MUNICIPAL POOLING AUTHORITY

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEARS ENDED

JUNE 30, 2015 AND 2014

MUNICIPAL POOLING AUTHORITY

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Municipal Pooling Authority
Walnut Creek, California

Report on the Financial Statements

We have audited the accompanying Statement of Net Position of Municipal Pooling Authority (Authority) as of June 30, 2015 and 2014 the related Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows as of and for the years then ended and the related notes to the financial statements..

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Pooling Authority as of June 30, 2015 and 2014 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion, the Schedule of the Authority's Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Reconciliation of Claims Liabilities by Program, Claims Development Information and Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2015 Municipal Pooling Authority adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contribution Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. Municipal Pooling Authority has not restated the actual and pro forma effect of the Statements on the financial statements as of and for the year ended June 30, 2014. This data is not readily available due to an actuary study not being prepared in accordance with GASB 68 for measurement dates prior to June 30, 2014. Our opinion is not modified with respect to this matter.

The effects of this restatement are described in Note 1U to the basic financial statements. The Authority currently funds this obligation on a pay-as-you go basis. The Authority anticipates that its ongoing funding and current resources are sufficient to meet its obligations as they come due.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2016 on our consideration of Municipal Pooling Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering MPA's internal control over financial reporting and compliance.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 8, 2016

MANAGEMENT’S DISCUSSION AND ANALYSIS

INTRODUCTION:

In accordance with GASB 34, the management of Municipal Pooling Authority (MPA) offers readers the Authority's financial statements and our overview and analysis of the financial activities of the Authority for the fiscal year ending June 30, 2015. We encourage readers to consider the information presented in conjunction with the Authority's financial statements audited by James Marta & Company, LLP, Certified Public Accountants, along with our Annual Report.

GENERAL

Municipal Pooling Authority is a public agency created in 1978 by municipalities under a Joint Powers Agreement, and provides pooled risk programs to our nineteen members. Utilizing various forms of self-insurance, pooled excess programs and group purchase agreements, MPA provides multiple lines of coverage and administrative services.

EXECUTIVE SUMMARY

Over the past two fiscal periods, there has been a reduction of $2.22M in equity. This 22% decrease over the past 24 months was a result of:

- Liability retrospective, ERMA and CARMA rebates of $3.71M, as well as a $50K Vehicle dividend.
- A +9% change in unpaid, claim reserves: +$3.3M in Work Comp and ($34K) in Liability. Year-end claim reserve liabilities are $38.4M as of June 30, 2015.
- MPA's cash holdings have decreased $708,000. This is a combination of adverse claim payments and declining interest yields on our investments. The June 30th cash holdings are $45.7M with 24% held in LAIF and 76% managed by PFM.
- Assets, net of dividend/retro payables, have increased $322,218 to $46.8M.

2014-2015 FINANCIAL HIGHLIGHTS

Year-over-year variance analysis of last two fiscal periods. Please refer to pages 5 & 6.

- MPA's assets of $48,249,360 exceeded its liabilities of $40,476,678, resulting in total net position of $7,781,543 on June 30, 2015. This is a decrease of ($1,249,639) from the previous year.

- Total operating revenues were $20,323,463. For fiscal year 2013-14, revenues were $18,246,351. This calculates to an increase of >11% or +$2,077,112 which is a result of premium increases in programs, and also increasing payroll of some members.

- Annual operating expenses were $21,939,880, which compares to $19,822,644 from the previous year's operations, an increase of $2,117,232 or < 10%. The total operating loss equaled ($1,616,417). This combined with the non-operating income of $613,984 and member dividends payable of $816,054, resulted in a net loss of ($1,002,433). The comparative figure for the prior year's loss of ($972,893) equates to a net difference of ($29,540).

- Unpaid claims and claims adjustment expenses increased from $37,025,542 to $38,457,106. There was a decrease of $20,874 in the provision for discounted, Open & Reported reserves.

- Estimated liability for unallocated loss adjustment expense (ULAE) increased from $2,148,000 to $2,256,000. The method used for the current year is based on actuarial estimates using open claims as a factor.

A REVIEW OF THE FINANCIAL STATEMENTS:

The discussion and analysis are intended to serve as an introduction to MPA's basic financial statements. Under generally-accepted accounting principles, all of the activities of MPA are classified as "business-type activities". These activities include the development and operation of public entity risk pools and the purchase of insurance and services for members.

MPA's basic financial statements are comprised of three components:

(1) Authority-wide financial statements;
(2) Notes for the financial statements; and
(3) Supplementary information.

AUTHORITY-WIDE FINANCIAL STATEMENTS:

The Authority-wide financial statements are designed to provide readers with a broad overview of MPA's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the Authority's assets and liabilities, with the differences between the two recorded as total equity. Equity includes all programs' retained earnings, as well as other contributed capital used to purchase its assets (e.g. Authority's building). Over time, increases and decreases in total equity may serve as a useful indicator of whether the financial position of MPA is improving or deteriorating.

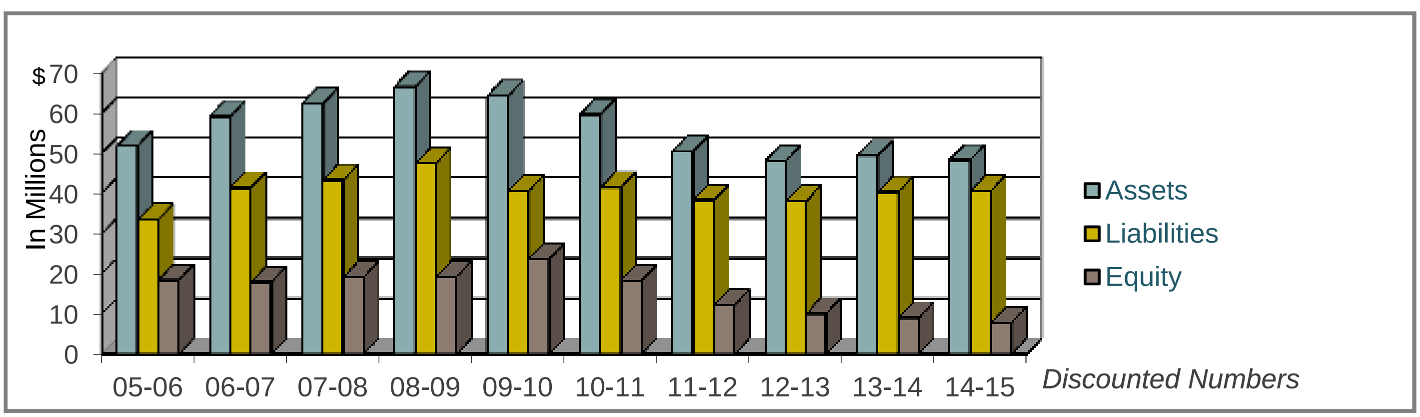
The *Statements of Revenues, Expenses, and Changes in Net Position* presents information showing total revenues versus total expenses during the most recent fiscal year.

The *Statements of Cash Flows* represent all of the cash disbursements and cash receipts during the fiscal year ending June 30, 2015.

CONSOLIDATED STATEMENT OF NET POSITION

	2014-15	2013-14	2012-13
ASSETS			
Cash & Investments	45,633,464	45,662,563	46,342,197
Receivables	1,515,801	2,431,218	383,956
Prepaid Expenses	76,837	131,931	126,032
Net Fixed Assets	1,024,017	1,060,667	1,121,884
TOTAL ASSETS	**48,249,360**	**49,286,379**	**47,974,069**
DEFERRED OUTFLOWS	**146,748**	-	-
LIABILITIES			
Current Liabilities:			
Unearned Premiums	8,257	8,122	6,986
Payables	383,734	435,034	410,839
Dividend Payables	1,427,261	2,957,199	2,383,724
Discounted Reserves & IBNR	9,048,414	9,020,542	9,026,445
Net pension liability	200,320	-	-
TOTAL CURRENT LIABILITIES	*11,067,986*	*12,420,898*	*11,827,994*
Non-current Liabilities:			
Discounted Reserves & IBNR	29,408,692	28,005,000	26,142,000
TOTAL NON-CURRENT LIABILITIES	*29,408,692*	*28,005,000*	*26,142,000*
TOTAL LIABILITIES	**40,476,678**	**40,255,198**	**37,969,994**
DEFERRED INFLOWS	**137,887**	-	-
EQUITY			
Retained Earnings	**7,781,543**	**9,031,181**	**10,004,075**

The year had a consolidated loss of ($1,002,433) resulting in end-of-year equity of $7,781,543. Assets decreased -$1.0M relating to ERMA's dividend received in June--but returned to members in August via an ERMA credit. Non-current liabilities increased +$1.4M or +5%, driven by actuarial reserve projections.



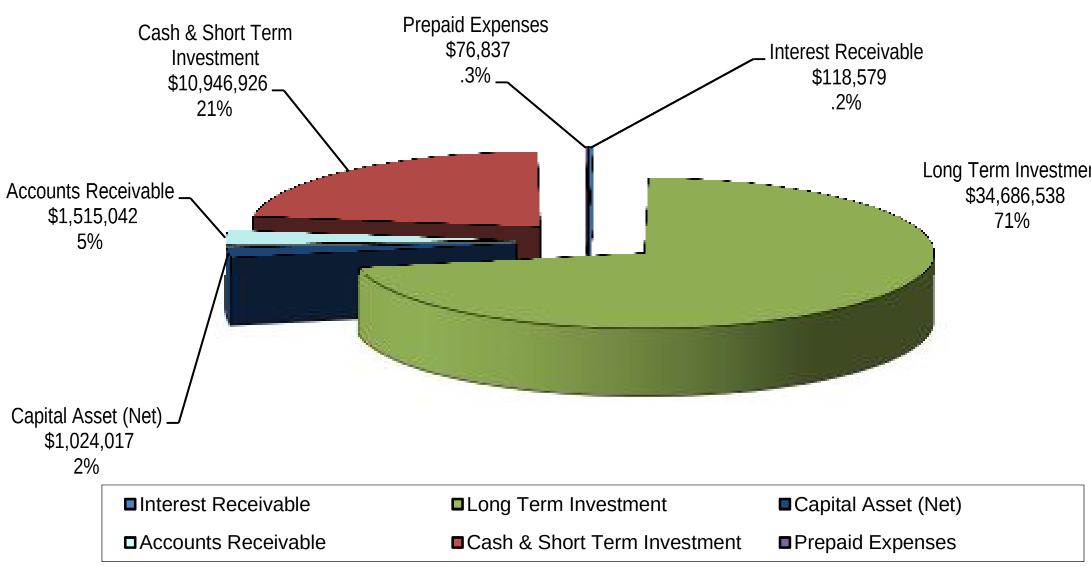
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN POSITION

