



FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

# Risk Management Council Meeting

*Monday, June 11, 2018*

*FCSRMC Mission Statement:*

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



## Risk Management Council Meeting June 11, 2018

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### AGENDA

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Action Item 1.

FCSRMC Personnel

## ACTION

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

**Action Item: 1.**

### ***FCSRMC***

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FCSRMC Personnel

1.

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

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

Discussion:

AFC to provide voting results.

## **FCSRMC Personnel**

The Operations Committee recommends the following:

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

This payment will be paid on the November 15, 2018 pay date.

## Action Item 2.a.1.

Property/Casualty Optional Programs  
Allied Health (Student Professional)

## ACTION

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

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

### ***Property/Casualty Program***

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Renewal of Optional Programs

2.a.(1.-3.)

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Motion to ratify the Renewal of Optional Programs as submitted:

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

Discussion:

AFC to provide voting results.



## **Allied Health**

(Professional Liability / 3<sup>rd</sup> Party)

Carrier – C.N.A.

Coverage Limits – (Separate Limits Endorsement)

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

Deductible – None

Current Exposure –

- 33,926 Students
- 33 Additional Insureds

Rate –

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

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

Historical Loss Ratio –

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



## Action Item 2.a.2.

Property/Casualty Optional Programs  
Student Accident

## **Student Accident** (First Party Injury)

Carrier – QBE

TPA – A-G Administrators

Policy Type - Excess

Coverage Limits –

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

Deductible – None

Current Exposure – 49,026 Students

Rate – \$6.00 per Student

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

Historical Loss Ratio –

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

### Action Item 2.a.3.

Property/Casualty Optional Programs  
Intercollegiate Athletics

## Intercollegiate Athletics

(First Party Injury)

Carrier – Mutual of Omaha (Summit America)

Policy Type - Excess

Coverage Limits –

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

Deductible –

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

Current Exposure – 2,299 Students / 22 colleges

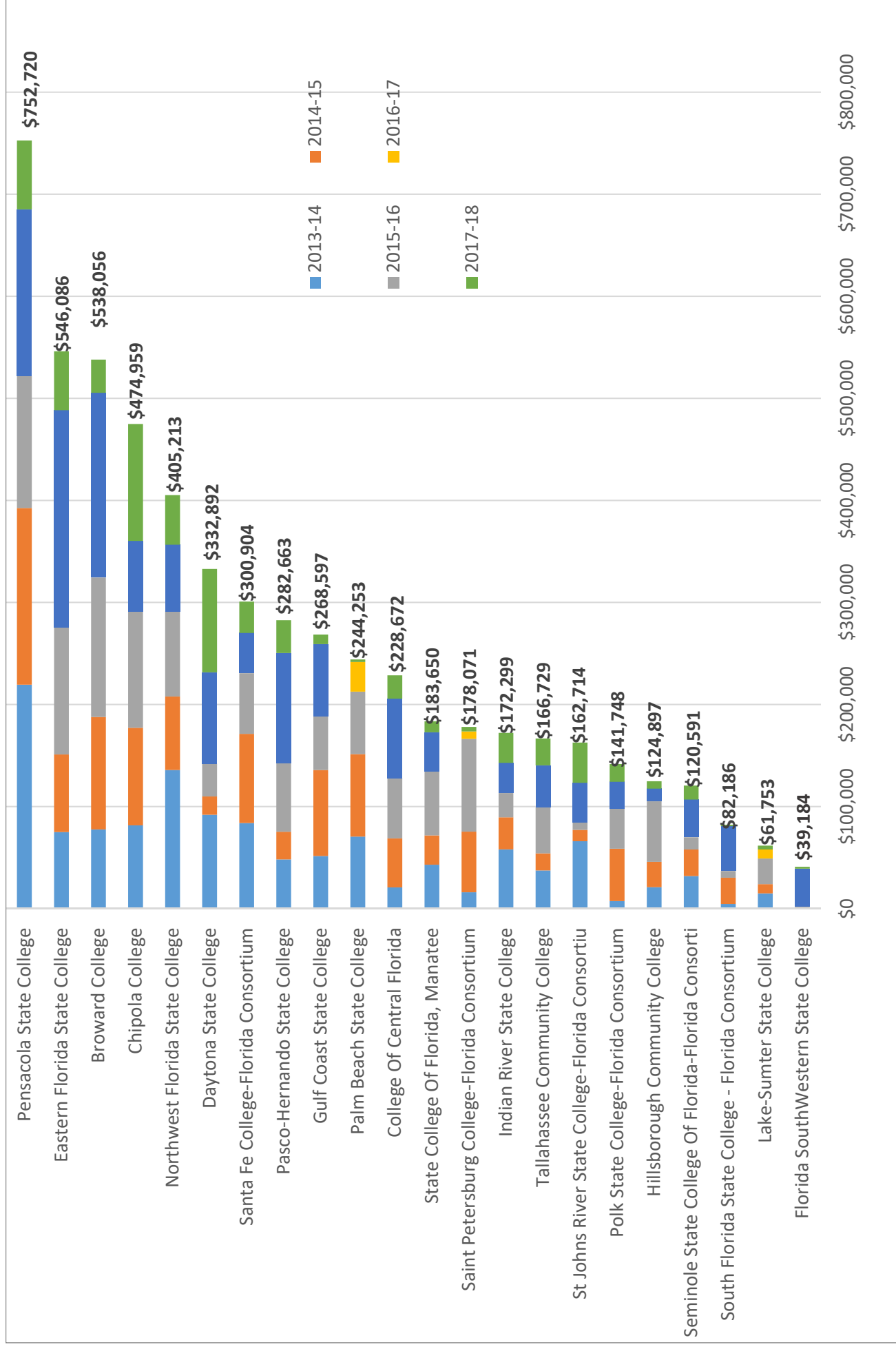
Premium – (Premium could change based on updated enrollment if change is > 10%)

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

Historical Losses –

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

## FCSRMC Athletic Program Overview

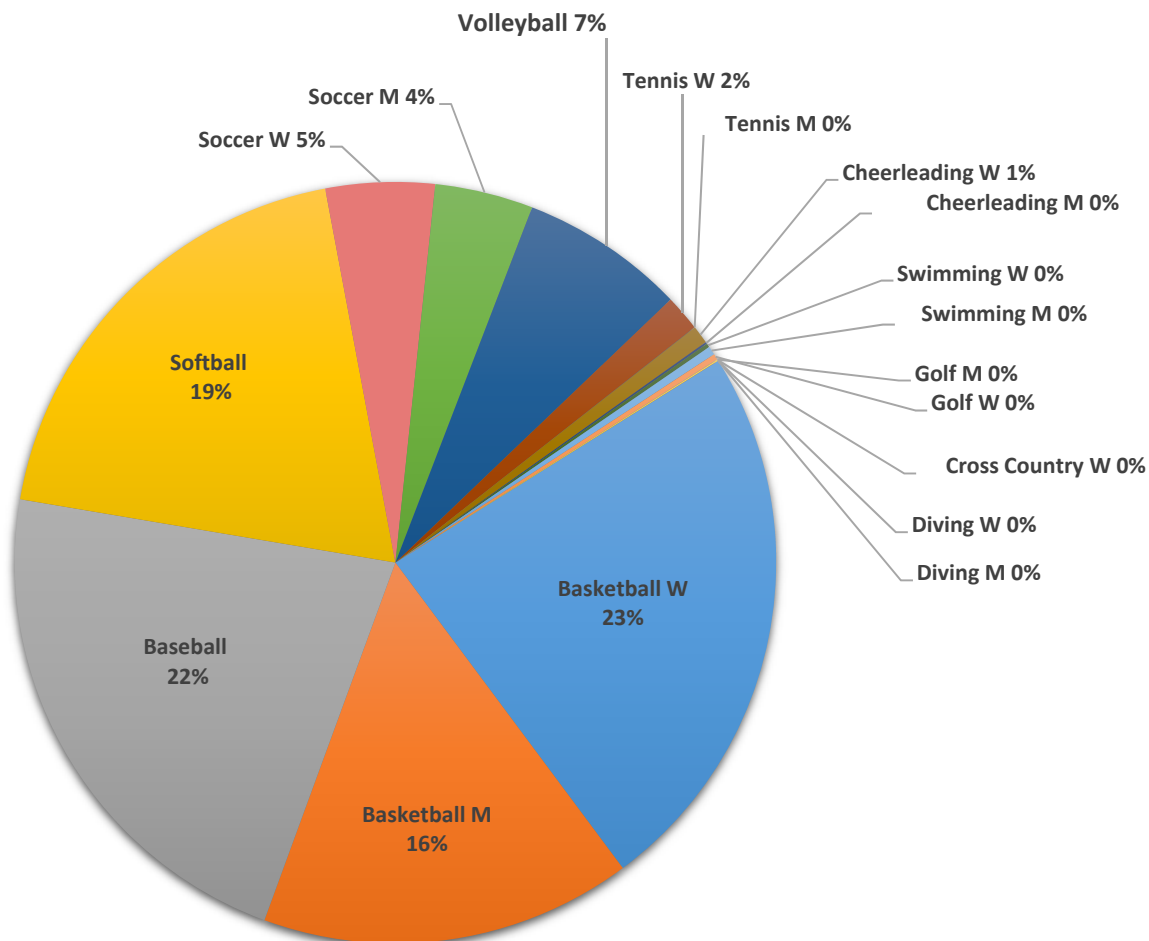


## FCSRMC Total Enrollment

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

## Paid Claims by Sport

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



## FCSRMC Policy vs. Other Insurance

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



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

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

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

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

## ACTION

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

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

### ***Employee Benefit Program***

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FCSRMC Annual Audit – Employee Benefit Plans

3.(a.-d.)

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Motion to ratify the Employee Benefit Plans Audit as submitted:

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

Discussion:

AFC to provide voting results.

