



FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

Risk Management Council Meeting

Monday, June 11, 2018

FCSRMC Mission Statement:

FCSRMC delivers comprehensive and innovative enterprise-wide risk management services and solutions to support the educational mission of the Florida College System.



Risk Management Council Meeting June 11, 2018

AGENDA

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 - a. Renewal of Optional Programs:
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- 3. Employee Benefit Plans Audit:
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Action Item 1.

FCSRMC Personnel

ACTION

**Council of Presidents - Risk Management Council
June 11, 2018**

Action Item: 1.

FCSRMC

FCSRMC Personnel

1.

Motion to ratify the FCSRMC Compensation – 1% Non-recurring November 01, 2018 as submitted:

FCSRMC personnel who are employed as of November 01, 2018 may receive a one-time, non-recurring periodic salary supplement of 1% of their 2018-2019 base salary to be paid upon completion of service for services performed from July 1, 2018, through September 30, 2018, or a prorated share based on the days of full-time employment for this period. This payment will be paid on the November 15, 2018 pay date.

Discussion:

AFC to provide voting results.

FCSRMC Personnel

The Operations Committee recommends the following:

- FCSRMC Staff:
 - FCSRMC personnel who are employed as of November 01, 2018 may receive a one-time, non-recurring periodic salary supplement of 1% of their 2018-2019 base salary to be paid upon completion of service for services performed from July 1, 2018, through September 30, 2018, or a prorated share based on the days of full-time employment for this period.
This payment will be paid on the November 15, 2018 pay date.

Action Item 2.a.1.

Property/Casualty Optional Programs
Allied Health (Student Professional)

ACTION

**Council of Presidents - Risk Management Council
June 11, 2018**

Action Item: 2.a.(1.-3.)

Property/Casualty Program

Renewal of Optional Programs

2.a.(1.-3.)

Motion to ratify the Renewal of Optional Programs as submitted:

1. Allied Health (Student Professional)
2. Student Accident
3. Intercollegiate Athletics

Discussion:

AFC to provide voting results.



Allied Health
(Professional Liability / 3rd Party)

Carrier – C.N.A.

Coverage Limits – (Separate Limits Endorsement)

- Occurrence - \$2,000,000
- Aggregate - \$5,000,000
- Medical Payments - \$2,000 (\$100,000 aggregate)

Deductible – None

Current Exposure –

- 33,926 Students
- 33 Additional Insureds

Rate –

- Per Student - \$8.25
- Per Additional Insured - \$75

Premium – \$282,364.50 (Premium could change based on updated enrollment)

Historical Loss Ratio –

| Year | Premium | Losses | Loss Ratio |
|-------------|----------------|---------------|-------------------|
| 08-09 | \$299,922 | \$79,779 | 26.60% |
| 09-10 | \$304,328 | \$1,211 | 0.40% |
| 10-11 | \$311,265 | \$10,016 | 3.22% |
| 11-12 | \$326,028 | \$4,771 | 1.46% |
| 12-13 | \$322,892 | \$1,500 | 0.46% |
| 13-14 | \$303,491 | \$1,747 | 0.58% |
| 14-15 | \$290,806 | \$84,584 | 29.09% |
| 15-16 | \$288,056 | \$18,864 | 6.48% |
| 16-17 | \$276,937 | \$121,683 | 43.94% |
| 17-18 | \$274,411 | \$0 | 0.00% |

Action Item 2.a.2.

Property/Casualty Optional Programs
Student Accident

Student Accident (First Party Injury)

Carrier – QBE

TPA – A-G Administrators

Policy Type - Excess

Coverage Limits –

- Accidental Medical - \$25,000
- Accidental Dental - \$25,000
- Accidental Death - \$25,000
- Dismemberment - \$25,000

Deductible – None

Current Exposure – 49,026 Students

Rate – \$6.00 per Student

Premium – \$294,156 (Premium could change based on updated enrollment)

Historical Loss Ratio –

| Year | Premium | Losses | Loss Ratio |
|-------|-----------|-----------|------------|
| 11-12 | \$286,144 | \$139,112 | 49% |
| 12-13 | \$358,194 | \$179,248 | 50% |
| 13-14 | \$337,309 | \$135,489 | 40% |
| 14-15 | \$331,920 | \$105,228 | 32% |
| 15-16 | \$337,102 | \$145,810 | 43% |
| 16-17 | \$311,419 | \$91,524 | 29% |
| 17-18 | \$285,882 | \$23,223 | 8% |

Action Item 2.a.3.

Property/Casualty Optional Programs
Intercollegiate Athletics

Intercollegiate Athletics (First Party Injury)

Carrier – Mutual of Omaha (Summit America)

Policy Type - Excess

Coverage Limits –

- Basic –
 - Accidental Medical - \$25,000
 - Accidental Death - \$10,000
 - Dismemberment - \$10,000
- Catastrophic –
 - Medical Max / Lifetime Benefit - \$5,000,000

Deductible –

- Basic – None
- Catastrophic –
 - \$25,000 (Basic policy meets this requirement)
 - 24 Month Establishment Period

Current Exposure – 2,299 Students / 22 colleges

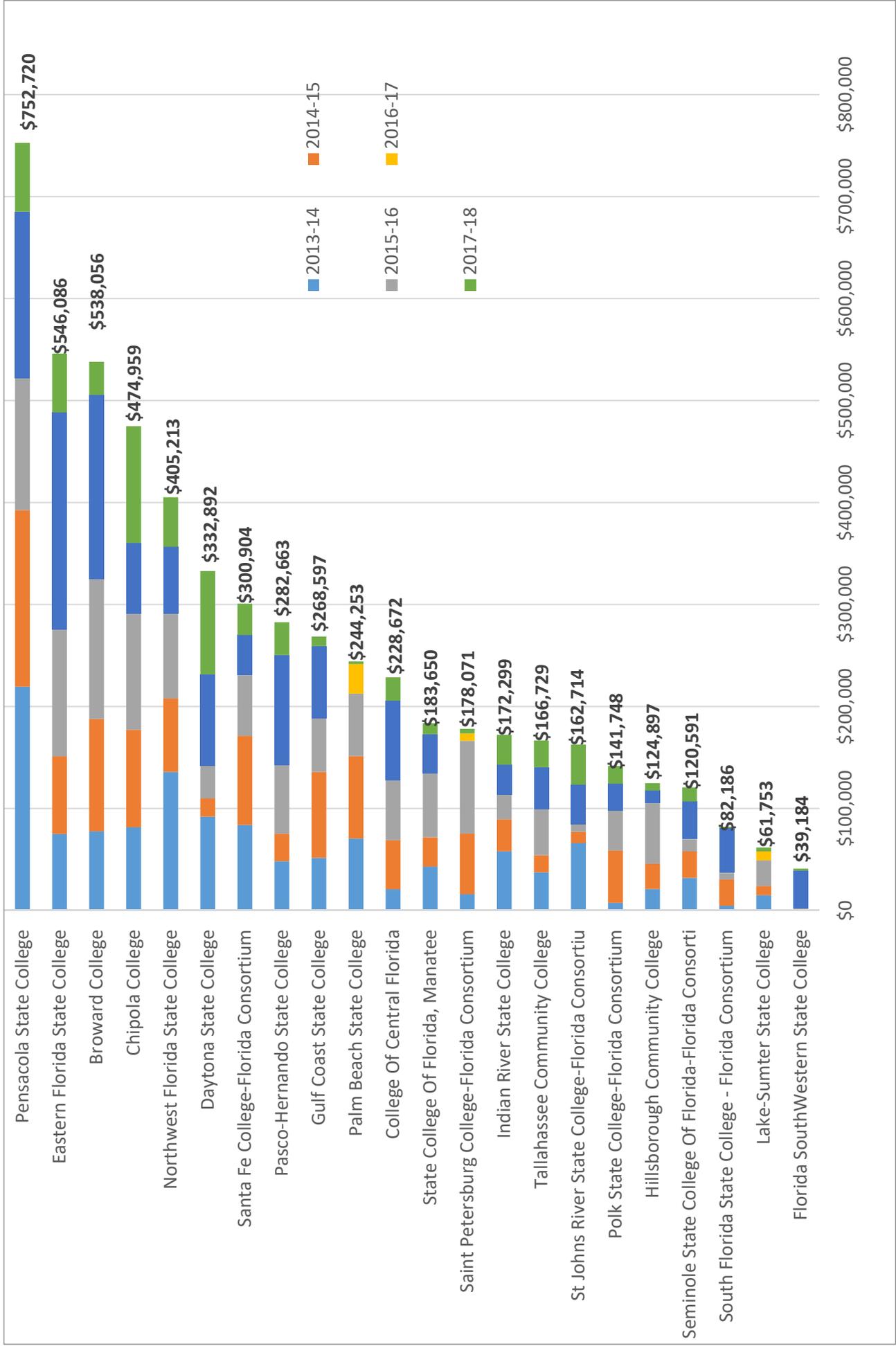
Premium – (Premium could change based on updated enrollment if change is > 10%)

- Basic –
 - \$1,907,150
- Catastrophic –
 - \$123,376
- Total –
 - \$2,031,326

Historical Losses –

| Year | Premium | Losses | Loss Ratio |
|-----------|-------------|-------------|------------|
| 2008-2009 | \$1,086,000 | \$1,240,976 | 114% |
| 2009-2010 | \$1,162,000 | \$976,286 | 84% |
| 2010-2011 | \$1,325,980 | \$1,020,667 | 77% |
| 2011-2012 | \$1,462,923 | \$1,013,707 | 69% |
| 2012-2013 | \$1,506,811 | \$1,452,062 | 96% |
| 2013-2014 | \$1,506,811 | \$1,257,795 | 83% |
| 2014-2015 | \$1,735,182 | \$1,155,395 | 67% |
| 2015-2016 | \$1,810,867 | \$1,292,761 | 71% |
| 2016-2017 | \$1,907,949 | \$1,403,770 | 74% |
| 2016-2017 | \$1,907,950 | \$328,544 | 17% |

FCSRMC Athletic Program Overview

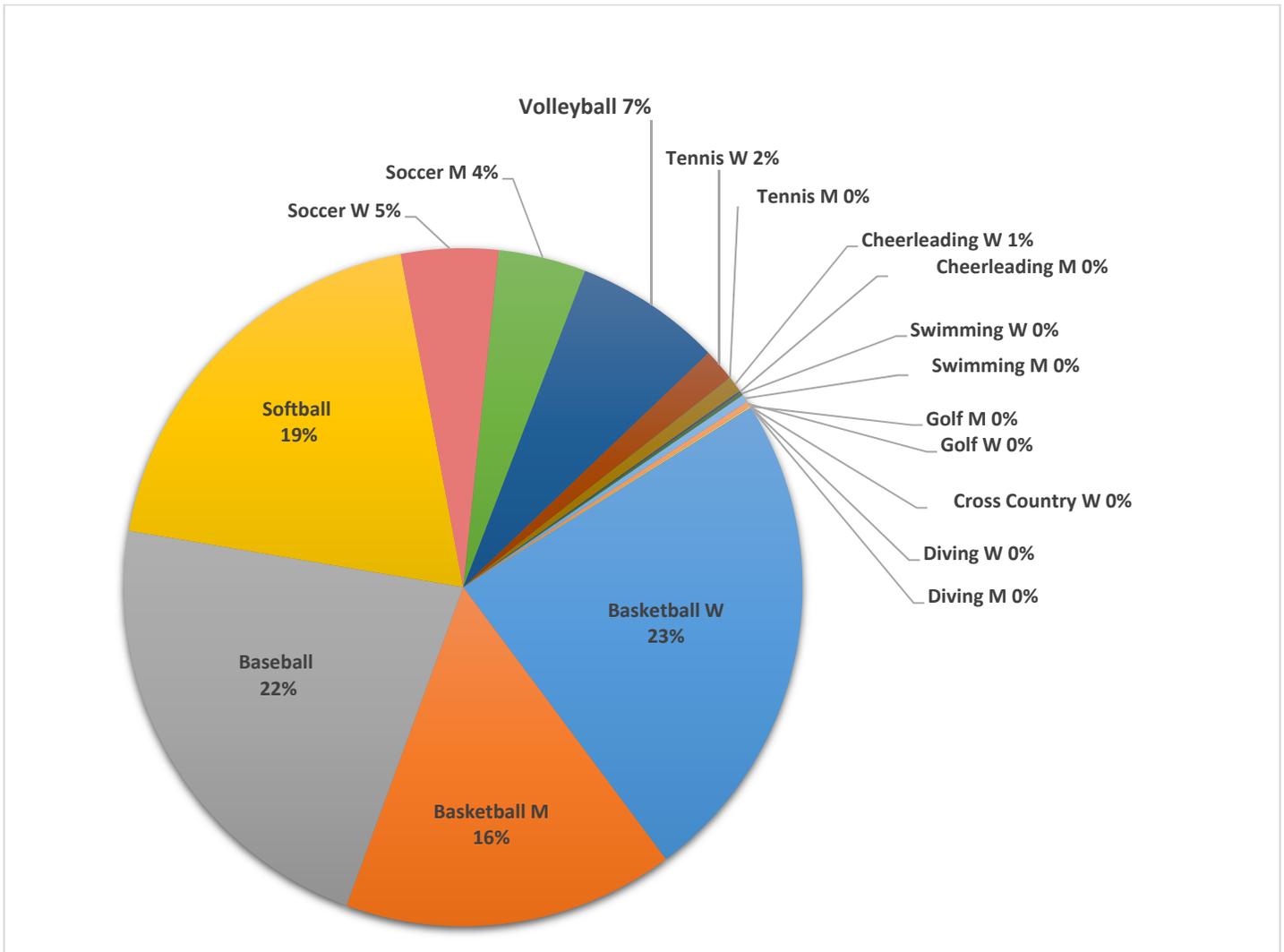


FCSRMC Total Enrollment

| | BASEBALL | | BASKETBALL | | CHEER | | CC | | GOLF | | SOCCER | | SOFTBALL | | MANAGERS | | SWIMMING | | TENNIS | | VOLLEYBALL | | TOTAL | |
|--------|----------|---|------------|-----|-------|----|----|----|------|----|--------|-----|----------|-----|----------|----|----------|----|--------|----|------------|-----|-------|-----|
| | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | | |
| BroC | 26 | | 15 | 15 | | | | | | | 20 | 25 | | 25 | | | | | | 9 | | | 14 | 149 |
| CC | 26 | | 15 | 15 | 2 | 8 | | 10 | | | | | | | 4 | 4 | | | | | | | | 108 |
| CCF | 26 | | 15 | 15 | | | | | | | | | | 24 | 2 | 5 | | | | | | | 14 | 101 |
| DSC | 28 | | 15 | 15 | | | | | 8 | 27 | 27 | | 21 | | | | | | | | | 16 | 157 | |
| EFSC | 25 | | 15 | 15 | | | | | 12 | 5 | 30 | 30 | 25 | | | | | | 10 | 10 | | 15 | 192 | |
| FSWSC | 35 | | 18 | 18 | | | | | | | | | 24 | 2 | 2 | | | | | | | | | 99 |
| GCSC | 22 | | 13 | 13 | | | | | | | | | 19 | 2 | 3 | | | | | | | 14 | 86 | |
| HCC | 26 | | 15 | 15 | | | | | | | | | 24 | 2 | 4 | | | | | 9 | | 14 | 109 | |
| IRSC | 30 | | 15 | 15 | | | | | | | | | 24 | | | | 22 | 19 | | | | 15 | 140 | |
| LSSC | 24 | | | | | | | | | | | | 21 | | | | | | | | | 16 | 61 | |
| NWFSC | 25 | | 13 | 14 | 5 | 7 | | | | | | | 20 | | | | | | | | | | | 84 |
| PBSC | 26 | | 14 | 14 | | | | | | | | | 19 | | | | | | | | | | | 88 |
| PHCC | 27 | | 15 | | 3 | 13 | | 13 | | | | | 24 | 2 | 2 | | | | | | | 15 | 114 | |
| PeSC | 26 | | 12 | 14 | | | | | | | | | 20 | 1 | 2 | | | | | | | 14 | 89 | |
| PoSC | 24 | | 12 | | 2 | 10 | | | | | | 18 | | | | | | | | | | 13 | 97 | |
| SJRSC | 30 | | | | | | | | | | | | 22 | | | | | | | | | 15 | 67 | |
| SPC | 32 | | 15 | 15 | | 10 | | | | | | | 24 | | | | | | | 10 | | 12 | 118 | |
| SaFC | 25 | | 15 | 15 | | | | | | | | | 23 | | | | | | | | | 15 | 93 | |
| SSC | 26 | | | | | | | | | | | | 20 | | | | | | | | | | | 53 |
| SFSC | 35 | | | | | | | 10 | | | | | 22 | | | | | | | | | 13 | 80 | |
| SCFMS | 25 | | 14 | | 1 | 1 | | | | | | | 25 | 2 | 2 | | | | | 8 | | 14 | 92 | |
| TCC | 26 | | 15 | 16 | 2 | 15 | 7 | 15 | | | | | 20 | 3 | 3 | | | | | | | | | 122 |
| TOTALS | 595 | 0 | 261 | 224 | 15 | 64 | 7 | 48 | 12 | 20 | 77 | 100 | 0 | 488 | 20 | 27 | 22 | 19 | 10 | 46 | 0 | 244 | 2299 | |

Paid Claims by Sport

| Benefit Description | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | Grand Total |
|---------------------|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|
| Basketball | \$499,238 | \$440,311 | \$541,306 | \$530,813 | \$282,487 | \$2,294,156 |
| Baseball | \$278,496 | \$278,387 | \$300,307 | \$319,746 | \$105,475 | \$1,282,411 |
| Softball | \$287,895 | \$242,888 | \$204,658 | \$237,485 | \$153,518 | \$1,126,444 |
| Soccer | \$93,010 | \$101,955 | \$117,550 | \$151,720 | \$47,224 | \$511,458 |
| Volleyball | \$49,884 | \$59,673 | \$97,475 | \$123,066 | \$76,997 | \$407,095 |
| Tennis | \$29,173 | \$18,124 | \$5,464 | \$36,006 | \$1,156 | \$89,922 |
| Cheerleading | \$8,398 | \$4,453 | \$11,390 | \$23,964 | \$903 | \$49,109 |
| Swimming | \$4,455 | \$3,087 | \$15,251 | \$2,011 | \$6,317 | \$31,120 |
| Golf | \$5,732 | \$8,050 | \$32 | | \$1,562 | \$15,375 |
| Cross Country | \$1,638 | | | \$1,020 | \$226 | \$2,885 |
| Diving | | | \$147 | \$601 | | \$747 |
| Grand Total | \$1,257,919 | \$1,156,927 | \$1,293,579 | \$1,426,432 | \$675,866 | \$5,810,723 |



FCSRMC Policy vs. Other Insurance

| Institution | Paid (FC Ins.) | % FC Paid | Paid (Other Ins.) | % Other Ins. Paid | Total Paid-Both FC & Other Ins. |
|--------------------|--------------------|------------|--------------------|-------------------|---------------------------------|
| PeSC | \$752,720 | 51% | \$718,746 | 49% | \$1,471,466 |
| EFSC | \$546,086 | 54% | \$474,341 | 46% | \$1,020,427 |
| BC | \$538,056 | 62% | \$322,869 | 38% | \$860,925 |
| CC | \$474,959 | 69% | \$214,992 | 31% | \$689,951 |
| NWFSC | \$405,213 | 40% | \$605,980 | 60% | \$1,011,193 |
| DSC | \$332,892 | 47% | \$377,015 | 53% | \$709,907 |
| SFC | \$300,904 | 43% | \$399,983 | 57% | \$700,887 |
| PHSC | \$282,663 | 39% | \$432,981 | 61% | \$715,644 |
| GCSC | \$268,597 | 47% | \$303,375 | 53% | \$571,973 |
| PBSC | \$244,253 | 43% | \$321,555 | 57% | \$565,808 |
| CCF | \$228,672 | 33% | \$467,528 | 67% | \$696,200 |
| SCF | \$183,650 | 27% | \$494,967 | 73% | \$678,617 |
| SPC | \$178,071 | 41% | \$254,505 | 59% | \$432,576 |
| IRSC | \$172,299 | 38% | \$276,331 | 62% | \$448,630 |
| TCC | \$166,729 | 40% | \$253,455 | 60% | \$420,184 |
| SJRSC | \$162,714 | 33% | \$324,304 | 67% | \$487,018 |
| PoSC | \$141,748 | 29% | \$340,850 | 71% | \$482,598 |
| HCC | \$124,897 | 35% | \$234,934 | 65% | \$359,831 |
| SSC | \$120,591 | 29% | \$293,481 | 71% | \$414,072 |
| SFSC | \$82,186 | 46% | \$97,551 | 54% | \$179,737 |
| LSSC | \$61,753 | 26% | \$180,109 | 74% | \$241,862 |
| FSWSC | \$41,069 | 83% | \$8,698 | 17% | \$49,767 |
| Grand Total | \$5,810,723 | 44% | \$7,398,549 | 56% | \$13,209,272 |

| School | Percentage of Claims Paid | Percentage of Premium | 2017 Allocation | 2018 Allocation based on 100% Claim Data | 2018 - 2019 Allocation | | | |
|-------------------------------|---------------------------|-----------------------|-----------------|--|---|---|-------------|-------------|
| | | | | | 2018 Allocation based on 30% Claim Weight | 2018 Allocation based on 60% Claim Weight | | |
| Eastern FL State College | 9.4% | 6.4% | \$120,038 | \$178,545 | \$143,154 | \$23,116 | \$158,321 | \$38,283 |
| Broward College | 9.3% | 7.1% | \$133,076 | \$167,305 | \$146,600 | \$13,524 | \$155,474 | \$22,398 |
| College of Central Florida | 3.9% | 4.3% | \$80,300 | \$74,126 | \$76,762 | -\$3,538 | \$75,632 | -\$4,668 |
| Chipola College | 8.2% | 5.4% | \$100,098 | \$162,899 | \$124,910 | \$24,812 | \$141,192 | \$41,094 |
| Daytona State College | 5.7% | 7.3% | \$136,394 | \$115,012 | \$127,115 | -\$9,279 | \$121,928 | -\$14,466 |
| Gulf Coast State College | 4.6% | 5.3% | \$98,310 | \$82,252 | \$91,428 | -\$6,882 | \$87,495 | -\$10,815 |
| Hillsborough CC | 2.1% | 3.6% | \$66,758 | \$38,248 | \$56,803 | -\$9,955 | \$48,851 | -\$17,907 |
| Indian River State College | 3.0% | 6.1% | \$113,906 | \$59,152 | \$95,088 | -\$18,818 | \$79,686 | -\$34,220 |
| Lake-Sumter State College | 1.1% | 1.4% | \$26,444 | \$19,078 | \$23,679 | -\$2,765 | \$21,707 | -\$4,737 |
| State College of Florida | 3.2% | 4.0% | \$75,324 | \$57,394 | \$68,363 | -\$6,961 | \$63,662 | -\$11,662 |
| Northwest FL State College | 7.0% | 5.7% | \$105,399 | \$132,332 | \$116,040 | \$10,641 | \$123,022 | \$17,623 |
| Palm Beach State College | 4.2% | 4.6% | \$85,834 | \$72,509 | \$80,034 | -\$5,800 | \$76,809 | -\$9,025 |
| Pasco-Hernando SC | 4.9% | 4.8% | \$88,899 | \$91,111 | \$89,773 | \$874 | \$90,347 | \$1,448 |
| Pensacola State College | 13.0% | 10.7% | \$198,342 | \$241,614 | \$215,439 | \$17,097 | \$226,657 | \$28,315 |
| Polk State College | 2.4% | 2.6% | \$49,038 | \$45,410 | \$46,920 | -\$2,118 | \$46,273 | -\$2,765 |
| Santa Fe College | 5.2% | 5.8% | \$108,689 | \$92,685 | \$101,605 | -\$7,084 | \$97,782 | -\$10,907 |
| Seminole State College | 3.2% | 2.6% | \$48,398 | \$37,165 | \$44,012 | -\$4,386 | \$41,077 | -\$7,321 |
| South Florida State College | 1.4% | 1.8% | \$34,272 | \$24,838 | \$30,722 | -\$3,550 | \$28,200 | -\$6,072 |
| St. Johns River State College | 2.8% | 2.8% | \$52,535 | \$59,303 | \$55,209 | \$2,674 | \$56,963 | \$4,428 |
| St. Petersburg College | 3.1% | 4.1% | \$75,473 | \$53,616 | \$67,331 | -\$8,142 | \$61,453 | -\$14,020 |
| Tallahassee CC | 2.9% | 3.4% | \$63,828 | \$56,764 | \$60,368 | -\$3,460 | \$58,824 | -\$5,004 |
| Total w/o FL Southwestern | 100.0% | 100.0% | \$1,861,355 | \$1,861,355 | \$1,861,355 | \$0 | \$1,861,355 | \$0 |
| Florida Southwestern | n/a | n/a | \$46,595 | \$46,595 | \$46,595 | | \$46,595 | |
| Total w/ FSWSC | | | \$1,907,950 | \$1,907,950 | \$1,907,950 | | \$1,907,950 | \$1,907,950 |

| CAT Program | Per College | Total |
|-------------|-------------|-----------|
| | \$5,608 | \$123,376 |

Action Item 3.(a.-d.)
FCSRMC Annual Audits
Employee Benefits Program

- a. Triplett & Company 2017 Audit
- b. Management Letter
- c. Actuary Letter
- d. State Reserve Approval Letter

ACTION

**Council of Presidents - Risk Management Council
June 11, 2018**

Action Item: 3.(a.-d.)

Employee Benefit Program

FCSRMC Annual Audit – Employee Benefit Plans

3.(a.-d.)

Motion to ratify the Employee Benefit Plans Audit as submitted:

- a. Triplett & Company 2017 Audit
- b. Management Letter
- c. Actuary Letter
- d. State Reserve Approval Letter

Discussion:

AFC to provide voting results.

*Linda F.
Triplett, CPA, PA*

May 7, 2018

To the Operations Committee
Florida College System Risk Management Consortium
Employee Benefit Plans

We have audited the financial statements of Florida College System Risk Management Consortium Employee Benefit Plans for the year ended December 31, 2017, and have issued our report thereon dated May 7, 2018. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 20, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management in our discussion about planning matters on February 22, 2018.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Consortium are described in the footnotes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal 2017. We noted no significant transactions entered into by the Consortium during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements was:

Management's estimate of the liability for claims incurred but not paid in light of historical experience, the nature and volume of anticipated future claims, currently unknown adverse situations which may exist regarding covered employers or employees, and unknown future costs to pay for covered events. The evaluation of these factors is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available. Because of the size and complexity of this liability, management engages competent, independent actuaries to evaluate all the relevant factors and report on their estimate of a reasonable amount to record for this liability. The amount determined by the actuaries is used by management in the preparation of the Consortium's financial statements.

Certified Public Accountant
2630 N.W. 4th Street · Suite B · Gainesville, Florida 32606
Phone 352 378-4126 · Fax: 352 378-8988

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The discussions in Note 6 that the unpaid claims liabilities, even though determined by qualified actuaries, are dependent on subjective judgments, while having a major impact on the determination of net earnings. This means that full and informative disclosures are of high importance to users of the statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such known misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 7, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Consortium's 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. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Consortium's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Council of Presidents, the Operations Committee and management of Florida College System Risk Management Consortium and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Cinda F. Siplett, CPA, P.A.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

**FLORIDA COLLEGE SYSTEM
RISK MANAGEMENT CONSORTIUM**

**EMPLOYEE BENEFIT PLANS
DECEMBER 31, 2017 AND 2016**

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INDEPENDENT AUDITORS' REPORT

Risk Management Council
and Operations Committee
Florida College System
Risk Management Consortium

Report on the financial Statements

We have audited the accompanying financial statements of the Florida College System Risk Management Consortium Employee Benefit Plans as of December 31, 2016 and 2015, which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of revenues, expenses and changes in fund equity and cash flows, and the related notes to the financial statements for the years then ended.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida College System Risk Management Consortium Employee Benefit Plans as of December 31, 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 on pages 4 - 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic 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 consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Cinda F. Juppitt, CPA, P.A.

May 7, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) provides an overview of the financial position and activities of The Florida College System Risk Management Consortium (the "Consortium") Employee Benefit Plans (EBP) for the calendar year ended December 31, 2017, and should be read in conjunction with the financial statements and notes thereto. The MD&A, and financial statements and notes thereto, are the responsibility of management.

OVERVIEW OF FINANCIAL STATEMENTS

The Employee Benefit Plans basic financial statements are prepared on the basis of accounting principles generally accepted in the United States of America for governmental entities and public entity risk pools. The primary purpose of the EBP is to provide group health, dental, life, and disability insurance for employees of participating Florida College's.

The three financial statements presented within the basic financial statements are as follows:

Balance Sheet: This statement presents information reflecting EBP's assets, liabilities, and fund equity. Fund equity represents the amount of total assets less total liabilities. The balance sheet does not distinguish between current and noncurrent assets and liabilities.

Statement of Revenues, Expenses and Changes in Fund Equity: This statement reflects EBP's revenues and expenses during the year. The major source of revenue is premium income and the major source of expenses are the claims paid for the insurance coverage. The change in net position is similar to net profit or loss for a private sector insurance company.

Statement of Cash Flows: The statement of cash flows is presented on the indirect method of reporting, which reflects cash flows from operating, capital and related financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the calendar year.

One of the most important questions asked about the EBP's finances is, "Is the Employee Benefit Plans, as a whole, better off or worse off as a result of the year's activities?" The balance sheet and the statement of revenues, expenses, and changes in fund equity report information on the EBP as a whole and on its activities in a way that helps answer this question. When revenues exceed expenses, the result is an increase in fund equity. When the reverse occurs, the result is a decrease in fund equity. The relationship between revenues and expenses may be thought of as the operating results.

These two statements report the fund equity and changes in them. You can think of the fund equity (assets less liabilities) as one way to measure the financial health, or financial position. Over time, increases or decreases in the fund equity are one indication of whether its financial health is improving or deteriorating. You need to consider many other nonfinancial factors, such

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Management Discussion and Analysis
Employee Benefits Plan**

as certain trends, participant enrollment levels, and federal mandates to assess the overall financial health.

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector industries. All of the current year's revenues and expenses are taken into account when earned or incurred, regardless of when cash is received or paid.

| |
|-----------------------------|
| FINANCIAL HIGHLIGHTS |
|-----------------------------|

The management of the Consortium offers readers of its EBP's financial statements this narrative overview and analysis of the financial activities of the entity for the years ended December 31, 2017, 2016, and 2015.

| | December 31 | | | 2017 vs. 2016 |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2015 | Change |
| | | | | Amount |
| Cash and Investments | \$ 41,686,314 | \$ 35,499,643 | \$ 33,168,743 | \$ 6,186,670 |
| Other Assets | 6,575,083 | 5,028,650 | 3,089,422 | 1,546,433 |
| Equipment - Net | 10,008 | 15,914 | 25,897 | (5,906) |
| Total Assets | \$ 48,271,404 | \$ 40,544,207 | \$ 36,284,062 | \$ 7,727,197 |
| Reserves for Losses and Loss Adjustment Expense | \$ 24,238,171 | \$ 14,345,205 | \$ 13,845,515 | \$ 9,892,966 |
| Other Liabilities | 2,118,249 | 2,085,976 | 1,912,448 | 32,273 |
| Total Liabilities | 26,356,421 | 16,431,181 | 15,757,963 | 9,925,240 |
| Fund Equity | | | | |
| Unreserved | 21,914,983 | 24,113,026 | 20,526,099 | (2,198,043) |
| Total Liabilities and Fund Equity | \$ 48,271,404 | \$ 40,544,207 | \$ 36,284,062 | \$ 7,727,197 |

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| | December 31 | | | 2017 vs. 2016 |
|---------------------------------------|----------------------|----------------------|----------------------|-----------------------|
| | 2017 | 2016 | 2015 | Change Amount |
| Premium Revenue | \$ 98,659,677 | \$ 94,488,015 | 90,612,471 | \$ 4,171,662 |
| Incurred Claims Expense | 94,465,794 | 84,044,802 | 88,048,397 | 10,420,993 |
| Claims Adjustment/Service Fees | 6,030,139 | 6,473,050 | 6,269,779 | (442,911) |
| Administrative Expenses | 942,984 | 947,587 | 854,304 | (4,603) |
| Total Operating Expense | <u>101,438,918</u> | <u>91,465,439</u> | <u>95,172,480</u> | <u>9,973,479</u> |
| Operating (Loss) Income | (2,779,241) | 3,022,576 | (4,560,009) | (5,801,817) |
| Net Investment income | 581,198 | 564,351 | 522,832 | 16,847 |
| Change in Fund Equity | <u>(2,198,043)</u> | <u>3,586,927</u> | <u>(4,037,177)</u> | <u>(5,784,970)</u> |
| Fund Equity, Beginning of Year | <u>24,113,026</u> | <u>20,526,099</u> | <u>24,563,276</u> | <u>3,586,927</u> |
| Fund Equity, End of Year | <u>\$ 21,914,983</u> | <u>\$ 24,113,026</u> | <u>\$ 20,526,099</u> | <u>\$ (2,198,043)</u> |

EBP's total assets for the year ended December 31, 2017 increased by approximately 19.1% from the previous year, where there was an increase of approximately 11.7% in 2016. Cash and investments increased by approximately \$6.2 million or 17.4% during 2017 due to two months of claim expenses being paid after calendar year end; likewise, 2016 also showed an approximate increase of \$2.3 million or 7.0%.

In 2017, the EBP earned approximately \$638 thousand in interest income, experienced \$30 thousand in realized losses and \$27 thousand in unrealized losses, and paid \$42 thousand in investment expenses for a net investment gain of \$56 thousand. In 2016, the EBP earned approximately \$570 thousand in interest income, experienced \$7 thousand in realized gains and \$41 thousand in unrealized losses, and paid \$34 thousand in investment expenses for a net investment gain of \$41 thousand. EBP's investment allocation at December 31, 2017 comprises of \$9.8 million invested in a long-term managed portfolio (see note 3 for investment sector breakdown) and \$31.9 million in cash and cash equivalent accounts. EBP's investment allocation at December 31, 2016 comprises of \$9.7 million invested in a long-term managed portfolio (see note 3 for investment sector breakdown) and \$26.4 million in cash and cash equivalent accounts.

For the year ended December 31, 2017, other assets increased from the prior year by \$1.5 million primarily due to the timing of college premium payments and the increase in the estimated pharmacy rebate. Likewise in the prior year, other assets increased by approximately \$1.9 million for the same reasons.

Total liabilities as of December 31, 2017 increased approximately \$9.9 million from December 31, 2016 primarily due to the timing of the payment of claims expenses for the last two months of the calendar year. Total liabilities as of December 31, 2016 increased by a minimal amount of approximately \$673 thousand from December 31, 2015 due to the increase in claims payable

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(\$1.3 million) from December 2016 to December 2015 and offset with a reduction to unpaid claims estimates (\$800 thousand).

The EBP saw and overall increase in premium revenue for 2017 of \$4.1 million due primarily to a 5.22% or greater increase in premium rates. In 2016, the EBP saw and overall increase in premium revenues of \$3.9 million primarily due to a 5.80% increase in rates.

Actual and estimated incurred claims, net of recoveries, comprise of approximately 93.1% and 91.9% of the EBP's total expenses in 2017 and 2016, respectively. For the years ended December 31, 2017 and 2016, total actual and estimated incurred claims, net of recoveries, increased by approximately \$10.4 million and decreased by \$4.0 million, or 12.4% and 4.5% over the prior year.

Claim adjustment and servicing fees have remained stable year over year. This is due to a multiyear fee agreements that hold rates consistent and minimal changes in participant enrollment trends.

Administrative expenses decreased by \$5 thousand in 2017 over 2016. Administrative expenses increased by \$93 thousand in 2016 over 2015 primarily due to increased personnel cost stemming from a salary equity study and implementation.

The EBP experienced a decrease in total fund equity of approximately \$2.2 million, or 9.1%, for the year ended December 31, 2017. For 2016, there was an increase of \$3.6 million, or 17.5%.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Like many health insurance plans, the EBP has experienced higher than anticipated claims cost the past couple of years with significant increases in high cost cases (\$100,000+) and pharmacy expenses. Member covered medical claim costs have been reduced through Florida Blue negotiated network provider discounts.

