California Association for Park and Recreation Indemnity

Board of Directors

President, Dean Wetter
Vice President, Larry Mazzuca
Secretary, Colin Miller

Directors

Ms. Lorena Cervantes
Mr. Jim Friedl
Ms. Michelle Lacy
Ms. Jill Nunes

REGULAR MEETING OF THE BOARD OF DIRECTORS

9:00 a.m.– Wednesday, May 17, 2023

Tenaya Lodge at Yosemite
1122 Highway 41
Fish Camp, CA 93623
(559) 683-6555

Agenda posting and meeting are done in accordance with Government Code § 54954.2 and 54953.

If members of the public require special assistance to participate in the meeting, please contact CAPRI at (916) 722-5550. Notification at least 72 hours prior will enable CAPRI to make reasonable efforts to ensure accessibility to this meeting.

Any writing related to an agenda items for the open session of this meeting distributed to the Board of Directors less than 72 hours before this meeting is available for inspection at 1075 Creekside Ridge Drive, Suite 240, Roseville, CA 95678.

1. CALL TO ORDER
2. INTRODUCTIONS
3. PUBLIC COMMENTS

This time is reserved for members of the public to address the Board relative to matters of the CAPRI not on the agenda. No action may be taken on non-agenda items unless authorized by law.

The CAPRI Board encourages public participation. If you desire to address the Board on any CAPRI related item on the Agenda, you are asked to complete a speaker form and turn it in to the Executive Director. Members of the public may also offer public comment by email. Emails must be submitted to mbreck@capri-jpa.org no later than one hour prior to the start of the meeting. Please note, emailed public comments will be distributed to the Board and treated as a public comment.

4. CLOSED SESSION

Pursuant to Government Code Section 54957.1, the Board must report in open session any action taken, or lack thereof, taken in closed session.

4.1 Liability & Property – Existing Litigation Pursuant to Government Code § 54956.9(d)(1)
- CAPRI $5K Summary

4.2 Liability & Property – Anticipated Litigation Pursuant to Government Code § 54956.9(d)(2)
- 3 cases

4.3 Worker's Compensation – Existing Litigation Pursuant to Government Code § 54956.9(d)(1)
- Alvarado v. Pleasant Hill Recreation & Park District
- Castanon v. Rancho Simi Recreation & Park District
- Mathes v. Tehachapi Valley Recreation & Park District
- Carabajal v. West Side Recreation & Park District

5. REPORT FROM CLOSED SESSION

Pursuant to Government Code Section 54957.1, the Board must report in open session any action taken, or lack thereof, taken in closed session.

6. CONSENT ITEMS

The following items are expected to be routine and non-controversial and will be acted upon by the Board at one time without discussion, unless a Board member requests that an item be removed from the consent agenda and held for discussion.

6.1 Approval of CAPRI Board Minutes
- February 7, 2023
- March 16, 2023

6.2 Warrant Listings: January 2023 – March 2023

6.3 Financial Reports
- Statement of Net Position
- Statement of Revenue and Expenses Budget to Actual
- Statement of Revenue, Expenses, and Change in Net Position

7. PULLED CONSENT ITEMS

8. SPECIAL REPORTS

8.1 Investment Status Report – PFM

8.2 Financial Audit Update 2021/2022 – James Marta & Company

8.3 Workers' Compensation Actuarial Analysis – Bickmore Actuarial

8.4 General Liability & Property Actuarial Analysis – Bickmore Actuarial

8.5 Insurance Market Report – Alliant Insurance Services

8.6 WC Program Status Report

8.7 General Liability Program Status Report

8.8 Property Program Status Report

9. DISCUSSION/ACTION ITEMS

9.1 Captive Formation Update, Service Agreements, & Funding Strategy
- The Board shall review and discuss the status of formation of the Captive Insurance company, RIO, review and consider proposed service providers, and provide direction with respect to funding RIO.

9.2 Member Loyalty and Safety Discount Calculations 2023-2024
- The Board shall review and discuss the proposed discount calculations for the 2023-2024 GL & Property premium allocation computation as well as the 2023-2024 Workers' Compensation premium allocation computation.

9.3 WC Experience Modification Factors 2023-2024
- The Board shall review and discuss the proposed WC Experience Modification factors for the 2023-2024 policy year.

9.4 WC Premium Allocation Formula 2023-2024
- The Board shall review and discuss the 2023-2024 WC Premium Allocation Formula and provide direction on funding levels and member premiums.

9.5 Liability/Property Premium Allocation Formula 2023-2024
- The Board shall review and discuss the 2023-2024 GL & Property Premium Allocation Formula and provide staff direction regarding funding levels and member premium allocations.

9.6 CAPRI 2023-2024 Budget Review
- The Board shall review and discuss the proposed CAPRI Budget for the 2023-2024 fiscal year.

9.7 CAPRI Safety Awards for District Visit Cycle XVIII (2nd Half)
- The Board shall review and approve the CAPRI Safety Awards for Cycle XVIII.

10. EXECUTIVE DIRECTOR/STAFF REPORTS
- 10.1 District Visit Update – Cycle XVIII
- 10.2 CARPD Update
- 10.3 Member Training Update
- 10.4 ADA Compliance Program Update
- 10.5 Online Training Program Utilization Review
- 10.6 CAPRI EAP Update

11. BOARD MEMBER REPORTS
- 11.1 Board Member Comments

12. FUTURE AGENDA ITEMS
- Cycle XIX District Visit Report Criteria & Scoring Review
- Certificate of Insurance Management Services Review
- Final Budget 2022-2023
- Excess Insurance for:
  - General Liability
  - Property
  - Workers' Compensation

13. ANNOUNCEMENTS

The next CAPRI Board of Directors Meeting will be held on Wednesday, June 21, 2023.

14. ADJOURNMENT

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

BOARD OF DIRECTORS REGULAR MEETING

February 7, 2023

MINUTES

1. **CALL TO ORDER:**
The regular meeting of the Board of Directors was held on February 7, 2023. The Meeting was called to order by President Wetter at 1:06 p.m.

Members Present: President Dean Wetter, Secretary Colin Miller, Director Lorena Cervantes (Zoom), Director Jim Friedl (Zoom), Director Michelle Lacy, and Director Jill Nunes.

Members Absent: Vice President Larry Mazzuca.

CAPRI Staff Present: Executive Director Matthew Duarte, Administrative Analyst Monica Breck (Zoom), and Safety Analyst Kirk Andre (Zoom).

Others Present: Mike Harrington (Bickmore), Charles Torretta (George Hills), Amy Whitman (Sedgwick), Wale Kajopaiye (PFM), Sidney DiDomenico (PRISM), Byrne Conley (Gibbons and Conley), and Doug Wozniak (Alliant Insurance).

MOTION:

Director Colin Miller made a motion to hold this meeting via Zoom in accordance with AB 361. Director Michelle Lacy seconded the motion.

Ayes: *Wetter, Miller, Cervantes, Friedl, Lacy, and Nunes*
Nays: *None*
Abstain: *None*
Absent: *Mazzuca*

2. **INTRODUCTIONS:** None.

3. **PUBLIC COMMENTS:** None.

4. **CLOSED SESSION:**
The Board convened to Closed Session at 2:23 p.m.

4.1 Liability & Property – Existing Litigation Pursuant to Government Code § 54956.9(d)(1)

- Rands v. Livermore Area Recreation & Park District
- CAPRI $5K Summary

4.2 Liability & Property – Anticipated Litigation Pursuant to Government Code § 54956.9(d)(2)

- 2 cases

4.3 Worker's Compensation – Existing Litigation Pursuant to Government Code § 54956.9(d)(1)

- Freitas v. Durham Recreation & Park District
- Magaziner v. Fulton-El Camino Recreation & Park District
- Mendoza v. Greater Vallejo Recreation District
- McMurray v. Sunrise Recreation & Park District

Closed Session was concluded at 3:07 p.m.

5. REPORT FROM CLOSED SESSION:

Pursuant to Government Code Section 54957.1, the Board must report in open session any action taken, or lack thereof, taken in closed session.

No reportable action.

6. CONSENT AGENDA:

6.1 Approval of CAPRI Board Minutes

- November 30, 2022

6.2 Warrant Listings – October 2022 – December 2022

6.3 Financial Reports

- Statement of Net Position
- Statement of Revenue and Expenses Budget to Actual
- Statement of Revenue, Expenses, and Change in Net Position

MOTION:

Director Colin Miller made a motion to approve consent agenda items 6.1 – 6.3. Director Jim Friedl seconded the motion.

Ayes: *Wetter, Miller, Cervantes, Friedl, Lacy, and Nunes*
Nays: *None*
Abstain: *None*
Absent: *Mazzuca*

7. **PULLED CONSENT ITEMS:** None.

8. **SPECIAL REPORTS:**

8.1 Investment Stats Report – PFM

Wale Kajopaiye with PFM provided a report on the status of CAPRI's investment holdings. Wale noted that the investment portfolio remains consistent with CAPRI policy.

8.2 Insurance Market Report – Alliant Insurance Services

Doug Wozniak with Alliant Insurance Services provided an update regarding the current insurance market and outlook for 2023/24. The Workers' Compensation Program is holding steady, while the Liability and Property Programs are being marketed for best possible rates and retentions. While Cyber was a concern at last years' renewal, it has since stabilized.

8.3 General Liability Program Status Report

Executive Director Duarte reviewed and discussed the status of the General Liability Program. The total reserved amount is down significantly when compared to this time last year. Claim expenses are also coming in below expected.

8.4 Property Program Status Report

Executive Director Duarte reviewed and discussed the status of the Property Program. Two 2018 wildfire claims account for a little over 75% of the total reserved amount. One of those two is close to closure, while the other is a little farther away from resolution. There have been no large losses so far this policy year.

8.5 WC Program Status Report

Amy Whitman with Sedgwick reviewed and discussed the status of the Workers' Compensation Program. Amy also provided highlights regarding current claim trends including frequency, severity, and claim closures. The total reserved amount is down a bit when compared to this time last year. The Board was provided with a summary of the WC loss history by fiscal year.

9. **DISCUSSION/ACTION ITEMS:**

9.1 Captive Feasibility Report Review

Mike Harrington with Bickmore Actuarial reviewed the Captive Feasibility Study with the Board and addressed the Board's questions. Based on the Study, it was recommended to move forward with the establishment of a captive insurance company. The Board provided direction to Staff regarding next steps.

MOTION:

Director Michelle Lacy made a motion to authorize Staff to take initial steps to establish the captive company including meeting with regulator and resident attorney, creating a proposed captive management budget, preparing the Captive Application for the State of Utah, and other administrative items necessary to return this item to the Board for final review and approval for a startup date of July 1, 2023. Director Jim Friedl seconded the motion.

Ayes: *Wetter, Miller, Cervantes, Friedl, Lacy, and Nunes*
Nays: *None*
Abstain: *None*
Absent: *Mazzuca*

9.2 Employee Assistance Program

Sidney DiDomenico, PRISM's Director of Employee Benefits, provided a comprehensive review of the Employee Assistance Program (EAP) available to CAPRI and its Member Districts as PRISM members. An EAP program assists employees with personal problems and/or work-related problems that may impact their job performance, health, mental and emotional well-being. EAPs generally offer free and confidential assessments, short-term counseling, referrals, and follow-up services for employees and their household members The Board discussed the development of an employee assistance program and provided direction to Staff.

MOTION:

Director Jill Nunes made a motion to direct Staff to negotiate with PRISM for EAP services for CAPRI's member agencies. Director Michelle Lacy seconded the motion.

Ayes: *Wetter, Miller, Cervantes, Friedl, Lacy, and Nunes*
Nays: *None*
Abstain: *None*
Absent: *Mazzuca*

9.3 Target Equity Policy Review

The Board reviewed and discussed the adoption of a target equity policy. Historically, CAPRI has not had a policy related to its insurance program equities. A Target Equity Policy develops guidelines setting target funding levels in the risk sharing layers of the Liability & Property and Workers Compensation programs. The policy seeks to establish a prudent funding threshold to ensure the programs are actuarially sound.

MOTION:

Secretary Colin Miller made a motion to approve the CAPRI Target Equity Policy as presented. Director Michelle Lacy seconded the motion.

Ayes: *Wetter, Miller, Cervantes, Friedl, Lacy, and Nunes*
Nays: *None*
Abstain: *None*
Absent: *Mazzuca*

9.4 Consideration of George Hills Contract Extension

The Board reviewed and discussed the proposed contract extension for third-party claims administration services with George Hills Company. CAPRI's five-year contract with George Hills Company ("GHC") expires at the end of this fiscal year on June 30, 2023. GHC has proposed a five-year extension of the agreement with some proposed rate increases.

MOTION:

Director Michelle Lacy made a motion to authorize the Executive Director to negotiate terms of a contract extension with GHC not to exceed five years. Director Jill Nunes seconded the motion.

Ayes: *Wetter, Miller, Cervantes, Friedl, Lacy, and Nunes*
Nays: *None*
Abstain: *None*
Absent: *Mazzuca*

10. EXECUTIVE DIRECTOR/STAFF REPORTS:

10.1 District Visit Update

This item was information only.

10.2 CARPD Update

This item was information only.

10.3 Member Training Update

This item was information only.

11. BOARD MEMBER REPORTS:

11.1 Board Member Comments

There were no comments.

12. FUTURE AGENDA ITEMS:

The Board of Directors had no comments or questions.

13. ANNOUNCEMENTS:

Secretary Colin Miller was presented with an award in recognition of 10 years of service on the CAPRI Board of Directors. Congratulations, Colin!

The next CAPRI Board of Directors Meeting will be held on May 17, 2023.

14. ADJOURNMENT:

The Board adjourned the meeting at 4:58 p.m.

_____

Colin Miller,
Secretary for the CAPRI Board of Directors

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

BOARD OF DIRECTORS SPECIAL MEETING

March 16, 2023

MINUTES

1. **CALL TO ORDER:**
   The special meeting of the Board of Directors was held on March 16, 2023 via Zoom videoconference. The Meeting was called to order by President Wetter at 10:33 a.m.

   Members Present: President Dean Wetter, Vice President Larry Mazzuca, Secretary Colin Miller, Director Lorena Cervantes, Director Jim Friedl, Director Michelle Lacy, and Director Jill Nunes.

   Members Absent: None.

   CAPRI Staff Present: Executive Director Matthew Duarte and Administrative Analyst Monica Breck.

   Others Present: Peter Urhausen (Gibbons and Conley).

2. **INTRODUCTIONS:** None.

3. **PUBLIC COMMENTS:** None.

4. **CLOSED SESSION:**
   The Board convened to Closed Session at 10:34 a.m.

   4.1 Liability & Property – Existing Litigation Pursuant to Government Code § 54956.9(d)(1)
   - Woods v. Hesperia Recreation & Park District

   Closed Session was concluded at 10:51 a.m.

5. REPORT FROM CLOSED SESSION:

Pursuant to Government Code Section 54957.1, the Board must report in open session any action taken, or lack thereof, taken in closed session.

No reportable action.

6. DISCUSSION/ACTION ITEMS:

6.1 Captive Incorporation

The Board reviewed preliminary items required to incorporate the captive and provided direction to Staff. Items to discuss included naming the captive, appointing the captive Board, and appointing an agent to represent the captive for day-to-day matters related to the captive operation.

MOTION:

Director Michelle Lacy made a motion to:

1. *Name the captive Recreation Insurance Organization (RIO).*
2. *Appoint the Captive Board of Directors as follows:*
   i. *3 CAPRI Board Members: President Dean Wetter, Vice President Larry Mazzuca, Secretary Colin Miller*
   ii. *2 CAPRI Staff members: Executive Director, Administrative Analyst*
   iii. *1 Utah resident as required by UT law (legal counsel for the captive)*
3. *Appoint the Executive Director as the agent/representative of the captive.*

Director Jill Nunes seconded the motion.

Ayes: *Mazzuca, Miller, Cervantes, Friedl, Lacy, and Nunes*
Nays: *None*
Abstain: *None*
Absent: *Wetter (due to internet connection)*

7. ANNOUNCEMENTS:

The next CAPRI Board of Directors Meeting will be held on May 17, 2023.

8. ADJOURNMENT:

The Board adjourned the meeting at 11:05 a.m.

_____

Colin Miller,
Secretary for the CAPRI Board of Directors

California Association for Park and Recreation Ind

Transaction Report

January - March, 2023

	Date	Transaction Type	Name	Memo/Description	Account	Amount
Bank of West - Master Register						
	Beginning Balance					
	01/01/2023	Expenditure			Bank of West - Master Register	-1,658.10
	01/03/2023	Deposit			Bank of West - Master Register	302,365.34
	01/04/2023	Journal Entry		BILL 01/04/23 Payables Funding	Bank of West - Master Register	-1,445.50
	01/04/2023	Transfer			Bank of West - Master Register	-157,047.99
	01/04/2023	Deposit			Bank of West - Master Register	236,806.73
	01/05/2023	Journal Entry		BILL 01/05/23 Payables Funding	Bank of West - Master Register	-25,844.00
	01/05/2023	Deposit	Soledad Mission Recreation District		Bank of West - Master Register	30,602.43
	01/06/2023	Check	Rancho Simi Recreation and Park District	Woolsey Fire Reimbursement	Bank of West - Master Register	-748,641.13
	01/06/2023	Journal Entry		BILL 01/06/23 Payables Funding	Bank of West - Master Register	-5,817.99
	01/06/2023	Deposit			Bank of West - Master Register	653,936.50
	01/09/2023	Transfer			Bank of West - Master Register	-151,632.52
	01/09/2023	Transfer			Bank of West - Master Register	-49,787.99
	01/09/2023	Deposit			Bank of West - Master Register	359,003.11
	01/10/2023	Payment	Coalinga-Huron Recreation and Park Dist.		Bank of West - Master Register	2,443.42
	01/10/2023	Transfer			Bank of West - Master Register	-42,305.00
	01/10/2023	Journal Entry		BILL 01/10/23 Payables Funding	Bank of West - Master Register	-6,753.00
	01/11/2023	Expenditure			Bank of West - Master Register	-3,961.33
	01/12/2023	Journal Entry		BILL 01/12/23 Payables Funding	Bank of West - Master Register	-2,998.12
	01/13/2023	Journal Entry		Pers Payment	Bank of West - Master Register	-2,433.94
	01/13/2023	Journal Entry		Fed Payroll Taxes	Bank of West - Master Register	-2,574.88
	01/13/2023	Journal Entry		Paychecks	Bank of West - Master Register	-12,483.41
	01/13/2023	Journal Entry		State Payroll Taxes	Bank of West - Master Register	-890.05
	01/13/2023	Journal Entry		457 Payment	Bank of West - Master Register	-825.00
	01/17/2023	Deposit			Bank of West - Master Register	294.65
	01/18/2023	Deposit	Hallmark Specialty Insurance Company		Bank of West - Master Register	94,764.70
	01/18/2023	Journal Entry		BILL 01/18/23 Payables Funding	Bank of West - Master Register	-4,028.92
	01/19/2023	Journal Entry		BILL 01/19/23 Payables Funding	Bank of West - Master Register	-130.49
	01/20/2023	Check		Service Charge	Bank of West - Master Register	-107.42
	01/20/2023	Deposit			Bank of West - Master Register	19,603.07
	01/25/2023	Journal Entry		BILL 01/25/23 Payables Funding	Bank of West - Master Register	-5,021.89
	01/30/2023	Journal Entry		BILL 01/30/23 Payables Funding	Bank of West - Master Register	-182.61
	01/30/2023	Deposit			Bank of West - Master Register	47,758.38
	01/30/2023	Journal Entry		BILL 01/30/23 Payables Funding	Bank of West - Master Register	-47.95
	01/31/2023	Journal Entry		State Payroll Taxes	Bank of West - Master Register	-893.48
	01/31/2023	Journal Entry		Pers Payment	Bank of West - Master Register	-2,456.12
	01/31/2023	Journal Entry		Fed Payroll Taxes	Bank of West - Master Register	-2,596.40
	01/31/2023	Journal Entry		BILL 01/31/23 Payables Funding	Bank of West - Master Register	-3,859.20
	01/31/2023	Journal Entry		457 Payment	Bank of West - Master Register	-825.00
	01/31/2023	Journal Entry		Paychecks	Bank of West - Master Register	-12,606.19
	02/01/2023	Transfer			Bank of West - Master Register	-178,025.73
	02/01/2023	Journal Entry		BILL 02/01/23 Payables Funding	Bank of West - Master Register	-231.70
	02/01/2023	Expenditure			Bank of West - Master Register	-3,420.21

	02/02/2023	Journal Entry		BILL 02/02/23 Payables Funding	Bank of West - Master Register	-23,845.50
	02/06/2023	Check	Rancho Simi Recreation and Park District	Woolsey Fire Reimbursement	Bank of West - Master Register	-94,764.70
	02/06/2023	Payment	McFarland Recreation and Park District		Bank of West - Master Register	36,981.25
	02/06/2023	Transfer			Bank of West - Master Register	-62,353.08
	02/06/2023	Transfer		Accidentally transferred to wrong acct for CAPRI January Rent Pymt, entering this for paper trail. Bank Conf. #000014300629	Bank of West - Master Register	-4,689.46
	02/06/2023	Transfer		CAPRI January Rent Pymt. Corrects prior transfer of same date. Amount is owed to Master Register acct. Bank Conf # 000014300815	Bank of West - Master Register	9,378.92
	02/09/2023	Payment	Beaumont-Cherry Valley Recreation & Park		Bank of West - Master Register	57,055.67
	02/10/2023	Journal Entry		BILL 02/10/23 Payables Funding	Bank of West - Master Register	-33,914.86
	02/11/2023	Expenditure			Bank of West - Master Register	-4,384.10
	02/13/2023	Journal Entry		BILL 02/13/23 Payables Funding	Bank of West - Master Register	-4,028.92
	02/14/2023	Journal Entry		BILL 02/14/23 Payables Funding	Bank of West - Master Register	-129.47
	02/14/2023	Journal Entry		BILL 02/14/23 Payables Funding	Bank of West - Master Register	-79.38
	02/14/2023	Deposit	Matthew Duarte		Bank of West - Master Register	110.00
	02/15/2023	Journal Entry		Paychecks	Bank of West - Master Register	-12,483.41
	02/15/2023	Journal Entry		Fed Payroll Taxes	Bank of West - Master Register	-2,574.88
	02/15/2023	Journal Entry		Pers Payment	Bank of West - Master Register	-2,433.94
	02/15/2023	Journal Entry		State Payroll Taxes	Bank of West - Master Register	-890.05
	02/15/2023	Journal Entry		457 Payment	Bank of West - Master Register	-825.00
	02/16/2023	Journal Entry		BILL 02/16/23 Payables Funding	Bank of West - Master Register	-190.18
	02/16/2023	Deposit	CARPD		Bank of West - Master Register	3,159.20
	02/21/2023	Check		Service Charge	Bank of West - Master Register	-39.00
	02/23/2023	Check	Dean Wetter	CAPRI BOD Meeting & PARMA Feb. 2023	Bank of West - Master Register	-740.87
	02/23/2023	Check	Jurupa Area Recreation and Park District	2023 Regional Training - Lunch 2/22/23	Bank of West - Master Register	-122.08
	02/23/2023	Bill Payment (Check)	Alliant Insurance Services	Account #CALIASS-04 / Inv. #2220966	Bank of West - Master Register	-4,257.11
	02/23/2023	Check	Jill Nunes	CAPRI BOD Meeting & PARMA Feb. 2023	Bank of West - Master Register	-98.40
	02/24/2023	Journal Entry		BILL 02/24/23 Payables Funding	Bank of West - Master Register	-7,859.96
	02/27/2023	Check	North of the River Recreation & Park Dist		Bank of West - Master Register	-332.03
	02/27/2023	Deposit	George Hills Company - Claims		Bank of West - Master Register	3,941.00
	02/28/2023	Journal Entry		Paychecks	Bank of West - Master Register	-12,460.22
	02/28/2023	Journal Entry		Fed Payroll Taxes	Bank of West - Master Register	-2,571.00
	02/28/2023	Journal Entry		457 Payment	Bank of West - Master Register	-825.00
	02/28/2023	Journal Entry		State Payroll Taxes	Bank of West - Master Register	-889.40
	02/28/2023	Journal Entry		Pers Payment	Bank of West - Master Register	-2,429.78
	03/01/2023	Transfer			Bank of West - Master Register	-216,774.94
	03/01/2023	Transfer			Bank of West - Master Register	-1,107.55
	03/02/2023	Journal Entry		BILL 03/02/23 Payables Funding	Bank of West - Master Register	-79.46
	03/03/2023	Journal Entry		BILL 03/03/23 Payables Funding	Bank of West - Master Register	-3,711.50
	03/06/2023	Bill Payment (Check)	Alliant Insurance Services	Account #CALIASS-04 / Inv. # 2229240/2229336/2229223/2229278	Bank of West - Master Register	-6,663.54
	03/07/2023	Journal Entry		BILL 03/07/23 Payables Funding	Bank of West - Master Register	-30,820.07
	03/09/2023	Journal Entry		BILL 03/09/23 Payables Funding	Bank of West - Master Register	-2,972.50
	03/09/2023	Check	Conejo Recreation & Park District	2023 Regional Training - Lunch 3/7/23	Bank of West - Master Register	-453.12
	03/11/2023	Expenditure			Bank of West - Master Register	-4,471.67
	03/13/2023	Deposit			Bank of West - Master Register	380,521.95
	03/13/2023	Expenditure	George Hills Company - Claims	Feb. reconciliation	Bank of West - Master Register	-42,361.65
	03/14/2023	Journal Entry		BILL 03/14/23 Payables Funding	Bank of West - Master Register	-4,028.92

	03/15/2023	Journal Entry		Fed Payroll Taxes	Bank of West - Master Register	-2,719.90
	03/15/2023	Journal Entry		Pers Payment	Bank of West - Master Register	-2,433.94
	03/15/2023	Journal Entry		State Payroll Taxes	Bank of West - Master Register	-890.05
	03/15/2023	Journal Entry		Net Pay + Payroll Fee	Bank of West - Master Register	-12,338.40
	03/15/2023	Journal Entry		457 Payment	Bank of West - Master Register	-825.00
	03/16/2023	Deposit			Bank of West - Master Register	8,874.50
	03/17/2023	Journal Entry		BILL 03/17/23 Payables Funding	Bank of West - Master Register	-480.54
	03/17/2023	Journal Entry		BILL 03/17/23 Payables Funding	Bank of West - Master Register	-30.13
	03/20/2023	Check		Service Charge	Bank of West - Master Register	-49.44
	03/20/2023	Deposit			Bank of West - Master Register	330,857.69
	03/22/2023	Payment	Ladera Recreation District		Bank of West - Master Register	1,308.75
	03/22/2023	Transfer		March Rent, CAPRI Office - Bank Conf No 000015493271	Bank of West - Master Register	4,689.46
	03/23/2023	Journal Entry		BILL 03/23/23 Payables Funding	Bank of West - Master Register	-623.51
	03/23/2023	Deposit			Bank of West - Master Register	308.62
	03/24/2023	Journal Entry		BILL 03/24/23 Payables Funding	Bank of West - Master Register	-4,749.46
	03/27/2023	Deposit			Bank of West - Master Register	252,209.25
	03/28/2023	Payment	North of the River Recreation & Park Dist		Bank of West - Master Register	76,463.00
	03/29/2023	Deposit			Bank of West - Master Register	45,896.93
	03/31/2023	Journal Entry		457 Payment	Bank of West - Master Register	-825.00
	03/31/2023	Journal Entry		Net Pay + $7 Payroll Fee	Bank of West - Master Register	-12,582.25
	03/31/2023	Journal Entry		Fed Payroll Taxes	Bank of West - Master Register	-2,763.88
	03/31/2023	Journal Entry		Pers Payment	Bank of West - Master Register	-2,478.31
	03/31/2023	Journal Entry		State Payroll Taxes	Bank of West - Master Register	-897.65
	03/31/2023	Journal Entry		BILL 03/31/23 Payables Funding	Bank of West - Master Register	-78.98
Total for Bank of West - Master Register						**$ 889,378.12**
TOTAL						**$ 889,378.12**

California Association for Park and Recreation Indemnity
Statement of Net Position - DRAFT
As of March 31, 2023 and March 31, 2022

	Mar 31, 23	Mar 31, 22
ASSETS		
Current Assets		
Checking/Savings		
Bank of West - Master Register	$ 2,638,228.72	$ 2,335,758.87
Bank of the West - MM	454,441.99	424,432.91
Claims Trust Accounts		
Umpqua Bank - Workers' Comp	-	482.43
Juris - New Workers' Comp	27,177.19	4,469.09
California Bank & Trust - Liability	58,879.97	39,034.84
LAIF	8,057,049.53	4,020,677.28
Total Checking/Savings	11,235,777.40	6,824,855.42
Investment Account		
PFM Investment Account	21,014,370.21	21,042,290.48
Union Bank	433,947.87	427,969.04
Total PFM - Investment Account	21,448,318.08	21,470,259.52
Due from Employee	-	-
Due from CARPD	30.13	734.74
Due from Members Year-end WC	-	-
Accounts Receivable	11,714.50	6,363.16
Interest Receivable	133,968.15	64,999.43
Recovery Receivable	173,142.69	57,816.92
Prepaid Insurance	1,714,257.26	1,468,937.55
Prepaid Expenses	4,689.46	4,343.97
Total Other Current Assets	23,486,120.27	23,073,455.29
Total Current Assets	$ 34,721,897.67	$ 29,898,310.71
Capital Assets		
Capital Assets		
Suite B	-	-
Building Improvements	-	-
Building	-	-
Land	-	-
Computer Hardware/Software	36,906.88	34,901.30
Furniture & Equipment	65,519.20	65,519.20
Accumulated Depreciation	(92,604.63)	(89,139.59)
Total Capital Assets	9,821.45	11,280.91
Intangible Lease Asset	240,182.00	240,182.00
Amoritization of Lease Asset	(121,984.00)	(45,744.00)
Total Intangible Lease Asset	118,198.00	194,438.00
Total Fixed Assets	$ 128,019.45	$ 205,718.91
Other Assets		
DEFFERED OUTFLOWS - PENSION	$ 152,337.00	$ 171,125.00
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 35,002,254.12	$ 30,275,154.62

California Association for Park and Recreation Indemnity
Statement of Net Position - DRAFT
As of March 31, 2023 and March 31, 2022

	Mar 31, 23	Mar 31, 22
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Credit Cards		
Bank of the West / MC - Kirk	$ 526.73	$ 4,433.23
Bank of the West / MC - Matt	$ 3,305.76	$ 6,495.03
Total Credit Cards	3,832.49	10,928.26
Other Current Liabilities		
Due to Members Year-end WC Prem		
District Overpayments	3,389,498.25	1,108,864.76
Claims Payable		
Liability Claim Reserves	$ 716,426.00	$ 965,062.00
Property Claims Reserves	1,233,198.00	533,224.00
W/C Claim Reserves	5,347,761.00	5,140,687.00
Total Claims Payable	7,297,385.00	6,638,973.00
Due to CARPD	-	-
Accrued Expenses	20,140.82	14,746.94
Accounts Payable	5,888.88	15,725.71
Lease Liability	123,990.00	198,136.00
Total Other Current Liabilities	10,836,902.95	7,976,446.41
Total Current Liabilities	10,840,735.44	7,987,374.67
Long Term Liabilities		
Deferred Inflows - Pension	433,498.00	5,350.00
Net Pension Liability	$ 479,508.00	$ 750,099.00
IBNR		
IBNR Reserves - Liability	3,783,958.00	4,084,626.00
IBNR Reserves - Property	849,947.00	546,833.00
IBNR Reserves - Workers Comp	8,486,105.00	7,770,286.00
Total IBNR	13,120,010.00	12,401,745.00
ULAE		
ULAE - Liability	225,020.00	252,484.00
ULAE - Property	104,157.00	54,003.00
ULAE - Workers' Compensation	691,693.00	645,549.00
Total ULAE	1,020,870.00	952,036.00
Total Long Term Liabilities	15,053,886.00	14,109,230.00
Total Liabilities and Deferred Inflows	25,894,621.44	22,096,604.67
NET POSITION		
Invested in Capital Assets	9,821.45	11,280.91
Designation of Net Assets	454,441.99	424,432.91
Unrestricted Net Assets	7,766,841.63	7,010,521.43
Net Income	876,527.61	732,314.70
Total Net Position	$ 9,107,632.68	$ 8,178,549.95
TOTAL LIABILITIES AND EQUITY	**$ 35,002,254.12**	**$ 30,275,154.62**

For Management Use Only - substantially all disclosures required by accounting principles generally accepted in the United States of America are omitted and no assurance is provided

California Association for Park and Recreation Indemnity

Statement of Revenue and Expenses Budget to Actual - DRAFT

July through March 2023

	Jul-Mar 23	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Revenue				
Member Contributions	11,425,108.50	15,233,073.00	-3,807,964.50	75.0%
Bank/LAIF Interest	80,448.70	4,500.00	75,948.70	1,787.75%
Managed Portfolio	345,647.13	350,000.00	-4,352.87	98.76%
CARPD Administration	57,093.75	76,125.00	-19,031.25	75.0%
Workers' Comp Final PR Adjust	17,678.00	0.00	17,678.00	100.0%
Total Revenue	11,925,976.08	15,663,698.00	-3,737,721.92	76.14%
Total Income	11,925,976.08	15,663,698.00	-3,737,721.92	76.14%
Expense				
Operating Expenditures				
Administration-CAPRI Office				
Bank Service Charges	8,451.46	14,000.00	-5,548.54	60.37%
Copier Service/Repair	2,440.81	3,500.00	-1,059.19	69.74%
Depreciation Expense	2,578.17	1,500.00	1,078.17	171.88%
District Visitations	6,780.76	10,000.00	-3,219.24	67.81%
Miscellaneous	4,574.73	3,000.00	1,574.73	152.49%
Office Lease Expense	36,768.73	53,123.00	-16,354.27	69.21%
Office Supplies	2,290.30	7,500.00	-5,209.70	30.54%
Part-Time Services		2,000.00	-2,000.00	0.0%
Postage and Delivery	1,150.97	2,000.00	-849.03	57.55%
Printing and Reproduction	85.34	1,000.00	-914.66	8.53%
Professional Dues	5,237.00	4,000.00	1,237.00	130.93%
Publications	0.00	0.00	0.00	0.0%
Salaries & Benefits				
Salaries				
Executive Director	155,792.73	194,647.00	-38,854.27	80.04%
Administrative Analyst	68,999.94	90,000.00	-21,000.06	76.67%
Administrative Assistant	17,881.50	40,000.00	-22,118.50	44.7%
Safety Analyst	67,500.00	90,000.00	-22,500.00	75.0%
Contingency	0.00	16,000.00	-16,000.00	0.0%
Total Salaries	310,174.17	430,647.00	-120,472.83	72.03%
Employee Benefits				
Medical	34,523.28	55,000.00	-20,476.72	62.77%
Life Insurance	558.00	840.00	-282.00	66.43%
457 ER Contributions	6,900.00	3,600.00	3,300.00	191.67%
PERS Contributions	20,214.55	27,640.00	-7,425.45	73.14%
Payroll Tax Expense	4,597.57	6,000.00	-1,402.43	76.63%
Unemployment Claims	0.00	0.00	0.00	0.0%
Total Employee Benefits	66,793.40	93,080.00	-26,286.60	71.76%
Payroll Fees	126.00	0.00	126.00	100.0%
Accrued Vacation	2,235.83	0.00	2,235.83	100.0%
PERS Contributions GASB68	0.00	0.00	0.00	0.0%
PERS Unfunded Liability	71,033.00	68,960.00	2,073.00	103.01%
Total Salaries & Benefits	450,362.40	592,687.00	-142,324.60	75.99%
Safety Meetings/Workshops	4,063.83	2,000.00	2,063.83	203.19%
Telephone	4,998.89	5,000.00	-1.11	99.98%
Travel/Meeting	6,099.92	11,000.00	-4,900.08	55.45%
Total Administration-CAPRI Office	535,883.31	712,310.00	-176,426.69	75.23%

California Association for Park and Recreation Indemnity

Statement of Revenue and Expenses Budget to Actual - DRAFT

July through March 2023

	Jul-Mar 23	Budget	$ Over Budget	% of Budget
Board Meeting/Travel	10,481.80	25,000.00	-14,518.20	41.93%
CARPD Expense	2,000.00	2,000.00	0.00	100.0%
Consulting Services				
Actuarial Services	0.00	10,000.00	-10,000.00	0.0%
Claims Management	252,341.84	388,128.00	-135,786.16	65.02%
Financial Accounting	31,560.15	46,350.00	-14,789.85	68.09%
Financial Audit	20,300.00	25,000.00	-4,700.00	81.2%
Investment Advisors	22,062.44	32,000.00	-9,937.56	68.95%
IT Services	987.50	3,000.00	-2,012.50	32.92%
Legal Fees	13,241.23	30,000.00	-16,758.77	44.14%
Loss Prevention Services	4,536.50	5,000.00	-463.50	90.73%
Total Consulting Services	345,029.66	539,478.00	-194,448.34	63.96%
Total Operating Expenditures	893,394.77	1,278,788.00	-385,393.23	69.86%
Insurance Expenditures				
Crime Policy	18,989.10	25,000.00	-6,010.90	75.96%
Workers' Compensation	550,922.25	734,569.00	-183,646.75	75.0%
Other Premiums (W/C)	70,231.73	60,000.00	10,231.73	117.05%
Combined GL/AL Excess	1,088,554.00	1,453,376.00	-364,822.00	74.9%
Property Coverage	3,419,764.61	4,544,604.00	-1,124,839.39	75.25%
Broker Fees	78,750.00	105,000.00	-26,250.00	75.0%
Total Insurance Expenditures	5,227,211.69	6,922,549.00	-1,695,337.31	75.51%
Claims Expenditures				
Workers' Compensation Claims	1,318,185.88	3,761,076.00	-2,442,890.12	35.05%
Property Claims	12,031.63	1,202,569.00	-1,190,537.37	1.0%
Liability Claim Payments	322,204.73	2,094,216.00	-1,772,011.27	15.39%
Recovery from Prior Years	0.00	0.00	0.00	0.0%
Subrogation Recovery	917.86	0.00	917.86	100.0%
Change in IBNR	2,249,180.00	0.00	2,249,180.00	100.0%
Change in ULAE	146,584.00	0.00	146,584.00	100.0%
Change in Reserves	682,497.00	0.00	682,497.00	100.0%
Total Claims Expenditures	4,731,601.10	7,057,861.00	-2,326,259.90	67.04%
Dividends	0.00	0.00	0.00	0.0%
Contingency				
General	25,000.00	50,000.00	-25,000.00	50.0%
Total Contingency	25,000.00	50,000.00	-25,000.00	50.0%
Total Expense	10,877,207.56	15,309,198.00	-4,431,990.44	71.05%
Net Ordinary Income	1,048,768.52	354,500.00	694,268.52	295.84%
Other Income/Expense				
Other Income				
Investment Gain/Loss	-172,240.91	0.00	-172,240.91	100.0%
Gain/Loss on Sale of Asset	0.00	0.00	0.00	0.0%
Other Income	0.00	0.00	0.00	0.0%
Total Other Income	-172,240.91	0.00	-172,240.91	100.0%
Net Other Income	-172,240.91	0.00	-172,240.91	100.0%
Net Income	**876,527.61**	**354,500.00**	**522,027.61**	**247.26%**

California Association for Park and Recreation Indemnity
Statement of Revenue, Expenses, and Change in Net Position - DRAFT
For the Quarter and Year to Date March 31, 2023 and March 31, 2022

	Jan '23 - Mar '23	Jul '22 - Mar '23	Jul '21 - Mar '22
Ordinary Revenue			
Revenue			
Member Contributions	$ 3,807,969.50	$ 11,425,108.50	$ 11,548,697.07
Workers' Comp Final PR Adjustment	17,678.00	17,678.00	-
Bank/LAIF Interest	54,335.05	80,448.70	4,952.35
Managed Portfolio	204,113.73	345,647.13	219,828.66
Revenue - Other	-	-	-
CARPD - Quarterly Services	19,031.25	57,093.75	56,250.00
Total Operating Revenue	4,103,127.53	11,925,976.08	11,829,728.08
Operating Expenses			
General and Administrative Expenses			
CARPD Expenses	-	2,000.00	2,000.00
Administration-CAPRI Office			
Bank Service Charges	3,220.86	8,451.46	9,157.24
Building Services/Repairs			
Common Area Maintenance			
Copier Service / Repair	811.29	2,440.81	2,304.83
Depreciation Expense	859.39	2,578.17	2,300.73
District Visitations	1,723.53	6,780.76	6,881.08
Miscellaneous	3,340.34	4,574.73	1,247.99
Office Lease Expense	13,671.38	36,768.73	42,517.91
Office Supplies	1,522.15	2,290.30	1,835.58
Part-Time Services	-	-	-
Postage and Delivery	204.26	1,150.97	1,018.58
Printing and Reproduction	-	85.34	3,598.58
Professional Dues	451.00	5,237.00	296.65
Publications			
Safety Meetings/Workshops	3,368.54	4,063.83	-
Salaries & Benefits	131,306.15	450,362.40	408,212.91
Telephone	1,723.18	4,998.89	4,901.18
Travel/Meeting	1,417.16	6,099.92	7,257.89
Utilities			
Total Administration-CAPRI Office	163,619.23	535,883.31	491,531.15
Board Meeting/Travel	2,155.86	10,481.80	16,908.21
Consulting Services			
Actuarial Services	-	-	-
Claims Management	59,742.00	179,751.00	177,303.45
Claims Management - Admin	460.60	7,881.20	7,212.00
Claims Management - Liability	12,081.36	41,831.94	54,088.62
Claims Management - Property	5,812.10	22,877.70	27,548.15
Financial Accounting	13,238.92	31,560.15	34,588.80
Financial Audit	12,300.00	20,300.00	12,000.00
Investment Advisors	5,404.54	22,062.44	24,436.81
IT Services	300.00	987.50	1,025.00
Legal Fees	5,970.62	13,241.23	11,855.94
Loss Prevention Services	224.00	4,536.50	5,624.66
Total Consulting Services	115,534.14	345,029.66	355,683.43
Total General and Administrative Expenses	281,309.23	893,394.77	866,122.79

California Association for Park and Recreation Indemnity
Statement of Revenue, Expenses, and Change in Net Position - DRAFT
For the Quarter and Year to Date March 31, 2023 and March 31, 2022

	Jan '23 - Mar '23	Jul '22 - Mar '23	Jul '21 - Mar '22
Insurance Expenses			
Crime Policy	4,741.20	18,989.10	18,006.30
Workers' Compensation	183,981.95	551,263.45	535,212.25
Combined GL/AL Excess	363,344.00	1,088,554.00	937,333.50
Other Premiums -WC	-	70,231.73	47,058.30
Property Coverage	1,147,201.97	3,419,764.61	2,779,712.10
Broker Fees	26,250.00	78,750.00	78,750.00
Total Insurance Expenses	1,725,519.12	5,227,552.89	4,396,072.45
Claims Expenses			
Workers' Compensation Claims	391,632.16	1,317,844.68	1,580,901.91
Liability Claim Payments	120,096.65	322,204.73	2,833,599.42
Property Claims	129,565.21	12,031.63	419,208.53
Subrogation Recovery	(4,341.00)	917.86	(17,435.97)
Change in Reserves	770,732.00	682,497.00	(2,650,717.00)
Changes in IBNR	276,921.00	2,249,180.00	2,612,140.00
Change in ULAE	52,383.00	146,584.00	(1,929.00)
Total Claims Expenses	1,736,989.02	4,731,259.90	4,775,767.89
Dividends	-	-	-
Contingency - Building Repairs			
General	-	25,000.00	-
Total Contingency	-	25,000.00	-
Total Expenses	3,743,817.37	10,877,207.56	10,037,963.13
Net Operating Revenue	359,310.16	1,048,768.52	1,791,764.95
Other Revenue (Expense)			
Gain/Loss on Sale of Asset	-	-	-
Investment Gain/Loss	196,462.46	(172,240.91)	(1,059,450.25)
Net Revenue Over (Under) Expenses	**$ 555,772.62**	**$ 876,527.61**	**$ 732,314.70**
Beginning Net Position		8,231,105.07	7,446,235.25
Ending Net Position		$ 9,107,632.68	$ 8,178,549.95

For Management Use Only - substantially all disclosures required by accounting principles generally accepted in the United States of America are omitted and no assurance is provided

Agenda Item 8.1

DISCUSSION/ACTION ITEMS

SUBJECT: Investment Status Report

BACKGROUND AND STATUS:

Allison Kaune of PFM Asset Management LLC will be presenting at the Board Meeting and will provide an in-depth report regarding the status of CAPRI's investment portfolio.

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

- CAPRI Investment Performance Review for Quarter Ended March 31, 2023

pfm asset management

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INS

Investment Performance Review
For the Quarter Ended March 31, 2023

Client Management Team

Wale Kajopaiye, Senior Managing Consultant
Allison Kaune, Senior Analyst

PFM Asset Management LLC

1 California Street Ste. 1000
San Francisco, CA 94111-5411
415-393-7270

213 Market Street
Harrisburg, PA 17101-2141
717-232-2723

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

For Institutional Investor or Investment Professional Use Only - This material is not for inspection by, distribution to, or quotation to the general public

Market Update

© PFM Asset Management LLC | pfmam.com

Current Market Themes

- The U.S. economy is characterized by:
  - Lingering inflation that remains well above the Fed's long-term inflation target
  - A labor market showing the first signs of moderation
  - Greater economic uncertainty following the surprise failure of Silicon Valley Bank and Signature Bank

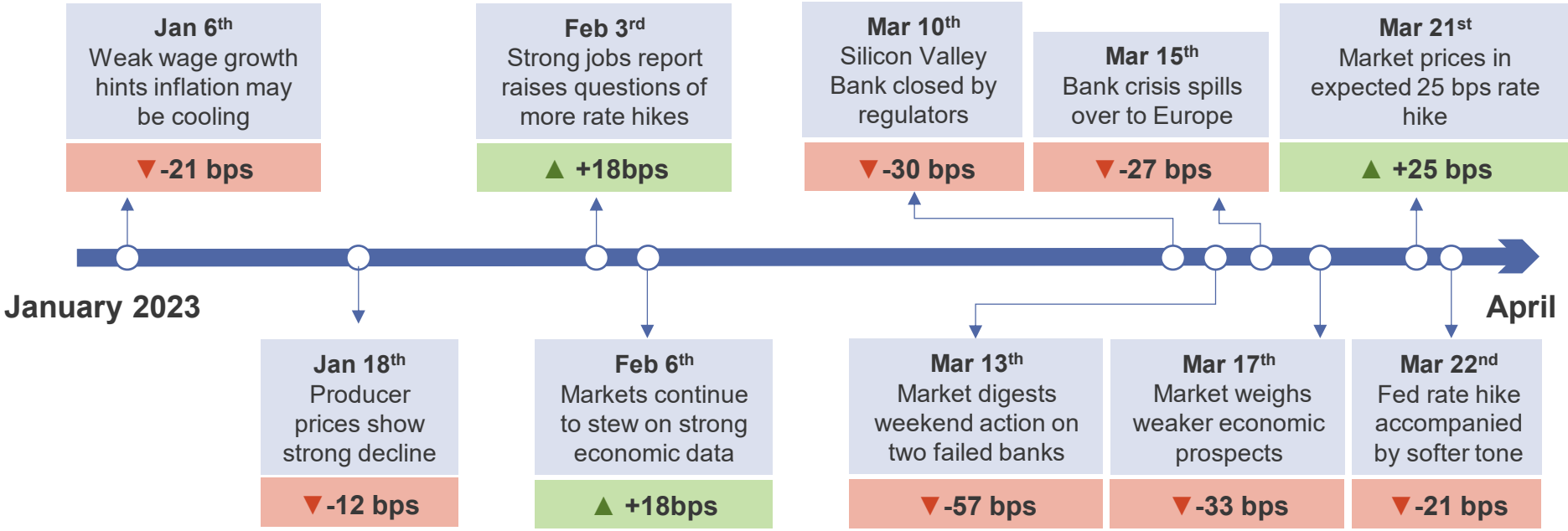
- Fed policy tightening may be nearly complete
  - The most recent FOMC statement noted that "some additional policy firming may be appropriate," but the need for more rate hikes has become less clear
  - Although the Fed acknowledged the impact of the recent bank failures, their March updated Summary of Economic Projections were little changed from December
  - The Fed has maintained that they will keep rates elevated for some time, but the market is pricing in rate cuts beginning mid-year

- Bond markets saw unprecedented volatility in March
  - In a classic "flight to quality," Treasury yields fell sharply, with the 2-year Treasury yield falling from 5.07% on March 8 to under 4.00% on March 17
  - The curve inversion from 3 months to 10 years reached the deepest levels in over 40 years
  - Credit yield spreads widened, especially those on banks, but not nearly to levels seen during the global financial crisis

© PFM Asset Management LLC | pfmam.com

Market Events Drive Large Yield Moves

Major Economic and Market Events and the Daily Change in the 2-Year U.S. Treasury Yield



▼/▲ *Changes in 2-Year Treasury*

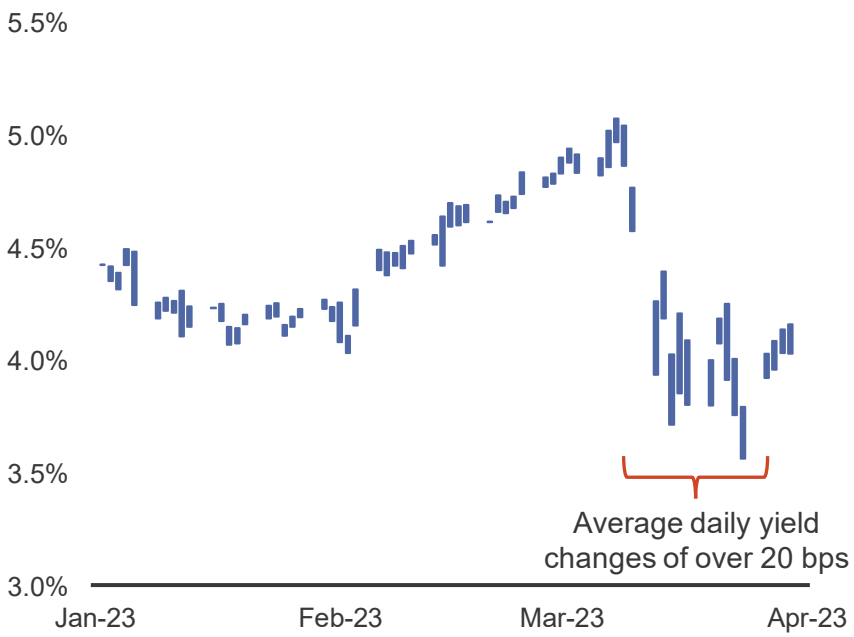
© PFM Asset Management LLC | pfmam.com

Bond Markets Saw Unprecedented Volatility in March

The surprise failure of two large U.S. banks caused volatility in the markets. In a classic "flight to quality", Treasury yields fell sharply, with the 2-year Treasury yield falling from 5.07% on March 8 to 4.03% on March 31.