*Linda F.  
Triplett, CPA, PA*

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May 7, 2018

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

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

*Our Responsibility under U.S. Generally Accepted Auditing Standards*

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

*Planned Scope and Timing of the Audit*

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

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

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

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

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

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

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

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

*Difficulties Encountered in Performing the Audit*

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

*Corrected and Uncorrected Misstatements*

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

*Disagreements with Management*

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

*Management Representations*

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

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Consortium's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

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

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

Very truly yours,

*Cinda F. Siplett, CPA, P.A.*

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**FLORIDA COLLEGE SYSTEM  
RISK MANAGEMENT CONSORTIUM**

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

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**INDEPENDENT AUDITORS' REPORT**

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

**Report on the financial Statements**

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

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida College System Risk Management Consortium Employee Benefit Plans as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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

## **Other Matters**

### *Required Supplementary Information*

Accounting Principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Cinda F. Inglett, CPA, P.A.*

May 7, 2018



## ***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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

### **OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

\*\*Market Place rate is projected.

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

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

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

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

**EMPLOYEE BENEFIT PLANS**

	<b>ASSETS</b>	
	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Investments Available For Sale	\$ 9,779,439	\$ 9,653,695
Cash and Cash Equivalents	31,906,874	25,845,948
Accrued Interest Receivable	54,414	46,709
Recoveries, Rebates and Other Receivables	6,365,541	4,951,341
Prepaid Expense and Deposits	155,128	30,600
Property and Equipment - Cost Less Depreciation	10,008	15,914
<b>TOTAL ASSETS</b>	<b>\$ 48,271,404</b>	<b>\$ 40,544,207</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>LIABILITIES</b>		
Claims Liabilities and Incurred Losses	\$ 24,238,171	\$ 14,345,205
Deferred Revenue	-	7,660
Accounts Payable and Accrued Liabilities	2,118,249	2,078,316
<b>TOTAL LIABILITIES</b>	<b>26,356,421</b>	<b>16,431,181</b>
<b>FUND EQUITY</b>		
Unreserved:		
Undesignated	21,914,983	24,113,026
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 48,271,404</b>	<b>\$ 40,544,207</b>

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

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

**EMPLOYEE BENEFIT PLANS**

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

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

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

**EMPLOYEE BENEFIT PLANS**

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

**SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES**

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

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



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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Business Activity**

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

**Basis of Accounting**

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

**Recoveries, Rebates and Other Receivables**

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

**Prepaid Expense and Deposits**

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

**Property and Equipment**

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

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

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

*Continued*

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Concluded**

**Estimates**

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

**Recognition of Premium Revenues**

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

**Income Taxes**

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

**Basis of Presentation**

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

**Subsequent Events**

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

**NOTE 2 - CASH AND CASH EQUIVALENTS**

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

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

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

*Continued*

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

**NOTE 3 - INVESTMENTS**

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

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

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

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

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

*Continued*

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

<b>December 31, 2016</b>			
<b><u>Fair Value Measurements Using</u></b>			
	<b><u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u></b>	<b><u>Significant Other Observable Inputs (Level 2)</u></b>	
<b>Investment by fair value level - 2016</b>	<b><u>Amount</u></b>		
United States Treasury Notes	\$2,230,925	\$2,230,925	-
Obligations of United States Government and Government-Sponsored Enterprises	1,374,060	-	1,374,060
Commercial Paper	536,761	-	536,761
Corporate Notes	3,540,769	-	3,540,769
Federal Agency Collateralized Mortgage Obligations	270,695	-	270,695
Foreign Notes	764,305	-	764,305
Asset Backed Securities	300,878	-	300,878
Mortgage-Backed Pass-Throughs	515,024	-	515,024
Money Market Mutual Funds	120,278	-	120,278
<b>Total Investments by fair value level</b>	<b><u>\$9,653,695</u></b>	<b><u>\$2,230,925</u></b>	<b><u>\$7,422,770</u></b>

**Other Investments**

The following risks apply to investments:

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

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

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

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

*Continued*

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

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

*Continued*

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

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

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

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

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

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

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

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

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

*Continued*

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

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

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

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

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

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

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

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

**NOTE 4 - CLAIMS ADJUSTMENT/SERVICE FEES**

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

**NOTE 5 - COMPENSATED ABSENCES**

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

*Continued*

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

**NOTE 6- CLAIMS LIABILITIES AND INCURRED LOSSES**

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

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

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

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

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

*Continued*



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

Incurring Claims and Allocated Claims Adjustment Expenses

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

Cumulative Paid Claims and Allocated Claims Adjustment Expenses

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

**NOTE 7 - REINSURANCE**

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

The following table includes premium amounts ceded to other companies.

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

*Continued*

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

**NOTE 8 - RETIREMENT BENEFITS**

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

**NOTE 9 - RENTALS UNDER OPERATING LEASES**

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

***Linda F.  
Triplett, CPA, PA***

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May 7, 2018

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

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

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

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

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

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

Sincerely,

*Linda F. Triplett, CPA, P.A.*

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



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March 19, 2018

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

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

Dear Mr. Kane:

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

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

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

Sincerely,

Glen R. Volk, FSA, MAAA  
Consulting Actuary

cc: Chauncey Fagler, FCSRMC  
Robert Pralle, FCSRMC



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

### Scope

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

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

### Background

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

### Credibility

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

### Development of Claim Reserves

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

### Development of Premium Equivalents

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

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

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

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

### **Other Income and Expenses**

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

### **Historical Data**

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

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

### **Medical Trend**

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

### **Surplus**

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

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

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

**Reliance**

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

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

**Qualifications**

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

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

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



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

March 19, 2018  
Date



## OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES  
COMMISSION

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ATTORNEY GENERAL

**ADAM PUTNAM**  
COMMISSIONER OF  
AGRICULTURE

**DAVID ALTMAIER**  
COMMISSIONER

*via email: glen\_volk@ajg.com*

March 26, 2018

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

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

Dear Mr. Volk:

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

Thank you for filing the required information.

Sincerely,

Office of Insurance Regulation

...

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Information Item 4.a.  
Property/Casualty Program

Policy Briefs

4/30/2018

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

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

Dear Ms. Pumariega,

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

#### **Procurement:**

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

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

#### **Possible Alternatives:**

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

**Obtain and Maintain Insurance:**

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

**Possible Alternatives:**

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

**Legal Applicant:**

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

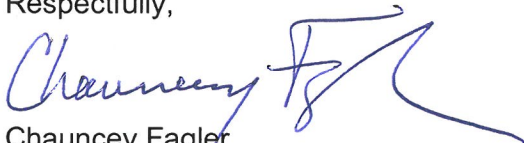
For Hurricane Irma, FEMA has indicated that the DCC cannot serve as the Legal Applicant for the receipt of these funds, thus requiring that the Consortium seek reimbursement from each college of the Federal funding related to the retention. This will be a time-consuming process which may be further delayed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

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

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

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

Respectfully,



Chauncey Fagler  
Executive Director  
Attachments

# **Florida College System Risk Management Consortium**

## **Hindrances of Federal Procurement**

### **Executive Summary:**

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

### **Scope of Problem:**

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

#### **Examples:**

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

### **Policy Alternatives:**

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

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

**Consulted or Recommended Sources:**

Electronic Code of Federal Regulations. [https://www.ecfr.gov/cgi-bin/text-idx?SID=27ced380f443d64f459699d8d1b9e188&mc=true&tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?SID=27ced380f443d64f459699d8d1b9e188&mc=true&tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

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

Florida Department of Emergency Management Services.  
[https://www.dms.myflorida.com/business\\_operations/state\\_purchasing/documents\\_forms\\_references\\_resources/purchasing\\_memos\\_rules\\_and\\_statutes/purchasing\\_rules\\_and\\_statutes](https://www.dms.myflorida.com/business_operations/state_purchasing/documents_forms_references_resources/purchasing_memos_rules_and_statutes/purchasing_rules_and_statutes)

## **Florida College System Risk Management Consortium**

### **Financial Impact of Hurricane Irma**

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

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

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

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

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



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

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

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

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

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

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



Information Item 4.b.  
Property/Casualty Program

Plan Document



## Plan Document 2018-2019

Key changes are summarized as follows:

### **Removed Coverage:**

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

### **Property Condition Clarification**

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

### **General Conditions Added:**

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

### **Coverage Change:**

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

Information Item 4.c.  
Property/Casualty Program

Stewardship Report

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

Electronic Reports are Available by Request.

