A G E N D A

REGULAR MEETING
FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Wednesday, December 7, 2022

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

RAMIN BASCHSHI, MD
Chair

DOUG CHAFFEE
Vice Chair

CLAYTON CHAU, MD
Commissioner

KATHERINE CHIU, MD, MBA
Commissioner

LEAH ERSOYLU, PhD.
Commissioner

JACKIE FILBECK
Commissioner

YVETTE LAVERY, MPA, MBE
Commissioner

SUSAN MCCLINTIC
Commissioner

AN TRAN
Commissioner

President/CEO
Kimberly Goll

Commission Counsel
Cassie Trapesonian

Clerk of the Commission
Jamie Ross, Deputy

The First 5 Orange County, Children & Families Commission welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Commission encourages your participation. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda.

Members of the public can either attend the meeting in-person or listen to audio live streaming of The First 5 Orange County, Children & Families Commission meeting by clicking the link or calling in as described below:

Please click the link below to join the webinar:
https://us02web.zoom.us/j/83637945065?pwd=aktEeitxRFFQSlFwaE9NYTRSVGREUT09
Webinar ID: 836 3794 5065
Passcode: 537247
One tap mobile : US: +16699009128,,83637945065#,,,,*537247# or +13462487799,,83637945065#,,,,*537247#
Or Telephone: Dial (for higher quality, dial a number based on your current location): US: +1 669 900 9128 or +1 346 248 7799 or +1 253 215 8782 or +1 312 626 6799 or +1 646 558 8656

A G E N D A

Members of the public may address the Commission regarding any item in two ways:

1. In-Person Comment - Members of the public may attend the meeting in person and address the Commission regarding any item on the agenda. If you wish to speak on an item contained in the agenda, please complete a Speaker Form identifying the item(s) and deposit it in the Speaker Form Return box located next to the Clerk. If you wish to speak on a matter that does not appear on the agenda, you may do so during the Public Comment period at the close of the meeting. Speaker Forms are available at the entrance of the Conference Center. Speakers will be recognized by the Chair at the time the agenda item is to be considered. A speaker's comments shall be limited to three minutes.

2. Written Comment – The Commission is also accepting public comments to be submitted by emailing them to First5OC@cfcoc.ocgov.com. The comments will be distributed to all of the Commissioners and read into the meeting record. If you wish to comment on a specific agenda item, please identify the item in your email. General public comments will be addressed during the general public comment item on the agenda. In order to ensure that staff has the ability to provide comments to the Commissioners in a timely manner, please submit your comments by 12:00 p.m. on December 6, 2022. Public comments will be made available to the public upon request.

Any member of the public requiring a reasonable accommodation to participate in this meeting should contact the Commission at least 48 hours prior to the meeting at First5OC@cfcoc.ocgov.com or (714) 834-2206.

All supporting documentation is available for public review in the office of the Clerk of the Board of Supervisors located in the County Administration North, 400 W. Civic Center Dr., 6th Floor, Santa Ana, California 92701 during regular business hours,
8:00 a.m. - 5:00 p.m., Monday through Friday.

9:00 A.M.

PLEDGE OF ALLEGIANCE

PRESENTATION: (Item 1)

1. Receive Presentation on the Home Visiting Countywide Collaboration

CONSENT CALENDAR: (Items 2-5)
All matters are approved by one motion unless pulled by a Commission Member for discussion or separate action. At this time, any member of the public may ask the Commission to be heard on any item on the Consent Calendar.

2. Approve First 5 Orange County Meeting Calendar for 2023

3. Adopt resolution approving an amendment to agreement No. PS-257 with Woodruff, Spradlin & Smart for Professional Legal Services

4. Conduct Biennial Review and adopt resolution approving amendments to the Conflict of Interest Code

5. Adopt Fiscal Year 2023/2024 Employer and Employee Retirement Contribution Rates as Established and Adopted by the Orange County Employees Retirement System

PUBLIC HEARING: (Item 6)

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

A G E N D A

<u>REGULAR ITEMS</u>: (Items 7-11)
At this time, members of the public may ask the Commission to be heard on the following items as those items are called.

7. Receive Update on Brown Act Teleconferencing Options

8. Discuss and provide direction on Next Steps for determining the configuration of the Technical Advisory Committee

9. Receive Report on First 5 Orange County Action Plans

10. Receive update on Doula Benefit and adopt resolution authorizing an amendment to agreement No. PS-267 with Health Management Associates Inc.

11. Receive update on Homeless Prevention Funding Initiative and adopt resolution authorizing an amendment to agreement No. FCI-FSC-05 with Charitable Ventures of Orange County

<u>PRESIDENT/CEO REPORT</u>: (Item 12)

12. Receive the President/Chief Executive Officers Report
    a. 2023 Commissioner Recruitment
    b. Fifth District Child Care Funding
    c. Speech and Language Services Analysis
    d. Commission Office Lease
    e. Vital Village
    f. Sustainability Planning for Healthy Smiles For Kids of Orange County
    g. Human Resource Update
    h. Financial Report Update

<u>PUBLIC & COMMISSION COMMENTS & ADJOURNMENT</u>:

At this time members of the public may address the Commission on any matter not on the agenda but within the jurisdiction of the Commission. The Commission or Chair may limit the length of time each individual may have to address the Commission.

<u>PUBLIC COMMENTS</u>:

<u>COMMISSION COMMENTS</u>:

<u>ADJOURNED</u>:

<u>NEXT MEETINGS:</u>
February 1, 2023 Regular Meeting, 9:00 a.m.

Agenda Item 1
December 7, 2022
PRESENTATION ITEM

DATE: November 28, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

ACTION: Receive Presentation on the Home Visiting Countywide Collaboration

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One of the conditions identified in First 5 Orange County's Strategic Plan that will support children reaching their full potential is a nurturing, safe, and stable home. High-quality evidence-based home visiting programs are a critical component of the Prenatal to 3 system of care that supports both a child's development and families throughout the child's first years of life. For more than a year, First 5 OC has been participating in the development, funding, and goals-setting for a countywide collaborative effort working to improve the system outcomes for the county's home visiting programs.

Ultimately, the intent of this work is to move to a fully integrated system with infrastructure that supports this coordination. The roles of an integrated system include:

- Governance and Infrastructure: defining roles, responsibilities, and decision making to improve system effectiveness (not just programmatic outputs)
- Data Reporting and Evaluation: capturing and reporting data for operational, funding, and evaluation objectives
- Workforce Development: recruiting, retaining and developing quality workforce
- Coordinated Entry: supporting referrals to maximize funding capacity and to best meet family needs
- Blended and Braided Funding: maximize use of available funding and match revenue sources to program needs and populations
- Policy Advocacy: prioritizing support for federal, state, and local policy change to enable system effectiveness

The collaboration includes funders and direct service providers and has been focused on coalescing a vision for the home visiting system and developing the foundational work that will move us toward operationalizing this vision in the county. Sara Brown, First 5 Orange County's Vice President of Health Systems and Family Resilience, along with Christina Altmayer and Betsy Uhrman from the Health Management and Associates consultant team, will walk through the presentation that documents collective progress made to date.

Attachment:
1. Presentation

CONTACT: Sara Brown

Countywide Home Visiting Coordination

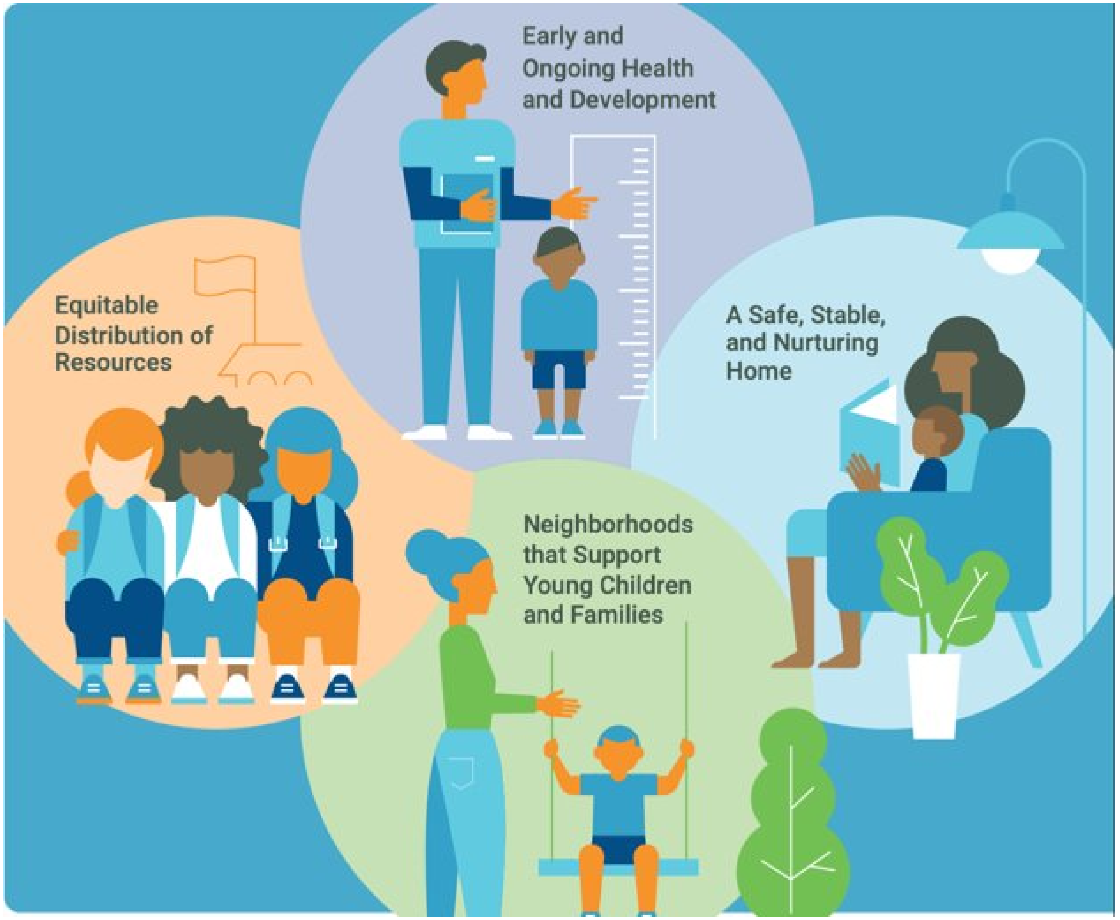
December 2022

FIRST 5 ORANGE COUNTY

Presentation Purpose

- Update on the Countywide Home Visiting Systems Work
- Will Building and Policy Change Opportunities
- Practice Change Opportunities

Early Intervention & Family Support



- Prenatal to 3 is a critical time period for early intervention and family support
- Evidence based Home Visiting is a specific intervention that is effective in promoting early relational health, early identification of needs, and linkage to services and supports
- Intersects several conditions included in the Strategic Plan

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Home visiting is a critical platform for the Prenatal-3 population

Countywide Home Visiting System Work

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2022 Work Plan

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

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Vision Statement

Orange County's early childhood system provides **easy and equitable access** to culturally-responsive, integrated supports to all Orange County expectant 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.

FIRST 5 ORANGE COUNTY

Collaborative Partners

CalOptima
A Public Agency
Better. Together.

County of Orange California
OC Social Services Agency
Our Community, Our Commitment