	2014-15	**2013-14**	**2012-13**
INCOME			
Premiums Earned	20,317,453	18,240,157	18,221,027
Member Dividends	(816,054)	(2,117,073)	(1,696,004)
Interest Income	460,377	493,970	186,476
Other Income	975,671	2,232,696	955,697
TOTAL INCOME	**20,937,447**	**18,849,750**	**17,667,196**
EXPENSES			
Net Claims Paid	11,228,530	9,270,141	10,111,177
Increase/Decrease in Reserves	716,969	1,863,000	1,512,000
Claims Admin/Auditing/Actuarial	234,825	216,190	227,083
Excess Insurance	6,275,722	5,880,004	5,517,843
Direct Operating Costs	1,604,570	1,696,428	1,607,317
General & Administrative Costs	1,879,264	896,881	873,040
TOTAL EXPENSES	**21,939,880**	**19,822,644**	**19,848,460**
NET INCOME/LOSS	**(1,002,433)**	**(972,894)**	**(2,181,264)**

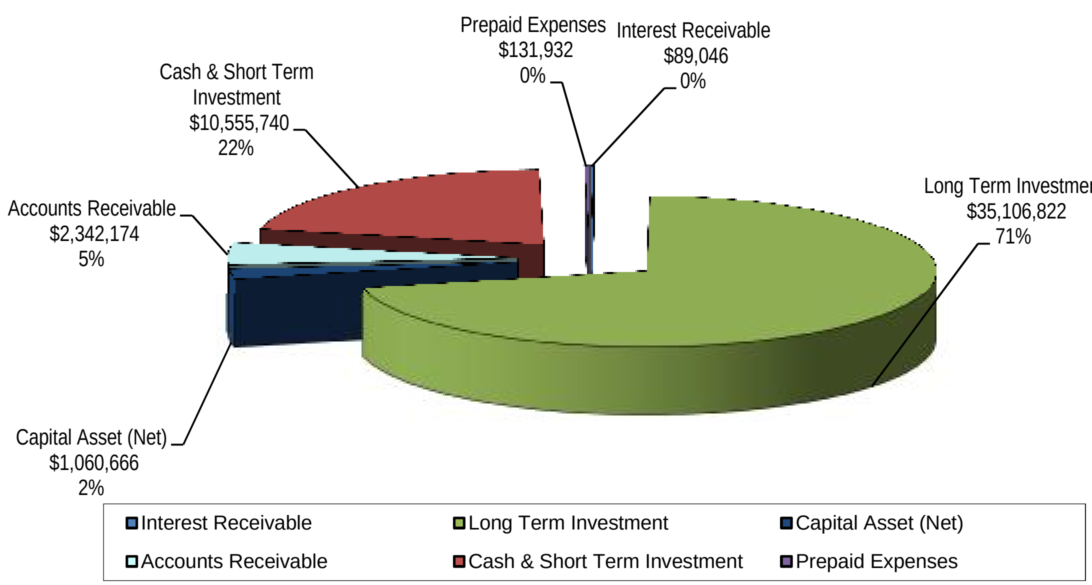
The operating year had a consolidated loss of ($1,002,433). Total revenues increased $2,087,697 for several reasons: (1) Member payroll increases combined with Worker Compensation rate hikes and increased premiums collected; (2) An increase in Liability Claim Payments and Premiums for Insurance payments; (3) There was less Interest Income earned; (4) A decrease in the amount of Member Dividends. Total expenses—increased $2.1M or 10.7% due to Increases in Insurance Premiums, Claims Admin costs and Meetings and Conferences. The City of Richmond settlement was finalized in 2014-2015. The General & Administrative expenses increased due to Increases in Professional Services, Meetings and Conferences, Salary and Benefit costs and Capital Equipment.

The following charts depict the make-up of MPA's assets. Cash and investments are $45,633,464 and $45,662,563, respectively at June 30, 2015 and 2014. The total decrease was $29,634 representing a portion of prior year dividends paid. The LAIF balance increased $273,000, as well as the managed investments increased by $420,000. Excess Receivables decreased $940K—because of the rebates paid in the prior year, which caused this category to fluctuation greatly.

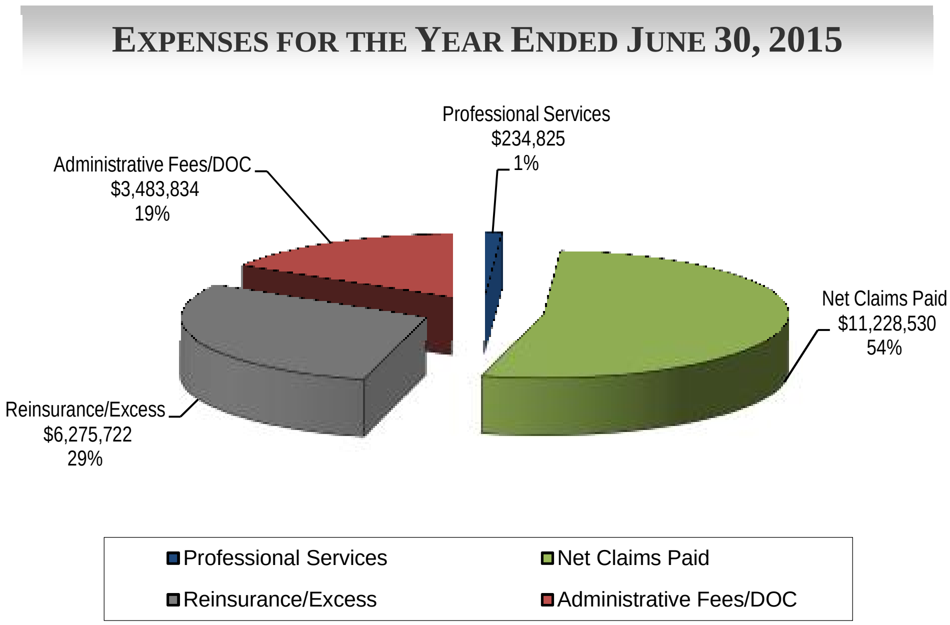
TOTAL ASSETS BY TYPE AT JUNE 30, 2015

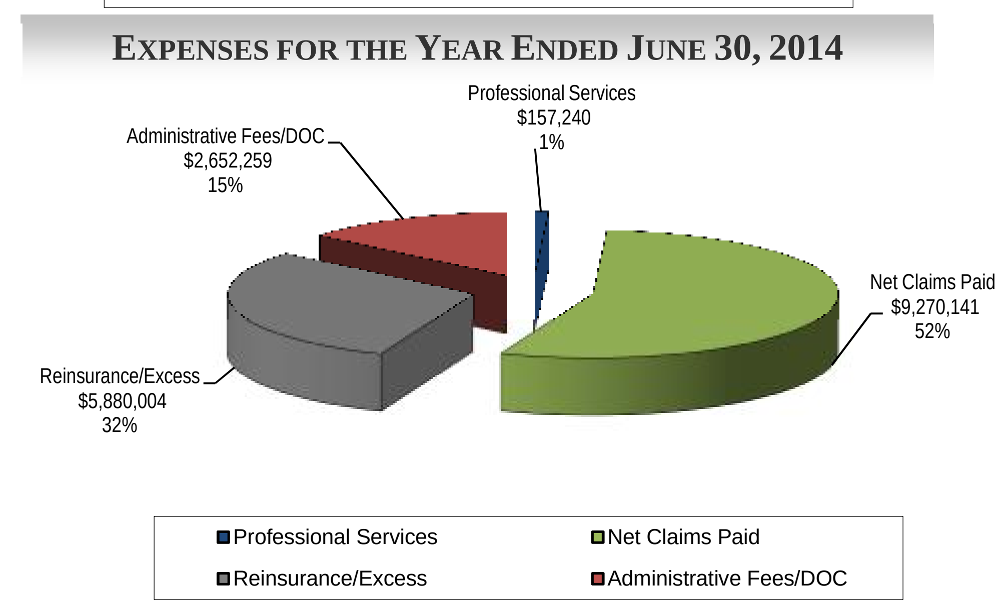


TOTAL ASSETS BY TYPE AT JUNE 30, 2014

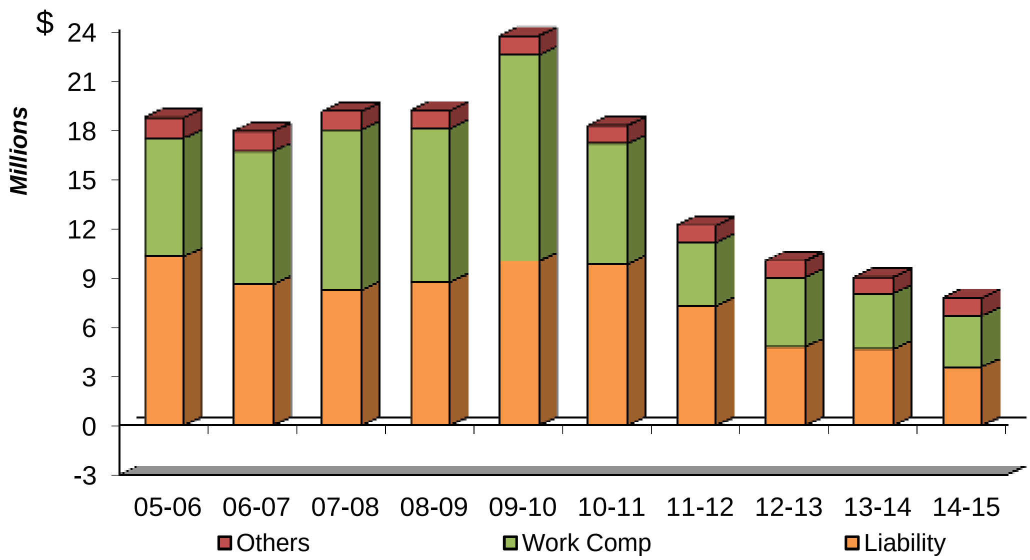


The following charts depict MPA's comparative expenses for June 30, 2015 and 2014. Total expenses for 2015 are $21,939,880 compared to $19,822,644 in 2014, which is an increase of +$2,117,236 or 10.7%. The increase is primarily a result of higher claims paid, higher excess carrier premiums, and increased operating and G&A expenses.





EQUITY POSITION ANALYSIS BY PROGRAM



INVESTMENTS:

For the year ending June 30, 2015, the Investment Portfolio and LAIF accounts total $34,686,538 and $10,946,926, respectively. Year-end, earned Interest Income is $398,602 compared to last year's $558,872 -- calculated as an (29%) decrease.

