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FINANCE COMMITTEE MEETING AGENDA

**Thursday, March 13, 2025
10:00 a.m.**

[Zoom](#)

Please Contact Kassandra Batista for Videoconference Information

All or portions of this meeting will be conducted by teleconferencing in accordance with Government Code Section 54953(b). Teleconference locations are as follows: Sedgwick, 1750 Creekside Oak Drive, Suite 200, Sacramento, CA 95833; City of Burlingame, 501 Primrose Road, Burlingame, CA 94010; City of Campbell, 70 North First St, Campbell, CA 95008; Town of Hillsborough, 1600 Floribunda Avenue, Hillsborough, CA 94010; City of Milpitas, 455 E. Calaveras Boulevard, Milpitas, CA 95035; and Town of Woodside, 2955 Woodside Road, Woodside, CA 94062.

Each location is accessible to the public, and members of the public may address the Finance Committee from any teleconference location.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation to participate in this meeting, please contact Kassandra Batista at kassandra.batista@sedgwick.com (916) 244-1103. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Documents and materials relating to an open session agenda item that are provided to the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) Finance Committee less than 72 hours prior to a regular meeting will be available for public inspection at 1750 Creekside Oaks Dr., Suite 200, Sacramento, CA 95833.

Page 1. CALL TO ORDER

2. INTRODUCTIONS

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

- 4. PUBLIC COMMENTS** - This time is reserved for members of the public to address the Committee relative to matters of the PLAN JPA not on the agenda. No action may be taken on non-agenda items unless authorized by law. Comments will be limited to five minutes per person and twenty minutes in total.

Page 5. CONSENT CALENDAR

If a Committee member would like to discuss any item listed, it may be pulled from the Consent Calendar.

- | | | |
|----|--|---|
| 4 | *A. Minutes from the January 14, 2025, Finance Committee Meeting | A |
| 7 | *B. Financial Statements as of September 30, 2024 | A |
| 13 | *C. Financial Statements as of December 31, 2024 | A |
- Recommendation: Staff recommends the Committee approve the Consent Calendar.*

6. FINANCIAL MATTERS

- | | | |
|----|--|---|
| 19 | *A. Review of PLAN JPA's Investment Performance Report and Updates to PLAN JPA's Investment Policy | A |
|----|--|---|
- Recommendation: Staff recommends the Committee recommend approval of the PLAN JPA Investment Policy to the Executive Committee.*
- | | | |
|----|--|---|
| 87 | *B. Update on Request for Proposal – Auditing Services | I |
|----|--|---|
- Recommendation: Staff recommends the Committee provide direction regarding the interviews of Auditing Services candidates.*
- | | | |
|-----|--|---|
| 167 | *C. Risk Management Grant Funds Allocation | I |
|-----|--|---|
- Recommendation: Staff recommends the Committee provide direction regarding the annual allocation of Risk Management Grant Funds.*

7. CLOSING COMMENTS

This time is reserved for comments by Finance Committee members and/or staff and to identify matters for future Finance Committee business.

- A. Finance Committee
- B. Staff

8. ADJOURNMENT

NOTICES:

- The next Executive Committee Meeting will be held on April 24, 2025, via Zoom teleconference 10:00 am.
- The next Board of Directors Meeting will be held on June 26, 2025, via Zoom teleconference 10:00 am.

March 13, 2025

Agenda Item 5.A.

CONSENT CALENDAR

SUBJECT: Consent Calendar

BACKGROUND AND HISTORY:

The Consent Calendar consists of items that require approval or acceptance but are self-explanatory and require no discussion. If a committee member would like to discuss any item listed, it may be pulled from the Consent Calendar.

STAFF RECOMMENDATION:

Staff recommends the Committee approve the Consent Calendar.

REFERENCE MATERIALS ATTACHED:

- A. Minutes from the January 14, 2025, Finance Committee Special Meeting
- B. Financial Statements as of September 30, 2024
- C. Financial Statements as of December 31, 2024

**POOLED LIABILITY ASSURANCE NETWORK JOINT
POWERS AUTHORITY
(PLAN JPA)**

**MINUTES OF THE FINANCE COMMITTEE
MEETING OF MARCH 20, 2024**

A special meeting of the Finance Committee was held on March 20, 2024, via videoconference.

MEMBERS PRESENT:

Will Fuentes, Campbell, Treasurer
Jan Cooke, Hillsborough
Cindy Safe, Woodside
Helen Yu-Scott, Burlingame

MEMBERS ABSENT:

Shruti Shah, Milpitas

OTHERS PRESENT:

Kassandra Batista, Administrative Analyst
Joe Roy, Finance Manager
Miguel Baes, Sedgwick

1. CALL TO ORDER:

The Special Meeting of the PLAN JPA Finance Committee was called to order at 1:02 p.m.

2. INTRODUCTIONS:

Roll call was taken, and it was determined there was a quorum present.

3. APPROVAL OF THE AGENDA AS POSTED (OR AMENDED):

*Jan Cooke moved to approve the agenda as posted. Helen Yu-Scott seconded the motion.
A roll call vote was taken, and the motion passed unanimously.*

4. PUBLIC COMMENTS:

None.

5. FINANCIAL MATTERS:

A. Discussion of Request for Proposal for Financial Auditing Services

PLAN JPA requires audits of its annual financial statements. James Marta & Company provided financial auditor services for fiscal years ending June 30, 2022, 2023, and 2024. The scope and nature of these services are based on an engagement letter dated August 31, 2021. The engagement letter states that financial auditor services will be provided for fiscal years ending June 30, 2022, 2023, and 2024. Financial audits for subsequent fiscal years are not covered by the engagement letter.

On December 5, 2024, the Board of Directors provided direction for the Finance Committee to manage the Request for Proposal (RFP) process up to and including making a recommendation to the Executive Committee for the Board of Directors to approve before July 1, 2025.

Joe Roy, Finance Manager, walked the Committee through the prepared RFP for Financial Auditing Services to obtain a financial auditor for PLAN JPA for subsequent fiscal years. Mr. Roy engaged the Committee in discussion regarding the specifics of the RFP. He proposed that the Committee should be involved in the interview process by reviewing each proposal to identify top contenders for interviews. It was agreed that interviews were to be conducted via Zoom for convenience, a rubric could be created to assess the proposals, and submissions to the RFP would be collect and shared with the Committee prior to interview invitations. Mr. Roy concluded by stating Staff would narrow down the proposals to no more than five for interviews.

Will Fuentes, PLAN JPA Treasurer, discussed the need for additional help in the Committee due to the significant workload expected in the coming year. He will reach out to potential individuals who could be a good fit to join and asked others to inform him if they know of suitable candidates. He emphasized that any assistance they can receive would be beneficial given the substantial tasks they have to handle.

Lastly, it was suggested to the attach the prior year audited financials to the RFP, as the current year's audit was not yet complete.

6. CLOSING COMMENTS:

A. Finance Committee

None.

B. Staff

None.

8. ADJOURNMENT

The Special Meeting of the PLAN JPA Finance Committee was adjourned at 1:31 p.m.

A handwritten signature in black ink, appearing to read "Eric Dahlen", is written over a light blue horizontal line.

Eric Dahlen, General Manager

PLAN JPA
Statement of Net Position
As of September 30, 2024 and September 30, 2023
(Unaudited)

	<u>September 30, 2024</u>	<u>September 30, 2023</u>	<u>Variance</u>	
			<u>\$</u>	<u>%</u>
Assets				
Current Assets				
Cash and cash equivalents				
Cash - Operating Accounts	\$ 336,753	\$ 2,840,936	\$ (2,504,183)	-88%
Cash - LAIF (FMV)	55,982	52,898	3,084	6%
Cash - CAMP Liquidity	27,596,802	15,016,412	12,580,390	84%
Cash - Camp Pool	192,565	171,161	21,404	13%
Restricted Cash (Claims Trust)	243,099	1,174,813	(931,714)	-79%
Investments	977,378	1,674,865	(697,488)	-42%
Receivables				
Member deductible Receivable	555,849	334,753	221,096	66%
Reinsurance/Excess Receivable	-	1,666,205	(1,666,205)	-100%
Interest Receivable	208,132	148,049	60,084	41%
Prepaid Expenses	20,098,560	17,349,041	2,749,519	16%
Total Current Assets	50,265,120	40,429,133	9,835,986	24%
Noncurrent Assets				
Investments	35,872,973	32,493,781	3,379,192	10%
Total Assets	86,138,093	72,922,914	13,215,179	18%
Liabilities				
Current Liabilities				
Accounts Payable	223,751	67,451	156,300	232%
Unearned Contributions	28,823,847	24,557,297	4,266,550	17%
Claims Liabilities	9,364,118	5,804,000	3,560,118	61%
Total Current Liabilities	38,411,716	30,428,748	7,982,968	26%
Noncurrent Liabilities				
Claims Liabilities	22,638,249	18,932,861	3,705,388	20%
Total Liabilities	61,049,965	49,361,609	11,688,356	24%
Net Position	\$ 25,088,128	\$ 23,561,305	\$ 1,526,824	6%

9/30/2023 account balance of Accrued Liabilities - Risk Management grant adjusted for error correction (see Note 7 of 2023-24 Audited F/S); Payables related to Risk Management Grant Fund recorded in Accounts Payable

"Reserves for IBNR & ULAE" is stated at discounted, expected confidence level.

PLAN JPA
Statement of Revenues, Expenses & Changes in Net Position
For Quarter Ended September 30, 2024 and September 30, 2023
(Unaudited)

	September 30, 2024	September 30, 2023	Variance	
			\$	%
Operating Revenues				
Premium Contributions	\$ 10,392,034	\$ 8,185,766	\$ 2,206,268	27%
Total Revenues	<u>10,392,034</u>	<u>8,185,766</u>	<u>2,206,268</u>	<u>27%</u>
Operating Expenses				
Claims Expense				
Claims Paid - Net	971,366	3,488,066	(2,516,700)	-72%
Incr/(Decr) in Reserves, IBNR & ULAE	1,719,171	(835,726)	2,554,897	306%
Sub-total Claims Expense	<u>2,690,536</u>	<u>2,652,339</u>	<u>38,197</u>	<u>1%</u>
Insurance Expenses				
Excess Insurance	4,532,720	3,785,015	747,705	20%
Other Insurance (Crime, Prof. Liab., etc.)	14,726	15,122	(396)	-3%
Property Program				
Excess Insurance - Property	1,788,539	1,744,571	43,968	3%
Flood Insurance	15,164	14,505	659	5%
Excess Cyber Coverage	95,013	103,483	(8,470)	-8%
Employment Liability Program				
Excess Insurance - ERMA	162,172	31,701	130,471	412%
Sub-total Insurance Expense	<u>6,608,334</u>	<u>5,694,397</u>	<u>913,938</u>	<u>16%</u>
Other Direct Expenses:				
Claims Admin & Audit	205,058	202,171	2,887	1%
Loss Prevention				
Risk Control Services	79,154	76,848	2,306	3%
Risk Management Grant	72,310	81,361	(9,051)	-11%
Resolute Guard	47,800	48,550	(750)	-2%
Sewer Summit	-	-	-	0%
Sub-total Other Direct Expenses	<u>404,322</u>	<u>408,930</u>	<u>(4,609)</u>	<u>-1%</u>
Administrative Expenses				
Program Administration	264,557	256,852	7,706	3%
Audit Fees	-	5,000	(5,000)	-100%
Actuarial Studies	5,580	5,420	160	3%
Legal Counsel	14,544	8,316	6,228	75%
Bank Fees	199	755	(556)	-74%
Meetings & Conferences	570	-	570	100%
Dues & Subscriptions	2,000	-	2,000	100%
Miscellaneous Expense	209	-	209	100%
Total Administrative Expenses	<u>287,659</u>	<u>276,342</u>	<u>11,317</u>	<u>4%</u>
Total Operating Expenses	<u>9,990,851</u>	<u>9,032,009</u>	<u>958,843</u>	<u>11%</u>
Operating Income (Loss)	<u>401,183</u>	<u>(846,243)</u>	<u>1,247,426</u>	<u>147%</u>
NONOPERATING INCOME				
Miscellaneous Income	-	885	(885)	-100%
Investment Income (Loss)	1,513,182	303,251	1,209,931	399%
Total nonoperating income	<u>1,513,182</u>	<u>304,136</u>	<u>1,209,046</u>	<u>398%</u>
Change in Net Position	<u>1,914,365</u>	<u>(542,107)</u>	<u>2,456,471</u>	<u>453%</u>
Beginning Net Position	<u>23,173,764</u>	<u>24,103,411</u>	<u>(929,648)</u>	<u>-4%</u>
End Net Position	<u>\$ 25,088,128</u>	<u>\$ 23,561,305</u>	<u>\$ 1,526,824</u>	<u>6%</u>

9/30/2023 account balance of Loss Prevention Programs adjusted for error correction (see Note 7 of 2023-24 Audited F/S)

PLAN JPA
Budget vs Actual
Year-to-Date September 30, 2024
(Unaudited)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues				
Member Contributions	\$ 10,392,034	\$ 39,215,881	\$ (28,823,847)	-74%
Total Revenues	10,392,034	39,215,881	(28,823,847)	-74%
Expenses				
Claims Related Expenses				
Claims Expense	2,690,536	6,137,000	(3,446,464)	-56% ^a
Sub-total Claims Related Expense	2,690,536	6,137,000	(3,446,464)	-56%
Insurance Expense				
Liability Program				
Excess Insurance - Liability	4,532,720	18,130,881	(13,598,161)	-75%
Other Insurance	14,726	67,200	(52,474)	-78%
Property Program				
Excess Insurance - Property	1,788,539	7,642,500	(5,853,961)	-77%
Flood Insurance	15,164	60,655	(45,492)	-75%
Excess Cyber Coverage	95,013	380,052	(285,039)	-75%
Employment Liability Program				
Excess Insurance - ERMA	162,172	648,688	(486,516)	-75%
Sub-total Insurance Expense	6,608,334	26,929,977	(20,321,642)	-75%
Other Direct Expenses				
Claims Admin & Audit	205,058	832,300	(627,242)	-75%
Loss Prevention Expense				
Risk Control Services	79,154	316,615	(237,461)	-75%
Risk Management Fund	72,310	500,000	(427,690)	-86% ^b
Resolute Guard	47,800	142,100	(94,300)	-66%
Sewer Summit	-	20,000	(20,000)	-100%
Sub-total Loss Prevention Expense	404,322	1,811,015	(1,406,693)	-78%
Administration				
Program Administration	264,557	1,058,228	(793,671)	-75%
Financial Audit	-	22,900	(22,900)	-100% ^c
Actuarial Studies	5,580	34,430	(28,850)	-84%
Legal Counsel	14,544	60,246	(45,702)	-76%
CAJPA Accreditation	2,000	12,000	(10,000)	-83%
Bank Fees	199	6,000	(5,801)	-97%
Meetings & Conferences	570	80,000	(79,430)	-99%
Training & Workshops	-	-	-	0%
Allowance for Contingencies	209	10,000	(9,791)	-98%
Sub-total Administrative Expenses	287,659	1,283,804	(996,145)	-78%
Total Expenses	9,990,851	36,161,796	(26,170,944)	-72%
OPERATING INCOME (LOSS)	\$ 401,183	\$ 3,054,085	\$ (2,652,903)	-87%
NONOPERATING INCOME				
Miscellaneous Income	\$ -			
Investment Income (Loss)	\$ 1,513,182			
Total nonoperating income	\$ 1,513,182			
CHANGE IN NET POSITION	\$ 1,914,365			

Notes:

The budget is 25% completed through September 30, 2024. Any significant budget variances (-75% +/- 10% and greater than \$10,000) are explained below.

- ^a Claims paid in the 2024/25 fiscal year have been higher than anticipated. Increase primarily due to unexpected adverse development in the 2019/20 program year.
- ^b Risk management grant expense incurred less than expected for first quarter.
- ^c No meetings or conferences held during Q1 of 2024/25.

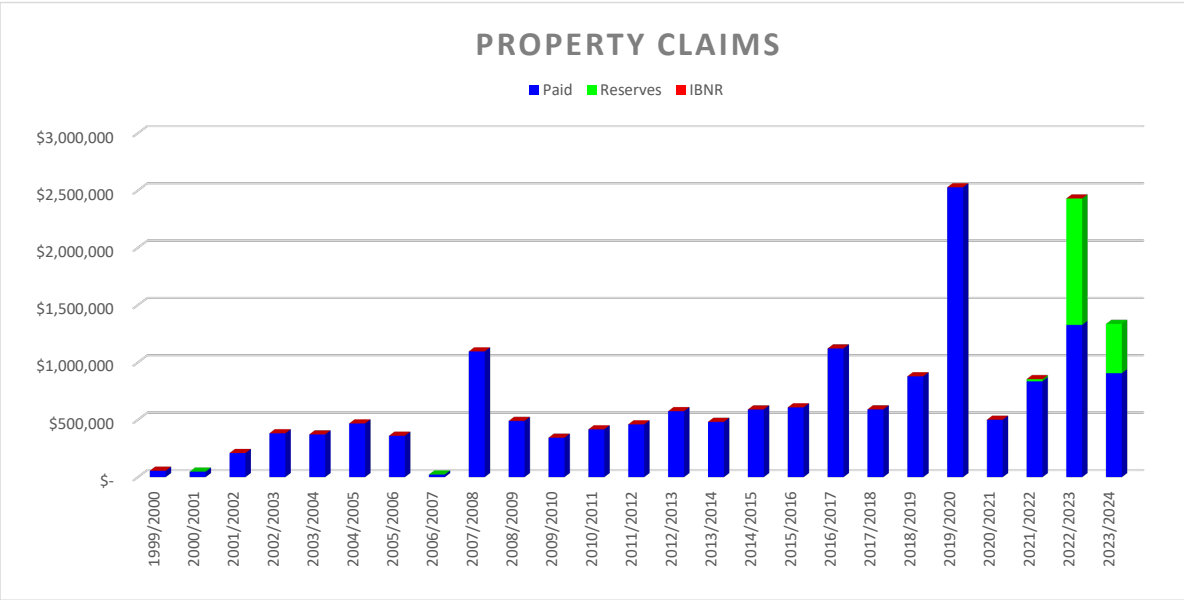
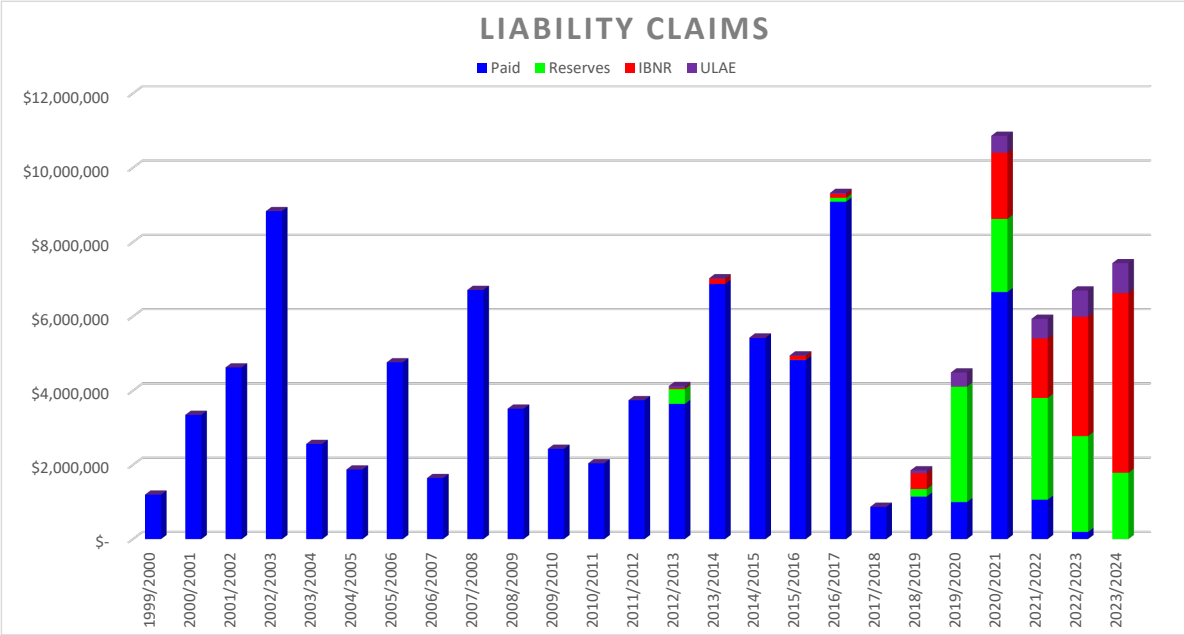
PLAN JPA
Statement of Net Position by Program
As of September 30, 2024 and September 2023
(Unaudited)

	<u>September 30, 2024</u> <u>Liability</u>	<u>September 30, 2023</u> <u>Liability</u>	<u>September 30, 2024</u> <u>Property</u>	<u>September 30, 2023</u> <u>Property</u>
Assets				
Cash and Investments	\$ 59,000,503	\$ 48,382,399	\$ 6,275,049	\$ 5,042,467
Accounts Receivable	555,849	334,753	-	-
Interfund Receivable	784,084	784,084	-	-
Reinsurance/Excess Receivable	-	1,666,205	-	-
Interest Receivable	208,132	148,049	-	-
Prepaid Expenses	14,347,700	11,708,195	5,750,860	5,640,846
Advance to - Property	-	784,084	-	-
Total Assets	<u>74,896,269</u>	<u>63,807,769</u>	<u>12,025,908</u>	<u>10,683,313</u>
Liabilities				
Current Liabilities				
Accounts Payable	131,455	53,961	92,296	13,490
Interfund Payable	-	-	784,084	784,084
Other Accrued Liabilities	-	-	-	-
Unearned Contributions	20,565,378	16,583,616	8,258,469	7,973,681
Claims Liabilities	7,972,000	5,000,000	1,392,118	804,000
Total Current Liabilities	<u>28,668,833</u>	<u>21,637,577</u>	<u>10,526,967</u>	<u>9,575,255</u>
Noncurrent Liabilities				
Advance From - Liability	-	-	-	784,084
Claims Liabilities	22,074,020	17,299,235	564,229	1,633,626
Total Noncurrent Liabilities	<u>22,074,020</u>	<u>17,299,235</u>	<u>564,229</u>	<u>2,417,710</u>
Total Liabilities	<u>50,742,853</u>	<u>38,936,812</u>	<u>11,091,196</u>	<u>11,992,965</u>
Net Position	<u><u>\$ 24,153,416</u></u>	<u><u>\$ 24,870,957</u></u>	<u><u>\$ 934,712</u></u>	<u><u>\$ (1,309,653)</u></u>

"Reserves for IBNR & ULAE" is stated at discounted, expected confidence level.

PLAN JPA
Statement of Revenues, Expenses & Changes in Net Position By Program
For the Quarter Ended September 30, 2024 and September 30, 2023
(Unaudited)

	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	<u>Liability</u>	<u>Liability</u>	<u>Property</u>	<u>Property</u>
Operating Revenues				
Premium Contributions	\$ 6,855,126	\$ 5,527,872	\$ 3,536,908	\$ 2,657,894
Total Revenues	<u>6,855,126</u>	<u>5,527,872</u>	<u>3,536,908</u>	<u>2,657,894</u>
Operating Expenses				
Claims Paid - Net	506,034	3,311,710	465,332	176,356
Incr/(Decr) in Reserves, IBNR & ULAE	1,667,569	(1,984,188)	51,601	1,148,462
Claims Expense	<u>2,173,603</u>	<u>1,327,522</u>	<u>516,933</u>	<u>1,324,817</u>
Insurance Expenses:				
Liability Program				
Excess Insurance-Liability	4,532,720	3,785,015	-	-
Other Insurance	14,726	15,122	-	-
Property Program				
Excess Insurance - Property	-	-	1,788,539	1,744,571
Flood Insurance	-	-	15,164	14,505
Excess Cyber Coverage	-	-	95,013	103,483
Employment Liability Program				
Excess Insurance - ERMA	162,172	31,701	-	-
Sub-total Insurance Expenses	<u>4,709,618</u>	<u>3,831,838</u>	<u>1,898,716</u>	<u>1,862,559</u>
Other Direct Expenses:				
Claims Admin & Audit	164,046	161,737	41,012	40,434
Loss Prevention				-
Risk Control Services	63,323	76,848	15,831	-
Risk Management Grant	72,310	81,361	-	-
Resolute Guard	-	38,840	47,800	9,710
Sewer Summit	-	-	-	-
Sub-total Other Direct Expenses	<u>299,679</u>	<u>358,786</u>	<u>104,642</u>	<u>50,144</u>
Administrative Expenses				
Program Administration	211,646	205,481	52,911	51,370
Audit Fees	-	4,000	-	1,000
Actuarial Studies	2,430	4,336	3,150	1,084
Legal Counsel	11,635	6,653	2,909	1,663
Bank Fees	159	604	40	151
Meetings & Conferences	456	-	114	-
Miscellaneous Expense	167	-	42	-
Dues & Subscriptions	1,600	-	400	-
Total Administrative Expenses	<u>228,093</u>	<u>221,074</u>	<u>59,566</u>	<u>55,268</u>
Total Operating Expenses	<u>7,410,994</u>	<u>5,739,220</u>	<u>2,579,857</u>	<u>3,292,789</u>
Operating Income (Loss)	<u>(555,868)</u>	<u>(211,348)</u>	<u>957,051</u>	<u>(634,895)</u>
NONOPERATING INCOME				
Misc. Income	-	708	-	177
Investment Income	1,513,182	303,251	-	-
Total nonoperating income	<u>1,513,182</u>	<u>303,959</u>	<u>-</u>	<u>177</u>
Change in Net Position	<u>957,314</u>	<u>92,611</u>	<u>957,051</u>	<u>(634,718)</u>
Beginning of year	<u>23,196,102</u>	<u>24,778,346</u>	<u>(22,338)</u>	<u>(674,935)</u>
End of year	<u>\$ 24,153,416</u>	<u>\$ 24,870,957</u>	<u>\$ 934,712</u>	<u>\$ (1,309,653)</u>



PLAN JPA
Statement of Net Position
As of December 31, 2024 and December 31, 2023
(Unaudited)

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>Variance</u>	
			<u>\$</u>	<u>%</u>
Assets				
Current Assets				
Cash and cash equivalents				
Cash - Operating Accounts	\$ 243,482	\$ 590,291	\$ (346,809)	-59%
Cash - LAIF (FMV)	56,508	53,767	2,742	5%
Cash - CAMP Liquidity	25,527,761	16,859,858	8,667,903	51%
Cash - Camp Pool	153,276	41,212	112,065	272%
Restricted Cash (Claims Trust) JP Morgan Chase	300,000	-		
Restricted Cash (Claims Trust) Wells Fargo	(79,624)	638,564	(718,189)	-112%
Investments	1,547,471	1,475,402	72,069	5%
Receivables				
Member deductible Receivable	353,637	508,013	(154,376)	-30%
Reinsurance/Excess Receivable	-	1,667,236	(1,667,236)	-100%
Interest Receivable	228,169	186,919	41,250	22%
Prepaid Expenses	13,481,225	11,734,866	1,746,360	15%
Total Current Assets	41,811,906	33,756,127	8,055,778	24%
Noncurrent Assets				
Investments	35,099,682	33,935,831	1,163,850	3%
Total Assets	76,911,588	67,691,959	9,219,629	14%
Liabilities				
Current Liabilities				
Accounts Payable	445,811	220,610	225,201	102%
Unearned Contributions	19,215,898	16,460,753	2,755,146	17%
Claims Liabilities	9,364,118	5,804,000	3,560,118	61%
Total Current Liabilities	29,025,828	22,485,363	6,540,465	29%
Noncurrent Liabilities				
Claims Liabilities	22,918,916	20,243,537	2,675,379	13%
Total Liabilities	51,944,744	42,728,900	9,215,843	22%
Net Position	\$ 24,966,844	\$ 24,963,058	\$ 3,786	0%

9/30/2023 account balance of Accrued Liabilities - Risk Management grant adjusted for error correction (see Note 7 of 2023-24 Audited F/S); Payables related to Risk Management Grant Fund recorded in Accounts Payable

"Reserves for IBNR & ULAE" is stated at discounted, expected confidence level.

PLAN JPA
Statement of Revenues, Expenses & Changes in Net Position
For the Quarter Ended December 31, 2024 and December 31, 2023
(Unaudited)

	December 31, 2024	December 31, 2023	Variance	
			\$	%
Operating Revenues				
Premium Contributions	\$ 19,999,983	\$ 16,371,532	\$ 3,628,452	22%
Total Revenues	<u>19,999,983</u>	<u>16,371,532</u>	<u>3,628,452</u>	<u>22%</u>
Operating Expenses				
Claims Expense				
Claims Paid - Net	2,833,937	3,997,745	(1,163,808)	-29%
Incr/(Decr) in Reserves, IBNR & ULAE	1,999,838	474,950	1,524,888	321%
Sub-total Claims Expense	<u>4,833,775</u>	<u>4,472,695</u>	<u>361,080</u>	<u>8%</u>
Insurance Expenses				
Excess Insurance	9,065,440	7,570,030	1,495,411	20%
Other Insurance (Crime, Prof. Liab., etc.)	29,452	30,244	(792)	-3%
Property Program				
Excess Insurance - Property	3,577,078	3,489,142	87,936	3%
Flood Insurance	30,328	29,009	1,319	5%
Excess Cyber Coverage	190,026	206,966	(16,940)	-8%
Employment Liability Program				
Excess Insurance - ERMA	324,344	63,403	260,942	412%
Sub-total Insurance Expense	<u>13,216,668</u>	<u>11,388,793</u>	<u>1,827,875</u>	<u>16%</u>
Other Direct Expenses:				
Claims Admin & Audit	413,662	400,137	13,526	3%
Loss Prevention				
Risk Control Services	158,307	153,697	4,611	3%
Risk Management Grant	544,748	141,583	403,165	285%
Resolute Guard	47,800	48,550	(750)	-2%
Sewer Summit	14,282	13,951	330	2%
Sub-total Other Direct Expenses	<u>1,178,800</u>	<u>757,918</u>	<u>420,882</u>	<u>56%</u>
Administrative Expenses				
Program Administration	529,114	513,703	15,411	3%
Audit Fees	12,685	22,900	(10,215)	-45%
Actuarial Studies	13,310	13,320	(10)	0%
Legal Counsel	16,926	17,723	(798)	-4%
Bank Fees	919	1,433	(514)	-36%
Meetings & Conferences	24,713	23,358	1,355	6%
Dues & Subscriptions	2,000	-	2,000	100%
Miscellaneous Expense	209	-	209	100%
Total Administrative Expenses	<u>599,876</u>	<u>592,437</u>	<u>7,438</u>	<u>1%</u>
Total Operating Expenses	<u>19,829,119</u>	<u>17,211,843</u>	<u>2,617,275</u>	<u>15%</u>
Operating Income (Loss)	<u>170,864</u>	<u>(840,312)</u>	<u>1,011,176</u>	<u>120%</u>
NONOPERATING INCOME				
Miscellaneous Income	-	885	(885)	-100%
Investment Income (Loss)	1,622,216	1,699,073	(76,857)	-5%
Total nonoperating income	<u>1,622,216</u>	<u>1,699,958</u>	<u>(77,742)</u>	<u>-5%</u>
Change in Net Position	<u>1,793,081</u>	<u>859,647</u>	<u>933,434</u>	<u>109%</u>
Beginning Net Position	<u>23,173,764</u>	<u>24,103,411</u>	<u>(929,648)</u>	<u>-4%</u>
End Net Position	<u>\$ 24,966,844</u>	<u>\$ 24,963,058</u>	<u>\$ 3,786</u>	<u>0%</u>

9/30/2023 account balance of Loss Prevention Programs adjusted for error correction (see Note 7 of 2023-24 Audited F/S)

PLAN JPA
Budget vs Actual
Year-to-Date December 31, 2024
(Unaudited)

	Actual	Budget	\$ Variance	% Variance
Revenues				
Member Contributions	\$ 19,999,983	\$ 39,215,881	\$ (19,215,898)	-49.0%
Total Revenues	19,999,983	39,215,881	(19,215,898)	-49.0%
Expenses				
Claims Related Expenses				
Claims Expense	4,833,775	6,137,000	(1,303,225)	-21.2% ^a
Sub-total Claims Related Expense	4,833,775	6,137,000	(1,303,225)	-21.2%
Insurance Expense				
Liability Program				
Excess Insurance - Liability	9,065,440	18,130,881	(9,065,440)	-50.0%
Other Insurance	29,452	67,200	(37,748)	-56.2%
Property Program				
Excess Insurance - Property	3,577,078	7,642,500	(4,065,422)	-53.2%
Flood Insurance	30,328	60,655	(30,328)	-50.0%
Excess Cyber Coverage	190,026	380,052	(190,026)	-50.0%
Employment Liability Program				
Excess Insurance - ERMA	324,344	648,688	(324,344)	-50.0%
Sub-total Insurance Expense	13,216,668	26,929,977	(13,713,308)	-50.9%
Other Direct Expenses				
Claims Admin & Audit	413,662	832,300	(418,638)	-50.3%
Loss Prevention Expense				
Risk Control Services	158,307	316,615	(158,308)	-50.0%
Risk Management Fund	544,748	500,000	44,748	8.9% ^b
Resolute Guard	47,800	142,100	(94,300)	-66.4%
Sewer Summit	14,282	20,000	(5,718)	-28.6%
Sub-total Loss Prevention Expense	1,178,800	1,811,015	(632,215)	-34.9%
Administration				
Program Administration	529,114	1,058,228	(529,114)	-50.0%
Financial Audit	12,685	22,900	(10,215)	-44.6%
Actuarial Studies	13,310	34,430	(21,120)	-61.3% ^c
Legal Counsel	16,926	60,246	(43,320)	-71.9%
CAJPA Dues	2,000	12,000	(10,000)	-83.3%
Bank Fees	919	6,000	(5,081)	-84.7%
Meetings & Conferences	24,713	80,000	(55,287)	-69.1% ^d
Allowance for Contingencies	209	10,000	(9,791)	-97.9%
Sub-total Administrative Expenses	599,876	1,283,804	(683,928)	-53.3%
Total Expenses	19,829,119	36,161,796	(16,332,677)	-45.2%
OPERATING INCOME (LOSS)	\$ 170,864	\$ 3,054,085	\$ (2,883,221)	-94.4%
NONOPERATING INCOME				
Miscellaneous Income	\$ -			
Investment Income (Loss)	\$ 1,622,216			
Total nonoperating income	\$ 1,622,216			
CHANGE IN NET POSITION	\$ 1,793,081			

Notes:

The budget is 50% completed through December 31, 2024. Any significant budget variances (-50% +/- 10% and greater than \$10,000) are explained below.

- ^a Claims paid in the 2024/25 fiscal year have been higher than anticipated. Increase primarily due to unexpected adverse development in the 2019/20 program year.
- ^b Risk management grant expenses have been used more than expected in the first two quarters.
- ^c Actuarial studies billed primarily in Q1 and Q3.
- ^d Board meetings occur in Q2 and Q3.