Information Item 4.d.  
Property/Casualty Program

Property/Casualty Program Audit 2017

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

Information Item 5.a.  
Employee Benefit Plans

Market Evaluations

## MARKET EVALUATIONS

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

### MARKET EVALUATION SCHEDULE

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

### 2018 MARKET EVALUATION RESULTS

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

#### DENTAL

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

#### EAP

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



Information Item 5.b.1.  
Employee Benefit Plans

Self-Insured Health Program  
Cost & Utilization Highlights

## SELF-INSURED HEALTH PROGRAM

### COST & UTILIZATION ANALYSIS HIGHLIGHTS

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

#### **FCSRMC ENROLLMENT**

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

#### **TRENDS**

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

#### **FCSRMC MEMBER COST SHARE**

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

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

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

#### **FCSRMC PHARMACY**

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

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

## **FCSRMC COST SAVINGS MANAGEMENT**

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

## **FCSRMC INDIVIDUAL COLLEGE VISITS**

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

Information Item 5.b.2.  
Employee Benefit Plans

Self-Insured Health Program  
Benchmark

# Blue Health Intelligence® Benchmark Reporting

## Florida College System Risk Management Consortium (FCSRMC)

### Employee Cost Share Comparison

### BHI Benchmark Data January 2017 to December 2017 Paid Through February 2018

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

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

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

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

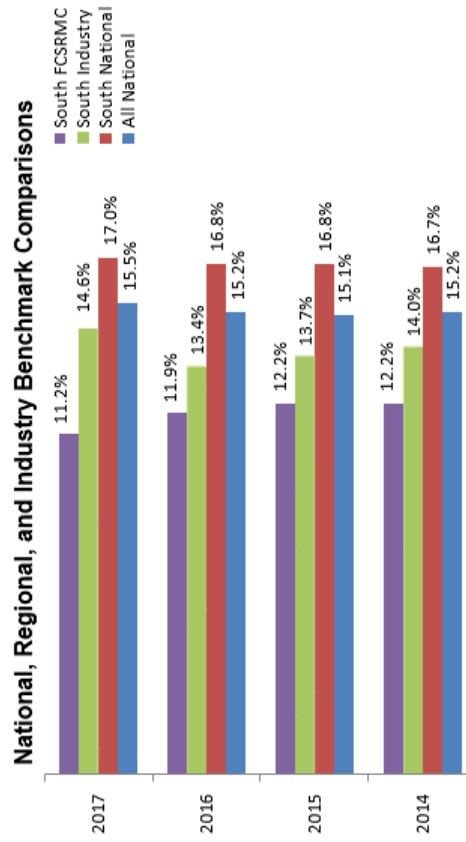
#### Employee Cost Share Comparison

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

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

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

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



Information Item 5.b.3.  
Employee Benefit Plans

Self-Insured Health Program  
Rate Funding Updates

### FCSRMC VS. MARKETPLACE AVERAGE ANNUAL HEALTH PLAN RATE CHANGES

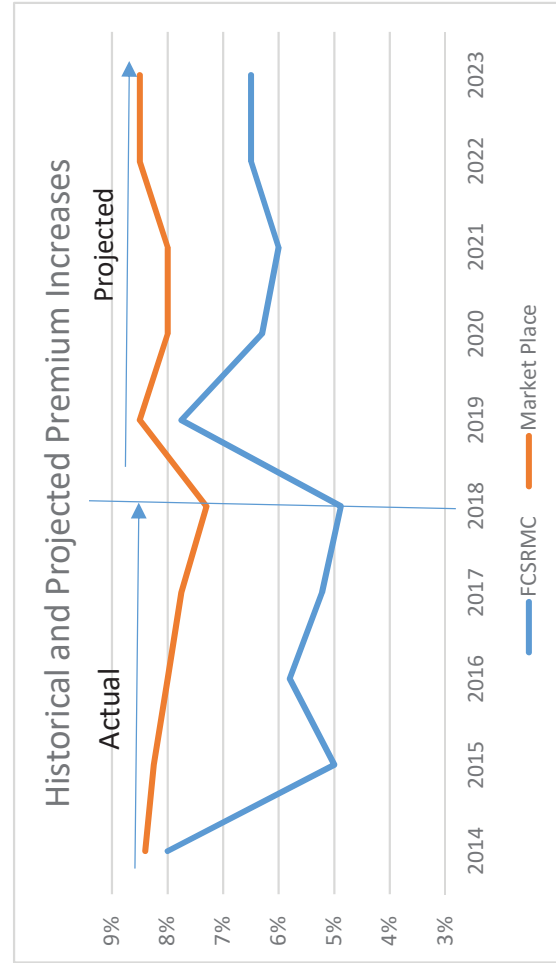
Year	Actual Historical					Projected Future <sup>4</sup>				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FCSRMC	8.00%	5.00%	5.80%	5.22%	4.88% <sup>3</sup>	7.75%	6.30%	6.00%	6.50%	6.50%
Market Place <sup>1</sup>	8.40%	8.25%	8.00%	7.75%	7.30% <sup>2</sup>	8.50%	8.00%	8.00%	8.50%	8.50%

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

<sup>2</sup> 2018 Market Place is projected

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

<sup>4</sup> Future increases projected by Arthur J. Gallagher based on expected market conditions





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## **FCSRMC**

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

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



## Executive Summary

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

The key findings are summarized below.

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

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

## Renewal Methods and Assumptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**FCSRMC**  
**2019 Renewal Forecast**

**1. Experience History**

Paid Month	Employees	Members	Paid Claims		PEPM Claims		Rolling 12 Month PEPM	
			Medical	Pharmacy	Medical	Pharmacy	Medical	Pharmacy
201603	11,390	16,495	\$5,226,664	\$2,099,604	\$459	\$184		\$643
201604	11,353	16,461	\$5,626,179	\$1,791,644	\$496	\$158		\$653
201605	11,355	16,459	\$5,686,088	\$1,776,805	\$501	\$156		\$657
201606	11,261	16,310	\$5,692,620	\$2,292,381	\$506	\$204		\$709
201607	11,156	16,166	\$5,534,724	\$1,825,994	\$496	\$164		\$660
201608	11,132	16,139	\$5,440,527	\$2,408,517	\$489	\$216		\$705
201609	11,268	16,308	\$5,040,267	\$2,025,756	\$447	\$180		\$627
201610	11,284	16,326	\$4,276,686	\$2,029,713	\$379	\$180		\$559
201611	11,294	16,334	\$4,902,530	\$2,431,106	\$434	\$215		\$649
201612	11,303	16,343	\$6,847,840	\$2,105,770	\$606	\$186		\$792
201701	11,232	16,220	\$5,172,325	\$1,836,348	\$460	\$163		\$624
201702	11,287	16,268	\$5,579,801	\$1,958,300	\$494	\$174		\$668
201703	11,291	16,291	\$5,824,130	\$2,480,859	\$516	\$220		\$736
201704	11,272	16,267	\$5,321,532	\$2,062,478	\$472	\$183		\$655
201705	11,246	16,225	\$5,979,104	\$2,572,771	\$532	\$229		\$760
201706	11,199	16,177	\$6,987,678	\$2,161,863	\$624	\$193	\$481	\$182
201707	11,120	16,074	\$6,007,532	\$2,087,528	\$540	\$188	\$485	\$185
201708	11,103	16,009	\$7,374,095	\$2,668,931	\$664	\$240	\$483	\$187
201709	11,225	16,210	\$4,743,306	\$2,076,622	\$423	\$185	\$486	\$193
201710	11,222	16,190	\$6,033,602	\$1,930,279	\$538	\$172	\$496	\$192
201711	11,227	16,176	\$6,089,331	\$2,511,498	\$542	\$224	\$499	\$194
201712	11,242	16,195	\$6,212,441	\$2,192,965	\$553	\$195	\$514	\$196
201801	11,164	16,158	\$6,282,194	\$2,446,190	\$563	\$219	\$512	\$196
201802	11,201	16,215	\$5,241,482	\$2,099,809	\$468	\$187	\$525	\$196
201803	11,183	16,192	\$6,815,709	\$2,259,119	\$609	\$202	\$534	\$196
							\$530	\$197
							\$538	\$202
							\$536	\$203
							\$544	\$201
								\$662
								\$670
								\$670
								\$679
								\$688
								\$693
								\$710
								\$708
								\$721
								\$730
								\$727
								\$740
								\$739
								\$745

## 2. Claim Projections

2018 Forecast	
---------------	--

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

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

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

Experience Midpoint	10/1/2017	10/1/2017	10/1/2017
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Rating Midpoint	8/15/2018	8/15/2018	8/15/2018
Months to Trend	10.5	10.5	10.5
Assumed Annual Trend	5.5%	8.0%	
Beefit Adjustment Factor	0.990	0.990	

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

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

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

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

2019 Forecast	
---------------	--

134,404
---------

	Medical	Pharmacy	Total
	\$73,088,006	\$27,070,051	\$100,158,058
	(\$1,064,300)	\$0	(\$1,064,300)
	\$72,023,706	\$27,070,051	\$99,093,758

\$535.87	\$201.41	\$737.28
----------	----------	----------

10/1/2017	10/1/2017	10/1/2017
-----------	-----------	-----------

7/1/2019	7/1/2019	7/1/2019
21.0	21.0	21.0
5.5%	8.0%	
0.990	0.990	

\$582.33	\$228.03	\$810.36
12.0	12.0	12.0
11,183	11,183	11,183
\$78,146,664	\$30,600,169	\$108,746,834

\$0	\$0	\$0
\$78,146,664	\$30,600,169	\$108,746,834
-	-	-
134,196	134,196	134,196
\$582.33	\$228.03	\$810.36

1.004	1.004
-------	-------

\$584.41	\$228.84	\$813.26
\$78,426,098	\$30,709,588	\$109,135,687

.....FCSRMC

.....2019 Renewal Forecast

### 3. Fixed Costs

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

### 4. Total Projected Expense

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

### 5. Required Increase

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

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

Information Item 5.c.  
Employee Benefit Plans

Strategic Direction





## 2018 Employee Benefits Strategic Plan

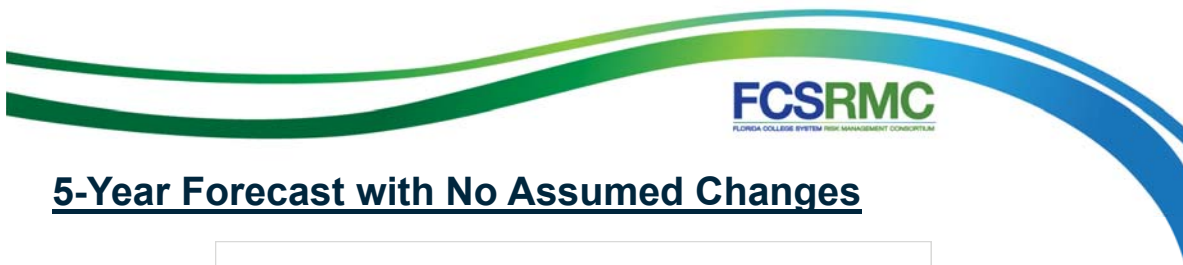


### Table of Contents

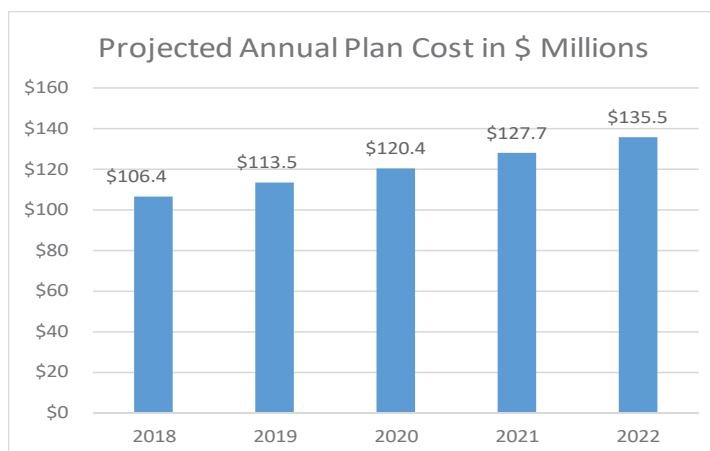
- Baseline Forecast
- Plan Value Analysis
- Summary of Current Situation
- Strategic Planning