OC health CARE AGENCY

Orange County Head Start, Inc.
Empowering Children & Families

MOMS Orange County

The Priority Center
Ending the Cycle of Generational Trauma

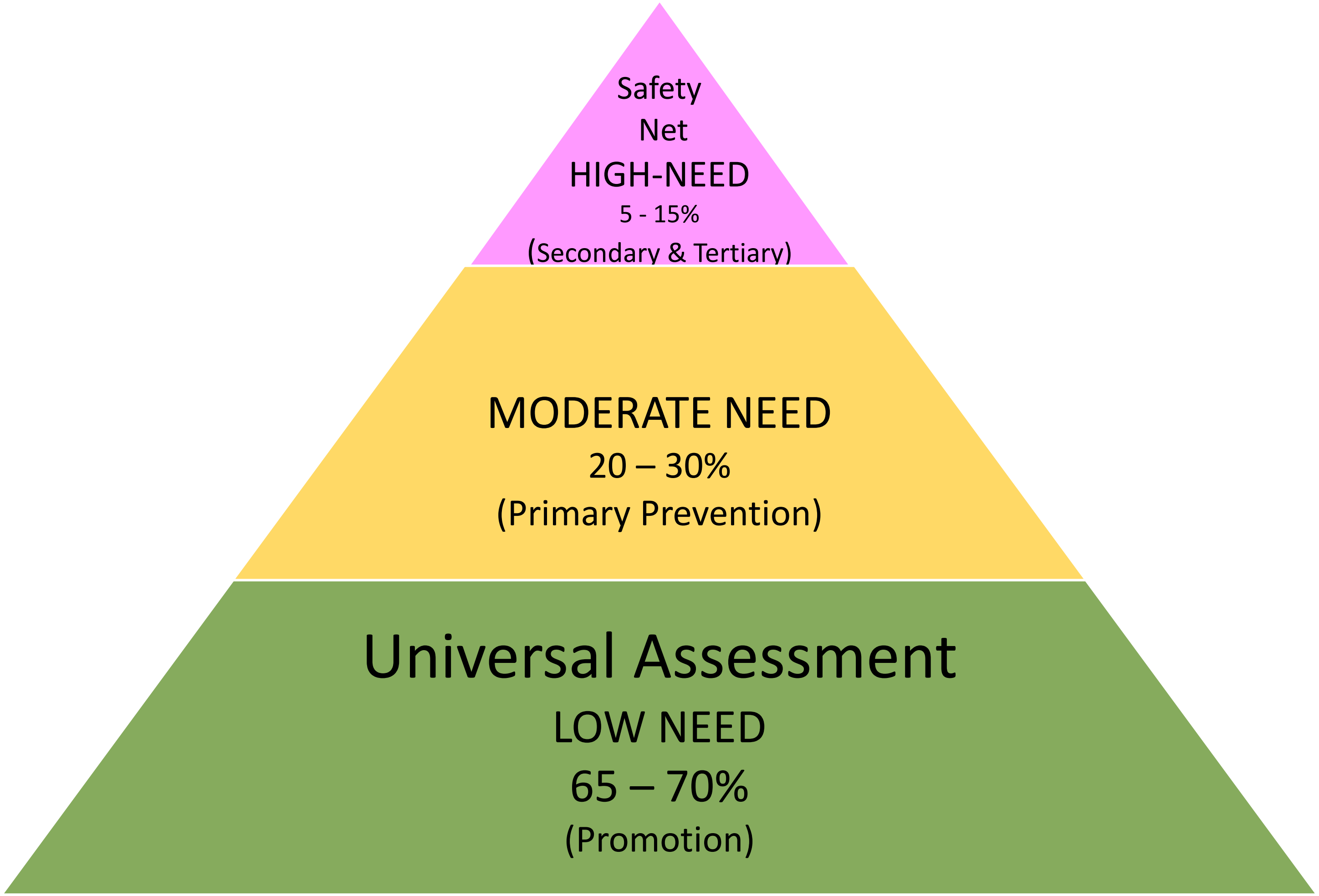
MECCA MULTI-ETHNIC COLLABORATIVE OF COMMUNITY AGENCIES

FIRST 5 ORANGE COUNTY

RANCHO SANTIAGO Community College District

children's bureau

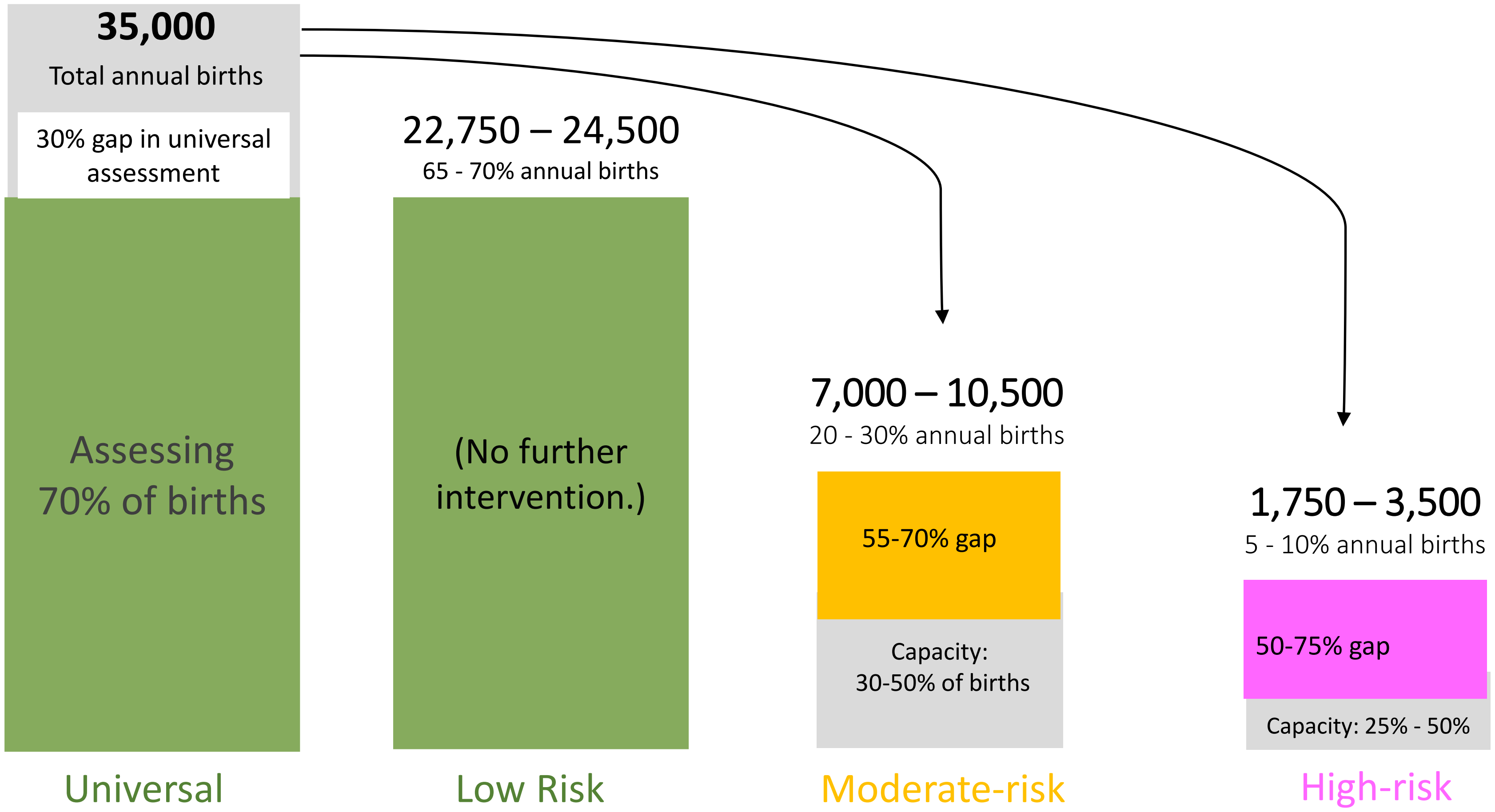
Landscape Analysis



The Landscape Analysis estimated the needs for Prenatal - 3 services based on:

- 35,000 estimated annual births in Orange County
- Analysis of assets/risk factors from Strong Start Index and Conditions of Children Report

Landscape Analysis: Need vs. Capacity



- Our system of care should have the capacity to support 14,000 families or 40% of births
- Current capacity is 30% percent or 4,320 families
- System gap is estimated at approximately 10,000 families

Current Understanding of HV capacity (Based on FY 2021/22 Funding)

**Estimates of need based on 2019 Data Strong Start Index and other community data.*
First 5 assesses approximately 68% of all births in OC through the Bridges hospital network.

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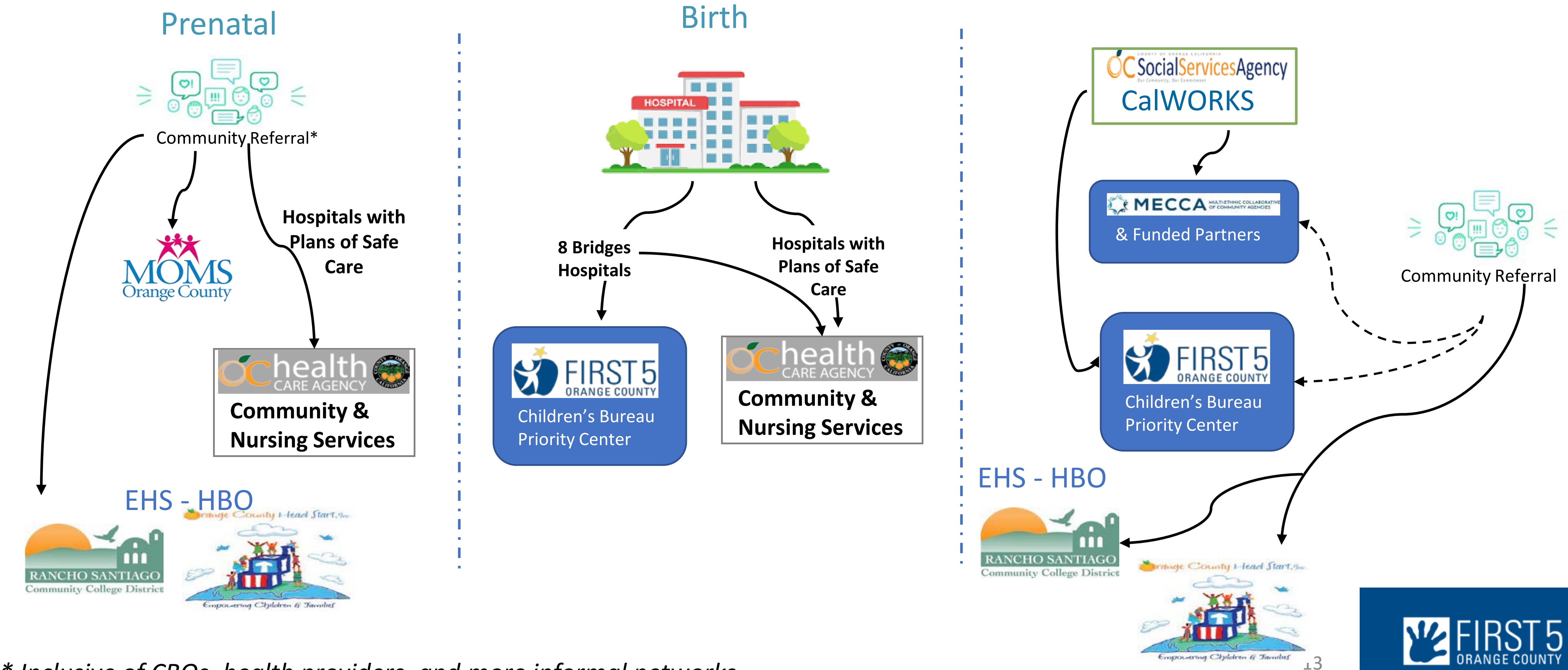
Prioritize & Advance System Change Opportunities

	Objective	Progress
Provider Cohort Learning	• Expand knowledge • Promote informal networking • Promote a system mindset	• Launched first cohort learning sessions in September and October 2022 with a focus on safe return to in-person work. • Completed two trainings with a total of 121 home visitors participating • Developing additional sessions based on participant surveys and feedback

Prioritize & Advance System Change Opportunities

	Objective	Progress
Referral Pathways	• Streamline access • Support best fit • Increase service utilization	• Developed updated inventory of existing home visiting programs, eligibility criteria, competencies, and capacity • Developed agreements among providers to facilitate referrals and program utilization • Working with SSA to develop processes and protocols to improve participation in CalWORKs HV

Enable "easy and equitable access" throughout the Prenatal - 3 Period



** Inclusive of CBOs, health providers, and more informal networks*

FIRST 5 ORANGE COUNTY

Key Take Aways

- Current system has insufficient capacity to meet the needs of families with both moderate and higher risk needs
- Significant growth in home visiting funding, administrators, and providers over the last five years has created new capacities to meet OC's diverse family needs **AND** requires better coordination of these services into a system of care to maximize existing resources and meet family needs
- The COVID-19 pandemic was a significant challenge to maintaining and launching home visiting programs

Priorities for 2023

- Referral Pathways
    - Pilot and test voluntary expectations among providers to enable timely referrals to programs that match to family needs
    - Continue to work with SSA to improve referrals and engagement in CalWORKs home visiting
- Provider Cohort Learning
    - Continue to host convenings to strengthen skills among home visitors and strengthen partnerships among providers
    - Target is two additional sessions before June 30 responsive to provider needs
- Evaluate Infrastructure Needs and Options to Better Coordinate Referrals
    - Assess feasibility of creating a backbone or "hub" entity to coordinate referrals
- Continue to Identify and Elevate Policy Challenges and Remedies

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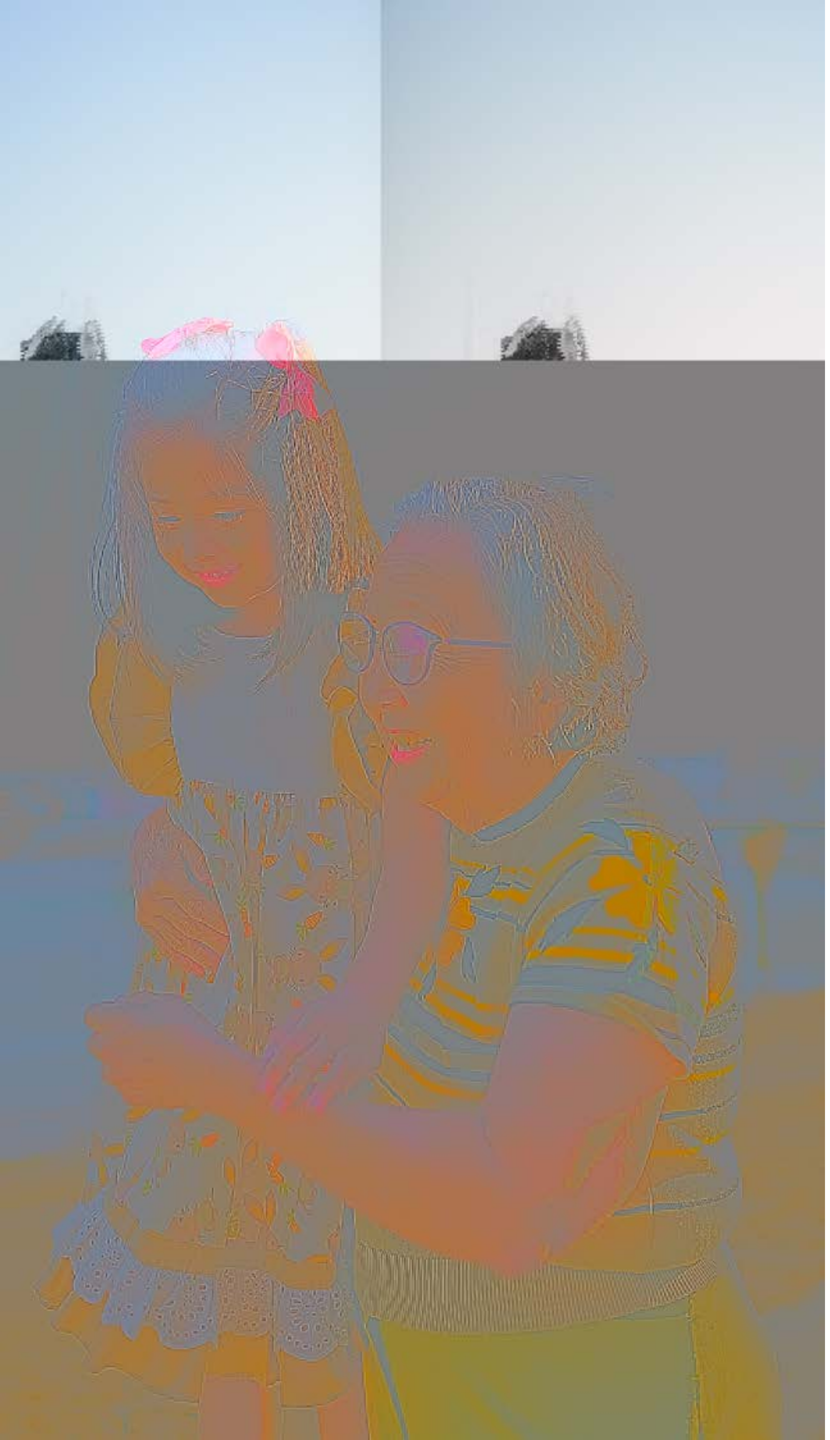

Will Building and Policy Change

- Elevate the Need to Expand Home Visiting Services
  - Family First Prevention Services Act
  - Mental Health Services Act
- Improve Rates of Participation for CalWORKs Home Visiting
  - Working with MECCA (other subcontractor) and SSA to streamline outreach
- Advocate for Reauthorization of Maternal Infant Early Childhood Home Visiting
  - Outreach to Federal Delegation

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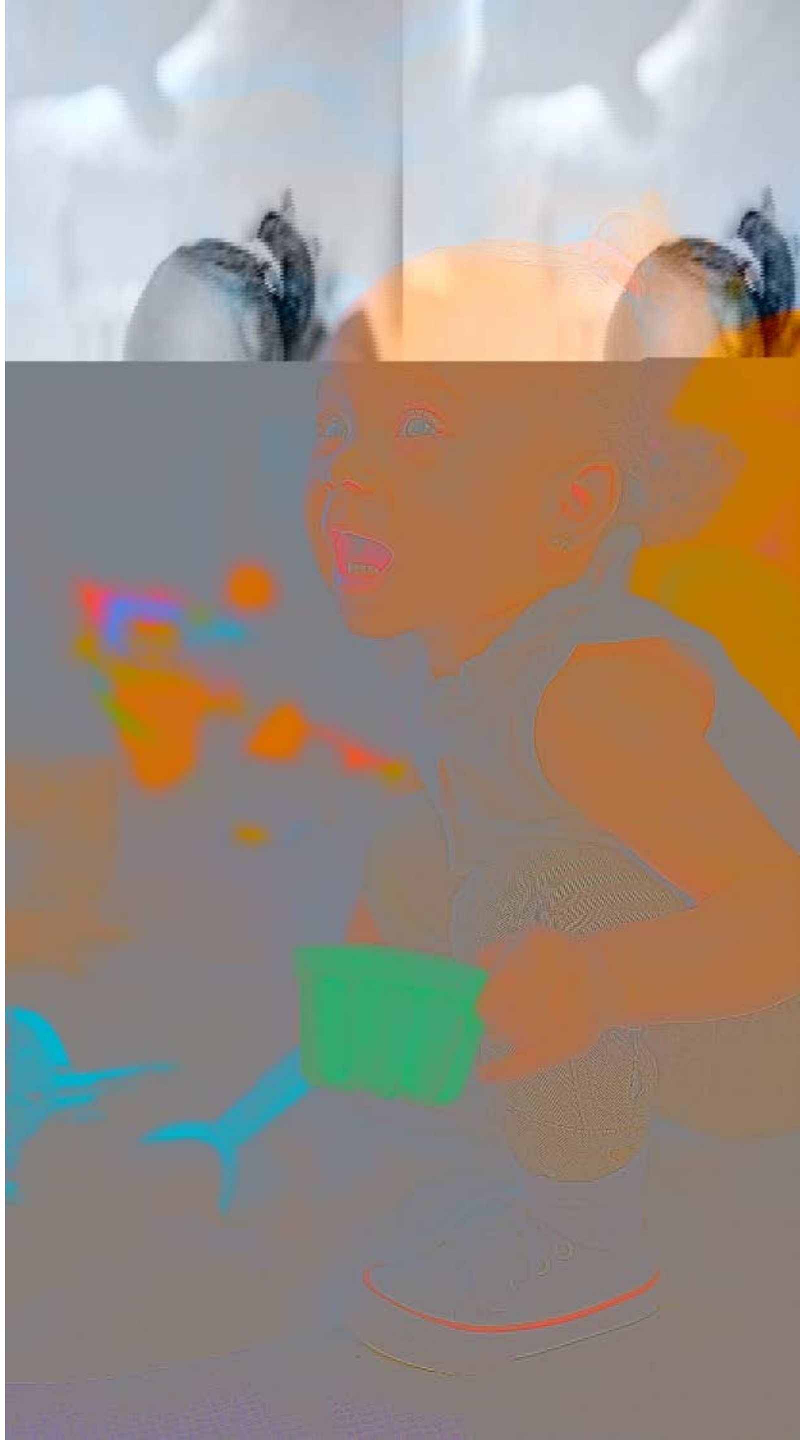
Practice Change

- Expanding the system capacity in the short term will be challenging, given the fiscal outlook
- Multiple early intervention strategies are necessary to meet diverse family needs
- A different service delivery than Home Visiting may be more effective at reaching and engaging families
- There will be a First 5 Orange County funded strategies presentation in February



Agenda Item 2
December 7, 2022

DATE: October 18, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO Kimberly Goll

ACTION: Approve First 5 Orange County Meeting Calendar for 2023

SUMMARY:
First 5 Orange County conducts regularly scheduled meetings throughout the year. This item recommends approval of meeting dates for 2023.