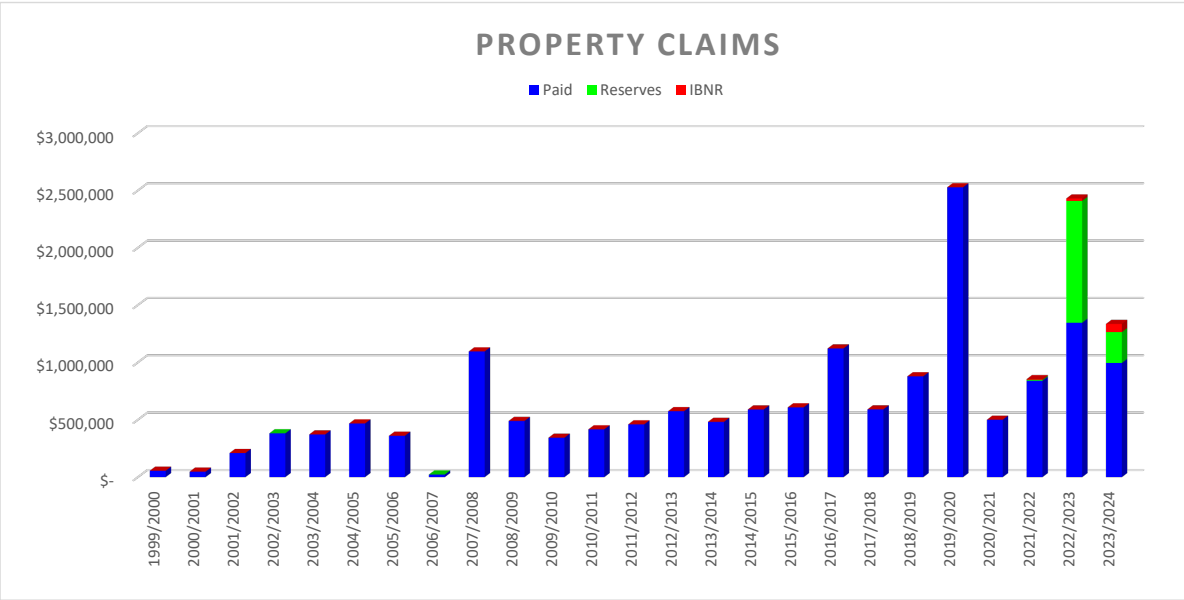
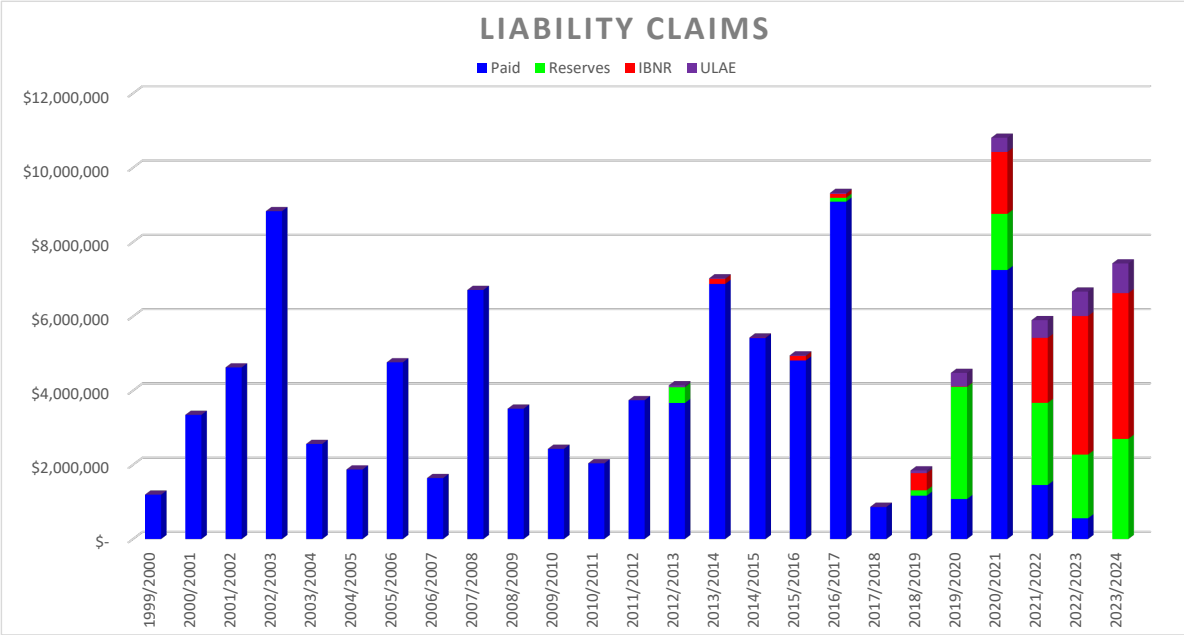
PLAN JPA
Statement of Net Position by Program
As of December 31, 2024 and December 2023
(Unaudited)

	<u>December 31, 2024</u> <u>Liability</u>	<u>December 31, 2023</u> <u>Liability</u>	<u>December 31, 2024</u> <u>Property</u>	<u>December 31, 2023</u> <u>Property</u>
Assets				
Cash and Investments	\$ 57,071,203	\$ 48,382,399	\$ 5,777,353	\$ 5,042,467
Accounts Receivable	353,637	334,753	-	-
Interfund Receivable	784,084	784,084	-	-
Reinsurance/Excess Receivable	-	1,666,205	-	-
Interest Receivable	228,169	148,049	-	-
Prepaid Expenses	9,630,882	11,708,195	3,850,343	5,640,846
Advance to - Property	-	784,084	-	-
Total Assets	<u>68,067,975</u>	<u>63,807,769</u>	<u>9,627,697</u>	<u>10,683,313</u>
Liabilities				
Current Liabilities				
Accounts Payable	354,517	53,961	91,295	13,490
Interfund Payable	-	-	784,084	784,084
Unearned Contributions	13,710,252	16,583,616	5,505,646	7,973,681
Claims Liabilities	7,972,000	5,000,000	1,392,118	804,000
Total Current Liabilities	<u>22,036,769</u>	<u>21,637,577</u>	<u>7,773,143</u>	<u>9,575,255</u>
Noncurrent Liabilities				
Advance From - Liability	-	-	-	784,084
Claims Liabilities	22,291,801	17,299,235	627,115	1,633,626
Total Noncurrent Liabilities	<u>22,291,801</u>	<u>17,299,235</u>	<u>627,115</u>	<u>2,417,710</u>
Total Liabilities	<u>44,328,570</u>	<u>38,936,812</u>	<u>8,400,258</u>	<u>11,992,965</u>
Net Position	<u><u>\$ 23,739,405</u></u>	<u><u>\$ 24,870,957</u></u>	<u><u>\$ 1,227,439</u></u>	<u><u>\$ (1,309,653)</u></u>

"Reserves for IBNR & ULAE" is stated at discounted, expected confidence level.

PLAN JPA
Statement of Revenues, Expenses & Changes in Net Position By Program
For the Quarter Ended December 31, 2024 and December 31, 2023
(Unaudited)

	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	<u>Liability</u>	<u>Liability</u>	<u>Property</u>	<u>Property</u>
Operating Revenues				
Premium Contributions	\$ 13,710,252	\$ 5,527,872	\$ 6,289,731	\$ 2,657,894
Total Revenues	<u>13,710,252</u>	<u>5,527,872</u>	<u>6,289,731</u>	<u>2,657,894</u>
Operating Expenses				
Claims Paid - Net	1,986,994	3,311,710	846,943	176,356
Incr/(Decr) in Reserves, IBNR & ULAE	<u>1,885,350</u>	<u>(1,984,188)</u>	<u>114,487</u>	<u>1,148,462</u>
Claims Expense	3,872,345	1,327,522	961,430	1,324,817
Insurance Expenses:				
Liability Program				
Excess Insurance-Liability	9,065,440	3,785,015	-	-
Other Insurance	29,452	15,122	-	-
Property Program				
Excess Insurance - Property	-	-	3,577,078	1,744,571
Flood Insurance	-	-	30,328	14,505
Excess Cyber Coverage	-	-	190,026	103,483
Employment Liability Program				
Excess Insurance - ERMA	<u>324,344</u>	<u>31,701</u>	<u>-</u>	<u>-</u>
Sub-total Insurance Expenses	9,419,236	3,831,838	3,797,432	1,862,559
Other Direct Expenses:				
Claims Admin & Audit	330,930	161,737	82,732	40,434
Loss Prevention				-
Risk Control Services	131,923	76,848	26,385	-
Risk Management Grant	544,748	81,361	-	-
Resolute Guard	-	38,840	47,800	9,710
Sewer Summit	<u>11,425</u>	<u>-</u>	<u>2,856</u>	<u>-</u>
Sub-total Other Direct Expenses	1,019,026	358,786	159,773	50,144
Administrative Expenses				
Program Administration	423,291	205,481	105,823	51,370
Audit Fees	10,148	4,000	2,537	1,000
Actuarial Studies	10,160	4,336	3,150	1,084
Legal Counsel	13,541	6,653	3,385	1,663
Bank Fees	735	604	184	151
Meetings & Conferences	18,915	-	5,797	-
Miscellaneous Expense	167	-	42	-
Dues & Subscriptions	<u>1,600</u>	<u>-</u>	<u>400</u>	<u>-</u>
Total Administrative Expenses	478,558	221,074	121,318	55,268
Operating Income (Loss)	<u>(1,078,913)</u>	<u>(211,348)</u>	<u>1,249,778</u>	<u>(634,895)</u>
NONOPERATING INCOME				
Misc. Income	-	708	-	177
Investment Income	<u>1,622,216</u>	<u>303,251</u>	<u>-</u>	<u>-</u>
Total nonoperating income	<u>1,622,216</u>	<u>303,959</u>	<u>-</u>	<u>177</u>
Change in Net Position	543,303	92,611	1,249,778	(634,718)
Beginning of year	<u>23,196,102</u>	<u>24,778,346</u>	<u>(22,338)</u>	<u>(674,935)</u>
End of year	<u>\$ 23,739,405</u>	<u>\$ 24,870,957</u>	<u>\$ 1,227,439</u>	<u>\$ (1,309,653)</u>



March 13, 2025

Agenda Item 6.A.

FINANCIAL MATTERS

SUBJECT: Review of PLAN JPA's Investment Performance Report and Updates to PLAN JPA's Investment Policy

BACKGROUND AND HISTORY:

Investment Performance Report

Michael Kronbetter, Relationship Manager with PFM Asset Management (PFMAM), will be present to provide a thorough overview of PLAN JPA's December 31, 2024, Quarterly Investment Performance Report.

PLAN JPA Investment Policy

An annual review of PLAN JPA's Investment Policy (Policy) is recommended under California Government Code 53646 (a) (2). Furthermore, annual approval of the Policy fulfills the annual delegation of investment authority to PLAN JPA's Treasurer. In addition, under section 5.0 *Delegation of Authority* of the Policy, PLAN JPA's Treasurer may delegate investment decision making and execution authority to an investment advisor. PLAN JPA's Investment Policy was last approved on April 25, 2024.

The Policy has been reviewed by Mr. Kronbetter whose recommended changes are detailed in his memorandum to Joe Roy, PLAN JPA Finance Manager.

Staff has reviewed the proposed amended Policy and agrees with the suggested changes.

Mr. Kronbetter will guide the Committee through the suggested changes.

STAFF RECOMMENDATION:

Staff recommends the Committee recommend approval of the PLAN JPA Investment Policy to the Executive Committee.

REFERENCE MATERIALS ATTACHED:

- Investment Performance Report for the Quarter Ended December 31, 2024
- PLAN JPA Investment Policy Memo
- PLAN JPA Investment Policy – Redlined, Revised February 27, 2025

Pooled Liability Assurance Network JPA

Investment Performance Review For the Quarter Ended December 31, 2024

Client Management Team

Michael Kronbetter, Relationship Manager
Lesley Murphy, Director
Allison Kaune, Senior Analyst

PFM Asset Management A division of U.S. Bancorp Asset Management, Inc

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San Francisco, CA 94111-5411
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Agenda

- Market Summary
- Account Summary
- Portfolio Review

Market Summary

Summary

- ▶ The fourth quarter of 2024 was characterized by an increase in yields and volatility as investors digested the potential impact of the new administration's policy proposals. Areas of focus include taxes, tariffs, immigration, and deregulation, which the market generally expects could result in more growth, larger budget deficits and higher inflation.
- ▶ The labor market continues to move into balance as layoffs remain contained and the pace of job creation remains steady. This trend continues to support the consumer and fuel economic growth. Inflation moved sideways during the quarter, and as a result the Federal Reserve (Fed) views the risks to its dual mandate – stable prices and full employment – as being “roughly in balance.”
- ▶ The Fed cut the overnight rate by 25 basis points (bps) (0.25%) at both its November and December meetings to bring the new target range to 4.25% - 4.50%. The Fed's updated “dot plot” implied only 50 bps of rate cuts in 2025, down from previous projections indicating a full percentage point of rate cuts in 2025. This revision, plus some pointed commentary from Fed officials, has resulted in the market generally expecting the Fed to pause rate cuts for some time.
- ▶ While sentiment remained positive in Q4 and continued to support risk asset valuations, the Fed's “higher for longer” narrative towards the end of the quarter caused Treasury yields beyond one year to rise while equity markets sold off from all-time highs. The NASDAQ still ended the quarter up 6.4% and the S&P 500 Index ended 2.4% higher, while the Dow Jones Industrial Average eked out a small 0.9% gain. For calendar year 2024, the S&P 500 returned 25%, driven in large part by the “Magnificent Seven,” which returned 67%.

Economic Snapshot

- ▶ U.S. inflation readings remained ‘sticky’ during the quarter and did not show progress in moving towards the Fed's 2% target. Shelter and housing components of inflation, which had been running higher than most other segments of the underlying data, began to move lower during the quarter. Core CPI remained at 3.3% annualized year-over-year during the quarter while headline CPI increased to 2.7% after ending Q3 at 2.4%.
- ▶ U.S. real gross domestic product (GDP) growth continued its upward trajectory in Q3, with final estimates showing growth of 3.1%. Personal consumption remained exceptionally strong and grew at the fastest pace in 18 months.
- ▶ The U.S. labor market continued to show strength with 511,000 jobs added in Q4 compared to 477,000 in Q3. Additionally, the unemployment rate ended the quarter at 4.1%, which is 0.4% higher than the calendar year low of 3.7%, but still near historic lows. Layoff rates continue to remain near multi-year lows and jobless claims also remain below their long-term averages while the pace of wage growth has stabilized.

Interest Rates

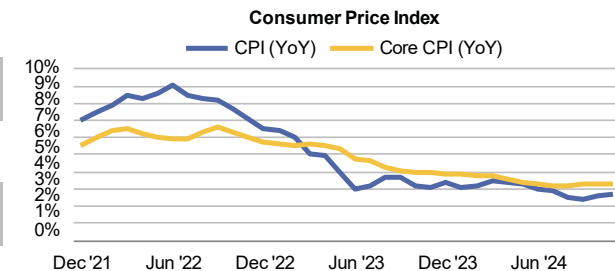
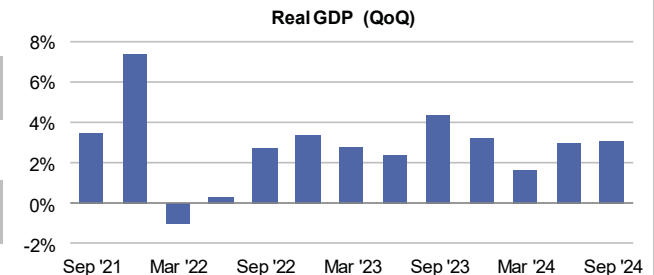
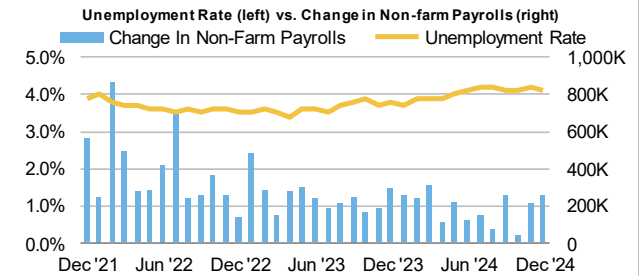
- ▶ U.S. Treasury yields moved higher in response to policy proposals that are generally expected to be inflationary. Additionally, the Fed continued with rate cuts cutting a total of 100 bps in 2024. While the Fed cut rates at both November and December meetings, guidance pointed towards fewer cuts occurring at a slower pace than previously anticipated.
- ▶ Both fiscal and monetary expectations steepened the Treasury curve, with the yield on the 2-, 5-, and 10-year Treasuries ending the quarter at 4.24%, 4.38%, and 4.57%. This represents increases of 60, 82, and 79 bps, respectively. The 3-month Treasury, heavily influenced by the Fed, moved 30 bps lower, ending the quarter at 4.31%.
- ▶ As a result of higher yields, U.S. Treasury indexes generated negative total returns for the quarter. The ICE BofA 2-, 5-, and 10-year U.S. Treasury indices returned -0.20%, -2.72%, and -5.22% for the quarter, while the shorter-duration ICE BofA 3-month U.S. Treasury index returned 1.16%.

Sector Performance

- ▶ Strong investor demand pushed spreads tighter across most investment grade sectors throughout Q4, resulting in firmly positive excess returns on corporates and asset-backed securities.
- ▶ Federal agency & supranational spreads remained low and range bound throughout Q4. These sectors produced muted excess returns as issuance was light and incremental income is minimal.
- ▶ Investment-grade (IG) corporates posted another strong relative quarter as robust investor demand continued while issuance slowed into year-end. Yield spreads tightened further toward multi-year tight. Lower-quality and longer-duration issuers generated stronger excess returns in Q4. Financial issuers led most other industries across much of the yield curve.
- ▶ Asset-backed securities (ABS) spreads are tighter than their historical average while underlying technicals remain strong. Cross-sector spreads have shifted notably, as ABS spreads tightened substantially through year-end and now trade through corporates. As a result, ABS was a top performer in Q4.
- ▶ Mortgage-backed securities (MBS) were hurt by rising rates and heightened volatility. After an exceptionally strong Q3, agency MBS underperformed Treasuries in Q4. On the other hand, well-structured Agency commercial MBS (CMBS) performed better and saw positive excess returns.
- ▶ Short-term credit (commercial paper and negotiable bank CDs) yields fell in response to the Fed rate cuts, but the money market yield curve steepened on prospects for “higher for longer.” Yield spreads also widened over the quarter by 10-15 bps across most of the money market curve.

Economic Snapshot

Labor Market		Latest	Sep '24	Dec '23
Unemployment Rate	Dec'24	4.1%	4.1%	3.8%
Change In Non-Farm Payrolls	Dec'24	256,000	255,000	290,000
Average Hourly Earnings (YoY)	Dec'24	3.9%	3.9%	4.3%
Personal Income (YoY)	Nov'24	5.3%	5.1%	5.2%
Initial Jobless Claims (week)	1/4/25	201,000	225,000	198,000
Growth				
Real GDP (QoQ SAAR)	2024Q3	3.1%	3.0% ¹	4.4% ²
GDP Personal Consumption (QoQ SAAR)	2024Q3	3.7%	2.8% ¹	2.5% ²
Retail Sales (YoY)	Nov'24	3.8%	2.0%	5.5%
ISM Manufacturing Survey (month)	Dec'24	49.3	47.2	47.1
Existing Home Sales SAAR (month)	Nov'24	4.15 mil.	3.83 mil.	3.88 mil.
Inflation/Prices				
Personal Consumption Expenditures (YoY)	Nov'24	2.4%	2.1%	2.7%
Consumer Price Index (YoY)	Nov'24	2.7%	2.4%	3.4%
Consumer Price Index Core (YoY)	Nov'24	3.3%	3.3%	3.9%
Crude Oil Futures (WTI, per barrel)	Dec 31	\$71.72	\$68.17	\$71.65
Gold Futures (oz.)	Dec 31	\$2,641	\$2,636	\$2,072



1. Data as of Second Quarter 2024.

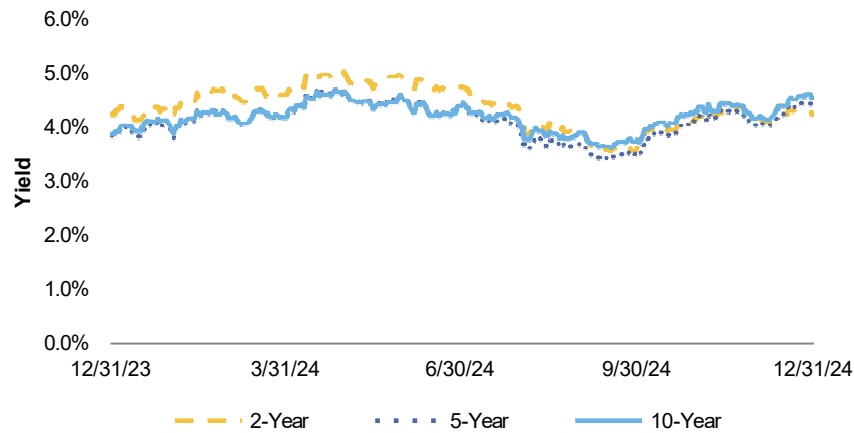
2. Data as of Third Quarter 2023.

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

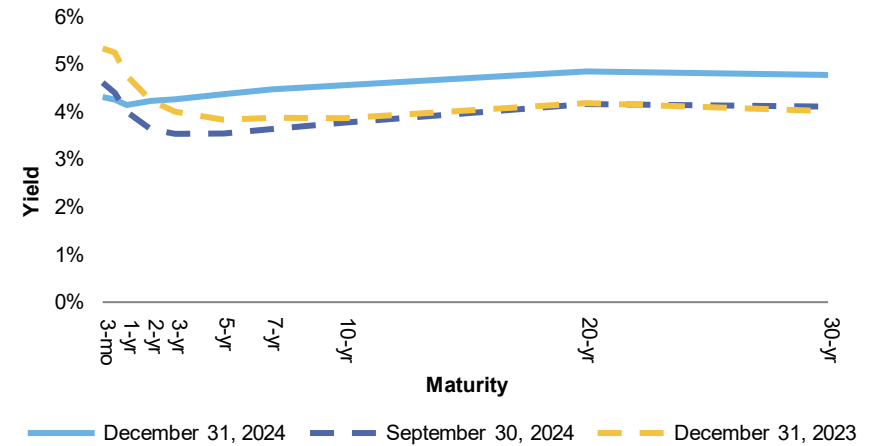
Source: Bloomberg.

Interest Rate Overview

U.S. Treasury Note Yields



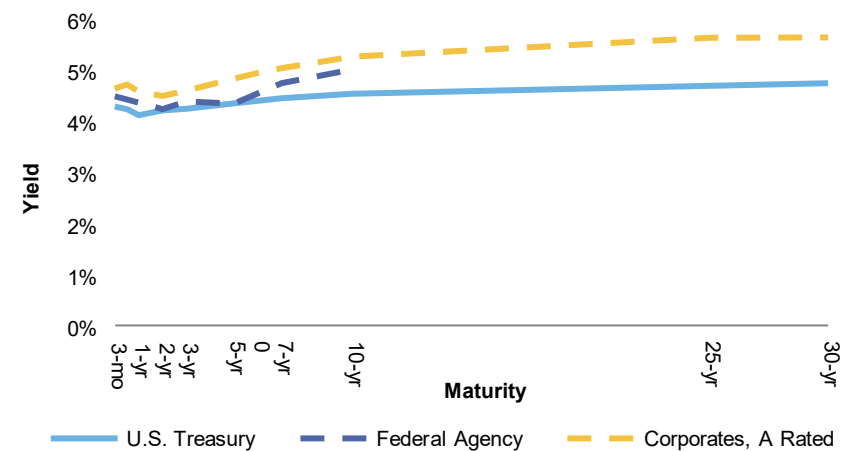
U.S. Treasury Yield Curve



U.S. Treasury Yields

Maturity	Dec '24	Sep '24	Change over Quarter	Dec '23	Change over Year
3-Month	4.32%	4.63%	(0.31%)	5.34%	(1.02%)
1-Year	4.15%	4.01%	0.14%	4.77%	(0.62%)
2-Year	4.24%	3.64%	0.60%	4.25%	(0.01%)
5-Year	4.38%	3.56%	0.82%	3.85%	0.53%
10-Year	4.57%	3.78%	0.79%	3.88%	0.69%
30-Year	4.78%	4.12%	0.66%	4.03%	0.75%

Yield Curves as of December 31, 2024



Source: Bloomberg.

ICE BofA Index Returns

As of 12/31/2024		Returns for Periods ended 12/31/2024			
December 31, 2024	Duration	Yield	3 Month	1 Year	3 Years
1-3 Year Indices					
U.S. Treasury	1.81	4.26%	(0.06%)	4.08%	1.49%
Federal Agency	1.57	4.28%	0.25%	4.31%	1.67%
U.S. Corporates, A-AAA rated	1.78	4.74%	0.11%	5.14%	2.24%
Agency MBS (0 to 3 years)	1.98	4.80%	(0.07%)	4.33%	1.25%
Taxable Municipals	1.85	4.57%	0.11%	4.80%	2.01%
1-5 Year Indices					
U.S. Treasury	2.54	4.30%	(0.77%)	3.41%	0.73%
Federal Agency	2.00	4.28%	(0.13%)	3.98%	1.05%
U.S. Corporates, A-AAA rated	2.48	4.84%	(0.47%)	4.81%	1.54%
Agency MBS (0 to 5 years)	3.47	4.97%	(0.87%)	3.84%	0.39%
Taxable Municipals	2.49	4.63%	(0.41%)	4.07%	1.26%
Master Indices (Maturities 1 Year or Greater)					
U.S. Treasury	6.04	4.47%	(3.34%)	0.51%	(3.10%)
Federal Agency	3.42	4.41%	(1.21%)	3.19%	(0.21%)
U.S. Corporates, A-AAA rated	6.59	5.18%	(3.13%)	2.06%	(2.32%)
Agency MBS (0 to 30 years)	5.67	5.28%	(3.18%)	1.33%	(2.13%)
Taxable Municipals	8.79	5.41%	(4.32%)	0.26%	(4.65%)

Returns for periods greater than one year are annualized.

Source: ICE BofA Indices.

Disclosures

The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.

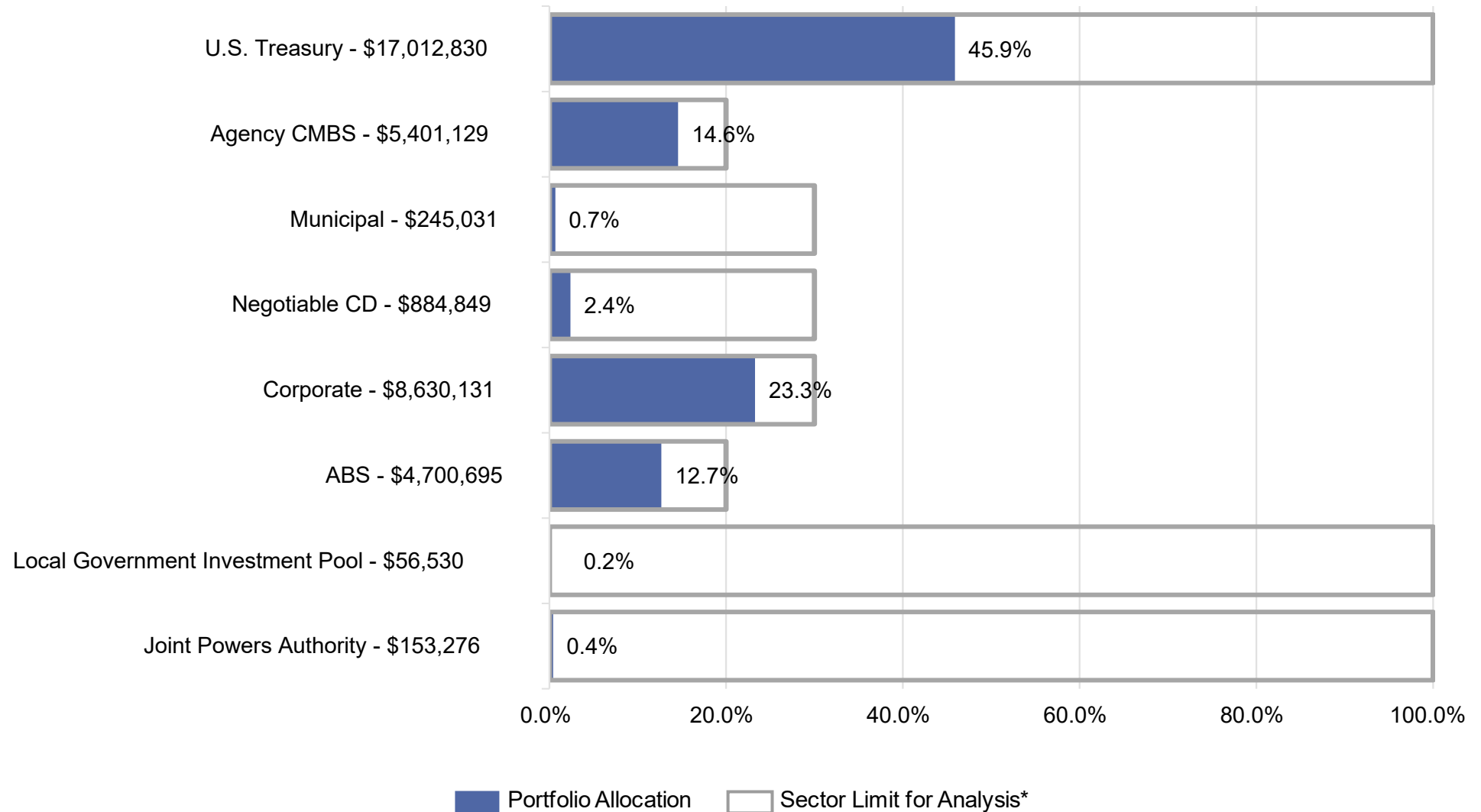
PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Further distribution is not permitted without prior written consent.

Account Summary

Sector Allocation Analytics



For informational/analytical purposes only and is not provided for compliance assurance. Includes accrued interest.

*Sector Limit for Analysis is as derived from our interpretation of your most recent Investment Policy as provided.

Certificate of Compliance

During the reporting period for the quarter ended December 31, 2024, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc.*

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

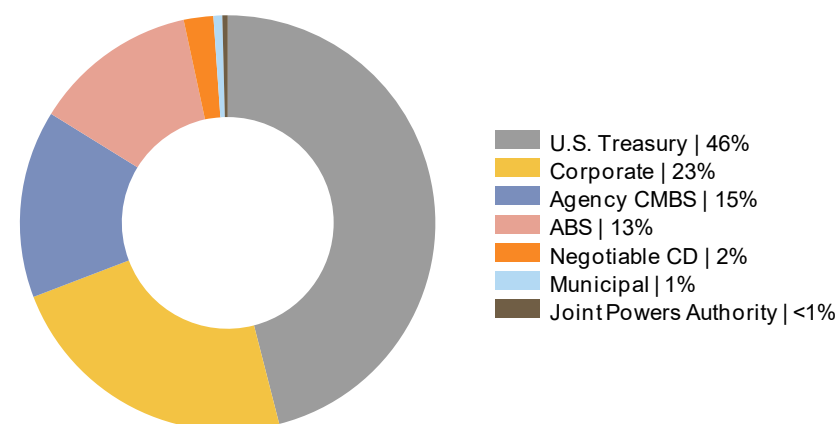
Portfolio Review: CAMP-PLAN INVESTMENT PORTFOLIO

Portfolio Snapshot - CAMP-PLAN INVESTMENT PORTFOLIO¹

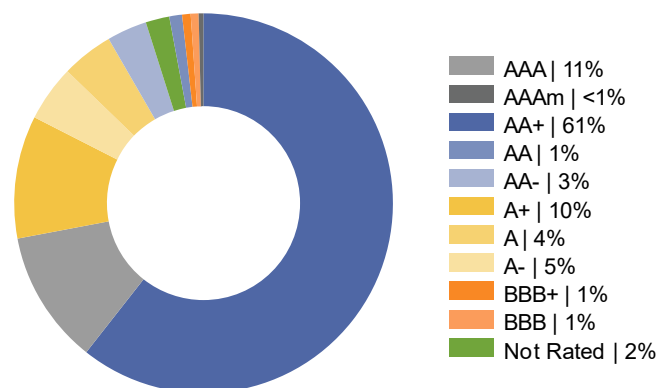
Portfolio Statistics

Total Market Value	\$37,027,940.18
Managed Account Sub-Total	\$36,647,152.64
Accrued Interest	\$227,511.25
Pool	\$153,276.29
Portfolio Effective Duration	2.44 years
Benchmark Effective Duration	2.48 years
Yield At Cost	4.09%
Yield At Market	4.49%
Portfolio Credit Quality	AA

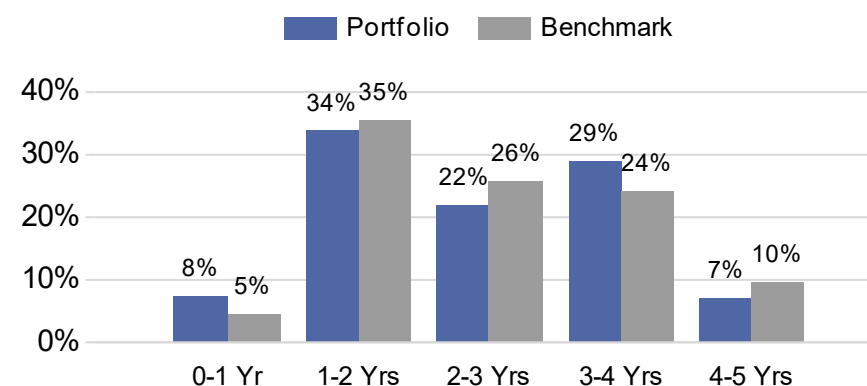
Sector Allocation



Credit Quality - S&P



Duration Distribution



1. Total market value includes accrued interest and balances invested in CAMP, as of December 31, 2024.

Yield and duration calculations exclude balances invested in CAMP.

The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg Financial LP.

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

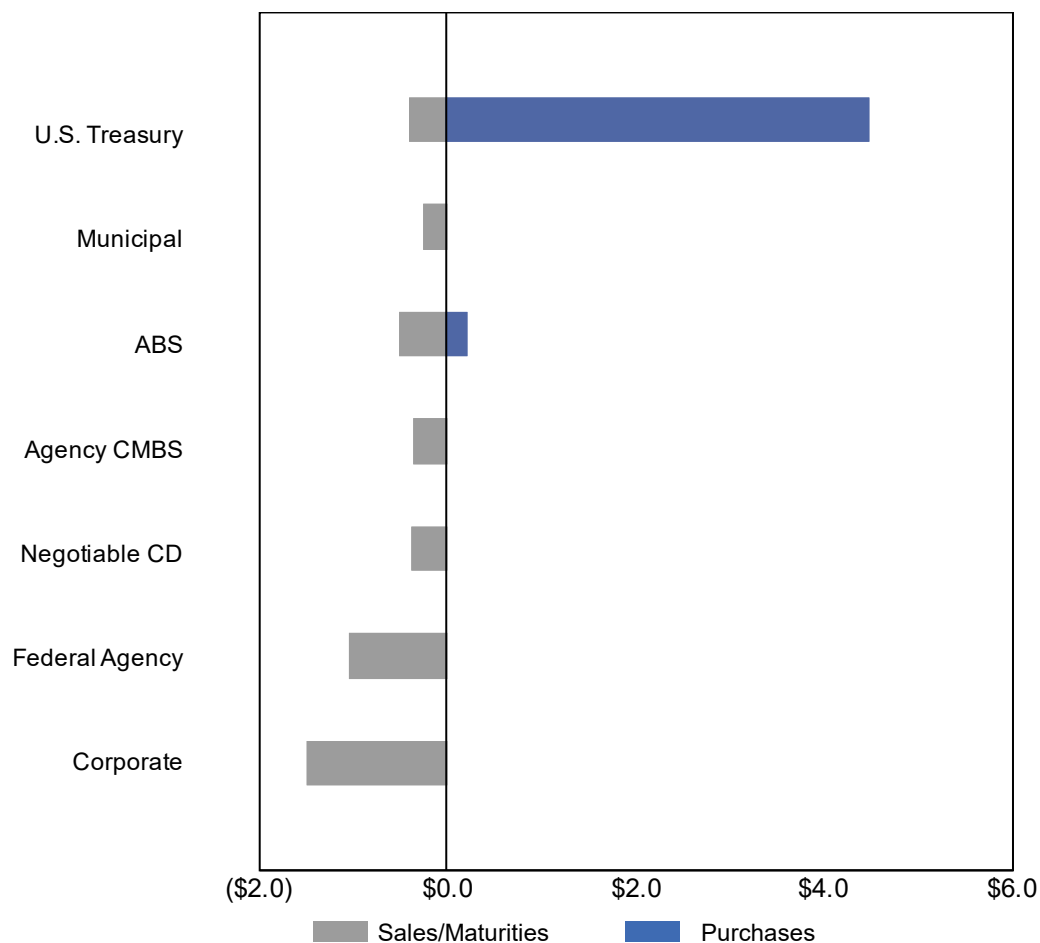
Account Summary

Pooled Liability Assurance Network JPA - PLAN - Investment Account - 4011-002			
Portfolio Values	December 31, 2024	Analytics ¹	December 31, 2024
CAMP Managed Account	\$36,647,153	Yield at Market	4.49%
CAMP Pool	\$153,276	Yield on Cost	4.09%
Amortized Cost	\$36,896,921	Portfolio Duration	2.44
Market Value	\$36,647,153	CAMP Pool 7-Day Yield	4.65%
Accrued Interest	\$227,511		
Cash	\$0		

1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.
2. The current 7-day yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally \$1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed.