The insurance industry monitors healthcare costs by establishing a percentage of cost increases known as "trend". Trend is the forecast change in health plans' per capita claims cost determined by insurance carriers, managed care organizations, and third-party administrators. Many factors influence trend, including the following:

- Price Inflation
- The leveraging effect of fixed deductibles and copayments
- Cost-shifting from government programs and the uninsured
- Utilization increases due to aging, product promotion, and improved diagnostic services
- The availability and use of more expensive drug therapies

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Management Discussion and Analysis
Employee Benefits Plan**

- Government mandated benefits and other legislative changes
- Advances in medical technologies

The most recent Benchmark Report as certified by actuarial firm Milliman USA indicates that the EBP's member claim cost share is more favorable than the regional, industry and national comparisons.

The EBP's average annual rate changes versus the market place are as follows:

| Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017** |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|
| EBP | 5.35% | 3.00% | 0.00% | 8.00% | 5.00% | 5.8% | 5.22% |
| Market Place* | 11.04% | 9.68% | 9.54% | 8.67% | 8.38% | 8.40% | 8.60% |

*Weighted results from Oliver Wyman trend survey of insurance carriers.

**Market Place rate is projected.

Since premium rates for the following plan year are set in August, the rate setting process applies trend factors for claims incurred through April or at the latest May. The medical trend applied by the EBP's actuaries for calculating the 2017 rates was 8% for active employees. The medical trend rate applied by the EBP's actuaries for calculating the 2016 rates was 5% for active employees. The prescription drug trend used for setting 2017 and 2016 rates was 8% and 5%, respectively for active employees.

In the commercial health industry, "medical loss ratio" (MLR) measures the percentage of each premium dollar that is spent on providing healthcare to their customers versus administrative costs. The medical loss ratio is a basic indicator of an insurer's efficiency in delivering services. The ACA establishes a minimum loss ratio of 80% for the individual and small group health insurance segments, and 85% for the large group segment. The EBP's MLR was 96% in 2017 and 89% in 2016.

REQUESTS FOR INFORMATION

Questions concerning information provided in the MD&A or other required supplementary information, and financial statements and notes thereto, or requests for additional financial information should be addressed to the Vice President for Administrative Affairs/CFO, Santa Fe College, 3000 Northwest 83rd Street, Gainesville, Florida 32606.

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
BALANCE SHEETS
DECEMBER 31, 2017 AND 2016**

EMPLOYEE BENEFIT PLANS

| | ASSETS | |
|---|----------------------|----------------------|
| ASSETS | 2017 | 2016 |
| Investments Available For Sale | \$ 9,779,439 | \$ 9,653,695 |
| Cash and Cash Equivalents | 31,906,874 | 25,845,948 |
| Accrued Interest Receivable | 54,414 | 46,709 |
| Recoveries, Rebates and Other Receivables | 6,365,541 | 4,951,341 |
| Prepaid Expense and Deposits | 155,128 | 30,600 |
| Property and Equipment - Cost Less Depreciation | 10,008 | 15,914 |
| TOTAL ASSETS | \$ 48,271,404 | \$ 40,544,207 |

LIABILITIES AND FUND EQUITY

| | | |
|--|----------------------|----------------------|
| LIABILITIES | | |
| Claims Liabilities and Incurred Losses | \$ 24,238,171 | \$ 14,345,205 |
| Deferred Revenue | - | 7,660 |
| Accounts Payable and Accrued Liabilities | 2,118,249 | 2,078,316 |
| TOTAL LIABILITIES | 26,356,421 | 16,431,181 |
| FUND EQUITY | | |
| Unreserved: | | |
| Undesignated | 21,914,983 | 24,113,026 |
| TOTAL LIABILITIES AND FUND EQUITY | \$ 48,271,404 | \$ 40,544,207 |

The accompanying notes are an integral part of these financial statements.

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

EMPLOYEE BENEFIT PLANS

| | 2017 | 2016 |
|--|----------------------|----------------------|
| REVENUE | | |
| Premiums Earned - Member Assessments | \$ 119,016,291 | \$ 113,926,061 |
| Premiums Ceded to Reinsurers | <u>(20,356,614)</u> | <u>(19,438,046)</u> |
| Net Premiums Earned | 98,659,677 | 94,488,015 |
| Interest Income | 637,575 | 605,118 |
| Net (Losses) on Investments | <u>(56,377)</u> | <u>(40,767)</u> |
| TOTAL REVENUE | 99,240,875 | 95,052,366 |
| EXPENSES | | |
| Incurred Claims | 94,465,794 | 84,044,802 |
| Claims Adjustment/Service Fees | <u>6,030,139</u> | <u>6,473,050</u> |
| Total Incurred Losses | 100,495,934 | 90,517,852 |
| Administrative Expenses | <u>942,984</u> | <u>947,587</u> |
| TOTAL EXPENSES | 101,438,918 | 91,465,439 |
| (DEFICIT) EXCESS OF REVENUE OVER EXPENSES | (2,198,042) | 3,586,927 |
| FUND EQUITY - BEGINNING | 24,113,026 | 20,526,099 |
| FUND EQUITY - ENDING | \$ 21,914,983 | \$ 24,113,026 |

The accompanying notes are an integral part of these financial statements.

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

EMPLOYEE BENEFIT PLANS

| | 2017 | 2016 |
|---|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (DEFICIT) EXCESS OF EXPENSES OVER REVENUES | \$ (2,198,042) | \$ 3,586,927 |
| ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH PROVIDED BY OPERATIONS | | |
| Depreciation | 5,906 | 9,983 |
| Loss (Gain) on Sale of Investments | 29,600 | (6,599) |
| Unrealized Losses on Investments | 26,777 | 47,366 |
| Changes in Assets and Liabilities: | | |
| (Increase) Decrease In: | | |
| Accrued Interest Receivable | (7,705) | (6,520) |
| Reinsurance and Other Receivables | (1,414,200) | (1,928,733) |
| Prepaid Expenses and Deposit Receivable | (124,528) | (3,975) |
| (Decrease) Increase In: | | |
| Liability for Losses Incurred | 9,892,966 | 499,691 |
| Unearned Funding Assessments | (7,660) | 7,660 |
| Accounts Payable - Operations | 39,933 | 165,868 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 6,243,047 | 2,371,668 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of Investments - Managed Account | (7,242,393) | (8,771,524) |
| Investments Redeemed - Managed Account | 7,060,272 | 8,606,755 |
| NET CASH (USED) BY INVESTING ACTIVITIES | (182,121) | (164,769) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 6,060,926 | 2,206,899 |
| CASH AND EQUIVALENTS AT BEGINNING OF YEAR | 25,845,948 | 23,639,049 |
| CASH AND EQUIVALENTS AT END OF YEAR | \$ 31,906,874 | \$ 25,845,948 |

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES

The Consortium recognized unrealized losses of \$26,777 and \$47,366 in 2017 and 2016 on investing activities. The unrealized losses were recognized as subtractions to investment income on the statement of revenues, expenses, and changes in fund equity, but are not cash transactions for the statement of cash flows.

The accompanying notes are an integral part of these financial statements.

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
EMPLOYEE BENEFIT PLANS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

The Florida College System Risk Management Consortium (the "Consortium") was created by mutual agreement of twenty-seven Florida College System Boards of Trustees for the purpose of joining in cooperative effort to develop, implement and participate in a coordinated statewide college system risk management program. The Consortium is not a legal entity and the colleges are ultimately responsible for all insurance risks not transferred through reinsurance contracts. No insurance risk is transferred to the Consortium which administers the self-insurance programs. The colleges also retain all rights granted by Florida law, including that of sovereign immunity which limits lawsuits for damages against them to \$200,000 per person and \$300,000 per occurrence. The Florida College System Risk Management Council, comprised of representatives of member colleges, is charged with the overall responsibility for the administration of the risk management program which includes the establishment and approval of policies, guidelines and procedures for administering the self-insured and fully insured programs. The Risk Management Operations Committee consists of nine voting members and three non-voting members consisting of a representative from the Division of Florida Colleges, a representative of the fiscal agent, and the Executive Director of the Consortium. The Committee provides overall supervision of the risk management program and associated activities. The fiscal agent, one of the member colleges, has the responsibility for receiving, disbursing, and administering all the monies due to or payable for the risk management consortium program in accordance with the policies and procedures adopted by the Risk Management Council consistent with Florida Statutes. The Employee Benefit Plans had twenty-three member colleges in 2017 and 2016.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting using applicable accounting principles for public entity risk pools.

Recoveries, Rebates and Other Receivables

Receivables are due from member colleges of \$3,240,121 and Florida Blue of \$303,587 and are carried at billed amounts, which is realizable value, for all but certain pharmacy rebates receivable. Pharmacy rebates are received quarterly up to a year in arrears of the associated pharmacy claims paid, and are carried at estimated value, based on a rolling average of historical receipts, until actually received. At December 31, 2017, receivables include \$2,821,833 in estimated pharmacy rebates for the last four quarters. No bad debts have ever been experienced by the Consortium.

Prepaid Expense and Deposits

Prepaid expense of \$93,000 in 2017 and \$30,600 in 2016 represents an amount paid in advance to insurance carrier for next program year's claims expense. Deposits of \$62,128 in 2017 are contributions to participant's health reimbursement accounts. Such amounts are expected to be applied against future qualified medical claims. Any amounts remaining thereafter will be refunded to the Consortium.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. The Consortium has a capitalization threshold of \$5,000 for tangible personal property and \$25,000 for leasehold improvements. Expenditures for repairs and maintenance are charged to expense as they are incurred. Depreciation is computed on the straight-line basis over the following estimated useful lives:

- Leasehold Improvements - 10 years or the associated lease period if shorter
- Property and Equipment - 3 to 5 years

Depreciation expense was \$5,906 in 2017 and \$9,983 in 2016.

Continued

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
NOTES TO FINANCIAL STATEMENTS EMPLOYEE BENEFIT PLANS
EMPLOYEE BENEFIT PLANS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Concluded

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Recognition of Premium Revenues

Premium revenues are recognized on a monthly basis based on plan enrollments.

Income Taxes

Federal and state statutes exempt state supported colleges and universities from income tax liability. Since the Florida College System Risk Management Consortium consists solely of state supported colleges, it is exempt from any income tax liability.

Basis of Presentation

Certain items in the 2016 financial statements have been reclassified to conform to the 2017 presentation.

Subsequent Events

In preparing these financial statements the Consortium has evaluated events and transactions for potential recognition or disclosure through May 7, 2018, the date the financial statements were issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash maintained in the fiscal agent's demand account, funds invested with the State Board of Administration (SBA) Florida PRIME investment pool and the State Treasury Special Purpose Investment Account (SPIA). For reporting cash flows, the fiscal agent considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Under this definition, the Consortium considers amounts invested in SPIA and the SBA Florida PRIME investment pool to be cash equivalents. Cash deposits are held in banks qualified as public depositories under Florida law. All such deposits are insured by Federal depository insurance, up to specified limits, or collateralized with securities held in Florida's multiple financial institution collateral pool required by Chapter 280, Florida Statutes.

The Consortium reported as cash equivalents at fair value \$28,497,483 and \$22,738,745 at December 31, 2017 and 2016, respectively, of monies held in the State Treasury SPIA investment pool representing ownership of a share of the pool, not the underlying securities (Level 3 Inputs, as discussed in Note 3). The SPIA carried a credit rating of A+f by Standard and Poor's. The Consortium relies on policies developed by the State Treasury for managing interest rate risk or credit risk for this investment pool. Disclosures for the State Treasury SPIA investment pool are included in the notes to the financial statements of the State's Comprehensive Annual Financial Report.

At December 31, 2017 and 2016, respectively, the Consortium reported as cash equivalents at fair value \$2,048 and \$1,501 of monies held in the Florida PRIME investment pool administered by the SBA pursuant to Section 218.405, Florida Statutes. The Consortium's investments in the Florida PRIME investment pool, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, are similar to money market funds in which shares are owned in the fund rather than underlying investments. At December 31, 2017 the Florida PRIME investment pool carried a credit rating of AAAM by Standard and Poor's and had a weighted average maturity (WAM) of 44.9 days. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of the Florida PRIME investment pool to interest rate changes. The investments in Florida PRIME investment pool are reported at amortized cost.

Continued

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
EMPLOYEE BENEFIT PLANS**

NOTE 3 - INVESTMENTS

The Consortium has adopted written investment policies providing that surplus funds shall be invested in those institutions and instruments permitted under provisions of Florida Statutes. Section 218.415(16), Florida Statutes authorizes the Consortium to invest in the Florida PRIME investment pool administered by the State Board of Administration; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; interest bearing time deposits and savings accounts in qualified public depositories, as defined by Section 280.02, Florida Statutes; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; securities of, or interest in, certain open-end or closed-end management-type investment companies; and other investments approved by the Consortium as authorized by law.

The Consortium categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The general investment policy of the Consortium is to apply the prudent person rule: investments are made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment. In addition to the investments allowed by Section 218.415(16), Florida Statutes, the investment policy authorizes investments in repurchase agreements, corporate notes, money market instruments, and asset-backed securities.

The Consortium's recurring fair value measurements as of December 31, 2017, and 2016 are valued using a matrix-pricing model (Level 2 inputs), with the exception of United States Treasury Notes which are valued using the quoted market price (Level 1 inputs).

| | December 31, 2017 | | |
|--|---|--|---------------------------|
| | <u>Fair Value Measurements Using</u> | | |
| | Quoted Prices In Active Markets for Identical Assets | Significant Other Observable Inputs | |
| Investment by fair value level - 2017 | <u>Amount</u> | <u>(Level 1)</u> | <u>(Level 2)</u> |
| United States Treasury Notes | \$2,453,654 | \$2,453,654 | - |
| Obligations of United States Government and Government-Sponsored Enterprises, | 400,114 | - | 400,114 |
| Commercial Paper | 573,157 | - | 573,157 |
| Corporate Notes | 3,663,973 | - | 3,663,973 |
| Federal Agency Collateralized Mortgage Obligations | 192,962 | - | 192,962 |
| Foreign Notes | 909,157 | - | 909,157 |
| Asset Backed Securities | 1,120,850 | - | 1,120,850 |
| Mortgage-Backed Pass-Throughs | 418,040 | - | 418,040 |
| Money Market Mutual Funds | 47,532 | - | 47,532 |
| Total Investments by fair value level | <u>\$9,779,439</u> | <u>\$2,453,654</u> | <u>\$7,325,785</u> |

Continued

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
EMPLOYEE BENEFIT PLANS**

December 31, 2016
Fair Value Measurements Using

| | Quoted Prices In Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) |
|---|---|--|
| Investment by fair value level - 2016 | <u>Amount</u> | |
| United States Treasury Notes | \$2,230,925 | - |
| Obligations of United States Government and Government-Sponsored Enterprises | 1,374,060 | 1,374,060 |
| Commercial Paper | 536,761 | 536,761 |
| Corporate Notes | 3,540,769 | 3,540,769 |
| Federal Agency Collateralized Mortgage Obligations | 270,695 | 270,695 |
| Foreign Notes | 764,305 | 764,305 |
| Asset Backed Securities | 300,878 | 300,878 |
| Mortgage-Backed Pass-Throughs | 515,024 | 515,024 |
| Money Market Mutual Funds | 120,278 | 120,278 |
| Total Investments by fair value level | <u>\$9,653,695</u> | <u>\$7,422,770</u> |

Other Investments

The following risks apply to investments:

Interest Rate Risk: Interest rate risk is the risk that changing interest rates will adversely affect the fair value of an investment. The investment policy of the Consortium limits the maximum effective duration of the aggregate portfolio to three years. The performance benchmark for the Consortium is the Merrill Lynch 1 - 5 Year U.S. Treasury Index.

The Merrill Lynch 1-5 Year U.S. Treasury Index effective duration was 2.60 at December 31, 2017 and 2.65 at December 31, 2016. The effective duration of the Consortium's portfolio at December 31, 2017 and 2016, respectively, was 2.55 and 2.63 years. Recognizing that market volatility is a function of duration, the investment policy of the Consortium also states that the portfolio is to be maintained as short- to intermediary-term duration portfolio. The maximum duration of floating rate and individual securities is limited to five and a half years from the date of purchase. At December 31, 2017 the Consortium's longest individual security effective duration was 4.50 years.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investment policy of the Consortium provides for the following regarding credit risk:

| Sector | Sector Maximum (%) | Per Issuer Maximum | Minimum Ratings Requirement ¹ | Maximum Maturity |
|--|--------------------|--------------------|--|--|
| U.S. Treasury | 100% | 100% | N/A | 5.50 Years (5.50 Years Avg. life ⁴ for GMNA) |
| Government National Mortgage Association (GNMA) | | 40% | | |
| Other U.S. Government Guaranteed; (e.g. Agency for International Development, Government Trust Certificates) | | 10% | | |

Continued

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
EMPLOYEE BENEFIT PLANS**

| Sector | Sector Maximum (%) | Per Issuer Maximum | Minimum Ratings Requirement ¹ | Maximum Maturity |
|---|--------------------|-------------------------------|---|-----------------------------------|
| Federal Agency/Government Sponsored Enterprise (GSE); Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Home Loan Banks, Federal Farm Credit Banks | 75% | 40% ³ | N/A | 5.50 Years |
| Federal Agency/GSE other than those above | | 10% | | |
| Supranationals where U.S. is a shareholder and voting member | 25% | 10% | Highest ST or Two Highest LT Rating Categories (A-1/P-1, AA-/Aa3, or equivalent) | 5.50 Years |
| Supranationals other than those above | | 5% | | 5.50 Years |
| Foreign Sovereign Governments (Organization for Economic Cooperation and Development countries only) and Canadian Provinces | 10% | 5% | Highest ST or Two Highest LT Rating Categories (A-1/P-1, AA-/Aa3, or equivalent) | 5.50 Years |
| Foreign Sovereign Agencies (OECD Countries only) | 10% | 5% | Highest ST or Two Highest LT Rating Categories (A-1/P-1, AA-/Aa3, or equivalent) | 5.50 Years |
| Corporates | 50% ² | 5% | Highest ST or Three Highest LT Rating Categories (A-1/P-1, BBB/Baa, or equivalent) | 5.50 Years |
| Municipales | 25% | 5% | Highest ST or Three Highest LT Rating Categories (SP-1/MIG 1, A-/A3, or equivalent) | 5.50 Years |
| Agency Mortgage-Backed Securities | 25% | 40% ³ | N/A | 5.50 Years Avg. life ⁴ |
| Asset Backed Securities | 25% | 5% | Highest ST or LT Rating (A-1+/P-1, AAA-/Aaa, or equivalent) | 5.50 Years Avg. life ⁴ |
| Non-Negotiable Collateralized Bank Deposits or Savings Accounts | 50% | None, if fully collateralized | None, if fully collateralized | 2 Years |
| Commercial Paper | 50% ² | 5% | Highest ST Rating Category (A-1/P-1, or equivalent) | 270 Days |
| Bankers' Acceptances | 10% ² | 5% | Highest ST Rating Category (A-1/P-1, or equivalent) | 180 Days |
| Repurchase Agreements | 40% | 20% | Counterparty (or, if the counterparty is not rated by a Nationally Recognized Statistical Rating Organization (NRSRO), then the counterparty's parent) must be rated in the Highest ST Rating Category (A-1/P-1, or equivalent) If the counterparty is a Federal Reserve Bank no rating is required | 1 Year |

Continued

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
EMPLOYEE BENEFIT PLANS**

| Sector | Sector Maximum (%) | Per Issuer Maximum | Minimum Ratings Requirement ¹ | Maximum Maturity |
|---|--------------------|--------------------|--|------------------|
| Money Market Funds | 50% | 25% | Highest Fund Rating by all NRSROs who rate the fund (AAA1/Aaa-mf or equivalent) | N/A |
| Fixed Income Mutual Funds & Exchange Traded Funds | 20% | 10% | N/A | N/A |
| Intergovernmental Pools | 50% | 25% | Highest Fund Quality and Volatility Rating Categories by NRSROs who rate the fund (AAAm/AAAf, S1, or equivalent) | N/A |

Notes: (1) Rating by at least one SEC-registered NRSRO, unless otherwise noted. ST=Short-term; LT=Long-term.

(2) Maximum allocation to all corporate and bank credit instruments is 50% combined.

(3) Maximum exposure to any one Federal Agency, including the combined holdings of Agency debt and Agency MBS is 40%

(4) The maturity limit for MBS and ABS is based on the expected average life at the time of purchase, measured using Bloomberg or other industry standard methods.

At December 31, 2017, the investments of the Consortium in obligations of the United States Government and Government-sponsored enterprises, Federal agency collateralized mortgage obligations, corporate notes, mortgage-backed pass-throughs, commercial paper, foreign notes, asset-backed securities, and money market funds were rated by Standard & Poor's as follows:

| Investment type | Fair Value | Credit Quality Rating |
|--|--------------------|-----------------------|
| United States Treasury Notes | <u>\$2,453,654</u> | AA+ |
| Obligations of United States Government and Government Sponsored Enterprises | <u>\$400,114</u> | AA+ |
| Commercial Paper | <u>\$573,157</u> | A-1 to A-1+ |
| Corporate Notes | <u>\$3,663,973</u> | BBB to AA |
| Federal Agency Collateralized Mortgage Obligations | <u>\$192,962</u> | AA+ |
| Foreign Notes | <u>\$909,157</u> | A+ to AA- |
| Asset Backed Securities | <u>\$1,120,850</u> | AAA |
| Mortgage-Backed Pass-Throughs | <u>\$418,040</u> | AA+ |
| Money Market Mutual Funds | <u>\$47,532</u> | AAAm |

United States Government and Government-sponsored enterprises, Federal agency collateralized mortgage obligations, corporate notes, mortgage-backed pass-throughs, commercial paper, foreign notes, asset-backed securities, and money market funds held by the Consortium are considered to be *available-for-sale*. As such the securities could be sold in response to rate changes, prepayment risk, liquidity, availability of and the yield on alternative investments, and other market and economic factors.

Continued

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
EMPLOYEE BENEFIT PLANS**

Custodial Credit Risk: Custodial Credit Risk is the risk that, in the event of failure of the counterparty to a transaction, the Consortium will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The investment policy of the Consortium requires that all securities purchased be properly designated as an asset of the Consortium and held in safekeeping by a third party custodial bank or other third party custodial institution. The Consortium's investments are held by a safekeeping agent in the name of the Consortium.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Consortium's investment in a single issuer. The investment policy of the Consortium provides that a maximum of five percent of the portfolios individual corporate exposure may be invested in securities of a single issuer, excluding U.S. Government, government agencies, government-sponsored enterprise securities, and money market funds.

For purposes of cash flows, the funds held in the managed investment accounts, including money market funds which are available on demand, are not considered to be cash equivalents due to management's intent that such funds be held for long-term investment.

The scheduled maturities of securities at fair value are as follows:

| | <u>2017</u> | <u>2016</u> |
|--------------------------|--------------------|--------------------|
| Due in one year or less | \$ 747,307 | \$1,220,869 |
| Due in 1 - 5 years | 9,032,132 | 8,432,826 |
| Due in more than 5 years | - | - |
| Total | <u>\$9,779,439</u> | <u>\$9,653,695</u> |

The following summarizes the gains and losses on investment securities as shown in the statements of operations:

| | <u>2017</u> | <u>2016</u> |
|--|-------------------|-------------------|
| Realized (Losses) Gains on Sales of Securities | \$(29,600) | \$ 6,599 |
| Unrealized (Losses) for Year | <u>(26,777)</u> | <u>(47,366)</u> |
| Net (Losses) on Securities | <u>\$(56,377)</u> | <u>\$(40,767)</u> |

NOTE 4 - CLAIMS ADJUSTMENT/SERVICE FEES

During 2017 and 2016 the Consortium contracted with Florida Blue to process and pay the claims of the participants in the Consortium self-insurance health plans. For this service, the Consortium pays a specified amount per plan participant per month. In addition, the Consortium has agreed that if the servicing contract is switched to another entity at the end of any contract year, then they will pay Florida Blue a fixed percentage of all claims processed after the contract year ends but incurred during the contract period. That fixed percentage was 7.9% in 2017 and 2016. The liability for claims service fees payable is the contractual percentage times the liability for claims incurred but not paid at year end and is included in the liability for losses incurred.

NOTE 5 - COMPENSATED ABSENCES

Employee leave and attendance policies include provisions for granting specified numbers of sick and vacation leave days with pay each year. Such leave not taken may become payable upon termination of employment. The liability for leave not taken, included in accounts payable and accrued liabilities on the accompanying balance sheet, amounted to \$94,776 at December 31, 2017 and \$79,667 at 2016.

Continued

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
EMPLOYEE BENEFIT PLANS**

NOTE 6- CLAIMS LIABILITIES AND INCURRED LOSSES

Unpaid claims on health policies represent the estimated liability for benefit expenses both reported but not paid and incurred but not reported to the Consortium through December 31. The Consortium does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using historical claims payment patterns and statistical analyses. Those estimates are subject to the effects of trends in claims severity and frequency. Although considerable variability is inherent in such estimates, management believes that the liabilities for unpaid claims are adequate. The estimates are continually reviewed and adjusted as necessary as experience develops or new information becomes known; such adjustments are included in current operations. The time frame for processing health claims is generally no more than a few months.

Activity in the liability for unpaid claims and claim adjustment expenses is summarized as follows:

| | <u>2017</u> | <u>2016</u> |
|---|---------------------|---------------------|
| Claims Liabilities and Incurred Losses at beginning of year | \$14,345,205 | \$13,845,514 |
| Less reinsurance recoverable | <u>(2,253,319)</u> | <u>(1,396,277)</u> |
| Net balance at beginning of year (undiscounted) | 12,091,886 | 12,449,237 |
| Claims incurred related to: | | |
| Current year | 98,547,390 | 89,475,213 |
| Prior year | <u>1,948,544</u> | <u>1,042,639</u> |
| Total incurred | 100,495,934 | 90,517,852 |
| Claims paid related to: | | |
| Current year | 72,868,133 | 72,953,416 |
| Prior year | <u>18,606,935</u> | <u>17,921,787</u> |
| Total paid | <u>91,475,068</u> | <u>90,875,203</u> |
| Net balance at end of year | 21,112,752 | 12,091,886 |
| Add reinsurance recoverable | <u>3,125,419</u> | <u>2,253,319</u> |
| Net balance at end of year (undiscounted) | <u>\$24,238,171</u> | <u>\$14,345,205</u> |
| Total liability consists of: | | |
| Accounts Payable - Processed Claims | \$ 16,958,422 | \$ 8,951,205 |
| Reserve for Claims Reported and Unpaid/ Claims Incurred But Not Reported | | |
| Including Claims Service Fees | <u>7,279,749</u> | <u>5,394,000</u> |
| | <u>\$24,238,171</u> | <u>\$14,345,205</u> |

Reinsurance recoverables and pharmacy rebates of \$3,125,419 and \$2,253,319 as of December 31, 2017 and 2016, respectively are included in Recoveries, Rebates and Other Receivables in the accompanying balance sheets.

The following tables provide information about incurred and paid claims development as of December 31, 2017 as well as cumulative claims frequency and the total of incurred but not paid claims liabilities. The cumulative claim frequency is measured by claims event, and includes claims covered under capitation arrangements.

Continued

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
EMPLOYEE BENEFIT PLANS**

Incurred Claims and Allocated Claims Adjustment Expenses

| <i>in thousands</i> | | | | Total IBNR | Cumulative Number of Reported Claims |
|------------------------|-------------------|-------------------|------------------|---------------|--|
| Claim Incurred Year | 2015 Unaudited | 2016 Unaudited | 2017 | | |
| 2015 | \$93,894 | \$95,149 | \$95,149 | - | 431 |
| 2016 | | 89,475 | 90,154 | 43 | 359 |
| 2017 | | | <u>98,548</u> | <u>7,237</u> | 352 |
| | | | <u>\$283,851</u> | <u>7,280</u> | |

Cumulative Paid Claims and Allocated Claims Adjustment Expenses

| <i>in thousands</i> | | | |
|---------------------|----------|-----------|------------------|
| Benefit Year | 2015 | 2016 | 2017 |
| 2015 | \$84,263 | \$102,185 | \$102,185 |
| 2016 | | 92,953 | 91,560 |
| 2017 | | | <u>72,868</u> |
| | | | <u>\$266,613</u> |

NOTE 7 - REINSURANCE

The Consortium seeks to reduce losses from certain catastrophic or other events that could cause unfavorable underwriting results by reinsuring certain levels of risk in various areas of exposure with other insurance enterprises. All life insurance and certain health insurance is totally ceded to outside insurers. The Consortium maintained stop/loss insurance related to health claims which reimbursed the Consortium for individual claims in excess of \$400,000 in 2017 and \$375,000 in 2016. Such reimbursements are reported as reductions of incurred losses, and the premiums paid to maintain such insurance are reported as reductions of revenue for premiums ceded. The consortium evaluates the financial strength of potential reinsurers and continually monitors the financial condition of reinsurers.

The following table includes premium amounts ceded to other companies.

| <u>2017</u> | Premiums Assessed | Premiums Ceded | Net Premiums Earned |
|-----------------------|----------------------|---------------------|---------------------------|
| Health Insurance | \$115,842,102 | \$17,182,425 | \$98,659,677 |
| Life Insurance | 3,174,189 | 3,174,189 | - |
| Total Premiums Earned | <u>\$119,016,291</u> | <u>\$20,356,614</u> | <u>\$98,659,677</u> |
| <u>2016</u> | Premiums Assessed | Premiums Ceded | Net Premiums Earned |
| Health Insurance | \$111,119,952 | \$16,631,937 | \$94,488,015 |
| Life Insurance | 2,806,109 | 2,806,109 | - |
| Total Premiums Earned | <u>\$113,926,061</u> | <u>\$19,438,046</u> | <u>\$94,488,015</u> |

Continued

**FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
EMPLOYEE BENEFIT PLANS**

NOTE 8 - RETIREMENT BENEFITS

The Consortium's employees are employed by the District Board of Trustees of Santa Fe College, the fiscal agent. The Consortium does not administer a separate retirement plan for its employees; however, pursuant to law, all salaried employees are members of retirement plans of the State of Florida. The retirement plans accounting and funding policies, actuarial present value of accumulated plan benefits, net assets available for benefits and other related matters are the responsibility of the Florida State Department of Administration, Division of Retirement. Other post-employment benefits (OPEB), primarily subsidized premiums for health insurance, are provided by Santa Fe College. The complete disclosures for the retirement plan and OPEB are in the Notes to Financial Statements for Santa Fe College.

NOTE 9 - RENTALS UNDER OPERATING LEASES

The Consortium rents office space for \$7,132 monthly plus annual 3% increases under a lease through September 30, 2020. The Employee Benefit Plan is responsible for 50% of the lease obligation. Minimum future lease payments for the plan are \$121,569.

*Linda F.
Triplett, CPA, PA*

May 7, 2018

Risk Management Council and Operations Committee
Florida College System Risk Management Consortium
Employee Benefits Plans

In planning and performing our audit of the financial statements of Florida College System Risk Management Consortium Employee Benefits Plans as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the Consortium's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control. Accordingly, we do not express an opinion on the effectiveness of the Consortium's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as described above.

This communication is intended solely for the information and use of management, the Risk Management Council, the Operations Committee and authorized representatives of agencies of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Linda F. Triplett, CPA, P.A.

*Certified Public Accountant
2630 N.W. 47th Street · Suite B · Gainesville, Florida 32606
Phone 352 378-4126 · Fax: 352 378-8988*



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March 19, 2018

Mr. David Kane
Florida Department of Financial Services
Office of Insurance Regulation Life & Health Forms & Rates
200 East Gaines St.
Tallahassee, FL 32399-0328

Re: Self-Funded Health Plan Filing for the Florida College System Risk Management Consortium
Plan Year January 1, 2017 to December 31, 2017

Dear Mr. Kane:

At the request of the Florida College System Risk Management Consortium, Gallagher Healthcare Analytics has prepared the required filing under Florida Statute 112.08.

We have included the required forms OIR-B2-570, OIR-B2-572, OIR-B2-573, and OIR-B2-574, as well the required actuarial memorandum, a copy of the worksheet used to estimate the IBNR as of December 31, 2017 and a file with additional documentation.

Please do not hesitate to contact me directly if you have any questions regarding this filing.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Volk", written in a cursive style.

Glen R. Volk, FSA, MAAA
Consulting Actuary

cc: Chauncey Fagler, FCSRMC
Robert Pralle, FCSRMC



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Florida College System Risk Management Consortium Actuarial Memorandum for Plan Year 2017

Scope

The Florida College System Risk Management Consortium ("FCSRMC") provides health insurance to employees of its participating member colleges through a self-funded health plan administered by Florida Blue. Florida Statute 112.08 requires self-funded plans sponsored by local governments to submit an annual filing to the Florida Office of Insurance Regulation ("OIR") documenting plan experience and financial position. The filing must include an actuarial memorandum signed by a certified actuary that opines on the actuarial soundness of the plan. This memorandum is intended to comply with that requirement for the plan year ending December 31, 2017.

I have performed the calculations for the FCSRMC self-funded health plan and supervised and reviewed the preparation of the attached reports. In my calculations, I have relied on information provided by FCSRMC and on data provided by the plan's administrator. I have not audited this data but I have performed tests to assess the data's consistency with prior years and overall reasonableness, and I believe the data is sufficient for the purposes of this analysis.

Background

23 colleges in the state of Florida participate in the FCSRMC plan. Member colleges select from a menu of plan offerings administered by Florida Blue. Premium rates are set by FCSRMC based on the overall pool experience, with periodic adjustments to reflect differences in experience by college. Each college establishes its own employee and retiree contribution rates.

Credibility

The FCSRMC self-funded plan currently covers over 16,000 employees, retirees, and dependents. Given the size and stability of the FCSRMC population, I believe that the FCSRMC experience is 100% credible.

Development of Claim Reserves

Incurred medical and pharmacy claims for the 2017 plan year were developed by adding paid claims to the change in the claim reserve. The closing claim reserve was estimated using the Development method. Because the completion factor for December 2017 incurred claims is too low to be credible, incurred claims for that month were estimated using the Completion method.

Development of Premium Equivalent

Premium equivalent rates are developed by projecting total plan expenses for the plan year and adjusting the premium rates to generate comparable revenue. For 2018, Gallagher prepared a preliminary increase of 5.0% that was used in last year's filing. Florida Blue subsequently prepared an updated renewal that suggested a 4.88% increase was necessary to break even for 2018. That was the basis for the 2018 rate actions. We then prepared an analysis of historical experience by College and the actual 2018 rate increases by College were adjusted to partially reflect each College's historical results. We now project that the 2018 rates will result in a very small loss. We have included a documentation file with this filing that shows the development of projected expenses for 2018 through 2020 and the resulting rate increases that would be necessary to keep the fund at breakeven for 2019 and 2020. We also included the Florida Blue worksheet that was the basis for the 4.88% baseline increase for 2018.

The "2018 rates summary" tab in the documentation file shows the development of total projected revenue for 2018 based on the current enrollment and the 2018 rates. That baseline revenue is used

in conjunction with the expense projection to develop the required increases for future years. That exhibit also develops the average per member per month premiums for employers and employees for 2018. Those values are \$448 pmpm for employers and \$114 pmpm for employees for a total of \$562 pmpm.

The 2018 and 2019 increases shown in the forecast are estimates based on current experience. Actual rate increases will depend on emerging experience at the time future rates are finalized.

Other Income and Expenses

In 2017 the plan received \$4.1 million in pharmacy rebates and \$500,000 in investment income. We have assumed these revenues will continue. In addition to administrative fees and reinsurance premiums, the plan is also charged with internal administrative expenses and applicable healthcare reform fees and taxes.

Historical Data

We have included tabs called "actual_vs_expected" and "loss ratio" in the documentation file, showing the actual and expected claims in recent years as well as the loss ratios for the same period and the projected loss ratio for 2018.

The loss ratios have normally run between 90% and 95%, although the 2017 loss ratio was higher at 96%. This is acceptable because the administrative fees and reinsurance premiums represent such a small portion of the total cost. With the 95% that we project for 2018 the plan is expected to be very close to breakeven. Therefore, I believe the projected loss ratio is appropriate.

Medical Trend

For the three year forecast, we assumed annual trends of 6.0% for medical and 9.0% for pharmacy claims. These trends are based on our normative assumptions with some recognition for FCSRMC experience.

