

SUMMARY ACTION MINUTES

REGULAR MEETING FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Wednesday, December 1, 2021, 9:00 A.M.

Orange County Transportation Authority Conference Center
550 South Main Street
Orange, California

RAMIN BASCHSHI, MD
Chair

DEBRA BAETZ
Commissioner

DOUG CHAFFEE
Commissioner

CLAYTON CHAU, MD
Commissioner

KATHERINE CHIU, MD, MBA
Commissioner

LEAH ERSOYLU, PhD.
Commissioner

JACKIE FILBECK
Commissioner

YVETTE LAVERY, MPA, MBE
Commissioner

SUSAN MCCLINTIC
Commissioner

ATTENDANCE: Commissioners Baschshi, Chau, Chiu, Ersoylu, Filbeck, Lavery, McClintic and Light (Alternate for Baetz) (All Members participated via Zoom)

EXCUSED: Commissioners Baetz and Chaffee

PRESENT: PRESIDENT/CEO
COMMISSION COUNSEL
CLERK OF THE COMMISSION

Kimberly Goll (participated via Zoom)
Cassie Trapesonian (participated via Zoom)
Jamie Ross, Deputy (participated via Zoom)

PLEDGE OF ALLEGIANCE

Pledge of Allegiance led by Commission Counsel Cassie Trapesonian

PRESENTATIONS:

1. Receive Presentation on county-wide Home Visiting Coordination efforts

PRESENTED

SUMMARY ACTION MINUTES

CONSENT CALENDAR: (Items 2 - 6)

481235679 10 **APPROVED AS RECOMMENDED**

x x

2. Approve First 5 Orange County Children and Families Commission and Technical Advisory Committee Updated Meeting Calendar for 2022
3. Appoint Gail Araujo and Scott Burdick to the First 5 Orange County Technical Advisory Committee
4. Receive the 27th Annual Report on the Conditions of Children in Orange County
5. Receive update on First 5 Orange County's Policy Work Including: Guidelines for Policy Positions and Engaging Leadership; Legislative Platform; and the 2021-2022 Policy Ad Hoc Committee
6. Adopt Resolution finding that, due to the proclaimed state of emergency arising from the novel coronavirus (COVID-19), meeting in person presents imminent risks to the health and safety of attendees, and the emergency continues to directly impact the ability of the members to meet safely in person
RESO: 21-033 C&FC

PUBLIC HEARING: (Item 7)

7. Conduct Public Hearing and authorize President/CEO to submit the Annual Comprehensive Financial Report to First 5 California and the State Controller's Office

C.O. **CLOSED PUBLIC HEARING**

10 712345689 **APPROVED AS RECOMMENDED**

x x

REGULAR ITEMS: (Items 8 - 12)

8. Adopt Fiscal Year 2022-2023 Employer and Employee Retirement Contribution Rates as Established and Adopted by the Orange County Employees Retirement System

461235789 10 **APPROVED AS RECOMMENDED**

x x

9. Receive Report on the First 5 Association's Strategic Plan

RECEIVED

10. Receive Update on First 5 Orange County's Strategic Plan Action Plan

RECEIVED

11. Amend Agreement with the Center for the Study of Social Policy for Receipt of Additional Grant Funds for Consultant Support; Adopt Resolution to amend Agreement No. PS-251 with Health Management Associates; and Adopt Resolution to amend Agreement No. C-436 with Hoda Shawky.

4 10 12356789 **APPROVED AS RECOMMENDED**

x x

RESOS: 21-034 – 035 C&FC

12. Election of Commission Chair and Vice-Chair for Term Beginning January 1, 2022 through June 2, 2023

971234568 10 **NOMINATED AND ELECTED COMMISSIONER BASCHSHI TO SERVE AS CHAIR**

x x

AND COMMISSIONER CHAFFEE TO SERVE AS VICE CHAIR

SUMMARY ACTION MINUTES

PRESIDENT/CEO REPORT: (Item 13)

13. Receive the President/CEO's Report
- Financial Update
 - Communications Update

RECEIVED

PUBLIC & COMMISSION COMMENTS:

PUBLIC COMMENTS: None

COMMISSION COMMENTS:

Commissioner Filbeck and Chair Baschshi – Oral Re.: Wished everyone a Happy Holiday season.

ADJOURNED: 10:08 A.M.

*** KEY ***

Left Margin Notes

1 Debra Baetz	A = Abstained
2 Ramin Baschshi, MD	X = Excused
3 Doug Chaffee	N = No
4 Clayton Chau, MD	C.O. = Commission Order
5 Katherine Chiu, MD, MBA	
6 Leah Ersoylu, PhD	
7 Jackie Filbeck	Reso = Resolution
8 Yvette Lavery, MPA, MBE	Ord = Ordinance
9 Susan McClintic	
10 Anne Light, MD (Alternate)	

(1st number = Moved by; 2nd number = Seconded by)

/s/

RAMIN BASCHSHI, MD

Chair

/s/

Jamie Ross, Deputy
Clerk of the Commission

Agenda Item 1
December 1, 2021
PRESENTATION ITEM

DATE: October 20, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO



ACTION: Receive Presentation on Countywide Home Visiting Coordination Efforts

In July 2020, First 5 Orange County launched work funded by First 5 California for local home visiting, which includes coordination activities with participating service providers, data system upgrades, and other enhancements. The funding covers a two-year period from FY 2020-2023 for a total of \$200,000 and requires a one-to-one match from First 5 Orange County.

While we have been delivering local home visiting services in Orange County for many years, we are not alone in providing this intervention to children and families. Throughout the state, and particularly within First 5s, there is an emerging effort to convene home visiting funders and service providers to strengthen and improve collaboration and integration. Home visiting efforts are integral to our Prenatal-to-Three systems work and a component of our strategic plan to “promote services that support protective factors for children and families.” This presentation provides insight into the work we are doing alongside other funders, community partners and families to establish a coordinated and integrated system of supports for Orange County families.

Leticia Casillas-Sanchez will highlight the role of First 5 OC in this work and introduce Christina Altmayer and Betsy Uhrman, from Health Management Associates. We have contracted with Health Management Associates (HMA) to support the countywide home visiting coordination effort. Christina and Betsy will share the priorities identified by our partners to collectively strengthen home visiting coordination and systems of care so families maximize the use of services they need and want. Below are their biographies.

Christina Altmayer is a senior executive with vast experience and success leading public agencies dedicated to early childhood. Her work has focused on policy and system changes to better serve the needs of children in both the health care and early education spaces. She joined HMA after leading high-impact efforts to implement and expand maternal and pediatric early intervention services as the senior vice president of the Center for Children and Family Impact for First 5 LA. In this capacity, she oversaw more than \$90 million in programmatic investments focused on family supports, community engagement, early care and education, and health systems with a focus on policy and systems change. She developed First 5 LA’s 2020–2028 strategic plan and pioneered innovative financing strategies to sustain priority maternal and child interventions, including partnerships with Medi-Cal managed care organizations.

Previously, Christina served as executive director of First 5 Orange County where she led the organization through a comprehensive strategic planning and implementation process. As a seasoned consultant, she helmed her own management consulting organization helping

nonprofit, public, and private organizations with long-term financial planning, strategy development, program design and implementation, performance management, and evaluation. Christina earned a bachelor's degree in government and politics and a master's degree in public administration from St. John's University in New York.

Betsy joined HMA from NPO Solutions, now a division of HMA Community Strategies, where she worked extensively with nonprofit and public sector organizations in Southern California on all aspects of organizational planning and development. Her work has spanned a wide range of issue areas impacting children, youth, and families. She has facilitated numerous strategic planning processes, helping organizations and networks set priorities and focus resources. Betsy also has significant experience working with multi-stakeholder collaboratives to move through a process of shared inquiry, problem-solving, and decision making. Prior to consulting, Betsy worked in philanthropy at the Open Society Foundation and Tides. She earned a Master of Public Administration from the University of Southern California, and an undergraduate degree from the University of California, Los Angeles.

ATTACHMENTS:

1. First 5 California Home Visiting Coordination Workplan
2. Presentation on Home Visiting Coordination in Orange County

CONTACT: Leticia Casillas-Sanchez

ACTION PLAN

County: Orange County (OC)

Fiscal Lead Agency: Children & Families Commission of Orange County

Goal # 1 of 3: A. Build or strengthen the county-wide vision for how a coordinated local early childhood development and family support system, including home visiting, can address the needs of families impacted by COVID-19.

Action Steps

Description <i>What actions are necessary to achieve the goal?</i>	Milestones <i>What is the expected outcome of the action?</i>	Timeframe <i>When will this action take place?</i>	Resources <i>Who/what is needed (e.g., task-specific finances, experts, documents, other)</i>	Responsibility <i>Who will oversee task completion?</i>
1. Identify and secure commitment of the key county partners to participate in a HV Collaborative Leadership Planning effort	Confirmed list of partners and representatives for HV Leadership Collaborative	July – August 2021	Conduct interviews and outreach effort with potential stakeholders to engage them in the planning process. Utilize existing landscape analysis to generate support and make compelling case for coordinated planning.	First 5 Consultant, First 5 OC ED and Vice President Programs
2. Survey partners to prioritize issues for immediate, mid and long term. Share survey results and confirm priorities.	Completed survey results	July – August 2021	Survey instrument developed and administered	First 5 Consultant
3. Convene partners to begin visioning process and develop draft vision and final agreed to vision statement. Vision statement will address how the system should work for providers, families, and County overall.	Draft and Final Vision Statement	September – November 2021	Input from OC leaders and providers Research examples and resources from other counties	First 5 Consultants
4. Develop a workplan and timeline for HV Leadership Collaborative discussion for FY 21/22 including priority initiatives	Confirmed plan of topics for monthly meetings of HV Leadership Collaborative Priority initiatives for FY 21/22	July-October 2021	Based on survey results and input at first meeting, develop calendar of meeting dates and topics	First 5 OC Consultants

Description	Milestones	Timeframe	Resources	Responsibility
<i>What actions are necessary to achieve the goal?</i>	<i>What is the expected outcome of the action?</i>	<i>When will this action take place?</i>	<i>Who/what is needed (e.g., task-specific finances, experts, documents, other)</i>	<i>Who will oversee task completion?</i>
5. Implement workplan for FY 21/22 with initial focus on improving intake and referral for families and increasing family choice	<p>Recommendations to improve intake and referral of HV programs</p> <p>Increased rates of family engagement in HV services</p>	October 2021 – June 2022	Monthly meetings of HV Leadership Collaborative, planned agendas and documented actions from meetings	First 5 OC Consultant under direction of Leadership Collaborative

Goal # 2 of 3: B. Determine scope and effectiveness of existing home visiting programs and family support services designed to help families in crisis, and expand access, as needed, to help families recover from the effects of the COVID-19 pandemic.

Action Steps

Description	Milestones	Timeframe	Resources	Responsibility
<i>What actions are necessary to achieve the goal?</i>	<i>What is the expected outcome of the action?</i>	<i>When will this action take place?</i>	<i>Who/what is needed (e.g., task-specific finances, experts, documents, other)</i>	<i>Who will oversee task completion?</i>
1. Conduct a landscape analysis of the estimated need for home visiting services based on the target populations and availability of home visiting services	Completed landscape report: Estimated need for HV services, programs and program capacity by target population, estimated gap in system capacity	July -August	Utilize existing First 5 OC service matrix and specifically the Prenatal to Three service matrix, as a starting point. Outreach to home visiting providers and other key stakeholders for input Collect data on community needs and work with major system funders to estimate HV capacity by funding sources (First 5 OC, CalWORKs, MHSA, Head Start)	First 5 OC Consultant under direction of Leadership Collaborative
2. Identify gaps in available services based on target population at sub-county geographies/communities	Further analysis of landscape report highlighting capacity of gaps by OC communities	September – December 2021	Develop geographical maps available by county, region, city, zip code and neighborhood (as data sets allow utilizing available systems and enrollment data)	First 5 OC Consultant under direction of Leadership Collaborative

Description	Milestones	Timeframe	Resources	Responsibility
<i>What actions are necessary to achieve the goal?</i>	<i>What is the expected outcome of the action?</i>	<i>When will this action take place?</i>	<i>Who/what is needed (e.g., task-specific finances, experts, documents, other)</i>	<i>Who will oversee task completion?</i>
3. Identify and document barriers to referrals/engagement in services and opportunities for improvement	<p>Summary analysis to HV Leadership Collaborative on challenges with current referrals</p> <p>Recommendations and agreed upon priority actions for improvement</p>	January-June 2021	<p>Research and document from Leadership Collaborative, providers and parents (as possible) current challenges in referrals and engaging families</p> <p>Research on effective strategies that other counties have developed to improve coordination and referral and increase family engagement in HV services</p> <p>Develop potential strategies and recommendations for improvement, including leveraging First 5 CA technical assistance and other counties</p> <p>Develop priority recommendations for implementation</p>	First 5 OC Consultant under direction of Leadership Collaborative

Goal # 3 of 3: C. Strengthen (or rebuild) coordination and alignment across home visiting and family support agencies to address the effects of the pandemic on family support systems to help families recover from the effects of COVID-19.

Action Steps

Description	Milestones	Timeframe	Resources	Responsibility
What actions are necessary to achieve the goal?	What is the expected outcome of the action?	When will this action take place?	Who/what is needed (e.g., task-specific finances, experts, documents, other)	Who will oversee task completion?
1. Develop strategies to improve system referral/coordination and build trust and stronger relationships among providers to more effectively engage families in the home visiting system	Referral and coordination recommendations	September 2021- March 2022 (with actions through June 2022 to be determined)	Milestones from Goals 1 & and ongoing input and guidance from Leadership Collaborative	First 5 OC Consultant under direction of Leadership Collaborative
2. Develop plan for implementing strategies including funding and implement priority actions	Implementation Plan	March 2022 (with actions through June 2022 to be determined)	Milestones from Goals 1 & and ongoing input and guidance from Leadership Collaborative	First 5 OC Consultant under direction of Leadership Collaborative

Countywide Home Visiting Coordination

Leticia Casillas-Sanchez, First 5 OC

Christina Altmayer, Principal, HMA

Betsy Uhrman, Senior Associate, HMA



Prenatal-to-Three is a Critical Period for Early Intervention & Family Support

One of the four strategies in 2022-2026 Strategic Plan recognizes the importance of early intervention for system change

Get Involved Early - We invest in programs, services, and partnerships that focus on prevention, identify mental and developmental health needs as early as possible, and link children and families to resources.

Home Visiting

- Home Visiting has been a flagship program of First 5 OC since 2000
- Parents As Teachers launched as evidence-based model to strengthen our delivery of services
- Aligns with our revised strategic plan focus area to “Promote services that support Protective Factors for children and families”
- Potentially allows us to cast a wider net for Prenatal-to-Three, with Home Visiting being our initial focus and then expanding to other supports for families

Home Visiting Coordination Work

Intent is to establish a coordinated and integrated system of supports for Orange County families

- First 5 California funding to County Commissions as part of Home Visitation Coordination grants
- First 5 Orange County's role as a partner alongside others and as a connector



Health Management Associates

- Christina Altmayer and Betsy Uhrman from Health Management Associates (HMA)
- HMA is guiding and informing coordination and integration efforts of the home visiting system
- HMA will support the development of a comprehensive and integrated Prenatal-to-Three strategy

Health Management Associates

Building an integrated Prenatal-to-Three strategy for Orange County

Collaborative effort of:



W W W . H E A L T H M A N A G E M E N T . C O M



Why Prenatal-to-Three is an important and unique intervention strategy



The most rapid period of growth for the human brain occurs in the earliest years of life.

The brain is also the most plastic during this time; in other words, the brain is the most adaptable to the conditions it experiences during this period of life

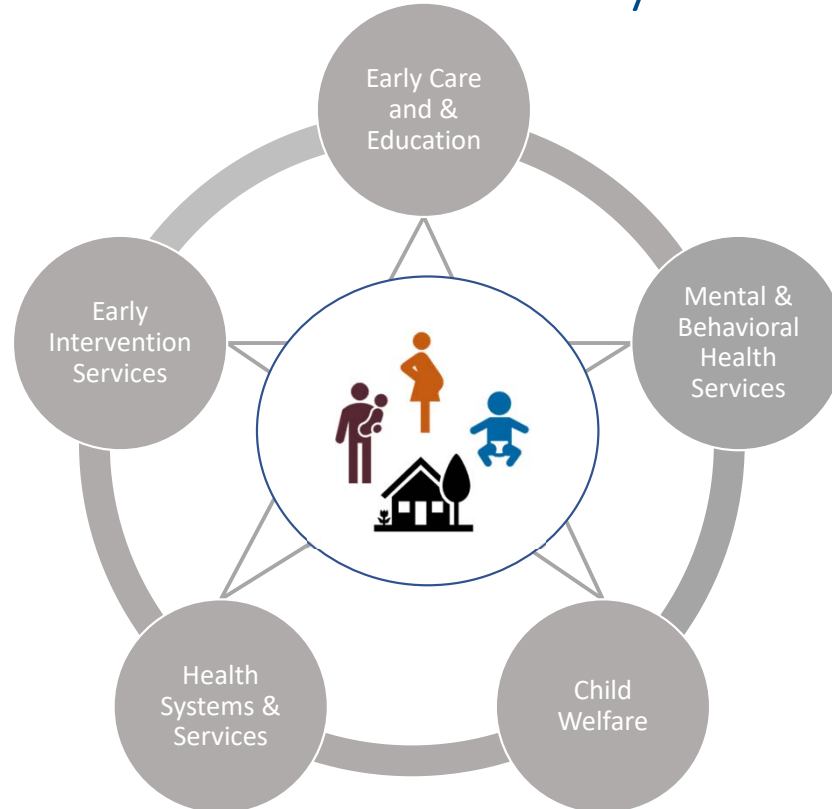
Because of this plasticity, young children are especially vulnerable to the conditions in their lives and their interactions with key caregivers during the youngest years.

Adversity during this time can have far-reaching consequences, but this time can also provide a window of opportunity to build the basis for lifelong resilience.

https://pn3policy.org/wp-content/uploads/2020/12/PN3PolicyImpactCenter_B001202101_WhyFocusonPN3.pdf

Goal is to build an integrated Prenatal-to-Three system

How do we bring together these components into an *integrated system* of care for families?



First 5 OC's Prenatal-to-Three strategies are “nested within” a larger system of family supports

Integrating systems and coordinating services is key to early intervention



W W W . H E A L T H M A N A G E M E N T . C O M

Why an initial focus on home visiting within the Prenatal-to-Three system?

- Significance of investment: F5OC connecting with approximately 65% of annual births
- Platform: home visiting provides an important portal for connecting families with community resources
- System Connections: multiple providers and funders creating complexities and opportunities for blending and braiding funding



FY21-22	Home Visiting	HealthySteps* (3 FQHC sites)	Project DULCE* (3 CHOC sites)
F5OC Estimated Annual Investment	\$4.6M	\$375K	\$380K***
Estimated Capacity	~2,400 ~23,000**	3,209	~250

*Universal model at FQHC sites

** Includes Bridges Hospital Early Outreach and Referral Svcs.

*** Includes funds for Public Law Center

Building an integrated system for home visiting requires coordination of multiple infrastructure elements



Informed by National BUILD Collaborative Home Visiting System Building Recommendations

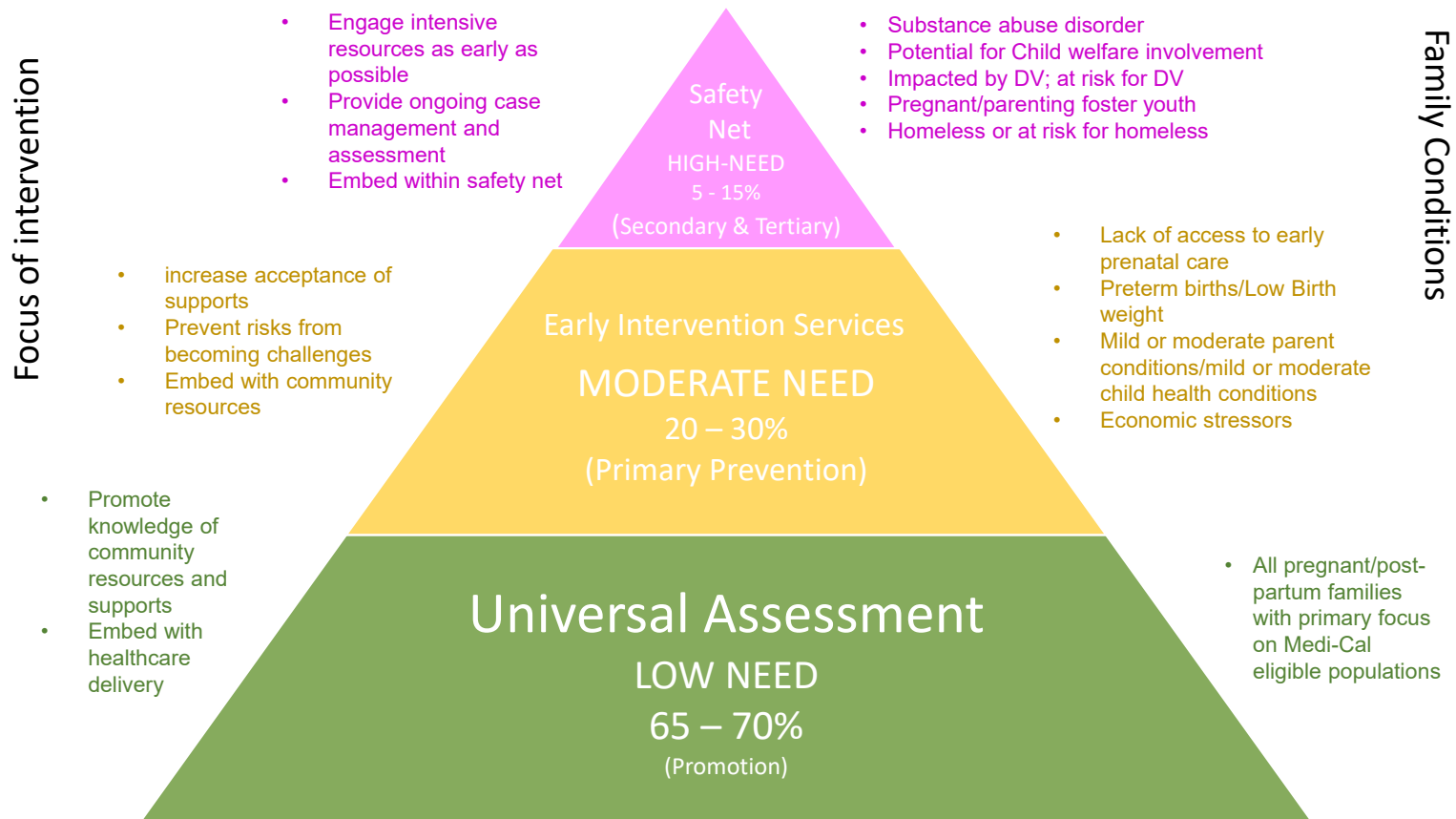
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How we've approached this work

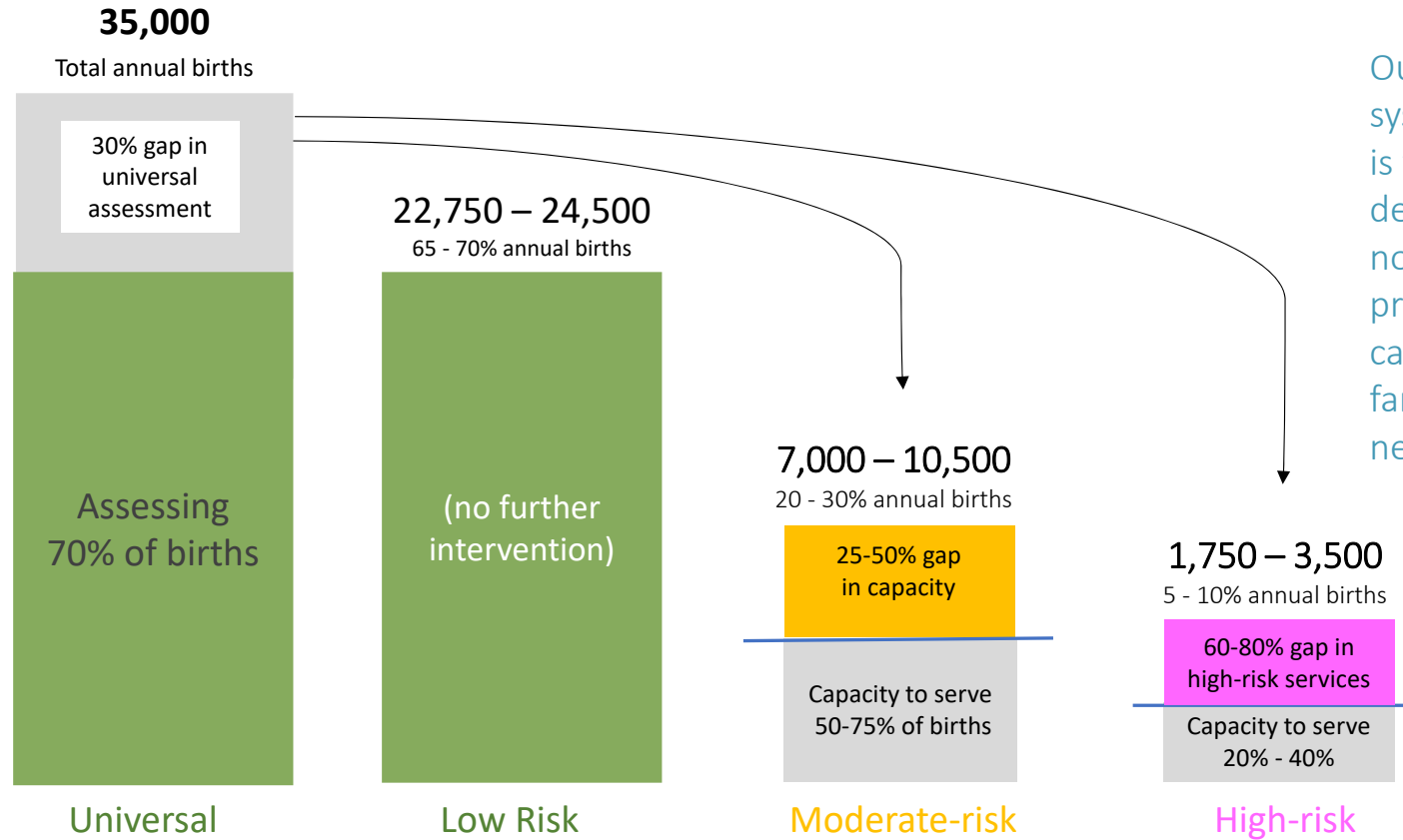
- Step 1: Landscape Analysis
- Step 2: Build Collaborative Partners' Commitment
- Step 3: Set a Vision and Priorities
- Step 4: Prioritize and Advance System Change Opportunities

W W W . H E A L T H M A N A G E M E N T . C O M

Step 1. Landscape Analysis: understand family needs and resources



Step 1. Landscape Analysis: understand family needs and resources



Our home visiting system planning work is focused on developing a system, not individual programs, with the capacity to support families based on their needs

Step 2. Build Collaborative Partnerships



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Step 3: Draft Vision Statement

Orange County's early childhood system provides easy and equitable access to culturally-responsive, integrated supports to all Orange County birthing persons and parenting families (up to age three), prioritizing families that would benefit most from early interventions.