Portfolio Activity - CAMP-PLAN INVESTMENT PORTFOLIO

Net Activity by Sector
(\$ millions)

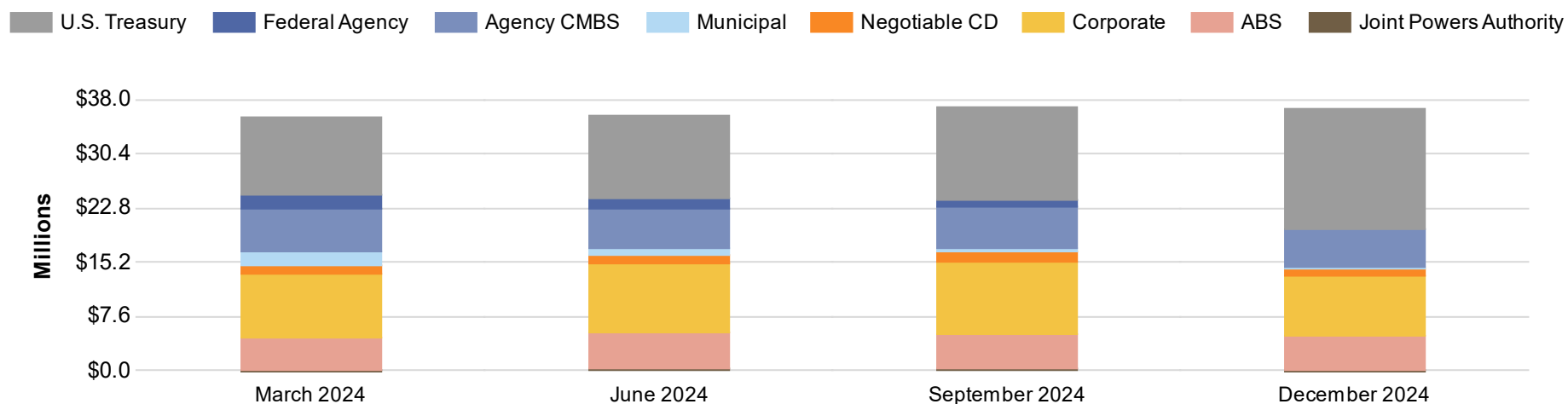


Sector	Net Activity
U.S. Treasury	\$4,078,673
Municipal	(\$250,662)
ABS	(\$304,652)
Agency CMBS	(\$343,174)
Negotiable CD	(\$364,167)
Federal Agency	(\$1,032,198)
Corporate	(\$1,478,978)
Total Net Activity	\$304,843

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

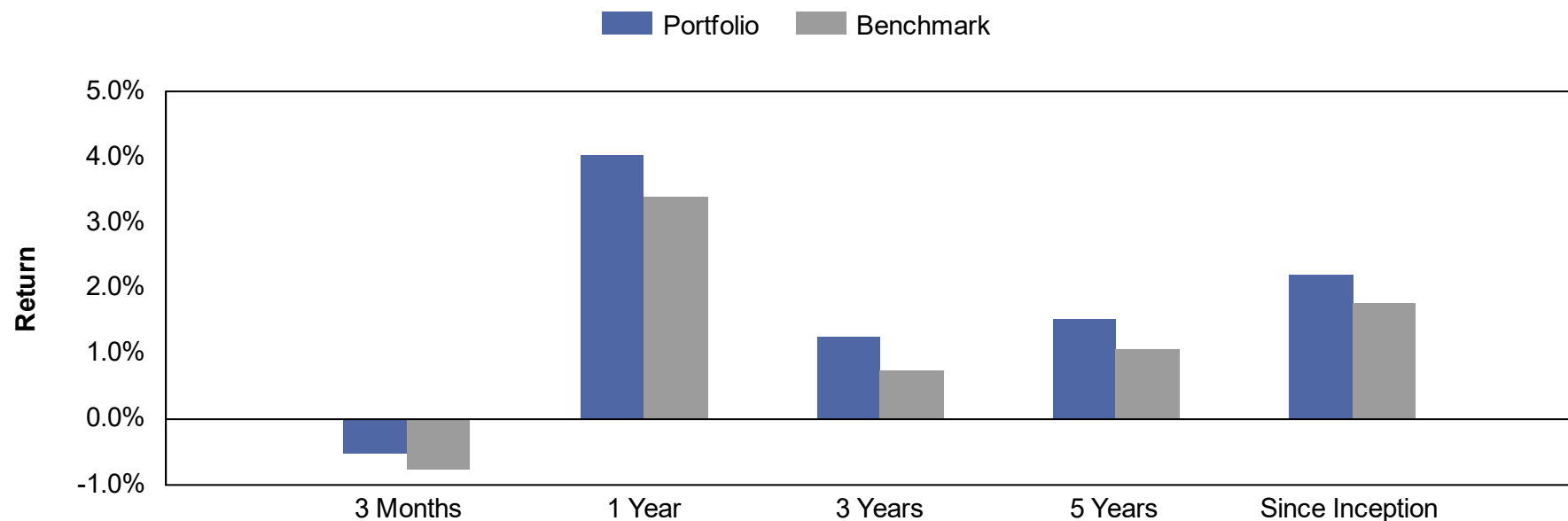
Sector Allocation Review - CAMP-PLAN INVESTMENT PORTFOLIO

Security Type	Mar-24	% of Total	Jun-24	% of Total	Sep-24	% of Total	Dec-24	% of Total
U.S. Treasury	\$10.8	30.6%	\$11.5	32.1%	\$13.1	35.4%	\$16.9	46.0%
Federal Agency	\$2.0	5.7%	\$1.5	4.3%	\$1.0	2.8%	\$0.0	0.0%
Agency CMBS	\$5.9	16.7%	\$5.4	15.2%	\$5.8	15.7%	\$5.4	14.6%
Municipal	\$1.9	5.3%	\$1.1	3.2%	\$0.5	1.3%	\$0.2	0.7%
Negotiable CD	\$1.2	3.4%	\$1.2	3.4%	\$1.2	3.3%	\$0.9	2.3%
Corporate	\$9.1	25.5%	\$9.6	27.0%	\$10.1	27.4%	\$8.5	23.2%
ABS	\$4.6	12.8%	\$5.0	13.9%	\$5.0	13.6%	\$4.7	12.8%
Joint Powers Authority	\$0.0	0.0%	\$0.3	0.9%	\$0.2	0.5%	\$0.2	0.4%
Total	\$35.5	100.0%	\$35.8	100.0%	\$37.0	100.0%	\$36.8	100.0%



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

Portfolio Performance



Market Value Basis Earnings	3 Months	1 Year	3 Years	5 Years	Since Inception ¹
Interest Earned ²	\$310,970	\$1,164,351	\$2,454,344	\$3,743,790	\$4,629,347
Change in Market Value	(\$500,991)	\$276,261	(\$1,092,008)	(\$1,045,894)	\$130,515
Total Dollar Return	(\$190,021)	\$1,440,612	\$1,362,336	\$2,697,896	\$4,759,862
Total Return³					
Portfolio	-0.51%	4.03%	1.26%	1.52%	2.21%
Benchmark ⁴	-0.77%	3.41%	0.73%	1.05%	1.78%

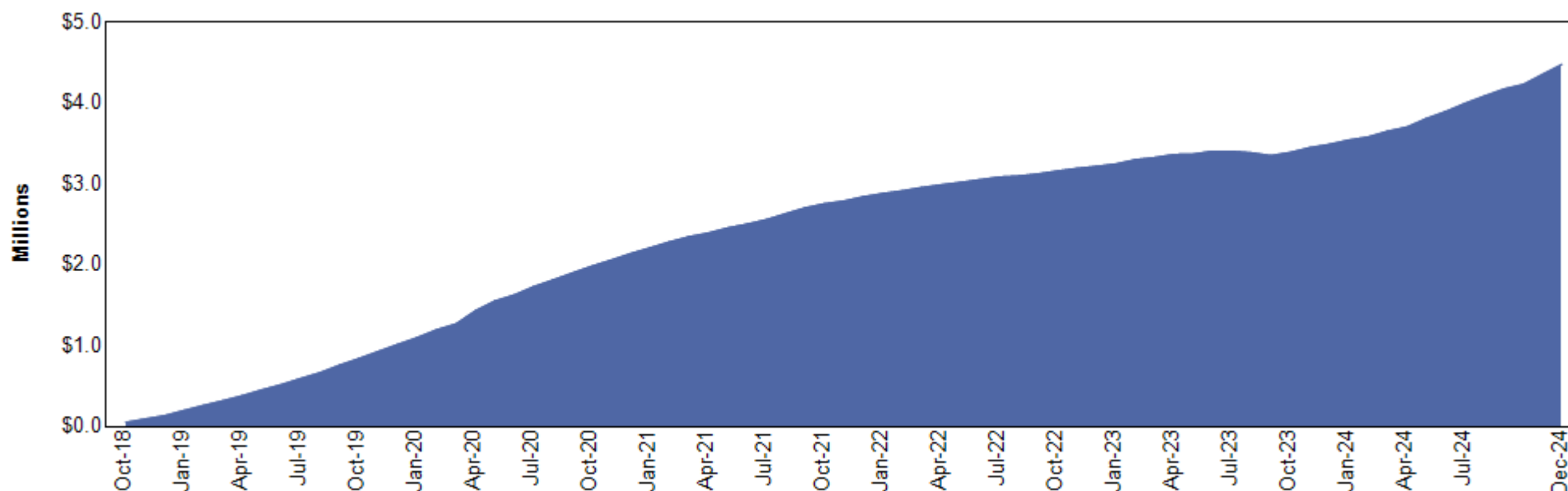
1. The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is September 30, 2018.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

4. The portfolio's benchmark is the ICE BofA 1-5 Year U.S. Treasury Index. Source: Bloomberg Financial LP.

Accrual Basis Earnings - CAMP-PLAN INVESTMENT PORTFOLIO



Accrual Basis Earnings	3 Months	1 Year	3 Years	5 Year	Since Inception ¹
Interest Earned ²	\$310,970	\$1,164,351	\$2,454,344	\$3,743,790	\$4,629,347
Realized Gains / (Losses) ³	(\$69,040)	(\$385,506)	(\$1,086,881)	(\$460,503)	(\$429,248)
Change in Amortized Cost	\$63,093	\$211,701	\$269,776	\$180,895	\$276,966
Total Earnings	\$305,023	\$990,545	\$1,637,239	\$3,464,182	\$4,477,065

1. The lesser of 10 years or since inception is shown. Performance inception date is September 30, 2018.

2. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

3. Realized gains / (losses) are shown on an amortized cost basis.

Portfolio Holdings and Transactions

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
U.S. Treasury	46.1%	
United States Treasury	46.1%	AA / Aaa / AA
Agency CMBS	14.6%	
Federal Home Loan Mortgage Corp	13.8%	AA / Aaa / AA
Federal National Mortgage Association	0.9%	AA / Aaa / AA
Municipal	0.7%	
Los Angeles Unified School District/CA	0.2%	NR / Aa / AAA
San Diego County Water Authority	0.4%	AAA / Aa / AA
Negotiable CD	2.4%	
Cooperatieve Rabobank UA	1.0%	A / Aa / AA
Credit Agricole Group	0.7%	A / A / AA
Groupe BPCE	0.7%	A / A / A
Corporate	23.4%	
Adobe Inc	0.4%	A / A / NR
Amazon.com Inc	1.1%	AA / A / AA
American Express Co	0.7%	A / A / A
Analog Devices Inc	0.6%	A / A / A
Bank of America Corp	1.4%	A / Aa / AA
Bank of New York Mellon Corp	0.5%	A / Aa / AA
BlackRock Inc	1.0%	AA / Aa / NR
BP PLC	0.5%	A / A / A
Bristol-Myers Squibb Co	0.2%	A / A / NR
Caterpillar Inc	0.2%	A / A / A
Cisco Systems Inc	0.5%	AA / A / NR
Citigroup Inc	1.7%	A / A / A
Deere & Co	0.6%	A / A / A

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
Corporate	23.4%	
Home Depot Inc	0.5%	A / A / A
Honda Motor Co Ltd	0.8%	A / A / A
Honeywell International Inc	0.4%	A / A / A
Intel Corp	0.7%	BBB / Baa / BBB
JPMorgan Chase & Co	0.8%	A / A / AA
Lockheed Martin Corp	0.3%	A / A / A
Mastercard Inc	0.7%	A / Aa / NR
Merck & Co Inc	0.3%	A / A / NR
Meta Platforms Inc	0.5%	AA / Aa / NR
Morgan Stanley	1.3%	A / Aa / AA
National Australia Bank Ltd	1.4%	AA / Aa / NR
National Rural Utilities Cooperative Fi	0.6%	A / A / A
Northern Trust Corp	0.5%	A / A / A
PACCAR Inc	0.6%	A / A / NR
PepsiCo Inc	0.5%	A / A / NR
State Street Corp	1.3%	A / Aa / AA
Toyota Motor Corp	0.7%	A / A / A
Truist Financial Corp	0.7%	A / Baa / A
UnitedHealth Group Inc	0.7%	A / A / A
Wells Fargo & Co	0.9%	A / Aa / AA
ABS	12.7%	
Ally Auto Receivables Trust	0.3%	NR / Aaa / AAA
American Express Co	1.0%	AAA / NR / AAA
BA Credit Card Trust	1.2%	AAA / Aaa / AAA
BMW Vehicle Lease Trust	0.3%	AAA / Aaa / AAA
Capital One Financial Corp	0.9%	AAA / NR / AAA

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

Issuer Diversification

Security Type / Issuer	Market Value (%)	S&P / Moody's / Fitch
ABS	12.7%	
CarMax Inc	0.4%	AAA / NR / AAA
Daimler Trucks Retail Trust	0.6%	NR / Aaa / AAA
Discover Card Execution Note Trust	1.7%	AAA / Aaa / AAA
Fifth Third Auto Trust	0.7%	AAA / Aaa / NR
Ford Credit Auto Owner Trust	0.3%	AAA / NR / AAA
GM Financial Consumer Automobile Receiv	0.5%	AAA / Aaa / AAA
Honda Auto Receivables Owner Trust	0.6%	AAA / NR / AAA
Hyundai Auto Receivables Trust	0.7%	AAA / NR / AAA
JPMorgan Chase & Co	1.6%	AAA / NR / AAA
Mercedes-Benz Auto Receivables Trust	0.6%	AAA / Aaa / NR
Nissan Auto Receivables Owner Trust	0.2%	NR / Aaa / AAA
Toyota Auto Receivables Owner Trust	0.4%	AAA / NR / AAA
WF Card Issuance Trust	0.9%	AAA / Aaa / AAA
World Omni Auto Trust	0.1%	AAA / NR / AAA
Total	100.0%	

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

Issuer Distribution As of December 31, 2024

Issuer	Market Value (\$)	% of Portfolio
UNITED STATES TREASURY	16,934,413	46.03 %
FEDERAL HOME LOAN MORTGAGE CORP	5,054,800	13.75 %
JPMORGAN CHASE & CO	877,093	2.39 %
AMERICAN EXPRESS CO	645,089	1.75 %
DISCOVER CARD EXECUTION NOTE TRUST	609,530	1.66 %
CITIGROUP INC	602,406	1.64 %
BANK OF AMERICA CORP	520,557	1.41 %
NATIONAL AUSTRALIA BANK LTD	517,136	1.41 %
MORGAN STANLEY	476,766	1.30 %
STATE STREET CORP	459,340	1.25 %
BA CREDIT CARD TRUST	428,469	1.16 %
AMAZON.COM INC	402,430	1.09 %
BLACKROCK INC	380,337	1.03 %
COOPERATIEVE RABOBANK UA	356,797	0.97 %
WF CARD ISSUANCE TRUST	343,207	0.93 %
CAPITAL ONE FINANCIAL CORP	330,024	0.90 %
FEDERAL NATIONAL MORTGAGE ASSOCIATION	327,821	0.89 %
WELLS FARGO & CO	323,831	0.88 %
HONDA MOTOR CO LTD	272,969	0.74 %
MASTERCARD INC	268,053	0.73 %
TRUIST FINANCIAL CORP	258,916	0.70 %
TOYOTA MOTOR CORP	257,603	0.70 %
GROUPE BPCE	256,154	0.70 %
HYUNDAI AUTO RECEIVABLES TRUST	253,630	0.69 %

Issuer	Market Value (\$)	% of Portfolio
UNITEDHEALTH GROUP INC	250,008	0.68 %
CREDIT AGRICOLE GROUP	248,767	0.68 %
FIFTH THIRD AUTO TRUST	242,632	0.66 %
INTEL CORP	242,459	0.66 %
HONDA AUTO RECEIVABLES OWNER TRUST	225,484	0.61 %
ANALOG DEVICES INC	224,394	0.61 %
PACCAR INC	214,642	0.58 %
DEERE & CO	210,945	0.57 %
DAIMLER TRUCKS RETAIL TRUST	207,072	0.56 %
MERCEDES-BENZ AUTO RECEIVABLES TRUST	206,619	0.56 %
NATIONAL RURAL UTILITIES COOPERATIVE FI	200,359	0.54 %
BP PLC	192,062	0.52 %
BANK OF NEW YORK MELLON CORP	190,434	0.52 %
HOME DEPOT INC	184,614	0.50 %
CISCO SYSTEMS INC	181,133	0.49 %
GM FINANCIAL CONSUMER AUTOMOBILE RECEIV	180,481	0.49 %
PEPSICO INC	174,648	0.47 %
NORTHERN TRUST CORP	172,693	0.47 %
META PLATFORMS INC	170,210	0.46 %
HONEYWELL INTERNATIONAL INC	162,838	0.44 %
CAMP POOL	153,276	0.42 %
SAN DIEGO COUNTY WATER AUTHORITY	153,155	0.42 %
CARMAX INC	148,851	0.40 %
TOYOTA AUTO RECEIVABLES OWNER TRUST	145,996	0.40 %
ADOBE INC	140,744	0.38 %
ALLY AUTO RECEIVABLES TRUST	126,196	0.34 %
FORD CREDIT AUTO OWNER TRUST	100,868	0.27 %

Issuer	Market Value (\$)	% of Portfolio
LOCKHEED MARTIN CORP	99,275	0.27 %
MERCK & CO INC	98,516	0.27 %
BMW VEHICLE LEASE TRUST	93,177	0.25 %
LOS ANGELES UNIFIED SCHOOL DISTRICT/CA	90,993	0.25 %
NISSAN AUTO RECEIVABLES OWNER TRUST	71,122	0.19 %
BRISTOL-MYERS SQUIBB CO	60,265	0.16 %
CATERPILLAR INC	59,071	0.16 %
WORLD OMNI AUTO TRUST	19,063	0.05 %
Grand Total	36,800,429	100.00 %

Managed Account Detail of Securities Held

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B DTD 11/30/2023 4.875% 11/30/2025	91282CJL6	600,000.00	AA+	Aaa	10/10/2024	10/11/2024	604,382.81	4.21	2,571.43	603,533.67	603,248.40
US TREASURY N/B DTD 12/31/2020 0.375% 12/31/2025	91282CBC4	815,000.00	AA+	Aaa	5/5/2021	5/7/2021	801,788.09	0.73	8.44	812,169.43	784,774.91
US TREASURY N/B DTD 02/01/2021 0.375% 01/31/2026	91282CBH3	700,000.00	AA+	Aaa	9/1/2021	9/3/2021	690,511.72	0.69	1,098.51	697,673.57	671,644.40
US TREASURY N/B DTD 04/17/2023 3.750% 04/15/2026	91282CGV7	300,000.00	AA+	Aaa	4/4/2024	4/5/2024	294,656.25	4.68	2,410.71	296,613.22	298,089.90
US TREASURY N/B DTD 06/30/2021 0.875% 06/30/2026	91282CCJ8	130,000.00	AA+	Aaa	4/1/2022	4/5/2022	120,859.38	2.64	3.14	126,779.81	123,687.85
US TREASURY N/B DTD 08/02/2021 0.625% 07/31/2026	91282CCP4	275,000.00	AA+	Aaa	1/3/2022	1/5/2022	266,513.67	1.32	719.26	272,069.47	259,875.00
US TREASURY N/B DTD 08/15/2016 1.500% 08/15/2026	9128282A7	250,000.00	AA+	Aaa	5/2/2022	5/4/2022	234,853.52	3.02	1,416.44	244,276.49	239,306.75
US TREASURY N/B DTD 08/15/2016 1.500% 08/15/2026	9128282A7	300,000.00	AA+	Aaa	9/3/2024	9/5/2024	286,406.25	3.95	1,699.73	288,582.70	287,168.10
US TREASURY N/B DTD 09/03/2024 3.750% 08/31/2026	91282CLH2	50,000.00	AA+	Aaa	10/21/2024	10/22/2024	49,738.28	4.04	637.09	49,765.12	49,601.55
US TREASURY N/B DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	150,000.00	AA+	Aaa	10/1/2024	10/3/2024	142,265.63	3.58	335.34	143,200.46	141,544.95
US TREASURY N/B DTD 09/30/2021 0.875% 09/30/2026	91282CCZ2	215,000.00	AA+	Aaa	10/1/2021	10/6/2021	214,328.13	0.94	480.65	214,764.85	202,881.10
US TREASURY N/B DTD 11/01/2021 1.125% 10/31/2026	91282CDG3	95,000.00	AA+	Aaa	11/1/2021	11/3/2021	94,558.40	1.22	183.05	94,838.19	89,800.94
US TREASURY N/B DTD 11/01/2021 1.125% 10/31/2026	91282CDG3	275,000.00	AA+	Aaa	2/11/2022	2/14/2022	265,256.84	1.92	529.87	271,216.03	259,950.08
US TREASURY N/B DTD 11/01/2021 1.125% 10/31/2026	91282CDG3	1,100,000.00	AA+	Aaa	10/28/2024	10/31/2024	1,037,050.78	4.14	2,119.48	1,042,278.29	1,039,800.30
US TREASURY N/B DTD 11/15/2016 2.000% 11/15/2026	912828U24	100,000.00	AA+	Aaa	11/1/2024	11/5/2024	95,855.47	4.15	259.67	96,165.88	95,968.80

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B DTD 11/15/2016 2.000% 11/15/2026	912828U24	340,000.00	AA+	Aaa	11/1/2024	11/5/2024	325,921.88	4.15	882.87	326,976.38	326,293.92
US TREASURY N/B DTD 11/15/2016 2.000% 11/15/2026	912828U24	150,000.00	AA+	Aaa	11/20/2024	11/22/2024	143,548.83	4.29	389.50	143,897.27	143,953.20
US TREASURY N/B DTD 11/30/2021 1.250% 11/30/2026	91282CDK4	290,000.00	AA+	Aaa	12/1/2021	12/3/2021	290,826.95	1.19	318.68	290,316.63	274,152.08
US TREASURY N/B DTD 02/15/2017 2.250% 02/15/2027	912828V98	340,000.00	AA+	Aaa	6/2/2022	6/6/2022	329,760.16	2.94	2,889.54	335,372.67	326,253.80
US TREASURY N/B DTD 02/15/2017 2.250% 02/15/2027	912828V98	350,000.00	AA+	Aaa	8/1/2022	8/5/2022	342,849.61	2.73	2,974.52	346,651.63	335,849.50
US TREASURY N/B DTD 02/15/2017 2.250% 02/15/2027	912828V98	260,000.00	AA+	Aaa	7/1/2022	7/6/2022	252,342.19	2.94	2,209.65	256,477.86	249,488.20
US TREASURY N/B DTD 05/15/2017 2.375% 05/15/2027	912828X88	325,000.00	AA+	Aaa	12/5/2022	12/7/2022	306,147.46	3.81	1,002.16	314,945.31	311,212.85
US TREASURY N/B DTD 08/15/2017 2.250% 08/15/2027	9128282R0	75,000.00	AA+	Aaa	3/1/2023	3/3/2023	68,809.57	4.31	637.40	71,360.36	71,282.25
US TREASURY N/B DTD 08/15/2017 2.250% 08/15/2027	9128282R0	125,000.00	AA+	Aaa	8/1/2024	8/2/2024	118,813.48	4.00	1,062.33	119,614.33	118,803.75
US TREASURY N/B DTD 08/31/2020 0.500% 08/31/2027	91282CAH4	600,000.00	AA+	Aaa	12/5/2022	12/7/2022	515,789.06	3.77	1,019.34	552,631.35	543,538.80
US TREASURY N/B DTD 09/30/2022 4.125% 09/30/2027	91282CFM8	275,000.00	AA+	Aaa	1/2/2024	1/5/2024	276,160.16	4.00	2,898.27	275,852.26	273,882.95
US TREASURY N/B DTD 11/02/2020 0.500% 10/31/2027	91282CAU5	200,000.00	AA+	Aaa	1/3/2023	1/5/2023	169,828.12	3.97	171.27	182,291.16	180,000.00
US TREASURY N/B DTD 11/02/2020 0.500% 10/31/2027	91282CAU5	300,000.00	AA+	Aaa	12/2/2024	12/5/2024	270,140.63	4.18	256.91	270,867.79	270,000.00
US TREASURY N/B DTD 11/15/2017 2.250% 11/15/2027	9128283F5	625,000.00	AA+	Aaa	1/30/2023	1/31/2023	585,522.46	3.70	1,825.79	601,345.08	590,845.00
US TREASURY N/B DTD 01/03/2023 3.875% 12/31/2027	91282CGC9	165,000.00	AA+	Aaa	5/1/2023	5/4/2023	166,637.11	3.64	17.66	166,052.29	163,085.67
US TREASURY N/B DTD 01/03/2023 3.875% 12/31/2027	91282CGC9	350,000.00	AA+	Aaa	4/29/2024	5/2/2024	339,691.41	4.76	37.47	341,430.95	345,939.30
US TREASURY N/B DTD 03/01/2021 1.125% 02/29/2028	91282CBP5	425,000.00	AA+	Aaa	5/18/2023	5/24/2023	377,818.36	3.68	1,624.57	393,744.19	385,455.03

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B DTD 04/30/2021 1.250% 04/30/2028	91282CBZ3	150,000.00	AA+	Aaa	6/1/2023	6/5/2023	133,265.62	3.76	321.13	138,647.53	135,873.00
US TREASURY N/B DTD 08/02/2021 1.000% 07/31/2028	91282CCR0	300,000.00	AA+	Aaa	11/30/2023	12/7/2023	258,761.72	4.29	1,255.43	268,257.70	267,035.10
US TREASURY N/B DTD 08/15/2018 2.875% 08/15/2028	9128284V9	200,000.00	AA+	Aaa	1/4/2024	1/5/2024	190,460.94	4.02	2,171.88	192,511.50	190,226.60
US TREASURY N/B DTD 10/02/2023 4.625% 09/30/2028	91282CJA0	245,000.00	AA+	Aaa	2/1/2024	2/5/2024	253,594.14	3.79	2,895.07	252,035.91	247,258.65
US TREASURY N/B DTD 11/01/2021 1.375% 10/31/2028	91282CDF5	315,000.00	AA+	Aaa	1/2/2024	1/5/2024	279,771.68	3.95	741.82	287,013.39	282,097.31
US TREASURY N/B DTD 11/01/2021 1.375% 10/31/2028	91282CDF5	300,000.00	AA+	Aaa	2/29/2024	3/5/2024	263,671.88	4.27	706.49	270,121.67	268,664.10
US TREASURY N/B DTD 11/01/2021 1.375% 10/31/2028	91282CDF5	260,000.00	AA+	Aaa	9/3/2024	9/5/2024	236,295.31	3.77	612.29	238,013.73	232,842.22
US TREASURY N/B DTD 11/15/2018 3.125% 11/15/2028	9128285M8	700,000.00	AA+	Aaa	12/4/2023	12/7/2023	665,109.38	4.25	2,840.12	672,667.40	669,730.60
US TREASURY N/B DTD 12/31/2021 1.375% 12/31/2028	91282CDP3	450,000.00	AA+	Aaa	3/26/2024	3/28/2024	394,294.92	4.28	17.09	403,232.08	401,220.90
US TREASURY N/B DTD 01/31/2022 1.750% 01/31/2029	91282CDW8	250,000.00	AA+	Aaa	8/1/2024	8/2/2024	228,173.83	3.89	1,830.84	230,029.40	225,722.75
US TREASURY N/B DTD 01/31/2022 1.750% 01/31/2029	91282CDW8	250,000.00	AA+	Aaa	2/1/2024	2/5/2024	227,060.55	3.79	1,830.84	231,227.93	225,722.75
US TREASURY N/B DTD 02/15/2019 2.625% 02/15/2029	9128286B1	480,000.00	AA+	Aaa	6/3/2024	6/5/2024	442,012.50	4.51	4,759.24	446,231.62	448,706.40
US TREASURY N/B DTD 02/15/2019 2.625% 02/15/2029	9128286B1	395,000.00	AA+	Aaa	4/29/2024	5/2/2024	360,452.93	4.68	3,916.46	364,812.37	369,247.98
US TREASURY N/B DTD 05/02/2022 2.875% 04/30/2029	91282CEM9	310,000.00	AA+	Aaa	7/1/2024	7/2/2024	288,748.05	4.47	1,526.45	290,745.25	291,751.23
US TREASURY N/B DTD 05/02/2022 2.875% 04/30/2029	91282CEM9	425,000.00	AA+	Aaa	8/1/2024	8/2/2024	406,771.48	3.87	2,092.71	408,240.43	399,981.53
US TREASURY N/B DTD 06/30/2022 3.250% 06/30/2029	91282CEV9	495,000.00	AA+	Aaa	9/3/2024	9/5/2024	483,959.18	3.76	44.44	484,633.83	472,280.49
US TREASURY N/B DTD 08/01/2022 2.625% 07/31/2029	91282CFC0	300,000.00	AA+	Aaa	10/1/2024	10/3/2024	288,292.97	3.51	3,295.52	288,840.16	278,285.10

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury											
US TREASURY N/B DTD 09/30/2022 3.875% 09/30/2029	91282CFL0	300,000.00	AA+	Aaa	11/1/2024	11/5/2024	295,851.56	4.19	2,970.12	295,972.98	293,437.50
US TREASURY N/B DTD 09/30/2022 3.875% 09/30/2029	91282CFL0	550,000.00	AA+	Aaa	10/28/2024	10/31/2024	543,941.41	4.12	5,445.23	544,133.38	537,968.75
US TREASURY N/B DTD 10/31/2022 4.000% 10/31/2029	91282CFT3	350,000.00	AA+	Aaa	12/2/2024	12/5/2024	347,812.50	4.14	2,397.79	347,843.93	344,066.45
US TREASURY N/B DTD 10/31/2022 4.000% 10/31/2029	91282CFT3	300,000.00	AA+	Aaa	11/20/2024	11/22/2024	295,980.47	4.30	2,055.25	296,062.57	294,914.10
Security Type Sub-Total		17,875,000.00					16,963,915.68	3.53	78,416.95	17,195,029.45	16,934,412.84
Negotiable CD											
COOPERAT RABOBANK UA/NY DTD 07/20/2023 5.080% 07/17/2026	21684LGS5	350,000.00	A+	Aa2	7/17/2023	7/20/2023	350,000.00	5.08	8,099.78	350,000.00	356,797.00
NATIXIS NY BRANCH DTD 09/20/2023 5.610% 09/18/2026	63873QP65	250,000.00	A+	A1	9/18/2023	9/20/2023	250,000.00	5.61	4,090.63	250,000.00	256,153.50
CREDIT AGRICOLE CIB NY DTD 02/05/2024 4.760% 02/01/2027	22536DWD6	250,000.00	A+	A1	2/1/2024	2/5/2024	250,000.00	4.76	10,941.39	250,000.00	248,766.50
Security Type Sub-Total		850,000.00					850,000.00	5.15	23,131.80	850,000.00	861,717.00
Municipal											
SAN DIEGO WTR AUTH-A DTD 07/22/2020 0.743% 05/01/2025	797412DM2	155,000.00	AAA	Aa2	7/9/2020	7/22/2020	155,000.00	0.74	191.94	155,000.00	153,155.04
LOS ANGELES UN SD-B DTD 11/10/2021 1.455% 07/01/2026	544647FC9	95,000.00	NR	Aa2	10/28/2021	11/10/2021	95,000.00	1.46	691.13	95,000.00	90,992.52
Security Type Sub-Total		250,000.00					250,000.00	1.01	883.07	250,000.00	244,147.56
Joint Powers Authority											
CAMP Pool		153,276.29	AAAm	NR			153,276.29		0.00	153,276.29	153,276.29
Security Type Sub-Total		153,276.29					153,276.29		0.00	153,276.29	153,276.29

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
CITIGROUP INC DTD 01/12/2016 3.700% 01/12/2026	172967KG5	270,000.00	BBB+	A3	10/1/2021	10/6/2021	297,256.50	1.26	4,689.75	276,583.44	267,290.28
JPMORGAN CHASE & CO (CALLABLE) DTD 03/23/2016 3.300% 04/01/2026	46625HQW3	160,000.00	A	A1	7/19/2023	7/21/2023	152,609.60	5.16	1,320.00	156,571.46	157,560.00
STATE STREET CORP (CALLABLE) DTD 08/03/2023 5.272% 08/03/2026	857477CD3	220,000.00	A	Aa3	8/1/2023	8/3/2023	220,079.20	5.26	4,768.23	220,040.88	222,168.98
STATE STREET CORP (CALLABLE) DTD 08/03/2023 5.272% 08/03/2026	857477CD3	145,000.00	A	Aa3	7/31/2023	8/3/2023	145,000.00	5.27	3,142.70	145,000.00	146,429.56
WELLS FARGO BANK NA (CALLABLE) DTD 08/09/2023 5.450% 08/07/2026	94988J6D4	320,000.00	A+	Aa2	8/2/2023	8/9/2023	319,974.40	5.45	6,976.00	319,986.32	323,830.72
TOYOTA MOTOR CREDIT CORP DTD 08/14/2023 5.000% 08/14/2026	89236TKX2	135,000.00	A+	A1	8/9/2023	8/14/2023	134,836.65	5.04	2,568.75	134,911.82	135,900.59
BANK OF AMERICA NA (CALLABLE) DTD 08/18/2023 5.526% 08/18/2026	06428CAA2	335,000.00	A+	Aa1	8/14/2023	8/18/2023	335,000.00	5.53	6,839.19	335,000.00	339,408.60
AMERICAN HONDA FINANCE DTD 09/09/2021 1.300% 09/09/2026	02665WDZ1	145,000.00	A-	A3	11/29/2021	12/1/2021	142,916.35	1.61	586.44	144,262.60	137,049.36
HOME DEPOT INC (CALLABLE) DTD 09/15/2016 2.125% 09/15/2026	437076BN1	145,000.00	A	A2	8/18/2023	8/22/2023	133,034.60	5.07	907.26	138,339.30	139,519.15
AMERICAN EXPRESS CO (CALLABLE) DTD 11/04/2021 1.650% 11/04/2026	025816CM9	275,000.00	A-	A2	12/14/2021	12/16/2021	274,573.75	1.68	718.44	274,839.25	260,604.85
JOHN DEERE CAPITAL CORP DTD 01/10/2022 1.700% 01/11/2027	24422EWA3	175,000.00	A	A1	1/11/2022	1/13/2022	174,013.00	1.82	1,404.86	174,599.27	165,510.45
BANK OF NY MELLON CORP (CALLABLE) DTD 01/26/2022 2.050% 01/26/2027	06406RBA4	200,000.00	A	Aa3	1/26/2022	1/28/2022	200,242.00	2.02	1,765.28	200,097.70	190,434.40
HONEYWELL INTERNATIONAL (CALLABLE) DTD 08/16/2021 1.100% 03/01/2027	438516CE4	175,000.00	A	A2	3/1/2022	3/3/2022	166,824.00	2.09	641.67	171,453.13	162,837.68
TRUIST FINANCIAL CORP (CALLABLE) DTD 03/02/2021 1.267% 03/02/2027	89788MAD4	270,000.00	A-	Baa1	3/10/2022	3/14/2022	253,692.00	2.57	1,130.80	262,876.65	258,915.69
STATE STREET CORP (CALLABLE) DTD 03/18/2024 4.993% 03/18/2027	857477CL5	90,000.00	A	Aa3	3/13/2024	3/18/2024	90,000.00	4.99	1,285.70	90,000.00	90,740.97

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
NORTHERN TRUST CORP (CALLABLE) DTD 05/10/2022 4.000% 05/10/2027	665859AW4	175,000.00	A+	A2	5/10/2022	5/12/2022	176,690.50	3.79	991.67	175,783.10	172,692.98
UNITEDHEALTH GROUP INC (CALLABLE) DTD 05/20/2022 3.700% 05/15/2027	91324PEG3	200,000.00	A+	A2	6/2/2022	6/6/2022	201,632.00	3.52	945.56	200,768.88	196,084.80
UNITEDHEALTH GROUP INC (CALLABLE) DTD 05/20/2022 3.700% 05/15/2027	91324PEG3	55,000.00	A+	A2	5/17/2022	5/20/2022	54,970.30	3.71	260.03	54,985.87	53,923.32
NATIONAL AUSTRALIA BK/NY DTD 06/09/2022 3.905% 06/09/2027	63254ABE7	270,000.00	AA-	Aa2	6/9/2022	6/13/2022	267,659.10	4.10	644.33	268,855.62	265,832.28
BANK OF AMERICA CORP (CALLABLE) DTD 04/22/2021 1.734% 07/22/2027	06051GJS9	190,000.00	A-	A1	6/2/2023	6/6/2023	169,573.10	4.62	1,455.12	177,339.72	181,148.28
INTEL CORP (CALLABLE) DTD 08/05/2022 3.750% 08/05/2027	458140BY5	250,000.00	BBB	Baa1	8/9/2022	8/11/2022	248,852.50	3.85	3,802.08	249,402.58	242,458.50
BP CAP MARKETS AMERICA (CALLABLE) DTD 05/17/2024 5.017% 11/17/2027	10373QBY5	190,000.00	A-	A1	5/15/2024	5/17/2024	190,000.00	5.02	1,165.06	190,000.00	192,061.50
AMAZON.COM INC (CALLABLE) DTD 12/01/2022 4.550% 12/01/2027	023135CP9	400,000.00	AA	A1	12/6/2022	12/7/2022	401,560.00	4.46	1,516.67	400,902.04	402,430.40
JPMORGAN CHASE & CO (CALLABLE) DTD 01/23/2024 5.040% 01/23/2028	46647PEA0	145,000.00	A	A1	1/16/2024	1/23/2024	145,000.00	5.04	3,207.40	145,000.00	145,527.08
MASTERCARD INC (CALLABLE) DTD 03/09/2023 4.875% 03/09/2028	57636QAW4	265,000.00	A+	Aa3	3/14/2023	3/17/2023	267,432.70	4.67	4,019.17	266,543.56	268,052.54
NATIONAL RURAL UTIL COOP (CALLABLE) DTD 12/16/2022 4.800% 03/15/2028	63743HFG2	200,000.00	A-	A2	6/9/2023	6/13/2023	199,414.00	4.87	2,826.67	199,605.00	200,359.20
MORGAN STANLEY (CALLABLE) DTD 04/19/2024 5.652% 04/13/2028	61747YFP5	70,000.00	A-	A1	4/17/2024	4/19/2024	70,000.00	5.65	857.22	70,000.00	71,189.09
META PLATFORMS INC (CALLABLE) DTD 05/03/2023 4.600% 05/15/2028	30303M8L9	170,000.00	AA-	Aa3	6/1/2023	6/5/2023	170,255.00	4.56	999.22	170,173.92	170,209.78
LOCKHEED MARTIN CORP (CALLABLE) DTD 05/25/2023 4.450% 05/15/2028	539830BZ1	75,000.00	A-	A2	6/2/2023	6/6/2023	74,730.00	4.53	426.46	74,815.75	74,456.48