The portfolio realized both gains and losses on sale of investments. We sometimes sell securities for a small loss in order to take advantage of other reinvestment opportunities that will result in a higher net rate of return. Subsidizing our rates with interest income has been our past practice, but with large dividend pay-outs over the past several years, and with extremely low interest yields, future premium rates will not have this benefit.

NOTES FOR THE FINANCIAL STATEMENTS:

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statement begin on Page 18 and conclude on Page 47. Included in the notes is a description of the various individual program funds including Workers' Compensation, Liability, Vehicle, Short-term/Long-term Disability, Property, Life and Wellness. Financial statements on each individual program are found in the Statement of Net Positions and Statement of Revenues, Expenses and Changes in Net Positions are found on Pages 48 and 49.

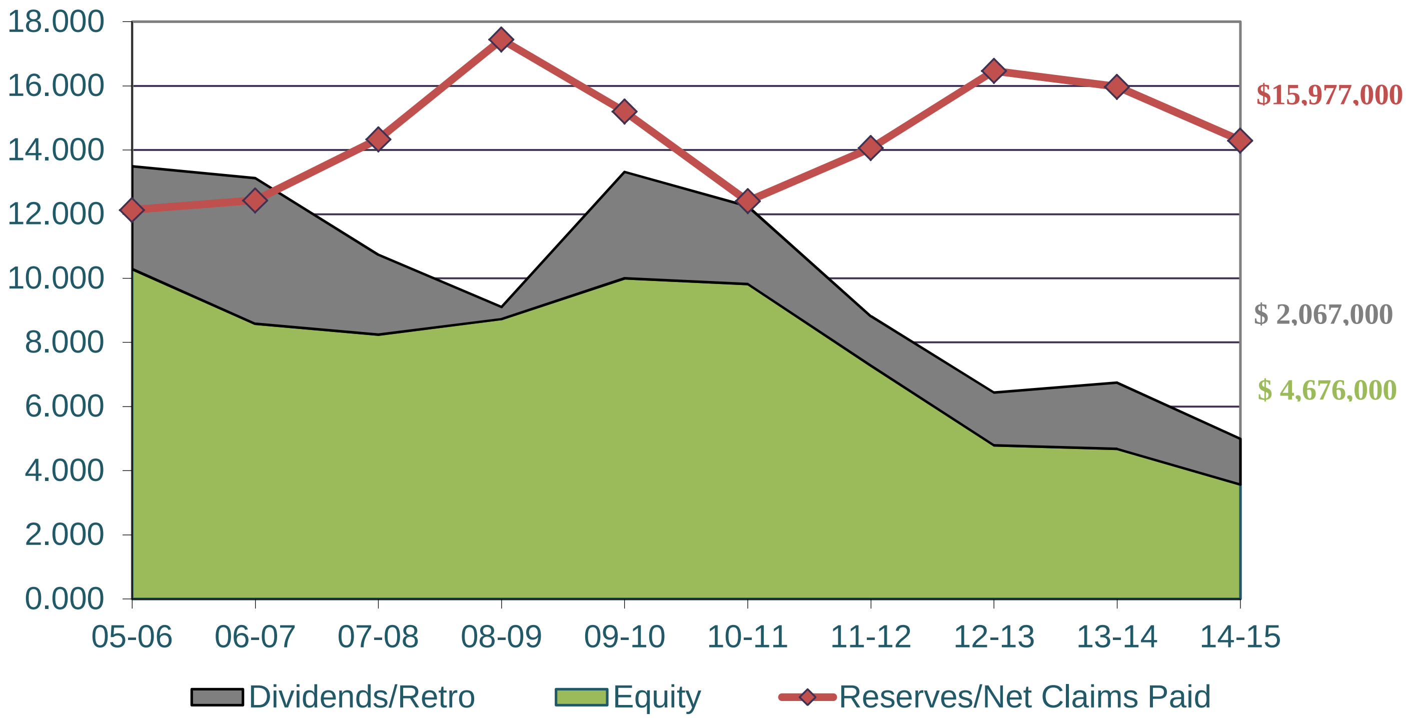
FINANCIAL HIGHLIGHTS BY PROGRAM:

Liability Program:

The Liability program had a year-end operating loss of ($987,503), bringing the total equity to $3,567,378. The retrospective rating formula--which was revamped and intermingled with dividend disbursement practices in the spring of 2010--resulted in no returns to the members this year. The $1.587M ERMA rebate was used to facilitate a 2014-15 premium holiday for all members except six who had minimal charges. The $480K CARMA rebate will be used to subsidize future rates to the members. After the rebates, and with adverse claim development during the second half of the year, we believe that the confidence level has eroded below the historical target of 90%.

The graph below depicts a historical, ten-year fund recap.

EQUITY/RESERVES by PROGRAM YEAR



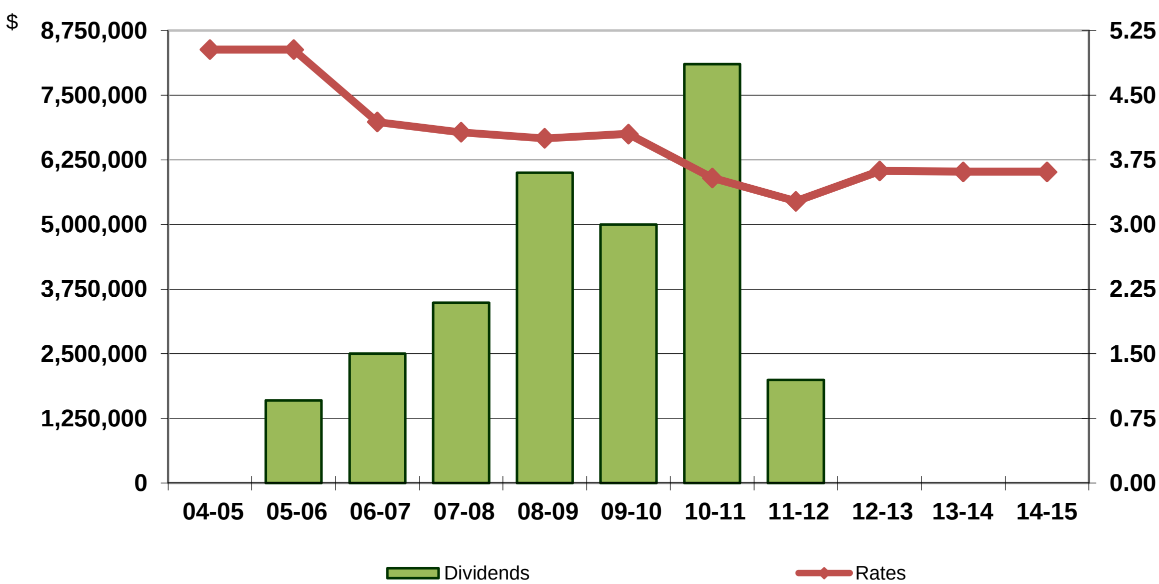
Workers' Compensation Program

The Workers' Compensation program had a year-end operating loss of ($104,058), bringing the total equity to $3,135,754. Claims reserves increased by $1,642,203 or +8% over twelve months. Areas of fluctuation included return-to-work program fees (off-set by a reduction in temporary total disability payments); claim investigation costs; allocated expenses for medical management; and medical treatment costs.

No dividend was declared during this fiscal year. For several years, the program had been funded at the 90%, discounted, confidence level. However, past dividends and the discount rate changed from 4% down to 2.5% in 2011-12 eroded equity to approximately 74% confidence.

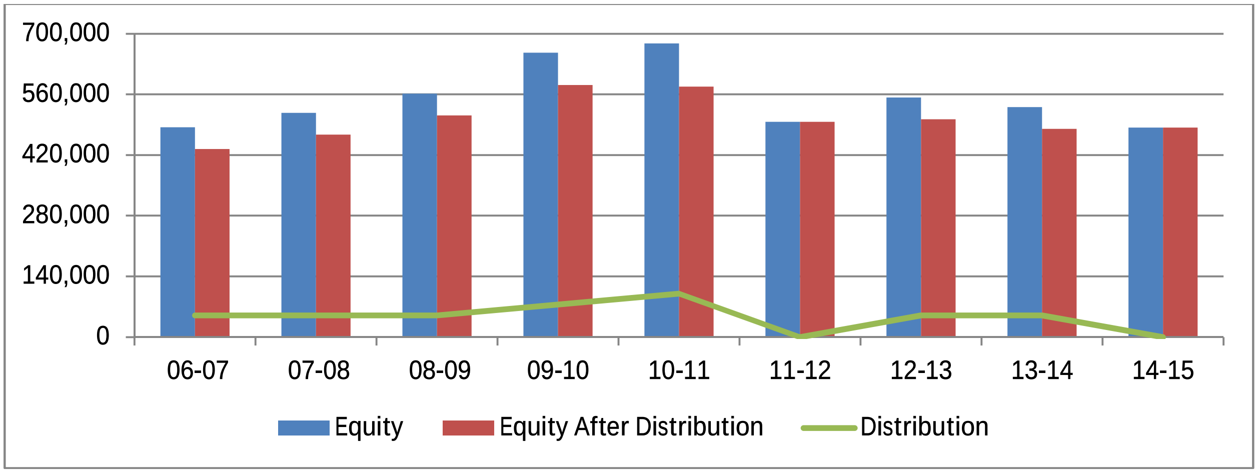
The premium rate for 2014-15 was essentially flat from the prior year. Claims frequency dropped last year but is flattening after several years of decline, which is consistent with industry trends. Our loss prevention program is in transition with the hiring of a new Senior Risk Control Advisor and several initiatives currently under consideration to strengthen prevention efforts. Loss severity continues to increase, as costs continue to rise for medical and expenses on older and new years. The ratio of indemnity to medical only claims indicates that about half of our claims involved lost time or compensability issues. We are contracting with a professional in early return to work and using nurses for new claim review to control lost time and identify difficult cases sooner. The program rate history is indicated in the rate/dividend chart below.

RATES VERSUS DIVIDENDS



Vehicle Physical Damage Program:

For the 2014-15 year, the $125K Vehicle net losses paid were $4K above the budget. There was no dividend awarded this year; the program had an operating gain of $3,119. The year-end equity totals $483,652. This exceeds the target equity of $425,000. With good claims experience, dividends may be warranted next year.



Short Term Disability/Long Term Disability:

The STD program continues to be self-funded to 90 days; claims administered by The Standard. Claims eligible for LTD coverage, beyond the 90-day self-insured coverage, convert to the insured program with The Standard. Members have benefitted from the improved claims administration provided by The Standard.

Rate stability is our main goal with equity subsidizing the low rates. But, the claims experience is volatile and swings +/-45% or +/-$50K over the past five years.