DISCUSSION:
First 5 Orange County Board Members are appointed by the Orange County Board of Supervisors to direct the policy, funding, and business to improve outcomes for children, prenatally through 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 occur at 9:00 a.m. at the Orange County Transportation Authority Conference Center located at 550 South Main Street in Orange.

Approval is recommended for the First 5 Orange County Board to continue meeting at the same day, time, and location described above and detailed on Attachment 1 for 2023.

Commissioner attendance requirements are set by Article 25 Section 1-2-337 of the County of Orange Ordinances, establishing the Children and Families Commission (First 5 Orange County). The ordinance mandates that failure of a Commission member to attend four (4) consecutive meetings or a total of six (6) meetings within a twelve-month period results in automatic removal from the Commission. This is regardless of the meeting type – regular, special, study session, etc. The Clerk of the Board is required to certify the vacancy to the Board of Supervisors within five days of the missed meeting. The 12-month period runs continuously and is not based on the calendar year. To avoid any vacancies in office, please note the calendar of meetings attached so that you can accommodate the attendance requirements.

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 2021 – Approved First 5 Orange County Children and Families Commission and Technical Advisory Committee Meeting Calendar for 2022
- December 2020 – Approved the Updated 2021 First 5 Orange County Children and Families Commission and Technical Advisory Committee meeting calendar
- December 2019 – Approved 2020 and 2021 meeting calendars for the Children and Families Commission of Orange County and Technical Advisory Committee

First 5 Orange County
1505 E. 17th Street, Suite 230, Santa Ana, CA 92705
714-834-5310 | first5oc.org

- December 2018 – Approved the 2019 meeting calendars for the Children and Families Commission of Orange County and Pediatric Health Services Committee

RECOMMENDED ACTION:
Approve the 2023 First 5 Orange County Meeting Calendar (Attachment 1)

ATTACHMENT:
1. First 5 Orange County 2023 Meeting Calendar

CONTACT: Rhonda Esera

FIRST 5 ORANGE COUNTY, CHILDREN AND FAMILIES COMMISSION
2023 MEETING CALENDAR

JANUARY

SUN	MON	TUES	WED	THUR	FRI	SAT
1	~~2~~	3	4	5	6	7
8	9	10	11	12	13	14
15	~~16~~	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY

SUN	MON	TUES	WED	THUR	FRI	SAT
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12	~~13~~	14	15	16	17	18
19	~~20~~	21	22	23	24	25
26	27	28				

MARCH

SUN	MON	TUES	WED	THUR	FRI	SAT
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

APRIL

SUN	MON	TUES	WED	THUR	FRI	SAT
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/ 30	24	25	26	27	28	29

MAY

SUN	MON	TUES	WED	THUR	FRI	SAT
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	~~29~~	30	31			

JUNE

SUN	MON	TUES	WED	THUR	FRI	SAT
				1	2	3
4	5	6	**7**	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

JULY

SUN	MON	TUES	WED	THUR	FRI	SAT
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16	17	18	19	20	21	22
23/ 30	24/ 31	25	26	27	28	29

AUGUST

SUN	MON	TUES	WED	THUR	FRI	SAT
		1	**2**	3	4	5
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20	21	22	23	24	25	26
27	28	29	30	31		

SEPTEMBER

SUN	MON	TUES	WED	THUR	FRI	SAT
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24	25	26	27	28	29	30

OCTOBER

SUN	MON	TUES	WED	THUR	FRI	SAT
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29	30	31				

NOVEMBER

SUN	MON	TUES	WED	THUR	FRI	SAT
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12	13	14	15	16	17	18
19	20	21	22	~~23~~	~~24~~	25
26	27	28	29	30		

DECEMBER

SUN	MON	TUES	WED	THUR	FRI	SAT
					1	2
3	4	5	**6**	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/ 31	~~25~~	26	27	28	29	30

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

Agenda Item 3
December 7, 2022

DATE: November 17, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

ACTION: Adopt Resolution Approving Amendment to Agreement No. PS-257 with Woodruff, Spradlin & Smart for Professional Legal Services

SUMMARY:
First 5 Orange County has a professional legal services agreement with Woodruff, Spradlin & Smart (WSS) to provide general legal services and serve as Commission Counsel. This item requests approval of an amendment to the agreement with WSS to increase hourly rates.

DISCUSSION:
First 5 Orange County entered into professional services Agreement No. PS-257 with WSS in 2021 to provide general legal services and serve as Commission Counsel. WSS has served in this role since 2006. WSS has a policy of periodically reviewing incurred costs for providing legal services to their clients, to establish a fair and equitable compensation rate. In addition to evaluating their costs, while remaining sensitive to public agencies, WSS needs to control expenditures.

WSS has maintained their professional hourly rates for more than nine years. The firm's rates were last adjusted on April 3, 2013 and they have not received any Consumer Price Index (CPI) adjustment since that time. Although CPI for the relevant period is 28.2%, WSS is requesting lower CPI increases to their hourly rates as shown below. If approved, the proposed adjustment is requested to be effective beginning January 1, 2023.

Professional	Existing Rate	Proposed Rate	Percent Change
Supervising Attorney (Commission Counsel)	$255	$280	9.8%
All other Attorneys	$215	$255	18.6%
Paralegals	$120	$140	16.7%

STRATEGIC PLAN & FISCAL SUMMARY:
The proposed action has been specifically reviewed in relation to the Strategic Plan and is consistent with First 5 Orange County's goals. Funding for this action will be included each year in the Proposed Commission Fiscal Year Budget within the Administrative Functions line item.

PRIOR COMMISSION ACTIONS:
- June 2021 – Approved new Agreement No. PS- 257 with WSS
- April 7, 2021 – Approved amendment to Agreement No. C-207 designating new Supervising Attorney and Commission Counsel.

First 5 Orange County
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- April 3, 2013 – Approved amendment to Agreement No. C-207 updating rates for professional legal services.
- September 5, 2012 – Approved amendment to Agreement No. C-207 designating new Supervising Attorney and Commission Counsel.
- October 2006 - Approved Agreement No. C-207 with Woodruff, Spradlin & Smart for professional legal services and Stradling, Yocca, Carlson & Rauth for special counsel services.

RECOMMENDED ACTION:
Adopt resolution (Attachment 1) approving Amendment to Agreement No. PS-257 with Woodruff, Spradlin & Smart, APC to adjust the rates charged for Professional Legal Services and serve as Commission Counsel, effective January 1, 2023, and authorize the President/CEO and Commission Chair to execute the Amendment

ATTACHMENT:
1. Resolution

CONTACT: Kimberly Goll

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-21-C&FC

December 7, 2022

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESDIENT/CEO TO PREPARE AND NEGOTIATE THE FIRST AMENDMENT TO PS-257 WITH WOODRUFF, SPRADLIN & SMART, APC FOR PROFESSIONAL LEGAL SERVICES; 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, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

WHEREAS, on June 2, 2021, Commission authorized the President/CEO, or Designee, to prepare and negotiate PS-257 with Woodruff, Spradlin & Smart, APC (hereinafter referred to as "Contractor") for professional legal services;

WHEREAS, Commission desires to prepare and negotiate a First Amendment ("Amendment") to Agreement PS-257 with Contractor for professional legal services for the terms and in the amount as described in the December 7, 2022 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 and attachment for the December 7, 2022 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 7, 2022 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, to prepare and negotiate the Amendment with the Contractor to provide professional legal services for the terms and in the amount consistent with the December 7, 2022 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 Amendment to a Professional Services Agreement, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO, or designee. The approval by the President/CEO, or designee, of the Amendment shall be conclusively evidenced by the execution of the Amendment by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Amendment with Contractor for professional legal services for the terms and in the amount specified in the December 7, 2022 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 Amendment 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 Amendment, (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 7, 2022 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 7, 2022

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 4
December 7, 2022

DATE: November 1, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO Kimberly Goll

ACTION: Conduct Biennial Review and Adopt Resolution Approving Amendments to the Conflict of Interest Code

SUMMARY:
The Political Reform Act requires every agency to adopt a Conflict of Interest Code and perform a biennial review to ensure the Code is current and accurate or that the Code must be amended. The First 5 Orange County Children and Families Commission ("Commission") last reviewed and amended the Conflict of Interest Code in October 2020.

DISCUSSION:
The Orange County Board of Supervisors is the code reviewing body for County boards and commissions, which includes the Commission. Their responsibilities include the review and approval of local agency Conflict of Interest Codes and code amendments. The amendments are processed through the eDisclosure System.

Amendments are requested to reflect changes in position titles as well as the addition of new positions. The staff organization chart is attached for reference. Commission Counsel has reviewed the Conflict of Interest Code and recommends approval of the amendments. The Clerk of the Commission will submit the revisions to the Board of Supervisors for approval.

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 ACTIONS:
- October 2020 – Adopted resolution approving the amended Conflict of Interest Code
- December 2019 – Adopted resolution approving the amended Conflict of Interest Code
- October 2018 – Adopted resolution approving the amended Conflict of Interest Code
- August 2018 – Received report confirming the status of the Conflict of Interest Code
- September 2016 - Adopted resolution approving the amended Conflict of Interest Code
- September 2014 - Adopted resolution approving the amended Conflict of Interest Code
- October 2012 – Received report confirming the status of the Conflict of Interest Code
- November 2011 – Adopted Resolution approving amended Conflict of Interest Code to reflect the new name for the Community Advisory Committee
- November 2010 – Adopted Resolution approving amended Conflict of Interest Code

- May 2008 - Approved the amended Conflict of Interest Code for the 2008 Conflict of Interest Code Biennial Review

RECOMMENDED ACTIONS:
1. Conduct biennial review
2. Adopt Resolution approving the amended the Conflict of Interest Code
3. Authorize the Clerk of the Commission to submit the biennial notice as required

ATTACHMENTS:
1. Resolution
2. Organizational Chart

CONTACT: Rhonda Esera

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. 18-____ C&FC

December 7, 2022

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AMENDING THE CONFLICT OF INTEREST CODE AS REQUESTED BY THE CLERK OF THE BOARD OF SUPERVISORS

WHEREAS, the Political Reform Act of 1974, Government Code Section 81000, et seq., ("the Act"), requires a local government agency to adopt a Conflict of Interest Code pursuant to the Act; and

WHEREAS, the Children and Families Commission of Orange County has previously adopted a Conflict of Interest Code and that Code now requires updating; and

WHEREAS, amendments to the Act have in the past and in the foreseeable future will require conforming amendments to be made to the Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, Title 2, California Code of Regulations, Section 18730, which contains terms for a standard model Conflict of Interest Code, which, together with amendments thereto, may be adopted by public agencies and incorporated by reference to save public agencies time and money by minimizing the actions required of such agencies to keep their codes in conformity with the Political Reform Act.

NOW THEREFORE, BE IT RESOLVED:

Section 1 The terms of Title 2, California Code of Regulations, Section 18730 (Attachment A) and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, together with Exhibits A and B in which members and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the Children and Families Commission of Orange County.

Section 2 The provisions of all Conflict of Interest Codes and amendments thereto previously adopted by the Children and Families Commission of Orange County are hereby superseded.

Section 3 The Filing Officer is hereby authorized to forward a copy of this Resolution to the Clerk of the Orange County Board of Supervisors for review and approval by the Orange County Board of Supervisors as required by California Government Code Section 87303. Subject to approval by the Orange County Board of Supervisors, it is intended that this Resolution become operative December 7, 2020.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on December 7, 2022 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: __-18-C&FC

Agenda Date: December 7, 2022

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

CONFLICT OF INTEREST CODE FOR THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730) which contains the terms of a standard Conflict of Interest Code, which may be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Exhibits designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of the Children and Families Commission of Orange County.

DESIGNATED EMPLOYEES

Designated employees shall file Statements of Economic Interests with the Clerk of the Orange County Board of Supervisors who will make the statements available for public inspection and reproduction (Government Code Section 81008).

GOVERNMENT CODE SECTION 87200 FILERS

Public officials enumerated in Government Code Section 87200, including officials who manage public investments as defined by 2 California Code of Regulations Section 18700.3(b), are NOT subject to the Commission's code, but are subject to the disclosure requirements of the Act (Government Code Section 87200, et seq.). [Regs. §18730(b)(3)] These positions are listed here for informational purposes only.

For purposes of the Commission's Code, the positions listed below are Commission officials enumerated in Government Code Section 87200:

President/CEO

Commission Counsel

These positions shall also file original Statements of Economic Interests with the Clerk of the Orange County Board of Supervisors.

The disclosure categories and requirements for these positions are set forth in Article 2 of Chapter 7 of the Political Reform Act, Government Code Section 87200, et seq. They generally require the disclosure of interests in real property in the agency's jurisdiction, as well as investments, business positions and sources of income (including gifts, loans and travel payments).

