,651	1,114,011	-	-	2,240,662
Leasehold improvements	1,560,341	578,631	-	-	2,138,972
Building	3,994,863	604,576	-	-	4,599,439
	26,479,085	5,541,035	(216,612)	-	31,803,508
Total depreciable assets, net	44,462,219	(1,616,941)	-	18,050	42,863,328
Capital assets, net	$ 53,349,391	$ 1,646,175	$ -	$ -	$ 54,995,566

Note 5 – Medical Claims Liability

Medical claims liability consists of the following:

	June 30, 2017	June 30, 2016
Claims payable or pending approval	$ 26,870,842	$ 18,004,864
Provisions for IBNR claims	261,801,881	279,577,548
Due to DHCS	785,673,233	502,513,348
	$ 1,074,345,956	$ 800,095,760

The cost of health-care services is recognized in the period in which care is provided and includes an estimate of the cost of services that has been incurred but not yet reported. CalOptima estimates accrued claims payable based on historical claims payments and other relevant information. Unpaid claims adjustment expenses are an estimate of the cost to process the IBNR claims and are included in medical claims liability. Estimates are continually monitored and analyzed, and as settlements are made or estimates adjusted, differences are reflected in current operations.

Note 5 – Medical Claims Liability (continued)

Such estimates are subject to the impact of changes in the regulatory environment and economic conditions. Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided.

The following is a reconciliation of the accrued claims liability:

	For the years ended June 30, 2017	2016
Beginning balance	$ 800,095,760	$ 640,921,119
Incurred:		
Current	2,049,335,092	1,860,940,751
Prior	(5,602,159)	(16,801,929)
	2,043,732,933	1,844,138,822
Paid		
Current	1,568,167,854	1,453,165,737
Prior	201,314,883	231,798,444
	1,769,482,737	1,684,964,181
Ending balance	$ 1,074,345,956	$ 800,095,760

Amounts incurred related to prior years vary from previously estimated liabilities as the claims are ultimately adjudicated and paid. Liabilities at any year-end are continually reviewed and re-estimated as information regarding actual claim payments becomes known. This information is compared to the originally established prior reporting period liability. Negative amounts reported for incurred, related to prior years, result from claims being adjudicated and paid for amounts less than originally estimated. The year ended June 30, 2017 results included a decrease of prior year incurred of approximately $5,602,000. The year ended June 30, 2016 results included a decrease of prior year incurred of approximately $16,802,000. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

The amounts accrued in Due to DHCS represent excess payments from DHCS that are primarily due to capitation payments received that do not reflect the current Medi-Cal expansion rates issued by DHCS. DHCS has not recouped these overpayments as of June 30, 2017.

Note 6 – Defined Benefit Pension Plan

Plan description – CalOptima's defined benefit pension plan, Miscellaneous Plan of the Orange County Health Authority (the "CalPERS Plan"), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The CalPERS Plan is part of the public agency portion of the California Public Employees Retirement Systems ("CalPERS"), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the state of California. A menu of benefit provisions as well as other requirements is established by state statues within the Public Employees' Retirement Law. CalOptima selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through the Board of Directors' approval. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for CalPERS. Copies of the report can be obtained from CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Benefits provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one full year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS Plan's provisions and benefits in effect at June 30, 2017 are summarized as follows:

Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% at 60	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 plus	52 plus
Monthly benefits as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.0%	7.3%
Required employer contribution rates	8.4%	8.4%

Note 6 – Defined Benefit Pension Plan (continued)

The following is a summary of plan participants:

	June 30, 2017	June 30, 2016
Active employees	1097	1100
Retirees and beneficiaries:		
Receiving benefits	59	102
Deferred Retirement benefits:		
Terminated employees	45	1
Surviving spouses	3	5
Beneficiaries	3	0

Contributions – Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The average active employee contribution rate is 6.82 percent of annual pay for both the years ended June 30, 2017 and 2016. The employer's contribution rate is 8.65 percent and 8.41 percent of annual payroll for the years ended June 30, 2017 and 2016, respectively.

CalOptima's net pension liability for the CalPERS Plan is measured as the total pension liability, less the pension plan's fiduciary net position. For the measurement period ended June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. Total pension liabilities were based on the following actuarial methods and assumptions as of June 30, 2016 and June 30, 2015, respectively:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.5% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

Note 6 – Defined Benefit Pension Plan (continued)

The underlying mortality table was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website.

Changes in the Net Pension Liability are as follows:

	Increase (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2016	$ 96,499,544	$ 89,962,735	$ 6,536,809
Changes during the year:			
Service Cost	10,272,406	-	10,272,406
Interest on the total pension liability	7,702,198	-	7,702,198
Changes of benefit terms	-	-	-
Differences between expected and actual experience	102,384	-	102,384
Changes of assumptions	-	-	-
Contributions from the employer	-	3,787,544	(3,787,544)
Contributions from employees	-	4,951,820	(4,951,820)
Net investment income	-	498,498	(498,498)
Benefit payments, including refunds of employee contributions	(2,111,578)	(2,111,578)	-
Administrative expenses	-	(54,828)	54,828
Net changes during the year	15,965,410	7,071,456	8,893,954
Balance at June 30, 2017	$ 112,464,954	$ 97,034,191	$ 15,430,763

Note 6 – Defined Benefit Pension Plan (continued)

	Increase (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2015	$ 83,711,464	$ 82,651,970	$ 1,059,494
Changes during the year:			
Service Cost	8,363,183	-	8,363,183
Interest on the total pension liability	6,620,025	-	6,620,025
Changes of benefit terms	-	-	-
Differences between expected and actual experience	1,444,808	-	1,444,808
Changes of assumptions	(1,963,270)	-	(1,963,270)
Contributions from the employer	-	3,033,171	(3,033,171)
Contributions from employees	-	4,142,126	(4,142,126)
Net investment income	-	1,913,380	(1,913,380)
Benefit payments, including refunds of employee contributions	(1,676,666)	(1,676,666)	-
Administrative expenses	-	(101,246)	101,246
Net changes during the year	12,788,080	7,310,765	5,477,315
Balance at June 30, 2016	$ 96,499,544	$ 89,962,735	$ 6,536,809

Discount rate and long term rate of return – The discount rate used to measure the total pension liability was 7.65 percent for the CalPERS Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website.

GASB No. 68 requires that the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent, which is the rate used for the year ended June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Note 6 – Defined Benefit Pension Plan (continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make the required contributions as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%

(a) An expected inflation of 2.5% was used for this period
(b) An expected inflation of 3.0% was used for this period

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Note 6 – Defined Benefit Pension Plan (continued)

The following presents the net pension liability of the CalPERS Plan calculated using the discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	Discount Rate -1% 6.65%	Current Discount Rate 7.65%	Discount Rate +1% 8.65%
Net Pension Liability	$ 34,792,255	$ 15,430,763	$ (159,810)

	June 30, 2016		
	Discount Rate -1% 6.65%	Current Discount Rate 7.65%	Discount Rate +1% 8.65%
Net Pension Liability	$ 23,232,749	$ 6,536,809	$ (6,906,026)

Note 6 – Defined Benefit Pension Plan (continued)

Pension expense and deferred outflows/inflows of resources related to pensions – CalOptima recognized pension expense of approximately $6,870,000 and $9,219,000 for the years ended June 30, 2017 and 2016, respectively. At June 30, 2017, CalOptima recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2017		
Contributions from employers subsequent to the measurement date	$ 5,234,198	-
Net differences between projected and actual earnings on plan investments	5,270,171	-
Changes in assumptions	-	$ 1,340,010
Differences between expected and actual experiences	1,072,771	-
	$ 11,577,140	$ 1,340,010

	Deferred Outflows of Resources	Deferred Inflows of Resources
June 30, 2016		
Contributions from employers subsequent to the measurement date	$ 3,787,544	-
Net differences between projected and actual earnings on plan investments	-	$ 502,900
Changes in assumptions	-	1,651,640
Differences between expected and actual experiences	1,215,473	-
	$ 5,003,017	$ 2,154,540

Note 6 – Defined Benefit Pension Plan (continued)

The deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ended June 30, 2017. The net differences reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Years ending June 30,	Deferred Inflows of Resources
2018	$ 783,586
2019	783,586
2020	2,178,726
2021	1,258,097
2022	(8,941)
Thereafter	7,878
	$ 5,002,932

Note 7 – Employee Benefit Plans

Deferred compensation plan – CalOptima sponsors a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the “457 Plan”) under which employees are permitted to defer a portion of their annual salary until future years. CalOptima may make discretionary contributions to the 457 Plan as determined by the Board of Directors. For the years ended June 30, 2017 and 2016, no discretionary employer contributions were made.

Defined contribution plan – Effective January 1, 1999, CalOptima established a supplemental retirement plan for its employees called the CalOptima Public Agency Retirement System Defined Contribution Supplemental Retirement Plan (“PARS Plan”). All regular and limited-term employees are eligible to participate in the PARS Plan. The current PARS Plan design does not require employee contributions. CalOptima makes discretionary employer contributions to the PARS Plan as authorized by the CalOptima Board of Directors. Vesting occurs over 16 quarters of service. For the years ended June 30, 2017 and 2016, CalOptima contributed approximately $2,718,000 and $2,467,000, respectively.

Note 8 – Postemployment Health-Care Plan

Plan description – CalOptima sponsors and administers a single-employer, defined benefit postemployment health-care plan (the "Plan") to provide medical and dental insurance benefits to eligible retired employees and their beneficiaries. Benefit provisions are established and may be amended by the CalOptima Board of Directors.

Effective January 1, 2004 CalOptima terminated postemployment health-care benefits for employees hired on or after January 1, 2004. For employees hired prior to January 1, 2004, the employee's eligibility for retiree health benefits remains similar to the eligibility requirements for the defined benefit pension plan.

During the year ended June 30, 2006, CalOptima modified the benefit offered to eligible participants, requiring participants to enroll in Medicare and specifying that CalOptima would be responsible only for the cost of Medicare supplemental coverage, subject to a cost sharing between the participant and CalOptima.

Funding policy – The contribution requirements of Plan members and CalOptima are established and may be amended by the CalOptima Board of Directors. Plan members receiving benefits contribute at the same rate as current active employees. CalOptima's contribution is based on projected pay-as-you-go financing requirements, with no additional amount to prefund benefits. CalOptima contributed $572,000, including $545,000 in premium payments for retirees and $27,000 for implied subsidies for the year ended June 30, 2017. CalOptima contributed $537,000, including $510,000 in premium payments for retirees and $27,000 for implied subsidies for the year ended June 30, 2016. The most recent actuarial report for the Plan was June 30, 2017. As of that point the actuarial accrued liability and unfunded actuarial accrued liability for benefits were approximately $28,580,000 and a funded ratio of 0.0 percent with a covered payroll of $7,606,000.

Note 8 – Postemployment Health-Care Plan (continued)

Annual other postemployment benefit cost and net obligation – CalOptima's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameter of GASB Codification Section P50. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a 20-year closed amortization period. The following table shows the components of CalOptima's annual OPEB costs for the years, the amount actually contributed to the Plan, and changes in CalOptima's net OPEB obligation (dollars in thousands):

	Years Ended June 30, 2017	Years Ended June 30, 2016
ARC:		
Normal cost	$ 845	$ 872
Actuarial accrued liability (AAL) amortization	2,936	2,694
Total, end of year	$ 3,781	$ 3,566
Annual OPEB costs (ACC):		
ARC	$ 3,782	$ 3,566
Interst on net OPEB obligation (NOO)	1,082	1,032
Amortization of NOO	(3,025)	(2,791)
Total	$ 1,839	$ 1,807
Beginning NOO	$ 27,327	$ 26,057
AOC	1,839	1,807
Contributions	(586)	(537)
Ending NOO	$ 28,580	$ 27,327

CalOptima reported approximately $28,580,000 and $27,327,000 at June 30, 2017 and 2016, respectively, in postemployment health-care plan liabilities on the consolidated statements of net position.

Note 8 – Postemployment Health-Care Plan (continued)

CalOptima's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net postemployment health-care plan obligation at June 30, 2017 were as follows:

Years Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	$ 2,529,000	29.5	26,802,000
2016	1,807,000	29.7	27,327,000
2017	1,831,000	31.2	28,580,000

Projections of benefits for consolidated financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective calculations.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future and are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. In the January 1, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and annual health-care cost trend rates for medical of approximately 7.5% (respective of the plan type and the population selected) initially, decreasing to 5.0 percent over six years; dental of 3.0 percent for all years; and vision of 3.0 percent for all years. Salary scale and demographic assumptions for withdrawal, mortality, disability and retirement rates were based on the CalPERS 1997-2002 experience study (2.0 percent at 60).

The required schedule of funding progress immediately following the notes to the consolidated financial statements presents multiyear trend information about the actuarial accrued liability for benefits.

Note 9 – Restricted Net Position

On June 28, 2000, CalOptima became a fully licensed health-care service plan under the Act, as required by statues governing the Healthy Families program. Under the Act, CalOptima is required to maintain and meet a minimum level of tangible net equity as of June 30, 2017 and 2016 of $98,455,479 and $89,283,747, respectively. As of June 30, 2017, the Organization is in compliance with its TNE requirement.

The Act further required the CalOptima maintain a restricted deposit in the amount of $300,000. Both CalOptima and the Foundation meet the requirement as of June 30, 2017 and 2016.

Note 10 – Lease Commitments

CalOptima leases office space and equipment under noncancelable, long-term operating leases, with minimum annual payments as follows:

Years ending June 30,	Minimum Lease Payments
2018	$ 500,906
2019	515,933
2020	531,411
2021	547,353
2022	277,721
	$ 2,373,324

Rental expense under operating leases was approximately $472,000 and $471,000 for the years ended June 30, 2017 and 2016, respectively.

Note 11 – Contingencies

Litigation – CalOptima is party to various legal actions and is subject to various claims arising in the ordinary course of business. Management believes that the disposition of these matters will not have a material adverse effect on CalOptima's financial position or results of operations.

Note 11 – Contingencies (continued)

Regulatory matters – The health-care industry is subject to numerous laws and regulations of federal, state and local governments. Violations of these laws and regulations could result in expulsion from government health-care programs together with the imposition of significant fines and penalties. Management believes that CalOptima is in compliance with fraud and abuse, as well as other applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Note 12 – Consolidating Information

The consolidating assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2017 are as follows:

ASSETS	CalOptima	CalOptima Foundation	Eliminations	Consolidated
Current Assets				
Cash and cash equivalents	$ 507,169,844	$ 2,893,139	$ -	$ 510,062,983
Investments	1,082,425,753	-	-	1,082,425,753
Capitation receivable from the State of California, net	522,793,705	-	-	522,793,705
Prepaid expenses and other	26,384,678	-	-	26,384,678
Due From Affiliates	25,000	-	(25,000)	-
Total current assets	2,138,798,980	2,893,139	(25,000)	2,141,667,119
Board-Designated Assets and Restricted Cash				
Cash and cash equivalents	17,709,682	-	-	17,709,682
Investments	517,428,691	-	-	517,428,691
Restricted deposit	300,000	-	-	300,000
	535,438,373	-	-	535,438,373
Capital Assets, net	54,301,035			54,301,035
Total assets	2,728,538,388	2,893,139	(25,000)	2,731,406,527
Deferred Outflows of Resources	11,577,140	-	-	11,577,140
Total assets and deferred outflows of resources	$ 2,740,115,528	$ 2,893,139	$ (25,000)	$ 2,742,983,667
LIABILITIES AND NET POSITION				
Current Liabilities				
Medical claims liability and capitation payable				
Medical claims liability	$ 1,074,345,956	$ -	$ -	$ 1,074,345,956
Capitation and withholds	580,839,710	-	-	580,839,710
Accrued insurance costs	5,681,300	-	-	5,681,300
Payable to State of California and the Centers for Medicare & Medicaid Services (CMS)	198,204,767	-	-	198,204,767
Unearned revenue	102,298,450	-	-	102,298,450
	1,961,370,183	-	-	1,961,370,183
Accounts payable and other	9,823,907	-	-	9,823,907
Accrued payroll and employee benefits and other	10,101,233	-	-	10,101,233
Due to affiliates	-	25,000	(25,000)	-
Total current liabilities	1,981,295,323	25,000	(25,000)	1,981,295,323
Postemployment health-care plan	28,586,000	-	-	28,586,000
Net pension liability	15,430,763			15,430,763
Total Liabilities	2,025,312,086	25,000	(25,000)	2,025,312,086
Deferred Inflows of Resources	1,340,010	-	-	1,340,010
Net position				
Net investment in capital assets, net of related debt	54,103,912	-	-	54,103,912
Restricted - required tangible net equity and restricted deposit	98,445,479	-	-	98,445,479
Unrestricted	560,914,041	2,868,139	-	563,782,180
Total net position	713,463,432	2,868,139	-	716,331,571
Total liabilities, deferred inflows of resources and net position	$ 2,740,115,528	$ 2,893,139	$ (25,000)	$ 2,742,983,667

Note 12 – Consolidating Information (continued)

The consolidating assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2016 are as follows:

ASSETS	CalOptima	CalOptima Foundation	Eliminations	Consolidated
Current Assets				
Cash and cash equivalents	$ 255,993,881	$ 2,894,845	$ -	$ 258,888,726
Investments	1,019,222,143	-	-	1,019,222,143
Capitation receivable from the State of California, net	470,263,571	-	-	470,263,571
Prepaid expenses and other	23,261,087	35,359	-	23,296,446
Due From Affiliates	61	-	(61)	-
Total current assets	1,768,740,743	2,930,204	(61)	1,771,670,886
Board-Designated Assets and Restricted Cash				
Cash and cash equivalents	10,144,102	-	-	10,144,102
Investments	465,701,798	-	-	465,701,798
Restricted deposit	300,000	-	-	300,000
	476,145,900	-	-	476,145,900
Capital Assets, net	54,995,566			54,995,566
Total assets	2,299,882,209	2,930,204	(61)	2,302,812,352
Deferred Outflows of Resources	5,003,017	-	-	5,003,017
Total assets and deferred outflows of resources	$ 2,304,885,226	$ 2,930,204	$ (61)	$ 2,307,815,369
LIABILITIES AND NET POSITION				
Current Liabilities				
Medical claims liability and capitation payable				
Medical claims liability	$ 800,095,760	$ -	$ -	$ 800,095,760
Capitation and withholds	401,826,300	-	-	401,826,300
Accrued insurance costs	4,884,800	-	-	4,884,800
Payable to State of California and the Centers for Medicare & Medicaid Services (CMS)	181,769,823	-	-	181,769,823
Unearned revenue	198,309,455	-	-	198,309,455
	1,586,886,138	-	-	1,586,886,138
Accounts payable and other	10,571,340	35,298	-	10,606,638
Accrued payroll and employee benefits and other	11,837,190	-	-	11,837,190
Due to affiliates	-	61	(61)	-
Total current liabilities	1,609,294,668	35,359	(61)	1,609,329,966
Postemployment health-care plan	27,327,000	-	-	27,327,000
Net pension liability	6,536,809	35,359	(61)	6,572,107
Total Liabilities	1,643,158,477	35,359	(61)	1,643,229,073
Deferred Inflows of Resources	2,154,540	-	-	2,154,540
Net position				
Net investment in capital assets, net of related debt	54,995,566	-	-	54,995,566
Restricted - required tangible net equity and restricted deposit	89,283,747	-	-	89,283,747
Unrestricted	515,292,896	2,894,845	-	518,187,741
Total net position	659,572,209	2,894,845	-	662,467,054
Total liabilities, deferred inflows of resources and net position	$ 2,304,885,226	$ 2,930,204	$ (61)	$ 2,307,850,667