The STD equity remains below the fund's target. However, it appears that the equity decline has begun to level out, due to the past two years STD rate increases and a slight stabilization in the claims volatility. MPA is closely monitoring this program and will look at options to further stabilize the fund. The year-end balance has increased $45,083 to $200,020.

Employee Benefit Programs:

The Authority continues to provide other benefit programs through group purchase arrangements.

The Basic Life & AD&D program continues to be insured by The Standard. Rates were renewed with no change and are guaranteed through June 30, 2015. MPA continues to adjust the base Standard rates to cover G&A allocation as follows: $.02 added to Basic Life rates and $.01 added to AD&D rates.

The Dental program renewed on January 1, 2015 with a 2.7% rate increase in all rate tiers for the program year.

The Employee Assistance Program renewed with no rate increase on July 1, 2015, with the rate guaranteed through June 30, 2018.

The Wellness and Loss Control programs are funded through premium contributions in the Liability and Workers' Compensation programs.

Property Program:

The Property Coverage continues to be insured through Alliant Insurance Services PEPIP program. All-Risk rates increased 1.6% or .000773 per $100 of Total Insured Value (TIV). The combined rate for Flood and Boiler & Machinery increased 4% or .000609 per TIV. All-risk rates are adjusted to collect for MPA's G&A allocation, direct operating expense and MPA's property insurance charges.

Staff and the property broker, Alliant Insurance, worked closely together on the 2015-16 renewal. Even with the rate increase and higher deductibles, members still benefit from remaining in the PEPIP program which continues to provide members with the best coverage at competitive rates.

ADDITIONAL REPORTING INFORMATION:

Supplemental information on all fund/program activities is discussed in our Annual Report. This report provides a historical overview of all combined financial activities, operations and services provided by the Authority. It is updated annually to reflect the financial changes that occurred within the past twelve months.

The financial statements, including the Statement of Net Position, Statement of Revenues, Expenses, and Change in Net Position, Combining Statement of Net Position, and Combining Statement of Revenues, Expenses, and Change in Net Position are illustrated on Pages 15, 16, 48, and 49, respectively.

SUMMATION:

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in MPA's finances. Questions concerning any of this information should be addressed to:

The Office of the Risk Manager/CAO
1911 San Miguel Drive, Suite 100
Walnut Creek, CA, 94596

FINANCIAL SECTION

MUNICIPAL POOLING AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	$ 10,946,926	$ 10,555,740
Investments	915,890	751,505
Receivables		
Member agencies	138,662	143,504
Interest	118,579	89,046
Dividend/Excess	1,257,801	2,198,670
Prepaid expenses	76,837	131,932
Total Current Assets	13,454,695	13,870,397
Noncurrent Assets		
Investments	33,770,648	34,355,317
Capital assets, net	1,024,017	1,060,666
Total Noncurrent Assets	34,794,665	35,415,983
Total Assets	48,249,360	49,286,380
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on pensions	146,748	-
LIABILITIES		
Current Liabilities		
Payables	383,734	435,035
Unearned premiums	8,257	8,122
Member dividends payable	1,427,261	2,957,199
Unpaid claims	9,048,414	9,020,542
Net pension liability	200,320	-
Total Current Liabilities	11,067,986	12,420,898
Noncurrent Liabilities		
Unpaid claims	29,408,692	28,005,000
Total Liabilities	40,476,678	40,255,198
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows on pensions	137,887	-
NET POSITION		
Investment in capital assets	1,024,017	1,060,666
Unrestricted	6,757,526	7,970,516
Total Net Position	$ 7,781,543	$ 9,031,182

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

MUNICIPAL POOLING AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Operating Revenues		
Premiums Earned	$ 20,317,453	$ 18,240,161
Other Operating Revenue	6,010	6,190
Total Operating Revenues	20,323,463	18,246,351
Operating Expenses		
Claims expense	11,945,499	11,133,140
Claims administration	234,825	204,380
Insurance	6,275,722	5,880,006
General and administration	3,483,834	2,605,122
Total Operating Expenses	21,939,880	19,822,648
Net Operating Income (Loss)	(1,616,417)	(1,576,297)
Non- operating Revenues (Expenses)		
Refund from excess carrier	969,661	2,226,506
Member dividends	(816,054)	(2,117,073)
Investment income	460,377	493,971
Total Non - Operating Revenues (Expenses)	613,984	603,404
Change in Net Position	(1,002,433)	(972,893)
Net Position - Beginning of Year, as orignially reported	9,031,182	10,004,075
Prior Period Adjustment (See note 1U)	(247,206)	-
Net Position - Beginning of Year, as restated	8,783,976	-
Net Position - End of Year	$ 7,781,543	$ 9,031,182

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

MUNICIPAL POOLING AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Cash Flows From Operating Activities:		
Contributions received	$ 21,269,309	$ 16,097,924
Claims expenses paid	(10,513,935)	(9,276,043)
Insurance Premiums paid	(6,275,722)	(5,880,006)
Vendors paid	(1,550,383)	(731,993)
Salaries paid	(2,144,251)	(1,984,896)
Net Cash Flows Provided (Used) by Operating Activities	785,018	(1,775,014)
Cash Flows From Capital and Related Financing Activities:		
Purchase of capital assets	(39,330)	(13,100)
Refund from excess carrier	969,661	2,226,506
Member dividends	(2,175,292)	(1,714,298)
Net Cash Flows Provided (Used) by Financing Activities	(1,244,961)	499,108
Cash Flows From Investing Activities:		
Investment income received	397,980	661,172
Purchase of investment securities	(19,889,738)	(19,526,738)
Proceeds from sales and maturities of investments	20,342,887	21,421,861
Net Cash Flows Provided (Used) by Investing Activities	851,129	2,556,295
Net Increase (Decrease) in Cash	391,186	1,280,389
Beginning Cash and Equivalents	10,555,740	9,275,351
Ending Cash and Equivalents	$ 10,946,926	$ 10,555,740
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income (loss)	$ (1,616,417)	$ (1,576,297)
Adjustments to reconcile net income to cash		
Provided by operations:		
Depreciation	75,978	74,317
(Increase) decrease in:		
Member agencies	4,842	(63,138)
Other receivable	940,869	(2,086,425)
Prepaid expenses	55,095	(5,900)
Deferred outflows	(146,748)	
Increase (decrease) in:		
Deferred revenue	135	1,136
Unpaid claim and claim adjustment expenses	1,431,564	1,857,097
Deferred inflows	137,887	-
Net pension liability	(46,886)	-
Net Cash Provided by Operating Activities	$ 785,018	$ (1,775,014)
Supplemental Disclosures		
Noncash Investing and Financing Activities		
Increase (decrease) in Fair Market Value of Investments	$ 32,864	$ (65,902)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION AND OPERATIONS

Municipal Pooling Authority (the Authority) is an independently managed self-insurance program for certain incorporated cities in Contra Costa, San Joaquin and San Mateo Counties. The Authority, formed in 1977, provides workers' compensation, general liability, property, vehicle, short and long term disability, and employee benefits insurance coverage pursuant to a Joint Exercise of Powers Agreement (JPA) and Section 6500 of the California State Government Code. The Authority's general objectives are to formulate, develop and administer, on behalf of its members, a program of insurance; to obtain lower costs for that coverage, and to develop a comprehensive loss control program. A Board of Directors composed of one official from each member city governs the Authority.

B. MEMBERSHIP

As of June 30, 2015, membership of the various programs is as follows:

Members	Workers' Compensation	Liability	Property	Vehicle	Short/Long-Term Disability	Life	Wellness
City of Antioch	x	x	x	x		x	x
City of Brentwood	x	x	x	x	x	x	x
City of Clayton	x	x	x	x	x	x	x
Town of Danville	x	x	x	x	x	x	x
City of El Cerrito	x	x	x	x	x	x	x
City of Hercules	x	x	x	x	x	x	x
City of Lafayette	x	x	x	x	x	x	x
City of Manteca	x	x	x	x	x	x	
City of Martinez	x	x	x	x	x	x	x
Town of Moraga	x	x	x	x	x	x	x
City of Oakley	x	x	x	x			x
City of Orinda	x	x	x	x	x	x	x
City of Pacifica	x						
City of Pinole	x	x	x	x	x	x	
City of Pittsburg	x	x	x	x			x
City of Pleasant Hill	x	x	x	x	x	x	x
City of San Pablo	x	x	x	x	x	x	x
City of San Ramon	x	x	x	x			x
City of Walnut Creek	x	x	x	x			
Municipal Pooling Authority	x	x	x	x	x	x	x

C. ADMISSION OF MEMBERS

With the approval of two-thirds of all members of the Board, any other city in Contra Costa County or any city in the general geographic area reasonably serviceable from Contra Costa County may become a member of the Authority. Prospective members must submit an application, including underwriting information, as prescribed in the bylaws.

D. WITHDRAWAL OF MEMBERS

A member city may withdraw as a party to the agreement at the end of any fiscal year, upon giving six (6) months prior written notice of its intent to withdraw. Upon withdrawal, a member is entitled only to its pro-rata share of the net position balance of the amount paid for the fiscal year in which withdrawal takes place.

E. REPORTING ENTITY

The reporting entity includes all activities (operations of its administrative staff, officers, executive committee, and board of directors) as they relate to the Authority. This includes financial activity relating to all of the membership years.

The Authority has developed criteria to determine whether other entities with activities that benefit the Authority should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters), scope of public service and special financing relationships.

The Authority has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in these financial statements. In addition, the Authority is not aware of any entity that would exercise such oversight responsibility that would result in the Authority being considered a component unit of that entity.

In determining its reporting entity, the Authority considered all governmental units that were members of the Authority since inception. The criteria did not require that inclusion of these entities in their financial statements principally because the Authority does not exercise oversight responsibility over any members.

F. BASIS OF ACCOUNTING

These statements are prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Under the accrual basis, revenues and the related assets are recognized when earned, and expenses and related liabilities are recognized when incurred. Liabilities for reserves for open claims and claims incurred but not reported have been recorded in the Authority's financial statements.

G. PROGRAMS

Workers' Compensation Program

The Workers' Compensation Fund was established on July 1, 1978 to account for the payment of workers' compensation and employer's liability claims and administrative costs. Funding is based upon rates established by the Authority's Board. Claims are administered in-house.