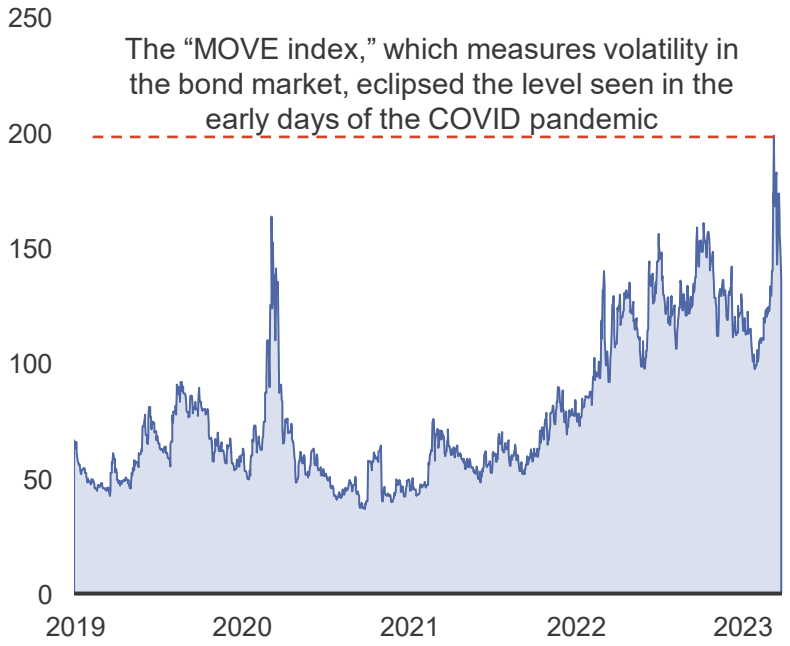
2-Year Treasury

Daily High and Low Yield



Fixed Income Market Volatility

ICE BofA MOVE Index



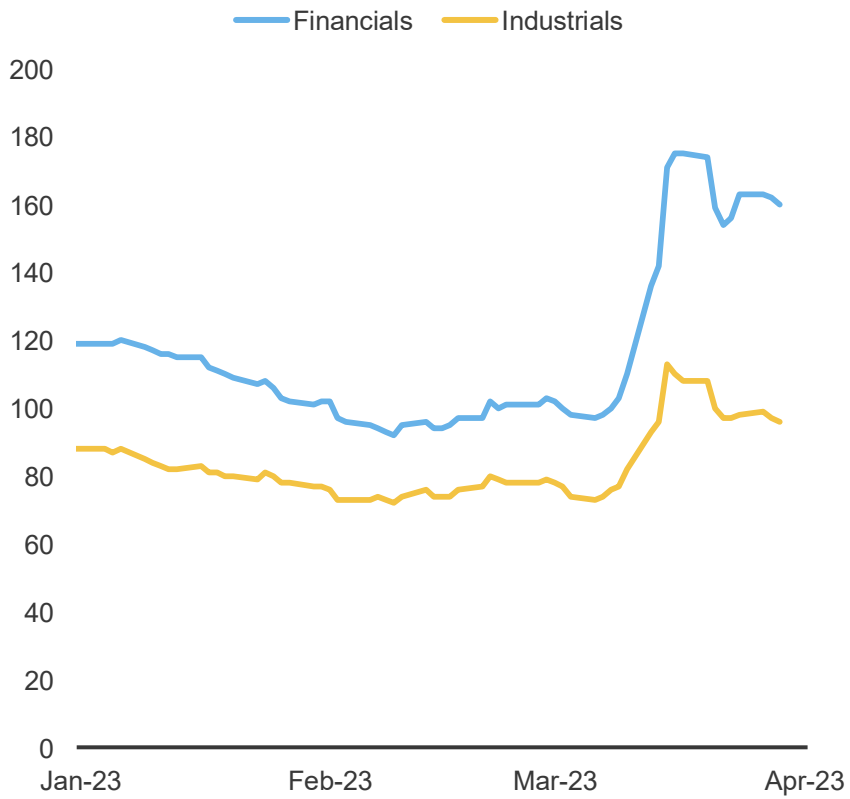
Source: Bloomberg, ICE BofA Indices. As of 03/31/2023.

© PFM Asset Management LLC | pfmam.com

Corporate Yield Spreads Modestly Wider, Led By Financials

Investment Grade Corporate Spreads

1-5 Year U.S. Corporate Index



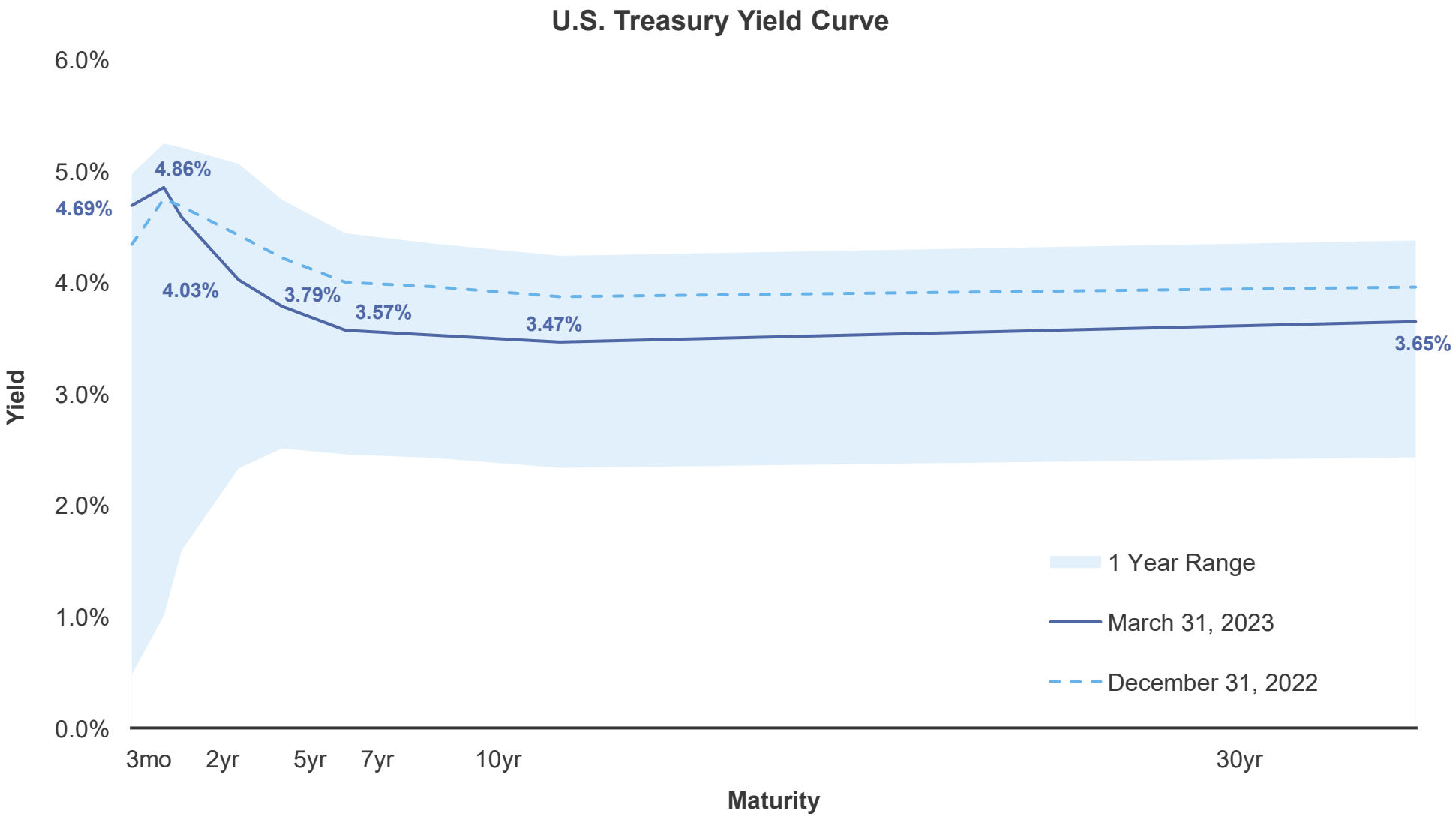
Difference Between Financial and Industrial Corporate Yield Spreads

1-5 Year U.S. Corporate Index

Source: Bloomberg, ICE BofA Indices as of 03/31/2023.

© PFM Asset Management LLC | pfmam.com

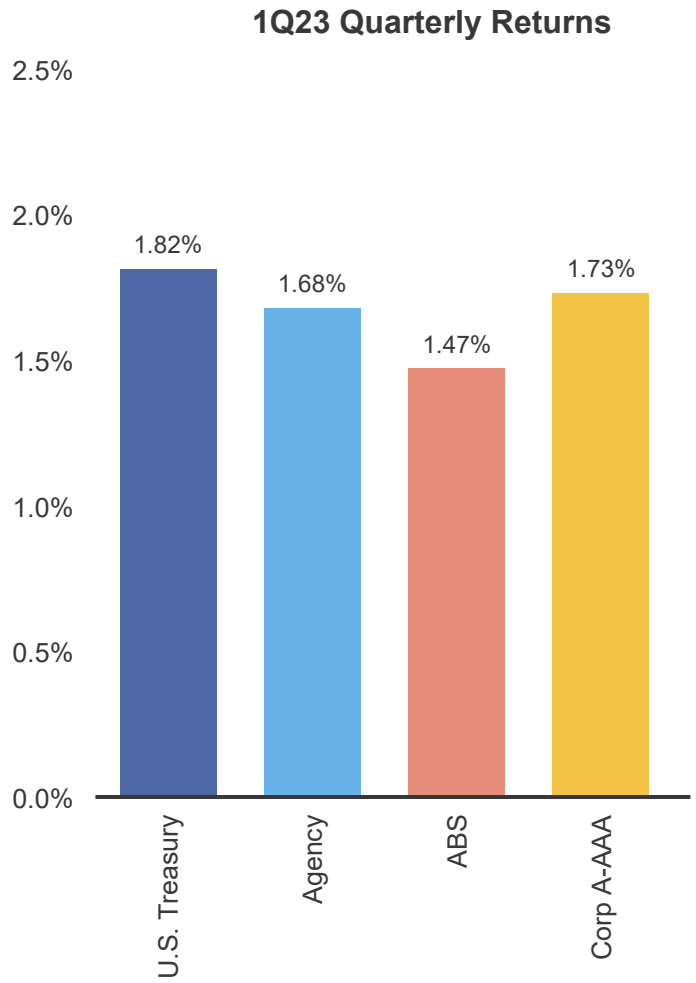
As Economic Uncertainty Increased, Longer-Term Interest Rates Fell

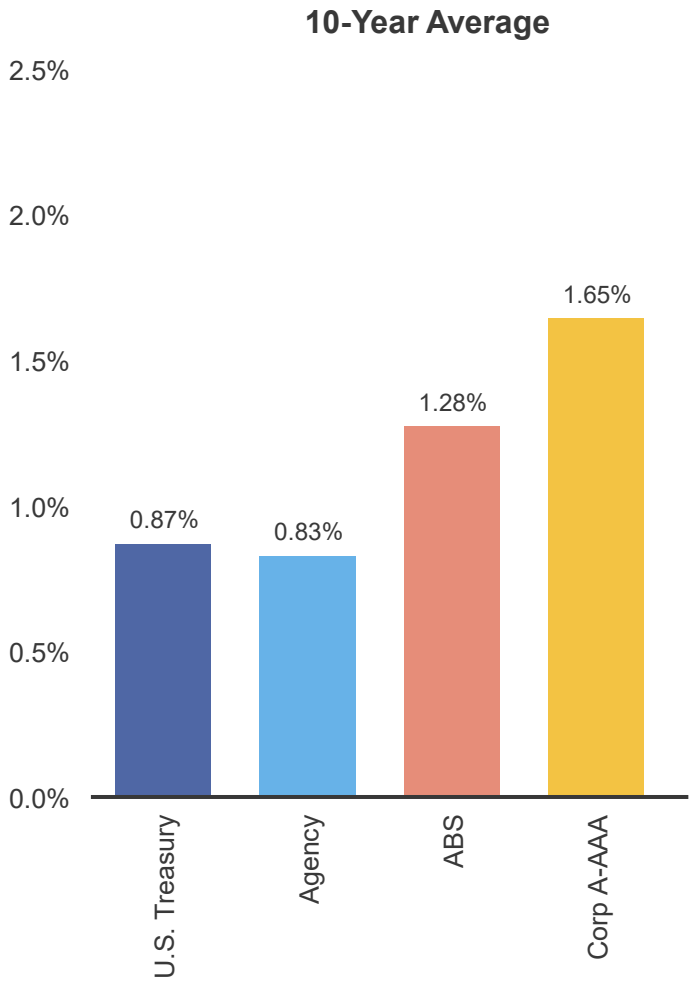


Source: Bloomberg, as of 03/31/2022.

© PFM Asset Management LLC | pfmam.com

1-5 Year Fixed-Income Markets Total Returns

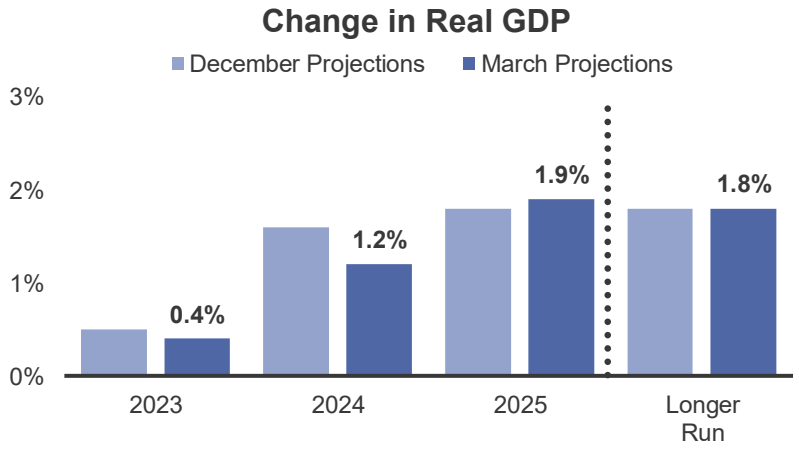


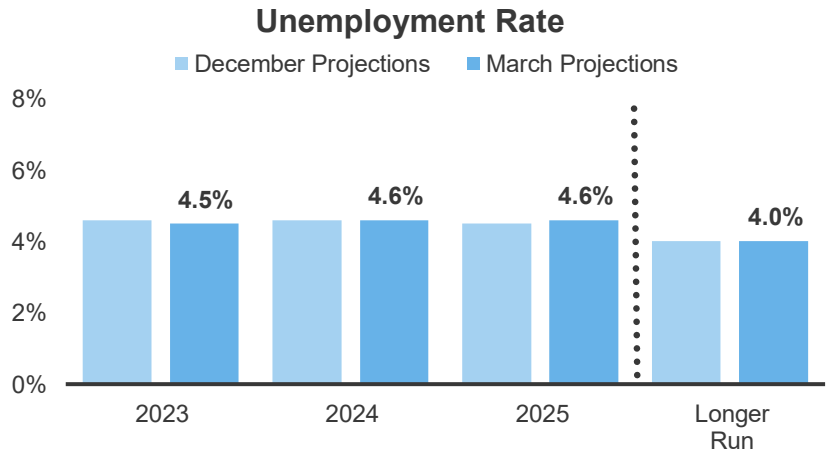


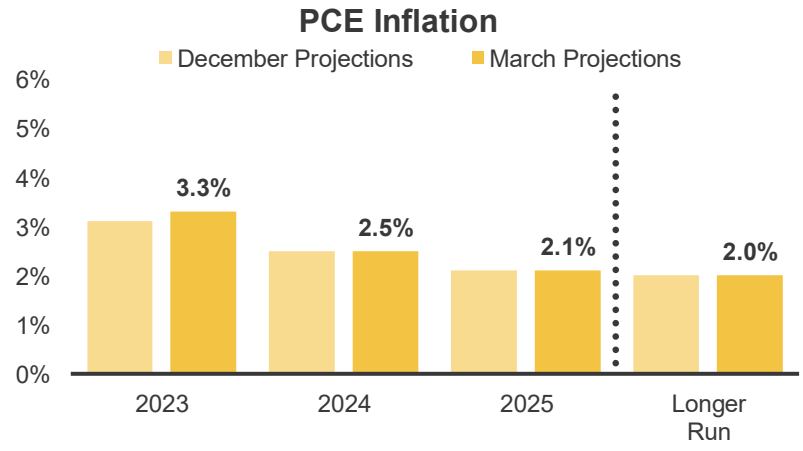
Source: ICE BofAML Indices. ABS indices are 0-5 year, based on weighted average life. As of 03/31/2023.

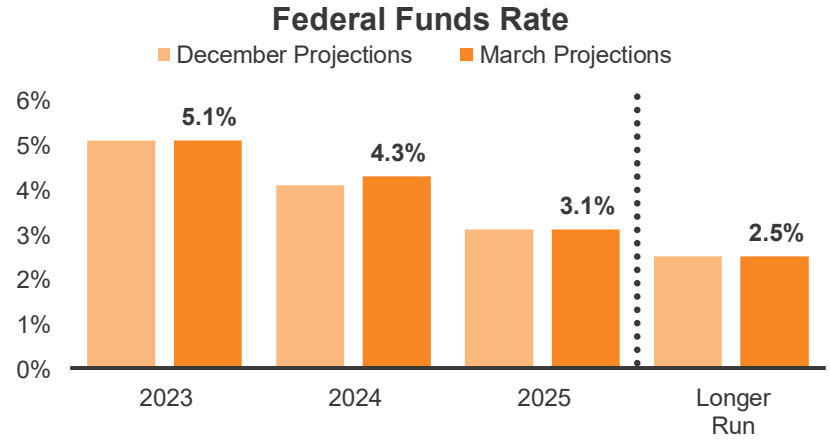
© PFM Asset Management LLC | pfmam.com

Fed's Updated Projections Reflect Little Change From December





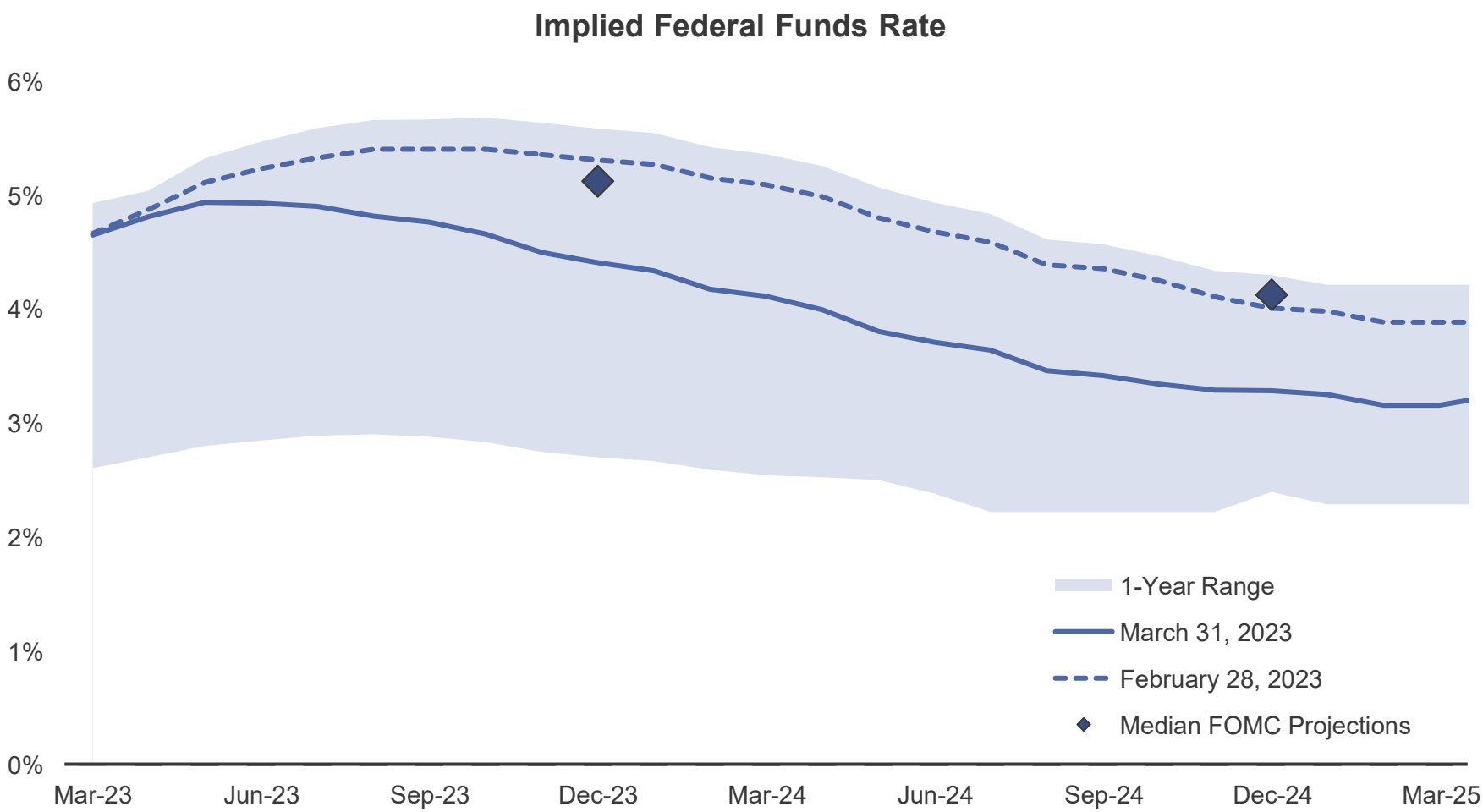




Source: Federal Reserve, latest economic projections as of March 2023.

© PFM Asset Management LLC | pfmam.com

Market Expectations Evolve Amid Changing Policy Environment



Source: Bloomberg, Federal Reserve latest economic projection as of 03/31/2023.

© PFM Asset Management LLC | pfmam.com

Portfolio Review:
CALIF ASSOC FOR PARK AND RECREATION INS

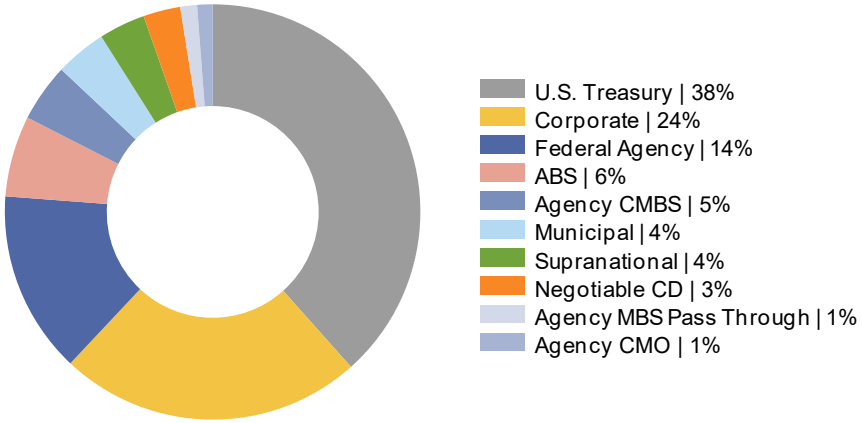
© PFM Asset Management LLC | pfmam.com

Portfolio Snapshot[1]

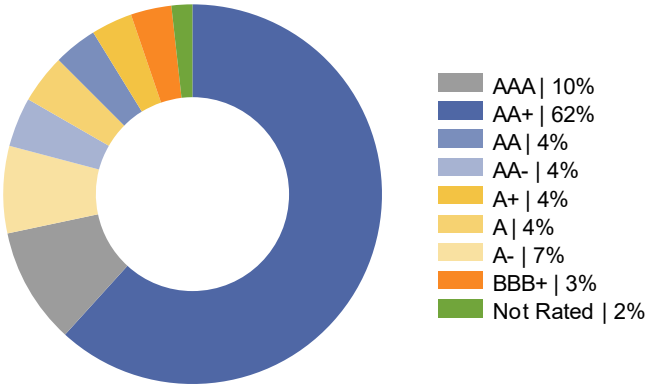
Portfolio Statistics

Total Market Value	$21,094,014.58
Securities Sub-Total	*$21,014,370.21*
Accrued Interest	*$79,644.37*
Cash	*$0.00*
Portfolio Effective Duration	2.46 years
Benchmark Effective Duration	2.50 years
Yield At Cost	2.12%
Yield At Market	4.19%
Portfolio Credit Quality	AA

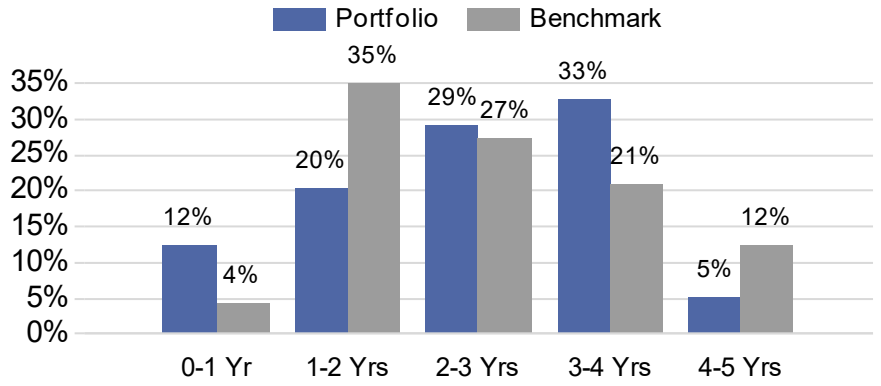
Sector Allocation



Credit Quality - S&P



Duration Distribution

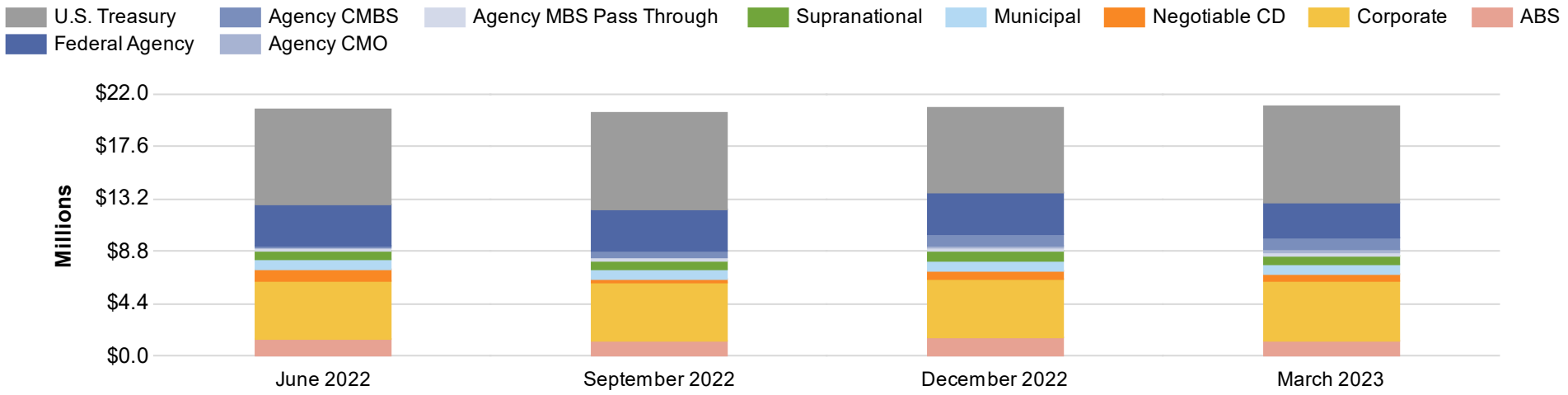


1. *Yield and duration calculations exclude cash and cash equivalents. Sector allocation includes market values and accrued interest.*
   The portfolio's benchmark is currently the ICE BofAML 1-5 Year U.S Treasury Index. Prior to 6/30/12 it was the ICE BofAML 1-3 Year U.S Treasury Note Index. Prior to 10/01/01 it was the ICE BofAML 1 Year U.S Treasury Note Index. Prior to 3/31/01 it was the ICE BofAML 1 Year U.S Treasury index. Source: Bloomberg.
   An average of each security's credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.

© PFM Asset Management LLC | pfmam.com

Sector Allocation Review

Security Type	Jun-22	% of Total	Sep-22	% of Total	Dec-22	% of Total	Mar-23	% of Total
U.S. Treasury	$8.0	38.3%	$8.2	39.9%	$7.2	34.2%	$8.1	38.4%
Federal Agency	$3.5	16.8%	$3.4	16.8%	$3.5	16.6%	$3.0	14.2%
Agency CMBS	$0.1	0.7%	$0.5	2.6%	$0.9	4.5%	$1.0	4.5%
Agency CMO	$0.0	0.0%	$0.0	0.0%	$0.3	1.2%	$0.3	1.2%
Agency MBS Pass Through	$0.3	1.5%	$0.3	1.4%	$0.3	1.3%	$0.3	1.3%
Supranational	$0.8	3.6%	$0.7	3.6%	$0.7	3.6%	$0.8	3.6%
Municipal	$0.9	4.1%	$0.8	4.1%	$0.8	4.0%	$0.8	4.0%
Negotiable CD	$0.9	4.6%	$0.3	1.7%	$0.7	3.6%	$0.6	2.9%
Corporate	$4.8	23.4%	$4.9	23.8%	$4.9	23.5%	$4.9	23.6%
ABS	$1.4	7.0%	$1.3	6.1%	$1.6	7.5%	$1.3	6.3%
Total	**$20.8**	**100.0%**	**$20.5**	**100.0%**	**$20.9**	**100.0%**	**$21.0**	**100.0%**



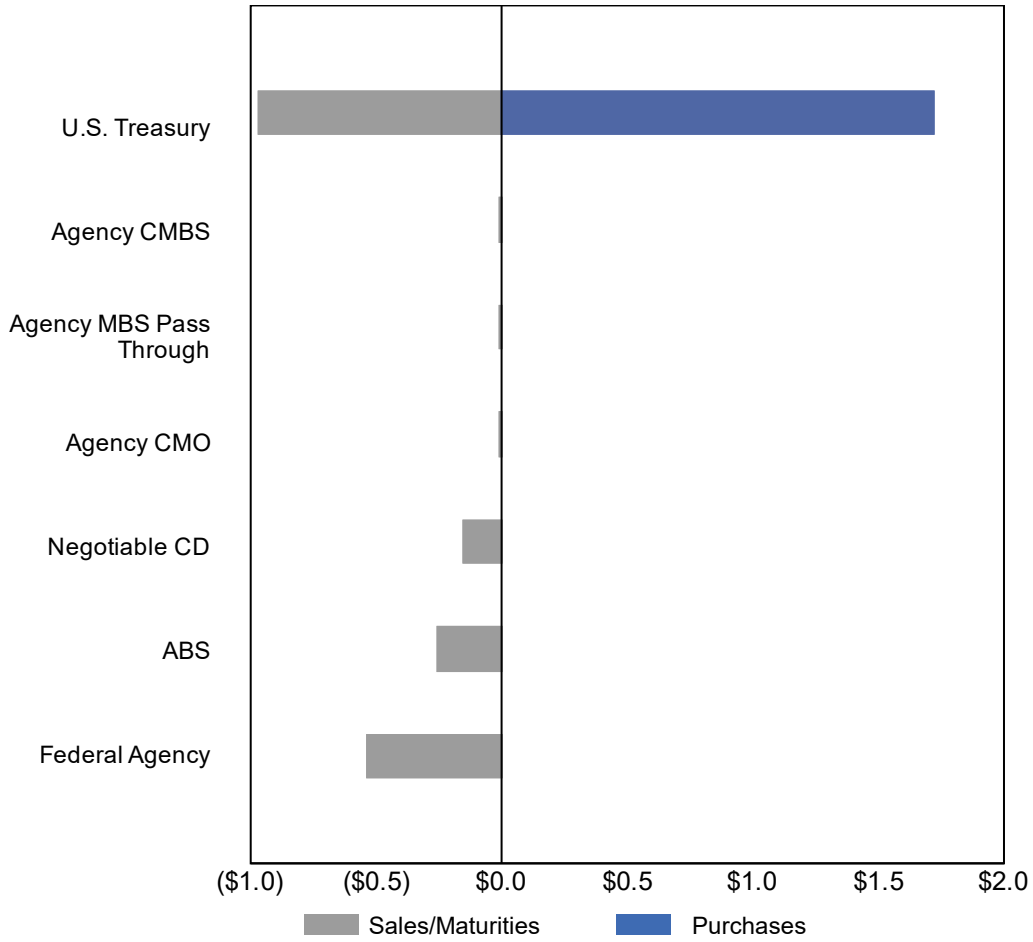
Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.

© PFM Asset Management LLC | pfmam.com

Portfolio Activity

Net Activity by Sector

($ millions)

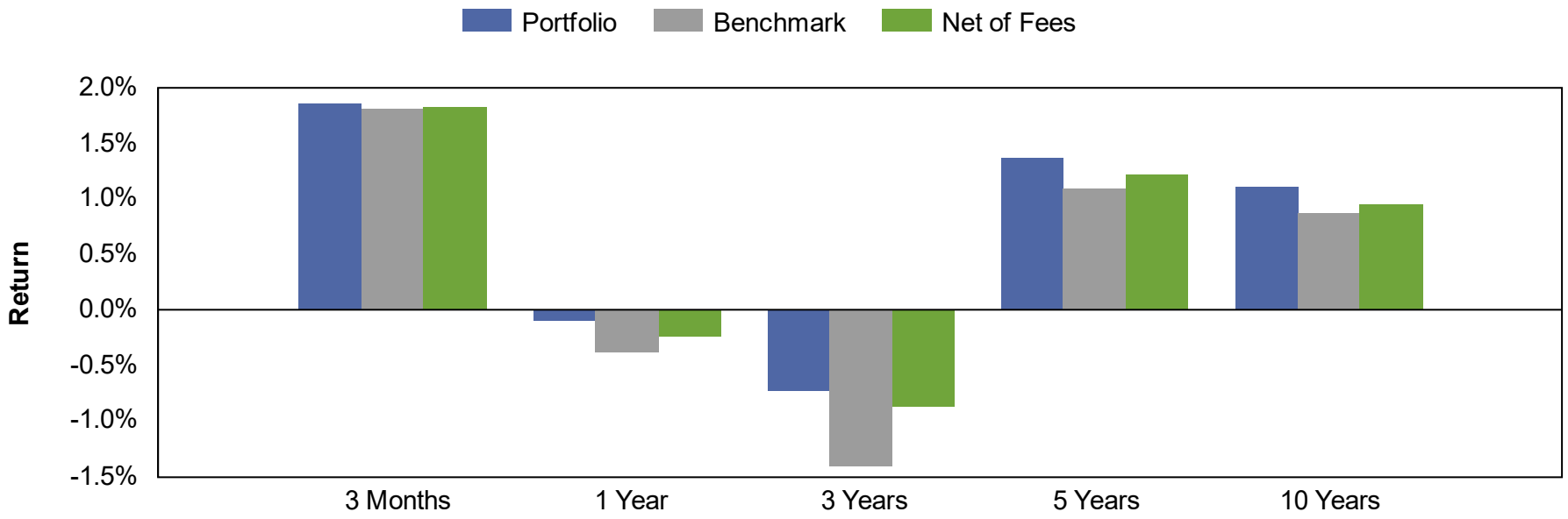


Sector	Net Activity
U.S. Treasury	$759,179
Agency CMBS	($2,554)
Agency MBS Pass Through	($7,334)
Agency CMO	($7,592)
Negotiable CD	($150,897)
ABS	($251,892)
Federal Agency	($537,649)
Total Net Activity	**($198,740)**

Based on total proceeds (principal and accrued interest) of buys, sells, maturities, and principal paydowns. Detail may not add to total due to rounding.

© PFM Asset Management LLC | pfmam.com

Portfolio Performance



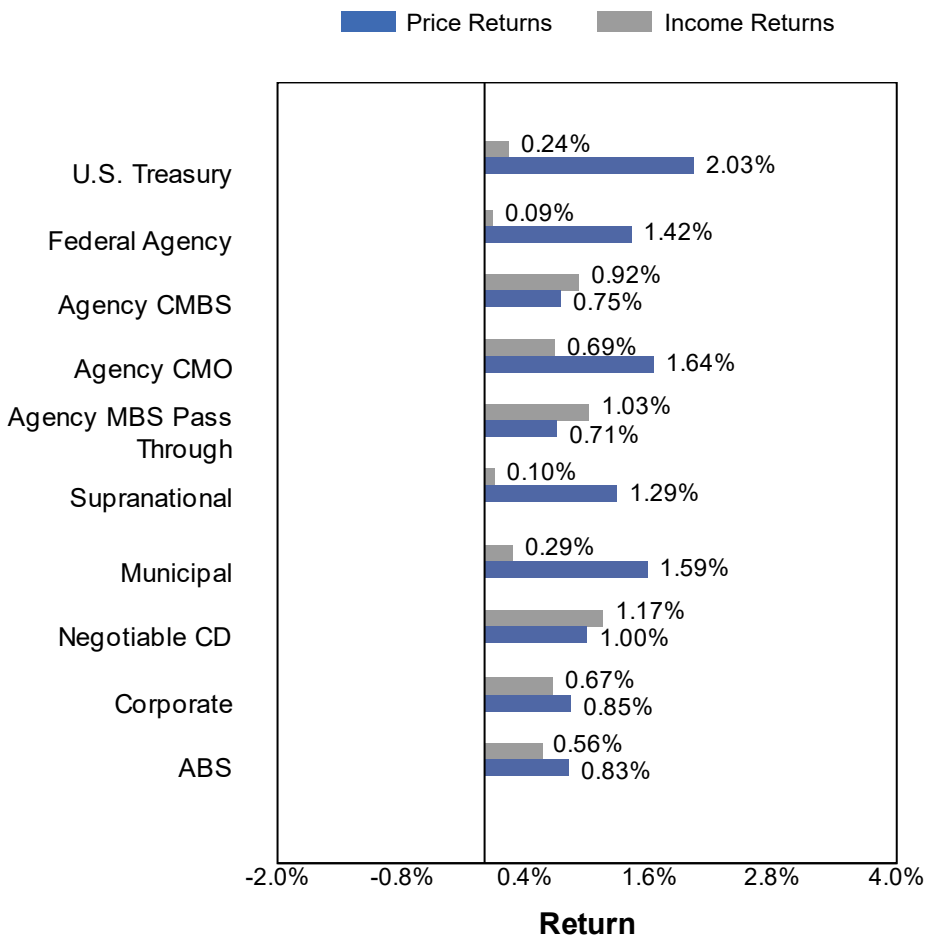
Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	10 Years
Interest Earned[2]	$87,032	$303,526	$1,006,060	$1,881,392	$3,220,016
Change in Market Value	$301,730	($312,989)	($1,457,072)	($500,458)	($987,957)
Total Dollar Return	**$388,762**	**($9,463)**	**($451,012)**	**$1,380,934**	**$2,232,059**
Total Return[3]					
Portfolio	1.86%	-0.09%	-0.72%	1.37%	1.11%
Benchmark[4]	1.82%	-0.38%	-1.41%	1.10%	0.87%
Basis Point Fee	0.04%	0.15%	0.15%	0.15%	0.15%
Net of Fee Return	1.82%	-0.24%	-0.87%	1.22%	0.96%

1. *The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 1995.*
2. *Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.*
3. *Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.*
4. *The portfolio's benchmark is currently the ICE BofAML 1-5 Year U.S Treasury Index. Prior to 6/30/12 it was the ICE BofAML 1-3 Year U.S Treasury Note Index. Prior to 10/01/01 it was the ICE BofAML 1 Year U.S Treasury Note Index. Prior to 3/31/01 it was the ICE BofAML 1 Year U.S Treasury index. Source: Bloomberg.*

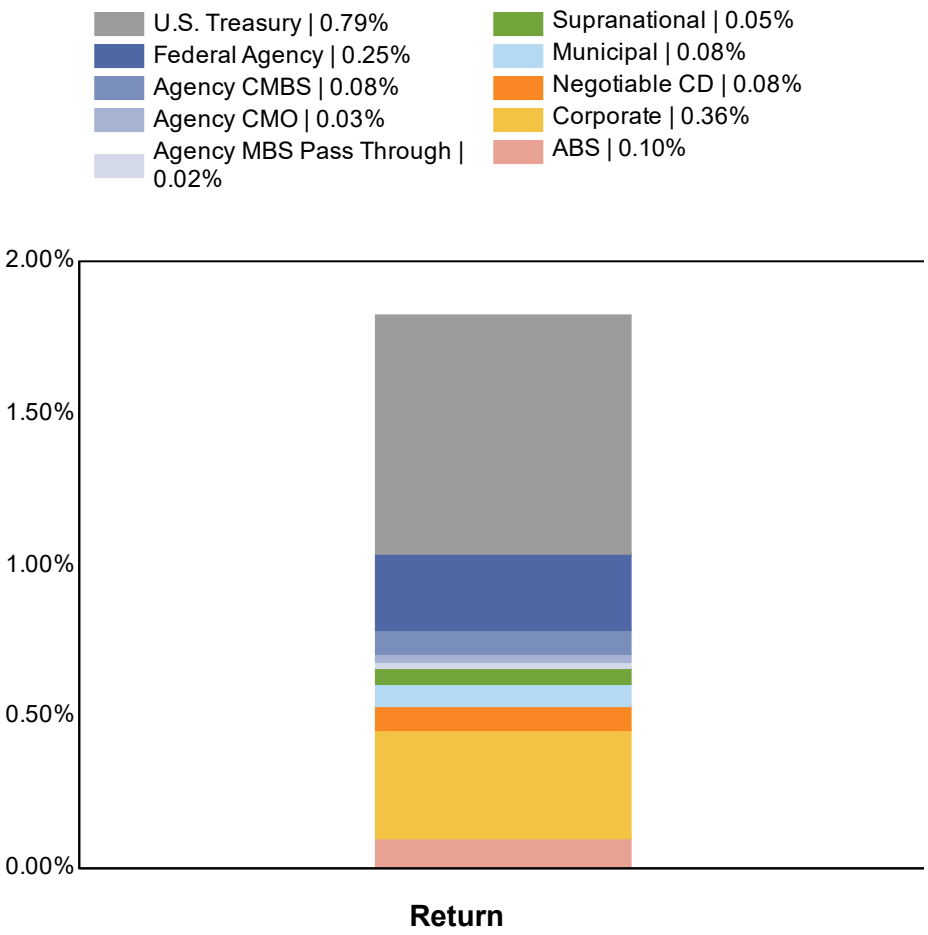
© PFM Asset Management LLC | pfmam.com

Quarterly Sector Performance

Total Return by Sector



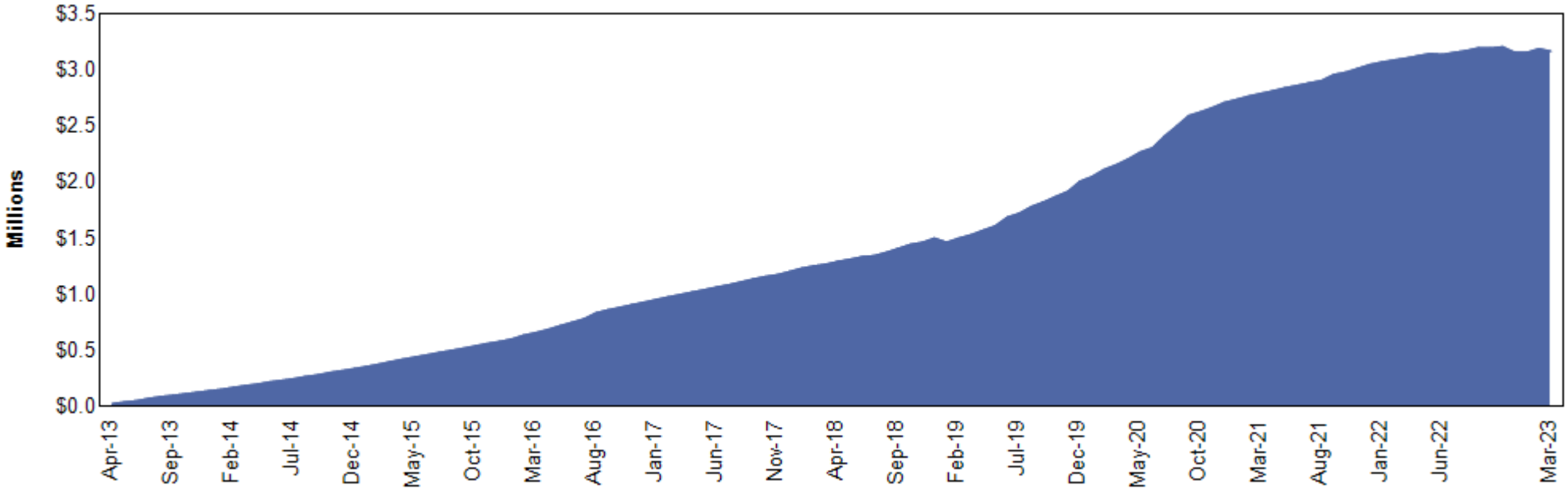
Contribution to Total Return



1. *Performance on trade-date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).*
2. *Income returns calculated as interest earned on investments during the period.*
3. *Price returns calculated as the change in market value of each security for the period.*
4. *Returns are presented on a periodic basis.*

© PFM Asset Management LLC | pfmam.com

Accrual Basis Earnings



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	10 Year[1]
Interest Earned[2]	$87,032	$303,526	$1,006,060	$1,881,392	$3,220,016
Realized Gains / (Losses)[3]	($96,582)	($264,690)	$66,110	$28,883	$148,649
Change in Amortized Cost	$18,327	$21,343	($60,380)	($13,015)	($201,031)
Total Earnings	**$8,777**	**$60,180**	**$1,011,790**	**$1,897,260**	**$3,167,634**

1. The lesser of 10 years or since inception is shown. Performance inception date is March 31, 1995.
2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
3. Realized gains / (losses) are shown on an amortized cost basis.

© PFM Asset Management LLC | pfmam.com

Certificate of Compliance

During the reporting period for the quarter ended March 31, 2023, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

© PFM Asset Management LLC | pfmam.com

Portfolio Holdings and Transactions

© PFM Asset Management LLC | pfmam.com

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	**38.5%**	
UNITED STATES TREASURY	38.5%	AA / Aaa / AAA
Federal Agency	**14.1%**	
FANNIE MAE	3.9%	AA / Aaa / AAA
FEDERAL HOME LOAN BANKS	1.4%	AA / Aaa / NR
FREDDIE MAC	8.8%	AA / Aaa / AAA
Agency CMBS	**4.5%**	
FREDDIE MAC	4.5%	AA / Aaa / AAA
Agency CMO	**1.2%**	
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	1.2%	AA / Aaa / AAA
Agency MBS Pass Through	**1.3%**	
FANNIE MAE	1.3%	AA / Aaa / AAA
Supranational	**3.6%**	
INTER-AMERICAN DEVELOPMENT BANK	2.0%	AAA / Aaa / AAA
INTL BANK OF RECONSTRUCTION AND DEV	1.6%	AAA / Aaa / AAA
Municipal	**4.0%**	
CALIFORNIA STATE UNIVERSITY	0.3%	AA / Aa / NR
CHAFFEY JOINT UNION HIGH SCHOOL DISTRICT	0.2%	AA / Aa / NR
FLORIDA STATE BOARD OF ADMIN FIN CORP	0.8%	AA / Aa / AA
LOS ANGELES COMMUNITY COLLEGE DISTRICT	0.4%	AA / Aaa / NR
NEW YORK ST URBAN DEVELOPMENT CORP	1.0%	NR / NR / AA
SAN JUAN UNIFIED SCHOOL DISTRICT	0.4%	NR / Aa / NR
STATE OF CALIFORNIA E AUTHORITY	0.2%	NR / NR / A
STATE OF CONNECTICUT	0.2%	AA / Aa / AA
STATE OF MINNESOTA	0.3%	AAA / Aaa / AAA
UNIVERSITY OF CALIFORNIA	0.2%	AA / Aa / AA

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Negotiable CD	**2.9%**	
NORDEA BANK ABP	1.5%	AA / Aa / AA
TORONTO-DOMINION BANK	1.5%	A / A / NR
Corporate	**23.6%**	
ABBOTT LABORATORIES	0.7%	AA / A / NR
AMAZON.COM INC	1.2%	AA / A / AA
AMERICAN EXPRESS CO	0.2%	BBB / A / A
AMERICAN HONDA FINANCE	0.9%	A / A / A
APPLE INC	1.7%	AA / Aaa / NR
BANK OF AMERICA CO	1.4%	A / A / AA
BERKSHIRE HATHAWAY INC	1.5%	AA / Aa / A
CATERPILLAR INC	0.7%	A / A / A
CHARLES SCHWAB	0.3%	A / A / A
CINTAS CORPORATION NO. 2	0.2%	A / A / NR
CITIGROUP INC	0.7%	BBB / A / A
DEERE & COMPANY	0.3%	A / A / A
GENERAL DYNAMICS CORP	0.7%	A / A / NR
GOLDMAN SACHS GROUP INC	0.9%	BBB / A / A
HOME DEPOT INC	0.1%	A / A / A
IBM CORP	0.7%	A / A / NR
JP MORGAN CHASE & CO	1.3%	BBB / A / A
MORGAN STANLEY	1.0%	A / A / A
NATIONAL AUSTRALIA BANK LTD	1.4%	AA / Aa / NR
NATIONAL RURAL UTILITIES CO FINANCE CORP	0.2%	A / A / A
PACCAR FINANCIAL CORP	0.6%	A / A / NR
PNC FINANCIAL SERVICES GROUP	0.9%	A / A / A
TARGET CORP	0.1%	A / A / A

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

© PFM Asset Management LLC | pfmam.com

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	**23.6%**	
THE BANK OF NEW YORK MELLON CORPORATION	1.4%	A / A / AA
THE WALT DISNEY CORPORATION	0.9%	BBB / A / A
TOYOTA MOTOR CORP	0.7%	A / A / A
TRUIST FIN CORP	0.9%	A / A / A
UNITEDHEALTH GROUP INC	0.6%	A / A / A
US BANCORP	1.6%	A / A / A
ABS	**6.3%**	
CAPITAL ONE FINANCIAL CORP	1.5%	AAA / NR / AAA
CARMAX AUTO OWNER TRUST	0.9%	AAA / NR / AAA
DISCOVER FINANCIAL SERVICES	0.6%	AAA / Aaa / NR
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	1.2%	AAA / Aaa / AAA
GM FINANCIAL LEASINGTRUST	0.4%	AAA / Aaa / AAA
HONDA AUTO RECEIVABLES	0.2%	AAA / NR / AAA
HYUNDAI AUTO RECEIVABLES	0.2%	AAA / NR / AAA
NISSAN AUTO RECEIVABLES	0.5%	AAA / Aaa / NR
TOYOTA MOTOR CORP	0.9%	AAA / NR / AAA
VERIZON OWNER TRUST	0.0%	AAA / Aaa / NR
Total	**100.0%**	

Ratings shown are calculated by assigning a numeral value to each security rating, then calculating a weighted average rating for each security type / issuer category using all available security ratings, excluding Not-Rated (NR) ratings. For security type / issuer categories where a rating from the applicable NRSRO is not available, a rating of NR is assigned. Includes accrued interest and excludes balances invested in overnight funds.