Surplus

The 2017 results were worse than expected, with the plan experiencing a loss of \$2.2 million. Last year's filing showed a closing surplus of \$24.1 million and with the loss in 2017 we now show surplus of just under \$22 million as of December 31, 2017. Based on annual incurred claims of \$98.6 million, this is equivalent to 81 days of claims so the plan comfortably satisfies the OIR's 60-day safe harbor surplus threshold.

We project a small loss of \$500,000 for 2018 and that would yield a yearend surplus of \$21.4 million. That is equal to 75 days of projected 2018 claims.

Based on the accumulated surplus as of December 31, 2017 and the projected results for 2018, it is my opinion that the FCSRMC health plan is actuarially sound.

Reliance

I relied upon financial reporting, enrollment, and premium information provided by FCSRMC and on claim lag information provided by Florida Blue in preparing this analysis. In my opinion, the data provided was adequate for the purposes of this analysis.

I believe that the procedures and methods used in the exhibits to report past results and project future results are reasonable and have been calculated using sound actuarial principles. The projections are based on assumptions that I believe are reasonable in aggregate, but future experience is likely to vary from these assumptions, and the differences may be material.

Qualifications

I, Glen R. Volk, am a Member of the American Academy of Actuaries. I meet the Academy qualification standards for rendering this statement of actuarial opinion. I am not aware of any relationship between myself or other members of my firm and the County that could create a conflict of interest that would impair, or appear to impair, my objectivity.

I further certify that I have prepared this filing in accordance with:

- ASOP No. 5, Incurred Health and Disability Claims
- ASOP No. 8, Regulatory Filings for Rates and Financial Projections for Health Plans
- ASOP No. 23, Data Quality
- ASOP No. 31, Documentation in Health Benefit Plan Ratemaking



Glen R. Volk, FSA, MAAA
Area Vice President & Consulting Actuary

March 19, 2018
Date



OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES
COMMISSION

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ATTORNEY GENERAL

ADAM PUTNAM
COMMISSIONER OF
AGRICULTURE

DAVID ALTMAIER
COMMISSIONER

via email: glen_volk@ajg.com

March 26, 2018

Mr. Glen R. Volk
Florida Community Colleges Risk Management Consortium
2255 Glades Rd
Ste 200e
Boca Raton, FL 33431

**RE: FLORIDA COMMUNITY COLLEGES RISK MANAGEMENT CONSORTIUM
FILE LOG NUMBER: SIP 18-03775
PLEASE REFER TO THIS FILE NUMBER WHEN CORRESPONDING**

Dear Mr. Volk:

The Office of Insurance Regulation has reviewed your annual report for the above referenced plan for plan year ending 12/31/2017, including the statement as to the plan's actuarial soundness. After reviewing the information submitted, your filing is **ACCEPTED** as being in compliance with the requirements of Section 112.08, F.S. We look forward to receiving your current plan year report no later than 3/30/2019.

Thank you for filing the required information.

Sincerely,

Office of Insurance Regulation

• • •

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Information Item 4.a.
Property/Casualty Program

Policy Briefs

FCSRMC

FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM
4500 N.W. 27th Avenue Suite D-2, Gainesville FL 32606

4/30/2018

Madeline Pumariega
Chancellor
The Florida College System
325 West Gaines Street, Room 1544
Tallahassee, FL 32399

RE: Florida College System Risk Management Consortium (FCSRMC)
Hurricane Irma

Dear Ms. Pumariega,

The purpose of this letter is to address concerns faced by The Florida College System Risk Management Consortium (FCSRMC) in the aftermath of Hurricane Irma, specifically related to FEMA's regulations on Procurement and Insurance. Additionally, there are concerns related to the appropriate FEMA Applicant which are discussed below.

Procurement:

In the immediacy following the storm, many colleges began repair and clean-up utilizing vendors already contracted with their college. Many had contractors engaged pre-storm for regular maintenance of roofs, buildings, lawns and for instances where emergency water extraction was needed. Those same contractors were called upon in the aftermath of the disaster to repair roofs, buildings and for the cleanup of water and debris. The use of existing contracts which were procured based upon established procurement guidelines may not have been sufficient in accordance with FEMA procurement regulations, thus creating a situation where Federal funding may be disallowed.

One of the funding allowances in the FEMA regulations is the payment of deductibles or retentions. While the colleges will be made whole by the Consortium, less their per occurrence deductible, any Federal funding received would assist in offsetting the liability reserves of the FCSRMC which were used to pay the losses. If the funds are not repaid to the colleges and reimbursed to the Fund, the FCSRMC would need to assess each Participant of the Fund a pro-rata amount to ensure that the reserves are actuarially stable in the event our State faces another catastrophic event.

Possible Alternatives:

- Require each college to do a Cost Reasonableness Analysis on each contract used that was not procured in accordance with Federal Procurement regulations (44 CRF)
- Request President Trump approve an exemption specifically for DR-4337 from the Federal Procurement regulations for up to one year from September 4, 2017 to September 3, 2018 for eligible Public Applicants in the State of Florida who followed State Procurement Regulations (or Applicant Procurement Regulations if more stringent than State) during the one-year exemption period.

Obtain and Maintain Insurance:

Another significant factor that will affect the Fund is FEMA's regulation pertaining to insurance, specifically its Obtain and Maintain regulation. This regulation basically requires that insurance be obtained and maintained on any facility which previously received Federal disaster funding. With the 2004 and 2005 storms, as well as Hurricane Matthew in 2016, we are certain that FEMA will apply a reduction to many of the buildings which sustained damage in Hurricane Irma. Any reduction taken would lessen the Federal funding received by the college, and ultimately reimbursed to the Consortium. We have asked FEMA to assist us with an analysis of the estimated reductions that will be taken based upon this Federal provision. Unfortunately, this analysis will take significant time on FEMA's part which will further delay knowing the full ramifications of the Consortium's financial exposure.

Possible Alternatives:

None as Insurance does exist through the Consortium for the colleges.

Legal Applicant:

FEMA has established eligibility guidelines which are based, in part, upon legal responsibility and ownership of facilities. The Division of Community Colleges (DCC) filed a Request for Public Assistance in the 2004 and 2005 storms which was approved. This approval allowed DCC to directly receive the Federal funding for the Consortium's retention. The DCC, in turn, remitted those funds directly to the Consortium which offset the payment of losses to the colleges. This process negated the Consortium having to seek reimbursement of the retention from each respective college which resulted in a more streamlined approach.

For Hurricane Irma, FEMA has indicated that the DCC cannot serve as the Legal Applicant for the receipt of these funds, thus requiring that the Consortium seek reimbursement from each college of the Federal funding related to the retention. This will be a time-consuming process which may be further delayed due to each college's budgetary constraints and authority.

While FEMA has indicated for Hurricane Irma that DCC is not the proper Legal Applicant, the Consortium is of the opinion that with support from the State's Division of Emergency Management (the Recipient), that FEMA may amend their position, thus allowing for a more streamlined process as in the 2004-2005 storms. We would appreciate your support of this initiative.

Attached to this letter are two Policy Briefs, specifically Procurement and Obtain and Maintain Insurance.

We look forward to further discussion on the Legal Applicant, as well as these two critical regulations which may negatively impact receipt of Federal funding.

Respectfully,



Chauncey Fagler
Executive Director
Attachments

Florida College System Risk Management Consortium

Hindrances of Federal Procurement

Executive Summary:

In order to qualify to receive Federal reimbursement due to declared disaster events the Florida College System Colleges must comply with Federal procurement standards, which can be found at Title 2 of the Code of Federal Regulations (C.F.R.) sections 200.317 through 200.326. Most Colleges are not organized to meet these procurement guidelines. The requirements are a burden to the system placing undue pressure on many College departments including legal, purchasing, business affairs, facilities and risk management. The laborious time constraints to meet the requirements delay the rebuilding and repairing of College facilities as well hindering the Florida College System in their mission to provide access and respond rapidly to diverse state and community needs.

Scope of Problem:

- Federal procurement policy differs from College procurement requirements, although the Florida College System has robust procurement guidelines already in place.
- Broad scope of contract requirements are not applicable to all types of projects.
- Debris removal – Debris removal needs to start immediately after the event to get emergency routes open and so that safety hazards are removed so the schools can be open back up without putting students and faculty and staff in harms-way.
- College may meet some but not all requirements and still not receive Federal reimbursement
- Time restrictions to comply expediently during an emergency event.
- Pre-position contracts in place for work on College campuses, some of which could be used for permanent restoration, but contracts were procured using at a minimum State Procurement Codes

Examples:

- Miami Dade College – Environmental Center repairs are on hold pending contractor proposals.
- Polk State College – Roof repairs to multiple buildings, it will be end of May to complete bid process and present to District Board of Trustees.
- Daytona State College – Roof repairs to multiple buildings, pending quotes.

Policy Alternatives:

- Allow Colleges to follow current College procurement guidelines that were in effect at the time of Hurricane Irma, DR-4337. Current guidelines are approved by each college District Board of Trustees.
- Require each college to do a Cost Reasonableness Analysis on each contract used that was not procured in accordance with Federal Procurement regulations (44 CRF)
- Request President Trump approve an exemption for DR-4337 from Federal Procurement Regulations for up to one year from September 4, 2017 to September 3, 2018, for eligible Public Applicants in the State of Florida who followed State Procurement Regulations (or

Applicant Procurement Regulations if more stringent than State) during the one-year exemption period.

Consulted or Recommended Sources:

Electronic Code of Federal Regulations. https://www.ecfr.gov/cgi-bin/text-idx?SID=27ced380f443d64f459699d8d1b9e188&mc=true&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

FEMA Procurement Disaster Assistance Team. <https://www.fema.gov/procurement-disaster-assistance-team>

Florida Department of Emergency Management Services.
https://www.dms.myflorida.com/business_operations/state_purchasing/documents_forms_references_resources/purchasing_memos_rules_and_statutes/purchasing_rules_and_statutes

Florida College System Risk Management Consortium

Financial Impact of Hurricane Irma

The Florida State Colleges have been working for many years to establish and maintain surplus fund reserves. The purpose of this paper is to provide background information on the importance of these surplus funds to the colleges' financial future and how these funds have been affected by Hurricane Irma.

In 1980, the Florida Legislature provided authority for the Florida Community Colleges (now state colleges) to participate in a risk management program, which included a self-insured retention. For 38 years, the Florida College System Risk Management Consortium (FCSRMC), formerly the Florida Community College Risk Management Consortium, has been serving the state colleges of Florida. Currently 27 of the 28 colleges participate in the property and casualty program.

By participating in the consortium, each individual college shares in the risk of the other member colleges. This pooling of risk allows the Consortium to leverage the size of the program when purchasing excess insurance above the self-insured retention to benefit all member colleges by obtaining broader coverage with competitive premiums. However, while enjoying the group benefits there are also inherent risks associated with this type of program:

- **Surplus Fund Deficit:** When the surplus balance in the program falls below the amount decided by the Operations Committee, a special allocation may be made to all member colleges to increase the surplus fund balance. This allocation could be significant based on the losses for that policy year. If the surplus is completely depleted, the allocation would be in the millions for each college.
- **Higher Than Anticipated Losses:** When losses exceed the actuarially determined amount of losses expected in any one policy year, a special allocation may be made to all colleges to cover losses.
- **Catastrophic Losses:** Catastrophic losses are not considered when deciding on the loss fund. Catastrophic loss expenses are covered upfront by the FCSRMC surplus funds and can have a direct effect on surplus fund reserves. If surplus funds are not adequate each college may be assessed.

One of the greatest risk to the participating colleges is catastrophic losses. Due to the hurricane activity of 2004-2005, the self-insured retention or deductible structure with excess carriers changed to 3% of the affected property values, with a \$2,500,000 minimum, when a named hurricane causes property damage. Prior to that FCSRMC's program had a predictable

\$2,500,000 flat deductible. The flood deductible is \$2,500,000 and all other perils deductible for property is \$1,000,000.

Hurricane Irma hit the Florida coast in September 2017. Of the 27 colleges that participate in the FCSRMC Property & Casualty program, 19 experienced damage. This was the costliest storm to affect the colleges since the 3% deductible was adopted by insurance carriers. Preliminary numbers show the damage to be approximately \$16.5 million dollars. Of this \$16.5M, the consortium expects to have a self-insured retention loss of approximately \$6.5M. This will ultimately lower the surplus balance to \$14.5M. This is especially troubling as the 2018 hurricane season approaches. Without help from the legislature or a special assessment to the colleges, the surplus funds will be further depleted if the colleges sustain damage in the 2018 hurricane season. Actuarially, the consortium can absorb only two more storms before the surplus funds are fully exhausted.

The colleges are filing for FEMA reimbursements for their incurred damages, but with FEMA Obtain and Maintain requirements, it is questionable on whether or not they will receive federal relief for their losses. FEMA Obtain and Maintain requirements state that an entity cannot be reimbursed for any amount of prior insurance or FEMA reimbursements on a property for previous losses. Many of the 19 effected colleges were hit with storms in 2004 and 2005. This will ultimately affect how much FEMA reimburses for Hurricane Irma and will greatly decrease any future reimbursements. Any reduction taken on a project by FEMA would lessen the Federal funding received by the college, and ultimately reimbursed to the consortium.

With a 3% per affected building deductible and FEMA Obtain and Maintain requirements, it is very concerning how the FCSRMC and member colleges will fund for future catastrophic losses. The consortium has approximately \$8 Billion in property values at risk every time a hurricane hits Florida. If college budgets remain strained and the consortiums surplus funds remain lower than actuarially determined optimal levels, the FCSRMC and member colleges will have to look to the legislatures to help replenish surplus funds for future catastrophic losses.

**The FEMA Obtain and Maintain requirements for the FCSRMC member colleges and how it affects Hurricane Irma reimbursements is currently being determined by FEMA.

| Row Labels | Sum of Total PD Est Damages |
|--------------------------------------|-----------------------------|
| Broward College | 1,391,000.00 |
| College of Central Florida | 105,000.00 |
| Daytona State College | 216,000.00 |
| Eastern Florida State College | 896,550.00 |
| Florida Gateway College | 205,000.00 |
| Florida Keys Community College | 7,627,638.40 |
| Florida Southwestern State College | 717,000.00 |
| Hillsborough Community College | 35,250.00 |
| Indian River State College | 340,500.00 |
| Lake-Sumter State College | 277,250.00 |
| Miami Dade College | 1,910,500.00 |
| Palm Beach State College | 625,000.00 |
| Polk State College | 272,500.00 |
| Seminole State College of Florida | 668,500.00 |
| South Florida State College | 299,500.00 |
| St Johns River State College | 423,142.50 |
| St. Petersburg State College | 99,500.00 |
| State College Of FL Manatee-Sarasota | 133,607.00 |
| Valencia College | 282,500.00 |
| Grand Total | 16,525,937.90 |

Information Item 4.b.
Property/Casualty Program

Plan Document



Plan Document 2018-2019

Key changes are summarized as follows:

Removed Coverage:

- Disaster Management Response and Recovery Services
 - Colleges have emergency response processes already in place; this coverage could prove difficult to coordinate and may not be a true benefit.

Property Condition Clarification

- Excess Over Public Resources, Section 1, #9
 - Requirement to file for FEMA reimbursement to protect surplus funds.
 - Any FEMA reimbursement of property insurance deductibles shall be returned to replenish fund balance.

General Conditions Added:

- Surplus Funding Policy, Section V, #19
 - Surplus balance will be maintained by surplus funding policy at direction of Operations Committee.

Coverage Change:

- Excess Workers' Compensation Coverage
 - Self-insured retention increased from \$500,000 to \$750,000.

Information Item 4.c.
Property/Casualty Program

Stewardship Report

Individual College Stewardship Reports Were
Handed Out to College Business Officers and
Human Resource Officers at the May 17, 2018
COBA Meeting

Electronic Reports are Available by Request.

Information Item 4.d.
Property/Casualty Program

Property/Casualty Program Audit 2017

Property/Casualty Program 2017 Audit Will be Presented at August/September COPS Meeting

**Information Item 5.a.
Employee Benefit Plans**

Market Evaluations

MARKET EVALUATIONS

Periodically formal market evaluations are completed for all FCSRMC employee benefits plans using the collective and full purchasing clout of the twenty-three participating colleges to ensure the highest value of products and services. Each project is managed by a national actuarial benefit plan consulting service selected from the completion of an evaluation process.

MARKET EVALUATION SCHEDULE

- Dental Program Market Assessment (2018)
- Employee Assistance Program Market Assessment (2018)
- Wellness Program Effectiveness & Cost Assessment (2018)
- Pharmacy Negotiated Fee & Rebate Statistically Valid Sample Audit (2019)
- Life & Disability Program Market Assessment (2019)
- College Rate Validation Study (2020)
- Health Program (Medical & Pharmacy) Market Assessment (2020)
- Stop Loss Insurance Market Assessment (2020)
- Vision Program Market Assessment (2020)

2018 MARKET EVALUATION RESULTS

This year's market evaluation included FCSRMC fully insured Dental and Employee Assistance Program (EAP) products and was managed by Gallagher Benefit Services. The key highlights and conclusions are below:

DENTAL

- Effective January 1, 2019
- Recommendation to continue with current carrier Delta Dental
- Premiums reduced 11.9% or \$653,628
- Two year rate guarantee
- Increased benefits

EAP

- Effective January 1, 2019
- Recommendation to move from Aetna to New Directions
- Premiums reduced 8.6% or \$20,000
- Three year fixed rate structure
- Enhanced benefits
- New Directions administers FCSRMC Plan Administrator Florida Blue behavioral mental health services resulting in a seamless transition to EAP services

**Information Item 5.b.1.
Employee Benefit Plans**

**Self-Insured Health Program
Cost & Utilization Highlights**

SELF-INSURED HEALTH PROGRAM

COST & UTILIZATION ANALYSIS HIGHLIGHTS

FCSRMC and Florida Blue work together in managing and monitoring the health program cost and utilization trends. Below please find the highlights from the most recent FCSRMC and Florida Blue medical management team analysis of the health program's 2017 cost and utilization report:

FCSRMC ENROLLMENT

- 23 colleges
- 11,223 employees (average age 50.9)
- 16,192 members (average age 44.1)

TRENDS

- FCSRMC's 2017 claim cost per member per month increased 9.1% over 2016.
- FCSRMC's 2017 increase without high cost claimants (\$100,000+) was 2.5%.
- Florida Blue's book of business 2017 increase was 10.8%.

FCSRMC MEMBER COST SHARE

- FCSRMC member share of claim costs decreased from 11.9% to 11.2%
- Benchmark comparison indicates member cost share nationally is 15.5%, Southeast is 17.0% and Southeast Industry Specific (Education) is 14.6%

FCSRMC HIGH COST CASES (\$100,000+)

- High cost cases increased 37% in 2017.
- .69% of enrolled population experienced a high cost medical episode.
- Average cost per case \$193,000.

FCSRMC PHARMACY

- 27.7% of total claim dollars are pharmacy.
- Pharmacy spend per member increased 10.2%.
- Specialty drugs account for 35.5% of total pharmacy claim dollars.

- Pharmacy dynamics changing:
 - Within the next 3 to 5 years pharmacy claim costs are expected to be 50% of overall claim dollars.
 - CVS purchased Aetna
 - Florida Blue's long term contract with Walgreens includes deep discounts.

FCSRMC COST SAVINGS MANAGEMENT

- FCSRMC health program uses 93% of premiums for paying claims. 4% of premium is used to purchase stop loss insurance for high cost claims. Only 3% of premiums is used for administration (Florida Blue administration fee, FBMC administration fee, Health Equity administration fee, audit, compliance and consulting fees, ACA fees, wellness program, FCSRMC employee benefits budget).
- Florida Blue's provider negotiated network savings have reduced FCSRMC claim costs 68.3%.
- FCSRMC member claims are in network 98.5% of the time.
- 83.4% of pharmacy claims are generic.
- FCSRMC has a Florida Blue dedicated Case Manager.
- Florida Blue Distinct Centers of Excellence have resulted in high quality outcomes while reducing claim costs over 20%.
- Pharmacy management programs (Prior Authorization, Step Therapy and Quantity Limits) reduced FCSRMC 2017 claim costs \$1.4 million.
- Florida Blue Value-Based Health Care provider program has reduced claim costs 5%, hospital admissions by 11% and 7% reduced ER visits.
- FCSRMC evaluating pharmacy network and formulary options that potentially can reduce claim costs over \$1 million annually.

FCSRMC INDIVIDUAL COLLEGE VISITS

FCSRMC plans to continue individual visits with each college to review and discuss their specific cost and utilization data along with the identification of benefit design alternatives for reduced premiums.

Information Item 5.b.2.
Employee Benefit Plans

Self-Insured Health Program
Benchmark

Blue Health Intelligence® Benchmark Reporting



Florida College System Risk Management Consortium (FCSRMC) Employee Cost Share Comparison BHI Benchmark Data January 2017 to December 2017 Paid Through February 2018

Blue health Intelligence (BHI) is the nation's largest healthcare data warehouse that brings together medical and pharmacy claims experience representing 54 million lives across 18 Blue Cross Blue Shield plans.

The BHI data warehouse uses normalized data with completion factors applied, is actuarially credible, and is certified by Milliman, USA.

These statistics allow baseline comparisons of your data against National, Regional, and Industry benchmarks. These benchmarks are selected from a dataset that encompasses 83 U.S. industries and annual claims totaling \$104 billion.

The Industry benchmark utilized for FCSRMC is the Educational Services grouping based on the Standard Industrial Classification System. Regional comparisons are based on the southern U.S. census region.

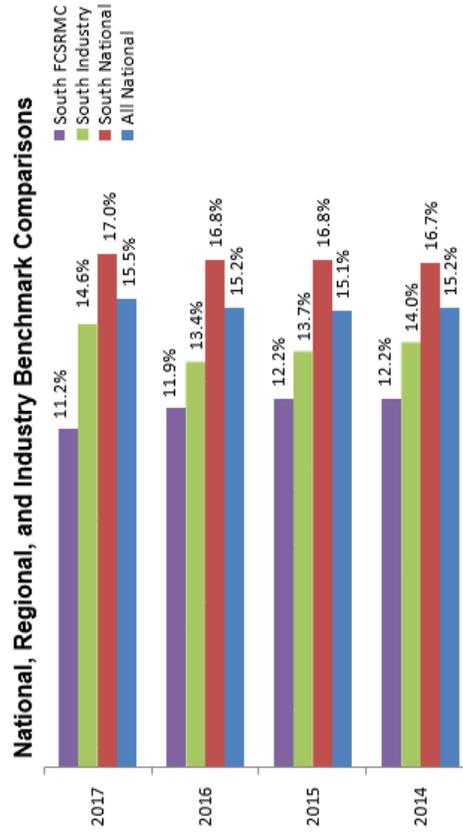
Employee Cost Share Comparison

This comparison of claim payments shows how costs are shared by your employees.

FCSRMC's employee cost share (in the form of deductible, copayments and coinsurance costs) remained flat, representing 11.2% of your total claim payments. This statistic continues to remain lower than all of the benchmarks year-over-year.

A lower employee cost share is an indicator that FCSRMC is absorbing a larger percentage of total medical expenditures compared to your peer groups within the benchmarks comparisons.

This comparison indicates that FCSRMC actively pursues a benefit design strategy that helps minimize the burden of continuing rising health care costs on its members.



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Information Item 5.b.3.
Employee Benefit Plans

Self-Insured Health Program
Rate Funding Updates

FCSRMC VS. MARKETPLACE AVERAGE ANNUAL HEALTH PLAN RATE CHANGES

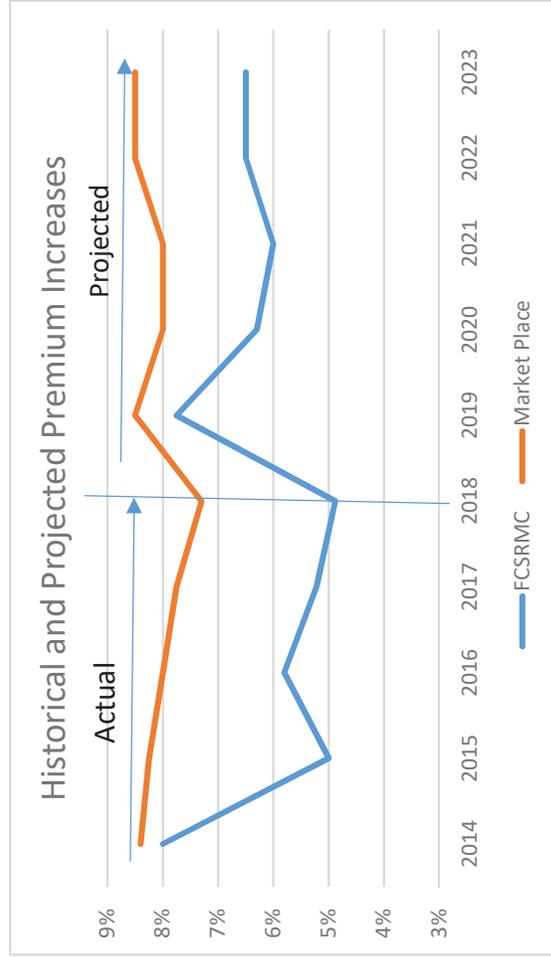
| Year | Actual Historical | | | | | | | Projected Future ⁴ | | | | |
|---------------------------------|-------------------|-------|-------|-------|--------------------|-------|-------|-------------------------------|-------|-------|--|--|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| FCSRMC | 8.00% | 5.00% | 5.80% | 5.22% | 4.88% ³ | 7.75% | 6.30% | 6.00% | 6.50% | 6.50% | | |
| Market Place¹ | 8.40% | 8.25% | 8.00% | 7.75% | 7.30% ² | 8.50% | 8.00% | 8.00% | 8.50% | 8.50% | | |

¹ Market Place results based on Arthur J. Gallagher trend studies produced by their actuarial practice

² 2018 Market Place is projected

³ The 2018 FCSRMC overall pool rate change is 4.88%. As a result of individual college rate validation some rate changes will be higher or lower.

⁴ Future increases projected by Arthur J. Gallagher based on expected market conditions





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FCSRMC

Actuarial Analysis of Pros and Cons of Changing Health Plan Renewal Notification Timing

Prepared by:
Glen R. Volk, FSA, MAAA
Arthur J. Gallagher & Co.
May 16, 2018

Executive Summary

At the request of the Florida College System Risk Management Consortium (“FCSRMC”), we have analyzed the actuarial pros and cons of changing the timing of the FCSRMC health plan renewal notification to participating Colleges. The renewal premium rates for the next calendar year are currently presented to the FCSRMC health plan members in an Operations Committee meeting in August. We have analyzed the pros and cons of moving the presentation of these results forward to the May meeting, affording participating Colleges three additional months of notice.

The key findings are summarized below.

- For reasons documented in the following sections, we believe that the approach being used by FCSRMC this year, under which a preliminary renewal action will be presented at the May Operations Committee meeting but the final action will be announced at the August meeting, is preferable to adopting a final rate action at the May meeting.
- The primary reason for this conclusion is that we believe that the increase in risk to the plan that results from using less current data and projecting it over a longer period of time more than offsets the benefit to the Colleges of having the firm renewal three months earlier.
- Because of the risk of understating future claim costs, we have a related concern that the actuary and/or underwriter who prepares the renewal would be more conservative in selecting assumptions if the final renewal was established in May as opposed to August. So even if subsequent claim experience turned out to be very stable, we expect that the rate action recommended using a May deadline would be higher than the action recommended using an August deadline. We don’t feel that is in the best interest of the Consortium or the individual Colleges.

Given these findings, we recommend that the FCSRMC deliver a preliminary renewal at its May Operations Committee meeting but wait until the August meeting to finalize the increase.

Renewal Methods and Assumptions

In order to understand the pros and cons of changing the renewal timing, it is necessary to understand how the renewal is constructed. At a high level, the method can be summarized as follows.

1. We project claims for the period for which rates are being set.
2. We project all other plan expenses, such as administrative fees, reinsurance premiums, and internal expenses associated with the health plan. These fees are collectively referred to as “fixed costs” since in most cases they are based on either a per capita charge that does not vary or are based on reasonably accurate budgets.
3. We add projected claims and fixed costs to get the total projected plan expenses.
4. We determine the current annualized revenue from all sources. Premium rates will be the most significant source, but we also consider investment income, items such as pharmacy rebates, and any other reasonably anticipated income.
5. We compare the projected plan expense to the current annualized revenue to determine the projected shortfall (if any) at current premium rates. That shortfall is expressed as a % of the current annual premium to get the required projected increase needed to breakeven.
6. Finally, we consider any desire to increase or reduce surplus assets held by the plan.

The claim projection is by far the most critical step because claim costs represent a majority of the plan cost (we project claims will account for 90% of FCSRC plan expenses in 2019) and because the claim projection is subject to more error due to the inherent risk in claim costs. While it is true that moving the final renewal from August to May would increase the risk of error in projecting fixed costs, that risk is limited and manageable and our focus for this analysis will be on the claim projection.

For a plan of FCSRMC’s size, the industry standard approach to projecting claims is to use the most recent 12 months of claim experience (the rolling 12 months) and make appropriate adjustments to the period for which we are projecting. The rolling 12-month approach is used because it provides a credible experience base and it automatically reflects any seasonality that might be present by including all months once and only once. Once the most recent 12-month period is known, the process is as follows.

1. We divide the total claims paid over the period by the cumulative number of employees to get the Per Employee per Month (“PEPM”) claim cost for the experience period. We do this separately for medical claims and pharmacy claims.
2. We remove any claims for which the plan received reimbursement from the stop loss reinsurance. Currently, this is any amounts paid over \$400,000 for a single plan member during a calendar year.

3. We project the resulting PEPM claims forward to the period for which we are setting rates by making adjustments for the following:
 - a. Any change in benefits (e.g. increase in copayments or deductibles) between the rolling 12-month experience period and the rating period.
 - b. Assumed medical inflation (known as “trend”). We use different assumed annual trend assumptions for medical and pharmacy because they have historically changed at different rates over time.
 - c. Any other known factors that will affect claim costs, such as changes in how claims are managed or known changes in the pricing of medical services or prescriptions that are not included in the trend assumption.

The trend adjustment depends on both the assumed trend rate and the length of time between the experience period and the rating period. For example, if we had the benefit of having all of the 2018 experience data when we set 2019 premiums, we would trend the claims for exactly one year. In fact, in order to finalize rates in August, it is likely that the most recent data we will have available is through June, given the time it takes for the data to become available and the time needed to do the renewal calculation. If we have data through June, then we have to apply trend for 18 months, since we are adjusting data from July 2017 to June 2018 through calendar year 2019. In order to finalize the renewal at the May meeting, we would at best have data through March, so we would have to trend the data for 21 months.

The general method used to develop recommended renewal premium rates will not be affected by the date as of which it is calculated, but the results themselves almost certainly will be affected, at least by a small amount. First, the additional three months of data will likely result in a change in the rolling 12-month PEPM claim cost that we use as our starting point. In fact, we expect the rolling 12-month PEPM claims to increase with trend, adjusted for any plan changes. If the increase is more or less than our trend assumption would have produced, then our claim projection will change accordingly.

Second, as noted above we shorten the period for which we have to project by adding more data to our baseline experience period. This reduces the potential error in our forecast because if actual trend differs from our assumption, and at least to a small degree it almost always will, the error will not be compounded over as long a period.

Pros and Cons of Changing the Renewal Notification Date from August to May

The main advantage of providing an earlier renewal notice is that the participating Colleges get notification that matches up better with their budget cycle. By knowing in May what the increase is going to be for the following January, they have a better chance to build the required additional funds into their fiscal year budget that starts in October. Under the current approach, by the time the Colleges receive notice in August it is difficult to absorb any unexpected increase in the October 1 budget. While this benefits the Colleges, there is also an argument that it benefits the pool because it makes participation in the pool more attractive.

There are a handful of related disadvantages associated with moving the notification to the May meeting. As discussed in the prior section, the accuracy of the claim forecast will improve if we include more current data and shorten the period for which we have to project trend. Accurate renewals are important because they help avoid the danger of being significantly underpriced in one year which would lead to a need for a larger increase the following year. The single greatest danger to the stability and viability of a health insurance purchasing pool is getting into a situation where the pool is forced to implement a large increase. If that happens, the individual Colleges are more likely to seek out other health plan options, with those Colleges with favorable experience being the most likely to leave the pool. While this is always a consideration (and is the reason the periodic rate validation is an important exercise for the pool to conduct), a large increase will be a catalyst for Colleges to consider other options.

Knowing the consequences of being underpriced, the actuary or underwriter that performs the renewal exercise will generally want to include some level of margin in the forecast, either as an explicit margin or by using more conservative trend assumptions. FCSRMC has not historically included explicit margins in its renewals so any safety margin would have to come from the trend assumption. The earlier the renewal is provided, the greater that margin is likely to be and in the case of the trend assumption, the longer it gets compounded. As a result, providing an earlier renewal notification is likely to result in a slightly higher premium increase.

Another consideration is that basing a January 1 renewal on data through March allows for almost no credible information on the impact of any changes implemented on the prior January 1. This would apply especially to any changes in plan management, such as disease management or other cost containment tools other than benefit changes. The current approach also gives us more time to evaluate changes in market trends.

Weighing these disadvantages against the advantage noted above, we do not recommend changing the timing of the final renewal notice. As a compromise, however, we suggest that a preliminary renewal action be provided at the May Operations Committee meeting to give participating Colleges a good idea of what to expect. A final increase could then be communicated at the August meeting but it should generally not be a surprise. This is much more consistent with what other self-insured employers do. In our experience, it is very rare to finalize a self-funded renewal using data that extends only 3 months into the current plan year. It is much more common for employers to conduct periodic forecast updates so they have a good understanding of what the renewal is likely to be but retain the flexibility to adjust the renewal if emerging experience suggests it is necessary. We believe the process being used this year by the FCSRMC is consistent with that approach and is a better alternative than finalizing the renewal in May.