## Baseline Forecast



### 5-Year Forecast with No Assumed Changes



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

## **5-Year Forecast - Issues**

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

## **Plan Value Analysis**

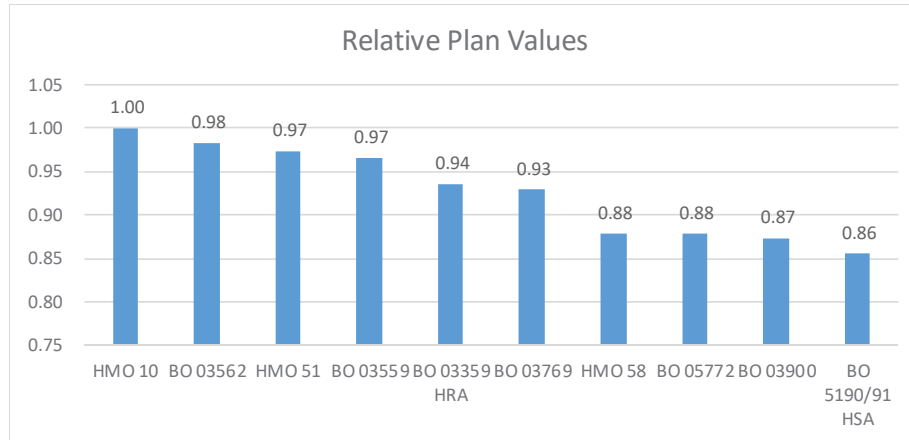
## What Do We Mean by Plan Value?

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

## What Do We Mean by Plan Value?

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

## Current FCSRMC Relative Plan Values



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

## Summary of Current Situation

## **Summary of Current Situation**

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

## **Summary of Current Situation**

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

## FCSRMC Plan Design and Enrollment

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

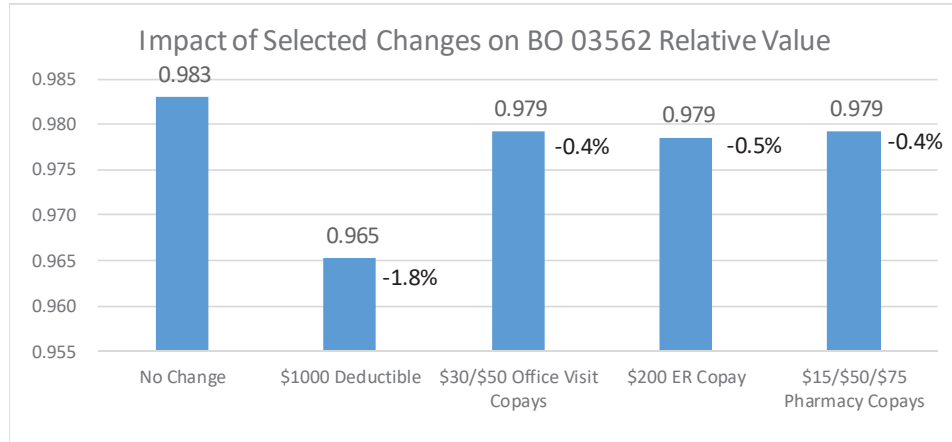
Note: There are minor differences in the BO 03769 and HMO 51 for Florida State College at Jacksonville.

## How Plan Design Affects Relative Value

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

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

## How Plan Design Affects Relative Value



Current Values:

\$500  
Deductible

\$25/\$40  
Office Visit Copays

\$100  
ER Copay

\$15/\$45/\$65  
Pharmacy Copays

## Strategic Planning



## **Strategic Plan**

### Fundamental Principles

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

## **Strategic Plan**

### ***Suggested Change in Plan Structure:***

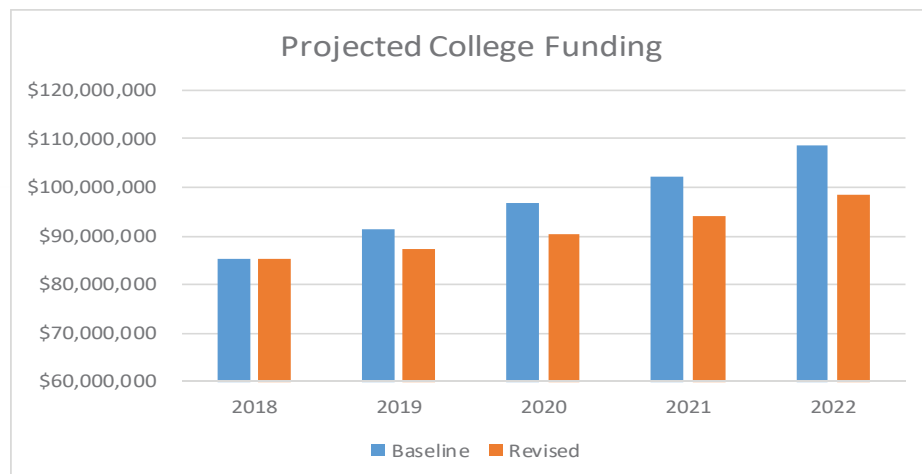
- Take a concerted look at plan values and alternative plans.
- Offer an HSA plan as the only option that an employee can obtain at no premium for Employee Only coverage
- Communication and phase-in approach will be key to success.

## Illustrative Pricing Example

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

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

## 5-Year Forecast Under Illustrative Pricing



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

## **5-Year Forecast Under Illustrative Pricing**

### Additional Considerations

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

Information Item 6.a.  
Financial Statements

Property/Casualty Program

## FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

## PROPERTY AND CASUALTY PLAN

REVENUES AND EXPENDITURES BUDGET REPORT  
As of February 28, 2018

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

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

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

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

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

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

Information Item 6.b.  
Financial Statements

Employee Benefit Plans



## FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

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

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

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

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

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

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

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

Information Item 6.c.  
Financial Statements

Investment Program



# FCSRMC

FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

## Investment Performance Review For the Quarter Ended March 31, 2018

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For the Quarter Ended March 31, 2018

FLORIDA COLLEGE SYSTEM RISK MANAGEMENT CONSORTIUM

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- 1-5 Year Investment Portfolio

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- Quarterly Account Summary
- Compliance Report
- Important Disclosures

# Tab I

For the Quarter Ended March 31, 2018  
Fixed Income Management

## QUARTERLY MARKET SUMMARY

### SUMMARY

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

### ECONOMIC SNAPSHOT

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

### INTEREST RATES

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

### SECTOR PERFORMANCE

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

# QUARTERLY MARKET SUMMARY

For the Quarter Ended March 31, 2018  
Fixed Income Management

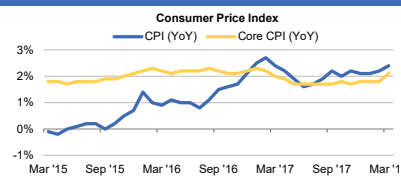
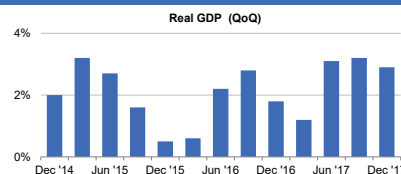
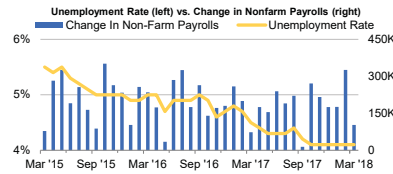
## Economic Snapshot

Labor Market		Latest	Dec '17	Mar '17
Unemployment Rate	Mar '18	4.1%	4.1%	4.5%
Change In Non-Farm Payrolls	Mar '18	103,000	175,000	73,000
Average Hourly Earnings (YoY)	Mar '18	2.7%	2.7%	2.6%
Personal Income (YoY)	Feb '18	3.7%	4.3%	3.4%
Initial Jobless Claims (week)	4/7/18	233,000	248,000	241,000
<b>Growth</b>				
Real GDP (QoQ SAAR)	2017 Q4	2.9%	3.2% <sup>1</sup>	1.8% <sup>2</sup>
GDP Personal Consumption (QoQ SAAR)	2018 Q4	4.0%	2.2% <sup>1</sup>	2.9% <sup>2</sup>
Retail Sales (YoY)	Mar '18	4.5%	5.1%	4.9%
ISM Manufacturing Survey (month)	Mar '18	59.3	59.3	56.6
Existing Home Sales SAAR (month)	Feb '18	5.54 mil.	5.56 mil.	5.67 mil.
<b>Inflation / Prices</b>				
Personal Consumption Expenditures (YoY)	Feb '18	1.8%	1.7%	1.8%
Consumer Price Index (YoY)	Mar '18	2.4%	2.1%	2.4%
Consumer Price Index Core (YoY)	Mar '18	2.1%	1.8%	2.0%
Crude Oil Futures (WTI, per barrel)	Mar 31	\$64.94	\$60.42	\$50.60
Gold Futures (oz.)	Mar 31	\$1,323	\$1,309	\$1,247

**Unemployment Rate (left) vs. Change in Nonfarm Payrolls (right)**

**Real GDP (QoQ)**

**Consumer Price Index**



1. Data as of Third Quarter 2017.

2. Data as of Fourth Quarter 2016.

Note: YoY = year-over-year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil.

Source: Bloomberg.