© PFM Asset Management LLC | pfmam.com

Issuer Distribution
As of March 31, 2023

Issuer	Market Value ($)	% of Portfolio
UNITED STATES TREASURY	8,090,274	38.49%
FREDDIE MAC	2,811,572	13.37%
FANNIE MAE	1,083,466	5.15%
INTER-AMERICAN DEVELOPMENT BANK	416,078	1.98%
APPLE INC	351,802	1.67%
INTL BANK OF RECONSTRUCTION AND DEV	339,897	1.62%
US BANCORP	336,883	1.60%
TOYOTA MOTOR CORP	328,497	1.56%
CAPITAL ONE FINANCIAL CORP	317,268	1.51%
BERKSHIRE HATHAWAY INC	307,070	1.46%
NORDEA BANK ABP	302,093	1.44%
FEDERAL HOME LOAN BANKS	300,634	1.43%
TORONTO-DOMINION BANK	299,826	1.43%
NATIONAL AUSTRALIA BANK LTD	293,884	1.40%
THE BANK OF NEW YORK MELLON CORPORATION	291,558	1.39%
BANK OF AMERICA CO	287,205	1.37%
JP MORGAN CHASE & CO	265,901	1.27%
GM FINANCIAL CONSUMER AUTOMOBILE TRUST	257,647	1.23%
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION	250,809	1.19%
AMAZON.COM INC	248,260	1.18%
NEW YORK ST URBAN DEVELOPMENT CORP	209,525	1.00%
MORGAN STANLEY	197,526	0.94%
GOLDMAN SACHS GROUP INC	196,535	0.94%
PNC FINANCIAL SERVICES GROUP	196,241	0.93%

© PFM Asset Management LLC | pfmam.com

Issuer	Market Value ($)	% of Portfolio
AMERICAN HONDA FINANCE	194,061	0.92%
THE WALT DISNEY CORPORATION	192,288	0.92%
CARMAX AUTO OWNER TRUST	191,791	0.91%
TRUIST FIN CORP	190,998	0.91%
FLORIDA STATE BOARD OF ADMIN FIN CORP	177,004	0.84%
ABBOTT LABORATORIES	148,550	0.71%
IBM CORP	148,299	0.71%
GENERAL DYNAMICS CORP	146,730	0.70%
CITIGROUP INC	144,751	0.69%
CATERPILLAR INC	136,848	0.65%
UNITEDHEALTH GROUP INC	136,227	0.65%
PACCAR FINANCIAL CORP	118,878	0.57%
DISCOVER FINANCIAL SERVICES	117,462	0.56%
NISSAN AUTO RECEIVABLES	104,227	0.50%
LOS ANGELES COMMUNITY COLLEGE DISTRICT	91,962	0.44%
GM FINANCIAL LEASINGTRUST	73,973	0.35%
SAN JUAN UNIFIED SCHOOL DISTRICT	73,839	0.35%
STATE OF MINNESOTA	59,729	0.28%
CHARLES SCHWAB	57,079	0.27%
DEERE & COMPANY	56,817	0.27%
CALIFORNIA STATE UNIVERSITY	54,901	0.26%
UNIVERSITY OF CALIFORNIA	51,178	0.24%
CHAFFEY JOINT UNION HIGH SCHOOL DISTRICT	48,370	0.23%
AMERICAN EXPRESS CO	47,458	0.23%
STATE OF CALIFORNIA E AUTHORITY	44,574	0.21%
CINTAS CORPORATION NO. 2	43,977	0.21%
STATE OF CONNECTICUT	38,680	0.18%

© PFM Asset Management LLC | pfmam.com

Issuer	Market Value ($)	% of Portfolio
HONDA AUTO RECEIVABLES	35,136	0.17%
NATIONAL RURAL UTILITIES CO FINANCE CORP	33,966	0.16%
HYUNDAI AUTO RECEIVABLES	33,254	0.16%
TARGET CORP	23,114	0.11%
HOME DEPOT INC	14,513	0.07%
VERIZON OWNER TRUST	3,287	0.02%
Grand Total	**21,014,370**	**100.00%**

© PFM Asset Management LLC | pfmam.com

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY NOTES DTD 06/30/2020 0.250% 06/30/2025	912828ZW3	150,000.00	AA+	Aaa	4/1/2021	4/5/2021	147,093.75	0.72	94.27	148,457.64	138,234.38
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	550,000.00	AA+	Aaa	11/2/2021	11/4/2021	534,982.42	1.05	518.47	540,057.53	501,187.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	150,000.00	AA+	Aaa	7/1/2021	7/7/2021	147,052.73	0.82	141.40	148,191.69	136,687.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	350,000.00	AA+	Aaa	8/3/2021	8/5/2021	347,019.53	0.57	329.94	348,138.36	318,937.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	100,000.00	AA+	Aaa	10/1/2021	10/6/2021	98,203.13	0.81	94.27	98,832.67	91,125.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	650,000.00	AA+	Aaa	9/1/2021	9/7/2021	641,519.53	0.68	612.74	644,592.09	592,312.50
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	200,000.00	AA+	Aaa	5/4/2021	5/6/2021	196,617.19	0.75	188.54	198,000.16	182,250.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	300,000.00	AA+	Aaa	6/2/2021	6/7/2021	295,593.75	0.70	282.80	297,345.16	273,375.00
US TREASURY NOTES DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	600,000.00	AA+	Aaa	12/2/2021	12/6/2021	581,953.13	1.13	565.61	587,794.68	546,750.00
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	50,000.00	AA+	Aaa	2/10/2022	2/14/2022	47,638.67	1.92	157.46	48,270.51	45,578.12
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	450,000.00	AA+	Aaa	1/4/2022	1/6/2022	439,031.25	1.33	1,417.13	442,165.18	410,203.13
US TREASURY N/B NOTES DTD 04/30/2021 0.750% 04/30/2026	91282CBW0	275,000.00	AA+	Aaa	2/18/2022	2/25/2022	263,162.11	1.83	866.02	266,267.13	250,679.69
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	300,000.00	AA+	Aaa	9/1/2022	9/6/2022	268,511.72	3.53	310.77	273,089.02	270,562.50
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	225,000.00	AA+	Aaa	5/3/2022	5/5/2022	203,625.00	3.03	233.08	208,195.49	202,921.88
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	700,000.00	AA+	Aaa	8/8/2022	8/15/2022	637,437.50	3.04	725.14	647,345.39	631,312.50

© PFM Asset Management LLC | pfmam.com

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B NOTES DTD 07/31/2021 0.625% 07/31/2026	91282CCP4	1,100,000.00	AA+	Aaa	6/2/2022	6/6/2022	1,001,042.97	2.94	1,139.50	1,020,560.22	992,062.50
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	175,000.00	AA+	Aaa	1/4/2023	1/6/2023	162,811.52	3.96	1,324.58	163,546.81	164,554.69
US TREASURY NOTES DTD 11/15/2016 2.000% 11/15/2026	912828U24	800,000.00	AA+	Aaa	12/5/2022	12/7/2022	744,406.25	3.92	6,055.25	748,849.11	752,250.00
US TREASURY N/B NOTES DTD 04/30/2022 2.750% 04/30/2027	91282CEN7	500,000.00	AA+	Aaa	1/31/2023	2/3/2023	481,425.78	3.70	5,773.48	482,110.16	481,875.00
US TREASURY N/B NOTES DTD 07/31/2022 2.750% 07/31/2027	91282CFB2	1,150,000.00	AA+	Aaa	3/2/2023	3/6/2023	1,073,138.67	4.44	5,241.71	1,074,381.45	1,107,414.12
Security Type Sub-Total		**8,775,000.00**					**8,312,266.60**	**2.49**	**26,072.16**	**8,386,190.45**	**8,090,273.51**
Supranational											
INTL BK RECON & DEVELOP NOTES DTD 11/24/2020 0.250% 11/24/2023	459058JM6	350,000.00	AAA	Aaa	11/17/2020	11/24/2020	349,247.50	0.32	308.68	349,837.13	339,896.90
INTER-AMERICAN DEVEL BK NOTES DTD 09/23/2021 0.500% 09/23/2024	4581X0DZ8	440,000.00	AAA	Aaa	9/15/2021	9/23/2021	439,674.40	0.52	48.89	439,839.28	416,078.08
Security Type Sub-Total		**790,000.00**					**788,921.90**	**0.43**	**357.57**	**789,676.41**	**755,974.98**
Negotiable CD											
TORONTO DOMINION BANK NY CERT DEPOS DTD 10/31/2022 5.600% 10/27/2025	89115B6K1	300,000.00	A	A1	10/27/2022	10/31/2022	300,000.00	5.58	7,093.33	300,000.00	299,826.00
NORDEA BANK ABP NEW YORK CERT DEPOS DTD 11/03/2022 5.530% 11/03/2025	65558UYF3	300,000.00	AA-	Aa3	11/2/2022	11/3/2022	300,000.00	5.53	6,820.33	300,000.00	302,093.10
Security Type Sub-Total		**600,000.00**					**600,000.00**	**5.56**	**13,913.66**	**600,000.00**	**601,919.10**

© PFM Asset Management LLC | pfmam.com

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Municipal											
CA ST EARTHQUAKE AUTH TXBL REV BONDS DTD 11/24/2020 1.477% 07/01/2023	13017HAK2	45,000.00	NR	NR	11/13/2020	11/24/2020	45,000.00	1.48	166.16	45,000.00	44,573.85
CT ST TXBL GO BONDS DTD 06/11/2020 1.998% 07/01/2024	20772KJW0	40,000.00	AA-	Aa3	5/29/2020	6/11/2020	40,000.00	2.00	199.80	40,000.00	38,680.40
CHAFFEY UHSD, CA TXBL GO BONDS DTD 12/05/2019 2.101% 08/01/2024	157411TK5	50,000.00	AA-	Aa1	11/6/2019	12/5/2019	50,000.00	2.10	175.08	50,000.00	48,370.00
NY ST URBAN DEV CORP TXBL REV BONDS DTD 12/23/2020 0.870% 03/15/2025	650036DT0	225,000.00	NR	NR	12/16/2020	12/23/2020	225,000.00	0.87	87.00	225,000.00	209,524.50
UNIV OF CAL TXBL REV BONDS DTD 07/16/2020 0.883% 05/15/2025	91412HGE7	55,000.00	AA	Aa2	7/10/2020	7/16/2020	55,000.00	0.88	183.47	55,000.00	51,177.50
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	100,000.00	AA	Aa3	9/3/2020	9/16/2020	100,000.00	1.26	314.50	100,000.00	93,160.00
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	50,000.00	AA	Aa3	9/3/2020	9/16/2020	50,331.50	1.12	157.25	50,155.80	46,580.00
FL ST BOARD OF ADMIN TXBL REV BONDS DTD 09/16/2020 1.258% 07/01/2025	341271AD6	40,000.00	AA	Aa3	9/3/2020	9/16/2020	40,282.80	1.11	125.80	40,132.91	37,264.00
SAN JUAN USD, CA TXBL GO BONDS DTD 10/29/2020 0.852% 08/01/2025	798306WP7	80,000.00	NR	Aa2	10/16/2020	10/29/2020	80,000.00	0.85	113.60	80,000.00	73,839.20
LOS ANGELES CCD, CA TXBL GO BONDS DTD 11/10/2020 0.773% 08/01/2025	54438CYK2	100,000.00	AA+	Aaa	10/30/2020	11/10/2020	100,000.00	0.77	128.83	100,000.00	91,962.00
MN ST TXBL GO BONDS DTD 08/25/2020 0.630% 08/01/2025	60412AVJ9	65,000.00	AAA	Aaa	8/11/2020	8/25/2020	65,000.00	0.63	68.25	65,000.00	59,728.50
CA ST UNIV TXBL REV BONDS DTD 07/29/2021 0.862% 11/01/2025	13077DQD7	60,000.00	AA-	Aa2	7/9/2021	7/29/2021	60,000.00	0.86	215.50	60,000.00	54,901.20
Security Type Sub-Total		**910,000.00**					**910,614.30**	**1.06**	**1,935.24**	**910,288.71**	**849,761.15**

© PFM Asset Management LLC | pfmam.com

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency											
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	340,000.00	AA+	Aaa	9/2/2020	9/4/2020	340,062.09	0.24	54.31	340,009.04	333,254.74
FREDDIE MAC NOTES DTD 09/04/2020 0.250% 09/08/2023	3137EAEW5	460,000.00	AA+	Aaa	9/2/2020	9/4/2020	459,848.20	0.26	73.47	459,977.90	450,874.06
FREDDIE MAC NOTES DTD 10/16/2020 0.125% 10/16/2023	3137EAEY1	210,000.00	AA+	Aaa	10/14/2020	10/16/2020	209,216.70	0.25	120.31	209,858.36	204,730.05
FREDDIE MAC NOTES DTD 11/05/2020 0.250% 11/06/2023	3137EAEZ8	225,000.00	AA+	Aaa	11/3/2020	11/5/2020	224,797.50	0.28	226.56	224,959.54	218,951.10
FANNIE MAE NOTES DTD 11/25/2020 0.250% 11/27/2023	3135G06H1	200,000.00	AA+	Aaa	11/23/2020	11/25/2020	199,772.00	0.29	172.22	199,950.12	194,113.60
FREDDIE MAC NOTES DTD 12/04/2020 0.250% 12/04/2023	3137EAFA2	200,000.00	AA+	Aaa	12/2/2020	12/4/2020	199,802.00	0.28	162.50	199,955.34	193,953.00
FEDERAL HOME LOAN BANK NOTES DTD 04/16/2020 0.500% 04/14/2025	3130AJHU6	225,000.00	AA+	Aaa	4/15/2020	4/16/2020	223,884.00	0.60	521.88	224,544.79	209,043.45
FANNIE MAE NOTES DTD 04/24/2020 0.625% 04/22/2025	3135G03U5	225,000.00	AA+	Aaa	4/22/2020	4/24/2020	224,536.50	0.67	621.09	224,808.91	209,465.55
FREDDIE MAC NOTES DTD 07/23/2020 0.375% 07/21/2025	3137EAEU9	275,000.00	AA+	Aaa	7/21/2020	7/23/2020	273,630.50	0.48	200.52	274,367.81	252,793.75
FANNIE MAE NOTES DTD 08/27/2020 0.375% 08/25/2025	3135G05X7	225,000.00	AA+	Aaa	8/25/2020	8/27/2020	223,947.00	0.47	84.38	224,493.71	206,217.45
FEDERAL HOME LOAN BANK NOTES DTD 09/11/2020 0.375% 09/04/2025	3130AK5E2	100,000.00	AA+	Aaa	9/10/2020	9/11/2020	99,700.00	0.44	28.13	99,853.71	91,591.00
FREDDIE MAC NOTES DTD 09/25/2020 0.375% 09/23/2025	3137EAEX3	225,000.00	AA+	Aaa	9/23/2020	9/25/2020	224,322.75	0.44	18.75	224,663.60	205,786.80
FANNIE MAE NOTES DTD 11/12/2020 0.500% 11/07/2025	3135G06G3	225,000.00	AA+	Aaa	11/9/2020	11/12/2020	224,194.50	0.57	450.00	224,579.34	205,615.58
Security Type Sub-Total		**3,135,000.00**					**3,127,713.74**	**0.39**	**2,734.12**	**3,132,022.17**	**2,976,390.13**
Corporate											
PNC BANK NA CORP NOTES (CALLABLE) DTD 01/23/2019 3.500% 01/23/2024	693475AV7	200,000.00	A-	A3	2/12/2019	2/15/2019	201,424.00	3.34	1,322.22	200,213.76	196,241.40

© PFM Asset Management LLC | pfmam.com

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
CHARLES SCHWAB CORP NOTES (CALLABLE) DTD 03/18/2021 0.750% 03/18/2024	808513BN4	60,000.00	A	A2	3/16/2021	3/18/2021	59,970.00	0.77	16.25	59,990.36	57,079.26
MORGAN STANLEY CORP NOTES DTD 04/28/2014 3.875% 04/29/2024	61746BDQ6	200,000.00	A-	A1	7/19/2019	7/23/2019	211,458.00	2.59	3,272.22	202,591.53	197,525.80
AMAZON.COM INC CORPORATE NOTES DTD 05/12/2021 0.450% 05/12/2024	023135BW5	55,000.00	AA	A1	5/10/2021	5/12/2021	54,919.70	0.50	95.56	54,970.18	52,644.35
AMERICAN HONDA FINANCE CORP NOTE DTD 06/27/2019 2.400% 06/27/2024	02665WCZ2	200,000.00	A-	A3	7/11/2019	7/15/2019	199,008.00	2.51	1,253.33	199,751.59	194,060.60
GOLDMAN SACHS GROUP INC (CALLABLE) BONDS DTD 07/08/2014 3.850% 07/08/2024	38141EC23	200,000.00	BBB+	A2	7/8/2019	7/11/2019	209,316.00	2.84	1,775.28	202,005.12	196,534.80
US BANCORP NOTES (CALLABLE) DTD 07/29/2019 2.400% 07/30/2024	91159HHX1	350,000.00	A+	A2	10/4/2019	10/8/2019	357,483.00	1.93	1,423.33	351,969.44	336,883.05
BB&T CORPORATION CORP BONDS DTD 07/29/2019 2.500% 08/01/2024	05531FBH5	200,000.00	A-	A3	8/1/2019	8/5/2019	200,332.00	2.46	833.33	200,084.67	190,998.20
AMAZON.COM INC CORP NOTES DTD 06/06/2018 2.800% 08/22/2024	023135AZ9	200,000.00	AA	A1	10/25/2019	10/29/2019	207,672.00	1.96	606.67	202,024.18	195,615.80
WALT DISNEY COMPANY/THE (CALLABLE) DTD 09/06/2019 1.750% 08/30/2024	254687FK7	200,000.00	BBB+	A2	9/3/2019	9/6/2019	199,184.00	1.84	301.39	199,768.20	192,287.80
JPMORGAN CHASE & CO BONDS DTD 09/10/2014 3.875% 09/10/2024	46625HJY7	150,000.00	BBB+	A3	10/25/2019	10/29/2019	160,068.00	2.40	339.06	152,989.82	147,409.95
JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 09/10/2021 0.625% 09/10/2024	24422EVU0	60,000.00	A	A2	9/7/2021	9/10/2021	59,961.00	0.65	21.88	59,981.21	56,816.70
PACCAR FINANCIAL CORP CORPORATE NOTES DTD 02/06/2020 1.800% 02/06/2025	69371RQ66	125,000.00	A+	A1	10/22/2020	10/29/2020	130,638.75	0.73	343.75	127,445.51	118,878.38
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	100,000.00	A+	A1	5/20/2020	5/26/2020	100,977.00	1.58	240.00	100,387.63	95,038.10

© PFM Asset Management LLC | pfmam.com

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
TOYOTA MOTOR CREDIT CORP CORP NOTES DTD 02/13/2020 1.800% 02/13/2025	89236TGT6	50,000.00	A+	A1	5/20/2020	5/26/2020	50,488.50	1.58	120.00	50,193.81	47,519.05
AMERICAN EXPRESS CO CORP NOTES (CALLABLE DTD 03/04/2022 2.250% 03/04/2025	025816CQ0	50,000.00	BBB+	A2	3/1/2022	3/4/2022	49,949.50	2.29	84.38	49,967.61	47,458.20
HOME DEPOT INC (CALLABLE) CORPORATE NOTE DTD 03/28/2022 2.700% 04/15/2025	437076CM2	15,000.00	A	A2	3/24/2022	3/28/2022	14,973.75	2.76	186.75	14,982.45	14,512.50
CITIGROUP INC CORP NOTES DTD 04/27/2015 3.300% 04/27/2025	172967JP7	150,000.00	BBB+	A3	8/28/2020	9/1/2020	166,492.50	0.88	2,117.50	157,348.34	144,750.60
CINTAS CORPORATION NO. 2 CORP NOTE (CALL DTD 05/03/2022 3.450% 05/01/2025	17252MAP5	45,000.00	A-	A3	4/26/2022	5/3/2022	44,990.10	3.46	646.88	44,993.11	43,977.24
APPLE INC (CALLABLE) CORP NOTES DTD 05/11/2020 1.125% 05/11/2025	037833DT4	375,000.00	AA+	Aaa	5/11/2020	5/13/2020	375,753.75	1.08	1,640.63	375,311.33	351,802.13
GENERAL DYNAMICS CORP (CALLABLE) CORP NO DTD 05/11/2018 3.500% 05/15/2025	369550BG2	150,000.00	A-	A3	10/16/2020	10/20/2020	168,165.00	0.80	1,983.33	158,070.82	146,730.30
JPMORGAN CHASE & CO (CALLABLE) CORP NOTE DTD 06/01/2021 0.824% 06/01/2025	46647PCH7	125,000.00	A-	A1	5/24/2021	6/1/2021	125,000.00	0.82	343.33	125,000.00	118,491.25
NATIONAL RURAL UTIL COOP CORPORATE NOTES DTD 05/04/2022 3.450% 06/15/2025	63743HFE7	35,000.00	A-	A2	4/27/2022	5/4/2022	34,990.55	3.46	355.54	34,993.31	33,965.58
IBM CORP CORPORATE NOTES DTD 07/27/2022 4.000% 07/27/2025	459200KS9	150,000.00	A-	A3	7/20/2022	7/27/2022	150,000.00	4.00	1,066.67	150,000.00	148,299.15
BANK OF AMERICA CORP NOTES DTD 07/30/2015 3.875% 08/01/2025	06051GFS3	150,000.00	A-	A2	8/18/2020	8/20/2020	171,279.00	0.93	968.75	160,044.82	146,667.60
ABBOTT LABORATORIES CORPORATE NOTES (CAL DTD 03/22/2017 3.875% 09/15/2025	002824BM1	150,000.00	AA-	A1	9/24/2020	9/28/2020	171,897.00	0.86	258.33	160,255.07	148,550.10
BANK OF AMERICA CORP NOTES (CALLABLE) DTD 12/06/2021 1.530% 12/06/2025	06051GKE8	150,000.00	A-	A2	12/1/2021	12/6/2021	150,000.00	1.53	733.13	150,000.00	140,537.70

© PFM Asset Management LLC | pfmam.com

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
UNITEDHEALTH GROUP INC (CALLABLE) CORPOR DTD 05/19/2021 1.150% 05/15/2026	91324PEC2	150,000.00	A+	A3	5/17/2021	5/19/2021	149,739.00	1.19	651.67	149,836.70	136,227.45
CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 01/10/2022 1.700% 01/08/2027	14913R2U0	150,000.00	A	A2	1/11/2022	1/13/2022	149,242.50	1.81	587.92	149,426.78	136,848.15
TARGET CORP CORP NOTES (CALLABLE) DTD 01/24/2022 1.950% 01/15/2027	87612EBM7	25,000.00	A	A2	1/19/2022	1/24/2022	24,957.50	1.99	102.92	24,967.60	23,113.65
BANK OF NY MELLON CORP (CALLABLE) CORPOR DTD 01/26/2022 2.050% 01/26/2027	06406RBA4	325,000.00	A	A1	1/26/2022	1/28/2022	324,278.50	2.10	1,202.95	324,447.80	291,557.83
BERKSHIRE HATHAWAY CORP NOTES (CALLABLE) DTD 03/15/2022 2.300% 03/15/2027	084664CZ2	325,000.00	AA	Aa2	3/15/2022	3/17/2022	318,903.00	2.70	332.22	320,173.21	307,069.75
NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 06/09/2022 3.905% 06/09/2027	63254ABE7	300,000.00	AA-	Aa3	6/9/2022	6/13/2022	297,318.00	4.10	3,644.67	297,747.83	293,884.20
Security Type Sub-Total		**5,170,000.00**					**5,290,829.60**	**2.05**	**28,871.84**	**5,211,933.79**	**4,949,976.62**
Agency MBS Pass Through											
FN FS2262 DTD 06/01/2022 4.000% 06/01/2037	3140XHQQ3	272,211.45	AA+	Aaa	6/27/2022	6/30/2022	275,656.65	3.89	907.37	275,482.81	268,054.30
Security Type Sub-Total		**272,211.45**					**275,656.65**	**3.89**	**907.37**	**275,482.81**	**268,054.30**
Agency CMO											
GNR 2022-101 DA DTD 06/30/2022 2.500% 12/01/2043	38383F5U3	270,782.27	AA+	Aaa	12/20/2022	12/23/2022	251,108.25	2.97	564.13	251,362.92	250,809.32
Security Type Sub-Total		**270,782.27**					**251,108.25**	**2.97**	**564.13**	**251,362.92**	**250,809.32**

© PFM Asset Management LLC | pfmam.com

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Agency CMBS											
FHMS K043 A2 DTD 03/01/2015 3.062% 12/01/2024	3137BGK24	125,000.00	AA+	Aaa	3/19/2020	3/25/2020	131,191.41	1.95	318.96	127,206.05	121,801.78
FHMS KJ40 A1 DTD 07/01/2022 3.400% 06/01/2028	3137H8B42	94,282.34	AA+	Aaa	7/7/2022	7/14/2022	94,281.20	3.40	267.13	94,281.20	91,144.50
FHMS K750 A1 DTD 11/01/2022 3.000% 11/01/2028	3137H9D63	183,299.23	AA+	Aaa	10/26/2022	11/3/2022	171,117.72	4.26	458.25	171,117.72	175,322.45
FHMS KJ43 A1 DTD 12/01/2022 4.377% 12/01/2028	3137H9MM8	249,704.52	AA+	Aaa	12/8/2022	12/15/2022	249,700.27	4.38	910.80	249,700.27	250,099.70
FHMS KJ41 A1 DTD 08/01/2022 3.137% 01/01/2029	3137H8H79	199,401.33	AA+	Aaa	7/28/2022	8/4/2022	199,398.93	3.14	521.27	199,398.93	190,518.95
FHMS KJ42 A1 DTD 09/01/2022 3.902% 07/01/2029	3137H92N8	124,327.55	AA+	Aaa	9/8/2022	9/15/2022	124,322.81	3.90	404.27	124,322.81	122,340.68
Security Type Sub-Total		**976,014.97**					**970,012.34**	**3.64**	**2,880.68**	**966,026.98**	**951,228.06**
ABS											
VZOT 2020-A A1A DTD 01/29/2020 1.850% 07/22/2024	92348TAA2	3,294.50	AAA	Aaa	1/21/2020	1/29/2020	3,294.12	1.85	1.86	3,294.39	3,286.76
HAROT 2020-3 A3 DTD 09/29/2020 0.370% 10/18/2024	43813KAC6	35,847.08	AAA	NR	9/22/2020	9/29/2020	35,841.80	0.37	4.79	35,845.06	35,135.74
GMALT 2021-1 A4 DTD 02/24/2021 0.330% 02/20/2025	36261RAD0	50,000.00	NR	Aaa	2/17/2021	2/24/2021	49,992.45	0.33	5.04	49,996.42	49,560.21
GMALT 2021-2 A4 DTD 05/26/2021 0.410% 05/20/2025	380144AD7	25,000.00	AAA	NR	5/18/2021	5/26/2021	24,997.90	0.41	3.13	24,998.87	24,412.35
HART 2021-A A3 DTD 04/28/2021 0.380% 09/15/2025	44933LAC7	34,277.18	AAA	NR	4/20/2021	4/28/2021	34,273.58	0.38	5.79	34,275.16	33,254.42
TAOT 2021-B A3 DTD 06/14/2021 0.260% 11/17/2025	89190GAC1	192,727.38	AAA	NR	6/8/2021	6/14/2021	192,706.62	0.26	22.27	192,715.04	185,939.35
CARMX 2021-2 A3 DTD 04/21/2021 0.520% 02/17/2026	14314QAC8	56,692.90	AAA	NR	4/13/2021	4/21/2021	56,680.68	0.52	13.10	56,685.60	54,734.78
DCENT 2021-A1 A1 DTD 09/27/2021 0.580% 09/15/2026	254683CP8	125,000.00	AAA	Aaa	9/20/2021	9/27/2021	124,973.24	0.58	32.22	124,981.37	117,461.78
GMCAR 2021-4 A3 DTD 10/21/2021 0.680% 09/16/2026	362554AC1	55,000.00	AAA	Aaa	10/13/2021	10/21/2021	54,998.60	0.68	15.58	54,999.01	52,150.56

© PFM Asset Management LLC | pfmam.com

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
COMET 2021-A3 A3 DTD 11/30/2021 1.040% 11/15/2026	14041NFY2	160,000.00	AAA	NR	11/18/2021	11/30/2021	159,977.95	1.04	73.96	159,983.88	150,566.67
CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	140,000.00	AAA	NR	7/12/2022	7/20/2022	139,996.70	3.97	247.02	139,997.19	137,056.56
NAROT 2022-B A3 DTD 09/28/2022 4.460% 05/17/2027	65480JAC4	105,000.00	AAA	Aaa	9/20/2022	9/28/2022	104,978.28	4.46	208.13	104,980.65	104,226.89
GMCAR 2022-4 A3 DTD 10/12/2022 4.820% 08/16/2027	36265QAD8	205,000.00	AAA	NR	10/4/2022	10/12/2022	204,966.40	4.82	411.71	204,969.65	205,496.10
COMET 2022-A3 A DTD 11/03/2022 4.950% 10/15/2027	14041NGB1	165,000.00	AAA	NR	10/27/2022	11/3/2022	164,974.11	4.95	363.00	164,976.24	166,700.87
Security Type Sub-Total		**1,352,839.04**					**1,352,652.43**	**2.44**	**1,407.60**	**1,352,698.53**	**1,319,983.04**
Managed Account Sub Total		**22,251,847.73**					**21,879,775.81**	**2.12**	**79,644.37**	**21,875,682.77**	**21,014,370.21**
Securities Sub Total		**$22,251,847.73**					**$21,879,775.81**	**2.12%**	**$79,644.37**	**$21,875,682.77**	**$21,014,370.21**
Accrued Interest											**$79,644.37**
Total Investments											**$21,094,014.58**

© PFM Asset Management LLC | pfmam.com

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
BUY									
1/4/2023	1/6/2023	175,000.00	912828U24	US TREASURY NOTES	2.00%	11/15/2026	163,314.28	3.96%	
1/31/2023	2/3/2023	500,000.00	91282CEN7	US TREASURY N/B NOTES	2.75%	4/30/2027	485,034.21	3.70%	
3/2/2023	3/6/2023	1,150,000.00	91282CFB2	US TREASURY N/B NOTES	2.75%	7/31/2027	1,076,108.97	4.44%	
Total BUY		**1,825,000.00**					**1,724,457.46**		**0.00**
INTEREST									
1/1/2023	1/1/2023	40,000.00	20772KJW0	CT ST TXBL GO BONDS	1.99%	7/1/2024	399.60		
1/1/2023	1/1/2023	45,000.00	13017HAK2	CA ST EARTHQUAKE AUTH TXBL REV BONDS	1.47%	7/1/2023	332.33		
1/1/2023	1/1/2023	190,000.00	341271AD6	FL ST BOARD OF ADMIN TXBL REV BONDS	1.25%	7/1/2025	1,195.10		
1/1/2023	1/20/2023	278,374.43	38383F5U3	GNR 2022-101 DA	2.50%	12/1/2043	579.95		
1/1/2023	1/25/2023	184,576.75	3137H9D63	FHMS K750 A1	3.00%	11/1/2028	461.44		
1/1/2023	1/25/2023	124,678.71	3137H92N8	FHMS KJ42 A1	3.90%	7/1/2029	405.41		
1/1/2023	1/25/2023	279,545.73	3140XHQQ3	FN FS2262	4.00%	6/1/2037	931.82		
1/1/2023	1/25/2023	250,000.00	3137H9MM8	FHMS KJ43 A1	4.37%	12/1/2028	911.88		
1/1/2023	1/25/2023	94,621.03	3137H8B42	FHMS KJ40 A1	3.40%	6/1/2028	268.09		
1/1/2023	1/25/2023	125,000.00	3137BGK24	FHMS K043 A2	3.06%	12/1/2024	318.96		
1/1/2023	1/25/2023	199,692.88	3137H8H79	FHMS KJ41 A1	3.13%	1/1/2029	522.03		
1/8/2023	1/8/2023	150,000.00	14913R2U0	CATERPILLAR FINL SERVICE CORPORATE NOTES	1.70%	1/8/2027	1,275.00		

© PFM Asset Management LLC | pfmam.com

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
1/8/2023	1/8/2023	200,000.00	38141EC23	GOLDMAN SACHS GROUP INC (CALLABLE) BONDS	3.85%	7/8/2024	3,850.00		
1/15/2023	1/15/2023	165,000.00	14041NGB1	COMET 2022-A3 A	4.95%	10/15/2027	680.63		
1/15/2023	1/15/2023	25,000.00	87612EBM7	TARGET CORP CORP NOTES (CALLABLE)	1.95%	1/15/2027	243.75		
1/15/2023	1/15/2023	225,000.00	89190GAC1	TAOT 2021-B A3	0.26%	11/17/2025	48.75		
1/15/2023	1/15/2023	160,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	138.67		
1/15/2023	1/15/2023	42,047.94	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	13.32		
1/15/2023	1/15/2023	67,426.64	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	29.22		
1/15/2023	1/15/2023	125,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	60.42		
1/15/2023	1/15/2023	105,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	390.25		
1/15/2023	1/15/2023	140,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	463.17		
1/16/2023	1/16/2023	55,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	31.17		
1/16/2023	1/16/2023	205,000.00	36265QAD8	GMCAR 2022-4 A3	4.82%	8/16/2027	823.42		
1/18/2023	1/18/2023	50,157.93	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	15.47		
1/20/2023	1/20/2023	22,777.81	362569AD7	GMALT 2020-3 A4	0.51%	10/21/2024	9.68		
1/20/2023	1/20/2023	17,321.06	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	26.70		
1/20/2023	1/20/2023	150,000.00	92868VAD1	VWALT 2020-A A4	0.45%	7/21/2025	56.25		
1/20/2023	1/20/2023	50,000.00	36261RAD0	GMALT 2021-1 A4	0.33%	2/20/2025	13.75		

© PFM Asset Management LLC | pfmam.com

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
1/20/2023	1/20/2023	25,000.00	380144AD7	GMALT 2021-2 A4	0.41%	5/20/2025	8.54		
1/21/2023	1/21/2023	275,000.00	3137EAEU9	FREDDIE MAC NOTES	0.37%	7/21/2025	515.63		
1/23/2023	1/23/2023	200,000.00	693475AV7	PNC BANK NA CORP NOTES (CALLABLE)	3.50%	1/23/2024	3,500.00		
1/26/2023	1/26/2023	325,000.00	06406RBA4	BANK OF NY MELLON CORP (CALLABLE) CORPOR	2.05%	1/26/2027	3,331.25		
1/27/2023	1/27/2023	150,000.00	459200KS9	IBM CORP CORPORATE NOTES	4.00%	7/27/2025	3,000.00		
1/30/2023	1/30/2023	350,000.00	91159HHX1	US BANCORP NOTES (CALLABLE)	2.40%	7/30/2024	4,200.00		
1/31/2023	1/31/2023	2,325,000.00	91282CCP4	US TREASURY N/B NOTES	0.62%	7/31/2026	7,265.63		
2/1/2023	2/1/2023	100,000.00	54438CYK2	LOS ANGELES CCD, CA TXBL GO BONDS	0.77%	8/1/2025	386.50		
2/1/2023	2/1/2023	150,000.00	06051GFS3	BANK OF AMERICA CORP NOTES	3.87%	8/1/2025	2,906.25		
2/1/2023	2/1/2023	50,000.00	157411TK5	CHAFFEY UHSD, CA TXBL GO BONDS	2.10%	8/1/2024	525.25		
2/1/2023	2/1/2023	65,000.00	60412AVJ9	MN ST TXBL GO BONDS	0.63%	8/1/2025	204.75		
2/1/2023	2/1/2023	200,000.00	05531FBH5	BB&T CORPORATION CORP BONDS	2.50%	8/1/2024	2,500.00		
2/1/2023	2/1/2023	80,000.00	798306WP7	SAN JUAN USD, CA TXBL GO BONDS	0.85%	8/1/2025	340.80		
2/1/2023	2/20/2023	275,758.16	38383F5U3	GNR 2022-101 DA	2.50%	12/1/2043	574.50		
2/1/2023	2/25/2023	199,609.97	3137H8H79	FHMS KJ41 A1	3.13%	1/1/2029	521.81		
2/1/2023	2/25/2023	184,181.73	3137H9D63	FHMS K750 A1	3.00%	11/1/2028	460.45		
2/1/2023	2/25/2023	125,000.00	3137BGK24	FHMS K043 A2	3.06%	12/1/2024	318.96		

© PFM Asset Management LLC | pfmam.com

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
2/1/2023	2/25/2023	276,552.38	3140XHQQ3	FN FS2262	4.00%	6/1/2037	921.84		
2/1/2023	2/25/2023	94,522.57	3137H8B42	FHMS KJ40 A1	3.40%	6/1/2028	267.81		
2/1/2023	2/25/2023	124,580.05	3137H92N8	FHMS KJ42 A1	3.90%	7/1/2029	405.09		
2/1/2023	2/25/2023	249,921.79	3137H9MM8	FHMS KJ43 A1	4.37%	12/1/2028	911.59		
2/6/2023	2/6/2023	125,000.00	69371RQ66	PACCAR FINANCIAL CORP CORPORATE NOTES	1.80%	2/6/2025	1,125.00		
2/13/2023	2/13/2023	150,000.00	89236TGT6	TOYOTA MOTOR CREDIT CORP CORP NOTES	1.80%	2/13/2025	1,350.00		
2/15/2023	2/15/2023	160,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	138.67		
2/15/2023	2/15/2023	125,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	60.42		
2/15/2023	2/15/2023	105,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	390.25		
2/15/2023	2/15/2023	218,032.14	89190GAC1	TAOT 2021-B A3	0.26%	11/17/2025	47.24		
2/15/2023	2/15/2023	165,000.00	14041NGB1	COMET 2022-A3 A	4.95%	10/15/2027	680.63		
2/15/2023	2/15/2023	140,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	463.17		
2/15/2023	2/15/2023	63,641.16	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	27.58		
2/15/2023	2/15/2023	39,438.20	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	12.49		
2/16/2023	2/16/2023	55,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	31.17		
2/16/2023	2/16/2023	205,000.00	36265QAD8	GMCAR 2022-4 A3	4.82%	8/16/2027	823.42		
2/18/2023	2/18/2023	45,197.15	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	13.94		

© PFM Asset Management LLC | pfmam.com

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
2/20/2023	2/20/2023	11,872.41	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	18.30		
2/20/2023	2/20/2023	150,000.00	92868VAD1	VWALT 2020-A A4	0.45%	7/21/2025	56.25		
2/20/2023	2/20/2023	50,000.00	36261RAD0	GMALT 2021-1 A4	0.33%	2/20/2025	13.75		
2/20/2023	2/20/2023	5,974.13	362569AD7	GMALT 2020-3 A4	0.51%	10/21/2024	2.54		
2/20/2023	2/20/2023	25,000.00	380144AD7	GMALT 2021-2 A4	0.41%	5/20/2025	8.54		
2/22/2023	2/22/2023	200,000.00	023135AZ9	AMAZON.COM INC CORP NOTES	2.80%	8/22/2024	2,800.00		
2/24/2023	2/24/2023	550,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/2023	687.50		
2/25/2023	2/25/2023	225,000.00	3135G05X7	FANNIE MAE NOTES	0.37%	8/25/2025	421.88		
2/28/2023	2/28/2023	200,000.00	254687FK7	WALT DISNEY COMPANY/THE (CALLABLE)	1.75%	8/30/2024	1,750.00		
3/1/2023	3/25/2023	199,526.65	3137H8H79	FHMS KJ41 A1	3.13%	1/1/2029	521.60		
3/1/2023	3/25/2023	125,000.00	3137BGK24	FHMS K043 A2	3.06%	12/1/2024	318.96		
3/1/2023	3/25/2023	275,003.45	3140XHQQ3	FN FS2262	4.00%	6/1/2037	916.68		
3/1/2023	3/25/2023	183,785.40	3137H9D63	FHMS K750 A1	3.00%	11/1/2028	459.46		
3/1/2023	3/25/2023	249,843.14	3137H9MM8	FHMS KJ43 A1	4.37%	12/1/2028	911.30		
3/1/2023	3/25/2023	124,480.90	3137H92N8	FHMS KJ42 A1	3.90%	7/1/2029	404.77		
3/1/2023	3/25/2023	94,423.67	3137H8B42	FHMS KJ40 A1	3.40%	6/1/2028	267.53		
3/1/2023	3/20/2023	273,236.32	38383F5U3	GNR 2022-101 DA	2.50%	12/1/2043	569.24		

© PFM Asset Management LLC | pfmam.com

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
3/4/2023	3/4/2023	50,000.00	025816CQ0	AMERICAN EXPRESS CO CORP NOTES (CALLABLE	2.25%	3/4/2025	562.50		
3/4/2023	3/4/2023	100,000.00	3130AK5E2	FEDERAL HOME LOAN BANK NOTES	0.37%	9/4/2025	187.50		
3/8/2023	3/8/2023	800,000.00	3137EAEW5	FREDDIE MAC NOTES	0.25%	9/8/2023	1,000.00		
3/10/2023	3/10/2023	60,000.00	24422EVU0	JOHN DEERE CAPITAL CORP CORPORATE NOTES	0.62%	9/10/2024	187.50		
3/10/2023	3/10/2023	150,000.00	46625HJY7	JPMORGAN CHASE & CO BONDS	3.87%	9/10/2024	2,906.25		
3/15/2023	3/15/2023	60,100.81	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	26.04		
3/15/2023	3/15/2023	150,000.00	002824BM1	ABBOTT LABORATORIES CORPORATE NOTES (CAL	3.87%	9/15/2025	2,906.25		
3/15/2023	3/15/2023	125,000.00	254683CP8	DCENT 2021-A1 A1	0.58%	9/15/2026	60.42		
3/15/2023	3/15/2023	225,000.00	650036DT0	NY ST URBAN DEV CORP TXBL REV BONDS	0.87%	3/15/2025	978.75		
3/15/2023	3/15/2023	140,000.00	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	463.17		
3/15/2023	3/15/2023	36,798.55	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	11.65		
3/15/2023	3/15/2023	205,118.12	89190GAC1	TAOT 2021-B A3	0.26%	11/17/2025	44.44		
3/15/2023	3/15/2023	165,000.00	14041NGB1	COMET 2022-A3 A	4.95%	10/15/2027	680.63		
3/15/2023	3/15/2023	160,000.00	14041NFY2	COMET 2021-A3 A3	1.04%	11/15/2026	138.67		
3/15/2023	3/15/2023	105,000.00	65480JAC4	NAROT 2022-B A3	4.46%	5/17/2027	390.25		
3/15/2023	3/15/2023	325,000.00	084664CZ2	BERKSHIRE HATHAWAY CORP NOTES (CALLABLE)	2.30%	3/15/2027	3,737.50		
3/16/2023	3/16/2023	205,000.00	36265QAD8	GMCAR 2022-4 A3	4.82%	8/16/2027	823.42		

© PFM Asset Management LLC | pfmam.com

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
INTEREST									
3/16/2023	3/16/2023	55,000.00	362554AC1	GMCAR 2021-4 A3	0.68%	9/16/2026	31.17		
3/18/2023	3/18/2023	40,423.87	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	12.46		
3/18/2023	3/18/2023	60,000.00	808513BN4	CHARLES SCHWAB CORP NOTES (CALLABLE)	0.75%	3/18/2024	225.00		
3/20/2023	3/20/2023	7,195.77	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	11.09		
3/20/2023	3/20/2023	50,000.00	36261RAD0	GMALT 2021-1 A4	0.33%	2/20/2025	13.75		
3/20/2023	3/20/2023	150,000.00	92868VAD1	VWALT 2020-A A4	0.45%	7/21/2025	56.25		
3/20/2023	3/20/2023	25,000.00	380144AD7	GMALT 2021-2 A4	0.41%	5/20/2025	8.54		
3/23/2023	3/23/2023	440,000.00	4581X0DZ8	INTER-AMERICAN DEVEL BK NOTES	0.50%	9/23/2024	1,100.00		
3/23/2023	3/23/2023	225,000.00	3137EAEX3	FREDDIE MAC NOTES	0.37%	9/23/2025	421.88		
Total INTEREST		**18,245,439.40**					**79,840.24**		**0.00**
MATURITY									
3/17/2023	3/17/2023	150,000.00	22552G3C2	CREDIT SUISSE NEW YORK CERT DEPOS	0.59%	3/17/2023	150,897.29		
Total MATURITY		**150,000.00**					**150,897.29**		**0.00**
PAYDOWNS									
1/1/2023	1/25/2023	395.02	3137H9D63	FHMS K750 A1	3.00%	11/1/2028	395.02		26.25
1/1/2023	1/25/2023	82.91	3137H8H79	FHMS KJ41 A1	3.13%	1/1/2029	82.91		
1/1/2023	1/25/2023	98.46	3137H8B42	FHMS KJ40 A1	3.40%	6/1/2028	98.46		

© PFM Asset Management LLC | pfmam.com

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
1/1/2023	1/25/2023	78.21	3137H9MM8	FHMS KJ43 A1	4.37%	12/1/2028	78.21		
1/1/2023	1/25/2023	98.66	3137H92N8	FHMS KJ42 A1	3.90%	7/1/2029	98.66		
1/1/2023	1/25/2023	2,993.35	3140XHQQ3	FN FS2262	4.00%	6/1/2037	2,993.35		
1/1/2023	1/20/2023	2,616.27	38383F5U3	GNR 2022-101 DA	2.50%	12/1/2043	2,616.27		
1/15/2023	1/15/2023	2,609.74	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	2,609.74		
1/15/2023	1/15/2023	3,785.48	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	3,785.48		
1/15/2023	1/15/2023	6,967.86	89190GAC1	TAOT 2021-B A3	0.26%	11/17/2025	6,967.86		
1/18/2023	1/18/2023	4,960.78	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	4,960.78		
1/20/2023	1/20/2023	16,803.68	362569AD7	GMALT 2020-3 A4	0.51%	10/21/2024	16,803.68		
1/20/2023	1/20/2023	5,448.65	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	5,448.65		
2/1/2023	2/25/2023	396.33	3137H9D63	FHMS K750 A1	3.00%	11/1/2028	396.33		26.34
2/1/2023	2/25/2023	83.32	3137H8H79	FHMS KJ41 A1	3.13%	1/1/2029	83.32		
2/1/2023	2/25/2023	1,548.93	3140XHQQ3	FN FS2262	4.00%	6/1/2037	1,548.93		
2/1/2023	2/25/2023	78.65	3137H9MM8	FHMS KJ43 A1	4.37%	12/1/2028	78.65		
2/1/2023	2/25/2023	98.90	3137H8B42	FHMS KJ40 A1	3.40%	6/1/2028	98.90		
2/1/2023	2/25/2023	99.15	3137H92N8	FHMS KJ42 A1	3.90%	7/1/2029	99.15		
2/1/2023	2/20/2023	2,521.84	38383F5U3	GNR 2022-101 DA	2.50%	12/1/2043	2,521.84		

© PFM Asset Management LLC | pfmam.com

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
2/15/2023	2/15/2023	12,914.02	89190GAC1	TAOT 2021-B A3	0.26%	11/17/2025	12,914.02		
2/15/2023	2/15/2023	2,639.65	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	2,639.65		
2/15/2023	2/15/2023	3,540.35	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	3,540.35		
2/18/2023	2/18/2023	4,773.28	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	4,773.28		
2/20/2023	2/20/2023	5,974.13	362569AD7	GMALT 2020-3 A4	0.51%	10/21/2024	5,974.13		
2/20/2023	2/20/2023	4,676.64	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	4,676.64		
3/1/2023	3/25/2023	2,792.00	3140XHQQ3	FN FS2262	4.00%	6/1/2037	2,792.00		
3/1/2023	3/25/2023	486.17	3137H9D63	FHMS K750 A1	3.00%	11/1/2028	486.17		32.31
3/1/2023	3/25/2023	153.35	3137H92N8	FHMS KJ42 A1	3.90%	7/1/2029	153.35		0.01
3/1/2023	3/25/2023	141.33	3137H8B42	FHMS KJ40 A1	3.40%	6/1/2028	141.33		
3/1/2023	3/25/2023	138.62	3137H9MM8	FHMS KJ43 A1	4.37%	12/1/2028	138.62		
3/1/2023	3/25/2023	125.32	3137H8H79	FHMS KJ41 A1	3.13%	1/1/2029	125.32		
3/1/2023	3/20/2023	2,454.05	38383F5U3	GNR 2022-101 DA	2.50%	12/1/2043	2,454.05		
3/15/2023	3/15/2023	12,390.74	89190GAC1	TAOT 2021-B A3	0.26%	11/17/2025	12,390.74		
3/15/2023	3/15/2023	3,407.91	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	3,407.91		
3/15/2023	3/15/2023	2,521.37	44933LAC7	HART 2021-A A3	0.38%	9/15/2025	2,521.37		
3/18/2023	3/18/2023	4,576.79	43813KAC6	HAROT 2020-3 A3	0.37%	10/18/2024	4,576.79		

© PFM Asset Management LLC | pfmam.com

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par ($)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount ($)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
3/20/2023	3/20/2023	3,901.27	92348TAA2	VZOT 2020-A A1A	1.85%	7/22/2024	3,901.27		
3/20/2023	3/20/2023	150,000.00	92868VAD1	VWALT 2020-A A4	0.45%	7/21/2025	150,000.00		
Total PAYDOWNS		**269,373.18**					**269,373.18**		**84.91**
SELL									
1/4/2023	1/6/2023	65,000.00	912828XX3	US TREASURY NOTES	2.00%	6/30/2024	62,622.14		-3,485.60
1/31/2023	2/3/2023	125,000.00	912828YY0	US TREASURY NOTES	1.75%	12/31/2024	119,560.93		-9,116.37
1/31/2023	2/3/2023	300,000.00	912828YY0	US TREASURY NOTES	1.75%	12/31/2024	286,946.21		-22,502.68
3/2/2023	3/6/2023	225,000.00	912828ZW3	US TREASURY NOTES	0.25%	6/30/2025	202,970.14		-19,744.06
3/2/2023	3/6/2023	325,000.00	912828ZW3	US TREASURY NOTES	0.25%	6/30/2025	293,179.09		-29,508.40
3/2/2023	3/6/2023	550,000.00	3137EAEV7	FREDDIE MAC NOTES	0.25%	8/24/2023	537,648.83		-12,309.63
Total SELL		**1,590,000.00**					**1,502,927.34**		**-96,666.74**

© PFM Asset Management LLC | pfmam.com

Important Disclosures

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

Investment advisory services are provided by PFM Asset Management LLC ("PFMAM"), an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. 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. Opinions and data presented are not necessarily indicative of future events or expected performance.

For more information regarding PFMAM's services or entities, please visit www.pfmam.com.

© 2022 PFM Asset Management LLC. Further distribution is not permitted without prior written consent.

Important Disclosures

- Market values that include accrued interest are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv, 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.

© PFM Asset Management LLC | pfmam.com

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.
- Asset-Backed Security: A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- 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 Total Return: The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- 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.
- 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.

© PFM Asset Management LLC | pfmam.com

Glossary

- 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.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- 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.

© PFM Asset Management LLC | pfmam.com

Agenda Item 8.2

SPECIAL REPORTS

SUBJECT: Financial Audit Report 2021-2022

BACKGROUND AND STATUS:

Attached is the audit for fiscal year ("FY") ending June 30, 2022, which consists of CAPRI's Financial Statements and Independent Audit Report (Attachment 1), Internal Control Letter (Attachment 2), and the Auditor's Communication Letter (Attachment 3). The auditor's role in preparing this Report concerns forming and expressing an opinion(s) about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State's Controller's Office and state regulations governing special districts.

Consistent with prior years, the auditors have issued an unqualified or "clean" opinion, which means they can state, without reservation, that the financial statements are fairly presented in conformity with generally accepted accounting principles.

James Marta will be presenting at the Board Meeting addressing his firm's Report.

RECOMMENDATION:

Accept the audit for the FY 21-22 as prepared by the accounting firm, James Marta & Company LLP, Certified Public Accountants.

REFERENCES MATERIAL ATTACHED:

- CAPRI's Financial Statements w/ Independent Audit Report dated March 28, 2022
- Internal Control Letter
- Auditor's Communication with CAPRI Board

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2022 AND 2021

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

BOARD OF DIRECTORS

JUNE 30, 2022

Dean Wetter
President
Valley-Wide Recreation and Park District

Larry Mazzuca
Vice President
North Highlands Recreation and Park District

Colin Miller
Secretary
Arden Park Recreation and Park District

Lorena Cervantes
Bear Mountain Recreation and Park District

Jim Friedl
Conejo Recreation and Park District

Michelle Lacy
Pleasant Hill Recreation and Park District

Jill Nunes
Cordova Recreation and Park District

Matthew Duarte
Administrator

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	7
Statement of Revenues, Expenses and Change in Net Position	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
REQUIRED SUPPLEMENTARY INFORMATION	
Reconciliation of Claims Liabilities by Type of Program	29
Claims Development Information	
Property and Liability	30
Workers' Compensation	31
Schedule of Proportionate Share of the Net Pension Liability	32
Schedule of Contributions	33
Notes to Required Supplementary Information	34
SUPPLEMENTARY INFORMATION	
Combining Statement of Net Position	36
Combining Statement of Revenues, Expenses and Change in Net Position	37
Graphical Summary of Claims	38

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Association for Park and Recreation Indemnity
Roseville, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Statement of Net Position of California Association for Park and Recreation Indemnity(CAPRI), as of June 30, 2022 and 2021, and the related Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for the years then ended and the related notes to the financial statements, which collectively comprise California Association for Park and Recreation Indemnity's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of California Association for Park and Recreation Indemnity, as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis of our Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California Association for Park and Recreation Indemnity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

California Association for Park and Recreation Indemnity's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California Association for Park and Recreation Indemnity's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 California Association for Park and Recreation Indemnity's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about California Association for Park and Recreation Indemnity's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Change in Accounting Principle

As described in page 13 Note 1E to the financial statements, CAPRI adopted GASB Statement No. 87, Leases. As the lease is immaterial in regard to the financial statement, there was no restatement of net position as of July 1, 2021. Our opinion is not modified with respect to this matter.

Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Reconciliation of Claims Liabilities by Type of Program, Claims Development Information, Schedule of Proportionate Share of the Net pension Liability, Schedule of Contributions, and the Notes to Required Supplementary Information 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 consisted 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.