The Authority provides the following insurance coverage, deductibles, and self-insured retention (SIR):

Member Deductible:	$0
Authority's SIR:	$500,000
Excess Insurance:	Workers' Compensation through CSAC-EIA
Policy Year:	July 1 to June 30

The SIR's for this program by year are as follows:

Dates	Self-Insured Exposure	Per Occurrence Limit of the Excess Insurance Policy
7/1/08- 6/30/15	$500,000 per occurrence	Statutory Limits
7/1/03- 6/30/08	$500,000 per occurrence	$300 million
7/1/02- 6/30/03	$400,000 per occurrence	Statutory Limits
7/1/94- 6/30/02	$350,000 per occurrence	Statutory Limits
7/1/93- 6/30/94	$350,000 per occurrence	$6.5 million
7/1/90- 6/30/93	$350,000 per occurrence	$5 million
7/1/88- 6/30/90	$300,000 per occurrence	$5 million
7/1/86- 6/30/88	$250,000 per occurrence	$5 million
7/1/78- 6/30/86	$200,000 per occurrence	$5 million

Liability

The Liability Fund was established in 1978 to account for payment of liability claims and administrative costs. Funding is based upon rates established by the Board. Claims are administered in-house.

Member Deductible:	$5,000, $10,000, $25,000, $50,000, $100,000, or $250,000
Authority's SIR:	$1,000,000
Excess Insurance:	Excess of $1,000,000 to $29,000,000 with California Affiliated Risk Management Authorities (CARMA)
Policy Year:	July 1 to June 30

Vehicles

The Vehicle Fund was established July 1, 1991 to account for payment of vehicle claims and administrative costs. MPA is fully insured up to $250,000 limit of liability.

Member Deductible:	$0 to $2,000 or $3,000
Excess Insurance:	None
Policy Year:	July 1 to June 30

G. PROGRAMS (continued)

Short/Long-Term Disability

The Long-Term Disability Fund was established in 2003 and was created to account for self-insured Short-Term and fully-insured Long-Term Disability. Funding is based on rates established by the Board. The Board contracted with a third-party administrator, Sun Life Financial, to pay claims on behalf of participating members through March 31, 2011. Effective April 1, 2011, Standard Insurance took over the claims administration.

Effective September 1, 2005, the STD program was self-insured to 90 days. The long-term coverage was fully insured with Sun Life Financial through March 31, 2011 and was insured with Standard Insurance for the remainder of the year. Sun Life administered the STD program and insured the LTD program through March 31, 2011. Standard Insurance administered the STD program and insured the LTD program beginning April 1, 2011.

Property

The Property Fund was established in 1978 to account for payment of claims and administrative costs within the Authority's SIR. Coverage's include:

All-Risk

Member Deductible:	$25,000 All-Risk & Copper Theft Claims $150,000 Water Intrusion Claims
Authority's SIR	$0
Excess Insurance:	Excess of $25,000 or $150,000 to $1 billion through various insurers in Alliant Insurance Service's PEPIP Program
Policy Year:	July 1 to June 30

Boiler & Machinery

Member Deductible:	$5,000
Authority's SIR:	$0
Excess Insurance:	Excess of $5,000 to $100 million through Lexington, CAN and RKH-Lloyds of London
Policy Year:	July 1 to June 30

Difference in Conditions

The Difference in Conditions policy covers all parties for flood. Flood coverage is subject to a minimum $100,000 deductible per occurrence except for Zone A and Zone V which is at a $250,000 deductible per occurrence. The maximum limit for floods is $25 million.

Members purchase earthquake insurance direct through Alliant. Members check their policies for coverage information, including deductibles, insured locations and coverage limits.

Life

The Life Fund was established to purchase group insurance for this coverage.

Wellness

The Wellness program provides education to the members' employees on health related issues and annual screenings for various health related risks.

H. FUND ACCOUNTING

The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. The Authority's funds have been combined for the presentation of the financial statements. The operation of each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues, and expenses. The Authority maintains two funds that are considered proprietary/enterprise funds. Proprietary funds are used to account for activities similar to those found in the private sector, where determination of net income is necessary or useful to sound financial administration.

I. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, cash and cash equivalents include cash in bank, investments in LAIF, money market accounts, and highly liquid debt instruments purchased with original maturity of three months or less.

J. RECEIVABLES

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of June 30, 2015 and 2014, the total accounts receivable portfolio was considered collectible. Interest on investments is recorded in the year the interest is earned.

K. INVESTMENTS

The Authority records its investments and cash in Local Agency Investment Fund (LAIF) at fair market value. Changes in fair market value are reported as revenue in the Statements of Revenues, Expenses, and Changes in Net Position. The effect of recording investments and LAIF at fair market value is reflected as a net increase in the fair value of investments on the Statement of Revenues, Expenses, and Changes in Net Position. Fair market values of investments and LAIF have been determined by the sponsoring government based on quoted market prices. The Authority's investments in LAIF have been valued based on the relative fair value of the entire external pool to the external pool's respective amortized cost.

L. CAPITAL ASSETS

Capital assets are carried at cost net of accumulated depreciation. Depreciation and amortization is provided for over the estimated useful lives of the assets using the straight-line method. The estimate useful life used for building and improvements is thirty years. The estimated useful lives used for furniture and equipment range from five to ten years. The vehicles are depreciated over five years. The software and hardware are depreciated over three years. Land is carried at cost and is not depreciated.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

N. REVENUES

Proprietary fund operating revenues, which include program contribution, related fees and assessments, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Revenues classified as non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities

O. CONTRIBUTION INCOME

Contribution development is performed by actuaries and the Board of Directors based on the particular characteristics of the members. Contribution income consists of payments from members that are planned to match the expense of insurance premiums for coverage in excess of self-insured amounts, estimated payments resulting from self-insurance programs, and operating expenses. Contributions are recognized as revenues in the period for which insurance protection is provided. If the Authority's Board of Directors determines that the insurance funds for a program, including any anticipated investment income, are insufficient to pay losses, the Authority may impose a supplemental assessment on all participating members. Supplemental assessments are recognized as income in the period assessed. The activities of the Authority consist solely of risk management programs and claims management activities related to the coverages described earlier.

P. EXCESS INSURANCE

The Authority enters into reinsurance agreements whereby it cedes various amounts of risk to another entity. Risks ceded are treated as though they are not risks for which the Authority is liable. The Authority maintains excess insurance coverage for workers' compensation, general liability, and property coverage.

Q. UNPAID CLAIM LIABILITIES (CLAIMS PAYABLE, CLAIMS INCURRED BUT NOT REPORTED, AND LIABILITY FOR UNALLOCATED LOSS ADJUSTMENT EXPENSES)

Each program establishes claims liabilities based on estimates of the ultimate cost of claims (including future allocated claim adjustment expense) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience.

Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made. The current portion of unpaid claims is based on current year payments and known claim information at the end of the period.

R. COMPENSATED ABSENCES

In accordance with the Authority's employee handbook, compensated absences for vacation are accrued at various numbers of hours per month depending on each employee's years of service. The Authority's sick leave policy also provides for accumulation of sick leave. The liability for compensated absences at June 30, 2015 and 2014 was $198,780 and $290,719, respectively.

S. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term are described elsewhere in this report.

T. INCOME TAXES

The Authority is an organization comprised of public agencies and is exempt from federal and state income taxes. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

U. CHANGE IN ACCOUNTING PRINCIPLE

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have the following characteristics: contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable; pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms; and pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

For defined benefit pensions, this Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position.

As of June 30, 2015, according to GASB 68, the Authority's total pension liability must be recognized. Therefore, the previous pension liability as of June 30, 2014 in the amount of $247,206 has been shown as a restatement of net assets on the Statement of Activities as a separate line item.

In November 2013, GASB issued Statement No.71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the governments' beginning net pension liability. This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement No. 68 and are effective for the Authority's fiscal year ending June 30, 2015.

As of June 30, 2015, according to GASB 71, the Authority had subsequent contributions to the measurement date. As a result of the contributions, in the current year the Authority had deferred outflows of $146,748 and deferred inflows of $137,887 resulting from the implementation of GASB 71.

2. CASH AND INVESTMENTS

A. CASH AND EQUIVALENTS

Cash consisted of the following at June 30:

	2015	2014
Cash in Bank	$ 380,434	$ 93,693
Local Agency Investment Fund	10,566,492	10,462,047
Total Cash and Equivalents	$ 10,946,926	$ 10,555,740

Cash in Bank

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

Local Agency Investment Fund

The Authority is a voluntary participant in Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investment funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account within a twenty-four hour notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by Federal Agencies, government-sponsored enterprises, and corporations.

The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized. The monies held in the fund are not subject to categorization by risk category. LAIF is unrated and has an average life of 239 days.

LAIF is administered by the State Treasurer and is audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized.

B. INVESTMENTS

As a governmental entity, investments are limited to the following in accordance with California Government Code Section 53601:

Investment Types Authorized by State Law	Authorized By Investment Policy	*Maximum Maturity	*Maximum Percentage of Portfolio	*Maximum Investment In One Issuer
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	N/A	N/A
Banker's Acceptances	Yes	180 days	40%	10%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	30 days	N/A	N/A
Reverse Repurchase Agreements	No	5 years	N/A	N/A
Medium-Term Notes	Yes	5 years	30%	15%
Mutual Funds	Yes	5 years	15%	10%
Money Market Mutual Funds	Yes	5 years	15%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	N/A
County Pooled Investment Funds	Yes	5 years	None	None
Local Agency Investment Fund (LAIF)	Yes	5 years	$50 million	None

* Based on state law requirements or investment policy requirements, whichever is more restrictive

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from changes in interest rates, the Authority's investment policy limits its investment portfolio maturities to no more than five years from purchase date to maturity date.

			Investment Maturities					
Investment Type		Fair Value		< 1yr		1-3 yrs		>3 yrs
US Treasuries	$	10,167,654	$	-	$	5,750,684	$	4,416,970
Federal Agency Bond/Notes		9,793,831		-		8,119,604		1,674,227
Corporate Notes		9,069,731		-		8,334,719		735,012
Municipal Bond/Notes		1,115,923		816,048		299,875		
Certificate of Deposit		4,539,399		99,842		4,439,557		
Total Investments	$	34,686,538	$	915,890	$	33,097,318	$	6,826,209

Credit Risk. It is the Authority's general investment policy to apply the prudent person standard; investments shall be made with judgment and care under circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. California law limits investments in medium-term corporate notes to the top three ratings issued by nationally recognized statistical ratings organizations. However, the Authority's investment policy limits its corporate debt investments to notes rated AA or its equivalent or better by a nationally recognized statistical rating service.

As of June 30, 2015, the Authority's investment in federal agency debt securities were rated AAA by Standard and Poor's while the corporate notes were rated AA or better. Investments in US treasuries carry the explicit guarantee of the US Government.