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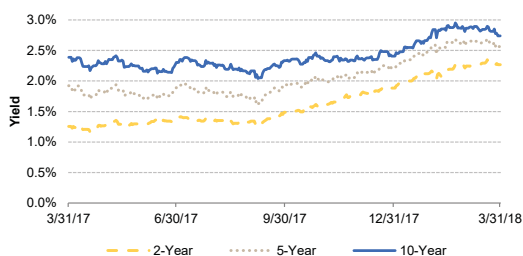
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# QUARTERLY MARKET SUMMARY

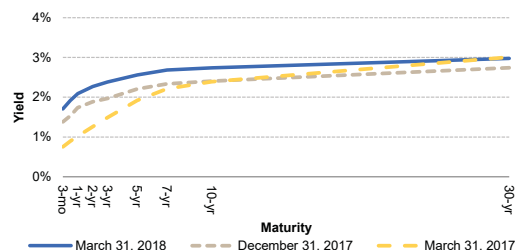
For the Quarter Ended March 31, 2018  
Fixed Income Management

## Interest Rate Overview

U.S. Treasury Note Yields



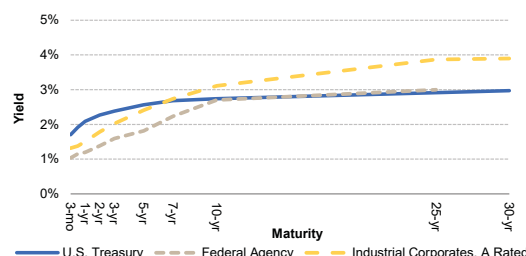
U.S. Treasury Yield Curve



U.S. Treasury Yields

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

Yield Curves as of 3/31/18



Source: Bloomberg.

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ICE BofAML Index Returns

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

Returns for periods greater than one year are annualized.

Source: ICE BofAML Indices.

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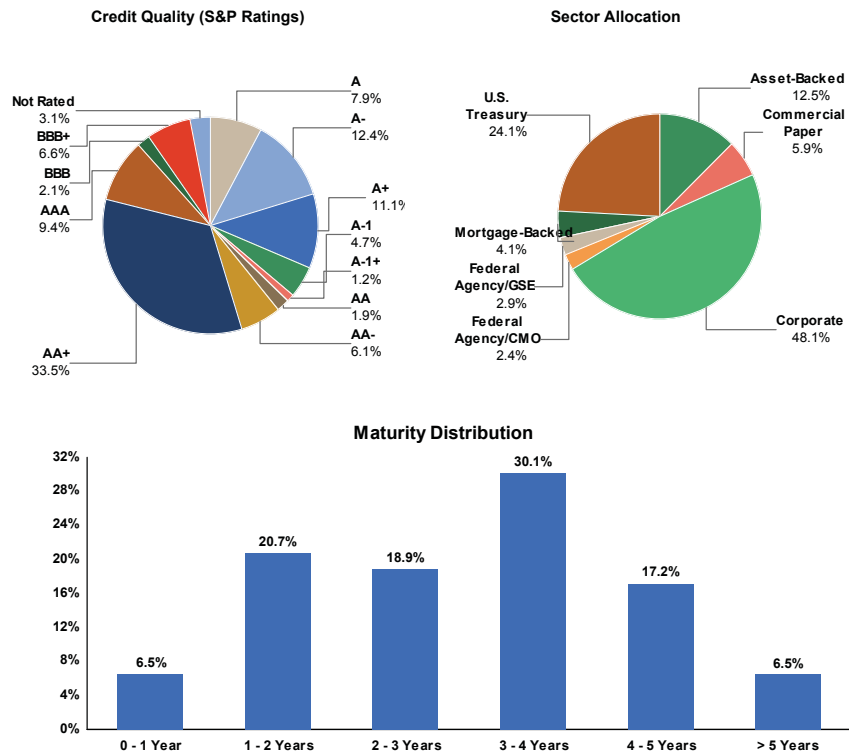
## Tab II

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

## Portfolio Statistics

As of March 31, 2018

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



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

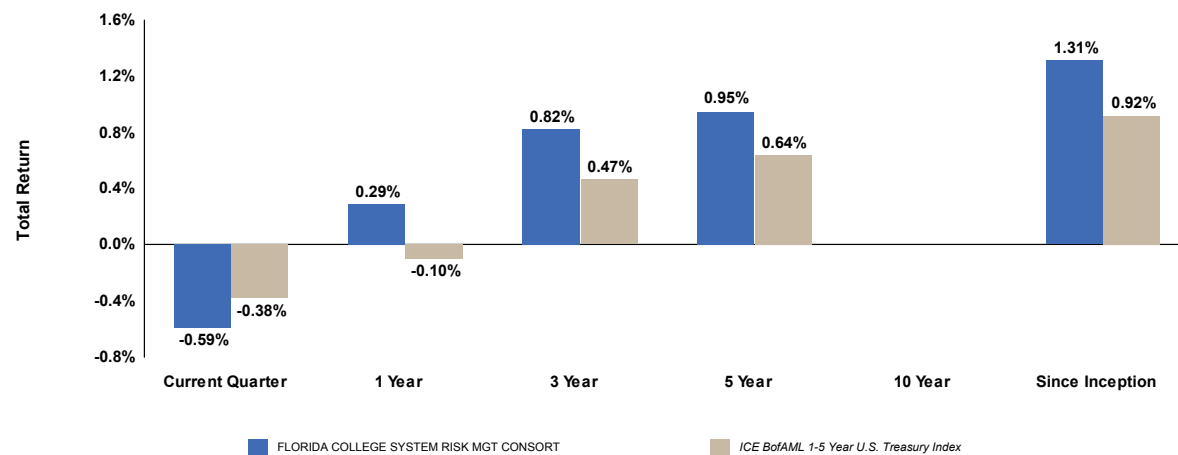
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## Portfolio Performance (Total Return)

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



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

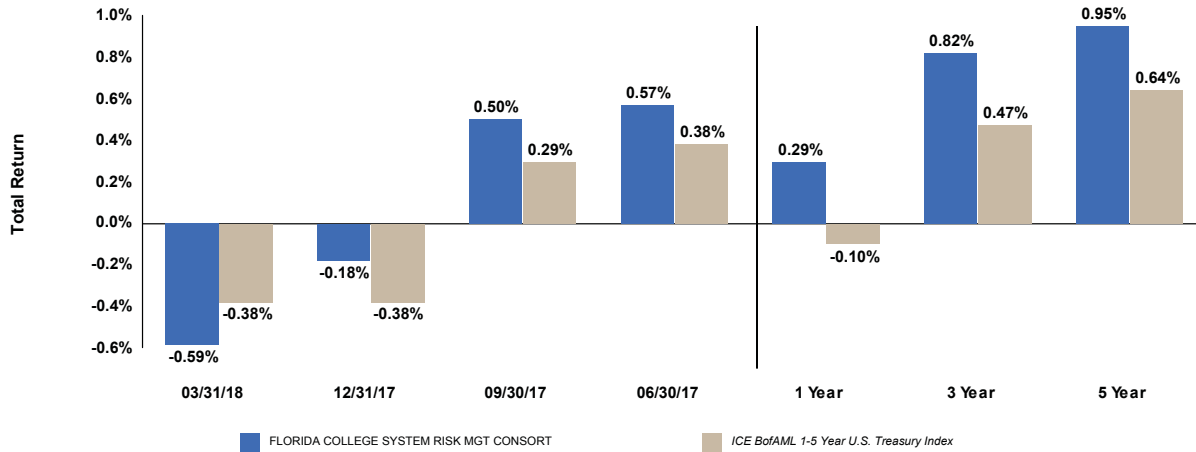
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## Portfolio Performance (Total Return)

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



Portfolio performance is gross of fees unless otherwise indicated.

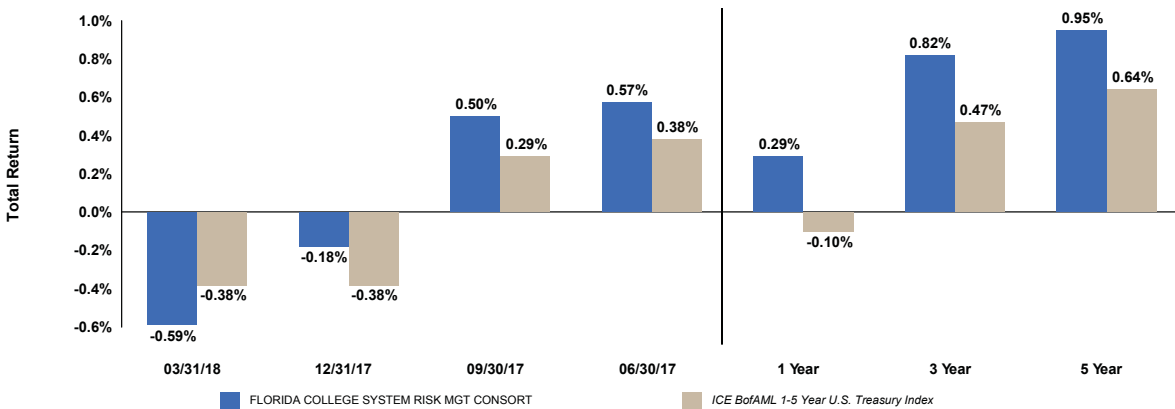
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## Portfolio Performance (Total Return)

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



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

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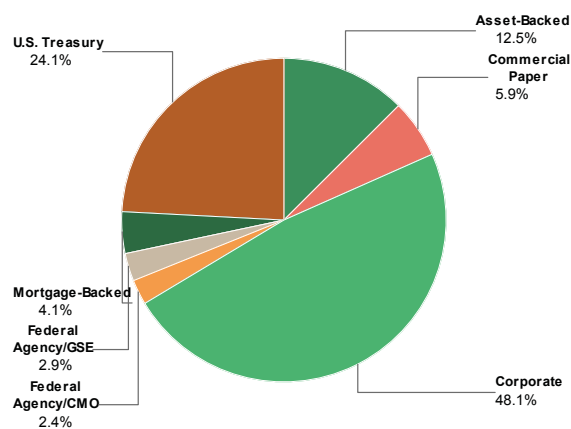
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**Portfolio Earnings**  
**Quarter-Ended March 31, 2018**

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

**Sector Allocation**  
**As of March 31, 2018**

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

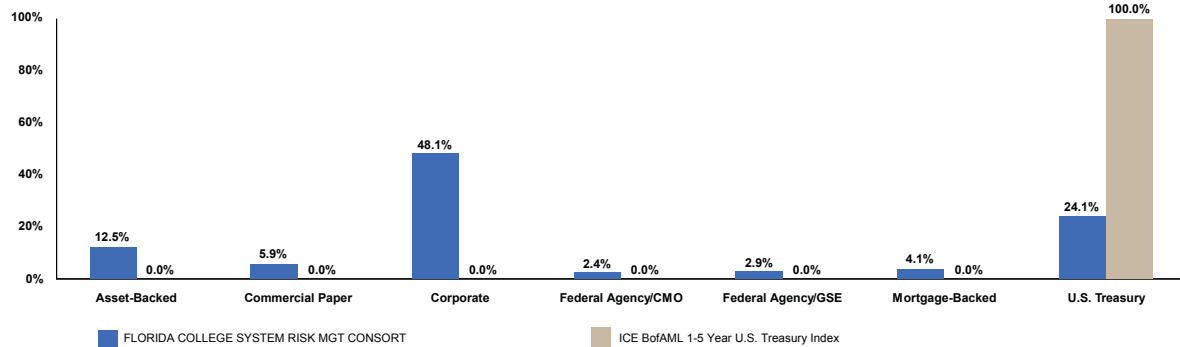


Detail may not add to total due to rounding.