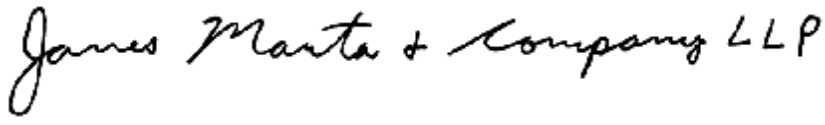
Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of California Association for Park and Recreation Indemnity. The Combining Statement of Net Position, Combining Statement of Revenues, Expenses and Changes in Net Position and Graphical Summary of Claims are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Net Position, Combining Statement of Revenues, Expenses and Changes in Net Position and Graphical Summary of Claims are fairly stated in all material respects in relation to the financial statements as a whole.

Other Matters

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2023 on our consideration of California Association for Park and Recreation Indemnity's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entities internal control over financial reporting and compliance.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 27, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following report reflects on the financial condition of California Association for Park and Recreation Indemnity (CAPRI) as of and for the fiscal year ended June 30, 2022. It is provided in order to enhance the information in the audited financial statements, footnotes and supplemental schedules, and should be reviewed in conjunction with that report.

Financial Highlights for the fiscal year ended June 30, 2022

- Total Assets were $27.9 million, which was a decrease of ~$652,000 from the prior year. This was mainly due to a decrease in investments during the 2021-22 year.

- Total Liabilities were $19.3 million, a decrease of ~$1.9 million from the prior year. The change is due mainly to a decrease in claims liabilities resulting from decreases in the actuarial provision for insured events in the Property Program.

- Total Net Position was $8.2 million, an increase of ~$795,000. The change in Net Position was primarily driven by an increase in Member Contributions, a decrease in claims expenditures and an increase in operating expenses.

- Total Member Contributions were $12.6 million, an increase of approximately $885,000 from the prior year. This increase in contributions is largely due to an increase in covered payroll for the and Liability programs.

- Total operating expenses were $11.9 million, an increase of $1.1 million from the prior year. This was mainly due to an increase in the cost of excess insurance, offset by a decrease in claims expenses, and a loss in investments.

Description of the Basic Financial Statements

The accounts and records are maintained in-house with the assistance of Gilbert CPAs and are the basis for the financial statements and supplemental information. The financial statements consist of the Statement of Net Position, Statement of Revenue, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The *Statement of Net Position* provides information on CAPRI's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. The Statement of Net Position provides information as of a particular moment in time, and further subdivides the assets and liabilities into current and noncurrent categories to reflect the degree of availability of CAPRI's resources (assets) and the expected timing of liquidating CAPRI's obligations (liabilities).

The *Statement of Revenues, Expenses, and Changes in Net Position* illustrates CAPRI's revenues earned and expenses incurred. The Statement of Revenues, Expenses, and Changes in Net Position provides information on CAPRI's transactions over a period of time, and the resulting increase or decrease in net position. Revenues and expenses are further subdivided between operating and nonoperating, where operating revenues and operating expenses are those transactions that arise from CAPRI's core purpose and mission.

The *Statement of Cash Flows* presents information about the cash receipts and cash payments during the year. The cash activity is subdivided between operating and investing activities in order to illustrate the respective net cash effect of these activities. The statement of cash flows also reconciles accrual-basis operating income (or loss) from the Statement of Revenues, Expenses, and Changes in Net Position to net cash provided (or used) by operating activities.

Condensed Statement of Net Position

	June 30, 2022	June 30, 2021	Change $	Change %	June 30, 2020	Change $	Change %
Assets							
Total Other Assets	$ 27,858,572	$ 28,512,375	$ (653,803)	-2%	$ 25,939,770	$ 2,572,605	10%
Total Capital Assets	10,394	8,183	2,211	27%	149,646	(141,463)	-95%
Total Assets	27,868,966	28,520,558	(651,592)	-2%	26,089,416	2,431,142	9%
Deferred Outflows of Resources	152,337	171,125	(18,788)	100%	206,029	(34,904)	0%
Liabilities							
Total Other Liabilities	4,952,511	5,056,740	(104,229)	-2%	4,935,379	121,361	2%
Total Long-Term Liabilities	14,394,551	16,183,359	(1,788,808)	-11%	15,240,989	942,370	6%
Total Liabilities	19,347,062	21,240,099	(1,893,037)	-9%	20,176,368	1,063,731	5%
Deferred Inflows of Resources	433,498	5,350	428,148	100%	28,424	(23,074)	0%
Net Assets							
Invested in Capital Assets	10,394	8,183	2,211	27%	149,646	(141,463)	-95%
Unrestricted Net Position	8,230,349	7,438,051	792,298	11%	5,941,007	1,497,044	25%
Total Net Position	$ 8,240,743	$ 7,446,234	$ 794,509	11%	$ 6,090,653	$ 1,355,581	22%

Condensed Statement of Revenues, Expenses and Change in Net Position

	June 30, 2022	June 30, 2021	Change $	Change %	June 30, 2020	Change $	Change %
Revenues							
Member Contribution	$ 12,581,797	$ 11,696,898	$ 884,899	8%	$ 10,486,558	$ 1,210,340	12%
Other Income	75,000	394,353	(319,353)	-81%	1,261,892	(867,539)	-69%
Total Revenues	12,656,797	12,091,251	565,546	5%	11,748,450	342,801	3%
Expense							
Claims Expense	4,007,004	5,479,087	(1,472,083)	-27%	5,648,292	(169,205)	-3%
Insurance Expense	5,865,010	4,398,979	1,466,031	33%	3,885,174	513,805	13%
Dividend Expense	-	-	-	0%	252,495	(252,495)	-100%
Other Expenses	1,990,274	857,604	1,132,670	132%	747,184	110,420	15%
Total Expenses	11,862,288	10,735,670	1,126,618	10%	10,533,145	202,525	2%
Change in Net Position	794,509	1,355,581	(561,072)	-41%	1,215,305	140,276	12%
Beginning Net Position	7,446,234	6,090,653	1,355,581	22%	4,875,348	1,215,305	25%
Ending Net Position	$ 8,240,743	$ 7,446,234	$ 794,509	11%	$ 6,090,653	$ 1,355,581	22%

Analysis of Overall Financial Position and Results of Operations 2021-22

For the fiscal year ended June 30, 2022, total assets decreased by approximately $652,000. This change was primarily reflected in cash and investments balances, which collectively decreased by approximately $734,000. Total liabilities decreased by approximately $1.9 million during the fiscal year due primarily to a decrease in claims liabilities resulting from decreases in the actuarial provision for insured events from prior years. Overall, net position increased $795,000 in the current fiscal year due primarily to an increase in member contributions and a decrease in claims expenditures.

During the year ended June 30, 2022, total member contributions increased by $885,000 over the prior year. The changes in actuarial estimates resulted in a decrease in claims expense of approximately $1.5 million. General operating expenses increased by approximately $1.1 mission or 132% from the prior year. On an individual program basis, Property claims expense decreased by approximately $2.8 million in comparison to the prior year and Workers' Compensation claims expense increased by approximately $1.3 million. These changes are primarily a result of actuarial adjustments in the estimated Reserves of prior fiscal years. Actual claim payments during the current fiscal year were approximately $1.3 million higher than the prior year as well.

Analysis of Overall Financial Position and Results of Operations 2020-21

For the fiscal year ended June 30, 2021, total assets increased by approximately $2.4 million. This change was primarily reflected in cash and investments balances, which collectively increased by approximately $2.4 million. Total liabilities increased by approximately $1.1 million during the fiscal year due primarily to an increase in claims liabilities resulting from increases in the actuarial provision for insured events from prior years. Overall, net position increased $1.4 million in the current fiscal year due primarily to an increase in member contributions.

During the year ended June 30, 2021, total member contributions increased by approximately $1.2 million over the prior year. The changes in actuarial estimates resulted in an increase in claims expense of approximately $1 million. General operating expenses increased by approximately $203,000 or 2% from the prior year. On an individual program basis, Property claims expense decreased by approximately $8,000 in comparison to the prior year and Workers' Compensation claims expense decreased by approximately $162,000. These changes are primarily a result of actuarial adjustments in the estimated Reserves of prior fiscal years. Actual claim payments during the current fiscal year were approximately $1.2 million lower than the prior year as well.

Currently Known Facts or Conditions Expected to have a Significant Effect on Financial Position

For the fiscal year 2022-2023, members are seeing a return to pre-pandemic levels of activity and, thus, claim frequency for both the liability/property and Workers Compensation program.

BASIC FINANCIAL STATEMENTS

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

STATEMENT OF NET POSITION

AS OF JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 6,582,255	$ 6,624,325
Investments Maturing Within One Year	960,147	406,480
Interest Receivable	61,377	55,170
Receivable from Members	203,291	128,835
Reinsurance Receivable	97,826	247,013
Prepaid Expenses	4,344	4,345
Total Current Assets	7,909,240	7,466,168
Noncurrent Assets		
Investments	19,800,638	21,046,207
Right to Use - Asset	148,694	-
Capital Assets (net)	10,394	8,183
Total Noncurrent Assets	19,959,726	21,054,390
Total Assets	27,868,966	28,520,558
DEFERRED OUTFLOW OF RESOURCES		
Deferred Outflows on Pensions	152,337	171,125
LIABILITIES		
Current Liabilities		
Accounts Payable	36,628	59,054
Premium Adjustments Payable	315,883	397,686
Claims Liabilities	5,000,000	4,600,000
Total Current Liabilities	5,352,511	5,056,740
Noncurrent Liabilities		
Net Pension Liability	479,508	750,099
Lease Liaibility	155,039	-
Claims Liabilities	13,360,004	15,433,260
Total Noncurrent Liabilities	13,994,551	16,183,359
Total Liabilities	19,347,062	21,240,099
DEFERRED INFLOW OF RESOURCES		
Deferred Inflows on Pensions	433,498	5,350
NET POSITION		
Net Investment in Capital Assets	10,394	8,183
Unrestricted	8,230,349	7,438,051
Total Net Position	$ 8,240,743	$ 7,446,234

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

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
OPERATING REVENUES		
Member Contributions	$ 12,581,797	$ 11,696,898
Miscellaneous Revenues	75,000	69,487
Total Operating Revenues	12,656,797	11,766,385
OPERATING EXPENSES		
Claims Expense	4,007,004	5,479,087
Insurance Expense	5,865,010	4,398,979
Office Administration Expense	801,666	685,358
Consultants and Professional Services Expense	138,376	150,005
Travel, Conferences and Other Expense	41,964	20,699
Depreciation Expense	3,188	1,542
Total Operating Expenses	10,857,208	10,735,670
Operating Income	1,799,589	1,030,715
NONOPERATING INCOME		
Investment Income (Loss)	(1,005,080)	324,866
Change in Net Position	794,509	1,355,581
Beginning Net Position	7,446,234	6,090,653
Ending Net Position	$ 8,240,743	$ 7,446,234

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

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash Flows From Operating Activities		
Contributions Received	$ 12,425,538	$ 11,608,291
Miscellaneous Revenue Received	75,000	69,487
Reinsurance Recoveries Received (Paid)	149,187	(224,597)
Claims Expenses Paid	(5,680,260)	(4,367,864)
Premiums Paid	(5,865,009)	(4,403,324)
Salaries and Benefits Paid	(456,572)	(5,287)
General/Administrative Cost Paid	(297,986)	(794,452)
Net Cash Provided (Used) by Operating Activities	349,898	1,882,254
Cash Flows From Capital and Related Financing Activities		
Purchase of Capital Assets	(5,399)	(5,505)
Gain on Sale of Capital Assets	-	259,573
Net Cash Used by Capital and Related Financing Activities	(5,399)	254,068
Cash Flows From Investing Activities		
Investment Income Received	294,179	592,488
Purchase of Investments	(7,200,741)	(9,750,303)
Proceeds from Sales and Maturities of Investments	6,519,993	9,487,574
Net Cash Provided (Used) by Investing Activities	(386,569)	329,759
Net Increase (Decrease) in Cash	(42,070)	2,466,081
Beginning Cash and Cash Equivalents	6,624,325	4,158,244
Ending Cash and Cash Equivalents	$ 6,582,255	$ 6,624,325
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating Income (Loss)	$ 1,799,589	$ 1,030,715
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operations:		
Depreciation	3,188	1,542
(Increase) Decrease in:		
Receivable from Members	(74,456)	(22,986)
Reinsurance Receivable	149,187	(224,597)
Prepaid Expenses	1	(4,345)
Deferred Ouflow on Pensions	(92,278)	(111,066)
Increase (Decrease) in:		
Accounts Payable	(22,426)	(17,206)
Premium Adjustments Payable	(81,803)	(65,621)
Claims Liabilities	(1,673,256)	1,111,223
Pension Liablility, Net	(48,527)	222,064
Deferred Inflow on Penisons	390,679	(37,469)
Net Cash Provided (Used) by Operating Activities	$ 349,898	$ 1,882,254
Supplemental Information: Noncash Investing Activities		
Change in Fair Value of Investments	$ (1,305,466)	$ (313,860)

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

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The California Association for Park and Recreation Indemnity (CAPRI) is a Joint Powers Authority which provides insurance coverages, risk management, safety and loss prevention services through a financially sound risk-sharing pool. The original pool was created in 1986 while the current organization is the result of the merger on July 1, 2008 between California Association for Park and Recreation Insurance and Park and Recreation District Employee Compensation (PARDEC).

CAPRI's membership consists of various recreation and park districts in California. Through its various programs, members are able to pool member contributions and to realize the advantages of self-insurance. It provides coverage for property, general liability, workers' compensation, public officials and employee liability, automobile liability, and other minor coverages. CAPRI is under the control and direction of the Board of Directors consisting of representatives of the member districts.

B. Admission and Withdrawal of Members

A new member may be admitted by a majority vote of the Board of Directors and must pay an entry fee or charge as established by the Board.

Members may not voluntarily withdraw for a period of three years. Members must submit six months written notice prior to voluntary withdrawal. Members may be involuntarily terminated from the program by a two-thirds vote of the Board of Directors. The effect of withdrawal or involuntary termination does not terminate the responsibility of the member for any unpaid member contributions and debts or assessments levied against any year of its participation.

C. Description of Programs

Property/Liability Program

The Property/Liability Program was established for the purpose of operating and maintaining a self-insurance or group insurance program. Under this program, CAPRI provides its member districts the following coverage:

a. Property (Building and Content) / Boiler and Machinery

The program provides an all-risk replacement cost coverage, subject to a $2,000 deductible for each loss at member level, a $150,000 deductible at the pool level, and an aggregate limit of $650,000. The earthquake and flood coverage has a $5,000,000 and $10,000,000 aggregate limit, respectively, subject to a deductible of 5% per occurrence of the building, contents, and/or structure damaged subject to a minimum of $50,000 for earthquake and $20,000 for flood. The program also provides coverage for sudden and accidental breakdown of boiler and machinery replacement cost coverage, subject to a $2,000 deductible for member level, and $150,000 at the pool level.

C. Description of Programs (continued)

In excess of the above coverages, CAPRI provides a group purchased commercial insurance policy through the Public Entity Property Insurance Program (PEPIP) for all-risk replacement cost coverage, subject to a self-insured retention (SIR) of $150,000 beginning April 1, 2005 to present.

b. General Liability and Public Officials and Employment Practices Liability

CAPRI provides comprehensive coverage with a limit of $25,000,000 per occurrence for personal injury or property damage and a limit of $25,000,000 annual aggregate per member district for errors and omissions of public officials. CAPRI self-funds coverage up to $1,000,000. Public Risk Innovation, Solutions, and Management (PRISM) (Formerly, CSAC Excess Insurance Authority (CSAC-EIA)) provides $24,000,000 of coverage over self-insured retention of $1,000,000.

This Program also includes Employment Practices Liability which is subjected to a $20,000 deductible. If the Member District consults with its general counsel and if such counsel has experience with labor and employment law, or with its labor and employment counsel, or CAPRI–recommended labor and employment counsel prior to termination, layoffs, downsizing or other employment related matter, the deductible will be reduced to $5,000 for any employment liability lawsuit brought by that employee.

Workers' Compensation Program

This program provides coverage to its members of up to statutory limits per occurrence, including volunteer operations as long as each member has issued a resolution covering volunteers. CAPRI self-funds up to $350,000; losses in excess of this amount are covered by PRISM up to the Statutory limit per occurrence. CAPRI also provides its members with proactive claim oversight by working closely our third party claims administrator and the members.

D. Reporting Entity

CAPRI's reporting entity includes all activities (operations of its administrative staff, officers, executive committee and board of directors) as they relate to CAPRI. This includes financial activity relating to all of the membership years. CAPRI has developed criteria to determine whether other entities with activities that benefit CAPRI should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of public service and special financing relationship).

CAPRI has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in these financial statements. In addition, CAPRI is not aware of any entity that would exercise such oversight responsibility that would result in CAPRI being considered a component unit of that entity. In determining its reporting entity, CAPRI considered all governmental units that were members of the CAPRI since inception.

The criteria did not require that inclusion of these entities in these financial statements principally because CAPRI does not exercise oversight responsibility over any members.

E. Summary of Significant Accounting Policies

Basis of Accounting

These statements are prepared on the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues from contributions and interest are recognized when earned and expenses are recognized when goods or services are received or in the case of claims, when the insured event occurs. Liabilities for reserves for open claims and claims incurred but not reported have been recorded in the financial statements. CAPRI applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations, except where superseded by GASB pronouncements.

Fund Accounting

The accounts of CAPRI are organized on the basis of governmental fund accounting. It operates a single enterprise fund which is used to account for governmental activities. Enterprise fund type is used to account for "business-type activities" – activities similar to those found in the private sector. Business-type activities include services primarily funded through user charges.

CAPRI's operations consist of two core insurance programs each with separate program accounts to independently evaluate each program on its own. The accounts have been combined for presentation in the financial statements.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include cash in bank, money market funds, cash with the Local Agency Investment Fund, and all highly liquid debt instruments purchased with original maturity of three months or less.

Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. At June 30, 2022 and 2021, the total accounts receivable portfolio was considered collectible. Earnings on investments are recorded in the year the interest is earned.

Investments

CAPRI records its investments and cash in the Local Agency Investment Fund (LAIF) at fair market value. Changes in fair market value are reported as a gain or loss in the Statement of Revenues, Expenses, and Changes in Net Position. The effect of recording investments and LAIF at fair market value is reflected as a net increase or decrease in the fair value of investments on the Statement of Revenues, Expenses, and Changes in Net Position and on the Statement of Net Position.

Fair market values of investments and LAIF have been determined by the sponsoring government based on quoted market prices. CAPRI's investments in LAIF have been valued based on the relative fair value of the entire external pool to the external pool's respective amortized cost.

Capital Assets

All capitalized assets are carried at cost net of accumulated depreciation. Depreciation and amortization is provided for over the estimated useful lives of the depreciable assets using the straight-line method. The estimated useful lives used for building, improvements, and furniture and equipment are twenty-four, ten, and five years, respectively.

Financing Leases

A lease is defined as a contract that coveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements. Related assets are amortized using the straight-line method over the life of the contract.

Change in Accounting Principle

Effective July 1, 2021, CAPRI adopted GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Unearned Revenue/Prepaid Expenses

The coverage/fiscal year-end for the programs is June. As such, certain revenues are treated as unearned and certain expenses as prepaid. This is to reflect a proper matching of revenues and expenses for the coverage/fiscal year-end financial statements.

Unpaid Claims Liabilities

CAPRI establishes claims liabilities (claim reserve and incurred but not reported) based on estimates of the ultimate cost of claims, including future allocated claim adjustment expense, that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the

process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability and workers' compensation.

Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

Liability for Unallocated Loss Adjustment Expense (ULAE)

The liability for ULAE includes all costs expected to be incurred in connection with the settlement of unpaid claims that cannot be related to a specific claim. These amounts were determined in connection with other loss development information and are adjusted annually.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Member Contributions

Annual member contributions are calculated for each member district based on their respective operating expenditures, property values, number/value of vehicles, payroll and loss history, and other established criteria, and approved by the Board of Directors. Member contributions are recognized as revenues in the period for which coverage is provided. If the Board of Directors determines that the funds for a program are insufficient to pay losses, CAPRI may impose a supplemental assessment on all participating members. Anticipated investment income is not considered in this determination. Supplemental assessments are recognized as income in the period assessed. There have been no assessments in the program since its inception.

The member contributions are planned to match the expense of insurance premiums for coverage in excess of self-insured amounts, estimated claim payments, and operating expenses.

Member Assessments

When claims against participating member districts for a claim year are of such a magnitude (as determined by the Board) as to endanger the ability of CAPRI to continue to meet its obligations, each member district which has participated in CAPRI during a particular claim year and/or any portion of the prior nine claim years may be assessed by CAPRI a pro rata share of the additional amount determined necessary by the Board of Directors to restore the ability of CAPRI to continue to meet its obligations. Each member district's pro rata share of the total assessment shall be in the same proportion as the total premiums paid by that district during the current claim year and the prior nine fiscal years bear to the total premiums paid by all participating member

districts during that period of time. Anticipated investment income is not considered when determining if a premium deficiency exists.

Operating and Nonoperating Revenues

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Operating revenues are defined as revenues earned in connection with normal operating activities. All other revenues are classified as nonoperating.

Dividends

The Board can declare and pay dividends at any time after the close of the third year for a "claim year." The total dividend shall be determined by the board. Each member's pro rata share of the dividends shall be paid in the same proportion as the premium paid by each district during the fiscal year for which the dividend is declared. Dividends are recorded in the financial statements when approved by the Board.

Income Taxes

CAPRI's income is exempt from federal income taxes under Internal Revenue Code Section 115, which excludes income derived from the exercise of any essential governmental function and accruing to a state political subdivision.

Deferred Inflow/Outflow of Resources

In addition to assets, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that apply to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Contributions made to CAPRI's pension plan(s) after the measurement date but before the fiscal year end are recorded as a deferred outflow of resources and will reduce the net position liability in the next fiscal year.

Additional factors involved in the calculation of the CAPRI's pension expense and net position liability include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between CAPRIs contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods.

Pension Liability

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

Allocation of Indirect Expenses

Indirect expenses are allocated among insurance programs in the percentage management estimates each program bears on administration costs.

Statement of Cash Flows

CAPRI considers interest on investments to be nonoperating revenue; therefore, investment income is presented in the investing section of the Statement of Cash Flows.

2. CASH AND CASH EQUIVALENTS

A. Cash and Cash Equivalents

Cash and cash equivalents as of June 30 consisted of the following:

	2022	2021
Bank Balance Per Books	$ 1,588,740	$ 834,527
Money Market Funds	970,090	1,274,460
Cash in Local Agency Investment Fund	4,023,425	4,515,338
Total Cash and Cash Equivalents	$ 6,582,255	$ 6,624,325

Cash in Bank is covered by federal depository insurance up to $250,000. Should deposits exceed the insured limits, the balance is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit. This collateral must be in the form of government-backed securities.

Local Agency Investment Fund

CAPRI is a voluntary participant in Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of CAPRI's investment in this pool, which approximates cost, is reported in the accompanying

financial statements based upon CAPRI's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account within twenty-four hours notice. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized.

Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by Federal Agencies, government-sponsored enterprises and corporations. This fund bore an average annual yield of approximately .371% for the fiscal year ended June 30, 2022. LAIF is currently unrated and has an average life of 311 days. The monies held in the LAIF are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization. LAIF is administered by the State Treasurer and is audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814.

B. Investments

Investments as of June 30 consisted of the following:

Investment Type	2022	2021
US Treasuries	$ 7,966,675	$ 8,854,579
SupraNational Agency	753,004	348,995
Municipal Bonds	853,397	908,183
Federal Agencies	3,948,883	4,427,215
Corporate Notes	4,849,234	4,094,547
Certificates of Deposit	946,417	1,167,882
Asset-Backet Security	1,443,175	1,651,286
Total	$ 20,760,785	$ 21,452,687

Investment Policy

As a governmental entity, CAPRI's investment policy permits investments in U.S. Government obligations, federal agency obligations, California municipal obligations, prime quality commercial paper, certain banker's acceptances, medium-term corporate notes, time certificates of deposit, repurchase agreements, money market funds, and the State of California's Local Agency Investment Fund ("LAIF").

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from changes in interest rates, CAPRI's investment policy limits its investment portfolio to a maximum maturity of three years, except in cases on investments in US Treasuries or federal obligations for which the maximum maturity is five years.

As of June 30, 2022, the carrying values and maturities of CAPRI's investments held in a managed portfolio were as follows:

		Investment Maturities		
Investment Type	Fair Value	< 1yr	1-3 yrs	>3 yrs
US Treasuries	7,966,675	$ -	$ 6,765,480	$ 1,201,195
Municipal Bonds	853,397	-	853,397	
Federal Agencies	3,948,883	13,730	3,630,123	305,030
Supranationals	753,004	-	753,004	-
Corporate Notes	4,849,234	-	3,787,492	1,061,742
Certificate of Deposit	946,417	946,417	-	-
Asset-Backet Security	1,443,175	-	1,122,555	320,620
Total	$ 20,760,785	$ 960,147	$ 16,912,051	$ 2,888,587

As of June 30, 2021, the carrying values and maturities of CAPRI's investments held in a managed portfolio were as follows:

		Investment Maturities		
Investment Type	Fair Value	< 1yr	1-3 yrs	>3 yrs
US Treasuries	8,854,579	$ -	$ 8,364,110	$ 490,469
Municipal Bonds	908,183	-	471,626	436,557
Federal Agencies	4,427,215	202,679	3,188,588	1,035,948
Supranationals	348,995	-	348,995	-
Corporate Notes	4,094,547		3,565,425	529,122
Certificate of Deposit	1,167,882	203,802	964,080	-
Asset-Backet Security	1,651,286	-	1,162,161	489,126
Total	$ 21,452,687	$ 406,480	$ 18,064,985	$ 2,981,221

Credit Risk

It is CAPRI's general investment policy to apply the prudent person standard: Investments shall be made as a prudent person would be expected to act with intelligence and prudence, not for speculation, considering the probable safety of their capital as well as the probable income to be derived. California law limits investments in medium-term corporate notes to the top three ratings issued by nationally recognized statistical ratings organizations. However, CAPRI's investment policy limits its corporate debt investments to the top two ratings.

Investments in US treasuries comprise 38.37% of the total portfolio and carry the explicit guarantee of the US Government, while investments in Federal Agency Bonds were rated AA+ by Standard & Poor as of June 30, 2022. The Municipal Bonds were rated AA- or better. The rest of the portfolio is rated BBB+ or better by Standard & Poor.

Investments in US treasuries comprise 41% of the total portfolio and carry the explicit guarantee of the US Government, while investments in Federal Agency Bonds were rated AA+ by Standard

& Poor as of June 30, 2022. The Municipal Bonds were rated AA- or better. The rest of the portfolio is rated BBB+ or better by Standard & Poor.

Concentration of Credit Risk

CAPRI places no limit on the amount it may invest in Federal Government Agencies but restricts investments in California municipal obligations to a maximum of 30% of their portfolio. As of June 30, 2022 and 2021, 12.17% and 14.14%, respectively, of CAPRI's portfolio was invested in Freddie Mac, which has an S&P rating of AA+. No other portion of CAPRI's portfolio, excluding U.S. Government guaranteed obligations exceeds 5% of the total portfolio.

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: 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. Investments' fair value measurements at June 30, 2022 are as shown below:

Investments:	Level 1	Level 2	Level 3	Total
US Agency, Treasury & Municipal Notes (USATM):				
US Agency Notes:	$ 3,948,883	$ -	$ -	$ 3,948,883
US Treasury Notes:	7,966,675	-	-	7,966,675
Municipal Notes:	853,397	-	-	853,397
Supranationals	-	753,004	-	753,004
Corporate Notes	-	4,849,234	-	4,849,234
Certificates of Deposit	-	946,417	-	946,417
Asset Backed Securities	-	1,443,175	-	1,443,175
Total	$ 12,768,955	$ 7,991,830	$ -	$ 20,760,785

Investments' fair value measurements at June 30, 2022 are as shown below:

Investments:	Level 1	Level 2	Level 3	Total
US Agency, Treasury & Municipal Notes (USATM):				
US Agency Notes:	$ 4,427,215	$ -	$ -	$ 4,427,215
US Treasury Notes:	8,854,579	-	-	8,854,579
Municipal Notes:	908,183	-	-	908,183
Supranationals	-	348,995	-	348,995
Corporate Notes	-	4,094,547	-	4,094,547
Certificates of Deposit	-	1,167,882	-	1,167,882
Asset Backed Securities	-	1,651,286	-	1,651,286
Total	$ 14,189,977	$ 7,262,710	$ -	$ 21,452,687

3. CAPITAL ASSETS

Capital assets at June 30, 2022 and 2021 consisted of the following:

	2021	Additions	Retirements	2022
Depreciable assets				
Furniture, Fixtures, Equipment	$ 60,121	$ 5,399	$ -	$ 65,520
Computer Hardware, Software	34,900	-	-	34,900
Total depreciable assets	95,021	5,399	-	100,420
Less Accumulated Depreciation	86,838	3,188	-	90,026
Depreciable assets, net	8,183	2,211	-	10,394
Capital Assets, net	$ 8,183	$ 2,211	-	$ 10,394

Depreciation expense was $3,188 and $1,542 for the fiscal years ended June 30, 2022 and 2021, respectively.

4. LONG-TERM LEASE AND RIGHT-TO-USE LEASE ASSET

Long-term Lease – CAPRI is under a current lease for building space at 1075 Creekside Ridge Dr, Suite #240, Sacramento. Total rent expense for the year ended June 30, 2022 was $46,057.

Right to use asset – In accordance with the new Governmental Accounting Standards Board Statement 87, long-term leases that meeting certain criteria are required to be capitalized and recorded as Right-to-Use Lease Asset. The following lease met these criteria.

a. The building space lease is for a 63 month term, to expire on September 2025. The rents are based upon a predetermined schedule with provision for certain other increases. This lease is a long-term lease that must be capitalized and recorded in accordance with the provisions of GASB 87.

b. Total amount of the lease asset and related accumulated amortization. Amortization is taken over the lease term.

Lease Asset	$ 240,182
Accumulated amortization	(91,488)
Right-to-Use Lease Asset	$ 148,694

c. Leased assets by major classification

Lease Asset - Office building	$ 240,182

d. Variance payments included in the measurable lease; none.
e. Other payments included in the measure lease; none.

f. Principal and interest requirements to maturity; there is no cost of capital interest as defined by the contract.

As of June 30, 2022, future minimum lease payments are as follows:

Fiscal Year Ended June 30,	Minimum Payment
2023	$ 47,452
2024	48,892
2025	50,373
2026	8,322
Total	$ 155,039

g. Commitments under leases before commencement of the lease term; none.
h. Components of any loss associated with an impairment related change in the lease liability; none.

5. UNPAID CLAIMS LIABILITIES

CAPRI establishes an undiscounted liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claims adjustment expenses. CAPRI does not discount claims. The following schedule represents changes in liabilities for CAPRI during the years ended June 30, 2022 and 2021:

	2022	2021
Unpaid Claims and allocated claims adjustment beginning of the fiscal year	$ 20,033,260	$ 18,922,037
Incurred claims and claims adjustment expenses:		
Provision for insured events of the current fiscal year	5,367,522	5,693,579
Increases (decreases) in provision for insured events of prior years	(1,360,518)	(214,492)
Total incurred claims and claim adjustment expenses	4,007,004	5,479,087
Payments		
Claims and allocated claims adjustment expenses attributable to insured events of the current year	661,306	1,247,045
Claims and claims adjustment expenses attributable to insured events of prior years	5,018,954	3,120,819
Total Payments	5,680,260	4,367,864
Total unpaid claims and claims adjustment expenses at the end of the year	$ 18,360,004	$ 20,033,260
Components of unpaid claims and claims adjustment expense:		
Claims reserve	$ 6,826,986	$ 9,289,687
Claims incurred but not reported	10,658,732	9,789,608
Liability for unallocated loss adjustment expenses	874,286	953,965
Total claims liabilities	$ 18,360,004	$ 20,033,260
Current portion	$ 5,000,000	$ 4,600,000
Noncurrent portion	13,360,004	15,433,260
Total claims liabilities	$ 18,360,004	$ 20,033,260

6. PENSION PLAN

A. *California Public Employees' Retirement System (CalPERS) - General Information about the Pension Plan*

All qualified permanent and probationary employees are eligible to participate in California Association for Park and Recreation Indemnity's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and California Association for Park and Recreation Indemnity resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.953%	6.750%
Required employer contribution rates	12.200%	7.590%

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022 and 2021, the contributions recognized as part of pension expense for the Plan were $92,201 and $87,804 respectively.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022 and 2021, the California Association for Park and Recreation Indemnity reported net pension liabilities for its proportionate share of the net pension liability of $479,508 and $750,099, respectively.

California Association for Park and Recreation Indemnity's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. California Association for Park and Recreation Indemnity's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2020 was as follows:

Proportion - June 30, 2021	0.02525%
Proportion - June 30, 2020	0.01778%
Change - Increase (Decrease)	0.00747%

For the year ended June 30, 2022 and 2021, CAPRI recognized pension expense of $268,448 and $87,804. At June 30, 2022, CAPRI reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 92,102	$ -
Net differences between projected and actual earnings on plan investments	-	(418,585)
Changes in proportion and differences between contributions and the proportionate share of contributions	6,462	-
Changes in assumptions	-	-
Changes in proportions	-	(14,913)
Differences between expected and actual experience	53,773	-
Total	$ 152,337	$ (433,498)

$92,102 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2023	$ (71,055)
2024	(88,823)
2025	(97,711)
2026	(115,674)
Total	$ (373,263)

June 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 87,804	$ -
Net differences between projected and actual earnings on plan investments	22,283	-
Changes in proportion and differences between contributions and the proportionate share of contributions	10,535	-
Changes in assumptions	-	(5,350)
Changes in proportions	11,848	-
Differences between expected and actual experience	38,655	-
Total	$ 171,125	$ (5,350)

$87,804 reported as deferred outflows of resources related to contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the current year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2022	$ 19,025
2023	32,151
2024	16,107
2025	10,688
Total	$ 77,971

***Actuarial Assumptions* –** The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth Rate	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return (1)	7.15%
Mortality	Derived using CalPERS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents CAPRI's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what CAPRI's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	$ 826,662	$ 479,508	$ 192,521

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2022, CAPRI had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

7. JOINT VENTURE

CAPRI participates in a joint venture under a joint powers agreement (JPA) with the Public Risk Innovation, Solutions, and Management (PRISM) for its excess workers' compensation insurance. The relationship between entities is such that PRISM is not a component unit of CAPRI for financial reporting purposes. PRISM arranges for and provides primary and excess coverage for its members. PRISM is governed by a board which controls its operations including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the board. Each member pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in each entity. Summarized information for PRISM is as follows:

A.	**Entity**	PRISM
B.	**Purpose**	To provide workers' compensation reinsurance protection
C.	**Participants**	55 counties and 301 public entities
D.	**Governing Board**	55 county board members and 7 public entity board members

F. Condensed Financial Information

	June 30, 2022
Total Assets	$ 1,053,760,735
Deferred Outflows	2,000,236
Total Liabilities	908,008,660
Deferred Inflows	3,713,839
Total Net Position	$ 144,038,472
Total Revenues	$ 1,438,627,790
Total Expenses	(1,480,943,952)
Change in Net Position	$ (42,316,162)

Separate complete financial statements are available from PRISM at 75 Iron Point Circle, Suite 200, Folsom, California 95630 or on their website: www.prismrisk.gov

8. SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2022 through March 27, 2023, the date the financial statements were issued. Management is not aware of any other subsequent events that would require recognition or disclosure in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF PROGRAM

AS OF JUNE 30, 2022

	Property/Liability		Workers' Compensation		Totals	
	2022	2021	2022	2021	2022	2021
Unpaid Claims and allocated claims adjustment beginning of the fiscal year	$ 7,737,558	$ 6,749,163	$ 12,295,702	$ 12,172,874	$ 20,033,260	$ 18,922,037
Incurred claims and claims adjustment expenses:						
Provision for insured events of the current fiscal year	2,182,522	2,720,579	3,185,000	2,973,000	5,367,522	5,693,579
Increases (decreases) in provision for insured events of prior years	(1,418,698)	834,098	58,180	(1,048,590)	(1,360,518)	(214,492)
Total incurred claims and claim adjustment expenses	763,824	3,554,677	3,243,180	1,924,410	4,007,004	5,479,087
Payments						
Claims and allocated claims adjustment expenses attributable to insured events of the current year	185,984	261,472	475,322	985,573	661,306	1,247,045
Claims and claims adjustment expenses attributable to insured events of prior years	3,437,015	2,304,810	1,581,939	816,009	5,018,954	3,120,819
Total Payments	3,622,999	2,566,282	2,057,261	1,801,582	5,680,260	4,367,864
Total unpaid claims and claims adjustment expenses at the end of the year	$ 4,878,383	$ 7,737,558	$ 13,481,621	$ 12,295,702	$ 18,360,004	$ 20,033,260
Components of unpaid claims and claims adjustment expense:						
Claims reserve	$ 1,398,262	$ 3,954,886	$ 5,428,724	$ 5,334,801	$ 6,826,986	$ 9,289,687
Claims incurred but not reported	3,247,817	3,414,217	7,410,915	6,375,391	10,658,732	9,789,608
Liability for unallocated loss adjustment expenses	232,304	368,455	641,982	585,510	874,286	953,965
Total claims liabilities	$ 4,878,383	$ 7,737,558	$ 13,481,621	$ 12,295,702	$ 18,360,004	$ 20,033,260
Current portion	$ 1,900,000	$ 1,500,000	$ 3,100,000	$ 3,100,000	$ 5,000,000	$ 4,600,000
Noncurrent portion	2,978,383	6,237,558	10,381,621	9,195,702	13,360,004	15,433,260
Total claims liabilities	$ 4,878,383	$ 7,737,558	$ 13,481,621	$ 12,295,702	$ 18,360,004	$ 20,033,260

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

CLAIMS DEVELOPMENT INFORMATION – PROPERTY AND LIABILITY

AS OF JUNE 30, 2022

	Fiscal and Policy Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1. Required contribution and investment revenue:										
Earned	$ 3,125,474	$ 2,987,685	$ 2,926,623	$ 2,877,549	$ 3,144,885	$ 3,642,530	$ 3,934,458	$ 6,164,840	$ 7,429,459	$ 7,562,375
Ceded	(1,207,888)	(1,332,074)	(1,394,160)	(1,451,228)	(1,146,597)	(1,494,144)	(1,657,489)	(2,331,104)	(2,639,387)	(3,519,006)
Net earned	1,917,586	1,655,611	1,532,463	1,426,321	1,998,288	2,148,386	2,276,969	3,833,736	4,790,072	4,043,369
2. Unallocated expenses	927,561	389,430	399,054	390,746	411,511	431,583	473,301	622,698	514,562	591,117
3. Estimated incurred claims and expense, end of policy year										
Incurred	1,530,000	1,564,000	1,610,000	1,244,000	1,943,992	1,817,745	3,080,821	2,181,000	2,720,579	2,182,522
Ceded **	-	-	-	-	-	-	-	-	-	-
Net Incurred	1,530,000	1,564,000	1,610,000	1,244,000	1,943,992	1,817,745	3,080,821	2,181,000	2,720,579	2,182,522
4. Paid (cumulative) as of:										
End of policy year	352,474	301,414	466,272	242,316	722,351	327,321	1,200,329	222,425	498,732	185,984
One year later	806,503	466,967	873,089	664,715	1,327,931	875,344	1,776,370	743,246	884,220	
Two years later	1,018,127	1,076,715	1,542,925	917,844	1,633,370	1,475,774	2,337,161	928,964		
Three years later	1,082,759	1,464,020	1,522,372	1,311,141	2,721,997	1,617,369	4,828,598			
Four years later	1,164,500	2,051,630	2,336,736	1,539,131	2,560,977	1,969,381				
Five years later	1,154,000	2,051,664	2,482,279	1,683,132	2,759,481					
Six years later	1,154,000	2,051,664	2,533,919	1,865,781						
Seven Years Later	1,154,000	2,051,664	3,650,549							
Eight Years Later	1,154,000	1,447,419								
Nine Years Later	1,154,000									
5. Reestimated ceded claims and expenses:	-	-	2,162,690	-	424,241	3,900	5,350,999	352,905	21,729	-
6. Reestimated net incurred claims and expenses:										
End of policy year	1,530,000	1,564,000	1,610,000	1,244,000	1,943,992	1,817,745	3,080,821	2,181,000	2,720,579	2,182,522
One year later	1,452,361	1,021,000	1,579,526	1,262,011	2,381,048	2,448,284	4,862,306	2,061,000	2,200,000	
Two years later	1,258,000	1,616,851	2,357,380	1,225,258	3,073,015	2,014,854	4,844,614	1,760,164		
Three years later	1,206,396	2,091,614	2,453,917	1,723,803	2,732,488	2,147,854	5,216,005			
Four years later	1,318,078	2,077,681	2,957,945	1,821,254	2,631,415	2,031,224				
Five years later	1,154,000	2,051,664	3,125,237	1,836,294	2,778,034					
Six years later	1,154,000	2,051,664	3,101,882	1,900,543						
Seven years later	1,154,000	2,051,664	3,650,548							
Eight Years Later	1,154,000	1,447,419								
Nine Years Later	1,154,000									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year	$ (376,000)	$ (116,581)	$ 2,040,548	$ 656,543	$ 834,042	$ 213,479	$ 2,135,184	$ (420,836)	$ (520,579)	$ -

** *Ceded information is not available*

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

CLAIMS DEVELOPMENT INFORMATION – WORKERS COMPENSATION

AS OF JUNE 30, 2022

	Fiscal and Policy Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1. Required contribution and investment revenue:										
Earned	$ 3,218,034	$ 3,200,939	$ 3,732,182	$ 4,346,641	$ 5,214,990	$ 5,402,990	$ 5,438,407	$ 5,415,430	$ 4,661,792	$ 4,089,342
Ceded	(725,644)	(873,719)	(698,336)	(842,932)	(1,200,292)	(996,096)	(1,104,992)	(1,554,070)	(1,759,592)	(2,346,004)
Net earned	2,492,390	2,327,220	3,033,846	3,503,709	4,014,698	4,406,894	4,333,415	3,861,360	2,902,200	1,743,338
2 Unallocated expenses	268,457	266,537	234,955	260,347	277,652	281,833	281,833	295,981	343,042	394,077
3. Estimated incurred claims and expense, end of policy year										
Incurred	2,405,000	2,694,000	3,416,000	3,589,000	3,545,000	3,662,430	3,662,430	3,240,000	2,973,000	3,185,000
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	2,405,000	2,694,000	3,416,000	3,589,000	3,545,000	3,662,430	3,662,430	3,240,000	2,973,000	3,185,000
4. Paid (cumulative) as of:										
End of policy year	470,599	576,297	477,938	624,492	423,948	479,368	578,880	476,415	389,501	475,322
One year later	1,220,856	1,010,679	969,939	1,653,716	1,129,825	1,005,989	1,208,532	985,573	951,655	
Two years later	1,789,939	1,437,148	1,273,088	2,258,267	1,485,450	1,367,679	1,593,281	1,606,948		
Three years later	2,378,190	1,661,307	1,655,581	2,828,797	1,861,194	1,332,609	1,794,168			
Four years later	2,644,288	1,855,750	1,769,419	3,038,731	1,948,366	1,371,494				
Five years later	2,768,693	2,180,448	1,865,712	3,060,209	1,898,002					
Six years later	2,918,823	2,255,918	1,902,319	2,927,369						
Seven Years Later	2,955,700	2,267,971	1,904,055							
Eight Years Later	3,032,039	2,268,210								
Nine Years Later	3,042,297									
5. Reestimated ceded claims and expenses:	52,211	104,047	60,852	765,620	-	-	-	90,989	-	-
6. Reestimated net incurred claims and expenses:										
End of policy year	2,405,000	2,694,000	3,416,000	3,589,000	3,545,000	3,662,430	3,444,000	3,240,000	2,973,000	3,185,000
One year later	2,563,000	2,889,000	3,259,000	3,748,000	3,110,841	3,155,000	3,553,000	3,132,000	3,144,000	
Two years later	3,280,000	3,028,000	2,630,000	4,063,398	3,164,000	2,845,000	3,298,000	3,313,000		
Three years later	3,902,094	2,610,000	2,366,719	4,073,000	2,858,000	2,398,000	3,035,000			
Four years later	3,453,000	2,651,549	2,481,000	3,858,000	2,707,000	2,245,000				
Five years later	3,437,546	2,525,000	2,390,000	3,725,000	2,662,000					
Six years later	3,480,000	2,453,000	2,369,000	3,640,000						
Seven years later	3,398,000	2,366,000	2,385,000							
Eight Years Later	3,340,000	2,353,000								
Nine Years Later	3,231,000									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year	$ 826,000	$ (341,000)	$ (1,031,000)	$ 51,000	$ (883,000)	$ (1,417,430)	$ (627,430)	$ 73,000	$ 171,000	$ -

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021 [1]
Proportion of the net pension liability	0.01806%	0.01925%	0.01798%	0.01776%	0.01796%	0.01785%	0.01778%	0.02525%
Proportionate share of the net pension liability	$ 446,363	$ 528,035	$ 624,704	$ 700,126	$ 676,906	$ 714,764	$ 750,099	$ 479,508
Covered-employee payroll [2]	$ 342,066	$ 292,798	$ 221,466	$ 334,885	$ 373,068	$ 334,885	$ 331,230	$ 358,610
Proportionate Share of the net pension liability as percentage of covered-employee payroll	130.49%	180.34%	282.08%	209.06%	181.44%	213.44%	226.46%	133.71%
Plans fiduciary net position as a percentage of the total pension liability	76.96%	78.40%	78.40%	73.31%	75.26%	77.73%	75.10%	88.29%
Proportionate share of aggregate employer contributions [3]	$ 62,835	$ 72,513	$ 78,180	$ 76,250	$ 86,103	$ 84,264	$ 87,804	$ 92,102

[1] Historical information is required only for measurement periods for which GASB 68 is applicable.

[2] Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer.

[3] The plan's proportionate share of aggregate contributions may not match the actual contribtions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

SCHEDULE OF CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21 (1)
Actuarially Determined Contribution (2)	$ 62,835	$ 72,513	$ 78,180	$ 76,250	$ 86,103	$ 84,264	$ 87,804	$ 92,102
Contributions in relation to the actuarially determined contributions	(62,835)	(72,513)	(78,180)	(76,250)	(86,103)	(84,264)	(87,804)	(92,102)
Contribution deficiencey (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll (3)	$ 342,066	$ 292,798	$ 221,466	$ 334,885	$ 373,068	$ 334,885	$ 331,230	$ 381,571
Contributions as a percentage of covered-employee payroll (3)	18.37%	24.77%	35.30%	22.77%	23.08%	25.16%	26.51%	24.14%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer.

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

---

1. Reconciliation of Claims Liabilities by Type of Program

The schedule represents the changes in claims liabilities for the current and previous year for all of CAPRI's programs.

2. Claims Development Information

The table illustrates CAPRI's earned revenues (net of reinsurance) and investment income compared to related costs of loss (net of loss assumed by reinsurers) and other expenses assumed by CAPRI as of the end of the year.

The rows of the table are defined as follows:

1. This line shows the amount of required contribution revenue and reported investment revenue, amount of premium ceded to reinsurers, and net contribution and investment revenue.

2. This line shows the amount of reported unallocated claim adjustment expenses and other unallocated costs.

3. This line shows the total gross amount of incurred claims and allocated claim adjustment expenses, loss assumed by excess insurers or reinsurers, and total net amount of incurred claims and allocated claim adjustment expenses. Amounts are presented as originally reported at the end of each policy year.

4. This line shows the cumulative net amount paid as of the end of the policy year and each succeeding year.

5. This line shows the reestimated amount for loss assumed by excess insurers or reinsurers as of the end of the current year for each policy year.

6. This line shows the reestimated amount for net incurred claims and claim adjustment expenses as of the end of each succeeding year for each of policy year.

7. This line shows the change in net incurred claims and claim adjustment expenses from the original estimate, based on the difference between the latest reestimated amount for each policy year and the original net incurred claims and claim adjustment amounts reported.

As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

3. SCHEDULE OF PROPROTIONATE SHARE OF THE NET POSITION LIABILITY

Changes in assumptions, in 2022, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

Fiscal year 2022 was the 8th year of implementation, therefore only eight years are shown.

4. SCHEDULE OF CONTRIBUTIONS

If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

SUPPLEMENTARY INFORMATION

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2022

	Property Liability	Workers' Compensation	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 3,949,353	$ 2,632,902	$ 6,582,255
Investments Maturing Within One Year	576,088	384,059	960,147
Interest Receivable	36,826	24,551	61,377
Receivable from Members	121,975	81,316	203,291
Reinsurance Receivable	-	97,826	97,826
Prepaid Expenses	2,606	1,738	4,344
Total Current Assets	4,686,848	3,222,392	7,909,240
Noncurrent Assets			
Investments	4,298,084	15,502,554	19,800,638
Right of Use - Asset	148,694	-	148,694
Capital Assets (net)	10,394	-	10,394
Total Noncurrent Assets	4,457,172	15,502,554	19,959,726
Total Assets	9,144,020	18,724,946	27,868,966
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows on Pensions	91,402	60,935	152,337
LIABILITIES			
Current Liabilities			
Accounts Payable	21,977	14,651	36,628
Premium Adjustments Payable	-	315,883	315,883
Claims Liabilities	1,900,000	3,100,000	5,000,000
Total Current Liabilities	1,921,977	3,430,534	5,352,511
Noncurrent Liabilities			
Net Pension Liability	287,705	191,803	479,508
Lease Liability	155,039	-	155,039
Claims Liabilities	3,378,383	9,981,621	13,360,004
Total NonCurrent Liabilities	3,821,127	10,173,424	13,994,551
Total Liabilities	5,743,104	13,603,958	19,347,062
DEFERRED INFLOW OF RESOURCES			
Deferred Inlows on Pensions	17,054	416,444	433,498
NET POSITION			
Net Investment in Capital Assets	10,394	-	10,394
Unrestricted	3,464,870	4,765,479	8,230,349
Total Net Position	$ 3,475,264	$ 4,765,479	$ 8,240,743

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

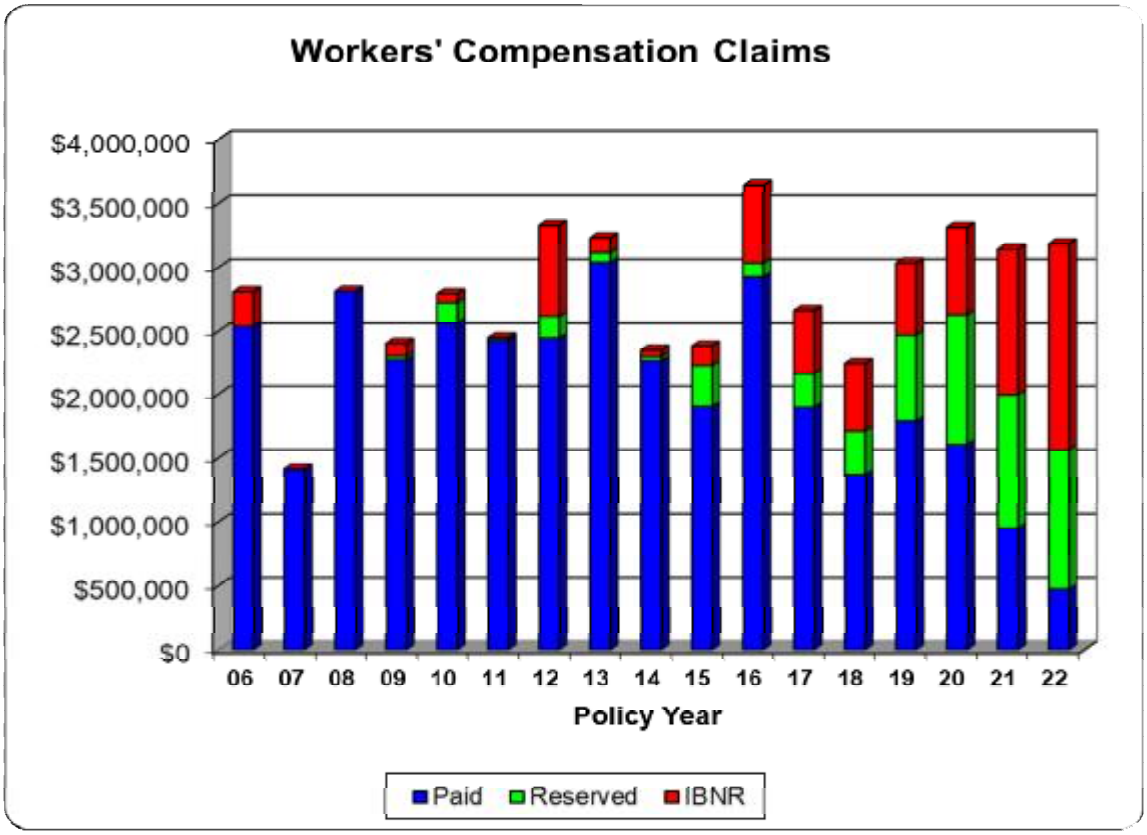
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Property Liability	Workers' Compensation	Total
OPERATING REVENUES			
Member Contributions	$ 8,120,423	$ 4,461,374	$ 12,581,797
Miscellaneous	45,000	30,000	75,000
Total Operating Revenues	8,165,423	4,491,374	12,656,797
OPERATING EXPENSES			
Claims Expense	763,824	3,243,180	4,007,004
Insurance Expense	3,519,006	2,346,004	5,865,010
Office Administration Expense	481,000	320,666	801,666
Consultants and Professional Services Expense	83,026	55,350	138,376
Travel, Conferences and Other Expense	25,178	16,786	41,964
Depreciation Expense	1,913	1,275	3,188
Total Operating Expenses	4,873,947	5,983,261	10,857,208
Net Operating Income (Loss)	3,291,476	(1,491,887)	1,799,589
NONOPERATING INCOME			
Investment Income (Loss)	(603,048)	(402,032)	(1,005,080)
Change in Net Position	2,688,428	(1,893,919)	794,509
Beginning Net Position	786,836	6,659,398	7,446,234
Ending Net Position	$ 3,475,264	$ 4,765,479	$ 8,240,743

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

GRAPHICAL SUMMARY OF CLAIMS

AS OF JUNE 30, 2022



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Association for Park and Recreation Indemnity
Roseville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of California Association for Park and Recreation Indemnity, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise California Association for Park and Recreation Indemnity's basic financial statements, and have issued our report thereon March 27, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered California Association for Park and Recreation Indemnity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of California Association for Park and Recreation Indemnity's internal control. Accordingly, we do not express an opinion on the effectiveness of California Association for Park and Recreation Indemnity's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

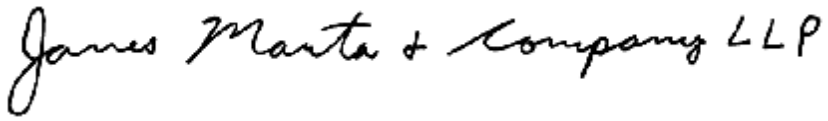
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether California Association for Park and Recreation Indemnity's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the entity's internal control and compliance. Accordingly this communication is not suitable for any other purpose.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 27, 2023

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Directors
California Association for Park and Recreation Indemnity
Roseville, CA

We have audited the financial statements of California Association for Park and Recreation Indemnity (CAPRI) as of and for the years ended June 30, 2022 and 2021, and have issued our report thereon dated March 27, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 2, 2021, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of CAPRI solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding significant control deficiencies over financial reporting and other matters noted during our audit in a separate letter to you dated March 27, 2023.