Concentration of Credit Risk. The Authority limits the amount of medium-term corporate notes that can be invested to no more than 30% of the Authority's investment portfolio. Commercial paper cannot represent more than 10% of the outstanding paper issued of an issuing corporation. Purchases of commercial notes may not exceed 30% of the Authority's investment portfolio. Investments in securities of any one issuer consisting of 5% or more of total investments are as follows:

		Fair Value	% of Portfolio
Fannie Mae	$	4,705,317	13.57%
Federal Home Loan Mortgage Association		2,689,841	7.75%
Freddie Mac		2,398,673	6.92%

3. CAPITAL ASSETS

Capital assets at June 30, 2015 consist of the following:

Capital Assets not being depreciated	Beginning Balance	Additions	Retirements /Adjustments	Ending Balance
Land	$ 400,000	$ -	$ -	$ 400,000
Capital Assets being depreciated				
Building	1,000,000	-	-	1,000,000
Building improvements	533,022	-	-	533,022
Equipment	227,707	23,644	-	251,351
Respiratory test	13,495	-	-	13,495
Software	259,176	9,685	-	268,861
Furniture and fixtures	110,294	6,000	-	116,294
Total capital assets being depreciated	2,143,694	39,329	-	2,183,023
Less Accumulated depreciation for:				
Building	(685,000)	(30,000)		(715,000)
Building improvements	(260,257)	(17,956)		(278,213)
Equipment	(192,742)	(12,232)		(204,974)
Respiratory test	(5,398)	(2,699)		(8,097)
Software	(234,380)	(11,290)		(245,670)
Furniture and fixtures	(105,251)	(1,801)		(107,052)
Total accumulated depreciation	(1,483,028)	(75,978)	-	(1,559,006)
Total capital assets being depreciated, net	3,626,722	(36,649)	-	3,742,029
Total capital assets, net	$ 1,060,666	$ (36,649)	$ -	$ 1,024,017

Depreciation expense for the fiscal years ended June 30, 2015 and 2014 was $75,978 and $74,317, respectively.

4. PAYABLES

Payables consist of the following at June 30:

	2015	2014
Accounts payable	$ 47,567	$ 43,305
Accrued payroll	137,387	101,532
Compensated absence	198,780	290,198
Total	$ 383,734	$ 435,035

5. UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

The Authority establishes a liability for both reported and unreported insured events. As of June 30, 2015 and 2014, the claim liabilities are reflected on a discounted basis at 2.0%, in accordance with actuarially determined discount formulas. The following represents changes in the unpaid losses and loss adjustment expenses for the Authority the years ended June 30:

	Total	
	2015	2014
Unpaid Claims and Claim Adjustment Expense at Beginning of Year	$ 37,025,542	$ 35,182,912
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Year	10,991,778	9,576,289
Increase (Decrease) in Provision for Insured Events of Prior Fiscal Years	953,721	1,556,851
Total Incurred Claims and Claim Adjustment Expenses	11,945,499	11,133,140
Payments:		
Claim and Claim Adjustment Expenses Attributable to Insured Events of the Current Year	1,071,744	992,277
Claim and Claim Adjustment Expenses Attributable to Insured Events of the Prior Years	9,442,191	8,298,233
Total Payments	10,513,935	9,290,510
Total Unpaid Claims and Claims Adjustment Expenses	$ 38,457,106	$ 37,025,542

The components of unpaid claims and claim adjustment expenses as of June 30, 2015 and 2014 were as follows:

Reported Claims	$ 18,257,416	$ 18,236,542
Claims Incurred But Not Reported	17,943,690	16,641,000
Unallocated Loss Adjustment Expense Payable	2,256,000	2,148,000
Total Claim Liabilities	38,457,106	37,025,542
Current Portion	(9,048,414)	(9,020,542)
Long-Term Portion	$ 29,408,692	$ 28,005,000

As of June 30, 2015 and2014, the undiscounted unpaid claims and claim adjustment expenses were $40,797,871 and $41,728,632, respectively.

6. JOINT VENTURE

The Municipal Pooling Authority participated in a joint venture under a Joint Powers Agreement (JPA) with California Affiliated Risk Management Authorities (CARMA), Employment Risk Management Authority (ERMA), and California State Association of Counties Excess Insurance Authority (CSAC-EIA). The relationship is such between these entities that they are not a component unit of the Authority for financial reporting purposes.

A. Entity	**CARMA**	**ERMA**	**CSAC-EIA**
B. Purpose	Provides excess insurance coverage for the Liability Program	Provides Employment Liability coverage for MPA members	Provides excess insurance coverage for Workers' Compensation and Liability
C. Participants	Statewide entities	Statewide entities	Statewide entities
D. Governing Board	Consists of elected representatives of members by region	Consists of elected representatives of members by region	Consists of elected representatives of members by region

E. Condensed Financial Information as of	June 30, 2015 CARMA		June 30, 2015 ERMA		June 30, 2015 CSAC-EIA	
Total Assets	$	31,357,974	$	25,483,295	$	642,361,922
Deferred Outflows		-		-		587,253
Total Assets and Deferred Outflows	$	31,357,974	$	25,483,295	$	642,949,175
Total Liabilities	$	22,458,832	$	9,001,165	$	529,697,449
Deferred Inflows		-		-		845,081
Net Position		8,899,142		16,482,130		112,406,645
Total Liabilities, Deferred Inflows and Net Position	$	31,357,974	$	25,483,295	$	642,949,175
Total Revenues	$	7,605,139	$	5,873,537	$	621,366,157
Total Expenditures		10,458,196		4,925,101		619,827,126
Member Dividend		1,628,475		2,971,443		-
Net Increase (Decrease) in Net Position	$	(4,481,532)	$	(2,023,007)	$	1,539,031

Separate complete financial statements are available from CARMA and ERMA at 1750 Creekside Oak Dr., Suite 200, Sacramento, CA 95833 and CSAC-EIA at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

7. EMPLOYEE RETIREMENT PLAN

A. Plan Description

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

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

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.250%
Required employer contribution rates	8.003%	6.237%

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

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan were $146,748.

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

As of June 30, 2015, the Municipal Pooling Authority reported net pension liabilities for its proportionate share of the net pension liability of the Plan of $200,320.

Municipal Pooling Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. Municipal Pooling Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2013 and 2014 was as follows:

Proportion - June 30, 2013	0.00340%
Proportion - June 30, 2014	0.00322%
Change - Increase (Decrease)	-0.00018%

For the year ended June 30, 2015, the Authority recognized pension expense of ($55,747). At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 146,748	$ -
Net differences between projected and actual earnings on plan investments	-	67,317
Adjustment due to Differences in Proportions	-	70,570
Total	$ 146,748	$ 137,887

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2016	$ (42,033)
2017	(42,033)
2018	(36,991)
2019	(16,830)

Actuarial Assumptions – The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Payroll Growth Rate	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return (1)	7.50%
Mortality	Derived using CalERS' Membership Data for all Funds

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

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

Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%

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

	Discount Rate - 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Plan's Net Pension Liability	$ 356,908	$ 200,320	$ 70,367

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

C. Payable to the Pension Plan

The Authority had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

8. POSTEMPLOYMENT BENEFIT OTHER THAN PENSION PLAN (OPEB)

A. PLAN DESCRIPTION

The Authority provides a defined benefit healthcare plan (the "Retiree Health Plan"). The Authority currently pays the minimum employer contribution for both active and retired employees through PERS medical. Employees are eligible for post-retirement medical benefits upon the later of reaching fifty or five years of eligible PERS service. Disabled employees are eligible with five years of service. The Authority pays up to $400 per month towards the cost of its retirees and their spouse's medical coverage for employees hired on or before February 1, 2011 with ten years of service.

B. FUNDING POLICY

The Authority entered into a trust agreement with CalPERS to participate in its Prefunding plan through California Employers Retiree Benefit Trust (CERBT) that will administer other post-employment benefits obligation on behalf of the Authority. The CERBT is an irrevocable trust in accordance with GASB 45 requirements. The Authority contributed 100.0% of the annual required contribution (ARC) into the Trust for the 2013-2014 year.

C. ANNUAL OPEB COST

The Authority's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Authority has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over the remaining period of 29 years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in its net OPEB obligation to the Retiree Health Plan:

Annual requred contribution	$	10,603
Interest on net OPEB obligation (asset)		(2,221)
Adjustment to annual required contribution		2,175
Annual OPEB cost (expense)		10,557
Less contributions made		5,532
Increase in net OBEB obligation		16,089
Net OBEB obligation (asset), beginning of year		(30,176)
Net OPEB obligation (asset), end of year	$	(14,087) *

*Included in prepaid expenses

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current fiscal year is as follows:

Fiscal Year Ended	OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
06/30/13	$ 9,935	50.30%	$ (30,240)
06/30/14	$ 10,533	47.50%	$ (30,176)
06/30/15	$ 10,557	52.40%	$ (14,087)

D. FUNDED STATUS AND FUNDING PROGRESS

As of July 1, 2013, the actuarial accrued liability (AAL) for benefits was $291,289, of which $45,548 was unfunded.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer as subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. ACTUARIAL METHOD AND ASSUMPTIONS

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

The following simplifying assumptions were made:

Valuation Date:	July 1, 2012
Actuarial Cost Method:	Entry Age Normal Cost Method
Asset Valuation Method:	Market value of assets
Actuarial Assumptions:	
Investment Rate of Return:	7.50%
Salary Increase:	3.30% per year
Assumed Increase of Amortization Payments:	3.30% per year where determined on a percent of pay basis

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums is based on the most recent projections made by the Office of Actuary at the Centers for Medicare and Medicaid Services as published in National Health Care Expenditures Projections: 2004-2019. For 2012 and beyond the initial trend rate is 5.50% fluctuating over the next 7 years until the ultimate rate of 6.0% is reached.

9. SUBSEQUENT EVENTS

The Authority's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2015 through March 8, 2016, the date the financial statements were issued. Management is not aware of any subsequent events that would require recognition or disclosure in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL POOLING AUTHORITY

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILTY

AS OF JUNE 30, 2015

	June 30, 2014 [1]
Proportion of the net pension liability	0.00322%
Proportionate share of the net pension liability	$ 200,320
Covered-employee payroll (2)	$ 1,359,105
Proportionate Share of the net pension liability as percentage of covered-employee payroll	14.74%
Plans fiduciary net position as a percentage of the total pension liability	83.03%
Proportionate share of aggregate employer contributions (3)	$ 26,502

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

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

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

MUNICIPAL POOLING AUTHORITY

SCHEDULE OF PENSION CONTRIBTIONS

AS OF JUNE 30, 2015

	Fiscal Year 2013-14 [1]
Actuarially Determined Contribution (2)	$ 143,574
Contributions in relation to the actuarially determined contributions	(146,748)
Contribution deficiencey (excess)	$ (3,174)
Covered-employee payroll (3,4)	$ 1,359,105
Contributions as a percentage of covered-employee payroll (3)	10.56%

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

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

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

[4] Payroll from prior year ($1,144,064) was assumed to increase by the 3.00 percent payroll growth assumption.