- **Families** are engaged, at every stage, as partners in building the foundation for lifelong well-being and healthy development.
- **Providers** across the system work together to codesign solutions to ensure high-quality services and supports.
- **Funders** (public and private) work collaboratively and with transparency to align expectations, resources, and practices for greater coordination and impact at a systems level.

Together, we advocate locally and statewide for policies and investments that remove barriers to access and engagement, elevate quality, and advance equity.

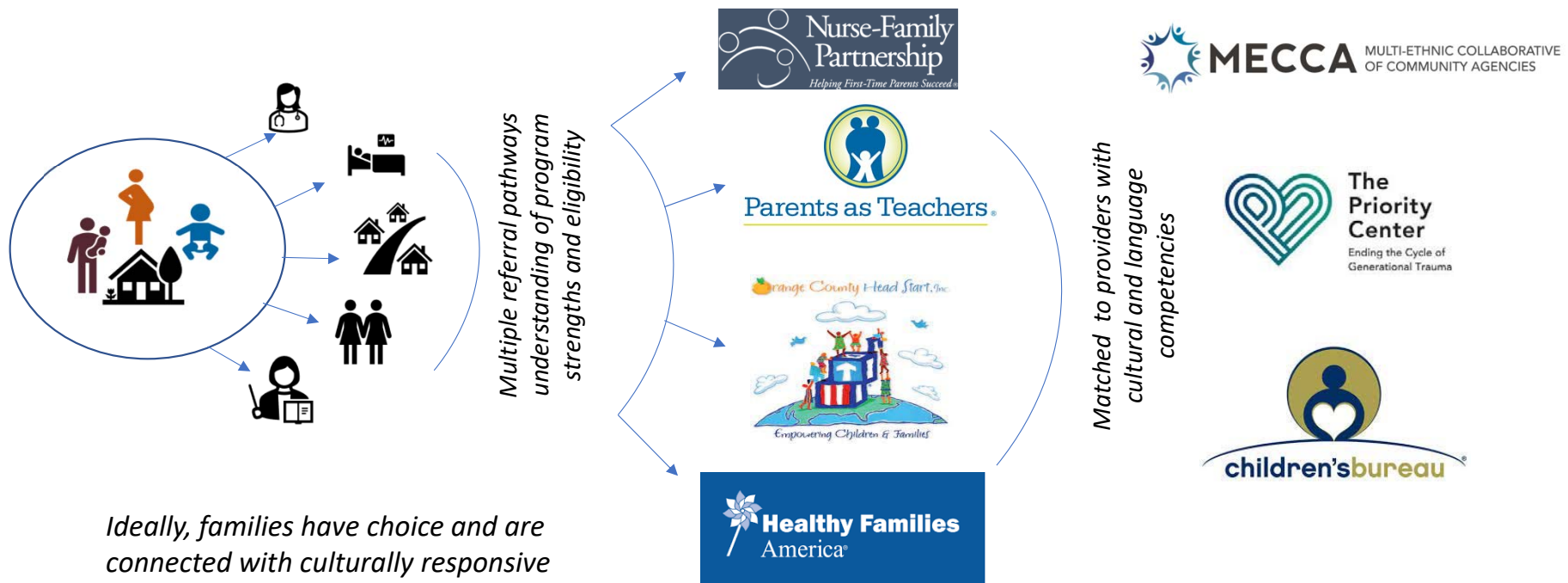
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Current challenges.....what we've learned

- Insufficient referral networks and inconsistent program utilization
- Families enrolled in programs not always well-matched to needs (patient “fit the program”)
- Lack of data around program capacity
- Lack of adequate technology to facilitate referrals and identify system capacities
- Competition and disincentives to be collaborative/communicative/match to family needs given caseload targets
- Lack of clear/shared understanding around quality

Step 4: Prioritize and Advance System Change Opportunities



Ideally, families have choice and are connected with culturally responsive programs and providers that best meet their needs.

What strategies have communities employed to address these challenges?

System Challenge	Possible Solutions	What it solves?	Limitations?
Families enrolled in programs not well matched to needs	Defined pathway process flow – Partners agree on decision tree for supporting families in accessing services to best meet need	Provides visibility into program criteria and eligibility, fosters collaboration among providers	Relies on staffing knowledge of programs, requires ongoing investment to keep system understanding current
Families enrolled in programs not well matched to needs Inconsistent utilization	Centralized intake system	Coordinates program entry, standardizes assessment and referral protocols	Limits families' portals into receiving care, requires multiple "hand-offs" for families
Families enrolled in programs not well matched to needs Lack of data on utilization and program capacity	Backbone agency with integrated data system	Provides real-time monitoring of system capacity and referrals, identifies common challenges across system, establishes quality controls	Cost for sustaining system support
Lack of closed loop referrals	Web-based referral platforms to facilitate referrals	Provides visibility into program criteria and eligibility, fosters collaboration among providers Closed loop referrals Acceptance of capacity	Requires providers to regularly update and maintain system capacity


Next Steps

- Refine our understanding of the challenges and potential solutions (Nov-Dec)
 - Provider input – convene grantees and subgrantees
 - Parent and family input
- Continue to engage First 5 OC's Technical Advisory Committee
- Continue to work with leadership among collaborative partners to identify and prioritize system integration opportunities

Agenda Item 2
December 1, 2021

DATE: October 26, 2019

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Approve First 5 Orange County Children and Families Commission and Technical Advisory Committee Meeting Calendar for 2022

SUMMARY:

The First 5 Orange County Children and Families Commission and the Technical Advisory Committee conduct regularly scheduled meetings throughout the year. This item recommends approval of meeting dates for 2022.

DISCUSSION:

First 5 Orange County Children and Families Commission Meetings

First 5 Orange County Commission Members are appointed by the Board of Supervisors to direct the policy, funding, and business to improve outcomes for children prenatal to age five. First 5 Orange County currently meets on the first Wednesday of the months of February, April, June, August, October, and December. The meetings are currently scheduled at 9:00 a.m. at the Orange County Transportation Authority Conference Center located at 550 South Main Street in Orange. However, Commission Meetings may be held via Zoom, as permitted by the Ralph M. Brown Act, until the Commission is able to hold in-person meetings.

Technical Advisory Committee

The Technical Advisory Committee (TAC) members are appointed by First 5 Orange County and are responsible for advancing systems change, focusing on shifting the conditions that hold persistent barriers in place for serving young children and families. The TAC meets four times per year. Proposed meetings for 2022 are in March, June, September, and December. The TAC is scheduled to meet on designated dates from 10:00 a.m. to 11:30 a.m. at the Orange County Transportation Authority Conference Center. The Committee may meet via Zoom, as permitted under the Ralph M. Brown Act, until they are able to hold in-person meetings at the Orange County Transportation Authority Conference Center.

Approval is recommended for the First 5 Orange County Children and Families Commission and Technical Advisory Committee proposed calendar and meeting dates for 2022 (Attachment 1).

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. There is no funding action proposed for this item.

PRIOR COMMISSION ACTION:

- December 2018 - Approved the 2019 meeting calendars for the Children and Families Commission of Orange County and Pediatric Health Services Committee as submitted
- December 2019 – Approved 2020 and 2021 meeting calendars for the Children and Families Commission of Orange County and Technical Advisory Committee as submitted
- December 2020- Approved the Updated 2021 First 5 Orange County Children and Families Commission and Technical Advisory Committee meeting calendar

RECOMMENDED ACTION:

Approve the 2022 (Attachment 1) First 5 Orange County Children and Families Commission and Technical Advisory Committee meeting calendar.

ATTACHMENTS:

1. First 5 Orange County Children and Families Commission 2022 Meeting Calendar

CONTACT:

Rhonda Esera

FIRST 5 ORANGE COUNTY, CHILDREN AND FAMILIES COMMISSION 2022 MEETING CALENDAR

JANUARY						
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NOVEMBER						
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DECEMBER						
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Regular Commission meetings are held at 9:00 a.m. at the Orange County Transportation Authority Conference Center
550 South Main Street, Orange, California 92868



Regular Meeting



County Holiday Observed




Technical Advisory Committee

Agenda Item 3
December 1, 2021

DATE: November 4, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Appoint Gail Araujo and Scott Burdick to the First 5 Orange County Technical Advisory Committee

SUMMARY:

In December 2019, First 5 Orange County expanded and broadened the membership of its Technical Advisory Committee (TAC) to a more diverse makeup of early childhood health and development experts. This agenda item recommends the appointment of two members to the First 5 Orange County TAC.

DISCUSSION:

The California Children and Families Act requires that each First 5 county commission establish one or more advisory committees to provide technical and professional expertise that will be beneficial in accomplishing the purposes of the Act. In August 2019, First 5 Orange County's policies and procedures were amended to broaden TAC membership to include experts in early learning and childhood development, reflecting the desire to engage the TAC in First 5's systems change efforts. Since then, the First 5 Board has appointed additional members to the TAC to represent key organizations and systems of care in Orange County including Social Services Agency, Orange County Department of Education, and CalOptima.

Earlier this year, Social Service Agency Representative and TAC Member Christine Snapper was appointed to Division Director, Children and Family Services. Gail Araujo was named the new Division Director, Family Self Sufficiency and Adult Services to replace Christine Snapper.

First 5 OC and Social Services Agency agree that it will be beneficial for both departments at SSA to participate on the TAC. This agenda item appoints Gail Araujo to serve on TAC representing Family Self Sufficiency Services, and Scott Burdick, Deputy Director, Department of Children and Family Services, as TAC representatives. Brief biographies for Gail and Scott are provided in Attachment 1.

Staff anticipates bringing recommendations for additional TAC members to the Commission in the future to include other systems of care impacting young children and families, for example, Head Start or Regional Center of Orange County.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action presented in this staff report has been reviewed in relation to the Strategic Plan and is consistent with applicable goals. This agenda item does not include a funding request.

PRIOR COMMISSION ACTIONS:

- August 2021 – Appoint Pshyra Jones to the First 5 Orange County Technical Advisory Committee
- April 2021 – Appoint Edwin Poon to the First 5 Orange County Technical Advisory Committee
- December 2019 – Approve appointments to the Technical Advisory Committee
- August 2019 – Approve updated Administrative Policies and Procedures relating to the Technical Advisory Committee

RECOMMENDED ACTION:

Appoint Gail Araujo and Scott Burdick to the First 5 Orange County Technical Advisory Committee.

ATTACHMENTS:

1. Gail Araujo and Scott Burdick biographies

CONTACT: Lisa Burke

Gail Araujo, Social Services Agency
Division Director, Family Self-Sufficiency & Adult Services

Gail Araujo has served human services agencies and programs for over 23 years. During her career, she has worked within public assistance and CalWORKs programs, administrative services functions, and the Family Self-Sufficiency & Adult Services division.

Prior to Ms. Araujo's appointment as Division Director of Family Self-Sufficiency & Adult Services, she served in several positions within the Social Services Agency including as Deputy Division Director of Adult Services which includes Adult Protective Services and In-Home Supportive Services programs, and Deputy Division Director over Contracts, Procurement, and Human Resources. Over the last year, she was also part of the Department Operations Center (DOC) supporting SSA's COVID response.

Gail began her career as an Eligibility Worker in the CalWORKs, CalFresh, and Medi-Cal programs. Before coming to the County of Orange in 2017, she worked in Los Angeles County at the Department of Public Social Services (DPSS) and the Los Angeles County Internal Services Department (ISD). She was also part of the LEADER Replacement System (LRS) and led Project Management related activities for the migration of their case management and eligibility determination system. She also served as the Communications Manager for LAPDSS where she provided oversight for internal and external communications.

Ms. Araujo holds a Bachelor's degree and Master's degree in Sociology from California State University, Fullerton.

Scott Burdick, Social Services Agency
Deputy Division Director, Children and Families Services

Scott Burdick is Deputy Division Director of the County of Orange Social Services Agency's Children and Family Services Division where he has worked for over 26 years. He currently oversees the Intervention and Prevention Services Section, which includes the Adult and Child Abuse Registry, Emergency Response, Child Abuse Services Team (CAST), Differential Response and Voluntary Family Services. He also has experience in Permanency Services, Families and Communities Together (FaCT) – the County's Family Resource Center platform, Resource Development and Management (RDM), Specialized Family Services, Investigations, Intake, Conditional Release to Intensive Supervision Program (C.R.I.S.P) and Best Known Practices.

Mr. Burdick has led or been integrally involved with numerous initiatives including programs to support Commercially Sexually Exploited Children (CSEC), Teen Court, The Teen Collaborative, Neighbor to Neighbor, Permanency Roundtables, Runaway Prevention and Recovery, Family to Family, the Children and Family Services Review process, the Children and Family Services System Improvement Plan, Structured Decision Making, Safe Measures, Group Home Monitoring and Safety Organized Practice.

In addition to his career with the Social Services Agency, Scott consults locally and nationally with several agencies. These partnerships have led him across the nation to assist other jurisdictions in strengthening child abuse prevention, evaluation, and assessment practices. He holds a Bachelor's Degree in Psychology and a Master's Degree in Counseling from California State University, Fullerton, and is currently a licensed Marriage and Family Therapist.

Agenda Item 4
December 1, 2021

DATE: November 5, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO



ACTION: Receive the 27th Annual Report on the Conditions of Children in Orange County

SUMMARY:

First 5 Orange County is closely involved in the annual Conditions of Children report, including serving on the Board of Supervisors-appointed body that oversees the report as well as managing the report's development and design under contract to Social Services Agency. The Orange County Board of Supervisors approved the 27th Annual Report on November 16th. This item highlights key report findings and summarizes next steps.

DISCUSSION:

First 5 Orange County is a member of the Orange County Children's Partnership, a 22-member advisory body to the Board of Supervisors, made up of public and community agencies. Supervisor and Commissioner Doug Chaffee chairs the Partnership. The Partnership is responsible for overseeing preparation of the annual Conditions of Children Report, which First 5 Orange County develops under contract to Orange County Social Services Agency. We subcontract with two consulting firms for development and production of the report: Health Management Associates and Luis Alvarado Design.

The Board of Supervisors approved the report on November 16th. It examines indicators across four interdependent areas: Good Health, Economic Well-Being, Educational Achievement, and Safe Homes and Communities. Each focus area includes the most recent data for indicators to assess improving or worsening trends over 10 years and help identify potential areas to be addressed to ensure all Orange County children thrive. Because data tends to lag real time, much of the data in the report reflects conditions prior to the onset of the COVID-19 pandemic.

As noted in the report, prior to COVID-19, Good Health trends revealed a continued decline in uninsured children and teen birth rates. In Economic Well-Being, while poverty among children declined, those eligible for but not receiving CalFresh and WIC increased. Pre-pandemic data for Educational Achievement revealed fewer students dropping out of high school, and more students taking the necessary classes to be college-ready. Within Safe Homes and Communities, the number of juvenile arrests, sustained petitions, and gang-related prosecutions continue to decline year-over-year.

According to the report, the behavioral health of children remains a concern. While the hospitalization rate for behavioral health conditions increased by 88% over 10 years, hospitalizations alone do not capture the complexity of behavioral health needs and outcomes. To help illuminate this complexity, behavioral health indicator was expanded to include early

childhood social and emotional health as well as adolescents experiencing chronic sadness, receiving psychological counseling, or being hospitalized for behavioral health issues. Finally, the report continues to bring disparities more clearly into view – revealing both the progress made and struggles experienced among Orange County’s children.

This year, the report includes a special section on COVID-19 including impacts to children’s mental health, mandated reporters, and enrollment in public benefits – along with the county’s collective response to support resiliency of children, youth, and families.

Also new this year, the report takes a unique approach to looking at indicators to better understand racial equity gaps. An “equity ratio” analysis is used, which was proposed by First 5 Orange County and embraced by the report steering committee and the full Partnership. The Equity Ratio is a method used to disaggregate data to understand the representation of population groups who disproportionately experience negative health, education, social and well-being outcomes. It can be used as a tool to identify disparities in outcomes and promote equity.

Now that the Board of Supervisors has approved the report, distribution into the community begins. Prior to the pandemic, distribution was primarily through a series of community forums held throughout the county. In addition to report distribution, the forums provided an opportunity to highlight key trends and have community dialogue around solutions. Last year, community forums were held virtually, and copies of the report were distributed primarily to and through the Partnership members. We expect a similar approach this year.

A copy of the 27th Annual Conditions of Children Report has been mailed to First 5 board members, and we welcome suggestions for additional distribution. We will keep you informed of planned community forums related to the report. Additionally, we could conduct a webinar highlighting the report, or conduct a series of meetings similar to a speaker’s bureau; we welcome board member suggestions.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is in alignment. There is no funding action proposed for this item.

PRIOR COMMISSION ACTIONS:

- October 2021 – Authorize receipt of \$113,000 and adopt resolution authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate an amendment to agreement with the Orange County Social Services Agency for the production of the 2022 Report on the Conditions of Children in Orange County and authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate amendments to agreements with designated organizations to provide evaluation, project management, and graphic design services for the 2022 Annual Report on the Conditions of Children in Orange County
- August 2020 – Authorize receipt of \$113,000 and adopt resolution authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate an amendment to agreement with the Orange County Social Services Agency for the production of the 2021 Report on the Conditions of Children in Orange County.

- April 2019 – Adopted resolution authorizing the President/CEO, or designee, to enter into agreements with designated organizations to provide evaluation, project management, and graphic design services for the 2019 and 2020 Annual Reports on the Conditions of Children in Orange County.
- December 2017 – Adopted resolutions authorizing agreements with designated organizations and SSA for the annual production of the Report on the Conditions of Children in Orange County and to receive a maximum of \$113,000, annually, for the term of March 1, 2018 through February 28, 2021.
- December 2016 – Adopted resolution authorizing agreements for the 23rd Annual Report on the Conditions of Children.

RECOMMENDED ACTION:

Receive the 27th Annual Report on the Conditions of Children in Orange County.

ATTACHMENTS:


None

CONTACT: Lisa Burke

Agenda Item 5
December 1, 2021

DATE: November 8, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Receive Update on First 5 Orange County's Policy Work Including: Guidelines for Policy Positions and Engaging Leadership; Legislative Platform; and the 2021-2022 Policy Ad Hoc Committee

SUMMARY:

In 2020, First 5 Orange County developed our first-ever Legislative Platform and Guidelines for Policy Positions and Engaging Leadership to set parameters for responsive and proactive input to local, state, and federal policy matters related to early childhood. This is an informational item on First 5 Orange County's legislative and policy documents and the formation of the 2021-2022 Policy Ad Hoc Committee.

DISCUSSION:

First 5 Orange County's Strategic Plan calls for cultivating community leadership, knowledge, and action by developing a leadership voice among local, state, and federal policy makers to champion and improve outcomes for young children. In the course of our work, there are opportunities to provide leadership on policies that impact young children and families. For example, First 5 Orange County may be asked to take a position on local, state, or federal legislation or regulations. Additionally, there are issues related to early childhood where First 5 proactively advances policy positions to support positive outcomes for young children.

On August 5, 2020, the Commission approved Guidelines for Policy Positions and Engaging Leadership (Attachment 1). This document was the first step in establishing criteria and a process for acting on legislative matters. On February 3, 2021, the Commission approved our first Legislative Platform (Attachment 2) that provides a framework for identifying and prioritizing legislative matters on which to advocate on behalf of Orange County's children ages 0-5 and their families.

The Legislative Platform adopted by the Commission last year takes a broad approach which allows staff to be efficient and nimble in responding to legislation and related activities. It includes the following priorities:

1. Increase opportunities for families to meaningfully participate in decision making and provide policy input.
2. Prioritize early childhood in policy making, relying on research and local data whenever possible to encourage others to also prioritize early childhood.
3. Improve systems to increase early access to comprehensive physical and mental health, cognitive development and early care and education.
4. Integrate the whole child/whole family's needs.

5. Support continued and future funding to further early childhood development and education, which align with and support our Strategic Plan activities.

Both the Guidelines for Policy Positions and Engaging Leadership and the Legislative Platform were reviewed by the 2020-2021 Policy and Communications Ad Hoc Committee and approved by the full First 5 board. The Guidelines and Legislative Platform both remain relevant in providing guidance to staff on how we engage proactively in policy matters, and the documents remain unchanged. Over the course of the year, staff will work with the Policy Ad Hoc Committee to assess the need to refine or update the documents for the 2023-2024 legislative year.

On January 3, 2022, the Legislature will reconvene for the second year of the two-year legislative session. Staff will closely monitor this session. Important dates to note include January 10, 2022 when the budget must be submitted by Governor; February 18, 2022 which is the last day for bills to be introduced; and June 15, 2022 when the Budget Bill must be passed by midnight. Staff will keep the board informed on legislative activities through Weekly Updates and at Commission meetings.

2021-2022 Policy Ad Hoc Committee

The Policy Ad Hoc Committee's purpose is to strengthen Commissioner and community engagement in First 5's policy work. This year, we anticipate a concentrated effort to identify board members' passions, networks, and engagement to create more early childhood champions in Orange County, and influence decision-makers and policies that relate to young children and families.

We envision this policy discussion being bi-directional. For example, staff may identify policies that exist or emerge throughout the year that would benefit from Commissioner involvement, such as creating champions for child care, home visiting coordination, and applying equity principles to our work. Also, there may be issues identified by Commissioners that intersect with First 5's work and the Strategic Plan.

The Policy Ad Hoc Committee will help staff define what increased Commissioner involvement in policy work could look like and how to support Commissioners engaging with their networks to create champions for early childhood, to influence decision-makers for early childhood, and include a lens of equity in decision-making. Commissioners appointed to the Ad Hoc Committee are Chair Baschshi, Commissioner Ersoylu, Commissioner Lavery and Vice-Chair Chaffee or a representative from his office.

Staff and the Policy Ad Hoc Committee will provide regular updates to the board on policy-related efforts.

STRATEGIC PLAN & FISCAL SUMMARY:

This item has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. There is no funding action proposed for this item.

PRIOR COMMISSION ACTIONS:

- April 2021 – Approve Fiscal Year 2021/22 – 2025/26 Strategic Plan

- February 2021 – Received a Presentation on the First 5 Orange County Legislative Platform
- August 2020 – Adopted First 5 Guidelines for Policy Positions and Engaging Leadership
- April 2019 – Adopted First 5 Orange County 2019-2024 Strategic Plan

RECOMMENDED ACTION:

Receive update.

ATTACHMENTS:

1. First 5 Orange County Guidelines for Policy Positions and Engaging Leadership
2. First 5 Orange County Legislative Platform

CONTACT: Tiffany Alva

Guidelines For Policy Positions & Engaging Leadership

Background

First 5 Orange County's 2021-2025 Strategic Plan outlines how the organization invests to ensure all children reach their full potential. It focuses on prevention and earliest intervention to meet children and families' needs, aims to connect systems of care to provide seamless quality services to families, and elevates equity to prioritize families most in need. It also calls for cultivating community leadership, knowledge and action related to early childhood by developing an internal and external leadership voice among local, state, and federal policy makers to champion and improve outcomes for young children. These guidelines establish the parameters for policy-related activities and leadership engagement, and expressly permits First 5 Orange County to support policy activities for young children and families strategically, proactively, and in a timely manner.

Policy Protocol

1. First 5 Orange County is non-partisan.

2. First 5 Orange County may take positions on federal, state, and local policy matters, which may include legislation, regulations, local ordinances, ballot measures, and operational issues that affect:

- Orange County's children, prenatal to age five and their families;
- First 5 Orange County's ability to work towards its vision; and
- First 5 Orange County's status or its funding.

3. First 5 Orange County may proactively develop policy, including:

- Taking a leadership role to convene stakeholders on a policy matter;
- Preparing policy statements or briefs that may be adopted by the Commission; and
- Work with legislators to develop legislation related to young children and families.

Process for Acting on Policy Matters

First 5 Orange County's Strategic Plan will be the guiding document for its policy positions. The CEO will use the Strategic Plan to determine whether a policy matter is in alignment, and

how the issue will affect children prenatal to age five and their families, and/or First 5 Orange County as an organization. Staff will research how similar and partner organizations are supporting the issue, particularly the position being taken by the First 5 Association, First 5 California, and the County of Orange, and the CEO will determine which activities to engage in.

First 5 Orange County will develop a policy platform for Commission approval on an annual basis. The policy platform will be developed based on the policy guidelines, in alignment with First 5 Orange County's Strategic Plan and the First 5 Association policy platform.

CEO's Authority

The CEO, and/or CEO's designee, has the authority delegated by First 5 Orange County to engage in policy related activities, including but not limited to:

- Consult with the Policy & Communications Ad Hoc Committee in an advisory capacity on policy issues or positions
- Provide testimony at public hearings
- Provide written comments and/or letters on proposed policy matters and ballot measures
- Meet with legislators and elected officials
- Write or co-sign letters to legislators and policy makers
- Collaborate with county agencies, funders, nonprofits, etc.
- Interact with the media
- Educate the public and policymakers (trainings, white papers, educational forums)
- Convene experts
- Publish policy -related information on the website, in newsletters, and on social media

The CEO and/or the Commission Chair has signature authority on letters and written comments. Both the CEO and Commission Chair may co-sign letters to emphasize the position taken.