Planned Scope and Timing of the Audit

The audit was completed later than planned due to the late closing and adjustment of the books.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate and our firm, has complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by CAPRI is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2021-2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the estimates of claim liabilities. Management's estimate of the claim liabilities is based on the results of an actuarial study. We evaluated the key factors and assumptions used to develop the claim liabilities and determined that it is reasonable in relation to the basic financial statements taken as a whole. However, we continue to emphasize the need to assess even the actuarial findings.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting CAPRI's financial statements relate to claim liabilities.

Significant Difficulties Encountered during the Audit

We encountered no significant diffcultites in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. We have not identified any uncorrected misstatements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We have not identified any corrected misstatements as a result of our audit procedures. There was an expected journal entry from management which is summarized in Attachment B.

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 27, 2023. See attachment C.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with CAPRI, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as CAPRI's auditors.

This report is intended solely for the information and use of the Board of Directors and management of California Association for Park and Recreation Indemnity and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company, LLP
Certified Public Accountants
Sacramento, California
March 27, 2023

Attachment A – Upcoming Changes in Accounting Standards

As of June 30, 2022

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Authority in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB Statement No. 87, Leases
Effective for the fiscal year ending June 30, 2022

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period
Effective for the fiscal year ending June 30, 2022

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 91, Conduit Debt Obligations
Effective for the fiscal year ending June 30, 2023

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for

accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB Statement No. 92, Omnibus 2020
Effective dates vary

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports – *Effective for the fiscal year ending June 30, 2022*
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan – *Effective for the fiscal year ending June 30, 2022*
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits – *Effective for the fiscal year ending June 30, 2022*
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements – *Effective for the fiscal year ending June 30, 2022*
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition – *Effective for the government acquisitions occurring in reporting periods beginning after June 15, 2021*
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers – *Effective for the fiscal year ending June 30, 2022*
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature – *Effective for the fiscal year ending June 30, 2022*
- Terminology used to refer to derivative instruments. – *Effective for the fiscal year ending June 30, 2022*

GASB Statement No. 93, Replacement of Interbank Offered Rates
Effective for the fiscal year ending June 30, 2022

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap

- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements
Effective for the fiscal year ending June 30, 2023

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance
Effective immediately

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of the preceding statements have been updated to reflect the impact of the issuance of GASB 95.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements
Effective for the fiscal year ending June 30, 2023

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Attachment B –

Adjusting Journal Entries

Account	Description	Debit	Credit
Adjusting Journal Entry JE # 3			
To record WC year end True Up - PBC			
1105	Due from Members Year-end WC	203,291.00	
4001	Revenue:Workers' Comp Final PR Adjust	112,592.00	
2002	Due to Members Year-end WC Prem		315,883.00
Total		**315,883.00**	**315,883.00**

Reclassifying Journal Entries

Reclassifying Journal Entry JE # 2			
To reclass reserves/IBNR for WC program			
2311	IBNR:IBNR Reserves - Workers Comp	212,098.00	
2201	Claims Payable:Claims Payable - W/C Reserves		212,098.00
Total		**212,098.00**	**212,098.00**

Attachment C – Management Representation Letter

California Association for Park & Recreation Indemnity
CAPRI

1075 Creekside Ridge Drive
Suite 240
Roseville, CA 95678

Phone: (916) 722-5550
Fax: (916) 722-5715
Website: capri-jpa.org

March 27, 2023

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

Re: Management Representation Letter

To Whom It May Concern:

This representation letter is provided in connection with your audit of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows of California Association for Park and Recreation Indemnity as of June 30, 2022 and 2021 and for the fiscal years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of California Association for Park and Recreation Indemnity in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 27, 2023:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 2, 2021 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 2, 2021 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.

- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We acknowledge that we are responsible for distributing the issued report as well as the communication with governance letter and internal control letter to all governing board members.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- We have reviewed and approved the adjusting and reclassing journal entries reflected in the audit financial statements and Attachment I.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.

- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
-
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.

- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- California Association for Park and Recreation Indemnity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which California Association for Park and Recreation Indemnity is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).

- California Association for Park and Recreation Indemnity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses and Changes in Net Position and Graphical Summary of Claims in the accompanying financial statements:

- We acknowledge our responsibility for the presentation of the Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses and Changes in Net Position and Graphical Summary of Claims in accordance with accounting principles generally accepted in the United States of America.
- We believe the Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses and Changes in Net Position and Graphical Summary of Claims, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- When the Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses and Changes in Net Position and Graphical Summary of Claims is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses and Changes in Net Position and Graphical Summary of Claims no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

- With respect to the Management Discussion & Analysis, Reconciliation of Claims Liabilities by Type of Contract and Claims Development Information accompanying the financial statements:

    - We acknowledge our responsibility for the presentation of the Management Discussion & Analysis, Reconciliation of Claims Liabilities by Type of Contract and Claims Development Information in accordance with U.S. GAAP, GASB-10 and GASB-30.

- We believe the Management Discussion & Analysis, Reconciliation of Claims Liabilities by Type of Contract and Claims Development Information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP, GASB-10 and GASB-30.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the Management Discussion & Analysis, Reconciliation of Claims Liabilities by Type of Contract and Claims Development Information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances:

Use of a Specialist

The work of a specialist has been used by the entity.

We agree with the findings of specialists in evaluating the valuation of claims liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Sincerely,

Matthew Duarte
Executive Director

Attachment I:

Adjusting Journal Entries

Account	Description	Debit	Credit
Adjusting Journal Entry JE # 3			
To record WC year end True Up - PBC			
1105	Due from Members Year-end WC	203,291.00	
4001	Revenue:Workers' Comp Final PR Adjust	112,592.00	
2002	Due to Members Year-end WC Prem		315,883.00
Total		**315,883.00**	**315,883.00**

Reclassifying Journal Entries

Reclassifying Journal Entry JE # 2			
To reclass reserves/IBNR for WC program			
2311	IBNR:IBNR Reserves - Workers Comp	212,098.00	
2201	Claims Payable:Claims Payable - W/C Reserves		212,098.00
Total		**212,098.00**	**212,098.00**

Agenda Item 8.3

SPECIAL REPORTS

SUBJECT: Workers' Compensation Actuarial Analysis 2023-2024

BACKGROUND AND STATUS:

Bickmore Actuarial ("Bickmore") conducted an actuarial analysis on the Workers' Compensation program for CAPRI. Attached please find the DRAFT Executive Summary for the Workers' Compensation Actuarial Analysis.

Program Funding

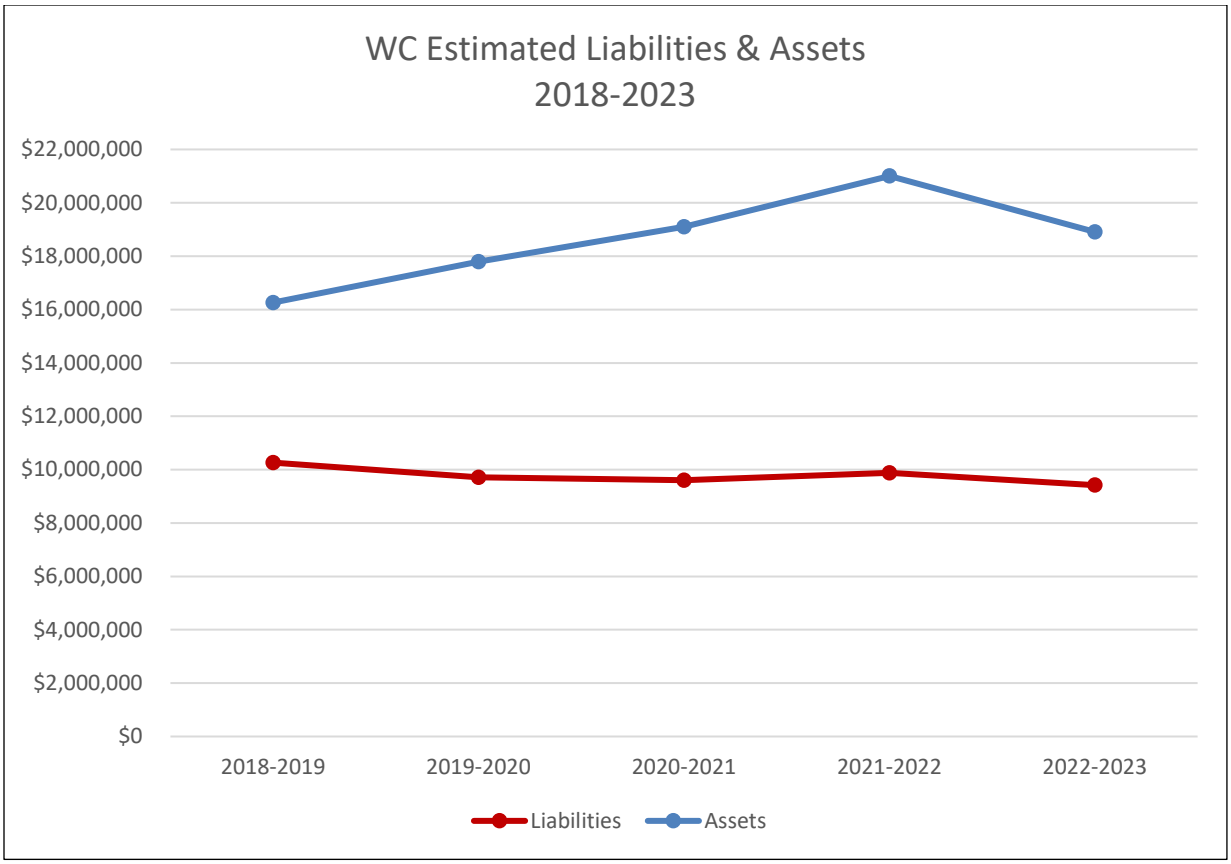
Overall, the study concluded that CAPRI will be funded at over the 90% confidence level. This exceeds Bickmore's recommended 75-85% funding level. Bickmore estimates that the program's discounted liability for outstanding claims has *decreased* approximately 4.7% to $9,419,393 as of June 30, 2023 compared to $9,884,211 at the close of the last fiscal year. The liabilities continue to remain lower than past outstanding claims estimates.

	Estimated Program Liability
2018-2019	$10,263,000
2019-2020	$9,719,000
2020-2021	$9,600,000
2021-2022	$9,884,211
2022-2023	$9,419,393

At the same time, market conditions over the past 12 months have resulted in a *decrease* in projected assets of approximately 10% to $18,910,000 as of June 30, 2023 compared to $21,004,000 at the close of last fiscal year.

	Estimated Program Assets
2018-2019	$16,262,000
2019-2020	$17,799,000
2020-2021	$19,100,000
2021-2022	$21,004,000
2022-2023	$18,910,000

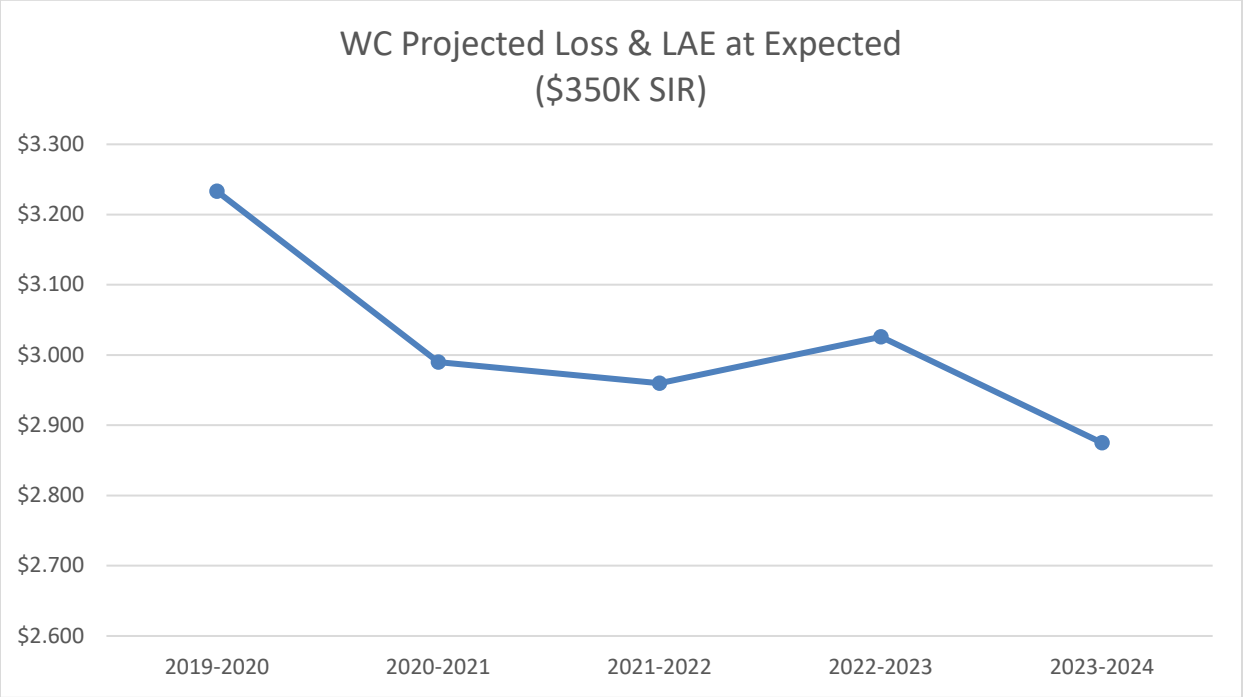
For reference, Staff has prepared a chart utilizing these estimated liability and asset data points. See below.



Projections for 23-24

Looking ahead to 2023-2024, Bickmore's projection for the expected workers' compensation claims for the upcoming fiscal year is $2.875 per $100 payroll, which is -5.0% lower than the prior year projection and down about -12% from 2019-2020. Staff has prepared a chart comparing the last five years of projected losses at the $350,000 self-insured retention level.

	Projected Loss & LAE at Expected
2019-2020	$3.233
2020-2021	$2.990
2021-2022	$2.960
2022-2023	$3.026
2023-2024	$2.875



Stefan Zepernick of Bickmore will be in attendance at the meeting to review the final report and answer any questions of the Board.

RECOMMENDATION:

Accept the Actuarial Review of the Workers' Compensation Program for FY 23-24 as prepared by the actuarial firm, Bickmore Actuarial.

REFERENCE MATERIALS ATTACHED:

Actuarial Review of the Self-Insured Workers' Compensation Program – Executive Summary as prepared by Bickmore Actuarial

Bickmore Actuarial

Actuarial Review of the Self-Insured Workers' Compensation Program

Outstanding Liabilities as of June 30, 2023
Forecast for Program Year 2023-24

Presented to
CAPRI

April 21, 2023 - DRAFT

SCOPE AND SIGNATURE

The California Association for Park and Recreation Indemnity ("CAPRI") has engaged Bickmore Actuarial to conduct an actuarial review of unpaid loss and loss adjustment expenses for claims that occurred on or before June 30, 2023 for its self-insured workers' compensation program utilizing data valued as of December 31, 2022. CAPRI also seeks guidance on the appropriate funding level for claims to be incurred during the upcoming program year.

The specific objectives of the study are:

1. Estimate CAPRI's net liability for outstanding claims as of June 30, 2023. Liabilities net of reinsurance are presented on both an undiscounted basis as well as a discounted basis. The net liabilities are also presented at the expected level (i.e. without a risk margin) and with risk margins, which are quantified via confidence levels. The net liabilities include provisions for loss, allocated loss adjustment expense (ALAE), and unallocated loss adjustment expense (ULAE). ALAE and ULAE are defined in the Glossary section of this report.
2. Project ultimate claims costs for the 2023-24 program year. Similar to the liability projections, the ultimate program year costs are presented on both undiscounted and discounted bases. Projections with and without risk margins are also included.
3. Provide a statement of compliance with Governmental Accounting Standards Board Statement #10.

We appreciate the opportunity to be of service to CAPRI in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Stefan Zepernick at (279) 895-1461 with any questions you may have concerning this report.

Mike Harrington and Stefan Zepernick meet the Casualty Actuarial Society continuing education requirements and the American Academy of Actuaries' qualification standards to sign Statements of Actuarial Opinion.

DRAFT
Mike Harrington, FCAS, MAAA
President and Principal

DRAFT
Stefan Zepernick, ACAS, MAAA
Actuarial Manager

DRAFT
Mary Ann Case, PSM
Senior Actuarial Analyst

EXECUTIVE SUMMARY

Net Claim Liabilities

The following table presents our conclusions regarding CAPRI's net claim liabilities.

Loss & LAE Claim Liabilities
As of June 30, 2023, Net of Reinsurance

		←	Confidence Level			→
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Loss & ALAE	$10,430	$11,452	$11,859	$12,328	$12,912	$13,674
Claims Admin. (ULAE)	605	664	688	715	749	793
Total Loss & LAE	**$11,035**	**$12,116**	**$12,547**	**$13,043**	**$13,661**	**$14,467**
NPV Adjustment[2]	(1,615)	(1,774)	(1,838)	(1,910)	(2,000)	(2,119)
Discounted Loss & LAE	**$9,419**	**$10,342**	**$10,709**	**$11,133**	**$11,661**	**$12,348**
Assets	18,910	18,910	18,910	18,910	18,910	18,910
Surplus/(Deficit)	9,491	8,568	8,201	7,777	7,249	6,562
Short Term[3]	$2,245	$2,465	$2,553	$2,654	$2,780	$2,944
Long Term[3]	7,174	7,877	8,156	8,479	8,881	9,404

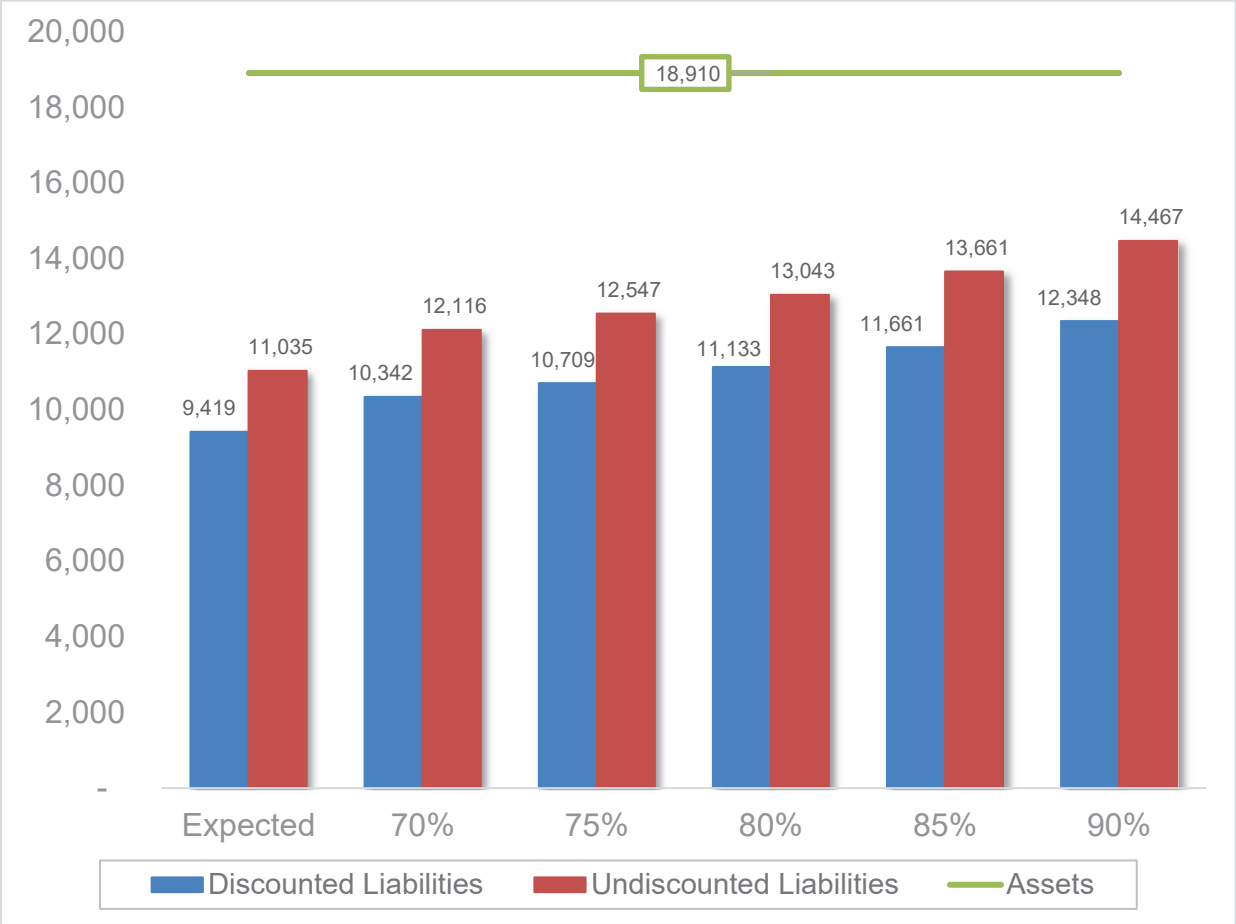
1 Expected values represent the "best actuarial" or "central" estimate.
2 Net present value is based on an annual discount rate of 3.0%.
3 Short-term liabilities are projected to be paid within 12 months of the accounting date. Long-term liabilities are projected to be paid after 12 months.

The table below shows results at various discount rates:

Discount Rate	Factor to Adjust Liabilities	Outstanding Liabilities	Program Surplus or (Deficit)
0.00%	1.171	$11,034,744	$7,875,256
0.50%	1.139	10,724,608	8,185,392
1.00%	1.108	10,432,523	8,477,477
1.50%	1.078	10,157,143	8,752,857
2.00%	1.051	9,897,228	9,012,772
2.50%	1.025	9,651,657	9,258,343
3.00%	1.000	9,419,393	9,490,607

The following graph displays the comparison of the program's net claim liabilities and assets as of June 30, 2023 as shown on the prior page.

Loss & LAE Claim Liabilities and Assets
As of June 30, 2023, Net of Reinsurance
($000s)



We generally recommend that entities maintain funding at the 75% - 85% confidence level. However, we understand that each entity is unique, and that proper funding levels can vary based on issues such as the organization's risk tolerance, financial circumstances, and priorities.

Statement of Compliance with GASB #10

The outstanding liabilities presented in this section that include claims administration costs comply with the requirements promulgated by GASB #10.

Funding Projections

The following table presents our estimates of ultimate costs for the upcoming program year **at the program's current SIR of $350,000**.

Projected Ultimate Costs
Fiscal Year 2023-24, SIR of $350,000

		←	Confidence Level			→
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Loss & ALAE	$3,657	$4,154	$4,359	$4,597	$4,889	$5,280
Claims Admin. (ULAE)	344	391	410	432	460	497
Total Loss & LAE	**$4,001**	**$4,545**	**$4,769**	**$5,029**	**$5,349**	**$5,777**
NPV Adjustment[2]	(476)	(541)	(567)	(598)	(636)	(687)
Discounted Loss & LAE	**$3,525**	**$4,004**	**$4,202**	**$4,431**	**$4,713**	**$5,090**
Total Funding Rate[3]	$2.875	$3.266	$3.427	$3.614	$3.844	$4.151

1 Expected values represent the "best actuarial" or "central" estimate.
2 Net present value is based on an annual discount rate of 3.0%.
3 Rate is per $100 of payroll.

The table below shows results at various discount rates:

Discount Rate	Factor to Adjust Loss and LAE	Discounted Loss and LAE	Rate Per $100 of Payroll
0.00%	1.135	$4,001,000	$3.26
0.50%	1.109	3,908,000	3.19
1.00%	1.084	3,822,000	3.12
1.50%	1.061	3,741,000	3.05
2.00%	1.039	3,664,000	2.99
2.50%	1.019	3,593,000	2.93
3.00%	1.000	3,525,000	2.88

The following table presents our estimates of ultimate costs for the upcoming program year, **assuming an SIR of $250,000.**

Projected Ultimate Costs
Fiscal Year 2023-24, SIR of $250,000

		← Confidence Level →				
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Loss & ALAE	$3,294	$3,745	$3,930	$4,147	$4,414	$4,770
Claims Admin. (ULAE)	344	391	410	433	461	498
Total Loss & LAE	**$3,638**	**$4,136**	**$4,340**	**$4,580**	**$4,875**	**$5,268**
NPV Adjustment[2]	(390)	(443)	(465)	(491)	(523)	(565)
Discounted Loss & LAE	**$3,248**	**$3,693**	**$3,875**	**$4,089**	**$4,352**	**$4,703**
Total Funding Rate[3]	$2.649	$3.012	$3.160	$3.335	$3.550	$3.836

1 Expected values represent the "best actuarial" or "central" estimate.
2 Net present value is based on an annual discount rate of 3.0%.
3 Rate is per $100 of payroll.

The table below shows results at various discount rates:

Discount Rate	Factor to Adjust Loss and LAE	Discounted Loss and LAE	Rate Per $100 of Payroll
0.0%	1.120	$3,638,000	$2.97
0.5%	1.097	3,563,000	2.91
1.0%	1.075	3,492,000	2.85
1.5%	1.055	3,426,000	2.79
2.0%	1.035	3,363,000	2.74
2.5%	1.017	3,304,000	2.69
3.0%	1.000	3,248,000	2.65

The following table presents our estimates of ultimate costs for the upcoming program year, **assuming an SIR of $500,000.**

Projected Ultimate Costs
Fiscal Year 2023-24, SIR of $500,000

		← Confidence Level →				
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Loss & ALAE	$4,175	$4,730	$4,964	$5,231	$5,561	$6,000
Claims Admin. (ULAE)	344	390	409	431	458	494
Total Loss & LAE	**$4,519**	**$5,120**	**$5,373**	**$5,662**	**$6,019**	**$6,494**
NPV Adjustment[2]	(598)	(678)	(711)	(749)	(796)	(860)
Discounted Loss & LAE	**$3,921**	**$4,442**	**$4,662**	**$4,913**	**$5,223**	**$5,634**
Total Funding Rate[3]	$3.198	$3.623	$3.802	$4.007	$4.260	$4.595

1 Expected values represent the "best actuarial" or "central" estimate.
2 Net present value is based on an annual discount rate of 3.0%.
3 Rate is per $100 of payroll.

The table below shows results at various discount rates:

Discount Rate	Factor to Adjust Loss and LAE	Discounted Loss and LAE	Rate Per $100 of Payroll
0.0%	1.153	$4,519,000	$3.69
0.5%	1.123	4,402,000	3.59
1.0%	1.095	4,293,000	3.50
1.5%	1.069	4,191,000	3.42
2.0%	1.044	4,095,000	3.34
2.5%	1.021	4,005,000	3.27
3.0%	1.000	3,921,000	3.20

Agenda Item 8.4

SPECIAL REPORTS

SUBJECT: Liability/Property Actuarial Analysis 2023/2024

BACKGROUND AND STATUS:

Bickmore Actuarial ("Bickmore") conducted an actuarial analysis on the Liability & Property program for CAPRI. Attached please find the DRAFT Executive Summary for the Liability & Property Actuarial Analysis.

Program Funding

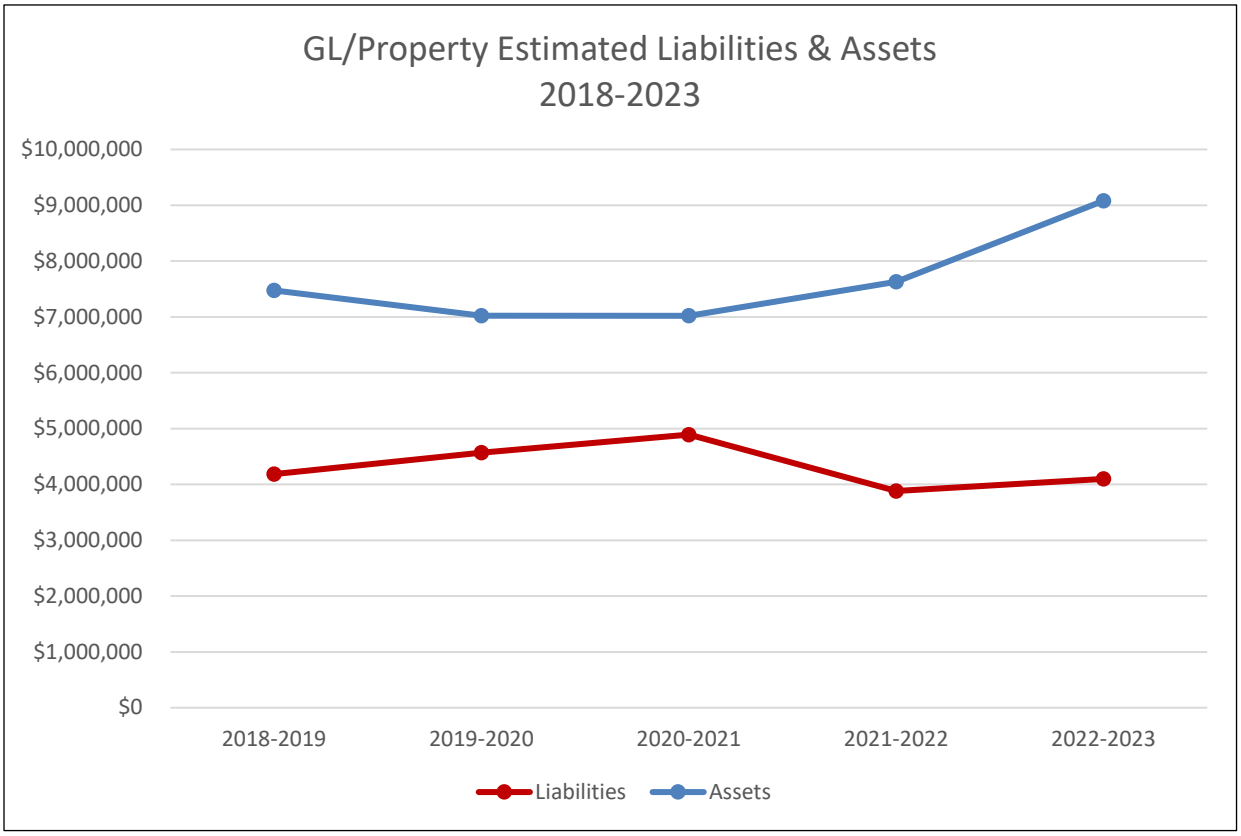
Overall, the study concluded that CAPRI will be funded at over the 90% confidence level. This exceeds Bickmore's recommended 75-85% funding level. Bickmore estimates that the program's discounted liability for outstanding claims has *increased* approximately +5.6% to $4,100,000 as of June 30, 2023 compared to $3,882,114 at the close of the last fiscal year. Although losses have developed favorably, a driving factor in this increase in liabilities is the increase in the case reserves.

	Estimated Program Liability
2018-2019	$4,184,000
2019-2020	$4,569,000
2020-2021	$4,892,000
2021-2022	$3,882,114
2022-2023	$4,100,000

At the same time, program assets are projected to *increase* to $9,080,000 as of June 30, 2023 compared to $7,628,000 at the close of the last fiscal year.

	Estimated Program Assets
2018-2019	$7,475,000
2019-2020	$7,023,000
2020-2021	$7,020,000
2021-2022	$7,628,000
2022-2023	$9,080,000

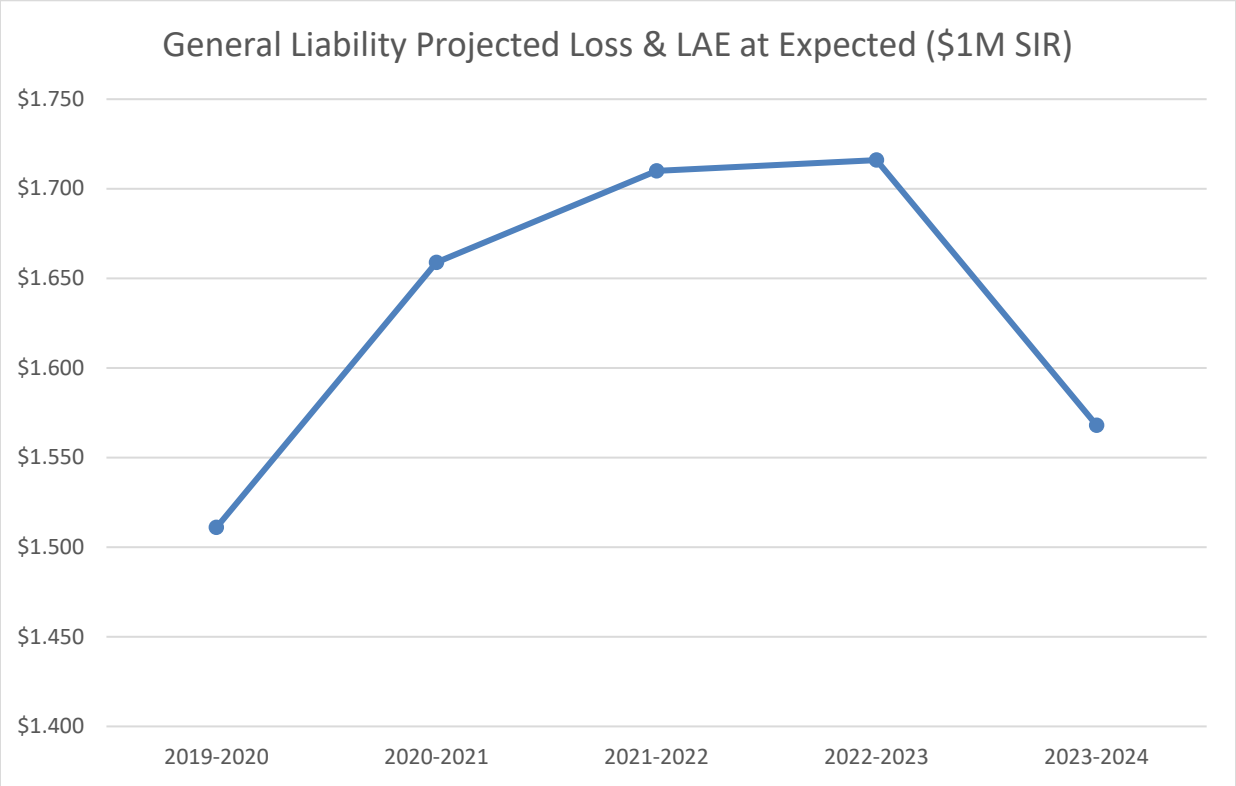
For reference, Staff has prepared a chart utilizing these estimated liability and asset data points. See below.



Projections for 23-24

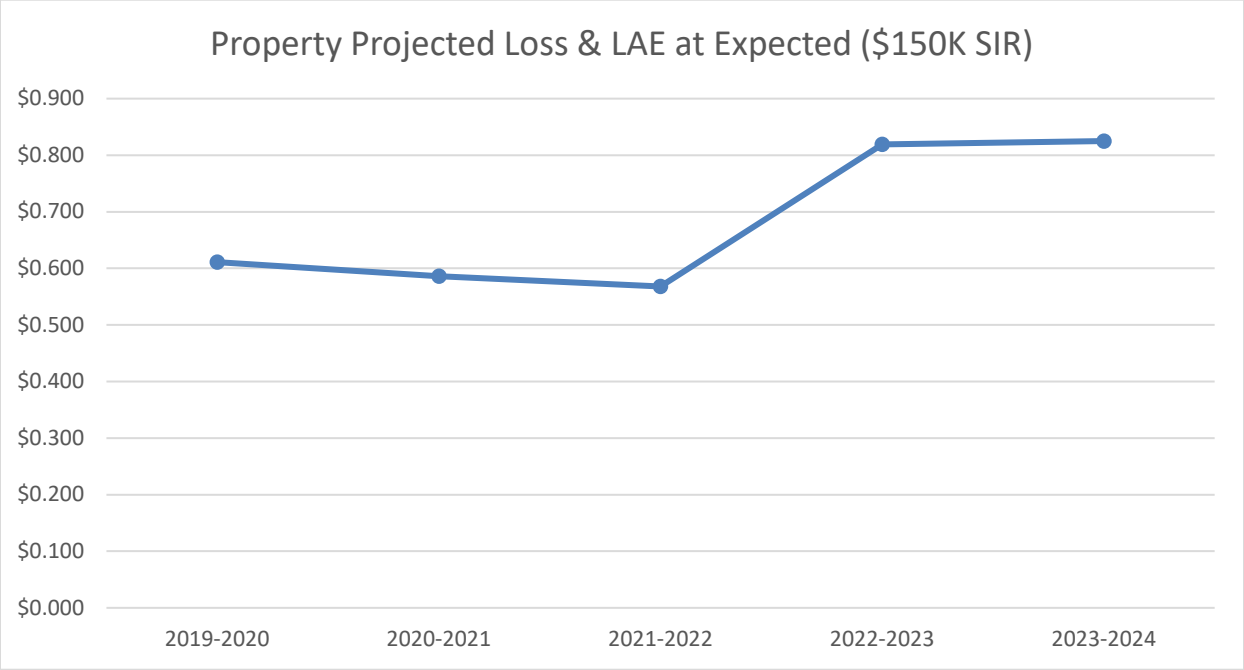
Looking ahead to 2023-2024, Bickmore's projection for the expected general liability claims for the upcoming fiscal year is $1.568 per $100 payroll, which is -8.6% lower than the prior year projection. Staff has prepared a chart comparing the last five years of projected losses at the $1M self-insured retention level.

	Projected Loss & LAE at Expected
2019-2020	$1.511
2020-2021	$1.659
2021-2022	$1.710
2022-2023	$1.716
2023-2024	$1.568



Regarding property losses, Bickmore's projection for the expected property claims for the upcoming fiscal year is $0.825 per $1000 TIV, which is +0.7% higher than the prior year projection. This stabilization is a positive development as last year saw a dramatic increase in the projections in response to several years of large losses. Staff has prepared a chart comparing the last five years of projected losses at the $150,000 self-insured retention level.

	Projected Loss & LAE at Expected
2019-2020	$0.611
2020-2021	$0.586
2021-2022	$0.568
2022-2023	$0.819
2023-2024	$0.825



Stefan Zepernick of Bickmore will be in attendance at the meeting to review the final report and answer any questions of the Board.

RECOMMENDATION:

Accept the Actuarial Review of the General Liability & Property Program for FY 23-24 as prepared by the actuarial firm, Bickmore Actuarial.

REFERENCE MATERIALS ATTACHED:

Actuarial Review of the Self-Insured General Liability & Property Program – Executive Summary as prepared by Bickmore Actuarial

Bickmore Actuarial

Actuarial Review of the Self-Insured General Liability and Property Programs

Outstanding Liabilities as of June 30, 2023
Forecast for Program Year 2023-24

Presented to
CAPRI

April 21, 2023 - DRAFT

SCOPE AND SIGNATURE

The California Association for Park and Recreation Indemnity ("CAPRI") has engaged Bickmore Actuarial to conduct an actuarial review of unpaid loss and loss adjustment expenses for claims that occurred on or before June 30, 2023 for its self-insured General Liability and Property programs utilizing data valued as of December 31, 2022. CAPRI also seeks guidance on the appropriate funding level for claims to be incurred during the upcoming program year.

The specific objectives of the study are:

1. Estimate CAPRI's net liability for outstanding claims as of June 30, 2023. Liabilities net of reinsurance are presented on both an undiscounted basis as well as a discounted basis. The net liabilities are also presented at the expected level (i.e. without a risk margin) and with risk margins, which are quantified via confidence levels. The net liabilities include provisions for loss, allocated loss adjustment expense (ALAE), and unallocated loss adjustment expense (ULAE). ALAE and ULAE are defined in the Glossary section of this report.
2. Project ultimate claims costs for the 2023-24 program year. Similar to the liability projections, the ultimate program year costs are presented on both undiscounted and discounted bases. Projections with and without risk margins are also included.
3. Provide a statement of compliance with Governmental Accounting Standards Board Statement #10.

We appreciate the opportunity to be of service to CAPRI in preparing this report. Please feel free to call Mike Harrington at (916) 244-1162 or Stefan Zepernick at (279) 895-1461 with any questions you may have concerning this report.

Mike Harrington, and Stefan Zepernick meet the Casualty Actuarial Society continuing education requirements and the American Academy of Actuaries' qualification standards to sign Statements of Actuarial Opinion.

DRAFT
Mike Harrington, FCAS, MAAA
President and Principal

DRAFT
Stefan Zepernick, ACAS, MAAA
Actuarial Manager

DRAFT
Mary Ann Case, PSM
Senior Actuarial Analyst

EXECUTIVE SUMMARY

Net Claim Liabilities

The following table presents our conclusions regarding CAPRI's net claim liabilities.

Self-Insured Liability and Property Program
Loss & LAE Claim Liabilities
As of June 30, 2023, Net of Reinsurance

		←	Confidence Level			→
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Loss & ALAE	$4,088	$4,671	$4,942	$5,267	$5,667	$6,200
Claims Admin. (ULAE)	175	200	211	225	242	265
Total Loss & LAE	**$4,262**	**$4,871**	**$5,153**	**$5,492**	**$5,909**	**$6,465**
NPV Adjustment[2]	(162)	(185)	(196)	(209)	(225)	(246)
Discounted Loss & LAE	**$4,100**	**$4,686**	**$4,957**	**$5,283**	**$5,684**	**$6,219**
Assets	9,080	9,080	9,080	9,080	9,080	9,080
Surplus/(Deficit)	4,980	4,394	4,123	3,797	3,396	2,861
Short Term[3]	1,720	1,968	2,081	2,217	2,384	2,607
Long Term[3]	2,380	2,718	2,876	3,066	3,300	3,612

1 Expected values represent the "best actuarial" or "central" estimate.
2 Net present value is based on an annual discount rate of 2.0%.
3 Short-term liabilities are projected to be paid within 12 months of the accounting date. Long-term liabilities are projected to be paid after 12 months.

The following graph displays the comparison of the program's net claim liabilities and assets as of June 30, 2023 as shown on the prior page.

Self-Insured Liability and Property Program
Loss & LAE Claim Liabilities and Assets
As of June 30, 2023, Net of Reinsurance
($000s)

We generally recommend that entities maintain funding at the 75% - 85% confidence level. However, we understand that each entity is unique, and that proper funding levels can vary based on issues such as the organization's risk tolerance, financial circumstances, and priorities.

Statement of Compliance with GASB #10

The outstanding liabilities presented in this section that include claims administration costs comply with the requirements promulgated by GASB #10.

Funding Projections

The following tables present our estimates of ultimate costs for the upcoming program year for liability and property, at the current program SIRs of $1,000,000 and $150,000, respectively.

Self-Insured Liability Program
Projected Ultimate Costs
Fiscal Year 2023-24, SIR of $1,000,000

		← Confidence Level →				
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Loss & ALAE	$1,997	$2,375	$2,571	$2,802	$3,093	$3,482
Claims Admin. (ULAE)	134	159	172	188	208	234
Total Loss & LAE	**$2,131**	**$2,534**	**$2,743**	**$2,990**	**$3,301**	**$3,716**
NPV Adjustment[2]	(119)	(142)	(154)	(167)	(184)	(207)
Discounted Loss & LAE	**$2,012**	**$2,392**	**$2,589**	**$2,823**	**$3,117**	**$3,509**
Total Funding Rate[3]	$1.568	$1.865	$2.018	$2.200	$2.430	$2.735

1 Expected values represent the "best actuarial" or "central" estimate.
2 Net present value is based on an annual discount rate of 2.0%.
3 Rate is per $100 of payroll.

Self-Insured Property Program
Projected Ultimate Costs
Fiscal Year 2023-24, SIR of $150,000

		← Confidence Level →				
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Loss & ALAE	$1,033	$1,215	$1,302	$1,403	$1,531	$1,702
Claims Admin. (ULAE)	59	69	74	80	87	97
Total Loss & LAE	**$1,092**	**$1,284**	**$1,376**	**$1,483**	**$1,618**	**$1,799**
NPV Adjustment[2]	(17)	(20)	(21)	(23)	(25)	(28)
Discounted Loss & LAE	**$1,075**	**$1,264**	**$1,355**	**$1,460**	**$1,593**	**$1,771**
Total Funding Rate[3]	$0.825	$0.970	$1.040	$1.121	$1.223	$1.360

1 Expected values represent the "best actuarial" or "central" estimate.
2 Net present value is based on an annual discount rate of 2.0%.
3 Rate is per $1,000 of TIV.

The following tables present our estimates of ultimate costs for the upcoming program year for liability, assuming alternative SIRs of $750,000 and $500,000.

Self-Insured Liability Program
Projected Ultimate Costs
Fiscal Year 2023-24, SIR of $750,000

		← Confidence Level →				
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Loss & ALAE	$1,723	$2,051	$2,218	$2,416	$2,666	$2,998
Claims Admin. (ULAE)	134	159	172	188	207	233
Total Loss & LAE	**$1,857**	**$2,210**	**$2,390**	**$2,604**	**$2,873**	**$3,231**
NPV Adjustment[2]	(99)	(118)	(127)	(139)	(153)	(172)
Discounted Loss & LAE	**$1,758**	**$2,092**	**$2,263**	**$2,465**	**$2,720**	**$3,059**
Total Funding Rate[3]	$1.370	$1.631	$1.764	$1.921	$2.120	$2.384

Self-Insured Liability Program
Projected Ultimate Costs
Fiscal Year 2023-24, SIR of $500,000

		← Confidence Level →				
Dollars ($000s)	Expected[1]	70%	75%	80%	85%	90%
Loss & ALAE	$1,699	$2,013	$2,168	$2,350	$2,579	$2,884
Claims Admin. (ULAE)	134	159	171	185	203	228
Total Loss & LAE	**$1,833**	**$2,172**	**$2,339**	**$2,535**	**$2,782**	**$3,112**
NPV Adjustment[2]	(98)	(116)	(125)	(135)	(148)	(166)
Discounted Loss & LAE	**$1,735**	**$2,056**	**$2,214**	**$2,400**	**$2,634**	**$2,946**
Total Funding Rate[3]	$1.352	$1.603	$1.726	$1.871	$2.053	$2.296

1 Expected values represent the “best actuarial” or “central” estimate.
2 Net present value is based on an annual discount rate of 2.0%.
3 Rate is per $100 of payroll.

Agenda Item 8.5

DISCUSSION/ACTION ITEMS

SUBJECT: Insurance Market Report

BACKGROUND AND STATUS:

Mr. Doug Wozniak of Alliant Insurance Services will present at the Board Meeting and provide an in-depth update on the current insurance market and outlook for 2023-2024.

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

None.

Agenda Item 8.6

DISCUSSION/ACTION ITEMS

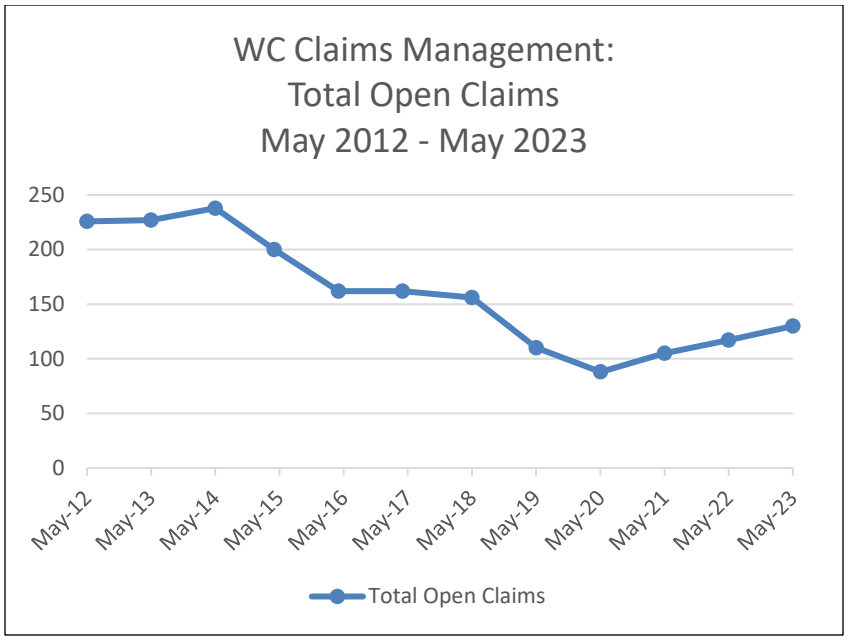
SUBJECT: WC Program Status Report

BACKGROUND AND STATUS:

Attached hereto is a summary of the recent Workers' Compensation claims history as organized by fiscal year. Additionally, below is a historical comparison of the status of the program management with records of CAPRI's total open claims at each specified interval.