FCSRMC
2019 Renewal Forecast

1. Experience History

| Paid Month | Employees | Members | Paid Claims | | PEPM Claims | | Rolling 12 Month PEPM | | |
|------------|-----------|---------|-------------|-------------|--------------|----------|-----------------------|----------|-------|
| | | | Medical | Pharmacy | Medical | Pharmacy | Medical | Pharmacy | Total |
| 201603 | 11,390 | 16,495 | \$5,226,664 | \$2,099,604 | \$7,326,268 | \$459 | \$184 | \$643 | |
| 201604 | 11,353 | 16,461 | \$5,626,179 | \$1,791,644 | \$7,417,823 | \$496 | \$158 | \$653 | |
| 201605 | 11,355 | 16,459 | \$5,686,088 | \$1,776,805 | \$7,462,893 | \$501 | \$156 | \$657 | |
| 201606 | 11,261 | 16,310 | \$5,692,620 | \$2,292,381 | \$7,985,001 | \$506 | \$204 | \$709 | |
| 201607 | 11,156 | 16,166 | \$5,534,724 | \$1,825,994 | \$7,360,718 | \$496 | \$164 | \$660 | |
| 201608 | 11,132 | 16,139 | \$5,440,527 | \$2,408,517 | \$7,849,044 | \$489 | \$216 | \$705 | |
| 201609 | 11,268 | 16,308 | \$5,040,267 | \$2,025,756 | \$7,066,023 | \$447 | \$180 | \$627 | |
| 201610 | 11,284 | 16,326 | \$4,276,686 | \$2,029,713 | \$6,306,399 | \$379 | \$180 | \$559 | |
| 201611 | 11,294 | 16,334 | \$4,902,530 | \$2,431,106 | \$7,333,636 | \$434 | \$215 | \$649 | |
| 201612 | 11,303 | 16,343 | \$6,847,840 | \$2,105,770 | \$8,953,609 | \$606 | \$186 | \$792 | |
| 201701 | 11,232 | 16,220 | \$5,172,325 | \$1,836,348 | \$7,008,672 | \$460 | \$163 | \$624 | |
| 201702 | 11,287 | 16,268 | \$5,579,801 | \$1,958,300 | \$7,538,101 | \$494 | \$174 | \$668 | \$481 |
| 201703 | 11,291 | 16,291 | \$5,824,130 | \$2,480,859 | \$8,304,989 | \$516 | \$220 | \$736 | \$185 |
| 201704 | 11,272 | 16,267 | \$5,321,532 | \$2,062,478 | \$7,384,010 | \$472 | \$183 | \$655 | \$187 |
| 201705 | 11,246 | 16,225 | \$5,979,104 | \$2,572,771 | \$8,551,875 | \$532 | \$229 | \$760 | \$193 |
| 201706 | 11,199 | 16,177 | \$6,987,678 | \$2,161,863 | \$9,149,542 | \$624 | \$193 | \$817 | \$192 |
| 201707 | 11,120 | 16,074 | \$6,007,532 | \$2,087,528 | \$8,095,060 | \$540 | \$188 | \$728 | \$194 |
| 201708 | 11,103 | 16,009 | \$7,374,095 | \$2,668,931 | \$10,043,026 | \$664 | \$240 | \$905 | \$196 |
| 201709 | 11,225 | 16,210 | \$4,743,306 | \$2,076,622 | \$6,819,928 | \$423 | \$185 | \$608 | \$196 |
| 201710 | 11,222 | 16,190 | \$6,033,602 | \$1,930,279 | \$7,963,881 | \$538 | \$172 | \$710 | \$196 |
| 201711 | 11,227 | 16,176 | \$6,089,331 | \$2,511,498 | \$8,600,829 | \$542 | \$224 | \$766 | \$196 |
| 201712 | 11,242 | 16,195 | \$6,212,441 | \$2,192,965 | \$8,405,405 | \$553 | \$195 | \$748 | \$197 |
| 201801 | 11,164 | 16,158 | \$6,282,194 | \$2,446,190 | \$8,728,384 | \$563 | \$219 | \$782 | \$202 |
| 201802 | 11,201 | 16,215 | \$5,241,482 | \$2,099,809 | \$7,341,290 | \$468 | \$187 | \$655 | \$203 |
| 201803 | 11,183 | 16,192 | \$6,815,709 | \$2,259,119 | \$9,074,828 | \$609 | \$202 | \$811 | \$201 |

2. Claim Projections

2018 Forecast

| | |
|-----------------------------|---------|
| Rolling 12 Month Enrollment | 134,404 |
|-----------------------------|---------|

| | Medical | Pharmacy | Total |
|----------------------|---------------|--------------|---------------|
| Paid Claims | \$73,088,006 | \$27,070,051 | \$100,158,058 |
| Stop Loss Recoveries | (\$1,064,300) | \$0 | (\$1,064,300) |
| Net Paid Claims | \$72,023,706 | \$27,070,051 | \$99,093,758 |

| | | | |
|-----------------------|----------|----------|----------|
| Rolling 12 Month PEPM | \$535.87 | \$201.41 | \$737.28 |
|-----------------------|----------|----------|----------|

| | | | |
|---------------------|-----------|-----------|-----------|
| Experience Midpoint | 10/1/2017 | 10/1/2017 | 10/1/2017 |
|---------------------|-----------|-----------|-----------|

| | | | |
|---------------------------|-----------|-----------|-----------|
| Rating Midpoint | 8/15/2018 | 8/15/2018 | 8/15/2018 |
| Months to Trend | 10.5 | 10.5 | 10.5 |
| Assumed Annual Trend | 5.5% | 8.0% | |
| Benefit Adjustment Factor | 0.990 | 0.990 | |

| | | | |
|-----------------------|--------------|--------------|--------------|
| Projected PEPM Claims | \$555.68 | \$213.18 | \$768.86 |
| Months Remaining | 9.0 | 9.0 | 9.0 |
| Current Lives | 11,183 | 11,183 | 11,183 |
| Projected Paid Claims | \$55,927,552 | \$21,455,533 | \$77,383,084 |

| | | | |
|-----------------------------|--------------|--------------|---------------|
| YTD Claims | \$18,339,385 | \$6,805,118 | \$25,144,503 |
| Total Projected Claims | \$74,266,936 | \$28,260,651 | \$102,527,587 |
| YTD Lives | 33,548 | 33,548 | 33,548 |
| Total Projected Lives | 134,195 | 134,195 | 134,195 |
| Total Projected PEPM Claims | \$553.43 | \$210.59 | \$764.02 |

| | | |
|-----------------------------|-------|-------|
| Paid to Incurred Adjustment | 1.004 | 1.004 |
|-----------------------------|-------|-------|

| | | | |
|--------------------------|--------------|--------------|---------------|
| Final Projected PEPM | \$555.40 | \$211.35 | \$766.75 |
| Final Projected Incurred | \$74,532,497 | \$28,361,704 | \$102,894,201 |

2019 Forecast

| | |
|-----------------------------|---------|
| Rolling 12 Month Enrollment | 134,404 |
|-----------------------------|---------|

| | Medical | Pharmacy | Total |
|----------------------|---------------|--------------|---------------|
| Paid Claims | \$73,088,006 | \$27,070,051 | \$100,158,058 |
| Stop Loss Recoveries | (\$1,064,300) | \$0 | (\$1,064,300) |
| Net Paid Claims | \$72,023,706 | \$27,070,051 | \$99,093,758 |

| | | | |
|-----------------------|----------|----------|----------|
| Rolling 12 Month PEPM | \$535.87 | \$201.41 | \$737.28 |
|-----------------------|----------|----------|----------|

| | | | |
|---------------------|-----------|-----------|-----------|
| Experience Midpoint | 10/1/2017 | 10/1/2017 | 10/1/2017 |
|---------------------|-----------|-----------|-----------|

| | | | |
|---------------------------|----------|----------|----------|
| Rating Midpoint | 7/1/2019 | 7/1/2019 | 7/1/2019 |
| Months to Trend | 21.0 | 21.0 | 21.0 |
| Assumed Annual Trend | 5.5% | 8.0% | |
| Benefit Adjustment Factor | 0.990 | 0.990 | |

| | | | |
|-----------------------|--------------|--------------|---------------|
| Projected PEPM Claims | \$582.33 | \$228.03 | \$810.36 |
| Months Remaining | 12.0 | 12.0 | 12.0 |
| Current Lives | 11,183 | 11,183 | 11,183 |
| Projected Paid Claims | \$78,146,664 | \$30,600,169 | \$108,746,834 |

| | | | |
|-----------------------------|--------------|--------------|---------------|
| YTD Claims | \$0 | \$0 | \$0 |
| Total Projected Claims | \$78,146,664 | \$30,600,169 | \$108,746,834 |
| YTD Lives | - | - | - |
| Total Projected Lives | 134,196 | 134,196 | 134,196 |
| Total Projected PEPM Claims | \$582.33 | \$228.03 | \$810.36 |

| | | |
|-----------------------------|-------|-------|
| Paid to Incurred Adjustment | 1.004 | 1.004 |
|-----------------------------|-------|-------|

| | | | |
|--------------------------|--------------|--------------|---------------|
| Final Projected PEPM | \$584.41 | \$228.84 | \$813.26 |
| Final Projected Incurred | \$78,426,098 | \$30,709,588 | \$109,135,687 |

.....FCSRMC
2019 Renewal Forecast

3. Fixed Costs

| | 2018 | | | 2019 | | |
|-------------------|---------|---------|--------------|---------|---------------|--------------|
| | Lives | PEPM | Annual | Lives | PEPM | Annual |
| ASO Fee | 134,195 | \$36.19 | \$4,856,517 | 134,196 | \$36.19 | \$4,856,553 |
| ASO - HRA | 1,717 | \$3.45 | \$5,924 | 1,716 | \$3.45 | \$5,920 |
| Teledoc | 134,195 | \$0.80 | \$107,356 | 134,196 | \$0.80 | \$107,357 |
| Stop Loss | 134,195 | \$32.53 | \$4,365,363 | 134,196 | \$35.13 | \$4,714,305 |
| FBMC | 134,195 | \$4.66 | \$625,000 | 134,196 | \$4.66 | \$625,000 |
| Internal/Wellness | 134,195 | \$9.83 | \$1,319,137 | 134,196 | \$9.83 | \$1,319,147 |
| Total | 134,195 | \$84.05 | \$11,279,297 | 134,196 | \$86.65 | \$11,628,282 |
| | | | | | Assumed | |
| | | | | | 2019 Increase | |
| | | | | | 0.0% | |
| | | | | | 0.0% | |
| | | | | | 0.0% | |
| | | | | | 8.0% | |
| | | | | | 0.0% | |
| | | | | | 0.0% | |

4. Total Projected Expense

| | 2018 | | 2019 | |
|-------------|---------------|----------|---------------|----------|
| | Annual | PEPM | Annual | PEPM |
| Claims | \$102,894,201 | \$766.75 | \$109,135,687 | \$813.26 |
| Fixed Costs | \$11,279,297 | \$84.05 | \$11,628,282 | \$86.65 |
| Total | \$114,173,498 | \$850.80 | \$120,763,969 | \$899.91 |

5. Required Increase

| | 2018 | | 2019 | |
|----------------------------|---------------|----------|---------------|----------|
| | Annual | PEPM | Annual | PEPM |
| Current Annualized Premium | \$107,608,287 | \$801.88 | \$107,609,088 | \$801.88 |
| Pharmacy Rebates | \$4,095,535 | \$30.52 | \$4,218,433 | \$31.43 |
| Investment Income | \$595,983 | \$4.44 | \$595,983 | \$4.44 |
| Total Revenue | \$112,299,805 | \$836.84 | \$112,423,504 | \$837.76 |

| | | | | |
|-----------------------|---------------|----------|---------------|----------|
| Total Expense | \$114,173,498 | \$850.80 | \$120,763,969 | \$899.91 |
| Breakeven Increase \$ | \$1,873,693 | \$13.96 | \$8,340,465 | \$62.15 |
| Breakeven Increase % | 1.74% | 1.74% | 7.75% | 7.75% |

**Information Item 5.c.
Employee Benefit Plans**

Strategic Direction



2018 Employee Benefits Strategic Plan

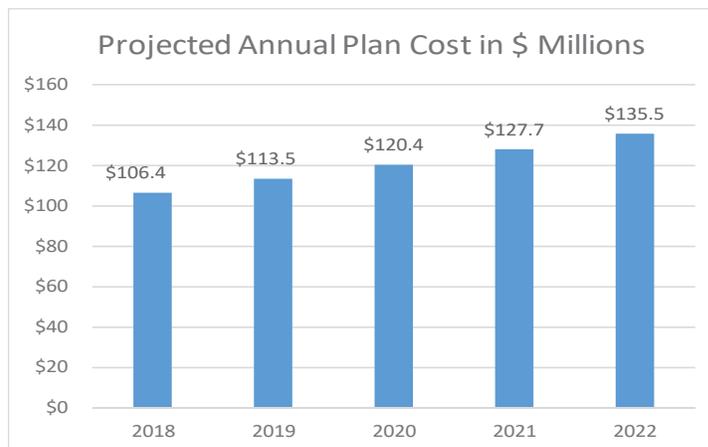


Table of Contents

- Baseline Forecast
- Plan Value Analysis
- Summary of Current Situation
- Strategic Planning

Baseline Forecast

5-Year Forecast with No Assumed Changes



- Assumes 5.5% medical and 8.0% pharmacy trend
- Colleges projected to contribute \$85.3 million (80% of total premium) in 2018

5-Year Forecast - Issues

- Cost increase at best estimate trend is \$30 million over the 4-years from 2018 to 2022
- Can the Colleges afford increases of 6% to 7% annually?
- Medical trends appear to have bottomed out and there is concern in the industry that they will increase over the next 3 to 5 years
- A 2% annual increase in trends would cause the 4-year increase to jump from \$30 million to over \$40 million.
- As the plan is currently structured, the Colleges pick up the majority of the cost increases

Plan Value Analysis

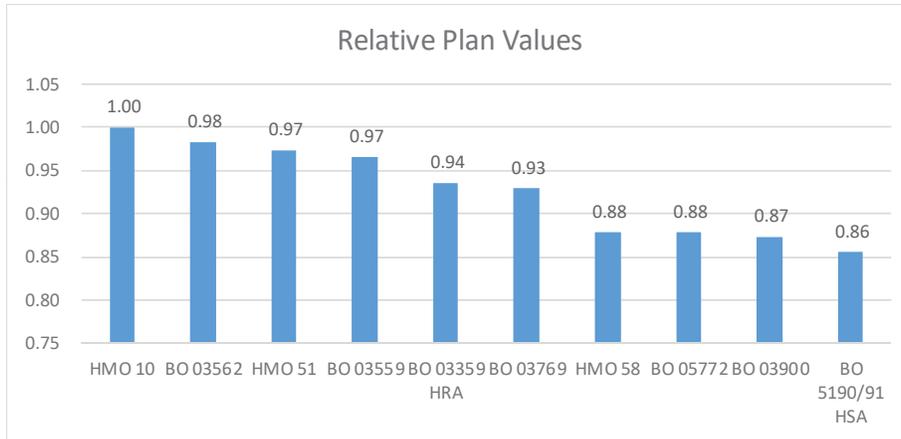
What Do We Mean by Plan Value?

- Plan Value is a measure of the expected cost of that plan design
- Plans with low deductibles, copays, coinsurance, and out of pocket maximums have high plan values, and vice versa
- We measure the richness of one plan vs. another by using “Relative Plan Values”.
 - We designate a base plan as having a value of 1.00
 - All other plan values are measured relative to the base plan
 - A plan with a relative value of 0.90 is expected to have 10% lower claim costs to the plan than the base plan for the same covered population

What Do We Mean by Plan Value?

- Plan values are driven by several factors
- The obvious factor is simply that a plan that requires the employee to pay more at the time of service shifts more of the total cost to the employee so it has a lower plan value
- A second factor is that employees faced with higher cost sharing at the time of service will have lower utilization, particularly for any service that might be considered discretionary
- A third factor is the delivery system and associated provider discounts and utilization management protocols. For example, HMOs often have better discounts and tighter utilization management than PPOs, so this will bring their plan value down

Current FCSRMC Relative Plan Values



- Based on Arthur J. Gallagher plan design model
- 96% of FCSRMC enrollment is in plans with relative values of 0.93 and above

Summary of Current Situation

Summary of Current Situation

- Overall, FCSRMC plan richness for most commonly selected plans is similar to our benchmarks – some features are richer and some are not as rich
- There is very little difference in plan value between the most popular plans offered by FCSRMC.
- Most employees can get the richest plan offered by their College at no monthly premium, so there is no incentive for employees to move to less rich offerings at most Colleges
- Varying emphasis on Engagement and Wellbeing initiatives by College. Expect only moderate improvement in health and resulting claim costs

Summary of Current Situation

- We expect little migration from employees to less costly plans and we expect costs to increase at 6% to 7% for the next 3 to 5 years (\$7 to \$8 million increase per year)
- State legislature has compounded College fiscal difficulties with little to no funding help
- In this environment, we expect that Colleges will have difficulty affording premium increases. Offering less expensive plans and changing contribution formulas will be a necessity for some – it should be done with a long-term strategic plan

FCSRMC Plan Design and Enrollment

| Product | HMO 10 | HMO 58 | HMO 51 | BO 03562 | BO 03769 | BO 03559 | BO 03389 (HRA) | BO 03900 | BO 05772 | BO HSA 05190/05191 |
|---|---|---|---|--------------------------------------|--|--------------------------------------|--|--|--|--|
| Cost Sharing - Member's Responsibility | | | | | | | | | | |
| Deductible | N/A | NA | NA | \$500 / \$1,500 | \$600 / \$1,800 | \$600 / \$1,800 | \$1,500 / \$3,000 | \$1,500 / NA | \$1,000 / \$3,000 | \$1,500 / \$3,000 |
| Coinsurance | N/A | 80% / 20% | NA | 80% / 20% | 80% / 20% | 80% / 20% | 80% / 20% | 50% / 50% | 80% / 20% | 80% / 20% |
| Out of Pocket Maximum | \$5,000 / \$10,000 | \$6,000 / \$12,000 | \$5,000 / \$10,000 | \$5,000 / \$10,000 | \$6,000 / \$12,000 | \$6,000 / \$12,000 | \$3,000 / \$9,000 | \$6,350 / \$12,700 | \$6,000 / \$12,000 | \$4,500 / \$9,000 |
| In-Network Family Physician | \$25 | \$30 | \$30 | \$25 | \$30 | \$30 | Ded + 20% | \$35 | \$40 | DED + 20% |
| In-Network Specialist | \$40 | \$50 | \$50 | \$40 | \$50 | \$50 | Ded + 20% | \$50 | \$75 | DED + 20% |
| Behavioral Health - Physician Visit | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | DED + 20% |
| Inpatient Hospital | \$150 per day up to \$750 per admission | \$300 per day up to \$1,500 per admission | \$250 per day up to \$1,250 per admission | Option 1: \$750 Option 2: \$1,500 | Option 1: \$1,000 Option 2: \$2,000 | Option 1: \$750 Option 2: \$1,500 | Option 1: Ded + 20% Option 2: Ded + 25% | Option 1: \$1,500 Option 2: \$2,500 | Option 1: Ded + 20% Option 2: Ded + 25% | Option 1: Ded + 20% Option 2: Ded + 25% |
| Behavioral Health - Inpatient | \$0 | \$0 | \$0 | \$0 | Option 1: \$0 Option 2: \$0 | \$0 | Option 1: \$0 Option 2: \$0 | Option 1: \$0 Option 2: \$0 | Option 1: \$0 Option 2: \$0 | Option 1: Ded + 20% Option 2: Ded + 25% |
| Outpatient Hospital - Surgery | \$200 | \$500 | \$200 | Option 1: \$150 Option 2: \$280 | Option 1: Ded + 20% Option 2: Ded + 20% | Option 1: \$150 Option 2: \$250 | Option 1: Ded + 20% Option 2: Ded + 25% | Option 1: \$300 Option 2: \$400 | Option 1: Ded + 20% Option 2: Ded + 20% | Option 1: Ded + 20% Option 2: Ded + 25% |
| ASC | \$200 | \$400 | \$200 | \$75 | \$100 | \$75 | Ded + 20% | DED + 50% | \$250 | DED + 20% |
| ER Visit | \$50 | 20% | \$100 | \$100 + 20% (no DED) | DED + 20% | \$100 + 20% | DED + 20% | DED + 50% | DED + 20% | DED + 20% |
| Urgent Care Center | \$35 | \$80 | \$80 | \$35 | \$65 | \$50 | DED + 20% | DED + 50% | \$75 | DED + 20% |
| - Retail Pharmacy | | | | | | | | | | |
| Generic/Brand/Non-Preferred | \$15 / \$45 / \$65 / \$250 | \$15 / \$45 / \$65 / \$250 | \$15 / \$60 / \$100 / \$250 | \$15 / \$45 / \$65 / \$250 | \$15 / \$45 / \$65 / \$250 | \$15 / \$60 / \$100 / \$250 | \$15 / \$45 / \$65 / \$250 | \$10 Generic Only | \$15 / \$45 / \$65 / \$250 | DED |
| - Mail Order Pharmacy | | | | | | | | | | |
| Generic/Brand/Non-Preferred | \$30 / \$90 / \$130 | \$30 / \$90 / \$130 | \$30 / \$120 / \$200 | \$30 / \$90 / \$130 | \$30 / \$90 / \$130 | \$30 / \$120 / \$200 | \$30 / \$90 / \$130 / \$250 | \$25 Generic Only | \$30 / \$90 / \$130 | DED |
| Relative Plan Value | 1.000 | 0.878 | 0.974 | 0.983 | 0.929 | 0.965 | 0.935 | 0.873 | 0.878 | 0.855 |
| % of Current Enrollment | 14.4% | 2.6% | 12.1% | 31.7% | 27.1% | 9.0% | 1.3% | 0.1% | 0.7% | 0.9% |

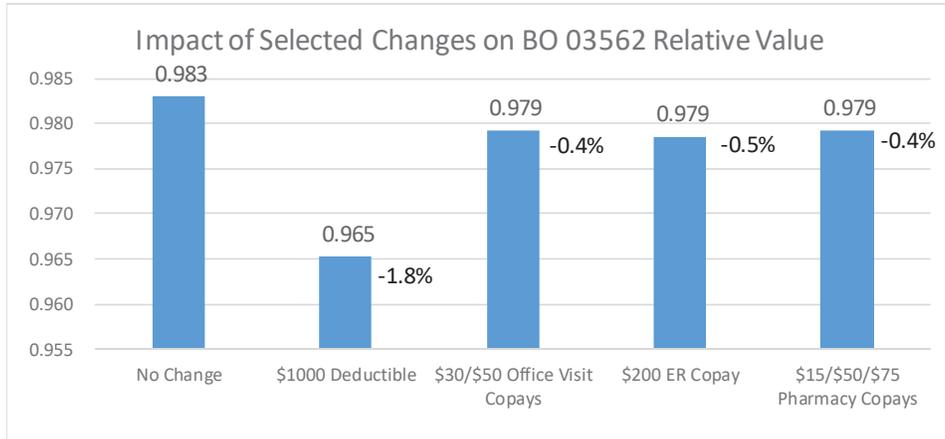
Note: There are minor differences in the BO 03769 and HMO 51 for Florida State College at Jacksonville.

How Plan Design Affects Relative Value

- Examples based on most popular FCSRMC plan based on enrollment, the BO 03562

| Cost Sharing - Member's Responsibility | Current BO 03562 | Illustrative Changes |
|--|--------------------------------------|--------------------------------------|
| Deductible | \$500 / \$1,500 | \$1000 / \$3,000 |
| Coinsurance | 80% / 20% | 80% / 20% |
| Out of Pocket Maximum | \$5,000 / \$10,000 | \$5,000 / \$10,000 |
| In-Network Family Physician | \$25 | \$30 |
| In-Network Specialist | \$40 | \$50 |
| Behavioral Health - Physician Visit | \$0 | \$0 |
| Inpatient Hospital | Option 1: \$750 Option 2: \$1,500 | Option 1: \$750 Option 2: \$1,500 |
| Behavioral Health - Inpatient | \$0 | \$0 |
| Outpatient Hospital - Surgery | Option 1: \$150 Option 2: \$250 | Option 1: \$150 Option 2: \$250 |
| ASC | \$75 | \$75 |
| ER Visit | \$100 + 20% (no DED) | \$200 + 20% (no DED) |
| Urgent Care Center | \$35 | \$35 |
| - Retail Pharmacy | | |
| Generic/Brand/Non-Preferred | \$15 / \$45 / \$65 / \$250 | \$15 / \$50 / \$75 / \$250 |
| - Mail Order Pharmacy | | |
| Generic/Brand/Non-Preferred | \$30 / \$90 / \$130 | \$30 / \$100 / \$150 |

How Plan Design Affects Relative Value



Current Values:

\$500 Deductible \$25/\$40 Office Visit Copays \$100 ER Copay \$15/\$45/\$65 Pharmacy Copays

Strategic Planning

Strategic Plan

Fundamental Principles

- To have a sustainable plan, the program needs to promote a design that encourages employees to be better consumers and to be more engaged in the Wellbeing initiatives
- Employees must be given the proper incentives and tools to make this change

Strategic Plan

Suggested Change in Plan Structure:

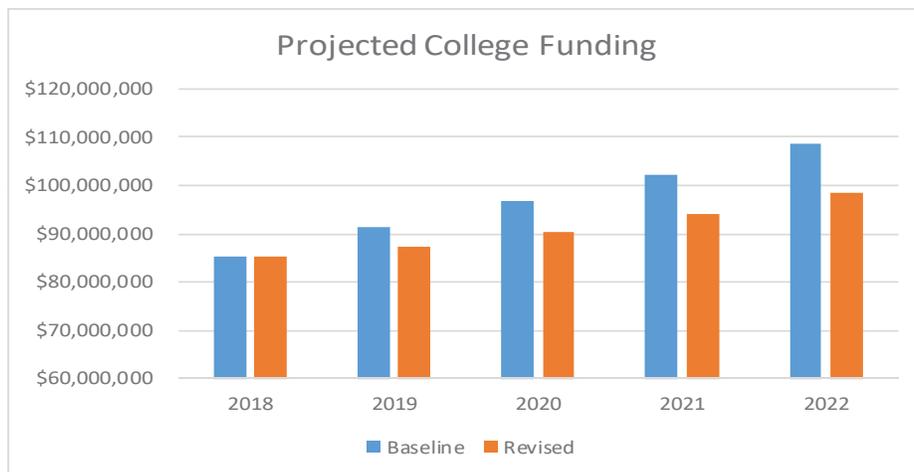
- Take a concerted look at plan values and alternative plans.
- Offer an HSA plan as the only option that an employee can obtain at no premium for Employee Only coverage
- Communication and phase-in approach will be key to success.

Illustrative Pricing Example

| Tier | Current Structure | | | | | |
|--------|-----------------------|---------|----------|-----------------------|---------|----------|
| | 2018 Rates - BO 03562 | | | 2019 Rates - BO 03562 | | |
| | Total | College | Employee | Total | College | Employee |
| EE | \$692 | \$692 | \$0 | \$742 | \$742 | \$0 |
| SP | \$580 | \$0 | \$580 | \$622 | \$0 | \$622 |
| CH 1-2 | \$404 | \$0 | \$404 | \$433 | \$0 | \$433 |
| CH 3+ | \$544 | \$0 | \$544 | \$583 | \$0 | \$583 |
| FAM | \$956 | \$0 | \$956 | \$1,025 | \$0 | \$1,025 |

- For Illustrative Structure, introduce contribution for Employee Only coverage but set contribution for Employee + Dependents at the same levels they would be under Current Structure

5-Year Forecast Under Illustrative Pricing



Figures include the cost of funding the HSA. Estimated enrollment in HSA by 2022 is 35%

5-Year Forecast Under Illustrative Pricing

Additional Considerations

- Each College makes its own decisions regarding plan design and pricing. It will take a well-organized campaign to engage and communicate this type of change in philosophy.
- The model assumes the same trend on the HSA as all other plans. If the HSA does a better job controlling trend, future results will be better than shown.
- FCSRMC will continue to explore all available options for controlling cost, including bidding the medical and pharmacy administration

Information Item 6.a.
Financial Statements

Property/Casualty Program

FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

PROPERTY AND CASUALTY PLAN

REVENUES AND EXPENDITURES BUDGET REPORT
As of February 28, 2018

| REVENUES | TOTAL ACTUAL, 12 MONTHS, 2017-2018 | | | | TOTAL ESTIMATED 2017-2018 | | |
|---|------------------------------------|--------------------------|--------------------------|---------------------------|---------------------------|--------------------------|------------------|
| | CURRENT BUDGET | REALIZED | UNREALIZED | % UNREALIZED | PROJECTED THRU 02/28/18 | % CURRENT BUDGET | |
| 46610 Annual Assessment | 25,860,102.00 | 25,860,102.00 | - | 0.00% | 25,860,102.00 | 100.00% | |
| 46612 Allied Health | 325,000.00 | 275,537.63 | 49,462.37 | 15.22% | 275,537.63 | 84.78% | |
| 46614 Inter-Collegiate | 1,900,000.00 | 2,031,325.59 | (131,325.59) | -6.91% | 2,031,325.59 | 106.91% | |
| 46615 Facilities Use | 10,000.00 | 11,084.17 | (1,084.17) | -10.84% | 11,084.17 | 110.84% | |
| 46616 Other SP Assessment | 500,000.00 | 195,740.29 | 304,259.71 | 60.85% | 195,740.29 | 39.15% | |
| 46617 Master Builder's Risk | - | 83,076.00 | (83,076.00) | - | 83,076.00 | - | |
| 46618 Educ/Tng Student | 360,000.00 | 293,791.59 | 66,208.41 | 18.39% | 293,791.59 | 81.61% | |
| 46619 WC SIR Assessment | 219,132.00 | 206,884.29 | 12,247.71 | 5.59% | 206,884.29 | 94.41% | |
| Members Assessments | 29,174,234.00 | 28,957,541.56 | 216,692.44 | 0.74% | 28,957,541.56 | 99.26% | |
| 46624 Recoveries | 200,000.00 | 458,292.32 | (258,292.32) | -129.15% | 458,292.32 | 229.15% | |
| 46625 Recoveries-Excess | 250,000.00 | 1,005,665.52 | (755,665.52) | -302.27% | 1,005,665.52 | 402.27% | |
| Recoveries | 450,000.00 | 1,463,957.84 | (1,013,957.84) | -225.32% | 1,463,957.84 | 325.32% | |
| 48130 Int on Invest-Long Term | 100,000.00 | 137,611.37 | (37,611.37) | -37.61% | 137,611.37 | 137.61% | |
| 48140 Bank Int Earned - ACE/Chubb | - | 15,849.14 | (15,849.14) | - | 15,849.14 | - | |
| 48150 Int on Invest-SBA | 10,000.00 | 4.13 | 9,995.87 | 99.96% | 4.13 | 0.04% | |
| 48170 Int on Invest-SPIA | 390,000.00 | 681,772.07 | (291,772.07) | -74.81% | 681,772.07 | 174.81% | |
| 48200 Realized (Gain)/Loss | - | (31,098.69) | 31,098.69 | - | (31,098.69) | - | |
| 48210 Unrealized (Gain)/Loss | - | (90,061.03) | 90,061.03 | - | (90,061.03) | - | |
| 63850 Investment Costs (Reporting Fees) | (55,000.00) | (53,161.80) | (1,838.20) | 3.34% | (53,161.80) | 96.66% | |
| Interest and Investment Income, Net | 445,000.00 | 660,915.19 | (215,915.19) | -48.52% | 660,915.19 | 148.52% | |
| TOTAL REVENUES | \$ 30,069,234.00 | \$ 31,082,414.59 | \$ (1,013,180.59) | -3.37% | \$ 31,082,414.59 | 103.37% | |
| EXPENDITURES | CURRENT BUDGET | EXPENDED | ENC'D | UNENC'D | % UNENC'D | PROJECTED THRU 02/29/16 | % CURRENT BUDGET |
| 63790 Annual Ins Premium | 16,361,717.00 | 16,386,222.83 | | (24,505.83) | -0.15% | 16,386,222.83 | 100.15% |
| 63820 WC-Carrier Audit | 25,000.00 | (6,657.00) | | 31,657.00 | 126.63% | (6,657.00) | -26.63% |
| 63830 Special Assessment | 510,000.00 | 196,824.46 | | 313,175.54 | 61.41% | 196,824.46 | 38.59% |
| 63831 Master Builder's Risk Assessment | - | 83,076.00 | | (83,076.00) | - | 83,076.00 | - |
| 63835 Claims/Loss Svc Fees | 866,479.00 | 894,353.00 | 211,713.00 | (239,587.00) | -27.65% | 894,353.00 | 103.22% |
| 63880 Incurred Claims (Clms Pd+IBNR Change) | 10,000,000.00 | 19,830,151.37 | | (9,830,151.37) | -98.30% | 19,830,151.37 | 198.30% |
| 63881 Claims Catastrophic Event | - | 2,280,385.97 | | (2,280,385.97) | - | 2,280,385.97 | - |
| 63882 Claims Boiler & Machinery | - | 179,377.87 | | (179,377.87) | - | 179,377.87 | - |
| 46633 Recoveries-Excess Carrier | - | (2,280,385.97) | | 2,280,385.97 | - | (2,280,385.97) | - |
| 63887 Cyber Risk Claims | - | 508,290.57 | | (508,290.57) | - | 508,290.57 | - |
| 46626 Recoveries Cyber | - | (423,684.07) | | 423,684.07 | - | (423,684.07) | - |
| 63889 WC SIR Expense | 219,132.00 | 206,884.29 | | 12,247.71 | 5.59% | 206,884.29 | 94.41% |
| Premiums & Claims Expenses | 27,982,328.00 | 37,854,839.32 | 211,713.00 | (10,084,224.32) | -36.04% | 37,854,839.32 | 135.28% |
| 50110 Salary P/C | 495,863.00 | 491,129.65 | | 4,733.35 | 0.95% | 491,129.65 | 99.05% |
| 60110 Admin Cost P/C | 323,443.00 | 275,165.08 | | 48,277.92 | 14.93% | 275,165.08 | 85.07% |
| 62001 Printing Services | 17,500.00 | - | | 17,500.00 | 100.00% | - | 0.00% |
| 62504 Service Contracts/Agreements | - | 6,076.95 | | (6,076.95) | - | 6,076.95 | - |
| 63895 Conf/Training/Seminars | 35,000.00 | 27,009.37 | | 7,990.63 | 22.83% | 27,009.37 | 77.17% |
| 64501 SREF Inspection | 132,050.00 | 131,650.00 | 50,100.00 | (49,700.00) | -37.64% | 131,650.00 | 99.70% |
| 64502 Institutional Memberships | - | 5,875.00 | | (5,875.00) | - | 5,875.00 | - |
| 65001 Consulting Services | 30,000.00 | 23,541.81 | 58,408.19 | (51,950.00) | -173.17% | 23,541.81 | 78.47% |
| 65007 Other Professional Fees (Actuary) | 45,500.00 | 77,772.48 | 13,701.49 | (45,973.97) | -101.04% | 77,772.48 | 170.93% |
| 65702 Software Administrative (RMIS) | 83,300.00 | - | | 83,300.00 | 100.00% | - | 0.00% |
| 70110 Capital Cost P/C | 29,250.00 | 34,736.66 | | (5,486.66) | -18.76% | 34,736.66 | 118.76% |
| 70500 Minor Equipment Non-Inventoried | - | 2,768.90 | | (2,768.90) | - | 2,768.90 | - |
| 70606 Technology Equipment Inventoried | - | 1,799.98 | | (1,799.98) | - | 1,799.98 | - |
| Administrative Expenses | 1,191,906.00 | 1,077,525.88 | 122,209.68 | (7,829.56) | -0.66% | 1,077,525.88 | 90.40% |
| TOTAL EXPENDITURES | \$ 29,174,234.00 | \$ 38,932,365.20 | \$ 333,922.68 | \$ (10,092,053.88) | -34.59% | \$ 38,932,365.20 | 133.45% |
| INCREASE (DECREASE) IN FUND BALANCE | \$ 895,000.00 | \$ (7,849,950.61) | | | | \$ (7,849,950.61) | |

Florida College System Risk Management Consortium
Property and Casualty Plan
Statement of Revenues, Expenses and Changes in Net Position
For the Months Ending February 28, 2018 and 2017

| | FY 2017-18 | FY 2016-17 |
|--|-----------------------|-----------------------|
| REVENUES | | |
| ALLIED HEALTH ASSESSMENT | \$ 275,537.63 | \$ 282,360.36 |
| ANNUAL ASSESSMENT | 25,860,102.00 | 21,978,770.00 |
| INTERCOLLEGIATE ASSESSMENT | 2,031,325.59 | 1,990,874.16 |
| EDUCATION / TRAINING | 293,791.59 | 323,880.00 |
| WC SIR ASSESSMENT | 206,884.29 | 211,524.47 |
| MASTER BUILDER'S RISK ASSESSMENT | 83,076.00 | 90,831.00 |
| OTHER SPECIAL ASSESSMENT | <u>206,824.46</u> | <u>207,798.28</u> |
| PREMIUMS EARNED - Members Assessments | 28,957,541.56 | 25,086,038.27 |
| | | |
| ANNUAL ASSESSMENTS | (16,386,222.83) | (16,836,346.43) |
| WC - CARRIER AUDIT (PRIOR YEAR) | 6,657.00 | (10,682.00) |
| MASTER BUILDER'S RISK ASSESSMENT | (83,076.00) | (90,831.00) |
| SPECIAL ASSESSMENTS | <u>(196,824.46)</u> | <u>(207,533.28)</u> |
| PREMIUMS CEDED TO REINSURERS | (16,659,466.29) | (17,145,392.71) |
| | | |
| NET PREMIUMS EARNED | 12,298,075.27 | 7,940,645.56 |
| | | |
| INTEREST EARNED FROM BANK | 15,849.14 | 965.12 |
| INTEREST EARNED ON INVESTMENT - SBA | 4.13 | 12,287.46 |
| INTEREST EARNED ON INVESTMENT - SPIA | 681,772.07 | 592,539.98 |
| INTEREST EARNED ON INVESTMENTS - Managed Account | 137,611.37 | 120,858.35 |
| INVESTMENT COSTS | <u>(53,161.80)</u> | <u>(50,102.93)</u> |
| INTEREST INCOME | 782,074.91 | 676,547.98 |
| | | |
| REALIZED GAIN OR (LOSS) ON SALE OF SECURITIES | (31,098.69) | 4,196.59 |
| UNREALIZED GAIN OR (LOSS) ON SALE OF SECURITIES | <u>(90,061.03)</u> | <u>(71,271.35)</u> |
| NET GAINS (LOSSES) ON INVESTMENTS | (121,159.72) | (67,074.76) |
| | | |
| TOTAL REVENUES | 12,958,990.46 | 8,550,118.78 |
| EXPENSES | | |
| INCURRED CLAIMS | 19,830,151.37 | 11,399,727.31 |
| INCURRED CLAIMS - Hurricane | 2,280,385.97 | - |
| INCURRED CLAIMS - Boiler & Machinery | 179,377.87 | 72,169.66 |
| INCURRED CLAIMS - Cyber Risk | 508,290.57 | - |
| WC SIR ASSESSMENT | 206,884.29 | 211,524.47 |
| RECOVERIES | (1,463,957.84) | (625,644.57) |
| RECOVERIES - Cyber | (423,684.07) | - |
| RECOVERIES - Hurricane | <u>(2,280,385.97)</u> | <u>-</u> |
| INCURRED CLAIMS | 18,837,062.19 | 11,057,776.87 |
| | | |
| CLAIM ADJUSTMENTS & SERVICING FEES | 894,353.00 | 799,575.00 |
| | | |
| ADMINISTRATIVE EXPENSES | 1,077,525.88 | 994,406.51 |
| | | |
| TOTAL EXPENSES | 20,808,941.07 | 12,851,758.38 |
| | | |
| INCREASE (DECREASE) IN NET POSITION | (7,849,950.61) | (4,301,639.60) |
| | | |
| NET POSITION, BEGINNING | 21,780,225.56 | 26,081,865.16 |
| | | |
| NET POSITION, ENDING | \$ 13,930,274.95 | \$ 21,780,225.56 |