Note 12 – Consolidating Information (continued)

The consolidating statements of revenues, expenses, and changes in net position for the year ended June 30, 2017 are as follows:

	CalOptima	CalOptima Foundation	Eliminations	Consolidated
Operating revenues				
Capitation revenues	$ 3,549,461,873	$ -	$ -	$ 3,549,461,873
Other income	-	80,829	(53,665)	27,164
Total operating revenues	3,549,461,873	80,829	(53,665)	3,549,489,037
Operating expenses				
Medical expenses				
Provider capitation	984,439,058	-	-	984,439,058
Claim payments to providers and facilities	1,567,941,100	-	-	1,567,941,100
Prescription drugs	425,136,805	-	-	425,136,805
OneCare	16,424,252	-	-	16,424,252
OneCare Connect	355,096,108	-	-	355,096,108
Other medical	50,575,067	-	-	50,575,067
Total medical expenses	3,399,612,390	-	-	3,399,612,390
Administrative expenses				
Salaries, wages and employee benefits	71,882,654	53,435	(53,435)	71,882,654
Professional fees	1,241,416	-	-	1,241,416
Purchased services	11,278,918	-	-	11,278,918
Supplies, occupancy, insurance and other	22,734,822	54,100	(230)	22,788,692
Depreciation	6,544,639	-	-	6,544,639
Total administrative expenses	113,682,449	107,535	(53,665)	113,736,319
Total operating expenses	3,513,294,839	107,535	(53,665)	3,513,348,709
Operating income (loss)	36,167,034	(26,706)	-	36,140,328
Non-operating revenues and expenses				
Investment income and other	15,766,423	-	-	15,766,423
Rental income, net of related expenses	1,957,766	-	-	1,957,766
Total non-operating revenues and expenses	17,724,189	-	-	17,724,189
Increase in net position	53,891,223	(26,706)	-	53,864,517
Net position, beginning of year	659,572,209	2,894,845	-	662,467,054
Net position, end of year	$ 713,463,432	$ 2,868,139	$ -	$ 716,331,571

Note 12 – Consolidating Information (continued)

The consolidating statements of revenues, expenses, and changes in net position for the year ended June 30, 2016 are as follows:

	CalOptima	CalOptima Foundation	Eliminations	Consolidated
Operating revenues				
Capitation revenues	$ 3,148,260,022	$ -	$ -	$ 3,148,260,022
Other income	-	653,323	(348,732)	304,591
Total operating revenues	3,148,260,022	653,323	(348,732)	3,148,564,613
Operating expenses				
Medical expenses				
Provider capitation	935,360,536	-	-	935,360,536
Claim payments to providers and facilities	1,349,950,877	-	-	1,349,950,877
Prescription drugs	391,480,137	-	-	391,480,137
OneCare	86,724,744	-	-	86,724,744
OneCare Connect	205,122,734	-	-	205,122,734
Other medical	53,779,018	-	-	53,779,018
Total medical expenses	3,022,418,046	-	-	3,022,418,046
Administrative expenses				
Salaries, wages and employee benefits	64,645,790	363,086	(341,928)	64,666,948
Professional fees	4,368,357	-	-	4,368,357
Purchased services	10,032,627	-	-	10,032,627
Supplies, occupancy, insurance and other	24,677,045	301,996	(6,804)	24,972,237
Depreciation	3,142,262	-	-	3,142,262
Total administrative expenses	106,866,081	665,082	(348,732)	107,182,431
Total operating expenses	3,129,284,127	665,082	(348,732)	3,129,600,477
Operating income	18,975,895	(11,759)	-	18,964,136
Non-operating revenues and expenses				
Investment income and other	13,880,954	-	-	13,880,954
Rental income, net of related expenses	(332,490)	-	-	(332,490)
Total non-operating revenues and expenses	13,548,464	-	-	13,548,464
Increase in net position	32,524,359	(11,759)	-	32,512,600
Net position, beginning of year	627,047,850	2,906,604	-	629,954,454
Net position, end of year	$ 659,572,209	$ 2,894,845	$ -	$ 662,467,054

Note 12 – Consolidating Information (continued)

The consolidating statement of cash flows for the year ended June 30, 2017 is as follows:

	CalOptima	CalOptima Foundation	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Capitation payments received and other	$ 3,417,320,319	$ 62,523	$ -	$ 3,417,382,842
Payment to providers and facilities	(2,945,552,284)		-	(2,945,552,284)
Payments to vendors	(39,115,530)	(64,459)	-	(39,179,989)
Payments to employees	(70,854,540)	230	-	(70,854,310)
Net cash provided by operating activities	361,797,965	(1,706)	-	361,796,259
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(5,850,108)	-	-	(5,850,108)
Net cash used in capital and related financing activities	(5,850,108)	-	-	(5,850,108)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	11,823,120	-	-	11,823,120
Purchases of securities	(644,508,178)	-	-	(644,508,178)
Sales of securities	527,913,164	-	-	527,913,164
Net cash provided by (used in) investing activities	(104,771,894)	-	-	(104,771,894)
Net increase (decrease) in cash and cash equivalents	251,175,963	(1,706)	-	251,174,257
CASH AND CASH EQUIVALENTS, beginning of year	255,993,881	2,894,845	-	258,888,726
CASH AND CASH EQUIVALENTS, end of year	$ 507,169,844	$ 2,893,139	$ -	$ 510,062,983

The consolidating statement of cash flows for the year ended June 30, 2016 is as follows:

	CalOptima	CalOptima Foundation	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Capitation payments received and other	$ 3,406,665,573	$ 666,587	$ -	$ 3,407,332,160
Payment to providers and facilities	(2,792,070,397)	-	-	(2,792,070,397)
Payments to vendors	(41,577,997)	(321,576)	-	(41,899,573)
Payments to employees	(59,175,049)	(363,086)	-	(59,538,135)
Net cash provided by operating activities	513,842,130	(18,075)	-	513,824,055
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(4,788,437)	-	-	(4,788,437)
Net cash used in capital and related financing activities	(4,788,437)	-	-	(4,788,437)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	10,003,777	-	-	10,003,777
Purchases of securities	(435,645,219)	-	-	(435,645,219)
Sales of securities	150,063,575	-	-	150,063,575
Net cash provided by (used in) investing activities	(275,577,867)	-	-	(275,577,867)
Net increase (decrease) in cash and cash equivalents	233,475,826	(18,075)	-	233,457,751
CASH AND CASH EQUIVALENTS, beginning of year	22,518,055	2,912,920	-	25,430,975
CASH AND CASH EQUIVALENTS, end of year	$ 255,993,881	$ 2,894,845	$ -	$ 258,888,726

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SUPPLEMENTARY INFORMATION

ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY/DBA ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL ASSISTANCE/DBA CALOPTIMA

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	JUNE 30, 2017	2016	2015
Total Pension Liability			
Service Cost	$ 10,272,406	$ 8,363,183	$ 6,464,105
Interest	7,702,198	6,620,025	5,661,111
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	102,384	1,444,808	-
Changes in Assumptions	-	(1,963,270)	-
Benefit Payments, Including Refunds of Employee Contributions	(2,111,578)	(1,676,666)	(1,326,364)
Net Change in Total Pension Liability	15,965,410	12,788,080	10,798,852
Total Pension Liability - Beginning	96,499,544	83,711,464	72,912,613
Total Pension Liability - Ending	$ 112,464,954	$ 96,499,544	$ 83,711,465
Plan Fiduciary Net Position			
Contributions - Employer	$ 3,787,544	$ 3,033,171	$ 3,119,804
Contributions - Employee	4,951,820	4,142,126	3,385,296
Net Investment Income	498,498	1,913,380	12,062,654
Benefit Payments, Including Refunds of Employee Contrbutions	(2,111,578)	(1,676,666)	(1,326,364)
Other Changes in Fiduciary Net Position	(54,828)	(101,246)	-
Net Change in Fiduciary Net Position	7,071,456	7,310,765	17,241,390
Plan Fiduciary Net Position - Beginning	89,962,735	82,651,970	65,410,580
Plan Fiduciary Net Position - Ending	$ 97,034,191	$ 89,962,735	$ 82,651,970
Plan Net Pension Liability - Ending	$ 15,430,763	$ 6,536,809	$ 1,059,495
Plan Fiduciary Net Position as Percentage of the Total Liability	86.28%	93.23%	98.73%
Covered-Employee Payroll	$ 68,583,296	$ 55,676,606	$ 40,940,556
Plan Net Pension Liability as a Percentage of Covered Employee Payroll	22.50%	11.74%	2.59%

ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY/DBA ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL ASSISTANCE/DBA CALOPTIMA

SCHEDULE OF PLAN CONTRIBUTIONS

	YEARS ENDED JUNE 30,		
	2017	2016	2015
Actuarially Determined Contributions	$ 3,787,544	$ 3,033,171	$ 3,119,804
Contributions in Relation To the Actuarially Determined Contribution	(3,787,544)	(3,033,171)	(3,119,804)
Contribution Deficiency (Excess)	$ -	$ -	$ -
Covered-Employee Payroll	$ 68,583,296	$ 55,676,606	40,940,556
Contributions as a Percentage of Covered-Employee Payroll	5.52%	5.45%	7.62%

ORANGE COUNTY HEALTH AUTHORITY, A PUBLIC AGENCY/DBA ORANGE PREVENTION AND TREATMENT INTEGRATED MEDICAL ASSISTANCE/DBA CALOPTIMA

SCHEDULE OF FUNDING PROGRESS – POSTEMPLOYMENT HEALTH CARE PLAN

JUNE 30, 2017

(IN THOUSANDS)

(UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)-- Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2009	$ -	$ 17,618	$ 17,618	$ 0.0%	$ 9,476	$ 185.9%
6/30/2012	-	19,184	19,184	0.0%	8,547	224.5%
6/30/2013	-	24,799	24,799	0.0%	7,606	326.0%
6/30/2014	-	26,057	26,057	0.0%	7,379	353.1%
6/30/2015	-	27,335	27,335	0.0%	7,148	382.4%
6/30/2016	-	28,580	28,580	0.0%	6,936	412.1%

MOSSADAMS

2017 Audit Results: CalOptima

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CalOptima

Dear Finance and Audit Committee (FAC) Members:

Thank you for your continued engagement of Moss Adams LLP. We are pleased to have the opportunity to meet with you to discuss the results of our audit of the consolidated financial statements of CalOptima ("the Organization") for the year ended June 30, 2017.

The accompanying report, which is intended solely for the use of the FAC and management, presents important information regarding the CalOptima's consolidated financial statements and our audit that we believe will be of interest to you. It is not intended and should not be used by anyone other than these specified parties.

We receive the full support and assistance of the Organization's personnel. We are pleased to serve and be associated with CalOptima as its independent public accountants and look forward to our continued relationship.

We look forward to discussing our report or any other matters of interest with you during this meeting.

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Agenda

- Auditor Opinions and Reports
- Communication with FAC
- Areas of audit emphasis

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MOSSADAMS

Auditor Opinion & Report

Better Together: Moss Adams & CalOptima

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Scope of Services

We have performed the following services for CalOptima:

- Annual consolidated financial statement audit for the year ended June 30, 2017

We have also performed the following non-attest services:

- Assisted in the drafting of the consolidated financial statements of CalOptima
- Preparation of the Form 990 for the Foundation

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Auditor Report on the Financial Statements

Unmodified Opinion

- Consolidated financial statements are presented fairly and in accordance with US GAAP

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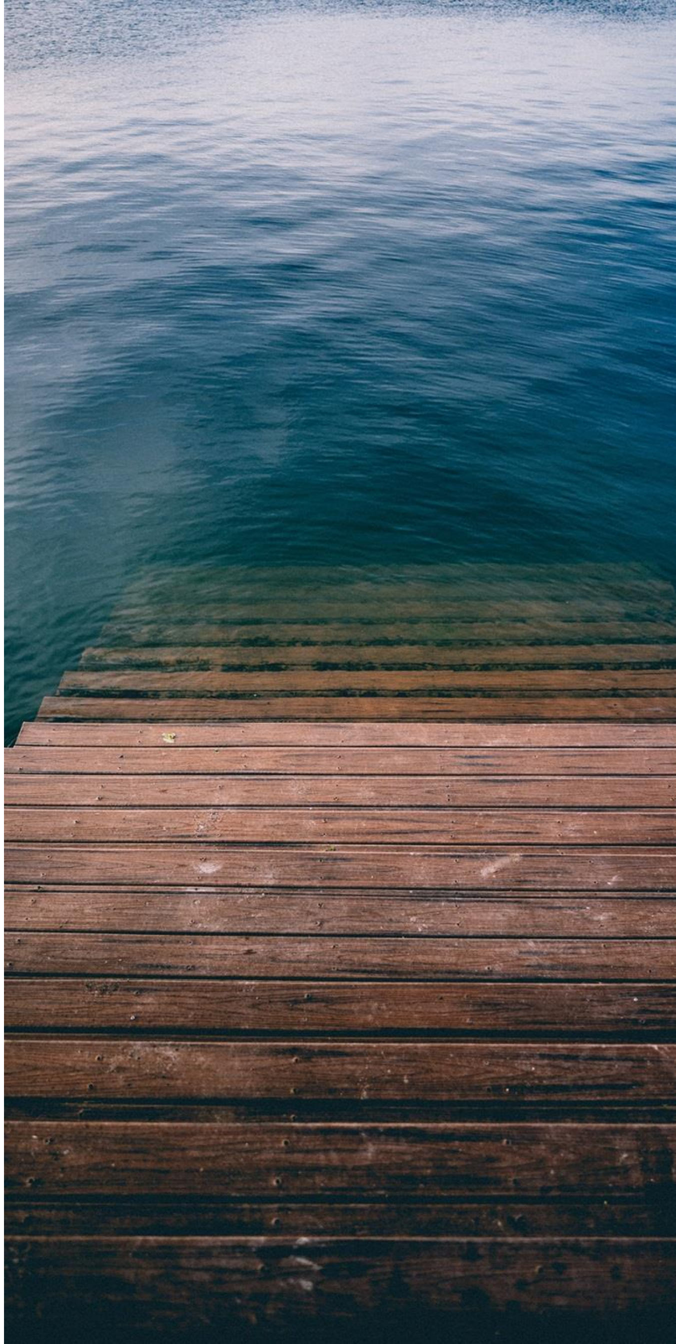

Communication with FAC

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Our Responsibility

Our responsibility under US Generally Accepted Auditing Standards and Government 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 in accordance with 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 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. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

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Planned Scope & Timing of the Audit

It is the auditor's responsibility to determine the overall audit strategy and the audit plan, including the nature, timing and extent of procedures necessary to obtain sufficient and appropriate audit evidence and to communicate with those charged with governance and overview of the planned scope and timing of the audit.

OUR COMMENTS

- The planned scope and timing of the audit was communicated to CalOptima's FAC at the audit entrance meeting and was included in the engagement letter for the year ended June 30, 2017

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Significant Accounting Policies & Unusual Transactions

The auditor should determine that the FAC is informed about the initial selection of and changes in significant accounting policies or their application. The auditor should also determine that the FAC is informed about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

OUR COMMENTS

- Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by CalOptima are described in the footnotes to the consolidated financial statements. Throughout the course of an audit, we review changes, if any, to significant accounting policies or their application, and the initial selection and implementation of new policies. There were no changes to significant accounting policies for the year ended June 30, 2017.
- We believe management has selected and applied significant accounting policies appropriately and consistent with those of the prior year.

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Management Judgements & Accounting Estimates

The FAC should be informed about the process used by management in formulating particularly sensitive accounting estimates and about the basics for the auditor's conclusions regarding the reasonableness of those estimates.

OUR COMMENTS

- Management's judgements and accounting estimates are based on knowledge and experience about past and current events and assumptions about future events. We apply audit procedures to management's estimates to ascertain whether the estimates are reasonable under the circumstances and do not materially misstate the consolidated financial statements.
- Significant management estimates impacted the consolidated financial statements including the following: **fair value of investments; fixed asset lives; actuarially determined accruals for incurred but not reported (IBNR) medical claims liabilities, Non-IBNR liabilities; and pension, and other post-employment liabilities.**
- We deem them to be reasonable

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Management Judgements & Accounting Estimates

Our views about the quantitative aspects of the entity's significant accounting policies, accounting estimates, and financial statement disclosures.

OUR COMMENTS

- The disclosures in the consolidated financial statements are clear and consistent. Certain financial statement disclosures are particularly sensitive because of their significance to financial statements users. We call your attention to the following notes:

  - Note 2 – Summary of Significant accounting policies
  - Note 3 – Cash and Investments
  - Note 5 – Medical Claims Liability
  - Note 6 – Defined Benefit Pension Plan

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Significant Audit Adjustments & Unadjusted Differences Considered by Management to Be Immaterial

The FAC should be informed of all significant audit adjustments arising from the audit. Consideration should be given to whether an adjustment is indicative of a significant deficiency or a material weakness in CalOptima's internal control over financial reporting, or in its process for reporting interim financial information, that could cause future consolidated financial statements to be materially misstated.

The FAC should also be informed of uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the consolidated financial statements as a whole.

OUR COMMENTS

- There were no corrected or uncorrected audit adjustments.

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Deficiencies in Internal Control

Any material weaknesses and significant deficiencies in the design or operation of internal control that came to the auditor's attention during the audit must be reported to the FAC.

OUR COMMENTS

- Material weakness
  - None noted
- Significant deficiencies
  - Nothing to communicate

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Potential Effect on the Consolidated Financial Statements of Any Significant Risks & Exposures

The FAC should be adequately informed of the potential effect on financial statements of significant risks and exposures and uncertainties that are disclosed in the financial statements.

OUR COMMENTS

- CalOptima is subject to potential legal proceedings and claims that arise in the ordinary course of business, which are disclosed in the notes to the financial statements.

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Difficulties Encountered in Performing the Audit

The FAC should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit, including disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to CalOptima's consolidated financial statements, or the auditor's report.

OUR COMMENTS

- No significant difficulties were encountered during our audit.
- We are pleased to report that there were no disagreements with management.

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Material Uncertainties Related to Events & Conditions/ Fraud & Noncompliance with Laws and Regulations

Any doubt regarding the entity's ability to continue, as a going concern, should be communicated to the FAC.

Fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the consolidated financial statements should be communicated. We are also required to communicate any noncompliance with laws and regulations involving senior management that come to our attention, unless clearly inconsequential.

OUR COMMENTS

- No such matters came to our attention
- We have not become aware of any instances of fraud or noncompliance with laws and regulations.

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Other Material Written Communications

The FAC should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit, including disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to CalOptima's consolidated financial statements, or the auditor's report.

OUR COMMENTS

- We have requested certain representations from management that will be included in the representation letter, which we will receive prior to issuance.
- Other than the engagement letter, management representation letter, and communication to those charged with governance, there have been no other significant communications.

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Management’s Consultation with Other Accountants

In some cases, management may decide to consult about auditing and accounting matters. If management has consulted with other accountants about an auditing and accounting matter that involves application of an accounting principle to CalOptima’s consolidated financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

OUR COMMENTS

- We are not aware of any significant accounting or auditing matters for which management consulted other accountants.

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Areas of Audit Emphasis

- Capitation Revenue and Receivables
- Cash and Investments
- Medical Claims Liability
- Payable to State of California

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Assurance, tax, and consulting offered through Moss Adams LLP. Wealth management offered through Moss Adams Wealth Advisors LLC. Investment banking offered through Moss Adams Capital LLC.