Year	Total Open Claims
May 1, 2012	226
May 1, 2013	227
May 1, 2014	238
*April 1, 2015	200
*April 1, 2016	162
*April 1, 2017	162
May 1, 2018	156
May 1, 2019	110
May 1, 2020	88
May 1, 2021	105
May 1, 2022	117
May 1, 2023	130

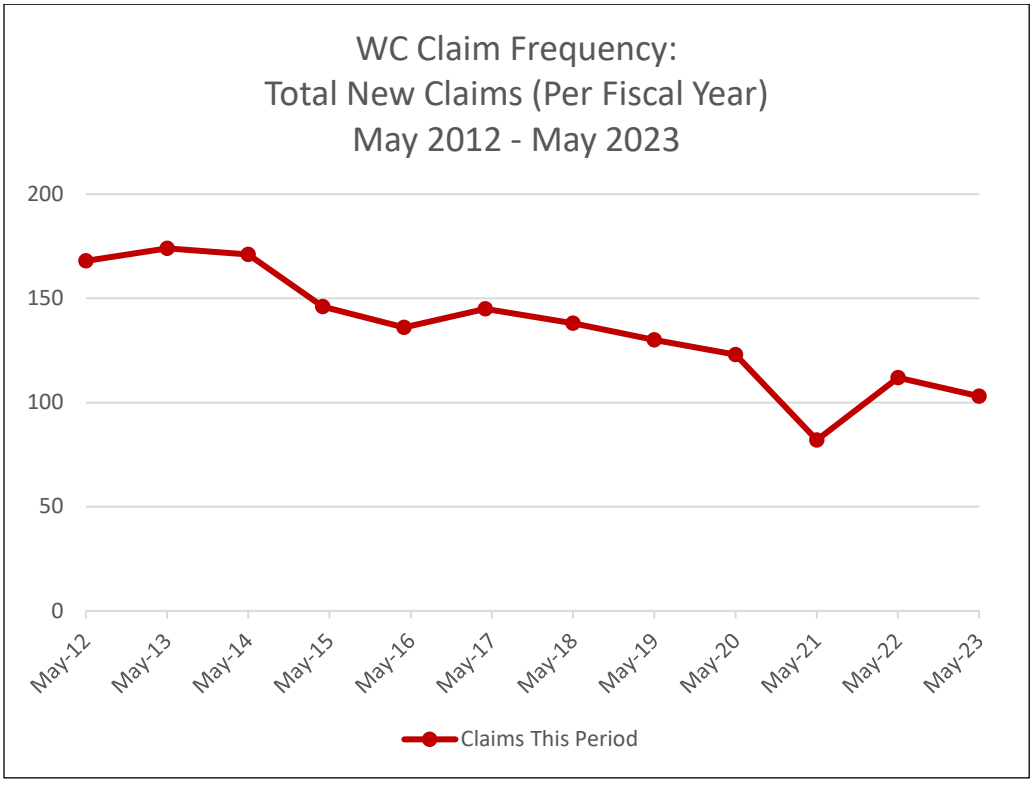
*only April reports available



Furthermore, below is a historical comparison of the program's claim frequency with the total claims made per fiscal year as of May 1st for each year as well as the average number of claims made per month that year.

Year	Claims This Period (i.e. July 1-April 30)	Average Claims Per Month
May 1, 2012	168	16.80
May 1, 2013	174	17.40
May 1, 2014	171	17.10
*April 1, 2015	146	16.22
*April 1, 2016	136	15.11
*April 1, 2017	145	16.11
May 1, 2018	138	13.80
May 1, 2019	130	13.00
May 1, 2020	123	12.30
May 1, 2021	82	8.20
May 1, 2022	112	11.20
May 1, 2023	103	10.30

*only April reports available



Staff continues to work with CAPRI's third-party administrator to bring claims to a timely resolution while also working with the members in an effort to reduce the number of claims sustained by district workers.

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

- Summary of WC Claims by Fiscal Year as of April 30, 2023

CAPRI Workers Comp

Fiscal Year Claim Summary - WC

Activity Paid: 4/1/23 - 4/30/23 As Of 04/30/2023

Sedgwick Copyright © 2023 All rights reserved. This document is provided for informational purposes only.

Fiscal Year	Open	Closed	Total	Incurred Change This Period	Paid This Period	Reserved This Period	Total Paid	Total Reserve	Total Incurred	Recovery	Net Incurred
1978 - 1979	0	15	15	0.00	0.00	0.00	82,816.56	0.00	82,816.56	0.00	82,816.56
1979 - 1980	0	25	25	0.00	0.00	0.00	314,058.47	0.00	314,058.47	0.00	314,058.47
1980 - 1981	0	60	60	0.00	0.00	0.00	104,819.24	0.00	104,819.24	0.00	104,819.24
1981 - 1982	0	117	117	0.00	0.00	0.00	2,747,446.03	0.00	2,747,446.03	2,568,212.54	179,233.49
1982 - 1983	0	147	147	0.00	0.00	0.00	287,261.42	0.00	287,261.42	9,500.00	277,761.42
1983 - 1984	0	200	200	0.00	0.00	0.00	276,371.73	0.00	276,371.73	0.00	276,371.73
1984 - 1985	0	147	147	0.00	0.00	0.00	242,203.78	0.00	242,203.78	2,276.88	239,926.90
1985 - 1986	0	203	203	0.00	0.00	0.00	460,947.50	0.00	460,947.50	0.00	460,947.50
1986 - 1987	0	265	265	0.00	0.00	0.00	817,210.40	0.00	817,210.40	170,667.80	646,542.60
1987 - 1988	0	264	264	0.00	0.00	0.00	993,711.22	0.00	993,711.22	1,923.75	991,787.47
1988 - 1989	0	234	234	0.00	0.00	0.00	774,222.20	0.00	774,222.20	0.00	774,222.20
1989 - 1990	0	312	312	0.00	0.00	0.00	987,692.44	0.00	987,692.44	2,725.87	984,966.57
1990 - 1991	0	269	269	0.00	0.00	0.00	940,241.49	0.00	940,241.49	3,446.00	936,795.49
1991 - 1992	0	349	349	0.00	0.00	0.00	1,639,562.92	0.00	1,639,562.92	332,326.03	1,307,236.89
1992 - 1993	0	277	277	0.00	0.00	0.00	1,570,051.74	0.00	1,570,051.74	56,213.52	1,513,838.22
1993 - 1994	0	293	293	0.00	0.00	0.00	1,011,297.68	0.00	1,011,297.68	5,499.00	1,005,798.68
1994 - 1995	1	300	301	0.00	450.00	-450.00	1,113,092.68	88,538.70	1,201,631.38	30,075.94	1,171,555.44
2005 - 2006	1	220	221	0.00	16,476.24	-16,476.24	7,658,901.27	5,921,304.12	13,580,205.39	5,098,902.99	8,481,302.40
2006 - 2007	1	191	192	0.00	0.00	0.00	1,456,217.05	8,164.55	1,464,381.60	38,500.00	1,425,881.60
2007 - 2008	0	226	226	-2,320.57	-2,320.57	0.00	2,845,242.37	0.00	2,845,242.37	682.00	2,844,560.37
2008 - 2009	0	226	226	0.00	0.00	0.00	2,384,065.42	0.00	2,384,065.42	106,809.97	2,277,255.45
2009 - 2010	2	223	225	0.00	1,058.32	-1,058.32	2,592,439.70	268,628.63	2,861,068.33	16,494.05	2,844,574.28
2010 - 2011	1	250	251	0.00	181.50	-181.50	2,435,760.35	143,034.42	2,578,794.77	2,255.18	2,576,539.59
2011 - 2012	3	225	228	-45,088.25	2,038.50	-47,126.75	4,289,480.85	147,073.48	4,436,554.33	1,088,619.24	3,347,935.09
2012 - 2013	2	222	224	0.00	0.00	0.00	3,095,901.21	61,964.60	3,157,865.81	51,585.57	3,106,280.24
2013 - 2014	1	212	213	0.00	0.00	0.00	2,305,560.46	39,557.00	2,345,117.46	32,350.11	2,312,767.35
2014 - 2015	4	193	197	0.00	0.00	0.00	1,904,796.01	277,775.04	2,182,571.05	0.00	2,182,571.05
2015 - 2016	0	199	199	0.00	0.00	0.00	3,955,799.03	0.00	3,955,799.03	837,471.65	3,118,327.38
2016 - 2017	2	200	202	0.00	71.61	-71.61	2,113,831.32	156,280.52	2,270,111.84	126,186.91	2,143,924.93
2017 - 2018	3	191	194	-51,015.68	1,160.00	-52,175.68	1,534,898.45	233,277.34	1,768,175.79	139,402.59	1,628,773.20
2018 - 2019	9	169	178	-33,333.25	8,602.50	-41,935.75	1,900,301.05	435,175.93	2,335,476.98	4,271.96	2,331,205.02

CAPRI Workers Comp

Fiscal Year Claim Summary - WC

Activity Paid: 4/1/23 - 4/30/23 As Of 04/30/2023

Sedgwick Copyright © 2023 All rights reserved. This document is provided for informational purposes only.

Fiscal Year	Open	Closed	Total	Incurred Change This Period	Paid This Period	Reserved This Period	Total Paid	Total Reserve	Total Incurred	Recovery	Net Incurred
2019 - 2020	14	133	147	-95,358.04	20,706.24	-116,064.28	1,855,322.26	702,897.78	2,558,220.04	7,919.25	2,550,300.79
2020 - 2021	15	91	106	-46,799.95	17,776.03	-64,575.98	1,282,397.08	1,144,603.46	2,427,000.54	0.00	2,427,000.54
2021 - 2022	30	115	145	117,871.20	117,132.59	738.61	1,062,705.97	1,366,218.38	2,428,924.35	0.00	2,428,924.35
2022 - 2023	41	62	103	95,742.31	69,858.02	25,884.29	295,470.15	853,342.52	1,148,812.67	0.00	1,148,812.67
Total:	**130**	**6,825**	**6,955**	**-60,302.23**	**253,190.98**	**-313,493.21**	**59,332,097.5**	**11,847,836.47**	**71,179,933.97**	**10,734,318.8**	**60,445,615.17**

Agenda Item 8.7

DISCUSSION/ACTION ITEMS

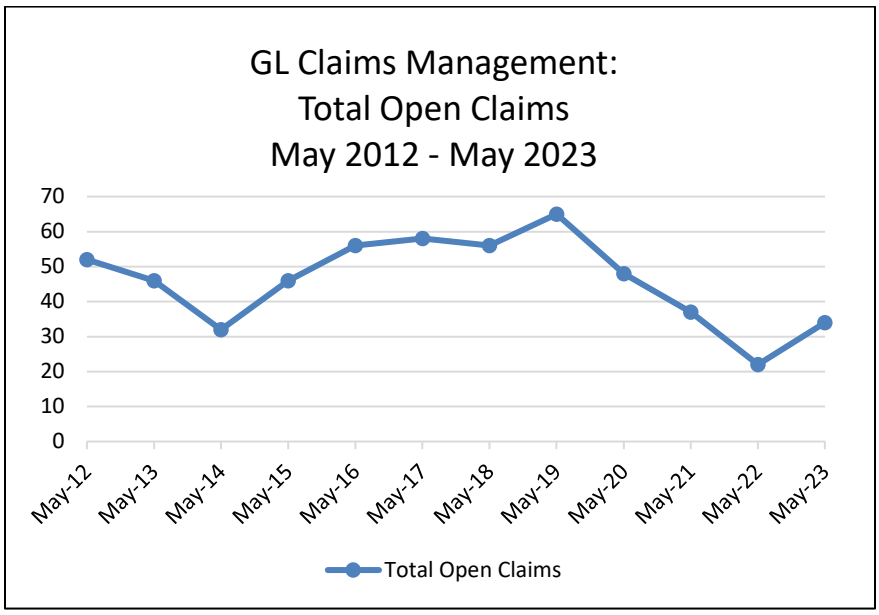
SUBJECT: General Liability Program Status Report

BACKGROUND AND STATUS:

Attached hereto is a summary of the General Liability claims history organized by Fiscal year as of April 30, 2023. Notably, the frequency of liability claims has trended upwards slightly with twenty-three (23) new claims received in the past four months bringing the total to date for the 22-23 fiscal year to thirty-one (31). Nearly half of the year's claims (approx. 15) are related to vehicle accidents while another quarter of the claims (approx. 7) are weather-related and stem from the historic levels of rainfall to start 2023. Staff will continue to monitor this item and report back to the Board as the claims move through the process.

Fortunately, the severity of claims has not seen a corresponding increase this fiscal year. Current outstanding reserves for the open liability claims sit at $678,070.00 which equate to an average value for each open liability claim of $19,943.24.

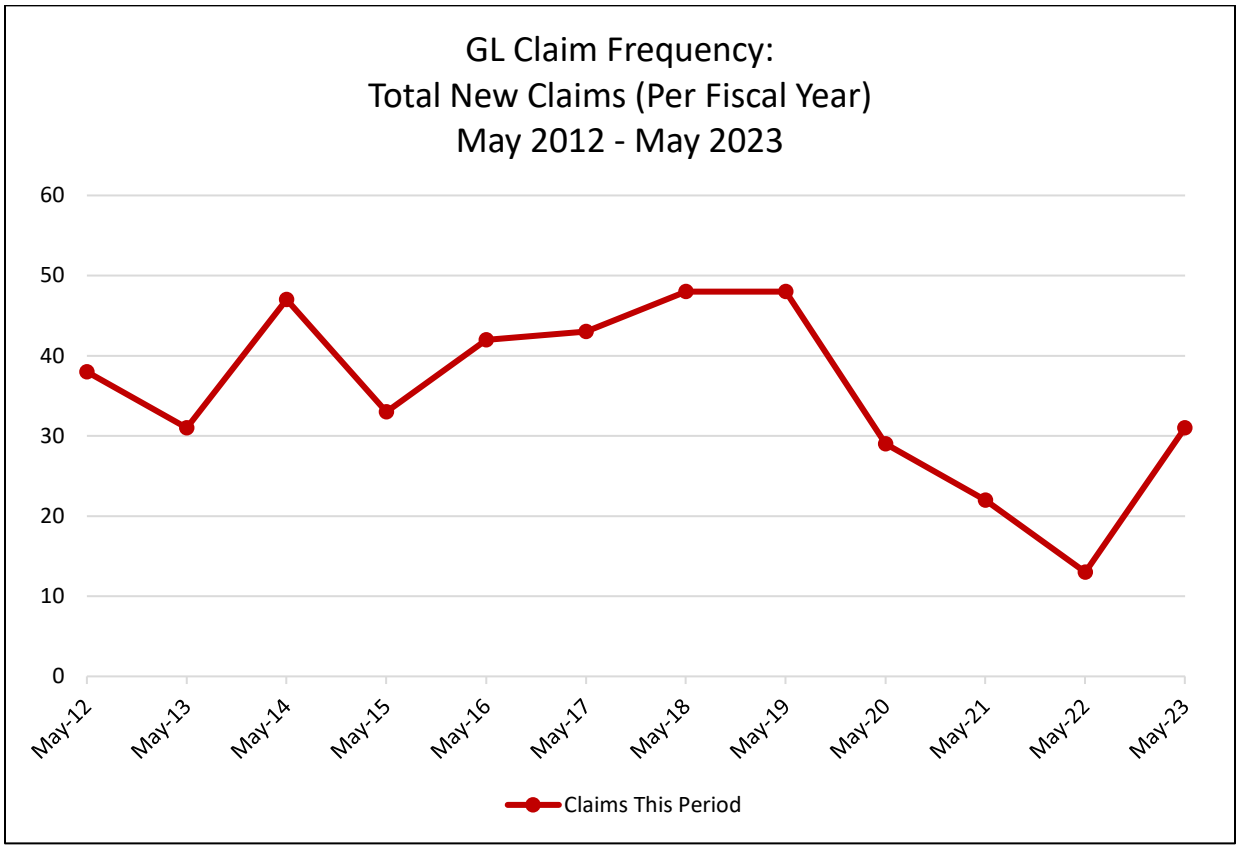
For reference, below is a historical comparison of the status of the program management with CAPRI's total open claims as of May 1st for each of the past twelve years.



Year	Total Open Claims
May 1, 2012	52
May 1, 2013	46
May 1, 2014	32
May 1, 2015	46
May 1, 2016	56
May 1, 2017	58
May 1, 2018	56
May 1, 2019	65
May 1, 2020	48
May 1, 2021	37
May 1, 2022	22
May 1, 2023	34

Furthermore, below is a historical comparison of the program's claim frequency with the total claims made per fiscal year as of May 1st for each year as well as the average number of claims made per month that year.

Year	Claims This Period (i.e. July 1-April 30)	Average Claims Per Month
May 1, 2012	38	3.8
May 1, 2013	31	3.1
May 1, 2014	47	4.7
May 1, 2015	33	3.3
May 1, 2016	42	4.2
May 1, 2017	43	4.3
May 1, 2018	48	4.8
May 1, 2019	48	4.8
May 1, 2020	29	2.9
May 1, 2021	22	2.2
May 1, 2022	13	1.3
May 1, 2023	31	3.1



With the casualty market in flux and defense costs on the rise, it will be beneficial to the membership to continue to strive for timely resolution of claims while also working to reduce the frequency of claims made against CAPRI members.

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

- Summary of GL Claims by Fiscal Year – April 30, 2023

GEORGE HILLS

Policy Year Summary

Period Start Date: 4/1/2023
Period End Date: 4/30/2023
Valuation Date: 4/30/2023

Policy Year	Open Claims	Closed Claims	Total Claims	Paid This Period	Reserves This Period	Total Paid	Total Outstanding	Total Incurred	Total Recovery	Net Incurred
1986/1987	0	40	40	0.00	0.00	159,143.49	0.00	159,143.49	0.00	159,143.49
1987/1988	0	91	91	0.00	0.00	567,783.35	0.00	567,783.35	0.00	567,783.35
1988/1989	0	77	77	0.00	0.00	336,758.78	0.00	336,758.78	0.00	336,758.78
1989/1990	0	56	56	0.00	0.00	252,372.90	0.00	252,372.90	0.00	252,372.90
1990/1991	0	69	69	0.00	0.00	646,700.81	0.00	646,700.81	0.00	646,700.81
1991/1992	0	78	78	0.00	0.00	574,432.62	0.00	574,432.62	0.00	574,432.62
1992/1993	0	66	66	0.00	0.00	334,437.15	0.00	334,437.15	0.00	334,437.15
1993	0	3	3	0.00	0.00	9,209.48	0.00	9,209.48	0.00	9,209.48
1993/1994	0	79	79	0.00	0.00	778,130.85	0.00	778,130.85	0.00	778,130.85
1994/1995	0	71	71	0.00	0.00	607,227.03	0.00	607,227.03	0.00	607,227.03
1995/1996	0	66	66	0.00	0.00	488,285.28	0.00	488,285.28	0.00	488,285.28
1996/1997	0	98	98	0.00	0.00	308,466.79	0.00	308,466.79	0.00	308,466.79
1997/1998	0	54	54	0.00	0.00	756,263.30	0.00	756,263.30	0.00	756,263.30
1998/1999	0	39	39	0.00	0.00	581,684.09	0.00	581,684.09	0.00	581,684.09
1999/2000	0	30	30	0.00	0.00	175,051.87	0.00	175,051.87	0.00	175,051.87
2000/2001	0	56	56	0.00	0.00	332,932.06	0.00	332,932.06	0.00	332,932.06
2001/2002	0	37	37	0.00	0.00	355,079.79	0.00	355,079.79	0.00	355,079.79
2002/2003	0	44	44	0.00	0.00	515,584.00	0.00	515,584.00	0.00	515,584.00
2003/2004	0	31	31	0.00	0.00	242,133.94	0.00	242,133.94	0.00	242,133.94
2004/2005	0	45	45	0.00	0.00	423,151.66	0.00	423,151.66	0.00	423,151.66
2005/2006	0	33	33	0.00	0.00	378,848.40	0.00	378,848.40	0.00	378,848.40
2006/2007	0	27	27	0.00	0.00	640,394.43	0.00	640,394.43	0.00	640,394.43
2007/2008	0	50	50	0.00	0.00	1,239,917.12	0.00	1,239,917.12	0.00	1,239,917.12
2008/2009	0	89	89	0.00	0.00	2,657,636.27	0.00	2,657,636.27	938,919.27	1,718,717.00

GEORGE HILLS

Policy Year Summary

Period Start Date: 4/1/2023
Period End Date: 4/30/2023
Valuation Date: 4/30/2023

Policy Year	Open Claims	Closed Claims	Total Claims	Paid This Period	Reserves This Period	Total Paid	Total Outstanding	Total Incurred	Total Recovery	Net Incurred
2009/2010	0	82	82	0.00	0.00	823,290.68	0.00	823,290.68	0.00	823,290.68
2010/2011	0	68	68	0.00	0.00	1,425,971.57	0.00	1,425,971.57	0.00	1,425,971.57
2011/2012	0	71	71	0.00	0.00	758,964.49	0.00	758,964.49	0.00	758,964.49
2012/2013	0	55	55	0.00	0.00	527,624.98	0.00	527,624.98	0.00	527,624.98
2013/2014	0	75	75	0.00	0.00	1,683,366.31	0.00	1,683,366.31	0.00	1,683,366.31
2014/2015	0	62	62	0.00	0.00	3,049,593.04	0.00	3,049,593.04	271,354.75	2,778,238.29
2015/2016	0	70	70	0.00	0.00	1,819,413.02	0.00	1,819,413.02	0.00	1,819,413.02
2016/2017	0	77	77	0.00	0.00	1,678,668.17	0.00	1,678,668.17	0.00	1,678,668.17
2017/2018	0	75	75	0.00	0.00	1,508,157.46	0.00	1,508,157.46	0.00	1,508,157.46
2018/2019	2	71	73	40,824.56	2,450.00	4,138,602.55	25,547.13	4,164,149.68	347,053.49	3,817,096.19
2019/2020	2	42	44	3,550.60	2,500.00	504,502.60	243,423.26	747,925.86	0.00	747,925.86
2020/2021	3	38	41	2,386.15	11,000.00	329,332.63	108,521.36	437,853.99	0.00	437,853.99
2021/2022	9	25	34	5,288.00	28,875.10	64,733.23	163,106.62	227,839.85	0.00	227,839.85
2022/2023	18	13	31	24,265.78	-6,865.97	52,089.36	137,471.63	189,560.99	0.00	189,560.99
Grand Total	**34**	**2,153**	**2,187**	**76,315.09**	**37,959.13**	**31,725,935.55**	**678,070.00**	**32,404,005.55**	**1,557,327.51**	**30,846,678.04**

Agenda Item 8.8

DISCUSSION/ACTION ITEMS

SUBJECT: Property Program Status Report

BACKGROUND AND STATUS:

Attached hereto please find a summary of the CAPRI Property claims, loss reserves, and payment history for fiscal year 2022-2023.

Year to date, there have been twenty-eight (28) property claims and one (1) claim related to subrogation. The most important issue currently affecting the property program is the weather. Half of the year's property claims (14) are weather-related with most occurring during the early 2023 period. Furthermore, more claims are expected to be reported in the upcoming weeks as members finalize their repairs. As a result, Staff estimates that total losses from the Winter/Spring 2023 storms will range from $1.5M-$2.5M for the entirety of the pool.

Staff will be prepared to discuss program property losses and excess handling at the meeting.

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

- Property Loss Run for FY 2022-2023

CAPRI
2022-2023
Property Loss Summary

Fiscal Year	Insured	Date of Loss	Reserves	Recovery	Net Incurred	Status	Date Closed	Incident Description
2022-2023	Ambrose Recreation and Park District	09/17/2022	$0.00	$0.00	$32,728.79	Closed	11/18/2022	Rainstorm and roof leak
2022-2023	Arcade Creek Recreation and Park District	01/11/2023	$0.00	$0.00	$12,514.90	Closed	4/14/2023	Wind and rain damage
2022-2023	Arden Park Recreation and Park District	12/27/2022	$0.00	$0.00	$20,499.10	Closed	4/4/2023	Windstorm Damage
2022-2023	Auburn Area Recreation and Park District	07/12/2022	$0.00	$0.00	$206.00	Closed	1/10/2023	Water damage to community center -- Incident Only
2022-2023	CAPRI-SUBRO	08/12/2022	$0.00	$0.00	$0.00	Open		Claimant collided into the rear trailer attached to Capri vehicle.
2022-2023	Carmichael Recreation and Park District	12/31/2022	$90,000.00	$0.00	$91,500.00	Open		storm damage
2022-2023	Cordova Recreation and Park District	09/14/2022	$32,988.49	$0.00	$34,488.49	Open		Fire damage to playground equipment.
2022-2023	Cordova Recreation and Park District	01/21/2023	$3,007.64	$0.00	$4,507.64	Open		Vandalism
2022-2023	Fulton-El Camino Recreation and Park District	03/05/2023	$222,000.00	$0.00	$223,500.00	Open		Fire Damage
2022-2023	Greater Vallejo Recreation and Park District	12/24/2022	$23,420.00	$0.00	$24,920.00	Open		Auto accident - disputed
2022-2023	Hesperia Recreation and Park District	07/05/2022	$82,278.00	$0.00	$84,778.00	Open		Arson loss to structure
2022-2023	Hesperia Recreation and Park District	02/25/2023	$0.00	$0.00	$2,500.00	Open		Snow and rainstorm
2022-2023	La Selva Beach Recreation and Park District	01/10/2023	$7,600.00	$0.00	$9,100.00	Open		wind and rain damage
2022-2023	Lake Cuyamaca Recreation and Park District	09/09/2022	$0.00	$0.00	$90,420.18	Closed	3/26/2023	Hurricane Kay caused wind damage.
2022-2023	Mission Oaks Recreation and Park District	11/07/2022	$0.00	$0.00	$6,377.22	Closed	11/26/2022	Fire damage inside gazebo.
2022-2023	North Highlands Recreation and Park District	01/09/2023	$0.00	$0.00	$16,235.00	Open		tree damage
2022-2023	North of the River Recreation and Park District (aka - North Bakersfield RPD)	08/12/2022	$0.00	$0.00	$5,906.06	Closed	9/29/2022	CV rear ended the district trailer-vehicle pushing it into a third vehicle.
2022-2023	North of the River Recreation and Park District (aka - North Bakersfield RPD)	10/07/2022	$0.00	$0.00	$7,290.80	Closed	12/18/2022	Vandalism
2022-2023	Orangevale Recreation and Park District	01/01/2023	$20,000.00	$0.00	$21,500.00	Open		Wind and rain damage
2022-2023	Paradise Recreation and Park District	01/05/2023	$0.00	$0.00	$1,500.00	Open		Atmospheric river storms
2022-2023	Rio Linda-Elverta Recreation and Park District	12/31/2022	$0.00	$0.00	$44,157.90	Closed	4/23/2023	A light pole was damaged from the storm.
2022-2023	Rio Linda-Elverta Recreation and Park District	12/31/2022	$0.00	$0.00	$235.90	Closed	3/14/2023	Flooding and strong winds
2022-2023	Sunrise Recreation and Park District	07/18/2022	$23,000.00	$0.00	$24,500.00	Open		A fire caused property damage.
2022-2023	Sunrise Recreation and Park District	11/21/2022	$0.00	$0.00	$4,510.10	Closed	4/20/2023	Vandalism
2022-2023	Tehachapi Recreation and Park District	10/22/2022	$0.00	$0.00	$2,108.00	Closed	2/5/2023	District vehicle hit steel structure.
2022-2023	Valley-Wide Recreation and Park District	10/08/2022	$0.00	$0.00	$39,639.95	Closed	3/26/2023	Wind/Rainstorm Damages
2022-2023	Valley-Wide Recreation and Park District	12/29/2022	$0.00	$0.00	$5,597.28	Closed	3/26/2023	Vandalism
2022-2023	Weed Recreation and Park District	03/06/2023	$4,279.31	$0.00	$5,779.31	Open		Auto Accident - Vehicle Damages
2022-2023	West Side Recreation and Park District	02/24/2023	$0.00	$0.00	$1,500.00	Open		Flood damage
			$508,573.44	**$0.00**	**$818,500.62**			

Agenda Item 9.1

DISCUSSION/ACTION ITEMS

SUBJECT: Captive Formation Update, Service Agreements, & Funding Strategy

---

BACKGROUND AND STATUS:

In August 2022, the CAPRI Board of Directors reviewed the concept and possible formation of a captive insurance company ("Captive"). A Captive is a special purpose insurance or reinsurance company that is owned and controlled by its parent company. The Captive's primary purpose is to insure some or all of the risk of its parent. In so doing, the parent is able to secure coverage from the captive, and can benefit from the captive's profitable underwriting of the parents' risk. Secondarily, Captives can be utilized by the parent to further its investment goals. Such vehicles have been created by numerous public entity risk pools as an effective way to manage risk in JPA pooling programs in California while enhancing its investment returns

At the Meeting, Mike Harrington with Bickmore Actuarial and Lesley Murphy with PFM Asset Management presented the captive concept to the CAPRI Board. As a result of the discussion, the Board directed that a Captive feasibility study be completed. Over the course of the next several months, Bickmore performed the study and then presented their findings to the Board at the February 2023 Board Meeting. The study concluded that the successful creation and operation of a captive is feasible for CAPRI. As a result, the Board directed Staff to take appropriate steps to establish a Captive, domiciled in the State of Utah, that accepts the transfer of all prior losses and go forward losses for the two CAPRI programs (Workers' Compensation and General Liability & Property).

Formation Updates

Over the last several months, Staff has been working to establish the captive with the goal of beginning operations on July 1, 2023. Those efforts included identifying a name for the organization (Recreation Insurance Organization or "RIO"), working with Utah counsel to complete all necessary formalities for incorporation, completing the Utah Captive Insurance Department's captive application and captive management application, developing a funding strategy with CAPRI's investment management firm, and also identifying professional service providers for RIO that are familiar with CAPRI and captives.

Based upon its investigation, Staff is requesting authority from the CAPRI Board to finalize incorporation of the captive in the State of Utah and take the following action:

A. Authorize an initial capital contribution of $250,000 into the captive in exchange for all shares of voting common stock in RIO.

B. Authorize the Executive Director to execute a three-year Management Service Agreement on behalf of CAPRI in which CAPRI Staff will provide management services to the captive insurance organization, RIO, in exchange for an annual fee paid to CAPRI of $45,000.

C. Authorize the Executive Director to enter into professional service agreements on behalf of the captive insurance organization with the following:

1. CAPRI Management Services Agreement (Captive Management)
2. Bickmore Actuarial (Actuarial services)
3. US Bank (Custody account)
4. Bank of the West (Operations account)
5. PFM Asset Management (Investment management)
6. James Marta & Company LLP (Auditor)
7. Gilbert CPAs (Accountant)
8. Holland & Hart Law Firm (Utah counsel)

Funding Strategies:
With respect to broadening the scope of investment opportunities, up until recently, public agency risk-sharing pools in California (including CAPRI) have historically only invested funds in high-quality, relatively short-term fixed income assets, in accordance with California Government Code. However, as operating costs have increased and investment returns on high-quality, fixed income instruments have stagnated, many pools have been exploring other options to potentially enhance returns. Investing through a captive gives pools the ability to invest in a broader range of investment types, including longer and more diversified fixed income, and equities (broadly referred to as multi-asset class investing), which may potentially enhance returns while seeking to mitigate the overall risk profile of the portfolio.

Transitioning the current holdings into a multi-asset class portfolio requires thoughtful financial planning. Staff has held a number of meetings with PFM and Bickmore regarding the most appropriate manner in which to liquidate the existing securities and fund the captive. Ellen Clark with PFM will be providing a presentation to the Board regarding these different options and will be seeking general direction as to how to develop the broader asset-class of investments for the pool.

RECOMMENDATION:

A. Authorize an initial capital contribution of $250,000 into the captive in exchange for all shares of voting common stock in RIO.

B. Authorize the Executive Director to execute a three-year Management Service Agreement on behalf of CAPRI in which CAPRI Staff will provide management services to the captive insurance organization, RIO, in exchange for an annual management fee paid to CAPRI of $45,000.

C. Authorize the Executive Director to enter into service agreements on behalf of the captive insurance organization with the following:

1. CAPRI Management Services Agreement
2. Bickmore Actuarial
3. US Bank
4. Bank of the West
5. PFM Asset Management
6. James Marta & Company LLP
7. Gilbert CPAs
8. Holland & Hart Law Firm

D. Provide Staff with general direction regarding the funding strategies as it relates to the transition of assets to the captive.

FISCAL IMPACT:

The proposed service agreements will be ongoing expenses of the RIO captive while the captive management agreement will generate approximately $45,000 in annual revenue for CAPRI. The initial capital contribution is a one-time expense necessary to adequately capitalize RIO at formation.

REFERENCE MATERIALS:

- Captive Asset Allocation Discussion - PFM

pfm asset management

CAPRI Captive

Asset Allocation Discussion

May 17, 2023 | pfmam.com

PFM Asset Management LLC

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Agenda

- Executive Summary
- Historical Returns of Major Asset Classes
- A Closer Look at Asset Classes
- Developing a Strategic Asset Allocation
- Appendix

Executive Summary

CAPRI is anticipating funding the captive with go-forward and loss portfolio transfers liabilities and assets

- **Initial Investment:** $25 million (?) (July 2023)
- **Plus annual net cash flow** from premiums

Today's Discussion:

- Investment goals, objectives, and expectations
- Deeper dive into equities and bonds
  - Asset allocation scenarios

The Ask:

- Decide on (i) permitted asset classes, (ii) target asset allocation, and (iii) allowable ranges for each asset class

Next Steps:

- Draft Investment Policy Statement, early June
- New captive board to adopt the Investment Policy Statement at first meeting in early July

Source: CAPRI Captive Feasibility Analysis provided by Bickmore Actuarial, dated 12/14/2022.

Summary of Investment Objectives and Risk Orientation

- Summary of Portfolio Planning Survey (PPS)[1] designed to assess tolerance for risk and volatility with respect to growth objectives:
  - Primary investment objectives: growth of principal, moderate current income
  - Anticipated initial funding: $25 million (?), assuming go forward and loss portfolio transfer
  - Portfolio's time horizon: perpetuity
  - Prepared to accept probability of negative portfolio return: once every 3 years
  - Given short-term volatility, maximum loss in any given year: 10% - 20%
  - Market value variability:
    i. Focused on the long-term growth of the fund, unconcerned with short-term variability
  - Definition of risk:
    i) probability of not achieving targeted rate of return

Desired investment rate of return: range 3.0% -5.0%

[1]*Completed May 2023.*

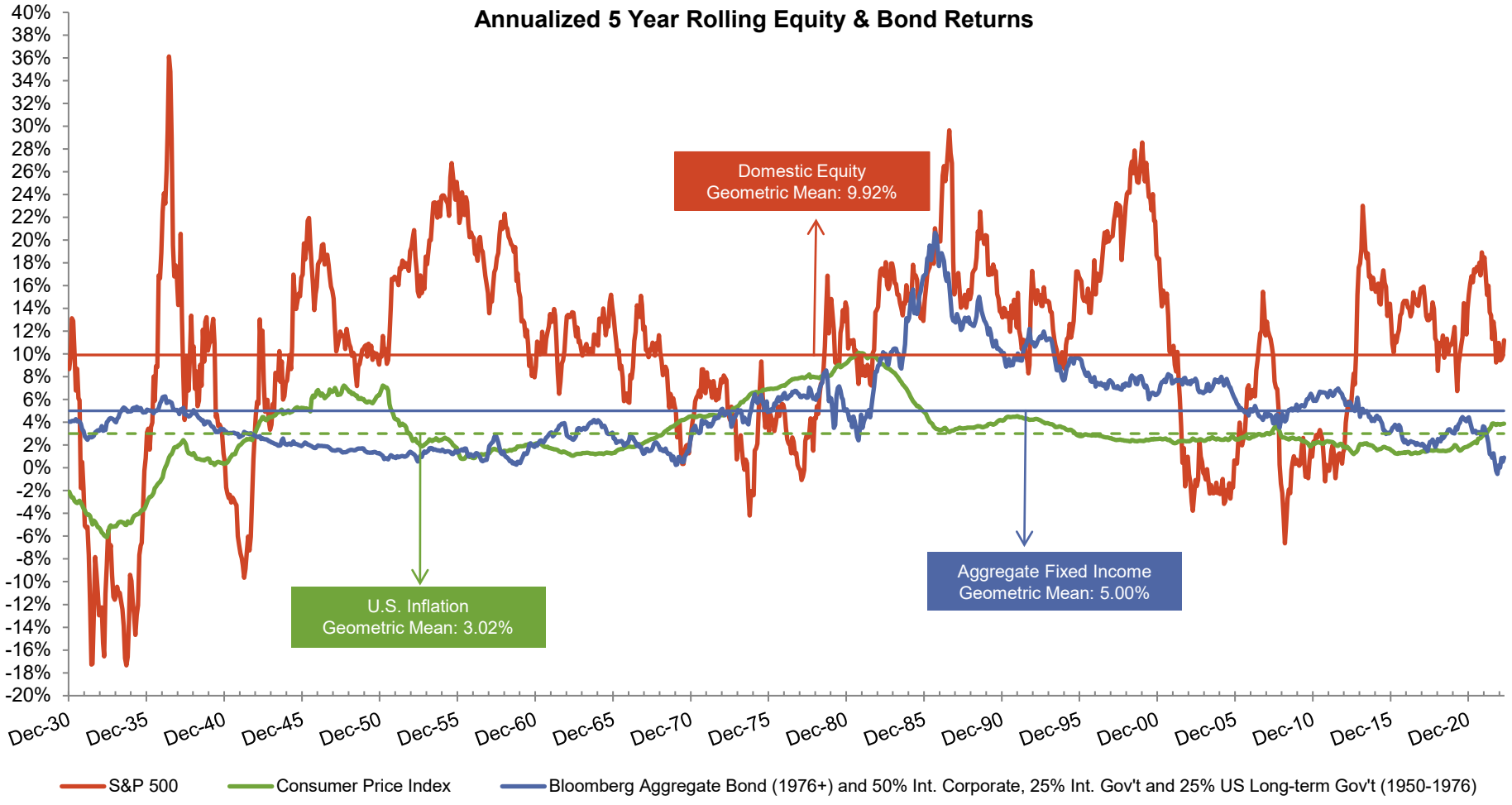
Historical Returns of Major Asset Classes

Diversification: There is No Substitute

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD	2008 - 2022 Ann.	2008 - 2022 Vol.
Fixed Income 5.2%	EM Equity 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	DM Equity 8.6%	Large Cap 8.8%	REITs 23.4%
Cash 1.8%	High Yield 59.4%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	Large Cap 7.5%	Small Cap 7.2%	Small Cap 23.2%
Asset Alloc. -25.4%	DM Equity 32.5%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Asset Alloc. 4.3%	REITs 6.6%	EM Equity 23.0%
High Yield -26.9%	REITs 28.0%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	EM Equity 4.0%	Asset Alloc. 6.1%	Comdty. 20.2%
Small Cap -33.8%	Small Cap 27.2%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 3.1%	High Yield 5.4%	DM Equity 20.0%
Comdty. -35.6%	Large Cap 26.5%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	Fixed Income 3.0%	Fixed Income 2.7%	Large Cap 17.7%
Large Cap -37.0%	Asset Alloc. 25.0%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	Small Cap 2.7%	DM Equity 2.3%	High Yield 13.0%
REITs -37.7%	Comdty. 18.9%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	REITs 1.7%	EM Equity 1.0%	Asset Alloc. 12.4%
DM Equity -43.1%	Fixed Income 5.9%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 1.1%	Cash 0.6%	Fixed Income 4.2%
EM Equity -53.2%	Cash 0.1%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -8.0%	Comdty. -2.6%	Cash 0.4%

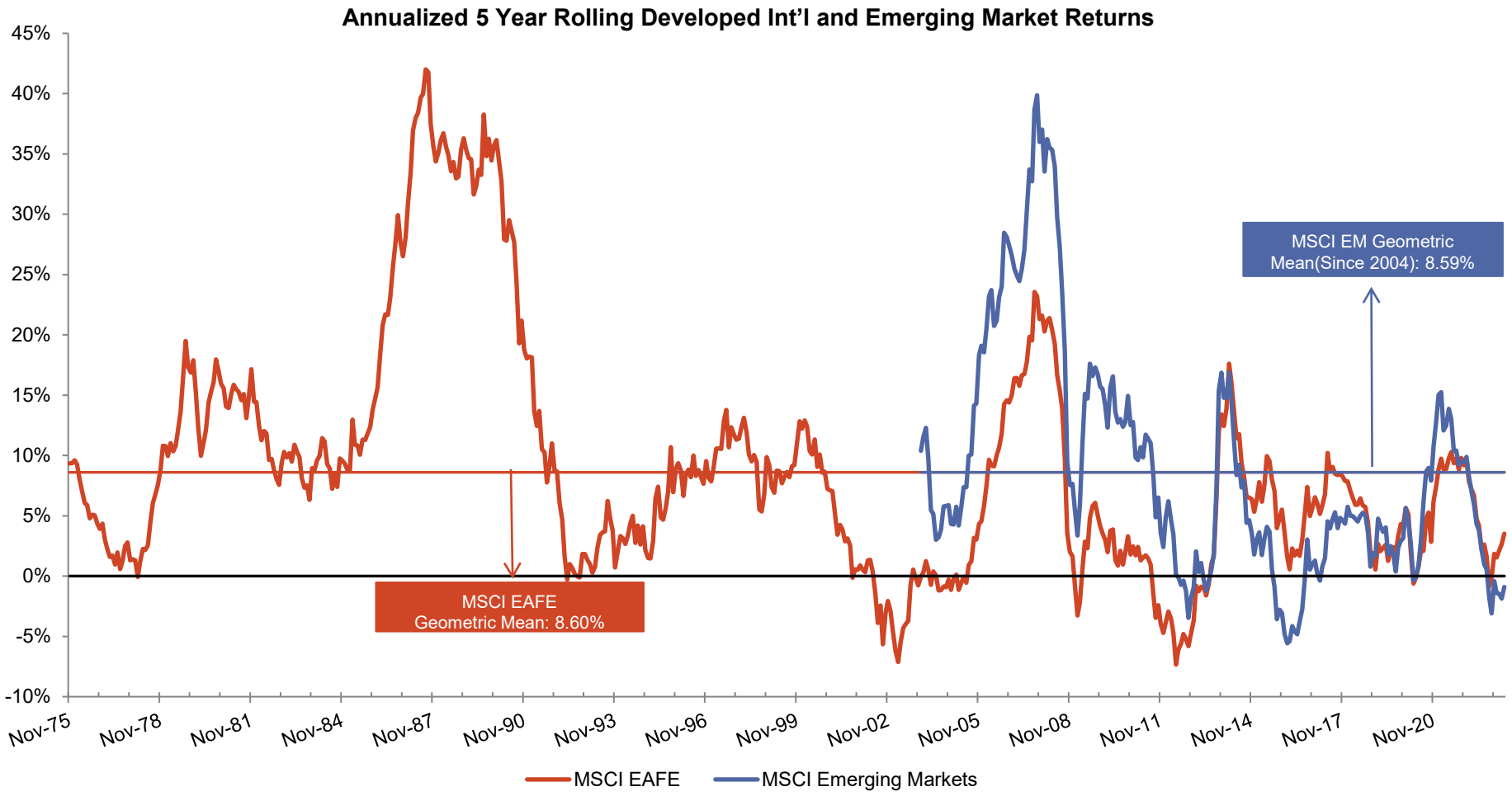
Source: JP Morgan Guide to the Markets 2Q 2023 as of 3/31/2023.

Long-Term Equity and Bond Returns Outpace Inflation



Source: Morningstar as of 3/31/23

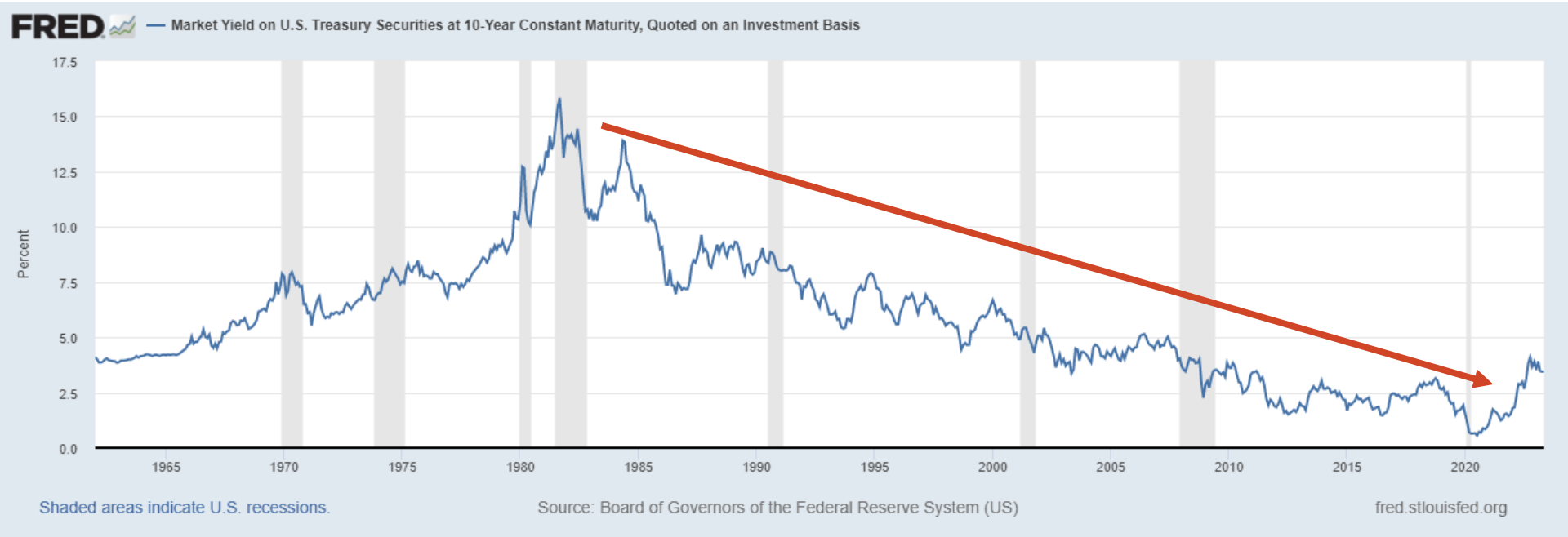
Developed International and Emerging Markets Cycles of Performance



Source: Morningstar as of 3/31/23

Fixed Income: 30 Years of Declining Rates

10-Year U.S. Treasury Yield
1962 - Current



Source: St. Louis Federal Reserve as of 5/9/2022.

A Closer Look at Asset Classes

Categorizing Domestic Equity

- Domestic equity securities are considered shares of a company that trade on a U.S. stock exchange – e.g., New York Stock Exchange, NASDAQ, etc.
- These securities are often thought of through the lens of their market capitalization

Lower Return → **Higher Return**

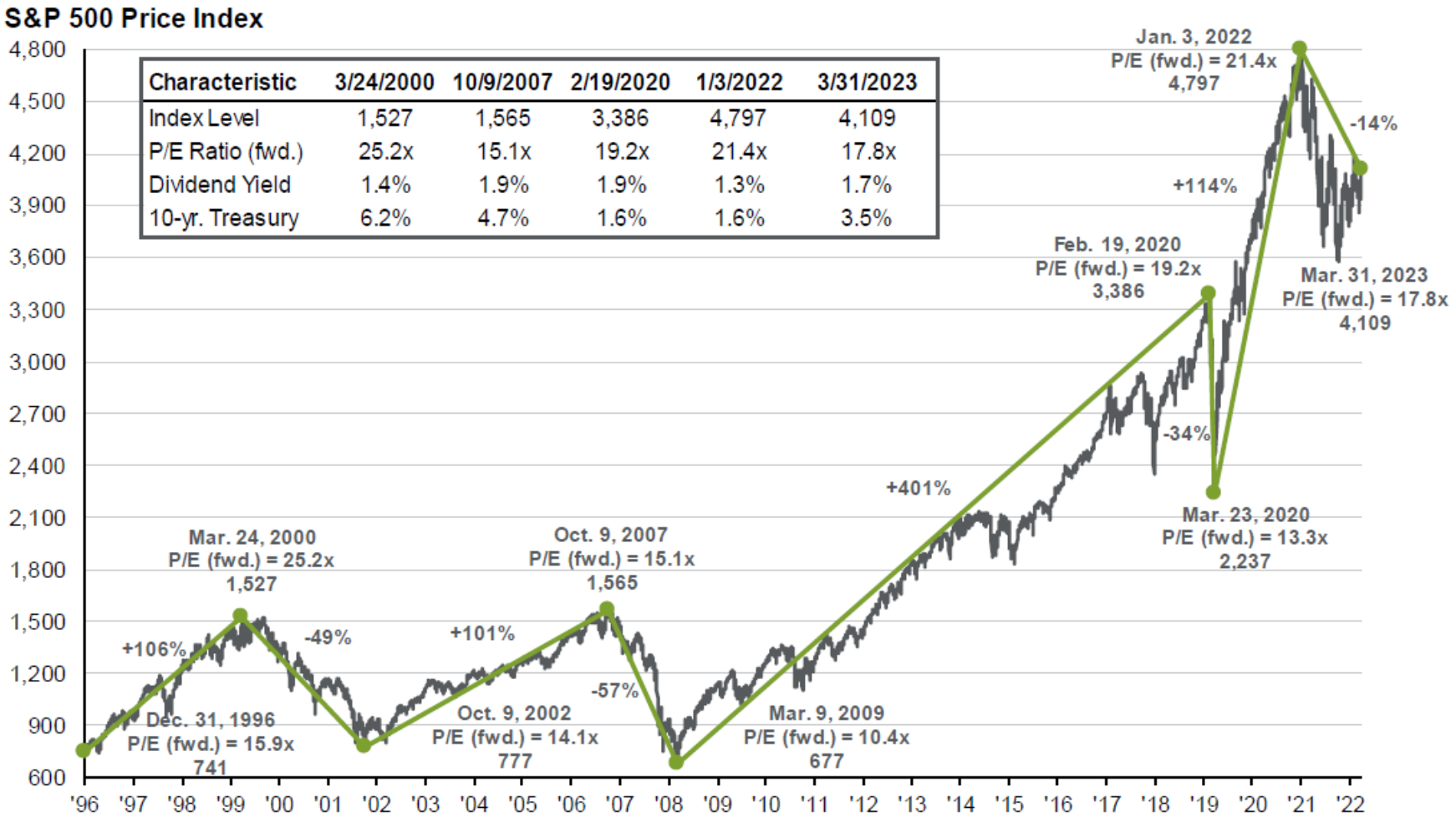
Large Cap	Mid Cap	Small Cap
Companies with market capitalizations **at $10 billion or above**	Companies with market capitalizations **between $2 billion and $10 billion**	Companies with market capitalizations **less than $2 billion**

YETI

crocs™

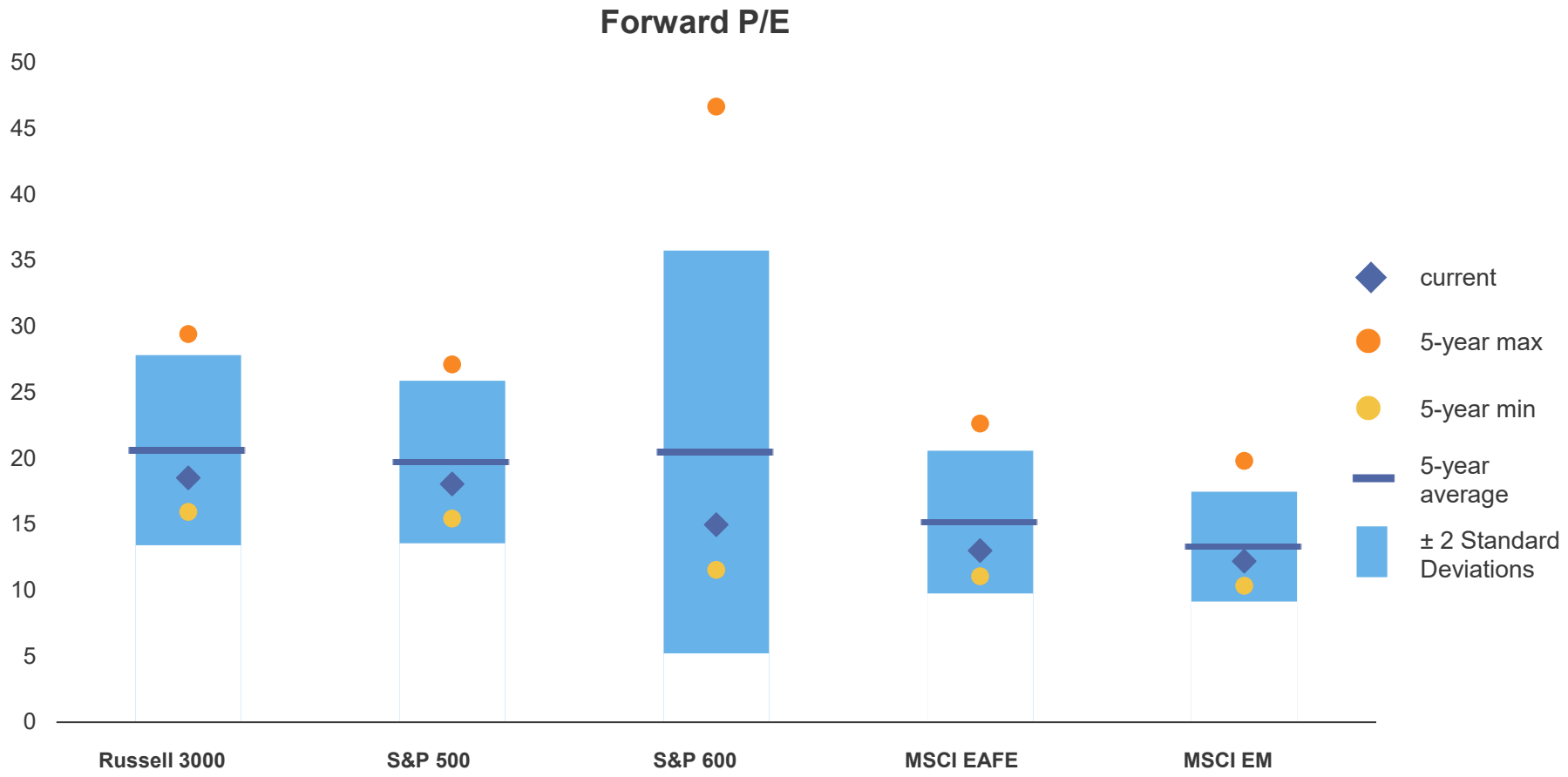
Lower Risk → **Higher Risk**

U.S. Equity Markets' Inflection Points



Source: JP Morgan Guide to the Markets 2Q 2023 as of 3/31/2023.