## Sector Allocation

As of March 31, 2018

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



Detail may not add to total due to rounding.

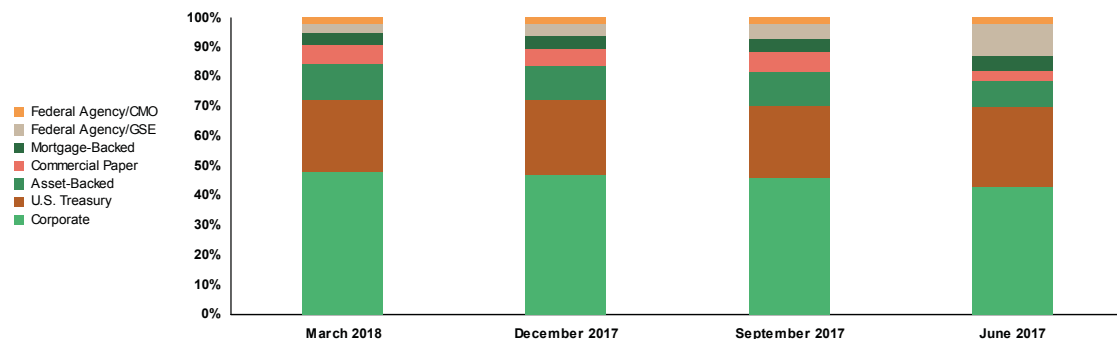
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## Sector Allocation

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



Detail may not add to total due to rounding.

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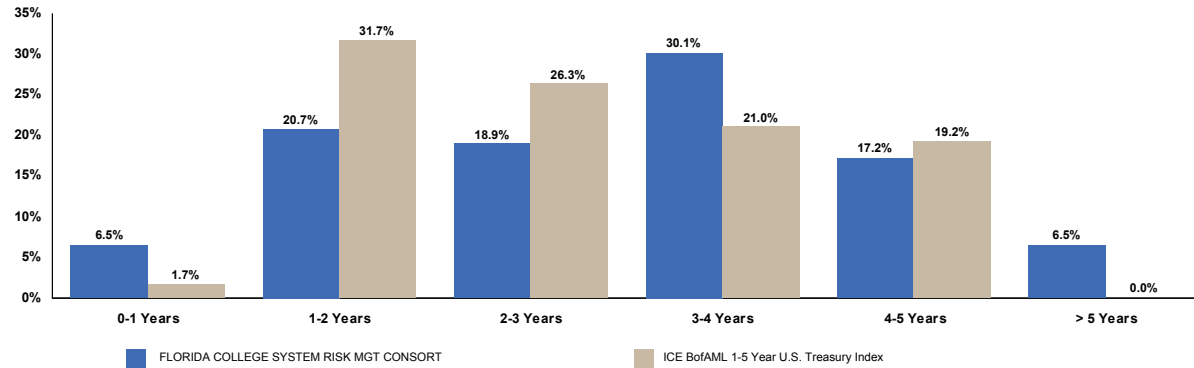
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## Maturity Distribution

As of March 31, 2018

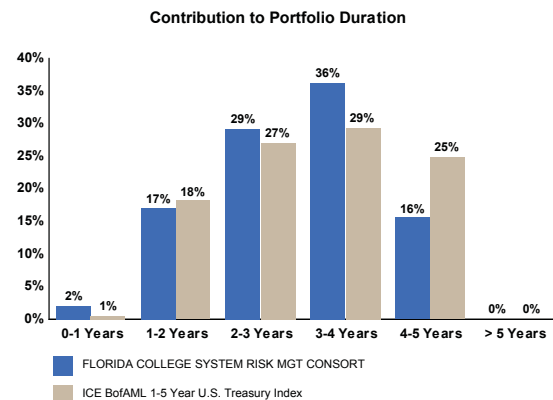
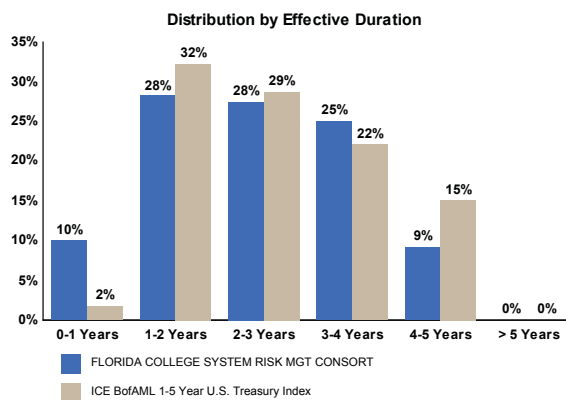
Portfolio/Benchmark	Yield at Market	Average Maturity	0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	>5 Years
FLORIDA COLLEGE SYSTEM RISK MGT CONSORT	2.72%	3.80 yrs	6.5%	20.7%	18.9%	30.1%	17.2%	6.5%
ICE BofAML 1-5 Year U.S. Treasury Index	2.37%	2.78 yrs	1.7%	31.7%	26.3%	21.0%	19.2%	0.0%



## Duration Distribution

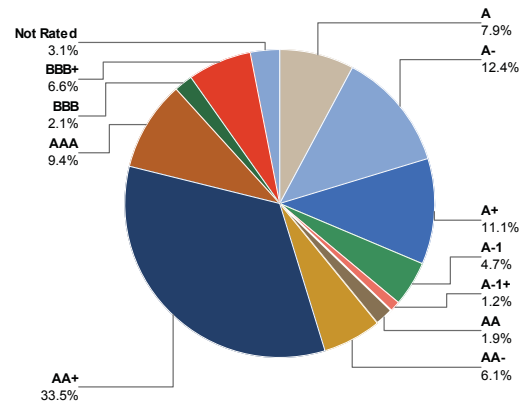
As of March 31, 2018

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



**Credit Quality**  
**As of March 31, 2018**

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



Detail may not add to total due to rounding.

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**Issuer Distribution**  
**As of March 31, 2018**

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

Top 5 = 39.0%

Top 10 = 53.2%

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

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



## Sector/Issuer Distribution

As of March 31, 2018

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

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

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

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

## Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
<b>BUY</b>									
1/2/18	1/4/18	100,000	912828L57	US TREASURY NOTES	1.75%	9/30/22	98,320.92	2.23%	
1/2/18	1/4/18	175,000	912828P4	US TREASURY NOTES	1.87%	7/31/22	173,802.22	2.22%	
1/3/18	1/8/18	35,000	24422ETZ2	JOHN DEERE CAPITAL CORP NOTES	2.35%	1/8/21	34,981.80	2.37%	
1/18/18	1/25/18	260,000	89114QBK5	TORONTO-DOMINION BANK CORP NOTE	2.55%	1/25/21	259,641.20	2.60%	
1/31/18	2/1/18	100,000	912828V56	US TREASURY N/B NOTES	1.12%	1/31/19	99,198.42	1.94%	
2/6/18	2/7/18	200,000	46640QL25	JP MORGAN SECURITIES LLC COMM PAPER	0.00%	11/2/18	196,843.56	2.15%	
2/8/18	2/9/18	120,000	3130ADN32	FHLB NOTES	2.12%	2/11/20	119,780.40	2.22%	
2/14/18	2/16/18	120,000	035242AJ5	ANHEUSER-BUSCH INBEV FIN CORP NOTES	2.65%	2/1/21	118,918.10	3.01%	
2/21/18	2/26/18	65,000	63743HER9	NATIONAL RURAL UTIL COOP	2.90%	3/15/21	64,927.85	2.94%	
2/21/18	2/28/18	85,000	65478DAD9	NAROT 2018-A A3	2.65%	5/15/22	84,990.28	2.66%	
2/21/18	2/28/18	40,000	47788CAC6	JDOT 2018-A A3	2.66%	4/16/22	39,997.12	2.66%	
2/22/18	2/27/18	85,000	69371RN93	PACCAR FINANCIAL CORP NOTES	2.80%	3/1/21	84,958.35	2.82%	
2/22/18	2/28/18	145,000	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	144,981.25	2.85%	
2/28/18	3/1/18	100,000	912828P4	US TREASURY NOTES	1.87%	7/31/22	97,017.40	2.63%	
2/28/18	3/1/18	110,000	912828W22	US TREASURY NOTES	1.37%	2/15/20	108,150.68	2.28%	
2/28/18	3/13/18	65,000	3137FEU99	FHLMC MULTIFAMILY STRUCTURED P POOL	3.45%	9/25/24	66,372.97	2.76%	
3/6/18	3/9/18	80,000	126650DC1	CVS HEALTH CORP NOTES	3.35%	3/9/21	79,959.20	3.37%	
3/14/18	3/19/18	270,000	06538CM73	MUFG BANK LTD/NY COMM PAPER	0.00%	12/7/18	265,226.55	2.46%	
<b>Total BUY</b>		<b>2,155,000</b>					<b>2,138,068.27</b>		
<b>INTEREST</b>									
1/1/18	1/25/18	21,955	31408C4D5	FNMA POOL #847820	5.50%	12/1/35	100.63		
1/1/18	1/25/18	81,084	3138EQS45	FNMA POOL #AL7738	3.50%	11/1/30	236.50		
1/1/18	1/25/18	105,587	3138XBRF3	FNMA POOL #AV0485	3.50%	1/1/29	307.96		