THANK YOU

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CalOptima Board Action Agenda Referral

Action To Be Taken September 21, 2017
Regular Meeting of the CalOptima Board of Directors' Finance and Audit Committee

Report Item

4. Consider Recommending Board of Directors' Authorization of Additional Expenditures Related to the OneCare and OneCare Connect Sales Incentive Program

Contact

Michelle Laughlin, Executive Director, Network Operations, (714) 246-8400
Ladan Khamseh, Chief Operating Officer, (714) 246-8400

Recommended Action

Recommend the Board of Directors authorize expenditures of up to $334,960 from existing reserves for one-time expenses related to the OneCare and OneCare Connect sales incentive program in Fiscal Year (FY) 2018.

Background

Shortly after the launch of CalOptima's OneCare Program in 2005, CalOptima hired a sales team to assist with the enrollment of potential members into the program. By 2014, OneCare had the highest enrollment of any Dual-Eligible Special Needs Plan (D-SNP) in Orange County. In 2015, CalOptima launched the OneCare Connect program and utilized the existing sales team to support enrollment into this new program as well. The rationale for this program has been:

- To encourage sales staff to be more effective and efficient in assisting potential OneCare/ OneCare Connect members with the benefits of enrollment into the program as appropriate;
- To promote the OneCare / OneCare Connect programs and showcase the programs' benefits in order to compete with other D-SNP or Medicare Advantage plans that are available in Orange County;
- To increase potential revenue for CalOptima from both the state and federal level, as revenue for OneCare / OneCare Connect is tied to overall enrollment.

Staff has made an extensive evaluation of the program to determine the best approach to address compensation for the sales staff. This evaluation resulted in incorporation of appropriate language into CalOptima Policy GA. 8042: Supplemental Compensation addressing incentive compensation for the sales staff. The recommended updates to policy GA. 8042 were approved by the Board at its September 7, 2017 meeting, with additional direction to staff to return with a follow-up action to include the fiscal impact of the sales incentive program.

Discussion

In the last fiscal year, the sales incentive program was covered by the savings achieved from CalOptima's vacancy factor. During the FY 2018 budgeting process, the vast majority of open positions were removed from the Operating Budget in order to reduce CalOptima's overall budgeted administrative costs, which eliminated the possibility of funding the sales incentive program with savings from CalOptima's vacancy factor. As a result, staff is returning to the Board with a

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recommendation that unbudgeted funds be used to cover the costs of the sales incentive program. Management believes these expenditures are justified as each additional enrollment in the OneCare and OneCare Connect programs positively impacts the revenue received.

Fiscal Impact
At the September 7, 2017 meeting, the Board approved revisions to CalOptima Policy GA.8042: Supplemental Compensation to include changes to the OneCare and OneCare Connect sales incentive program. Funding for OneCare and OneCare Connect sales incentive program is an unbudgeted item. Based on FY 2016-17 actual expenses, an allocation of up to $334,960 from existing reserves will be used to fund this recommended action through June 30, 2018.

Rationale for Recommendation
Staff recommends approval of the proposed recommendation to maintain CalOptima's sales incentive program and to support increased enrollment for the OneCare and OneCare Connect programs in FY 2018.

Concurrence
Gary Crockett, Chief Counsel

Attachment
CalOptima Policy GA.8042: Supplemental Compensation

/s/ Michael Schrader *9/14/2017*
Authorized Signature **Date**

CalOptima
A Public Agency
Better. Together.

Policy #:	GA.8042
Title:	**Supplemental Compensation**
Department:	Human Resources
Section:	Not Applicable
CEO Approval:	Michael Schrader ________
Effective Date:	01/01/11
Last Review Date:	09/07/17
Last Revised Date:	09/07/17

I. PURPOSE

This policy establishes general guidelines concerning the use of supplemental compensation above regular base pay to compensate for business needs and to identify items to be reported to CalPERS as "Special Compensation."

II. POLICY

A. CalOptima considers the following as Special Compensation pursuant to Title 2, Section 571 of the California Code of Regulations (CCR):

1. Bilingual pay/Bilingual Premium;

2. Night Shift premium/Shift Differential;

3. Active Certified Case Manager (CCM) Pay/Educational Incentive; and

4. Executive Incentive Program/Bonus Pay.

B. Overtime Pay: As a public agency, CalOptima follows Federal wage and hour laws. Overtime pay for non-exempt employees will be provided for all hours worked in excess of forty (40) in any one (1) workweek at the rate of 1.5 times the employee's base hourly rate of pay. Exempt employees are not covered by the overtime provisions and do not receive overtime pay.

C. Bilingual Pay: CalOptima provides supplemental bilingual pay for qualified exempt and non-exempt employees who are fluent in at least one (1) of CalOptima's Threshold Languages. This is considered Bilingual Premium pursuant to 2, CCR, Section 571(a) and is to be reported to CalPERS as Special Compensation. The rate for Bilingual Pay is based on the following schedule:

Proficiency	Rate Per Pay Period
Bilingual language usage is required in the job description and used more than fifty percent (50%) of the time in the performance of the employee's job duties.	$60.00
Bilingual language usage is preferred in the job description and used less than fifty percent (50%) of the time in the performance of the employee's job duties.	$40.00

D. Translation Pay: In certain circumstances when, for business reasons and for the benefit of CalOptima Members, there is a need to translate documents and other written material into languages other than English, the Exempt Employee providing such service will be paid supplemental pay. Non-Exempt Employees are not eligible for translation pay.

1. A CalOptima Exempt Employee, who does not work in the Cultural & Linguistic Services Department (C&L) and who is not required as part of his or her regular job responsibilities to translate, but is qualified to translate based on successfully passing the CalOptima Bilingual Screening Process, may be eligible for Translation Pay for performing translation work. Eligible employees, who are interested in performing translation work during non-work hours, may elect to provide translation services during his or her own personal time based on the rates indicated below. The C&L Department shall assign the work to qualified Exempt Employees on an occasional, as-needed basis.

2. There are two (2) key activities in providing translation services:

   a. Translation of materials from English into the desired language, or from another language into English; and

   b. Review and revision of the translation to ensure quality and consistency in usage of terms.

3. Translating is more difficult and time-consuming than reviewing and editing of the already translated materials, and as a result, translation of materials will be reimbursed at a higher rate. CalOptima will reimburse for services at the following rates:

   a. Translation – Thirty-five dollars ($35.00) per page; and

   b. Review and revision of translated materials – Twenty-five dollars ($25.00) per page.

4. The use of this supplemental pay is limited to situations where the use of professional translation services is either not available or unfeasible due to business constraints.

E. Night Shift: CalOptima provides supplemental pay for work performed as part of a Night Shift. Assignments for Night Shift are subject to business needs and are at the discretion of CalOptima management. This is considered a Shift Differential pursuant to 2, CCR, Section 571(a) and is to be reported to CalPERS as Special Compensation. The rate for Night Shift is based on the following schedule:

Definition	**Eligibility**	**Rates (per hour)**
Night Shift – Seven (7) consecutive hours or more, including at least four (4) hours of work between 4 p.m. and 8 a.m.	Non-exempt employees	Second shift employees (start time 3 p.m.) will receive $1.50 per hour. Third shift employees (start time 11 p.m.) will receive $2.00 per hour.

F. Call Back and On Call: CalOptima provides supplemental pay for work performed as part of a Call Back and On Call requirement. Assignments for Call Back and On Call are subject to business needs and are at the discretion of CalOptima management. The rates for Call Back and On Call Pay are based on the following schedule:

Definition	**Eligibility**	**Rates (per hour)**

Definition	**Eligibility**	**Rates (per hour)**
Call Back – Must physically return to work within one (1) hour when requested by a Supervisor. A Supervisor may assign the employee other work until the guaranteed four (4) hour time elapses.	Non-exempt employees	1.5 times of base hourly rate with a minimum of four (4) hours of pay.
On Call – Must remain accessible after normally scheduled work hours and be available to fix problems or report to work, if necessary. Employee will be informed of the need for their availability to work either from home or at the work site. Employees on call are waiting to be engaged and are free to use their On Call time as they deem appropriate.	Non-exempt employees	$3.00/hour for being on-call. If a call is taken, employee is paid 1.5 times the regularly hourly rate with a thirty (30) minute minimum call.
On Call Medical Case Managers (RN or LVN) and Clinical Pharmacists - Must remain accessible to accept or respond to calls within a reasonable time designated by Employee's supervisor. In no event shall Employee's supervisor require a response time less than thirty (30) minutes. Employee will be informed of the need for their availability to work either from home or at the work site. Employees on call are waiting to be engaged and are free to use their On Call time as they deem appropriate.	Exempt employees excluding those in supervisory positions	25% of base hourly rate multiplied by the number of hours on call.

G. Active Certified Case Manager (CCM) Pay: CalOptima may recognize supplemental pay of one hundred dollars ($100) per pay period to an RN who holds an active CCM certification when such certification is required or preferred in the job description and used regularly in performance of the employee's job duties. This is considered as an Educational Incentive pursuant to 2 CCR Section 571(a) and is to be reported to CalPERS as Special Compensation.

H. Executive Incentive Program: The Chief Executive Officer (CEO) may recognize Executive Staff, including interim appointments, using incentive compensation as described in this policy. For Executive Staff who achieve superior performance, the incentive compensation is considered Bonus Pay pursuant to 2 CCR Section 571(a) and is to be reported to CalPERS as Special Compensation for Classic Members.

I. Sales Incentive Program: The OneCare Community Partner and Senior (Sr.) Community Partner staff in the OneCare Sales & Marketing Department shall have an active Resident Insurance Producer license to enroll eligible members into the OneCare and OneCare Connect programs.

1. The licensed Community Partner and Sr. Community Partner staff will receive a monthly Sales Incentive based on the number of eligible members enrolled into the OneCare and OneCare Connect program on the following monthly incentive range:

Enrollments	Incentive per eligible member enrolled
1 – 25	$0.00
26 – 30	$50.00
31 – 45	$100.00
46 – 50	$125.00
51+	$150.00

2. The Sales Incentive for the Manager Member Outreach & Education shall be based on the number of eligible members enrolled into the OneCare and OneCare Connect programs by the Community Partner and Sr. Community Partner in the OneCare Sales & Marketing Department. The Manager, Member Outreach & Education will receive twenty dollars ($20.00) per member enrolled, if and only if, the Community Partner or Sr. Community Partner reporting to the Manager, Member Outreach & Education, enrolls thirty-one (31) or more members per month. If a Community Partner or Sr. Community Partner fails to enroll at least thirty-one (31) members per month, the Manager, Member Outreach & Education, would not be eligible for the Sales Incentive for that Community Partner or Sr. Community Partner.

J. Employee Incentive Program: At the discretion of the CEO, specific employees may be recognized through incentive compensation, when doing so is consistent with CalOptima's business needs and mission, vision, and values.

K. Retention Incentive: In order to preserve organizational talent and to maintain business continuity when the loss of key personnel may cause risk or damage to operational efficiency, regulatory compliance and/or strategic imperatives, CalOptima may, at the discretion of the CEO, and on an exception basis, award a retention incentive.

L. Recruitment Incentive: At the discretion of the CEO, a recruitment incentive of up to fifteen percent (15%) of the median base pay for the applicable position may be offered to entice an individual to join CalOptima. Recruitment incentives offered for Executive Director and Chief positions require Board of Directors approval.

M. Incentive programs may be modified or withdrawn, at any time. Award of incentive compensation is entirely at the discretion of the CEO and/or Board of Directors, as applicable. It is not intended to be a binding contract between Executive Staff or employees and CalOptima.

N. Employer-Paid Member Contribution (EPMC): CalOptima contributes seven percent (7%) of Compensation Earnable, on behalf of eligible employees who hold Management Staff positions as identified in the CalOptima salary schedule, and who qualify based on all of the following:

1. Hired, promoted, or transferred into a Management Staff position, including interim appointments; and

2. Included in one (1) of the following categories:

   a. A CalPERS Classic Member; or

   b. A member prior to 01/01/2013 of another California public retirement system that is eligible for reciprocity with CalPERS.

O. Annual Performance Lump Sum Bonus: Employees paid at the pay range maximum are not eligible for future base pay increases. As a result, in lieu of future base pay increases, these employees may be eligible for a merit bonus pay delivered as a lump sum bonus in accordance with Section III.J of this policy, provided that their performance meets the goals and objectives set forth by their managers.

P. Automobile Allowance: CalOptima may, at the discretion of the CEO, provide employees in Executive Staff positions, including interim appointments, with a monthly automobile allowance in an amount not to exceed five hundred dollars ($500) for the use of their personal vehicle for CalOptima business.

Q. Supplemental Retirement Benefit: Consistent with applicable Board actions, the CEO is authorized to determine CalOptima's contribution rate for employees to the supplemental retirement benefit (SRB) plan administered by the Public Agency Retirement System (PARS) within the limits of the budget and subject to contribution limits established by applicable laws. With the exception employees in Executive Staff positions, the contribution rate shall be uniform for all employees. For employees in Executive Staff positions who earn more than the applicable compensation limits, the CEO is authorized to provide additional supplemental contributions to PARS, subject to the limitations of applicable laws. These SRB contribution rates to the PARS retirement plan shall continue from year to year, unless otherwise adjusted or discontinued.

III. PROCEDURE

A. Overtime Pay: Overtime must be approved in advance by an employee's manager. Adjustments for overtime pay cannot be calculated until the completion of an employee's workweek. This may result in one (1) pay period's delay in the employee receiving the additional compensation.

B. Bilingual Pay: An employee or potential employee shall undergo a written and verbal bilingual evaluation when bilingual proficiency is a part of the employee's or potential employee's job description and used in the performance of the employee's job duties. If the employee or potential employee passes the evaluations, the bilingual pay shall be established.

C. Translation Pay: If an eligible Exempt Employee elects to provide translation services, and such services are not part of the employee's regular job duties, the employee shall submit their interest to the C&L Department. If selected, the translation pay, identified above, will be provided depending on the variables noted above, taking into account whether professional translation services are either not available or unfeasible due to business constraints.

D. Night Shift:

1. Night shift differential is automatically calculated for those employees regularly working a night shift, defined as seven (7) consecutive hours or more, including at least four (4) hours of work between 4 p.m. and 8 a.m.

2. Employees who, at their own request and for their own convenience, adjust their work schedule, such as requesting make up time or alternative hours, and as a result, would be eligible for night shift pay, shall be deemed as having waived their right to same. When appropriate, a new Action Form should be submitted, removing the employee from the night shift.

E. Call Back and On Call Pay:

1. If an employee is on call or gets called back to work, the employee is responsible for adding this time to their schedule through CalOptima's time keeping system, which is then approved by their Supervisor.

F. Active Certified Case Manager (CCM) Pay:

1. To receive CCM supplemental pay, an employee is responsible for providing a copy of the employee's case management certification issued by the Case Management Society of America to the Human Resources Department.

G. Incentive Compensation

1. The Board of Directors approves CalOptima's strategic plan for each fiscal year, and the CEO is expected to meet the goals set forth in the strategic plan. The CEO in turn sets goals for the Executive Staff.

2. The CEO may establish an incentive compensation program for Executive Staff based on the Executive Incentive Program attached within budgeted parameters in accomplishing specific results according to the department and individual goals set forth by the CEO and the level of achievement. Executive Staff will receive a performance evaluation based on the Performance Review of Executives Template attached, which measures their performance against the established goals. Based on the level of performance, the Executive Staff member may be eligible for a lump sum bonus payment. The Executive Staff member must still be employed by CalOptima and in good standing at the time the bonus is distributed in order to be eligible to receive the bonus payment. For eligible Executive Staff members who achieve superior performance, CalOptima will report the bonus payment to CalPERS as Special Compensation. The CEO is authorized to make minor revisions to the Executive Incentive Program and Performance Review of Executives Template from time to time, as appropriate.

3. As circumstances warrant and at the discretion of the CEO, employees not at the Executive Staff level, whose accomplishments have provided extraordinary results, may be considered for incentive compensation.

H. Sales Incentive Program

1. The One Care Community Partner and Sr. Community Partner staff, in the OneCare Sales & Marketing Department, shall have an active Resident Insurance Producer license to enroll eligible members into the OneCare and OneCare Connect Programs.

2. The Community Partner and Sr. Community Partner staff shall be eligible to receive Sales Incentive pay as described in Section II.I.1 of this policy for successfully enrolling new members into the OneCare and OneCare Connect Programs. Sales Incentive pay for the Manager, Member Outreach & Education, shall be based on the number of members enrolled into the OneCare and OneCare Connect Programs by the Community Partner and Sr. Community Partner as described in Section II.I.2 of this policy.

   a. CalOptima shall follow the Medicare Marketing Guidelines (MMGs) charge-back guidelines of ninety (90) calendar day rapid disenrollment and recouping the Sales Incentive with the exceptions as specified under the guidelines and applicable CalOptima policies.

3. CalOptima shall pay the Sales Incentive to the eligible employee on a monthly basis approximately one and a half (1 ½) months after the month in which the eligible employee earned the Sales Incentive.

   a. In the event a OneCare or OneCare Connect member disenrolls from their respective program within ninety (90) calendar days for reasons other than the exceptions specified under the guidelines and applicable CalOptima policies, the Sales Incentive previously earned will be deducted from a future Sales Incentive.

4. The Chief Operating Officer, Executive Director of Network Operations and Director Network Management who oversee the OneCare Sales & Marketing Department shall approve the Sales Incentive payout.

5. Enrollment goals for the Community Partner and Community Partner Sr. staff will be pro-rated for the month if the employee misses one (1) or more full weeks due to vacations, sick days, or a Leave of Absence.

6. The Director, Network Management, Executive Director of Network Operations and the Chief Operations Officer will review the Sales Incentive structure on an annual basis.

I. Retention Incentive: As circumstances warrant, the CEO may award an employee a retention incentive to prevent or delay departures that may adversely impact business operations. The employee offered a retention incentive must be in good standing and accept and sign a retention agreement which contains the condition(s) to be met in order to receive payment. Payment of the incentive will be made when the terms of the agreement have been fully met and at the conclusion of the retention period. The CEO has the authority to offer retention incentives for up to twelve (12) employees per calendar year in an amount not to exceed ten percent (10%) of the employee's current base annual salary. Retention incentives that exceed ten percent (10%) of the employee's current base annual salary require Board of Directors approval.

J. Recruitment Incentive: As circumstances warrant, the CEO may offer a recruitment incentive based on the Compensation Administration Guidelines managed by the Human Resources Department to entice an individual to join CalOptima. Board of Directors approval is required for recruitment incentives offered for Executive Director and Chief positions. In order to receive the recruitment incentive, the individual offered the incentive is required to accept and sign an offer letter which contains a "claw-back" provision obligating the recipient of a recruitment incentive to return the full amount of the recruitment incentive if the recipient voluntarily terminates employment with CalOptima within twenty-four (24) months of the date of hire.

K. Annual Performance Lump Sum Bonus: Once an employee has reached the pay range maximum, the employee may be eligible for merit bonus pay delivered as a lump sum bonus, provided that his or her annual performance evaluation meets the established goals and objectives set forth by their managers. Merit bonus pay will not exceed the maximum percentage of the merit increase matrix and reflects the employee's superior performance measured against established objectives. Annual performance lump sum bonuses are paid out in two (2) incremental amounts – the first half when merit salary increases are normally distributed and the second half six (6) months later. The employee must still be employed by CalOptima in order to be eligible to receive the lump sum bonus payments.