Valuations remain below average Domestically and Internationally



Source: Bloomberg, as of March 31, 2023

Understanding the International Landscape

- A developed market refers to countries that reflect the following characteristics:
  - Stable growth rate
  - Greater economic security
  - Mature industries
  - Robust infrastructure
- Examples include:
  - United Kingdom, France, Germany, and Japan

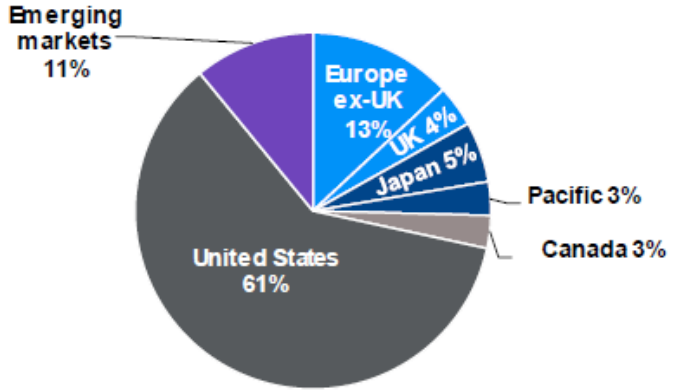
- An emerging market refers to countries that reflect the following characteristics:
  - Rapid economic growth and development
  - Lower per capita income
  - Less mature financial markets and other infrastructure
- Examples include:
  - Brazil, Russia, India, and China

Investment Opportunities Exist Outside the U.S.

Returns	2023		2022		15-years	
	Local	USD	Local	USD	Ann.	Beta
Regions						
U.S. (S&P 500)	-	7.5	-	-18.1	8.8	0.9
AC World ex-U.S.	6.3	7.0	-9.2	-15.6	2.0	1.0
EAFE	7.7	8.6	-6.5	-14.0	2.3	1.0
Europe ex-UK	10.5	12.2	-12.2	-17.3	2.4	1.2
Emerging markets	3.8	4.0	-15.2	-19.7	1.0	1.1
Selected Countries						
Japan	7.3	6.4	-4.1	-16.3	2.5	0.7
United Kingdom	3.2	6.1	7.2	-4.8	1.4	1.0
France	12.7	14.7	-6.9	-12.7	2.8	1.2
Canada	4.4	4.5	-5.8	-12.2	3.0	0.7
Germany	12.8	14.8	-16.5	-21.6	0.9	1.3
China	5.1	4.7	-20.6	-21.8	0.6	1.0
India	-6.9	-6.3	3.0	-7.5	2.4	1.2
Korea	12.9	9.7	-24.4	-28.9	1.6	1.3
Brazil	-6.9	-3.1	8.6	14.6	-2.1	1.4

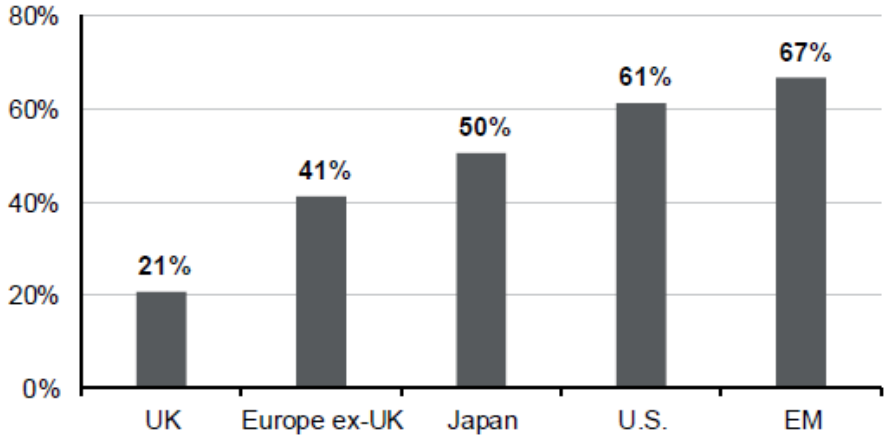
Weights in MSCI All Country World Index

% global market capitalization, float adjusted



Revenue exposure vs. country of listing

% of total revenue from home countries



Source: JP Morgan Guide to the Markets 2Q 2023 as of 3/31/2023.

International Equity Provides Diversification Benefits

Adding non-U.S. equities has reduced volatility and enhanced downside protection.

Based on Monthly Returns from Jan. 1970 – March 2023

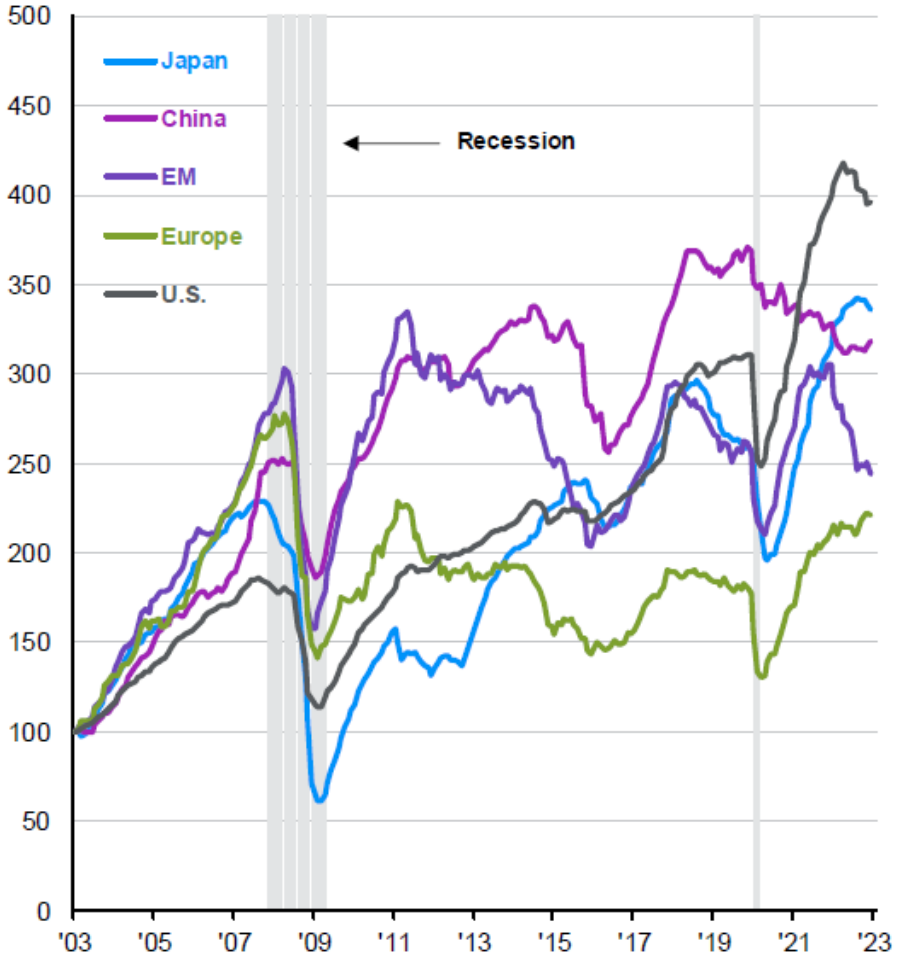
	Annual Return	Standard Deviation	Sharpe Ratio	Beta	Up Market Capture	Down Market Capture
Domestic Equity (S&P 500)	10.53	15.41	0.43	1.00	100.00	100.00
International Equity (MSCI EAFE)	8.99	16.84	0.32	0.72	76.02	66.24
65 / 35 Mix	10.20	14.61	0.42	0.90	91.61	88.18

Source: Investment Metrics; Historical risk statistics calculated relative to S&P 500 as of 3/31/2023.

Global Equity Earnings & Valuations

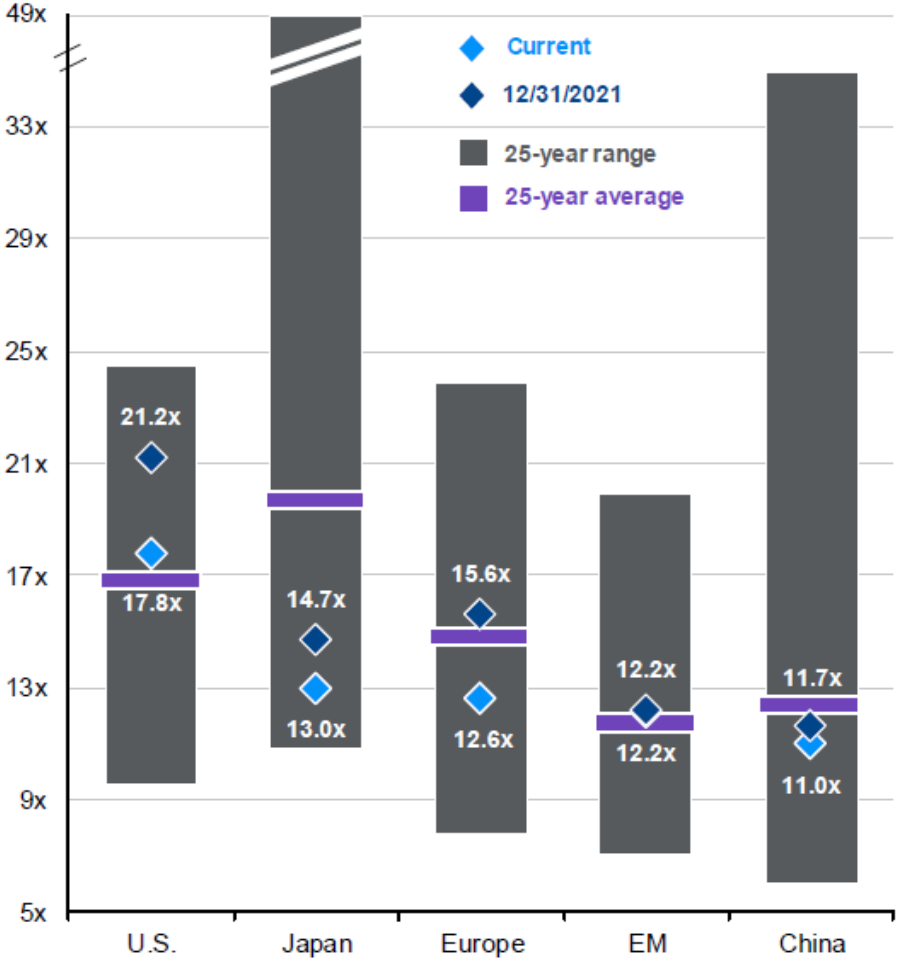
Global earnings estimates

Mar. 2003 = 100, next 12 months consensus estimates, U.S. dollars



Global valuations

Current and 25-year next 12 months price-to-earnings ratio



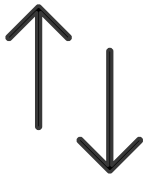
Source: JP Morgan Guide to the Markets 2Q 2023 as of 3/31/2023.

The Role of Fixed Income

- As an asset class, fixed income securities are widely considered a “safer” and less volatile investment as compared to stocks
- Although this may be the case, there are inherent risks to consider when allocating to such securities

Interest Rate Risk

- Changes in interest rates and the price of a fixed income security exhibit an **inverse** relationship
- Duration is a measure of the **sensitivity** of the price of a bond to a change in interest rates



Inflation Rate Risk

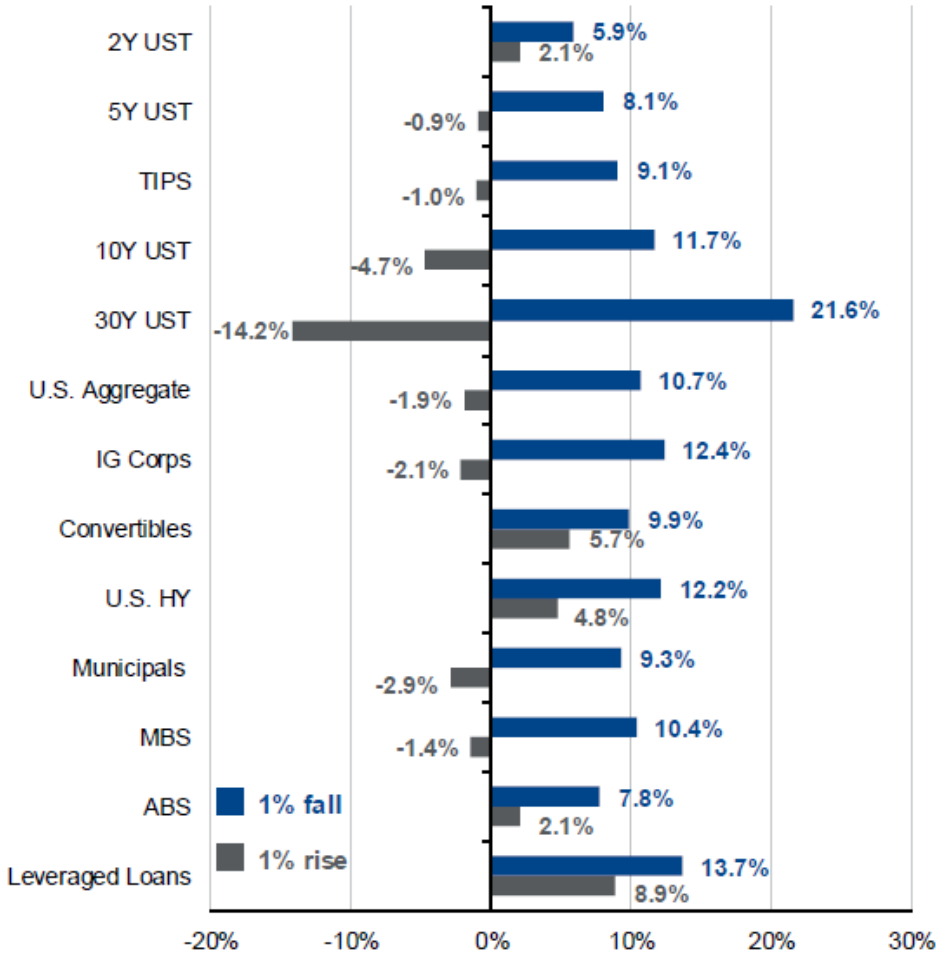
- If the cost of living rises and inflation increases significantly, yields will increase, and investor can see the **purchasing power** of their investment erode
- If market value losses exceed the income rate of return, bondholders could earn a **negative total return**

Fixed Income Yields and Returns

	Yield		Return			
U.S. Treasuries	3/31/2023	12/31/2022	2023 YTD	Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
2-Year	4.06%	4.41%	1.46%	2 years	0.74	-0.15
5-Year	3.60%	3.99%	2.39%	5	0.93	-0.13
TIPS	1.16%	1.58%	3.34%	10	0.61	0.37
10-Year	3.48%	3.88%	3.76%	10	1.00	-0.14
30-Year	3.67%	3.97%	5.99%	30	0.93	-0.17
Sector						
U.S. Aggregate	4.40%	4.68%	2.96%	8.5	0.86	0.22
IG Corps	5.17%	5.42%	3.50%	11.1	0.54	0.47
Convertibles	7.42%	7.58%	3.60%	-	-0.14	0.87
U.S. HY	8.52%	8.96%	3.57%	5.3	-0.10	0.74
Municipals	3.25%	3.55%	2.78%	13.0	0.53	0.22
MBS	4.51%	4.71%	2.53%	7.4	0.78	0.15
ABS	5.61%	5.89%	1.86%	3.5	0.21	-0.01
Leveraged Loans	11.31%	11.41%	3.26%	2.4	-0.34	0.59

Impact of a 1% rise or fall in interest rates

Total return, assumes a parallel shift in the yield curve



Source: JP Morgan Guide to the Markets 2Q 2023 as of 3/31/2023.

Fixed Income Returns & Standard Deviation

5 Year

	Return	Std. Dev.
Equity	11.19	18.48
Aggregate	0.90	5.42
Treasury	0.74	5.34
Corp. IG	1.62	8.16
Corp. HY	3.21	9.18

25 Year

	Return	Std. Dev.
Equity	7.39	17.08
Aggregate	4.03	4.02
Treasury	3.71	5.22
Corp. IG	4.80	6.00
Corp. HY	5.87	10.09

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Bbg. Aggregate	-13.0	-1.6	7.5	8.7	0.0	3.5	2.6	0.5	6.0
Bbg. High Yield	-11.2	5.3	7.1	14.3	-2.1	7.5	17.1	-4.5	2.5

As of 3/31/2023
Equity = S&P 500, Fixed Income indices from Bloomberg

High Yield Instruments – Not All Are Equal

- High yield = a security with a rating below BBB- (or its equivalent rating)
- Not all high yield securities carry the same credit risk. Lower quality securities —highly speculative and below — have historically shown much higher rates of default.

	Moodys[1]	S&P[2]	Fitch[2]		
Highest Quality	Aaa	AAA	AAA	Prime	Investment Grade
High Quality (very strong)	Aa	AA	AA	High Grade	
Upper medium quality (strong)	A	A	A	Upper Medium Grade	
Medium grade	Baa	BBB	BBB	Lower Medium Grade	
Lower medium grade	Ba	BB	BB	Speculative	High Yield
Low grade (speculative)	B	B	B	Highly Speculative	
Poor quality (may default)	Caa	CCC	CCC	Default Imminent	
Most speculative (likely to default)	Ca	CC	CC		
No interest being paid or bankruptcy filed	C	C	C		
In default	C	D	D		

Source: Moody's, S&P, Fitch

[1] *Ratings from Aa to Ca by Moodys may be modified by adding a 1, 2, or 3 to show relative standing within category*

[2] *Ratings from AA to CC by S&P and Fitch may be modified by adding a plus (+) or minus (–) sign to show relative standing within category*

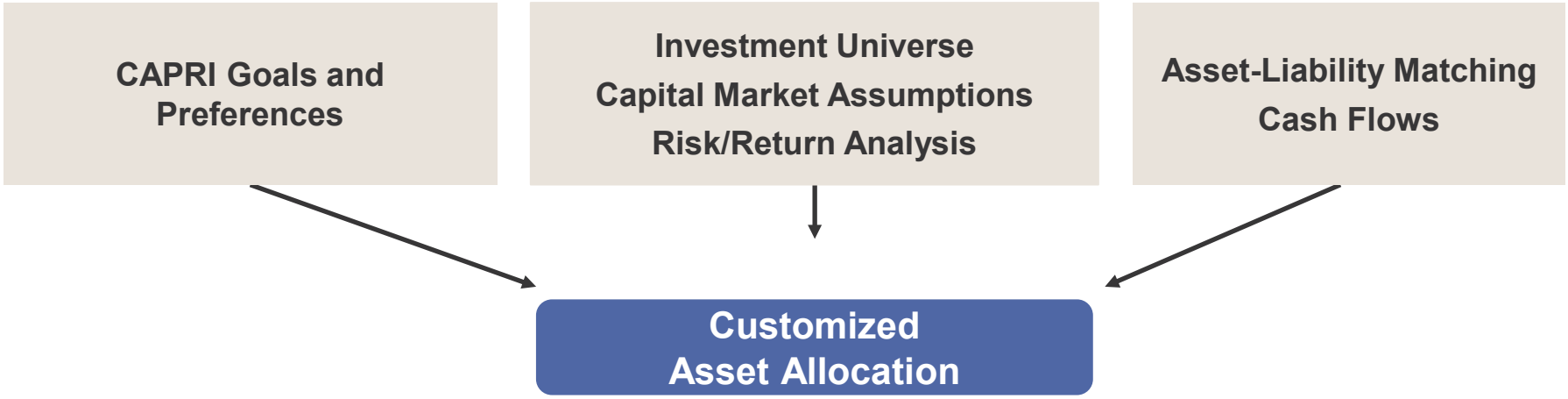
Equity and Fixed Income Market Indices

Market Indices as of 3/31/2023				
Domestic Equity	**1st Quarter**	**1 Year**	**3 Years**	**5 years**
S&P 500	7.5%	-7.8%	18.6%	11.2%
Russell 3000	7.2%	-8.6%	18.5%	10.4%
Russell 2000	2.7%	-11.6%	17.5%	4.7%
Russell 1000	7.4%	-8.4%	18.5%	10.8%
International Equity	**QTD**	**1 Year**	**3 Years**	**5 years**
MSCI ACWI ex US	6.9%	-5.1%	11.8%	2.5%
MSCI EAFE	8.5%	-1.4%	13.0%	3.5%
MSCI Emerging Markets	4.0%	-10.7%	7.8%	-0.9%
Fixed Income	**QTD**	**1 Year**	**3 Years**	**5 years**
Bloomberg Aggregate	3.0%	-4.8%	-2.8%	0.9%
Bloomberg Global Agg	3.0%	-8.1%	-3.4%	-1.3%
Bloomberg U.S. High Yield	3.6%	-3.3%	5.9%	3.2%
ICE BofAML 1 Year U.S. Treasury Bill	1.3%	1.7%	0.4%	1.5%
ICE BofAML 1-3 Year U.S. Treasury	1.6%	0.2%	-0.8%	1.1%
Alternatives	**QTD**	**1 Year**	**3 Years**	**5 years**
FTSE NAREIT All Equity Index	1.7%	-19.4%	10.2%	6.2%
Bloomberg Commodity Index Total Return	-5.4%	-12.5%	20.8%	5.4%

Source: Bloomberg and ICE Indices, as of March 31, 2023.

Developing a Strategic Asset Allocation

Developing a Strategic Asset Allocation



What are Capital Market Assumptions?

Capital Market Assumptions

- Expected future return, associated risk, and correlation for various asset classes over a specified period
  - Return: Expected average annual growth rate of the asset class for the period
    - 5% annualized over the next 30 years
  - Risk (Standard Deviation): Expected range of annual returns based on a normal distribution
    - 5% expected return with a 10% standard deviation has a 68% certainty of a return between -5% and 15% in any one year
  - Correlation: What is the role of correlation?
    - An estimate of how asset classes will behave relative to one another
    - The measure is standardized and ranges between -1 (perfectly negatively correlated) to +1 (perfectly correlated)
    - Considering how asset classes are correlated as part of the portfolio construction process is important to ensure diversification—a fundamental principle of modern portfolio theory

2023 Capital Market Assumptions

	Intermediate: Next 5 Years		Long Term Projections	
	Expected Return	Expected Risk	Expected Return	Expected Risk
US Equity	7.2%	16%	7.7%	16%
U.S. Small-Cap	8.6%	19%	8.5%	19%
Int'l Developed Equity	8.5%	17%	7.5%	17%
EM Equity	7.9%	20%	7.5%	20%
Non-US Small-Cap	8.6%	20%	7.9%	20%
Short-Term Bonds	3.9%	3%	3.3%	3%
Core Bonds	4.5%	5%	4.0%	5%
Global Core	3.6%	5%	3.0%	5%
Int. IG Corp	5.5%	7%	5.0%	7%
Long IG Corp	6.2%	8%	5.2%	8%
EM Debt	6.9%	10%	5.2%	10%
High Yield	7.5%	9%	5.7%	9%
Bank Loans	6.5%	6%	5.1%	6%
Private Debt	7.5%	13%	7.2%	13%
REITs	6.6%	12%	6.6%	12%
Private Real Estate	6.1%	15%	6.1%	15%
Infrastructure	6.2%	18%	6.2%	18%
Commodities	4.6%	16%	5.2%	16%
Hedge Funds	8.3%	15%	7.0%	15%
Private Equity	10.4%	25%	9.6%	25%
Cash	3.2%	1%	2.6%	1%

For the intermediate term (up to 5 years), our capital market assumptions derive from our assessment of current economic conditions, including corporate profits, balance sheets, etc., and current valuations for various asset classes. Our long-term assumptions are derived using an economic building block approach that projects economic and corporate profit growth and takes into consideration the fundamental factors driving long-term real economic growth, our expectation for inflation, productivity and labor force growth.

2023 Capital Market Assumptions, Cont.

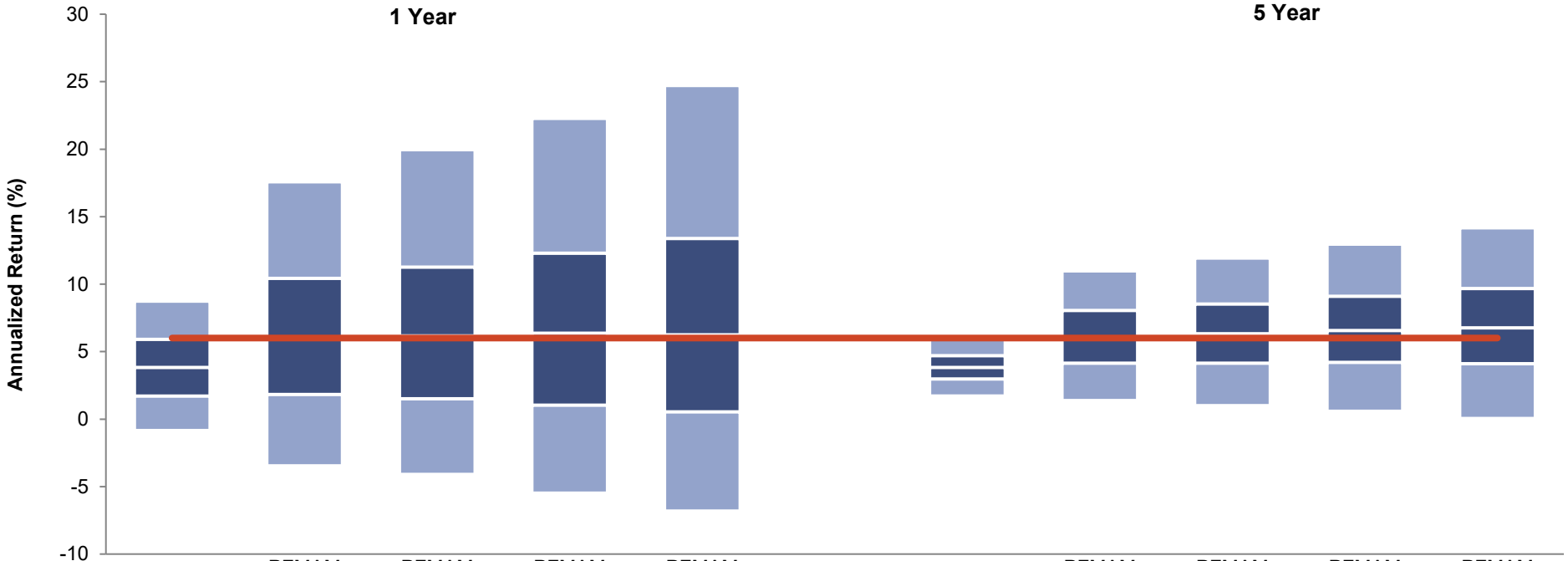
	U.S. Equity	U.S. Small- Cap	Int'l Developed Equity	EM Equity	Non-US Small-Cap	Short Bonds	Core Bonds	Global Core	Intermediate IG Corp	Long IG Corp	EM Debt	High Yield	Bank Loans	Private Debt	REITs	PE RE	Infrastructure	Commodities	Hedge Funds	Private Equity	Cash
U.S. Equity	1.0																				
U.S. Small- Cap	0.9	1.0																			
Int'l Developed Equity	0.8	0.8	1.0																		
EM Equity	0.7	0.7	0.7	1.0																	
Non-US Small-Cap	0.8	0.8	0.9	0.8	1.0																
Short Bonds	0.2	0.2	0.1	0.1	0.1	1.0															
Core Bonds	0.3	0.3	0.2	0.2	0.2	0.5	1.0														
Global Core	0.2	0.2	0.2	0.2	0.2	0.4	0.4	1.0													
Intermediate IG Corp	0.3	0.3	0.2	0.2	0.2	0.7	0.9	0.9	1.0												
Long IG Corp	0.3	0.3	0.2	0.2	0.2	0.7	0.9	0.9	0.9	1.0											
EM Debt	0.5	0.5	0.5	0.5	0.5	0.3	0.4	0.4	0.4	0.4	1.0										
High Yield	0.7	0.7	0.5	0.5	0.5	0.3	0.4	0.4	0.4	0.4	0.4	1.0									
Bank Loans	0.4	0.4	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.7	0.7	1.0								
Private Debt	0.6	0.6	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.8	0.7	1.0							
REITs	0.5	0.5	0.4	0.4	0.4	0.2	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	1.0						
PE RE	0.4	0.4	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.4	0.2	0.4	0.8	1.0					
Infrastructure	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.2	0.3	0.4	0.5	1.0				
Commodities	0.1	0.1	0.1	0.2	0.1	0.4	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.1	0.1	0.1	1.0			
Hedge Funds	0.6	0.6	0.5	0.5	0.5	0.3	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.3	0.3	0.2	1.0		
Private Equity	0.7	0.7	0.6	0.6	0.6	0.2	0.3	0.3	0.3	0.3	0.3	0.5	0.2	0.5	0.4	0.4	0.4	0.1	0.5	1.0	
Cash	0.1	0.1	0.1	0.1	0.1	0.5	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.0

Asset Allocation Summary

	CA Code	PFMAM 20/80 Model	PFMAM 30/70 Model	PFMAM 40/60 Model	PFMAM 50/50 Model
Equity	**0.0%**	**20.0%**	**30.0%**	**40.0%**	**50.0%**
Domestic Equity	0.0%	13.0%	20.0%	26.0%	33.0%
International Developed Equity	0.0%	5.0%	7.0%	10.0%	12.0%
Emerging Markets Equity	0.0%	2.0%	3.0%	4.0%	5.0%
Fixed Income	**100.0%**	**80.0%**	**70.0%**	**60.0%**	**50.0%**
Core Fixed Income	0.0%	40.0%	35.0%	30.0%	25.0%
Short-Term Bonds	100.0%	0.0%	0.0%	0.0%	0.0%
Investment Grade Corporate	0.0%	20.0%	17.5%	15.0%	12.5%
Emerging Markets Debt	0.0%	10.0%	8.8%	7.5%	6.3%
High Yield	0.0%	10.0%	8.8%	7.5%	6.3%

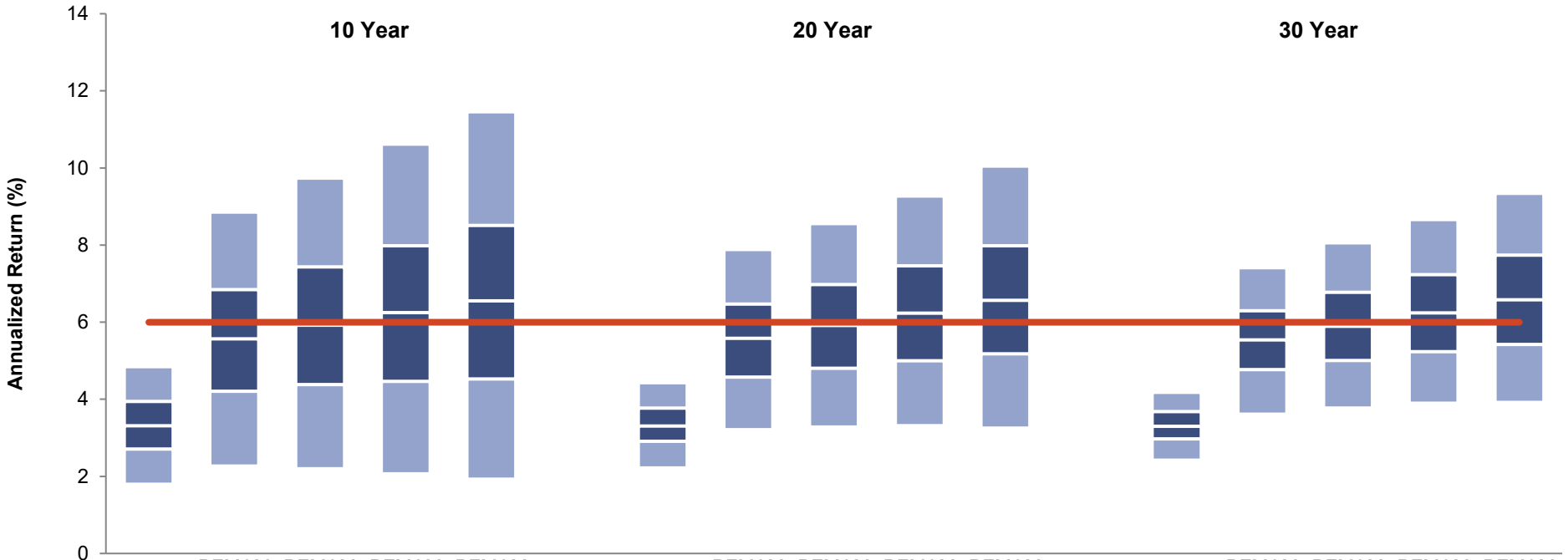
Intermediate-Term Assump. (5 Years)					
Expected Return	3.8%	6.0%	6.3%	6.6%	6.8%
Standard Deviation	3.0%	6.4%	7.3%	8.3%	9.4%
Return / Standard Deviation	1.28	0.94	0.87	0.79	0.72
Probability of 5.0% Return	18.6%	65.1%	66.3%	66.4%	66.6%
Probability of 6.0% Return	5.9%	50.5%	53.8%	56.3%	57.2%
Long-Term Assump. (30 Years)					
Expected Return	3.3%	5.5%	5.9%	6.2%	6.6%
Standard Deviation	3.0%	6.4%	7.3%	8.3%	9.4%
Return / Standard Deviation	1.10	0.86	0.81	0.75	0.70
Probability of 5.0% Return	0.0%	68.2%	75.3%	79.5%	82.6%
Probability of 6.0% Return	0.0%	34.3%	46.9%	56.1%	63.6%

Return Projections (Intermediate-Term)



	1 Year					5 Year				
	CA Code	PFMAM 20/80 Model	PFMAM 30/70 Model	PFMAM 40/60 Model	PFMAM 50/50 Model	CA Code	PFMAM 20/80 Model	PFMAM 30/70 Model	PFMAM 40/60 Model	PFMAM 50/50 Model
95th	8.75	17.59	19.96	22.29	24.71	6.09	10.99	11.94	12.96	14.18
75th	5.90	10.44	11.25	12.29	13.39	4.69	8.05	8.53	9.11	9.68
50th	3.83	5.99	6.17	6.36	6.25	3.83	6.04	6.32	6.57	6.76
25th	1.71	1.83	1.51	1.04	0.54	2.97	4.15	4.15	4.21	4.10
5th	-0.73	-3.34	-3.97	-5.35	-6.68	1.84	1.50	1.13	0.71	0.18
Target	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

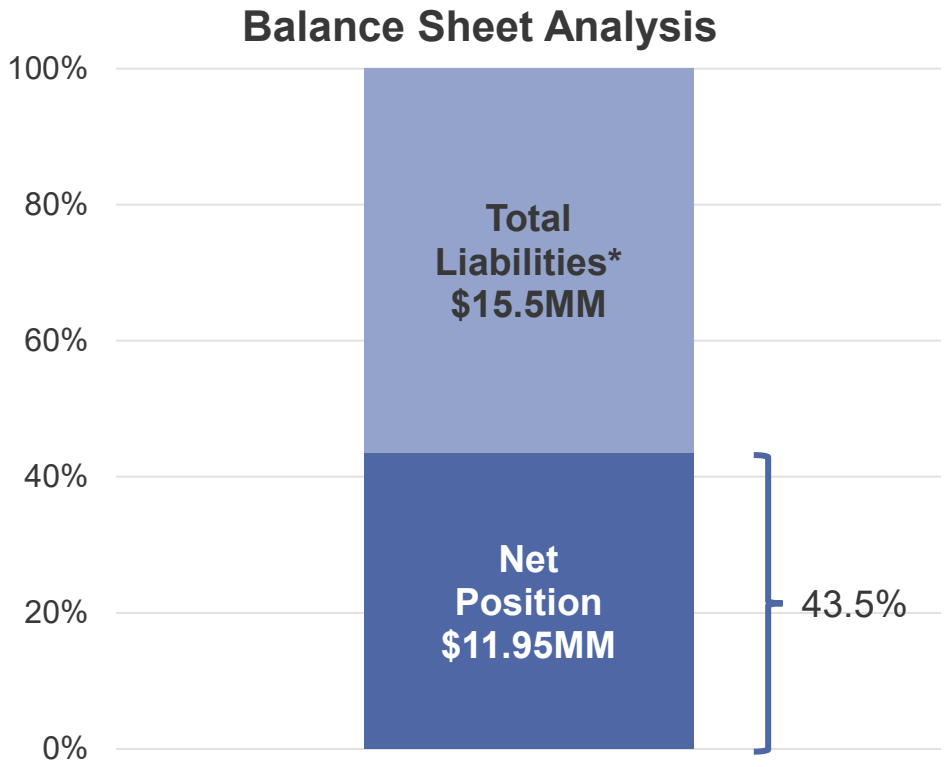
Return Projections (Long-Term)



	10 Year					20 Year					30 Year				
	CA Code	PFMAM 20/80 Model	PFMAM 30/70 Model	PFMAM 40/60 Model	PFMAM 50/50 Model	CA Code	PFMAM 20/80 Model	PFMAM 30/70 Model	PFMAM 40/60 Model	PFMAM 50/50 Model	CA Code	PFMAM 20/80 Model	PFMAM 30/70 Model	PFMAM 40/60 Model	PFMAM 50/50 Model
95th	4.85	8.86	9.74	10.62	11.45	4.43	7.89	8.56	9.28	10.05	4.18	7.41	8.06	8.66	9.34
75th	3.94	6.84	7.43	7.98	8.51	3.77	6.47	6.98	7.46	7.98	3.68	6.30	6.78	7.23	7.74
50th	3.31	5.57	5.92	6.24	6.55	3.30	5.58	5.92	6.23	6.57	3.30	5.54	5.90	6.24	6.58
25th	2.71	4.21	4.38	4.47	4.52	2.91	4.57	4.80	5.00	5.18	2.97	4.77	5.01	5.23	5.42
5th	1.84	2.31	2.24	2.11	1.97	2.26	3.25	3.32	3.36	3.29	2.46	3.65	3.82	3.94	3.96
Target	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00

Matching Strategic Policy to Liabilities

- Net position would represent about 43.5% of the total assets assuming the captive is funded with go forward and loss portfolio transfer
- Consider limiting strategic equity target to no more than net position



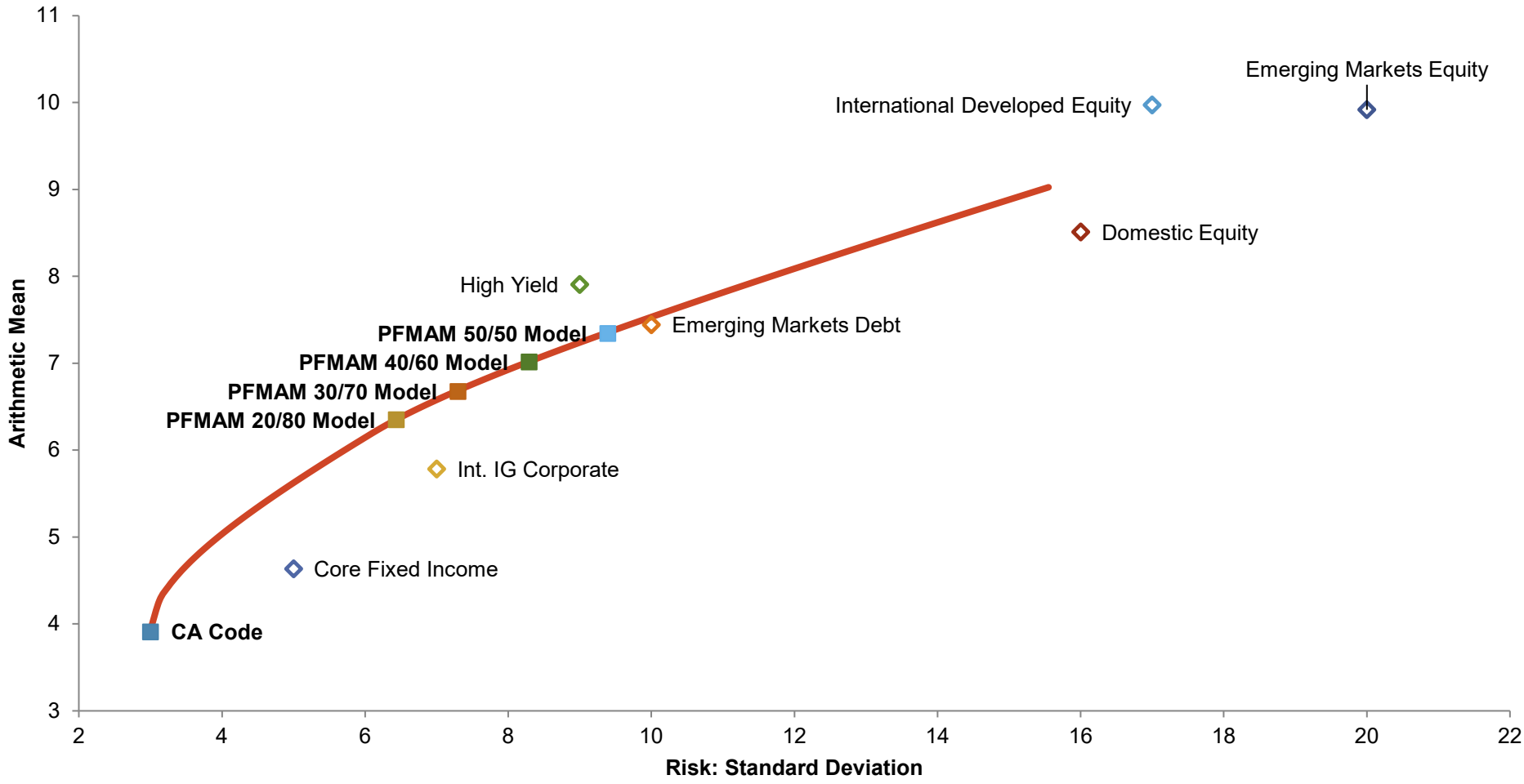
Source: CAPRI Captive Feasibility Analysis provided by Bickmore Actuarial, dated 12/14/2022.
**Represents total outstanding liabilities for the workers' compensation and liability programs estimated as of June 30, 2023 at the undiscounted expected level.*

Conclusions

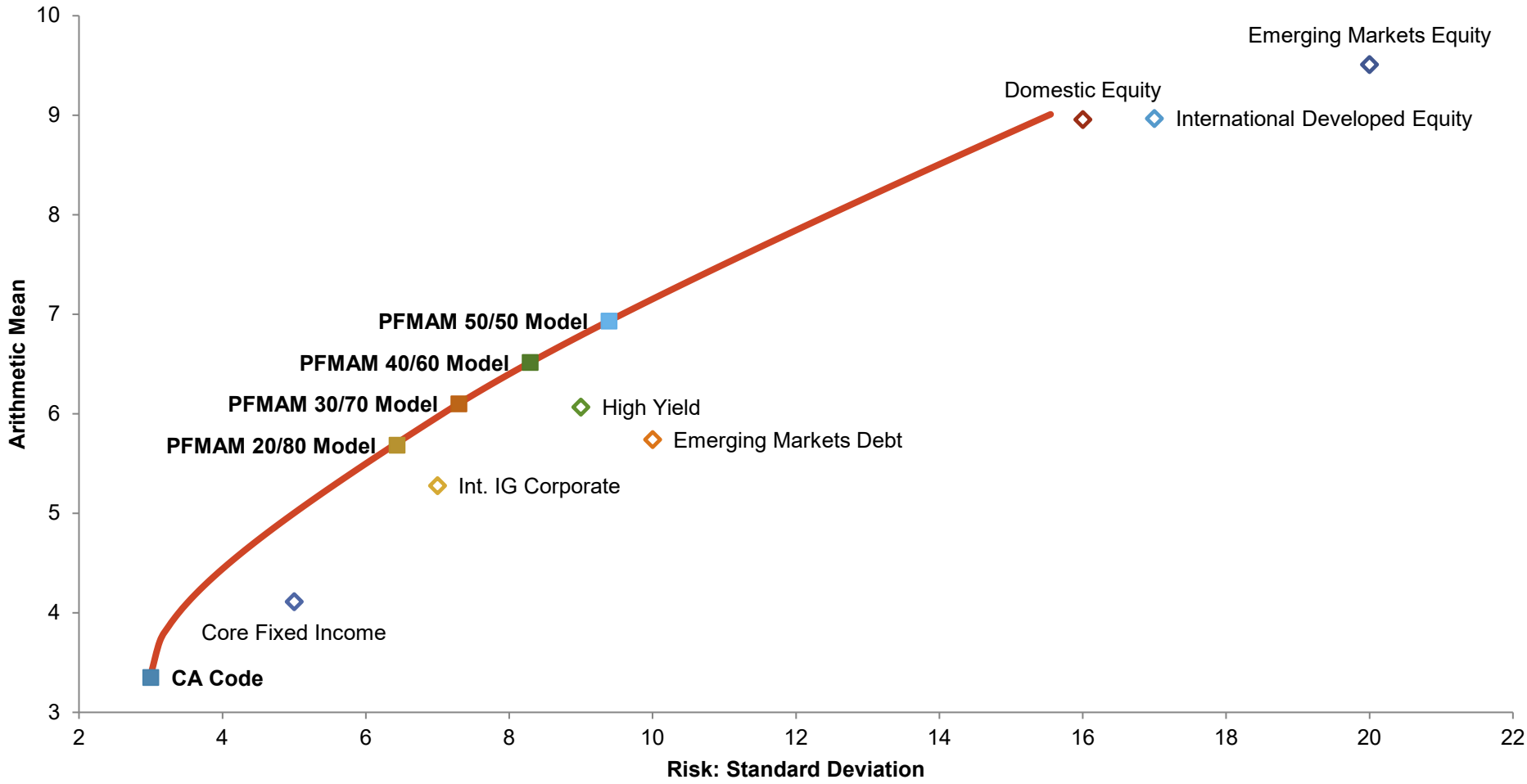
- Return objective is to grow the captive between 3.0% - 5.0%% annually over the long term, ***PFMAM believes the captive may choose to take on more risk and achieve a higher long-term rate of return.***
- Given PFMAM's current intermediate-term Capital Market Assumptions - ***it is recommended the captive board consider adopting an asset allocation of at least 30% equity/70% fixed income***.
- If all assumptions remain the same, a 30% equity / 70% fixed income allocation is projected to achieve a ***6.3%*** annual return in the intermediate-term and ***5.9%*** annual return in the long-term.
- We recommend revisiting the asset allocation decision once every 3 - 5 years.

Appendix

Efficient Frontier (Intermediate-Term)



Efficient Frontier (Long-Term)



Disclosures

The returns presented in this simulation are not actual returns experienced by a real investor, but rather simulated returns that we believe could have been achieved under controlled circumstances using a number of assumptions. No representation or warranty is made to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered.

No assurance can be given as to whether the information and/or assumptions upon which this hypothetical performance is based reflect present market conditions or future market performance. Actual performance results may differ from this hypothetical performance presented. Changes in the assumptions may have a material impact on the hypothetical performance presented. Past performance is no guarantee of future results.

The material is provided to you on the understanding that, as a sophisticated investor, you will understand and accept its inherent limitations.

Disclaimer

Investment advisory services are provided by PFM Asset Management LLC (“PFMAM”), an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. (“USBAM”). USBAM is a subsidiary of U.S. Bank National Association (“U.S. Bank”). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. The information contained is not an offer to purchase or sell any securities. Additional applicable regulatory information is available upon request.

For more information regarding PFMAM’s services please visit www.pfmam.com.

Agenda Item 9.2

DISCUSSION/ACTION ITEMS

SUBJECT: Member Loyalty & Safety Discount Calculations 2023-2024

BACKGROUND AND STATUS:

As the Board may recall, during the 2019 – 2020 fiscal year, the Board reviewed and updated the CAPRI allocation formulas to introduce a multi-program discount (also known as the Member Loyalty Discount) while also revising and updating the Safety Credit Discount. As a result, members may now earn up to a 5% discount off its annual premiums by taking advantage of the two discounts.

Those Districts participating in both CAPRI programs automatically receive the Member Loyalty Discount of 4% while Safety Credit Discount -- earned by submitting evidence of quarterly Safety Committee Meetings and participating in CAPRI Member trainings-- accounts for an additional 1%.

The calculations for Fiscal Year 2023-2024 are attached for reference and submitted for approval by the Board.

RECOMMENDATION:

Approve the proposed Member Loyalty & Safety Credit Discount Calculations for use in the 2023-2024 GL/Property and WC premium allocation calculations.

FISCAL IMPACT:

The proposed discounts impact the total funding collected by the pool. However, the discounts also incentivize best risk management practices and thereby serve to help reduce losses.