CONFLICT OF INTEREST CODE FOR THE
CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
LIST OF DESIGNATED POSITIONS

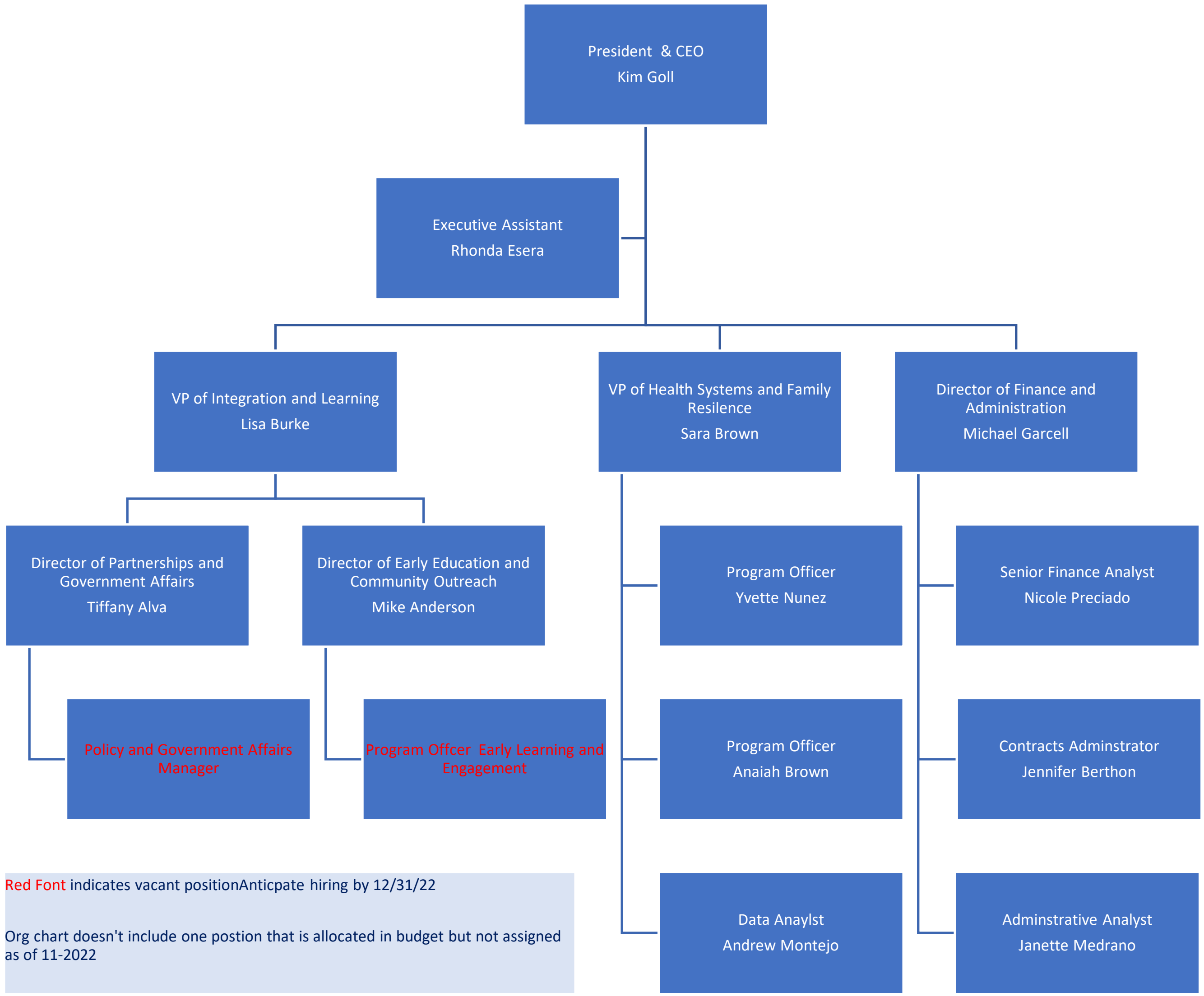
Designated Positions	**Disclosure Category**
Commissioners	OC-48
Alternate Commissioners	OC-48
Members of the Commission Technical Advisory Committee	OC-48
Vice President Learning and Integration	OC-48
Vice President Health Systems and Family Resilience	OC-48
Director of Partnerships and Government Affairs	OC-48
Director of Early Education and Community Outreach	OC-48
Director of Finance and Administration	OC-48
Government Affairs Manager	OC-48
Program Officer	OC-48
Data Analyst	OC-48
Consultants (*See Note below)	OC-48

***Consultants shall be included in the list of designated employees and shall disclose <u>pursuant to disclosure category OC-48 in the code subject to the following limitation</u>:**

The President/Chief Executive Officer of the Commission (or the Commission, as requested by the President/CEO) may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties or provide certain services that are limited in scope, term of service, or amount of compensation and that do not involve direct participation in the making of decision(s) which may foreseeably have a material financial effect on a personal financial interest, and thus such consultant is not required to comply with the disclosure requirements set forth herein. Such written determination by the President/CEO (or, as applicable, the Commission) shall explain the basic reason(s) for excluding a particular consultant. The President/CEO's (or, as applicable, the Commission's) determination is a public record and shall be retained for public inspection by the Commission filing officer with an information copy provided to the Commissioners.

CONFLICT OF INTEREST CODE FOR THE
CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DISCLOSURE CATEGORIES / DESCRIPTIONS

Disclosure Category	**Disclosure Description**
OC-48	All interests in real property in Orange County, as well as all investments in, business positions with, and income (including gifts, loans, and travel payments) from sources engaged in the direct or indirect provision of early development services to or for children. As used herein, “early development services” means the services, which the Commission is authorized by statute to promote, support or improve.


President & CEO
Kim Goll
Executive Assistant
Rhonda Esera
VP of Integration and Learning
Lisa Burke
VP of Health Systems and Family Resilence
Sara Brown
Director of Finance and Administration
Michael Garcell
Director of Partnerships and Government Affairs
Tiffany Alva
Director of Early Education and Community Outreach
Mike Anderson
Policy and Government Affairs Manager
Program Offcer Early Learning and Engagement
Program Officer
Yvette Nunez
Program Officer
Anaiah Brown
Data Anaylst
Andrew Montejo
Senior Finance Analyst
Nicole Preciado
Contracts Adminstrator
Jennifer Berthon
Adminstrative Analyst
Janette Medrano
Red Font indicates vacant positionAnticpate hiring by 12/31/22
Org chart doesn't include one postion that is allocated in budget but not assigned as of 11-2022

FIRST 5 ORANGE COUNTY

Agenda Item 5
December 7, 2022

DATE: November 2, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO Kimberly Goll

ACTION: Adopt Fiscal Year 2023-2024 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 20, 2022, the OCERS Board of Trustees adopted new employer and employee retirement contribution rates for Fiscal Year 2023-2024, 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, 2021 Actuarial Valuation Report presents the OCERS funding requirements for Fiscal Year 2023-2024 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 2023-2024 employer Normal Rate for Plan J members of 14.67% represents a slight decrease from 14.69%. Employer rates for Plan U members will decrease to 8.27% from the previous rate of 8.37%. Rate changes are due to the actual contributions and other experience factored into the December 31, 2021 actuarial valuation.

Unfunded Accrued Actuarial Liability Rate: First 5 Orange County paid off its current UAAL on November 15, 2017, and the Fiscal Year 2023-2024 rates reflect that payment. The UAAL rate without the payoff adjustment would have been close to 25% instead of the current proposed rate of 3.5%.

First 5 Orange County
1505 E. 17th Street, Suite 230, Santa Ana, CA 92705
714-834-5310 | first5oc.org

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 0.05% for Fiscal Year 2023-2024 for Plan J members and a decrease of 0.03% 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 2023-2024.

The necessary steps for First 5 Orange County to participate in the early payment discount for Fiscal Year 2023-2024 are being implemented. Since net fixed income returns on First 5 Orange County investments with the County Treasurer are projected to earn 1.86% for Fiscal Year 2022-2023, 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 2023-2024 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 2023-2024 retirement contribution rates will be incorporated into the Fiscal Year 2023-2024 budget.

PRIOR COMMISSION ACTIONS:
- December 2021 – Adopted implementation of employer and employee retirement contribution rates as recommended and adopted by OCERS for FY 2022/23
- December 2020 – Adopted implementation of employer and employee retirement contribution rates as recommended and adopted by OCERS for FY 2021/22
- 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 2023-2024 employer and employee retirement contribution rates as established and adopted by the Orange County Employees Retirement System (OCERS) on June 20, 2022.

ATTACHMENT:
1. Fiscal Year 2023-2024 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, June 30, 2023

Employer Contribution Rates

Rate Group	Plan	Rate	
#2	**J** (General)	**Normal**	14.67%
		UAAL	3.50%
		Total	**18.17%**
#2	**U – PEPRA**	**Normal**	8.27%
		UAAL	3.50%
		Total	**11.77%**

***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

Employee Contribution Rates

Entry Age	Plan J (2.7% @ 55)	PEPRA Plan U (2.5% @ 67)
15	9.98%	7.00%
16	9.98%	7.00%
17	10.15%	6.69%
18	10.33%	6.37%
19	10.51%	6.48%
20	10.70%	6.60%
21	10.89%	6.72%
22	11.08%	6.84%
23	11.27%	6.96%
24	11.47%	7.08%
25	11.67%	7.21%
26	11.88%	7.34%
27	12.09%	7.47%
28	12.30%	7.60%
29	12.52%	7.73%
30	12.75%	7.87%
31	12.98%	8.01%
32	13.21%	8.15%
33	13.45%	8.29%
34	13.70%	8.44%
35	13.95%	8.59%
36	14.21%	8.74%
37	14.48%	8.90%
38	14.73%	9.05%

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Orange County Children and Families Commission
Employer / Employee Contribution Rates
Effective Pay Period 15, June 30, 2023
(continued)

Employee Contribution Rates
(continued)

Entry Age	Plan J (2.7% @ 55)	PEPRA Plan U (2.5% @ 67)
39	14.98%	9.22%
40	15.23%	9.38%
41	15.47%	9.55%
42	15.72%	9.72%
43	15.97%	9.90%
44	16.23%	10.08%
45	16.47%	10.26%
46	16.68%	10.45%
47	16.83%	10.65%
48	16.92%	10.85%
49	16.91%	11.05%
50	16.80%	11.26%
51	16.56%	11.45%
52	16.20%	11.64%
53	16.73%	11.83%
54	17.28%	12.03%
55	17.28%	12.23%
56	17.28%	12.44%
57	17.28%	12.63%
58	17.28%	12.81%
59	17.28%	12.94%
60	17.28%	13.03%
61	17.28%	13.05%
62	17.28%	13.00%
63	17.28%	12.87%
64	17.28%	12.68%
65	17.28%	13.09%
66 and thereafter	17.28%	13.53%

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)	99.01%	28

Agenda Item 6
December 7, 2022

DATE: November 1, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO Kimberly Goll

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

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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 2022 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, 2022, for the submission of the annual audit report for Fiscal Year 2021-2022. As a participant in the County of Orange Retiree Medical Plan, the Commission is required to report in the financial statements and required supplementary information specific financial details related to other post-employment benefits. County of Orange auditors had to first verify all information in the report detailing the Retiree Medical Plan before it could be provided to the plan sponsors. 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 has since been completed, and the Annual Comprehensive 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 2021-2022 that included the expanded audit compliance requirements mandated by statute. The auditors conducted their 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, 2022 (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, 2022. 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, 2022, 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 complied, 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, 2022."

Proposition 31 - Referendum On 2020 Law That Would Prohibit the Retail Sale of Certain Flavored Tobacco Products

A ballot initiative to uphold a ban on the sale of flavored tobacco products was passed by voters on November 8, 2022. Back in April 2022, the long-term financial plan was updated with the most recent tobacco tax revenue projections at the time. The staff recommendation was to wait until after the November election to revisit the long-term financial plan and restructure the future year projections following the results of the flavor ban decision.

Now that the flavor ban has been upheld, Proposition 10 tobacco tax revenue is expected to decrease at a rate well above the 3.5% that the long-term financial plan has typically assumed. The reduced revenue levels will be incorporated into the financial plan, and program spending scenarios will be developed to align with the lower revenue forecasts. Staff recommend preparing multiple funding scenarios and allowing an ad-hoc group of Commissioners to review and comment. The recommendations from the ad-hoc group will be provided to the full Commission at the February meeting for discussion and approval as the part of the annual long-term financial plan update.

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 2022 – Conducted Public Hearing on Fiscal Year 2021-2022 Annual Report
- December 2021 – 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 2021 – Conducted Public Hearing on Fiscal Year 2020-2021 Annual Report
- June 2021 – Conducted Public Hearing, adopt resolutions and receive the Fiscal Year 2021-2022 Proposed Budget

RECOMMENDED ACTIONS:

1. Conduct public hearing.
2. Receive the Annual Comprehensive Financial Report for Year Ended June 30, 2022, 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, 2022
2. Audit Conclusion Communication Letter

CONTACT: Michael Garcell

CHILDREN AND FAMILIES COMMISSION
OF ORANGE COUNTY
(a Component Unit of the
County of Orange, California)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

Prepared by:

Michael Garcell, CPA (inactive)

Director of Finance

CHILDREN AND FAMILIES COMMISSION
OF ORANGE COUNTY
FOR THE YEAR ENDED JUNE 30, 2022

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November 21, 2022

Board of Commissioners
First 5 Orange County
Children and Families Commission of Orange County
1505 East 17th Street, Suite 230
Santa Ana, CA 92705

Dear Commissioners,

The Annual Comprehensive Financial Report (ACFR) of the Children and Families Commission of Orange County (the Commission) is hereby submitted. This report contains financial statements that have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) prescribed for governmental entities. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Commission. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner that presents fairly the financial position and changes to the financial position of the Children and Families Commission of Orange County. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

The ACFR has been audited by the independent certified public accounting firm of Eide Bailly, LLP. The goal of the independent audit was to provide reasonable assurance about whether the basic financial statements of the Commission for the year ended June 30, 2022, are free of material misstatement. The independent certified public accounting firm has issued an unmodified ("clean") opinion on the Commission's financial statements as of and for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

This letter of transmittal is designed to complement and should be read in conjunction with the Management's Discussion and Analysis (MD&A) that immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and an analysis of the basic financial statements.

Profile of the Commission

The Commission was established by the Orange County Board of Supervisors in September 1999 following the passage of Proposition 10, through which California voters made an unprecedented investment in early childhood development. The Commission's activities have been built to develop, adopt, promote and implement programs to support early childhood development. Since inception, the Commission has made a lasting positive impact in Orange County through its expenditures of approximately $858 million toward grants, programs and operations that improve the well-being of young children and families in Orange County.

Relevant Financial Policies

Financial Plan

In April 2022, the Board of Commissioners reviewed the updated Long-Term Financial Plan (LTFP). The LTFP, which is reviewed annually to incorporate the prior year-end financials as well as updated revenue projections and continues to anticipate annual decreases in Proposition 10 tobacco tax collections. Since its peak in 2000, the Commission has had an overall reduction of over 45% in revenue, and tobacco revenue is projected to continue to decline at a rate of 3% to 4% annually.

Beginning in July 2019, three Commissioner-led panels met multiple times to review program information, receive stakeholder input and make recommendations for program funding for Fiscal Year 2020-2021 to Fiscal Year 2022-2023. The funding review panels were divided into three categories: Homeless Prevention, Quality Early Learning, and Prenatal-to-Three, and included Commissioners and their appointees. Each panel met multiple times between July 2019 and January 2020, reviewing background information, relevant data, and program evaluation findings. During this time, staff also met with all stakeholders that would be impacted by the proposed funding recommendations.

For the three-year funding cycle from Fiscal Year 2020-2021 to Fiscal Year 2022-2023, First 5 Orange County proposes to invest in each of the three funding categories. Recommended funding totals approximately $35,000,000 over the three-year period, allocated as follows:

- $3,750,000 for Homeless Prevention;
- $17,000,000 for Quality Early Learning; and
- $14,275,000 for Prenatal-to-Three.

This overall funding, which includes some set asides for future anticipated programming and catalytic funding, can be accommodated within the projected program expenditures of the 10-year Financial Plan. It also creates approximately $3 million in annual budget reductions that may be used to offset volatile tobacco tax revenue and for potential system building work in alignment with the Strategic Plan.

Strategic Plan

In April 2021, First 5 OC updated its Strategic Plan envisioning an Orange County in which "All children reach their full potential." The updated Plan was reviewed again in April 2022. The groundwork for this vision to be achieved is set during a child's earliest years. First 5 OC partners with many organizations working towards creating and maintaining an early childhood system that families experience as a seamless network of care. The conditions needed for children to thrive are:

- Early and Ongoing Health and Development;
- Equitable Distribution of Resources;
- A Safe, Stable, and Nurturing Home; and
- Neighborhoods that Support Young Children and Families.

First 5 OC uses four guiding strategies to provide a lens through which to prioritize our work. We believe these four strategies have the most impact on improving the conditions needed for children and families to thrive:

- Get Involved Early;
- Elevate Equity;
- Empower Champions; and
- Align Systems of Care.

Other Financial Information

Internal Control
The management of the Commission is responsible for establishing and maintaining internal controls designed to ensure that the assets of the public entity are protected from loss, theft, or misuse. Management is also responsible for ensuring that adequate accounting data are compiled to allow for the preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control
The objective of budgetary control is to ensure that spending is limited to the total amount authorized by the Board of Commissioners. The initial budget for Fiscal Year 2021-2022 was adopted on June 2, 2021. The President/CEO has the discretion to adjust the budget as defined within the budget policy of the Board of Commissioners. Monthly financial highlights are provided to the Board of Commissioners.

Risk Management
The Commission manages its risk exposure in part through the purchase of Workers Compensation, Property, General Liability, Auto, Crime and Directors and Officers insurance through the County of Orange.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the tenth consecutive year that the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Commission must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both accounting principles generally accepted in the United State of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that the current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to express my sincere appreciation to Commission staff and the staff of the certified public accounting firm of Eide Bailly, LLP. I hope this report will be of interest and use to those in the County of Orange, other governmental agencies, and the public interested in the financial activity of the Commission.