L. Automobile Allowance: As circumstances warrant, the CEO may offer to employees in Executive Staff positions an automobile allowance in lieu of the IRS standard mileage reimbursement rate that would otherwise apply in the use of their personal vehicle in the performance of their duties. Such automobile allowance will be identified on the Executive Staff's W-2 forms as taxable income. In addition, as a condition of receiving such allowance, the Executive Staff member must comply with the following requirements:

1. He or she must maintain adequate levels of personal vehicle insurance coverage;

2. He or she shall purchase his or her own fuel for the vehicle; and

3. He or she shall ensure that the vehicle is properly maintained.

IV. ATTACHMENTS

A. Executive Incentive Program
B. Performance Review of Executives Template

V. REFERENCES

A. CalOptima Employee Handbook
B. Compensation Administration Guidelines
C. Government Code, §20636 and 20636.1
D. Title 2, California Code of Regulations (CCR), §571

VI. REGULATORY AGENCY APPROVALS

None to Date

VII. BOARD ACTIONS

A. 09/07/17: Regular Meeting of the CalOptima Board of Directors
B. 12/03/15: Regular Meeting of the CalOptima Board of Directors
C. 05/01/14: Regular Meeting of the CalOptima Board of Directors
D. 01/05/12: Regular Meeting of the CalOptima Board of Directors

VIII. REVIEW/REVISION HISTORY

Version	Date	Policy Number	Policy Title	Line(s) of Business
Effective	01/01/2011	GA.8042	Pay Differentials	Administrative
Revised	01/05/2012	GA.8042	Pay Differentials	Administrative
Revised	05/20/2014	GA.8042	Supplemental Compensation	Administrative
Revised	12/03/2015	GA.8042	Supplemental Compensation	Administrative
Revised	09/07/2017	GA.8042	Supplemental Compensation	Administrative

IX. GLOSSARY

Term	Definition
Bilingual Certified Employee	An employee who has passed CalOptima's Bilingual Screening Process either upon hire or any time during their employment.
Bilingual Screening Process:	Prospective staff translators are identified by Cultural and Linguistic (C&L) Services Department based on qualifications obtained through CalOptima's bilingual screening process. The screening is either conducted as part of their initial hiring process or later during their employment. All staff translators must possess a strong ability to read, write and understand the target language. Once identified as potential staff translators, they are required to take a proficiency test created by C&L Services Department. They are evaluated on their vocabulary, grammar, orthography, flow, accuracy, cultural sensitivity, as well as consistency in usage of translated terms. The selection is based on their overall score.
Bonus Pay	Compensation to employees for superior performance such as "annual performance bonus" and "merit pay." If provided only during a member's final compensation period, it shall be excluded from final compensation as "final settlement" pay. A program or system must be in place to plan and identify performance goals and objectives to count as Special Compensation for CalPERS purposes.
CalPERS	California Public Employees Retirement System
CalPERS Classic Member	A member enrolled in CalPERS prior to January 1, 2013.
Classic Director	A Management Staff who is either a CalPERS Classic Member or a member prior to 01/01/2013 of another California public retirement system that is eligible for reciprocity with CalPERS.
Classic Executive	An Executive Staff who is either a CalPERS Classic Member or a member prior to 01/01/2013 of another California public retirement system that is eligible for reciprocity with CalPERS.
Compensation Earnable	The pay rate and special compensation as defined in Government Code sections 20636 and 20636.1.
Executive Staff	Staff holding Executive level positions as specifically designated by the Board of Directors.
Exempt Employee	Employees who are exempt from the overtime provisions of the federal Fair Labor Standards Act (FLSA) and state regulations governing wages and salaries. Exempt status is determined by the duties and responsibilities of the position and is defined by Human Resources for each position.
Leave of Absence (LOA)	A term used to describe a scheduled period of time off longer than five (5) days that an employee is to be away from his or her primary job, while maintaining the status of employee.
Management Staff	Staff holding positions at or above Director level.
Sales Incentive	An amount of money paid, in addition to base pay, to an employee for successfully enrolling a member into the OneCare or/ OneCare Connect Program.
Special Compensation	Payment of additional compensation earned separate from an employee's base pay that meets the criteria listed in Title 2, California Code of Regulations (CCR) section 571(a).

Term	Definition
Threshold Language	For purposes of this policy, a threshold language as defined by the Centers for Medicare & Medicaid Services (CMS) for Medicare programs, or Department of Health Care Services for the Medi-Cal program.

CALOPTIMA EXECUTIVE INCENTIVE PROGRAM

The Leadership Incentive Plan is an annual plan for the members of CalOptima's executive team that provides a monetary reward for superior performance based on the achievement of predetermined goals and objectives. The amount of incentive awarded to participants is determined based on goal achievement scores and the availability of budget for incentive payments.

A. Purpose: To align the performance of CalOptima's executive staff towards the accomplishment of the agency's long-term strategic plan and to reward superior accomplishment of annual key business strategies and initiatives.

B. Eligibility: To be eligible to participate in the Leadership Incentive Plan, an employee must be in an executive level position with job titles containing the designation of "Chief" or "Executive".

C. Goals and Objectives: Specific performance goals and objectives are established by the Chief Executive Officer and members of the executive team. Each goal is assigned a weighted percentage, and a description/measure of accomplishment. Goals are established using the following guidelines.

- Linkage to organization strategy
- Stretch objectives with a reasonable probability of attainment
- Consistency in approach across the department
- Encouragement of teamwork among leadership team and the organization, and
- Simple to understand, communicate and administer

D. Performance Period: Accomplishment of goals and objectives will be determined based on performance during the fiscal year (July 1 to June 30).

E. Incentive Opportunity: Goals and objectives are assigned accomplishment points. A minimum score of 50 points is required to be eligible for incentive compensation. The maximum points awarded is 100. The maximum incentive award is 10% of the participant's annual base compensation. The amount can be prorated based on the number of months participation in the plan. In order to receive an incentive award, the participant must be an active employee at the time the award is paid out. The range of the potential incentive for Executive Staff is contingent upon a range of performance based upon the goals and objectives established by the Chief Executive Officer. Based upon the total accomplishment points received, the incentive opportunities may be determined based upon a performance matrix, as an example, as follows:

Points	Category	Description	Incentive as Percentage of Base Pay
Below 50	Below Threshold	The minimum level of performance was not achieved	0%

Points	Category	Description	Incentive as Percentage of Base Pay
50-60	Threshold	The minimum level of performance which must be achieved before an incentive is paid	0-4%
60-70	Target	The level of performance which generally equates to the achievement of some but not all goals and objectives	4-6%
70-85	Commendable	The level of performance where the combination of personal effort and business produce an above average return for the organization	6-8%
85-100	Outstanding	The very superior level of performance which occasionally occurs when all circumstances come together to produce very high returns for the organization.	8-10%

F. Modification of Plan: The CEO may modify the plan for business need at any time. Participation in the plan is subject to the approval of the CEO. Participation in any single year does not predict participation in subsequent years.

Sample Form

Executive Incentive Goals for FY____- ____

Strategic Priority	Goals	Weight (%)	Description / Measure(s) of Accomplishment / Points Available	Points Earned	Owner(s)	Comment/Notes
Quality Programs and Services	*Goal XYZ*	*10*	*Implement by Q1. Program rolled out to all users. 0 – 25, 0 if not met, 25 if fully met.*	*15*	*Chief Operating Officer*	*Partial completion.*
Culture, Learning and Innovation						
Financial Stability						
Strong Internal Processes						
Community Outreach						

Strategic Priority	Goals	Weight (%)	Description / Measure(s) of Accomplishment / Points Available	Points Earned	Owner(s)	Comment/Notes

Total Score	

Performance Review – Executive (Directors and Above)

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EMPLOYEE INFORMATION

EMPLOYEE	JOB TITLE	DEPARTMENT
SUPERVISOR/EVALUATOR	REVIEW PERIOD to	

SELF REVIEW: In the following section, provide your responses to the following questions for the review period April 1, 2016 through March 31, 2017.

1) **What did you do well that impacted or demonstrated your performance? (Examples: accomplishments, self-development, projects, productivity, customer service)**
2) **What are you continuing to work on that you set as goal(s) from last year?**
3) **What opportunities for growth, future goals or enhancement to your position will sustain and/or improve your performance?**

1)

2)

3)

Manager Review: ***Below are the Core Competencies to be completed by your manager***

CORE BEHAVIORAL COMPETENCIES

This section describes the core competencies required for successful employee performance for this CalOptima position. In the space provided, mark the appropriate rating with an "x" and provide comments as needed. Evaluate the employee on each factor relevant to the job duties and responsibilities by indicating to what degree the employee demonstrates the overall skill or behavior on the job.

Competency Rating Scale Definitions:

Outstanding – Performance **regularly exceeds** job expectations due to **exceptionally high quality** of work in all essential areas of responsibility, resulting in outstanding contribution. Reserved for truly outstanding performance.

Exceeds Expectations - Often demonstrates behaviors that go **above and beyond** expectations in order to achieve exceptional performance or intended results.

Fully Meets Expectations - Demonstrates effective and desired behaviors that **consistently** meet **expected** performance standards.

Needs Development - Demonstrates **some** desired behaviors, or uses behaviors **inconsistently**. Requires some development/improvement.

Unacceptable - Rarely demonstrates competency behaviors. **Does not meet** performance standards. Requires **significant** and **immediate** improvement

COMMUNICATION: • Communicates well with others in both verbal and written form by adapting his/her tone, style and approach based on people's perspectives and situations. Organizes thoughts, expresses them clearly and respectfully. • Listens attentively to ideas of others; cooperates and builds good working relationships with others. • Provides colleagues with regular and reliable information, including updates on his/her own activities/decisions, and is well-prepared when speaking in front of a group; presentations are clear and informative.	☐ Outstanding ☐ Exceeds Expectations ☐ Fully Meets Expectations ☐ Needs Development ☐ Unacceptable
Describe specific examples or details of past performance and self development during this review cycle that support the rating:	
CUSTOMER FOCUS (internal and/or external) • Actively listens and follows up/through on customer inquiries/requests in a timely, professional, courteous, and sensitive manner; ensures clear and frequent communication with customers about progress, changes and status; takes responsibility for correcting customer problems. • Demonstrates a good understanding of company/department procedures for handling customer complaints; knows when to bring in help/use the chain of command for problems beyond his/her ability. • Viewed as a team player.	☐ Outstanding ☐ Exceeds Expectations ☐ Fully Meets Expectations ☐ Needs Development ☐ Unacceptable
Describe specific examples or details of past performance and self development during this review cycle that support the rating:	
LEADERSHIP: • Communicates high level priorities and objectives, a compelling and strategic vision, which is innovative and future-oriented, and creates buy-in at various levels of the organization for each fiscal year. • Manages, inspires, motivates, develops, reviews, and supports the growth of the organization and department staff.	☐ Outstanding ☐ Exceeds Expectations ☐ Fully Meets Expectations ☐ Needs Development ☐ Unacceptable
Describe specific examples or details of past performance and self development during this review cycle that support the rating:	
STRATEGIC THINKING: • Applies the SWOT analysis to CalOptima's changing environment to identify opportunities for success in order to redirect the company's course, create realistic and well-balanced strategic plans, and to meet new targets. Understands the players in our industry, both competitors and allies, and is on top of industry shifts and changes. • Includes key stakeholders in strategic planning. • Is an innovative strategic partner.	☐ Outstanding ☐ Exceeds Expectations ☐ Fully Meets Expectations ☐ Needs Development ☐ Unacceptable
Describe specific examples or details of past performance and self development during this review cycle that support the rating:	
DECISION MAKING/PROBLEM SOLVING: • Uses sound and consistent judgment when analyzing situations and making decisions that would impact both the department and the entire organization; able to identify potential problems and offers multiple solutions; is conscientious of the department resources. • Able to make decisions even when conditions are uncertain or information is not available by	☐ Outstanding ☐ Exceeds Expectations ☐ Fully Meets Expectations ☐ Needs Development ☐ Unacceptable

using the correct balance of logic and intuition; discusses his/her decision and its impact with those who will be affected; the group benefits from his/her input in problem solving and brainstorming sessions. • Reliable, persistent worker who keeps a positive outlook and does not let unexpected problems stop him/her from successfully completing own work; calm under pressure.	
Describe specific examples or details of past performance and self development during this review cycle that support the rating:	

PREVIOUS MANAGER'S COMMENTS (if applicable):

List goals that will sustain and/or improve performance, and how they will be measured/evaluated during the next review period:

FINAL OVERALL RATING	☐ Outstanding ☐ Exceeds Expectations ☐ Fully Meets Expectations ☐ Needs Development ☐ Unacceptable

Manager's/Evaluator's Comments

Manager's/Evaluator's Signature:

______________________________ ______________

Signature Date

Second Level Manager's Comments and Signature:

Signature Date

Employee’s Acknowledgement and Comments:

Signature Date

Financial Summary

July 2017

Board of Directors' Finance and Audit Committee Meeting
September 21, 2017

Nancy Huang
Interim Chief Financial Officer

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FY 2017-18: Consolidated Enrollment

- July 2017 MTD:
  - Overall enrollment was 787,686 member months
    - Actual lower than budget by 14,030 or 1.7%
      - Medi-Cal: unfavorable variance of 13,958 members
        - TANF unfavorable variance of 13,884 members
        - SPD unfavorable variance of 2,641 members
        - Medi-Cal Expansion (MCE) favorable variance of 2,458 members
      - OneCare Connect: unfavorable variance of 123 members
    - 0.2% or 1,380 decrease from prior month
      - Medi-Cal: decrease of 1,489 from June
      - OneCare Connect: decrease of 140 from June
      - OneCare: increase of 246 from June
      - PACE: increase of 3 from June

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FY 2017-18: Consolidated Revenues

- July 2017 MTD:
  - Actual higher than budget by $3.1 million or 1.1%
    - Medi-Cal: favorable to budget by $3.7 million or 1.5%
      - Unfavorable volume variance of $4.4 million
      - Favorable price variance of $8.0 million due to:
        - $4.5 million for Coordinated Care Initiative (CCI) revenue and In-Home Supportive Services (IHSS)
        - $1.9 million of FY 2017 LTC related revenue recognized for members with Non-LTC aid codes
        - $1.5 million of FY 2017 Behavioral Health Treatment (BHT) revenue
    - OneCare Connect: unfavorable to budget by $0.8 million or 3.0%
      - Unfavorable volume variance of $0.2 million due to lower enrollment
      - Unfavorable price variance of $0.6 million due to Part D

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FY 2017-18: Consolidated Medical Expenses

- July 2017 MTD:
  - Actual higher than budget by $9.0 million or 3.5%
    - Medi-Cal: unfavorable variance of $9.8 million
      - MLTSS unfavorable variance of $6.1 million
        - LTC unfavorable variance of $3.5 million adjustment of IHSS expense corresponding with the favorable CCI revenue variance
        - Nursing facility unfavorable variance of $2.0 million
      - Provider Capitation unfavorable variance of $0.9 million due to BHT capitation
      - Facilities expenses unfavorable variance of $1.1 million due to Hospital Shared Risk
    - OneCare Connect: favorable variance of $0.4 million
      - Favorable volume variance of $0.2 million due to lower enrollment
      - Favorable price variance of $0.2 million in Rx

- Medical Loss Ratio (MLR)
  - July 2017 MTD: Actual: 97.6% Budget: 95.4%

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FY 2017-18: Consolidated Administrative Expenses

- July 2017 MTD:
  - Actual lower than budget by $3.4 million or 27.8%
    - Salaries and Benefits: favorable variance of $1.1 million due to open positions
      - Medi-Cal: 35 open positions
      - OneCare Connect: 4 open positions
    - Purchased Services: favorable variance of $1.1 million due to Mental Health Contract amendment recorded in Medical
    - Other categories: favorable variance of $1.1 million

- Administrative Loss Ratio (ALR):
  - July 2017 MTD: Actual: 3.2% Budget: 4.4%

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FY 2017-18: Change in Net Assets

- July 2017 MTD:
  - $0.6 million surplus
  - $0.2 million unfavorable to budget
    - Higher than budgeted revenue of $3.1 million
    - Higher than budgeted medical expenses of $9.0 million
    - Lower than budgeted administrative expenses of $3.4 million
    - Higher than budgeted investment and other income of $2.5 million

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Enrollment Summary: July 2017

Month-to-Date

Enrollment (By Aid Category)	Actual	Budget	Variance	%
Aged	60,963	61,853	(890)	(1.4%)
BCCTP	627	618	9	1.5%
Disabled	46,984	48,744	(1,760)	(3.6%)
TANF Child	324,532	330,072	(5,540)	(1.7%)
TANF Adult	95,766	104,110	(8,344)	(8.0%)
LTC	3,377	3,268	109	3.3%
MCE	238,490	236,032	2,458	1.0%
Medi-Cal	**770,739**	**784,697**	**(13,958)**	**(1.8%)**
OneCare Connect	**15,365**	**15,488**	**(123)**	**(0.8%)**
PACE	**215**	**216**	**(1)**	**(0.5%)**
OneCare	**1,367**	**1,315**	**52**	**4.0%**
CalOptima Total	**787,686**	**801,716**	**(14,030)**	**(1.7%)**

Enrollment (By Network)	Actual	Budget	Variance	%
HMO	170,752	173,966	(3,214)	(1.8%)
PHC	222,601	227,238	(4,637)	(2.0%)
Shared Risk Group	203,214	210,648	(7,434)	(3.5%)
Fee for Service	174,172	172,847	1,325	0.8%
Medi-Cal	**770,739**	**784,697**	**(13,958)**	**(1.8%)**
OneCare Connect	**15,365**	**15,488**	**(123)**	**(0.8%)**
PACE	**215**	**216**	**(1)**	**(0.5%)**
OneCare	**1,367**	**1,315**	**52**	**4.0%**
CalOptima Total	**787,686**	**801,716**	**(14,030)**	**(1.7%)**

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Financial Highlights: July 2017

	Month-to-Date			
	Actual	Budget	$ Variance	% Variance
Member Months	787,686	801,716	(14,030)	(1.7%)
Revenues	276,803,657	273,738,545	3,065,112	1.1%
Medical Expenses	270,136,964	261,093,434	(9,043,530)	(3.5%)
Administrative Expenses	8,731,762	12,088,105	3,356,343	27.8%
Operating Margin	**(2,065,069)**	**557,006**	**(2,622,075)**	**(470.7%)**
Non Operating Income (Loss)	2,709,910	252,544	2,457,366	973.0%
Change in Net Assets	**644,841**	**809,550**	**(164,709)**	**(20.3%)**
Medical Loss Ratio	97.6%	95.4%	(2.2%)	
Administrative Loss Ratio	3.2%	4.4%	1.3%	
Operating Margin Ratio	(0.7%)	0.2%	(0.9%)	
Total Operating	100.0%	100.0%		

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Consolidated Performance Actual vs. Budget: July 2017 (in millions)

	MONTH-TO-DATE		
	Actual	Budget	Variance
Medi-Cal	(1.9)	1.4	(3.4)
OCC	(0.5)	(0.6)	0.1
OneCare	0.0	(0.2)	0.2
PACE	0.3	(0.1)	0.4
Operating	**(2.1)**	**0.6**	**(2.6)**
Inv./Rental Inc, MCO tax	2.7	0.3	2.5
Non-Operating	**2.7**	**0.3**	**2.5**
TOTAL	**0.6**	**0.8**	**(0.2)**

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Consolidated Revenue & Expense: July 2017 MTD