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
LOCKHEED MARTIN CORP (CALLABLE) DTD 05/25/2023 4.450% 05/15/2028	539830BZ1	25,000.00	A-	A2	5/23/2023	5/25/2023	24,955.00	4.49	142.15	24,969.48	24,818.83
MERCK & CO INC (CALLABLE) DTD 05/17/2023 4.050% 05/17/2028	58933YBH7	100,000.00	A+	A1	5/8/2023	5/17/2023	99,919.00	4.07	495.00	99,945.28	98,515.70
MORGAN STANLEY BANK NA (CALLABLE) DTD 05/30/2024 5.504% 05/26/2028	61690U8B9	400,000.00	A+	Aa3	5/29/2024	5/30/2024	400,496.00	5.47	2,140.44	400,405.42	405,576.80
NATIONAL AUSTRALIA BK/NY DTD 06/13/2023 4.900% 06/13/2028	63253QAE4	250,000.00	AA-	Aa2	6/6/2023	6/13/2023	249,572.50	4.94	612.50	249,705.03	251,304.00
AMERICAN HONDA FINANCE DTD 07/07/2023 5.125% 07/07/2028	02665WEM9	135,000.00	A-	A3	7/5/2023	7/7/2023	134,940.60	5.14	3,344.06	134,958.22	135,919.89
JOHN DEERE CAPITAL CORP DTD 07/14/2023 4.950% 07/14/2028	24422EXB0	45,000.00	A	A1	7/11/2023	7/14/2023	44,932.95	4.98	1,033.31	44,952.58	45,434.70
PACCAR FINANCIAL CORP DTD 08/10/2023 4.950% 08/10/2028	69371RS64	165,000.00	A+	A1	8/3/2023	8/10/2023	164,739.30	4.99	3,198.94	164,811.86	166,271.33
TOYOTA MOTOR CREDIT CORP DTD 09/11/2023 5.250% 09/11/2028	89236TLB9	120,000.00	A+	A1	9/6/2023	9/11/2023	119,791.20	5.29	1,925.00	119,840.88	121,702.20
CITIBANK NA (CALLABLE) DTD 09/29/2023 5.803% 09/29/2028	17325FBB3	325,000.00	A+	Aa3	9/26/2023	9/29/2023	325,000.00	5.80	4,819.71	325,000.00	335,115.63
ANALOG DEVICES INC (CALLABLE) DTD 10/05/2021 1.700% 10/01/2028	032654AU9	250,000.00	A-	A2	10/30/2023	11/1/2023	209,735.00	5.48	1,062.50	219,289.41	224,393.50
BRISTOL-MYERS SQUIBB CO (CALLABLE) DTD 02/22/2024 4.900% 02/22/2029	110122EF1	60,000.00	A	A2	2/14/2024	2/22/2024	59,874.00	4.95	1,053.50	59,893.58	60,264.78
CISCO SYSTEMS INC (CALLABLE) DTD 02/26/2024 4.850% 02/26/2029	17275RBR2	180,000.00	AA-	A1	2/21/2024	2/26/2024	179,937.00	4.86	3,031.25	179,947.11	181,133.10
BLACKROCK FUNDING INC (CALLABLE) DTD 03/14/2024 4.700% 03/14/2029	09290DAA9	355,000.00	AA-	Aa3	3/7/2024	3/14/2024	355,876.85	4.64	4,959.15	355,750.94	355,314.89
BLACKROCK FUNDING INC (CALLABLE) DTD 03/14/2024 4.700% 03/14/2029	09290DAA9	25,000.00	AA-	Aa3	3/5/2024	3/14/2024	24,954.75	4.74	349.24	24,961.37	25,022.18
ADOBE INC (CALLABLE) DTD 04/04/2024 4.800% 04/04/2029	00724PAF6	140,000.00	A+	A1	4/1/2024	4/4/2024	139,791.40	4.83	1,624.00	139,819.36	140,743.82

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate											
HOME DEPOT INC (CALLABLE) DTD 06/25/2024 4.750% 06/25/2029	437076DC3	45,000.00	A	A2	6/17/2024	6/25/2024	44,709.75	4.90	35.63	44,736.61	45,095.22
PEPSICO INC (CALLABLE) DTD 07/17/2024 4.500% 07/17/2029	713448FX1	175,000.00	A+	A1	7/15/2024	7/17/2024	174,728.75	4.53	3,587.50	174,751.73	174,648.25
CATERPILLAR FINL SERVICE DTD 08/16/2024 4.375% 08/16/2029	14913UAQ3	60,000.00	A	A2	8/12/2024	8/16/2024	59,837.40	4.44	984.38	59,848.50	59,070.78
PACCAR FINANCIAL CORP DTD 09/26/2024 4.000% 09/26/2029	69371RT48	50,000.00	A+	A1	9/23/2024	9/26/2024	49,897.00	4.05	527.78	49,902.01	48,370.35
Security Type Sub-Total		8,620,000.00					8,541,509.70	4.36	96,787.77	8,562,227.23	8,533,343.46
Agency CMBS											
FHMS K058 A2 DTD 11/01/2016 2.653% 08/01/2026	3137BSP72	335,000.00	AA+	Aaa	4/12/2023	4/17/2023	319,754.88	4.10	740.63	327,503.64	325,136.26
FHMS K061 A2 DTD 01/01/2017 3.347% 11/01/2026	3137BTUM1	229,131.69	AA+	Aaa	5/19/2023	5/24/2023	222,078.73	4.29	639.09	225,305.98	223,635.74
FHMS K063 A2 DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82	340,000.00	AA+	Aaa	5/19/2023	5/24/2023	329,707.03	4.32	971.83	334,202.90	332,613.16
FHMS K064 A2 DTD 05/01/2017 3.224% 03/01/2027	3137BXQY1	365,000.00	AA+	Aaa	8/16/2023	8/18/2023	344,297.66	4.94	980.63	352,166.78	354,996.45
FHMS K065 A2 DTD 07/01/2017 3.243% 04/01/2027	3137F1G44	355,000.00	AA+	Aaa	6/8/2023	6/13/2023	340,175.98	4.42	959.39	346,118.37	344,634.00
FHMS K743 A2 DTD 06/01/2021 1.770% 05/01/2028	3137H14B9	385,000.00	AA+	Aaa	8/10/2023	8/15/2023	336,965.24	4.68	567.88	350,817.12	350,582.93
FHMS KJ46 A1 DTD 07/01/2023 4.777% 06/01/2028	3137HAD45	277,113.38	AA+	Aaa	7/19/2023	7/27/2023	277,106.43	4.78	1,103.14	277,108.45	276,313.08
FHMS K505 A2 DTD 07/01/2023 4.819% 06/01/2028	3137HACX2	340,000.00	AA+	Aaa	7/13/2023	7/20/2023	343,395.92	4.59	1,365.38	342,399.15	340,774.18
FNA 2023-M6 A2 DTD 07/01/2023 4.181% 07/01/2028	3136BQDE6	334,438.98	AA+	Aaa	7/18/2023	7/31/2023	328,769.20	4.58	1,165.29	330,381.01	327,821.44
FHMS K508 A2 DTD 10/01/2023 4.740% 08/01/2028	3137HAQ74	325,000.00	AA+	Aaa	10/11/2023	10/19/2023	317,870.80	5.25	1,283.75	319,464.38	324,905.43
FHMS KJ47 A1 DTD 09/01/2023 5.272% 08/01/2028	3137HAMN3	174,012.49	AA+	Aaa	9/19/2023	9/28/2023	174,011.62	5.27	764.49	174,011.91	175,591.83

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Agency CMBS											
FHMS K506 A2 DTD 09/01/2023 4.650% 08/01/2028	3137HAMH6	350,000.00	AA+	Aaa	9/7/2023	9/14/2023	344,822.45	4.99	1,356.25	346,055.01	349,241.20
FHMS K507 A2 DTD 09/01/2023 4.800% 09/01/2028	3137HAMS2	325,000.00	AA+	Aaa	9/20/2023	9/28/2023	321,115.28	5.07	1,300.00	321,956.10	325,631.80
FHMS K509 A2 DTD 10/01/2023 4.850% 09/01/2028	3137HAST4	255,000.00	AA+	Aaa	10/25/2023	10/31/2023	246,869.84	5.60	1,030.63	248,506.45	255,994.50
FHMS K511 A2 DTD 12/01/2023 4.860% 10/01/2028	3137HB3G7	185,000.00	AA+	Aaa	11/28/2023	12/7/2023	184,468.50	4.93	749.25	184,573.63	185,597.00
FHMS K510 A2 DTD 11/01/2023 5.069% 10/01/2028	3137HB3D4	125,000.00	AA+	Aaa	11/14/2023	11/21/2023	124,638.63	5.14	528.02	124,712.18	126,356.50
FHMS K512 A2 DTD 12/01/2023 5.000% 11/01/2028	3137HBCF9	170,000.00	AA+	Aaa	12/11/2023	12/21/2023	171,587.46	4.79	708.33	171,287.82	171,467.44
FHMS K524 A2 DTD 07/01/2024 4.720% 05/01/2029	3137HDV56	280,000.00	AA+	Aaa	7/16/2024	7/25/2024	281,719.48	4.58	1,101.33	281,606.25	279,425.72
FHMS K526 A2 DTD 08/01/2024 4.543% 07/01/2029	3137HDXL9	315,000.00	AA+	Aaa	8/7/2024	8/15/2024	317,946.51	4.33	1,192.54	317,744.00	311,902.29
Security Type Sub-Total		5,464,696.55					5,327,301.64	4.74	18,507.85	5,375,921.13	5,382,620.95
ABS											
HAROT 2021-3 A3 DTD 08/25/2021 0.410% 11/18/2025	43815EAC8	3,299.09	AAA	NR	8/17/2021	8/25/2021	3,299.04	0.41	0.49	3,299.08	3,292.39
BMWOT 2022-A A3 DTD 05/18/2022 3.210% 08/25/2026	05602RAD3	32,775.38	AAA	Aaa	5/10/2022	5/18/2022	32,773.67	3.21	17.53	32,774.72	32,626.28
WOART 2021-D A3 DTD 11/03/2021 0.810% 10/15/2026	98163KAC6	19,207.97	AAA	NR	10/26/2021	11/3/2021	19,205.35	0.82	6.91	19,207.02	19,062.64
HART 2022-A A3 DTD 03/16/2022 2.220% 10/15/2026	448977AD0	63,775.00	AAA	NR	3/9/2022	3/16/2022	63,772.54	2.22	62.92	63,774.04	63,297.51
GMCAR 2022-1 A3 DTD 01/19/2022 1.260% 11/16/2026	380146AC4	20,187.04	AAA	NR	1/11/2022	1/19/2022	20,185.29	1.26	10.60	20,186.36	20,004.29
DTRT 2023-1 A3 DTD 09/27/2023 5.900% 03/15/2027	233868AC2	205,000.00	NR	Aaa	9/20/2023	9/27/2023	204,996.86	5.90	537.56	204,998.31	207,072.14
CARMX 2022-3 A3 DTD 07/20/2022 3.970% 04/15/2027	14318MAD1	149,304.28	AAA	NR	7/12/2022	7/20/2022	149,300.76	3.97	263.44	149,302.58	148,851.14

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
DCENT 2022-A3 A3 DTD 08/09/2022 3.560% 07/15/2027	254683CW3	190,000.00	AAA	Aaa	8/2/2022	8/9/2022	189,976.42	3.56	300.62	189,987.86	189,032.14
MBART 2022-1 A3 DTD 11/22/2022 5.210% 08/16/2027	58768PAC8	205,681.22	AAA	Aaa	11/15/2022	11/22/2022	205,640.54	5.21	476.27	205,658.66	206,618.72
HAROT 2023-3 A3 DTD 08/22/2023 5.410% 02/18/2028	43815QAC1	220,000.00	AAA	NR	8/15/2023	8/22/2023	219,954.64	5.42	429.79	219,968.37	222,192.08
BMWOT 2023-A A3 DTD 07/18/2023 5.470% 02/25/2028	05592XAD2	60,000.00	AAA	NR	7/11/2023	7/18/2023	59,989.37	5.47	54.70	59,992.73	60,551.10
NAROT 2023-B A3 DTD 10/25/2023 5.930% 03/15/2028	65480MAD5	70,000.00	NR	Aaa	10/18/2023	10/25/2023	69,985.79	5.94	184.49	69,989.40	71,121.54
DCENT 2023-A1 A DTD 04/11/2023 4.310% 03/15/2028	254683CY9	255,000.00	NR	Aaa	4/4/2023	4/11/2023	254,985.21	4.31	488.47	254,990.38	254,419.62
HART 2023-B A3 DTD 07/19/2023 5.480% 04/17/2028	44933XAD9	75,000.00	AAA	NR	7/11/2023	7/19/2023	74,996.75	5.48	182.67	74,997.74	75,819.52
ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	125,000.00	NR	Aaa	7/11/2023	7/19/2023	124,978.69	5.48	303.33	124,985.10	126,195.75
COMET 2023-A1 A DTD 05/24/2023 4.420% 05/15/2028	14041NGD7	330,000.00	AAA	NR	5/17/2023	5/24/2023	329,924.33	4.45	648.27	329,948.71	330,024.42
BACCT 2023-A1 A1 DTD 06/16/2023 4.790% 05/15/2028	05522RDG0	115,000.00	AAA	NR	6/8/2023	6/16/2023	114,973.96	4.79	244.82	114,982.13	115,503.01
AMXCA 2023-1 A DTD 06/14/2023 4.870% 05/15/2028	02582JJZ4	130,000.00	AAA	NR	6/7/2023	6/14/2023	129,988.47	4.87	281.38	129,992.10	130,685.36
FORDO 2023-B A3 DTD 06/26/2023 5.230% 05/15/2028	344930AD4	100,000.00	AAA	NR	6/21/2023	6/26/2023	99,998.65	5.23	232.44	99,999.07	100,867.90
DCENT 2023-A2 A DTD 06/28/2023 4.930% 06/15/2028	254683CZ6	165,000.00	AAA	Aaa	6/21/2023	6/28/2023	164,977.71	4.93	361.53	164,984.48	166,078.61
GMCAR 2023-3 A3 DTD 07/19/2023 5.450% 06/16/2028	36267KAD9	70,000.00	AAA	Aaa	7/11/2023	7/19/2023	69,997.30	5.45	158.96	69,998.10	70,755.44
FITAT 2023-1 A3 DTD 08/23/2023 5.530% 08/15/2028	31680EAD3	240,000.00	AAA	Aaa	8/15/2023	8/23/2023	239,985.12	5.53	589.87	239,989.17	242,632.32
CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	280,000.00	AAA	NR	9/7/2023	9/15/2023	279,922.38	5.17	642.13	279,940.63	283,279.08
CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/16/2029	161571HV9	290,000.00	AAA	NR	1/24/2024	1/31/2024	289,955.83	4.60	592.89	289,963.70	290,727.03

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
ABS											
WFCIT 2024-A1 A DTD 03/01/2024 4.940% 02/15/2029	92970QAA3	340,000.00	AAA	Aaa	2/21/2024	3/1/2024	339,907.72	4.95	746.49	339,922.80	343,206.54
TAOT 2024-C A3 DTD 07/30/2024 4.880% 03/15/2029	89237QAD2	145,000.00	AAA	NR	7/23/2024	7/30/2024	144,999.91	4.88	314.49	145,000.00	145,996.15
AMXCA 2024-1 A DTD 04/23/2024 5.230% 04/16/2029	02582JKH2	250,000.00	AAA	NR	4/16/2024	4/23/2024	249,948.75	5.23	581.11	249,948.75	253,798.50
HART 2024-C A3 DTD 10/16/2024 4.410% 05/15/2029	448976AD2	115,000.00	AAA	NR	10/8/2024	10/16/2024	114,991.58	4.41	225.40	114,992.24	114,512.75
BACCT 2024-A1 A DTD 06/13/2024 4.930% 05/15/2029	05522RDJ4	310,000.00	AAA	Aaa	6/6/2024	6/13/2024	309,982.61	4.93	679.24	309,985.40	312,965.77
GMCAR 2024-4 A3 DTD 10/16/2024 4.400% 08/16/2029	38014AAD3	90,000.00	AAA	Aaa	10/8/2024	10/16/2024	89,982.67	4.40	165.00	89,983.46	89,721.09
Security Type Sub-Total		4,664,229.97					4,663,577.91	4.85	9,783.81	4,663,743.09	4,690,910.83
Managed Account Sub Total		37,723,926.52					36,596,304.93	4.09	227,511.25	36,896,920.90	36,647,152.64
Securities Sub Total		\$37,877,202.81					\$36,749,581.22	4.09%	\$227,511.25	\$37,050,197.19	\$36,800,428.93
Accrued Interest											\$227,511.25
Total Investments											\$37,027,940.18

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
BUY									
10/1/2024	10/3/2024	150,000.00	91282CCZ2	US TREASURY N/B	0.87%	9/30/2026	142,276.45	3.58%	
10/1/2024	10/3/2024	300,000.00	91282CFC0	US TREASURY N/B	2.62%	7/31/2029	289,662.54	3.51%	
10/8/2024	10/16/2024	115,000.00	448976AD2	HART 2024-C A3	4.41%	5/15/2029	114,991.58	4.41%	
10/8/2024	10/16/2024	90,000.00	38014AAD3	GMCAR 2024-4 A3	4.40%	8/16/2029	89,982.67	4.40%	
10/10/2024	10/11/2024	600,000.00	91282CJL6	US TREASURY N/B	4.87%	11/30/2025	615,011.91	4.21%	
10/21/2024	10/22/2024	50,000.00	91282CLH2	US TREASURY N/B	3.75%	8/31/2026	50,007.62	4.04%	
10/28/2024	10/31/2024	1,100,000.00	91282CDG3	US TREASURY N/B	1.12%	10/31/2026	1,037,050.78	4.14%	
10/28/2024	10/31/2024	550,000.00	91282CFL0	US TREASURY N/B	3.87%	9/30/2029	545,756.49	4.12%	
11/1/2024	11/5/2024	300,000.00	91282CFL0	US TREASURY N/B	3.87%	9/30/2029	297,001.29	4.19%	
11/1/2024	11/5/2024	100,000.00	912828U24	US TREASURY N/B	2.00%	11/15/2026	96,801.12	4.15%	
11/1/2024	11/5/2024	340,000.00	912828U24	US TREASURY N/B	2.00%	11/15/2026	329,137.10	4.15%	
11/20/2024	11/22/2024	150,000.00	912828U24	US TREASURY N/B	2.00%	11/15/2026	143,606.84	4.29%	
11/20/2024	11/22/2024	300,000.00	91282CFT3	US TREASURY N/B	4.00%	10/31/2029	296,709.75	4.30%	
12/2/2024	12/5/2024	300,000.00	91282CAU5	US TREASURY N/B	0.50%	10/31/2027	270,285.66	4.18%	
12/2/2024	12/5/2024	350,000.00	91282CFT3	US TREASURY N/B	4.00%	10/31/2029	349,166.09	4.14%	
Total BUY		4,795,000.00					4,667,447.89		0.00

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/1/2024	10/1/2024		032654AU9	ANALOG DEVICES INC (CALLABLE)	1.70%	10/1/2028	2,125.00		
10/1/2024	10/1/2024		46625HQW3	JPMORGAN CHASE & CO (CALLABLE)	3.30%	4/1/2026	2,640.00		
10/1/2024	10/25/2024		3137F1G44	FHMS K065 A2	3.24%	4/1/2027	959.39		
10/1/2024	10/25/2024		3137FLN34	FHMS K734 A2	3.20%	2/1/2026	903.40		
10/1/2024	10/25/2024		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	1,283.75		
10/1/2024	10/25/2024		3137BVZ82	FHMS K063 A2	3.43%	1/1/2027	971.83		
10/1/2024	10/25/2024		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	1,365.38		
10/1/2024	10/25/2024		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	980.63		
10/1/2024	10/25/2024		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	643.01		
10/1/2024	10/25/2024		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	1,101.33		
10/1/2024	10/25/2024		3137BSP72	FHMS K058 A2	2.65%	8/1/2026	740.63		
10/1/2024	10/25/2024		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,105.64		
10/1/2024	10/25/2024		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	1,356.25		
10/1/2024	10/25/2024		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	1,300.00		
10/1/2024	10/25/2024		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	1,192.54		
10/1/2024	10/25/2024		3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	1,165.31		
10/1/2024	10/25/2024		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	708.33		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/1/2024	10/25/2024		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	1,030.63		
10/1/2024	10/25/2024		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	528.02		
10/1/2024	10/25/2024		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	1,169.77		
10/1/2024	10/25/2024		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	749.25		
10/1/2024	10/25/2024		3137H14B9	FHMS K743 A2	1.77%	5/1/2028	567.88		
10/4/2024	10/4/2024		00724PAF6	ADOBE INC (CALLABLE)	4.80%	4/4/2029	3,360.00		
10/13/2024	10/13/2024		61747YFP5	MORGAN STANLEY (CALLABLE)	5.65%	4/13/2028	1,912.26		
10/15/2024	10/15/2024		44933XAD9	HART 2023-B A3	5.48%	4/17/2028	342.50		
10/15/2024	10/15/2024		31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	1,106.00		
10/15/2024	10/15/2024		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	1,204.00		
10/15/2024	10/15/2024		89237QAD2	TAOT 2024-C A3	4.88%	3/15/2029	589.67		
10/15/2024	10/15/2024		65480MAD5	NAROT 2023-B A3	5.93%	3/15/2028	345.92		
10/15/2024	10/15/2024		14041NGD7	COMET 2023-A1 A	4.42%	5/15/2028	1,215.50		
10/15/2024	10/15/2024		05522RDF2	BACCT 2022-A2 A2	5.00%	4/15/2028	1,416.67		
10/15/2024	10/15/2024		98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	21.02		
10/15/2024	10/15/2024		254683CY9	DCENT 2023-A1 A	4.31%	3/15/2028	915.88		
10/15/2024	10/15/2024		92970QAA3	WFCIT 2024-A1 A	4.94%	2/15/2029	1,399.67		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/15/2024	10/15/2024		254683CZ6	DCENT 2023-A2 A	4.93%	6/15/2028	677.87		
10/15/2024	10/15/2024		02007WAC2	ALLYA 2023-1 A3	5.46%	5/15/2028	568.75		
10/15/2024	10/15/2024		14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	614.38		
10/15/2024	10/15/2024		344930AD4	FORDO 2023-B A3	5.23%	5/15/2028	435.83		
10/15/2024	10/15/2024		14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	3.18		
10/15/2024	10/15/2024		254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	563.67		
10/15/2024	10/15/2024		02582JJZ4	AMXCA 2023-1 A	4.87%	5/15/2028	527.58		
10/15/2024	10/15/2024		161571HV9	CHAIT 2024-A1 A	4.60%	1/16/2029	1,111.67		
10/15/2024	10/15/2024		58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,100.17		
10/15/2024	10/15/2024		448977AD0	HART 2022-A A3	2.22%	10/15/2026	170.16		
10/15/2024	10/15/2024		91282CGV7	US TREASURY N/B	3.75%	4/15/2026	5,625.00		
10/15/2024	10/15/2024		233868AC2	DTRT 2023-1 A3	5.90%	3/15/2027	1,007.92		
10/15/2024	10/15/2024		05522RDJ4	BACCT 2024-A1 A	4.93%	5/15/2029	1,273.58		
10/15/2024	10/15/2024		02582JKH2	AMXCA 2024-1 A	5.23%	4/16/2029	1,089.58		
10/15/2024	10/15/2024		05522RDG0	BACCT 2023-A1 A1	4.79%	5/15/2028	459.04		
10/16/2024	10/16/2024		36267KAD9	GMCAR 2023-3 A3	5.45%	6/16/2028	317.92		
10/16/2024	10/16/2024		380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	31.46		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
10/18/2024	10/18/2024		43815EAC8	HAROT 2021-3 A3	0.41%	11/18/2025	5.17		
10/18/2024	10/18/2024		43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	991.83		
10/25/2024	10/25/2024		89115B6K1	TORONTO DOMINION BANK NY	5.60%	10/27/2025	20,496.00		
10/25/2024	10/25/2024		05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	125.04		
10/25/2024	10/25/2024		05592XAD2	BMWOT 2023-A A3	5.47%	2/25/2028	273.50		
10/31/2024	10/31/2024		91282CBZ3	US TREASURY N/B	1.25%	4/30/2028	937.50		
10/31/2024	10/31/2024		91282CDG3	US TREASURY N/B	1.12%	10/31/2026	2,081.25		
10/31/2024	10/31/2024		91282CAU5	US TREASURY N/B	0.50%	10/31/2027	500.00		
10/31/2024	10/31/2024		91282CDF5	US TREASURY N/B	1.37%	10/31/2028	6,015.63		
10/31/2024	10/31/2024		91282CEM9	US TREASURY N/B	2.87%	4/30/2029	10,565.63		
11/1/2024	11/1/2024		797412DM2	SAN DIEGO WTR AUTH-A	0.74%	5/1/2025	575.83		
11/1/2024	11/25/2024		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,104.77		
11/1/2024	11/25/2024		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	641.68		
11/1/2024	11/25/2024		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	768.19		
11/1/2024	11/25/2024		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	1,030.63		
11/1/2024	11/25/2024		3137H14B9	FHMS K743 A2	1.77%	5/1/2028	567.88		
11/1/2024	11/25/2024		3137BVZ82	FHMS K063 A2	3.43%	1/1/2027	971.83		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/1/2024	11/25/2024		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	1,300.00		
11/1/2024	11/25/2024		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	1,365.38		
11/1/2024	11/25/2024		3137BSP72	FHMS K058 A2	2.65%	8/1/2026	740.63		
11/1/2024	11/25/2024		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	749.25		
11/1/2024	11/25/2024		3137F1G44	FHMS K065 A2	3.24%	4/1/2027	959.39		
11/1/2024	11/25/2024		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	1,356.25		
11/1/2024	11/25/2024		3137FLN34	FHMS K734 A2	3.20%	2/1/2026	902.41		
11/1/2024	11/25/2024		3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	1,167.76		
11/1/2024	11/25/2024		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	1,101.33		
11/1/2024	11/25/2024		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	1,192.54		
11/1/2024	11/25/2024		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	528.02		
11/1/2024	11/25/2024		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	980.63		
11/1/2024	11/25/2024		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	708.33		
11/1/2024	11/25/2024		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	1,283.75		
11/4/2024	11/4/2024		025816CM9	AMERICAN EXPRESS CO (CALLABLE)	1.65%	11/4/2026	2,268.75		
11/10/2024	11/10/2024		665859AW4	NORTHERN TRUST CORP (CALLABLE)	4.00%	5/10/2027	3,500.00		
11/10/2024	11/10/2024		713448FW3	PEPSICO INC (CALLABLE)	5.12%	11/10/2026	1,665.63		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/15/2024	11/15/2024		233868AC2	DTRT 2023-1 A3	5.90%	3/15/2027	1,007.92		
11/15/2024	11/15/2024		14041NGD7	COMET 2023-A1 A	4.42%	5/15/2028	1,215.50		
11/15/2024	11/15/2024		14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	1.61		
11/15/2024	11/15/2024		02007WAC2	ALLYA 2023-1 A3	5.46%	5/15/2028	568.75		
11/15/2024	11/15/2024		91324PEG3	UNITEDHEALTH GROUP INC (CALLABLE)	3.70%	5/15/2027	4,717.50		
11/15/2024	11/15/2024		05522RDG0	BACCT 2023-A1 A1	4.79%	5/15/2028	459.04		
11/15/2024	11/15/2024		9128285M8	US TREASURY N/B	3.12%	11/15/2028	10,937.50		
11/15/2024	11/15/2024		44933XAD9	HART 2023-B A3	5.48%	4/17/2028	342.50		
11/15/2024	11/15/2024		89237QAD2	TAOT 2024-C A3	4.88%	3/15/2029	589.67		
11/15/2024	11/15/2024		02582JKH2	AMXCA 2024-1 A	5.23%	4/16/2029	1,089.58		
11/15/2024	11/15/2024		254683CZ6	DCENT 2023-A2 A	4.93%	6/15/2028	677.87		
11/15/2024	11/15/2024		65480MAD5	NAROT 2023-B A3	5.93%	3/15/2028	345.92		
11/15/2024	11/15/2024		448976AD2	HART 2024-C A3	4.41%	5/15/2029	408.54		
11/15/2024	11/15/2024		02582JJZ4	AMXCA 2023-1 A	4.87%	5/15/2028	527.58		
11/15/2024	11/15/2024		31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	1,106.00		
11/15/2024	11/15/2024		448977AD0	HART 2022-A A3	2.22%	10/15/2026	152.82		
11/15/2024	11/15/2024		98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	18.28		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/15/2024	11/15/2024		344930AD4	FORDO 2023-B A3	5.23%	5/15/2028	435.83		
11/15/2024	11/15/2024		254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	563.67		
11/15/2024	11/15/2024		58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	1,027.95		
11/15/2024	11/15/2024		05522RDJ4	BACCT 2024-A1 A	4.93%	5/15/2029	1,273.58		
11/15/2024	11/15/2024		912828U24	US TREASURY N/B	2.00%	11/15/2026	4,400.00		
11/15/2024	11/15/2024		539830BZ1	LOCKHEED MARTIN CORP (CALLABLE)	4.45%	5/15/2028	2,225.00		
11/15/2024	11/15/2024		912828X88	US TREASURY N/B	2.37%	5/15/2027	3,859.38		
11/15/2024	11/15/2024		254683CY9	DCENT 2023-A1 A	4.31%	3/15/2028	915.88		
11/15/2024	11/15/2024		14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	574.82		
11/15/2024	11/15/2024		161571HV9	CHAIT 2024-A1 A	4.60%	1/16/2029	1,111.67		
11/15/2024	11/15/2024		9128283F5	US TREASURY N/B	2.25%	11/15/2027	7,031.25		
11/15/2024	11/15/2024		30303M8L9	META PLATFORMS INC (CALLABLE)	4.60%	5/15/2028	3,910.00		
11/15/2024	11/15/2024		92970QAA3	WFCIT 2024-A1 A	4.94%	2/15/2029	1,399.67		
11/15/2024	11/15/2024		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	1,204.00		
11/16/2024	11/16/2024		36267KAD9	GMCAR 2023-3 A3	5.45%	6/16/2028	317.92		
11/16/2024	11/16/2024		38014AAD3	GMCAR 2024-4 A3	4.40%	8/16/2029	352.00		
11/16/2024	11/16/2024		380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	27.94		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
11/17/2024	11/17/2024		58933YBH7	MERCK & CO INC (CALLABLE)	4.05%	5/17/2028	2,025.00		
11/17/2024	11/17/2024		10373QBY5	BP CAP MARKETS AMERICA (CALLABLE)	5.01%	11/17/2027	4,766.15		
11/18/2024	11/18/2024		43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	991.83		
11/18/2024	11/18/2024		43815EAC8	HAROT 2021-3 A3	0.41%	11/18/2025	3.80		
11/25/2024	11/25/2024		05592XAD2	BMWOT 2023-A A3	5.47%	2/25/2028	273.50		
11/25/2024	11/25/2024		05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	112.51		
11/26/2024	11/26/2024		61690U8B9	MORGAN STANLEY BANK NA (CALLABLE)	5.50%	5/26/2028	10,763.38		
11/30/2024	11/30/2024		91282CJL6	US TREASURY N/B	4.87%	11/30/2025	14,625.00		
11/30/2024	11/30/2024		91282CDK4	US TREASURY N/B	1.25%	11/30/2026	1,812.50		
12/1/2024	12/1/2024		023135CP9	AMAZON.COM INC (CALLABLE)	4.55%	12/1/2027	9,100.00		
12/1/2024	12/25/2024		3137BVZ82	FHMS K063 A2	3.43%	1/1/2027	971.83		
12/1/2024	12/25/2024		3137BSP72	FHMS K058 A2	2.65%	8/1/2026	740.63		
12/1/2024	12/25/2024		3137F1G44	FHMS K065 A2	3.24%	4/1/2027	959.39		
12/1/2024	12/25/2024		3137FLN34	FHMS K734 A2	3.20%	2/1/2026	901.49		
12/1/2024	12/25/2024		3137HAQ74	FHMS K508 A2	4.74%	8/1/2028	1,283.75		
12/1/2024	12/25/2024		3137HAMS2	FHMS K507 A2	4.80%	9/1/2028	1,300.00		
12/1/2024	12/25/2024		3137HB3G7	FHMS K511 A2	4.86%	10/1/2028	749.25		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/1/2024	12/25/2024		3137HDXL9	FHMS K526 A2	4.54%	7/1/2029	1,192.54		
12/1/2024	12/25/2024		3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	766.57		
12/1/2024	12/25/2024		3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	1,165.30		
12/1/2024	12/25/2024		3137HDV56	FHMS K524 A2	4.72%	5/1/2029	1,101.33		
12/1/2024	12/25/2024		3137HACX2	FHMS K505 A2	4.81%	6/1/2028	1,365.38		
12/1/2024	12/25/2024		3137H14B9	FHMS K743 A2	1.77%	5/1/2028	567.88		
12/1/2024	12/25/2024		3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	1,104.06		
12/1/2024	12/25/2024		3137BXQY1	FHMS K064 A2	3.22%	3/1/2027	980.63		
12/1/2024	12/25/2024		3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	640.42		
12/1/2024	12/25/2024		3137HAMH6	FHMS K506 A2	4.65%	8/1/2028	1,356.25		
12/1/2024	12/25/2024		3137HAST4	FHMS K509 A2	4.85%	9/1/2028	1,030.63		
12/1/2024	12/25/2024		3137HBCF9	FHMS K512 A2	5.00%	11/1/2028	708.33		
12/1/2024	12/25/2024		3137HB3D4	FHMS K510 A2	5.06%	10/1/2028	528.02		
12/9/2024	12/9/2024		63254ABE7	NATIONAL AUSTRALIA BK/NY	3.90%	6/9/2027	5,271.75		
12/13/2024	12/13/2024		63253QAE4	NATIONAL AUSTRALIA BK/NY	4.90%	6/13/2028	6,125.00		
12/15/2024	12/15/2024		14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	533.02		
12/15/2024	12/15/2024		448977AD0	HART 2022-A A3	2.22%	10/15/2026	135.04		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2024	12/15/2024		05522RDJ4	BACCT 2024-A1 A	4.93%	5/15/2029	1,273.58		
12/15/2024	12/15/2024		65480MAD5	NAROT 2023-B A3	5.93%	3/15/2028	345.92		
12/15/2024	12/15/2024		254683CW3	DCENT 2022-A3 A3	3.56%	7/15/2027	563.67		
12/15/2024	12/15/2024		58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	957.32		
12/15/2024	12/15/2024		448976AD2	HART 2024-C A3	4.41%	5/15/2029	422.63		
12/15/2024	12/15/2024		89237QAD2	TAOT 2024-C A3	4.88%	3/15/2029	589.67		
12/15/2024	12/15/2024		233868AC2	DTRT 2023-1 A3	5.90%	3/15/2027	1,007.92		
12/15/2024	12/15/2024		02582JKH2	AMXCA 2024-1 A	5.23%	4/16/2029	1,089.58		
12/15/2024	12/15/2024		254683CZ6	DCENT 2023-A2 A	4.93%	6/15/2028	677.87		
12/15/2024	12/15/2024		161571HT4	CHAIT 2023-A1 A	5.16%	9/15/2028	1,204.00		
12/15/2024	12/15/2024		92970QAA3	WFCIT 2024-A1 A	4.94%	2/15/2029	1,399.67		
12/15/2024	12/15/2024		344930AD4	FORDO 2023-B A3	5.23%	5/15/2028	435.83		
12/15/2024	12/15/2024		14041NGD7	COMET 2023-A1 A	4.42%	5/15/2028	1,215.50		
12/15/2024	12/15/2024		05522RDG0	BACCT 2023-A1 A1	4.79%	5/15/2028	459.04		
12/15/2024	12/15/2024		02582JJZ4	AMXCA 2023-1 A	4.87%	5/15/2028	527.58		
12/15/2024	12/15/2024		161571HV9	CHAIT 2024-A1 A	4.60%	1/16/2029	1,111.67		
12/15/2024	12/15/2024		98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	15.55		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/15/2024	12/15/2024		02007WAC2	ALLYA 2023-1 A3	5.46%	5/15/2028	568.75		
12/15/2024	12/15/2024		254683CY9	DCENT 2023-A1 A	4.31%	3/15/2028	915.88		
12/15/2024	12/15/2024		44933XAD9	HART 2023-B A3	5.48%	4/17/2028	342.50		
12/15/2024	12/15/2024		31680EAD3	FITAT 2023-1 A3	5.53%	8/15/2028	1,106.00		
12/16/2024	12/16/2024		380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	24.53		
12/16/2024	12/16/2024		38014AAD3	GMCAR 2024-4 A3	4.40%	8/16/2029	330.00		
12/16/2024	12/16/2024		36267KAD9	GMCAR 2023-3 A3	5.45%	6/16/2028	317.92		
12/18/2024	12/18/2024		43815EAC8	HAROT 2021-3 A3	0.41%	11/18/2025	2.42		
12/18/2024	12/18/2024		43815QAC1	HAROT 2023-3 A3	5.41%	2/18/2028	991.83		
12/25/2024	12/25/2024		05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	99.69		
12/25/2024	12/25/2024		437076DC3	HOME DEPOT INC (CALLABLE)	4.75%	6/25/2029	1,068.75		
12/25/2024	12/25/2024		05592XAD2	BMWOT 2023-A A3	5.47%	2/25/2028	273.50		
12/31/2024	12/31/2024		91282CBC4	US TREASURY N/B	0.37%	12/31/2025	1,528.13		
12/31/2024	12/31/2024		91282CCJ8	US TREASURY N/B	0.87%	6/30/2026	568.75		
12/31/2024	12/31/2024		91282CDP3	US TREASURY N/B	1.37%	12/31/2028	3,093.75		
12/31/2024	12/31/2024		91282CEV9	US TREASURY N/B	3.25%	6/30/2029	8,043.75		