The CEO or designee will report on policy and leadership engagement actions taken through Weekly Update memos and/or at Commission meetings.

First 5 Orange County Legislative Platform



First 5 Orange County's vision is that all children reach their full potential.

To achieve this vision, we use four strategies – get involved early, elevate equity, empower champions, and align systems of care – to guide our investments, prioritize our work and interact with our community.


The following Legislative platform allows us to advocate for young children and their families to help reach our vision:

- 1** Increase opportunities for families to meaningfully participate in decision making and provide policy input.
- 2** Prioritize early childhood in policy making, relying on research and local data whenever possible to encourage others to also prioritize early childhood.
- 3** Improve systems to increase early access to comprehensive physical and mental health, cognitive development and early care and education.
- 4** Integrate the whole child/whole family's needs.
- 5** Support continued and future funding to further early childhood development and education.

**Agenda Item 6
December 1, 2021**

DATE: November 22, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Adopt Resolution Finding that, Due to the Proclaimed State of Emergency Arising From the Novel Coronavirus (COVID-19), Meeting in Person Presents Imminent Risks to the Health and Safety of Attendees, and the Emergency Continues to Directly Impact the Ability of the Members to Meet Safely in Person

SUMMARY:

The First 5 Orange County Children and Families Commission holds regular public meetings to act on measures related to its programs, projects, and services. To conduct teleconferencing meetings in compliance with the Ralph M. Brown Act (Brown Act), it is recommended that the Board of Commissioners adopt a resolution finding that, due to the proclaimed state of emergency arising from the novel coronavirus (COVID-19), meeting in person presents imminent risks to the health and safety of attendees and the emergency continues to directly impact the ability of the members to meet safely in person.

DISCUSSION:

Assembly Bill 361 (Chapter 165, Statutes of 2021) amended the Brown Act to allow local legislative bodies to meet using abbreviated teleconferencing procedures during a proclaimed state of emergency. If the Board of Commissioners wishes to conduct meetings virtually using the abbreviated teleconferencing procedures during the proclaimed state of emergency due to COVID-19, it must determine by resolution that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees. To allow the Board of Commissioners and its Technical Advisory Committee to continue meeting virtually, the Board must reconsider the circumstances of the state of emergency every 30 days and determine that the state of emergency continues to directly impact the ability of the members to meet safely in person.

By adopting the Resolution (Attachment 1), the Board of Commissioners and its Technical Advisory Committee will be permitted to meet virtually for 30 days in accordance with the Brown Act teleconferencing requirements.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas. There is no specific funding action proposed for this item.

RECOMMENDED ACTION:

Adopt Resolution finding that, due to the proclaimed state of emergency arising from COVID-19, meeting in person presents imminent risks to the health and safety of attendees, and the emergency continues to directly impact the ability of the members to meet safely in person.

ATTACHMENTS:

1. Resolution

CONTACT:

Kimberly Goll

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21-C&FC

December 1, 2021

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FINDING THAT, DUE TO THE PROCLAIMED STATE OF EMERGENCY ARISING FROM THE NOVEL CORONAVIRUS (COVID-19), MEETING IN PERSON PRESENTS IMMINENT RISKS TO THE HEALTH AND SAFETY OF ATTENDEES, AND THE EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF THE MEMBERS TO MEET SAFELY IN PERSON.

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

WHEREAS, the Board of Commissioners holds regular and special public meetings pursuant to the Ralph M. Brown Act (the “Brown Act”), Government Code section 54950, *et seq.*; and

WHEREAS, the Brown Act, as amended by Assembly Bill 361 (Chapter 165, Statutes of 2021), permits the Commission to use teleconferencing for meetings of the Board of Commissioners without complying with specified teleconferencing requirements imposed by the Brown Act when the Board of Commissioners holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, to continue to hold teleconferencing meetings during the proclaimed state of emergency, the Brown Act requires the Board of Commissioners to make findings every thirty (30) days, by at least a majority vote, that the Board of Commissioners has reconsidered the circumstances of the state of emergency and determines that the state of emergency continues to directly impact the ability of the members to meet safely in person.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 The above findings and recitals are true and correct and are incorporated herein in full by this reference.

Section 2 Governor Gavin Newsom has proclaimed a state of emergency due to the global pandemic caused by the novel coronavirus (COVID-19), which remains active as of the adoption of this Resolution.

Section 3 The Board of Commissioners must continue to hold regular and special meetings, pursuant to the Brown Act, during the proclaimed state of emergency.

Section 4 As a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

Section 5 The Board of Commissioners has reconsidered the circumstances of the state of emergency and determines that it continues to directly impact the ability of the members to meet safely in person.

Section 6 This Resolution shall take effect upon adoption.

Section 7 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on December 1, 2021 to wit:

AYES Commissioners: _____

NOES Commissioner(s): _____

EXCUSED Commissioner(s): _____

ABSTAINED Commissioner(s): _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

Robin Stieler

Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-21-C&FC

Agenda Date: December 1, 2021

Item No. __



I certify that the foregoing is a true and correct copy of the
Resolution adopted by the


ROBIN STIELER, Clerk of the Commission

By: _____
Deputy

**Agenda Item 7
December 1, 2021**

DATE: November 2, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Conduct Public Hearing and Authorize President/CEO to Submit the Annual Comprehensive Financial Report to First 5 California and the State Controller's Office

SUMMARY:

First 5 Orange County is required to conduct a public hearing to approve the annual audit before submittal to First 5 California and the State Controller's Office. This item presents the annual independent audit report conducted by Eide Bailly LLP. The fiscal year results reported in the financial statements will be summarized and presented with the update of the Long-Term Financial Plan at a future Commission meeting.

DISCUSSION:

The California Children and Families Act of 1998 (Health and Safety Code Sections 130140 & 130150) requires that each county commission complete an annual audit and program report of the preceding fiscal year, conduct a public hearing on the audit and program reports, and submit both to the First 5 California Commission and the audit report to the State Controller's Office on or before November 1st of each year. The annual program report was provided and approved at the October 2021 meeting.

Due to circumstances beyond the control of First 5 Orange County, an extension was requested and granted by the California State Controller's Office until December 7, 2021, for the submission of the annual audit report for Fiscal Year 2020-2021. As a participant in the County of Orange Retiree Medical Plan, the Commission is required to report under accounting standards related specifically to other post-employment benefits. Utilizing these standards, County of Orange auditors verified a report detailing Retiree Medical Plan information relevant to the Commission. This process created the delay, and the deadline to submit the annual audit to the California State Controller's Office and First 5 California was extended. The audit of the Retiree Medical Plan was completed, and the Comprehensive Annual Financial Report is submitted as Attachment 1.

Annual Comprehensive Financial Report

Eide Bailly LLP performed an independent annual audit of Commission financial statements for Fiscal Year 2020-2021 that included the expanded audit compliance requirements mandated by statute. The auditors conducted their audit work in accordance with all standards applicable to financial audits including generally accepted auditing standards, standards and procedures issued by the California State Controller's Office, and Government Auditing Standards issued by the Comptroller General of the United States. The Comprehensive Annual Financial Report for

the Year Ended June 30, 2021 (Attachment 1) was prepared in compliance with the most up to date guidelines issued by the State Controller.

The independent auditors found no instances of noncompliance with state or federal laws and regulations concerning financial matters. The auditors found no significant deficiencies, material weaknesses involving internal controls over financial reporting, or audit adjustments, and rendered an unmodified opinion on the Commission's Comprehensive Annual Financial Report for Year End June 30, 2021. Eide Bailly states these same results in the following reports:

Independent Auditor's Report: "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Commission, as of June 30, 2021, and the respective changes in financial position thereof and budgetary comparison for the general fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America."

Auditors' Report on State Compliance: "In our opinion, the Commission compiled, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2021."

STRATEGIC PLAN & FISCAL SUMMARY:

The report and recommended action presented in this report have been reviewed in relation to the Commission's Strategic Plan and are consistent with applicable goals. There is no funding action proposed for this item.

PRIOR COMMISSION ACTIONS:

- October 2021 – Conducted Public Hearing on Fiscal Year 2020-2021 Annual Report
- December 2020 – Conducted Public Hearing and authorized the President/CEO to submit the Annual Financial Report to First 5 California and the State Controller's Office
- October 2020 – Conducted Public Hearing on Fiscal Year 2019-2020 Annual Report
- June 2020 – Conducted Public Hearing, adopt resolutions and receive the Fiscal Year 2020/2021 Proposed Budget and Fiscal Year 2019-2020 Amended Operating Budget

RECOMMENDED ACTION:

1. Conduct Public Hearing
2. Receive the Annual Comprehensive Financial Report for Year Ended June 30, 2021, including State Compliance Report, (Attachment 1) and authorize the President/CEO to submit the Annual Financial Audit Report, along with any supporting materials, to First 5 California and the State Controller's Office.

ATTACHMENTS:

1. Annual Comprehensive Financial Report for Year Ended June 30, 2021
2. Audit Conclusion Communication Letter

CONTACT: Michael Garcell

Item 7 Attachment 1

Will be available on November 29, 2021


Item 7 Attachment 2

Will be available on November 29, 2021

**Agenda Item 8
December 1, 2021**

DATE: November 2, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Adopt Fiscal Year 2022-2023 Employer and Employee Retirement Contribution Rates as Established and Adopted by the Orange County Employees Retirement System

SUMMARY:

First 5 Orange County Children and Families Commission is a participant of the Orange County Employees Retirement System (OCERS). This item requests approval for the annual adoption of the employer and employee retirement contribution rates as required by Assembly Bill 538 (effective January 1, 2006).

DISCUSSION:

On June 21, 2021, the OCERS Board of Trustees adopted new employer and employee retirement contribution rates for Fiscal Year 2022-2023, including for First 5 Orange County. These rates are based on a comprehensive actuarial study of the Retirement System performed by The Segal Company. The December 31, 2020 Actuarial Valuation Report presents the OCERS funding requirements for Fiscal Year 2022-2023 and is located on the OCERS website at www.ocers.org.

First 5 Orange County employees fall within two OCERS retirement plans. Plan J includes retirement system members who started employment before January 1, 2013. Plan U includes all members starting after January 1, 2013.

Employer Contribution

The newly adopted employer contribution rates for Plans J and U (provided on Attachment 1) consist of two components: the Normal Retirement Rate which covers retirement costs going forward; and the Unfunded Accrued Actuarial Liability (UAAL) rate which covers retroactive retirement costs.

Normal Retirement Rate: The Fiscal Year 2022-2023 employer Normal Rate for Plan J members of 14.69% represents a slight increase from 14.34%. Employer rates for Plan U members will decrease to 8.37% from the previous rate of 8.81%. Rate changes are due to the actual contributions and other experience factored into the December 31, 2020 actuarial valuation.

Unfunded Accrued Actuarial Liability Rate: First 5 Orange County paid off its current UAAL on November 15, 2017, and the Fiscal Year 2022-2023 rates reflect that payment. The UAAL rate without the payoff adjustment would have been close to 29% instead of the current proposed rate of 5.98%.

Employee Contribution

The employee Normal Rate (also provided on Attachment 1) is determined by employee age at entry to OCERS and will experience an increase of 0.06% for Fiscal Year 2022-2023 for Plan J members and a decrease of 0.4% for Plan U members, based on the average entry age of 28.

Approval is recommended to adopt the employer and employee retirement contribution rates as recommended and adopted by OCERS for Fiscal Year 2022-2023.

The necessary steps for the Commission to participate in the early payment discount for Fiscal Year 2022-2023 are being implemented. Since net fixed income returns on Commission investments with the County Treasurer are projected to earn 0.30% for Fiscal Year 2021-2022, securing a 5.8% discount by early payment is a prudent budgeting decision that will not impact required cash flow nor interest earnings.

STRATEGIC PLAN & FISCAL SUMMARY:

The Fiscal Year 2022-2023 retirement contribution rate schedule recommended and adopted by OCERS has been reviewed in relation to the Strategic Plan and is consistent with prior practice and supports all goal areas of the Strategic Plan. The Fiscal Year 2022-2023 retirement contribution rates will be incorporated into the Fiscal Year 2022-2023 budget.

PRIOR COMMISSION ACTIONS:

- December 2020 – Adopted implementation of employer and employee retirement contribution rates as recommended and adopted by OCERS for FY 2021/22
- December 2019 – Adopted implementation of employer and employee retirement contribution rates as recommended and adopted by OCERS for FY 2020/21
- October 2017 – Authorized payment of the Children and Families Commission of Orange County's Unfunded Actuarial Accrued Liability to OCERS in an amount not to exceed \$1,800,000.

RECOMMENDED ACTION:

Adopt implementation of Fiscal Year 2022-2023 employer and employee retirement contribution rates as established and adopted by the Orange County Employees Retirement System (OCERS) on June 21, 2021.

ATTACHMENTS:

1. Fiscal Year 2022-2023 Orange County Employees Retirement System (OCERS) Employee Contribution Rates

CONTACT: Michael Garcell

**Orange County Children and Families Commission
Employer / Employee Contribution Rates
Effective Pay Period 15, July 1, 2022**

<u>Employer Contribution Rates</u>			
Rate Group	Plan	Rate	
#2	J (General)	Normal	14.69%
		UAAL	<u>5.98%</u>
		Total	20.67%
#2	U – PEPRA	Normal	8.37%
		UAAL	<u>5.98%</u>
		Total	14.35%

***Reverse Pickups:**

OCCFC bargaining units under the 2.7% at 55 plans are subject to an employee-paid reverse pickup which has not been accounted for in the employer rate above. Any reverse pickup arrangements are between the employer and employee bargaining units. The reverse pickup rate schedule is available online at:

<https://www.ocers.org/sites/main/files/file-attachments/reversepickups.pdf>

<u>Employee Contribution Rates</u>		
Entry Age	Plan J (2.7% @ 55)	PEPRA
		Plan U (2.5% @ 67)
15	9.93%	7.03%
16	9.93%	7.03%
17	10.11%	6.72%
18	10.28%	6.39%
19	10.47%	6.51%
20	10.65%	6.62%
21	10.84%	6.74%
22	11.03%	6.86%
23	11.22%	6.99%
24	11.42%	7.11%
25	11.62%	7.24%
26	11.82%	7.36%
27	12.03%	7.50%
28	12.25%	7.63%
29	12.46%	7.76%
30	12.69%	7.90%
31	12.91%	8.04%
32	13.15%	8.18%
33	13.39%	8.33%
34	13.63%	8.47%
35	13.89%	8.62%
36	14.15%	8.78%
37	14.41%	8.93%
38	14.67%	9.09%



**Orange County Children and Families Commission
Employer / Employee Contribution Rates
Effective Pay Period 15, July 1, 2022
(continued)**

**Employee Contribution Rates
(continued)**

Entry Age	Plan J (2.7% @ 55)	PEPRA
		Plan U (2.5% @ 67)
39	14.91%	9.25%
40	15.16%	9.42%
41	15.40%	9.59%
42	15.64%	9.76%
43	15.89%	9.93%
44	16.15%	10.12%
45	16.39%	10.30%
46	16.60%	10.49%
47	16.75%	10.69%
48	16.84%	10.90%
49	16.83%	11.10%
50	16.72%	11.30%
51	16.49%	11.50%
52	16.13%	11.69%
53	16.65%	11.88%
54	17.20%	12.08%
55	17.20%	12.28%
56	17.20%	12.49%
57	17.20%	12.68%
58	17.20%	12.86%
59	17.20%	12.99%
60	17.20%	13.08%
61	17.20%	13.10%
62	17.20%	13.05%
63	17.20%	12.93%
64	17.20%	12.73%
65	17.20%	13.14%
66 and thereafter	17.20%	13.58%

Average entry age and discounted percentages applicable to employee contributions paid under Section 31581.1 are:

Rate Group	Plan	Discounted Percentage	Average Entry Age
#2	Plan J (General)	98.95%	28

Agenda Item 9
December 1, 2021

DATE: October 27, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO



ACTION: Receive Report on the First 5 Association's Strategic Plan

SUMMARY:

First 5 Orange County is a member of the First 5 Association, which is a network comprised of the 58 county First 5s in California. This agenda item contains a summary of the First 5 Association's recently updated Strategic Plan.

DISCUSSION:

The First 5 Association is a membership organization of the 58 First 5/Children and Families Commissions in California. Membership with the First 5 Association provides important linkage to a statewide voice on young children's issues and the value of membership has increased as both the Association and First 5 Orange County engage more extensively in systems work. We have been an active member of the Association for several years, and Kim Goll is currently serving the second year of a two-year term as President of the Association's executive committee (ends December 2021).

Each county First 5 develops local programs, policy, advocacy, and systems change on behalf of young children and families in their county, with the goal of improved outcomes for children. Similarly, the First 5 Association's body of work includes policy, advocacy, and systems change efforts at the state level. This facilitates a symbiotic relationship where we can leverage each other's work, amplifying local efforts at the state level, and vice versa.

This leveraging and amplification is most effective when we are focused on the same topics. The First 5 Association recently updated its Strategic Plan, and you will note from the summary below that the Association's priorities align closely with ours.

Summary of the First 5 Association Strategic Plan

First 5 Association's vision is that *California's success will be measured by the well-being of its youngest children*. Its mission is to *Advance the building of early childhood systems and supports needed to ensure all of California's young children are safe, healthy, and ready to learn so they can succeed in school and life*.

The Associations' updated Strategic Plan outlines three-year goals which are:

1. Leadership: support First 5 as a leader for statewide policy on children and families.
2. Systems Change: promote an integrated whole child, whole family system of care.
3. Local Impact: support local impact and leadership by First 5 Commissions.

It also delineates the Association's priorities for the next three years which include the following:

- Assert Policy Leadership & Drive Systems Change
- Facilitate Member Learning & Engagement
- Center Race, Equity, Diversity and Inclusion in All We Do
- Build Strategic Capacity & organizational Capability

Within the priority area of asserting policy leadership and driving systems change, the Association selected three primary focus areas: 1) universal home visiting and family strengthening; 2) early childhood mental health; and 3) early identification and intervention systems development. We have seen these priorities playing out over the past year as First 5 Association has been a strong advocate for expanded state funding of home visiting services and held a series of trainings for local First 5's about Race, Equity, Diversity and Inclusion. In the past month, the Association's sister organization, the First 5 Center for Children's Policy, developed a publication about infant and early childhood mental health needs, promoting the vital importance for young children and their caregivers to receive the interventions needed to support their mental health. These examples demonstrate the alignment and opportunity to leverage local and state work and networks.

One of First 5 Orange County's priorities which is not included in the Association's Strategic Plan is increasing the availability of infant and toddler child care. The First 5 Association acknowledges there is still a tremendous amount of policy work to be done around this topic. They also recognize that this policy issue has existing advocacy collaboratives, in which First 5 Association actively participates. Given that there are so many leading voices on policy for infant and toddler childcare, the Association chose to lean into the issue by supporting and amplifying the efforts of our partners who are leading policy work on this topic.

While our Strategic Plans do not match on every point, we are pleased with the level of alignment, and will continue to actively participate in the First 5 Association at the executive level as well as program, policy, and communications streams of work. We will elevate related Association work to the board as appropriate.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is in alignment. There is no funding action proposed for this item.

PRIOR COMMISSION ACTIONS:

N/A

RECOMMENDED ACTION:

Receive report on the First 5 Association's Strategic Plan.

ATTACHMENTS:

1. First 5 Association Strategic Plan 2022-24

CONTACT: Lisa Burke



Our Focus, Our Future

First 5 Association/California Children & Families Foundation
Strategic Plan: 2022-24

FIRST  **5**
ASSOCIATION OF CALIFORNIA

CALIFORNIA
CHILDREN & FAMILIES
FOUNDATION

ACKNOWLEDGMENTS

We would like to thank the many individuals and organizations who generously shared their time and expertise with us as part of the strategic plan development process. This document is the culmination of input, feedback, and insights gathered from local First 5 leaders across the state, early childhood policy and field leaders, partner organizations, First 5 Association Executive Committee, California Children & Families Foundation Board, and the staff team of the First 5 Association and First 5 Center for Children's Policy. The strategic planning process was made possible by the support of the Heising-Simons Foundation and the expert planning and facilitation leadership of Rafael Gomez of the Pacific Health Consulting Group and Clare Nolan of Engage R+D.

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Background

The First 5 Association/California Children & Families Foundation plays a critical role in building, advancing and protecting the early childhood systems and supports needed to ensure California's young children are safe, healthy, and ready to succeed in school and life. Our vision is that one day, California's success will be measured by the well-being of its youngest children.

We fulfill that vision by:

- Catalyzing best and emerging promising practices exchange, networking and mentoring among First 5 members to advance the development and proliferation of programs, services and systems that support young children 0-5 and their families;
- Serving as a policy organization advocating for whole child and whole family policies and systems specifically focused on California's young children 0-5 and their families;
- Harnessing the collective First 5 experience and community knowledge to influence state policy in support of children and families;
- Working in partnership with other organizations, advocates and coalitions around shared policy and systems goals;
- Providing deeper learning opportunities for members to advance their collective systems change goals, and;
- Charting a course to support our members in building, expanding and protecting services and systems to care for young children 0-5 and their families.

Strategic planning is a critical tool in the organization's ability to fulfill its mission and address the most important needs of California's young children and their families. This strategic plan is the product of an extensive process that included a thorough document review, Executive Committee and external stakeholder interviews, several member input sessions, facilitated planning sessions with the Executive Committee and Association leadership, and refinement of the proposed plan based on member and staff feedback. The outcome of this process is a set of three overarching goals and related strategies that will focus our efforts and sharpen our future impact.

Enclosed here is a 3-year strategic plan encompassing the work of the First 5 Association and the California Children & Families Foundation—including the First 5 Center for Children's Policy, which is housed in the Foundation. Work and strategies across these organizational entities will be integrated and aligned to advance and achieve the priorities and objectives outlined in this strategic plan.



The Current Context

A successful plan involves an accurate appraisal of our strengths, challenges, and factors shaping the external environment, including policy, systems functioning and service delivery, and the needs and experiences of children ages 0-5 and their families. As an essential step in the strategic planning process, the Association candidly examined the external environment and our organizational position to inform development of a thoughtful and informed strategic plan. This included extensive input and guidance from our members and external field and policy leaders. Several themes emerged from this examination:

- A fundamental strength of First 5 is our local presence and ability to lift the voices of families in all 58 California counties. External feedback and recent events highlighted that while the commitment of local First 5s is clear, we have opportunities to more effectively reflect, represent, serve and lift the voices and power of the diverse families and communities we serve. This includes an authentic and central commitment to race, equity, diversity and inclusion principles in all aspects of our work, this includes strengthening of the role and influence of parents and families in all we do.
- Child and family needs and the policy environment have been drastically reshaped by the Covid-19 crisis and turbulent economic and social disruptions over the past two years. Our current policy environment is shaped by deepened recognition of economic and racial disparities and commitment to future equity, the impact of trauma and the social determinants of health on children and families, interconnection between parent and child well-being, enhanced interest in child and family-focused policies, and re-affirmation of the value of integrated, whole child and whole family policy solutions.

- Policymakers, advocates and field leaders highly value First 5's unique orientation and leadership around developing integrated, whole child and whole family systems of care in California. Policy and field leaders further view local First 5s as "laboratories for innovation" that can test, evaluate and highlight locally developed solutions for sustainability and scale. While stakeholders describe a proven track record of local systems change leadership delivery system innovation, they see opportunities for local First 5s to translate this shared vision of a whole child and family framework into tangible solutions at the statewide level.
- Members and external stakeholders noted opportunities for First 5s to collectively deepen statewide policy leadership and influence by articulating and advancing focused policy priorities, "telling the story" about collective First 5 impact and value, and aligning policy priorities with those issues and opportunities reflective of child/family needs and state policy direction.
- Preserving and growing investments in early childhood services and systems, including local First 5 commissions, requires a deliberate, sustained and multi-pronged strategy that encompasses a systematic commitment to developing statewide policy leadership and presence, demonstration and commitment of First 5 role and value, strategic advancement of direct funding opportunities, and local support and technical assistance.
- Members highly value the role of the First 5 Association in facilitating networking and best practices exchange across counties, strategically coordinating in-depth member learning on targeted topics, and most importantly, facilitating support and development of new and existing local First 5 leaders.
- In order to strengthen member cohesion, promote transparency and optimize our collective impact, members and Association staff are committed to re-examining and, where appropriate, refining Association governance and committee structures/practices, and ensuring that organizational expertise and resources are shaped and sized to effectively advance our collective strategic priorities.