MUNICIPAL POOLING AUTHORITY

RECONCILIATION OF CLAIMS LIABILITY BY PROGRAM

AS OF JUNE 30, 2015

	Liability	Workers' Compensation	Vehicle	Short/Long Term Disability	Wellness	Total
Unpaid Claims and Claim Adjustment Expense at Beginning of Year	$ 12,255,000	$ 24,750,000	$ 11,167	$ 9,375	$ -	$ 37,025,542
Incurred Claims and Claim Adjustment Expenses:						
Provision for Insured Events of the Current Year	3,496,000	7,191,000	148,977	118,551	37,250	10,991,778
Increase (Decrease) in Provision for Insured Events of Prior Fiscal Years	801,731	185,040	(23,675)	(9,375)	-	953,721
Total Incurred Claims and Claim Adjustment Expenses	4,297,731	7,376,040	125,302	109,176	37,250	11,945,499
Payments:						
Claim and Claim Adjustment Expenses Attributable to Insured Events of the Current Year	34,587	793,301	100,486	106,120	37,250	1,071,744
Claim and Claim Adjustment Expenses Attributable to Insured Events of the Prior Years	4,501,655	4,940,536	-	-	-	9,442,191
Total Payments	4,536,242	5,733,837	100,486	106,120	37,250	10,513,935
Total Unpaid Claims and Claims Adjustment Expenses	$ 12,016,489	$ 26,392,203	$ 35,983	$ 12,431	$ -	$ 38,457,106
Reported Claims	$ 6,795,497	$ 11,413,505	$ 35,983	$ 12,431	$ -	$ 18,257,416
Claims Incurred But Not Reported	4,470,992	13,472,698	-	-	-	17,943,690
Unallocated Loss Adjustment Expense Payable	750,000	1,506,000	-	-	-	2,256,000
Total Claim Liabilities	$ 12,016,489	$ 26,392,203	$ 35,983	$ 12,431	$ -	$ 38,457,106

MUNICIPAL POOLING AUTHORITY

RECONCILIATION OF CLAIMS LIABILITY BY PROGRAM

AS OF JUNE 30, 2014

	Liability	Workers' Compensation	Vehicle	Short/Long Term Disability	Wellness	Total
Unpaid Claims and Claim Adjustment Expense at Beginning of Year	$ 12,050,000	$ 23,092,000	$ 23,675	$ 17,237	$ -	$ 35,182,912
Incurred Claims and Claim Adjustment Expenses:						
Provision for Insured Events of the Current Year	3,033,468	6,279,628	91,534	142,833	28,826	9,576,289
Increase (Decrease) in Provision for Insured Events of Prior Fiscal Years	893,753	642,728	12,508	7,862	-	1,556,851
Total Incurred Claims and Claim Adjustment Expenses	3,927,221	6,922,356	104,042	150,695	28,826	11,133,140
Payments:						
Claim and Claim Adjustment Expenses Attributable to Insured Events of the Current Year	70,502	679,124	80,367	133,458	28,826	992,277
Claim and Claim Adjustment Expenses Attributable to Insured Events of the Prior Years	3,651,719	4,585,232	36,183	25,099	-	8,298,233
Total Payments	3,722,221	5,264,356	116,550	158,557	28,826	9,290,510
Total Unpaid Claims and Claims Adjustment Expenses	$ 12,255,000	$ 24,750,000	$ 11,167	$ 9,375	$ -	$ 37,025,542
Reported Claims	$ 7,204,000	$ 11,012,000	$ 11,167	$ 9,375	$ -	$ 18,236,542
Claims Incurred But Not Reported	4,301,000	12,340,000	-	-	-	16,641,000
Unallocated Loss Adjustment Expense Payable	750,000	1,398,000	-	-	-	2,148,000
Total Claim Liabilities	$ 12,255,000	$ 24,750,000	$ 11,167	$ 9,375	$ -	$ 37,025,542

MUNICIPAL POOLING AUTHORITY

CLAIMS DEVELOPMENT INFORMATION - WORKERS' COMPENSATION

AS OF JUNE 30, 2015

	Fiscal and Policy Year Ended June 30, (In Thousands)									
	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Total Required Contributions and										
Investment Revenue	$ 9,001	$ 9,781	$ 10,907	$ 11,790	$ 11,364	$ 9,190	$ 8,467	$ 8,594	$ 8,667	$ 10,224
Assessments/(dividends)	-	-	-	-	(3,500)	-	-	-	-	-
Ceded	(607)	(673)	(690)	(610)	(702)	(722)	(869)	(926)	(1,120)	(1,355)
(1) Net Earned Required Contribution										
and Investment Revenues	8,394	9,108	10,217	11,180	7,162	8,468	7,598	7,668	7,547	8,869
(2) Unallocated Expenses	872	911	994	1,067	1,087	1,213	1,216	1,424	1,490	1,596
(3) Estimated Incurred Claims and Expense										
End of Year	6,334	6,817	6,803	6,982	5,942	5,284	5,672	5,073	6,280	7,191
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	6,334	6,817	6,803	6,982	5,942	5,284	5,672	5,073	6,280	7,191
(4) Paid (Cumulative as of):										
End of Policy Year	379	511	557	636	735	718	792	798	679	793
One Year Later	852	1,605	1,539	2,024	2,097	1,851	2,131	2,397	2,414	
Two Years Later	1,387	2,356	2,173	2,671	3,714	2,979	3,324	3,311		
Three Years Later	1,762	2,755	2,890	3,673	4,523	3,536	4,076			
Four Years Later	2,006	2,877	3,184	3,718	5,183	3,879				
Five Years Later	2,196	3,006	3,473	3,891	5,929					
Six Years Later	2,346	3,073	3,621	6,622						
Seven Years Later	2,396	3,114	3,714							
Eight Years Later	2,563	3,289								
Nine Years Later	2,608									
(5) Reestimated Ceded Claims and Expense:	-	-	-	606	133	-	-	-	-	-
(6) Reestimated Incurred Claims and Expense:										
End of Policy Year	6,334	6,817	6,803	6,982	5,942	5,284	5,672	5,073	6,280	7,191
One Year Later	5,440	5,717	6,124	6,140	6,105	5,569	5,956	6,536	6,971	
Two Years Later	4,112	5,391	4,880	5,568	7,455	5,944	6,256	7,136		
Three Years Later	3,946	4,516	4,645	5,887	7,491	5,990	6,990			
Four Years Later	3,234	4,171	4,776	5,442	7,638	6,072				
Five Years Later	2,972	4,174	4,694	5,479	7,948					
Six Years Later	2,993	4,051	4,782	5,725						
Seven Years Later	3,028	3,877	4,808							
Eight Years Later	3,047	3,910								
Nine Years Later	3,150									
(7) Increase (Decrease) in										
Estimated Incurred Claims and Expenses										
from the End of Program Year	$ (3,184)	$ (2,907)	$ (1,995)	$ (1,257)	$ 2,006	$ 788	$ 1,318	$ 2,063	$ 691	$ -

MUNICIPAL POOLING AUTHORITY

CLAIMS DEVELOPMENT INFORMATION - LIABILITY

AS OF JUNE 30, 2015

	Fiscal and Policy Year Ended June 30, (In Thousands)									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Required Contributions and										
Investment Revenue	$ 8,452	$ 10,045	$ 10,862	$ 11,353	$ 9,265	$ 8,323	$ 7,901	$ 7,813	$ 7,594	$ 8,167
Assessments/(dividends)	-		-	-	(3,500)	-	-	-	-	-
Ceded	(2,884)	(3,459)	(3,384)	(3,940)	(3,130)	(3,292)	(3,002)	(3,043)	(2,997)	(3,072)
(1) Net Earned Required Contribution										
and Investment Revenues	5,568	6,586	7,478	7,413	2,635	5,031	4,899	4,770	4,597	5,095
(2) Unallocated Expenses	1,054	1,062	1,166	1,191	1,218	1,356	1,136	1,125	1,155	1,939
(3) Estimated Incurred Claims and Expense										
End of Year	1,614	3,904	4,264	4,755	3,527	3,189	3,321	3,320	3,033	3,104
Ceded	-	-	-	-	-	-	-	-	-	-
Net Incurred	1,614	3,904	4,264	4,755	3,527	3,189	3,321	3,320	3,033	3,104
(4) Paid (Cumulative as of):										
End of Policy Year	935	48	25	54	114	8	26	5	70	35
One Year Later	1,374	299	269	1,124	1,125	145	244	30	714	
Two Years Later	2,686	1,698	1,000	1,414	1,752	1,381	847	202		
Three Years Later	3,819	3,574	2,111	1,830	3,082	2,879	2,862			
Four Years Later	4,513	4,640	3,643	2,701	3,570	3,236				
Five Years Later	4,370	4,965	3,890	2,706	4,287					
Six Years Later	4,417	4,784	5,009	2,712						
Seven Years Later	4,895	4,784	5,070							
Eight Years Later	4,697	4,784								
Nine Years Later	4,699									
(5) Reestimated Ceded Claims and Expense:	226	989	585	955	-	-	-	-	-	-
(6) Reestimated Incurred Claims and Expense:										
End of Policy Year	1,614	3,904	4,264	4,755	3,527	3,189	3,321	3,320	3,033	3,104
One Year Later	4,130	3,617	3,765	3,487	3,180	3,202	2,619	1,972	3,141	
Two Years Later	4,882	4,211	3,237	2,787	3,926	3,510	3,714	2,139		
Three Years Later	5,428	4,818	3,624	2,503	4,566	4,294	4,857			
Four Years Later	5,328	5,197	4,158	3,135	4,722	4,197				
Five Years Later	4,530	5,081	4,872	2,835	4,822					
Six Years Later	4,524	4,857	5,499	2,793						
Seven Years Later	4,911	4,802	5,446							
Eight Years Later	4,903	4,784								
Nine Years Later	4,708									
(7) Increase (Decrease) in										
Estimated Incurred Claims and Expenses										
from the End of Program Year	$ 3,094	$ 880	$ 1,182	$ (1,962)	$ 1,295	$ 1,008	$ 1,536	$ (1,181)	$ 108	$ -

MUNICIPAL POOLING AUTHORITY

SCHEDULE OF FUNDING PROGRESS

JUNE 30, 2015

Postemployment Benefits Other Than Pension Plan (OPEB)

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age (a)	Actuarial Value of Assets (b)	Overfunded Liability (UAAL) (a-b)	Funded Status (b/a)	Annual Covered Payroll (c)	UAAL as a % of payroll ([a-b]/c)
2011-2012	$ 233,546	$ 286,400	$ (52,854)	123%	$ 1,314,996	-4.02%
2012-2013	$ 264,252	$ 309,880	$ (45,628)	117%	$ 1,303,252	-3.50%
2013-2014	$ 310,615	$ 324,630	$ (14,015)	105%	$ 1,356,540	-1.03%

1. RECONCILIATION OF CLAIMS LIABILITIES BY PROGRAM

   The schedules represent the changes in claims liabilities for the current and past year for all of the Authority's programs.