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
INTEREST									
12/31/2024	12/31/2024		91282CGC9	US TREASURY N/B	3.87%	12/31/2027	9,978.13		
Total INTEREST		0.00					296,717.81		0.00
PAYDOWNS									
10/1/2024	10/25/2024	216.48	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	216.48		0.01
10/1/2024	10/25/2024	476.82	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	476.82		9.01
10/1/2024	10/25/2024	2.10	3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	2.11		0.04
10/1/2024	10/25/2024	7,032.65	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	7,032.65		0.03
10/1/2024	10/25/2024	370.40	3137FLN34	FHMS K734 A2	3.20%	2/1/2026	370.40		8.88
10/15/2024	10/15/2024	16,632.68	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	16,632.68		1.97
10/15/2024	10/15/2024	11,959.63	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	11,959.63		0.15
10/15/2024	10/15/2024	4,061.86	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	4,061.86		0.22
10/15/2024	10/15/2024	3,622.32	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	3,622.32		0.22
10/15/2024	10/15/2024	9,376.01	448977AD0	HART 2022-A A3	2.22%	10/15/2026	9,376.01		0.16
10/16/2024	10/16/2024	3,354.47	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	3,354.47		0.12
10/18/2024	10/18/2024	4,010.50	43815EAC8	HAROT 2021-3 A3	0.41%	11/18/2025	4,010.50		0.01
10/25/2024	10/25/2024	4,686.59	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	4,686.59		0.10
11/1/2024	11/25/2024	344.60	3137FLN34	FHMS K734 A2	3.20%	2/1/2026	344.60		7.78

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
11/1/2024	11/25/2024	368.08	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	368.08		
11/1/2024	11/25/2024	1.89	3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	1.89		0.02
11/1/2024	11/25/2024	450.82	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	450.82		8.19
11/1/2024	11/25/2024	180.30	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	180.30		
11/15/2024	11/15/2024	9,606.17	448977AD0	HART 2022-A A3	2.22%	10/15/2026	9,606.17		0.15
11/15/2024	11/15/2024	12,632.49	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	12,632.49		0.15
11/15/2024	11/15/2024	4,040.49	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	4,040.49		0.22
11/15/2024	11/15/2024	16,268.74	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	16,268.74		1.87
11/15/2024	11/15/2024	3,705.96	14314QAC8	CARMX 2021-2 A3	0.52%	2/17/2026	3,705.96		0.21
11/16/2024	11/16/2024	3,245.72	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	3,245.72		0.12
11/18/2024	11/18/2024	4,039.47	43815EAC8	HAROT 2021-3 A3	0.41%	11/18/2025	4,039.47		0.02
11/25/2024	11/25/2024	4,792.33	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	4,792.33		0.10
12/1/2024	12/25/2024	2.14	3136BQDE6	FNA 2023-M6 A2	4.18%	7/1/2028	2.14		0.03
12/1/2024	12/25/2024	229.85	3137HAD45	FHMS KJ46 A1	4.77%	6/1/2028	229.85		0.01
12/1/2024	12/25/2024	473.02	3137HAMN3	FHMS KJ47 A1	5.27%	8/1/2028	473.02		
12/1/2024	12/25/2024	479.83	3137BTUM1	FHMS K061 A2	3.34%	11/1/2026	479.83		8.36
12/1/2024	12/25/2024	372.97	3137FLN34	FHMS K734 A2	3.20%	2/1/2026	372.97		7.89

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
PAYDOWNS									
12/15/2024	12/15/2024	9,222.26	448977AD0	HART 2022-A A3	2.22%	10/15/2026	9,222.26		0.14
12/15/2024	12/15/2024	3,833.84	98163KAC6	WOART 2021-D A3	0.81%	10/15/2026	3,833.84		0.19
12/15/2024	12/15/2024	11,810.84	14318MAD1	CARMX 2022-3 A3	3.97%	4/15/2027	11,810.84		0.14
12/15/2024	12/15/2024	14,814.63	58768PAC8	MBART 2022-1 A3	5.21%	8/16/2027	14,814.63		1.65
12/16/2024	12/16/2024	3,172.30	380146AC4	GMCAR 2022-1 A3	1.26%	11/16/2026	3,172.30		0.11
12/18/2024	12/18/2024	3,787.02	43815EAC8	HAROT 2021-3 A3	0.41%	11/18/2025	3,787.02		0.01
12/25/2024	12/25/2024	4,491.27	05602RAD3	BMWOT 2022-A A3	3.21%	8/25/2026	4,491.27		0.09
Total PAYDOWNS		178,169.54					178,169.55		58.37
SELL									
10/1/2024	10/3/2024	300,000.00	38141GXS8	GOLDMAN SACHS GROUP INC (CALLABLE)	0.85%	2/12/2026	295,710.38		-4,819.72
10/9/2024	10/11/2024	195,000.00	882508CG7	TEXAS INSTRUMENTS INC (CALLABLE)	4.60%	2/8/2029	199,422.60		3,033.61
10/10/2024	10/11/2024	142,000.00	110122DN5	BRISTOL-MYERS SQUIBB CO (CALLABLE)	0.75%	11/13/2025	137,154.01		-4,933.37
10/10/2024	10/11/2024	170,000.00	87612EBM7	TARGET CORP (CALLABLE)	1.95%	1/15/2027	163,208.21		-7,749.54
10/10/2024	10/11/2024	50,000.00	87612EBM7	TARGET CORP (CALLABLE)	1.95%	1/15/2027	48,002.42		-2,191.87
10/10/2024	10/11/2024	265,000.00	04636NAA1	ASTRAZENECA FINANCE LLC (CALLABLE)	1.20%	5/28/2026	253,979.53		-12,289.58
10/21/2024	10/22/2024	50,000.00	24422EXD6	JOHN DEERE CAPITAL CORP	5.15%	9/8/2026	51,225.72		933.79
10/28/2024	10/31/2024	380,000.00	91282CJB8	US TREASURY N/B	5.00%	9/30/2025	383,800.16		1,488.40

Quarterly Portfolio Transactions

Trade Date	Settle Date	Par (\$)	CUSIP	Security Description	Coupon	Maturity Date	Transact Amount (\$)	Yield at Market	Realized G/L (BV)
SELL									
10/28/2024	10/31/2024	200,000.00	3137EAEX3	FREDDIE MAC	0.37%	9/23/2025	193,076.79		-6,894.57
10/28/2024	10/31/2024	470,000.00	3135G06G3	FANNIE MAE	0.50%	11/7/2025	453,318.13		-17,630.45
10/28/2024	10/31/2024	400,000.00	3135G06G3	FANNIE MAE	0.50%	11/7/2025	385,802.67		-15,126.84
11/1/2024	11/5/2024	340,000.00	05522RDF2	BACCT 2022-A2 A2	5.00%	4/15/2028	342,458.50		377.31
11/1/2024	11/5/2024	360,000.00	89115B6K1	TORONTO DOMINION BANK NY	5.60%	10/27/2025	364,166.53		3,550.53
11/19/2024	11/21/2024	265,000.00	931142EX7	WALMART INC (CALLABLE)	3.95%	9/9/2027	264,292.45		-3,038.93
11/19/2024	11/21/2024	65,000.00	713448FW3	PEPSICO INC (CALLABLE)	5.12%	11/10/2026	65,982.54		892.54
12/2/2024	12/5/2024	336,841.88	3137FLN34	FHMS K734 A2	3.20%	2/1/2026	332,172.48		2,267.44
12/2/2024	12/5/2024	250,000.00	20772KEW5	CONNECTICUT ST	3.74%	9/15/2025	250,661.94		-6,967.10
Total SELL		4,238,841.88					4,184,435.06		-69,098.35

Important Disclosures

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

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

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- Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.
- 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.**
- ICE Bank of America 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.
- **Asset-Backed Security:** A financial instrument collateralized by an underlying pool of assets – usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.
- **Bankers' Acceptance:** A draft or bill 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 Total Return:** The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.
- **Effective Duration:** A measure of the sensitivity of a security's price to a change in interest rates, stated in years.
- **Effective Yield:** The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.
- **FDIC:** Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.
- **Interest Rate:** Interest per year divided by principal amount and expressed as a percentage.
- **Market Value:** The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.
- **Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.
- **Negotiable Certificates of Deposit:** A CD with a very large denomination, usually \$1 million or more, that can be traded in secondary markets.
- **Par Value:** The nominal dollar face amount of a security.
- **Pass-through Security:** A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.

Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.
- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.
- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.
- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.
- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.
- U.S. Treasury: The department of the U.S. government that issues Treasury securities.
- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.
- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

Memorandum

To: Joe Roy, Finance Manager
Eric Dahlen, Executive Director
Pooled Liability Assurance Network

From: Michael Kronbetter, Relationship Manager
PFM Asset Management, a division of U.S. Bank Asset Management

RE: Annual Investment Policy Review

We have completed our review of Pooled Liability Assurance Network's (the "Authority") 2024 Investment Policy (the "Policy"). This year we are recommending modifications to the Policy that would better align with Code changes that went into effect on January 1, 2023, and 2024, following the passage of Senate Bill 1489 ("SB 1489") in September 2022, and Senate Bill 882 ("SB 882"), also known as the Local Government Omnibus Act of 2023. We have attached a marked-up version of the Policy to illustrate our recommendations.

Recommendations

Senate Bill 1489, also known as the Local Government Omnibus Act of 2022, made a number of changes to Code, including several that impact the investment of public funds and the reporting practices of public agencies. Changes made to Code section 53601, the section of Code that governs the investment of public funds, includes language stating that an investment's term or remaining maturity shall be measured from the settlement date to final maturity, and, that a security purchased in accordance with Code section 53601 shall not have a forward settlement date exceeding 45 days from the time of investment. Previously, Code was silent on both items. SB 1489 also modified Code section 53646 and its quarterly reporting requirements. Per Code, producing a quarterly report is optional for public agencies, however, should an agency choose to produce a quarterly report, said report was previously required to be produced within thirty (30) days following the end of the quarter. The modified code has extended this requirement to forty-five (45) days.

To address these Code changes, we have made the following recommendations in the Policy:

In Policy Section, 9.0 Authorized and Suitable Investments, we recommend adding the new Code language regarding forward settlement.

In Policy Section, 11.0 Duration and Maximum Maturity, we recommend adding the Code language regarding measuring the term of a security from settlement to final maturity date.

PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc.
Investment observations based on PLAN's Investment Policy Statement as of April 2024.
Investment observations are for informational purposes only and are not intended to provide specific advice or any specific recommendations.



In Policy Section, 14.0 Reporting, we recommend adding the Code language regarding quarterly reporting and its forty-five-day requirement.

The Policy is well written and in compliance with the applicable sections of SB 882, but we are also recommending a small revision in Policy Section, 9.0 Authorized and Suitable Investments, to better reflect the Bill's rating of Asset-Backed Securities to "AA" or its equivalent by an NRSRO.

Please let us know if you'd like to schedule a call to discuss our review or to answer any questions you may have. Thank you.

PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc.
Investment observations based on PLAN's Investment Policy Statement as of April 2024.
Investment observations are for informational purposes only and are not intended to provide specific advice or any specific recommendations.

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

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Pooled Liability Assurance Network JPA (PLAN)

Investment Policy

Adopted:	September, 1987
Revised:	May 6, 1997
Revised:	May 22, 2002
Revised:	May 25, 2005
Reaffirmed:	June 11, 2009
Revised:	January 24, 2017
Revised:	June 20, 2018
Revised:	June 12, 2019
Revised:	June 11, 2020
Revised:	June 18, 2021
Revised:	February 14, 2023
Revised:	April 25, 2024
Revised:	February 27, 2025

1.0 Policy

It is the policy of the Pooled Liability Assurance Network JPA (PLAN) to invest its financial assets in a manner which will provide maximum security with a market rate of return, while meeting its cash flow demands and conforming to all applicable laws governing the investment of public funds.

2.0 Scope

This Investment Policy (the "Policy") shall apply to all funds and investment activities under the direct control of PLAN.

3.0 Prudence

Pursuant to California Government Code Section 53600.3, all persons authorized to make investment decisions on behalf of PLAN are trustees and therefore fiduciaries subject to the prudent investor standard: "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

4.0 Objectives

The overall program shall be designed and managed with a degree of professionalism worthy of the public trust. The primary objectives, in order of priority, of PLAN's investment activities shall be:

- 1) Safety.** Safety of principal is the foremost objective of the investment program. PLAN's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.
- 2) Liquidity.** PLAN's investment portfolio will remain sufficiently liquid to enable PLAN to meet its reasonably anticipated cash flow requirements.
- 3) Return on Investment.** PLAN seeks to maximize the return on its investments, consistent with constraints imposed by its objectives of safety and liquidity.

5.0 Delegation of Authority

The investment authority will be vested in the Treasurer, as defined and established in PLAN's bylaws. Upon the approval of this Investment Policy on an annual basis, PLAN will be adhering to Government Code Section 53607 which states in pertinent part: "The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires."

The Treasurer may delegate investment decision making and execution authority to an investment advisor. The advisor shall follow the Investment Policy and such other written instructions as are

provided.

The Treasurer and the delegated investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

6.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the President any material financial interests in financial institutions that conduct business with PLAN, and they shall further disclose any material financial interest that could be related to the performance of PLAN, particularly with regard to the time of purchases and sales. For purposes of this section "material financial interests" means any interest described in Government Code Sections 87103(a)-(e), as they may be amended from time to time.

7.0 Internal Controls

The Treasurer shall maintain a system of written internal controls to regulate PLAN's investment activities, including the activities of any subordinate officials acting on behalf of PLAN. As part of the annual financial audit, PLAN's external auditor will perform a review of investment transactions to verify compliance with policies and procedures.

8.0 Authorized Financial Dealers and Institutions

A competitive bid process shall be used to place all investment transactions; a minimum of three quotes shall be obtained on all purchase and sales of securities, when practical. It shall be PLAN's policy to purchase securities only from those authorized institutions and firms. No deposit of public funds shall be made except in a qualified public depository as established by state laws.

The Treasurer shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes. The purchase by PLAN of any investment other than those purchased directly from the issuer, shall be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, which is a member of the Financial Industry Regulatory Authority (FINRA), or a member of a federally regulated securities exchange, a national or state chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

PLAN requires each firm that will be used for the purchase or sale of securities to be evaluated by the Treasurer prior to any investments. The firms shall submit current financial statements, and annual audited financial statements each year thereafter, which are to be evaluated by the Treasurer. At a minimum, the firm must be financially sound and have been in business a minimum of three years. In addition, the firms must provide: proof of the licensing or membership described above, trading resolutions, proof of state registration or exemption, and certificate of having read PLAN's Investment Policy.

If PLAN has retained the services of an investment advisor, the investment advisor may use its own

list of authorized broker/dealers to conduct transactions on behalf of PLAN.

9.0 Authorized and Suitable Investments

PLAN is governed by Government Code, Sections 53600 et seq. Within the investments permitted by the Government Code, PLAN seeks to further restrict eligible investment to the investments listed below. In the event an apparent discrepancy is found between this Policy and the Government Code, the more restrictive parameters will take precedence. The maturity and sector allocation limits are applied at the time of purchase.

Credit criteria listed in this section refers to the credit quality of the issuing organization at the time the security is purchased. In the event of a downgrade below the minimum credit rating requirements listed below, the Treasurer or the investment advisor, if so designated, must notify PLAN of such downgrade within 15 days of the downgrade and will use their best professional judgment to determine the appropriate course of action.

The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. A security purchased in accordance with this Policy shall not have a forward settlement date exceeding 45 days from the time of investment. The investment instruments and percentages of participation permitted by this policy are:

Commented [CS1]: In line with SB 1489, also known as the Local Government Omnibus Act of 2022, regarding forward settlement.

1. United States Treasury Issues.** United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. United States Treasury Issues cannot exceed a maturity of 5 years. There is no limitation as to the percentage of the portfolio that may be invested in this category.
2. Federal Agency Obligations.** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. Federal Agency Obligations cannot exceed a maturity of 5 years. There is no limitation as to the percentage of the portfolio that may be invested in this category. In addition, purchases of Federal Agency mortgage-backed securities issued by or fully guaranteed as to principal and interest by government agencies are limited to a maximum of 20 percent of the portfolio.
3. Medium-term notes.** Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Purchases are limited to securities rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service (NRSRO). A maximum of 30 percent of the portfolio may be invested in this category. The amount invested in the medium-term notes of any one issuer in combination with any other securities from that issuer shall not exceed 5 percent of the portfolio.
4. Bankers' Acceptances. Bankers' acceptances, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchasers are limited to issuers whose short-term debt is rated A-1/P-1 or its equivalent or better by an NRSRO. Bankers' acceptances cannot exceed a maturity of 180 days. A maximum of 25 percent of the portfolio may be invested in this category. The amount invested in bankers' acceptances with any one

financial institution in combination with any other securities from that financial institution shall not exceed 5 percent of the portfolio.

5. Commercial Paper. Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (A) or paragraph (B):
 - a) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated in a rating category of “A” or its equivalent or higher by a nationally recognized statistical-rating organization.
 - b) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. A maximum of 25 percent of the portfolio may be invested in this category. The amount invested in commercial paper of any one issuer in combination with any other securities from that issuer shall not exceed 5 percent of the portfolio.

6. Negotiable Certificates of Deposit.** Negotiable certificates of deposit (NCDs) issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases are limited to NCDs rated in a rating category of “A” or its equivalent or better for long-term obligations, and “A-1” or its equivalent or better for short-term obligations. NCDs may not exceed 5 years in maturity. A maximum of 30 percent of the portfolio may be invested in this category. The amount invested in NCDs with any one financial institution in combination with any other securities from that financial institution shall not exceed 5 percent of the portfolio.
7. Time Certificates of Deposit. Time Certificates of Deposit (TCDs) placed with commercial banks and savings and loans. The purchase of TCDs from out-of-state banks or savings and loans is prohibited. The amount on deposit shall not exceed the shareholder’s equity in the financial institution. To be eligible for purchase, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. TCDs are required to be collateralized as specified under Government Code Section 53630 et. seq. The Treasurer, at the Treasurer’s discretion, may waive the collateralization requirements for any portion that is covered by federal insurance. PLAN shall have a signed agreement with the depository per Government Code Section 53649. TCDs may not exceed 5 year in maturity. A maximum of 10 percent of the portfolio may be invested in this category. The amount invested in TCDs with any one financial institution in combination with any other securities from that financial institution shall not exceed 10 percent of the portfolio.
8. Money Market Funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 and following). The company shall

have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). A maximum of 10 percent of the portfolio may be invested in this category.

9. State of California Local Agency Investment Fund (LAIF). There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the maximum allowed by LAIF. For due diligence, a copy of LAIF's current investment policy and its requirements for participation, including limitations on deposits or withdrawals shall be maintained on file.

Under the California Government Code, LAIF is allowed greater investment flexibility than PLAN is permitted. As such, LAIF's investment portfolio may contain investments not otherwise permitted under this policy. For funds invested with LAIF, LAIF's investment policy overrides PLAN's investment policy.

10. Municipal Obligations.** Municipal obligations shall be permissible as described in either paragraph (A), (B), or (C) below:

- a) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.
- b) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
- c) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

A maximum of 30 percent of the portfolio may be invested in any combination of the municipal obligations as described in paragraphs (A), (B), or (C) above. Purchases are limited to municipal obligations rated in a rating category of "A" or its equivalent or better. Further, the amount invested in any one municipal issuer may not exceed 5 percent of the portfolio.

11. Asset Backed Securities (ABS). A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond.

Securities eligible for investment under this subdivision and not issued or guaranteed by an agency or issuer identified in subdivision (1) or (2), the following limitations apply:

- a) shall be rated in a rating category of "~~AAA~~" or its equivalent by an NRSRO,
- b) have a maximum remaining maturity of five years or less,
- c) shall not exceed 20 percent of the portfolio, and

Commented [CS2]: In line with SB 882

- d) the amount invested in any one ABS issuer in combination with any other securities from that issuer shall not exceed 5 percent.

12. Local Government Investment Pools. Shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
- (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
- (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

Further, the shares of beneficial interest shall be rated in a rating category of AAA or its equivalent by an NRSRO.

13. Supranational Obligations.** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO and shall not exceed 30 percent of the portfolio.

** The aggregate total of investments in callable notes in is limited to 25.0% of the portfolio.

Please see Appendix A for a summary of authorized and suitable investments.

10.0 Prohibited Investment Practices and Instruments

Any investment in a security not specifically listed in Section 9.0 above, but otherwise permitted by the Government Code, is prohibited without the prior approval of the Board. Section 53601.6 of the Government Code specifically disallows investments in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages. In addition to the limitations in Government Code Section 53601.6, this Policy further restricts investments as follows: (1) PLAN shall not engage in leveraged investing, such as in margin accounts or any form of borrowing for the purpose of investment, (2) PLAN shall not invest in securities with floating coupon interest rates, and (3) no investment will be made that has either (a) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (b) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero accrual periods, except that, in the event of, and for the duration of, a period of negative market interest rates, PLAN may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity. Before the initial investment in such zero- or negative-interest accrual securities, the investment advisor, if so retained, shall inform PLAN of its intent to purchase such securities along with a rationale. At which point, PLAN may approve or reject such purchases.

11.0 Duration and Maximum Maturity

It is the objective of this Policy to provide a system which will accurately monitor and forecast

revenues and expenditures so that PLAN can invest funds to the fullest extent possible. PLAN's funds will be invested in accordance with sound treasury management principles.

Assets in the Operating Fund (projected administration expenses and claim payments for a fiscal year) will be invested in pooled funds, LAIF, or other highly liquid securities.

Assets in the Claims Liability Fund and the Long-Term Fund will be invested in an individual portfolio of securities. Claims Liability Fund (assets needed to fully fund the Pool as determined by the actuary) will be invested to achieve an average duration that closely matches the duration of Claims Liability as calculated by the actuary. Assets in the Long-term Fund represent assets in excess of full funding requirements of the Pool. Assets in this category can be invested in securities with durations and yields that are higher than those in the Claims Liability Fund.

The maximum maturity of individual investments shall not exceed the limits set forth in Section 9.0. The Board has approved the investment in U.S. Treasury and Federal Agency obligations with a maximum maturity of up to five years. No investment shall exceed a maturity of five years from the date of purchase unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment. For purposes of compliance with this Policy, an investment's term or remaining maturity shall be measured from the settlement date to final maturity.

Commented [CS3]: In line with SB 1489, also known as the Local Government Omnibus Act of 2022, regarding final maturity.

12.0 Safekeeping and Custody

All security transactions entered into by PLAN shall be conducted on a delivery-versus- payment (DVP) basis. All cash and securities in PLAN's portfolio shall be held in safekeeping in PLAN's name by a third party bank trust department, acting as agent for PLAN under the terms of a custody agreement executed by the bank and PLAN. The only exception to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market mutual funds, since the purchased securities are not deliverable. Evidence of each these investments will be held by PLAN.

13.0 Performance Benchmark

PLAN seeks to attain market rates of return on its investments throughout economic cycles, consistent with constraints imposed by its safety objectives and cash flow consideration. The Treasurer shall continually monitor and evaluate the portfolio's performance. A comparison of the portfolio's performance against a performance benchmark shall be included in the Treasurer's quarterly report. The Treasurer shall recommend an appropriate, readily available market index to use as a performance benchmark.

14.0 Reporting

The Treasurer shall submit a quarterly investment report to the Executive Committee in advance of the Executive Committee's next scheduled meeting. The report shall include the following information for each individual investment: Description of investment instrument, issuer name, maturity date, credit rating, coupon rate, yield, purchase price, par value, book value, current market value and the source of the valuation. The quarterly report shall also state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, and include a statement denoting PLAN's ability to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money may or may not be available. The report shall also include a list of monthly investment transactions.

As a good reporting practice, the Report will be submitted on a quarterly basis and provided to the legislative body within 45 days following the end of the month.

Commented [CS4]: In line with SB 1489, also known as the Local Government Omnibus Act of 2022, regarding quarterly reporting.

15.0 Policy Adoption

The policy shall be reviewed annually by the Finance Committee. The policy shall be adopted annually by the Board at a public meeting. Any change in the policy shall also be reviewed and approved by the Board at a public meeting.

Appendix A
Summary of Authorized and Suitable Investments

This table is for general reference only. Please see the body of the Policy for a listing of all requirements.

Security Type**	Maturity Limits	Maximum Portfolio Percentage Holdings	Rating Requirements
United State Treasury Securities	5 years	100%	None
Federal Agency Obligations	5 years	100% 20% limit on mortgage-backed securities.	None
Medium-Term Corporate Notes	5 years	30% 5% limit per issuer (applies across security types)	A
Bankers' Acceptances <u>Acceptances</u>	180 days	25% 5% limit per issuer (applies across security types)	Issuers with a short-term rating of A-1/P-1
Commercial Paper	270 days	25% 5% limit per issuer (applies across security types)	A-1/P-1/F-1
Negotiable Certificates of Deposit	5 years	30% 5% limit per issuer (applies across security types)	A / A-1
Time Certificates of Deposit	5 year	10% 10% limit per issuer (applies across security types)	Must have CRA rating "satisfactory"
Money Market Funds	N.A.	10%	AAA rated fund or manager with a minimum 5 years' experience and \$500 million under management
State of California Local Agency Investment Fund	N.A.	100% (may not exceed the \$75 million maximum allowed by LAIF)	None (LAIF is unrated)
Municipal Obligations	5 years	30% 5% limit per issuer (applies across security types)	A / A-1
Asset-Backed Securities	5 years	20% (limit applies to securities not issued or guaranteed by an agency or issuer identified in Subdivision 9.1 or 9.2) 5% limit per issuer (applies across security types)	AA
Local Government Investment	N.A.	100%	AAA
Supranational Obligations	5 years	30%	AA

** The aggregate total of investments in callable notes is limited to 25.0% of the portfolio.

March 13, 2025

Agenda Item 6.B.

FINANCIAL MATTERS

SUBJECT: Update on Request for Proposal – Auditing Services

BACKGROUND AND HISTORY:

On December 5, 2024, the Board of Directors provided direction for the Finance Committee to manage the Request for Proposal process up to and including making a recommendation to the Executive Committee for the Board of Directors to approve before July 1, 2025.

Staff has received responses to a Request for Proposal for Financial Auditing Services for fiscal years 2024/25 through 2028/29. The responding firms include:

- Sampson & Sampson, LLP
- Eide Bailey, LLP
- Johnson & Lambert

A summary of the responses and the proposals are attached. If the Finance Committee would like to conduct interviews, the planned interview date is March 21, 2025.

STAFF RECOMMENDATION:

Staff recommends the Committee provide direction regarding the interviews of Auditing Services candidates.

REFERENCE MATERIALS ATTACHED:

- Summary of Audit Proposals
- Sampson & Sampson – Proposal for Auditing Services
- Eide Bailey, LLP – Proposal for Auditing Services
- Johnson & Lambert – Proposal for Auditing Services

Pooled Liability Assurance Network

Summary of Proposals for Financial Audit Services

For Audits of PLAN for the years ending June 30, 2025 through June 30, 2029

Sampson & Sampson, LLP	Eide Bailly	Johnson Lambert LLP
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Staffing, Location, and Years of Experience:

Engagement Partner	Katy Sampson, CPA 40+ yrs.	Jason Lindstrom, CPA 13 yrs.	Elyssa Nagle, CPA 12 yrs.
Quality Review Partner	None Listed	Vanessa Dutton, CPA	Adam Dubuque, CPA 24 yrs.
Director/Actuary	None Listed	Peter Royek, ACAS, MAAA	None listed
Manager(s)	None Listed	John Hagen, CPA 8 yrs.	Greg Daniel, CISA, CRMA, CISSP 19 yrs.
Senior(s)	Allison Gregg 15+ yrs. Max Leung, CPA 5+ yrs.	Nicole Hurd	Lindy Burch-Durkee 3 yrs.
Total Professional Staff	5	3,500+	200+
Office Location	Clovis, CA	Boise, ID and Fargo ND	Burlington, VT and Charleston, NC

Relevant Experience and References:

Insurance Pools	Yes	Yes	Yes
Industry Experience	Governmental, institutional (non-profit) and commercial audits	Insurance Companies, Captives, Pools (375+)	Insurance Pools (35+)
Similar Clients	<ul style="list-style-type: none"> • Vector Control Joint Powers Agency • Marin Schools Insurance Authority • Tuolumne Joint Powers Authority • California Affiliated Risk Management Authorities • Big Independent Cities Excess Pool • Local Agency Workers' Compensation Excess Joint Powers Authority • San Mateo County Schools Insurance Group 	<ul style="list-style-type: none"> • None listed 	<ul style="list-style-type: none"> • Government Entities Mutual • Injured Workers Insurance Fund • Texas Association of Counties Health and Employee Benefits Pool • Texas Health Benefits Pool • VLCT Employment Resources and Benefits • Others listed in proposal
References	<ul style="list-style-type: none"> • California Intergovernmental Risk Authority • Bay Cities Joint Powers Insurance Authority 	<ul style="list-style-type: none"> • Montana State Fund • Idaho Individual High Risk Reinsurance Pool • Workforce Safety & Insurance • Fire Risk Management Services • Workers Compensation Exchange • Commonwealth Health Connector Authority 	<ul style="list-style-type: none"> • Texas Health Benefits Pool • Rhode Island Interlocal Risk Management Trust, Inc. • Massachusetts Interlocal Insurance Association

Pooled Liability Assurance Network

Summary of Proposals for Financial Audit Services

For Audits of PLAN for the years ending June 30, 2025 through June 30, 2029

Fees and Engagement Value:

Proposed Fees	Sampson & Sampson, LLP		Eide Bailly		Johnson Lambert LLP	
	Fee	% Inc.	Fee	% Inc.	Fee	% Inc.
6/30/2025	\$28,000		\$65,000		\$49,000	
6/30/2026	28,800	2.9%	67,500	3.8%	50,500	3.1%
6/30/2027	29,600	2.8%	70,000	3.7%	52,000	3.0%
6/30/2028	30,400	2.7%	72,700	3.9%	54,000	3.8%
6/30/2029	32,200	5.9%	75,500	3.9%	55,500	2.8%
Value of Engagement	\$149,000		\$350,700		\$261,000	
Other Costs	None noted.		None noted.		Travel expenses billed at cost.	

PROPOSAL FOR INDEPENDENT
AUDIT AND ACCOUNTING
SERVICES FOR
POOLED LIABILITY ASSURANCE NETWORK
JOINT POWERS AUTHORITY
(PLAN JPA)

SAMPSON & SAMPSON, LLP
Certified Public Accountants

2157 Herndon Ave, Suite 101
Clovis, California 93611
(559) 291-0277

CONTACT: Katy Sampson, CPA
ksampson@sampsoncpa.com

February 18, 2025

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February 18, 2025

Eric Dahlen, General Manager
Pooled Liability Assurance Network Joint Powers Authority (Plan JPA)
1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833

Dear Mr. Dahlen:

We are pleased to respond to your request for services to be provided to the Pooled Liability Assurance Network Joint Powers Authority, for the years ending June 30, 2025 through June 30, 2029.

We understand we will perform the following:

- A. Perform an audit in accordance with *Generally Accepted Auditing Standards* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements and Reporting Guidelines for California Special Districts*.
- B. Prepare a Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Enclosed you will find a proposal. It contains a profile of our firm, our qualifications, references, a fee schedule, and the methodology to be used to perform the audit.

As indicated by the partial list of clients shown in the References section of this proposal, our firm has had substantial experience in performing audits for several risk sharing pools. Our firm has over 80 years of combined experience in governmental auditing and over fifty years combined experience in auditing risk pools. Our office policy concerning personnel assigned to our audits is one of continuity. We do not believe that our clients should have to train new auditors every year. Our firm is unique in that the audit partners are extensively involved in performing the audit fieldwork.

We are committed to a continuing education program which exceeds the education requirements established by the United States General Accounting Office.

Sampson & Sampson, LLP is a licensed Certified Public Accountant in the State of California. We are approved to conduct captive audits in the State of Utah.

Please feel free to contact me at your convenience, and thank you for the opportunity to present this proposal to you.

Very truly yours,

Katy Sampson, CPA

KS: ml
Enclosures

SAMPSON & SAMPSON, LLP

FIRM QUALIFICATIONS AND EXPERIENCE

Sampson & Sampson, LLP is a local C.P.A. firm, with a marketing area primarily in the San Joaquin Valley and Northern California.

Office Location: Herndon Armstrong Professional Center
2157 Herndon Avenue, Suite 101
Clovis, California 93611
(559) 291-0277

PROFESSIONAL STAFF:

Partners - Two
Professional Staff – Five
Number of CPA's – Four
Administrative Staff - Two

FIRM EXPERIENCE:

Ranges from certified audits of governmental, institutional (non-profit) and commercial audits, through tax planning and preparation for corporations, farm operations, partnerships, estates and trusts, and individuals.

PARTNERS:

Katy Sampson, Certified Public Accountant
Member AICPA, GASB, CSCPA, GFOA
B.S. in Accounting from Fresno State University, with over forty years accounting experience.
Experience - Partner of this firm for thirty years and supervisor and staff accountant for the former firm of Sampson and Abaci for thirteen years.
Emphasis on auditing engagements, particularly government and non-profit, small business and pension and profit-sharing plans.

Daniel T. Sampson, Certified Public Accountant
Member AICPA, GASB, CSCPA, Certified Public Accountant with thirty-five years experience, including experience with the national accounting firm of Price Waterhouse & Co. Emphasis on income taxes and computer accounting installations.

Five other professional staff members with two to fifteen years' experience in our office.

SAMPSON & SAMPSON, LLP

FIRM QUALIFICATIONS AND EXPERIENCE

(Continued)

AUDIT TEAM FOR PLAN JPA:

- **Katy Sampson, CPA - Review Partner**

Katy Sampson has specialized for over forty years in the field of governmental and non-profit audits. She would be the review partner for the audit and would be heavily involved in the planning and review process. She has been the partner in charge of the audits for the Municipal Pooling Authority of Northern California, Central San Joaquin Valley Risk Management Authority, Local Agency Workers' Compensation Excess Joint Powers Authority, Vector Control Joint Powers Agency, Santa Cruz/San Benito County Schools Insurance Group, Employment Risk Management Authority, Tuolumne Joint Powers Authority, City of Clovis, City of Dinuba, City of Hanford, City of Lemoore and City of Selma.

- **William Patterson, CPA – Consultant**

Bill Patterson has thirty-eight years of governmental accounting experience and has been the partner in charge of the audits for the California Table Grape Commission, Central Valley Indian Health, Inc., Fresno Irrigation District, Selma-Kingsburg-Fowler County Sanitation District, Central San Joaquin Valley Risk Management Authority, Local Agency Workers' Compensation Excess Joint Powers Authority, Vector Control Joint Powers Agency, and other governmental and non-profit audits. He has extensive experience in the preparation and review of Annual Comprehensive Financial Report.

- **Allison Gregg – Senior Auditor**

Allison Gregg has over fifteen years of governmental experience which includes audits of Local Agency Workers' Compensation Excess Joint Powers Authority, Employment Risk Management Authority, Local Agency Workers' Compensation Excess Joint Powers Authority, Central San Joaquin Valley Risk Management Authority, Vector Control Joint Powers Agency, Tuolumne Joint Powers Authority, and other governmental and non-profit audits. She is a C.P.A. candidate with a degree in Business with emphasis in Accounting from California State University, Fresno.

- **Max Leung, CPA – Senior Auditor**

Max Leung has over five years of governmental experience which includes audits of Bay Cities Joint Powers Authority, Vector Control Joint Powers Agency, California Affiliated Risk Management Authority, Local Agency Worker's Compensation Excess Joint Powers Authority, Central San Joaquin Valley Risk Management Authority and other governmental and non-profit audits. He is a C.P.A. with a degree in Business with emphasis in Accounting from California State University, Fresno.

SAMPSON & SAMPSON, LLP

FIRM QUALIFICATIONS AND EXPERIENCE

(Continued)

We do not anticipate any personnel substitutions during the course of the audit. In the unlikely event that personnel substitutions become necessary, the new audit team member will be equally qualified to perform the audit.

All members of the audit team have met the continuing education requirements of the United States General Accounting Office for Governmental Auditors. Also, they have a combined experience of over 80 years of governmental and not-for-profit auditing.

Sampson & Sampson, LLP is an equal opportunity employer. We value diversity and all employment decisions are based on qualifications, merit, and business need.

SAMPSON & SAMPSON, LLP

INDEPENDENCE AND LICENSING

INDEPENDENCE:

Sampson & Sampson, LLP is independent of PLAN JPA, as defined by generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. We performed the financial statement audits for the following PLAN JPA members for the year ended June 30, 2024 however, performing these audits is not considered to be a conflict of interest:

- California Affiliated Risk Management Authorities (CARMA)
- Employment Risk Management Authority (ERMA)

LICENSE TO PRACTICE IN CALIFORNIA:

Our firm and all key professional staff assigned to your audit are properly licensed to practice auditing in the State of California.