Sincerely,

Kimberly Goll

Kimberly Goll
President/CEO

CHILDREN AND FAMILIES COMMISSION
OF ORANGE COUNTY
BOARD OF COMMISSIONERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

COMMISSION BOARD MEMBERS (9)

Ramin Baschshi, M.D. (A)
Chair

Doug Chaffee (M)
Board of Supervisors
Vice Chair

Debra Baetz (M)
Social Services Agency

Clayton Chau, M.D., Ph.D. (M)
Health Care Agency

Katherine Chiu, M.D., MBA (A)

Leah Ersoylu (A)

Jackie Filbeck (A)

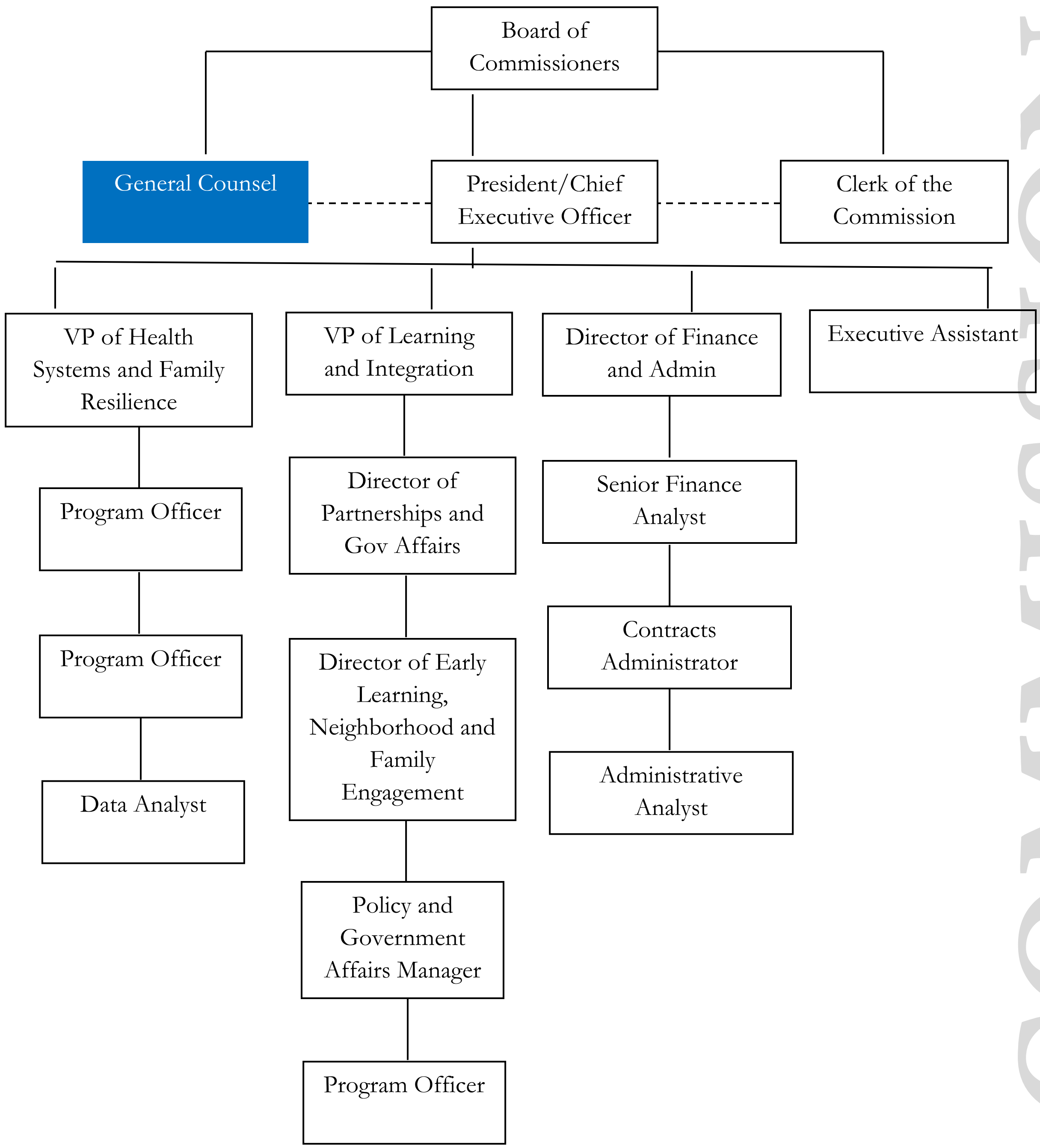
Yvette Lavery (A)

Susan McClintic (A)

(M) Mandatory members
(A) At-large members

COMMISSION

CHILDREN AND FAMILIES COMMISSION
OF ORANGE COUNTY
ORGANIZATION CHART
FOR THE FISCAL YEAR ENDED JUNE 30, 2022



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Children and Families Commission of Orange County California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Commissioners
Children and Families Commission of Orange County
Santa Ana, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the Children and Families Commission of Orange County, a component unit of the County of Orange, California as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Commission, as of June 30, 2022, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, the Commission has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of First 5 California Funding is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of First 5 California Funding is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Commission'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 Commission's internal control over financial reporting and compliance.

Eide Bailly LLP

Laguna Hills, California
November 21, 2022

As management of the Children and Families Commission of Orange County (Commission), we offer readers of the Commission's Annual Comprehensive Financial Report this overview and analysis of the financial activities for the fiscal year ended June 30, 2022. Please read in conjunction with the Commission's basic financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the Commission as reported on the Statement of Net Position exceeded its liabilities and deferred inflows of resources by $64 million at the end of the current fiscal year, an increase of $6.7 million (11.7%) from the prior fiscal year. The increase in Net Position is primarily due to the receipts of program reimbursement revenues, a one-time increase in tobacco tax revenue from backfill payments, and planned decreases in overall program spending.

- As of June 30, 2022, the Commission's governmental fund statements reported an ending fund balance totaling $63.4 million, an increase of $6.3 million (11.1%).

- The total ending fund balance of $63.4 million was classified into the following categories: $2.3 million as non-spendable, $18.2 million as committed, $23 million as assigned, and $19.8 million as unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual comprehensive financial report consists of three parts: the introduction section, the basic financial statements including government-wide financial statements, governmental fund financial statements and notes to the basic financial statements, and the statistical section. The Commission's financial statements, prepared in accordance with generally accepted accounting principles (GAAP), offer key, high-level financial information about the activities during the reporting period.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances and activities. These statements are prepared using the full accrual basis of accounting and a total economic resource measurement focus, in order to provide both long-term and short-term information about the Commission's overall financial status. A detailed definition of these methods is described in Note 1 of the basic financial statements.

The Statement of Net Position presents information on all Commission assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Changes in net position may serve as a useful indicator of whether the financial position of the Commission is improving or declining.

The Statement of Activities presents changes in the Commission's net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not received, unused vacation leave, net pension liability).

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related and legal requirements. All Commission activities are accounted for in the general fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources available at the end of the year*. Such information may be useful in evaluating the Commission's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financial decisions. Reconciliations are presented for the Balance Sheet of governmental funds and the Statement of Revenues, Expenditures and Changes in Fund Balances of governmental funds to facilitate comparison between governmental funds and governmental activities.

Governmental Fund Financial Statements are prepared on a modified accrual basis, which means that they measure only current financial resources and uses. Capital assets and long-term liabilities are not presented in the Governmental Fund Financial Statements, as they do not represent current available resources or obligations. The Commission adopts an annual appropriated budget for the general fund. A budgetary comparison statement for the general fund is presented in the basic financial statements to demonstrate compliance with the adopted budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

ANALYSIS OF THE COMMISSION'S GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

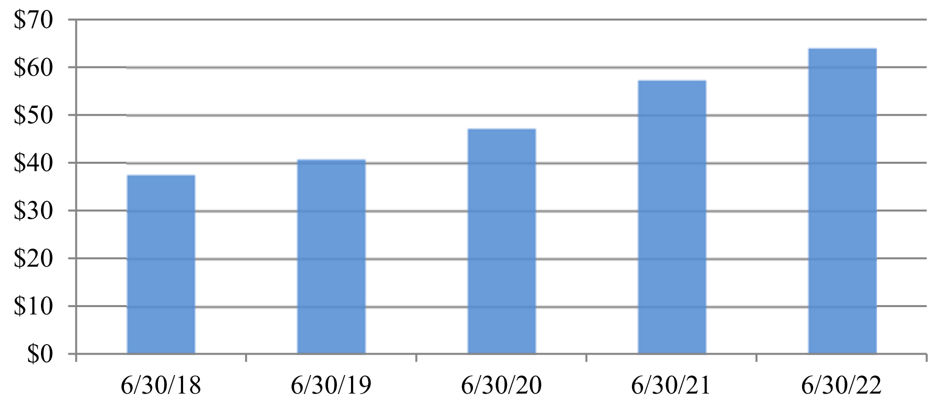
Net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, net position was approximately $64 million at the end of the current fiscal year, an 11.7% increase from the prior fiscal year's net position. Due to the implementation of GASB 87, the Commission recognized Net Investments in Capital Assets for office and equipment leases. Following is a summary of the government-wide Statement of Net Position comparing balances at June 30, 2022 and June 30, 2021.

Most of the Commission's net position as of June 30, 2022 is considered unrestricted because their use is not for a purpose narrower than the Commission's purpose and were comprised of the following:

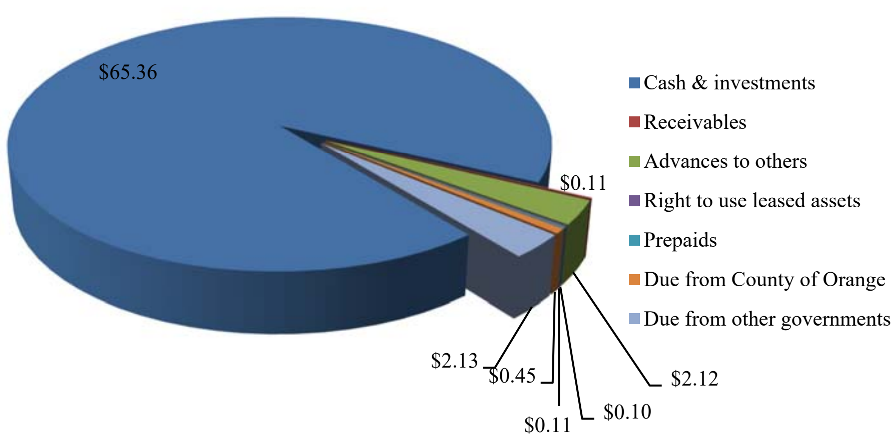
	FY 2021-22	FY 2020-21	Percent Increase (Decrease)
Assets:			
Cash and investments	$ 65,347,677	$ 52,741,932	23.9%
Imprest cash	10,000	10,000	-
Interest receivable	105,400	74,139	42.2%
Due from County of Orange	449,768	929,205	-51.6%
Due from other governments	2,127,405	8,483,440	-74.9%
Prepaids	106,675	-	
Advances to others	2,122,468	2,201,635	-3.6%
Capital Assets - Right to use leased assets, net of amortization	101,206	-	
Net Pension Asset	811,951	612,417	32.6%
Total assets	71,182,550	65,052,768	9.4%
Deferred Outflows of Resources:			
Pension related amounts	791,016	379,497	108.4%
OPEB related amounts	96,000	67,000	43.3%
Total deferred outflows of resources	887,016	446,497	98.7%
Liabilities:			
Accounts payable	2,125,922	2,240,171	-5.1%
Due to County of Orange	1,442	36,768	-96.1%
Due to other governments	3,442,946	3,298,607	4.4%
Retentions payable	790,668	1,093,292	-27.7%
Accrued wages and benefits	57,568	60,181	-4.3%
Non-Current liabilities:			
Compensated absences:			
Payable within one year	74,116	76,769	-3.5%
Payable after one year	22,444	22,435	0.0%
Lease payables:			
Payable within one year*	77,555	-	
Payable after one year*	25,759	-	
Net OPEB Liability	231,000	271,000	-14.8%
Total liabilities	6,849,420	7,099,223	-3.5%
Deferred Inflows of Resources:			
Pension related amounts	1,203,511	1,140,631	5.5%
OPEB related amounts	87,000	35,000	148.6%
Total deferred inflows of resources	1,290,511	1,175,631	9.8%
Net Position:			
Net Investment in Capital Assets*	(2,108)	-	
Unrestricted	63,931,743	57,224,411	11.7%
Total net position	$ 63,929,635	$ 57,224,411	11.7%

* First year of implementation for GASB No. 87

Net Position
Comparison of Last Five Fiscal Years
($ in millions)



Assets
As of June 30, 2022



Assets, Current and Other

- Cash and investments totaled $65.4 million. All $65.4 million was invested in the Orange County Investment Pool (OCIP), except for a small petty cash fund held at the Commission. The investments in OCIP are managed by the County Treasurer and reviewed for compliance with the Commission's Annual Investment Policy. Cash and investments increased by 23.9% due to a lower baseline of program expenditures compared to revenue receipts. This approach has been intentional to build a fund balance to supplement future-year revenue declines.

- Due from other governments totaled $2.1 million. Of this amount, $1.6 million is Prop 10 tobacco tax revenue due from the State of California for the June 2022 allocation.

- Advances to others totaled $2.1 million and represents funds advanced to contractors for services not provided by June 30, 2022. Approximately $1.4 million was remaining as an advance for Emergency Shelter Catalytic programs. The advances cover future periods up to Fiscal Year 2022/2023.

- Prepaids represents early payments made to the Orange County Employee's Retirement System for employer contributions that will be applied towards contributions after the next measurement date of December 31, 2022.

- Capital Assets - Right to use leased assets, net of amortization totaled $101,206 for the Commissions office space lease and copier lease. This is the first year of reporting the right to use leased assets due to the implementation of GASB 87. Note 9 to the Commission financial statements provides further detail on the Commission's leases.

- Net pension asset of $811,951 is reported compared to a net pension asset of $612,417 million in the prior year. Several factors contributed to the change in the net pension asset. The most significant factor is the recognition of new deferred outflows/inflows due to the difference between employer contributions and proportionate share of contributions.

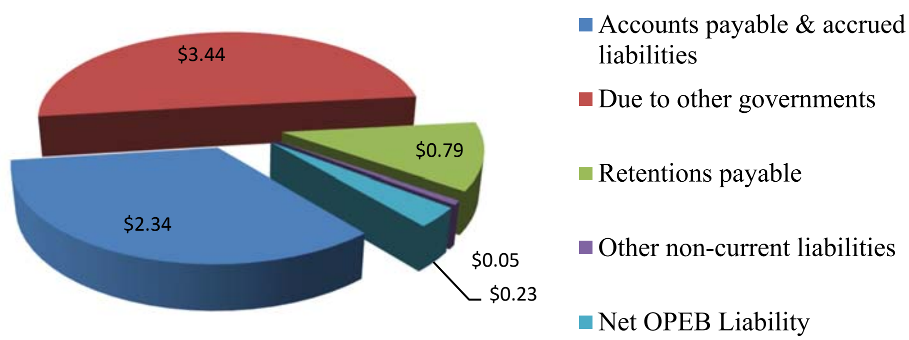
Deferred Outflows of Resources

- The Commission participates in a cost-sharing multiple-employer pension plan, the Orange County Employees Retirement System, and the cost-sharing multiple-employer County of Orange Retiree Benefit Plan. As a participant, the Commission is required to report its proportionate share of deferred outflows of resources related to pensions and other post-employment benefits.

- Deferred outflows of resources include $791,016 which represents pension related amounts for measurement period ending December 31, 2021. Also included are total deferred outflows related to OPEB of $96,000 as of measurement period ending December 31, 2021.

- Note 8 and 12 to the Commission financial statements provides further detail of all deferred outflows of resources reported in Fiscal Year 2021-2022.