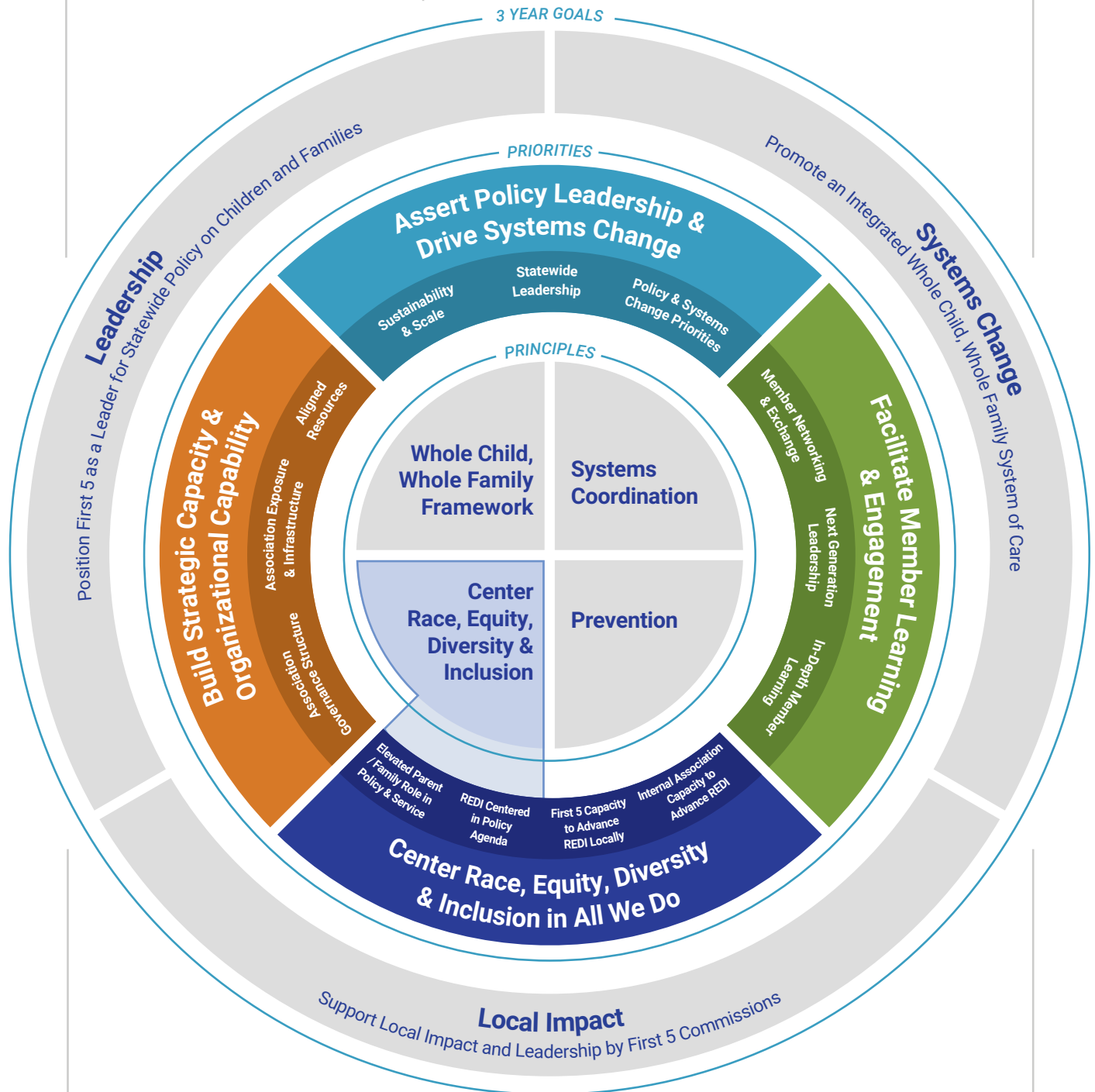
2022 – 2024 Strategic Plan

Our Vision

California's success will be measured by the well-being of its youngest children.

Our Mission

Advance the building of early childhood systems and supports needed to ensure all of California's young children are safe, healthy and ready to learn so they can succeed in school and life.



PRIORITY I

Assert Policy Leadership and Drive Systems Change

Overview

The First 5 Association is committed to advancing statewide policies that promote an integrated, whole child and family system of care, and ensuring a continued focus on the well-being of young children and their families. In order to deliver meaningful policy impact and sustained leadership in the statewide environment, the Association will invest deliberately and deeply in cultivating sustained statewide presence, influence and policy leadership; building a thoughtful case and partner support for sustained investment in early childhood systems and services; and generating policy results on targeted policy and systems change priorities selected by membership. Efforts and leadership by our First 5 Center for Children's Policy are integral to advancing the objectives outlined in this Priority.

Association policy priorities, strategic communication and member support will reflect our commitment to acknowledging and facilitating equitable outcomes for California families, and advancing the principles of Race, Equity, Diversity, and Inclusion (REDI), including elevating the role and influence of family voices and power.

OBJECTIVE 1

Policy and Systems Change Priorities. Advance Policies to Improve Outcomes for Young Children and Promote Integrated Systems

- a. **Advance Policy Priorities.** Provide sustained *leadership* and deliver substantive policy change on three targeted policy and systems change priorities while continuing to *support* policy advancement in other areas.
- b. **Align Policy Priorities with Equity Goals.** Ensure that policy priorities encompass and advance equity for young children and their families using a targeted universalism approach.
- c. **Strengthen Local Advocacy Capacity.** Provide technical assistance and tools to support local First 5s in building their policy, advocacy, and communication capacity.

OBJECTIVE 2

Statewide Leadership. Grow the First 5 Association Role and Influence in Statewide Policy

- a. **Deepen Statewide Relationships and Policy Leadership Presence.** Cultivate key strategic relationships with organizations, advocates, state agencies and legislative champions, including working in deep partnership on shared goals with First 5 California. Bring combination of local First 5 experience and expertise, policy and field research and expertise, and partnership and coalition development to establish strong policy voice and ensure active ongoing presence in key policy forums/discussions.
- b. **Document and Communicate Collective First 5 Impact.** Document and communicate the collective impact and unique value of local First 5s in California.
- c. **Enhance Strategic Communications.** Implement strategic communications activities that support Association policy and systems change priorities, and reinforce First 5 leadership role in promoting integrated, equitable, whole child and family systems.

OBJECTIVE 3

Sustainability and Scale. Make the Case to Sustain and Scale Critical Early Childhood Systems

- a. **Lay the Strategic Groundwork for Sustainability.** Initiate sustained strategic positioning and communications plans that enable the Association to make a case for sustained statewide investment in early childhood systems and services, including the essential role of local First 5 commissions in improving early childhood systems and outcomes.
- b. **Advance Direct Funding Opportunities.** Support state policy and fiscal frameworks that embed funding for effective services and systems in ongoing state/federal systems and funding sources, and pursue direct funding for local First 5 systems.
- c. **Build Member Capacity to Access Local Funding.** Provide strategic support and facilitate peer exchange that strengthens the ability of local First 5s to identify and access local funding opportunities.

First 5 Association: 2022 – 2024 Policy and Systems Change Priorities

Our Framework and Leadership Commitment

First 5 believes that all of California's youngest children deserve to be healthy, safe, and ready to succeed in school and life. Grounded in a **whole child / whole family framework** that advances **equity, prevention strategies** and **systems coordination**, First 5 seeks to build comprehensive and integrated early childhood systems of care, with an intentional focus on **prenatal to age 3** as a critical stage of child development. First 5 policy efforts focus on systems change, particularly across sectors, with an intention to shift the conditions that hold problems in place, in order to achieve meaningful and lasting social change.

The organization's policy and systems change work will have two core components:

- **Lead on Priorities:** Provide sustained leadership and deliver substantive policy change on three targeted policy and systems change priorities.
- **Work in Partnership and Support the Leadership of Others:** Support policy advancement and the leadership of our partners through participation in coalition efforts, responsive advocacy on legislative and budget proposals, ongoing engagement and work with partners, and member advocacy engagement, on a holistic early childhood policy platform.



Our Policy and Systems Change Priorities

Based on an analysis of the policy landscape, First 5s' unique voice and expertise, and structural barriers faced by California's families, the First 5 Association has selected three policy and systems change priorities. First 5 Association will proactively develop and lead advancement on these priorities with the goal of effecting tangible policy change in each area:

1. Universal Home Visiting and Family Strengthening

The years between conception and age three are uniquely important for the positive development of the child and family; and they are the most likely time frame for a child to enter the child welfare system. Home visiting is a critical lever during that window to build buffering supports and connect families to a holistic range of systems and services, including the social safety net, public health, and family strengthening, to improve outcomes for families and children down the road. Now is a moment to build California's home visiting infrastructure as a systems approach, when families are experiencing high levels of stress, current programs are not being maximized, and the field of home visiting is changing as a result of the pandemic. We envision a **California comprehensive home visiting strategy** to ensure families – particularly those who are subject to structural racism, toxic stress and generational poverty – have access to appropriate and effective family strengthening services, while maximizing cross-sector connections and available funding streams, including pursuing a home visiting Medi-Cal benefit.

2. Early Childhood Mental Health

Social-emotional development and wellness are fundamental in the earliest years of childhood for long-term health and well-being. The pandemic was a powerful, lasting disruptor of family mental health, adding on to long-term stressors such as Adverse Childhood Experiences including systemic racism and poverty. We envision **whole child/whole family systemic approaches to mental health**, including shifting the societal conditions that create toxic stress and triggering events, as well as holistic services in all of the settings most comfortable to families, including (but not limited to): dyadic care models in pediatric clinics, particularly for families enrolled in Medi-Cal; early childhood mental health consultation and related services in subsidized child care programs; and attachment and maternal mental health supports through home visiting.

3. Early Identification and Intervention Systems Development

Siloed systems of care prevent children and families from accessing the care, supports, and services they are eligible to receive, particularly for children with developmental delays and concerns. A child's early development is tied to their lifelong outcomes and should be nurtured in the community and across systems, and at all levels of ability. We envision **cross-sector system integration** that results in early identification of developmental delays, culturally-appropriate and responsive care coordination, and timely, effective services.

Policy Platform Overview:

First 5 Association will continue to support a broad, holistic early childhood policy platform through participation in coalition efforts, responsive advocacy on legislative and budget proposals, ongoing engagement with partners, and member advocacy engagement related to a holistic range of early childhood policy issues. These will include a strengthened system of quality early learning and child care, family resilience and economic supports, comprehensive health and development, and overall sustainability and scale of comprehensive, integrated services for children and families. We particularly support and advocate for cross-sector systems integration across these issue areas to build and embed a whole child, whole family approach across public and community-based systems for young children and their families.

First 5 Association supports:

Resilient Families

Strengthen families through:

- Family-centered, community-based, culturally and linguistically responsive, trauma-informed approaches and buffering supports.
- Improving economic security.
- Integrated system approaches resulting in more accessible and responsive services, including to basic needs.
- Ensure access to services regardless of immigration status

Comprehensive Health & Development

- Improve the health, mental health, and wellbeing of young children.
- Strengthen the systems of early identification and referral.
- Address racial inequities in maternal and infant health.
- Reduce and mitigate exposure to trauma and Adverse Childhood Experiences.

Quality Early Learning

- Increase access to early learning programs across the mixed delivery system.
- Support the early care and education workforce.
- Stabilize, strengthen and scale early learning systems accessible and affordable for all families.
- Promote equitable access to and participation in quality improvement systems and supports.

Sustainability & Scale

- Explore and advance additional revenue sources for ensuring comprehensive, integrated systems and services to children and families.
- Ensure that local First 5 commissions can continue to provide foundational infrastructure, leadership and partnership in communities throughout California to realize improved opportunity and outcomes for our youngest children and their families.
- Support regulation of tobacco products to prevent and reduce tobacco use and promote smoking prevention and cessation.
- Improve and integrate data systems to track and evaluate children's outcomes.

PRIORITY II

Facilitate Member Engagement, Learning and Support

Overview

Over the next three years, the First 5 Association will support the strengthening of local First 5 systems by investing in the development of a diverse cadre of current and new local First 5 leaders, establishing tools and platforms that enable effective peer-exchange and learning, and promote deeper member learning in areas that align with our REDI, family voice and policy and systems change priorities.

OBJECTIVE 1

Next Generation Leadership. Develop the Next Generation of Diverse First 5 Leaders

- a. **Support New Executive Directors.** Facilitate development of programs and resources to provide orientation, peer-support and resources for new First 5 executive directors.
- b. **Restart Leadership Cohorts.** Pursue external funding to support leadership development cohorts of existing and emerging local First 5 leaders to build a diverse next generation of equity centered leaders.

OBJECTIVE 2

Member Networking and Exchange. Facilitate Member Networking and Best Practices Exchange

- a. **Build and Manage a Knowledge Management Platform.** Develop, implement and effectively curate a knowledge management platform that facilitates peer exchange of best-practices, resources and information among Association membership.

OBJECTIVE 3

In-Depth Member Learning. Coordinate Member In-Depth Learning that Aligns with Strategic Priorities

- a. **Coordinate Race, Equity, Diversity and Inclusion (REDI) Learning and Action Experiences.** Coordinate REDI training, tools and resources that build local understanding, infrastructure and practice among First 5 member agencies.
- b. **Facilitate Local Efforts to Elevate Parent and Family Leadership.** Support local First 5s in assessing and developing more effective ways to engage parents' and families' voices locally in influencing advocacy, service and system priorities.
- c. **Opportunistically Advance Strategically-Aligned Learning Programs.** Pursue external funding and support for in-depth learning programs that align with member needs and Association policy and systems change priorities.

PRIORITY III

Center Race, Equity, Diversity, Inclusion in All We Do

Overview

The Association and its members recognize that reflecting and advancing the interests and perspectives of the diverse communities we serve is central to our effectiveness and legitimacy as advocates and systems leaders. The Association will take deliberate steps to build local member and internal Association capacity to authentically center our statewide policy and local practice around the principles of race, equity, diversity and inclusion, including elevating the role of parents and families as leaders and drivers of change. While REDI is integrated into every section of this plan, it also merits focused attention, as displayed by the objectives in this section.

OBJECTIVE 1

Policy Alignment. Center Race, Equity, Diversity and Inclusion in Our Policy Agenda

- a. **Align Policy Priorities with Equity Goals.** Ensure that policy priorities encompass and advance equity for young children and their families using a targeted universalism approach.
- b. **Center Race and Equity in Strategic Communication.** Ensure that the principles of race and equity are authentically addressed and communicated in Association policy messaging and communication to stakeholders.

OBJECTIVE 2

Build Local First 5 Capacity to Advance REDI Locally. Facilitate Member Training / Support to Advance REDI Goals Locally

- a. **Coordinate Local Race, Equity, Diversity and Inclusion (REDI) Training.** Coordinate REDI training, tools and resources that build local understanding, infrastructure and practice, including targeted universalism, among First 5 membership agencies.

OBJECTIVE 3

Family Voice and Leadership. Elevate the Role and Influence of Family Voices in Advocacy & Service

- a. **Facilitate Local Efforts to Elevate Parent and Family Leadership.** Support local First 5s in assessing and developing more effective ways to engage parent and family voices locally in influencing advocacy, service and system priorities.

OBJECTIVE 4

Internal Capacity to Advance REDI. Ensure Internal Association Capacity to Advance REDI including Family Voice Goals

- a. **Embed REDI Principles and Practice into Association Culture.** Commit the Association to embedding REDI principles into organizational culture and practice, including building staffing, organizational practices and skill sets, governance structures and organizational awareness to effectively and authentically advance equity-aligned policy goals and facilitate REDI member learning. Includes applying REDI assessment, measurement and training to the Association to facilitate strengthened organizational culture, practices and accountability.

PRIORITY IV

Build Strategic Capacity and Expertise to Meet Strategic Goals

Overview

To advance collective strategic priorities, the Association will assess current capacity and structure, develop new organizational skill sets and expertise to meet strategic goals, and adapt organizational governance structures and practices to reinforce collective identity and advance shared strategic goals.

OBJECTIVE 1

Association Capacity. Build and Adapt Association Expertise and Infrastructure

- a. **Align Organizational Expertise/Skill Sets with Strategic Goals.** Develop staffing and consultant expertise to deliver on strategic goals, including state and federal policy, strategic communications, demonstration of impact and REDI.
- b. **Develop Internal Systems.** Strengthen internal systems to manage core organizational functions (e.g. fiscal, contract management, HR/performance management) and build new infrastructure to facilitate strategic goals (e.g. knowledge management platform).

OBJECTIVE 2

Resources. Secure and Align Resources with Strategic Priorities

- a. **Engage in Targeted Fund Development.** Pursue external funding to advance targeted Association priorities, including REDI, leadership cohorts, in-depth member learning, sustainability, and research and policy development on current and emerging policy and systems change priorities.
- b. **Align Member Financial Support to Association with Strategic Plan.** Build member financial support for collective strategic priorities in ways that are efficient, responsive and transparent.

OBJECTIVE 3

Governance Structure. Evolve Governance Structure

- a. **Refine Association Governance Structures and Processes.** Review and, where appropriate, evolve Association governance structures to reinforce collective identity and advance mission-driven collective goals. This encompasses structures and practices related to organizational status and configuration, role, function and nominating of governing body and related committees, centering REDI in governance and strategy, regional engagement, strengthening capacity to develop and advance strategic goals, transparent decision-making and other areas of governance.

Agenda Item 10
December 1, 2021

DATE: October 27, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO



ACTION: Receive Update on First 5 Orange County's Strategic Plan Action Plan

SUMMARY:

In June, we presented an Action Plan that built out actions needed to make progress on the three focus areas of the Strategic Plan. Since June, we have continued to refine the activities, and this item summarizes our work to date on the Action Plan.

DISCUSSION:

Staff has spent the past few months mapping out our planned work for the next 12+ months, assigning staff and consultants as leads and support and creating detailed schedules for the identified activities. Below is a summary of refinements to the Action Plan. The full updated Action Plan is provided as Attachment 1.

Focus Area 1: Helping families get the most out of well-child visits and screenings

We initially identified five activities within this focus area. Two of the activities were merged to integrate family voice and engagement into the comprehensive messaging campaign. The activity "Continue to advocate for continuous enrollment for children through their 5th birthday" will be incorporated into and built out in future Action Plan updates. We are working with the First 5 Association and other coalitions to strategize on the messaging and recalculate the estimated budget asks to advocate for this continuous healthcare enrollment for children.

We added an activity to reflect work underway that was not captured in this focus area, related to piloting the program, "HealthySteps," in three federally qualified health centers located in three of our Engaged Neighborhoods.

Focus Area 2: Promote services that support Protective Factors for children and families

Several activities were initially identified within this focus area, and we have been moving much of this work forward while considering the best timing for some of the activities. The activity, "Expand and promote programmatic offerings to build resilient families" has been refined to prioritize the following areas (greater detail is provided in Attachment 1):

- Conducting a father engagement landscape analysis
- Strengthening the system of care for families at-risk of or involved with Child Welfare
- Aligning systems to support early relational health
- Empowering families to advocate for their medical and legal needs (Medical Legal Partnership Boston pilot)
- Establishing a countywide Home Visiting Collaborative

- Conducting a data audit of First 5-funded referral pathways and services to understand gaps and equity-related issues

Work on the activity “Connect with community efforts to increase access to financial supports (e.g., CalFresh, WIC, CalWORKs, child care, etc.)” is closely tied to work we are doing with the Orange County Children’s Partnership (OCCP) that is currently focused on increasing access to nutritional and other supports. We will build out this activity in future Action Plan updates as OCCP’s work gets underway and we partner in the community effort.

Work on the activity, “Prevent families from becoming homeless by supporting Family Solutions Collaborative in their implementation of Diversion work through amendment to Housing Navigator Program” will be incorporated and built out in a future Action Plan update to align the work of the Family Solutions Collaborative with and prepare for CalAIM implementation.

Focus Area 3: Increase availability and accessibility of quality infant and toddler child care

Three of the four of the activities within this focus area are underway, including establishing an infant/toddler child care task force, aligning systems to prioritize families experiencing housing insecurity to access child care, and building the capacity of non-subsidized providers.

The activity, “Implement Communications Plan for Child Care Landscape to capitalize on the momentum from Phases I and II and build public will” will be developed and implemented after the Infant/Toddler Child Care Task Force identifies local solutions to be promoted.

Major Accomplishments to Date

- First 5 Orange County has been working with Detect & Connect OC partners to better understand baseline data available for developmental screenings. We have also worked jointly on identifying barriers to well-child visits from the provider perspective and are working on questions to ask families as part of focus groups/interviews.
- Initial messages for an educational campaign about Protective Factors have been drafted and a plan will be developed to engage programs, partners, and parents in finalizing the messages and outreach strategies.
- A family engagement plan has been developed and is being implemented, including a family engagement toolkit and ambassador handbook. Six Family Ambassadors – parents and caregivers – have been selected and onboarded to help bring family voices to our work.
- The Medical Legal Partnership Boston project (medical and legal family advocacy work) is underway, with an initial survey of stakeholders and parents completed.
- Convenings of home visiting partners have resulted in the development of a joint vision statement for countywide home visiting coordination.
- We have continued building awareness of the Child Care Landscape for phase I and II presentation to over 600 people in the county. The Child Care Team has also scheduled the first Child Care Cross Sector Taskforce meeting that will be held the second week of January.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is in alignment. There is no funding action proposed for this item.

PRIOR COMMISSION ACTIONS:

- June 2021 – Receive update on First 5 Orange County's Strategic Plan
- April 2021 – Approve updated Strategic Plan for 2021/22 through 2025/26

RECOMMENDED ACTION:

Receive update on First 5 Orange County's Strategic Plan Action Plan.

ATTACHMENT:

1. Strategic Plan - Action Plan for 2021-22 and 2022-23

CONTACT: Lisa Burke

Strategic Plan - Action Plan for 2021-22 and 2022-23

Updated November 2021

Focus Area: Help families get the most out of well-child visits and screenings

- 1. Leverage data to prioritize needs and set community targets for the Medi-Cal population, leveraging Detect & Connect OC and its committees**
 - Identify existing data points/explore baseline data from CalOptima, health networks and Federally Qualified Health Centers on well-child visits/screenings among the Medi-Cal population to understand and leverage what is already being done
 - Frame a conversation with CalOptima and Detect & Connect OC and other First 5 partners to clarify the problem we are trying to solve and how we will know if we are solving it (setting targets and measures)
 - Develop strategies to: 1) encourage parents to ask for these services and 2) encourage providers to bill for these visits
 - Explore the potential for increasing developmental screenings by using technology to embed screenings into a practice (a pilot)
- 2. Ensure well-child visits, linkage to health homes, and screenings are included in some form in all First 5-funded partner scopes**
 - Align this process with the overall contract/workplan development process
 - Engage staff and consultants that are program leads
 - Engage funded partners in the process
 - Complete contract modification, amendment, or new contracts
 - Modify High 5 database as needed
- 3. Develop comprehensive messaging and outreach about why parents should keep well-child visits and addressing identified barriers.**
 - Develop and implement approach to do this work co-creatively with CalOptima and other partners
 - Research barriers for families through focus groups/interviews with providers and parents; through this effort, integrate family voice and empower them to participate in discussion and decision-making about well-child visits, screenings, and interventions
 - Leverage partnership with Detect & Connect OC and First 5 funded partners to create campaign, expand outreach, system alignment
 - Obtain parent feedback and integrate family voice
 - Develop mechanism for parents to provide feedback loop on effectiveness of campaign
 - Incorporate tools for families to feel successful once they reach all well-child visits and screening

Focus Area: Help families get the most out of well-child visits and screenings (cont.)

4. **Pilot HealthySteps in three Federally Qualified Health Clinics located in Engaged Neighborhoods to support well-child visits, screenings, and linkage to services for families**
 - Support the implementation of HealthySteps in the clinics (e.g., identifying validated developmental screening tools, providing technical assistance to support the model)
 - Provide technical assistance to increase capacity of clinics to provide family-centered care that supports Early Relational Health
 - Increase clinics pediatric volume through the development of additional referral pathways
 - Support participating clinics use of the OC Screening Registry
 - Determine feasibility of sustainability through the dyadic care benefit

Focus Area: Promote services that support Protective Factors for children and families

Action Plan Activities

1. **Develop an educational outreach campaign about what are the Protective Factors and why they are important**
 - Develop key messages in partnership with parents, stakeholders using equity principles
 - Develop communications materials and infrastructure to share/outreach
 - Implement outreach campaign
2. **Refine and continue the strategy of family engagement**
 - Implement a family engagement plan that helps inform program design and provides infrastructure to connect with, strengthen, and support parents, community leaders, public agencies, and community organizations to co-create and advocate for solutions
 - Develop and implement a Family Ambassadors workgroup
 - Support Engaged Neighborhood Collaboratives with their new Scopes of Work with specific focus on parent engagement
3. **Support, refine, and grow Engaged Neighborhoods**
 - Explore relationship with and funding for Stanton as new Engaged Neighborhood, including sharing Early Development Index data
4. **Align systems and expand and promote programmatic offerings to build resilient families**
 - Conduct a Father Engagement landscape analysis to identify activities, programs and promising practices that will inform recommendations for a programmatic strategy
 - Strengthen the system of care for families at-risk of or involved with child welfare
 - Support the implementation of the Plan of Safe Care
 - Partner with the OC Social Services Agency and Children's Health of Orange County (CHOC) to expand evidence-based, family-centered/dyadic services for infants with neonatal abstinence syndrome
 - Explore opportunities to increase substance use disorder, mental health, and in-home services to support families at risk of child welfare involvement

Focus Area: Promote services that support Protective Factors for children and families
(cont.)

Action Plan Activities

- Align systems to support early relational health
 - Increase prevention, identification, and treatment of Perinatal Mood and Anxiety Disorders (PMADs)
 - Increase system capacity to screen for Adverse Childhood Experiences and facilitate closed-loop referrals to trauma-informed treatment; leverage existing infrastructure including the OC Screening Registry, Help Me Grow, and Home Visiting.
- Empower families to advocate for themselves and their children to meet their medical and legal needs
 - Partner with Medical Legal Partnership Boston Program to develop accessible, sustainable training curriculum for families and providers
 - Develop an action plan for FY 2022-2023 to expand the pilot to into more communities
- Establish and support a countywide Home Visiting Collaborative that is committed to improving the coordination of services among service providers and funders, referral pathways for families, centering parent voice and designing a system that supports their needs and build public will for increased home visiting.
- Conduct a data audit of First 5 funded Home Visiting referral pathways and services to understand the gaps and equity-related issues, and to identify opportunities for future training, service expansion to better meet needs, and refinement of program investments.

Focus Area: Increase availability and accessibility of quality infant and toddler child care

Action Plan Activities**1. Establish infant/toddler child care task force**

- Identify and engage cross-sector champions
- Plan and hold first cross-sector convening
- Develop a shared vision with partners
- Identify one-to three local solutions
- Ensure connectivity by integrating reporting to staff, TAC, board, and other programs

Focus Area: Increase availability and accessibility of quality infant and toddler child care (cont.)

Action Plan Activities**2. Align systems to prioritize families experiencing housing insecurity to access child care**

- Conduct a landscape analysis to understand the barriers and needs for families experiencing housing insecurity to access child care
- Conduct an analysis of the barriers within the current systems into providing child care for eligible families (funding streams and requirements, referral systems, capacity limitations, etc.)
- Conduct an analysis of families' perspective and barriers about accessing child care
- Strengthen connections between systems to improve linkage between child care providers and families experiencing housing insecurities to child care

3. Build the capacity of non-subsidized providers


- Enhance the connection between family, friend and neighbor (FFN) providers and the community college early childhood education (ECE) infrastructure for expansion and quality improvement
- Strengthen the connection between family child care providers and the local resource and referral agency to enhance quality, technical assistance, and communication
- Provide technical assistance to build the capacity of high quality, culturally and linguistically appropriate child care providers (both FFN and family child care) to become leaders and trainers



**Agenda Item 11
December 1, 2021**

DATE: November 10, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Amend Agreement with the Center for the Study of Social Policy for Receipt of Additional Grant Funds for Consultant Support; Adopt Resolution to amend Agreement No. PS-251 with Health Management Associates; and Adopt Resolution to amend Agreement No. C-436 with Hoda Shawky

SUMMARY:

In June, First 5 Orange County authorized an agreement with the Center for the Study of Social Policy (CSSP) for receipt of a grant of \$32,500 to conduct an assessment of the Developmental Understanding and Legal Collaboration for Everyone (DULCE) program being implemented at three CHOC clinic sites. This item requests approval to amend the agreement with CSSP for First 5 OC to receive an additional \$11,000 for continued system improvement work at CHOC's DULCE clinic sites.