Katy Sampson, CPA
Bill Patterson, CPA
Allison Gregg
Max Leung, CPA

Engagement Partner
Review Consultant
Senior Auditor
Senior Auditor

SAMPSON & SAMPSON, LLP

PROFESSIONAL EDUCATION

A partial list of relevant continuing education of professional staff for the past five years includes:

- Government Accounting Conference
- Governmental Financial Reporting Standards and Practices
- Governmental Accounting and Auditing Annual Update (attend every year)
- Governmental Accounting and Auditing
- Advanced Workshops on Current Standards
- Audits of State and Local Governmental Units
- Audits of Public Entity Risk Pools
- Governmental Accounting, Auditing and Financial Reporting Workshop
- GASB Update
- GASB Notes Disclosure Project
- Special Districts: Auditing Overview and Update
- Fraud: Essential Audit Tools and Techniques

SAMPSON & SAMPSON, LLP

REFERENCES

A partial list of references from audit engagements with other applicable entities performed in the last two years are as follows:

Financial statements for Vector Control Joint Powers Agency
Administrator: Chrissy Mack (916) 244-1141
Partner: Katy Sampson

Financial statements for Marin Schools Insurance Authority
Executive Director: Jaesa Cusimano (916) 244-1130
Partner: Katy Sampson

Financial statements for Tuolumne Joint Powers Authority.
JPA Director: Norma Wallace (209) 536-2035
Partner: Katy Sampson

Financial statements for California Affiliated Risk Management Authorities
Executive Director: Rob Kramer (916) 244-1117
Partner: Katy Sampson

Financial statements for Big Independent Cities Excess Pool
General Manager: Rob Kramer (916) 244-1117
Partner: Katy Sampson

Financial statements for Local Agency Workers' Compensation Excess Joint Powers Authority
Executive Director: Rebekah Winger (916) 244-1176
Partner: Katy Sampson

Financial statements for San Mateo County Schools Insurance Group
Executive Director: Tom Ledda (650) 365-9180
Partner: Katy Sampson

Below is a partial list of references from audit engagements with other applicable entities which we are no longer providing services:

Financial statements for California Intergovernmental Risk Authority
Contact: Tracey Smith-Reed (916) 247-1331

Financial statements for Bay Cities Joint Powers Insurance Authority
Contact: Jaesa Cusimano (916) 244-1130

SAMPSON & SAMPSON, LLP

SPECIFIC AUDIT APPROACH

Specific Procedures	Staff	Estimated Hours
<u>PLANNING:</u>		
We will review and document:		
<ul style="list-style-type: none">PLAN JPA operations to gain an understanding of the design and implementation of internal control and perform risk assessment procedures;Review budgets, organization chart, accounting and procedures manual, and actuarial reports.	Partner Senior Staff	10 hours
<u>PRELIMINARY WORK:</u>		
<ul style="list-style-type: none">Test of controlsPerform review of the Electronic Data Processing (EDP) controls relating to PLAN JPA computer system.Test the beginning fund equity to ensure agreement with audited ending fund equity.Prepare list of all confirmations to be typed.Compile permanent files for policies procedures, contracts and debt instruments, if any.Review Board of Director's meeting minutes for PLAN JPA.Perform fraud and risk assessment procedures as required under current auditing standards by identifying entity and fraud risk factors.	Senior Staff	15 hours
Sample size will vary by area tested – receipts, disbursements, and investments. Normal sample size is 25-60. We use various sampling methods, including the use of audit sampling software.		
<u>FIELD WORK:</u>		
<ul style="list-style-type: none">During this phase we will perform substantive procedures of the account balances detailed in PLAN JPA's trial balances, prepared schedules, and analysis worksheets.Perform analytical procedures. The primary purpose of the procedures is to assist in determining the nature, timing, and extent of other auditing procedures to be performed. The preliminary analytical procedures used during the audit will primarily consist of a comparison of current account balances to similar amounts in the budget and in the prior year's financial statements.We will also perform final analytical procedures upon completion of the audit.	Partner Senior Staff	80 hours

This work will begin when notified that trial balances and all supporting schedules are available.

SAMPSON & SAMPSON, LLP

SPECIFIC AUDIT APPROACH

(Continued)

<u>Specific Procedures</u>	<u>Staff</u>	<u>Estimated Hours</u>
<u>AUDIT COMPLETION:</u>		
<ul style="list-style-type: none">• Prepare PLAN JPA's annual financial statements and disclosures.• Prepare and issue:<ul style="list-style-type: none">• Independent Auditors' Report on PLAN JPA's financial statements;• Independent auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters;• Exit conference concerning any reportable conditions and/or management points. These will be thoroughly discussed before final preparation.• Present audit report to the Board.	Partner Senior Staff	25 hours

Assuming that we do not encounter any circumstances beyond our control that would delay the audit, we will complete the work and deliver the draft audit report to PLAN JPA no later than two weeks prior to the November board meeting.

SAMPSON & SAMPSON, LLP

ELECTRONIC DATA SECURITY

Sampson & Sampson, LLP is committed to establishing a strong cybersecurity environment to protect client data. To that end, we have partnered with a leading IT consulting firm to provide security monitoring and ongoing security training for firm employees. Operating systems software and security software are updated on a regular basis to the latest version. The firm has established internal policies that prohibit the use of company email accounts for personal email or other personal purposes such as social media. All employees have been trained in proper password selection techniques and all laptops, servers, and other devices have been hardened with security software and password protections. Additional information regarding our electronic equipment and data security is as follows:

- Client data is stored on an enterprise class server with redundant power supplies and drives in a RAID 1+0 configuration
- Local and cloud (online) redundant backup with disaster recovery
- Data is secured by a Sophos XG TotalProtect Plus Firewall Appliance and
- Sophos Central Intercept X Clients with End Point Protections and
- Sophos Central Intercept X Advanced for Server
- Data is retained for a minimum of seven years
- Physical security of IT equipment - maintained behind a locked door in a building with a business alarm system

SAMPSON & SAMPSON, LLP

FEE SCHEDULE

The following fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for the audit fees will be rendered each month as work progresses and are payable on presentation.

We make every effort to utilize a client's personnel in performing an engagement to minimize the fees. Our estimates of time and dollar costs are at the maximum amount we feel would be needed. Certainly, if time charges were less than the amount quoted, the lower amount would be the cost of the engagement. Any required services in addition to the annual audits will be billed at our standard hourly rates.

We agree to maintain the required insurance as outlined in the request for proposal throughout the term of the agreement.

We agree to perform the audits specified below at a total cost not to exceed:

For the fiscal year ending June 30, 2025	\$28,000
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Our all-inclusive audit fee for an additional four years would be as follows:

For the fiscal year ending June 30, 2026	\$28,800
For the fiscal year ending June 30, 2027	\$29,600
For the fiscal year ending June 30, 2028	\$30,400
For the fiscal year ending June 30, 2029	\$31,200



Report on the Firm's System of Quality Control

February 23, 2023

To the Partners of Sampson, Sampson & Patterson LLP and the Peer Review Committee of the CalCPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Sampson, Sampson & Patterson LLP (the firm) in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Sampson, Sampson & Patterson LLP in effect for the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Sampson, Sampson & Patterson LLP has received a peer review rating of *pass*.

A handwritten signature in blue ink that reads "Mann, Urrutia, Nelson CPAs & Associates, LLP".

Mann, Urrutia, Nelson CPAs & Associates, LLP



February 21, 2025

Proposal for Audit Services

POOLED LIABILITY ASSURANCE NETWORK JOINT POWERS AUTHORITY

Submitted By:

Eide Bailly LLP

Jason Lindstrom, CPA
Partner

Ryan Donahue, CPA, CISA, AFE
Partner



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What inspires you, inspires us.
eidebailly.com

Executive Summary

WE WANT TO WORK WITH YOU

Thank you for giving Eide Bailly the opportunity to propose on audit services for Pooled Liability Assurance Network Joint Powers Authority (PLAN). The insurance and government industries are experiencing a multitude of opportunities and challenges; with the right team supporting you, PLAN will feel confident in making informed business decisions to drive the organization forward. We're confident PLAN will benefit from the experience we can provide. Eide Bailly has the qualifications to be the firm of choice for the following reasons:

Extensive Industry Experience: The government industry represents one of Eide Bailly's largest niche area — with more than 1,200 government clients firmwide. We provide audit services for a variety of insurance risk pools, state agencies, cities, counties, school districts, colleges and universities. Through serving these clients, our professionals have gained focused expertise in the government industry and will provide you with insightful advice.

Eide Bailly has been working with life and health and property casualty insurance companies for more than 60 years. Over the years, our practice has included tax, audit, System and Organization Controls (SOC) audits, internal audit, risk advisory services, regulatory examination support, transaction services (both buy and sell support) and preparation of the annual filings for insurance companies, state insurance funds, managed care organizations, guaranty associations and various state insurance departments.

We service over 375 insurance entities with annual premiums ranging from \$2 million for captives and self-insurance trusts to \$7 billion for traditional insurers and over \$1 trillion for captive state workers compensation agencies, including many that follow generally accepted accounting principles (GAAP). With the vast array of services we offer our clients, our team has the experience and knowledge to address any of your concerns. As a valued client, you'll also experience:

As a valued client, you'll also experience:

- **Exceptional Service, National Resources:** With Eide Bailly, PLAN will have access to national resources, including more than 3,500 professionals with diverse skill sets and experiences across the firm.
- **Proactive Communication:** Eide Bailly's customer service is founded and focused on communication which includes timely or real-time responses, ongoing customer-centric support and a service team that strives to exceed expectations. Your Eide Bailly service team will keep you informed of changes that may affect your organization.



EXPERIENCE

Our experienced professionals are committed to the industries we serve. We focus on training, and we like to think of ourselves as thought leaders.

PEOPLE

We're a team of collaborators and innovators. Our culture is the heart of our firm, and we're always working together to do things differently and better.

COMMUNICATION

Open, honest, frequent communication ensures that you're not in for any surprises. We'll stay in touch throughout the year so you feel understood, connected and confident.

CORPORATE RESPONSIBILITY

We consider ourselves good corporate citizens—caring for our people, giving back to our communities, and taking care of our environment.

- **Senior-Level Involvement:** Setting us apart from other firms, our service philosophy is to have the most experienced industry professionals — our partners and managers — work closely with clients. You'll experience senior level involvement not only during the engagement, but also throughout the year as issues, questions and opportunities arise.
- **Timeliness:** We'll meet your deadlines. Our professionals are trained to anticipate, identify and respond to your needs in a timely manner. We'll work closely with your management team to customize our services to your needs. We believe in clear, up-front and open communication with no surprises. We understand and will comply with the schedules and scope for the audit, as outlined in your request and will perform all work within the timeframes outlined.

▶▶▶ **Unmatched Client Service is Our Passion:** Our history of high staff continuity — significantly higher than most firms — means you'll work consistently with the same team, all of whom have been chosen because of their experience serving and advising insurance entities similar to PLAN. Working with Eide Bailly means all your service needs will be addressed within a single, core team, resulting in greater efficiency and scale.

▶▶▶ **Review of Insurance Requirements and Professional Services Agreement:** We have suggested modifications to the insurance requirements and the proposed Professional Service Agreement to conform with firm policies and professional standards. We have provided those suggestions in **Appendix A** of this proposal response. We are open to discussions regarding any modifications to the insurance requirements and the proposed professional services agreement provided with the Request for Proposal (RFP).

Additionally, in order to ensure compliance with applicable professional standards, the firm will also require PLAN to sign an annual engagement letter, which includes clauses addressing matters such as dispute resolution and limitations on liability that we consider important to us and standard in our line of work, to be negotiated on commercially reasonable terms.

▶▶▶ **We Want to Work with You:** We've developed the following proposal with Pooled Liability Assurance Network Joint Powers Authority in mind, and we'll provide timely, personalized audit services for you. We'll also get to know you and your staff and take the time to understand your specific challenges and opportunities. We deliver honest and insightful advice beyond what is normally experienced in the public accounting industry. Our tagline, **what inspires you, inspires us**, is more than words to add to marketing materials. We gain energy from those we serve, which turns into a passionate interest in our clients' success.

The following pages highlight our firm's strengths and solutions we can provide for PLAN. We believe this demonstrates why Eide Bailly merits serious consideration. You'll be a highly valued client, and we would be proud to work with Pooled Liability Assurance Network Joint Powers Authority, building a trusting relationship with your team. Please contact us if you would like to discuss any aspect of this proposal.

Sincerely,



Jason Lindstrom, CPA
Partner
208.383.4727
jlindstrom@eidebailly.com



Ryan Donahue, CPA, CISA, AFE
Partner
701.476.8826
rdonahue@eidebailly.com



1. Firm Background

WHAT INSPIRES YOU, INSPIRES US

Your experience will be different than working with other CPA firms because we offer knowledge and skills backed by more than 100 years of service. Our professionals deliver industry and subject matter expertise resourcefully, ensuring we're providing guidance that directly reflects your needs. Our clients benefit from local, personal service and, at the same time, enjoy access to more than 3,500 professionals with diverse skill sets and experiences.

Navigating a Path to Success Together

By embracing change and focusing on innovative ideas, we've grown along with our clients to become one of the top 20 accounting firms in the nation. Accounting is about numbers, but our business is about relationships.

We'll be there for you every step of the way. Talented, down-to-earth people work at our firm, and we're inspired to deliver outstanding expertise and care. We're driven to help you take on the now and the next with inspired ideas, solutions and results.

Our work with clients is more than an engagement. It's a relationship, built on values and trust — and results. When working with Eide Bailly, you'll:

- Work with professionals who truly care about your business and will take the time to get to know you and your organization.
- Gain insight from our industry and service specialists to accomplish your objectives, address challenges and leverage new opportunities.
- Make better business decisions knowing you're guided by advisors who care about your success.
- Appreciate our hands-on service style; we're always looking for new ways to solve your problems or help you embrace opportunities.

AT A GLANCE



TOP 20 CPA FIRM



50+ OFFICES IN U.S. & INDIA



425+ PARTNERS



3,500+ STAFF MEMBERS



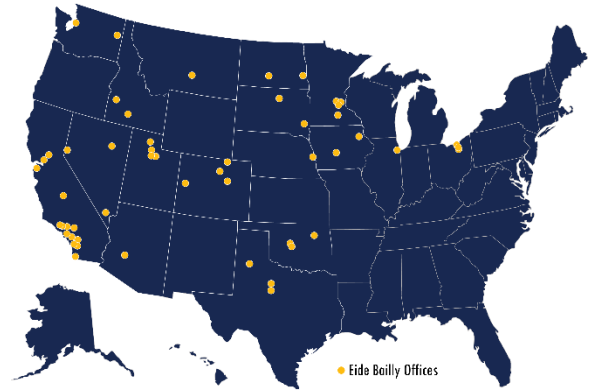
FOUNDED IN 1917

Size and Structure

Eide Bailly is a Limited Liability Partnership domiciled in Minnesota with more than 50 offices in 17 states. The firm is led by our Management Team and Board of Directors.

Core Services

Eide Bailly is a full-service CPA firm performing traditional CPA firm services of attest (audits, reviews, compilations) and tax. We also have management advisory services business outsourcing and strategy, forensics, cost segregation, research and development, cybersecurity, IT including value added reseller of accounting software, internal audit and many other non-traditional services. By embracing change and focusing on innovative ideas, Eide Bailly has grown with our clients to become one of the top 20 accounting firms in the nation. Our core services offered include the following:



 CORE SERVICES		
AUDIT AND ASSURANCE	<ul style="list-style-type: none"> Financial Statement Audits Reviews Internal Audits Employee Benefit Plan Audits Performance Audits Compilations International Financial Reporting Standards 	<ul style="list-style-type: none"> Agreed-Upon Procedures Financial Statement Preparation System & Organization Control Examinations Targeted Examinations Regulatory Mock Audits and Preparation
TAX	<ul style="list-style-type: none"> Energy Incentive Credits Business Continuation Services Cost Segregation Studies Estate, Trust & Giving Services Executive Compensation Planning Payroll and Information Reporting Research & Development Tax Credits Unrelated Business Income Tax Analysis Tax Planning for Transactions Amongst Nonprofit and For-Profit Subsidiaries 	<ul style="list-style-type: none"> Repair Regulations S Corporation Planning State and Local Tax (SALT) International Tax Tax Analysis Related to Mergers & Acquisitions Tax Authority Assistance Tax Planning and Preparation Tax Research
CONSULTING	<ul style="list-style-type: none"> Lean and Process Improvement Methodologies Technology Consulting Provider Enrollment Claim Analytics Risk Based Capital Modeling Contract Negotiation and Core Evaluation Corporate Governance Enterprise Risk Management Forensic and Valuation 	<ul style="list-style-type: none"> FASB/Statutory/GASB Consulting Cybersecurity Consulting Compliance Consulting Compliance Helpline Human Resources Consulting Succession Planning Transaction Services – Due Diligence, Sell Side Wealth Management Process Engineering
TECHNOLOGY	<ul style="list-style-type: none"> Cybersecurity Risk Assessment External Penetration Testing Internal Vulnerability Assessment Digital Strategy and Data Analytics 	<ul style="list-style-type: none"> Information Technology Controls Review Policy Development Social Engineering Assessment


VISIT OUR WEBSITE TO SIGN UP FOR NEWSLETTERS, E-BLASTS AND WEBINARS:

www.eidebailly.com

Our Culture

It's no secret that culture speaks volumes about a company. Some companies stand for honesty, trust, accountability, respect and integrity. Others value passion, teamwork, innovation and superior customer service. At Eide Bailly, these values and more are at the forefront of our business. Culture has been the unshakable foundation underpinning 100 years of growth and innovation. Without it, Eide Bailly would be just a name, instead of the symbol for 'business done right' that it is today.

WHAT WE STAND FOR



DIVERSITY EQUITY INCLUSION

Our DEI Initiative strives to create a diverse, equitable and inclusive work environment where we build a workforce that is reflective of the communities in which we serve. Here's what we are doing.

[Learn more](#) →



IMPACT REPORT

Our annual FYE Impact Report measures our success in our efforts to be a good corporate citizen in the world, do right by our people and communities, and be a firm that attracts the best and the brightest.

[See the full report](#) →

Experience the Eide Bailly Difference

The value of being an Eide Bailly client is that we offer you the best of all worlds. Since we're a full-service firm, you'll have multiple industry specialists available when you need them, but your service team will always be client focused. You'll experience partner involvement during all phases of the engagement, as well as throughout the year. At Eide Bailly, we promise our clients an experience, second to none, where they feel understood, connected and confident.

Understood

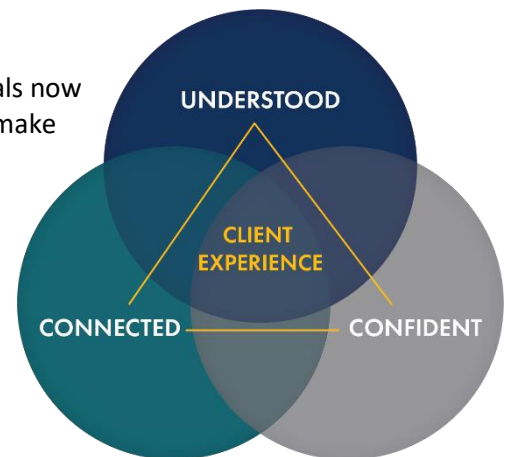
You have goals and dreams. We're inspired to help you achieve those goals now and in the future. By applying our technical and industry knowledge, we make the complex simple.

Connected

Our professionals bring their expertise and thought leadership to every interaction with you. You'll benefit from new ideas, opportunities and solutions as they happen. We'll connect you with the right resources and deliver comprehensive solutions in a respectful, peer-to-peer approach. We keep the answers within your reach.

Confident

With Eide Bailly beside you, you'll feel confident addressing challenges and embracing opportunities as they arise. We go the extra mile to deliver unmatched solutions for your business. Success is demanding. We've got your back.



Our Goals

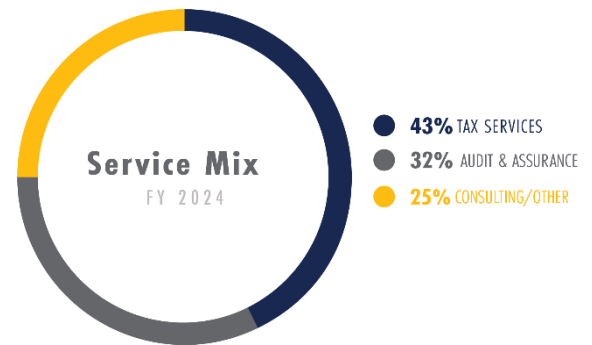
We're interested in establishing a long-term relationship with PLAN and are available to assist you and provide other deliverables, as needed. Our knowledge of your industry and dedicated, trained engagement team will bring added-value and facilitate a speedy and financially viable audit engagement.

2. Financial Auditing Services

Describe your firm's experience in providing financial auditing services. Insurance industry or governmental client experience should be highlighted with emphasis on any experience with public entity self-insurance pools in California or elsewhere.

EXPERTISE THAT MATTERS

Eide Bailly has a reputation for providing quality work at a fair price. Our clients repeatedly tell us we provide a very high level of service-to-cost and they appreciate having an extensive variety of resources available to them as needs arise. When it comes to fees, we believe in clear, up front and open communication with no surprises. We'll maintain a reliable relationship with you for independence and objectivity, proactive planning and consulting, in addition to thoughtful, creative thinking on issues important to you. We'll never bill you for routine consultations; we consider this to be a further investment in our relationship with you and an encouragement for you to reach out to us regularly.



Assurance Experience

Since 1917, we've provided assurance services to clients across all industries. These services account for approximately **32 percent of our work**, and include audits, compilations, reviews and financial statement forecasts and projections, as well as assistance in understanding financial statements, conducting internal audits and evaluation and testing of internal controls. Our clients experience regular contact with senior-level staff, as well as work with a consistent team from year to year, with appropriate rotation.

Usually an audit is required for industry compliance, or at the request from a lender, inactive or absent owner, vendor or other party in need of verifying your financial statements. At Eide Bailly, however, we view an audit as a valuable management tool — the opportunity to help you improve profitability and strengthen your business and administrative practices. Our clients appreciate this viewpoint and the opportunity to work with auditors who share their vast knowledge throughout the process, as well as throughout the year.

We focus on providing value beyond traditional assurance services. Clients tell us they appreciate our timeliness, attention to detail, industry expertise and peer-to-peer approach. We're accessible and maintain client contact with frequent phone calls, emails and meetings to discuss what is going on in your organization.

National Assurance Office

Eide Bailly's National Assurance Office (NAO) oversees the quality and compliance of the audit practice. This group of assurance partners and senior managers performs a variety of quality control functions, such as:

- **Consults** with engagement teams, financial statement reviews and engagement quality control reviews.
- **Monitors** new accounting and auditing standards and assists in the development of related internal communications and training materials.
- **Develops and delivers** internal continuing professional education (CPE).
- **Assists** with the performance of the firm's internal inspection processes and formal root cause and action plan development for both internal inspection and peer review findings.

Your audit team has access to this group on an as-needed basis to help research and consult on any unique auditing or compliance issues that may arise. The NAO is a firm resource to support the audit team; therefore, we do not charge our clients for time spent by this group supporting the audit team.



Government Industry Experience

Our firm's Government Industry Group has 300+ full-time professionals who share information, learn from others and stay up to date on industry developments. To gain the greatest benefit, the knowledge is shared with professionals across the firm.

The government industry represents one of Eide Bailly's largest niche areas — with more than 1,200 government clients firmwide. We provide audit services for a variety of cities, counties, colleges and universities, housing authorities, school districts, state agencies, insurance risk pools and tribal entities. Through serving these clients, our professionals have gained focused expertise in the government industry and will provide you with insightful advice.

These services include, but are not limited to, evaluating internal control structure, assessing control risk and performing tests of controls, as well as testing compliance with applicable laws and regulations in accordance with *Government Auditing Standards*.

Government Industry Involvement

Eide Bailly prioritizes staying current with changes to the government industry. We help clients adapt to changes within the existing standards and implement any new standards. Our team members are engaged in the government industry and are well positioned in organizations associated with government entities. We are leaders in the Governmental Accounting Standards Advisory Council (GASAC), the American Institute of Certified Public Accountants' (AICPA) Governmental Audit Quality Center (GAQC), Private Companies Practice Section (PCPS) Technical Committee, local and national boards of the AGA (formerly Association of Government Accountants), including the Financial Management Standards Board, and the review committee for the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. **Brian Stavenger**, Partner, was recently appointed to the GFOA's Committee on Economic Development and Capital Planning, and **James Ramsey**, Partner, serves on the GFOA's Accounting, Auditing and Financial Reporting Standing Committee.

Due to our leadership positions, you will have access to information not available from other accounting firms.

At a Glance
GOVERNMENT

70+
YEARS EXPERIENCE

1,200+
INDUSTRY CLIENTS

300+
DEDICATED STAFF

\$28.8 BILLION ANNUAL
AVERAGE IN SINGLE AUDITS

We regularly attend Governmental Accounting Standards Board (GASB) meetings throughout the year and communicate the results of those meetings to our clients through newsletters, e-blasts and webinars. We are also involved with GASB's financial reporting reexamination task force shaping the future of state and local government accounting and reporting and participate in the reexamination of the revenue and expense model and note disclosure projects with GASB.

GOVERNMENT UPDATES

www.eidebailly.com/gasb2024

Our complimentary webinars provide a comprehensive overview of the latest GASB updates and implementation strategies, issues affecting governments, best practices, and pitfalls to avoid.

Recorded Webinars

Governing the Future: Digital Transformation and Smart Contracts in Public Service
Intersection of Recruitment, Retention, Leadership Development & Change Management
GASB Update: Escaping the Maze and Charting the Path Ahead
Subrecipient Monitoring: The What, Where, When and Why
Getting Ready for June 30th: Closing a Fiscal Year and GAAP You Need to Know
GASB 101 & 103: Compensated Absences & Financial Reporting Model Improvements
Engagement Buffet: What Will You Choose?
What is an Accounting Change vs. an Error? Implementing GASB-100
2023 Year-End Governmental Update
States and Local Governments Have Risks
Best Practices for Public Sector ERP Modernization Initiatives
How States and Local Governments Can Take Advantage of Energy Credits
June 30th is Coming: Are You Ready?
GASB Public Retirement Plan Update
GASB 87, 94 and 96 An Intro and Comparison
GASB Update for Year-End 2022
Subrecipient, Beneficiaries and Federal Grant Operation
Government 101: Back to Basics
GASB 87, Leases: One Last Look for Lessors
GASB 87, Leases: One Last Look for Lessees
A Government's Risks and What is GASB Proposing to Disclose?
GASB 87, Leases: Your Frequently Asked Questions and Potential Issues

Implementation of New Standards

In an industry where standards continually evolve and change, Eide Bailly makes it a priority to stay current and assist our clients with necessary changes. In addition to helping clients implement new standards, we also help them adapt to changes within the existing standards.

Several of our professionals serve on committees that have direct input into writing new standards. This enables our involvement from the beginning and ability to influence the final outcome. Our clients benefit from our strong understanding of the standards and how they may affect their organization. We will work with PLAN to create a plan to address new standards one to two years prior to implementation.

Insurance Industry Experience

Eide Bailly has been working with life, accident and health, property and casualty insurance entities and insurance agencies for more than 60 years. We have been providing services to some of our current clients dating back to the 1960s. Over the years, our practice has included process improvement reviews, system implementations, specialized tax credit and service, outsourced and managed services, internal audit, Enterprise Risk Management (ERM) services, due diligence, merger and acquisition specialty services, preparation of the annual filings for insurance companies, System and Organization Controls (SOC) 1, 2 and 3 audits of claims operations, tax, audit and a variety of management consulting. Our extensive experience guarantees a strong knowledge of generally accepted accounting principles (GAAP) and statutory accounting principles (SAP). We service 800 insurance clients, including insurance companies with annual premiums ranging from \$2 million for captives and self-insurance trusts to \$7 billion for traditional insurers and over \$1 trillion for captive state workers compensation agencies.

As a result of our experience in the insurance industry, **Eide Bailly is consistently ranked among the Top 10 in the United States by A.M. Best for the Amount of Statutory Premiums Audited.** This prestigious ranking validates we're a top provider of these services and clients depend on us for their multiple insurance audit needs.

With seasoned actuaries, ex-industry professionals and tax specialists employed by our firm we're well positioned to be more than just your audit firm, as a trusted collaborator. Our insurance professionals' diverse backgrounds provide us with an understanding of accounting principles and the regulatory environment that is unique to this industry. This provides our team a unique perspective balancing both financial and regulatory considerations during our audit process.

As a top 20 public accounting firm in the country, Eide Bailly operates in a number of industries some of which include insurance, dealerships, government, manufacturing, healthcare and financial institutions. By working within these varying industries, we have extensive knowledge of the requirements in completing GAAP audits. In addition to our knowledge of these requirements, Eide Bailly communicates staff trainings and accounting updates on a standard firmwide basis. Furthermore, to effectively understand statutory accounting, it is important to have a good comprehension of GAAP due to SAP modifying or rejecting various GAAP accounting pronouncements and updates.

Specific to our insurance industry practice, you will have access to a multitude of partners, including our audit, tax and technology specialists, all of whom have significant insurance expertise. In addition to our partners, there are over 60 additional team members with a significant focus specific to the insurance industry. The firm has a strong industry and service team to surround our clients with relevant and valuable services, some of which are highlighted below:

- Audit and Assurance
- Tax Preparation
- Tax Consulting Services
- Actuarial Consultation Services
- SOC 1, 2 and 3
- Regulatory Compliance
- Technology Consulting
- Forensic Consulting
- Agreed-upon Procedures
- Process Improvement Consulting



Examples of Clients We Work With

Property & Casualty

- American Farmers & Ranchers Mutual Insurance Co.
- Bayside National Insurance Co.
- Captive Assurance Solutions
- Cardinal Point Insurance Co.
- Farmers Mutual Fire Insurance Co.
- Farmers Mutual Insurance Co. of Montana
- Iowa Medical Mutual Insurance Co.
- North Dakota Insurance Reserve Fund
- North Star Mutual Insurance Co.
- Suecia Insurance Co.
- Trans City Casualty Insurance Co.
- Western Skys Insurance Co.

Involvement in Insurance Industry Associations

Many of our team members regularly attend National Association of Insurance Commissioners (NAIC) national meetings and participate in key working groups to ensure our staff is current on issues discussed and decisions made by the regulatory community. We actively participate in the development and implementation of SAP and other issues of concern to regulators on a national level.

We are also regularly involved in various associations as event attendees, members of committees and presenters on technical topics. Such associations include Insurance Accounting & Systems Association, Inc. (IASA), National Association of Mutual Insurance Companies (NAMIC), Insurance Regulatory Examination Society (IRES), Information Systems Audit and Control Association (ISACA), Association of Governmental Risk Pools (AGRIP), American Association of State Compensation Insurance Funds and Society of Financial Examiners (SOFE). We have also been invited to present and attend various meetings of the Delta Dental Association and Blue Cross and Blue Shield Association.

Keeping Up with Changes

We continually monitor changes in the insurance industry through attendance at the NAIC meetings, discussions with industry experts and various state regulatory personnel. Eide Bailly approaches new accounting and reporting issues by first obtaining all relevant information about the change, then having internal discussions with industry group personnel to gather insights, followed by communicating proposed or adopted changes to our clients.

We are also committed to staying abreast of all legislative, judicial, and Internal Revenue Service (IRS) changes that may affect our clients. Our firm subscribes to several tax services that provide us with multiple daily tax updates, including RIA, BNA, PPC and Kiplinger. In addition to these subscriptions, our tax professionals attend continuing education courses in excess of the annual amount required for certification. All our tax staff involved in the insurance industry have attended the Booke Seminars on taxation. Furthermore, when tax law changes are identified that may affect our clients, we utilize the data mining capabilities of our software to identify those clients with planning issues and opportunities.

Communicating NAIC and IRS Changes to Clients

Communication with our clients on new accounting, reporting or tax law changes are done as timely as possible through written correspondence (e.g. eBlasts, newsletters, etc.) and personal communication. Our team members discuss specifically how the changes will affect each respective client and to what level Eide Bailly can help when implementing the changes. All IRS and tax law changes that may affect you are again reviewed with you in our annual tax planning meetings.

Property and Casualty Insurance Experience

We have worked specifically with property and casualty insurance companies for over 60 years. The products under the property and casualty umbrella include house, auto, farm, workers compensation, liability etc. We understand these market niches, the products offered, how they affect our clients and the accounting necessary to accurately reflect their financial position.

One of the key items affecting these clients is their reinsurance program and the management of their risk. Through the years working in the property and casualty industry our audit teams have obtained knowledge of

At a Glance

INSURANCE

60
YEARS EXPERIENCE

800
INDUSTRY CLIENTS

RANKED IN THE
TOP 10 BY A.M. BEST

how companies use reinsurance to reduce risk and review the Schedule F in the annual statement. In the last five years bringing property and casualty actuaries in-house has grown our analysis of reinsurance contracts in a substantial way.

Our property and casualty clients include traditional stock insurers, mutual insurance companies, captive companies, reinsurance companies, reciprocal insurance companies and self-insured groups who bring their unique challenges and reporting requirements. We have a thorough understanding of the complexity of the reinsurance agreements, the related contract structuring and accounting that accompanies property casualty insurance, particularly catastrophic reinsurance.

Reinsurance Experience

Reinsurance is complex and unique to insurance situations. A reinsurer provides coverage for certain risk classes or levels depending on the agreement entered into by PLAN. Eide Bailly has audit programs that encompass the entire reinsurance cycle from reinsurance premium to recoverable attachment to collection of the reinsurance recoverable balances. Reinsurance involves reinsurance premiums payable, netting of direct written premiums with reinsurance paid, as well as reinsurance recoverables on a claims paid basis.

Our customized audit program allows us to integrate the reinsurance process across all financial statements as well as ensures the link back to the claim and reserving processes. We will gather all reinsurance agreements, determine that risk transfer exists, and perform testing at the claim level detail to ensure that reinsurers are being properly and timely notified of the attachment. As reinsurance companies tend to be large international organizations testing the financial strength of the reinsurer is a key item to consider when looking at the collectability and ultimate valuation of reinsurance recoverables.

Government Risk Pool Experience

We work with several joint power government risk pools formed into a variety of entities from captive mutual companies to quasi-government units. We have worked with associations of townships, counties, school boards and a variety of other risk-sharing entities to assist them in their compliance needs. We also perform statutory and GAAP audits for government enterprise funds that provide workers compensation in monopolistic and non-monopolistic states.

Government Programs Experience

Our teams have experience in auditing and operating Medicaid, Medicare Advantage and Medicare Cost Plus plans. We also have performed attest engagements on Federal Employee Programs, Lottery Organization, Federal benefit programs and post-employment benefits. We understand the Federal Acquisition Regulations, as well as various cost accounting requirements of these program. You'll work with seasoned professionals who understand the bid and reimbursement structure, when applicable.

Bridging the Gap Between Industries

A portion of the government clients we serve have an insurance component as part of their overall activities. Eide Bailly has an industry group dedicated to government clients and another group focused on insurance entities, with team members experienced in both sectors. One of our strong points is our ability to answer operational and advisory questions, making our clients feel comfortable calling us for input and advice on their ideas. We have the resources to assist with any activities or potential issues our clients face, ensuring that our staff members and their organizations stay abreast of current regulations.

Bridging the gap between the government and the insurance industry involves enhancing communication, aligning regulatory standards, and fostering public-private partnerships to ensure effective policy implementation and improved service delivery.

3. Registrations and Peer Review

Indicate whether your firm is appropriately registered and/or approved with regulatory authorities. When was your last peer review? Please provide a summary of the results.

Licensed to Practice

Eide Bailly and each of the professional staff assigned to PLAN are properly registered and licensed to practice in California.

Firm Registrations:

California Secretary of State Registration Number – 202020121001

California State Board of Accountancy Permit Number – 5973

A majority of states, including California, have adopted mobility legislation—a practice privilege that generally permits a licensed CPA in good standing from a substantially equivalent state to practice outside of his or her principal place of business without obtaining another license. All assigned key professional staff have complied with insurance industry qualification standards, including continuing education requirements.

Peer Review

Eide Bailly is a member of the American Institute of Certified Public Accountants, which requires a third-party peer review of our audit and accounting practice every three years. A copy of our firm's most recent peer review is included in **Appendix B** of this proposal. The quality review included several insurance industry engagements and received a rating of 'Pass'. No letter of comments was issued as the Issuance of a Letter of Comment has been removed from the peer review standards for many years.

4. Client References

PLAN will check references provided by you. Provide the company name, contact person, and phone number of at least three (3) public agencies for whom you provide services. Preference is for governmental entities. Describe the services provided for each such entity.

As a top 20 CPA firm, we've built our business on relationships and believe our clients to be the best critics of our service. The clients below have similarities to your organization, and we encourage you to contact them to learn about their Eide Bailly experiences.

Client Entity Name	Contact Details	Services Provided
MONTANA STATE FUND 855 Front St. Helena, MT 59604	Rene Martello Director of Finance and Actuary 406.495.5354 rmartello@mt.gov	GAAP and Statutory Audits
IDAHO INDIVIDUAL HIGH RISK REINSURANCE POOL 301 Meadow Ridge Dr. Eagle, ID 83616	Laren Walker Chief Financial Officer 208.947.9600 larenwalker@gmail.com	GAAP Audit
WORKFORCE SAFETY & INSURANCE 1600 E. Century, Ave., Ste. 1 Bismarck, ND 58503	John Halvorson Chief Operating Officer 701.328.3800 jhalvorson@nd.gov	GAAP Audit

FIRE RISK MANAGEMENT SERVICES 1750 Creekside Oaks Dr., Ste. 200 Sacramento, CA 95833	Kemble Ng Account Manager 800.541.4591 kemble.ng@sedgwick.com	GAAP Audit
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5. Former Clients

Provide at least two other references, in the same format, consisting of clients for which you have provided similar services in the past, but for which you are no longer providing those services.

We truly care about our clients. However, all firms experience client turnover as a regular part of their business operations and our firm is no different. The issues that result in the loss of a client vary from client mergers or acquisitions, a decision by our firm to discontinue service or a decision to transition an audit to a different service provider based on the current needs of that client.

Below are two former clients that we have provided services for in the past but are not current clients with Eide Bailly.

Client Entity Name	Contact Details	Services Provided
WORKERS COMPENSATION EXCHANGE P.O. Box 359 Lewiston, ID 83501	Jennifer Anselmo Controller 208.743.3701 jennifer@wcmpex.com	Statutory Audit
COMMONWEALTH HEALTH CONNECTOR AUTHORITY 100 City Hall Plaza, Floor PH Boston, MA 02108	Andrew Eagan General Counsel 617.936.1034 andrew.egan@state.ma.us	Compliance Audit



6. Team Qualifications

Attach a copy of the resumes of qualifications of all employees of your firm that you anticipate would participate in providing services to PLAN. Indicate who the principal staff would be and the percentage of involvement of all other staff. Describe each employee's position in the firm, their professional designations and detail their experience public entity pools, or other similar insurance or governmental entities.