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	532,249	238,490	770,739	15,365	1,367	215	787,686
REVENUES							
Capitation Revenue	$ 147,148,251	$ 101,311,804	$ 248,460,055	$ 25,492,870	$ 1,348,574	$ 1,502,158	$ 276,803,657
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	147,148,251	101,311,804	248,460,055	25,492,870	1,348,574	1,502,158	276,803,657
MEDICAL EXPENSES							
Provider Capitation	38,252,454	49,812,008	88,064,462	9,846,523	400,462	-	98,311,447
Facilities	24,090,011	20,888,338	44,978,348	2,480,464	394,962	202,365	48,056,139
Ancillary	-	-	-	584,735	31,515	-	616,250
Skilled Nursing	-	-	-	-	27,268	-	27,268
Professional Claims	7,184,543	8,072,631	15,257,174	-	-	243,696	15,500,870
Prescription Drugs	17,693,301	18,439,029	36,132,330	5,033,741	425,143	93,462	41,684,675
Long-term Care Facility Payments	53,169,264	2,490,933	55,660,197	5,231,479	-	(11,203)	60,880,473
Medical Management	2,810,261	-	2,810,261	1,064,319	28,294	424,452	4,327,325
Reinsurance & Other	73,685	265,957	339,642	260,312	8,663	123,900	732,517
Total Medical Expenses	143,273,518	99,968,896	243,242,414	24,501,572	1,316,306	1,076,672	270,136,964
Medical Loss Ratio	**97.4%**	**98.7%**	**97.9%**	**96.1%**	**97.6%**	**71.7%**	**97.6%**
GROSS MARGIN	**3,874,733**	**1,342,908**	**5,217,641**	**991,298**	**32,268**	**425,485**	**6,666,693**
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			4,975,290	728,583	27,705	71,692	5,803,270
Professional fees			172,345	-	0	1,557	173,902
Purchased services			608,528	89,340	10,735	5,858	714,461
Printing and Postage			167,600	12,798	6,442	215	187,054
Depreciation and Amortization			375,995	-	-	2,096	378,092
Other expenses			1,101,679	29,387	0	3,874	1,134,941
Indirect cost allocation, Occupancy expense			(279,013)	584,428	31,910	2,718	340,043
Total Administrative Expenses			7,122,425	1,444,536	76,791	88,009	8,731,762
Admin Loss Ratio			**2.9%**	**5.7%**	**5.7%**	**5.9%**	**3.2%**
INCOME (LOSS) FROM OPERATIONS			(1,904,784)	(453,238)	(44,523)	337,476	(2,065,069)
INVESTMENT INCOME			-	-	-	-	2,709,333
NET RENTAL INCOME			-	-	-	-	3,170
NET GRANT INCOME			(2,666)	-	-	-	(2,666)
OTHER INCOME			73	-	-	-	73
CHANGE IN NET ASSETS			**$ (1,907,377)**	**$ (453,238)**	**$ (44,523)**	**$ 337,476**	**$ 644,841**
BUDGETED CHANGE IN ASSETS			1,443,045	(594,005)	(219,575)	(72,459)	809,550
VARIANCE TO BUDGET - FAV (UNFAV)			(3,350,421)	140,767	175,051	409,935	(164,709)

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Balance Sheet: As of July 2017

ASSETS			
Current Assets			
	Operating Cash		$520,629,891
	Investments		1,042,089,960
	Capitation receivable		555,427,127
	Receivables - Other		20,691,018
	Prepaid Expenses		5,183,841
		Total Current Assets	**2,144,021,837**
Capital Assets	Furniture and equipment		33,437,912
	Leasehold improvements		5,884,660
	505 City Parkway West		49,422,364
			88,744,936
	Less: accumulated depreciation		(35,029,816)
		Capital assets, net	**53,715,120**
Other Assets	Restricted deposit & Other		300,000
	Board-designated assets		
		Cash and cash equivalents	29,002,485
		Long term investments	507,352,179
		Total Board-designated Assets	536,354,664
		Total Other Assets	**536,654,664**
	Deferred outflows of Resources - Pension Contributions		5,234,198
	Deferred outflows of Resources - Difference in Experience		1,072,771
	Deferred outflows of Resources - Excess Earnings		5,270,171
TOTAL ASSETS & OUTFLOWS			**2,745,968,760**

LIABILITIES & FUND BALANCES			
Current Liabilities			
	Accounts payable		$19,191,148
	Medical claims liability		1,256,027,205
	Accrued payroll liabilities		9,641,084
	Deferred revenue		110,962,533
	Deferred lease obligations		190,764
	Capitation and withholds		589,500,324
		Total Current Liabilities	**1,985,513,058**
Other employment benefits liability			28,767,486
Net Pension Liabilities			16,144,973
Long Term Liabilities			100,000
TOTAL LIABILITIES			**2,030,525,517**
Deferred inflows of Resources - Excess Earnings			-
Deferred inflows of Resources - Changes in Assumptions			1,340,010
Tangible net equity (TNE)			89,980,450
Funds in excess of TNE			624,122,783
Net Assets			**714,103,233**
TOTAL LIABILITIES, INFLOWS & FUND BALANCES			**2,745,968,760**

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Board Designated Reserve and TNE Analysis
As of July 2017

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	146,551,672				
	Tier 1 - Logan Circle	146,259,887				
	Tier 1 - Wells Capital	146,315,362				
Board-designated Reserve						
		439,126,921	310,823,204	482,596,199	128,303,717	(43,469,278)
TNE Requirement	Tier 2 - Logan Circle	97,227,743	89,980,450	89,980,450	7,247,293	7,247,293
	Consolidated:	536,354,664	400,803,654	572,576,648	135,551,010	(36,221,985)
	Current reserve level	*1.87*	*1.40*	*2.00*		

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UNAUDITED FINANCIAL STATEMENTS

July 2017

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CalOptima - Consolidated
Financial Highlights
For the One Month Ended July 31, 2017

Month-to-Date					Year-to-Date			
Actual	Budget	$ Variance	% Variance		Actual	Budget	$ Variance	% Variance
787,686	801,716	(14,030)	(1.7%)	Member Months	787,686	801,716	(14,030)	(1.7%)
276,803,657	273,738,545	3,065,112	1.1%	Revenues	276,803,657	273,738,545	3,065,112	1.1%
270,136,964	261,093,434	(9,043,530)	(3.5%)	Medical Expenses	270,136,964	261,093,434	(9,043,530)	(3.5%)
8,731,762	12,088,105	3,356,343	27.8%	Administrative Expenses	8,731,762	12,088,105	3,356,343	27.8%
(2,065,069)	**557,006**	**(2,622,075)**	**(470.7%)**	**Operating Margin**	**(2,065,069)**	**557,006**	**(2,622,075)**	**(470.7%)**
2,709,910	252,544	2,457,366	973.0%	Non Operating Income (Loss)	2,709,910	252,544	2,457,366	973.0%
644,841	**809,550**	**(164,709)**	**(20.3%)**	**Change in Net Assets**	**644,841**	**809,550**	**(164,709)**	**(20.3%)**
97.6%	95.4%	(2.2%)		Medical Loss Ratio	97.6%	95.4%	(2.2%)	
3.2%	4.4%	1.3%		Administrative Loss Ratio	3.2%	4.4%	1.3%	
(0.7%)	0.2%	(0.9%)		Operating Margin Ratio	(0.7%)	0.2%	(0.9%)	
100.0%	100.0%			Total Operating	100.0%	100.0%		

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CalOptima
Financial Dashboard
For the One Month Ended July 31, 2017

MONTH - TO - DATE

Enrollment

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	770,739	784,697	(13,958)	(1.8%)
OneCare Connect	15,365	15,488	(123)	(0.8%)
OneCare	1,367	1,315	52	4.0%
PACE	215	216	(1)	(0.5%)
Total	787,686	801,716	(14,030)	(1.7%)

Change in Net Assets (000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	$ (1,907)	$ 1,443	$ (3,350)	(232.2%)
OneCare Connect	(453)	(594)	141	23.7%
OneCare	(45)	(220)	175	79.7%
PACE	337	(72)	410	565.7%
505 Bldg.	3	3	1	24.6%
Investment Income & Other	2,710	253	2,457	973.0%
Total	$ 645	$ 812	$ (167)	(20.5%)

MLR

	Actual	Budget	% Point Var
Medi-Cal	97.9%	95.4%	(2.5)
OneCare Connect	96.1%	94.9%	(1.2)
OneCare	97.6%	109.1%	11.5

Administrative Cost (000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	$ 7,122	$ 9,895	$ 2,772	28.0%
OneCare Connect	1,445	1,944	499	25.7%
OneCare	77	104	28	26.5%
PACE	88	145	57	39.2%
Total	$ 8,732	$ 12,088	$ 3,356	27.8%

Total FTE's Month

	Actual	Budget	Fav / (Unfav)
Medi-Cal	876	900	25
OneCare Connect	233	237	4
OneCare	3	3	(0)
PACE	49	61	12
Total	1,162	1,202	40

MM per FTE

	Actual	Budget	Fav / (Unfav)
Medi-Cal	880	871	9
OneCare Connect	66	65	0
OneCare	391	438	(47)
PACE	4	4	1
Total	1,341	1,379	(37)

YEAR - TO - DATE

Year To Date Enrollment

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	770,739	784,697	(13,958)	(1.8%)
OneCare Connect	15,365	15,488	(123)	(0.8%)
OneCare	1,367	1,315	52	4.0%
PACE	215	216	(1)	(0.5%)
Total	787,686	801,716	(14,030)	(1.7%)

Change in Net Assets (000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	$ (1,907)	$ 1,443	$ (3,350)	(232.2%)
OneCare Connect	(453)	(594)	141	23.7%
OneCare	(45)	(220)	175	79.7%
PACE	337	(72)	410	565.7%
505 Bldg.	3	3	1	24.6%
Investment Income & Other	2,710	253	2,457	973.0%
Total	$ 645	$ 812	$ (167)	(20.5%)

MLR

	Actual	Budget	% Point Var
Medi-Cal	97.9%	95.4%	(2.5)
OneCare Connect	96.1%	94.9%	(1.2)
OneCare	97.6%	109.1%	11.5

Administrative Cost (000)

	Actual	Budget	Fav / (Unfav)	
Medi-Cal	$ 7,122	$ 9,895	$ 2,772	28.0%
OneCare Connect	1,445	1,944	499	25.7%
OneCare	77	104	28	26.5%
PACE	88	145	57	39.2%
Total	$ 8,732	$ 12,088	$ 3,356	27.8%

Total FTE's YTD

	Actual	Budget	Fav / (Unfav)
Medi-Cal	876	900	25
OneCare Connect	233	237	4
OneCare	3	3	(0)
PACE	49	61	12
Total	1,162	1,202	40

MM per FTE

	Actual	Budget	Fav / (Unfav)
Medi-Cal	880	871	9
OneCare Connect	66	65	0
OneCare	391	438	(47)
PACE	4	4	1
Total	1,341	1,379	(37)

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

	Actual		Month Budget		Variance	
	$	PMPM*	$	PMPM*	$	PMPM
Member Months**	787,686		801,716		(14,030)	
Revenues						
Medi-Cal	$ 248,460,055	$ 322.37	$ 244,788,286	$ 311.95	$ 3,671,769	$ 10.41
OneCare Connect	25,492,870	1,659.15	26,271,966	1,696.28	(779,096)	(37.13)
OneCare	1,348,574	986.52	1,258,717	957.20	89,857	29.32
PACE	1,502,158	6,986.78	1,419,576	6,572.11	82,582	414.67
Total Operating Revenue	276,803,657	351.41	273,738,545	341.44	3,065,112	9.97
Medical Expenses						
Medi-Cal	243,242,414	315.60	233,450,348	297.50	(9,792,066)	(18.09)
OneCare Connect	24,501,572	1,594.64	24,921,999	1,609.12	420,427	14.48
OneCare	1,316,306	962.92	1,373,880	1,044.78	57,574	81.86
PACE	1,076,672	5,007.78	1,347,207	6,237.07	270,535	1,229.29
Total Medical Expenses	270,136,964	342.95	261,093,434	325.67	(9,043,530)	(17.28)
Gross Margin	6,666,693	8.46	12,645,111	15.77	(5,978,418)	(7.31)
Administrative Expenses						
Salaries and Benefits	5,803,270	7.37	6,909,986	8.62	1,106,716	1.25
Professional fees	173,902	0.22	428,438	0.53	254,536	0.31
Purchased services	714,461	0.91	1,851,279	2.31	1,136,818	1.40
Printing and Postage	187,054	0.24	534,871	0.67	347,817	0.43
Depreciation and Amortization	378,092	0.48	463,298	0.58	85,206	0.10
Other	1,134,941	1.44	1,559,816	1.95	424,875	0.50
Indirect cost allocation, Occupancy expense	340,043	0.43	340,417	0.42	374	(0.01)
Total Administrative Expenses	8,731,762	11.09	12,088,105	15.08	3,356,343	3.99
Income (Loss) From Operations	(2,065,069)	(2.62)	557,006	0.69	(2,622,075)	(3.32)
Investment income						
Interest income	1,929,887	2.45	250,000	0.31	1,679,887	2.14
Realized gain/(loss) on investments	(40,179)	(0.05)	-	-	(40,179)	(0.05)
Unrealized gain/(loss) on investments	819,624	1.04	-	-	819,624	1.04
Total Investment Income	2,709,333	3.44	250,000	0.31	2,459,333	3.13
Net Rental Income	3,170	0.00	2,544	0.00	626	0.00
Total Net Operating Tax	-	-	-	-	-	-
Total Net Grant Income	(2,666)	(0.00)	-	-	(2,666)	(0.00)
QAF/IGT	-	-	-	-	-	-
Other Income	73	0.00	-	-	73	0.00
Change In Net Assets	**644,841**	**0.82**	**809,550**	**1.01**	**(164,709)**	**(0.19)**
Medical Loss Ratio	**97.6%**		**95.4%**		**(2.2%)**	
Administrative Loss Ratio	**3.2%**		**4.4%**		**1.3%**	

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

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

	Medi-Cal Classic	Medi-Cal Expansion	Total Medi-Cal	OneCare Connect	OneCare	PACE	Consolidated
Member Months	532,249	238,490	770,739	15,365	1,367	215	787,686
REVENUES							
Capitation Revenue	$ 147,148,251	$ 101,311,804	$ 248,460,055	$ 25,492,870	$ 1,348,574	$ 1,502,158	$ 276,803,657
Other Income	-	-	-	-	-	-	-
Total Operating Revenues	147,148,251	101,311,804	248,460,055	25,492,870	1,348,574	1,502,158	276,803,657
MEDICAL EXPENSES							
Provider Capitation	38,252,454	49,812,008	88,064,462	9,846,523	400,462	-	98,311,447
Facilities	24,090,011	20,888,338	44,978,348	2,480,464	394,962	202,365	48,056,139
Ancillary	-	-	-	584,735	31,515	-	616,250
Skilled Nursing	-	-	-	-	27,268	-	27,268
Professional Claims	7,184,543	8,072,631	15,257,174	-	-	243,696	15,500,870
Prescription Drugs	17,693,301	18,439,029	36,132,330	5,033,741	425,143	93,462	41,684,675
Long-term Care Facility Payments	53,169,264	2,490,933	55,660,197	5,231,479	-	(11,203)	60,880,473
Medical Management	2,810,261	-	2,810,261	1,064,319	28,294	424,452	4,327,325
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Total Medical Expenses	143,273,518	99,968,896	243,242,414	24,501,572	1,316,306	1,076,672	270,136,964
Medical Loss Ratio	**97.4%**	**98.7%**	**97.9%**	**96.1%**	**97.6%**	**71.7%**	**97.6%**
GROSS MARGIN	**3,874,733**	**1,342,908**	**5,217,641**	**991,298**	**32,268**	**425,485**	**6,666,693**
ADMINISTRATIVE EXPENSES							
Salaries, Wages & Benefits			4,975,290	728,583	27,705	71,692	5,803,270
Professional fees			172,345	-	0	1,557	173,902
Purchased services			608,528	89,340	10,735	5,858	714,461
Printing and Postage			167,600	12,798	6,442	215	187,054
Depreciation and Amortization			375,995	-	-	2,096	378,092
Other expenses			1,101,679	29,387	0	3,874	1,134,941
Indirect cost allocation, Occupancy expense			(279,013)	584,428	31,910	2,718	340,043
Total Administrative Expenses			7,122,425	1,444,536	76,791	88,009	8,731,762
Admin Loss Ratio			**2.9%**	**5.7%**	**5.7%**	**5.9%**	**3.2%**
INCOME (LOSS) FROM OPERATIONS			(1,904,784)	(453,238)	(44,523)	337,476	(2,065,069)
INVESTMENT INCOME			-	-	-	-	2,709,333
NET RENTAL INCOME			-	-	-	-	3,170
NET GRANT INCOME			(2,666)	-	-	-	(2,666)
OTHER INCOME			73	-	-	-	73
CHANGE IN NET ASSETS			**$ (1,907,377)**	**$ (453,238)**	**$ (44,523)**	**$ 337,476**	**$ 644,841**
BUDGETED CHANGE IN ASSETS			1,443,045	(594,005)	(219,575)	(72,459)	809,550
VARIANCE TO BUDGET - FAV (UNFAV)			(3,350,421)	140,767	175,051	409,935	(164,709)

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SUMMARY

MONTHLY RESULTS:

- Change in Net Assets is $0.6 million, $0.2 million unfavorable to budget
- Operating deficit is $2.1 million with a surplus in non-operating of $2.7 million

Change in Net Assets by LOB ($millions)

MONTH-TO-DATE			
Actual	Budget	Variance	
(1.9)	1.4	(3.4)	Medi-Cal
(0.5)	(0.6)	0.1	OCC
0.0	(0.2)	0.2	OneCare
0.3	(0.1)	0.4	PACE
(2.1)	**0.6**	**(2.6)**	**Operating**
2.7	0.3	2.5	Inv./Rental Inc, MCO tax
2.7	**0.3**	**2.5**	**Non-Operating**
0.6	**0.8**	**(0.2)**	**TOTAL**

CalOptima

Enrollment Summary

For the One Month Ended July 31, 2017

Month-to-Date					Year-to-Date			
Actual	**Budget**	**Variance**	**%**	**Enrollment (By Aid Category)**	**Actual**	**Budget**	**Variance**	**%**
60,963	61,853	(890)	(1.4%)	Aged	60,963	61,853	(890)	(1.4%)
627	618	9	1.5%	BCCTP	627	618	9	1.5%
46,984	48,744	(1,760)	(3.6%)	Disabled	46,984	48,744	(1,760)	(3.6%)
324,532	330,072	(5,540)	(1.7%)	TANF Child	324,532	330,072	(5,540)	(1.7%)
95,766	104,110	(8,344)	(8.0%)	TANF Adult	95,766	104,110	(8,344)	(8.0%)
3,377	3,268	109	3.3%	LTC	3,377	3,268	109	3.3%
238,490	236,032	2,458	1.0%	MCE	238,490	236,032	2,458	1.0%
770,739	**784,697**	**(13,958)**	**(1.8%)**	**Medi-Cal**	**770,739**	**784,697**	**(13,958)**	**(1.8%)**
15,365	**15,488**	**(123)**	**(0.8%)**	**OneCare Connect**	**15,365**	**15,488**	**(123)**	**(0.8%)**
215	**216**	**(1)**	**(0.5%)**	**PACE**	**215**	**216**	**(1)**	**(0.5%)**
1,367	**1,315**	**52**	**4.0%**	**OneCare**	**1,367**	**1,315**	**52**	**4.0%**
787,686	**801,716**	**(14,030)**	**(1.7%)**	**CalOptima Total**	**787,686**	**801,716**	**(14,030)**	**(1.7%)**