DISCUSSION:

Earlier this year, CSSP awarded First 5 Orange County a grant of \$32,500 to assess the DULCE program which is currently implemented in Orange County at three CHOC clinic sites. The intent of the assessment was to identify opportunities to scale DULCE locally. CHOC and First 5 Orange County engaged Health Management Associates (HMA) to conduct this assessment and develop recommendations to:

- optimize the coordination of referrals, linkages and services including streamlined communication between the DULCE clinics' Family Specialists and First 5 programs;
- identify opportunities to incorporate the role of the Family Specialist as part of the larger system of Prenatal-to-Three support services;
- determine whether there is a need to extend the timeline of the program and/or to service additional populations that are currently excluded; and
- explore opportunities to sustain services.

With the grant funds, HMA reviewed DULCE program data, including participant data (e.g., number and type of referrals for additional supports, percentage of successful referrals) and financial data. They solicited input from a range of stakeholders, including families enrolled in the program, Family Specialists, CHOC clinical team members and administrators, Public Law Center, and other subject matter experts within and outside Orange County. Finally, HMA facilitated strategy sessions with CHOC and First 5 OC representatives to review findings and prioritize opportunities for improvement. Analysis of the data collected painted a clear picture of the value and impact of DULCE and highlighted the need for formal support beyond the six months that families currently receive services from DULCE.

In November, CSSP notified First 5 Orange County and CHOC that additional funding is available through December 31, 2021. With these additional funds, we will continue the grant activities to:

- further refine the protocol for families to receive support and linkage to services for 12 months;
- support the development of more detailed documentation of processes, roles, and responsibilities emerging from the strategy sessions;
- work with CHOC's Quality Improvement Advisors to determine a set of measures to be used to assess the operational effects and program impact of an extended program timeframe; and
- provide training to Family Specialists that will expand their skills and knowledge on topics such as child development, developmental screenings, and perinatal mental health to optimally serve families through the extended service period of 12 months.

A final report will be submitted to CSSP in mid-January 2022. DULCE's clinic-based intervention aligns with the Strategic Plan focus areas of well-child visits, developmental screenings, and linkages to services and resilience among children and families.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions presented in this staff report have been reviewed in relation to the Strategic Plan and are consistent with applicable goals. Funding for this item will be included in the Amended Fiscal Year 2021-2022 Budget.

PRIOR COMMISSION ACTIONS:

- June 2021- Adopted Resolution Authorizing Agreement with the Center for the Study of Social Policy for Receipt of Grant Funds for Consultant Support

RECOMMENDED ACTION:

1. Authorize First 5 Orange County to receive additional funding in the amount of \$11,000 from CSSP and authorize the President/CEO and Commission Counsel to amend the agreement with CSSP for consultant support to align and strengthen systems of care for the Orange County DULCE program for the term of June 2, 2021 – December 31, 2021.
2. Adopt resolution (Attachment 1) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate a Second Amendment to Agreement PS-251 with Health Management Associates, Inc. for additional consultant support to align and strengthen systems of care for the Orange County DULCE program and add \$5,000 for an amended maximum payment obligation of \$187,500 for the term of April 8, 2021-March 31, 2022.
3. Adopt resolution (Attachment 2) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate a First Amendment to Agreement C-436 with Hoda Shawky to provide training to Family Specialists in child development, developmental screenings, and perinatal mental health and to add \$6,000 for an amended maximum payment obligation of \$106,000 for the term of July 1, 2021- June 30, 2022.

ATTACHMENTS:

1. Resolution – HMA
2. Resolution – Hoda Shawky

CONTACT: Sarah O'Rourke

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21-C&FC

December 1, 2021

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE THE SECOND AMENDMENT TO AGREEMENT PS-251 WITH HEALTH MANAGEMENT ASSOCIATES, INC. TO PROVIDE ADDITIONAL SUPPORT TO ALIGN AND STRENGTHEN SYSTEMS OF CARE FOR THE ORANGE COUNTY DULCE PROGRAM; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

WHEREAS, On April 7, 2021, Commission authorized the President/CEO, or Designee, to prepare and negotiate Agreement PS-251 with Health Management Associates, Inc. (hereinafter referred to as “Contractor”) to develop a comprehensive and integrated Prenatal to Three Strategy.

WHEREAS, On June 2, 2021, Commission authorized the President/CEO, or Designee, to prepare and negotiate the First Amendment Agreement PS-251 with Health Management Associates, Inc. (hereinafter referred to as “Contractor”) to provide support to align and strengthen systems of care for the Orange County DULCE program.

WHEREAS, The Commission desires to prepare and negotiate a Second Amendment (“Amendment”) to Agreement PS-251 with Contractor to provide additional support to align and strengthen systems of care for the Orange County DULCE program for the terms and in the amount as described in December 1, 2021 staff report for this agenda item; and

WHEREAS, Contractor desires to enter into the Amendment in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

WHEREAS, Commission has reviewed the staff report for the December 1, 2021 Commission meeting relating to the scope of services to be provided and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission’s Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment with Contractor for the terms and in the amount specified in the December 1, 2021 staff report for this Agenda Item.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Amendment with the Contractor to provide additional support to align and strengthen systems of care for the Orange County DULCE program for the terms and in the amount consistent with the December 1, 2021 staff report and scope of services referenced therein.

Section 3 The form of the Amendment with the Contractor shall be substantially similar to the form of the standard Professional Services Agreement, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Amendment shall be conclusively evidenced by the execution of such Amendments by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Amendment with Contractor to provide support to align and strengthen systems of care for the Orange County DULCE program for the terms and in the amount specified in the December 1, 2021 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreements on behalf of the Commission.

Section 6 A copy of the Amendment to Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Amendments(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on December 1, 2021 to wit:

AYES Commissioners: _____

NOES Commissioner(s): _____

EXCUSED Commissioner(s): _____

ABSTAINED Commissioner(s): _____

—

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

Robin Stieler
Clerk of the Commission, Children and Families Commission
of Orange County, County of Orange, State of California

Resolution No: ____-21-C&FC

Agenda Date: December 1, 2021

Item No.____



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: _____
Deputy

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Agreements)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21-C&FC

December 1, 2021

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE THE FIRST AMENDMENT TO AGREEMENT C-436 WITH HODA SHAWKY TO PROVIDE TRAINING TO FAMILY SPECIALISTS ON CHILD DEVELOPMENT, DEVELOPMENTAL SCREENINGS, AND PERINATAL MENTAL HEALTH ; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

WHEREAS, On April 7, 2021, Commission authorized the President/CEO, or Designee, to prepare and negotiate Agreement C-436 with Hoda Shawky (hereinafter referred to as “Contractor”) for technical assistance to promote early relational health and improve prevention, early detection, intervention and treatment for perinatal mental health, substance use, and recovery;

WHEREAS, The Commission desires to prepare and negotiate a First Amendment (“Amendment”) to Agreement C-436 with Contractor to provide training to Family Specialists on child development, developmental screenings, and perinatal mental health for the terms and in the amount as described in December 1, 2021 staff report for this agenda item; and

WHEREAS, Contractor desires to enter into the Amendment in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

WHEREAS, Commission has reviewed the staff report for the December 1, 2021 Commission meeting relating to the scope of services to be provided and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission’s Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment with Contractor for the terms and in the amount specified in the December 1, 2021 staff report for this Agenda Item.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Amendment with the Contractor to provide training to Family Specialists on child development, developmental screenings, and perinatal mental health for the terms and in the amount consistent with the December 1, 2021 staff report and scope of services referenced therein.

Section 3 The form of the Amendment with the Contractor shall be substantially similar to the form of the standard Consultant Agreement, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Amendment shall be conclusively evidenced by the execution of such Amendment by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Amendment with Contractor to provide training to Family Specialists on child development, developmental screenings, and perinatal mental health for the terms and in the amount specified in the December 1, 2021 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreements on behalf of the Commission.

Section 6 A copy of the Amendment to Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Amendments(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on December 1, 2021 to wit:

AYES Commissioners: _____

NOES Commissioner(s): _____

EXCUSED Commissioner(s): _____

ABSTAINED Commissioner(s): _____

—

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

Robin Stielor

Clerk of the Commission, Children and Families Commission
of Orange County, County of Orange, State of California

Resolution No: ____-21-C&FC

Agenda Date: December 1, 2021

Item No.____



I certify that the foregoing is a true and correct copy of the
Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: _____
Deputy


EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Agreements)

Agenda Item 12
December 1, 2021

DATE: October 22, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Election of Commission Chair and Vice-Chair for Term Beginning January 1, 2022 through June 2, 2023

SUMMARY:

The Children and Families Commission of Orange County by-laws require the election of officers before the beginning of each fiscal year. This item requests Commissioners to elect two officers to serve as the Chair and Vice-Chair for 18-month terms, due to a delay in Commissioner appointments for this fiscal year.

DISCUSSION:

Commissioner Ramin Baschshi, M.D and Kenneth McFarland were elected to serve one-year terms as Chair and Vice-Chair on June 3, 2020. Postponement of officer elections was approved by the Commission at the June 2, 2021 meeting, due to a delay in appointments by the Board of Supervisors, and Commissioners Baschshi and McFarland continued to serve in their respective roles. Since that time, Commissioner appointments have been completed by the Board of Supervisors. Nominations for the Chair and Vice-Chair for the upcoming fiscal year will be considered at the December 1, 2021 Commission meeting. It is recommended that Commissioners elect the Chair and Vice-Chair for the term beginning January 1, 2022 through June 2, 2023 in order to get back in sync with the fiscal year election cycle.

STRATEGIC PLAN & FISCAL SUMMARY:

There are no funding actions proposed for this item.

PRIOR COMMISSION ACTIONS:

- June 2, 2021 – Approve postponement of officer elections for no more than six months and approve the extension of current officer terms until the election occurs
- June 3, 2020 – Elected Commission Chair and Vice Chair for Fiscal Year 2020/21
- June 5, 2019 – Elected Commission Chair and Vice Chair for Fiscal Year 2019/20
- June 6, 2018 – Elected Commission Chair and Vice Chair for Fiscal Year 2018/19

RECOMMENDED ACTION:

Elect a Commission Chair and Vice-Chair for an 18-month term beginning January 2022 through June 2023.

CONTACT: Kim Goll

Agenda Item 13
December 1, 2021

DATE: November 19, 2021

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO



ACTION: Receive the President/CEO's Report

Financial Report Update

Pursuant to First 5 Orange County's Fiscal Year 2021-2022 Investment Policy Statement, the Orange County Treasurer submits Quarterly Investment Reports to the Commission. The Investment Reports (Attachments 1 and 2) summarize investment activities for the three-month periods of April 1 through June 30, 2021 and July 1 through September 30, 2021. The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100 percent of the Commission's funds in the Orange County Investment Pool (OCIP).

Communications Team Update

We have created a summary version of our annual report (full report available to view at <https://first5oc.org/about-us/reports/annual-report/>) that will be printed in a condensed booklet for use in conjunction with outreach to elected officials and other policy leadership in Orange County. This month, we are pitching an op-ed piece by Dr. Katherine Chiu encouraging pregnant women and women who might become pregnant to get a COVID-19 vaccine. In addition, we are working with American Academy of Pediatrics-OC, CHOC, and OC Health Care Agency to create a toolkit to encourage vaccination of young children and pregnant women. The team continues to support First 5 Orange County's family engagement work with creation and translation of materials, including for Family Ambassadors.

On social media, First 5 Orange County's platforms highlight specific focuses of the Strategic Plan. In October, materials highlighted the "Social Connections" Protective Factor, which encourages parents to develop a social network of supportive family, friends and neighbors in order to be healthy and to better care for their children. The focus for November is on vaccine education as well as the Protective Factor "Knowledge of Parenting and Child Development," which encourages parents to learn what parents can do to help children grow into happy and healthy individuals.

Attachments:

1. Financial Update – June 2021
2. Financial Update – September 2021

First 5 Orange County, Children & Families Commission
Quarterly Investment Report
April 1, 2021 through June 30, 2021

OVERVIEW

Pursuant to the First 5 Orange County, Children & Families Commission (Commission) fiscal year 2020/2021 Investment Policy Statement (IPS), the Treasurer submits this Quarterly Investment Report to the Commission. This Investment Report summarizes investment activities for the Commission for the three-month period from April 1 through June 30, 2021.

COMMISSION INVESTMENTS

The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100% of the Commission's funds in the Orange County Investment Pool (OCIP). As of June 30, 2021, these totaled \$52,631,405.72. All funds are managed by the Office of the Orange County Treasurer. We have attached a summary of key OCIP investment information (Attachment A).

ORANGE COUNTY INVESTMENT POOL

The primary goal of the OCIP is to invest public funds in a manner which will provide the maximum security of principal invested with secondary emphasis on providing adequate liquidity to Pool Participants and lastly to achieve a market rate of return.

PORTFOLIO PERFORMANCE SUMMARY – QUARTERLY

The following table presents an overview of the Commission's investments for the months of April, May and June 2021. The net yield for fiscal year 2020/2021 is 0.747%, net of the estimated investment administrative fee of 5.5 basis points. We expect to provide our updated forecasted gross and net yields for fiscal year 2021/2022 next month. The OCIP has a net asset value (NAV) of 1.00 and there is sufficient liquidity to meet the forecasted expenditures for the next six months.

Month Ended	Commission's Month End Balance	Commission's Monthly Gross Yield	OCIP Market Value	OCIP Book Value	Weighted Average Maturity	Net Asset Value	Modified Duration
April	\$51,680,558.56	0.539%	\$6,065,659,272	\$6,047,503,315	270 days	1.00	0.58
May	\$50,921,503.11	0.562%	\$5,784,285,020	\$5,766,782,484	391 days	1.00	0.90
June	\$52,631,405.72	0.598%	\$5,395,664,847	\$5,384,072,643	400 days	1.00	0.96

ECONOMIC UPDATE

The job market added 269,000 (revised) jobs in April, added 583,000 (revised) jobs in May, and added 850,000 jobs in June. The unemployment rate increased to 6.1% in April from the prior month's 6.0%, decreased to 5.8% in May and increased to 5.9% in June. The U.S. Gross Domestic Product first quarter of 2021 rate increased to 6.3% (revised) from the prior quarter's rate of 4.5% (revised). The index for pending home sales on a year-over-year basis increased by 25.0% in March (revised), increased by 53.7% (revised) in April and increased by 14.2% (revised) in May.

U.S. Treasury Yield Curve: Yields on the 3-month and 2-year Treasury increased and yields on the 5-year, 10-year and 30-year Treasury decreased during the quarter ended June 30, 2021.

	Quarter Ended March 31, 2021	Quarter Ended June 30, 2021
3 - Month	0.03%	0.05%
2 - Year	0.16%	0.25%
5 - Year	0.92%	0.87%
10 - Year	1.74%	1.45%
30 - Year	2.41%	2.06%

Source: U.S. Department of the Treasury

COMPLIANCE MONITORING

As of June 30, 2021, 100% of the holdings of the Commission are in compliance with the Commission's IPS. The investment portfolios had no compliance exceptions for the quarter ended June 30, 2021. The County Treasurer's investments are audited regularly by the County Auditor-Controller Internal Audit Division (ACIAD). The ACIAD contracted with Eide Bailly (EB) to perform one of their required audits of the Treasury. They issued four reports (Attachments D, E, F and G) during the quarter ended June 30, 2021 as follows:

Report of the Schedule of Assets Held by the County Treasury as of June 30, 2020.

In the report, issued on April 22, 2021, EB opined that the Schedule of Assets Held by the County Treasury presents fairly, in all material respects, the assets held in the County Treasury as of June 30, 2020 in accordance with the modified basis of accounting as described in the notes to the financial schedule.

Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020.

The report, issued by ACIAD on May 18, 2021, noted one internal control matter that will be reported to the Board of Supervisors in a separate management letter.

Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2020.

On May 19, 2021, the ACIAD issued the report with no compliance exceptions identified. However, the Treasurer did self-identify three compliance exceptions in December 2020 that were not noted in this ACAID report and were properly reported in December 2020. The Treasurer and the custodial bank, Northern Trust, reported these monies as overnight investments in a Northern Trust Money Market Mutual Fund and in the compliance monitoring report, the ACAID considered these monies as cash in a demand account for compliance testing.

Management Letter on Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020.

The letter, issued by ACAID on June 8, 2021, identified a significant deficiency relating to the accounting treatment of an investment. The Treasurer is in the middle of the investment accounting software upgrade and has several bank accounts and money market mutual fund accounts at the County's depository and custodial banks that have minimal transaction activity and are planned to be set-up in the investment accounting system after go-live. These accounts are recorded as reconciling items and included properly in financial and compliance reporting by the Treasurer.

We have attached the Investment Policy (IPS) and Treasury Oversight Committee Compliance Summary as reported in the Treasurer's Monthly Report for the months of January, February and March 2021 (Attachment B). This summary tracks compliance in a variety of areas.

PORTFOLIO HOLDINGS OF DEBT ISSUED BY POOL PARTICIPANTS

Under guidelines outlined in the County's current IPS, the County Treasurer may invest in A or above rated securities issued by municipalities. Municipal debt issued by the County of Orange is exempt from this credit rating requirement. OCIP may invest no more than 5% of pool assets in any one issuer, with the exception of the County of Orange which has a 10% limit. As of June 30, 2021, OCIP has a total market value of \$252 million in County of Orange debt, which represents approximately 5% of total OCIP assets.

STATEMENT OF ACTIVITY

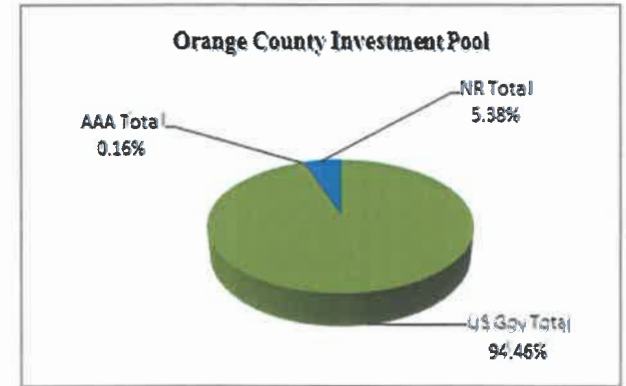
We have attached the Statement of Activity for the months of April, May, and June 2021. (Attachment C). These Statements report the beginning and ending balances of the Commission's funds invested in the OCIP.

Attachments:

- A. Orange County Investment Pool Summary
- B. Investment Policy and Treasury Oversight Committee Compliance Summary for April, May and June 2021
- C. Statement of Activity for the months of April, May and June 2021
- D. Report of the Schedule of Assets Held by the County Treasury as of June 30, 2020
- E. Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020
- F. Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2020
- G. Management Letter on Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020

**ORANGE COUNTY TREASURER-TAX COLLECTOR
ORANGE COUNTY INVESTMENT POOL
INVESTMENT POOL SUMMARY
AT JUNE 30, 2021**

OCIP PORTFOLIO COMPOSITION				
Security Type	Market Value	% of Market Value	Book Value	Unrealized Gain (Loss)
U.S. GOVERNMENT AGENCIES	\$ 2,200,270,863	40.78%	\$ 2,187,617,104	\$ 12,653,759
U.S. TREASURIES	1,959,779,937	36.32%	1,960,853,375	(1,073,438)
MEDIUM-TERM NOTES	8,855,508	0.16%	8,843,625	11,883
MUNICIPAL DEBT	251,719,841	4.67%	251,719,841	-
MONEY MARKET MUTUAL FUNDS	936,573,009	17.36%	62,890,637	873,682,372
LOCAL AGENCY INVESTMENT FUND	38,465,689	0.71%	912,148,061	(873,682,372)
CERTIFICATES OF DEPOSIT	-	0.00%	-	-
TOTAL	\$ 5,395,664,847	100.00%	\$ 5,384,072,643	\$ 11,592,204



US GOV Includes Agency Debt, Treasury Debt and US Gov. MMMF's
AA Includes AA+, AA-, & AA
NR Includes LAIF and Orange County Pension Obligation Bonds

**SUMMARY OF INVESTMENT DATA
INVESTMENT TRENDS
OCIP**

	JUNE 2021	MAY 2021	INCREASE (DECREASE)	NET CHANGE %	JUNE 2020	INCREASE (DECREASE)	NET CHANGE %
Orange County Investment Pool (OCIP)							
End Of Month Market Value ^{1,2}	\$ 5,395,664,847	\$ 5,784,285,020	\$ (388,620,173)	-6.719%	\$5,000,216,064	\$ 395,448,783	7.909%
End Of Month Book Value ²	\$ 5,384,072,643	\$ 5,766,782,484	\$ (382,709,841)	-6.636%	\$4,958,626,803	\$ 425,445,840	8.580%
Monthly Average Balance ²	\$ 5,535,624,812	\$ 5,816,097,137	\$ (280,472,325)	-4.822%	\$5,141,369,946	\$ 394,254,866	7.668%
Year-To-Date Average Balance	\$ 5,336,992,533	\$ 5,318,935,053	\$ 18,057,480	0.339%	\$4,730,379,557	\$ 606,612,976	12.824%
Monthly Accrued Earnings ³	\$ 2,798,503	\$ 2,815,465	\$ (16,962)	-0.602%	\$5,338,738	\$ (2,540,235)	-47.581%
Monthly Net Yield ^{2,3,4}	0.588%	0.503%	0.085%	16.899%	1.216%	-0.628%	-51.645%
Year-To-Date Net Yield ³	0.747%	0.762%	-0.015%	-1.944%	1.810%	-1.063%	-58.721%
Annual Estimated Gross Yield ^{3,4}	0.790%	0.790%	0.000%	0.000%	1.868%	-1.078%	-57.705%
Weighted Average Maturity (WAM)	400	391	9	2.340%	289	111	38.460%

¹ Market values provided by Bloomberg and Northern Trust.

² The OCIP Year-To-Date Average Balance was higher than the prior year primarily due to slightly higher property tax receipts, higher voluntary pool participants balances and higher special revenue balances.

³ The OCIP and OCEIP Monthly Net Yields were higher than the previous month due increases in duration resulting in increases in yield. The OCIP and OCEIP Monthly Accrued Earnings, Monthly Net Yields, Year-To-Date Net Yields and Annual Estimated Gross Yields were lower than the prior year primarily due to the five Federal Reserve short-term rate cuts totaling 2.25% since June 2019. The OCIP and OCEIP Annual Estimated Gross Yields for April 2020 are reported at the actual annual adjusted gross yields for FY 19-20.

⁴ The OCIP and OCEIP WAMs increased from the prior year as portfolio duration is being extended as current adequate liquidity is sufficient to cover expected expenditures.

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
April 30, 2021**

ATTACHMENT B

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2019 and June 30, 2020 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	December 31, 2020 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2020 completed.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 25920(a)	December 31, 2020 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18, FY 18/19 and FY 19/20 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2020 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2021 IPS certifications requests in progress.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	As of December 31, 2020, five compliance exceptions have been identified (self-identified), two in August 2020 and three in December 2020.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 28, 2020 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2020 meeting and did not make any additional changes. BOS approved on November 17, 2020.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2020 Annual Report was approved by TOC on January 27, 2021 and was received and filed by the BOS on March 23, 2021.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 28, 2020.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	Review for calendar year 2021 in progress.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	Review for calendar year 2020 compliance is complete.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2020.

LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
May 31, 2021**

ATTACHMENT B

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2019 and June 30, 2020 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	December 31, 2020 completed. March 31, 2021 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2020 completed.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	December 31, 2020 completed. March 31, 2021 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18, FY 18/19 and FY 19/20 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2020 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2021 IPS certifications requests in progress.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	As of May 31, 2021 five compliance exceptions have been identified (self-identified), two in August 2020 and three in December 2020.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 28, 2020 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2020 meeting and did not make any additional changes. BOS approved on November 17, 2020.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2020 Annual Report was approved by TOC on January 27, 2021 and was received and filed by the BOS on March 23, 2021.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 28, 2020.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	Review for calendar year 2021 in progress.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2020.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2020.

LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
June 30, 2021**

ATTACHMENT B

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2019 and June 30, 2020 in progress.
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Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2020 completed.
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Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18, FY 18/19 and FY 19/20 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2020 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2021 IPS certifications received for all approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	As of June 30, 2021, five compliance exceptions have been identified (self-identified), two in August 2020 and three in December 2020.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 28, 2020 meeting. No BOS approval required.
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Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2020.

LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC



COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515



ocgov.com/ocinvestments

April 30, 2021

FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Attn: Kimberly Goll, Executive Director
 1505 E. 17th Street, Suite 230
 Santa Ana, CA 92705

Fund Number : 225

APRIL 2021 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
04/01/2021	March 2021 Investment Admin Fee	\$ (2,676.04)
04/29/2021	January 2021 Interest Paid	\$ 30,255.27

Summary

Total Deposit:	\$ 1,413,413.16	Beginning Balance:	\$ 52,436,584.48
Total Withdrawal:	\$ (2,169,439.08)	Ending Balance:	\$ 51,680,558.56

ACCRUED INVESTMENT INCOME

Description

Amount

February 2021 Interest Accrued	\$ 32,705.49
March 2021 Interest Accrued	\$ 28,300.23
Total	<u>\$ 61,005.72</u>
 April 2021 Interest to be accrued in May 2021	 \$ 23,387.76



COUNTY OF ORANGE
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 SANTA ANA, CA 92702-4515



ocgov.com/ocinvestments

May 31, 2021

FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Attn: Kimberly Goll, Executive Director
 1505 E. 17th Street, Suite 230
 Santa Ana, CA 92705

Fund Number : 225

MAY 2021 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
05/03/2021	April 2021 Investment Admin Fee	\$ (2,558.57)
05/27/2021	February 2021 Interest Paid	\$ 32,705.49

Summary

Total Deposit:	\$ 2,101,365.02	Beginning Balance:	\$ 51,680,558.56
Total Withdrawal:	\$ (2,860,420.47)	Ending Balance:	\$ 50,921,503.11

ACCRUED INVESTMENT INCOME

Description

Amount

March 2021 Interest Accrued	\$ 28,300.23
April 2021 Interest Accrued	\$ 23,387.76
Total	<u>\$ 51,687.99</u>
May 2021 Interest to be accrued in June 2021	\$ 24,707.18



COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515



ocgov.com/ocinvestments

June 30, 2021

FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Attn: Kimberly Goll, Executive Director
 1505 E. 17th Street, Suite 230
 Santa Ana, CA 92705

Fund Number : 225

JUNE 2021 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
06/01/2021	May 2021 Investment Admin Fee	\$ (2,591.58)
06/29/2021	March 2021 Interest Paid	\$ 28,300.23

Summary

Total Deposit:	\$ 4,363,015.96	Beginning Balance:	\$ 50,921,503.11
Total Withdrawal:	\$ (2,653,113.35)	Ending Balance:	\$ 52,631,405.72

ACCRUED INVESTMENT INCOME

Description

Amount

April 2021 Interest Accrued	\$ 23,387.76
May 2021 Interest Accrued	\$ 24,707.18
Total	<u>\$ 48,094.94</u>
June 2021 Interest to be accrued in July 2021	\$ 25,982.18



Report of the Schedule of Assets
Held by the County Treasury
June 30, 2020

Orange County Treasury

Independent Auditor's Report	1
Financial Schedule	
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13



Independent Auditor's Report

To the Board of Supervisors
County of Orange, California

Report on the Financial Statements

We have audited the accompanying modified cash basis Schedule of Assets Held by the County Treasury (Schedule) of the County of Orange, California (County), as of June 30, 2020, and the related notes to the Schedule.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, 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 Schedule 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 Schedule.

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

Opinion

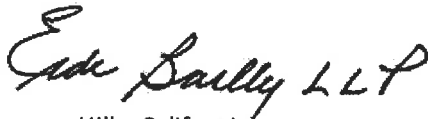
In our opinion, the Schedule referred to above presents fairly, in all material respects, the assets held by the County Treasury of the County of Orange, California, as of June 30, 2020, in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the Schedule, which describes the basis of accounting used in preparation of the Schedule. The Schedule was prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 22, 2021, on our consideration of the County Treasury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the County Treasury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County Treasury's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California
April 22, 2021

Orange County Treasury
Schedule of Assets Held by the County Treasury
(Dollar Amounts in Thousands)
June 30, 2020

	OCIF		
	Pooled	Non-Pooled	Total
Cash			
Cash on hand	\$ 63	\$ -	\$ 63
Cash on deposit	26,856	22,957	49,813
Total cash	26,919	22,957	49,876
Investments, Stated at Fair Value			
Pooled Funds	10,200,374	-	10,200,374
Non-Pooled	-	113,397	113,397
Total investments	10,200,374	113,397	10,313,771
Total assets	<u>\$ 10,227,293</u>	<u>\$ 136,354</u>	<u>\$ 10,363,647</u>

Note 1 - Summary of Significant Accounting Policies

DEPOSITS AND INVESTMENTS:

The accompanying Schedule of Assets Held by the County Treasury (Schedule) is intended to separately report deposits and investments in the County Treasury included in the basic financial statements of the County of Orange, State of California (County). For additional disclosure information and contingencies, please refer to the June 30, 2020 publication of the County Comprehensive Annual Report.

The Schedule includes the cash balances of all funds that the Office of the Treasurer-Tax Collector (Treasurer) invests according to California Government Code and the Treasurer's Investment Policy Statement (IPS). These public funds are called the Orange County Investment Fund (OCIF). For reporting purposes, the OCIF is further divided into the Orange County Investment Pool (OCIP) and the Orange County Educational Investment Pool (OCEIP), the latter of which is utilized exclusively by the County's public school and community college districts. The OCIF is maintained for the County and other non-County entities for the purpose of benefiting from economies of scale through pooled investment activities. The pooled funds are not registered with the Securities and Exchange Commission ("SEC") as an investment company.

The Schedule is presented on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). Receipts are recognized when received by the Treasurer; disbursements are recognized when paid by the bank; and the value of investments is stated at fair value. The Schedule's modified cash basis primarily differs from the cash basis of accounting by the amount of outstanding checks of \$157,300 at June 30, 2020.

The Treasurer has stated required investments at fair value in the accompanying Schedule, using the fair value measurement within the fair value hierarchy established by U.S. GAAP.

The Treasurer values participants' shares in the pools using an amortized cost basis. Specifically, the pools distribute income to participants based on their relative participation during the period. Income is calculated based on (1) realized investment gains and losses calculated on an amortized cost basis, (2) interest income based on stated rates (both paid and accrued), (3) amortization of discounts and premiums on a straight-line basis, and reduced by (4) actual administrative cost of such investing, depositing or handling of funds. This method differs from the fair value method used to value investments in this Schedule because the amortized cost method does not distribute to participants all unrealized gains and losses in the fair values of the pools' investments.

Note 2 - Deposits and Investments

The Treasurer is responsible for authorizing all County bank accounts and pursuant to California Government Code (CGC) Sections 27000.1 – 27000.5, 27130 – 27137, and 53600 – 53686 is responsible for conducting County investment activities of the County's investment pooled funds in addition to various individual investment accounts outside of the pooled funds. The County's Investment Pools are not registered with the Securities and Exchange Commission (SEC) as an investment company, and therefore are exempt from SEC rules. In addition to the pooled fund in the OCIF, the Treasurer separately invests other non-pooled funds (Specific investments), including John Wayne Airport Investment Fund (JWA).

The Treasurer further invests pooled funds from the OCIF into three funds, the Orange County Money Market Fund (OCMMF), the Orange County Educational Money Market Fund (OCEMMF), and the Extended Fund. On December 6, 2019, Standard & Poor's (S&P) reaffirmed its highest rating of AAAM Principal Stability Fund Rating (AAAM) on the OCMMF and the OCEMMF. The Treasurer will act on a "best efforts" basis to stabilize the Net Asset Value (NAV) of OCMMF and OCEMMF at or above \$0.9975 (in absolute dollar amounts). The pooled funds do not have any legally binding guarantees of share values.

The maximum maturity of investments for the two money market funds is 13 months with a maximum weighted average maturity (WAM) of 60 days. The maximum maturity of the Extended Fund is five years per CGC. The IPS provides that all pools, except short-term pools, shall have a maximum duration of 1.50 years.

Pursuant to CGC Sections 27130-27137, the Board has established a Treasury Oversight Committee (TOC) that monitors and reviews the IPS annually and also ensures that the Treasurer has an audit annually, which includes limited tests of compliance with laws and regulations. The TOC consists of the County Executive Officer, the elected County Auditor-Controller, the County Superintendent of Schools, or their respective designees, and four public members, with at least three having expertise in, or an academic background in, public finance.

The investment practices and policies of the Treasurer are based on compliance with state law and prudent money management. The primary goal is to invest public funds in a manner which will provide maximum security of principal invested with secondary emphasis on providing adequate liquidity to pool participants. The last goal is to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

Interest is allocated to individual funds monthly based on the average daily balances on deposit with the Treasurer.

1. Deposits

CGC Section 53652 et. seq. and the IPS prescribe the amount of collateral that is required to secure the deposit of public funds. The pledge to secure deposits is administered by the California Commissioner of Business Oversight. Collateral is required for demand deposits at 110% of all deposits not covered by Federal Depository Insurance Corporation (FDIC) if obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first trust deeds upon improved residential real property located in California. All such collateral is considered to be held by an agent of depository pursuant to CGC Section 53658. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written agreements are required to provide, among other things, that the collateral securities are held separately from the assets of the custodial institution. FDIC is available for demand deposits and time saving deposits at any one financial institution up to a maximum of \$250.

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that the County will not be able to recover deposits that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or collateralized. The County's deposits are not exposed to custodial credit risk, since all of its deposits are covered by FDIC or collateralized with securities held by the County or its agent in the County's name in accordance with CGC Section 53652 and 53658.

2. Investments

The CGC Sections 53601 and 53635, Board ordinances and resolutions, the County's IPS, the bond indenture documents, trust agreements, and other contractual agreements govern the investments that may be purchased and may include certain restrictions on investment maturity, maximum portfolio percentages, term, value, credit quality and timing to minimize the risk of loss. The IPS adds further restrictions to permitted investments from the CGC. As of June 30, 2020, the Treasurer was in full compliance with the more restrictive IPS for the OCIF and Specific Investments accounts.

The following table provides a summary listing of the authorized investments as of June 30, 2020.

Type of Investment	CGC % of Funds Permitted	Orange County IPS %	CGC Maximum Final Maturity	Orange County IPS Maximum Final Maturity (All Pooled Funds Except Short-Term Funds)	Orange County IPS Maximum Final Maturity (Short-Term Fund)
U.S. Treasury Securities	100%	100%	5 Years	5 Years	397 Days
U.S. Government Agency Securities (GSEs)	100%	100%	5 Years	5 Years	397 Days
Municipal Debt	100%	20% total, no more than 5% in one issuer except 10% County of Orange	5 Years	3 Years	397 Days
Medium-Term Notes	30%	20% total, no more than 5% in one issuer	5 Years	2 Years	397 Days
Bankers Acceptances	40%, 30% of a single issuer	40% total, no more than 5% in one issuer	180 Days	180 Days	180 Days
Commercial Paper	40%, 10% of a single issuer	40% total, no more than 5% in one issuer	270 Days	270 Days	270 Days
Negotiable Certificates of Deposits	30%	20% total, no more than 5% in one issuer	5 Years	18 Months	397 Days
State of California Local Agency Investment Fund	\$65 million per account	State limit (currently \$65 million per pool)	N/A	N/A	N/A
Repurchase Agreements	100%	20% total, no more than 10% in one issuer	1 Year	180 Days	1 Year
Money Market Mutual Funds (MMMF)	20%	20% Total, no more than 10% in one MMMF account	N/A	N/A	N/A
Investment Pools (JPA)	100%	20% total, no more than 10% in one JPA Pool	N/A	N/A	N/A
Supranationals	30%	30% total, no more than 5% in one issuer	5 Years	5 Years	397 Days

The current IPS expressly prohibits leverage, reverse repurchase agreements as defined by CGC Section 53601, structured notes, structured investment vehicles, derivatives and money market mutual funds that do not maintain a constant net asset value. All investments must be United States dollar denominated. No investment may be purchased from an issuer and all related entities, including parent and subsidiaries, that has been placed on "credit watch-negative" by any of the Nationally Recognized Statistical Rating Organizations (NRSROs), or whose credit rating by any of the NRSROs is less than the minimum rating required by the IPS for that class of security unless the issuer has a short-term rating of A-1+ or F1+ or a long-term rating of at least a AA or Aa2; and the Treasurer has approved the purchase in writing prior to purchase.

Investments by the Treasurer are reported at fair value. Investments in the OCIF are marked-to-market on a daily basis.

Unless otherwise required in a trust agreement or other financing document, assessment districts, Superior Courts, public school and community college districts, including certain bond-related funds, are required by legal provisions to deposit their operating and bond financing funds with the County Treasurer. At June 30, 2020, the OCIF includes approximately 55.8% of these involuntary participant deposits.

Investment Disclosures

The following table presents a summary of the County's investments, the credit quality distribution, and concentration of credit risk by investment type as a percentage of the OCIF's fair value at June 30, 2020.

With Treasurer: OCIF	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Ratings ⁽¹⁾	% of Portfolio
U.S. Treasuries	\$ 2,802,207	\$ 2,789,700	0.07-2.98%	7/02/2020-5/31/2022	0.094		27.47%
U.S. Government Agencies	4,764,541	4,697,318	0.07-3.09%	7/02/2020-10/15/2024	0.616	AA	46.71%
Municipal Debt	463,895	463,895	1.49-1.82%	7/31/2020-4/30/2021	0.021	NR	4.55%
Medium-Term Notes	275,557	272,917	1.70-3.12%	9/01/2020-8/08/2021	0.016	AA	2.70%
Local Agency Investment Fund	73,828	73,467	1.22%	7/01/2020	0.000	NR	0.72%
Money Market Mutual Funds	1,820,346	1,820,346	0.04-0.16%	7/01/2020	0.000	AAA	17.85%
	<u>\$ 10,200,374</u>	<u>\$ 10,117,643</u>			<u>0.747</u> ⁽²⁾		<u>100.00%</u>

With Treasurer: Specific Investments	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Ratings ⁽¹⁾	% of Portfolio
U.S. Treasuries	\$ 32,318	\$ 31,000	0.14-2.90%	8/31/2020-2/15/2036	0.644		28.50%
U.S. Government Agencies	72,687	68,021	0.11-3.48%	7/10/2020-11/02/2035	2.462	AA	64.10%
Money Market Mutual Funds	8,392	8,392	0.04-0.16%	7/01/2020	0.000	AAA	7.40%
	<u>\$ 113,397</u>	<u>\$ 107,413</u>			<u>3.106</u> ⁽²⁾		<u>100.00%</u>

⁽¹⁾ The County obtains credit ratings from S&P, Moody's, and Fitch. The ratings indicative of the greatest degree of risk have been disclosed. NR means not rated. The County is not required to disclose the credit ratings of obligations of the U.S. government or obligations explicitly guaranteed by the U.S. Government, and the ratings for U.S. Treasuries are not disclosed.

⁽²⁾ Portfolio weighted average maturity.

Fair Value Measures

The County categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices based on quoted identical assets in an active market.
- Level 2: Investments reflect prices that are based on identical or similar assets in inactive markets or similar assets in active markets. Inputs other than quotes are observable.
- Level 3: Investments reflect prices based on significant unobservable inputs.

Fair value measurement is based on pricing received from the County's third party vendors. Investments in money market mutual funds are priced using amortized cost, which approximates fair value, with a net asset value of \$1.00 (in absolute dollar amounts) per share, and per GASB Statement No. 72 are not subject to the fair value hierarchy. Additionally, the Local Agency Investment Fund (LAIF) is not subject to the fair value hierarchy.

The County uses the market approach method as a valuation technique in the application of GASB Statement No. 72. This method uses prices and other relevant information generated by market transactions involving identical or similar assets or groups of assets.

The following table presents a summary of the County's investments according to the assigned fair value hierarchy level as of June 30, 2020.

		Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
OCIF	Total			
U.S. Treasuries	\$ 2,802,207	\$ -	\$ 2,802,207	\$ -
U.S. Government Agencies	4,764,541	-	4,764,541	-
Medium-Term Notes	275,557	-	275,557	-
Municipal Debt	463,895	-	-	463,895
Total	<u>\$ 8,306,200</u>	<u>\$ -</u>	<u>\$ 7,842,305</u>	<u>\$ 463,895</u>
Investments Not Subject to Fair Value Hierarchy:				
Money Market Mutual Funds	\$ 1,820,346			
Local Agency Investment Fund	73,828			
Total	<u>\$ 10,200,374</u>			
Specific Investments				
U.S. Treasuries	\$ 32,318	\$ -	\$ 32,318	\$ -
U.S. Government Agencies	72,687	-	72,687	-
Total	<u>\$ 105,005</u>	<u>\$ -</u>	<u>\$ 105,005</u>	<u>\$ -</u>
Investments Not Subject to Fair Value Hierarchy:				
Money Market Mutual Funds	\$ 8,392			
Total	<u>\$ 113,397</u>			

Investment in County of Orange Taxable Pension Obligation Bonds 2020, Series A

On January 14, 2020, the OCIF purchased the County issued Taxable Pension Obligation Bonds 2020, Series A (2020 POBs) in the principal amount of \$463,895. The 2020 POBs were issued with a fixed coupon rate and with maturities from July 2020 to April 2021 and are solely owned by the OCIF. The obligation of the County to pay principal and interest on the 2020 POBs is an obligation imposed by law and is absolute and unconditional. As of June 30, 2020, the outstanding principal amount of the 2020 POBs is \$463,895. The bonds are not rated by any of the NRSROs. The County's investment in the 2020 POBs is disclosed herein as Municipal Debt.

Interest Rate Risk – Investments

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, investments of longer maturities are more sensitive to changes in market interest rates. The Treasurer manages its exposure to interest rate risk by carefully matching incoming cash flows and maturing investments and by maintaining a duration of 1.5 years or less. Declines in the fair value of investments are managed by limiting the length of the maturity of the securities. In general, the maximum maturity allowed is five years unless the Board has granted express authority either specifically or as part of an investment policy. Actual weighted average days to maturity by investment type for the funds invested in the Pools are presented in the table in the Investment Disclosures section. The OCIF at June 30, 2020 has 58.3% of investments maturing in six months or less and 41.7% maturing between six months and five years. As of June 30, 2020, the OCIF has no variable-rate notes.

Interest Rate Risk-Weighted Average Maturity

At June 30, 2020, the short-term pools investment fair values amounted to \$1,327,627. In accordance with the Board approved IPS, the Treasurer manages the Pool's short-term exposure to declines in fair value for deposits and investments by limiting the WAM to 60 days. At June 30, 2020, the WAM of the short-term portion of OCIF was less than 60 days. At the same date, the NAV of both short-term pools was \$1.00 (in absolute dollar amounts).

Interest Rate Risk-Duration

At June 30, 2020, the long-term pool investment fair value amounted to \$8,872,747. In accordance with the Board-approved IPS, the Treasurer manages investment related risk for deposits and investments by limiting duration to a maximum of 1.50 years.

As of June 30, 2020, the long-term pool had the following duration by investment type:

Investment Type	Fair Value	Portfolio %	Duration (In Years)
U.S. Treasuries	\$ 1,975,978	22.27%	0.46
U.S. Government Agencies	4,498,436	50.70%	1.40
Medium-Term Notes	275,557	3.11%	0.59
Municipal Debt	463,895	5.23%	0.45
Local Agency Investment Fund	73,828	0.83%	0.00
Money Market Mutual Funds	1,585,053	17.86%	0.00
Total fair value	<u>\$ 8,872,747</u>	<u>100%</u>	

Portfolio Duration

0.85

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The IPS does not permit investments in uninsured and unregistered securities not held by the County. The Treasurer utilizes third party Delivery Versus Payment (DVP) which mitigates any custodial credit risk. Securities purchased by the Treasurer are held by third party custodians in their trust department to mitigate custodial credit risk. At year-end, in accordance with the IPS, the County's external investment pools and specific investments did not have any securities exposed to custodial credit risk, and the Treasurer did not have any securities lending during the year (or at year-end).

Credit Risk - Investments

This is the risk that an issuer or other counterparty to an investment may not fulfill its obligations. The IPS sets forth the minimum acceptable credit ratings for investments from at least two of the following NRSROs: S&P, Moody's, or Fitch. For purchases of short-term debt, the issuer rating must be no less than A-1 or SP-1 (S&P), P-1 or MIG 1/VMIG 1 (Moody's), or F1 (Fitch) for purchases with remaining maturities less than 397 days, while purchases of long-term debt shall have issuer ratings no less than AA for purchases with remaining maturities longer than 397 days. Municipal debt issued by the County is exempt from the above credit rating requirements. As of June 30, 2020, the County's investments in OCIF were in compliance with the state law and IPS limits when purchased.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2020, all investments were in compliance with state law and the IPS single issuer limits. See the County's investments table for concentrations of holdings. The following holdings with the Treasurer exceeded five percent of the portfolio at June 30, 2020.

<u>Investment Type</u>	<u>Issuer</u>	<u>Fair Value</u>	<u>Portfolio %</u>
U.S. Government Agencies	Federal Home Loan Bank (FHLB) Bonds	2,034,977	20.00%
	Federal Farm Credit Bank (FFCB)	1,709,804	16.80%
	Federal National Mortgage Association (FNMA)	595,470	5.80%

Foreign Currency Risk

The IPS requires all securities to be U.S. dollar denominated. The OCIF is not exposed to foreign currency risk.

Note 3 - Subsequent Events

Investment Policy Statement (IPS): On November 17, 2020, the Board of Supervisors adopted Resolution 20-156 approving the 2021 IPS that delegated the investment and deposit for safekeeping authority to the Treasurer-Tax Collector for calendar 2021. The main changes to the 2021 IPS were to add new government code language allowing local agencies to invest in U.S. Government Securities that could result in zero or negative interest accruals and yields, add federal regulation updates that government bodies are a qualified institutional buyer (QIB) and add definitions for accredited investors and QIBs.

Investment in County of Orange Taxable Pension Obligations Bonds 2021, Series A: On January 14, 2021, the OCIF purchased the County issued Taxable Pension Obligations Bonds 2021, Series A (2021 POBs) in the principal amount of \$484,800. The 2021 POBs were issued with a fixed coupon rate and with maturities from July 2021 to April 2022 and are solely owned by OCIP. The obligation of the county to pay principal and interest on the 2021 POBs is an obligation imposed by law and is absolute and unconditional. As of the report date, the outstanding principal amount of the 2021 POBs was \$484,800. The bonds are not rated by any of the NRSROs.

COVID-19: On March 19, 2020, the Governor of the State of California issued a stay at home order that effectively closed all non-essential businesses. The County closed its County Service Center on March 22, 2020, but maintained all essential operations and reopened on June 22, 2020. The County closed the center again on December 11, 2020 and it reopened again on March 1, 2021. For the Fiscal Year 2019-2020, the County secured property tax collection rate was 99.15% of the total amount billed, which has caused slightly less dollars to be invested and apportioned out of the County Treasury during this period. Property taxes fund over 90% of the County's discretionary services. There was no material impact on the investments as they are, with the exception of the POBs, rated AA or higher and primarily invested in U.S. Treasuries and Government Sponsored Enterprises.

Standard & Poor's (S&P's) reaffirmation of "AAAm": On December 16, 2020, S&P reaffirmed its highest Principal Stability Fund Rating of AAAm on the OCMMF and the OCEMMF.



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Supervisors
County of Orange, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Schedule of Assets Held by the County Treasury (Schedule) of the County of Orange, California (County), as of and for the year ended June 30, 2020, and the related notes to the Schedule, and have issued our report thereon dated April 22, 2021.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California
April 22, 2021



Frank Davies, CPA

Orange County Auditor-Controller



Internal Audit

Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020

Audit Manager: Michael Steinhaus, CPA, CGMA
Auditor II: John Lim



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2007

May 18, 2021

TO: Members, Board of Supervisors
Chairman Andrew Do, First District
Vice Chairman Doug Chaffee, Fourth District
Katrina Foley, Second District
Donald P. Wagner, Third District
Lisa A. Bartlett, Fifth District

SUBJECT: Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020

We have completed our Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020. Our final report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-2457 or Michael Steinhaus, Audit Manager, at 714-834-6106.

Frank Davies, CPA
Auditor-Controller

Other recipients of this report:

Members, Audit Oversight Committee
Shari Freidenrich, Treasurer-Tax Collector
Frank Kim, County Executive Officer
Christine Herrera, Director of Treasury, Treasurer-Tax Collector
Gary Nguyen, Director of Investments, Treasurer-Tax Collector
Salvador Lopez, Chief Deputy Auditor-Controller
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Eide Bailly LLP, County External Auditor

Independent Accountant's Review Report

The Honorable Board of Supervisors
County of Orange, California

We have reviewed the accompanying Schedule of Assets Held by the County Treasury—Modified Cash-Basis (financial schedule) of the County of Orange, California, as of December 31, 2020, pursuant to Government Code Section 26920(a). A review includes primarily applying analytical procedures to management's financial data and making inquiries of department management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial schedule as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of this financial schedule in accordance with the modified cash-basis of accounting; this includes determining that the basis of accounting the County Treasury uses for financial reporting is an acceptable basis for the preparation of financial schedules in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial schedules that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial schedule for it to be in accordance with the modified cash-basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, except for the issue noted in the Known Departure from Modified Cash-Basis of Accounting paragraph, we are not aware of any material modifications that should be made to the accompanying financial schedule in order for it to be in accordance with the modified cash-basis of accounting.

Known Departure from Modified Cash-Basis of Accounting

The financial schedule is prepared in accordance with the modified cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized when received by the Treasurer; disbursements are recognized when paid by the bank; and the value of investments is stated at fair value. The modified cash-basis of accounting requires that financial statements include adequate disclosures. Management has elected to omit all disclosures ordinarily included in a financial schedule prepared on the modified cash-basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the users' conclusions about the County Treasury's assets.

Other Matter

This report is intended solely for the information and use of the Board of Supervisors and the management of the Orange County Auditor-Controller. However, this report is a matter of public record and its distribution is not limited.

While performing this review, we noted one internal control matter that we will report to the Board of Supervisors in a separate management letter.

A handwritten signature in blue ink, appearing to read 'Frank Davies', with a stylized, cursive script.