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

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## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
1/15/18	1/15/18	182,017	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	248.76		
1/17/18	1/17/18	200,000	3137EAE5	FREDDIE MAC NOTES	1.50%	1/17/20	1,500.00		
1/18/18	1/18/18	69,296	43814NAC9	HONDA ABS 2016-1 A3	1.22%	12/18/19	70.45		
1/18/18	1/18/18	100,000	438124AC3	HONDA ABS 2016-3 A3	1.16%	6/18/19	96.67		
1/20/18	1/20/18	160,000	44932HAB9	IBM CREDIT CORP NOTE	1.80%	1/20/21	1,056.00		
1/23/18	1/23/18	400,000	46625HKA7	JPMORGAN CHASE & CO (CALLABLE)	2.25%	1/23/20	4,500.00		
1/25/18	1/25/18	165,000	61747WAF6	MORGAN STANLEY CORP NOTES	5.75%	1/25/21	4,743.75		
1/29/18	1/29/18	180,000	78012KRK5	ROYAL BANK OF CANADA CORP NOTES	1.50%	7/29/19	1,350.00		
1/30/18	1/30/18	275,000	94974BGF1	WELLS FARGO & CO CORP BONDS	2.15%	1/30/20	2,956.25		
1/31/18	1/31/18	140,000	912828WY2	US TREASURY N/B	2.25%	7/31/21	1,575.00		
1/31/18	1/31/18	75,000	9128282P4	US TREASURY NOTES	1.87%	7/31/22	703.13		
1/31/18	1/31/18	125,000	912828H86	US TREASURY NOTES	1.50%	1/31/22	937.50		
1/31/18	1/31/18	280,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	2,800.00		
1/31/18	1/31/18	175,000	9128282P4	US TREASURY NOTES	1.87%	7/31/22	1,640.63		
1/31/18	1/31/18	50,000	912828VP2	US TREASURY NOTES	2.00%	7/31/20	500.00		
1/31/18	1/31/18	100,000	9128282P4	US TREASURY NOTES	1.87%	7/31/22	937.50		
1/31/18	1/31/18	175,000	9128282P4	US TREASURY NOTES	1.87%	7/31/22	1,640.63		
2/1/18	2/1/18	0	MONEY0002	MONEY MARKET FUND			77.22		
2/1/18	2/15/18	55,065	312940Y60	FHLMC POOL #A92533	4.50%	6/1/40	206.49		
2/1/18	2/15/18	56,027	3128MJMT4	FHLMC POOL #G08369	5.00%	10/1/39	233.45		
2/1/18	2/15/18	52,310	312946PK6	FHLMC POOL #A97626	5.00%	3/1/41	217.96		
2/1/18	2/15/18	77,744	3137A9QP4	FREDDIE MAC SERIES 3842	4.00%	4/1/41	259.15		
2/1/18	2/15/18	24,857	3128M8C44	FHLMC POOL #G06091	5.50%	5/1/40	113.93		
2/1/18	2/25/18	88,519	3138A2VF3	FNMA POOL #AH1513	4.50%	10/1/40	331.95		
2/1/18	2/25/18	51,152	31418U4W1	FNMA POOL #AD7136	5.00%	7/1/40	213.13		
2/1/18	2/25/18	80,647	3138EQS45	FNMA POOL #AL7738	3.50%	11/1/30	235.22		
2/1/18	2/25/18	114,982	3138WUDX7	FNMA POOL #AS4197	3.50%	1/1/30	335.36		
2/1/18	2/25/18	21,896	31408C4D5	FNMA POOL #847820	5.50%	12/1/35	100.36		
2/1/18	2/25/18	104,673	3138XBRF3	FNMA POOL #AV0485	3.50%	1/1/29	305.30		
2/1/18	2/16/18	122,091	38378K6D6	GNMA SERIES 2013-154 A	1.95%	2/1/44	198.40		

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## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield at Market	Realized G/L (BV)
2/1/18	2/16/18	118,074	38378XEN7	GNMA SERIES 2014-111 AB	1.89%	6/1/38	186.39		
2/7/18	2/7/18	105,000	06406RAA5	BANK OF NY MELLON CORP (CALLABLE) NOTES	2.60%	2/7/22	1,365.00		
2/12/18	2/12/18	450,000	3137EAC9	FHLMC REFERENCE NOTE	1.12%	8/12/21	2,531.25		
2/12/18	2/12/18	160,000	345397YD9	FORD MOTOR CREDIT CO LLC CORPORATE NOTES	1.89%	8/12/19	1,517.60		
2/13/18	2/13/18	260,000	05565QCX4	BP CAPITAL MARKETS PLC BONDS	2.31%	2/13/20	3,009.50		
2/15/18	2/15/18	400,000	02665WAH4	AMERICAN HONDA FINANCE GLOBAL NOTES	2.25%	8/15/19	4,500.00		
2/15/18	2/15/18	147,727	12636WAB2	CNH 2017-A A2	1.64%	7/15/20	201.89		
2/15/18	2/15/18	230,000	02007HAC5	ALLY ABS 2017-2 A3	1.78%	8/15/21	341.17		
2/15/18	2/15/18	180,000	02582JH68	AMERICAN EXPRESS ABS 2017-4 A	1.64%	12/15/21	246.00		
2/15/18	2/15/18	80,000	44891EAC3	HYUNDAI ABS 2016-B A3	1.29%	4/15/21	86.00		
2/15/18	2/15/18	125,000	44931PAD8	HYUNDAI ABS 2017-A A3	1.76%	8/15/21	183.33		
2/15/18	2/15/18	110,000	34531EAD8	FORD ABS 2017-A A3	1.67%	6/15/21	153.08		
2/15/18	2/15/18	80,000	34532EAD7	FORD ABS 2016-B A3	1.33%	10/15/20	88.67		
2/15/18	2/15/18	40,000	02007PAC7	ALLY ABS 2017-1 A3	1.70%	6/15/21	56.67		
2/15/18	2/15/18	135,000	44932GAD7	HYUNDAI ABS 2017-B A3	1.77%	1/15/22	199.13		
2/15/18	2/15/18	30,000	47787XAC1	JOHN DEERE ABS 2017-A A3	1.78%	4/15/21	44.50		
2/15/18	2/15/18	85,292	89237KAD5	TOYOTA ABS 2016-A A3	1.25%	3/15/20	88.85		
2/15/18	2/15/18	115,000	02007FAC9	ALLY ABS 2017-4 A3	1.75%	12/15/21	167.71		
2/15/18	2/15/18	50,000	65478WAD7	NISSAN ABS 2016-C A3	1.18%	1/15/21	49.17		
2/15/18	2/15/18	50,000	12635YAD5	CNH ABS 2016-C A3	1.44%	12/15/21	60.00		
2/15/18	2/15/18	50,000	89237RAD0	TOYOTA ABS 2017-C A3	1.78%	11/15/21	74.17		
2/18/18	2/18/18	99,355	438124AC3	HONDA ABS 2016-3 A3	1.16%	6/18/19	96.04		
2/18/18	2/18/18	63,479	43814NAC9	HONDA ABS 2016-1 A3	1.22%	12/18/19	64.54		
2/19/18	2/19/18	160,000	961214CY7	WESTPAC BANKING CORP NOTES	1.60%	8/19/19	1,280.00		
2/28/18	2/28/18	275,000	912828D72	US TREASURY NOTES	2.00%	8/31/21	2,750.00		
2/28/18	2/28/18	125,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	1,250.00		
3/1/18	3/16/18	117,538	38378XEN7	GNMA SERIES 2014-111 AB	1.89%	6/1/38	185.54		
3/1/18	3/16/18	121,641	38378K6D6	GNMA SERIES 2013-154 A	1.95%	2/1/44	197.67		
3/1/18	3/25/18	88,345	3138A2VF3	FNMA POOL #AH1513	4.50%	10/1/40	331.29		
3/1/18	3/25/18	113,455	3138WUDX7	FNMA POOL #AS4197	3.50%	1/1/30	330.91		

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For the Quarter Ended March 31, 2018

## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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For the Quarter Ended March 31, 2018

## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

Total INTEREST 15,391,182

96,777.69

## MATURITY

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

Total MATURITY 680,000

680,000.00

0.00

## PAYDOWNS

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

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## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

<b>Total PAYDOWNS</b>	<b>155,291</b>			<b>155,291.46</b>	<b>0.00</b>
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## SELL

1/2/18	1/4/18	200,000	037833BD1	APPLE INC CORP NOTE	2.00%	5/6/20	200,002.67	2.12%	(418.71)
1/3/18	1/8/18	35,000	912828A42	US TREASURY NOTES	2.00%	11/30/20	35,059.96	2.02%	(623.29)
1/18/18	1/25/18	260,000	912828A42	US TREASURY NOTES	2.00%	11/30/20	259,632.03	2.16%	(5,613.73)
2/8/18	2/9/18	110,000	3137EAE5	FREDDIE MAC NOTES	1.50%	1/17/20	108,721.43	2.16%	(640.59)
2/14/18	2/16/18	120,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	119,742.32	2.39%	(4,075.25)
2/21/18	2/28/18	35,000	3130ACE26	FHLMC NOTES	1.37%	9/28/20	34,287.02	2.42%	(818.57)
2/21/18	2/28/18	90,000	3137EAE5	FREDDIE MAC NOTES	1.50%	1/17/20	88,841.55	2.29%	(723.96)
2/21/18	2/26/18	65,000	912828B90	US TREASURY NOTES	2.00%	2/28/21	64,815.09	2.44%	(2,275.49)

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For the Quarter Ended March 31, 2018

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

PFM Asset Management LLC

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For the Quarter Ended March 31, 2018