				Enrollment (By Network)				
170,752	173,966	(3,214)	(1.8%)	HMO	170,752	173,966	(3,214)	(1.8%)
222,601	227,238	(4,637)	(2.0%)	PHC	222,601	227,238	(4,637)	(2.0%)
203,214	210,648	(7,434)	(3.5%)	Shared Risk Group	203,214	210,648	(7,434)	(3.5%)
174,172	172,847	1,325	0.8%	Fee for Service	174,172	172,847	1,325	0.8%
770,739	**784,697**	**(13,960)**	**(1.8%)**	**Medi-Cal**	**770,739**	**784,697**	**(13,958)**	**(1.8%)**
15,365	**15,488**	**(123)**	**(0.8%)**	**OneCare Connect**	**15,365**	**15,488**	**(123)**	**(0.8%)**
215	**216**	**(1)**	**(0.5%)**	**PACE**	**215**	**216**	**(1)**	**(0.5%)**
1,367	**1,315**	**52**	**4.0%**	**OneCare**	**1,367**	**1,315**	**52**	**4.0%**
787,686	**801,716**	**(14,030)**	**(1.7%)**	**CalOptima Total**	**787,686**	**801,716**	**(14,030)**	**(1.7%)**

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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	4,058	-	-	-	-	-	-	-	-	-	-	-	4,058
BCCTP	1	-	-	-	-	-	-	-	-	-	-	-	1
Disabled	6,749	-	-	-	-	-	-	-	-	-	-	-	6,749
TANF Child	61,492	-	-	-	-	-	-	-	-	-	-	-	61,492
TANF Adult	30,429	-	-	-	-	-	-	-	-	-	-	-	30,429
LTC	3	-	-	-	-	-	-	-	-	-	-	-	3
MCE	68,020	-	-	-	-	-	-	-	-	-	-	-	68,020
	170,752	-	-	-	-	-	-	-	-	-	-	-	170,752
PHC													
Aged	1,480	-	-	-	-	-	-	-	-	-	-	-	1,480
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	7,318	-	-	-	-	-	-	-	-	-	-	-	7,318
TANF Child	162,801	-	-	-	-	-	-	-	-	-	-	-	162,801
TANF Adult	12,604	-	-	-	-	-	-	-	-	-	-	-	12,604
LTC	-	-	-	-	-	-	-	-	-	-	-	-	-
MCE	38,398	-	-	-	-	-	-	-	-	-	-	-	38,398
	222,601	-	-	-	-	-	-	-	-	-	-	-	222,601
Shared Risk Group													
Aged	3,809	-	-	-	-	-	-	-	-	-	-	-	3,809
BCCTP	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled	8,108	-	-	-	-	-	-	-	-	-	-	-	8,108
TANF Child	72,723	-	-	-	-	-	-	-	-	-	-	-	72,723
TANF Adult	32,775	-	-	-	-	-	-	-	-	-	-	-	32,775
LTC	-	-	-	-	-	-	-	-	-	-	-	-	-
MCE	85,799	-	-	-	-	-	-	-	-	-	-	-	85,799
	203,214	-	-	-	-	-	-	-	-	-	-	-	203,214
Fee for Service (Dual)													
Aged	48,036	-	-	-	-	-	-	-	-	-	-	-	48,036
BCCTP	25	-	-	-	-	-	-	-	-	-	-	-	25
Disabled	20,343	-	-	-	-	-	-	-	-	-	-	-	20,343
TANF Child	3	-	-	-	-	-	-	-	-	-	-	-	3
TANF Adult	1,205	-	-	-	-	-	-	-	-	-	-	-	1,205
LTC	3,002	-	-	-	-	-	-	-	-	-	-	-	3,002
MCE	2,816	-	-	-	-	-	-	-	-	-	-	-	2,816
	75,430	-	-	-	-	-	-	-	-	-	-	-	75,430
Fee for Service (Non-Dual)													
Aged	3,580	-	-	-	-	-	-	-	-	-	-	-	3,580
BCCTP	601	-	-	-	-	-	-	-	-	-	-	-	601
Disabled	4,466	-	-	-	-	-	-	-	-	-	-	-	4,466
TANF Child	27,513	-	-	-	-	-	-	-	-	-	-	-	27,513
TANF Adult	18,753	-	-	-	-	-	-	-	-	-	-	-	18,753
LTC	372	-	-	-	-	-	-	-	-	-	-	-	372
MCE	43,457	-	-	-	-	-	-	-	-	-	-	-	43,457
	98,742	-	-	-	-	-	-	-	-	-	-	-	98,742
MEDI-CAL TOTAL													
Aged	60,963	-	-	-	-	-	-	-	-	-	-	-	60,963
BCCTP	627	-	-	-	-	-	-	-	-	-	-	-	627
Disabled	46,984	-	-	-	-	-	-	-	-	-	-	-	46,984
TANF Child	324,532	-	-	-	-	-	-	-	-	-	-	-	324,532
TANF Adult	95,766	-	-	-	-	-	-	-	-	-	-	-	95,766
LTC	3,377	-	-	-	-	-	-	-	-	-	-	-	3,377
MCE	238,490	-	-	-	-	-	-	-	-	-	-	-	238,490
	770,739	-	-	-	-	-	-	-	-	-	-	-	770,739
PACE	215	-	-	-	-	-	-	-	-	-	-	-	215
OneCare	1,367	-	-	-	-	-	-	-	-	-	-	-	1,367
OneCare Connect	15,365	-	-	-	-	-	-	-	-	-	-	-	15,365
TOTAL	787,686	-	-	-	-	-	-	-	-	-	-	-	787,686

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ENROLLMENT:

Overall MTD enrollment was 787,686
- Unfavorable to budget by 14,030 or 1.7%
- Decreased 1,380 or 0.2% from prior month
- Decreased 11,397 or 1.4% from prior year (July 2016)

Medi-Cal enrollment was 770,739
- Unfavorable to budget by 13,958
  - TANF unfavorable by 13,884
  - Expansion favorable by 2,458
  - SPD unfavorable by 2,641
  - LTC favorable by 109
- Decreased 1,489 from prior month

OneCare Connect enrollment was 15,365
- Unfavorable to budget by 123
- Decreased 140 from prior month

OneCare enrollment was 1,367
- Favorable to budget by 52
- Increased 246 from prior month

PACE enrollment was 215
- Unfavorable to budget by 1
- Increased 3 from prior month

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CalOptima - Medi-Cal Total
Statement of Revenues and Expenses
For the One Month Ended July 31, 2017

Month Actual	Month Budget	Month $ Variance	Month % Variance		YTD Actual	YTD Budget	YTD $ Variance	YTD % Variance
770,739	784,697	(13,958)	(1.8%)	Member Months	770,739	784,697	(13,958)	(1.8%)
				Revenues				
248,460,055	244,788,286	3,671,769	1.5%	Capitation revenue	248,460,055	244,788,286	3,671,769	1.5%
248,460,055	244,788,286	3,671,769	1.5%	Total Operating Revenues	248,460,055	244,788,286	3,671,769	1.5%
				Medical Expenses				
88,064,462	87,120,002	(944,460)	(1.1%)	Provider capitation	88,064,462	87,120,002	(944,460)	(1.1%)
44,978,348	43,882,873	(1,095,476)	(2.5%)	Facilities	44,978,348	43,882,873	(1,095,476)	(2.5%)
15,257,174	13,866,229	(1,390,945)	(10.0%)	Professional Claims	15,257,174	13,866,229	(1,390,945)	(10.0%)
36,132,330	35,568,155	(564,175)	(1.6%)	Prescription drugs	36,132,330	35,568,155	(564,175)	(1.6%)
55,660,197	49,570,383	(6,089,814)	(12.3%)	MLTSS	55,660,197	49,570,383	(6,089,814)	(12.3%)
2,810,261	3,127,688	317,428	10.1%	Medical Management	2,810,261	3,127,688	317,428	10.1%
339,642	315,017	(24,625)	(7.8%)	Reinsurance & other	339,642	315,017	(24,625)	(7.8%)
243,242,414	233,450,348	(9,792,066)	(4.2%)	Total Medical Expenses	243,242,414	233,450,348	(9,792,066)	(4.2%)
5,217,641	11,337,938	(6,120,297)	(54.0%)	Gross Margin	5,217,641	11,337,938	(6,120,297)	(54.0%)
				Administrative Expenses				
4,975,290	5,873,696	898,406	15.3%	Salaries, wages & employee benefits	4,975,290	5,873,696	898,406	15.3%
172,345	371,772	199,426	53.6%	Professional fees	172,345	371,772	199,426	53.6%
608,528	1,578,285	969,757	61.4%	Purchased services	608,528	1,578,285	969,757	61.4%
167,600	398,736	231,136	58.0%	Printing and postage	167,600	398,736	231,136	58.0%
375,995	461,246	85,251	18.5%	Depreciation & amortization	375,995	461,246	85,251	18.5%
1,101,679	1,489,944	388,265	26.1%	Other operating expenses	1,101,679	1,489,944	388,265	26.1%
(279,013)	(278,785)	228	0.1%	Indirect cost allocation	(279,013)	(278,785)	228	0.1%
7,122,425	9,894,894	2,772,468	28.0%	Total Administrative Expenses	7,122,425	9,894,894	2,772,468	28.0%
				Operating Tax				
10,135,218	10,900,346	765,128	7.0%	Tax Revenue	10,135,218	10,900,346	765,128	7.0%
10,135,218	0	(10,135,218)	0.0%	Premium tax expense	10,135,218	0	(10,135,218)	0.0%
0	10,900,346	10,900,346	100.0%	Sales tax expense	0	10,900,346	10,900,346	100.0%
0	0	0	0.0%	Total Net Operating Tax	0	0	0	0.0%
				Grant Income				
69,250	291,249	(221,999)	(76.2%)	Grant Revenue	69,250	291,249	(221,999)	(76.2%)
58,863	258,276	199,414	77.2%	Grant expense - Service Partner	58,863	258,276	199,414	77.2%
13,053	32,973	19,920	60.4%	Grant expense - Administrative	13,053	32,973	19,920	60.4%
(2,666)	0	(2,666)	0.0%	Total Net Grant Income	(2,666)	0	(2,666)	0.0%
73	0	73	0.0%	Other income	73	0	73	0.0%
(1,907,377)	1,443,045	(3,350,421)	(232.2%)	Change in Net Assets	(1,907,377)	1,443,045	(3,350,421)	(232.2%)
97.9%	95.4%	-2.5%	-2.7%	Medical Loss Ratio	97.9%	95.4%	-2.5%	-2.7%
2.9%	4.0%	1.2%	29.1%	Admin Loss Ratio	2.9%	4.0%	1.2%	29.1%

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MEDI-CAL INCOME STATEMENT – JULY MONTH:

REVENUES of $248.5 million are favorable to budget by $3.7 million, driven by:

- Unfavorable volume related variance of: $4.4 million
- Favorable price related variance of $8.0 million due to:
  - $4.5 million for Coordinated Care Initiative (CCI) revenue and In-Home Supportive Services (IHSS)
  - $1.9 million of fiscal year 2017 LTC related revenue recognized for members with Non-LTC aid codes
  - $1.5 million of fiscal year 2017 BHT Revenue

MEDICAL EXPENSES: Overall $243.2 million, unfavorable to budget by $9.8 million due to:

- **Long term care claim payments (MLTSS)** are unfavorable to budget $6.1 million due to:
  - LTC unfavorable variance of $3.5 million adjustment of IHSS expense corresponding with the favorable CCI revenue variance above
  - Nursing facility unfavorable variance of $2.0 million
- **Provider Capitation** is unfavorable $0.9 million due to BHT Capitation
- **Facilities** expenses are unfavorable to budget $1.1 million due to Hospital Shared Risk Pool

ADMINISTRATIVE EXPENSES are $7.1 million, favorable to budget $2.8 million, driven by:

- Purchased Services: $1.0 million favorable to budget
- Salary & Benefits: $0.9 million favorable to budget due to open positions
- Other Non-Salary: $0.9 million unfavorable to budget

CHANGE IN NET ASSETS is ($1.9) million for the month, unfavorable to budget by $3.4 million

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CalOptima - OneCare Connect
Statement of Revenues and Expenses
For the One Month Ended July 31, 2017

Month Actual	Month Budget	Month $ Variance	Month % Variance		YTD Actual	YTD Budget	YTD $ Variance	YTD % Variance
15,365	15,488	(123)	(0.8%)	Member Months	15,365	15,488	(123)	(0.8%)
				Revenues				
7,368,561	7,522,125	(153,564)	(2.0%)	Medi-Cal Capitation revenue	7,368,561	7,522,125	(153,564)	(2.0%)
18,124,309	18,749,841	(625,532)	(3.3%)	Medicare Capitation revenue	18,124,309	18,749,841	(625,532)	(3.3%)
25,492,870	26,271,966	(779,096)	(3.0%)	Total Operating Revenue	25,492,870	26,271,966	(779,096)	(3.0%)
				Medical Expenses				
9,846,523	7,723,110	(2,123,413)	(27.5%)	Provider capitation	9,846,523	7,723,110	(2,123,413)	(27.5%)
2,480,464	5,094,250	2,613,786	51.3%	Facilities	2,480,464	5,094,250	2,613,786	51.3%
584,735	626,246	41,511	6.6%	Ancillary	584,735	626,246	41,511	6.6%
5,231,479	4,254,619	(976,860)	(23.0%)	Long Term Care	5,231,479	4,254,619	(976,860)	(23.0%)
5,033,741	5,827,270	793,529	13.6%	Prescription drugs	5,033,741	5,827,270	793,529	13.6%
1,064,319	1,279,330	215,011	16.8%	Medical management	1,064,319	1,279,330	215,011	16.8%
260,312	117,174	(143,138)	(122.2%)	Other medical expenses	260,312	117,174	(143,138)	(122.2%)
24,501,572	24,921,999	420,427	1.7%	Total Medical Expenses	24,501,572	24,921,999	420,427	1.7%
991,298	1,349,967	(358,669)	(26.6%)	Gross Margin	991,298	1,349,967	(358,669)	(26.6%)
				Administrative Expenses				
728,583	926,395	197,811	21.4%	Salaries, wages & employee benefits	728,583	926,395	197,811	21.4%
0	38,333	38,333	100.0%	Professional fees	0	38,333	38,333	100.0%
89,340	239,868	150,528	62.8%	Purchased services	89,340	239,868	150,528	62.8%
12,798	103,801	91,003	87.7%	Printing and postage	12,798	103,801	91,003	87.7%
29,387	51,148	21,761	42.5%	Other operating expenses	29,387	51,148	21,761	42.5%
584,428	584,428	(0)	(0.0%)	Indirect cost allocation, Occupancy Expense	584,428	584,428	(0)	(0.0%)
1,444,536	1,943,972	499,436	25.7%	Total Administrative Expenses	1,444,536	1,943,972	499,436	25.7%
				Operating Tax				
0	0	0	0.0%	Total Net Operating Tax	0	0	0	0.0%
(453,238)	(594,005)	140,767	23.7%	Change in Net Assets	(453,238)	(594,005)	140,767	23.7%
96.1%	94.9%	-1.2%	-1.3%	Medical Loss Ratio	96.1%	94.9%	-1.2%	-1.3%
5.7%	7.4%	1.7%	23.4%	Admin Loss Ratio	5.7%	7.4%	1.7%	23.4%

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ONECARE CONNECT INCOME STATEMENT – JULY MONTH:

REVENUES of $25.5 million are unfavorable to budget by $0.8 million driven by:

- Unfavorable volume related variance of $0.2 million due to lower enrollment
- Unfavorable price related variance of $0.6 million due to Part D

MEDICAL EXPENSES are favorable to budget $0.4 million due to:

- Favorable volume related variance of $0.2 million due to lower enrollment
- Favorable price related variance of $0.2 million from Rx rebates

ADMINISTRATIVE EXPENSES are favorable to budget by $0.5 million

CHANGE IN NET ASSETS is ($0.5) million, $0.1 million favorable to budget

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CalOptima - OneCare
Statement of Revenues and Expenses
For the One Month Ended July 31, 2017

Month Actual	Month Budget	Month $ Variance	Month % Variance		Year - To - Date Actual	Year - To - Date Budget	Year - To - Date $ Variance	Year - To - Date % Variance
1,367	1,315	52	4.0%	Member Months	1,367	1,315	52	4.0%
				Revenues				
1,348,574	1,258,717	89,857	7.1%	Capitation revenue	1,348,574	1,258,717	89,857	7.1%
1,348,574	1,258,717	89,857	7.1%	Total Operating Revenue	1,348,574	1,258,717	89,857	7.1%
				Medical Expenses				
400,462	333,072	(67,390)	(20.2%)	Provider capitation	400,462	333,072	(67,390)	(20.2%)
394,962	443,130	48,168	10.9%	Inpatient	394,962	443,130	48,168	10.9%
31,515	47,625	16,110	33.8%	Ancillary	31,515	47,625	16,110	33.8%
27,268	41,048	13,780	33.6%	Skilled nursing facilities	27,268	41,048	13,780	33.6%
425,143	475,900	50,757	10.7%	Prescription drugs	425,143	475,900	50,757	10.7%
28,294	25,320	(2,974)	(11.7%)	Medical management	28,294	25,320	(2,974)	(11.7%)
8,663	7,785	(878)	(11.3%)	Other medical expenses	8,663	7,785	(878)	(11.3%)
1,316,306	1,373,880	57,574	4.2%	Total Medical Expenses	1,316,306	1,373,880	57,574	4.2%
32,268	(115,163)	147,431	128.0%	Gross Margin	32,268	(115,163)	147,431	128.0%
				Administrative Expenses				
27,705	20,170	(7,535)	(37.4%)	Salaries, wages & employee benefits	27,705	20,170	(7,535)	(37.4%)
0	13,333	13,333	100.0%	Professional fees	0	13,333	13,333	100.0%
10,735	11,990	1,255	10.5%	Purchased services	10,735	11,990	1,255	10.5%
6,442	26,788	20,346	76.0%	Printing and postage	6,442	26,788	20,346	76.0%
0	221	221	100.0%	Other operating expenses	0	221	221	100.0%
31,910	31,910	(0)	(0.0%)	Indirect cost allocation, Occupancy Expense	31,910	31,910	(0)	(0.0%)
76,791	104,412	27,620	26.5%	Total Administrative Expenses	76,791	104,412	27,620	26.5%
(44,523)	(219,575)	175,051	79.7%	Change in Net Assets	(44,523)	(219,575)	175,051	79.7%
97.6%	109.1%	11.5%	10.6%	Medical Loss Ratio	97.6%	109.1%	11.5%	10.6%
5.7%	8.3%	2.6%	31.4%	Admin Loss Ratio	5.7%	8.3%	2.6%	31.4%

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CalOptima - PACE
Statement of Revenues and Expenses
For the One Month Ended July 31, 2017