Liabilities
As of June 30, 2022



Liabilities

- Accounts payable and due to other governments total $5.6 million. These payables are for funded program services not yet billed at June 30, 2022 are based on established contract terms. The current balance represents a minor change from the prior year because several Commission funded programs had similar budgets compared to the prior year and the timing of invoices for program partners followed the same schedule.

- Retentions payable total $790,668. Retentions payable are held until end of contract audits are completed and received by the Commission to ensure compliance with contract terms.

- Other liabilities total $210,681 consisting of amounts due to the County of Orange and accrued wages, benefits, compensated absences, and leases that are due within the next year.

- Non-current liabilities assets total $48,203 consisting of amount due in more than one year for compensated absences and leases.

Deferred Inflows of Resources

- The Commission participates in a cost-sharing multiple-employer pension plan, the Orange County Employees Retirement System, and the cost-sharing multiple-employer County of Orange Retiree Benefit Plan. As a participant, the Commission is required to report its proportionate share of deferred inflows of resources related to pensions and other post-employment benefits.

- Total deferred inflows of resources of $1.3 million is the result of the differences between expected and actual experience, changes of assumptions, net difference between projected and actual earnings on plan investments, and changes in the Commission's proportionate share occurring over the measurement period ending December 31, 2021.

- Note 8 and 12 to the Commission financial statements provides further detail of all deferred inflows of resources recognized in Fiscal Year 2021-2022.

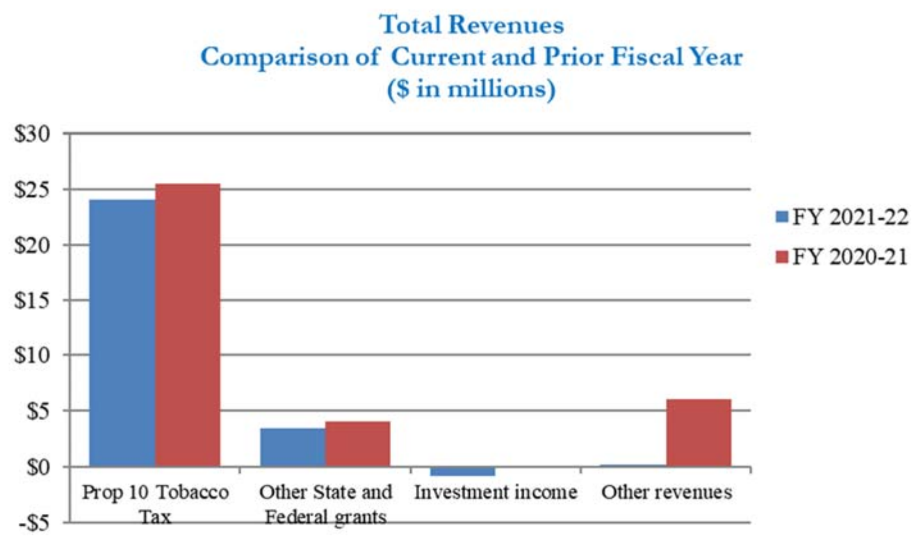
Changes in Net Position

For the year ended June 30, 2022, current year operations increased the Commission's net position by $6.7 million. The increase is due to both the timing of revenues from outside program funding, increased tobacco tax revenue, and the overall planned reduction of program expenditures. The following is a summary of the Commission's Statement of Activities comparing revenues, expenses and changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	FY 2021-22	FY 2020-21	Percent Increase (Decrease)
Revenues:			
Program Revenues			
Tobacco taxes	$ 24,080,410	$ 25,496,594	-5.55%
Other State and Federal operating grants and contributions	3,522,697	4,063,798	-13.32%
Interest income earned on tobacco taxes at the State	11,467	15,412	-25.60%
Total program revenues	27,614,574	29,575,804	-6.63%
General Revenues			
Investment income net of decrease in fair value	-787,916	131,764	-697.97%
Miscellaneous revenues	171,583	6,075,163	-97.18%
Total general revenues	-616,333	6,206,927	-109.93%
Total revenues	26,998,241	35,782,731	-24.55%
Expenses:			
0-5 Child development programs	19,218,830	24,581,349	-21.82%
Salaries and benefits	1,074,187	1,105,824	-2.86%
Total expenses	20,293,017	25,687,173	-21.00%
Change in net position:	**6,705,224**	**10,095,558**	
Net position – July 1	57,224,411	47,128,853	21.42%
Net position – June 30	$ 63,929,635	$ 57,224,411	11.72%

Total revenues

The Commission's total revenues are comprised of both program revenues, which are restricted to one or more specific program uses, and general revenues.



- *Program revenues*
  The Commission's program revenues totaled $27.6 million in Fiscal Year 2021. This represented a decrease of $2 million (-6.6%) from Fiscal Year 2020-2021 program revenues. The decrease is due to lower tobacco tax revenue from a decline in statewide tobacco product sales.

  - Tobacco Tax revenue includes revenues from taxes levied on tobacco products by the State of California and distributed amongst all counties based on the percentage of county birthrates as established in Proposition 10. This revenue decreased by $1.4 million from the prior fiscal year.

  - Other State and Federal operating grants and contributions for Fiscal Year 2021/2022 includes revenue from the state-wide IMPACT and Home Visiting program reimbursements that are variable from year to year and based on actual expenses. Of the total operating grants and contributions, $1.6 million was for the state-wide IMPACT program and $1.6 was for the CalWORKS Home Visiting Program.

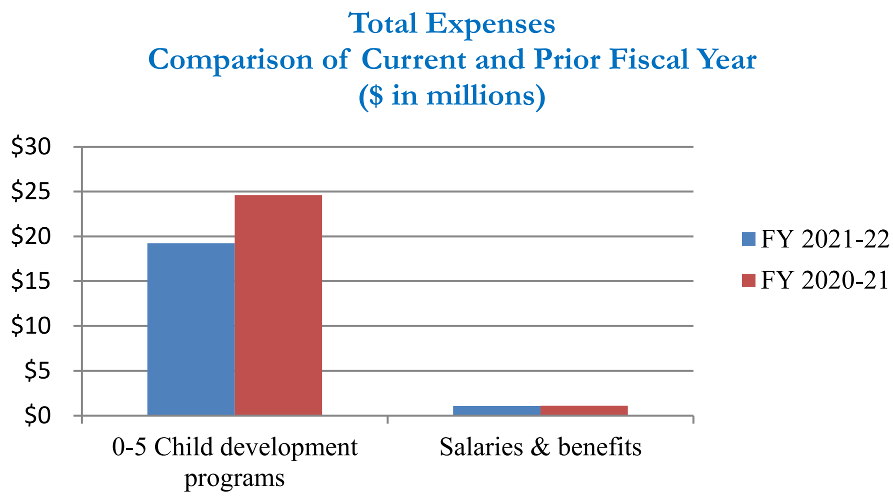
- *General revenues*
  The Commission's general revenues totaled -$616,333 in Fiscal Year 2021-2022. General revenues include all revenues that do not qualify as program revenues, such as investment income and other miscellaneous revenue reimbursements including the Home Visiting Program.

  - Investment income decreased from the prior fiscal year. The decrease in investment income from the Orange County Investment Pool (OCIP), which is administered by the County Treasurer, is due to the fair value adjustment. The Commission is required to record changes in the fair value of investments, and the negative fair value adjustment was reported against revenue in the operating statement.

  - Miscellaneous revenue decreased significantly (-97.18%) due to the ending of the Dental Transformation Initiative.

Governmental Activities Expenses

Total expenses decreased by $5.4 million (-21%) from the prior fiscal year. The decrease is due to the ending of the state funded Dental Transformation Initiative.



- Zero-to-five child development programs decreased by $5.4 million (-21.8%) from the prior fiscal year to fund programs serving children and families within the Commission's strategic goal areas of Prenatal-to-Three, School Readiness Initiative, and Systems Building. The decrease is due to the previously mentioned ending of the state funded Dental Transformation Initiative.

- Salaries and benefits decreased by $31,637 (-2.9%) from the prior fiscal year due to positions being vacant for part of the year.

ANALYSIS OF THE COMMISSION'S GOVERNMENTAL FUND STATEMENTS

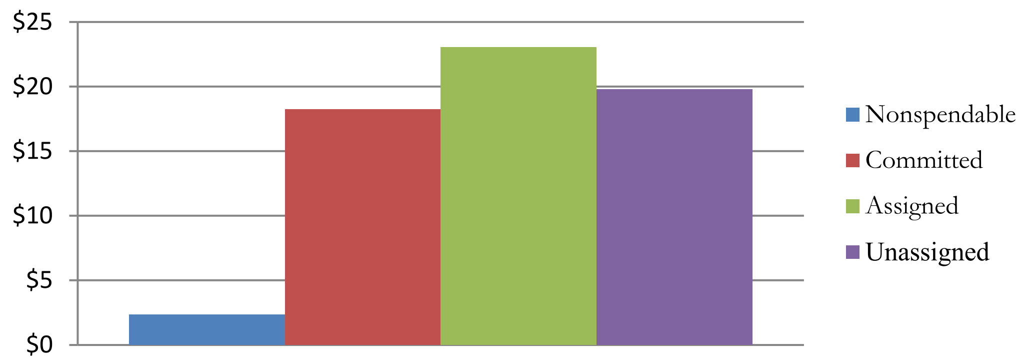
As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The activities are contained in the general fund of the Commission. The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources, both committed and available for future operational needs. Program revenues of approximately $.6 million were not received within the Commission's period of availability and, as such, are recorded as deferred inflows on the Governmental Fund Balance Sheet.

As of the end of the current fiscal year, the Commission's general fund reported total ending fund balance of $63.4 million, an increase of $6.3 million (11.1%) in comparison with the prior fiscal year.

Fund Balance Classifications
As of June 30, 2022
($ in millions)



Budget Amendments

The budget amendments are approved during each fiscal year for the General Fund in order to reflect the most current revenue trends and to account for shifts in funding objectives.

- No budget amendments occurred during the fiscal year. The initial approved budget was not adjusted and remained as the final budget.

Budget to Actual Comparisons

This section contains an explanation of the significant differences between the Commission's Final Budget amounts and actual amounts recorded for revenues and expenditures for Fiscal Year 2021-2022 as detailed on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.

- Total actual revenues were below budgeted revenues in Fiscal Year 2021-2022 by $292,952. Total revenues, not including the fair market adjustment, were nearly $1 million above budget due to tobacco tax revenue above projections.

- Total budgeted appropriations exceeded actual expenditures in Fiscal Year 2021-2022 by $4.5 million due to program funds spent under the Bridges and Home Visitation Program and the timing of distributions of one-time Catalytic funds.

  - 0-5 child development program expenditures were less than budgeted appropriations by $3.5 million. This was due mostly to the timing of expenditures for the Home Visitation Program and the IMPACT programs. The original appropriations for these programs represent total funds available through each program award, but each program has unique scheduling and timelines that guide when funds are expended.

  - Salaries and benefits actual expenditures were less than budgeted appropriations by approximately $307,000 due to staff positions that were vacant for portions of the year.

  - Catalytic expenditures were less than budgeted appropriations by approximately $658,000. Fiscal Year 2021-2022 was the ninth year of Round 1 and 2 catalytic funding. The total funding amount of approximately $65.9 million was approved by the Commission as detailed below. Expenditures are recognized as services are provided and deliverables met for each separate Catalytic program. At budget adoption, the timing of Fiscal Year 2021-2022 distributions and expense recognition were not known. Each Catalytic program has a unique scope and budget. Final payment terms are included in the contracts approved by the Commission for each Catalytic program. Remaining Catalytic funding will be included in future year budgets as defined in the related Catalytic contract payment and deliverable schedules.

Commission Catalytic funding	
Round 1:	
Children's Dental Programs	$20,000,000
Early Developmental Services / Autism Program	7,000,000
Year-Round Emergency Shelter	7,000,000
Early Literacy and Math	5,000,000
Healthy Child Development	5,582,500
VISTA / AmeriCorps transition feasibility	25,000
	$44,607,500
Round 2:	
Capacity Building	$3,250,000
Partnership for Children's Health	6,023,474
Prevention Services	500,000
Nutrition and Fitness	365,000
Pediatric Vision Services	1,500,000
Healthy Steps	850,000
Catalytic Unallocated and Matching Funds	8,804,026
	$21,292,500

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

On November 8, 2022, Proposition 31 passed which upheld a statewide ban on the sale of flavored tobacco products. As a result, projections for future tobacco tax revenues will decline below previous estimates. The flavor ban will impact revenue receipts and projections beginning in Fiscal Year 2022-2023.

The Commission's financial plan has historically been conservative when estimating future-year revenues and maintains a fund balance in anticipation of future-year declining revenues. The assumptions used to project annual expenses/program funding throughout the ten-year financial plan will be adjusted to align with updated revenue projections from the California Department of Finance.

REQUESTS FOR FINANCIAL INFORMATION

This annual comprehensive financial report is intended to provide the public with an overview of the Commission's financial operations and condition for the fiscal year ended June 30, 2022. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the President/CEO, Children & Families Commission of Orange County, 1505 East 17th Street, Suite 230, Santa Ana, California 92705

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2022

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and investments in County Treasury	$ 65,347,677
Imprest cash	10,000
Interest receivable	105,400
Due from County of Orange	449,768
Due from other governments	2,127,405
Prepaids	106,675
Advances to others	2,122,468
Capital Assets - Right to use leased assets, net of amortization	101,206
Net pension asset	811,951
Total Assets	71,182,550
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	791,016
Other postemployment benefits related amounts	96,000
Total Deferred Outflows of Resources	887,016
LIABILITIES	
Accounts payable	2,125,922
Due to County of Orange	1,442
Due to other governments	3,442,946
Retentions payable	790,668
Accrued wages and benefits	57,568
Non-Current liabilities:	
Compensated absences:	
Payable within one year	74,116
Payable after one year	22,444
Leases payables:	
Payable within one year	77,555
Payable after one year	25,759
Net OPEB liability	231,000
Total Liabilities	6,849,420
DEFERRED INFLOWS OF RESOURCES	
Pension related amounts	1,203,511
Other postemployment benefits related amounts	87,000
Total Deferred Inflows of Resources	1,290,511
NET POSITION	
Net Investment in Capital Assets	(2,108)
Unrestricted	63,931,743
Total Net Position	$ 63,929,635

See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

		Program Revenues	Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants And Contributions	Governmental Activities
Governmental Activities:			
Child development	$ 20,293,017	$ 27,614,574	$ 7,321,557
General Revenues:			
Investment income			324,488
Net decrease in fair value of investments			(1,112,404)
Miscellaneous			171,583
Total General Revenues			(616,333)
Change in Net Position			6,705,224
Net Position, July 1			57,224,411
Net Position, June 30			$ 63,929,635

See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2022

		General Fund
ASSETS		
Cash and investments in County Treasury	$	65,347,677
Imprest cash		10,000
Interest receivable		105,400
Due from County of Orange		449,768
Due from other governments		2,127,405
Prepaid Items		206,761
Advances to others		2,122,468
Total Assets	$	70,369,479
LIABILITIES		
Accounts payable	$	2,125,921
Due to County of Orange		1,442
Due to other governments		3,442,945
Retentions payable		790,668
Accrued wages and benefits		57,568
Total Liabilities		6,418,544
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - unavailable revenue		588,666
Total Deferred Inflows of Resources		588,666
FUND BALANCES		
Nonspendable fund balance		2,329,229
Committed fund balance		18,239,879
Assigned fund balance		23,016,569
Unassigned fund balance		19,776,592
Total Fund Balances		63,362,269
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$	70,369,479

See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund balances of governmental funds		$ 63,362,269
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Prepaid items included as a deferred outfow on the accrual basis used in the government-wide statements		(100,086)
Long term assets/(liabilities) are not included in the governmental funds		
Net pension asset		811,951
Lease Liability		(103,314)
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds		
Right to use assets at historical cost	177,886	
Accumulated amortization	(76,680)	101,206
Deferred outflows of resources:		
Pension related amounts		791,016
Other postemployment benefits		96,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources; and therefore, are not reported as expenditures in the governmental funds until paid. The following amounts represent the net effect of these differences in the treatment of long-term liabilities:		
Change in Compensated Employee Absences		(96,562)
Other postemployment benefits related amounts		(231,000)
Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements.		588,666
Deferred inflows of resources:		
Pension related amounts		(1,203,511)
Other postemployment benefits		(87,000)
Net Position of governmental activities		$ 63,929,635