AN EXPERIENCED SERVICE TEAM

We're passionate about our work—and your success. We've selected professionals for your service team who are the right fit for your engagement, based on their knowledge and experience in the government and insurance industries.

Jason Lindstrom will serve as the Audit Engagement Partner and **Ryan Donahue** will serve as the Consulting Partner. **Vanessa Dutton** will serve as the Quality Review Partner. **John Hagen** will serve as the Audit Senior Manager and **Nicole Hurd** will serve as the Audit Senior Associate. **Peter Royek** will serve as Actuary Senior Manager and **Deb Mulindwa** will serve as the Information Technology Auditor. These professionals bring strong credentials and a desire to work with PLAN.

If awarded the engagement, these individuals listed above will serve as your primary contacts. We've provided professional profiles for the proposed engagement team showcasing their experience, education, and professional designations on the following pages. We anticipate that the proposed engagement team will perform a majority of the work and additional team members may not be needed.

Senior and Staff Associates

Once we determine the timing that works best for you, we'll assign a senior and staff associates to your engagement. Our seniors are experienced in public accounting, with several who specialize in the government and insurance industry. All members of our staff are required to comply with necessary continuing professional education (CPE) requirements, and most members of our staff significantly exceed their required amount.

Staff Continuity

To help ensure a strong business relationship and to minimize disruptions, we keep staffing changes to a minimum. Compared to the national average, Eide Bailly experiences a higher retention rate, which translates to providing our clients with consistent service teams. We'll strive for continuity of staff for your engagement. With this continuity comes quality as team members' knowledge of your organization grows from year to year.

JASON LINDSTROM, CPA

Partner

INSPIRATION: I find great fulfillment in helping others discover solutions that benefit them for years to come.

208.383.4727 | jlindstrom@eidebailly.com



Jason joined Eide Bailly in 2011. He serves as a partner for external audits and other accounting services primarily in the insurance and service organization controls (SOC) industries. He oversees testing to be performed and assists clients in implementing difficult accounting requirements.

When you work with Jason, you can expect him to take the time to listen and thoughtfully analyze how you can effectively address the challenges facing your organization. He takes great pride in being responsive and caring for his clients.

Outside of work, Jason loves spending time with his wife and children. This includes coaching and cheering on his kids in their various activities. He also enjoys fishing, hiking, and gardening.

Client Work

Experienced with Generally Accepted Accounting Principles (GAAP) and Statutory Accounting Principles (SAP).

Reviews internal controls, assess the risk of fraud for identified weaknesses, and recommends improvements to management and those charged with governance.

Insurance industry experience includes Property/Casualty, Life, Health, Blues Plans, Workers Compensation, Captives, Reinsurance Companies, Government Risk Pools, and Dental and Vision insurance companies.

Provided insurance company risk retention group and captive regulatory examination services.

Serves on Eide Bailly's Insurance Technical Issues Committee.

Memberships

American Institute of Certified Public Accountants

Idaho Society of Certified Public Accountants

Designation/Licensures

Certified Public Accountant

Education

Bachelor of Science, Accounting - Brigham Young University, Provo

Community

BYU Management Society - Boise Chapter, President

RYAN S. DONAHUE, CPA, CISA, AFE

Partner/Insurance Industry Leader

INSPIRATION: My passion is to serve clients at a level that leaves all of their needs addressed, even before they realize they have the need. By melding my public accounting experience with my CFO experience, I offer a unique perspective to my audit, attest and consulting clients.

701.476.8826 | rdonahue@eidebailly.com

As Partner-in-Charge of the Insurance Industry Practice at Eide Bailly, Ryan works closely with clients in the insurance industry, conducting financial, internal control and IT audits, as well as consulting on regulatory matters and strategic business planning. He has extensive experience with large health insurers and large worker compensation organizations.

Ryan understands the rules and regulations governing the insurance industry from every angle, so when you work with him, you get a seasoned and tested professional joining your team. His mastery of audit and compliance services, not to mention his operational experience, will prove invaluable to your organization.

When not in the office or traveling for work, Ryan enjoys traveling with his four kids. You'll also find him and his family at the lake throughout the year, enjoying hikes through the woods, boating and tinkering with various motorized vehicles.

Client Work

Directed the Finance, IT and Operations departments as CFO for regional health plan that administered approximately \$850 million in claims.

Provided audit and compliance services, including Service Organization Control Audits, to insurance industry clients.

Completed various Market Conduct Examinations for the Division of Insurance in Massachusetts, Iowa and Florida.

Participated in multiple Exhibit C examinations (IT examinations) for several large international insurance companies.

Consulted on system implementations, strategic alignments, capital adequacy planning and process effectiveness.



Memberships

American Institute of Certified Public Accountants

North Dakota Society of Certified Public Accountants

Information Systems Audit and Control Association

Society of Financial Examiners

Designation/Licensures

Certified Public Accountant

Certified Information Systems Auditor

Accredited Financial Examiner

Education

Bachelor of Accountancy—North Dakota State University, Fargo

Community

ISACA Fargo Chapter, Inc. Treasurer

Association of Governmental Risk Pools

National Association of Insurance Commissioners

Insurance Accounting and Systems Association

VANESSA M. DUTTON, CPA

Partner

INSPIRATION: I've enjoyed working with various clients, staff and industries throughout my career and find myself learning something new every day. I love working in a challenging environment, assisting clients and seeing them benefit from our advice and service.

405.594.2041 | vdutton@eidebailly.com

Since 1998, Vanessa has set her sights on insurance, nonprofit entities and government-focused public accounting where her passion lies in serving colleges and universities, school districts and governmental agencies. Vanessa also shares her knowledge by providing local training to audit staff with regards to auditing, Yellow Book and government.

When working with Vanessa, clients can expect a trusted advisor who works on-site with her audit teams in order to address issues as they arise. Vanessa believes in providing timely reviews and updates of the audit work as it progresses.

In her free time, Vanessa enjoys spending quality time with her family, including her son, as they hang out with cousins and get competitive during family game night. For entertainment, her family likes to catch a college football game, cheering on the University of Oklahoma. Vanessa catches up on her favorite Netflix shows on the treadmill each morning and gleans inspiration from Pinterest for delicious home cooked meals at night.

Client Work

Provides insurance, government and nonprofit audits.

Conducts agreed upon procedures, reviews and compilations.

Works on government-related tax projects with a focus on colleges and universities, school districts and the teacher pension system.



Memberships

American Institute of Certified Public Accountants

Oklahoma Society of Certified Public Accountants

Designation/Licensures

Certified Public Accountant

Named one of 50 of Journal Record's 50 Making A Difference (2009) and Achievers Under 40 (2012)

Education

Bachelor of Business Administration, Accounting - University of Oklahoma, Norman

Community

Circle of Care, Board of Directors and Chair of the Finance Committee

JOHN HAGEN, CPA

Senior Manager

INSPIRATION: I enjoy the continuous challenge of fulfilling our clients' needs. I take pride in providing a service that is both valued and appreciated by the client.

701.239.8674 | jhagen@eidebailly.com

John provides audit and assurance services to clients in the governmental sector, focusing primarily on county and city governments, school districts and special purpose districts. He is also well versed in single audit compliance testing required by Uniform Guidance.

John has experience leading audit teams and takes pride in his ability to be responsive and understanding of client needs. He takes an active interest in his clients and appreciates the relationships that are built through his services throughout the entire year.

Outside of work, John enjoys spending time with family and friends, but mostly spends his time trying to keep his young son and daughter out of trouble! He is also an avid and passionate fan of all things sports, primarily cheering on Minnesota-based teams. In the summer, John makes it a priority to spend time outside on the golf course, as well as at the family lake cabin.

Client Work

Leads and supervises teams in providing audit services to clients, specializing in the government industry. Several of the local governments he has worked with prepare an Annual Comprehensive Financial Report (ACFR) and receive the GFOA's Certificate of Achievement for Excellence in Financial Reporting (COA).

Has experience providing financial statement auditing and compliance testing, including single audits required by Uniform Guidance.

Promotes staff development through facilitating internal trainings.



Memberships

American Institute of Certified Public Accountants

North Dakota Society of Certified Public Accountants

Designation/Licensures

Certified Public Accountant

Education

Bachelor of Science, Accounting - North Dakota State University, Fargo

Bachelor of Science, Finance - North Dakota State University, Fargo

PETER A. ROYEK, ACAS, MAAA
Senior Manager

INSPIRATION: "There is no greater feeling in business than completing a project, knowing you have worked as hard as possible for the client and leave them 100% satisfied. That is my goal on every engagement."

701.239.8568 | proyek@eidebailly.com

As part of the audit team within the firm's Insurance Industry Practice, Peter reviews the financial statements of the client, along with the actuarial work undertaken to produce those statements. He supports the audit by ensuring that loss liabilities of the client have been fairly stated and determined using reasonable methods, assumptions and judgments.

When you work with Peter, you can expect that he has the client's interests in mind and will always do so with integrity and the highest professionalism standards.

Outside of work, Peter loves to volunteer! He makes annual trips to Rafiki Foundation schools across Africa to tutor and/or teach mathematics. He also helps out athletes at Special Olympics New Jersey sports competitions all year round.

Client Work

Acted as liaison between a reinsurer and various auditors, regulators and consultants for 30 years.

Served as Appointed Actuary for an international reinsurer of 17 years.

Fostered collaboration among various departments and functions.



Memberships

Casualty Actuarial Society
Professional Education
Working Group

International Actuarial
Association Africa Task Force

Designation/Licensures

Associate of the Casualty
Actuarial Society

Member of the American
Academy of Actuaries

Education

Bachelor of
Statistics/Mathematics -
Rutgers University, New
Brunswick, New Jersey

Community

Special Olympics New Jersey,
volunteer

Rafiki Foundation in Africa,
volunteer

DEB MULINDWA, CISA

Senior Associate

INSPIRATION: I find great fulfillment in helping our clients mitigate risk as they achieve their business objectives.

385.282.5437 | dmulindwa@eidebailly.com



Deb has over three years of experience implementing NIST 800-53, COBIT and CIS Critical Security Controls within various public and private sector industries. She has worked with clients across various industries in the implementation and audit evaluation of CIS Critical Security Controls. Deb's expertise includes Service Organization Control (SOC1 and SOC2) audits and readiness evaluation, IT General Controls (ITGCs) examination, ISO 27001, data migration review, data visualization and analysis using different tools.

You can anticipate Deb providing exceptional service as she believes the client should expect, and receive, the best service possible.

Outside of work, Deb enjoys volunteering in the community. She also enjoys spending time with family and friends.

Client Work

Helps clients in risk assessment.

Advises clients in the design of their IT related controls.

Helps assess whether given controls are in place.

Took part in ITGC special assessment.

Advises clients on how best they can improve their processes.

Memberships

Information Security Audit & Control Association

Designation/Licensures

Certified Information Systems Auditor

Education

Masters of Science in Finance
- Lewis University,
Romeoville

NICOLE HURD

Senior Associate

INSPIRATION: The challenge of the work keeps life interesting and I enjoy working with clients to find simple solutions to complex problems.

208.383.4737 | nhurd@eidebailly.com



Nicole works closely with clients to understand their business and processes, performs planning procedures and ensures efficient and effective interactions throughout an audit engagement.

When working with Nicole, you can expect her to bring strong attention to detail, meaningful and effective communication, time management and problem solving skills.

Outside of work, Nicole enjoys spending time with her family and friends, working on crafts, and visiting the national parks.

Client Work

Provides auditing services to clients in various industries including governments, higher education and healthcare.

Assesses accounts receivable and third-party reserve models.
Experienced in the preparation of financial statements.

Works on compliance audits for a wide variety of complex programs across various industries

Education

Master of Accountancy -
University of Idaho, Moscow

Bachelor of Accountancy -
Brigham Young University,
Rexburg



7. Independence

Disclose whether your firm or any individuals assigned to provide services to PLAN have any conflicts of interest with PLAN, or any Board members or employees of PLAN and, if so, the nature of the conflict.

Eide Bailly is independent of Pooled Liability Assurance Network Joint Powers Authority as defined by the generally accepted auditing standards and the U.S. Government Accountability Office's *Government Auditing Standards*. Within the past five years, the firm has not had any relationships involving PLAN.

The second general standard for auditing requires the audit organization and the auditors be free from personal and external impairments to independence. As defined by these standards, Eide Bailly is independent in fact and in appearance, and no relationships, either personal or professional, exist that would cause our firm to not be impartial in dealing with PLAN.

Should Eide Bailly enter into any professional relationships deemed relevant during the course of this engagement, we will notify you in writing of such relationship.

8. Audit Work to be Done

Explain your understanding of the audit work to be done.

a. Submit a work plan. Include general descriptions of the work to be done, time estimates for each significant segment of the work to be done, and the staff level to be assigned. Name individual staff members.

TAILORED SOLUTIONS TO MEET YOUR NEEDS

At Eide Bailly, we promise you a better overall experience. Though multiple firms are capable of accomplishing the objectives of an audit, we appreciate that every situation and every organization is different, and our tailored approach is based on the needs of each client.

We value our business relationships and demonstrate this through partner and manager involvement. Our senior-level professionals are involved with our clients and accessible throughout the year. They do not delegate all tasks to staff, but rather stay involved on-site during fieldwork and remain connected throughout the year. This approach delivers the greatest benefit to our clients because we are able to stay abreast of changes in and updates to our clients' operating environments and collaborate to achieve optimal results.

Our clients experience a communication approach that stands apart in both style and frequency. Because we recognize effective interaction is critical throughout the entire audit process, our service and communication

begins with planning and continues throughout the year. Additionally, we communicate collaboratively with our clients and include them in the process as our peers. Our clients offer a wealth of knowledge and information about their organization, and interacting with them as a business peer ultimately produces the best outcome.

Prior to beginning the engagement, we will discuss with management:

- The engagement timeline.
- The audit approach and process.
- Additional considerations that may affect scope, schedules and workpapers to be prepared by your personnel.

Upon appointment as your auditor, we will discuss the audit schedules and work with you to ensure the timeline meets your needs and makes the most effective use of your staff members' time.

AUDIT APPROACH

We take a top-down, risk-based approach to planning and performing the financial statement audit. During our planning phase, we identify/re-examine specific risks and allocate resources based on our understanding of your business and operations.

Our people are trained to focus on anticipating, identifying and responding to client needs in a timely manner, and we understand the importance of completing the audit on a timely basis. We'll work closely with your staff to develop an audit plan tailored to your needs. The value of our audit approach includes the following:

- Careful and considerate planning of our work to avoid interruption to your staff.
- Anticipate information needs so additional schedule requests during interim and final fieldwork are minimized or eliminated.
- On-time delivery of reports and management letter.
- Significant level and frequency of partner involvement with PLAN's management team during the audit, providing a greater opportunity to better understand your organization, internal controls and processes so we can provide benefits that extend beyond the audit process.

AUDIT WORKPLAN



At Eide Bailly, we tailor our approach based on the needs of each client. Our audit approach is designed to collaborate with PLAN to achieve optimal results. The approach consists of five major components: Planning and Pre-Work, Interim Work, Fieldwork, Reporting and Ongoing Communication. The objectives and timing of each component are described in the following:

Planning and Pre-Work

- Gain knowledge of organization and environment.
- Perform analytical procedures to identify audit risk areas.
- Consider fraud through inquiry and brainstorm.

- Develop audit budget by individual areas.
- Determine audit procedures by area, based on results of audit planning.
- Determine confirmation needs.
- Prepare listing of audit information requested from organization.

Interim Work

- Review internal controls.
- Review minutes, resolutions and ordinances.
- Perform tests of legal compliance.

Fieldwork

- Audit areas based on risk assessment.
- Obtain and prepare schedule and analyses supporting the financial information.
- Review of tax information.
- Discuss findings with management, if applicable.
- Discuss proposed journal entries with management, if applicable.

Reporting

- Prepare draft of financial report and management letter.
- Provide report to management for review and comment.
- Present final report to designated representatives.

Ongoing Communication

- Obtain interim financial statements throughout the year for review.
- Analyze significant changes and identify areas to further tailor our audit plans and to keep us up to date with continuing changes.
- Compare the interim results to year-end results for the past few years to identify potential issues in the financial reporting process.
- Participate periodically at your Board meetings, and any other meetings, at the Board's request.

Estimated Hours Per Segment of the Engagement

Planning & Pre-Work	Interim Work	Fieldwork	Reporting	Total Hours
80	50	250	30	410

b. The audit firm shall produce two separate audit reports, one on a GAAP basis and the other on a statutory accounting basis, for PLAN. Related letters and other correspondence, such as a letter on recommendations to management, should also be addressed in your proposal.

Understanding Your Needs

Eide Bailly has extensive experience in performing both GAAP and statutory financial statement audits. According to the addendum sent out to all prospective firms, it is our understanding that PLAN only requires a GAAP financial statement audit at this time. If PLAN's needs change in the future, Eide Bailly is prepared to produce two separate audit reports, one on a GAAP basis and the other on a statutory accounting basis, for PLAN.

Issuance of Management Letters and Recommendations for Improvement

Communication before, during and after the audit is a hallmark of Eide Bailly's audit process. Our communication style is one of collaboration, where we will work together to find the best solution for PLAN. This approach assures that proper communication channels exist while also avoiding frustrating last minute surprises. We view all parties as an important part of the overall process of providing audit services.

As part of our collaborative approach, we will meet with management during audit planning to gain a thorough understanding of PLAN's expectations and any changes to the organization. During the audit process, we will communicate progress through oral and written status updates and discuss significant audit issues as they arise. At the conclusion of the audit, we will jointly evaluate the effectiveness of the audit and any recommendations for changes in the future.

As noted above, our service model does not view the audit process as an annual event. Instead, we communicate with management on an ongoing basis and keep you apprised of accounting pronouncements, changes in regulations and other changes that may impact PLAN. Under this communications approach, we will discuss specific preferences you have in communicating with us including frequency and style. As we get to know your organization, our process becomes increasingly customized to PLAN, yet it still follows the framework we have put together as guidelines that our staff are expected to embrace as part of our service culture.

We will discuss with management about any potential findings during our fieldwork so that management will have time to respond while we are in the field. We will discuss in detail any outstanding findings and those that have been finalized during the exit conference. Our goal is not to have any additional surprise findings after leaving the field.

c. State that the examination will be made in accordance with generally accepted auditing standards.

Our examination will be made in accordance with generally accepted auditing standards.

d. State that the primary purpose of the examination is to express an opinion on the financial statements.

We confirm that the primary purpose of the examination is to express an opinion on the financial statements.

USE OF TECHNOLOGY

Eide Bailly staff utilizes progressive and effective software to streamline processes and make them as efficient as possible. These technologies include:

EB Bridge

Our client portal, EB Bridge, is designed to strengthen the connection between Eide Bailly and our clients, enhancing the way we interact and collaborate. We are continuously working to improve user experience and streamline processes, including enhancing document management and providing a smoother annual client access review.

EB Bridge will incorporate future integrations to provide a more cohesive experience across all Eide Bailly systems. By making it easier for clients to access what they need, we are reinforcing the relationships that drive our success.



Suralink

Suralink is an interactive Provided by Client (PBC) software solution which improves the client experience for document exchange. This addition to our suite of tools saves a substantial amount of time managing PBC documents, creating increased efficiencies during your engagement.

Data Extraction Software

TeamMate Analytics: Eide Bailly designs our approach to incorporate the use of TeamMate Analytics to maximize efficiency while conducting a very effective audit. Through TeamMate Analytics, we can extract information from related databases and create databases that check for duplicate payments, summarize payments, extract journal entries from specific accounts, develop expectations for analytical procedures and recalculate system calculations, among a host of other procedures developed by our audit team.

DataSnipper: Eide Bailly's audit approach is enhanced by the use of DataSnipper, a powerful Excel add-in that improves efficiency and fosters effective auditing practices. This innovative tool allows us to leverage artificial intelligence (AI) for automated document matching. With configurable templates for standardized audit procedures, DataSnipper streamlines workpaper preparation and review while enhancing collaboration within our audit practice.

CCH ProSystem fx Engagement by Wolters Kluwer

This software is used to perform the audit, retains the electronic workpapers and supporting documentation, performs project tracking and facilitates quality engagement review.

Flexibility to Meet Your Needs

Eide Bailly performs all engagements in a paperless environment. As a technology-driven firm, we've seen no issues in performing audit procedures off-site from our clients. We utilize tools, such as using Microsoft Teams, which allows us to communicate with our clients face to face, while sharing screens, to make the process as seamless as possible. We host webinars to educate our clients on changing circumstances and how to successfully navigate those changes. We have no concerns completing this audit remotely should PLAN desire it. We'll discuss with management which approach, remote versus on-site, works best for you.

9. & 10. Engagement Timeline

The timing of the audit work should be driven by the deadline for the completion and delivery of the bound reports. Indicate whether your firm can meet a completion/delivery deadline of December 1.

It is anticipated that audit work will be performed no earlier than late June and completed prior to the end of November. Indicate whether your firm can perform the work during that time period.

Eide Bailly commits to you that if your team is prepared for the audit when our team is in the field, we will meet your deadlines and we are confident we can meet a completion/delivery deadline of December 1st. We will work closely with your team through the planning stages to clearly define expectations and the items required from your team in order to facilitate an efficient audit to enable us to meet your deadline.

The following table identifies the structure of our audit for PLAN reports and the timing of each section:

Engagement Timeline

Activity	Timing
Planning & Pre-Work/Interim Work	July / August
Fieldwork	September / October
Exit Conference	October
Reporting	Not later than December 1st
Ongoing Communication	Throughout the Year

We will meet your deadlines. By engaging in thorough audit planning and communications with management, we begin each engagement with a strong understanding of the various deadlines for the financial audit and the steps involved along the way to meet these deadlines. An audit project plan will be developed between our team and PLAN and then followed closely, and we will work with PLAN's management team to customize our auditing services and specific timelines to your needs. We believe in clear, up-front and open communication with no surprises.

11. Cost Proposal

Quote an all-inclusive fee for the audit work to be performed beginning for the fiscal year ending June 30, 2025. Provide costs for work performed that year and the next four (4) years, 2026 through 2030.

EXPECTED FEES

Our fees are based on the complexity of the issue and the experience level of the staff members necessary to address it. If you request additional services, we'll obtain your agreement on fees before commencing work, so there are no surprises or hidden fees. We propose the following fees based on our understanding of the scope of work and the level of involvement of PLAN's staff for the year(s) ending June 30:

Engagement Services and Fees

Professional Services	2025	2026	2027	2028	2029
Annual audit of financial statements (GAAP)	\$65,000	\$67,500	\$70,000	\$72,700	\$75,500

Out-of-Pocket Fees

The professional fees listed above are inclusive of all out-of-pocket expenses and you'll not be billed for expenses such as travel time, mileage and meals.

Technology Fee

Total fees include a 5% technology fee used to support and enhance the quality work we provide by investing in technology.

Billing Policy Regarding Inquiries

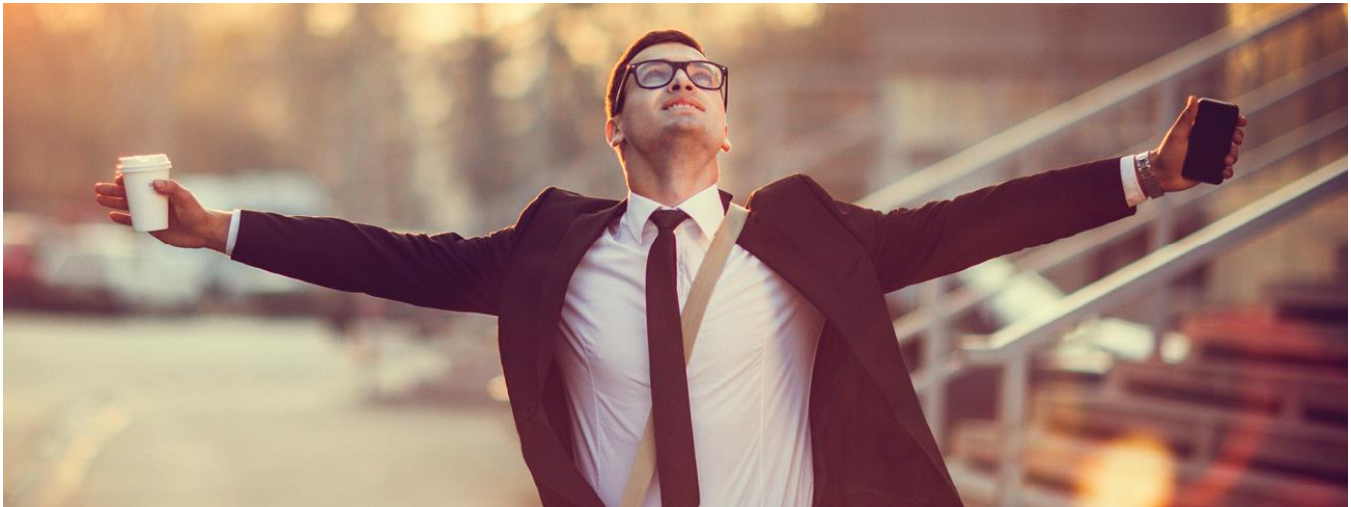
We know clients appreciate access to all their service team members. We embrace this opportunity for constant communication and will ensure our team members are available when you have questions and issues. This service is included in the scope of the engagement. If a particular issue surfaces that falls outside the scope of this engagement, we'll bring it to your attention and obtain approval before proceeding.

Future Year Pricing Guarantees

Our fee increases for future years are consistent with inflationary increases in the industry. They are contingent upon no major changes to PLAN, and that significant accounting and auditing rule changes and procedures remain consistent with current requirements. Fees don't include additional time that could be incurred due to changes to the scope of the engagement.

The Best Value for Your Dollar Spent

Eide Bailly understands we may not be the lowest cost provider; however, our fees encompass far more than just the requested services. With year-round communication, invitations to educational events, access to resources on any accounting and regulation changes and information on other topics of interest to your industry, our staff work hard at building a trusting relationship with PLAN. Our current clients value this all-encompassing approach over lower fees, with additional charges for involvement beyond the conclusion of an engagement.



The Right Choice for Pooled Liability Assurance Network Joint Powers Authority

EXCEEDING EXPECTATIONS AND ACHIEVING GOALS

To us, work isn't just work; we see it as a chance to help you solve problems, achieve goals and pursue passions. After thoughtfully reviewing your needs and taking the time to understand your business, we think we're the best fit for this opportunity.

We can connect you with the knowledge, resources and solutions that help bring confidence to your business decisions.

If you have questions or would like additional information, don't hesitate to contact us. We want to make sure you have everything you need to make your decision.



Jason Lindstrom, CPA

Partner

208.383.4727

jlindstrom@eidebailly.com



Ryan Donahue, CPA, CISA, AFE

Partner

701.476.8826

rdonahue@eidebailly.com

We Want to Work with You

We're driven to help clients take on the now and the next with inspired ideas, solutions and results. We look forward to working with you.

Appendix A: Requested Contract Exceptions

CONTRACT & INSURANCE EXCEPTIONS

We have suggested modifications to the insurance requirements and the proposed Professional Service Agreement to conform with firm policies and professional standards, but we are happy to talk about concerns and finalize language that works for both parties.

Review of Request for Proposal - Financial Audit Services

Insurance Requirements

RFP, Section 6 Insurance Requirements

The proposer must agree to indemnify, defend and hold PLAN JPA and its members harmless, and defend PLAN JPA and its members from all claims and legal action for damages arising from their performance under the agreement.

Comments: *The firm cannot assume the duty to defend a client for claims arising from the firm's actual or alleged errors and omissions in the performance of professional services. The firm's professional liability policies are indemnity policies only. They do not provide a defense to the firm or its clients. Assuming a duty to defend places professional liability coverage at risk (problematic for both the firm and the client) and puts firm in position where any defense obligation is borne solely by firm and its partners.*

Further, assuming a defense has the potential to violate AICPA Conduct Rule 1.228.020. Under that rule, an auditor cannot indemnify an "attest client for damages, losses, or costs arising from lawsuits, claims, or settlements that relate, directly or indirectly, to the attest client's acts."

Finally, to the extent auditor and client disagree about who is responsible for an alleged loss, assumption of a defense may create an adverse interest threat to auditor independence. If there is a disagreement between the firm and our client, we could not be represented by the same attorneys, nor could we assume the legal fees for a client to bring an action against us.

RFP, Section 6 Deductibles and Self-Insured Retentions

~~Any deductibles or self-insured retentions must be declared to and approved by PLAN JPA. If necessary, at the option of PLAN JPA either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects PLAN JPA, its officers, officials, employees, and volunteers; or the Consultant shall provide a financial guarantee satisfactory to PLAN JPA guaranteeing payment of losses and related investigations, claim administration, and defense expenses.~~

Comments: *The amount of the firm's self-insured retention (SIR) is the firm's confidential business information that, as a matter of longstanding firm policy, is not disclosed outside the firm. In lieu of disclosure, the firm would be glad to provide a letter from its insurers stating (in effect) that the amount of the firm's SIR is reasonable and appropriate given factors such as the applicable market and the firm's financial resources to pay for same.*

RFP, Section 6 Other Insurance Provisions

Each insurance policy required by this section shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to PLAN JPA. If a carrier will not provide the required notice of cancellation, the Consultant

shall provide written notice to PLAN JPA of a cancellation no later than ten (10) business days before cancellation.

Comments: *Just clarifying that since the Professional and Cyber Liability policy provides no coverage directly to our client, the insurer/policy will not provide notice of cancellation or modification to any other third parties such as clients. The firm can provide this notice to our clients.*

RFP, Section 6 Verification of Coverage

...All certificates and endorsements are to be received and approved by PLAN JPA before work commences prior to execution of a service agreement. ~~PLAN JPA reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.~~

Comments: *We can provide certificates of insurance along with any required endorsements. However, the terms and conditions of the firm's insurance policies are the firm's confidential business information that, as a matter of longstanding firm policy, is not disclosed outside the firm.*

Professional Services Agreement

General Comments

We have suggested some modifications to the Professional Services Agreement to conform with firm policies and professional standards, but we are happy to talk about concerns and finalize language that works for both parties. Additionally, in order to ensure compliance with applicable professional standards, the firm will also require PLAN to sign an annual engagement letter, which includes clauses addressing matters such as dispute resolution and limitations on liability that we consider important to us and standard in our line of work, to be negotiated on commercially reasonable terms.

Agreement, Section 6.A.4 Cyber Liability

Cyber Liability with limits not less than \$2,000,000 per claim. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by CONSULTANT under this Contract and shall include, ~~but not be limited to,~~¹ invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information or personally identifiable information (PII), alteration of electronic information, extortion, and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties, and credit monitoring expenses with limits sufficient to respond to these obligations. Such policy shall allow and be endorsed with a Waiver of Subrogation endorsement in favor of PLAN.²

Comments: ¹ *The firm has a comprehensive cyber insurance policy that is intended to capture the risks listed in this section, however we cannot comment on risks that are not listed but could fall within the "including but not limited to" wording. The Professional Liability and Cyber insurance policies, like all insurance policies, is subject always to its terms, conditions, and exclusions.*

² *There is no endorsement available, but the policy allows for waiver as against a Client of the firm so long as the agreement to waive pre-dates any claim or incident.*

Agreement, Section 6.B Deductibles and Retentions

CONSULTANT shall be responsible for payment of any deductible or retention on CONSULTANT's policies without right of contribution from PLAN. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting

payment to the Named Insured is unacceptable. ~~Any deductibles or self-insured retentions must be declared to and approved by the PLAN.~~

Comments: *The amount of the firm's self-insured retention (SIR) is the firm's confidential business information that, as a matter of longstanding firm policy, is not disclosed outside the firm. In lieu of disclosure, the firm would be glad to provide a letter from its insurers stating (in effect) that the amount of the firm's SIR is reasonable and appropriate given factors such as the applicable market and the firm's financial resources to pay for same.*

Agreement, Section 6.E Certificates of Insurance and Endorsements

...Such certificates shall make reference to all provisions of the endorsements referred to above and shall be signed on behalf of the insurer by an authorized representative thereof. CONSULTANT agrees, upon written request by PLAN, to furnish ~~copies of such policies~~ **certificate of insurance and or required** endorsements, certified by an authorized representative of the insurer.

Comments: *We can provide certificates of insurance along with any required endorsements. However, the terms and conditions of the firm's insurance policies are the firm's confidential business information that, as a matter of longstanding firm policy, is not disclosed outside the firm.*

Agreement, Section 8 Work Products Confidential

Work products prepared or assembled by CONSULTANT, obtained from others by CONSULTANT or made available to CONSULTANT by PLAN in connection with the services under this Agreement shall be treated as confidential by CONSULTANT, and CONSULTANT agrees that they shall not be made available to any individual or organization without prior approval of PLAN, **unless disclosure is required by law or applicable professional standards.**

Comments: *Some disclosures are required by law (e.g., subpoena) or professional standards (e.g., mandatory peer review, where the reviewers are held to the same level of confidentiality as the firm providing the services to the client).*

Appendix B: Peer Review

PEER REVIEW



Report on the Firm's System of Quality Control

To the Partners of Eide Bailly LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Eide Bailly LLP (the "Firm") applicable to engagements not subject to Public Company Accounting Oversight Board ("PCAOB") permanent inspection in effect for the year ended April 30, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants ("Standards").

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The Firm is responsible for designing and complying with a system of quality control to provide the Firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the Firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; and examinations of service organizations (SOC 1® and SOC 2® engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Eide Bailly LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2023, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Eide Bailly LLP has received a peer review rating of *pass*.

Cherry Bekaert LLP

Atlanta, Georgia
January 9, 2024



Caring for our external and internal clients with a passion to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the firm,
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!



What inspires you, inspires us.
eidebailly.com



JohnsonLambert
cpas + consultants

Audit Solution for

Pooled Liability Assurance Network Joint Powers Authority

February 20, 2025

Johnson Lambert Proposal Contacts:

Elyssa Nagle, CPA, ACI

Principal

ENagle@JohnsonLambert.com | 802-383-4848

Adam Dubuque, CPA, CPCU, ARM, AR

Partner

ADubuque@JohnsonLambert.com | 802-383-4812

+

JohnsonLambert.com

February 20, 2025

Eric Dahlen
General Manager
Pooled Liability Assurance Network Joint Powers Authority
1750 Creekside Oaks, Suite 200
Sacramento, CA 95833-3648

Dear Mr. Dahlen:

We are pleased to submit our proposal to provide audit services to the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA). PLAN JPA deserves an auditor whose knowledge and experience aligns with its operations and goals. As a niche-focused firm, Johnson Lambert is well-suited to help you navigate the complex landscape of insurance accounting.

Based on our understanding of PLAN JPA's operations and needs, as well as your request for proposal, our proposal highlights the advantages of working with Johnson Lambert. Some of the distinct advantages of working with us include:

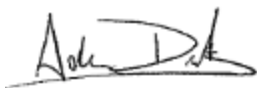
- **Insurance Focus** – Johnson Lambert's team of insurance industry leaders and specialists have a unique depth and breadth of experience in the insurance market. We serve 500+ organizations nationwide, including public risk pools, commercial companies, and captives, and we are one of the nation's largest insurance-focused audit firms. Our ongoing commitment to the industry enables us to provide exceptional value to you beyond the basic requirements of annual audits.
- **Public Entity Risk Pool Focus** – We have a dedicated team that serves insurance pools and understands the characteristics and nuances of your field. We have also developed tailored audit programs specifically designed to meet the unique exposures that risk pools face. Knowing the ins and outs of governmental accounting standards is crucial to a smooth, accurate, and cost-efficient audit.
- **Commitment to Your Success** – We're here for you through every step of the process. As your trusted business partner, we will do all we can to support that success through exceptional client service, thoughtful and innovative solutions, year-round availability as a resource, and proactive communications regarding changes in the industry that may have an impact on you.

We are excited about the opportunity to work with you. Please let us know if you have any questions or if we can provide you any further information as you proceed in your selection process.

Sincerely,



Elyssa Nagle, CPA, ACI
Principal



Adam Dubuque, CPA, CPCU, ARM, ARE
Partner

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Executive Summary

PLAN JPA deserves the appropriate attention from an auditor who understands the uniqueness of the insurance industry, and even more specifically, the risk pool industry. Our specialized focus on pools enables us to add value to your operations as we can share best practices and other valuable insight from our experience working with other risk pools.

Furthermore, Johnson Lambert also has a robust nonprofit practice, where, like our insurance practice, we are involved in key industry organizations and hold leadership positions. This practice complements our insurance practice in many ways, but especially when it comes to serving our risk pool clients. We understand the importance of working for your members and with your specific mission in mind; we relish the opportunity to support your efforts.

PLAN JPA will continue to receive exceptional client service from Johnson Lambert, as our firm specializes in working with entities like yours. Our knowledge and processes will provide comfort that PLAN JPA is operating appropriately and within all accounting regulatory guidelines.

PLAN JPA and Johnson Lambert's strategic partnership includes and encourages ongoing communications, providing you value far beyond just the audit engagement. We truly feel that your success is our success, and as such we will continue to do all we can to support you throughout the year.

Understanding Your Audit Needs

We are confident that we are the best fit to continue to provide the following services to PLAN JPA:

- Audit services to be completed for in compliance with auditing standards generally accepted in the United States (GAAS)

We typically communicate with representatives of the Board of Directors on at least two occasions during the audit:

- At interim to discuss and present the anticipated scope of the engagement, and
- At the conclusion of the audit to present the audited financial statements and required communication letters.
- Attendance at annual Board of Directors meetings, if requested.

Your relationship with Johnson Lambert will include benefits beyond the typical audit engagement. Such benefits include:

- Ongoing technical communications and webinars covering insurance, governance, and accounting topics and are designed to ensure that the Board of Directors and Management are aware of accounting changes impacting PLAN JPA and have time to evaluate the impact of these changes.
- Year-round access to your engagement team for questions and routine consultations for no additional fee.