Month Actual	Month Budget	Month $ Variance	Month % Variance		YTD Actual	YTD Budget	YTD $ Variance	YTD % Variance
215	216	(1)	(0.5%)	Member Months	215	216	(1)	(0.5%)
				Revenues				
1,056,968	1,092,996	(36,029)	(3.3%)	Medi-Cal capitation revenue	1,056,968	1,092,996	(36,029)	(3.3%)
445,190	326,579	118,611	36.3%	Medicare capitation revenue	445,190	326,579	118,611	36.3%
1,502,158	1,419,576	82,582	5.8%	Total Operating Revenues	1,502,158	1,419,576	82,582	5.8%
				Medical Expenses				
333,542	409,447	75,905	18.5%	Clinical salaries & benefits	333,542	409,447	75,905	18.5%
202,365	311,869	109,505	35.1%	Claims payments to hospitals	202,365	311,869	109,505	35.1%
243,696	257,680	13,984	5.4%	Professional Claims	243,696	257,680	13,984	5.4%
93,462	108,451	14,989	13.8%	Prescription drugs	93,462	108,451	14,989	13.8%
(11,203)	11,902	23,104	194.1%	Long-term care facility payments	(11,203)	11,902	23,104	194.1%
90,910	89,233	(1,677)	(1.9%)	Patient Transportation	90,910	89,233	(1,677)	(1.9%)
0	0	0	0.0%	Reinsurance	0	0	0	0.0%
123,900	158,625	34,725	21.9%	Other Expenses	123,900	158,625	34,725	21.9%
1,076,672	1,347,207	270,535	20.1%	Total Medical Expenses	1,076,672	1,347,207	270,535	20.1%
425,485	72,369	353,117	487.9%	Gross Margin	425,485	72,369	353,117	487.9%
				Administrative Expenses				
71,692	89,725	18,034	20.1%	Salaries, wages & employee benefits	71,692	89,725	18,034	20.1%
1,557	5,000	3,443	68.9%	Professional fees	1,557	5,000	3,443	68.9%
5,858	21,136	15,278	72.3%	Purchased services	5,858	21,136	15,278	72.3%
215	5,547	5,332	96.1%	Printing and postage	215	5,547	5,332	96.1%
2,096	2,052	(44)	(2.2%)	Depreciation & amortization	2,096	2,052	(44)	(2.2%)
3,874	18,503	14,629	79.1%	Other operating expenses	3,874	18,503	14,629	79.1%
2,718	2,864	146	5.1%	Indirect cost allocation, Occupancy Expense	2,718	2,864	146	5.1%
88,009	144,827	56,818	39.2%	Total Administrative Expenses	88,009	144,827	56,818	39.2%
				Operating Tax				
0	0	0	0.0%	Total Net Operating Tax	0	0	0	0.0%
337,476	(72,459)	409,935	565.7%	Change in Net Assets	337,476	(72,459)	409,935	565.7%
71.7%	94.9%	23.2%	24.5%	Medical Loss Ratio	71.7%	94.9%	23.2%	24.5%
5.9%	10.2%	4.3%	42.6%	Admin Loss Ratio	5.9%	10.2%	4.3%	42.6%

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CalOptima - Building 505 City Parkway
Statement of Revenues and Expenses
For the One Month Ended July 31, 2017

Month Actual	Month Budget	Month $ Variance	Month % Variance		YTD Actual	YTD Budget	YTD $ Variance	YTD % Variance
				Revenues				
24,056	21,387	2,669	12.5%	Rental income	24,056	21,387	2,669	12.5%
24,056	21,387	2,669	12.5%	Total Operating Revenue	24,056	21,387	2,669	12.5%
				Administrative Expenses				
29,508	23,186	(6,322)	(27.3%)	Purchase services	29,508	23,186	(6,322)	(27.3%)
159,482	161,474	1,991	1.2%	Depreciation & amortization	159,482	161,474	1,991	1.2%
14,913	9,117	(5,797)	(63.6%)	Insurance expense	14,913	9,117	(5,797)	(63.6%)
107,149	158,122	50,972	32.2%	Repair and maintenance	107,149	158,122	50,972	32.2%
69,306	0	(69,306)	0.0%	Other Operating Expense	69,306	0	(69,306)	0.0%
(359,472)	(333,055)	26,417	7.9%	Indirect allocation, Occupancy Expense	(359,472)	(333,055)	26,417	7.9%
20,887	18,843	(2,044)	(10.8%)	Total Administrative Expenses	20,887	18,843	(2,044)	(10.8%)
3,170	2,544	626	24.6%	Change in Net Assets	3,170	2,544	626	24.6%

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OTHER STATEMENTS – JULY MONTH:

ONECARE INCOME STATEMENT

CHANGE IN NET ASSETS is ($44.5) thousand, $175.1 thousand favorable to budget

PACE INCOME STATEMENT

CHANGE IN NET ASSETS for the month is $0.3 million, $0.4 million favorable to budget

505 CITY PARKWAY BUILDING INCOME STATEMENT

CHANGE IN NET ASSETS for the month is $3.2 thousand; $0.1 thousand favorable to budget

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CalOptima
BALANCE SHEET
July 31, 2017

ASSETS		**LIABILITIES & FUND BALANCES**	
Current Assets		Current Liabilities	
Operating Cash	$520,629,891	Accounts payable	$19,191,148
Investments	1,042,089,960	Medical claims liability	1,256,027,205
Capitation receivable	555,427,127	Accrued payroll liabilities	9,641,084
Receivables - Other	20,691,018	Deferred revenue	110,962,533
Prepaid Expenses	5,183,841	Deferred lease obligations	190,764
		Capitation and withholds	589,500,324
Total Current Assets	**2,144,021,837**	**Total Current Liabilities**	**1,985,513,058**
Capital Assets Furniture and equipment	33,437,912	Other (than pensions) post employment benefits liability	28,767,486
Leasehold improvements	5,884,660		
505 City Parkway West	49,422,364	Net Pension Liabilities	16,144,973
	88,744,936	Long Term Liabilities	100,000
Less: accumulated depreciation	(35,029,816)		
Capital assets, net	**53,715,120**	**TOTAL LIABILITIES**	**2,030,525,517**
Other Assets Restricted deposit & Other	300,000	Deferred inflows of Resources - Excess Earnings	-
		Deferred inflows of Resources - Changes in Assumptions	1,340,010
Board-designated assets			
Cash and cash equivalents	29,002,485	Tangible net equity (TNE)	89,980,450
Long term investments	507,352,179	Funds in excess of TNE	624,122,783
Total Board-designated Assets	536,354,664		
Total Other Assets	**536,654,664**	**Net Assets**	**714,103,233**
Deferred outflows of Resources - Pension Contributions	5,234,198		
Deferred outflows of Resources - Difference in Experience	1,072,771		
Deferred outflows of Resources - Excess Earnings	5,270,171		
TOTAL ASSETS & OUTFLOWS	**2,745,968,760**	**TOTAL LIABILITIES, INFLOWS & FUND BALANCES**	**2,745,968,760**

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BALANCE SHEET:

ASSETS increased $5.9 million from June

- **Net Capitation Receivables** increased $33.0 million based upon payment receipt timing and receivables
- **Short-term Investments** decreased $40.3 million due to payment receipt timing and cash funding requirements
- **Cash and Cash Equivalents** increased by $24.2 million based upon payment receipt timing and receivables

LIABILITIES increased $5.2 million from June

- **Medical Claims Liability** by line of business increased $9.6 million due to increase medical liability relating to Coordinated Care Initiative (CCI)
- **Capitation Payable** increased $8.7 driven by timing of Capitation payments
- **Accrued Expenses** decreased $20.7 million based on the timing of sales tax payments and an earlier fiscal year-end processing cut-off

NET ASSETS are $714.1 million

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CalOptima
Statement of Cash Flows
July 31, 2017

	Month Ended	Year-To-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	644,841	644,841
Adjustments to reconcile change in net assets		
to net cash provided by operating activities		
Depreciation and amortization	537,574	537,574
Changes in assets and liabilities:		
Prepaid expenses and other	470,806	470,806
Catastrophic reserves		
Capitation receivable	(32,569,410)	(32,569,410)
Medical claims liability	9,601,185	9,601,185
Deferred revenue	6,989,408	6,989,408
Payable to providers	8,660,614	8,660,614
Accounts payable	(20,932,143)	(20,932,143)
Other accrued liabilities	889,337	889,337
Net cash provided by/(used in) operating activities	(25,707,788)	(25,707,788)
GASB 68 CalPERS Adjustments	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	40,335,792	40,335,792
Purchase of property and equipment	48,332	48,332
Change in Board designated reserves	(1,216,290)	(1,216,290)
Net cash provided by/(used in) investing activities	39,167,834	39,167,834
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	13,460,046	13,460,046
CASH AND CASH EQUIVALENTS, beginning of period	$507,169,844	507,169,844
CASH AND CASH EQUIVALENTS, end of period	**$ 520,629,891**	**$ 520,629,891**

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

Type	Reserve Name	Market Value	Benchmark		Variance	
			Low	High	Mkt - Low	Mkt - High
	Tier 1 - Payden & Rygel	146,551,672				
	Tier 1 - Logan Circle	146,259,887				
	Tier 1 - Wells Capital	146,315,362				
Board-designated Reserve						
		439,126,921	310,823,204	482,596,199	128,303,717	(43,469,278)
TNE Requirement	Tier 2 - Logan Circle	97,227,743	89,980,450	89,980,450	7,247,293	7,247,293
	Consolidated:	536,354,664	400,803,654	572,576,648	135,551,010	(36,221,985)
	Current reserve level	*1.87*	*1.40*	*2.00*		

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CalOptima Foundation
Statement of Revenues and Expenses
For the One Month Ended July 31, 2017
Consolidated

Month Actual	Month Budget	Month $ Variance	Month % Variance		YTD Actual	YTD Budget	YTD $ Variance	YTD % Variance
				Revenues				
0	0	0	0.0%	Total Operating Revenue	0	0	0	0.0%
				Operating Expenditures				
0	6,184	6,184	100.0%	Personnel	0	6,184	6,184	100.0%
0	2,985	2,985	100.0%	Taxes and Benefits	0	2,985	2,985	100.0%
0	0	0	0.0%	Travel	0	0	0	0.0%
0	0	0	0.0%	Supplies	0	0	0	0.0%
0	0	0	0.0%	Contractual	0	0	0	0.0%
2,083	231,923	229,840	99.1%	Other	2,083	231,923	229,840	99.1%
2,083	241,092	239,009	99.1%	Total Operating Expenditures	2,083	241,092	239,009	99.1%
0	0	0	0.0%	Investment Income	0	0	0	0.0%
(2,083)	(241,092)	(239,009)	(99.1%)	Program Income	(2,083)	(241,092)	(239,009)	(99.1%)

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CalOptima Foundation
Balance Sheet
July 31, 2017

ASSETS		LIABILITIES & NET ASSETS	
Operating cash	2,868,139	Accounts payable-Current	0
Grants receivable	0	Deferred Revenue	0
Prepaid expenses	0	Payable to CalOptima	0
Total Current Assets	**2,868,139**	Grants-Foundation	0
		Total Current Liabilities	0
		Total Liabilities	**2,083**
		Net Assets	**2,866,056**
TOTAL ASSETS	**2,868,139**	**TOTAL LIABILITIES & NET ASSETS**	**2,868,139**

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CALOPTIMA FOUNDATION – JULY MONTH

INCOME STATEMENT:

Income Statement:

Operating Revenue

No activity.

Operating Expenses

CalOptima Foundation operating expenses were $2K for audit fees YTD.

* Expense categories includes: professional fees, staff services, travel and miscellaneous supplies.

* Major Actual to Budget variance was in "Other" category - $239K favorable variance YTD.

- FY18 budget was allocated monthly based on the remaining $2.8M fund balance.
- Actual recognized expenses were much lower than budgeted anticipated CalOptima support activities.

Balance Sheet:

Assets

* Cash - $2.86M remains from the FY14 $3.0M transferred by CalOptima for grants and programs in support of providers and community.

Liabilities

Payable to CalOptima - $2K for audit fees - Foundation.

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Budget Allocation Changes

Reporting Changes for July 2017

Transfer Month	Line of Business	From:	To:	Amount	Expense Description	Fiscal Year
July	Medi-Cal	IS - Infrastructure - Professional Fee (Virtualization Architecture Assessment)	IS - Infrastructure - Professional Fee (On-Site Staff for the Phone System)	$48,600	Re-Purpose $48,600 from Professional Fees (Virtualization Architecture Assessment) to pay for an on-site staff for the phone system	2018
July	Medi-Cal	Facilities - Purchased Services (Restacking Services)	Facilities - Purchased Services (Reconfiguration Services)	$15,000	Re-Purpose $15,000 from Purchased Services (Restacking Services) to reconfiguration and breakdown of furniture for the mail room and the Rover Rock Offices and other related expenses	2018

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.

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CalOptima
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Board of Directors' Finance and Audit Committee Meeting
September 21, 2017

Information Security Update

Recent and Upcoming Activities:

1. The Information Services (IS) Security Team (Security Team) reviewed and updated several of the key Information Security policies, as previously planned. They were approved by the Policy Review Committee on August 2nd, 2017.

2. Phishing Testing continues - Employees who fail phishing tests twice, or who fall victim to an actual phishing incident are now required to complete a 30-minute Information Security online training class. So far, 23 employees have completed and passed the training (22 failed the phishing tests, and one clicked on an actual phishing email). In addition, this training class will also become a part of the annual compliance training for all employees – scheduled to start in September.

3. To respond to the WannaCry worldwide ransom ware threat between May 11-15, IS shut down CalOptima's internet connection on May13 and May14. Teams made sure that all required security patches, backups, detection and prevention controls were up-to-date and in place during the weekend. CalOptima had no impact.

4. In this quarter, the Security Team reported 11 Data Loss Prevention incidents to the Privacy team. The majority of these involved PHI being sent to personal email.

5. On April 24, 2017, the Security Team participated in an on-site Cyber Resilience Review, conducted by the Department of Homeland Security (DHS) local office. This was a no-cost service included with our no-cost membership in the National "Stop.Think.Connect." campaign for Cyber Security Awareness. A final report of their review and suggestions was delivered on June 30. In summary, there were 242 goals within 10 domains reviewed for an area of our security infrastructure. Of those, 208 were found being performed, 34 partially performed, and zero were found to be not performed at all. The suggestions have been added to the information security roadmap, if not there already.

6. In October 2017, and annually, CalOptima will participate in the DHS' National Cyber Security Awareness Month activities to help raise security awareness at CalOptima and across the country. The Security Team is developing the plan for CalOptima, using complimentary and custom content and activities (e.g. keynote speakers, posters, eNews, quizzes, etc.) for all employees.

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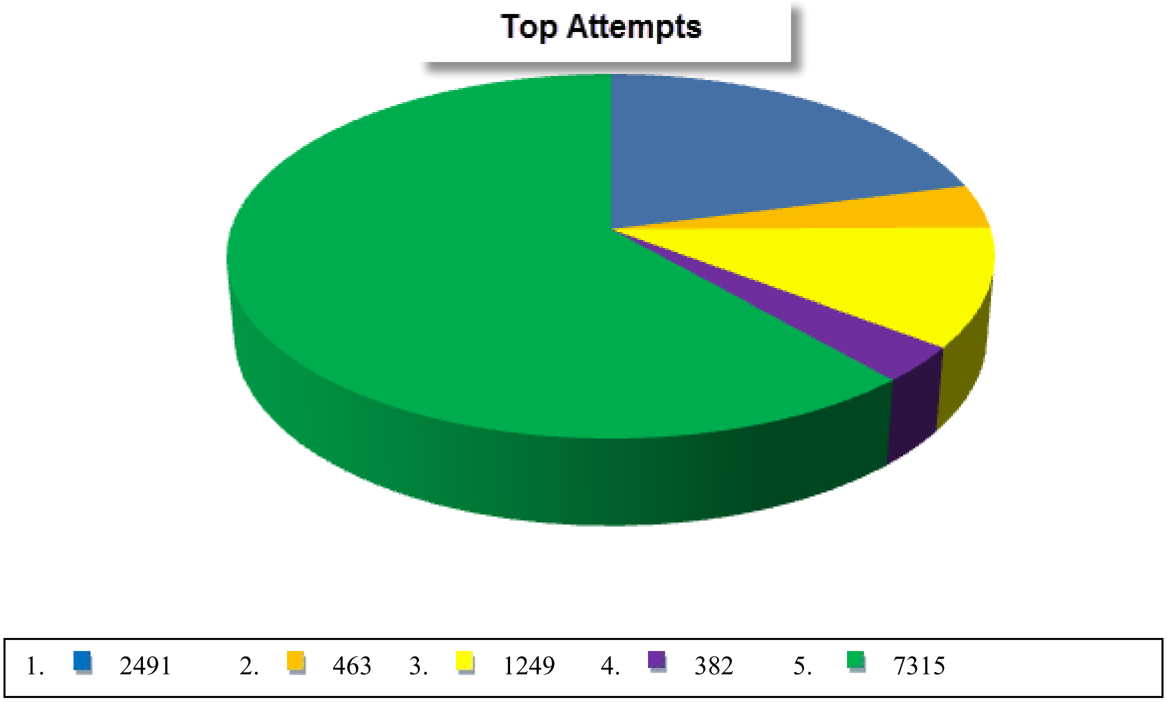
Standard Quarterly Reports



The above chart and report below shows the malicious activities that were prevented from accessing CalOptima's network. **None of the attempts were successful**. 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	Hit count	Description
1	CLDAP: Microsoft Windows Server CLDAP Reflection DDoS Vulnerability	2491	This exploit creates a session with escalated (administrative) permissions under the attacker's control.
2	MS-SQL: Slammer-Sapphire Worm	463	A program or process tried to store more data than it was intended to hold. The extra data may contain codes designed to trigger specific malicious actions.
3	Backdoor: Zero Access Trojan Communication Attempt	1249	A Trojan horse that uses an advanced root kit to try to hide malware and open a back door on the compromised computer.
4	TCP: Gh0st Remote Access Trojan Encrypted Session to CnC Server	382	A remote access tool used to control and launch new malware attacks from inside the network.
5	Invalid TCP Traffic: Possible Recon Scan (No Flags Set)	7315	An attack designed to map out a victim's internal network.

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The following table shows the inbound email traffic through our IronPort appliances. The ultimate goal is delivering clean messages to the intended CalOptima email recipients. The majority of messages blocked originate from spammers or senders with a poor reputation. 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	71.3%	2.1M
Stopped as Invalid Recipients	1.9%	56.2k
Spam Detected	2.7%	81.5k
Virus Detected	0.0%	17
Detected by Advanced Malware Protection	0.0%	0
Messages with Malicious URLs	0.4%	10.6k
Stopped by Content Filter	0.1%	2,954
Stopped by DMARC	0.0%	0
S/MIME Verification/Decryption Failed	0.0%	0
Total Threat Messages:	**76.1%**	**2.3M**
Marketing Messages	7.4%	219.9k
S/MIME Verification/Decryption Successful	0.0%	0
Clean Messages	16.5%	491.2k
Total Attempted Messages:		**3.0M**

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Cost Containment Improvements/Initiatives

Board of Directors' Finance & Audit Committee Meeting
September 21, 2017

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

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Resources Committee - Labor

Report of Open Position/Temporary - June 2017						
	Jun-17			Temporary Help		
Line of Business	FTE's	Dollars	YTD Open Position ($)	Actual	Budget	Variance
MC	60.50	$ 694,023	$ 8,590,182	$ 1,930,604	$ 795,865	$ (1,134,739)
EX	1.00	$ 7,359	$ 54,336	$ -	$ -	$ -
OC		$ -	$ 11,885	$ 54,599	$ 469	$ (54,130)
OCC	25.00	$ 203,443	$ 2,333,298	$ -	$ 205,080	$ 205,080
PACE	11.00	$ 58,447	$ 913,180	$ 436,704	$ 536,588	$ 99,884
MSSP		$ -	$ 7,225	$ 19,199	$ 28,717	$ 9,518
Total	**97.50**	**$ 963,271**	**$ 11,910,106**	**$ 2,441,107**	**$ 1,566,720**	**$ (874,387)**

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

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CalOptima
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Resources Committee – Non-Labor

Professional Fees

LOB	Jun MTD Actual	Jun MTD Budget	Variance $	Variance %	YTD Actual	YTD Budget	Variance $	Variance %	FY 2017 Budget
MC	$ (77,734)	$ 356,361	$ 434,095	122%	$ 527,666	$ 4,235,282	$ 3,707,616	88%	$ 4,235,282
OC	$ 30,013	$ 17,730	$ (12,283)	-69%	$ 204,934	$ 191,000	$ (13,934)	-7%	$ 191,000
OCC	$ 138,488	$ 94,535	$ (43,953)	-46%	$ 459,490	$ 1,054,146	$ 594,656	56%	$ 1,054,146
PACE	$ 20,300	$ 11,667	$ (8,633)	-74%	$ 77,484	$ 115,000	$ 37,516	33%	$ 115,000
MSSP	$ 710	$ 833	$ 124	15%	$ 8,514	$ 10,000	$ 1,486	15%	$ 10,000
Total	**$ 111,776**	**$ 481,126**	**$ 369,350**	**77%**	**$ 1,278,088**	**$ 5,605,428**	**$ 4,327,340**	**77%**	**$ 5,605,428**

Purchased Services

LOB	Jun MTD Actual	Jun MTD Budget	Variance $	Variance %	YTD Actual	YTD Budget	Variance $	Variance %	FY 2017 Budget
MC	$ 1,866,657	$ 980,212	$ (886,444)	-90%	$ 11,053,489	$ 10,870,657	$ (182,831)	-2%	$ 10,870,657
OC	$ 21,732	$ 31,269	$ 9,536	30%	$ 369,671	$ 437,330	$ 67,659	15%	$ 437,330
OCC	$ 424,299	$ 263,345	$ (160,955)	-61%	$ 2,121,374	$ 3,142,607	$ 1,021,233	32%	$ 3,142,607
PACE	$ 2,333	$ 1,311	$ (1,022)	-78%	$ 43,001	$ 15,435	$ (27,566)	-179%	$ 15,435
MSSP	$ -	$ 417	$ 417	100%	$ 86	$ 5,000	$ 4,915	98%	$ 5,000
Total	**$ 2,315,021**	**$ 1,276,553**	**$ (1,038,468)**	**-81%**	**$ 13,587,620**	**$ 14,471,029**	**$ 883,409**	**6%**	**$ 14,471,029**

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CalOptima
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Resources Committee – Non-Labor (cont.)