See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund
REVENUES	
Prop 10 Tobacco Tax	$ 24,080,410
Investment income earned on tobacco taxes at the State level	11,467
Other State operating grants and contributions	1,615,672
CalWORKS Home Visiting Program	1,643,966
Medi-Cal Administrative Activities	531,566
Investment income	324,488
Net decrease in fair value of investments	(1,112,404)
Other revenue	171,597
Total Revenues	27,266,762
EXPENDITURES	
Current:	
Salaries and benefits	1,726,003
Expenditures related to the "Zero to Five" Programs	18,146,011
Catalytic Round 1 and 2 Program Funding	992,258
Debt Service:	
Principal Retirement	74,572
Interest	3,881
Total Expenditures	20,942,725
Change in Fund Balance	6,324,037
FUND BALANCE, July 1	57,038,232
FUND BALANCE, June 30	$ 63,362,269

See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net changes in fund balance - total governmental funds	$ 6,324,037
Amounts reported for governmental activities in the statement of revenues, expenditures, and changes in fund balance differs from the amounts reported in the statement of activities because:	
Lease Principal Expense reported in Governmental Funds and not reported in the Statement of Activities	74,572
Amortization Expense reported in the Statement of Acitivities and not reported in Governmental Funds	(76,680)
Governmental funds report pension contributions and OPEB contributions as expenditures. However, in the Statements of Activities, pension and OPEB expense is measured as the change in the net pension and net OPEB liability and the amortization of deferred outflows and inflows related to pensions and OPEB. This amount represents the change in pension and OPEB related amounts.	
Pension related amounts	654,174
Other postemployment benefits related amounts	(5,000)
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the net change in the compensated absences liability.	2,642
Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements.	(268,521)
Change in net position of governmental activities	$ 6,705,224

See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amouts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Prop 10 Tobacco Tax	$ 23,354,480	$ 23,354,480	$ 24,080,410	$ 725,930
Investment income earned on tobacco taxes at the State level	-	-	11,467	11,467
Other State operating grants and contributions	1,622,534	1,622,534	1,615,672	(6,862)
CalWORKS Home Visiting Program	2,000,000	2,000,000	1,643,966	(356,034)
Medi-Cal Administrative Activities	250,000	250,000	531,566	281,566
Investment income	100,000	100,000	324,488	224,488
Net decrease in fair value of investments			(1,112,404)	(1,112,404)
Other revenue	232,700	232,700	171,597	(61,103)
Total Revenues	27,559,714	27,559,714	27,266,762	(292,952)
EXPENDITURES				
Current:				
Salaries and benefits	2,032,667	2,032,667	1,726,003	306,664
Expenditures related to the "Zero to Five" Program	21,670,695	21,670,695	18,146,011	3,524,684
Catalytic Round 1 and 2 Program Funding	1,650,000	1,650,000	992,258	657,742
Debt Service:				
Principal Retirement	93,120	93,120	74,572	18,548
Interest	3,790	3,790	3,881	(91)
Total Expenditures	25,450,272	25,450,272	20,942,725	4,507,547
Net Change in Fund Balance	2,109,442	2,109,442	6,324,037	4,214,595
FUND BALANCE, July 1	57,038,232	57,038,232	57,038,232	-
FUND BALANCE, June 30	$ 59,147,674	$ 59,147,674	$ 63,362,269	$ 4,214,595

See accompanying notes to the basic financial statements.

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Children and Families Commission of Orange County (the Commission) was established by the Orange County Board of Supervisors in 1999 under the provisions of the California Children and Families Act of 1998 (Act). The Commission is a public entity legally separate and apart from the County. The purpose of the Commission is to develop, adopt, promote and implement early childhood development and school readiness programs in the County of Orange consistent with the goals and objectives of the Act. The Commission's programs are funded primarily by taxes levied by the State of California on tobacco products.

A governing board of nine members, which are appointed by the County Board of Supervisors, oversees the Commission. Three members are considered Mandatory Members, comprised of representatives of the County Health Care Agency, Social Services Agency and Board of Supervisors. Other members are considered At-Large Members. The Board of Supervisors Mandatory Member serves for a one-year term without limitation on the number of terms he/she may serve. Other Mandatory Members serve until removed by the Board of Supervisors. At-Large Members serve for terms ranging from two to four years, not to exceed eight consecutive years. The County Board of Supervisors may remove any Commission Member at any time. The Commission is considered a discretely presented component unit of the County of Orange.

Upon termination of the commission, all assets of the Commission shall be returned to the State of California. The liabilities of the Commission shall not become liabilities of the County upon either termination of the Commission or the liquidation or disposition of the Commission's remaining assets.

Basis of Accounting and Measurement Focus

The basic financial statements of the Commission are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-Wide Financial Statements

Government-wide financial statements consist of the statement of net position and the statement of activities. These statements are presented on an economic resources measurement focus. All economic resources and obligations of the reporting government are reported in the financial statements.

The government-wide financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting all assets, liabilities, deferred outflows and inflows of resources of the Commission are included on the statement of net position. The difference between the Commission's assets, liabilities, deferred outflows and inflows of resources is its net position. Net position represents the resources the Commission has available for use in providing services. The Commission's net position is classified as:

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements, (Continued)

Unrestricted – This category represents neither restrictions nor right to use assets and may be used by the Commission for any purpose though they may not be necessarily liquid.

Net Invested in Capital Assets – This category includes the Commission's leases that are amortized over the life of the lease period, and the balance presented includes all related liabilities.

The statement of activities presents a comparison of the direct expenses and program revenues for the Commission's governmental activities. Program revenues include grants and contributions restricted for the operational requirements of a particular program. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Program revenues include tobacco taxes, First 5 California programs and federal revenues. General revenues are all revenues that do not qualify as program revenues and include investment income and miscellaneous income. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Fund Financial Statements

The fund financial statements consist of the balance sheet, the statement of revenues, expenditures and changes in fund balance, and the statement of revenues, expenditures and changes in fund balance – budget and actual of the Commission's general fund. These statements are presented on a current financial resources measurement focus. Generally, only current assets, deferred inflows of resources, and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance for the governmental fund generally presents increases (revenues) and decreases (expenditures) in net current resources. All operations of the Commission are accounted for in the general fund.

The fund financial statements have been prepared on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered available if they are received within 60 days after year-end. Revenues susceptible to accrual include tax revenues, grant revenues and investment income. Expenditures are recognized in the accounting period in which the fund liability is incurred except for compensated absences, which are recognized when due and payable at year-end.

Fair Value Measurement

The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Commission does not have any investments that are measured using Level 3 inputs.

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred outflow of resources represents a consumption of net assets that applies to future periods. The Commission has a deferred inflow, unavailable revenue, which occurs only under a modified accrual basis of accounting. Accordingly, the items are reported only in the governmental fund balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The Commission also recognizes deferred outflows and inflows related to pensions and other post-employment benefits under the accrual basis of accounting. These items are reported only in the government-wide Statement of Net Position.

Capital assets, net of accumulated depreciation

Capital assets, including right to use lease assets, are not considered to be a financial resource and therefore, is not reported as an asset in the fund financial statements. Capital assets are capitalized and reported at cost, net of accumulated depreciation in the government-wide financial statements. There were no additions to the capital assets in the current year. Right to use assets are amortized over the lease term.

Capital assets are recorded at historical cost. The Commission capitalizes assets with cost in excess of $5,000, following the County of Orange schedule of asset definitions, and a useful life greater than one year. The Commission depreciates capital assets using a straight-line method over the estimated useful life of each asset. The estimated useful life of equipment, ranges from 5 to 10 years.

Adjustments Between Fund Financial Statements and Government-Wide Financial Statements

Prepaid Items

Prepaid pension contributions are reported as a prepaid item in the fund financial statements and in the Statement of Net Position. The prepaid pension contributions, at the fund level, pertain to the contributions required for the related payroll periods of July 1, 2022 to June 30, 2023. A balance of $206,761 is reported as of June 30, 2022 after any remaining contributions for the fiscal year were deducted from the prepaid account. Because the next actuarial valuation to determine the Commission's net pension liability will occur on December 31, 2022, the prepaid contributions are recognized as a deferred outflow of resources on the government wide statements to account for the portion that will be applied to the calculation of net pension liability.

Compensated absences

Compensated absence obligations are considered long-term in nature and are reported in the fund financial statements as expenditures in the period paid or when due and payable at year-end under the modified accrual basis of accounting. Compensated absences have been accrued in the government-wide financial statements and are included in long-term liabilities. Compensated absences are liquidated by the general fund.

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Differences Between Fund Financial Statements and Government-Wide Financial Statements (Continued)

Leases

The Commission is a lessee for noncancelable lease of office space and equipment. The Commission recognizes a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the Commission initially measured the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission generally uses the County of Orange incremental borrowing rate as the discount for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the Commission recognizes a net pension liability/asset, which represents the Commission's proportionate share of the excess of the total pension liability/asset over the fiduciary net position reflected in the actuarial report provided by the Orange County Employees Retirement System (OCERS). The net pension liability/asset is measured as of OCERS' prior fiscal year end December 31, 2021 and is reported on the same basis as they are reported by OCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Changes in the net pension are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the County of Orange Retiree Benefit Plan ("OPEB Plan") and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

OPEB	
Valuation Date	June 30, 2021
Measurement Date	December 31, 2021
Measurement Period	January 1, 2021 to December 31, 2021

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Due to other governments

Due to other governments represents amounts owed to grantees and governmental agencies for services provided to the Commission in accordance with the Commission's strategic plan.

Retentions payable

The Commission retains a percentage of amounts billed by grantees and vendors in accordance with executed contracts. Upon fulfilling the requirements of the grantee agreement or contract, the amounts are released.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Also, the preparation of the financial statements inherently requires the rounding of amounts and estimates.

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget and Budget Reporting

The Commission is required by Orange County ordinance to prepare a budget each year based on estimates of revenues and expected expenditures. The Commission's Board of Commissioners adopted an annual budget of expenditures for the year ended June 30, 2022, which is prepared on the modified accrual basis of accounting. The accompanying statement of revenues, expenditures and changes in fund balance – budget and actual includes the budgeted expenditures for the year, along with management's estimate of revenues for the year. The legal level of budgetary control is at the total fund level.

Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Commission established the following classifications and definitions of fund balance for the year ended June 30, 2022:

> Nonspendable – Resources that cannot be spent because they are not in an expendable form (e.g. prepaid asset, advances to others) or must be maintained intact (e.g. endowment principal).
>
> Restricted - Resources that are constrained to specific purposes by an external provider (e.g. grantors, contributors, governmental laws and regulations) or by constitutional provisions or enabling legislation.
>
> Committed - Resources with self-imposed limitations and require both the approval of the highest level of decision-making authority (Board of Commissioners) and the same formal action to remove or modify the limitations. The formal action required by the Board of Commissioners for funds to be committed is action by the way of resolution allocating funding for a specific purpose, program or initiative.
>
> Assigned - Resources with self-imposed limitations but do not require approval by the highest level of decision-making authority (may be a body, committee or individual designated by Board of Commissioners) or the same level of formal action to remove or modify limitations. Includes appropriation of a portion of existing fund balance sufficient to eliminate subsequent year's budget deficit, resources assigned to specific program for which there is an approved budget, and resources approved by the Commission for a long-range financial plan.
>
> Unassigned - Resources that cannot be reported in any other classification.

Fund balance of governmental funds is reported in various categories based on the nature of the limitations requiring the use of resources for specific purposes. The Commission itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purpose determined by a formal action of the Commission. The Commission is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as committed. The Commission adopts an annual budget and gives authority to the Executive Director and staff to assign fund balance for approved contracts in force. Unlike commitments, an additional action does not normally have to be taken for the removal of an assignment.

The Commission's spending priority is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance.

Refer to Note 6 for additional details regarding the GASB 54 classification of fund balance.

Encumbrances

The Commission utilizes an encumbrance system as a management control technique to assist in controlling expenditures. Encumbrances of $31.3 million represent Board-approved future year contracts for Catalytic Programs ($7.9 million) and annual programs and operations ($23.4 million). The two most significant Catalytic Program encumbrance are for Children's Dental ($3.4 million) and Developmental Screenings ($4.5 million). The two largest program encumbrance balances are for the Bridges: Maternal Child Health Network ($10.4 million) and School District Partnerships ($6 million). Encumbrances for Catalytic Programs are reported in Committed fund balance and encumbrances for other programs are reported in Assigned fund balance.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Children and Families Commission Orange County Employees Retirement System (OCERS) plan and additions to/deductions from OCERS' fiduciary net position have been determined on the same basis as they are reported by OCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

Effective This Fiscal Year

GASB Statement No. 87, *Leases*, was established to increase the usefulness of governments, financial statements by requiring recognition of certain lease liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Beginning net position was restated to retroactively adopt the provisions of GASB No. 87 as follows:

Net position at June 30, 2021	$57,224,411
Add Right to use assets	177,786
Add lease liability	(177,786)
Net position at July 1, 2021, as restated	$57,224,411

GASB Statement No. 89, *Interest Cost Incurred before the End of a Construction Period*, has been evaluated and has no impact on the Commission's financial reporting or notes.

GASB Statement No. 92, *Omnibus 2020*, has been evaluated and has no impact on the Commission's financial reporting or notes.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, has been evaluated and has no impact on the Commission's financial reporting or notes.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, has been evaluated and has no impact on the Commission's financial reporting or notes.

GASB has issued the following pronouncements prior to June 30, 2022, that have effective dates which may impact future financial statement presentation. The effect of these statements is currently under review by the Commission:

GASB Statement No. 91, *Conduit Debt Obligations*

GASB Statement No. 94, *Public-Private and Public Partnerships and Availability Payment Arrangements*

GASB Statement No. 96, *Subscription-based Information Technology Arrangements*

GASB Statement No. 99, *Omnibus 2020*

GASB Statement No. 100, *Accounting Changes and Error Corrections*

GASB Statement No. 101, *Compensated Absences*

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are classified in the financial statements as follows:

Cash and investments in County Treasury	$	65,347,677
Imprest Cash		10,000
Total Cash and Investments	$	65,357,677

Cash and investments consisted of the following at June 30, 2022:

Orange County Investment Pool:		
Equity in pooled Money Market fund	$	65,347,677
Imprest Cash		10,000
Total Cash and Investments	$	65,357,677

Investments Authorized by the California Government Code and the Commission Investment Policy Statement

Authorized investment instruments include:

- Certificates of Deposit (insured or collateralized)
- Orange County Investment Pool
- "AAAm" rated Money Market Mutual Funds
- U.S. Treasury securities
- U.S. Government Agency securities: Debt securities issued by U.S. Government sponsored enterprises and federally related institutions. These government agencies include: Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), Federal National Mortgage Association (FNMA or Fannie Mae), Federal Farm Credit Banks (FFCB)

All Money Market Mutual Funds must be AAAm rated by two NRSROs, invest only in direct obligations in US Treasury bills, notes, bonds, U.S. Government Agencies, Municipal debt and repurchase agreements with a weighted average maturity of 60 days or less, and have a minimum of $500 million in assets under management. Money Market Mutual Funds that do not maintain a constant NAV (Net Asset Value) will be prohibited.