Frank Davies, CPA
Auditor-Controller
May 18, 2021

Orange County Treasury
Schedule of Assets Held by the County Treasury
As of December 31, 2020

	Pooled	Assets Non-Pooled	Total
Cash			
Cash on Hand	\$ 31,000	\$ -	\$ 31,000
Cash on Deposit	633,569,000	16,395,000	649,964,000
Total Cash	633,600,000	16,395,000	649,995,000
Investments, stated at fair value	11,133,512,000	112,115,000	11,245,627,000
Total Assets	<u>\$ 11,767,112,000</u>	<u>\$ 128,510,000</u>	<u>\$ 11,895,622,000</u>

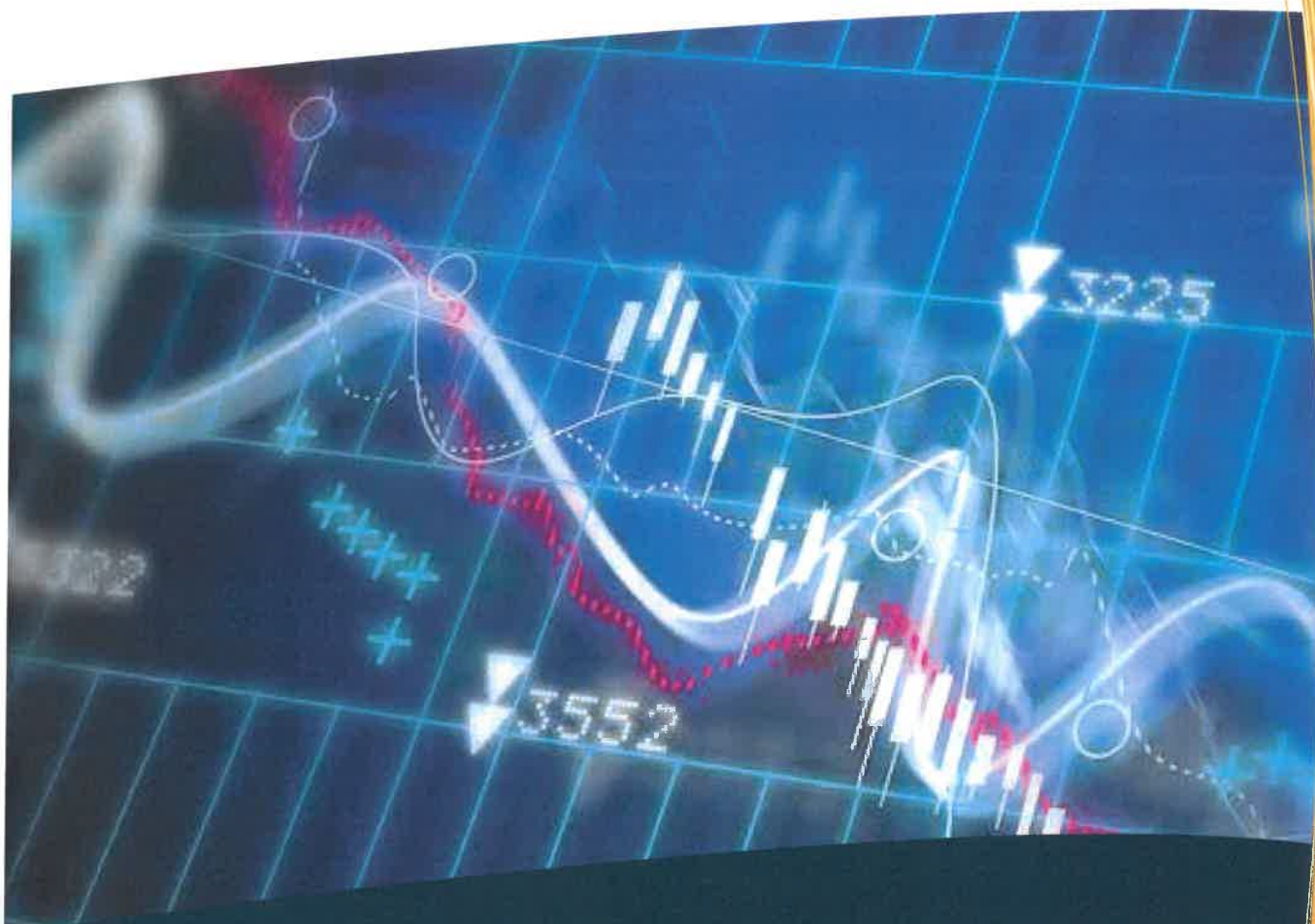


ATTACHMENT F

Frank Davies, CPA

Orange County Auditor-Controller

Internal Audit



Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2020

Audit Manager: Michael Steinhaus, CPA, CGMA
Auditor II: John Lim



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2003

May 19, 2021

TO: Members, Treasury Oversight Committee

SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2020

At the request of the Treasury Oversight Committee, we have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended December 31, 2020. Our final report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-2457 or Michael Steinhaus, Audit Manager, at 714-834-6106.

A handwritten signature in blue ink, appearing to read "Frank Davies".

Frank Davies, CPA
Auditor-Controller

Other recipients of this report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Shari Freidenrich, Treasurer-Tax Collector
Frank Kim, County Executive Officer
Christine Herrera, Director of Treasury, Treasurer-Tax Collector
Gary Nguyen, Director of Investments, Treasurer-Tax Collector
Salvador Lopez, Chief Deputy Auditor-Controller
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Eide Bailly LLP, County External Auditors



Internal Auditor's Report

Alisa Backstrom, CCMT, CPFIM, Chair
Treasury Oversight Committee

We have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended December 31, 2020. The purpose of our engagement was to determine whether the pooled and non-pooled funds complied with the Treasurer's Investment Policy Statement (IPS) and compliance exceptions were reported in the Treasurer's Monthly Investment Report. The funds covered by this engagement include those of the Orange County Investment Pool (OCIP), Orange County Educational Investment Pool (OCEIP), and John Wayne Airport (JWA) Investment Fund. The Treasurer invests pooled funds from the OCIP and OCEIP into three funds: the Orange County Money Market Fund and the Orange County Educational Money Market Fund (collectively referred to as Money Market Funds), and the Extended Fund.

We performed our compliance monitoring of the Treasury's investment portfolio at the request of the Treasury Oversight Committee. It is designed to provide limited assurance to the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector that the Treasurer's investment portfolio complies with the IPS and the Treasurer reports all compliance exceptions.

Our procedures included judgmentally selecting 15 business days for testing and importing the selected electronic downloads from the Treasurer's Quantum system into TeamMate Analytics, an Excel-based data analytics software, to perform calculations and determine whether investment purchases complied with the IPS.

Based on the procedures performed, no compliance exceptions were identified.

The following lists the procedures performed and the results achieved:

1. Authorized Investments (IPS Sections VI, VII, VIII, IX, and XI): We judgmentally selected 15 investments purchased during the quarter (one investment for each of the 15 business days selected for testing). We confirmed that the investments conformed to the investment requirements at the time of purchase and were purchased from issuers or brokers on the Treasurer's authorized lists per the IPS.

Results: We found no exceptions.

2. Diversification Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the diversification limits for investment types per the IPS.

Results: We found no exceptions.

3. Weighted Average Maturity (WAM) Limits (IPS Section VIII.2): We confirmed that WAM did not exceed 60 days for the Money Market Funds per the IPS, and that WAM did not exceed 90 days for the JWA Investment Fund.

Results: We found no exceptions.



Internal Auditor's Report

4. Maximum Maturity Limits (IPS Section VIII.2): We confirmed that the maximum maturity of any investment purchased did not exceed 397 days for the Money Market Funds and five years for the Extended Fund per the IPS, and that the maximum maturity did not exceed 15 months for the JWA Investment Fund.

Results: We found no exceptions.

5. Investment Type Maximum Maturity Limits (IPS Section VIII.1): We confirmed that the maximum maturity of investment types purchased that have lower limits than those covered by IPS Section VIII.2 did not exceed 180 days for repurchase agreements in the Extended Fund and bankers' acceptances, 270 days for commercial paper, 18 months for negotiable certificates of deposit, and two years for medium-term notes in accordance with the IPS.

Results: We found no exceptions.

6. Issuer Concentration Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the issuer concentration limits per the IPS.

Results: We found no exceptions.

7. Financial Reporting (IPS Section XXI): We confirmed that any compliance exceptions identified during our testing were reported in the Treasurer's Monthly Investment Report per the IPS.

Results: We found that T-TC reported compliance exceptions for 12/29/20 and 12/31/20 in the Treasurer's December 2020 Investment Report. We selected 12/29/20 and 12/31/20 for testing and did not note any compliance exceptions. The reason for the difference is because T-TC considers certain amounts held by Northern Trust in demand accounts to be investments; however, we agree with Northern Trust that those amounts are cash. Regardless of whether the amounts are investments or cash, they are not recorded in Quantum. We recommend that T-TC management ensure that all amounts included in the Treasurer's investment portfolio are recorded in Quantum.

This report is intended solely for the information and use of the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector; however, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink, appearing to read "Frank Davies", is positioned above the printed name.

Frank Davies, CPA
Auditor-Controller
May 19, 2021



ATTACHMENT G

Frank Davies, CPA

Orange County Auditor-Controller



Internal Audit

Management Letter on Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020

Audit Manager: Michael Steinhaus, CPA, CGMA
Auditor II: John Lim

Page 36 of 43

Audit Number 2007
Report Date: June 8, 2021



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2007

June 8, 2021

TO: Members, Board of Supervisors
Chairman Andrew Do, First District
Vice Chairman Doug Chaffee, Fourth District
Katrina Foley, Second District
Donald P. Wagner, Third District
Lisa A. Bartlett, Fifth District

SUBJECT: Management Letter on Review of the Schedule of Assets Held by the County
Treasury as of December 31, 2020

We have completed our Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020, and have issued our report thereon dated May 18, 2021. We identified one finding during our review, which we have documented in the attached Management Letter on Review of the Schedule of Assets held by the County Treasury as of December 31, 2020. Our letter is attached for your review.

The management letter contains one recommendation. Management's response has been included in the management letter and the complete text of the response is included in Attachment B.

A handwritten signature in blue ink, appearing to read "Frank Davies".

Frank Davies, CPA
Auditor-Controller

Other recipients of this report:

Members, Audit Oversight Committee
Shari Freidenrich, Treasurer-Tax Collector
Frank Kim, County Executive Officer
Christine Herrera, Director of Treasury, Treasurer-Tax Collector
Gary Nguyen, Director of Investments, Treasurer-Tax Collector
Salvador Lopez, Chief Deputy Auditor-Controller
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Eide Bailly LLP, County External Auditor



Management Letter

The Honorable Board of Supervisors
County of Orange, California

We have reviewed, in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, the Schedule of Assets Held by the County Treasury—Modified Cash-Basis (financial schedule) of the County of Orange, California, as of December 31, 2020, pursuant to Government Code Section 26920(a) and have issued our report thereon dated May 18, 2021.

In performing our review, we identified one finding that we determined to be a reportable condition. Reportable conditions involve matters coming to our attention relating to deficiencies in the design or implementation of the internal controls or qualitative aspects of the entity's accounting practices. This includes accounting policies that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial schedule. This letter does not affect our report on the financial schedule dated May 18, 2021.

For reporting our observations and recommendations, we classify report items into three categories: control deficiencies, significant deficiencies, and material weaknesses. See Attachment A for a description of report item classifications.

This letter was discussed with the representatives of the Treasury management and their response has been incorporated into this letter. The Treasury's response was not subject to the review procedures applied in the review of the financial schedule and, accordingly, we express no conclusion on the response. We will follow-up on the status of the response in accordance with our follow-up procedures.

This communication is intended solely for the information and use of the Board of Supervisors, the management of the Treasury, and the management of the Auditor-Controller and is not intended to be, and should not be, used by anyone other than these specified parties. However, this letter is a matter of public record and its distribution is not limited.

Frank Davies, CPA
Auditor-Controller
June 8, 2021



Management Letter

Finding #1: Northern Trust Demand Account was Not Recorded in Quantum Significant Deficiency

Criteria

Government Code Section 26920 states that "At least once in each quarter, the county auditor shall perform, or cause to be performed, a review of the treasurer's statement of assets in the county treasury... The review shall include... verifying that the records of the county treasurer and auditor are reconciled pursuant to Section 26905." Government Code Section 26905 states that "...the auditor shall reconcile the cash and investment accounts as stated on the auditor's books [CAPS+] with the cash and investment accounts as stated on the treasurer's books [Quantum]... to determine that the amounts in those accounts as stated on the books of the treasurer are in agreement with the amounts in those accounts as stated on the books of the auditor." Established internal controls require that the financial records of the Treasury accurately reflect the cash and investment accounts.

Condition

During our review of the Treasurer-Tax Collector (T-TC) bank reconciliation as of December 31, 2020, we noted balances from Northern Trust OCMMF of \$42,000,000 and Northern Trust X-Fund of \$51,321,560 totaling \$93,321,560 that were reported in the Schedule of Assets as of December 31, 2020 as investments. However, the reports provided by Northern Trust show that Northern Trust considers these amounts to be cash. Regardless of whether the amounts are cash or investments, they were not recorded in Quantum.

We classify this finding as a significant deficiency when combined with the control deficiency identified in the Management Letter on Review of the Schedule of Assets held by the County Treasury as of September 30, 2016 and again in the Management Letter on Review of the Schedule of Assets held by the County Treasury as of September 30, 2019, for which T-TC's corrective action is still in process.

Cause

T-TC incurred COVID related staff shortages in the office and "the decision was made to minimize any wire transfers during this week and to not transfer the cash from maturities to our Wells Fargo bank account, but instead to leave them invested in the Northern Trust (NT) MMMF linked to each custody account overnight." The MMMF linked to the County's Money Market Fund and Extended Fund are not set up in Quantum and excluded from automated reporting and compliance testing.

Effect

These accounts totaling \$93,321,560 are included in the Schedule of Assets as of December 31, 2020, but cannot be reconciled pursuant to Government Code Section 26905 because they are not stated on the books of the treasurer (Quantum).

Recommendation

We recommend that T-TC management ensure that all accounts included in its Schedule of Assets are recorded in Quantum.



Management Letter

Management's Response

Treasury Management is working with its vendor to add the appropriate Northern Trust MMMFs to Quantum either, prior to, or shortly after the new version of Quantum goes-live.



Attachment A: Report Classifications

For purposes of reporting our findings and recommendations, we will classify report items into three categories:

Control Deficiency

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Significant Deficiency

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepting accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Material Weakness

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



Attachment B: Treasurer-Tax Collector Management Response

Steinhaus, Michael [AC]

From: Winn, Brian <BWinn@TTC.OCGOV.com>
Sent: Friday, March 19, 2021 1:28 PM
To: Steinhaus, Michael [AC]
Cc: Nguyen, Tiffanie [TTC]; Lim, John [AC]
Subject: RE: Request for October - December 2020 Data Files for Compliance Monitoring

Categories: Findings

Hello Michael,

Here is the explanation:

In response to resource limitations caused by a COVID related staff shortages in the office, the decision was made to minimize any wires during this week and to not transfer the cash from maturities to our Wells Fargo bank account, but instead to leave them invested in the Northern Trust (NT) MMMF linked to each custody account overnight. As the normal practice is not to leave funds to be invested at Northern Trust primarily due to the fact that the yields on the NT MMMF are lower than the yields at our other MMMF's, this situation rarely occurs. This situation identified that previously any cash not wired to the Wells Fargo Bank was being incorrectly reported as cash when it should have been reported as a MMMF and was not being properly recorded as a trade in the investment accounting system even though it was being reported as a trade on the MMMF trade summary (with the note that no separate wire is required). Therefore, because of this, the Northern Trust MMMF's linked to the County's Extended Fund had not been set up in Quantum, and was therefore excluded from any automated reporting in Quantum and all related compliance reports.

Please note that on a go forward basis, TTC Management has taken the following steps:

- 1) Treasury Management is working with our vendor to add the appropriate Northern Trust MMMFs to Quantum either, prior to, or shortly after the new version of Quantum goes-live;
- 2) Any amounts in these new MMMF accounts would show up in the MMMF trade tickets and would be considered by the Investment Accounting / Compliance staff when they review this daily compliance report to ensure that the 10% and the 20% limits are in compliance; and
- 3) The Investments Division includes trades and balances in the Northern Trust MMMFs in their pre-compliance summary sheet prior to sending the trade packets to Investment Accounting/Compliance. This is reviewed by the Director of Investments prior to submitting these packets to Investment Accounting.

Let me know if you have any questions.

Brian E. Winn
Accounting/Compliance Manager
Office of the Treasurer-Tax Collector
County of Orange

First 5 Orange County, Children & Families Commission
Quarterly Investment Report
July 1, 2021 through September 30, 2021

OVERVIEW

Pursuant to the First 5 Orange County, Children & Families Commission (Commission) fiscal year 2021/2022 Investment Policy Statement (IPS), the Treasurer submits this Quarterly Investment Report to the Commission. This Investment Report summarizes investment activities for the Commission for the three-month period from July 1 through September 30, 2021.

COMMISSION INVESTMENTS

The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100% of the Commission's funds in the Orange County Investment Pool (OCIP). As of September 30, 2021, these totaled \$55,636,017.40. All funds are managed by the Office of the Orange County Treasurer. We have attached a summary of key OCIP investment information (Attachment A).

ORANGE COUNTY INVESTMENT POOL

The primary goal of the OCIP is to invest public funds in a manner which will provide the maximum security of principal invested with secondary emphasis on providing adequate liquidity to Pool Participants and lastly to achieve a market rate of return.

PORTFOLIO PERFORMANCE SUMMARY – QUARTERLY

The following table presents an overview of the Commission's investments for the months of July, August and September 2021. The net year-to-date yield for fiscal year 2021/2022 is 0.519%, net of the estimated investment administrative fee of 5.8 basis points. The current gross and net yields forecast for fiscal year 2021/2022 for OCIP is 0.36% and 0.30% respectively. The OCIP has a net asset value (NAV) of 1.00 and there is sufficient liquidity to meet the forecasted expenditures for the next six months.

Month Ended	Commission's Month End Balance	Commission's Monthly Gross Yield	OCIP Market Value	OCIP Book Value	Weighted Average Maturity	Net Asset Value	Modified Duration
July	\$53,643,952.80	0.593%	\$4,866,572,965	\$4,849,549,194	409 days	1.00	1.13
August	\$56,866,908.55	0.575%	\$5,105,836,435	\$5,092,069,753	386 days	1.00	1.06
September	\$55,636,017.40	0.562%	\$5,041,145,300	\$5,032,600,305	403 days	1.00	1.08

ECONOMIC UPDATE

The job market added 1,091,000 (revised) jobs in July, added 366,000 (revised) jobs in August, and added 194,000 jobs in September. The unemployment rate decreased to 5.4% in July from 5.9% in June, then decreased to 5.2% in August and further decreased to 4.8% in September. The U.S. Gross Domestic Product second quarter of 2021 rate increased to 6.7% (revised) from the first quarter's rate of 6.3% (revised). The index for pending home sales on a year-over-year basis decreased by 3.5% in June (revised), decreased by 9.6% (revised) in July and further decreased by 6.3% (revised) in August.

U.S. Treasury Yield Curve: Yield on the 3-month decreased, and yields on the 2-year, 5-year, 10-year and 30-year Treasury all increased during the quarter ended September 30, 2021.

	Quarter Ended June 30, 2021	Quarter Ended September 30, 2021
3 - Month	0.05%	0.04%
2 - Year	0.25%	0.28%
5 - Year	0.87%	0.98%
10 - Year	1.45%	1.52%
30 - Year	2.06%	2.08%

SOURCE: U. S. DEPARTMENT OF THE TREASURY

COMPLIANCE MONITORING

As of September 30, 2021, 100% of the holdings of the Commission are in compliance with the Commission's IPS. The OCIP had one compliance exception this quarter. On July 15, 2021 the OCIP (in its short-term investment fund) had 21.33% invested in Money Market Mutual Funds, exceeding the IPS limit of 20%. On the next business day, this violation was cured and the OCIP was back in compliance. This compliance exception was self-identified on July 16, 2021 by the County Treasurer. The County Treasurer has taken steps to strengthen the system so that this does not happen again.

The County Treasurer's investments are audited regularly by the County Auditor-Controller Internal Audit Division (ACIAD). The ACAID contracted with Eide Bailly (EB) to perform one of their required audits of the Treasurer. The ACAID issued three reports (Attachments D, E and F) during the quarter ended September 30, 2021 as follows:

Agreed-Upon Procedures related to Investment Compliance Fiscal Year Ended June 30, 2019.

On September 23, 2021, EB issued the report, which contained one exception. The exception resulted when the withdrawal analysis approval for one voluntary pool participant's transaction was not signed by the County Treasurer or designee. This same exception was noted in the report for the Fiscal Year ended June 30, 2018 and the Treasurer, subsequent to the date of these findings, updated the Voluntary Participant withdrawal process to require signed approvals before processing withdrawals. The report also stated that the annual reconciliation of the investment administrative actual costs vs. estimated costs for the fiscal year ended June 30, 2019 was not reviewed by the auditor as the annual reconciliation had not been completed yet. The Treasurer plans to complete this reconciliation by June 30, 2022.

Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended March 31, 2021.

On August 31, 2021 the ACAID issued the report with no compliance exceptions identified.

Review of the Schedule of Assets Held by the County Treasury as of March 31, 2021.

On August 12, 2021 the ACAID issued the report. The report stated that they were not aware of any material modifications, except that management has elected to omit disclosures ordinarily included in a financial schedule prepared on the modified cash-basis of accounting, which is consistent with prior Review reports.

We have attached the Investment Policy (IPS) and Treasury Oversight Committee Compliance Summary as reported in the Treasurer's Monthly Report for the months of July, August and September 2021 (Attachment B). This summary tracks compliance in a variety of areas.

PORTFOLIO HOLDINGS OF DEBT ISSUED BY POOL PARTICIPANTS

Under guidelines outlined in the County's current IPS, the County Treasurer may invest in A or above rated securities issued by municipalities. Municipal debt issued by the County of Orange is exempt from this credit rating requirement. OCIP may invest no more than 5% of pool assets in any one issuer, with the exception of the County of Orange which has a 10% limit. As of September 30, 2021, OCIP has a total market value of \$181 million in County of Orange debt, which represents approximately 4% of total OCIP assets.

STATEMENT OF ACTIVITY

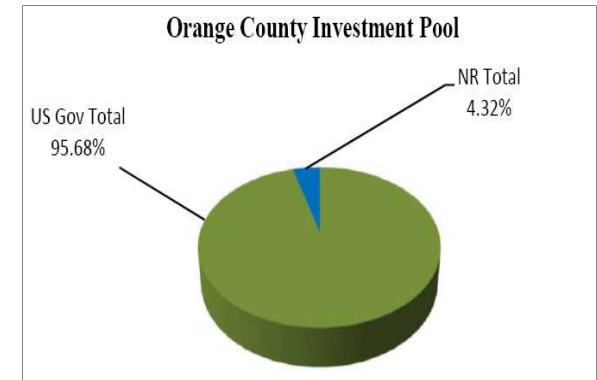
We have attached the Statement of Activity for the months of July, August and September 2021. (Attachment C). These Statements report the beginning and ending balances of the Commission's funds invested in the OCIP.

Attachments:

- A. Orange County Investment Pool Summary
- B. Investment Policy and Treasury Oversight Committee Compliance Summary for July, August and September 2021
- C. Statement of Activity for the months of July, August and September 2021
- D. Agreed-Upon Procedures related to Investment Compliance Fiscal Year Ended June 30, 2019.
- E. Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended March 31, 2021.
- F. Review of Schedule of Assets Held by the County Treasury as of March 31, 2021.

**ORANGE COUNTY TREASURER-TAX COLLECTOR
ORANGE COUNTY INVESTMENT POOL
INVESTMENT POOL SUMMARY
AT SEPTEMBER 30, 2021**

Security Type	OCIP PORTFOLIO COMPOSITION			
	Market Value	% of Market Value	Book Value	Unrealized Gain (Loss)
U.S. TREASURIES	\$ 2,121,204,315	42.08%	\$ 2,122,910,580	\$ (1,706,265)
U.S. GOVERNMENT AGENCIES	1,922,308,058	38.13%	1,912,056,798	10,251,260
MONEY MARKET MUTUAL FUNDS	779,683,614	15.47%	779,683,614	-
MUNICIPAL DEBT	181,033,800	3.59%	181,033,800	-
LOCAL AGENCY INVESTMENT FUND	36,915,513	0.73%	36,915,513	-
TOTAL	\$ 5,041,145,300	100.00%	\$ 5,032,600,305	\$ 8,544,995



US GOV Includes Agency Debt, Treasury Debt and US Gov. MMMF's
NR Includes LAIF and Orange County Pension Obligation Bonds

**SUMMARY OF INVESTMENT DATA
INVESTMENT TRENDS
OCIP**

	SEPTEMBER 2021	AUGUST 2021	INCREASE (DECREASE)	NET CHANGE %	SEPTEMBER 2020	INCREASE (DECREASE)	NET CHANGE %
Orange County Investment Pool (OCIP)							
End Of Month Market Value ¹	\$ 5,041,145,300	\$ 5,105,836,435	\$ (64,691,135)	-1.27%	\$4,689,745,867	\$ 351,399,433	7.49%
End Of Month Book Value	\$ 5,032,600,305	\$ 5,092,069,753	\$ (59,469,448)	-1.17%	\$4,656,800,459	\$ 375,799,846	8.07%
Monthly Average Balance	\$ 4,988,413,528	\$ 4,912,783,512	\$ 75,630,016	1.54%	\$4,583,371,934	\$ 405,041,594	8.84%
Year-To-Date Average Balance	\$ 5,062,032,513	\$ 5,098,842,005	\$ (36,809,492)	-0.72%	\$4,636,496,795	\$ 425,535,718	9.18%
Monthly Accrued Earnings ²	\$ 2,359,210	\$ 2,458,681	\$ (99,471)	-4.05%	\$3,997,568	\$ (1,638,358)	-40.98%
Monthly Net Yield ²	0.504%	0.517%	-0.013%	-2.51%	1.001%	-0.497%	-49.65%
Year-To-Date Net Yield ²	0.519%	0.526%	-0.007%	-1.33%	1.085%	-0.566%	-52.17%
Annual Estimated Gross Yield ²	0.360%	0.360%	0.000%	0.00%	0.802%	-0.442%	-55.11%
Weighted Average Maturity (WAM) ³	403	386	17	4.40%	257	146	56.81%

¹ Market values provided by Bloomberg and Northern Trust.

² The OCIP Monthly Accrued Earnings, Monthly Net Yield, Year-To-Date Net Yield and Annual Estimated Gross Yield were lower than the prior year primarily due to the five Federal Reserve short-term rate cuts totaling 2.25% since June 2019. The OCIP Annual Estimated Gross Yields for September 2020 are reported at the actual annual adjusted gross yields for FY 20-21.

³ The OCIP WAM increased from the prior year as portfolio duration is being extended as current liquidity is sufficient to cover expected expenditures.

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
July 31, 2021**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2019 and June 30, 2020 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	March 31, 2021 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2020 completed.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	March 31, 2021 completed.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18, FY 18/19, FY 19/20 and FY 20/21 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2020 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2021 IPS certifications received for all approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	FY 21/22 identified one compliance exception as of July 31, 2021.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 28, 2020 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2020 meeting and did not make any additional changes. BOS approved on November 17, 2020.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2020 Annual Report was approved by TOC on January 27, 2021 and was received and filed by the BOS on March 23, 2021.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 28, 2020.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2020 except two leaving office filings have not been received yet.

LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
August 31, 2021**

ATTACHMENT B

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2019 and June 30, 2020 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	March 31, 2021 completed and June 30, 2021 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2020 completed.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	March 31, 2021 completed.
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IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	FY 21/22 identified one compliance exception as of August 31, 2021.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 28, 2020 meeting. No BOS approval required.
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LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
September 30, 2021**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2019 completed. June 30, 2020 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	June 30, 2021 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2020 completed.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	March 31, 2021 completed.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013 and IPS Section XVI.	FY 17/18, FY 18/19, FY 19/20 and FY 20/21 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2020 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2021 IPS certifications received for all active approved brokers.
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LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC



COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515



ocgov.com/ocinvestments

July 31, 2021

FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Attn: Kimberly Goll, Executive Director
 1505 E. 17th Street, Suite 230
 Santa Ana, CA 92705

Fund Number : 225

JULY 2021 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
07/01/2021	June 2021 Investment Admin Fee	\$ (434.30)
07/29/2021	April 2021 Interest Paid	\$ 23,387.76

Summary

Total Deposit:	\$ 2,440,393.49	Beginning Balance:	\$ 52,631,405.72
Total Withdrawal:	\$ (1,427,846.41)	Ending Balance:	\$ 53,643,952.80

ACCRUED INVESTMENT INCOME

Description

Amount

May 2021 Interest Accrued	\$ 24,707.18
June 2021 Interest Accrued	\$ 25,982.18
Total	<u>\$ 50,689.36</u>
July 2021 Interest to be accrued in August 2021	\$ 27,151.28



COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515



ocgov.com/ocinvestments

August 31, 2021

FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Attn: Kimberly Goll, Executive Director
 1505 E. 17th Street, Suite 230
 Santa Ana, CA 92705

Fund Number : 225

AUGUST 2021 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
08/02/2021	July 2021 Investment Admin Fee	\$ (2,657.54)
08/30/2021	May 2021 Interest Paid	\$ 24,707.18

Summary

Total Deposit:	\$ 58,835,366.51	Beginning Balance:	\$ 53,643,952.80
Total Withdrawal:	\$ (55,612,410.76)	Ending Balance:	\$ 56,866,908.55

ACCRUED INVESTMENT INCOME

Description

Amount

June 2021 Interest Accrued	\$ 25,982.18
July 2021 Interest Accrued	\$ 27,151.28
Total	<u>\$ 53,133.46</u>

August 2021 Interest to be accrued in September 2021	\$ 28,009.81
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COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515



ocgov.com/ocinvestments

September 30, 2021

FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Attn: Kimberly Goll, Executive Director
 1505 E. 17th Street, Suite 230
 Santa Ana, CA 92705

Fund Number : 225

SEPTEMBER 2021 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
09/01/2021	August 2021 Investment Admin Fee	\$ (2,823.26)
09/30/2021	June 2021 Interest Paid	\$ 25,982.18

Summary

Total Deposit:	\$ 195,185.37	Beginning Balance:	\$ 56,866,908.55
Total Withdrawal:	\$ (1,426,076.52)	Ending Balance:	\$ 55,636,017.40

ACCRUED INVESTMENT INCOME

Description

Amount

July 2021 Interest Accrued	\$ 27,151.28
August 2021 Interest Accrued	\$ 28,009.81
Total	<u>\$ 55,161.09</u>

September 2021 Interest to be accrued in October 2021	\$ 26,291.76
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Agreed-Upon Procedures
Related to Investment Compliance
Fiscal Year Ended June 30, 2019
County of Orange, California

Independent Accountant’s Report On Applying Agreed-Upon Procedures	1
Procedures and Findings.....	2



Independent Accountant's Report

To the Treasury Oversight Committee
County of Orange, California

We have performed the procedures described in Attachment A, on whether the County of Orange, California (County) is in compliance with the provisions of Article 6, Sections 27130 through 27137 of the California Government Code (CGC) and the County Investment Policy Statements (IPS) for the fiscal year ended June 30, 2019. The County Treasurer-Tax Collector is responsible for the County's compliance with those provisions.

The County Treasurer-Tax Collector has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the County in determining it has complied with the provisions above for the year ended June 30, 2019, and we will report on findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are listed in Attachment A.

We were engaged by the County Treasurer-Tax Collector to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the County's compliance with the provisions of Article 6, Sections 27130 through 27137 of the CGC and the IPS. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County Treasurer-Tax Collector and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Treasury Oversight Committee, Audit Oversight Committee, and management of the County, and is not intended to be, and should not be, used by anyone other than those specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Laguna Hills, California
September 23, 2021

The procedures and associated findings are as follows:

Compliance with CGC Article 6, Sections 27130 through 27137:

1. Review Board of Supervisors (BOS) resolution establishing the Treasury Oversight Committee (TOC), review applicable BOS approved TOC Bylaws and TOC meeting minutes to determine that the local agencies, including school districts, participated in reviewing the policies that guide the pooled investments in accordance with CGC Section 27130, and that the TOC was established in accordance with the criteria stated in CGC Section 27131(a) and consists of members appointed from the following as specified in CGC Section 27132 a) - g) or as further defined in the TOC Bylaws for the fiscal year ended June 30, 2019:
 - (a) The County of Orange (County) Treasurer.
 - (b) The County Auditor-Controller.
 - (c) A representative appointed by the BOS.
 - (d) The County Superintendent of Schools or their designee.
 - (e) A representative selected by the majority of the presiding officers of the governing bodies of the school districts and community colleges in the County.
 - (f) A representative selected by the majority of the presiding officers of the legislative bodies of the special districts in the County that are required or authorized to deposit funds in the County Treasury.
 - (g) Up to five other members of the public.

Finding – No exceptions were found as a result of our procedures.

2. Review BOS resolutions, applicable BOS approved TOC Bylaws and applicable Agenda Staff Reports (ASR) nominating/appointing TOC members, job descriptions and background information of TOC members to determine that the TOC members meet the criteria specified in CGC Section 27132(1) and (2) or as alternatively defined in applicable TOC Bylaws and that they or their replacement was properly confirmed by the BOS for the fiscal year ended June 30, 2019.

Finding – No exceptions were found as a result of our procedures.

3. Obtain and review signed Certificate of Compliance statements from each TOC member stating the member has not been employed by an entity that has (a) contributed to the campaign of a candidate for the office of local treasurer, or (b) contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the County Treasury, in the previous three years or during the period that the employee is a member of the TOC, as specified in CGC Section 27132.1 for the fiscal year ended June 30, 2019.

Finding – No exceptions were found as a result of our procedures.

4. Obtain and review signed Certificate of Compliance statements from each TOC member stating the member has not directly or indirectly raised money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a TOC member as specified in CGC Section 27132.2 for the fiscal year ended June 30, 2019.

Finding – No exceptions were found as a result of our procedures.

5. Obtain and review signed Certificate of Compliance statements from each TOC member stating the member did not/will not secure employment with bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms, with whom the Treasurer is doing business with, during the period the person was/is a member of the TOC or for one year after leaving the TOC as specified in CGC Section 27132.3 for the fiscal year ended June 30, 2019.

Finding – No exceptions were found as a result of our procedures.

6. Review TOC minutes for the fiscal year ended June 30, 2019, to ensure they are approved and the date, time and location of upcoming meetings are included. Review the TOC agenda to determine that public comments were posted prior to each meeting as required under the Brown Act to comply with CGC Section 27132.4 for the fiscal year ended June 30, 2019.

Finding – No exceptions were found as a result of our procedures.

7. Determine that the County Treasurer prepared an IPS for the fiscal year ended June 30, 2019, which is reviewed and monitored by the TOC as specified in CGC Section 27133. For each revision of the respective IPS, determine if the Treasurer properly presented the IPS changes to the TOC and the BOS and if all changes were approved by the TOC and the BOS.

Finding – No exceptions were found as a result of our procedures.

8. Obtain the respective Investment Policy Statement for the fiscal year ended June 30, 2019, and determine that it contains the following elements as specified in CGC Section 27133 (a)-(h):
 - (a) authorized investments;
 - (b) maximum security terms;
 - (c) selection criteria for brokers and dealers;
 - (d) limits on the receipt of gifts;
 - (e) investment reporting criteria;
 - (f) cost calculation and apportionment policy;
 - (g) deposit terms and conditions for voluntary participants;
 - (h) criteria for the withdrawal of funds.

Finding – No exceptions were found as a result of our procedures.

9. Obtain the annual audit for the previous year as specified by CGC Section 27134 to determine compliance with the compliance requirements specified in CGC Sections 27130-27137 for the fiscal year ended June 30, 2018.

Finding – We obtained and inspected the Agreed-Upon Procedures Report dated May 8, 2020, in which procedures were performed over compliance requirements specified in CGC Sections 27130-27137 for the fiscal year ended June 30, 2018.

10. Obtain and review the Annual Review of Investment Administrative Costs vs. Revenue Analysis for the fiscal year ended June 30, 2019, to determine whether the costs of complying with CGC Sections 27130 through 27137 (Article 6) were included as County charges, allowed by CGC 27135.

Finding – As of the date of this report, the analysis for the fiscal year ended June 30, 2019 was not completed. Therefore, we were unable to perform the procedure.

11. Select a sample of five (5) withdrawals of voluntary participant funds for the purpose of investing or depositing these funds outside of the County Treasury during the fiscal year ended June 30, 2019, and determine compliance with CGC Section 27136 (a) and (b) and Section XVIII of the IPS and review for the following:

- (a) Withdrawals from pool participants shall require written approval (transaction request) from the pool participant.
- (b) Prior to approving or disapproving the withdrawal request, the County Treasurer or designee shall make a finding of the effect on the stability and predictability of the investments and on the interests of the other depositors in the County Treasury by completing a withdrawal analysis.

Finding – As a result of applying procedure 11(b), we identified the withdrawal analysis was not properly signed by the County Treasurer or designee for one (1) out of five (5) samples selected. No exceptions were found as a result of applying procedure 11(a).

12. Obtain and review signed Certificate of Compliance statements from each TOC member stating the member obtained a copy of the TOC Bylaws that state under Rule 30, that the TOC shall not direct individual investment decisions, select individual investment advisors, brokers, or dealers, or impinge on the day-to-day operations of the County Treasury to comply with CGC Section 27137 for the fiscal year ended June 30, 2019.

Finding – No exceptions were found as a result of our procedures.

Compliance with Orange County Investment Policy Statement (IPS)

1. Review BOS resolution approving the IPS applicable to the fiscal year ended June 30, 2019, per CGC Section 53646(a).

Finding – No exceptions were found as a result of our procedures.

2. Select one (1) day per month of transactions which include purchases and/or sales/maturities for the fiscal year ended June 30, 2019 and determine the County's compliance with Sections VI, VII, VIII, IX and XIII of the applicable approved IPS by performing the procedures outlined below:

Purchases

- a. Verify approval signatures on the trade packets.
- b. Verify information in the trade packets agrees with the information in the Daily Investment Worksheets.
- c. Verify approval signatures on the Daily Investment Worksheets.
- d. Verify the purchased investment issuer was listed on the Approved Issuer List and that the purchase complied with IPS restrictions.
- e. Verify the purchased investment was an authorized type of investment per the CGC Section 53601.
- f. Verify the maturity date of the purchased investment meets the required limit of the IPS.
- g. When a repurchase agreements is invested, verify the County is in compliance with the IPS collateralization requirement.
- h. Verify the purchased security agrees with the trade confirmation provided by the brokers/dealers.
- i. Confirm securities are held by third party custodian, and/or safekeeping statement containing pertinent information is issued to the Treasurer.

Sales/Maturities

- a. Verify approval signatures on the trade packets (sales only).
- b. Verify approval signature on the Daily Investment Worksheets.
- c. Verify the sale agrees with the trade confirmation provided by the brokers/dealers.
- d. Trace the proceeds to the custodian statement.

Finding – We selected twelve (12) days of transactions during the fiscal year ended June 30, 2019, as follows:

- | | |
|-----------------------|---------------------|
| 1. July 10, 2018 | 7. January 7, 2019 |
| 2. August 24, 2018 | 8. February 7, 2019 |
| 3. September 24, 2018 | 9. March 14, 2019 |
| 4. October 2, 2018 | 10. April 25, 2019 |
| 5. November 23, 2018 | 11. May 21, 2019 |
| 6. December 3, 2018 | 12. June 24, 2019 |

No exceptions were found as a result of our procedures.

3. Obtain Form 700 Statement of Economic Interests for 2019 covering the period January 1, 2019 through December 31, 2019, filed annually by the Treasurer, Auditor Controller, TOC members and designated County Treasury employees to ensure compliance with Section X of the approved IPS in effect.

Finding – No exceptions were found as a result of our procedures.

4. Review the County's Annual Broker Dealer Review packets for the fiscal year ended June 30, 2019 to ensure that the County performed an evaluation of the brokers in accordance with the *Authorized Broker/Dealers and Financial Institutions* as specified in Section XI of the current IPS in effect.

Finding – No exceptions were found as a result of our procedures.

5. Determine that the County Treasurer submitted the monthly investment reports to the TOC, the pool participants, the County Executive Officer, the Director of Auditor-Controller Internal Audit, the Auditor Controller, and the BOS, as specified in Section XX.I of the current IPS in effect.

Finding – No exceptions were found as a result of our procedures.

6. Verify that the Treasurer reconciled the estimated administrative costs and actual administrative costs incurred and adjusted participant accounts accordingly on an annual basis for the fiscal year ended June 30, 2019, as specified in Section XVI of the current IPS in effect.

Finding – Consistent with the finding for Procedure 10 in the previous section, as of the date of this report, the analysis for the fiscal year ended June 30, 2019 was not completed. Therefore, we were unable to perform the procedure.

7. Select a sample of four (4) Treasurer's Monthly Investment Reports (reports) for the fiscal year ended June 30, 2019, and perform the following as specified in the IPS Section XXI:
 - a. Confirm that reports were provided to the BOS, the County Executive Officer, the Chief Financial Officer, the Director of Auditor-Controller Internal Audit, the Auditor Controller, the TOC, the presiding judge of the Superior Court, and Treasurer or other official responsible for the funds of any local agency who has investments in the County Treasury as allowed by CGC Sections 53607, 53646, and 53686.
 - b. Compare the investments listed to the types of investments authorized by CGC Section 53601.
 - c. Recalculate and verify the issuer concentration permitted in the respective IPS' in effect.
 - d. Determine the selected reports include the following information for each investment:
 - i. type of investment;
 - ii. name of issuer;
 - iii. maturity date;
 - iv. par value;
 - v. current market value; and
 - vi. securities' S&P/Moody's rating.

- e. The reports were provided within 30 days following the end of the period of the report.
- f. The reports state compliance of the portfolio with the respective IPS in effect or if not in compliance, states the manner in which the portfolio is not in compliance.
- g. The reports include a statement denoting the ability of the County to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall or may not be available.

Finding – We selected August 2018, November 2018, March 2019, and May 2019 reports for the fiscal year ended June 30, 2019. No exceptions were found as a result of our procedures.



Frank Davies, CPA
Orange County Auditor-Controller

Internal Audit



Compliance Monitoring of the
Treasurer's Investment Portfolio for the
Quarter Ended March 31, 2021

Audit Manager: Michael Steinhaus, CPA, CISA, CGMA
Auditor II: John Lim

Audit Number 2004
Report Date: August 31, 2021



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2004

August 31, 2021

TO: Members, Treasury Oversight Committee

SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended March 31, 2021

At the request of the Treasury Oversight Committee, we have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended March 31, 2021. Our final report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-2457 or Michael Steinhaus, Audit Manager, at 714-834-6106.

A handwritten signature in blue ink, appearing to read "Frank Davies", is positioned above the printed name.

Frank Davies, CPA
Auditor-Controller

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Shari Freidenrich, Treasurer-Tax Collector
- Frank Kim, County Executive Officer
- Gary Nguyen, Director of Investments, Treasurer-Tax Collector – Treasury
- Brian Winn, Treasurer-Tax Collector
- Salvador Lopez, Chief Deputy Auditor-Controller
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditors



Internal Auditor's Report

Alisa Backstrom, CCMT, CPFIM, Chair
Treasury Oversight Committee

We have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended March 31, 2021. The purpose of our engagement was to determine whether the pooled and non-pooled funds complied with the Treasurer's Investment Policy Statement (IPS) and compliance exceptions were reported in the Treasurer's Monthly Investment Report. The funds covered by this engagement include those of the Orange County Investment Pool (OCIP), Orange County Educational Investment Pool (OCEIP), and John Wayne Airport (JWA) Investment Fund. The Treasurer invests pooled funds from the OCIP and OCEIP into three funds: the Orange County Money Market Fund and the Orange County Educational Money Market Fund (collectively referred to as Money Market Funds), and the Extended Fund.

We performed our compliance monitoring of the Treasurer's investment portfolio at the request of the Treasury Oversight Committee. It is designed to provide limited assurance to the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector that the Treasurer's investment portfolio complies with the IPS and the Treasurer reports all compliance exceptions.

Our procedures included judgmentally selecting 15 business days for testing and importing the selected electronic downloads from the Treasurer's Quantum system into TeamMate Analytics, an Excel-based data analytics software, to perform calculations and determine whether investment purchases complied with the IPS.

Based on the procedures performed, no compliance exceptions were identified.

The following lists the procedures performed and the results achieved:

1. Authorized Investments (IPS Sections VI, VII, VIII, IX, and XI): We judgmentally selected 15 investments purchased during the quarter (one investment for each of the 15 business days selected for testing). We confirmed that the investments conformed to the investment requirements at the time of purchase and were purchased from issuers or brokers on the Treasurer's authorized lists per the IPS.

Results: We found no exceptions.

2. Diversification Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the diversification limits for investment types per the IPS.

Results: We found no exceptions.

3. Weighted Average Maturity (WAM) Limits (IPS Section VIII.2): We confirmed that WAM did not exceed 60 days for the Money Market Funds per the IPS, and that WAM did not exceed 90 days for the JWA Investment Fund.

Results: We found no exceptions.



Internal Auditor's Report

4. Maximum Maturity Limits (IPS Section VIII.2): We confirmed that the maximum maturity of any investment purchased did not exceed 397 days for the Money Market Funds and five years for the Extended Fund per the IPS, and that the maximum maturity did not exceed 15 months for the JWA Investment Fund.

Results: We found no exceptions.

5. Investment Type Maximum Maturity Limits (IPS Section VIII.1): We confirmed that the maximum maturity of investment types purchased that have lower limits than those covered by IPS Section VIII.2 did not exceed 180 days for repurchase agreements in the Extended Fund and bankers' acceptances, 270 days for commercial paper, 18 months for negotiable certificates of deposit, and two years for medium-term notes in accordance with the IPS.

Results: We found no exceptions.

6. Issuer Concentration Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the issuer concentration limits per the IPS.

Results: We found no exceptions.

7. Financial Reporting (IPS Section XXI): We confirmed that any compliance exceptions identified during our testing were reported in the Treasurer's Monthly Investment Report per the IPS.

Results: We found no exceptions.

This report is intended solely for the information and use of the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector; however, this report is a matter of public record and its distribution is not limited.

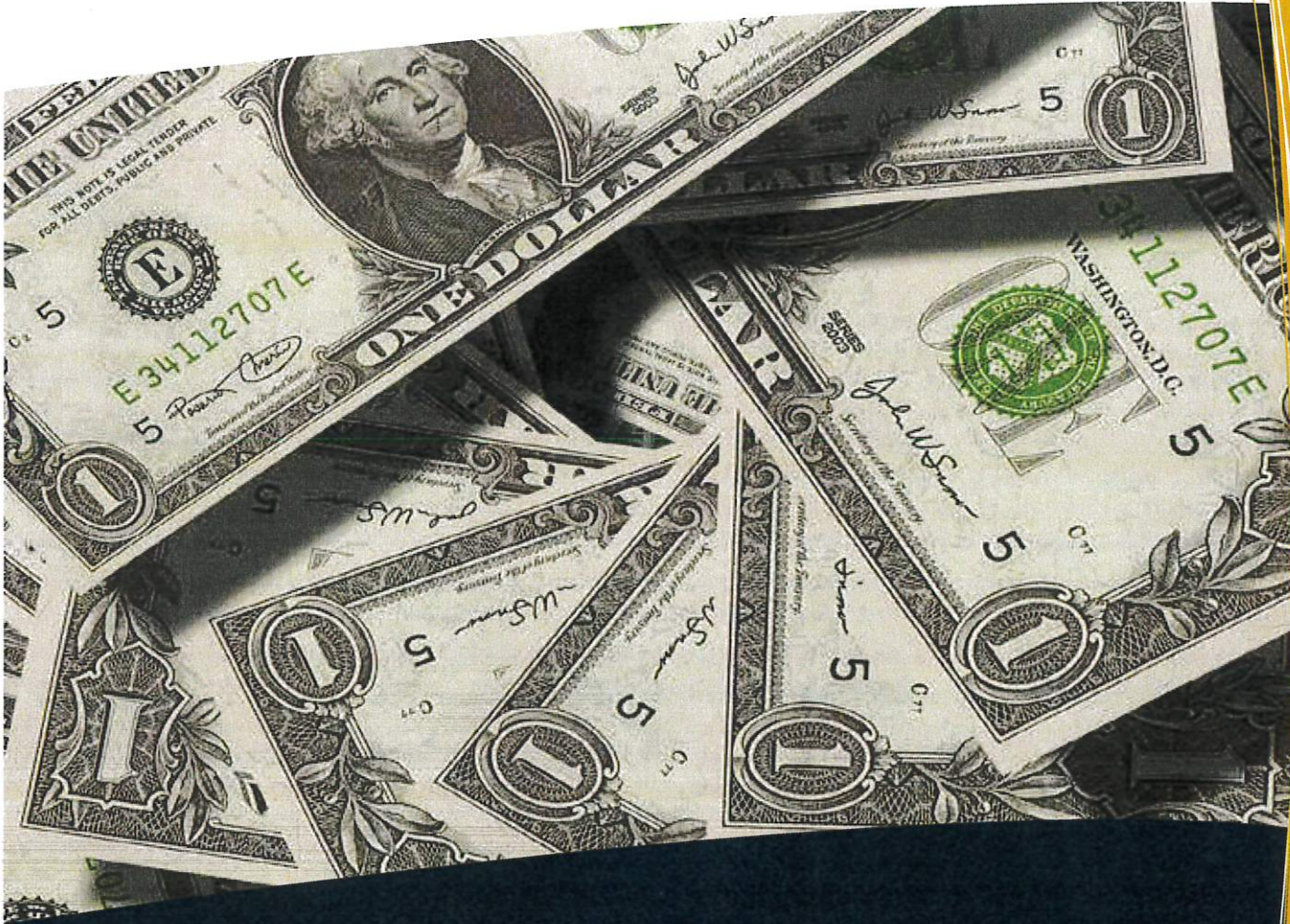
A handwritten signature in blue ink, appearing to read "Frank Davies", is located above the printed name.

Frank Davies, CPA
Auditor-Controller
August 31, 2021



Frank Davies, CPA
Orange County Auditor-Controller

Internal Audit



Review of the Schedule of Assets Held by the
County Treasury as of March 31, 2021

Audit Manager: Michael Steinhaus, CPA, CISA, CGMA
Auditor II: John Lim

Audit Number 2008
Report Date: August 12, 2021



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2008

August 12, 2021

TO: Members, Board of Supervisors
Chairman Andrew Do, First District
Vice Chairman Doug Chaffee, Fourth District
Katrina Foley, Second District
Donald P. Wagner, Third District
Lisa A. Bartlett, Fifth District

SUBJECT: Review of the Schedule of Assets Held by the County Treasury as of March 31, 2021

We have completed our Review of the Schedule of Assets Held by the County Treasury as of March 31, 2021. Our final report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-2457 or Michael Steinhaus, Audit Manager, at 714-834-6106.

Frank Davies, CPA
Auditor-Controller

Other recipients of this report:

Members, Audit Oversight Committee
Shari Freidenrich, Treasurer-Tax Collector
Frank Kim, County Executive Officer
Christine Herrera, Director of Treasury, Treasurer-Tax Collector
Gary Nguyen, Director of Investments, Treasurer-Tax Collector
Salvador Lopez, Chief Deputy Auditor-Controller
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Eide Bailly LLP, County External Auditor

Independent Accountant's Review Report

The Honorable Board of Supervisors
County of Orange, California

We have reviewed the accompanying Schedule of Assets Held by the County Treasury—Modified Cash-Basis (financial schedule) of the County of Orange, California, as of March 31, 2021, pursuant to Government Code Section 26920(a). A review includes primarily applying analytical procedures to management's financial data and making inquiries of department management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial schedule as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of this financial schedule in accordance with the modified cash-basis of accounting; this includes determining that the basis of accounting the County Treasury uses for financial reporting is an acceptable basis for the preparation of financial schedules in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial schedules that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial schedule for it to be in accordance with the modified cash-basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, except for the issue noted in the Known Departure from Modified Cash-Basis of Accounting paragraph, we are not aware of any material modifications that should be made to the accompanying financial schedule in order for it to be in accordance with the modified cash-basis of accounting.

Known Departure from Modified Cash-Basis of Accounting

The financial schedule is prepared in accordance with the modified cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized when received by the Treasurer; disbursements are recognized when paid by the bank; and the value of investments is stated at fair value. The modified cash-basis of accounting requires that financial statements include adequate disclosures. Management has elected to omit all disclosures ordinarily included in a financial schedule prepared on the modified cash-basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the users' conclusions about the County Treasury's assets.

Other Matter

This report is intended solely for the information and use of the Board of Supervisors and the management of the Orange County Auditor-Controller. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink, appearing to read 'Frank Davies', with a stylized, flowing script.

Frank Davies, CPA
Auditor-Controller
August 12, 2021

Orange County Treasury
Schedule of Assets Held by the County Treasury
(Dollar Amounts in Thousands)
As of March 31, 2021

	Pooled	Assets Non-Pooled	Total
Cash			
Cash on Hand	\$ 184	\$ -	\$ 184
Cash on Deposit	300,446	19,058	319,504
Total Cash	300,630	19,058	319,688
Investments, stated at fair value	10,498,753	111,991	10,610,744
Total Assets	\$ 10,799,383	\$ 131,049	\$ 10,930,432