Florida College System Risk Management Consortium
Property and Casualty Plan
Balance Sheet
February 28, 2018 and 2017

| | <u>FY 2017-18</u> | <u>FY 2016-17</u> |
|--|-------------------------|-------------------------|
| ASSETS | | |
| CASH IN BANKS | \$ 42,911.66 | \$ 859,155.79 |
| INVESTMENT STATE BOARD OF ADMINISTRATION | 315.19 | 311.06 |
| INVESTMENT SPECIAL PURPOSE INVESTMENT ACCT. | <u>42,373,756.22</u> | <u>39,093,616.45</u> |
| CASH INVESTMENTS - STATE INVESTMENT POOLS | 42,374,071.41 | 39,093,927.51 |
| INVESTMENT SECURITIES - Managed Account | 6,603,718.46 | 6,507,700.03 |
| UNREALIZED HOLDING GAIN OR (LOSS) ON SECURITIES | <u>(125,267.92)</u> | <u>(35,206.89)</u> |
| MANAGED INVESTMENTS AVAILABLE FOR SALE | 6,478,450.54 | 6,472,493.14 |
| ACCRUED INTEREST RECEIVABLE | 25,075.15 | 20,110.40 |
| A/R ANNUAL ASSESSMENT | - | 7,319,785.00 |
| A/R BOILER / MACHINERY | 54,942.00 | - |
| A/R CYBER RISK | 332,506.61 | - |
| A/R SELF INSURER ASSESSMENT | 9,981.72 | 23,517.66 |
| A/R OTHER SPECIAL ASSESSMENT | 2,618.44 | 2,285.00 |
| PREPAID EXPENSES | <u>-</u> | <u>60,945.00</u> |
| PREMIUMS RECEIVABLE & PREPAID CLAIMS | 400,048.77 | 7,406,532.66 |
| PREPAID INSURANCE - BUILDERS RISK | 53,769.00 | - |
| REINSURANCE RECEIVABLES | 19,922.16 | - |
| RESTRICTED DEPOSIT ⁽¹⁾ | 3,520,059.52 | 3,656,533.38 |
| PROPERTY AND EQUIPMENT - NET DEPRECIATION | <u>13,714.36</u> | <u>13,714.36</u> |
| TOTAL ASSETS | <u>52,928,022.57</u> | <u>57,522,467.24</u> |
| LIABILITIES | | |
| CLAIMS INCURRED BUT NOT REPORTED OR PAID | 37,614,000.00 | 27,309,000.00 |
| ACCOUNTS PAYABLE - CLAIMS | <u>216,643.85</u> | <u>304,393.20</u> |
| LIABILITY FOR LOSSES INCURRED | 37,830,643.85 | 27,613,393.20 |
| UNEARNED FUNDING ASSESSMENT REVENUE | 2,082,957.21 | 9,120,234.83 |
| PREPAID INSURANCE PREMIUMS | <u>(1,122,337.02)</u> | <u>(1,147,728.49)</u> |
| UNEARNED FUNDING ASSESSMENTS - NET OF PREPAID INSURANCE PREMIUMS | 960,620.19 | 7,972,506.34 |
| ACCOUNTS PAYABLE - OPERATIONS | 124,740.66 | 74,599.22 |
| ACCRUED LIABILITY - COMPENSATED ABSENCES | <u>81,742.92</u> | <u>81,742.92</u> |
| TOTAL LIABILITIES | <u>38,997,747.62</u> | <u>35,742,241.68</u> |
| NET POSITION | | |
| UNDESIGNATED | 13,930,274.95 | 20,780,225.56 |
| DESIGNATED FOR LOSS CONTINGENCY | <u>-</u> | <u>1,000,000.00</u> |
| TOTAL NET POSITION | <u>\$ 13,930,274.95</u> | <u>\$ 21,780,225.56</u> |

(1) Restricted Deposit consists of collateral held by ACE/Chubb for workers compensation

**Information Item 6.b.
Financial Statements**

Employee Benefit Plans

FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

EMPLOYEE BENEFIT PLANS
REVENUES AND EXPENDITURES BUDGET REPORT
As of March 31, 2018

| REVENUES | TOTAL ACTUAL, 3 MONTHS | | | | TOTAL ESTIMATED 2018 | | |
|--|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|----------------|
| | CURRENT BUDGET | REALIZED | UNREALIZED | % UNREALIZED | PROJECTED THRU 12/31/18 | % CURRENT BUDGET | |
| 46620 Life Assess EBP | 3,179,052.00 | 811,962.65 | 2,367,089.35 | 74.46% | 3,246,000.00 | 102.11% | |
| 46621 Health Assess EBP | 123,065,776.00 | 30,185,246.20 | 92,880,529.80 | 75.47% | 120,480,000.00 | 97.90% | |
| Members Assessments | 126,244,828.00 | 30,997,208.85 | 95,247,619.15 | 75.45% | 123,726,000.00 | 98.00% | |
| 46624 Recoveries- Pharmacy Rebates/ERRP | 3,000,000.00 | 1,558,683.61 | 1,441,316.39 | 48.04% | 3,500,000.00 | 116.67% | |
| 46625 Recoveries- Other | - | - | - | 0.00% | - | 0.00% | |
| Recoveries | 3,000,000.00 | 1,558,683.61 | 1,441,316.39 | 48.04% | 3,500,000.00 | 116.67% | |
| 48130 Int on Invest-Long Term | 180,000.00 | 53,871.37 | 126,128.63 | 70.07% | 216,000.00 | 120.00% | |
| 48150 Int on Invest-SBA | 5,000.00 | 8.72 | 4,991.28 | 99.83% | 50.00 | 1.00% | |
| 48170 Int on Invest-SPIA | 390,000.00 | 112,234.07 | 277,765.93 | 71.22% | 400,000.00 | 102.56% | |
| 48200 Gain-Loss on Investments | - | (33,219.67) | 33,219.67 | 100.00% | - | 0.00% | |
| 48210 Unreal (Gain)/Loss | - | (78,532.14) | 78,532.14 | 100.00% | (100,000.00) | 0.00% | |
| 63850 Investment Costs | - | (10,146.77) | 10,146.77 | 100.00% | (40,000.00) | 0.00% | |
| Interest & Investment Income, Net | 575,000.00 | 44,215.58 | 520,637.65 | 90.55% | 476,050.00 | 82.79% | |
| TOTAL REVENUES | \$ 129,819,828.00 | \$ 32,600,108.04 | \$ 97,209,573.19 | 74.88% | \$127,702,050.00 | 98.37% | |
| EXPENDITURES | EXPENDED | ENC'D | UNENC'D | % UNENC'D | | | |
| 63700 Life & AD/D Premium | 3,179,052.00 | 812,233.68 | 2,366,818.32 | 74.45% | 3,246,000.00 | 102.11% | |
| 63751 Blue Options Svc Fee | 5,111,971.00 | 1,243,634.85 | 3,868,336.15 | 75.67% | 4,976,000.00 | 97.34% | |
| 63752 Blue MediCare PPO | 1,116,133.00 | 322,651.45 | 793,481.55 | 71.09% | 1,292,000.00 | 115.76% | |
| 63754 Transitional Fee | - | - | - | 100.00% | - | 0.00% | |
| 63756 Blue Options S/L | 4,393,111.00 | 1,088,251.00 | 3,304,860.00 | 75.23% | 4,356,000.00 | 99.16% | |
| 63762 Capital Health Plan | 5,606,787.00 | 1,423,891.62 | 4,182,895.38 | 74.60% | 5,700,000.00 | 101.66% | |
| 63763 Horizon Health (EAP Services) | 104,378.00 | 24,895.20 | 79,482.80 | 76.15% | 100,000.00 | 95.81% | |
| 63764 Florida Health Care Plan | 3,540,075.00 | 829,232.84 | 2,710,842.16 | 76.58% | 3,320,000.00 | 93.78% | |
| 63770 FBMC Benefits Administration | 790,000.00 | 169,542.71 | 563,690.29 | 71.35% | 680,000.00 | 86.08% | |
| 63771 Plan C (Hospital, Dental, Vision) | 3,163,299.00 | 814,297.59 | 2,349,001.41 | 74.26% | 3,260,000.00 | 103.06% | |
| 63776 Wellness Initiative Refund | 100,000.00 | 12,671.07 | 87,328.93 | 87.33% | 100,000.00 | 100.00% | |
| 63507 PCORI Fee | - | - | - | 0.00% | 33,000.00 | 0.00% | |
| 63880 46623 Incurred Claims includes Stop Loss | 101,150,697.00 | 25,139,712.98 | 76,010,984.02 | 75.15% | 100,562,852.00 | 99.42% | |
| 63888 I.B.N.R Liability Changes | 590,769.00 | - | 590,769.00 | 0.00% | 1,000,000.00 | 0.00% | |
| Premiums, Claims & Fees | 128,846,272.00 | 31,881,014.99 | 56,767.00 | 96,908,490.01 | 75.21% | 128,625,852.00 | 99.83% |
| 50120 Admin Cost EBP-Payroll | 495,862.00 | 121,066.19 | - | 374,795.81 | 75.58% | 500,000.00 | 100.83% |
| 60120 Admin Cost EBP-Current Expenses | 323,444.00 | 58,232.85 | - | 265,211.15 | 82.00% | 323,444.00 | 100.00% |
| 62504 Service Contracts/Agreements | - | 5,000.00 | 1,050.00 | (6,050.00) | 0.00% | 10,000.00 | 0.00% |
| 65001 Consultant Fees | 100,000.00 | - | 100,000.00 | 100.00% | 100,000.00 | 100.00% | |
| 65004 Auditing Fees | 25,000.00 | 9,500.00 | 675.00 | 14,825.00 | 59.30% | 25,000.00 | 100.00% |
| 65702 Software Administrative | - | - | 2,500.00 | (2,500.00) | 0.00% | 2,500.00 | 0.00% |
| 70120 Admin Cost EBP-Capital | 29,250.00 | 24,918.50 | - | 4,331.50 | 14.81% | 30,000.00 | 102.56% |
| Administrative Expenses | 973,556.00 | 218,717.54 | 4,225.00 | 750,613.46 | 77.10% | 990,944.00 | 101.79% |
| TOTAL EXPENDITURES | \$ 129,819,828.00 | \$ 32,099,732.53 | 60,992.00 | \$ 97,659,103.47 | 75.23% | \$ 129,616,796.00 | 99.84% |
| INCREASE (DECREASE) IN FUND BALANCE | \$ - | \$ 500,375.51 | | | | \$ (1,914,746.00) | |

Florida College System Risk Management Consortium
Employee Benefit Plans
Balance Sheet
March 31, 2018 and 2017

| ASSETS | <u>2018</u> | <u>2017</u> |
|---|---------------------------------------|---------------------------------------|
| Cash in Banks | \$ 2,800,217.42 | \$ 2,478,817.12 |
| Investment State Board of Admin. | 2,056.79 | 2,028.38 |
| Investment Special Purpose Investment Acct. | <u>25,676,670.81</u> | <u>24,892,075.13</u> |
| Cash and Cash Equivalents | 28,478,945.02 | 27,372,920.63 |
| Investment Securites-Managed Account | 9,897,461.43 | 9,758,149.33 |
| Unrealized Holding Gain/(Loss) on Investments | <u>(169,346.33)</u> | <u>(41,784.37)</u> |
| Investments Available for Sale | 9,728,115.10 | 9,716,364.96 |
| Accrued Interest Receivable | 45,757.31 | 36,154.66 |
| Reinsurance & Other Receivables | 2,548,979.96 | 4,214,711.88 |
| Prepaid Expenses | - | 30,600.00 |
| Deposits Receivable ⁽¹⁾ | 146,098.45 | - |
| Property and Equipment - Net of Depreciation | <u>10,007.77</u> | <u>22,296.95</u> |
| TOTAL ASSETS | <u>40,957,903.61</u> | <u>41,393,049.08</u> |
| LIABILITIES | | |
| Accounts Payable-Claims | 9,210,808.26 | 8,302,412.81 |
| Accounts Payable-Claim Service Fees | 416,881.55 | - |
| Claims Incurred but not Reported | <u>7,279,749.00</u> | <u>7,724,228.00</u> |
| Liability for Losses Incurred | 16,907,438.81 | 16,026,640.81 |
| Deferred Revenue | 176,624.82 | - |
| Accounts Payable-Operations | 1,363,704.90 | 1,859,871.55 |
| Accrued Liability-Compensated Absences | <u>94,775.70</u> | <u>65,915.54</u> |
| TOTAL LIABILITIES | <u>18,542,544.23</u> | <u>17,952,427.90</u> |
| TOTAL NET POSITION | <u><u>\$ 22,415,359.38</u></u> | <u><u>\$ 23,440,621.18</u></u> |

(1) Deposits receivable consists of funds held by Health Equity for prefunding of plans.

Florida College System Risk Management Consortium
Employee Benefit Plans
Statement of Revenues, Expenses and Changes in Net Position
For the Months Ending March 31, 2018 and 2017

| REVENUES | 2018 | 2017 |
|--|--------------------------------|--------------------------------|
| Premiums Earned - Member Assessments | \$ 30,997,208.85 | \$ 29,929,590.67 |
| Premiums Ceded to Reinsurers | | |
| Life and AD/D Premium | (812,233.68) | (794,479.18) |
| Plan Blue Choice/Options/HMO/HRA S/L Premium | (1,088,251.00) | (1,098,277.86) |
| Fully Insured Premium (CHP, CHIP, Medicare, EAP, FHCP) | <u>(3,414,968.70)</u> | <u>(3,383,367.07)</u> |
| Net Premiums Earned | <u>25,681,755.47</u> | <u>24,653,466.56</u> |
| Interest Earned on Investment-SBA | 8.72 | 2,527.28 |
| Interest Earned on Investment-SPIA | 112,234.07 | 83,992.57 |
| Interest Earned on Investment-Managed Account | 53,871.37 | 46,829.80 |
| Investment Costs | <u>(10,146.77)</u> | <u>(11,521.85)</u> |
| Investment Income | 155,967.39 | 121,827.80 |
| Realized Gain or (Loss) on Sale of Securities | (33,219.67) | (13,239.89) |
| Unrealized Gain or (Loss) on Investments | <u>(78,532.14)</u> | <u>22,252.93</u> |
| Net Gain or (Loss) on Investments | (111,751.81) | 9,013.04 |
| Total Revenue | <u>25,725,971.05</u> | <u>24,784,307.40</u> |
| EXPENSES | | |
| Incurred Claims | 25,288,641.35 | 22,832,449.66 |
| Recoveries-Stop Loss Adjustments | (148,928.37) | - |
| Recoveries-Pharmacy Rebates/ERRP | <u>(1,558,683.61)</u> | <u>(1,219,790.90)</u> |
| Incurred Claims Net of Recoveries | 23,581,029.37 | 21,612,658.76 |
| Claims Servicing Fees | 1,425,848.63 | 1,312,832.78 |
| Administrative Costs | <u>218,717.54</u> | <u>221,127.73</u> |
| Total Expenses | <u>25,225,595.54</u> | <u>23,146,619.27</u> |
| INCREASE (DECREASE) IN NET POSITION | 500,375.51 | 1,637,688.13 |
| NET POSITION, BEGINNING | <u>21,914,983.87</u> | <u>21,802,933.05</u> |
| NET POSITION, ENDING | <u><u>\$ 22,415,359.38</u></u> | <u><u>\$ 23,440,621.18</u></u> |

Information Item 6.c.
Financial Statements

Investment Program



FCSRMC

FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

Investment Performance Review For the Quarter Ended March 31, 2018

Investment Advisors

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For the Quarter Ended March 31, 2018

FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

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- 1-5 Year Investment Portfolio

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- Quarterly Account Summary
- Compliance Report
- Important Disclosures

Tab I

For the Quarter Ended March 31, 2018
Fixed Income Management

QUARTERLY MARKET SUMMARY

SUMMARY

- The first quarter was characterized by a spike in volatility associated with an equity market correction, talks of tariffs and trade wars, a modest uptick in inflation, and a panoply of geopolitical concerns. Despite healthy fundamentals and a robust global economic backdrop, “risk-off” sentiment began to take hold of the financial markets. For the first time in nearly 10 years, both the stock market and bond market posted losses for the quarter.
- During the quarter, President Trump signed a \$1.3 trillion omnibus spending bill which averted a government shutdown, significantly increased military spending, and increased funding in a variety of discretionary areas, including background checks for gun purchases, election security, infrastructure, the opioid crisis, child care, low-income housing, the National Park Service, veterans’ hospitals, pay raises for the troops, school safety, and border security. As a result, the Congressional Budget Office (CBO) now estimates that the federal budget deficit will exceed \$1 trillion per year by 2020.
- Under new Federal Reserve (Fed) chair Jay Powell, the Federal Open Market Committee (FOMC) raised the short-term federal funds target rate 0.25% to a new range of 1.50 to 1.75% at its March meeting. While widely anticipated, the March rate hike indicates the Fed remains committed to its well-defined and well-telegraphed path of monetary policy tightening. Expectations point to two or three more rate hikes over the balance of 2018, with additional hikes likely in 2019 and 2020 as well.
- Bond yields continued their ascent over the quarter, with the two-year Treasury reaching a near-decade high. Meanwhile, the S&P 500 index dipped into negative territory for the quarter – the first negative quarter for the headline index since the third quarter of 2015. International indices also posted declines for the quarter, but a weaker U.S. dollar helped temper those relative losses.

ECONOMIC SNAPSHOT

- Economic data continues to support growth and optimism (both business and consumer) as a myriad of indicators reached or remained at multi-year bests during the quarter, including the unemployment rate, consumer confidence, productivity, and manufacturing.
- The U.S. economy posted solid results last year, as the Gross Domestic Product (GDP) for the fourth quarter was revised up to show a real growth rate of 2.9%, after back-to-back readings in excess of 3.0% the prior two quarters. In the midst of eight straight years of domestic economic expansion, global growth is now in synchrony, with nearly every advanced economy around the globe, including the Eurozone, Japan, and China, showing positive growth rates.
- The U.S. labor market remained strong as the unemployment rate hovered at a 17-year low of 4.1%. The economy also posted positive net job gains for consecutive months dating back to the fourth quarter of 2010. Meanwhile, wages are beginning to gain some traction, as average hourly earnings – an important measure of wage growth – increased 2.7% over the past year.

INTEREST RATES

- U.S. Treasury yields rose across the yield curve, as the yield on the 2-year increased 38 basis points (bps) from 1.88 to 2.26%, while the yield on a 10-year increased 33 bps from 2.40 to 2.73%. Although the yield curve initially steepened early in the quarter, as longer-term rates moved up in response to a modest uptick in inflation expectations, the flattening trend ultimately resumed, retreating to post-recession lows by quarter-end.
- Money market investors have reaped the benefits of the Fed’s rate increases, as yields on securities with maturities less than one year continued to reflect rising short-term rates. In addition, a huge surge in the supply of U.S. Treasury bills pushed shorter-term yields higher still.
- After years of tightening yield spreads, the spike in market volatility caused spreads on corporates and other non-government sectors to widen sharply.

SECTOR PERFORMANCE

- The continued federal fund rate hikes resulted in negative returns for most bond indices, with longer maturities performing worst. Although higher yields provide greater income over time, that income was not sufficient to offset the adverse impact of increasing interest rates on fixed income prices.
- Although Federal Agency returns were also negative, they generated returns slightly more positive than similar duration Treasuries, as their modest incremental income was a slight benefit.
- The municipal sector provided some reprieve for fixed income investors during the quarter, as returns were positive and outperformed most other investment-grade (IG) alternatives. The large decline in new issuance in the first quarter, caused by tax changes enacted in the fourth quarter, created a supply/demand imbalance that benefited the sector.
- IG corporate yield spreads ended the quarter wider, resulting in the sector being one of the worst performing fixed-income sectors in the first quarter. Despite the poor quarter, trailing returns over longer time periods remain strong, and the underlying strength of corporate fundamentals remains intact.
- The mortgage-backed securities (MBS) sector struggled to find footing during the quarter as low yield spreads, upcoming seasonal supply, and Fed balance sheet unwinding continued to weigh on investor demand. As a result, the sector generated a negative excess return for the quarter.
- Short-term commercial paper (CP) and bank Certificates of Deposits (CDs) offered even greater incremental value in the first quarter as short-term yields rose in response to the burgeoning Treasury supply, and credit spreads widened. The incremental yield advantage offered in these sectors continues to be a valuable return attribute in the face of rising rates.

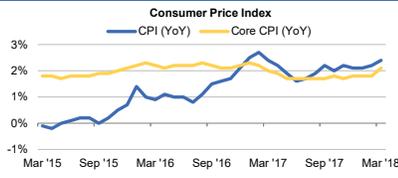
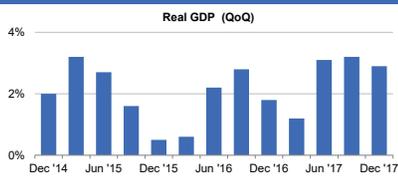
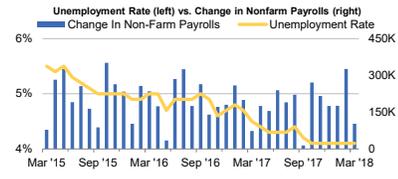
QUARTERLY MARKET SUMMARY

Economic Snapshot

| Labor Market | Latest | Dec '17 | Mar '17 | |
|-------------------------------|---------|---------|---------|---------|
| Unemployment Rate | Mar '18 | 4.1% | 4.1% | 4.5% |
| Change In Non-Farm Payrolls | Mar '18 | 103,000 | 175,000 | 73,000 |
| Average Hourly Earnings (YoY) | Mar '18 | 2.7% | 2.7% | 2.6% |
| Personal Income (YoY) | Feb '18 | 3.7% | 4.3% | 3.4% |
| Initial Jobless Claims (week) | 4/7/18 | 233,000 | 248,000 | 241,000 |

| Growth | Latest | Dec '17 | Mar '17 | |
|-------------------------------------|---------|-----------|-------------------|-------------------|
| Real GDP (QoQ SAAR) | 2017 Q4 | 2.9% | 3.2% ¹ | 1.8% ² |
| GDP Personal Consumption (QoQ SAAR) | 2018 Q4 | 4.0% | 2.2% ¹ | 2.9% ² |
| Retail Sales (YoY) | Mar '18 | 4.5% | 5.1% | 4.9% |
| ISM Manufacturing Survey (month) | Mar '18 | 59.3 | 59.3 | 56.6 |
| Existing Home Sales SAAR (month) | Feb '18 | 5.54 mil. | 5.56 mil. | 5.67 mil. |

| Inflation / Prices | Latest | Dec '17 | Mar '17 | |
|---|---------|---------|---------|---------|
| Personal Consumption Expenditures (YoY) | Feb '18 | 1.8% | 1.7% | 1.8% |
| Consumer Price Index (YoY) | Mar '18 | 2.4% | 2.1% | 2.4% |
| Consumer Price Index Core (YoY) | Mar '18 | 2.1% | 1.8% | 2.0% |
| Crude Oil Futures (WTI, per barrel) | Mar 31 | \$64.94 | \$60.42 | \$50.60 |
| Gold Futures (oz.) | Mar 31 | \$1,323 | \$1,309 | \$1,247 |



1. Data as of Third Quarter 2017.
2. Data as of Fourth Quarter 2016.
Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.
Source: Bloomberg.

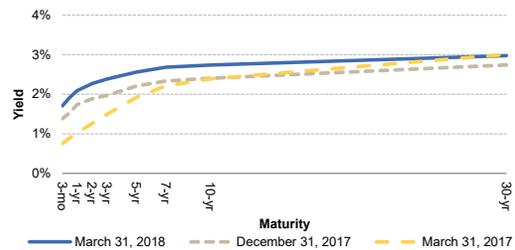
QUARTERLY MARKET SUMMARY

Interest Rate Overview

U.S. Treasury Note Yields



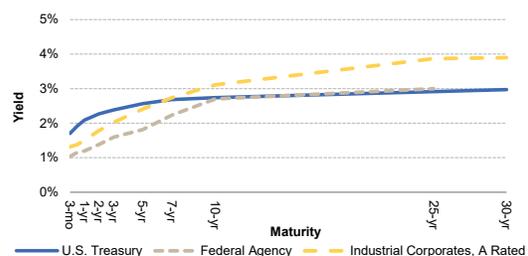
U.S. Treasury Yield Curve



U.S. Treasury Yields

| Maturity | Mar '18 | Dec '17 | Change over Quarter | Mar '17 | Change over Year |
|----------|---------|---------|---------------------|---------|------------------|
| 3-month | 1.71% | 1.38% | 0.33% | 0.75% | 0.96% |
| 1-year | 2.09% | 1.74% | 0.35% | 1.02% | 1.07% |
| 2-year | 2.27% | 1.89% | 0.38% | 1.26% | 1.01% |
| 5-year | 2.56% | 2.21% | 0.35% | 1.92% | 0.64% |
| 10-year | 2.74% | 2.41% | 0.33% | 2.39% | 0.35% |
| 30-year | 2.97% | 2.74% | 0.23% | 3.01% | (0.04%) |

Yield Curves as of 3/31/18



Source: Bloomberg.

ICE BofAML Index Returns

| March 31, 2018 | As of 3/31/18 | Duration | Yield | 3-Month | 1-Year | 3-Years |
|--|---------------|----------|---------|---------|--------|---------|
| 1-3 Year Indices | | | | | | |
| U.S. Treasury | 1.80 | 2.27% | (0.13%) | 0.03% | 0.40% | |
| Federal Agency | 1.74 | 2.31% | (0.02%) | 0.32% | 0.58% | |
| U.S. Corporates, A-AAA rated | 1.81 | 2.90% | (0.41%) | 0.65% | 1.15% | |
| Agency MBS (0 to 3 years) | 2.38 | 2.57% | 0.01% | 0.99% | 1.05% | |
| Taxable Municipals | 1.49 | 2.76% | 0.25% | 1.69% | 1.83% | |
| 1-5 Year Indices | | | | | | |
| U.S. Treasury | 2.59 | 2.36% | (0.38%) | (0.10%) | 0.47% | |
| Federal Agency | 2.10 | 2.36% | (0.18%) | 0.26% | 0.65% | |
| U.S. Corporates, A-AAA rated | 2.61 | 3.04% | (0.80%) | 0.62% | 1.31% | |
| Agency MBS (0 to 5 years) | 3.27 | 2.75% | (0.61%) | 0.52% | 0.92% | |
| Taxable Municipals | 2.23 | 2.84% | 0.13% | 1.62% | 1.99% | |
| Master Indices (Maturities 1 Year or Greater) | | | | | | |
| U.S. Treasury | 6.24 | 2.55% | (1.21%) | 0.51% | 0.47% | |
| Federal Agency | 3.86 | 2.53% | (0.53%) | 0.85% | 0.94% | |
| U.S. Corporates, A-AAA rated | 6.97 | 3.50% | (2.31%) | 2.11% | 1.96% | |
| Agency MBS (0 to 30 years) | 5.03 | 3.26% | (1.21%) | 0.74% | 1.10% | |
| Taxable Municipals | 10.63 | 3.88% | (1.73%) | 6.82% | 3.73% | |

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

DISCLOSURES

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Tab II

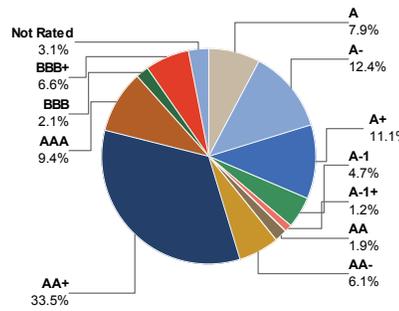
- The Consortium's Investment Portfolio is of high credit quality and invested in U.S. Treasury, Federal Agency/GSE, Federal Agency/CMO, mortgage-backed securities, asset-backed securities, corporate notes, and commercial paper securities.
- The Investment Portfolio's quarterly total return performance of -0.59% underperformed the benchmark's performance of -0.38% by 0.21%. Over the past year, the Portfolio earned 0.29%, versus -0.10% for the benchmark.
- New Fed Chair Jay Powell made his first public address at February's semi-annual monetary policy report to Congress. His maiden testimony hinted at a continuance of gradual rate hikes, while acknowledging that "the economic outlook remains strong" and the expectation for inflation to increase and closely approach the FOMC's 2% objective remains intact.
- The combined effects of less predictable U.S. politics and policy (e.g. tariffs, trade wars, Facebook, global relations, budget deficits, etc.) created an environment of heightened volatility. The "risk off" sentiment triggered wider credit spreads.
- Wider spreads caused corporate-related investments to underperform for the quarter. While portfolios typically benefit from increased credit allocations, returns in Q1 were negatively affected.
- Federal agency yield spreads remained very narrow throughout the quarter. New issue agencies continued to be our preferred – in some cases only -- outlet to add exposure at relatively attractive yields. Generally, the agency sector added modest positive excess returns in Q1 (returns in excess of similar duration Treasuries) across much of the yield curve, benefitting portfolio performance.
- The economic themes that carried over into 2018 remain: healthy job production, consistent GDP growth, positive corporate guidance, and heightened consumer confidence. However, where complacency had characterized the global markets quarter after quarter, volatility roared back in Q1. While rising volatility increases some market risks, it can also create investment opportunities.

Portfolio Statistics

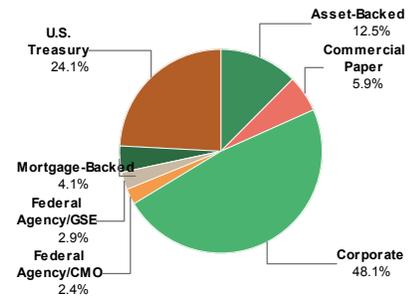
As of March 31, 2018

| | |
|------------------------|--------------|
| Par Value: | \$16,295,919 |
| Total Market Value: | \$16,286,051 |
| Security Market Value: | \$16,084,075 |
| Accrued Interest: | \$66,857 |
| Cash: | \$135,119 |
| Amortized Cost: | \$16,342,260 |
| Yield at Market: | 2.72% |
| Yield at Cost: | 2.12% |
| Effective Duration: | 2.47 Years |
| Duration to Worst: | 2.84 Years |
| Average Maturity: | 3.80 Years |
| Average Credit: * | AA |

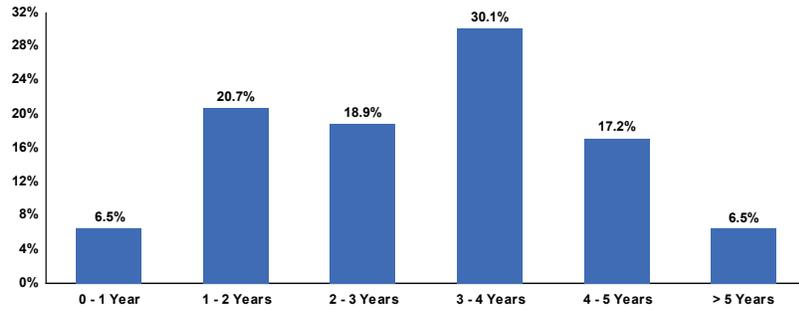
Credit Quality (S&P Ratings)



Sector Allocation



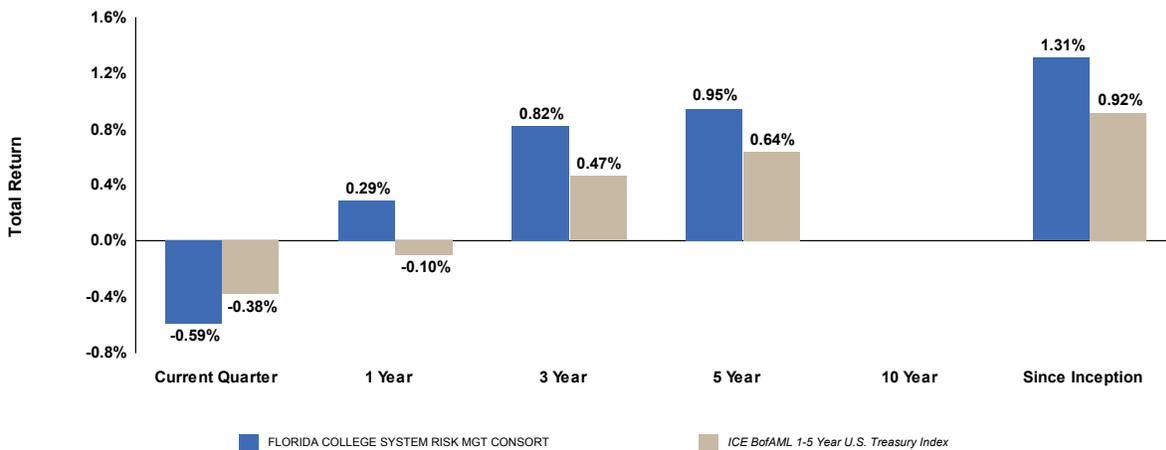
Maturity Distribution



* An average of each security's credit rating assigned a numeric value and adjusted for its relative weighting in the portfolio.

Portfolio Performance (Total Return)

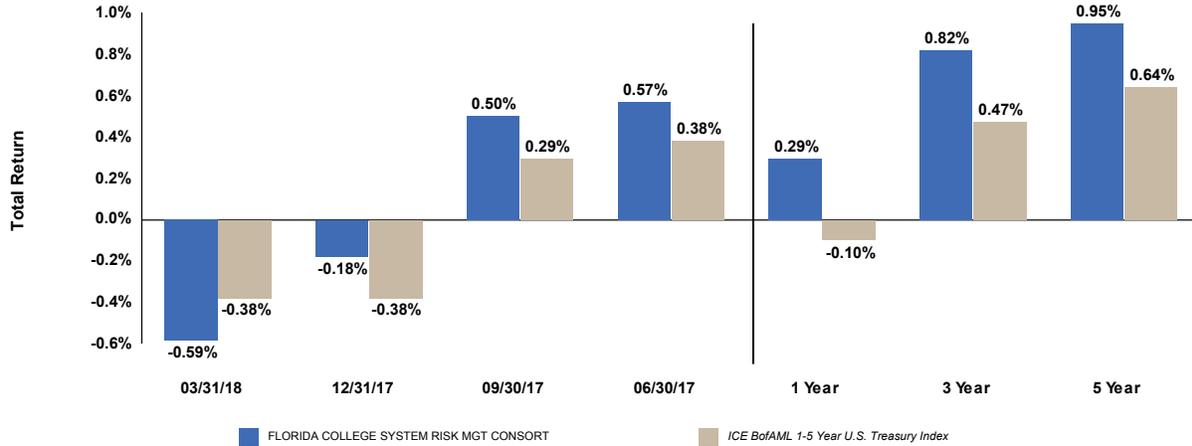
| Portfolio/Benchmark | Effective Duration | Current Quarter | 1 Year | Annualized Return | | | | Since Inception (09/30/10) ** |
|---|--------------------|-----------------|--------|-------------------|--------|---------|-------|-------------------------------|
| | | | | 3 Year | 5 Year | 10 Year | | |
| FLORIDA COLLEGE SYSTEM RISK MGT CONSORT | 2.47 | -0.59% | 0.29% | 0.82% | 0.95% | - | 1.31% | |
| ICE BofAML 1-5 Year U.S. Treasury Index | 2.59 | -0.38% | -0.10% | 0.47% | 0.64% | - | 0.92% | |
| Difference | | -0.21% | 0.39% | 0.35% | 0.31% | - | 0.39% | |



Portfolio performance is gross of fees unless otherwise indicated. **Since Inception performance is not shown for periods less than one year.