1. Firm Background

Johnson Lambert was formed with the vision of providing audit and tax services to the insurance industry. In 1987, we became one of the first firms to pioneer a sub-niche focused on the alternative risk industry. We have since built one of the largest alternative risk accounting practices in the nation.

We constantly evaluate our audit plans, processes, technology, and engagement approach with risk pools in mind. PLAN JPA will benefit from our continuous commitment to the industry.

Although many things have changed in this dynamic market, Johnson Lambert's dedication to excellence in the alternative risk market has remained constant. Our national and selectively international audit, tax, and advisory services practice successfully competes with the largest accounting firms, while remaining intentionally and distinctively different.

Johnson Lambert is an independent member of DFK International/USA, a worldwide association of independent accounting and management consulting firms. We have access to a broad base of specialists on a myriad of accounting and industry areas. Our membership in DFK enhances our worldwide reach, provides us with additional resources, and expands the world of opportunity for our clients. With locations in over 40 major markets throughout the United States and representation in over 90 countries worldwide, DFK is one of the world's major international associations of independent accounting firms and business advisors.

600+
insurance clients

1986

Founded specifically
to serve the insurance
industry

26

of 29 partners and
managing directors
focused on
insurance

35+
risk pool
clients

Clients in
40+
states

200+
professionals

2. Audit Experience & Insurance Focus

We work hard to be at the forefront of risk pool industry trends, laws and regulations, new accounting rules, and other environmental factors that impact your operations. All members of our staff have extensive experience with both GAAP and statutory-basis accounting. We maintain this through our involvement in a number of key industry organizations, such as:

- Representation on the American Institute of CPAs (AICPA) Insurance Expert Panel
- Representation on a State Board of Accountancy
- Representation on the AICPA Private Companies Practice Section (PCPS) Technical Issues Committee
- Attendance at NAIC meetings
- Representation on the NAIC/AICPA Task Force
- Contributions to revision and review of the AICPA Property and Liability Insurance entities guide
- Frequent speakers and panelists at high-profile national and regional insurance-related conferences, including the Association of Governmental Risk Pools (AGRiP)



Our engagement process is built on open communications and informed by our extensive experience with public entity risk pools. Our audit approach will be specifically tailored to pinpoint the greatest risks impacting your financial reporting, compliance, and system of internal controls.

When you succeed, we succeed. We believe in proactively sharing our knowledge, being accessible to you, and providing value and reliability that surpasses the annual engagement.

Risk Pool Subniche

We have developed a specific team that serves public entity risk pools and understands the characteristics and nuances of your field. Knowing the ins and outs of governmental accounting and auditing standards is crucial to a smooth and accurate audit. With years of hands-on experience in public entity pools, you can count on Johnson Lambert to deliver cost-efficient, tailored audit programs that are specifically designed to address the unique exposures that your organization faces.

At Johnson Lambert, many of our partners and managers have made accounting for public entity risk pools their sub-specialty. Our clients benefit by being kept informed of key accounting developments and emerging risks before they become problems, as well as the comfort of knowing that their questions can be answered quickly.

Experience with Similar Clients

Johnson Lambert has provided auditing services to many government risk pool entities. Below is a representative listing of our current risk pool clients.

- COMCARE PRO Insurance (A Reciprocal Risk Retention Group)
- County Commissioners Association of Pennsylvania Unemployment Compensation Trust
- County Commissioners Association of Pennsylvania Health Alliance
- County Reinsurance, Ltd.
- Government Entities Mutual
- Idaho Counties Risk Management Program
- Injured Workers Insurance Fund
- Interlocal Risk Financing Fund of North Carolina
- MIIA Inc.
- MIIA Property and Casualty Group, Inc.
- MIIA Health Benefits Trust
- MIIA Health Benefits Trust Captive
- MIIA Reinsurance Company
- Maryland Automobile Insurance Fund
- Municipal Insurance Trust of North Carolina
- New Hampshire Health Trust
- New York Municipal Insurance Reciprocal
- North Carolina Counties Joint Risk Management Agency Workers' Compensation Fund
- North Carolina Counties Liability and Property Joint Risk Management Agency
- North Carolina School Boards Trust-Automobile and Inland Marine Fund
- North Carolina School Boards Trust-Errors and Omissions/General Liability Fund
- North Carolina School Boards Trust-Worker Compensation Fund
- North Carolina Interlocal Risk Management Agency
- PELICAN Insurance (A Reciprocal Risk Retention Group)
- Pennsylvania Counties Risk Pool
- Pennsylvania Counties Workers' Compensation Trust
- Political Subdivision Workers' Compensation Alliance
- Rhode Island Interlocal Risk Management Trust Inc.
- Sequoia Pacific Reinsurance Company
- Texas Association of Counties Risk Management Pool
- Texas Association of Counties Health and Employee Benefits Pool
- Texas Council Risk Management Fund
- Texas Water Conservation Association Risk Management Fund
- Texas Health Benefits Pool
- Transit Reinsurance, Ltd.
- United Educators
- Vermont League of Cities & Towns
- Vermont Education Health Initiative
- Vermont School Boards Insurance Trust
- VLCT Property and Casualty Intermunicipal Fund, Inc.
- VLCT Employment Resource and Benefits

3. Peer Review

Johnson Lambert is subject to practice quality reviews such as the AICPA Peer Review Process. Our most recent Peer Review report (2023) had the highest result of “pass” with no letter of comment. A copy of this report can be found in **Appendix A**.

4. Current References

Johnson Lambert is proud of the work we do to provide our clients with the best service possible. Below you will find three references who can attest to the quality of our work.

Texas Health Benefit Pool	Service Provided
Mr. Jerry Greer Director of Business / Chief Financial Officer Jerry.Greer@txhb.org 512-719-6510	Audit
Rhode Island Interlocal Risk Management Trust	Service Provided
Mr. Ian Ridlon President and Executive Director IRidlon@ritrust.com 401-438-6511 ext.540	Audit
Massachusetts Interlocal Insurance Association	Service Provided
Martin Jackson-Willis Chief Financial Officer Mjackson@mma.org 6-17-426-7272 x255	Audit Tax

5. Former References

We work hard to maintain clients, but like any long-established firm, turnover is to be expected. Below you find two references from former clients.

Texas Municipal League Intergovernmental Risk Pool	Service Provided
Kimberly Williams Internal Auditor KWilliams@tmlirp.org 512-491-2304	Audit
County Managed Care Resource	Service Provided
Pam Szjanuk Chief Financial Officer pszajnu@pacounties.org 717-736-4713	Audit Review

6. Your Engagement Team

Your engagement team has been assembled to include professionals who understand your needs and expectations as a public entity risk pool, as they have extensive experience serving organizations similar to PLAN JPA. Since there is no need to consult with a national office, your team members are empowered to answer questions, make decisions, and adjust to your business needs.

An overview of your engagement team leadership follows. Their full biographies can be found in **Appendix B**.



Elyssa Nagle, CPA, ACI

Principal, Practitioner-in-Charge | 12 Years of Experience

Elyssa will work as your Practitioner-in-Charge and has final responsibility for overall client service and engagement oversight; she will work hand-in-hand with you throughout the engagement.

Elyssa's expertise in the public risk pool space is wide-ranging, and she provides audit and consulting services to a myriad of captives and related entities. Elyssa has been with Johnson Lambert for 11 years, and her knowledge and experience have established her as a leader working with captive organizations of every size. Her leadership ensures your engagement is in good hands.

Elyssa's involvement in the accounting industry augments her expertise, as she is an active member of the AICPA, the Vermont Society of CPAs, and the Vermont Captive Insurance Emerging Captive Leaders. She has also been published in *Captive International* and *IASA eInterpreter*. Elyssa obtained her Bachelor of Business Administration in accounting from Bryant University.



Adam Dubuque, CPA, CPCU, ARM, ARS

Partner, Quality Control Reviewer | 24 Years of Experience

Adam will serve as the team's Quality Control Reviewer and will provide a secondary review of all deliverables, as well as a review of our planned audit scope and review of all significant risks specific to your engagement.

Adam's extensive knowledge of the insurance industry — with an emphasis on captives and risk pools — allows him to assess the quality of the work performed with a diligent eye. Moreover, he is highly-credentialed and intimately familiar with the complexities of captive insurance companies. He has worked at Johnson Lambert since 2003, and he will leverage his knowledge to safeguard your engagement from initiation to completion.

Adam is deeply invested in industry organizations, and he is an active member of the AICPA, the Vermont Captive Insurance Association, the Insurance Accounting and Systems Association, the Vermont Society of CPAs, and several others. He received his Bachelor of Science in professional accounting from the University of Vermont.



Carrie Rice, CPA

Partner, Technical Resource | 26 Years of Experience

Carrie will serve as a technical resource, pulling from her wide client base with unique and relevant transactions to support the engagement.

Carrie is an established leader in the field, and she has worked closely with insurance organizations, the government public entity risk pools market, and many captives throughout her career. As a partner at Johnson Lambert, she has led audits and consulting services, and over the years she has refined her expertise by working with organizations of varying sizes and from distinct niches. Furthermore, she is a member of Johnson Lambert's Technical Committee, where she monitors all developments of the Government Accounting Standards Board (GASB). This background positions Carrie as an ideal resource for safeguarding the quality of your engagement.

Carrie is an active member of the AICPA, the Association of Governmental Risk Pools, the Vermont Society of CPAs, and other relevant industry associations. She received her Bachelor of Science in accounting from the University of Vermont.



Greg Daniel, CISA, CRMA, CISSP

BAS Managing Director | 19 Years of Experience

Greg brings significant experience in information technology auditing to the engagement, and he provides an exceptional level of expertise to the problems organizations confront in today's complex technology environment. He works closely with organizations to develop and manage IT audit plans, test critical procedures, and deliver reports and recommendations.

Greg's experience is expansive, and he is skilled at control optimization, policy documentation, security gap analysis, internal control assessment, and remediation plan development and implementation. He works directly on some of the most intricate Johnson Lambert engagements, and his presence on the team provides unrivaled expertise to this elaborate undertaking.

Greg is also deeply involved in the broader industry, as evidenced by his active membership in the AICPA, the Greater Washington Society of CPAs, the Insurance Accounting and Systems Association, and the Institute of Internal Auditors. Greg received his Master of Professional Accountancy, as well as his Bachelor of Science in accounting information systems, from Bryant University.



Alissa Roberts

Supervising Senior Associate | 5 Years of Experience

Alissa has served numerous risk pools as a supervising senior associate, performing and overseeing comprehensive audits while keeping projects ahead of schedule. She will provide on-site direction and supervision during fieldwork, and she will also be closely involved with all significant accounting and audit issues.

Alissa's educational background supplements her real world experience, and she possesses a Bachelor of Science in accounting and management from Norwich University.



Lindy Burch-Durkee

Senior Associate | 3 Years of Experience

Lindy will be responsible for conducting audit procedures, including planning the audit strategy and conducting testing of financial statement balances and controls. Moreover, Lindy's experience in the field is augmented by her educational background. She received a Master of Accountancy from the University of Vermont Grossman School of Business, where she also attained a Bachelor of Science in business administration.



Garrett Brayman

Associate | 1 Year of Experience

Garrett will work on the front lines of the engagement, helping conduct internal controls testing, perform year-end fieldwork, and coordinate financial statement preparation. Garrett is also well educated in the field, with a Bachelor of Science in business administration — magna cum laude — from Champlain College.

7. Conflicts of Interest & Independence

Johnson Lambert is independent of PLAN JPA in accordance with all applicable standards. Each year all Johnson Lambert employees certify that they are independent from our client organizations. Additionally, during an engagement period each engagement team makes an annual evaluation of the firm and team's independence prior to commencing the audit. As part of drawing a conclusion as to our independence, we evaluated relationships with existing clients that might represent a conflict of interest for PLAN JPA, or that would otherwise jeopardize our objectivity or independence.

8. Audit Approach

As a niche-focused firm, we quickly pinpoint the riskiest areas of the audit and apply the most effective procedures. With our deep insurance experience, we know the most common risks in the industry and the best practices to analyze and mitigate them. We know which areas to test and have a strong understanding of the meaning and importance of the data we collect. Your audit will be thorough yet cost-effective, and we will prioritize our reporting based on your biggest risks and opportunities.

a. Work Plan

1. Planning & Risk Assessment & Interim Fieldwork – 1 Week

To build a thorough understanding of the internal and external factors affecting PLAN JPA, we will begin by reviewing prior year financial statements, exploring any new business changes or opportunities, and discussing your operations with Management. We will conduct analytical reviews of PLAN JPA's financial activities to gain insight into the company and any significant changes in the current year. Our overall goal in this stage is to identify risk of material misstatement, which we will recognize based on ratios, variances, and the structure of the control environment.

2. Audit Plan Development – 1 day

Using the information gathered from our operational review, financial statements, and controls, we will prepare a summary of our audit plan, and this plan will be right-sized based on the specifics of your organization. We will present this engagement overview to Management and the Audit Committee with a discussion of the significant risks, materiality, changes to auditing and accounting standards, and any anticipated business changes.

3. Understanding Your Internal Controls – 2 Days

We gain an understanding of the Company's system of internal control to identify risks of material misstatement. As part of this process, we walk through key internal controls for certain areas, including financial close, reporting, and other areas where we have identified a significant risk. The results of the walkthroughs give us additional insight into the Company's operations and also help us design the testing procedures to be performed during fieldwork.

4. Fieldwork – 2 Weeks

We will conduct the audit procedures based on the results of our risk assessment, including substantive tests of details and analytical procedures. Based on over 35 years of experience in the insurance industry, we have developed proprietary audit programs for each significant business cycle, and these templates are tailored to insurance audit procedures and are further adjusted based on a company's specific operations and risks. We save time by leveraging our deep industry knowledge, utilizing internal synergies, and adapting our program to your specific needs.

5. Review of Fieldwork & Deliverables – 1 Week

After fieldwork has been completed, your Practitioner-in-Charge will examine the audit files and deliverables to make sure that all procedures were performed appropriately and in alignment with the high quality standards Johnson Lambert upholds. In addition to your Practitioner-in-Charge's review, your Quality Reviewer will provide a secondary review of any areas identified as a significant risk, as well as assess all deliverables.

6. Deliverables to PLAN JPA – 1 Week

We will share the drafts of all deliverables with PLAN JPA for input from Management and the Board of Directors. Once any feedback has been incorporated, we will provide the final deliverables to PLAN JPA and present to the Audit Committee.

Transition

Our primary objective is to facilitate a smooth transition by using all resources available and by reducing the amount of time Management must devote to the transition. We will begin by working with PLAN JPA personnel to develop a detailed timeline of expectations, meetings, and reporting requirements for the coming year. Additionally, we will work with you to understand business developments and gather information. We will listen, understand, and respond to your needs. With Management's approval, we will start the process of reviewing the prior auditor workpapers immediately upon engagement. We will also request copies of workpapers we deem necessary to facilitate a smooth transition.

We are required by professional standards to make certain inquiries of the predecessor auditor. Should we be successful in our proposal, Management agrees to authorize the predecessor auditor to respond fully to such inquiries, prior to formal acceptance as a client.

Working with Management and the Board of Directors

Johnson Lambert believes in personal contact with our clients. Periodic meetings and conversations throughout the year, not just once a year, are essential for an effective client relationship. We expect to conduct communications with Management throughout the year to ensure that we are abreast of current developments impacting PLAN JPA. Our communications allow us to address any significant accounting and auditing issues as they arise throughout the year.

We also pride ourselves on being available to respond to routine questions of Management and staff, and to provide related advice for Management to consider as they address ongoing accounting internal control and auditing matters. This communication and responsiveness, combined with our technical excellence, is the foundation of Johnson Lambert, and it is why we are a valued business partner to our clients.

Innovative Audit Technology

Cutting edge technology is the cornerstone to all operations at Johnson Lambert, including the security protocols and tools that power our audits.

Digital Audit + Data-Driven Insights

Our forward-looking technology strategy is focused on two fronts:

+ Reduce the friction to enable efficient engagements and high-quality work products

We do this through utilizing digital solutions that streamline the most cumbersome aspects of audit engagements. You benefit from secure and easy document exchange as well as streamlined audit processes managed through our workflow tool that ensure we meet your deadlines and deliver efficient yet thorough audits. Electronic signatures expedite document signing without compromising security. We minimize what is tedious so we can together focus on the significant risks and the future opportunities that matter.

✓ Data Analytics

✓ Testing Automation

✓ Data Visualization

✓ Dynamic Workflow Management

✓ Constant Quality Assurance

✓ Top-of-the-Line Security Protections

+ Provide deeper insights into your business operations

Through advanced data analytics, data pipelining, data transformation, and automation tools, our teams can consistently and reliably analyze and visualize your data to gain an enhanced view of your business operations without the interruption of more requests or questions. For example, with our data analytics tool, we more precisely test your data and can provide better assurance. This tool is equipped with the visualization of your premium and loss cycles data, allowing us to look for anomalies, easily examine standard deviations, recalculate full balances versus on a test basis, provide disaggregate information and ratios, and have a clearer view of opportunities for business operation improvements. This deeper look at your data leads to more analysis and fewer, but much more precise questions as part of our audit process. We are harnessing the power of data as we partner with you to drive your business forward.

Securing Your Data

Johnson Lambert believes securing our clients data is of the utmost importance. To that end we have implemented multiple safeguards around authentication and authorization to our systems and data. We operate on a least-data-possible basis and provide internal cybersecurity training annually. Our end user computing environment is encrypted at rest and in transit. We run our end user compute environment in Amazon Web Services (AWS) data centers, utilizing virtual desktops. Access to Johnson Lambert's systems require multi factor authentication.

We align ourselves with the CIS top 18 controls and have comprehensive alerting and detection capability with our EDR and SIEM tools. We contract with outside firms yearly to perform internal and external penetration testing of our AWS environment and perform a yearly internal risk assessment of our environment as well. We have further architected and partnered with firms to provide automated response actions in the event malicious events are detected in our environment. The telemetry and actions recorded by our EDR agent is monitored 24/7 365 days a year by trained incident handlers. We perform vendor management assessments yearly and review the SOC reports for all systems that contain sensitive data.

b. Audit Report

Johnson Lambert affirms that we shall produce an audit report on a GAAP basis. Additionally, we shall produce related letters and other correspondence, as required.

c. Generally Accepted Auditing Standards

We affirm that the examination will be made in accordance with generally accepted auditing standards.

d. Primary Purpose of the Examination

The primary purpose of this examination is to express an opinion on the financial statements.

9. Timing

Johnson Lambert affirms that we will be able to meet the completion and delivery deadline of December 1 without any issues.

10. Work Period

Johnson Lambert will be able to perform the work during the period outlined in the request for proposals.

11. Our Fee Proposal

We offer our clients fair pricing based on the complexity of the engagement and the requested timing of service delivery. To this end, we do not bill for periodic routine consultations and discussions of accounting issues that provide value to you throughout the year.

The prices below reflect a discount from our billing rates and demonstrate our sincere desire to develop a relationship with you. We are proposing the following prices:

Service	2025 Price	2026	2027	2028	2029
Financial Statement Audit	\$49,000	\$50,500	\$52,000	\$54,000	\$55,500

The total price is considered a not-to-exceed unless we encounter unexpected circumstances such as fraud, significant audit adjustments or significant deficiency in internal controls.

Routine consultations that do not require excessive research are included in the engagement price and are strongly encouraged. Should they require more extensive research or a formal memo, which would be considered outside of the scope of the engagement, prices will be discussed and agreed upon prior to the commencement of the project.

In addition to the proposed fees listed above, we charge a 3.5% service fee which covers the costs of tools and technologies we have implemented to prioritize your data’s security. This also covers the costs of innovation that enables client experience enhancements, as well as other costs — such as third-party services related to confirmation costs, fair value pricing services, printing, and mailing — required to complete your engagement or distribute your deliverables.

Additional fees related to travel will be billed as incurred with no markup and are not included in the pricing presented above.

We are enthusiastic about the opportunity to work with PLAN JPA, and we are confident that a mutually acceptable pricing arrangement can be reached.

The Johnson Lambert Difference

Some of the distinct advantages of a strategic partnership with Johnson Lambert are outlined below:

- **Our focus on insurance is unique.** Not just accounting specialists, each member of your team possesses true insurance knowledge with a deep understanding and knowledge of the risk pool industry specifically, and the unique challenges and opportunities that PLAN JPA faces. Many of our personnel hold designations specific to the insurance industry, and they are encouraged and supported to obtain these designations.
- **We're on the front lines.** As demonstrated by our leadership in industry-specific organizations, such as the AICPA Insurance Expert Panel, NRRRA, NAIC, and IASA, we're constantly assessing regulatory updates and industry changes to determine and share their effects on you.
- **We're a true business partner.** Our most experienced professionals are just a phone call away and are always ready to listen to you, share thoughtful solutions that will improve your operations, and help you stay in front of the changes impacting .
- **We'll keep you informed.** We take client success seriously, and we work to ensure you are abreast of major industry changes and other critical updates in a timely manner. We also offer an array of on-demand educational resources, including many which offer CPE. In a fast-evolving environment, we'll have your back and make sure nothing slips through the cracks.
- **We're dedicated to your success.** From understanding your goals and priorities to offering the necessary and appropriate technical resources, we are your partner through any organizational changes that may arise, and we will always make a constant effort to provide value throughout and beyond the audit engagement.

Appendix A – Peer Review Report



REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Partners of Johnson Lambert LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Johnson Lambert LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended January 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards, including a compliance audit under the Single Audit Act; audits of employee benefit plans and examinations of service organizations (SOC 1® and SOC 2® engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Johnson Lambert LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended January 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. Johnson Lambert LLP has received a peer review rating of pass.

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
July 17, 2023

Appendix B – Engagement Team Biographies



**+
Elyssa Nagle, CPA, ACI**
Principal

802-383-4848
ENagle@JohnsonLombart.com

EDUCATION

BSBA in Accounting, Bryant University

LICENSES

VT #001.0001525

MEMBERSHIPS

AICPA

Vermont Society of CPAs

Vermont Captive Insurance
Emerging Captive Leaders

PERSONAL INTERESTS

Running

Boating on Lake Champlain

Spending time with her family
and her dog

EXPERIENCE

Johnson Lambert (2014 – present)

- + Manages all aspects of performing financial statement audits for insurance entities, including commercial carriers and surplus lines companies, captive and risk retention groups, government sponsored risk pools, and insurance service entities, as well as nonprofit organizations
- + Responsibilities include supervising and advising associates through senior managers, audit planning, monitoring client deadlines, reviewing financial statements, and researching and accounting for technical transitions
- + Assists in overseeing operations in the Vermont office, including marketing, strategic planning, budgeting, scheduling, engagement analysis, and review of work products
- + Plays an active role in recruiting, internship, and mentoring programs and other activities of the firm
- + Comprehensive insurance experience, including homeowners, medical professional liability, workers' compensation, auto liability, vehicle service contracts, CLIPs, credit life, and A+H and others for SSAP and GAAP presentations
- + Leads specialized technical and soft skills training to firm's personnel and at industry events

BlumShapiro – Audit Staff (2013 – 2014)

Johnson Lambert – Associate (2013)

PROFESSIONAL & SERVICE ACTIVITIES

Association of Governmental Risk Pools (AGRIp)

- + Speaker (2024)

International Center for Captive Insurance Education

- + Faculty (2022 – present)

STEPsVT – Volunteer

Girls of the Run – Coach

PUBLICATIONS

Captive International

- + Libor Agreements (2019)

IASA eInterpreter

- + Change to Restricted Cash in the Statement of Cash Flows (2017)



802-383-4812
ADubuque@JohnsonLambert.com

EDUCATION

BS in Professional Accounting,
cum laude, University of
Vermont

LICENSES

VT #001.0001888
MT #PAC-CPAP-LIC-5730
NY #102084

MEMBERSHIPS

AICPA
Insurance Accounting & Systems
Association
Vermont Society of CPAs
Vermont Captive Insurance
Association
Vermont Society of Chartered
Property Casualty Underwriters
Self-Insurance Institute of
America
Captive Insurance Companies
Association

PERSONAL INTERESTS

Alpine skiing
Hiking
Fishing
Home improvement projects

+

Adam Dubuque, CPA, CPCU, ARM, ARE
Partner

EXPERIENCE

Johnson Lambert (2003 – present)

- + Responsibilities include the supervision and implementation of audit planning, fieldwork, and reporting for insurance and nonprofit clients
- + Client base comprised of a wide variety of property casualty insurers and reinsurers, captive insurers, risk retention groups, reciprocals, cell structures, risk pools, SEC registrants, and other commercial entities
- + Significant client base in a number of domiciles, including Arizona, Bermuda, British Virgin Islands, Connecticut, Delaware, District of Columbia, Hawaii, Kentucky, Massachusetts, Michigan, Missouri, Montana, Nevada, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, and Vermont
- + Extensive experience in preparing and filing property-casualty Federal tax returns and related insurance tax matters
- + Active in the Vermont office recruiting process and community service initiatives
- + Experience in application of Governmental Auditing Standards to not-for-profit organizations and OMB Uniform Guidance
- + Additional work includes assisting SEC registered clients with Sarbanes-Oxley (section 404) compliance

PROFESSIONAL & SERVICE ACTIVITIES

AICPA

- + Alumni, AICPA Leadership Academy

Vermont Captive Insurance Association

- + Member, Conference Committee (2013 – present)
- + Seminar Participant, VCIA Annual Conference (2003 – present)

International Center for Captive Insurance Education

- + Faculty (2013 – present)



+ Carolyn Rice, CPA
Partner

802-383-4820
CRice@JohnsonLambert.com

EDUCATION

BS in Accounting, University of Vermont

LICENSES

VT #001.0001874
HI #CPA-5345

MEMBERSHIPS

AICPA

Association of Governmental Risk Pools

International Center for Captive Insurance Education

Insurance Accounting & Systems Association

Vermont Captive Insurance Association

Vermont Society of CPAs

PERSONAL INTERESTS

Gardening

Outdoor activities

Spending time with family

EXPERIENCE

Johnson Lambert (2003 – present)

- + Responsibilities include the supervision and implementation of audit planning, fieldwork, and reporting for insurance and nonprofit clients
- + Client base comprised of a wide variety of property casualty insurers and reinsurers, captive insurers, risk retention groups, reciprocals, cell structures, risk pools, SEC registrants, and other commercial entities
- + Significant client base in a number of domiciles, including Vermont, New York, Rhode Island, Hawaii, District of Columbia, Texas, Nevada, Missouri, South Carolina, and Arizona
- + Oversees all Governmental Accounting Standards for the firm Technical Committee
- + Holds CPA licenses in Vermont and Hawaii
- + Experience also includes integrated audit fieldwork for an SEC registrant for compliance with GAAP and SEC reporting requirements, including quarterly review and assessment of management's internal control documentation for compliance with Section 404 of the Sarbanes-Oxley Act

Gallagher, Flynn & Company – Senior Accountant (2000 – 2003)

- + Planned, supervised, and implemented audit engagements for companies of various sizes, industries, and funding structures, as well as employee benefit plan audits
- + Prepared financial statements and memorandums on accounting procedures and internal controls

Tyler, Simms & St. Sauveur – Staff Accountant (1999 – 2000)

- + Performed auditing services for both profit and not-for-profit entities
- + Prepared tax returns for companies, partnerships, not-for-profits, and individuals



PROFESSIONAL & SERVICE ACTIVITIES

Captive Insurance Companies Association

- + Fronting Survey Committee (2006 – 2013)

Vermont Captive Insurance Association

- + Conference Committee (2006)
- + Seminar Participant, VCIA Annual Conference (2004 – present)

International Center for Captive Insurance Education

- + Board Member (2012 – 2018)
- + Treasurer (2013 – 2018)
- + Faculty (2013 – present)



+ Greg Daniel, CISA, CISSP, CRMA
BAS Managing Director

678-894-4273
GDaniel@JohnsonLambert.com

EDUCATION

Master of Professional
Accountancy, Bryant University

BS in Accounting Information
Systems, Bryant University

MEMBERSHIPS

AICPA
Greater Washington Society of
CPAs
Insurance Accounting & Systems
Association
Institute of Internal Auditors

PERSONAL INTERESTS

Sports
Traveling
Spending time with friends and
family

EXPERIENCE

Johnson Lambert (2013 – present)

- + Performs IT Reviews for statutory examinations of insurers using the risk focused process outlined in Exhibit C of the NAIC *Financial Condition Examiners Handbook*.
- + Responsible for the planning and performance of SOX and other operational engagements.
- + Responsibilities include directing and advising staff, scheduling, monitoring budgets, planning procedures, performance of internal control assessment, and testing.
- + Creates and executes test plans for manual and automated controls—including test scenarios for automated functionality and reports—to validate operating effectiveness of IT and business controls for various IT applications.
- + Assesses financial impact and/or sufficiency of IT and IT-dependent business process controls; assists clients with understanding associated risks and potential mitigating controls.
- + Evaluates and summarizes deficiencies identified in IT and business control testing.

HD Supply – Senior Internal Auditor (2011 – 2013)

PricewaterhouseCoopers LLP – Senior (2006 – 2011)



+ Alissa Roberts
Supervising Senior Associate

802-255-4071
ARoberts@JohnsonLambert.com

EDUCATION

BS in Accounting & Management,
Norwich University

PERSONAL INTERESTS

Golf
Rugby
Reading

EXPERIENCE

Johnson Lambert (2020 – present)

- +** Actively participates in all aspects of client engagements, including planning, internal controls testing, year-end fieldwork, and financial statement preparation for insurance entities, including commercial carriers and surplus lines companies, captives and risk retention groups, government sponsored risk pools, and insurance service entities, as well as nonprofit organizations.
- +** Responsible for performing and reviewing audit planning, analytical and substantive testing of accounts, internal control assessments and testing, analysis of investment portfolios, and actuarial reports.
- +** Responsibilities include documenting and testing internal controls, analyzing financial statements, reviewing the application of accounting and auditing guidelines, and assisting with financial statement preparation.



+ Lindy Burch-Durkee
Senior Associate

802-383-4813
LBurch-Durkee@johnsonlambert.com

EDUCATION

MAcc, University of Vermont
Grossman School of Business

BS in business administration,
University of Vermont Grossman
School of Business

PERSONAL INTERESTS

Art
Agriculture
Yoga

EXPERIENCE

Johnson Lambert (2022 – present)

- + Actively participates in all aspects of client engagements, including planning, internal controls testing, year-end fieldwork, and financial statement preparation for insurance entities, including commercial carriers and surplus lines companies, captives and risk retention groups, government sponsored risk pools, and insurance service entities
- + Responsible for performing and reviewing audit planning, analytical and substantive testing of accounts, internal control assessments and testing, analysis of investment portfolios, and actuarial reports
- + Responsibilities include documenting and testing internal controls, analyzing financial statements, reviewing the application of accounting and auditing guidelines, and assisting with financial statement preparation
- + Sits on the VT Office Culture Committee, acts as a CPE Co-Captain, and participates in the Intern/Mentor Buddy program



+ Garrett Brayman
Associate

802-383-4816
GBrayman@JohnsonLambert.com

EDUCATION

BSBA, Champlain College, magna cum laude

HOBBIES

Music
Fantasy novels
Weightlifting

EXPERIENCE

Johnson Lambert (2024 – present)

- + Actively participates in all aspects of client engagements, including planning, internal controls testing, year-end fieldwork, and financial statement preparation for audits of insurance companies, nonprofits, and employee benefit plans
- + Responsible for performing and reviewing audit planning, analytical and substantive testing of accounts, internal control assessment and testing, analysis for investment portfolios, and actuarial reports
- + Responsibilities include documenting and testing internal controls, analyzing financial statements, reviewing the application of accounting and auditing guidelines, and assisting with financial statement preparation

March 13, 2025

Agenda Item 6.C.

FINANCIAL MATTERS

SUBJECT: Risk Management Grant Funds Allocation

BACKGROUND AND HISTORY:

The purpose of the Risk Management Grant Fund is to provide financial resources for PLAN JPA members to fund expenditures that support their safety and risk management programs.

Generally, \$500,000 of the pool's equity has been allocated to a Risk Management Grant Fund each year. Each member is allocated their proportionate share of the funds based on their contributions that year to the Liability Program.

On December 5, 2024, the Board of Directors directed staff to explore options related to the allocation of Risk Management Grant Funds during the budgeting process. Items discussed regarding the allocation included:

- Capping members' balances of unused funds.
- Basing allocations on prior year changes in net position.
- Maintaining members' autonomy with respect to the use of Risk Management Grant Funds.
- Allowing for shared services to be purchased with Risk Management Grant Funds.

Staff has prepared a framework for the allocation of Risk Management Grant Funds based on the above discussed items and has added a further consideration:

- Allocating risk management grant funds, in part, by members' relative experience modification factors - the intent of this additional consideration is to target Risk Management Grant Funds to the riskier members of the pool.

The proposed framework for allocations of funds is attached to this agenda. The framework:

- Allocates a minimum amount of funds (\$200,000) to the Risk Management Grant Fund each year as staff believes that investment in risk management is a worthwhile expense for loss prevention and members should be encouraged to invest in risk management each program year.
- Allocates an additional amount (up to \$300,000) based on the change in equity of the pool from the year two years prior to the year being budgeted as staff believes that the allocation to the risk management grant fund should depend, in part, on the financial health of the pool, and that audited financial data is a dependable metric for this allocation.
- Allocates 50% of the total funds to individual members' accounts in order to allow for members' autonomy in promoting loss prevention.
- Allocates 50% of the total funds to a shared account for which members can apply for grants awarded by the Risk Management Committee or which can be used for shared services to the pool.

The Risk Management Grant Fund policy will also involve the Risk Management Committee's input to determine the nature of reimbursable expenses, and the process for awarding grants from the shared portion of funds.

March 13, 2025

STAFF RECOMMENDATION:

Staff recommends the Committee provide direction regarding the annual allocation of Risk Management Grant Funds.

REFERENCE MATERIALS ATTACHED:

- Risk Management Grant Fund Policy – Financial Allocation Excerpt

Risk Management Grant Fund Policy – Financial Allocation Excerpt

Purpose:

The Risk Management Grant Fund Program provides financial resources for PLAN JPA members to fund expenditures that support their safety and risk management programs.

1. Annual Allocation to Risk Management Grant Fund:

Annual Allocation:

The total amount allocated to the Risk Management Grant Fund will range from \$200,000 to \$500,000 annually as part of the budgeting process (“Annual Allocation”).

- A minimum of \$200,000 is allocated each year (“Minimum Allocation”).
- Up to \$300,000 of additional funds are allocated each year based on the change in net position of the prior year’s annual audited financial statements¹ (“Variable Allocation”).
 - o The Variable Allocation is equal to fifty cents (\$0.50) for every dollar (\$1) of the excess of the change in net position in the prior year over \$400,000.
 - o The Variable Allocation is capped at a maximum of \$300,000 (which occurs when the prior year’s change in net position equals or exceeds \$1M).

The maximum amount of the Annual Allocation to the Risk Management Grant Fund is \$500,000 (i.e., the Minimum Allocation plus the maximum Variable Allocation).

2. Individual Members’ Balances:

Annual Member Allocation:

Each year, a maximum of 50% of the Annual Allocation is allocated to members’ individual accounts. Of that allocation, 50% of the allocation will be based on that member’s proportion of current year contributions to the Liability Program, as described in Formula A below, and 50% of the allocation based on that member’s proportion of the total Ex-Mod Factor for the Liability Program, as described in Formula B below.

¹ Budgeting for the Risk Management Grant occurs prior to the issuance of the audited financial statements for the prior year, so the financial statements referred to in this sentence are those issued two years prior to the year being budgeted (i.e., if the 2025/26 year is being budgeted, the allocation will be based on the 2023/24 audited financial statements).

Formula A: Contribution-based Allocation

$$50\% * (\text{Annual Member Allocation}) * \frac{\text{Member's Contribution to Liability Program}}{\text{Sum of All Members' Contributions to Liability Program}}$$

Formula B: Ex Mod-based Allocation

$$50\% * (\text{Annual Member Allocation}) * \frac{\text{Member's Ex – Mod Factor}}{\text{Sum of All Members' Ex – Mod Factors}}$$

The Shared Pool Allocation is available for individual member use in accordance with this Risk Management Grant Policy.

The allocation to each member each year is the “Annual Member Allocation.”

Accumulation of Member Balances and Unused Member Funds Cap:

Each member’s balance in the Risk Management Fund will accumulate and will not expire, but the total share for each member will be subject to a maximum amount (“Unused Member Funds Cap”).

- For each member, the Unused Member Funds Cap is equal to the two prior years of Annual Member Allocation plus the current year Annual Member Allocation (for a total of 3 years of allocations).
- If the current year’s Annual Member Allocation to a particular member would cause that member’s balance in the Risk Management Fund to exceed the Unused Member Funds Cap for that member, then their Annual Member Allocation will be limited such that their total accumulated balance in the Risk Management Grant fund equals the Unused Member Funds Cap amount.

Annual Member Allocations that exceed the members’ Unused Member Funds Cap will be allocated to the Shared Pool Allocation, described below.

3. Shared Pool Balance:

A minimum of 50% of the Annual Allocation to the Risk Management Grant Fund is added to a shared pool account. Additional amounts will be allocated to the Shared Allocation if members’ Annual Member Allocations exceed their Unused Member Funds Cap.

The allocation to the shared pool account each year is the “Shared Pool Allocation”.

The Shared Pool Allocation is available for the grant program or shared services in accordance with this Risk Management Grant Policy.

Expiration of Shared Pool Allocation

Funds not used as part of the Shared Pool Allocation grant program or used to pay for a shared service (both described below) will expire at the end of each year fiscal year and will be returned to pool equity.