Printing and Postage

LOB	Jun MTD Actual	Jun MTD Budget	Variance $	Variance %	YTD Actual	YTD Budget	Variance $	Variance %	FY 2017 Budget
MC	$ 598,205	$ 390,833	$ (207,371)	-53%	$ 3,341,534	$ 4,441,993	$ 1,100,459	25%	$ 4,441,993
OC	$ 10,102	$ 16,264	$ 6,162	38%	$ 124,697	$ 190,861	$ 66,164	35%	$ 190,861
OCC	$ 105,503	$ 178,337	$ 72,834	41%	$ 706,712	$ 2,019,550	$ 1,312,838	65%	$ 2,019,550
PACE	$ 1,596	$ 1,710	$ 114	7%	$ 19,036	$ 20,738	$ 1,702	8%	$ 20,738
MSSP	$ -	$ 333	$ 333	100%	$ -	$ 4,000	$ 4,000	100%	$ 4,000
Total	**$ 715,406**	**$ 587,478**	**$ (127,928)**	**-22%**	**$ 4,191,979**	**$ 6,677,142**	**$ 2,485,163**	**37%**	**$ 6,677,142**

Other Operating Expenses

LOB	Jun MTD Actual	Jun MTD Budget	Variance $	Variance %	YTD Actual	YTD Budget	Variance $	Variance %	FY 2017 Budget
MC	$ 2,552,898	$ 1,436,011	$ (1,116,888)	-78%	$ 15,307,746	$ 16,602,724	$ 1,294,978	8%	$ 16,602,724
OC	$ 163	$ 2,080	$ 1,917	92%	$ 8,667	$ 20,913	$ 12,246	59%	$ 20,913
OCC	$ 70,027	$ 44,641	$ (25,386)	-57%	$ 527,173	$ 973,240	$ 446,067	46%	$ 973,240
PACE	$ 66,836	$ 41,005	$ (25,831)	-63%	$ 501,569	$ 465,271	$ (36,298)	-8%	$ 465,271
MSSP	$ 10,129	$ 8,288	$ (1,841)	-22%	$ 89,145	$ 99,456	$ 10,311	10%	$ 99,456
Total	**$ 2,700,053**	**$ 1,532,025**	**$ (1,168,028)**	**-76%**	**$ 16,434,299**	**$ 18,161,604**	**$ 1,727,305**	**10%**	**$ 18,161,604**

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CalOptima A Public Agency Better. Together.

Resources Committee – Non-Labor (cont.)

Consolidated - Non-Labor

	Jun MTD		Variance		YTD		Variance		FY 2017
LOB	**Actual**	**Budget**	**$**	**%**	**Actual**	**Budget**	**$**	**%**	**Budget**
MC	$ 4,940,025	$ 3,163,417	$ (1,776,608)	-56%	$ 30,230,434	$ 36,150,656	$ 5,920,222	16%	$ 36,150,656
OC	$ 62,010	$ 67,343	$ 5,333	8%	$ 707,970	$ 840,104	$ 132,134	16%	$ 840,104
OCC	$ 738,317	$ 580,857	$ (157,460)	-27%	$ 3,814,750	$ 7,189,543	$ 3,374,794	47%	$ 7,189,543
PACE	$ 91,065	$ 55,693	$ (35,372)	-64%	$ 641,089	$ 616,444	$ (24,645)	-4%	$ 616,444
MSSP	$ 10,838	$ 9,871	$ (967)	-10%	$ 97,744	$ 118,456	$ 20,712	17%	$ 118,456
Total	**$ 5,842,256**	**$ 3,877,182**	**$ (1,965,074)**	**-51%**	**$ 35,491,987**	**$ 44,915,203**	**$ 9,423,216**	**21%**	**$ 44,915,203**

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Contingency Contract Report

CalOptima Active Contingency Contracts	Q4 FY17	invoiced and paid as of 8/30/2017											
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													
HMS - Coordination of Benefits i.e. ensure Medi-Cal is the payor of last resort - *(expires 5/14/20)*													
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	$ 2,813,976	$ 4,067,881
Fee	$ 297,348	$ 702,938	$ 484,359	$ 641,281	$ 586,762	$ 361,202	$ 794,557	$ 909,550	$ 78,538	147,767	$ 62,094	$ 647,214	$ 935,613
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	2,166,761	$ 3,132,268
Verscend (Verisk/HCI) - Claims review for appropriate billing - *(services terminated 12/31/16) ***													
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
Verscend (Verisk/HCI)/ TAG - Facility claims forensic review - *(expires 12/31/17)*													
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	$ 768,000	$ 4,068,735
Fee		-	$ 270,293	$ 408,904	$ 1,054,889	$ 1,118,193	$ 2,008,000	$ 791,798	$ 154,982	583,596	209,778	$ 192,000	$ 1,140,356
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	576,000	$ 2,928,380
Socrates - Third party liability - *(expires 12/31/18)*													
Savings	-	-	13,783	244,770	53,141	$ 3,108	N/A	$ 219,258	-	-	-		N/A
Fee	-	-	3,446	61,223	13,285	$ 777	N/A	$ 54,815	-	-	-		N/A
Net Savings	-	-	10,338	183,548	39,856	2,331		164,443	-	-	-	-	
OptumInsight - Credit balance recovery - *(expires 12/31/17)*													
Savings	-	-	-	76,715	26,203	$ 30,246	N/A	$ 44,834	-	-			N/A
Fee	-	-	-	9,206	3,144	$ 3,630	N/A	$ 5,380	-	-			N/A
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	3,581,975	$ 10,827,214
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	839,214	$ 2,469,423
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	$ 2,742,761	$ 8,357,791
REVENUE													
Human Arc - SSI Outreach & Aid Code Conversion - *(expires 12/31/17)*													
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	$ 2,516,478	$ 9,281,708
Fee				$ 501,700	$ 345,100	$ 285,650	$ 232,092	$ 301,556	$ 57,876	84,130	$117,418	$ 100,594.00	$ 360,018
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	$ 2,415,884	$ 8,921,690

Note:
*Socrates and OptumInsight FY17 data unavailable
**Pre-payment claims reviews for appropriate billing (NCCI edits) handled in-house as of January 2017

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CalOptima
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Board of Directors' Finance and Audit Committee Meeting
September 21, 2017

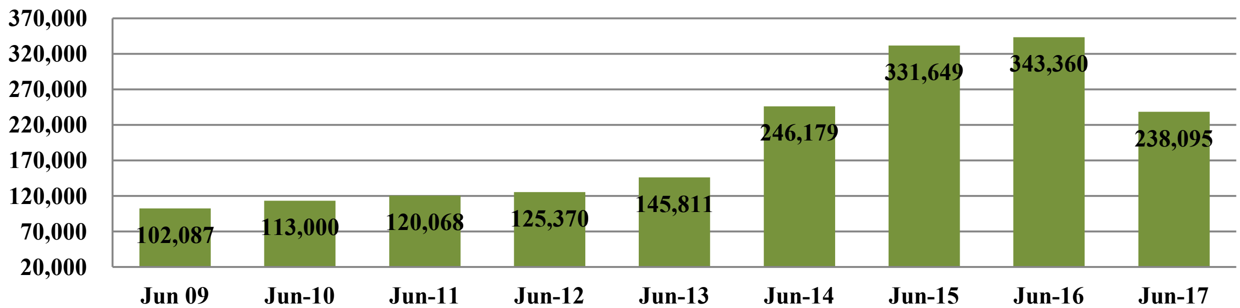
Shared Risk Pool Performance Update

Medi-Cal: As of June 30, 2017, Medi-Cal has 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 238,000 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 - (Medi-Cal 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	-	57,791,489	23,116,595	34,674,893	7	0	7
2015	-	356,622,185	142,648,874	213,973,311	7	0	7
2016	-	394,451,813	157,780,725	236,671,088	7	0	7
2017 Q4	-	289,013,120	115,605,248	173,407,872	7	0	7
	$(22,325,123)	$1,140,627,383	$453,276,799	$665,025,461			

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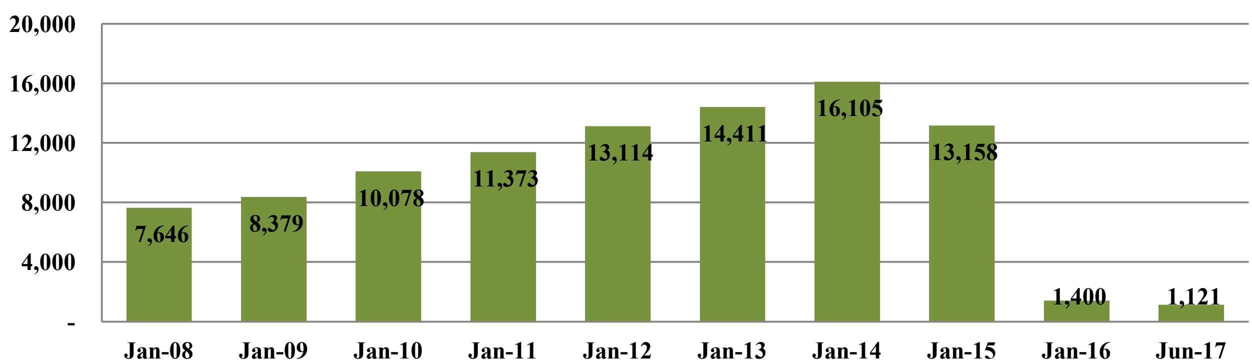
OneCare: As of June 30, 2017, OneCare has eight (8) Participating Medical Groups (PMGs). MCMF IPA, GNPs' (four PMGs) and MCMF's contracts were terminated on October 31, 2014.

Effective Dates:

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

Enrollment

- Overall enrollment decrease due to transitioning of members from OneCare to OneCare Connect in January 2016.



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
2017Q2	(875,877)	114,029	(782,488)	20,640	8	7	1
	(8,902,318)	$81,262,851	$32,973,465	$39,387,067			

Note: Group share deficit limited to $5.00 PMPM

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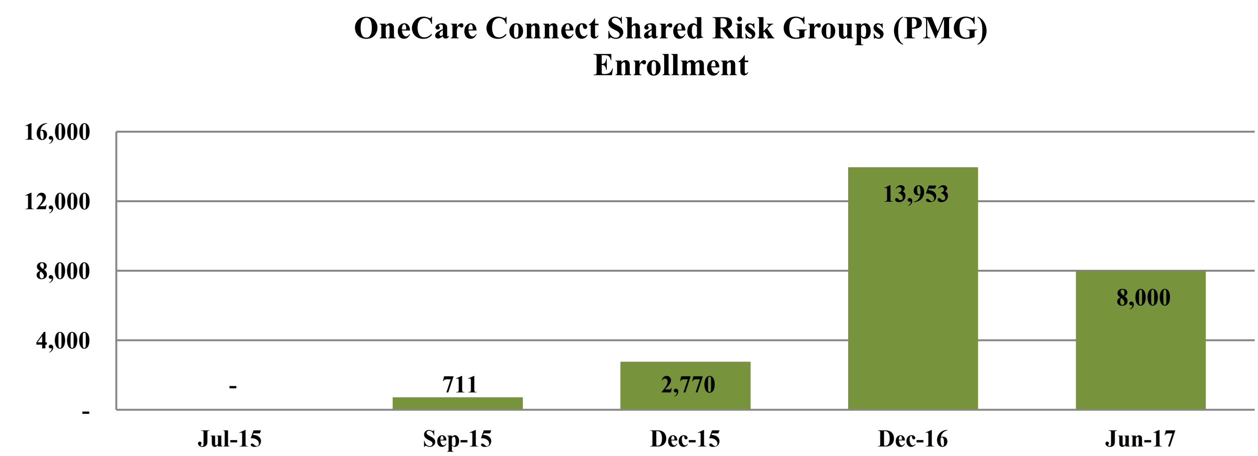
OneCare Connect: As of June 30, 2017, OneCare Connect has seven (7) Shared Risk Groups (SRGs).

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.



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
2017 Q2	(5,388,678)	1,394,598	(4,490,814)	496,734	8	6	2
	$ (7,375,351)	$ 9,963,761	$ (2,098,355)	$ 4,686,766			

Note: Group share deficit limited to $5.00 PMPM

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Board of Directors' Finance and Audit Committee Meeting
September 21, 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 June 30, 2017.

	PY 2016	PY 2017
Total Budgeted Reinsurance Costs	$4,680,964	$ 4,628,918*
Amount paid through June 30, 2017	$2,793,856	$ 683,555
Remaining Budget Amount by PY	$1,887,108	$ 3,945,363
Total Accrued Liability as of June 30, 2017	$1,935,100	$ 3,746,200
Under/(Over) Budget	$(47,992)	$ 199,163

* 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 June 30, 2017 is $5.7 million 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
September 21, 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's 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 January 31, 2017, all other Health Network entities were required to submit their unaudited financial statements for the period ending March 31, 2017.

Results of the March 31, 2017 Financial Review

	Physician Groups	Hospitals	HMOs
Total	10	4	3
Passed Review	10	4	3
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 $\geq$ 1.0
b) Tangible Net Equity - must be $\geq$ 1.0
c) Cash to Claims Ratio - must be $\geq$ 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

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Purchasing Report

Board of Director's Finance and Audit Committee Meeting
September 21, 2017

Nancy Huang, Interim Chief Financial Officer
Ken Wong, Director, Budget and Procurement

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Quarterly Purchasing Reports Commitments

Quarterly Purchasing Report

April 1, 2017 through June 30, 2017

Completed Major Commitments over $100,000

Nature of Services	*FY17 Q4 Budgeted Current Year*	*Purchase or Contract Highlights*	*Bidding Outcome*	*Previous Vendor*	*PO #*	*Contract Amount*	*Spent Year 2017*	*Remaining Amount on Contract*	*Expires*
Software	$ 103,211	Tevora Business Solutions Inc	Two bids received	Tevora	17-10871	$ 103,211	103,211	0	
Interpreting	$ 106,400	Voiance Language Services, LLC	Replenishment	Voiance	17-10155	$ 106,400	99,508	6,892	4/29/2018
Printing and Fulfillment	$ 115,900	Dome Printing	Replenishment	Dome	17-10035	$ 115,900	75,332	40,568	4/16/2018
Computer servers and services	$ 123,981	Nth Generation Computing Inc	Sole Source	New	17-11006	$ 123,981	-	123,981	
Software License (Conference Calling)	$ 130,061	Citrix Systems Inc	Sole Source	Citrix Systems	17-10990	$ 130,061	-	130,061	10/31/2018
Internal Audit services	$ 131,500	Moss Adams LLP	Replenishment	Moss Adams	17-10008-002	$ 131,500	62,500	69,000	
Interpreting	$ 182,500	Hanna Interpreting Services LLC	Replenishment	Hanna	17-10149	$ 182,500	145,543	36,958	4/29/2018
Software and support services	$ 187,857	Microsoft Services	Sole Source	Microsoft	17-10827	$ 187,857	187,857	0	6/30/2018

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CalOptima
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Quarterly Purchasing Reports Commitments

Quarterly Purchasing Report

April 1, 2017 through June 30, 2017

Completed Major Commitments over $100,000

Nature of Services	*FY17 Q4 Budgeted Current Year*	*Purchase or Contract Highlights*	*Bidding Outcome*	*Previous Vendor*	*PO #*	*Contract Amount*	*Spent Year 2017*	*Remaining Amount on Contract*	*Expires*
Construction	$ 264,874	Seashore Construction Inc	One bid received	New	17-10784	$ 264,874	-	264,874	9/30/2018
Claims Software Consulting	$ 268,320	Dinsmore Jennings Healthcare Consulting LLC	Sole Source	Dinsmore Jennings	17-10813	$ 268,320	41,624	226,696	12/31/2017
Fraud Waste and Abuse detection	$ 300,000	Verisk Health Inc	Replenishment	Verisk	17-10783	$ 300,000	191,369	108,631	12/31/2017
Computer servers and services	$ 485,470	Nth Generation Computing Inc	Replenishment	Nth Generation	17-10986	$ 485,470	-	485,470	6/30/2018
Medical Care Guidelines	$ 567,905	MCG Health LLC	Sole Source	MCG Health	17-10795	$ 567,905	567,905	0	3/31/2019
Member Portal	$ 600,000	Unlimited Innovations Inc	Replenishment	Unlimited Innovations Inc.	17-10331-001	$ 600,000	521,792	78,208	6/30/2018
Printing and Fulfillment	$ 685,200	Dome Printing	Replenishment	Dome	17-10030	$ 685,200	541,381	143,819	7/16/2018

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Quarterly Purchasing Report – In Process

Quarterly Purchasing Report
April 1, 2017 through June 30, 2017
Major Commitments Greater than $100,000 in Process

Nature of Services	***Procurement Status***
Internal Auditor 16-074	RFP issued 4/8/16 Four proposals received Staff is negotiating contract terms
Commercial Banking 16-072	RFP issued 3/31/16 Five proposals received Staff is negotiating contract terms
DRG Review 17-011	RFP issued 9/20/2016 Proposals are due 11/3 Staff is negotiating contract terms
Fraud Waste and Abuse Software 17-007	RFP issued 11/8/16 Three proposals received Staff is negotiating contract terms
OCC Risk Adjustment Services 17-020	RFP issued 11/7/16 Two proposals received Staff is negotiating contract terms
Office Furniture 17-044	RFP Issued 5/2/17 Two proposals received Staff is negotiating contract terms
Data Warehouse 17-032	RFP issued 6/1/17 Staff is awaiting proposals
First Floor Tenant Improvements 17-034	IFB issued 4/11/17 Two proposals received Staff is awaiting bonds

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