Portfolio Performance (Total Return)

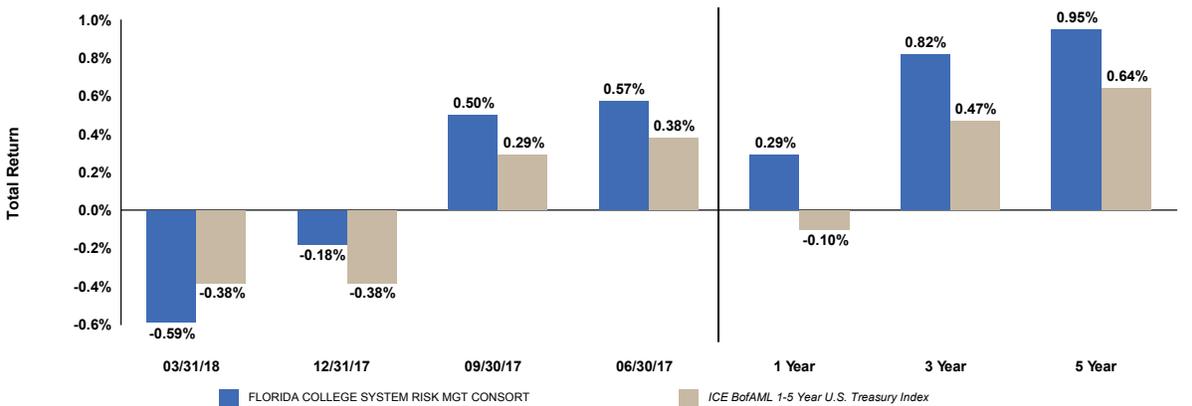
| Portfolio/Benchmark | Effective Duration | Quarter Ended | | | | Annualized Return | | |
|---|--------------------|---------------|----------|----------|----------|-------------------|--------|--------|
| | | 03/31/18 | 12/31/17 | 09/30/17 | 06/30/17 | 1 Year | 3 Year | 5 Year |
| FLORIDA COLLEGE SYSTEM RISK MGT CONSORT | 2.47 | -0.59% | -0.18% | 0.50% | 0.57% | 0.29% | 0.82% | 0.95% |
| ICE BofAML 1-5 Year U.S. Treasury Index | 2.59 | -0.38% | -0.38% | 0.29% | 0.38% | -0.10% | 0.47% | 0.64% |
| Difference | | -0.21% | 0.20% | 0.21% | 0.19% | 0.39% | 0.35% | 0.31% |



Portfolio performance is gross of fees unless otherwise indicated.

Portfolio Performance (Total Return)

| Portfolio/Benchmark | Effective Duration | Quarter Ended | | | | Annualized Return | | |
|---|--------------------|---------------|----------|----------|----------|-------------------|--------|--------|
| | | 03/31/18 | 12/31/17 | 09/30/17 | 06/30/17 | 1 Year | 3 Year | 5 Year |
| FLORIDA COLLEGE SYSTEM RISK MGT CONSORT | 2.47 | -0.59% | -0.18% | 0.50% | 0.57% | 0.29% | 0.82% | 0.95% |
| Net of Fees ** | - | -0.61% | -0.20% | 0.48% | 0.55% | 0.22% | 0.75% | 0.88% |
| ICE BofAML 1-5 Year U.S. Treasury Index | 2.59 | -0.38% | -0.38% | 0.29% | 0.38% | -0.10% | 0.47% | 0.64% |
| Difference (Gross) | | -0.21% | 0.20% | 0.21% | 0.19% | 0.39% | 0.35% | 0.31% |
| Difference (Net) | | -0.23% | 0.18% | 0.19% | 0.17% | 0.32% | 0.28% | 0.24% |



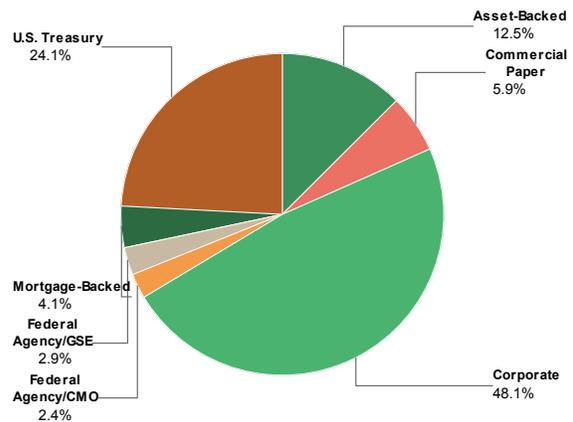
Portfolio performance is gross of fees unless otherwise indicated. ** Fees were calculated based on average assets during the period at the contractual rate.

Portfolio Earnings
Quarter-Ended March 31, 2018

| | <u>Market Value Basis</u> | <u>Accrual (Amortized Cost) Basis</u> |
|-------------------------------------|---------------------------|---------------------------------------|
| Beginning Value (12/31/2017) | \$16,220,497.73 | \$16,320,833.53 |
| Net Purchases/Sales | \$46,049.01 | \$46,049.01 |
| Change in Value | (\$182,471.71) | (\$24,622.21) |
| Ending Value (03/31/2018) | \$16,084,075.03 | \$16,342,260.33 |
| Interest Earned | \$85,027.43 | \$85,027.43 |
| Portfolio Earnings | (\$97,444.28) | \$60,405.22 |

Sector Allocation
As of March 31, 2018

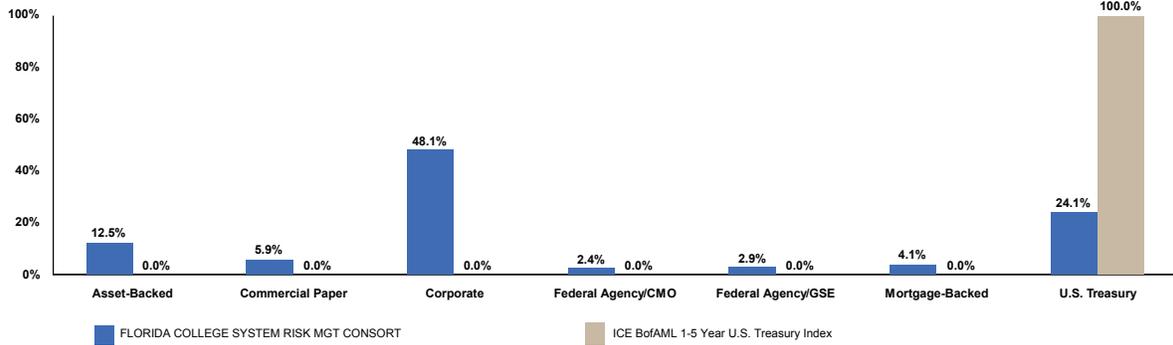
| Sector | Market Value (\$) | % of Portfolio |
|--------------------|--------------------------|-----------------------|
| Corporate | 7,746,122 | 48.1% |
| U.S. Treasury | 3,870,810 | 24.1% |
| Asset-Backed | 2,004,919 | 12.5% |
| Commercial Paper | 950,728 | 5.9% |
| Mortgage-Backed | 663,113 | 4.1% |
| Federal Agency/GSE | 469,705 | 2.9% |
| Federal Agency/CMO | 378,679 | 2.4% |
| Total | \$16,084,075 | 100.0% |



Detail may not add to total due to rounding.

Sector Allocation
As of March 31, 2018

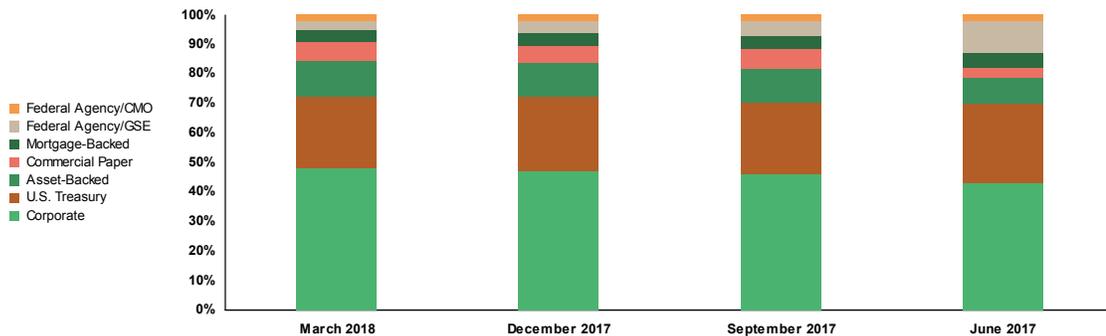
| Sector | Market Value (\$) | % of Portfolio | % of Benchmark |
|--------------------|---------------------|----------------|----------------|
| Corporate | 7,746,122 | 48.1% | - |
| U.S. Treasury | 3,870,810 | 24.1% | 100.0% |
| Asset-Backed | 2,004,919 | 12.5% | - |
| Commercial Paper | 950,728 | 5.9% | - |
| Mortgage-Backed | 663,113 | 4.1% | - |
| Federal Agency/GSE | 469,705 | 2.9% | - |
| Federal Agency/CMO | 378,679 | 2.4% | - |
| Total | \$16,084,075 | 100.0% | 100.0% |



Detail may not add to total due to rounding.

Sector Allocation

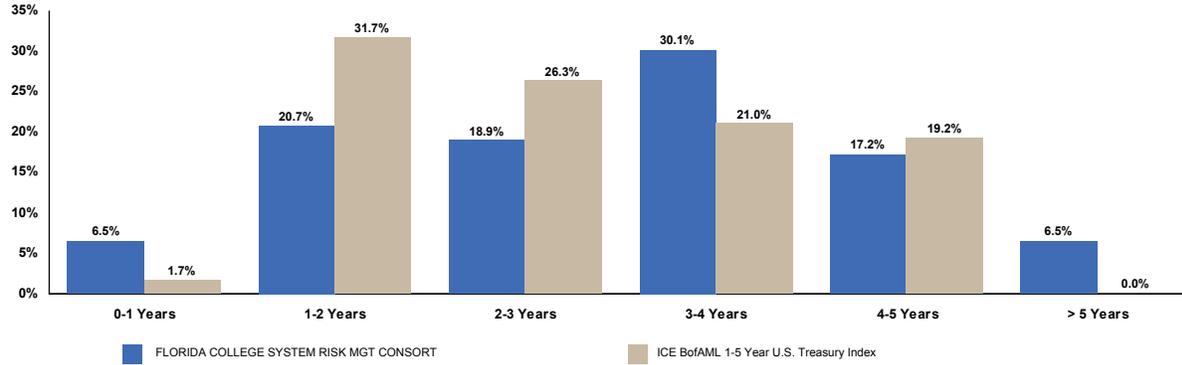
| Sector | March 31, 2018 | | December 31, 2017 | | September 30, 2017 | | June 30, 2017 | |
|--------------------|----------------|---------------|-------------------|---------------|--------------------|---------------|---------------|---------------|
| | MV (\$MM) | % of Total | MV (\$MM) | % of Total | MV (\$MM) | % of Total | MV (\$MM) | % of Total |
| Corporate | 7.7 | 48.1% | 7.6 | 47.0% | 7.6 | 46.4% | 7.0 | 42.9% |
| U.S. Treasury | 3.9 | 24.1% | 4.1 | 25.2% | 3.9 | 23.6% | 4.4 | 26.8% |
| Asset-Backed | 2.0 | 12.5% | 1.9 | 11.5% | 1.9 | 11.8% | 1.5 | 9.0% |
| Commercial Paper | 1.0 | 5.9% | 1.0 | 5.9% | 1.1 | 6.5% | 0.6 | 3.5% |
| Mortgage-Backed | 0.7 | 4.1% | 0.7 | 4.3% | 0.7 | 4.5% | 0.8 | 4.8% |
| Federal Agency/GSE | 0.5 | 2.9% | 0.7 | 4.1% | 0.9 | 5.2% | 1.7 | 10.7% |
| Federal Agency/CMO | 0.4 | 2.4% | 0.3 | 2.0% | 0.3 | 2.0% | 0.4 | 2.3% |
| Total | \$16.1 | 100.0% | \$16.2 | 100.0% | \$16.3 | 100.0% | \$16.3 | 100.0% |



Detail may not add to total due to rounding.

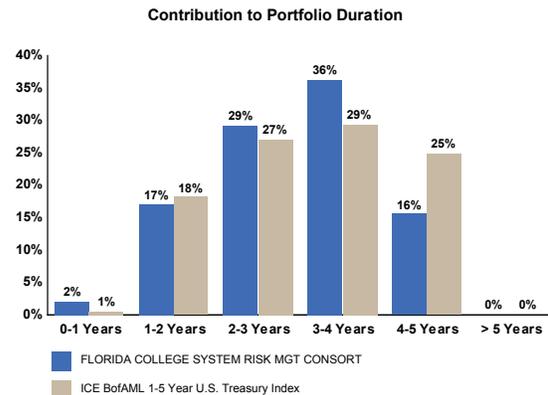
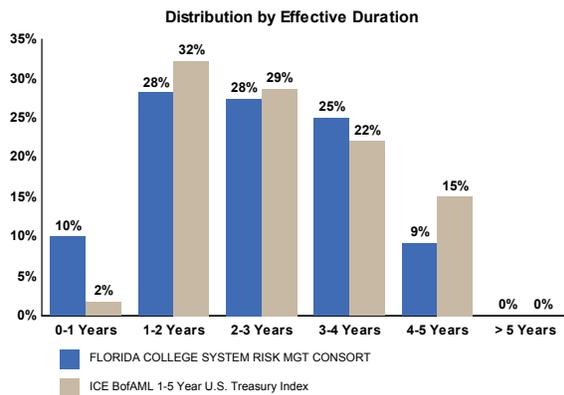
Maturity Distribution
As of March 31, 2018

| Portfolio/Benchmark | Yield at Market | Average Maturity | 0-1 Years | 1-2 Years | 2-3 Years | 3-4 Years | 4-5 Years | >5 Years |
|---|-----------------|------------------|-----------|-----------|-----------|-----------|-----------|----------|
| FLORIDA COLLEGE SYSTEM RISK MGT CONSORT | 2.72% | 3.80 yrs | 6.5% | 20.7% | 18.9% | 30.1% | 17.2% | 6.5% |
| ICE BofAML 1-5 Year U.S. Treasury Index | 2.37% | 2.78 yrs | 1.7% | 31.7% | 26.3% | 21.0% | 19.2% | 0.0% |



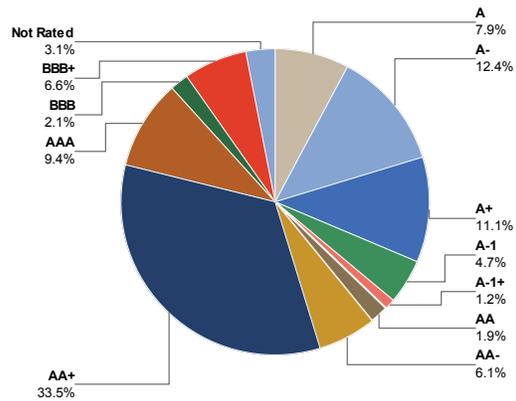
Duration Distribution
As of March 31, 2018

| Portfolio / Benchmark | Effective Duration | 0-1 YEARS | 1-2 YEARS | 2-3 YEARS | 3-4 YEARS | 4-5 YEARS | > 5 YEARS |
|---|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| FLORIDA COLLEGE SYSTEM RISK MGT CONSORT | 2.47 | 10.0% | 28.2% | 27.6% | 25.0% | 9.2% | 0.0% |
| ICE BofAML 1-5 Year U.S. Treasury Index | 2.59 | 1.7% | 32.3% | 28.7% | 22.1% | 15.1% | 0.0% |



Credit Quality
As of March 31, 2018

| S&P Rating | Market Value (\$) | % of Portfolio |
|---------------|---------------------|----------------|
| AA+ | \$5,382,306 | 33.5% |
| A- | \$2,001,349 | 12.4% |
| A+ | \$1,778,870 | 11.1% |
| AAA | \$1,509,735 | 9.4% |
| A | \$1,265,964 | 7.9% |
| BBB+ | \$1,057,495 | 6.6% |
| AA- | \$988,148 | 6.1% |
| A-1 | \$762,146 | 4.7% |
| Not Rated | \$495,184 | 3.1% |
| BBB | \$340,534 | 2.1% |
| AA | \$313,763 | 2.0% |
| A-1+ | \$188,582 | 1.2% |
| Totals | \$16,084,075 | 100.0% |



Detail may not add to total due to rounding.

Issuer Distribution
As of March 31, 2018

| Issuer | Market Value (\$) | % of Portfolio |
|---|-------------------|----------------|
| UNITED STATES TREASURY | 3,870,810 | 24.1% |
| FREDDIE MAC | 768,602 | 4.8% |
| JP MORGAN CHASE & CO | 592,140 | 3.7% |
| AMERICAN EXPRESS CO | 540,528 | 3.4% |
| AMERICAN HONDA FINANCE | 503,302 | 3.1% |
| THE BANK OF NEW YORK MELLON CORPORATION | 499,924 | 3.1% |
| FANNIE MAE | 468,207 | 2.9% |
| TOYOTA MOTOR CORP | 462,896 | 2.9% |
| BANK OF NOVA SCOTIA | 433,080 | 2.7% |
| GOLDMAN SACHS GROUP INC | 412,058 | 2.6% |
| CITIGROUP INC | 404,265 | 2.5% |
| ALLY AUTO RECEIVABLES TRUST | 380,876 | 2.4% |
| HYUNDAI AUTO RECEIVABLES | 334,703 | 2.1% |
| WAL-MART STORES INC | 313,763 | 2.0% |
| MORGAN STANLEY | 313,021 | 2.0% |
| BNP PARIBAS | 299,892 | 1.9% |
| HONDA AUTO RECEIVABLES | 282,028 | 1.8% |
| CANADIAN IMPERIAL BANK OF COMMERCE | 273,674 | 1.7% |

Top 5 = 39.0%

Top 10 = 53.2%

| Issuer | Market Value (\$) | % of Portfolio |
|--|-------------------|----------------|
| WELLS FARGO & COMPANY | 270,701 | 1.7% |
| mitsubishi UFJ FINANCIAL GROUP INC | 265,254 | 1.7% |
| BB&T CORPORATION | 264,998 | 1.7% |
| BP PLC | 257,165 | 1.6% |
| TORONTO-DOMINION BANK | 256,829 | 1.6% |
| GOVERNMENT NATIONAL MORTGAGE ASSOCIATION | 234,853 | 1.5% |
| ROYAL BANK OF CANADA | 221,082 | 1.4% |
| GENERAL ELECTRIC CO | 208,014 | 1.3% |
| CISCO SYSTEMS INC | 198,785 | 1.2% |
| STATE STREET CORPORATION | 194,059 | 1.2% |
| FORD CREDIT AUTO OWNER TRUST | 180,047 | 1.1% |
| BANK OF AMERICA CO | 172,383 | 1.1% |
| CNH EQUIPMENT TRUST | 166,716 | 1.0% |
| COMCAST CORP | 159,623 | 1.0% |
| BANK OF MONTREAL | 157,655 | 1.0% |
| FORD MOTOR COMPANY | 157,468 | 1.0% |
| WESTPAC BANKING CORP | 157,463 | 1.0% |
| IBM CORP | 155,218 | 1.0% |
| NISSAN AUTO RECEIVABLES | 134,287 | 0.8% |
| PACCAR FINANCIAL CORP | 128,797 | 0.8% |
| UNITED PARCEL SERVICE INC | 127,144 | 0.8% |

| Issuer | Market Value (\$) | % of Portfolio |
|--|-------------------|----------------|
| ANHEUSER-BUSCH INBEV NV | 119,060 | 0.7% |
| CATERPILLAR INC | 117,154 | 0.7% |
| DEERE & COMPANY | 103,406 | 0.6% |
| GENERAL MOTORS CORP | 102,630 | 0.6% |
| AT&T | 86,224 | 0.5% |
| CVS HEALTH CORP | 80,435 | 0.5% |
| HOME DEPOT INC | 78,587 | 0.5% |
| JOHN DEERE OWNER TRUST | 69,615 | 0.4% |
| NATIONAL RURAL UTILITIES CO FINANCE CORP | 64,821 | 0.4% |
| FEDERAL HOME LOAN BANKS | 39,834 | 0.3% |
| Grand Total: | 16,084,075 | 100.0% |

Sector/Issuer Distribution

As of March 31, 2018

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|------------------------------------|-------------------|---------------|----------------------|
| Asset-Backed | | | |
| ALLY AUTO RECEIVABLES TRUST | 380,876 | 19.0% | 2.4% |
| AMERICAN EXPRESS CO | 178,249 | 8.9% | 1.1% |
| CITIGROUP INC | 158,074 | 7.9% | 1.0% |
| CNH EQUIPMENT TRUST | 166,716 | 8.3% | 1.0% |
| FORD CREDIT AUTO OWNER TRUST | 180,047 | 9.0% | 1.1% |
| HONDA AUTO RECEIVABLES | 282,028 | 14.1% | 1.8% |
| HYUNDAI AUTO RECEIVABLES | 334,703 | 16.7% | 2.1% |
| JOHN DEERE OWNER TRUST | 69,615 | 3.5% | 0.4% |
| NISSAN AUTO RECEIVABLES | 134,287 | 6.7% | 0.8% |
| TOYOTA MOTOR CORP | 120,326 | 6.0% | 0.7% |
| Sector Total | 2,004,919 | 100.0% | 12.5% |
| Commercial Paper | | | |
| BNP PARIBAS | 299,892 | 31.5% | 1.9% |
| JP MORGAN CHASE & CO | 197,000 | 20.7% | 1.2% |
| mitsubishi UFJ FINANCIAL GROUP INC | 265,254 | 27.9% | 1.6% |
| TOYOTA MOTOR CORP | 188,582 | 19.8% | 1.2% |
| Sector Total | 950,728 | 100.0% | 5.9% |
| Corporate | | | |

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|--|-------------------|-------------|----------------------|
| AMERICAN EXPRESS CO | 362,279 | 4.7% | 2.3% |
| AMERICAN HONDA FINANCE | 503,302 | 6.5% | 3.1% |
| ANHEUSER-BUSCH INBEV NV | 119,060 | 1.5% | 0.7% |
| AT&T | 86,224 | 1.1% | 0.5% |
| BANK OF AMERICA CO | 172,383 | 2.2% | 1.1% |
| BANK OF MONTREAL | 157,655 | 2.0% | 1.0% |
| BANK OF NOVA SCOTIA | 433,080 | 5.6% | 2.7% |
| BB&T CORPORATION | 264,998 | 3.4% | 1.6% |
| BP PLC | 257,165 | 3.3% | 1.6% |
| CANADIAN IMPERIAL BANK OF COMMERCE | 273,674 | 3.5% | 1.7% |
| CATERPILLAR INC | 117,154 | 1.5% | 0.7% |
| CISCO SYSTEMS INC | 198,785 | 2.6% | 1.2% |
| CITIGROUP INC | 246,191 | 3.2% | 1.5% |
| COMCAST CORP | 159,623 | 2.1% | 1.0% |
| CVS HEALTH CORP | 80,435 | 1.0% | 0.5% |
| DEERE & COMPANY | 103,406 | 1.3% | 0.6% |
| FORD MOTOR COMPANY | 157,468 | 2.0% | 1.0% |
| GENERAL ELECTRIC CO | 208,014 | 2.7% | 1.3% |
| GENERAL MOTORS CORP | 102,630 | 1.3% | 0.6% |
| GOLDMAN SACHS GROUP INC | 412,058 | 5.3% | 2.6% |
| HOME DEPOT INC | 78,587 | 1.0% | 0.5% |
| IBM CORP | 155,218 | 2.0% | 1.0% |
| JP MORGAN CHASE & CO | 395,140 | 5.1% | 2.5% |
| MORGAN STANLEY | 313,021 | 4.0% | 1.9% |
| NATIONAL RURAL UTILITIES CO FINANCE CORP | 64,821 | 0.8% | 0.4% |

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|--|-------------------|---------------|----------------------|
| PACCAR FINANCIAL CORP | 128,797 | 1.7% | 0.8% |
| ROYAL BANK OF CANADA | 221,082 | 2.9% | 1.4% |
| STATE STREET CORPORATION | 194,059 | 2.5% | 1.2% |
| THE BANK OF NEW YORK MELLON CORPORATION | 499,924 | 6.5% | 3.1% |
| TORONTO-DOMINION BANK | 256,829 | 3.3% | 1.6% |
| TOYOTA MOTOR CORP | 153,989 | 2.0% | 1.0% |
| UNITED PARCEL SERVICE INC | 127,144 | 1.6% | 0.8% |
| WAL-MART STORES INC | 313,763 | 4.1% | 2.0% |
| WELLS FARGO & COMPANY | 270,701 | 3.5% | 1.7% |
| WESTPAC BANKING CORP | 157,463 | 2.0% | 1.0% |
| Sector Total | 7,746,122 | 100.0% | 48.2% |
| Federal Agency/CMO | | | |
| FREDDIE MAC | 143,826 | 38.0% | 0.9% |
| GOVERNMENT NATIONAL MORTGAGE ASSOCIATION | 234,853 | 62.0% | 1.5% |
| Sector Total | 378,679 | 100.0% | 2.4% |
| Federal Agency/GSE | | | |
| FEDERAL HOME LOAN BANKS | 39,834 | 8.5% | 0.2% |
| FREDDIE MAC | 429,871 | 91.5% | 2.7% |
| Sector Total | 469,705 | 100.0% | 2.9% |
| Mortgage-Backed | | | |
| FANNIE MAE | 468,207 | 70.6% | 2.9% |

| Sector / Issuer | Market Value (\$) | % of Sector | % of Total Portfolio |
|------------------------|-------------------|---------------|----------------------|
| FREDDIE MAC | 194,906 | 29.4% | 1.2% |
| Sector Total | 663,113 | 100.0% | 4.1% |
| U.S. Treasury | | | |
| UNITED STATES TREASURY | 3,870,810 | 100.0% | 24.1% |
| Sector Total | 3,870,810 | 100.0% | 24.1% |
| Portfolio Total | 16,084,075 | 100.0% | 100.0% |

Quarterly Portfolio Transactions

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------------|-------------|------------------|-----------|-------------------------------------|--------|---------------|---------------------|-----------------|-------------------|
| BUY | | | | | | | | | |
| 1/2/18 | 1/4/18 | 100,000 | 912828L57 | US TREASURY NOTES | 1.75% | 9/30/22 | 98,320.92 | 2.23% | |
| 1/2/18 | 1/4/18 | 175,000 | 912828P4 | US TREASURY NOTES | 1.87% | 7/31/22 | 173,802.22 | 2.22% | |
| 1/3/18 | 1/8/18 | 35,000 | 24422ETZ2 | JOHN DEERE CAPITAL CORP NOTES | 2.35% | 1/8/21 | 34,981.80 | 2.37% | |
| 1/18/18 | 1/25/18 | 260,000 | 89114QBX5 | TORONTO-DOMINION BANK CORP NOTE | 2.55% | 1/25/21 | 259,641.20 | 2.60% | |
| 1/31/18 | 2/1/18 | 100,000 | 912828V56 | US TREASURY N/B NOTES | 1.12% | 1/31/19 | 99,198.42 | 1.94% | |
| 2/6/18 | 2/7/18 | 200,000 | 46640QL25 | JP MORGAN SECURITIES LLC COMM PAPER | 0.00% | 11/2/18 | 196,843.56 | 2.15% | |
| 2/8/18 | 2/9/18 | 120,000 | 3130ADN32 | FHLB NOTES | 2.12% | 2/11/20 | 119,780.40 | 2.22% | |
| 2/14/18 | 2/16/18 | 120,000 | 035242AJ5 | ANHEUSER-BUSCH INBEV FIN CORP NOTES | 2.65% | 2/1/21 | 118,918.10 | 3.01% | |
| 2/21/18 | 2/26/18 | 65,000 | 63743HER9 | NATIONAL RURAL UTIL COOP | 2.90% | 3/15/21 | 64,927.85 | 2.94% | |
| 2/21/18 | 2/28/18 | 85,000 | 65478DAD9 | NAROT 2018-A A3 | 2.65% | 5/15/22 | 84,990.28 | 2.66% | |
| 2/21/18 | 2/28/18 | 40,000 | 47788CAC6 | JDOT 2018-A A3 | 2.66% | 4/16/22 | 39,997.12 | 2.66% | |
| 2/22/18 | 2/27/18 | 85,000 | 69371RN93 | PACCAR FINANCIAL CORP NOTES | 2.80% | 3/1/21 | 84,958.35 | 2.82% | |
| 2/22/18 | 2/28/18 | 145,000 | 43814UAC3 | HAROT 2018-1 A3 | 2.64% | 2/15/22 | 144,981.25 | 2.65% | |
| 2/28/18 | 3/1/18 | 100,000 | 912828P4 | US TREASURY NOTES | 1.87% | 7/31/22 | 97,017.40 | 2.63% | |
| 2/28/18 | 3/1/18 | 110,000 | 912828W22 | US TREASURY NOTES | 1.37% | 2/15/20 | 108,150.68 | 2.28% | |
| 2/28/18 | 3/13/18 | 65,000 | 3137FEU99 | FHLMC MULTIFAMILY STRUCTURED P POOL | 3.45% | 9/25/24 | 66,372.97 | 2.76% | |
| 3/6/18 | 3/9/18 | 80,000 | 126650DC1 | CVS HEALTH CORP NOTES | 3.35% | 3/9/21 | 79,959.20 | 3.37% | |
| 3/14/18 | 3/19/18 | 270,000 | 06538CM73 | MUFG BANK LTD/NY COMM PAPER | 0.00% | 12/7/18 | 265,226.55 | 2.46% | |
| Total BUY | | 2,155,000 | | | | | 2,138,068.27 | | |

INTEREST

| | | | | | | | | | |
|--------|---------|---------|-----------|-------------------|-------|---------|--------|--|--|
| 1/1/18 | 1/25/18 | 21,955 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 100.63 | | |
| 1/1/18 | 1/25/18 | 81,084 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 236.50 | | |
| 1/1/18 | 1/25/18 | 105,587 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 307.96 | | |

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|---------------------------------------|--------|---------------|-------------------|-----------------|-------------------|
| 1/1/18 | 1/25/18 | 88,693 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 332.60 | | |
| 1/1/18 | 1/25/18 | 118,040 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 344.28 | | |
| 1/1/18 | 1/25/18 | 51,617 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 215.07 | | |
| 1/1/18 | 1/15/18 | 56,912 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 237.13 | | |
| 1/1/18 | 1/15/18 | 52,829 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 220.12 | | |
| 1/1/18 | 1/15/18 | 55,646 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 208.67 | | |
| 1/1/18 | 1/15/18 | 78,977 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 263.26 | | |
| 1/1/18 | 1/15/18 | 25,234 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 115.65 | | |
| 1/1/18 | 1/16/18 | 118,608 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 187.23 | | |
| 1/1/18 | 1/16/18 | 122,540 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 199.13 | | |
| 1/2/18 | 1/2/18 | 0 | MONEY0002 | MONEY MARKET FUND | | | 91.28 | | |
| 1/6/18 | 1/6/18 | 70,000 | 24422ETL3 | JOHN DEERE CAPITAL CORP NOTES | 2.65% | 1/6/22 | 927.50 | | |
| 1/8/18 | 1/8/18 | 200,000 | 36962G4J0 | GENERAL ELECTRIC CAP CORP NOTES | 5.50% | 1/8/20 | 5,500.00 | | |
| 1/12/18 | 1/12/18 | 110,000 | 02665WBF7 | AMERICAN HONDA FINANCE | 1.65% | 7/12/21 | 907.50 | | |
| 1/14/18 | 1/14/18 | 200,000 | 064159JX5 | BANK OF NOVA SCOTIA HOUSTON CORP BOND | 2.15% | 7/14/20 | 2,150.00 | | |
| 1/15/18 | 1/15/18 | 80,000 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 88.67 | | |
| 1/15/18 | 1/15/18 | 125,000 | 44931PAD8 | HYUNDAI ABS 2017-A A3 | 1.76% | 8/15/21 | 183.33 | | |
| 1/15/18 | 1/15/18 | 230,000 | 02007HAC5 | ALLY ABS 2017-2 A3 | 1.78% | 8/15/21 | 341.17 | | |
| 1/15/18 | 1/15/18 | 180,000 | 02582JH68 | AMERICAN EXPRESS ABS 2017-4 A | 1.64% | 12/15/21 | 246.00 | | |
| 1/15/18 | 1/15/18 | 30,000 | 47787XAC1 | JOHN DEERE ABS 2017-A A3 | 1.78% | 4/15/21 | 44.50 | | |
| 1/15/18 | 1/15/18 | 92,175 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 96.02 | | |
| 1/15/18 | 1/15/18 | 40,000 | 02007PAC7 | ALLY ABS 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| 1/15/18 | 1/15/18 | 50,000 | 89237RAD0 | TOYOTA ABS 2017-C A3 | 1.78% | 11/15/21 | 74.17 | | |
| 1/15/18 | 1/15/18 | 115,000 | 02007FAC9 | ALLY ABS 2017-4 A3 | 1.75% | 12/15/21 | 167.71 | | |
| 1/15/18 | 1/15/18 | 50,000 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| 1/15/18 | 1/15/18 | 50,000 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| 1/15/18 | 1/15/18 | 110,000 | 34531EAD8 | FORD ABS 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| 1/15/18 | 1/15/18 | 80,000 | 44891EAC3 | HYUNDAI ABS 2016-B A3 | 1.29% | 4/15/21 | 86.00 | | |
| 1/15/18 | 1/15/18 | 135,000 | 44932GAD7 | HYUNDAI ABS 2017-B A3 | 1.77% | 1/15/22 | 199.13 | | |
| 1/15/18 | 1/15/18 | 160,000 | 20030NBD2 | COMCAST CORPORATION CORP NOTES | 3.12% | 7/15/22 | 2,500.00 | | |

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|---------------------------------|--------|---------------|-------------------|-----------------|-------------------|
| 1/15/18 | 1/15/18 | 182,017 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 248.76 | | |
| 1/17/18 | 1/17/18 | 200,000 | 3137EAE5 | FREDDIE MAC NOTES | 1.50% | 1/17/20 | 1,500.00 | | |
| 1/18/18 | 1/18/18 | 69,296 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 70.45 | | |
| 1/18/18 | 1/18/18 | 100,000 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 96.67 | | |
| 1/20/18 | 1/20/18 | 160,000 | 44932HAB9 | IBM CREDIT CORP NOTE | 1.80% | 1/20/21 | 1,056.00 | | |
| 1/23/18 | 1/23/18 | 400,000 | 46625HKA7 | JPMORGAN CHASE & CO (CALLABLE) | 2.25% | 1/23/20 | 4,500.00 | | |
| 1/25/18 | 1/25/18 | 165,000 | 61747WAF6 | MORGAN STANLEY CORP NOTES | 5.75% | 1/25/21 | 4,743.75 | | |
| 1/29/18 | 1/29/18 | 180,000 | 78012KRR5 | ROYAL BANK OF CANADA CORP NOTES | 1.50% | 7/29/19 | 1,350.00 | | |
| 1/30/18 | 1/30/18 | 275,000 | 94974BGF1 | WELLS FARGO & CO CORP BONDS | 2.15% | 1/30/20 | 2,956.25 | | |
| 1/31/18 | 1/31/18 | 140,000 | 912828WY2 | US TREASURY N/B | 2.25% | 7/31/21 | 1,575.00 | | |
| 1/31/18 | 1/31/18 | 75,000 | 9128282P4 | US TREASURY NOTES | 1.87% | 7/31/22 | 703.13 | | |
| 1/31/18 | 1/31/18 | 125,000 | 912828H86 | US TREASURY NOTES | 1.50% | 1/31/22 | 937.50 | | |
| 1/31/18 | 1/31/18 | 280,000 | 912828VP2 | US TREASURY NOTES | 2.00% | 7/31/20 | 2,800.00 | | |
| 1/31/18 | 1/31/18 | 175,000 | 9128282P4 | US TREASURY NOTES | 1.87% | 7/31/22 | 1,640.63 | | |
| 1/31/18 | 1/31/18 | 50,000 | 912828VP2 | US TREASURY NOTES | 2.00% | 7/31/20 | 500.00 | | |
| 1/31/18 | 1/31/18 | 100,000 | 9128282P4 | US TREASURY NOTES | 1.87% | 7/31/22 | 937.50 | | |
| 1/31/18 | 1/31/18 | 175,000 | 9128282P4 | US TREASURY NOTES | 1.87% | 7/31/22 | 1,640.63 | | |
| 2/1/18 | 2/1/18 | 0 | MONEY0002 | MONEY MARKET FUND | | | 77.22 | | |
| 2/1/18 | 2/15/18 | 55,065 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 206.49 | | |
| 2/1/18 | 2/15/18 | 56,027 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 233.45 | | |
| 2/1/18 | 2/15/18 | 52,310 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 217.96 | | |
| 2/1/18 | 2/15/18 | 77,744 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 259.15 | | |
| 2/1/18 | 2/15/18 | 24,857 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 113.93 | | |
| 2/1/18 | 2/25/18 | 88,519 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 331.95 | | |
| 2/1/18 | 2/25/18 | 51,152 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 213.13 | | |
| 2/1/18 | 2/25/18 | 80,647 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 235.22 | | |
| 2/1/18 | 2/25/18 | 114,982 | 3138WDXU7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 335.36 | | |
| 2/1/18 | 2/25/18 | 21,896 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 100.36 | | |
| 2/1/18 | 2/25/18 | 104,673 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 305.30 | | |
| 2/1/18 | 2/16/18 | 122,091 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 198.40 | | |