2. CLAIMS DEVELOPMENT INFORMATION

   (1) This line shows the total of each fiscal year's gross earned deposit premiums and cumulative investment income less ceded (excess insurance cost) and any dividends or assessments to arrive at net earned contribution and investment revenues.

   (2) This line shows other operating costs of the Authority for each fiscal year including overhead and claims administration expenses.

   (3) This line shows the Authority's gross estimated ultimate losses, losses assumed by reinsurers and net incurred losses as originally reported at the end of the policy years.

   (4) This line shows the cumulative amounts paid as of the end of successive years for each program year.

   (5) This line shows the latest reestimated amount of losses assumed by reinsurers for each policy year.

   (6) This line shows the reestimated net incurred claims and allocated loss adjustment expenses as calculated by the actuary.

   (7) This line compares the latest reestimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater than or less than originally projected.

   The original and reestimated cost of claims is presented on a net present value basis, the effect of which decreases over time and may cause the appearance of adverse loss development when compared to original estimates. As data for individual accident years mature, the correlation between original estimates and the reestimated amounts is commonly used to evaluate the accuracy of net incurred claims currently recognized in less mature accident years. The columns of the table show data for successive accident years.

3. SCHEDULE OF FUNDING PROGRESS

   This schedule represent funding progress for Postemployment Benefits Other Than Pension Plan (OEPB).

SUPPLEMENTARY INFORMATION

MUNICIPAL POOLING AUTHORITY

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2015

	Liability	Workers' Compensation	Vehicle	Short/Long Term Disability	Property	Wellness	Life	Facilities Management	Eliminating Entries	Total
ASSETS										
Current Assets										
Cash and cash equivalents	$ 1,897,206	$ 8,174,739	$ 525,291	$ 215,331	$ 52,873	$ 11,324	$ 60,900	$ 9,262.00	$ -	$ 10,946,926
Investments	366,356	549,534	-	-	-	-	-	-	-	915,890
Receivables										
Member agencies	120,199	831	-	13,386	-	586	3,660	-	-	138,662
Interest	54,971	61,651	1,178	379	164	113	123	-	-	118,579
Dividend/Excess	546,624	710,731	89	67	89	67	67	67	-	1,257,801
Prepaid expenses	55,304	16,877	40	29	4,792	29	29	(263)	-	76,837
Total Current Assets	3,040,660	9,514,363	526,598	229,192	57,918	12,119	64,779	9,066	-	13,454,695
Noncurent assets:										
Interprogram receivables	657,523	-	-	-	-	-	-	-	(657,523)	-
Investments	13,524,166	20,246,482	-	-	-	-	-	-	-	33,770,648
Capital assets, net	31,998	37,396	2,963	2,222	2,963	2,221	2,222	942,032	-	1,024,017
Total Noncurrent Assets	14,213,687	20,283,878	2,963	2,222	2,963	2,221	2,222	942,032	(657,523)	34,794,665
Total Assets	17,254,347	29,798,241	529,561	231,414	60,881	14,340	67,001	951,098	(657,523)	48,249,360
DEFERRED OUTFLOWS OF RESOURCES										
Deferred outflows on pensions	71,907	74,841	-	-	-	-	-	-	-	146,748
LIABILITIES										
Current Liabilities										
Payables	149,404	172,640	10,000	14,531	10,001	7,495	7,531	12,132	-	383,734
Unearned premiums	-	-	(74)	4,432	-	-	3,899	-	-	8,257
Member dividends payable	1,427,261	-	-	-	-	-	-	-	-	1,427,261
Unpaid claims	4,000,000	5,000,000	35,983	12,431	-	-	-	-	-	9,048,414
Total Current Liabilities	5,576,665	5,172,640	45,909	31,394	10,001	7,495	11,430	12,132	-	10,867,666
Noncurrent Liabilities										
Interprogram payables	-	-	-	-	-	-	-	657,523	(657,523)	-
Unpaid claims	8,016,489	21,392,203	-	-	-	-	-	-	-	29,408,692
Net pension liabilty	98,157	102,163							-	200,320
Total Noncurrent Liabilities	8,114,646	21,494,366	-	-	-	-	-	657,523	(657,523)	29,609,012
Total Liabilities	13,691,311	26,667,006	45,909	31,394	10,001	7,495	11,430	669,655	(657,523)	40,476,678
DEFERRED INFLOWS OF RESOURCES										
Deferred inflows on pensions	67,565	70,322	-	-	-	-	-	-	-	137,887
NET POSITION										
Invested in capital assets	31,998	37,396	2,963	2,222	2,963	2,221	2,222	942,032	-	1,024,017
Unrestricted	3,535,380	3,098,358	480,689	197,798	47,917	4,624	53,349	(660,589)	-	6,757,526
Total Net Position	$ 3,567,378	$ 3,135,754	$ 483,652	$ 200,020	$ 50,880	$ 6,845	$ 55,571	$ 281,443	$ -	$ 7,781,543

MUNICIPAL POOLING AUTHORITY

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

JUNE 30, 2015

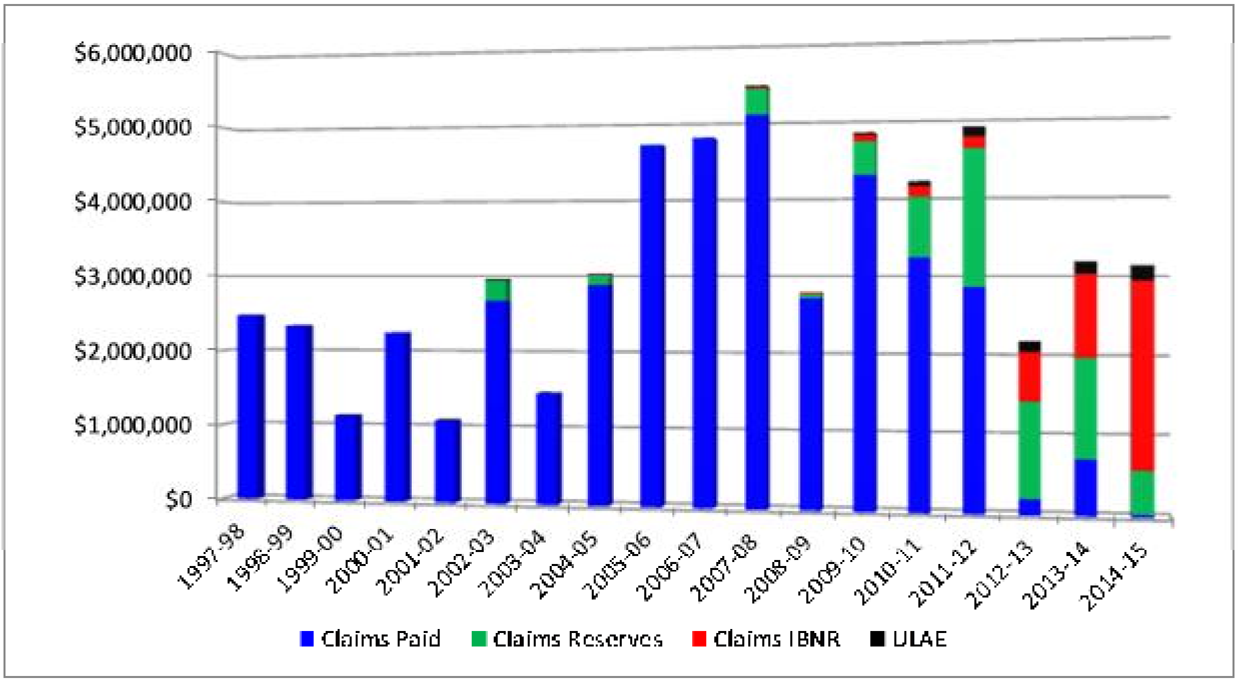
	Liability	Workers' Compensation	Vehicle	Short/ Long Term Disability	Property	Wellness	Life	Facilities Management	Eliminating Entries	Total
OPERATING REVENUES										
Premiums earned	$ 7,978,011	$ 9,954,561	$ 171,319	$ 683,119	$ 1,207,678	$ 70,710	$ 252,055	$ -	$ -	$ 20,317,453
Other operating revenue	-	6,010	-	-	-	-	-	-	-	6,010
Total Operating Revenue	7,978,011	9,960,571	171,319	683,119	1,207,678	70,710	252,055	-	-	20,323,463
OPERATING EXPENSES										
Claims expense	4,297,731	7,376,040	125,302	109,176	-	37,250	-	-	-	11,945,499
Claims administration	-	209,666	3,081	22,078	-	-	-	-	-	234,825
Insurance	3,071,590	1,355,479	12	474,775	1,158,934	9	214,914	9	-	6,275,722
General and administration	1,939,030	1,386,582	44,831	33,624	48,782	33,976	33,626	131,383	(168,000)	3,483,834
Total Operating Expenses	9,308,351	10,327,767	173,226	639,653	1,207,716	71,235	248,540	131,392	(168,000)	21,939,880
Net Operating Income (Loss)	(1,330,340)	(367,196)	(1,907)	43,466	(38)	(525)	3,515	(131,392)	168,000	(1,616,417)
Non-Operating Revenues (Expenses):										
Refund from excess carrier	969,661	-	-	-	-	-	-	-	-	969,661
Member dividends	(816,054)	-	-	-	-	-	-	-	-	(816,054)
Investment income	189,230	263,138	5,026	1,617	699	481	524		(338)	460,377
Interest expense	-	-	-	-	-	-	-	(338)	338	-
Rental income	-	-	-	-	-	-	-	168,000	(168,000)	-
Total Non-Operating Revenue	342,837	263,138	5,026	1,617	699	481	524	167,662	(168,000)	613,984
Change in Net Position	(987,503)	(104,058)	3,119	45,083	661	(44)	4,039	36,270	-	(1,002,433)
Net Position - Beginning of Year, as orignially reported	4,676,432	3,365,467	480,533	154,937	50,219	6,889	51,532	245,173	-	9,031,182
Prior Period Adjustment	(121,551)	(125,655)								(247,206)
Net Position - Beginning of Year, as restated										8,783,976
Net Position - End of Year	$ 3,567,378	$ 3,135,754	$ 483,652	$ 200,020	$ 50,880	$ 6,845	$ 55,571	$ 281,443	$ -	$ 7,781,543

MUNICIPAL POOLING AUTHORITY

GRAPHICAL SUMMARY OF CLAIMS

JUNE 30, 2015

Liability Program



Workers' Compensation Program