REFERENCE MATERIALS ATTACHED:

- Proposed Member Loyalty & Safety Credit Discount Calculations

District	Safety Credit Discount (1% Max)	Multi-Program (4% Max)	Total Discount (Max 5%)
Almanor	1.00%	0.00%	**1.00%**
Ambrose	0.40%	4.00%	**4.40%**
Arcade Creek	0.90%	4.00%	**4.90%**
Arden Manor	0.80%	4.00%	**4.80%**
Arden Park	0.80%	4.00%	**4.80%**
Auburn Area	0.90%	0.00%	**0.90%**
Bear Mountain	1.00%	4.00%	**5.00%**
Bear River	0.00%	4.00%	**4.00%**
Beaumont Cherry Valley	1.00%	4.00%	**5.00%**
Belvedere Tiburon Joint	0.20%	4.00%	**4.20%**
Boulder Creek	0.00%	4.00%	**4.00%**
Buttonwillow	0.30%	4.00%	**4.30%**
Carmichael	0.90%	4.00%	**4.90%**
Cazadero	0.00%	0.00%	**0.00%**
Central Plumas	0.40%	4.00%	**4.40%**
Coalinga-Huron	0.80%	4.00%	**4.80%**
Conejo	0.80%	4.00%	**4.80%**
Cordova	0.80%	4.00%	**4.80%**
Desert	1.00%	0.00%	**1.00%**
Dunsmuir	0.30%	4.00%	**4.30%**
Durham	0.70%	4.00%	**4.70%**
El Dorado Hills	0.40%	0.00%	**0.40%**
Feather River	0.00%	4.00%	**4.00%**
Fair Oaks	1.00%	4.00%	**5.00%**
Fulton-El Camino	0.90%	4.00%	**4.90%**
Greater Vallejo	0.60%	4.00%	**4.60%**
Hayward Area	1.00%	4.00%	**5.00%**
Hesperia	0.50%	4.00%	**4.50%**
Highlands	0.40%	4.00%	**4.40%**
Honey Lake	0.00%	0.00%	**0.00%**
Isla Vista	0.40%	4.00%	**4.40%**
Jurupa Area	1.00%	4.00%	**5.00%**
La Selva Beach	0.70%	4.00%	**4.70%**
Ladera	0.60%	4.00%	**4.60%**
Lake Cuyamaca	0.20%	4.00%	**4.20%**
Livermore Area	0.40%	4.00%	**4.40%**
McFarland	1.00%	4.00%	**5.00%**
Mendocino Coast	1.00%	4.00%	**5.00%**
Mission Oaks	1.00%	4.00%	**5.00%**
Monte Rio	0.70%	4.00%	**4.70%**
Mount Shasta	1.00%	4.00%	**5.00%**
North of the River	0.90%	4.00%	**4.90%**
North County	0.00%	0.00%	**0.00%**
North Highlands	1.00%	4.00%	**5.00%**
Orangevale	0.70%	4.00%	**4.70%**
Paradise	1.00%	4.00%	**5.00%**
Pleasant Hill	1.00%	4.00%	**5.00%**
Pleasant Valley	1.00%	4.00%	**5.00%**
Rancho Simi	0.70%	4.00%	**4.70%**
Rim of the World	0.40%	0.00%	**0.40%**
Rio Linda-Elverta	0.90%	4.00%	**4.90%**
Russian River	0.10%	4.00%	**4.10%**
Shafter	0.40%	4.00%	**4.40%**
Silverado-Modjeska	0.70%	4.00%	**4.70%**
Soledad Mission	0.00%	4.00%	**4.00%**
Southgate	1.00%	0.00%	**1.00%**
Strawberry	0.40%	4.00%	**4.40%**

Sunrise	1.00%	4.00%	**5.00%**
Tehachapi Valley	0.70%	4.00%	**4.70%**
Truckee-Donner	0.10%	4.00%	**4.10%**
Tuolumne	0.10%	4.00%	**4.10%**
Valley-Wide	1.00%	4.00%	**5.00%**
Wasco	1.00%	4.00%	**5.00%**
Weed	0.30%	4.00%	**4.30%**
West Side	1.00%	4.00%	**5.00%**
Western Gateway	0.00%	4.00%	**4.00%**

Agenda Item 9.3

DISCUSSION/ACTION ITEMS

SUBJECT: WC Experience Modification Factors 2023-2024

BACKGROUND AND STATUS:

The results of the 2023–2024 Ex Mod Factors analysis are attached hereto. The Board should direct their attention to the third line from the right which indicates the calculation for each eligible District.

As designed, the volatility of the factors has been minimized as the range has been limited to 75 to 172 as opposed to as much as 75 to 286 as was reported a few years ago. At the same time, the weighted and capped formula adopted in 2020 has shifted focus to frequency rather than severity in the most equitable manner.

At this time, Staff is requesting approval of the 2023-2024 Ex Mod factors for use in the premium allocation formula.

RECOMMENDATION:

Approve the members' Experience Modification Factors calculation for use in the 2023-2024 WC premium allocation.

REFERENCE MATERIALS ATTACHED:

- CAPRI Experience Modification Factors Summary Sheet

CAPRI Workers' Compensation
Experience Modification Factors (Payroll Basis)
3 Year Experience Period, $50k Loss Cap, 75% Minimum Experience Weight
Calculation of 2023-24 Experience Modification Factors

Member	2019-20 to 2021-22 Payroll	Weighting	2019-20 to 2021-22 Incurred Losses	2019-20 to 2021-22 Incurred Limited to $50K	2019-20 to 2021-22 Inc $50K Loss Ratio	2023-24 Ex Mod Factor	2022-23 Ex Mod Factor	Ex Mod Change
Ambrose Recreation & Park District	1,445,959	10.00%	650,246	50,000	3.458	116%	114%	0.02
Arcade Creek Recreation & Park District	690,963	5.10%	-	-	-	95%	92%	0.02
Arden Manor Recreation & Park District	820,340	5.90%	734	734	0.089	94%	93%	0.01
Arden Park Recreation & Park District	1,484,192	10.30%	-	-	-	89%	89%	-
Bear Mountain Recreation & Park District	835,511	6.10%	-	-	-	94%	92%	0.02
Bear River Recreation & Park District	131,328	1.00%	-	-	-	99%	97%	0.02
Beaumont-Cherry Valley Recreation & Park District	2,727,777	17.40%	87,765	87,765	3.217	125%	84%	0.42
Belvedere-Tiburon Joint Recreation Committee (The Ranch)	1,886,404	12.70%	108	108	0.006	87%	86%	0.01
Boulder Creek Recreation & Park District	739,220	5.40%	-	-	-	94%	93%	0.02
Buttonwillow Recreation & Park District	236,112	1.80%	34,083	34,083	14.435	118%	112%	0.05
Carmichael Recreation and Park District	4,260,547	24.70%	32,668	32,668	0.767	90%	87%	0.03
Central Plumas Recreation & Park District	645,145	4.70%	-	-	-	95%	93%	0.02
Coalinga-Huron Recreation & Park District	2,221,917	14.60%	128,082	90,321	4.065	131%	108%	0.22
Cordova Recreation & Park District	12,821,449	49.70%	103,975	68,172	0.532	75%	94%	(0.19)
Desert Recreation District (Coachella)	15,516,417	54.50%	47,102	47,102	0.304	75%	75%	-
Dunsmuir Recreation & Parks District	173,709	1.30%	-	-	-	98%	97%	0.02
Durham Recreation & Park District	1,528,153	10.50%	1,269	1,269	0.083	90%	115%	(0.26)
Fair Oaks Recreation & Park District	3,706,621	22.20%	17,178	17,178	0.463	85%	85%	-
Feather River Recreation & Park District			-	-	-	100%	100%	-
Fulton-El Camino Recreation & Park District	3,713,501	22.30%	252,676	137,899	3.713	141%	106%	0.35
Greater Vallejo Recreation District	11,576,739	47.20%	342,152	115,213	0.995	89%	76%	0.13
Hayward Area Recreation & Park District	38,918,616	75.00%	869,660	522,593	1.343	102%	111%	(0.09)
Hesperia Recreation & Park District	5,323,920	29.10%	60,868	60,868	1.143	96%	119%	(0.23)
Highlands Recreation District	4,543,518	25.90%	60,883	56,508	1.244	99%	96%	0.02
Isla Vista Recreation & Park District	2,169,564	14.30%	65,602	51,173	2.359	111%	84%	0.27
Jurupa Area Recreation & Park District	3,498,211	21.20%	49,711	49,711	1.421	102%	80%	0.22
La Selva Beach Recreation District	112,868	0.90%	-	-	-	99%	100%	(0.01)
Ladera Recreation District	1,170,249	8.30%	-	-	-	91%	91%	-
Lake Cuyamaca Recreation & Park District	1,534,549	10.60%	-	-	-	89%	91%	(0.02)
Livermore Area Recreation & Park District	26,327,784	67.00%	605,471	311,328	1.183	94%	96%	(0.02)
McFarland Recreation & Park District	1,271,472	8.90%	47,656	47,656	3.748	116%	96%	0.20
Mendocino Coast Recreation & Park District	3,036,661	19.00%	5,552	5,552	0.183	83%	85%	(0.02)
Mission Oaks Recreation & Park District	4,358,471	25.10%	146,601	61,368	1.408	102%	100%	0.02
Monte Rio Recreation & Park District	377,408	2.80%	12,868	12,868	3.409	104%	95%	0.09
Mt. Shasta Recreation & Park District	889,872	6.40%	51,636	51,636	5.803	122%	115%	0.07
North Highlands Recreation & Park District	2,654,255	17.00%	46,645	46,645	1.757	106%	85%	0.20
North of the River Recreation & Park District	15,315,846	54.10%	824,505	466,620	3.047	172%	131%	0.41
Orangevale Recreation & Park District	3,108,965	19.30%	7,924	7,924	0.255	84%	86%	(0.02)
Paradise Recreation & Park District	3,038,475	19.00%	17,869	17,869	0.588	89%	91%	(0.02)
Pleasant Hill Recreation & Park District	11,122,403	46.20%	35,524	35,524	0.319	75%	75%	-
Pleasant Valley Recreation & Park District	7,917,804	37.90%	260,457	220,603	2.786	143%	134%	0.09
Rancho Simi Recreation & Park District	27,112,409	67.60%	1,459,511	663,368	2.447	159%	162%	(0.03)
Rio Linda Elverta Recreation & Park District	1,830,012	12.40%	-	-	-	87%	87%	-
Russian River Recreation & Parks District	474,558	3.50%	209,612	50,000	10.536	125%	126%	(0.01)
Shafter Recreation & Park District	943,253	6.80%	-	-	-	93%	92%	0.01
Silverado-Modjeska Recreation & Park District	405,231	3.00%	4,511	4,511	1.113	99%	96%	0.03
Soledad-Mission Recreation District	746,004	5.40%	972	972	0.130	95%	94%	0.01
Southgate Recreation & Park District	13,447,679	50.90%	111,021	91,259	0.679	75%	75%	-
Strawberry Recreation District	2,094,117	13.90%	3,224	3,224	0.154	87%	86%	0.01
Sunrise Recreation & Park District	11,042,292	46.00%	246,765	134,012	1.214	97%	125%	(0.29)
Tehachapi Valley Recreation & Park District	1,904,544	12.80%	-	-	-	87%	87%	-
Truckee-Donner Recreation & Park District	11,431,813	46.80%	25,333	25,333	0.222	75%	75%	-
Tuolumne Park & Recreation District	391,003	2.90%	56,694	50,885	13.014	126%	122%	0.03
Valley-Wide Recreation & Park District	9,462,120	42.20%	3,699	3,699	0.039	75%	75%	-
Wasco Recreation & Parks District	868,950	6.30%	-	-	-	93%	92%	0.01
Weed Recreation & Parks District	548,094	4.10%	-	-	-	96%	94%	0.02
West Side Recreation & Park District	3,213,917	19.90%	153,692	50,000	1.556	104%	124%	(0.21)
Western Gateway Recreation & Park District	172,974	1.30%	-	-	-	98%	96%	0.02

* Conejo RPD SIR is $350k, does not participate in pooled layer

Agenda Item 9.4

DISCUSSION/ACTION ITEMS

SUBJECT: WC Premium Allocation Formula 2023-2024

BACKGROUND AND STATUS:

Each year, the CAPRI Board of Directors reviews the CAPRI WC Premium Allocation Formula, considering all factors that contribute to the premium calculations for each District, and then provides Staff direction before excess coverage is bound.

This review includes, but is not limited to, a review of the financial status of the program, the estimated claims costs, the estimated excess coverage costs, and any other extraneous factors impacting the membership.

Results of Actuarial Report

As noted in the Bickmore Actuarial Report, the WC program remains well funded at over the 90% confidence level. Program assets are down a bit at approximately $18.9M, due to adverse investment portfolio performance, with liabilities at approximately $9.4M. Furthermore, CAPRI's estimated ultimate cost of claims and expenses increased some compared to last fiscal year. For comparison, please note the expected ultimate costs and rate per $100 for past fiscal years.

	Ultimate Costs (Expected – Discounted Loss and LAE)	Rate per $100 of Payroll (Expected)
2019-2020	$3,764,000	$3.23
2020-2021	$3,622,000	$2.99
2021-2022	$3,385,000	$2.96
2022-2023	$2,967,000	$3.03
2023-2024	$3,525,000	$2.875

Excess Coverage Estimates & Payroll History

Before addressing the funding levels, the Board should be aware of the anticipated excess premium costs. PRISM's estimates for Workers' Compensation excess coverage are higher for 2023-2024, with the conservative February 2023 valuations indicating a 27% increase.

	CAPRI Payroll Estimates	Rate	Excess Premiums
2019-2020	$123,690,780	.777319	$961,472
2020-2021	$108,896,741	.650405	$708,270
2021-2022	$114,925,858	.693521	$797,035
2022-2023	$99,736,329	.736505	$734,563
2023-2024	107,656,035*	.868507*	$935,000*

*Current estimates

Funding Level History and Target Equity Policy

Historically, the CAPRI Board has expressed a desire to reach a 75% funding level for both CAPRI programs in order to support the funding of the pool. Last year, the CAPRI Board reached this goal when it authorized funding of the WC program at the 75% Confidence Level for the first time in program history.

In February 2023, the CAPRI Board adopted a formal Target Equity Policy which provides that the program "…should fund current years at a 70% confidence level or higher. If the Board funds below 80%, it will describe why a lesser confidence level was indicated." This is consistent with current CAJPA accreditation standards.

Conclusion

Considering the estimated excess premium, current member payrolls, and the estimated claim costs for FY23-24, Staff is recommending that the Board fund the Workers' Compensation program at the *75%* Confidence Level. Staff believes this recommendation to be appropriate in light of the lower rate of expected costs per the Actuarial Study and the continued need to sufficiently fund the program. Staff will be prepared to review the premium implications for the members at the meeting.

As in years past, the Board is scheduled to meet in June to finalize the Budget, premium allocations, and to bind insurance coverage. Based upon direction provided to Staff at this Meeting, Staff will prepare a complete report for Board review and approval.

RECOMMENDATION:

Direct Staff to finalize the 2023/2024 Workers' Compensation premium allocation formula with a funding level at 75% for review and final approval at the June Board Meeting.

FISCAL IMPACT:

The fiscal impact is dependent upon direction provided to Staff.

REFERENCE MATERIALS:

- None.

Agenda Item 9.5

DISCUSSION/ACTION ITEMS

SUBJECT: Liability & Property Premium Allocation Formula 2023-2024

BACKGROUND AND STATUS:

Each year, the CAPRI Board of Directors reviews the CAPRI General Liability and Property Premium Allocation Formula, considering all factors that contribute to the premium calculations for each District, and then provides Staff direction before excess coverage is bound.

This review includes, but is not limited to, a review of the financial status of the program, the estimated claims costs, the estimated excess coverage costs, and any other extraneous factors impacting the membership.

Results of Actuarial Report

As noted in the Bickmore Actuarial Report, the General Liability & Property program remains well funded at over the 90% confidence level. Program assets are currently at $9,080,000 while liabilities sit at $4,100,000. Furthermore, CAPRI's estimated ultimate cost of claims and expenses increased 13.7% compared to last fiscal year. Below please find a summary of the trends for the total costs, liability costs, and property costs from past fiscal years.

	TOTAL Ultimate Costs (Expected – Discounted Loss and LAE)	**Rate per $100 of Payroll (Expected)**
2019-2020	$2,272,000	$2.07
2020-2021	$2,586,000	$2.14
2021-2022	$2,621,000	$2.28
2022-2023	$2,716,000	$2.54
2023-2024	$3,087,000	$2.39

	LIABILITY Ultimate Costs (Expected – Discounted Loss and LAE)	**Rate per $100 of Payroll (Expected)**
2019-2020	$1,611,000	$1.47
2020-2021	$1,933,000	$1.60
2021-2022	$1,953,000	$1.71
2022-2023	$1,628,000	$1.72
2023-2024	$2,012,000	$1.57

	PROPERTY Ultimate Costs (Expected – Discounted Loss and LAE)	**Rate per $1000 of TIV (Expected)**
2019-2020	$661,000	$0.61
2020-2021	$653,000	$0.59
2021-2022	$668,000	$0.57
2022-2023	$1,088,000	$0.82
2023-2024	$1,075,000	$0.83

Excess Coverage Estimates

At this time, estimates for excess for both Liability and Property are again higher than last year. As noted in the Draft Budget, this includes an anticipated increase of 30% in Liability and 20% in Property. There are several factors that caused this increase including industry-wide losses and the program's loss history as has been discussed over the last several years. If current estimates hold, CAPRI's premiums in the PRISM GL1 program will have more than doubled since 2019.

	Excess Premiums (Liability)
2019-2020	$835,290
2020-2021	$1,020,000
2021-2022	$1,249,778
2022-2023	$1,451,898
2023-2024	$1,891,000*

*current estimates

In the Alliant PEPIP program, CAPRI's premiums have also been on the rise and this year will likely end up nearly triple the price paid by the pool in 2019.

	Excess Premiums (Property)
2019-2020	$1,896,045
2020-2021	$2,594,000
2021-2022	$3,700,000
2022-2023	$4,544604
2023-2024	$5,453,525*

*Current estimates

Funding Level History and Target Equity Policy

Historically, the CAPRI Board has expressed a desire to reach a 75% funding level for both CAPRI programs in order to support the funding of the pool. However, with respect to the Liability & Property program, the Board has been deliberate in its funding with five consecutive years of funding at the 70% Confidence Level.

In February 2023, the CAPRI Board adopted a formal Target Equity Policy which provides that the program "…should fund current years at a 70% confidence level or higher. If the Board funds below 80%, it will describe why a lesser confidence level was indicated." This is consistent with current CAJPA accreditation standards.

Conclusion

Considering the estimated excess premiums, current member payrolls, and the estimated claim costs for FY23-24, Staff is recommending that the Board fund the General Liability & Property program at the *70%* Confidence Level. While losses have developed favorably, another year of increases in excess costs warrants another year of more conservative funding. Staff will be prepared to review the premium implications for the members at the meeting.

As in years past, the Board is scheduled to meet in June to finalize the Budget, premium allocations, and to bind insurance coverage. Based upon direction provided to Staff at this Meeting, Staff will prepare a complete report for Board review and approval.

RECOMMENDATION:

Direct Staff to finalize the General Liability & Property premium allocation formula with a funding level at 70% for review and final approval at the June Board Meeting.

FISCAL IMPACT:

The fiscal impact is dependent upon direction provided to Staff.

REFERENCE MATERIALS:

- None

Agenda Item 9.6

DISCUSSION/ACTION ITEMS

SUBJECT: CAPRI Budget 2023-2024 Review

BACKGROUND AND STATUS:

The draft 2023-2024 CAPRI budget is attached hereto. This is the Board's opportunity to comment and provide direction to Staff. This draft budget is based on usage for the past several fiscal years as well as projections from the insurance market.

Staff believes the draft Budget is an accurate estimate of CAPRI's revenues and expenditures for FY23-24 as of this point in time. Ultimately, these numbers will change as firm insurance quotes are received and the Board provides further direction for the next fiscal year at the next Board Meeting.

Notable Revisions/Updates:

- Current Budget estimates include a 30% increase on Excess Liability and a 20% increase on Excess Property coverage while anticipating a 27% increase in Excess WC premium.
- The Budget has also been updated to reflect a proposed 75% funding level in WC and a 70% funding level in GL/Property.

RECOMMENDATION:

Provide direction to Staff regarding the CAPRI 2023-2024 Budget. Alternatively, adopt the draft as the CAPRI 2023-2024 subject to changes related to the excess premiums.

FISCAL IMPACT:

The fiscal impact is dependent upon direction provided to Staff.

REFERENCE MATERIALS ATTACHED:

- Draft of CAPRI Budget 2023-2024

California Association for Park and Recreation Indemnity
DRAFT Budget - July 2023 through June 2024

	Proposed Budget Jul '23 - Jun '24	Current Budget Jul '22 - Jun '23	YTD Actual Jul '22 - Mar '23	Change Between Current Year and Proposed Budget	% Increase
Ordinary Revenue					
Operating Revenue					
Member Contributions	$ 16,899,101	$ 15,233,073	11,425,108.50	$ 1,666,028	10.94%
RIO Administration	45,000	-	0	45,000	
CARPD Administration	77,267	76,125	57,093.75	1,142	1.50%
Operating Revenue Total	17,021,368	15,309,198	11,482,202	1,712,170	
Investment Income					
Bank/LAIF Interest	45,000	4,500	80,448.70	40,500	900.00%
Portfolio Income (PFM)	350,000	350,000	345,647.13	-	0.00%
Total Investment Income	395,000	354,500	426,096	40,500	
Total Revenue	**17,416,368**	**15,663,698**	**11,908,298**	**1,752,670**	11.19%
Expense				-	
Operating Expenses				-	
Administration-CAPRI Office				-	
Salaries & Benefits				-	
Salaries				-	
Executive Director	206,326	194,647	155,792.73	11,679	6.00%
Administrative Analyst	94,500	90,000	68,999.94	4,500	5.00%
Safety Analyst	94,500	90,000	17,881.50	4,500	5.00%
Admin Asst	42,000	40,000	67,500.00	2,000	5.00%
Contingency	16,000	16,000	0	-	
Total Salaries	**453,326**	**430,647**	**310,174**	**22,679**	5.27%
Employee Benefits				-	
Medical	60,500	55,000	34,523.28	5,500	10.00%
Life Insurance	900	840	558.00	60	7.14%
457 ER Contributions	12,000	3,600	6,900.00	8,400	233.33%
PERS Contributions	29,022	27,640	20,214.55	1,382	5.00%
PERS UAL	75,856	68,960	71,033.00	6,896	10.00%
Payroll Tax Expenses	6,000	6,000	4,597.57	-	0.00%
Total Employee Benefits	184,278	162,040	137,826	22,238	13.72%
Total Salaries & Benefits	**637,604**	**592,687**	**448,001**	**44,917**	7.58%
Bank Service Charges	15,000	14,000	8,451.46	1,000	7.14%
Copier Service/Repair	4,000	3,500	2,440.81	500	14.29%
Depreciation Expense	3,000	1,500	2,578.17	1,500	100.00%
District Visitations	10,000	10,000	6,780.76	-	0.00%
Miscellaneous	4,000	3,000	4,574.73	1,000	33.33%
Office Supplies	7,500	7,500	2,290.30	-	0.00%
Part-Time Services	2,000	2,000	0	-	0.00%
Postage and Delivery	2,000	2,000	1,150.97	-	0.00%
Printing and Reproduction	500	1,000	85.34	(500)	-50.00%
Professional Dues	5,000	4,000	5,237.00	1,000	25.00%
Rent	55,200	53,123	36,768.73	2,077	3.91%
Safety Meetings/Workshops	4,000	2,000	4,063.83	2,000	100.00%
Telephone/Internet	6,500	5,000	4,998.89	1,500	30.00%
Travel/Meeting	12,000	11,000	6,099.92	1,000	9.09%
Total Administration-CAPRI Office	**768,304**	**712,310**	**533,521**	**55,994**	7.86%

California Association for Park and Recreation Indemnity
DRAFT Budget - July 2023 through June 2024

	Jul '23 - Jun '24	Jul '22 - Jun '23	Jul '22 - Mar '23	Current Year and Proposed Budget	% Increase
Board Meeting/Travel	27,500	25,000	10,481.80	2,500	10.00%
CARPD Expense	2,000	2,000	2,000.00	-	
Consulting Services					
Actuarial Services	8,000	10,000	0.00	(2,000)	-20.00%
Claims Management	395,272	388,128	252,341.84	7,144	1.84%
Financial Accounting	46,350	46,350	31,560.15	-	0.00%
Financial Audit	25,700	25,000	20,300.00	700	2.80%
Investment Advisors	32,000	32,000	22,062.44	-	0.00%
IT Services	3,000	3,000	987.50	-	0.00%
Legal Fees	30,000	30,000	13,241.23	-	0.00%
Loss Prevention Services	5,000	5,000	4,536.50		
Total Consulting Services	**545,322**	**539,478**	**345,030**	**5,844**	1.08%
Total Operating Expenses	**1,343,126**	**1,278,788**	**891,033**	**64,338**	5.03%
Insurance Expenditures				-	
Workers' Compensation	935,000	734,569	550,922.25	200,431	27.29%
Combined GL/AL Excess	1,891,000	1,453,376	1,088,554.00	437,624	30.11%
Property Coverage	5,453,525	4,544,604	3,419,764.61	908,921	20.00%
Crime Policy/Identity Theft	25,000	25,000	18,989.10	-	0.00%
Employee Assistance Program	15,000	-	0.00	15,000	-
Other Premiums (W/C)	60,000	60,000	70,231.73	-	0.00%
Broker Fees	105,000	105,000	78,750.00	-	0.00%
Total Insurance Expenses	**8,484,525**	**6,922,549**	**5,227,212**	**1,561,976**	22.56%
Claims Expenditures				-	
Claim Payments				-	
Claim Payments	7,143,717	7,057,861	1,651,504	85,856	1.22%
Total Claim Payments	**7,143,717**	**7,057,861**	**1,651,504**	**85,856**	1.22%
Contingency				-	
General	50,000	50,000	25,000	-	0.00%
Total Contingency	50,000	50,000	25,000	-	0.00%
Total Expense	17,021,368	15,309,198	7,794,749	1,712,170	11.18%
Net Operating Income Over Expenses	**$0.00**	**$0.00**	**$3,687,453.32**	**$0.00**	

Agenda Item 9.7

DISCUSSION/ACTION ITEMS

SUBJECT: Cycle XVIII (2nd Half) Safety Awards

BACKGROUND AND STATUS:

The Safety Awards are based upon the results of each member's performance at its District Visit. Those members that put into practice a minimum of 90% of the suggested criteria earn an **Excellent** evaluation. In recognition of this outstanding performance, District Safety Awards are presented to these high-scoring districts. The following members will be receiving a Cycle XVIII Safety Awards at the CARPD Conference scheduled for May 17-20, 2023, at Tenaya Lodge at Yosemite, California:

Cycle XVIII (2nd Half)

Arcade Creek	Arden Park	Auburn Area
Bear Mountain	Belvedere-Tiburon	Central Plumas
Cordova	Durham	Fair Oaks
Fulton-El Camino	Greater Vallejo	Hayward Area
Highlands	Jurupa Area	Livermore Area
Mission Oaks	North of the River	North Highlands
Orangevale	Paradise	Pleasant Hill
Rio Linda-Elverta	Southgate	Strawberry
Sunrise	Tehachapi Valley	Wasco
West Side		

RECOMMENDATION:

Approve the proposed winners of the Cycle XVIII (2nd Half) Safety Awards winners.

FISCAL IMPACT:

None.

REFERENCE MATERIALS ATTACHED:

None.

Agenda Item 10.1

EXECUTIVE DIRECTOR/ STAFF REPORTS

SUBJECT: District Visit Update – Cycle XVIII

BACKGROUND AND STATUS:

Below please find the District Visitation Summary for Cycle XVIII. The first half of Cycle XVIII began June 1, 2022, and was completed on December 14, 2022. The second half of Cycle XVIII was January 1, 2023 to June 30, 2023. Due to the weather earlier in the year six district visits have been rescheduled to be visited in July 2023. The first half of Cycle XIX will start July 2023.

There were nine district visits completed during the months of February 2023 through April 2023.

El Dorado Hills Community Services District – February 15, 2023

District Office/El Dorado Hills Community Park

The District Office and El Dorado Hills Community Park are located at 1021 Harvard Way. This 40-acre park has amenities that include a 2-5 year-old playground, 5-12 year-old playground, sports fields, batting cages, swimming pool, basketball courts, nature area, restrooms, skatepark, dog park, Teen Center and Community Activities Building. The Community Activities Building has an indoor multi-purpose gym, classrooms, kitchen, exercise room, KydZone Office, Recreation Office, Aquatic Office, and Registration Office. The skate park was designed with the dimensions of tennis courts so the District could pivot and change to tennis courts if desired.

El Dorado Hills received a **Very Good** evaluation.

Scoring and Recommendations:

Criteria	Score	Comments
Follow Up Items	1/1	*The District joined CAPRI July 2022. There were no previous District Visits.*
Agreement, Waiver and Release Form	5/5	*No recommendations at this time.*
Facility Use Agreement	9/9	*No recommendations at this time.*
Injury & Illness Prevention Program (IIPP)	4/5	*The IIPP should have evidence of annual review.*
Cybersecurity Practices	3/3	*No recommendations at this time.*
Job Descriptions	2/2	*No recommendations at this time.*
Screening and Review	4/4	*No recommendations at this time.*
Preemployment Functional Capacity Examination	0/4	*The District should require post-conditional offer, preemployment functional capacity examinations for all full-time positions.* *Candidates should be informed that offer is conditional, upon satisfactory exam.*

		Functional Capacity Examination should not be initiated until all background checks have been completed. *Results of the examination should be maintained in a manner that protects the employee's privacy.*
Employee Training Practice	9/9	*No recommendations at this time.*
Employee Driving Record Management	2/3	*The District should maintain employee's current personal auto insurance who drive their personal vehicle for District business.*
Employee Handbook & Employment Counsel	3/4	*The Employee Handbook should be reviewed/updated on an annual basis.*
Volunteers	3/4	*The District should update their Volunteer Waiver and Release Form with the CAPRI-approved language.*
Safety Committee	8/8	*No recommendations at this time.*
Park & Facility Maintenance	10/10	*No recommendations at this time.*
Inspection Program & Repair Practices	5/5	*No recommendations at this time.*
Life Safety	7/8	*Complete a PPE assessment through a written certification process under CCR 3380.*
Americans with Disabilities Act("ADA")Implementation	5/8	*The District is taking action to enhance accessibility to its parks and facilities.*
Pool Safety Practices & Maintenance	8/8	*No recommendations at this time.*
Total	**88/100**	

Sunrise Recreation and Park District – February 27, 2023

Tempo Community Park

This 24-acre park is located at 13125 Fair Oaks Blvd in Citrus Heights. The District just installed a brand-new basketball court and playground equipment. The park also has a soccer field, tennis courts, restrooms, barbeques, nature area, picnic tables, trails, and paved walkways.

Sunrise received an **Excellent** evaluation.

Scoring and Recommendations:

Criteria	Score	Comments
Follow Up Items	1/1	*The District complied with the two recommendations from the previous visit.*
Agreement, Waiver and Release Form	5/5	*No recommendations at this time.*
Facility Use Agreement	9/9	*No recommendations at this time.*
Injury & Illness Prevention Program (IIPP)	4/5	*The IIPP should have evidence of annual review.*
Cybersecurity Practices	3/3	*No recommendations at this time.*
Job Descriptions	2/2	*No recommendations at this time.*
Screening and Review	4/4	*No recommendations at this time.*
Preemployment Functional Capacity Examination	4/4	*No recommendations at this time.*
Employee Training Practice	6/9	*The District should comply with California Senate Bill 1343 and have non-supervisors complete the sexual harassment prevention training every two years.*

Employee Driving Record Management	3/3	*No recommendations at this time.*
Employee Handbook & Employment Counsel	4/4	*No recommendations at this time.*
Volunteers	3/4	*The District should require CAPRI-approved waiver and release forms for each volunteer.*
Safety Committee	8/8	*No recommendations at this time.*
Park & Facility Maintenance	10/10	*No recommendations at this time.*
Inspection Program & Repair Practices	5/5	*No recommendations at this time.*
Life Safety	7/8	*Complete a PPE assessment through a written certification process under CCR 3380.*
Americans with Disabilities Act("ADA")Implementation	8/8	*Review Grievance Policy and Procedures for compliance.*
Pool Safety Practices & Maintenance	8/8	*No recommendations at this time.*
Total	**94/100**	

Soledad Mission Recreation District – March 6, 2023

District Office/Swimming Pool

The District's Office is located within the swimming pool complex at 570 Walker Drive. The facility has locker rooms with showers. The pool has low and high diving boards and new starting blocks.

Soledad Mission received a **Good** evaluation.

Scoring and Recommendations:

Criteria	Score	Comments
Follow Up Items	0/1	*The District complied with two of fourteen recommendations from the previous visit.*
Agreement, Waiver and Release Form	5/5	*No recommendations at this time.*
Facility Use Agreement	6/9	*Facility Use Agreements should contain CAPRI-approved indemnification language.*
Injury & Illness Prevention Program (IIPP)	4/5	*There should be evidence of annual review of the IIPP.*
Cybersecurity Practices	2/3	*The District should have a cybersecurity policy in place to reflect their practices.* *Employees should use a private network or VPN while doing business work outside of the office.*
Job Descriptions	2/2	*No recommendations at this time.*
Screening and Review	4/4	*No recommendations at this time.*
Preemployment Functional	4/4	*No recommendations at this time.*

Capacity Examination		
Employee Training Practice	6/9	*The District should utilize Vector Solutions and CAPRI webinars and trainings.*
Employee Driving Record Management	3/3	*The District should have the DMV Pull Program for MVRs.*
Employee Handbook & Employment Counsel	3/4	*Review/Update the Employee Handbook on an annual basis.*
Volunteers	2/4	*The District should have volunteers complete an application prior to being accepted.* *The District should require CAPRI-approved waiver and release forms for each volunteer.*
Safety Committee	0/8	*The District Safety Committee should meet at least quarterly.* *The District should provide CAPRI the minutes of the meetings within 30 days from the date of the meeting.* *Membership within the Committee should be representative of the District's operations.* *The Committee should discuss a wide range of topics, including safety and training issues.* *Facility inspection reports should be reviewed by the Committee on a regular basis.* *The Committee should conduct a post-loss analysis of patron and employee accidents.* *The minutes should reflect, in detail, discussions of the agenda items.*
Park & Facility Maintenance	6/6	*No recommendations at this time.*
Inspection Program & Repair Practices	5/5	*No recommendations at this time.*
Life Safety	7/8	*The District should complete a PPE assessment through a written certification process under*

		CCR 3380.
Americans with Disabilities Act("ADA")Implementation	6/8	*The District is taking action to enhance accessibility to its parks and facilities.*
Pool Safety Practices & Maintenance	7/8	*The pool pump room should be organized and the eye wash station should be clear of any obstructions.*
Total	**72/96**	

Coalinga-Huron Recreation and Park District – March 7, 2023

District Office/Keck Park/Community Center

The District office is located within the community center at 555 Monroe Street. It has a playground, handball courts, and new basketball court and restrooms. The park also has a frisbee golf course.

Coalinga-Huron received a **Very Good** evaluation.

Scoring and Recommendations:

Criteria	Score	Comments
Follow Up Items	0/1	*The District complied with three of the five recommendations from the previous visit.*
Agreement, Waiver and Release Form	5/5	*No recommendations at this time.*
Facility Use Agreement	6/9	*The District's Facility Use Agreements should contain CAPRI-approved indemnification language.*
Injury & Illness Prevention Program (IIPP)	5/5	*No recommendations at this time.*
Cybersecurity Practices	3/3	*The District should have a cybersecurity policy in place to support their practices.*
Job Descriptions	1/2	*The job descriptions should clearly identify the essential functions of each position, including the physical requirements of the job.*
Screening and Review	0/4	*The District should comply with PRC 5164 and AB 506.*
Preemployment Functional Capacity Examination	4/4	*No recommendations at this time.*
Employee Training Practice	9/9	*No recommendations at this time.*
Employee Driving Record Management	2/3	*The District should establish written policies for dealing with employees whose driving records become unacceptable and the written policies are communicated to the employees.*
Employee Handbook & Employment Counsel	3/4	*The employee handbook should be reviewed/updated on an annual basis.*
Volunteers	3/4	*The District should require CAPRI-approved waiver and release forms for each volunteer.*
Safety Committee	8/8	*No recommendations at this time.*
Park & Facility Maintenance	10/10	*No recommendations at this time.*
Inspection Program & Repair Practices	5/5	*No recommendations at this time.*
Life Safety	7/8	*Complete a PPE assessment through a written certification process under CCR 3380.*

Americans with Disabilities Act("ADA")Implementation	3/8	*The District is reviewing its accessibility compliance.*
Pool Safety Practices & Maintenance	8/8	*No recommendations at this time.*
Total	**82/100**	

Hayward Area Recreation and Park District – March 9, 2023

Sulphur Creek Nature Center

The Sulphur Creek Nature Center is located at 1801 D Street and is a native wildlife rehabilitation and education facility. You can enjoy the outdoors as you walk along the paths and look at the birds, coyote, and fox. The Discovery Center has amphibians and reptiles that include frogs, king snakes, and rattle snakes.

Hayward Area received an **Excellent** evaluation.

Scoring and Recommendations:

Criteria	Score	Comments
Follow Up Items	1/1	*The District complied with the two recommendations from the previous visit.*
Agreement, Waiver and Release Form	5/5	*No recommendations at this time.*
Facility Use Agreement	9/9	*No recommendations at this time.*
Injury & Illness Prevention Program (IIPP)	4/5	*Have evidence of annual review of the IIPP.*
Cybersecurity Practices	2/3	*The District should have policies in place for cybersecurity safe practices.*
Job Descriptions	2/2	*No recommendations at this time.*
Screening and Review	4/4	*No recommendations at this time.*
Preemployment Functional Capacity Examination	4/4	*No recommendations at this time.*
Employee Training Practice	9/9	*No recommendations at this time.*
Employee Driving Record Management	3/3	*No recommendations at this time.*
Employee Handbook & Employment Counsel	4/4	*No recommendations at this time.*
Volunteers	4/4	*No recommendations at this time.*
Safety Committee	8/8	*No recommendations at this time.*
Park & Facility Maintenance	10/10	*No recommendations at this time.*
Inspection Program & Repair Practices	5/5	*No recommendations at this time.*
Life Safety	8/8	*No recommendations at this time.*
Americans with Disabilities Act("ADA")Implementation	8/8	*No recommendations at this time.*
Pool Safety Practices & Maintenance	8/8	*No recommendations at this time.*
Total	**98/100**	

Highlands Recreation and Park District – April 5, 2023

District Office

The District is located at 1851 Lexington Avenue. The District Office is on the second floor of the Recreation Center building. The General Manager's office overlooks the tennis courts as well as the indoor basketball court. Recreational activities in the building are limited to the first floor which includes a basketball court, fitness room, and room used for day-care programs. The District had an accessible ramp leading up to the Recreation Center as well as accessible restrooms. The pool is located on the other side of the Recreation Center. The District also has a building adjacent to the Recreation Center that contains classrooms for various district sponsored programs. The park includes a playground for children 2-5 years old and a playground for children 5-12 years old.

Highlands received an **Excellent** evaluation.

Scoring and Recommendations:

Criteria	Score	Comments
Follow Up Items	1/1	*The District complied with the one recommendation from the previous visit.*
Agreement, Waiver and Release Form	5/5	*No recommendations at this time.*

Facility Use Agreement	9/9	*No recommendations at this time.*
Injury & Illness Prevention Program (IIPP)	4/5	*The IIPP should have evidence of annual review.*
Cybersecurity Practices	2/3	*The District should have policies in place for cybersecurity safe practices.*
Job Descriptions	2/2	*No recommendations at this time.*
Screening and Review	4/4	*No recommendations at this time.*
Preemployment Functional Capacity Examination	0/4	*The District should require post-conditional offer, preemployment functional capacity examinations for all full-time positions.* *Candidates should be informed that the offer is conditional, based upon satisfactory examination.* *Functional Capacity Examinations should not be initiated until all background checks have been completed.* *The results from the examination should be maintained in a manner that protects the employee's privacy.*
Employee Training Practice	9/9	*No recommendations at this time.*
Employee Driving Record Management	3/3	*No recommendations at this time.*
Employee Handbook & Employment Counsel	3/4	*The Employee Handbook should be reviewed and updated on an annual basis.*
Volunteers	4/4	*No recommendations at this time.*
Safety Committee	8/8	*The District should provide CAPRI the Safety Meeting Minutes within 30 days from the meeting date.*
Park & Facility Maintenance	10/10	*No recommendations at this time.*
Inspection Program & Repair Practices	5/5	*No recommendations at this time.*
Life Safety	8/8	*No recommendations at this time.*
Americans with Disabilities Act("ADA")Implementation	7/8	*The District is reviewing its accessibility compliance.*

Pool Safety Practices & Maintenance	8/8	*The District had an agreement with to use the City of Shafter's pool but the agreement was terminated in 2020.*
Total	**92/100**	

Western Gateway Recreation and Park District – April 6, 2023

Western Gateway Park

This 88-acre park is located at 18560 Penn Valley Drive. There is an abundant amount of activity everyday at the park due to all the amenities. The park has playgrounds, tennis courts, radio control car tracks, handball court, solar panels, covered picnic area, restrooms, stage pavilion, bocce ball courts, 18-hole disc golf course, five dog park areas, bike pump tracks, squirrel river, maintenance yard, and ball fields.

Western Gateway received a **Needs Improvement** evaluation.

Scoring and Recommendations:

Criteria	Score	Comments
Follow Up Items	N/A	*The District joined CAPRI's General Liability and Property Program in 2015 and joined*

		CAPRI's Workers' Compensation Program in 2016.
Agreement, Waiver and Release Form	N/A	*Currently there are no District conducted or sponsored programs and activities.*
Facility Use Agreement	9/9	*No recommendations at this time.*
Injury & Illness Prevention Program (IIPP)	4/5	*The IIPP should have evidence of annual review.*
Cybersecurity Practices	1/3	*The District should have policies in place for cybersecurity safe practices.* *Use VPN when doing business outside of the office.*
Job Descriptions	2/2	*No recommendations at this time.*
Screening and Review	4/4	*No recommendations at this time.*
Preemployment Functional Capacity Examination	N/A	*The District has three part-time employees. If the District hires a full-time employee they shall require a functional capacity exam.*
Employee Training Practice	0/9	*The District shall comply with California Senate Bill 1343.*
Employee Driving Record Management	0/3	*The District shall maintain employees current personal auto insurance who drive their personal vehicle for District business.* *The District shall have written procedures for unacceptable MVRs or loss of license and the policy is communicated.* *The District should maintain a valid copy of California Driver's License on file if the employee drives for District business.*
Employee Handbook & Employment Counsel	2/4	*The District should have Employment Counsel or use CAPRI's Labor Law/Employment Services.* *Review/update the Employee Handbook on a annual basis.*
Volunteers	2/4	*The District should have volunteers complete*

		an application prior to being accepted. *The District should require CAPRI-approved waiver and release forms for each volunteer.*
Safety Committee	0/8	*Safety Committee Meetings should be held at no less than on a quarterly basis and minutes are timely sent to CAPRI within 30 days o the meeting date.* *Membership within the Committee should represent the District's operations.* *Facilities inspections should be reviewed by the committee on a regular basis.* *The Committee should conduct a post-loss analysis or patron and employee accidents and/or near misses if applicable.* *There should be evidence of follow-through on items discussed at meetings.* *The minutes should accurately reflect discussions of the agenda items.*
Park & Facility Maintenance	10/10	*No recommendations at this time.*
Inspection Program & Repair Practices	5/5	*No recommendations at this time.*
Life Safety	3/8	*The District's SDS should be current and readily available at the appropriate job sites.* *The District should complete a PPE assessment through a written certification process under CCR 3380.* *The District should have emergency evacuation plans developed and property displayed.* *The District should conduct safety drills at least*

		annually. *The District should have an Emergency Action Plan (EAP) California Code of Regulations, Title 8, Section 3220 and 3221.*
Americans with Disabilities Act("ADA")Implementation	5/8	*The District is reviewing its accessibility compliance.*
Pool Safety Practices & Maintenance	N/A	*The District does not have a pool.*
Total	**47/82**	

Bear River Recreation and Park District – April 17, 2023

Gary D. Clarke Field

This sports field sits adjacent to the local high school and is used for several sports. The artificial field is striped for baseball, football, soccer and lacrosse. The turf was just replaced this year.

Bear River received a **Very Good** evaluation.

Scoring and Recommendations:

Criteria	Score	Comments
Follow Up Items	0/1	*The District complied with one of the seven recommendations from the previous visit.*
Agreement, Waiver and Release Form	5/5	*No recommendations at this time.*
Facility Use Agreement	9/9	*No recommendations at this time.*
Injury & Illness Prevention Program (IIPP)	3/3	*No recommendations at this time.*
Cybersecurity Practices	1/2	*The District should have a cybersecurity policy in place to facilitate their practices.*
Job Descriptions	2/2	*No recommendations at this time.*
Screening and Review	4/4	*No recommendations at this time.*
Preemployment Functional Capacity Examination	N/A	*No recommendations at this time.*
Employee Training Practice	6/9	*The District should utilize Vector Solutions and CAPRI webinars.*
Employee Driving Record Management	2/3	*The District should establish written policies for dealing with employees whose driving records become unacceptable and the written policies are communicated to the employees.*
Employee Handbook & Employment Counsel	1/4	*The District should establish an Employee Handbook as best practice.*
Volunteers	4/4	*There are no recommendations.*
Safety Committee	7/8	*The District should provide CAPRI the minutes of the meetings within 30 days.*
Park & Facility Maintenance	10/10	*There are no recommendations.*
Inspection Program & Repair Practices	5/5	*No recommendations at this time.*
Life Safety	7/8	*Complete a PPE assessment through a written certification process under CCR 3380.*
Americans with Disabilities Act("ADA")Implementation	3/8	*The District is reviewing its accessibility compliance.*
Pool Safety Practices & Maintenance	N/A	*The District does not have a pool.*
Total	**69/85**	

Livermore Area Recreation and Park District – April 24, 2023

Ravenswood Historic Site

This historic site is located at 2647 Arroyo Road and is a staple for weddings and special events. It was built by Christopher A Buckley Sr. in the 1880s and served as a summer home for the Buckley family until 1920. Then in 1931 the estate was acquired by a Catholic order, the Redemptorist Fathers and served as a religious retreat for over 30 years. The estate was then purchased by a developer, Masud Mehran, who gave it to be used as a park. Livermore Area restored the Main House and Tank House in 1979. Ravenswood is on the National Register of Historic Preservation Landmark Site.

Livermore Area received an **Excellent** evaluation.

Scoring and Recommendations:

Criteria	Score	Comments
Follow Up Items	1/1	*The District complied with all three recommendations from the previous visit.*
Agreement, Waiver and Release Form	5/5	*No recommendations at this time.*
Facility Use Agreement	9/9	*No recommendations at this time.*
Injury & Illness Prevention Program (IIPP)	5/5	*No recommendations at this time.*
Cybersecurity Practices	3/3	*No recommendations at this time.*
Job Descriptions	2/2	*No recommendations at this time.*
Screening and Review	4/4	*No recommendations at this time.*
Preemployment Functional Capacity Examination	4/4	*No recommendations at this time.*
Employee Training Practice	9/9	*No recommendations at this time.*
Employee Driving Record	3/3	*No recommendations at this time.*
Employee Handbook & Employment Counsel	3/4	*The District should review and update their Employee Handbook on an annual basis.*
Volunteers	4/4	*No recommendations at this time.*
Safety Committee	8/8	*No recommendations at this time.*
Park & Facility Maintenance	10/10	*No recommendations at this time.*
Inspection Program & Repair Practices	5/5	*No recommendations at this time.*
Life Safety	8/8	*No recommendations at this time.*
Americans with Disabilities Act("ADA")Implementation	8/8	*No recommendations at this time.*
Pool Safety Practices & Maintenance	8/8	*No recommendations at this time.*
Total	**99/100**	

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

- None.

Agenda Item 10.2

EXECUTIVE DIRECTOR/ STAFF REPORTS

SUBJECT: CARPD Update

BACKGROUND AND STATUS:

The CARPD Conference 2023 is here! Staff has been working diligently on the event and we are anticipating another great turnout. As of this writing, we have 72 attendees signed up for the event including 6 non-members. Although we had anticipated a decline in attendance this year, our attendee total is just off last year's record of 79. And when you include the sponsors signed up to participate in our exhibition hall, we are expecting the 2023 Conference to be CARPD's largest event ever!

We are looking forward to another opportunity to learn and network with California's recreation and park district leaders.

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

- None.

Agenda Item 10.3

EXECUTIVE DIRECTOR/ STAFF REPORTS

SUBJECT: Member Training Update

BACKGROUND AND STATUS:

Following up on the in-person winter trainings, CAPRI Staff recently conducted its annual insurance requirements training via Zoom. The live webinar was viewed by nearly ninety (90) attendees (including many first-time attendees) and remains available on the CAPRI Member Portal. The stellar attendance numbers reflect a continued desire on the part of the membership to educate their staffs as to important risk management practices.

Staff is continuing to evaluate member training needs and is anticipating conducting live trainings again in the upcoming fiscal year.

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

- None.

Agenda Item 10.4

EXECUTIVE DIRECTOR/ STAFF REPORTS

SUBJECT: ADA Compliance Program Update

BACKGROUND AND STATUS:

As the Board may recall, in late 2021 Staff and Disability Access Consultants (DAC) rolled out the CAPRI ADA Compliance Program along with a number of online trainings. The training included two-hour sessions conducted by Mr. Tim Mahoney and Ms. Barbara Thorpe with DAC. CAPRI continues to encourage members to review and continuously focus on accessibility at their facilities.

As of April 2023, eleven members have either completed or are under contract with DAC. DAC has also sent proposals out to five other members. As part of the agreement with DAC and our members, CAPRI has contributed 10% toward the cost of contracted services with DAC.

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

None.

Agenda Item 10.5

EXECUTIVE DIRECTOR/ STAFF REPORTS

SUBJECT: Online Training Program Utilization Review

BACKGROUND AND STATUS:

One of the many safety and risk management resources available to our members is the Vector Solutions online training platform. Over the last several years, Staff has made it a point of emphasis to encourage the membership to utilize this free service by, among other things, regularly highlighting relevant trainings in the monthly Safety Line newsletter.

Year	Total Number of Trainings Completed (Membership wide)
2018	1,110
2019	2,163
2020	3,221
2021	4,509
2022	4,181

The majority of completed trainings from our Districts come from the anti-harassment training throughout the last five years. The CAPRI Safety Line newsletters in 2022 discussed safe driving, mandated reporter training, and cybersecurity. These trainings came in as the second, third, and fourth most completed courses, respectively.

Staff will work to continue this trend and further develop a culture of safety throughout the pool at large.

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

None.

Agenda Item 10.6

EXECUTIVE DIRECTOR/ STAFF REPORTS

SUBJECT: CAPRI EAP Update

BACKGROUND AND STATUS:

At the December 2022 Meeting of the Board of Directors, the Board acknowledged a need to help its members by supporting the mental health needs of District employees. In February 2023, Sidney DiDomenico from PRISM presented the Board with options related to a potential CAPRI Employee Assistance Program ("EAP") which could be administered at discounted cost due to CAPRI's participation in PRISM programs. The Board directed Staff to move forward with implementation of an EAP program for all full-time employees of CAPRI's member districts.

Since that time, Staff has met with PRISM and Alliant and selected Anthem as its EAP provider due to its low-cost and broad range of mental health services. The attached includes a brief summary of the services that will soon be available to CAPRI's membership effective July 1, 2023. Staff is currently working with Anthem and Alliant to properly market the new program to the districts and the Board can be expected to hear more soon.

RECOMMENDATION:

Information only.

REFERENCE MATERIALS ATTACHED:

- Anthem EAP Service Summary

Employee Assistance Program
Service Summary
PRISM

Anthem EAP

Available 24/7, 365 days a year

Everything you share is confidential*

Life can be full of challenges. Your Employee Assistance Program (EAP) is here to help you and your household members.
EAP offers a wide range of **no-cost** support services and resources, including:

Counseling

- Up to 3 visits per issue
- In-person or online visits
- Call EAP or use the online Member Center to initiate services

Legal consultation

- 30-minute phone or in-person meeting
- Discounted fees to retain a lawyer
- Free legal resources, forms, and seminars online

Financial consultation

- Phone meeting with financial professionals
- Regular business hours; no appointment required
- Free financial resources and budgeting tools online

ID recovery

- Help reporting to consumer credit agencies
- Assistance with paperwork and creditor negotiations

Emotional Well-being Resources

- Digital tools to improve emotional well-being
- Team up with an experienced clinical coach
- Practice mindfulness on the go

Dependent care and daily living resources

- Online information about child care, adoption, elder care, and assisted living
- Phone consultation with a work-life specialist
- Help with pet sitting, moving, and other common needs

Other anthemEAP.com resources

- Well-being articles, podcasts, and monthly webinars
- Self-assessment tools for emotional health issues

Crisis consultation

- Toll-free emergency number; 24/7 support
- Online critical event support during crises

We are ready to support you

You can call us at **833-954-1067**, or go to **anthemEAP.com** and enter your company code: PRISM

When something unexpected happens, EAP can help you figure out your next steps. Contact us today.

* In accordance with federal and state law, and professional ethical standards.
This document is for general informational purposes. Check with your employer for specific information on the services available to you.

Language Access Services – (TTY/TDD: 711)
Spanish – Tiene el derecho de obtener esta información y ayuda en su idioma en forma gratuita. Llame al número de Servicios para Miembros que figura en su tarjeta de identificación para obtener ayuda.
Chinese – 您有權使用您的語言免費獲得該資訊和協助。請撥打您的 ID 卡上的成員服務號碼尋求協助。

Complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

EAP products are offered by Anthem Life Insurance Company. In New York, Anthem EAP products are offered by Anthem Life & Disability Insurance Company. In California, Anthem EAP products are offered by Blue Cross of California using the trade name Anthem Blue Cross. Anthem is a registered trademark. Use of the Anthem EAP website constitutes your agreement with our Terms of Use.

108413MUMENEAP VPOD BV Rev. 12/20