PFM Asset Management LLC

Account 27620001

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FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|--|--------|---------------|-------------------|-----------------|-------------------|
| 2/1/18 | 2/16/18 | 118,074 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 186.39 | | |
| 2/7/18 | 2/7/18 | 105,000 | 06406RAA5 | BANK OF NY MELLON CORP (CALLABLE) NOTES | 2.60% | 2/7/22 | 1,365.00 | | |
| 2/12/18 | 2/12/18 | 450,000 | 3137EAE9 | FHLMC REFERENCE NOTE | 1.12% | 8/12/21 | 2,531.25 | | |
| 2/12/18 | 2/12/18 | 160,000 | 345397YD9 | FORD MOTOR CREDIT CO LLC CORPORATE NOTES | 1.89% | 8/12/19 | 1,517.60 | | |
| 2/13/18 | 2/13/18 | 260,000 | 05565QCX4 | BP CAPITAL MARKETS PLC BONDS | 2.31% | 2/13/20 | 3,009.50 | | |
| 2/15/18 | 2/15/18 | 400,000 | 02665WAH4 | AMERICAN HONDA FINANCE GLOBAL NOTES | 2.25% | 8/15/19 | 4,500.00 | | |
| 2/15/18 | 2/15/18 | 147,727 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 201.89 | | |
| 2/15/18 | 2/15/18 | 230,000 | 02007HAC5 | ALLY ABS 2017-2 A3 | 1.78% | 8/15/21 | 341.17 | | |
| 2/15/18 | 2/15/18 | 180,000 | 02582JH68 | AMERICAN EXPRESS ABS 2017-4 A | 1.64% | 12/15/21 | 246.00 | | |
| 2/15/18 | 2/15/18 | 80,000 | 44891EAC3 | HYUNDAI ABS 2016-B A3 | 1.29% | 4/15/21 | 86.00 | | |
| 2/15/18 | 2/15/18 | 125,000 | 44931PAD8 | HYUNDAI ABS 2017-A A3 | 1.76% | 8/15/21 | 183.33 | | |
| 2/15/18 | 2/15/18 | 110,000 | 34531EAD8 | FORD ABS 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| 2/15/18 | 2/15/18 | 80,000 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 88.67 | | |
| 2/15/18 | 2/15/18 | 40,000 | 02007PAC7 | ALLY ABS 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| 2/15/18 | 2/15/18 | 135,000 | 44932GAD7 | HYUNDAI ABS 2017-B A3 | 1.77% | 1/15/22 | 199.13 | | |
| 2/15/18 | 2/15/18 | 30,000 | 47787XAC1 | JOHN DEERE ABS 2017-A A3 | 1.78% | 4/15/21 | 44.50 | | |
| 2/15/18 | 2/15/18 | 85,292 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 88.85 | | |
| 2/15/18 | 2/15/18 | 115,000 | 02007FAC9 | ALLY ABS 2017-4 A3 | 1.75% | 12/15/21 | 167.71 | | |
| 2/15/18 | 2/15/18 | 50,000 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| 2/15/18 | 2/15/18 | 50,000 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| 2/15/18 | 2/15/18 | 50,000 | 89237RAD0 | TOYOTA ABS 2017-C A3 | 1.78% | 11/15/21 | 74.17 | | |
| 2/18/18 | 2/18/18 | 99,355 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 96.04 | | |
| 2/18/18 | 2/18/18 | 63,479 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 64.54 | | |
| 2/19/18 | 2/19/18 | 160,000 | 961214CY7 | WESTPAC BANKING CORP NOTES | 1.60% | 8/19/19 | 1,280.00 | | |
| 2/28/18 | 2/28/18 | 275,000 | 912828D72 | US TREASURY NOTES | 2.00% | 8/31/21 | 2,750.00 | | |
| 2/28/18 | 2/28/18 | 125,000 | 912828B90 | US TREASURY NOTES | 2.00% | 2/28/21 | 1,250.00 | | |
| 3/1/18 | 3/16/18 | 117,538 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 185.54 | | |
| 3/1/18 | 3/16/18 | 121,641 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 197.67 | | |
| 3/1/18 | 3/25/18 | 88,345 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 331.29 | | |
| 3/1/18 | 3/25/18 | 113,455 | 3138WDXU7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 330.91 | | |

PFM Asset Management LLC

Account 27620001

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FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|---|--------|---------------|-------------------|-----------------|-------------------|
| 3/1/18 | 3/25/18 | 103,451 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 301.73 | | |
| 3/1/18 | 3/25/18 | 50,192 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 209.14 | | |
| 3/1/18 | 3/25/18 | 78,432 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 228.76 | | |
| 3/1/18 | 3/25/18 | 21,836 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 100.08 | | |
| 3/1/18 | 3/1/18 | 0 | MONEY0002 | MONEY MARKET FUND | | | 48.46 | | |
| 3/1/18 | 3/1/18 | 210,000 | 717081AQ6 | PFIZER INC GLOBAL NOTES | 4.65% | 3/1/18 | 4,882.50 | | |
| 3/1/18 | 3/15/18 | 24,414 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 111.90 | | |
| 3/1/18 | 3/15/18 | 55,130 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 229.71 | | |
| 3/1/18 | 3/15/18 | 53,572 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 200.90 | | |
| 3/1/18 | 3/15/18 | 51,743 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 215.60 | | |
| 3/1/18 | 3/15/18 | 76,430 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 254.77 | | |
| 3/3/18 | 3/3/18 | 120,000 | 0258M0EE5 | AMERICAN EXPRESS CREDIT (CALLABLE) NOTE | 2.20% | 3/3/20 | 1,320.00 | | |
| 3/4/18 | 3/4/18 | 120,000 | 14913Q2A6 | CATERPILLAR FINL SERVICE NOTE | 1.85% | 9/4/20 | 1,091.50 | | |
| 3/8/18 | 3/8/18 | 160,000 | 89236TEC5 | TOYOTA MOTOR CREDIT CORP | 2.15% | 9/8/22 | 1,720.00 | | |
| 3/11/18 | 3/11/18 | 400,000 | 06406HCW7 | BANK OF NEW YORK MELLON NT (CALLABLE) | 2.30% | 9/11/19 | 4,600.00 | | |
| 3/11/18 | 3/11/18 | 160,000 | 06367TF96 | BANK OF MONTREAL CORP NOTE | 1.75% | 9/11/19 | 1,400.00 | | |
| 3/15/18 | 3/15/18 | 125,000 | 44931PAD8 | HYUNDAI ABS 2017-A A3 | 1.76% | 8/15/21 | 183.33 | | |
| 3/15/18 | 3/15/18 | 135,000 | 44932GAD7 | HYUNDAI ABS 2017-B A3 | 1.77% | 1/15/22 | 199.13 | | |
| 3/15/18 | 3/15/18 | 50,000 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| 3/15/18 | 3/15/18 | 78,073 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 81.33 | | |
| 3/15/18 | 3/15/18 | 85,000 | 00206RDB5 | AT&T CORP NOTES | 3.80% | 3/15/22 | 1,615.00 | | |
| 3/15/18 | 3/15/18 | 76,947 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 85.28 | | |
| 3/15/18 | 3/15/18 | 80,000 | 44891EAC3 | HYUNDAI ABS 2016-B A3 | 1.29% | 4/15/21 | 86.00 | | |
| 3/15/18 | 3/15/18 | 145,000 | 43814UAC3 | HAROT 2018-1 A3 | 2.64% | 2/15/22 | 159.50 | | |
| 3/15/18 | 3/15/18 | 50,000 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| 3/15/18 | 3/15/18 | 124,972 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 170.80 | | |
| 3/15/18 | 3/15/18 | 50,000 | 89237RAD0 | TOYOTA ABS 2017-C A3 | 1.78% | 11/15/21 | 74.17 | | |
| 3/15/18 | 3/15/18 | 230,000 | 02007HAC5 | ALLY ABS 2017-2 A3 | 1.78% | 8/15/21 | 341.17 | | |
| 3/15/18 | 3/15/18 | 115,000 | 02007FAC9 | ALLY ABS 2017-4 A3 | 1.75% | 12/15/21 | 167.71 | | |
| 3/15/18 | 3/15/18 | 40,000 | 02007PAC7 | ALLY ABS 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |

PFM Asset Management LLC

Account 27620001

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|-------------------------------|--------|---------------|-------------------|-----------------|-------------------|
| 3/15/18 | 3/15/18 | 110,000 | 34531EAD8 | FORD ABS 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| 3/15/18 | 3/15/18 | 85,000 | 65478DAD9 | NAROT 2018-A A3 | 2.65% | 5/15/22 | 106.37 | | |
| 3/15/18 | 3/15/18 | 180,000 | 02582JHG8 | AMERICAN EXPRESS ABS 2017-4 A | 1.64% | 12/15/21 | 246.00 | | |
| 3/15/18 | 3/15/18 | 30,000 | 47787XAC1 | JOHN DEERE ABS 2017-A A3 | 1.78% | 4/15/21 | 44.50 | | |
| 3/18/18 | 3/18/18 | 92,328 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 89.25 | | |
| 3/18/18 | 3/18/18 | 57,584 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 58.54 | | |
| 3/20/18 | 3/20/18 | 160,000 | 17305EGH2 | CCCIT 2017-A9 A9 | 1.80% | 9/20/21 | 1,344.00 | | |
| 3/31/18 | 3/31/18 | 215,000 | 912828L57 | US TREASURY NOTES | 1.75% | 9/30/22 | 1,881.25 | | |
| 3/31/18 | 3/31/18 | 100,000 | 912828L57 | US TREASURY NOTES | 1.75% | 9/30/22 | 875.00 | | |
| 3/31/18 | 3/31/18 | 100,000 | 912828L57 | US TREASURY NOTES | 1.75% | 9/30/22 | 875.00 | | |
| 3/31/18 | 3/31/18 | 240,000 | 912828W89 | US TREASURY NOTES | 1.87% | 3/31/22 | 2,250.00 | | |

Total INTEREST 15,391,182 96,777.69

MATURITY

| | | | | | | | | | |
|---------|---------|---------|-----------|---|-------|---------|------------|--|------|
| 2/7/18 | 2/7/18 | 200,000 | 46640QB75 | JP MORGAN SECURITIES LLC COMM PAPER | 0.00% | 2/7/18 | 200,000.00 | | 0.00 |
| 3/1/18 | 3/1/18 | 210,000 | 717081AQ6 | PFIZER INC GLOBAL NOTES | 4.65% | 3/1/18 | 210,000.00 | | 0.00 |
| 3/19/18 | 3/19/18 | 270,000 | 06538CCK5 | BANK OF TOKYO MITSUBISHI UFJ COMM PAPER | 0.00% | 3/19/18 | 270,000.00 | | 0.00 |

Total MATURITY 680,000 680,000.00 0.00

PAYDOWNS

| | | | | | | | | | |
|--------|---------|-------|-----------|-------------------|-------|---------|----------|--|------|
| 1/1/18 | 1/25/18 | 914 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 914.27 | | 0.00 |
| 1/1/18 | 1/25/18 | 465 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 464.81 | | 0.00 |
| 1/1/18 | 1/25/18 | 174 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 173.98 | | 0.00 |
| 1/1/18 | 1/25/18 | 59 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 59.34 | | 0.00 |
| 1/1/18 | 1/25/18 | 3,058 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 3,058.33 | | 0.00 |
| 1/1/18 | 1/25/18 | 437 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 437.20 | | 0.00 |

PFM Asset Management LLC

Account 27620001

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|-------------------------|--------|---------------|-------------------|-----------------|-------------------|
| 1/1/18 | 1/16/18 | 449 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 448.85 | | 0.00 |
| 1/1/18 | 1/16/18 | 534 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 534.14 | | 0.00 |
| 1/1/18 | 1/15/18 | 885 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 884.95 | | 0.00 |
| 1/1/18 | 1/15/18 | 376 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 376.24 | | 0.00 |
| 1/1/18 | 1/15/18 | 519 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 519.19 | | 0.00 |
| 1/1/18 | 1/15/18 | 581 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 581.11 | | 0.00 |
| 1/1/18 | 1/15/18 | 1,234 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,233.85 | | 0.00 |
| 1/15/18 | 1/15/18 | 34,290 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 34,290.25 | | 0.00 |
| 1/15/18 | 1/15/18 | 6,884 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 6,883.58 | | 0.00 |
| 1/18/18 | 1/18/18 | 5,818 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 5,817.81 | | 0.00 |
| 1/18/18 | 1/18/18 | 645 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 644.65 | | 0.00 |
| 2/1/18 | 2/16/18 | 450 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 450.13 | | 0.00 |
| 2/1/18 | 2/16/18 | 536 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 535.92 | | 0.00 |
| 2/1/18 | 2/15/18 | 897 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 897.35 | | 0.00 |
| 2/1/18 | 2/15/18 | 443 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 443.21 | | 0.00 |
| 2/1/18 | 2/15/18 | 567 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 566.64 | | 0.00 |
| 2/1/18 | 2/15/18 | 1,493 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 1,492.54 | | 0.00 |
| 2/1/18 | 2/15/18 | 1,314 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,313.75 | | 0.00 |
| 2/1/18 | 2/25/18 | 1,222 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 1,222.16 | | 0.00 |
| 2/1/18 | 2/25/18 | 960 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 959.52 | | 0.00 |
| 2/1/18 | 2/25/18 | 175 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 174.70 | | 0.00 |
| 2/1/18 | 2/25/18 | 60 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 59.79 | | 0.00 |
| 2/1/18 | 2/25/18 | 1,526 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 1,526.43 | | 0.00 |
| 2/1/18 | 2/25/18 | 2,215 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 2,215.03 | | 0.00 |
| 2/15/18 | 2/15/18 | 22,755 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 22,754.72 | | 0.00 |
| 2/15/18 | 2/15/18 | 3,053 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 3,053.48 | | 0.00 |
| 2/15/18 | 2/15/18 | 7,218 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 7,218.17 | | 0.00 |
| 2/18/18 | 2/18/18 | 5,895 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 5,894.76 | | 0.00 |
| 2/18/18 | 2/18/18 | 7,027 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 7,027.27 | | 0.00 |
| 3/1/18 | 3/16/18 | 451 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 451.42 | | 0.00 |

PFM Asset Management LLC

Account 27620001

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|------------|-------------|----------|-----------|-------------------------|--------|---------------|-------------------|-----------------|-------------------|
| 3/1/18 | 3/16/18 | 538 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 537.70 | | 0.00 |
| 3/1/18 | 3/15/18 | 553 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 552.92 | | 0.00 |
| 3/1/18 | 3/15/18 | 390 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 390.06 | | 0.00 |
| 3/1/18 | 3/15/18 | 1,596 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 1,596.18 | | 0.00 |
| 3/1/18 | 3/15/18 | 1,008 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 1,008.10 | | 0.00 |
| 3/1/18 | 3/15/18 | 1,093 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,092.92 | | 0.00 |
| 3/1/18 | 3/25/18 | 773 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 772.76 | | 0.00 |
| 3/1/18 | 3/25/18 | 992 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 992.21 | | 0.00 |
| 3/1/18 | 3/25/18 | 175 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 175.43 | | 0.00 |
| 3/1/18 | 3/25/18 | 60 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 60.17 | | 0.00 |
| 3/1/18 | 3/25/18 | 1,477 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 1,477.01 | | 0.00 |
| 3/1/18 | 3/25/18 | 438 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 437.65 | | 0.00 |
| 3/15/18 | 3/15/18 | 7,062 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 7,062.37 | | 0.00 |
| 3/15/18 | 3/15/18 | 5,162 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 5,161.50 | | 0.00 |
| 3/15/18 | 3/15/18 | 6,563 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 6,562.65 | | 0.00 |
| 3/18/18 | 3/18/18 | 5,394 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 5,393.61 | | 0.00 |
| 3/18/18 | 3/18/18 | 6,439 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 6,438.68 | | 0.00 |

Total PAYDOWNS 155,291 155,291.46 0.00

SELL

| | | | | | | | | | |
|---------|---------|---------|-----------|---------------------|-------|----------|------------|-------|------------|
| 1/2/18 | 1/4/18 | 200,000 | 037833BD1 | APPLE INC CORP NOTE | 2.00% | 5/6/20 | 200,002.67 | 2.12% | (418.71) |
| 1/3/18 | 1/8/18 | 35,000 | 912828A42 | US TREASURY NOTES | 2.00% | 11/30/20 | 35,059.96 | 2.02% | (623.29) |
| 1/18/18 | 1/25/18 | 260,000 | 912828A42 | US TREASURY NOTES | 2.00% | 11/30/20 | 259,632.03 | 2.16% | (5,613.73) |
| 2/8/18 | 2/9/18 | 110,000 | 3137EAE55 | FREDDIE MAC NOTES | 1.50% | 1/17/20 | 108,721.43 | 2.16% | (640.59) |
| 2/14/18 | 2/16/18 | 120,000 | 912828B90 | US TREASURY NOTES | 2.00% | 2/28/21 | 119,742.32 | 2.39% | (4,075.25) |
| 2/21/18 | 2/28/18 | 35,000 | 3130ACE26 | FHLB NOTES | 1.37% | 9/28/20 | 34,287.02 | 2.42% | (818.57) |
| 2/21/18 | 2/28/18 | 90,000 | 3137EAE55 | FREDDIE MAC NOTES | 1.50% | 1/17/20 | 88,841.55 | 2.29% | (723.96) |
| 2/21/18 | 2/26/18 | 65,000 | 912828B90 | US TREASURY NOTES | 2.00% | 2/28/21 | 64,815.09 | 2.44% | (2,275.49) |

PFM Asset Management LLC

Account 27620001

| Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield at Market | Realized G/L (BV) |
|-------------------|-------------|------------------|-----------|----------------------|--------|---------------|---------------------|-----------------|-------------------|
| 2/21/18 | 2/28/18 | 150,000 | 912828A42 | US TREASURY NOTES | 2.00% | 11/30/20 | 149,089.42 | 2.42% | (4,133.35) |
| 2/22/18 | 2/27/18 | 85,000 | 912828WY2 | US TREASURY N/B | 2.25% | 7/31/21 | 84,425.46 | 2.51% | (2,036.78) |
| 3/6/18 | 3/9/18 | 80,000 | 3130ADN32 | FHLB NOTES | 2.12% | 2/11/20 | 79,856.87 | 2.31% | (144.00) |
| 3/7/18 | 3/13/18 | 35,000 | 912828A42 | US TREASURY NOTES | 2.00% | 11/30/20 | 34,857.65 | 2.37% | (911.85) |
| Total SELL | | 1,265,000 | | | | | 1,259,331.47 | | -22,415.57 |

Quarterly Portfolio Transactions

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|------------|------------|-------------|------------|-----------|-------------------------|--------|---------------|-------------------|-------|-------------------|
| INTEREST | 1/1/18 | 1/15/18 | 56,912.30 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 237.13 | | |
| INTEREST | 1/1/18 | 1/15/18 | 52,829.11 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 220.12 | | |
| INTEREST | 1/1/18 | 1/15/18 | 55,645.84 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 208.67 | | |
| INTEREST | 1/1/18 | 1/15/18 | 78,977.37 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 263.26 | | |
| INTEREST | 1/1/18 | 1/15/18 | 25,233.64 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 115.85 | | |
| PAYDOWNS | 1/1/18 | 1/15/18 | 884.95 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 884.95 | | 0.00 |
| PAYDOWNS | 1/1/18 | 1/15/18 | 376.24 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 376.24 | | 0.00 |
| PAYDOWNS | 1/1/18 | 1/15/18 | 519.19 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 519.19 | | 0.00 |
| PAYDOWNS | 1/1/18 | 1/15/18 | 581.11 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 581.11 | | 0.00 |
| PAYDOWNS | 1/1/18 | 1/15/18 | 1,233.85 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,233.85 | | 0.00 |
| INTEREST | 1/1/18 | 1/16/18 | 118,607.67 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 187.23 | | |
| INTEREST | 1/1/18 | 1/16/18 | 122,539.68 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 199.13 | | |
| PAYDOWNS | 1/1/18 | 1/16/18 | 448.85 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 448.85 | | 0.00 |
| PAYDOWNS | 1/1/18 | 1/16/18 | 534.14 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 534.14 | | 0.00 |
| INTEREST | 1/1/18 | 1/25/18 | 21,955.11 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 100.63 | | |
| INTEREST | 1/1/18 | 1/25/18 | 81,084.14 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 236.50 | | |
| INTEREST | 1/1/18 | 1/25/18 | 105,587.25 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 307.96 | | |
| INTEREST | 1/1/18 | 1/25/18 | 88,693.30 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 332.60 | | |
| INTEREST | 1/1/18 | 1/25/18 | 118,040.07 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 344.28 | | |
| INTEREST | 1/1/18 | 1/25/18 | 51,616.79 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 215.07 | | |

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|------------|------------|-------------|------------|-----------|---------------------------------------|--------|---------------|-------------------|-------|-------------------|
| PAYDOWNS | 1/1/18 | 1/25/18 | 914.27 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 914.27 | | 0.00 |
| PAYDOWNS | 1/1/18 | 1/25/18 | 464.81 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 464.81 | | 0.00 |
| PAYDOWNS | 1/1/18 | 1/25/18 | 173.98 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 173.98 | | 0.00 |
| PAYDOWNS | 1/1/18 | 1/25/18 | 59.34 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 59.34 | | 0.00 |
| PAYDOWNS | 1/1/18 | 1/25/18 | 3,058.33 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 3,058.33 | | 0.00 |
| PAYDOWNS | 1/1/18 | 1/25/18 | 437.20 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 437.20 | | 0.00 |
| INTEREST | 1/2/18 | 1/2/18 | 0.00 | MONEY0002 | MONEY MARKET FUND | | | 91.28 | | |
| BUY | 1/2/18 | 1/4/18 | 100,000.00 | 912828L57 | US TREASURY NOTES | 1.75% | 9/30/22 | (98,320.92) | 2.23% | |
| BUY | 1/2/18 | 1/4/18 | 175,000.00 | 9128282P4 | US TREASURY NOTES | 1.87% | 7/31/22 | (173,802.22) | 2.22% | |
| SELL | 1/2/18 | 1/4/18 | 200,000.00 | 037833BD1 | APPLE INC CORP NOTE | 2.00% | 5/6/20 | 200,002.67 | 2.12% | (418.71) |
| BUY | 1/3/18 | 1/8/18 | 35,000.00 | 24422ETZ2 | JOHN DEERE CAPITAL CORP NOTES | 2.35% | 1/8/21 | (34,981.80) | 2.37% | |
| SELL | 1/3/18 | 1/8/18 | 35,000.00 | 912828A42 | US TREASURY NOTES | 2.00% | 11/30/20 | 35,059.96 | 2.02% | (623.29) |
| INTEREST | 1/6/18 | 1/6/18 | 70,000.00 | 24422ETL3 | JOHN DEERE CAPITAL CORP NOTES | 2.65% | 1/6/22 | 927.50 | | |
| INTEREST | 1/8/18 | 1/8/18 | 200,000.00 | 36962G4J0 | GENERAL ELECTRIC CAP CORP NOTES | 5.50% | 1/8/20 | 5,500.00 | | |
| INTEREST | 1/12/18 | 1/12/18 | 110,000.00 | 02665WBF7 | AMERICAN HONDA FINANCE | 1.65% | 7/12/21 | 907.50 | | |
| INTEREST | 1/14/18 | 1/14/18 | 200,000.00 | 064159JX5 | BANK OF NOVA SCOTIA HOUSTON CORP BOND | 2.15% | 7/14/20 | 2,150.00 | | |
| INTEREST | 1/15/18 | 1/15/18 | 80,000.00 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 88.67 | | |
| INTEREST | 1/15/18 | 1/15/18 | 125,000.00 | 44931PAD8 | HYUNDAI ABS 2017-A A3 | 1.76% | 8/15/21 | 183.33 | | |
| INTEREST | 1/15/18 | 1/15/18 | 230,000.00 | 02007HAC5 | ALLY ABS 2017-2 A3 | 1.78% | 8/15/21 | 341.17 | | |
| INTEREST | 1/15/18 | 1/15/18 | 180,000.00 | 02582JHG8 | AMERICAN EXPRESS ABS 2017-4 A | 1.64% | 12/15/21 | 246.00 | | |
| INTEREST | 1/15/18 | 1/15/18 | 30,000.00 | 47787XAC1 | JOHN DEERE ABS 2017-A A3 | 1.78% | 4/15/21 | 44.50 | | |
| INTEREST | 1/15/18 | 1/15/18 | 92,175.24 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 96.02 | | |

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Portfolio Activity

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|------------|------------|-------------|------------|-----------|---------------------------------|--------|---------------|-------------------|-------|-------------------|
| INTEREST | 1/15/18 | 1/15/18 | 40,000.00 | 02007PAC7 | ALLY ABS 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| INTEREST | 1/15/18 | 1/15/18 | 50,000.00 | 89237RAD0 | TOYOTA ABS 2017-C A3 | 1.78% | 11/15/21 | 74.17 | | |
| INTEREST | 1/15/18 | 1/15/18 | 115,000.00 | 02007FAC9 | ALLY ABS 2017-4 A3 | 1.75% | 12/15/21 | 167.71 | | |
| INTEREST | 1/15/18 | 1/15/18 | 50,000.00 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| INTEREST | 1/15/18 | 1/15/18 | 50,000.00 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| INTEREST | 1/15/18 | 1/15/18 | 110,000.00 | 34531EAD8 | FORD ABS 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| INTEREST | 1/15/18 | 1/15/18 | 80,000.00 | 44891EAC3 | HYUNDAI ABS 2016-B A3 | 1.29% | 4/15/21 | 86.00 | | |
| INTEREST | 1/15/18 | 1/15/18 | 135,000.00 | 44932GAD7 | HYUNDAI ABS 2017-B A3 | 1.77% | 1/15/22 | 199.13 | | |
| INTEREST | 1/15/18 | 1/15/18 | 160,000.00 | 20030NBD2 | COMCAST CORPORATION CORP NOTES | 3.12% | 7/15/22 | 2,500.00 | | |
| INTEREST | 1/15/18 | 1/15/18 | 182,017.09 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 248.76 | | |
| PAYDOWNS | 1/15/18 | 1/15/18 | 34,290.25 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 34,290.25 | | 0.00 |
| PAYDOWNS | 1/15/18 | 1/15/18 | 6,883.58 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 6,883.58 | | 0.00 |
| INTEREST | 1/17/18 | 1/17/18 | 200,000.00 | 3137EAE5 | FREDDIE MAC NOTES | 1.50% | 1/17/20 | 1,500.00 | | |
| INTEREST | 1/18/18 | 1/18/18 | 69,296.32 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 70.45 | | |
| INTEREST | 1/18/18 | 1/18/18 | 100,000.00 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 96.67 | | |
| PAYDOWNS | 1/18/18 | 1/18/18 | 5,817.81 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 5,817.81 | | 0.00 |
| PAYDOWNS | 1/18/18 | 1/18/18 | 644.65 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 644.65 | | 0.00 |
| BUY | 1/18/18 | 1/25/18 | 260,000.00 | 89114QBX5 | TORONTO-DOMINION BANK CORP NOTE | 2.55% | 1/25/21 | (259,641.20) | 2.60% | |
| SELL | 1/18/18 | 1/25/18 | 260,000.00 | 912828A42 | US TREASURY NOTES | 2.00% | 11/30/20 | 259,632.03 | 2.16% | (5,613.73) |
| INTEREST | 1/20/18 | 1/20/18 | 160,000.00 | 44932HAB9 | IBM CREDIT CORP NOTE | 1.80% | 1/20/21 | 1,056.00 | | |
| INTEREST | 1/23/18 | 1/23/18 | 400,000.00 | 46625HKA7 | JPMORGAN CHASE & CO (CALLABLE) | 2.25% | 1/23/20 | 4,500.00 | | |
| INTEREST | 1/25/18 | 1/25/18 | 165,000.00 | 61747WAF6 | MORGAN STANLEY CORP NOTES | 5.75% | 1/25/21 | 4,743.75 | | |

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Portfolio Activity

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|------------|------------|-------------|------------|-----------|---------------------------------|--------|---------------|-------------------|-------|-------------------|
| INTEREST | 1/29/18 | 1/29/18 | 180,000.00 | 78012KRK5 | ROYAL BANK OF CANADA CORP NOTES | 1.50% | 7/29/19 | 1,350.00 | | |
| INTEREST | 1/30/18 | 1/30/18 | 275,000.00 | 94974BGF1 | WELLS FARGO & CO CORP BONDS | 2.15% | 1/30/20 | 2,956.25 | | |
| INTEREST | 1/31/18 | 1/31/18 | 140,000.00 | 912828WY2 | US TREASURY N/B | 2.25% | 7/31/21 | 1,575.00 | | |
| INTEREST | 1/31/18 | 1/31/18 | 75,000.00 | 9128282P4 | US TREASURY NOTES | 1.87% | 7/31/22 | 703.13 | | |
| INTEREST | 1/31/18 | 1/31/18 | 125,000.00 | 912828H86 | US TREASURY NOTES | 1.50% | 1/31/22 | 937.50 | | |
| INTEREST | 1/31/18 | 1/31/18 | 280,000.00 | 912828VP2 | US TREASURY NOTES | 2.00% | 7/31/20 | 2,800.00 | | |
| INTEREST | 1/31/18 | 1/31/18 | 175,000.00 | 9128282P4 | US TREASURY NOTES | 1.87% | 7/31/22 | 1,640.63 | | |
| INTEREST | 1/31/18 | 1/31/18 | 50,000.00 | 912828VP2 | US TREASURY NOTES | 2.00% | 7/31/20 | 500.00 | | |
| INTEREST | 1/31/18 | 1/31/18 | 100,000.00 | 9128282P4 | US TREASURY NOTES | 1.87% | 7/31/22 | 937.50 | | |
| INTEREST | 1/31/18 | 1/31/18 | 175,000.00 | 9128282P4 | US TREASURY NOTES | 1.87% | 7/31/22 | 1,640.63 | | |
| BUY | 1/31/18 | 2/1/18 | 100,000.00 | 912828V56 | US TREASURY N/B NOTES | 1.12% | 1/31/19 | (99,198.42) | 1.94% | |
| INTEREST | 2/1/18 | 2/1/18 | 0.00 | MONEY0002 | MONEY MARKET FUND | | | 77.22 | | |
| INTEREST | 2/1/18 | 2/15/18 | 55,064.73 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 206.49 | | |
| INTEREST | 2/1/18 | 2/15/18 | 56,027.35 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 233.45 | | |
| INTEREST | 2/1/18 | 2/15/18 | 52,309.92 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 217.96 | | |
| INTEREST | 2/1/18 | 2/15/18 | 77,743.52 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 259.15 | | |
| INTEREST | 2/1/18 | 2/15/18 | 24,857.40 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 113.93 | | |
| PAYDOWNS | 2/1/18 | 2/15/18 | 897.35 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 897.35 | | 0.00 |
| PAYDOWNS | 2/1/18 | 2/15/18 | 443.21 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 443.21 | | 0.00 |
| PAYDOWNS | 2/1/18 | 2/15/18 | 566.64 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 566.64 | | 0.00 |
| PAYDOWNS | 2/1/18 | 2/15/18 | 1,492.54 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 1,492.54 | | 0.00 |
| PAYDOWNS | 2/1/18 | 2/15/18 | 1,313.75 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,313.75 | | 0.00 |

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| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|------------|------------|-------------|------------|-----------|---|--------|---------------|-------------------|-------|-------------------|
| INTEREST | 2/1/18 | 2/16/18 | 122,090.83 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 198.40 | | |
| INTEREST | 2/1/18 | 2/16/18 | 118,073.53 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 186.39 | | |
| PAYDOWNS | 2/1/18 | 2/16/18 | 450.13 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 450.13 | | 0.00 |
| PAYDOWNS | 2/1/18 | 2/16/18 | 535.92 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 535.92 | | 0.00 |
| INTEREST | 2/1/18 | 2/25/18 | 88,519.32 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 331.95 | | |
| INTEREST | 2/1/18 | 2/25/18 | 51,151.98 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 213.13 | | |
| INTEREST | 2/1/18 | 2/25/18 | 80,646.94 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 235.22 | | |
| INTEREST | 2/1/18 | 2/25/18 | 114,981.74 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 335.36 | | |
| INTEREST | 2/1/18 | 2/25/18 | 21,895.77 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 100.36 | | |
| INTEREST | 2/1/18 | 2/25/18 | 104,672.98 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 305.30 | | |
| PAYDOWNS | 2/1/18 | 2/25/18 | 1,222.16 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 1,222.16 | | 0.00 |
| PAYDOWNS | 2/1/18 | 2/25/18 | 959.52 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 959.52 | | 0.00 |
| PAYDOWNS | 2/1/18 | 2/25/18 | 174.70 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 174.70 | | 0.00 |
| PAYDOWNS | 2/1/18 | 2/25/18 | 59.79 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 59.79 | | 0.00 |
| PAYDOWNS | 2/1/18 | 2/25/18 | 1,526.43 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 1,526.43 | | 0.00 |
| PAYDOWNS | 2/1/18 | 2/25/18 | 2,215.03 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 2,215.03 | | 0.00 |
| BUY | 2/6/18 | 2/7/18 | 200,000.00 | 46640QL25 | JP MORGAN SECURITIES LLC COMM PAPER | 0.00% | 11/2/18 | (196,843.56) | 2.15% | |
| INTEREST | 2/7/18 | 2/7/18 | 105,000.00 | 06406RAA5 | BANK OF NY MELLON CORP (CALLABLE) NOTES | 2.60% | 2/7/22 | 1,365.00 | | |
| MATURITY | 2/7/18 | 2/7/18 | 200,000.00 | 46640QB75 | JP MORGAN SECURITIES LLC COMM PAPER | 0.00% | 2/7/18 | 200,000.00 | | 0.00 |
| BUY | 2/8/18 | 2/9/18 | 120,000.00 | 3130ADN32 | FHLB NOTES | 2.12% | 2/11/20 | (119,780.40) | 2.22% | |
| SELL | 2/8/18 | 2/9/18 | 110,000.00 | 3137EAEE5 | FREDDIE MAC NOTES | 1.50% | 1/17/20 | 108,721.43 | 2.16% | (640.59) |
| INTEREST | 2/12/18 | 2/12/18 | 450,000.00 | 3137EAEC9 | FHLMC REFERENCE NOTE | 1.12% | 8/12/21 | 2,531.25 | | |