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

## Quarterly Portfolio Transactions

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
INTEREST	1/1/18	1/15/18	56,912.30	3128MJMT4	FHLMC POOL #G08369	5.00%	10/1/39	237.13		
INTEREST	1/1/18	1/15/18	52,829.11	312946PK6	FHLMC POOL #A97626	5.00%	3/1/41	220.12		
INTEREST	1/1/18	1/15/18	55,645.84	312940Y60	FHLMC POOL #A92533	4.50%	6/1/40	208.67		
INTEREST	1/1/18	1/15/18	78,977.37	3137A9QP4	FREDDIE MAC SERIES 3842	4.00%	4/1/41	263.26		
INTEREST	1/1/18	1/15/18	25,233.64	3128M8C44	FHLMC POOL #G06091	5.50%	5/1/40	115.65		
PAYDOWNS	1/1/18	1/15/18	884.95	3128MJMT4	FHLMC POOL #G08369	5.00%	10/1/39	884.95		0.00
PAYDOWNS	1/1/18	1/15/18	376.24	3128M8C44	FHLMC POOL #G06091	5.50%	5/1/40	376.24		0.00
PAYDOWNS	1/1/18	1/15/18	519.19	312946PK6	FHLMC POOL #A97626	5.00%	3/1/41	519.19		0.00
PAYDOWNS	1/1/18	1/15/18	581.11	312940Y60	FHLMC POOL #A92533	4.50%	6/1/40	581.11		0.00
PAYDOWNS	1/1/18	1/15/18	1,233.85	3137A9QP4	FREDDIE MAC SERIES 3842	4.00%	4/1/41	1,233.85		0.00
INTEREST	1/1/18	1/16/18	118,607.67	38378XEN7	GNMA SERIES 2014-111 AB	1.89%	6/1/38	187.23		
INTEREST	1/1/18	1/16/18	122,539.68	38378K6D6	GNMA SERIES 2013-154 A	1.95%	2/1/44	199.13		
PAYDOWNS	1/1/18	1/16/18	448.85	38378K6D6	GNMA SERIES 2013-154 A	1.95%	2/1/44	448.85		0.00
PAYDOWNS	1/1/18	1/16/18	534.14	38378XEN7	GNMA SERIES 2014-111 AB	1.89%	6/1/38	534.14		0.00
INTEREST	1/1/18	1/25/18	21,955.11	31408C4D5	FNMA POOL #847820	5.50%	12/1/35	100.63		
INTEREST	1/1/18	1/25/18	81,084.14	3138EQS45	FNMA POOL #AL7738	3.50%	11/1/30	236.50		
INTEREST	1/1/18	1/25/18	105,587.25	3138XBRF3	FNMA POOL #AV0485	3.50%	1/1/29	307.96		
INTEREST	1/1/18	1/25/18	88,693.30	3138A2VF3	FNMA POOL #AH1513	4.50%	10/1/40	332.60		
INTEREST	1/1/18	1/25/18	118,040.07	3138WDUX7	FNMA POOL #AS4197	3.50%	1/1/30	344.28		
INTEREST	1/1/18	1/25/18	51,616.79	31418U4W1	FNMA POOL #AD7136	5.00%	7/1/40	215.07		

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For the Quarter Ended March 31, 2018

## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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For the Quarter Ended March 31, 2018

## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

Tran. Type	Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amt (\$)	Yield	Realized G/L (BV)
PAYDOWNS	2/15/18	2/15/18	7,218.17	89237KAD5	TOYOTA ABS 2016-A A3	1.25%	3/15/20	7,218.17		0.00
INTEREST	2/18/18	2/18/18	99,355.35	438124AC3	HONDA ABS 2016-3 A3	1.16%	6/18/19	96.04		
INTEREST	2/18/18	2/18/18	63,478.51	43814NAC9	HONDA ABS 2016-1 A3	1.22%	12/18/19	64.54		
PAYDOWNS	2/18/18	2/18/18	5,894.76	43814NAC9	HONDA ABS 2016-1 A3	1.22%	12/18/19	5,894.76		0.00
PAYDOWNS	2/18/18	2/18/18	7,027.27	438124AC3	HONDA ABS 2016-3 A3	1.16%	6/18/19	7,027.27		0.00
INTEREST	2/19/18	2/19/18	160,000.00	961214CY7	WESTPAC BANKING CORP NOTES	1.60%	8/19/19	1,280.00		
BUY	2/21/18	2/26/18	65,000.00	63743HER9	NATIONAL RURAL UTIL COOP	2.90%	3/15/21	(64,927.85)	2.94%	
SELL	2/21/18	2/26/18	65,000.00	912828B90	US TREASURY NOTES	2.00%	2/28/21	64,815.09	2.44%	(2,275.49)
BUY	2/21/18	2/28/18	85,000.00	65478DAD9	NAROT 2018-A A3	2.65%	5/15/22	(84,990.28)	2.66%	
BUY	2/21/18	2/28/18	40,000.00	47788CAC6	JDOT 2018-A A3	2.66%	4/16/22	(39,997.12)	2.66%	
SELL	2/21/18	2/28/18	35,000.00	3130ACE26	FHLB NOTES	1.37%	9/28/20	34,287.02	2.42%	(818.57)
SELL	2/21/18	2/28/18	90,000.00	3137EAE5	FREDDIE MAC NOTES	1.50%	1/17/20	88,841.55	2.29%	(723.96)
SELL	2/21/18	2/28/18	150,000.00	912828A42	US TREASURY NOTES	2.00%	11/30/20	149,089.42	2.42%	(4,133.35)
BUY	2/22/18	2/27/18	85,000.00	69371RN93	PACCAR FINANCIAL CORP NOTES	2.80%	3/1/21	(84,958.35)	2.82%	
SELL	2/22/18	2/27/18	85,000.00	912828WY2	US TREASURY N/B	2.25%	7/31/21	84,425.46	2.51%	(2,036.78)
BUY	2/22/18	2/28/18	145,000.00	43814UAC3	HAROT 2018-1 A3	2.64%	2/15/22	(144,981.25)	2.65%	
INTEREST	2/28/18	2/28/18	275,000.00	912828D72	US TREASURY NOTES	2.00%	8/31/21	2,750.00		
INTEREST	2/28/18	2/28/18	125,000.00	912828B90	US TREASURY NOTES	2.00%	2/28/21	1,250.00		
BUY	2/28/18	3/1/18	100,000.00	9128282P4	US TREASURY NOTES	1.87%	7/31/22	(97,017.40)	2.63%	
BUY	2/28/18	3/1/18	110,000.00	912828W22	US TREASURY NOTES	1.37%	2/15/20	(108,150.68)	2.28%	
BUY	2/28/18	3/13/18	65,000.00	3137FEU99	FHLMC MULTIFAMILY STRUCTURED P POOL	3.45%	9/25/24	(66,372.97)	2.76%	
INTEREST	3/1/18	3/1/18	0.00	MONEY0002	MONEY MARKET FUND			48.46		

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## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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For the Quarter Ended March 31, 2018

## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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For the Quarter Ended March 31, 2018

## FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Portfolio Activity

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

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# Tab III

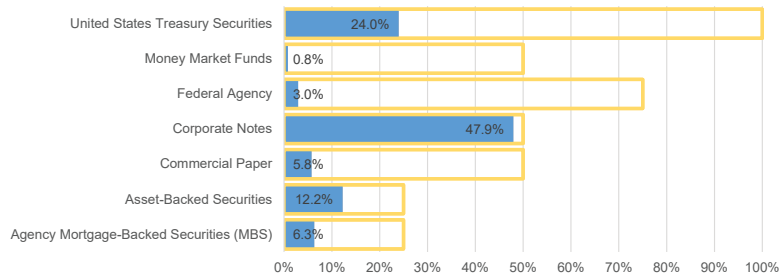
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For the Quarter Ended March 31, 2018

FLORIDA COLLEGE SYSTEM RISK MGT CONSORT

Asset Allocation



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

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

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

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

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

## Quarterly Account Summary

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

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

## Notes:

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

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Portfolio Characteristics				
	<u>Since Inception</u>	<u>Total Return</u>	<u>Yield to Maturity at Market</u>	<u>Yield to Maturity at Cost</u>
1-5 Year Investment Portfolio	1.31%		2.72%	2.12%
ML 1 -5 Year U.S. Treasury Note Index	0.92%		2.37%	-
	<u>Effective Duration</u>	<u>Longest Individual Security</u>	<u>Effective Duration</u>	<u>Maximum Corporate Exposure</u>
1-5 Year Investment Portfolio	2.47 Years		4.4 Years	3.70%
ML 1 -5 Year U.S. Treasury Note Index	2.59 Years		-	-
Investment Policy Rule	In Compliance?	Notes		
1. Investments limited to authorized fixed securities	Yes			
2. Maximum effective duration must not exceed 5.5 years	Yes			
3. Sector Allocation Limits must not be exceeded	Yes	Please see Asset Allocation Chart for specific details		
4. Individual Issuer Limits must not be exceeded	Yes	Please see Asset Allocation Chart for specific details		
5. Individual corporate exposure must not exceed 5%	Yes			
6. Portfolio duration must not exceed 3 years	Yes			
7. Performance Benchmark must be the ML 1-5 Year U.S. Treasury Index	Yes			
8. Monthly reporting of holdings and transactions	Yes			
9. Quarterly reporting of the fund's performance	Yes			
10. Maintaining an approved list of dealers	Yes			
11. Transactions executed via competitive bids	Yes			
12. Maintain custodial arrangements and agreements	Yes			
13. Maximum exposure to issuers in any non-U.S. country cannot exceed 10 percent per country.	Yes			

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**IMPORTANT DISCLOSURES**

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

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

**GLOSSARY**

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



**GLOSSARY**

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

Information Item 7.

Operations Committee Members

Florida College System Risk Management Consortium  
**OPERATIONS COMMITTEE MEMBERS**

Information Item 7.

VOTING MEMBERS

**Term Dates: Start: 06/01/16 End: 05/31/18**

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**Term Dates: Start: 02/01/16 End: 01/31/19**

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