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Portfolio Activity

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|------------|------------|-------------|------------|-----------|--|--------|---------------|-------------------|-------|-------------------|
| INTEREST | 2/12/18 | 2/12/18 | 160,000.00 | 345397YD9 | FORD MOTOR CREDIT CO LLC CORPORATE NOTES | 1.89% | 8/12/19 | 1,517.60 | | |
| INTEREST | 2/13/18 | 2/13/18 | 260,000.00 | 05565QCX4 | BP CAPITAL MARKETS PLC BONDS | 2.31% | 2/13/20 | 3,009.50 | | |
| BUY | 2/14/18 | 2/16/18 | 120,000.00 | 035242AJ5 | ANHEUSER-BUSCH INBEV FIN CORP NOTES | 2.65% | 2/1/21 | (118,918.10) | 3.01% | |
| SELL | 2/14/18 | 2/16/18 | 120,000.00 | 912828B90 | US TREASURY NOTES | 2.00% | 2/28/21 | 119,742.32 | 2.39% | (4,075.25) |
| INTEREST | 2/15/18 | 2/15/18 | 400,000.00 | 02665WAH4 | AMERICAN HONDA FINANCE GLOBAL NOTES | 2.25% | 8/15/19 | 4,500.00 | | |
| INTEREST | 2/15/18 | 2/15/18 | 147,726.84 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 201.89 | | |
| INTEREST | 2/15/18 | 2/15/18 | 230,000.00 | 02007HAC5 | ALLY ABS 2017-2 A3 | 1.78% | 8/15/21 | 341.17 | | |
| INTEREST | 2/15/18 | 2/15/18 | 180,000.00 | 02582JHG8 | AMERICAN EXPRESS ABS 2017-4 A | 1.64% | 12/15/21 | 246.00 | | |
| INTEREST | 2/15/18 | 2/15/18 | 80,000.00 | 44891EAC3 | HYUNDAI ABS 2016-B A3 | 1.29% | 4/15/21 | 86.00 | | |
| INTEREST | 2/15/18 | 2/15/18 | 125,000.00 | 44931PAD8 | HYUNDAI ABS 2017-A A3 | 1.76% | 8/15/21 | 183.33 | | |
| INTEREST | 2/15/18 | 2/15/18 | 110,000.00 | 34531EAD8 | FORD ABS 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| INTEREST | 2/15/18 | 2/15/18 | 80,000.00 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 88.67 | | |
| INTEREST | 2/15/18 | 2/15/18 | 40,000.00 | 02007PAC7 | ALLY ABS 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| INTEREST | 2/15/18 | 2/15/18 | 135,000.00 | 44932GAD7 | HYUNDAI ABS 2017-B A3 | 1.77% | 1/15/22 | 199.13 | | |
| INTEREST | 2/15/18 | 2/15/18 | 30,000.00 | 47787XAC1 | JOHN DEERE ABS 2017-A A3 | 1.78% | 4/15/21 | 44.50 | | |
| INTEREST | 2/15/18 | 2/15/18 | 85,291.66 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 88.85 | | |
| INTEREST | 2/15/18 | 2/15/18 | 115,000.00 | 02007FAC9 | ALLY ABS 2017-4 A3 | 1.75% | 12/15/21 | 167.71 | | |
| INTEREST | 2/15/18 | 2/15/18 | 50,000.00 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| INTEREST | 2/15/18 | 2/15/18 | 50,000.00 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| INTEREST | 2/15/18 | 2/15/18 | 50,000.00 | 89237RAD0 | TOYOTA ABS 2017-C A3 | 1.78% | 11/15/21 | 74.17 | | |
| PAYDOWNS | 2/15/18 | 2/15/18 | 22,754.72 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 22,754.72 | | 0.00 |
| PAYDOWNS | 2/15/18 | 2/15/18 | 3,053.48 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 3,053.48 | | 0.00 |

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Portfolio Activity

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|------------|------------|-------------|------------|-----------|-------------------------------------|--------|---------------|-------------------|-------|-------------------|
| PAYDOWNS | 2/15/18 | 2/15/18 | 7,218.17 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 7,218.17 | | 0.00 |
| INTEREST | 2/18/18 | 2/18/18 | 99,355.35 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 96.04 | | |
| INTEREST | 2/18/18 | 2/18/18 | 63,478.51 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 64.54 | | |
| PAYDOWNS | 2/18/18 | 2/18/18 | 5,894.76 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 5,894.76 | | 0.00 |
| PAYDOWNS | 2/18/18 | 2/18/18 | 7,027.27 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 7,027.27 | | 0.00 |
| INTEREST | 2/19/18 | 2/19/18 | 160,000.00 | 961214CY7 | WESTPAC BANKING CORP NOTES | 1.60% | 8/19/19 | 1,280.00 | | |
| BUY | 2/21/18 | 2/26/18 | 65,000.00 | 63743HER9 | NATIONAL RURAL UTIL COOP | 2.90% | 3/15/21 | (64,927.85) | 2.94% | |
| SELL | 2/21/18 | 2/26/18 | 65,000.00 | 912828B90 | US TREASURY NOTES | 2.00% | 2/28/21 | 64,815.09 | 2.44% | (2,275.49) |
| BUY | 2/21/18 | 2/28/18 | 85,000.00 | 65478DAD9 | NAROT 2018-A A3 | 2.65% | 5/15/22 | (84,990.28) | 2.66% | |
| BUY | 2/21/18 | 2/28/18 | 40,000.00 | 47788CAC6 | JDOT 2018-A A3 | 2.66% | 4/16/22 | (39,997.12) | 2.66% | |
| SELL | 2/21/18 | 2/28/18 | 35,000.00 | 3130ACE26 | FHLB NOTES | 1.37% | 9/28/20 | 34,287.02 | 2.42% | (818.57) |
| SELL | 2/21/18 | 2/28/18 | 90,000.00 | 3137EAE5 | FREDDIE MAC NOTES | 1.50% | 1/17/20 | 88,841.55 | 2.29% | (723.96) |
| SELL | 2/21/18 | 2/28/18 | 150,000.00 | 912828A42 | US TREASURY NOTES | 2.00% | 11/30/20 | 149,089.42 | 2.42% | (4,133.35) |
| BUY | 2/22/18 | 2/27/18 | 85,000.00 | 69371RN93 | PACCAR FINANCIAL CORP NOTES | 2.80% | 3/1/21 | (84,958.35) | 2.82% | |
| SELL | 2/22/18 | 2/27/18 | 85,000.00 | 912828WY2 | US TREASURY N/B | 2.25% | 7/31/21 | 84,425.46 | 2.51% | (2,036.78) |
| BUY | 2/22/18 | 2/28/18 | 145,000.00 | 43814UAC3 | HAROT 2018-1 A3 | 2.64% | 2/15/22 | (144,981.25) | 2.65% | |
| INTEREST | 2/28/18 | 2/28/18 | 275,000.00 | 912828D72 | US TREASURY NOTES | 2.00% | 8/31/21 | 2,750.00 | | |
| INTEREST | 2/28/18 | 2/28/18 | 125,000.00 | 912828B90 | US TREASURY NOTES | 2.00% | 2/28/21 | 1,250.00 | | |
| BUY | 2/28/18 | 3/1/18 | 100,000.00 | 912828P24 | US TREASURY NOTES | 1.87% | 7/31/22 | (97,017.40) | 2.63% | |
| BUY | 2/28/18 | 3/1/18 | 110,000.00 | 912828W22 | US TREASURY NOTES | 1.37% | 2/15/20 | (108,150.68) | 2.28% | |
| BUY | 2/28/18 | 3/13/18 | 65,000.00 | 3137FEU99 | FHLMC MULTIFAMILY STRUCTURED P POOL | 3.45% | 9/25/24 | (66,372.97) | 2.76% | |
| INTEREST | 3/1/18 | 3/1/18 | 0.00 | MONEY0002 | MONEY MARKET FUND | | | 48.46 | | |

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FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|------------|------------|-------------|------------|-----------|-------------------------|--------|---------------|-------------------|-------|-------------------|
| INTEREST | 3/1/18 | 3/1/18 | 210,000.00 | 717081AQ6 | PFIZER INC GLOBAL NOTES | 4.65% | 3/1/18 | 4,882.50 | | |
| MATURITY | 3/1/18 | 3/1/18 | 210,000.00 | 717081AQ6 | PFIZER INC GLOBAL NOTES | 4.65% | 3/1/18 | 210,000.00 | | 0.00 |
| INTEREST | 3/1/18 | 3/15/18 | 24,414.19 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 111.90 | | |
| INTEREST | 3/1/18 | 3/15/18 | 55,130.00 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 229.71 | | |
| INTEREST | 3/1/18 | 3/15/18 | 53,572.19 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 200.90 | | |
| INTEREST | 3/1/18 | 3/15/18 | 51,743.28 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 215.60 | | |
| INTEREST | 3/1/18 | 3/15/18 | 76,429.77 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 254.77 | | |
| PAYDOWNS | 3/1/18 | 3/15/18 | 552.92 | 3128MJMT4 | FHLMC POOL #G08369 | 5.00% | 10/1/39 | 552.92 | | 0.00 |
| PAYDOWNS | 3/1/18 | 3/15/18 | 390.06 | 3128M8C44 | FHLMC POOL #G06091 | 5.50% | 5/1/40 | 390.06 | | 0.00 |
| PAYDOWNS | 3/1/18 | 3/15/18 | 1,596.18 | 312946PK6 | FHLMC POOL #A97626 | 5.00% | 3/1/41 | 1,596.18 | | 0.00 |
| PAYDOWNS | 3/1/18 | 3/15/18 | 1,008.10 | 312940Y60 | FHLMC POOL #A92533 | 4.50% | 6/1/40 | 1,008.10 | | 0.00 |
| PAYDOWNS | 3/1/18 | 3/15/18 | 1,092.92 | 3137A9QP4 | FREDDIE MAC SERIES 3842 | 4.00% | 4/1/41 | 1,092.92 | | 0.00 |
| INTEREST | 3/1/18 | 3/16/18 | 117,537.61 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 185.54 | | |
| INTEREST | 3/1/18 | 3/16/18 | 121,640.70 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 197.67 | | |
| PAYDOWNS | 3/1/18 | 3/16/18 | 451.42 | 38378K6D6 | GNMA SERIES 2013-154 A | 1.95% | 2/1/44 | 451.42 | | 0.00 |
| PAYDOWNS | 3/1/18 | 3/16/18 | 537.70 | 38378XEN7 | GNMA SERIES 2014-111 AB | 1.89% | 6/1/38 | 537.70 | | 0.00 |
| INTEREST | 3/1/18 | 3/25/18 | 88,344.62 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 331.29 | | |
| INTEREST | 3/1/18 | 3/25/18 | 113,455.31 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 330.91 | | |
| INTEREST | 3/1/18 | 3/25/18 | 103,450.82 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 301.73 | | |
| INTEREST | 3/1/18 | 3/25/18 | 50,192.46 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 209.14 | | |
| INTEREST | 3/1/18 | 3/25/18 | 78,431.91 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 228.76 | | |
| INTEREST | 3/1/18 | 3/25/18 | 21,835.98 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 100.08 | | |

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FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|------------|------------|-------------|------------|-----------|---|--------|---------------|-------------------|-------|-------------------|
| PAYDOWNS | 3/1/18 | 3/25/18 | 772.76 | 3138XBRF3 | FNMA POOL #AV0485 | 3.50% | 1/1/29 | 772.76 | | 0.00 |
| PAYDOWNS | 3/1/18 | 3/25/18 | 992.21 | 31418U4W1 | FNMA POOL #AD7136 | 5.00% | 7/1/40 | 992.21 | | 0.00 |
| PAYDOWNS | 3/1/18 | 3/25/18 | 175.43 | 3138A2VF3 | FNMA POOL #AH1513 | 4.50% | 10/1/40 | 175.43 | | 0.00 |
| PAYDOWNS | 3/1/18 | 3/25/18 | 60.17 | 31408C4D5 | FNMA POOL #847820 | 5.50% | 12/1/35 | 60.17 | | 0.00 |
| PAYDOWNS | 3/1/18 | 3/25/18 | 1,477.01 | 3138WDUX7 | FNMA POOL #AS4197 | 3.50% | 1/1/30 | 1,477.01 | | 0.00 |
| PAYDOWNS | 3/1/18 | 3/25/18 | 437.65 | 3138EQS45 | FNMA POOL #AL7738 | 3.50% | 11/1/30 | 437.65 | | 0.00 |
| INTEREST | 3/3/18 | 3/3/18 | 120,000.00 | 0258M0EE5 | AMERICAN EXPRESS CREDIT (CALLABLE) NOTE | 2.20% | 3/3/20 | 1,320.00 | | |
| INTEREST | 3/4/18 | 3/4/18 | 120,000.00 | 14913Q2A6 | CATERPILLAR FINL SERVICE NOTE | 1.85% | 9/4/20 | 1,091.50 | | |
| BUY | 3/6/18 | 3/9/18 | 80,000.00 | 126650DC1 | CVS HEALTH CORP NOTES | 3.35% | 3/9/21 | (79,959.20) | 3.37% | |
| SELL | 3/6/18 | 3/9/18 | 80,000.00 | 3130ADN32 | FHLB NOTES | 2.12% | 2/11/20 | 79,856.87 | 2.31% | (144.00) |
| SELL | 3/7/18 | 3/13/18 | 35,000.00 | 912828A42 | US TREASURY NOTES | 2.00% | 11/30/20 | 34,857.65 | 2.37% | (911.85) |
| INTEREST | 3/8/18 | 3/8/18 | 160,000.00 | 89236TEC5 | TOYOTA MOTOR CREDIT CORP | 2.15% | 9/8/22 | 1,720.00 | | |
| INTEREST | 3/11/18 | 3/11/18 | 400,000.00 | 06406HCW7 | BANK OF NEW YORK MELLON NT (CALLABLE) | 2.30% | 9/11/19 | 4,600.00 | | |
| INTEREST | 3/11/18 | 3/11/18 | 160,000.00 | 06367TF96 | BANK OF MONTREAL CORP NOTE | 1.75% | 9/11/19 | 1,400.00 | | |
| BUY | 3/14/18 | 3/19/18 | 270,000.00 | 06538CM73 | MUFG BANK LTD/NY COMM PAPER | 0.00% | 12/7/18 | (265,226.55) | 2.46% | |
| INTEREST | 3/15/18 | 3/15/18 | 125,000.00 | 44931PAD8 | HYUNDAI ABS 2017-A A3 | 1.76% | 8/15/21 | 183.33 | | |
| INTEREST | 3/15/18 | 3/15/18 | 135,000.00 | 44932GAD7 | HYUNDAI ABS 2017-B A3 | 1.77% | 1/15/22 | 199.13 | | |
| INTEREST | 3/15/18 | 3/15/18 | 50,000.00 | 65478WAD7 | NISSAN ABS 2016-C A3 | 1.18% | 1/15/21 | 49.17 | | |
| INTEREST | 3/15/18 | 3/15/18 | 78,073.49 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 81.33 | | |
| INTEREST | 3/15/18 | 3/15/18 | 85,000.00 | 00206RDB5 | AT&T CORP NOTES | 3.80% | 3/15/22 | 1,615.00 | | |
| INTEREST | 3/15/18 | 3/15/18 | 76,946.52 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 85.28 | | |
| INTEREST | 3/15/18 | 3/15/18 | 80,000.00 | 44891EAC3 | HYUNDAI ABS 2016-B A3 | 1.29% | 4/15/21 | 86.00 | | |

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For the Quarter Ended March 31, 2018

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|------------|------------|-------------|------------|-----------|---|--------|---------------|-------------------|-------|-------------------|
| INTEREST | 3/15/18 | 3/15/18 | 145,000.00 | 43814UAC3 | HAROT 2018-1 A3 | 2.64% | 2/15/22 | 159.50 | | |
| INTEREST | 3/15/18 | 3/15/18 | 50,000.00 | 12635YAD5 | CNH ABS 2016-C A3 | 1.44% | 12/15/21 | 60.00 | | |
| INTEREST | 3/15/18 | 3/15/18 | 124,972.12 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 170.80 | | |
| INTEREST | 3/15/18 | 3/15/18 | 50,000.00 | 89237RAD0 | TOYOTA ABS 2017-C A3 | 1.78% | 11/15/21 | 74.17 | | |
| INTEREST | 3/15/18 | 3/15/18 | 230,000.00 | 02007HAC5 | ALLY ABS 2017-2 A3 | 1.78% | 8/15/21 | 341.17 | | |
| INTEREST | 3/15/18 | 3/15/18 | 115,000.00 | 02007FAC9 | ALLY ABS 2017-4 A3 | 1.75% | 12/15/21 | 167.71 | | |
| INTEREST | 3/15/18 | 3/15/18 | 40,000.00 | 02007PAC7 | ALLY ABS 2017-1 A3 | 1.70% | 6/15/21 | 56.67 | | |
| INTEREST | 3/15/18 | 3/15/18 | 110,000.00 | 34531EAD8 | FORD ABS 2017-A A3 | 1.67% | 6/15/21 | 153.08 | | |
| INTEREST | 3/15/18 | 3/15/18 | 85,000.00 | 65478DAD9 | NAROT 2018-A A3 | 2.65% | 5/15/22 | 106.37 | | |
| INTEREST | 3/15/18 | 3/15/18 | 180,000.00 | 02582JHG8 | AMERICAN EXPRESS ABS 2017-4 A | 1.64% | 12/15/21 | 246.00 | | |
| INTEREST | 3/15/18 | 3/15/18 | 30,000.00 | 47787XAC1 | JOHN DEERE ABS 2017-A A3 | 1.78% | 4/15/21 | 44.50 | | |
| PAYDOWNS | 3/15/18 | 3/15/18 | 7,062.37 | 12636WAB2 | CNH 2017-A A2 | 1.64% | 7/15/20 | 7,062.37 | | 0.00 |
| PAYDOWNS | 3/15/18 | 3/15/18 | 5,161.50 | 34532EAD7 | FORD ABS 2016-B A3 | 1.33% | 10/15/20 | 5,161.50 | | 0.00 |
| PAYDOWNS | 3/15/18 | 3/15/18 | 6,562.65 | 89237KAD5 | TOYOTA ABS 2016-A A3 | 1.25% | 3/15/20 | 6,562.65 | | 0.00 |
| INTEREST | 3/18/18 | 3/18/18 | 92,328.08 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 89.25 | | |
| INTEREST | 3/18/18 | 3/18/18 | 57,583.75 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 58.54 | | |
| PAYDOWNS | 3/18/18 | 3/18/18 | 5,393.61 | 43814NAC9 | HONDA ABS 2016-1 A3 | 1.22% | 12/18/19 | 5,393.61 | | 0.00 |
| PAYDOWNS | 3/18/18 | 3/18/18 | 6,438.68 | 438124AC3 | HONDA ABS 2016-3 A3 | 1.16% | 6/18/19 | 6,438.68 | | 0.00 |
| MATURITY | 3/19/18 | 3/19/18 | 270,000.00 | 06538CCK5 | BANK OF TOKYO MITSUBISHI UFJ COMM PAPER | 0.00% | 3/19/18 | 270,000.00 | | 0.00 |
| INTEREST | 3/20/18 | 3/20/18 | 160,000.00 | 17305EGH2 | CCCIT 2017-A9 A9 | 1.80% | 9/20/21 | 1,344.00 | | |
| INTEREST | 3/31/18 | 3/31/18 | 215,000.00 | 912828L57 | US TREASURY NOTES | 1.75% | 9/30/22 | 1,881.25 | | |
| INTEREST | 3/31/18 | 3/31/18 | 100,000.00 | 912828L57 | US TREASURY NOTES | 1.75% | 9/30/22 | 875.00 | | |

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For the Quarter Ended March 31, 2018

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

| Tran. Type | Trade Date | Settle Date | Par (\$) | CUSIP | Security Description | Coupon | Maturity Date | Transact Amt (\$) | Yield | Realized G/L (BV) |
|---------------|------------|-------------|------------|-----------|----------------------|--------|---------------|-------------------|-------|--------------------|
| INTEREST | 3/31/18 | 3/31/18 | 100,000.00 | 912828L57 | US TREASURY NOTES | 1.75% | 9/30/22 | 875.00 | | |
| INTEREST | 3/31/18 | 3/31/18 | 240,000.00 | 912828W89 | US TREASURY NOTES | 1.87% | 3/31/22 | 2,250.00 | | |
| TOTALS | | | | | | | | 53,332.35 | | (22,415.57) |

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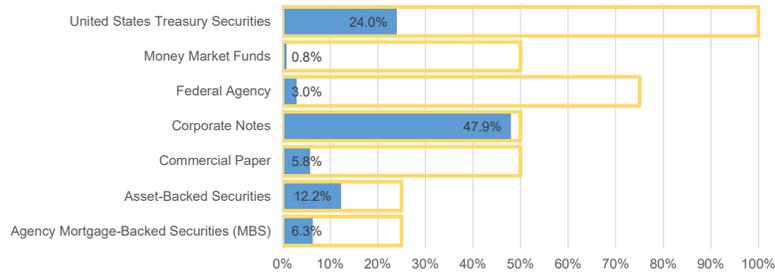
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Tab III

For the Quarter Ended March 31, 2018

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Asset Allocation



| Security Type | Amortized Cost (Includes Interest) | Allocation Percentage | Permitted by Policy | In Compliance |
|--|---------------------------------------|--------------------------|------------------------|---------------|
| United States Treasury Securities | 3,964,439.96 | 23.96% | 100% | YES |
| Federal Agency | 489,205.14 | 2.96% | 75% | YES |
| Supranationals | - | 0.00% | 25% | YES |
| Corporate Notes | 7,930,202.82 | 47.93% | 50% | YES |
| Municipals | - | 0.00% | 25% | YES |
| Agency Mortgage-Backed Securities (MBS) | 1,047,698.35 | 6.33% | 25% | YES |
| Asset-Backed Securities | 2,025,689.12 | 12.24% | 25% | YES |
| Certificates of Deposit and Savings Accounts | - | 0.00% | 50% | YES |
| Demand Deposit Bank Account | - | 0.00% | 50% | YES |
| Commercial Paper | 951,881.88 | 5.75% | 50% | YES |
| Bankers' Acceptances | - | 0.00% | 10% | YES |
| Repurchase Agreements | - | 0.00% | 40% | YES |
| Fixed-Income Mutual Funds and ETFs | - | 0.00% | 20% | YES |
| Money Market Funds | 135,118.75 | 0.82% | 50% | YES |
| Intergovernmental Pools | - | 0.00% | 50% | YES |

End of month trade-date amortized cost of portfolio holdings, including accrued interest.

| Sector | Individual Issuer Breakdown | Amortized Cost (Includes Interest) | Allocation Percentage | Permitted by Policy | In Compliance |
|-------------------|-------------------------------------|---------------------------------------|--------------------------|------------------------|---------------|
| Us Tsy Bond/Note | UNITED STATES TREASURY | 3,964,439.96 | 23.96% | 100% | YES |
| Mbs / Cmo | FANNIE MAE | 471,558.61 | 2.85% | 25% | YES |
| Mbs / Cmo | FREDDIE MAC | 270,580.44 | 1.64% | 25% | YES |
| Mbs / Cmo | GINNIE MAE | 239,084.57 | 1.45% | 25% | YES |
| Mbs / Cmo | FHLMC MULTIFAMILY STRUCTURED P | 66,474.73 | 0.40% | 25% | YES |
| Fed Agy Bond/Note | FEDERAL HOME LOAN BANKS | 40,054.68 | 0.24% | 40% | YES |
| Fed Agy Bond/Note | FREDDIE MAC | 449,150.46 | 2.71% | 40% | YES |
| Corporate Note | AMERICAN EXPRESS CREDIT CORP | 252,074.65 | 1.52% | 5% | YES |
| Corporate Note | AMERICAN HONDA FINANCE | 511,318.62 | 3.09% | 5% | YES |
| Corporate Note | BANK OF NOVA SCOTIA HOUS | 241,171.23 | 1.46% | 5% | YES |
| Corporate Note | BP CAPITAL MARKETS PLC | 262,112.47 | 1.58% | 5% | YES |
| Corporate Note | CISCO SYSTEMS | 201,674.33 | 1.22% | 5% | YES |
| Corporate Note | GOLDMAN SACHS GROUP INC | 427,715.03 | 2.59% | 5% | YES |
| Corporate Note | IBM CORP | 160,292.00 | 0.97% | 5% | YES |
| Corporate Note | JOHN DEERE CAPITAL CORP | 105,369.18 | 0.64% | 5% | YES |
| Corporate Note | MELLON BANK | 400,489.13 | 2.42% | 5% | YES |
| Corporate Note | ROYAL BANK OF CANADA NY | 225,768.50 | 1.36% | 5% | YES |
| Corporate Note | TOYOTA MOTOR CREDIT CORP | 160,051.81 | 0.97% | 5% | YES |
| Corporate Note | WELLS FARGO & COMPANY | 276,110.69 | 1.67% | 5% | YES |
| Corporate Note | WESTPAC BANKING CORP | 160,285.39 | 0.97% | 5% | YES |
| Corporate Note | AMERICAN EXPRESS CREDIT | 120,125.39 | 0.73% | 5% | YES |
| Corporate Note | JP MORGAN CHASE & CO | 401,700.00 | 2.43% | 5% | YES |
| Corporate Note | BRANCH BANKING & TRUST | 275,362.51 | 1.66% | 5% | YES |
| Corporate Note | CITIGROUP INC | 251,960.33 | 1.52% | 5% | YES |
| Corporate Note | COMCAST CORP | 167,057.44 | 1.01% | 5% | YES |
| Corporate Note | MORGAN STANLEY | 321,484.37 | 1.94% | 5% | YES |
| Corporate Note | STATE STREET CORPORATION | 201,364.84 | 1.22% | 5% | YES |
| Corporate Note | GENERAL ELEC CAP CORP | 214,095.60 | 1.29% | 5% | YES |
| Corporate Note | FORD MOTOR CREDIT CO LLC | 160,413.12 | 0.97% | 5% | YES |
| Corporate Note | AT&T INC | 88,054.90 | 0.53% | 5% | YES |
| Corporate Note | ANHEUSER-BUSCH INBEV FIN | 119,365.03 | 0.72% | 5% | YES |
| Corporate Note | BANK OF MONTREAL CHICAGO | 160,091.91 | 0.97% | 5% | YES |
| Corporate Note | CATERPILLAR FINANCIAL SERVICES CORP | 120,084.70 | 0.73% | 5% | YES |
| Corporate Note | TORONTO DOMINION BANK | 260,878.31 | 1.58% | 5% | YES |
| Corporate Note | BANK OF NOVA SCOTIA HOUSTON | 200,898.39 | 1.21% | 5% | YES |
| Corporate Note | HOME DEPOT INC | 80,430.30 | 0.49% | 5% | YES |
| Corporate Note | BANK OF AMERICA CORP | 178,361.04 | 1.08% | 5% | YES |
| Corporate Note | WAL-MART STORES INC | 322,320.76 | 1.95% | 5% | YES |
| Corporate Note | CANADIAN IMP BK COMM NY | 282,684.70 | 1.71% | 5% | YES |
| Corporate Note | PACCAR FINANCIAL CORP | 130,534.47 | 0.79% | 5% | YES |
| Corporate Note | UNITED PARCEL SERVICE | 130,831.75 | 0.79% | 5% | YES |

| Sector | Individual Issuer Breakdown | Amortized Cost (Includes Interest) | Allocation Percentage | Permitted by Policy | In Compliance |
|------------------|--------------------------------|---------------------------------------|--------------------------|------------------------|---------------|
| Corporate Note | BANK OF NY MELLON CORP | 106,472.10 | 0.64% | 5% | YES |
| Corporate Note | GENERAL MOTORS FINL CO | 105,960.68 | 0.64% | 5% | YES |
| Corporate Note | NATIONAL RURAL UTIL COOP | 65,113.31 | 0.39% | 5% | YES |
| Corporate Note | CVS HEALTH CORP | 80,123.84 | 0.48% | 5% | YES |
| Commercial Paper | TOYOTA MOTOR CREDIT CORP | 189,013.27 | 1.14% | 5% | YES |
| Commercial Paper | BNP PARIBAS NY BRANCH | 299,938.33 | 1.81% | 5% | YES |
| Commercial Paper | JP MORGAN SECURITIES LLC | 197,467.78 | 1.19% | 5% | YES |
| Commercial Paper | MUFG BANK, LTD | 265,462.50 | 1.60% | 5% | YES |
| Asset-Backed | Ally Auto Receivables Trust | 385,276.89 | 2.33% | 5% | YES |
| Asset-Backed | CNH EQUIPMENT TRUST | 168,017.43 | 1.02% | 5% | YES |
| Asset-Backed | FORD CREDIT AUTO OWNER TRUST | 181,904.93 | 1.10% | 5% | YES |
| Asset-Backed | HONDA AUTO RECEIVABLES | 138,130.03 | 0.83% | 5% | YES |
| Asset-Backed | HYUNDAI AUTO RECEIVABLES TRUST | 340,214.80 | 2.06% | 5% | YES |
| Asset-Backed | JOHN DEERE OWNER TRUST | 70,109.39 | 0.42% | 5% | YES |
| Asset-Backed | NISSAN AUTO RECEIVABLES | 50,023.21 | 0.30% | 5% | YES |
| Asset-Backed | CITIBANK CREDIT CARD ISSUANCE | 160,077.57 | 0.97% | 5% | YES |
| Asset-Backed | AMERICAN EXPRESS CREDIT ACCOUN | 180,107.68 | 1.09% | 5% | YES |
| Asset-Backed | Toyota Auto Receivables Owner | 50,036.19 | 0.30% | 5% | YES |
| Asset-Backed | Honda Auto Receivables Owner T | 145,151.80 | 0.88% | 5% | YES |
| Asset-Backed | Nissan Auto Receivables Owner | 85,090.60 | 0.51% | 5% | YES |
| Asset-Backed | TOYOTA AUTO RECEIVABLES | 71,548.60 | 0.43% | 5% | YES |

End of month trade-date amortized cost of portfolio holdings, including accrued interest.

Quarterly Account Summary

| Portfolio Balances: | December 31, 2017 | January 31, 2018 | February 28, 2018 | March 31, 2018 | Quarter End |
|--|------------------------|------------------------|------------------------|------------------------|--------------------|
| (1) Amortized Cost of Holdings | \$16,320,833.53 | \$16,426,435.68 | \$16,632,669.14 | \$16,342,260.33 | |
| (2) Accrued Interest | 81,210.87 | 65,944.09 | 68,215.52 | 66,856.94 | |
| Amortized Cost of Securities | \$16,402,044.40 | \$16,492,379.77 | \$16,700,884.66 | \$16,409,117.27 | |
| (3) Reconciled Money Fund Balance | 85,290.65 | 111,196.89 | 87,759.09 | 135,118.75 | |
| Total Amortized Cost of Portfolio | \$16,487,335.05 | \$16,603,576.66 | \$16,788,643.75 | \$16,544,236.02 | |
| Net Change in Amortized Cost | | \$116,241.61 | \$185,067.09 | (\$244,407.73) | \$56,900.97 |

| Portfolio Earnings: | January 31, 2018 | February 28, 2018 | March 31, 2018 | Quarter End |
|---|------------------------|------------------------|------------------------|------------------------|
| Ending Amortized Cost of Securities | \$16,492,379.77 | \$16,700,884.66 | \$16,409,117.27 | \$16,409,117.27 |
| (4) Plus Proceeds on Sales | 494,694.66 | 649,922.29 | 114,714.52 | 1,259,331.47 |
| (5) Plus Proceeds of Maturities | 57,322.55 | 257,805.57 | 520,163.34 | 835,291.46 |
| (6) Plus Coupons Received | 44,146.40 | 23,418.58 | 29,212.71 | 96,777.69 |
| (7) Less Cost of New Purchases | (665,944.56) | (1,126,937.96) | (345,185.75) | (2,138,068.27) |
| Less Beginning Amortized Cost of Securities | (16,320,833.53) | (16,426,435.68) | (16,632,669.14) | (16,320,833.53) |
| (8) Plus (Minus) Reconciling Transactions | 0.00 | 0.00 | 0.00 | - |
| Total Portfolio Accrual Basis Earnings | \$101,765.29 | \$78,657.46 | \$95,352.95 | \$141,616.09 |

Notes:

- (1) Detail of Securities Held page Amortized Cost total. Does not include forward settling trades.
- (2) Detail of Securities Held page Accrued Interest total.
- (3) Cash/Money Report page Cash/Money Fund Balance.
- (4) Security Transactions & Interest page subtotal Sales.
- (5) Security Transactions & Interest page subtotal Maturities, Sinks, MBS Pmts., Calls
- (6) Security Transactions & Interest page subtotal Interest.
- (7) Security Transactions & Interest page subtotal Buys.
- (8) Bank Statement vs. PFM Statement Reconciled Cash+Money Fund Balance

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| | Portfolio Characteristics | | |
|---------------------------------------|------------------------------|--|----------------------------|
| | Since Inception Total Return | Yield to Maturity at Market | Yield to Maturity at Cost |
| 1-5 Year Investment Portfolio | 1.31% | 2.72% | 2.12% |
| ML 1 -5 Year U.S. Treasury Note Index | 0.92% | 2.37% | - |
| | Effective Duration | Longest Individual Security Effective Duration | Maximum Corporate Exposure |
| 1-5 Year Investment Portfolio | 2.47 Years | 4.4 Years | 3.70% |
| ML 1 -5 Year U.S. Treasury Note Index | 2.59 Years | - | - |

| Investment Policy Rule | In Compliance? | Notes |
|---|----------------|--|
| 1. Investments limited to authorized fixed securities | Yes | |
| 2. Maximum effective duration must not exceed 5.5 years | Yes | |
| 3. Sector Allocation Limits must not be exceeded | Yes | Please see Asset Allocation Chart for specific details |
| 4. Individual Issuer Limits must not be exceeded | Yes | Please see Asset Allocation Chart for specific details |
| 5. Individual corporate exposure must not exceed 5% | Yes | |
| 6. Portfolio duration must not exceed 3 years | Yes | |
| 7. Performance Benchmark must be the ML 1-5 Year U.S. Treasury Index | Yes | |
| 8. Monthly reporting of holdings and transactions | Yes | |
| 9. Quarterly reporting of the fund's performance | Yes | |
| 10. Maintaining an approved list of dealers | Yes | |
| 11. Transactions executed via competitive bids | Yes | |
| 12. Maintain custodial arrangements and agreements | Yes | |
| 13. Maximum exposure to issuers in any non-U.S. country cannot exceed 10 percent per country. | Yes | |

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IMPORTANT DISCLOSURES

This material is based on information obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation. All statements as to what will or may happen under certain circumstances are based on assumptions, some, but not all of which, are noted in the presentation. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Past performance does not necessarily reflect and is not a guaranty of future results. The information contained in this presentation is not an offer to purchase or sell any securities.

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield based matrix system to arrive at an estimated market value.
- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.
- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.
- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.
- Money market fund/cash balances are included in performance and duration computations.
- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.
- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.
- MBS maturities are represented by expected average life.

GLOSSARY

- **ACCRUED INTEREST:** Interest that is due on a bond or other fixed income security since the last interest payment was made.
- **AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.
- **AMORTIZED COST:** The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.
- **BANKERS' ACCEPTANCE:** A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.
- **COMMERCIAL PAPER:** An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.
- **CONTRIBUTION TO DURATION:** Represents each sector or maturity range's relative contribution to the overall duration of the portfolio measured as a percentage weighting. Since duration is a key measure of interest rate sensitivity, the contribution to duration measures the relative amount or contribution of that sector or maturity range to the total rate sensitivity of the portfolio.
- **DURATION TO WORST:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years, computed from cash flows to the maturity date or to the put date, whichever results in the highest yield to the investor.
- **EFFECTIVE DURATION:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **EFFECTIVE YIELD:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **INTEREST RATE:** Interest per year divided by principal amount and expressed as a percentage.
- **MARKET VALUE:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.
- **NEGOTIABLE CERTIFICATES OF DEPOSIT:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **PAR VALUE:** The nominal dollar face amount of a security.

GLOSSARY

- **PASS THROUGH SECURITY:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
- **REPURCHASE AGREEMENTS:** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- **SETTLE DATE:** The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- **TRADE DATE:** The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- **UNSETTLED TRADE:** A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- **U.S. TREASURY:** The department of the U.S. government that issues Treasury securities.
- **YIELD:** The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- **YTM AT COST:** The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- **YTM AT MARKET:** The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

Information Item 7.

Operations Committee Members

Florida College System Risk Management Consortium
OPERATIONS COMMITTEE MEMBERS

VOTING MEMBERS

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