The Commission is a participant in the County Treasurer's Orange County Investment Pool (OCIP). The OCIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee conducts OCIP oversight. Cash on deposit in the OCIP at June 30, 2022, is stated at fair value. The OCIP values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the OCIP, refer to the County of Orange Annual Comprehensive Financial Report.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2022, the Commission held no individual investments. All funds are invested in OCIP.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Commission's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in the OCIP are made based on $1 and not fair value. Accordingly, the Commission's proportionate share of investments in the OCIP at June 30, 2022 of $65,347,677 is measured based on an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

NOTE 3 – DUE FROM OTHER GOVERNMENTS

The due from other governments account represents amounts due to the Commission from the California Children and Families Commission ("State Commission") for Prop 10 related revenues and other governmental agencies. The amounts due to the Commission at June 30, 2022, were as follows:

Due from State Commission:	
Prop 10 revenue for:	
June 2022	$1,565,908
Surplus Money Investment Fund Allocations	11,467
First 5 IMPACT Program	541,915
First 5 Home Visiting Coordination	8,115
Total Due from Other Governments	$2,127,405

NOTE 4 – DUE TO OTHER GOVERNMENTS

The due to other governments account represents amounts due to the Regents of the University of California, Orange County school districts, and other local governmental agencies. The amounts due to the other governments at June 30, 2022, were as follows:

Due to government agencies:	
FY 2021-2022 Contract Payment Accruals	$ 3,442,946

NOTE 5 – COMPENSATED ABSENCES

The vested compensated absences liability balance at June 30, 2022 consists of the following activity:

Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Due Within One Year	Due Beyond One Year
$99,204	$116,253	$118,895	$96,560	$74,116	$22,444

NOTE 6 – FUND BALANCE

Fund balance is classified using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance as of June 30, 2022 consists of the following:

Nonspendable:	
Prepaids and Advances	$2,329,229
Committed for:	
Catalytic Round 1 and 2 programs	18,239,879
Assigned for:	
Approved contracts	23,016,569
Unassigned	19,776,592
Total fund balance	$63,362,269

Fund Balance Category Descriptions

Nonspendable – consists of prepaid retirement contributions for Fiscal Year 2022-23 that were paid during the fiscal year. Refer to Note 8 for further details. Included in Nonspendable are Catalytic funding amounts advanced to grantees for project scopes not completed by June 30, 2022.

Committed for contractual obligations – consists of contract amounts approved by Commission action as of June 30, 2022 for Fiscal Years 2020-2023 and future years of Commission Round 1 and 2 Catalytic funding.

Assigned for approved contracts – consists of Fiscal Year 2022-2023 programs that were approved by Commission action and included in the Fiscal Year 2022-2023 Operating Budget.

NOTE 7 – CONTINGENCIES

The Commission is involved in various legal proceedings from time to time in the normal course of business. In management's opinion, the Commission is not involved in any legal proceeding that will have a material adverse effect on financial position or changes in financial position of the Commission.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description. All full-time employees of the Commission participate in the Orange County Employees Retirement System (OCERS). OCERS was established by the County of Orange in 1945. OCERS is administered by the Board of Retirement and governed by the County Employee's Retirement Law of 1937 California Government Code Section 31450 et. seq.). OCERS is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the Safety and General members employed by the County of Orange. OCERS also provides retirement benefits to the employee members of the Orange County Courts, the Orange County Retirement System, two cities and thirteen special districts.

The management of OCERS is vested with the Orange County Board of Retirement. The Board consists of nine members and one alternate. The County Treasurer is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two members are elected by the General membership; one member and one alternate are elected by the Safety membership, and one member is elected by the retired members of the System. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with her term as County Treasurer. OCERS issues a stand-alone annual financial report, which can be obtained at www.ocers.org.

Benefits Provided. OCERS provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the County of Orange or contracting agencies who work a minimum of 20 hours per week become members of OCERS effective on the first day of employment in an eligible position. There are separate retirement plans for General and Safety member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers. Any new Safety Member who becomes a member on or after January 1, 2013 is designated PEPRA Safety and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. All other employees are classified as General members. New General Members employed after January 1, 2013 are designated as PEPRA General subject to the provisions of California Government Code 7522 et seq.

General Information about the Pension Plan

General members prior to January 1, 2013, including all members of Plan T and Plan W hired on or after January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired ten or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, excluding member of Plan T and Plan W, are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit.

All General members can also retire at the age of 70 regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

General member benefits are calculated pursuant to the provisions of Sections 31676.01, 31676.1, 31676.12, 31676.16, 31676.18 or 31676.19. For section 31676.01, the monthly allowance is equal to 1/90th of final compensation times years of accrued retirement service credit times age factor from that Section. For Section 31676.1, the monthly allowance is equal to 1/60th of final compensation times years of accrued retirement service credit times age factor from the Section. For Sections 31676.12, 31676.16, 31676.18 or 31676.19, the monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from the corresponding Section. General member benefits for those who are first hired on or after January 1, 2013, excluding members of Plan T, are calculated pursuant to the provision California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

For members with membership dates before January 1, 2013, including all members of Plan T and Plan W hired on or after January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum with membership dates on or after January 1, 2013, excluding members of Plan T and Plan W.

Final average compensation consists of the highest 12 consecutive months for a General Tier 1 or Safety Tier 1 member and the highest 36 consecutive months for a General Tier 2, General PEPRA, Safety Tier 2 or Safety PEPRA member.

The member may elect an unmodified retirement allowance or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

OCERS provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustments, based upon the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County Area, is capped at 3.0%.

Contributions. The Commission contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from OCERS' actuary after the completion of the annual actuarial valuation. The average employer contribution rate for the first six months of calendar year 2021 or the second half of fiscal year 2020-2021 (based on the December 31, 2018 valuation) was 40.02% of compensation. The average employer contribution rate for the last six months of calendar year 2021 or the first half of fiscal year 2021-2022 (based on the December 31, 2019 valuation) was 41.49% of compensation. Contributions recognized by the plan in FY 2021-22 were $177,498.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

All members are required to make contributions to OCERS regardless of the retirement plan or tier in which they are included. The average member contribution rate for the first six months of calendar year 2021 or the second half of fiscal year 2020-2021 (based on the December 31, 2018 valuation) was 12.47% of compensation. The average member contribution rate for the last six months of calendar year 2021 or the first half of fiscal year 2021-2022 (based on the December 31, 2019 valuation) was 12.31% of compensation.

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

At June 30, 2022, the Commission reported a net pension asset of ($811,951) for its proportionate share of the net pension liability (NPL)/(asset). The NPL/(asset) was measured as of December 31, 2021. Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuation as of December 31, 2020. At December 31, 2021, the Commission's proportion was -0.040% percent allocated based on the actual employer contributions within the Commission's rate group. This represents a decrease from 0.025%, from the proportionate measured as of December 31, 2020.

For the year ended June 30, 2022, the Commission recognized pension expense of ($467,174). As of June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$559,732	
Changes in proportion and differences between employer contributions and proportionate share of contributions	113,879	$1,089,285
Changes of assumptions or other inputs		92,133
Difference between expected and actual experience	17,319	22,093
Commission contributions subsequent to the measurement date	100,086	
Total	$791,016	$1,203,511

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as contributions made subsequent to the measurement date of $100,086 will be recorded as an addition to net pension asset in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2023	$	(292,722)
2024		(113,560)
2025		(91,606)
2026		20,750
2027		(35,443)
	$	(512,581)

Actuarial assumptions. For the measurement period ended December 31, 2021 (the measurement date), total pension liability (TPL) was determined by rolling forward the December 31, 2020 (the valuation date) total pension liability. The actuarial assumptions used were based on the results of an experience study for the period from January 1, 2017 through December 31, 2019.

Net investment return: 7.00%

Inflation 2.50%

Salary Increases General: 4.00% to 11.00%, varying by service, including inflation

Cost of Living Adjustments 2.75% of retirement income

Post – Retirement Mortality Rates:

Healthy: For General Members: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019

Disabled: For General Members: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates decreased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019

Beneficiaries: Pub-2010 Generational Contingent Survivor Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined in 2020 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2021 and 2020 actuarial valuation. This information will change every three years based on the actual experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Large Cap Equity	23.10%	5.43%
Small Cap Equity	1.90%	6.21%
International Developed Equity	13.00%	6.67%
Emerging Markets Equity	9.00%	8.58%
Core Bonds	9.00%	1.10%
High Yield Bonds	1.50%	2.91%
TIPS	2.00%	0.65%
Emerging Market Debt	2.00%	3.25%
Corporate Credit	1.00%	0.53%
Long Duration Fixed Income	2.50%	1.44%
Real Estate	3.01%	4.42%
Private Equity	13.00%	9.41%
Value Added Real Estate	3.01%	7.42%
Opportunistic Real Estate	0.98%	10.18%
Energy	2.00%	9.68%
Infrastructure (Core Private)	1.50%	5.08%
Infrastructure (Non-Core Private)	1.50%	8.92%
CTA – Trend Following	2.50%	2.38%
Global Macro	2.50%	2.13%
Private Credit	2.50%	5.47%
Alternative Risk Premia	2.50%	2.50%
Total	100.00%	5.67%

Discount rate. The discount rate used to measure the TPL was 7.00% as of December 31, 2021 and 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both December 31, 2021 and 2020.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Commission's proportionate share of the net pension liability to changes in the discount rate. The following presents the Commission's proportionate share of the NPL/(asset) calculated using the discount rate of 7.00%, as well as what the Commission's NPL would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	73,242	($811,951)	($1,533,465)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued OCERS financial report.

NOTE 9 – LEASES

Office Lease

The Commission entered an agreement to lease office space beginning November 2013. The current amended lease terminates October 2023. Under the terms of the lease, the Commission pays a pre-determined monthly base fee that was $6,353 for that last 8 months of fiscal year 2021-2022 and will increase to $6,480 beginning November 2022. A security deposit of $5,929 is currently held by the lessor.

At June 30, 2022, the Commission has recognized a right to use asset of $98,931 and a lease liability of $101,005 related to this agreement. During the fiscal year, the Commission recorded $74,198 in amortization expense and $3,772 in interest expense for the right to use the office space. The Commission used a discount rate of 3% representing the Commission's incremental borrowing rate.

Equipment Lease

The Commission entered an agreement to lease a copier beginning June 2017. The current amended lease terminates May 2023. Under the terms of the lease, the Commission pays a pre-determined monthly base fee of $213 for the copier unit. Additional charges are for the number of copies charged for actual use each month.

At June 30, 2022, the Commission has recognized a right to use asset of $2,275 and a lease liability of $2,310 related to this agreement. During the fiscal year, the Commission recorded $2,483 in amortization expense and $109 in interest expense for the right to use the copier. The Commission used a discount rate of 3% representing the Commission's incremental borrowing rate.

Remaining obligations associated with these leases are as follows:

Fiscal Year Ended June 30		Principal	Interest
	2023	$77,555	$2,041
	2024	25,759	161
Total		$103,314	$2,202

The Commission amortized the right to use assets as follows during the fiscal year:

Right to Use Asset	July 1, 2021	Additions	Deletions	June 30, 2022
Office Space	$173,129	-	($74,198)	$98,931
Equipment	4,758	-	(2,483)	2,275
Total Right to Use Asset	$177,887	-	($76,680	$101,206

NOTE 10 – RELATED PARTY TRANSACTIONS

The Commission contracts with the County to provide accounting, banking and investment, purchasing, human resources, risk management and other administrative services. The Commission participates in the County's risk management programs (commercial and self-insurance programs) for general and automobile liability insurance, public official liability, rental interruption, personal property, worker's compensation, group health indemnified plans, group salary continuance plan, group dental plan and unemployment benefit plan. The Commission records its portion of related insurance premiums charged by the County as an expense. Insurance expense for the year ended June 30, 2022 was $36,099. The Commission incurred expenses totaling $330,109 for all other County services provided during the year ended June 30, 2022. The amount owed to the County of Orange for related party transactions at June 30, 2022 was $435,107. Amounts owed to the Commission from the County of Orange are $449,768. An additional $1,442 is owed to the County of Orange for services provided to the Commission.

The Commission paid $1,771,734 of service provider grants to organizations represented by a member of the Board of Commissioners, although all members abstain from all votes regarding funding to the organization represented. The Commission incurred a total of $1,572,159 in expenses paid to the County of Orange for program services delivered by the Health Care Agency and Social Services Agency.

NOTE 11 – PROGRAM EVALUATION

In accordance with the Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program, issued by the California State Controller, the Commission is required to disclose the amounts expended during the fiscal year on program evaluation. Program evaluation costs pertain to those activities undertaken to support the collection, production, analysis and presentation of evaluation information for Commission management, Commissioners and other interested parties. For the year ended June 30, 2022, the Commission expended $839,499 for program evaluation.

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN

At June 30, 2022, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

Deferred outflows of resources:	
OPEB contributions subsequent to the measurement date	$20,000
Changes in assumptions	7,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,000
	$96,000
Deferred inflows of resources:	
Differences between expected and actual experience	$37,000
Changes in assumptions	10,000
Net difference between projected and actual earnings on plan investments	38,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,000
	$87,000
Net OPEB Liability:	$231,000

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN (continued)

Plan Description. In accordance with the Commission's participation agreement entered into in July 2007, the Commission is a participant in the County of Orange Retiree Medical Plan (the Plan). The Plan is a cost-sharing multiple employer defined benefit retiree medical plan. The Plan provides a grant for medical benefits to eligible retirees and their dependents and lump-sum payments for employees separating from employment prior to being eligible for the grant. The County Board of Supervisors maintains the authority to establish and amend the Plan's benefit provisions. The financial statements and required supplementary information of the Plan are included in the County of Orange's fiscal year 2021-2022 Annual Comprehensive Financial Report. The Commission is reported in the County's Annual Comprehensive Financial Report as a discretely presented component unit. That report may be obtained by contacting the County of Orange, Auditor Controller, 12 Civic Center Plaza, Room 200, Santa Ana, California 92702.

Eligibility. An employee who is credited with at least ten years of service at the time the employee becomes a retiree shall be eligible to receive a grant in accordance with the County of Orange Retiree Medical Plan. An employee who becomes a retiree eligible for the grant and does not immediately begin to receive a retirement allowance from OCERS is not eligible to participate in the plan until the employee's retirement allowance commences. In order to be eligible to receive the grant, a participant must be covered under a Qualified Health Plan and/or Medicare. Coverage in a Qualified Health Plan must be elected within 30 days of the commencement of retirement allowance from OCERS. A covered retiree or surviving dependent who is age 65 or older must be enrolled in Medicare Part A (if eligible for coverage without a premium) and Part B in order to be eligible for the grant. A Qualified Health Plan is defined as a health insurance plan made available to employees and/or retirees, including a County Health Plan or a plan administered by an Employee Organization that the County of Orange has agreed shall be a Qualified Health Plan. A lump sum payment is available under limited circumstances as defined in the plan for an employee whose employment terminates prior to becoming eligible for a grant.

Benefits Provided. The monthly benefit paid to an eligible retiree is equal to $10 multiplied by the number of full years of credited service (with a maximum of 25 years). The monthly benefit shall not exceed the actual cost to the retiree for coverage under a qualified health plan and Medicare premiums. The benefit is reduced by 7.5% per year for each year the retiree is less than 60, based on the date the employee takes active retirement from OCERS. Conversely, the benefit is increased by 7.5% per year for each year the retiree is in excess of 60, and no adjustment is made for years of age after age 70. A 50% reduction adjustment applies to retirees and surviving dependents eligible for both Medicare Part A (without premium) and Part B. A surviving dependent of a retiree previously receiving a benefit is eligible to receive a monthly survivor benefit equal to 50% of the amount the retiree was eligible to receive. The monthly benefit is adjusted annually (not to exceed 3% per year) based on the average increase or decrease across all County retiree health plans.

Contribution. The Commission makes contributions to the plan equal to the actuarially determined contribution. The percentage contributions are established by a Participation Agreement with the County of Orange. All contributions are employer contributions and are made through the County of Orange payroll system. For the fiscal year ended June 30, 2022, the Commission's contributions were $42,000.

At June 30, 2022, the Commission reported a liability of $231,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The Commission's proportion of the net OPEB liability was based on a projection of the Commission's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating member agencies, actuarially determined. At December 31, 2021, the Commission's proportion was 0.090 percent, an increase of 0.009% from the prior measurement date.

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN (continued)

For the fiscal year ended June 30, 2022, the Commission recognized OPEB expense of $25,000. For the fiscal year ended June 30, 2022, the Commission reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	$20,000	
Differences between expected and actual experience		$37,000
Changes of assumptions	7,000	10,000
Net difference between projected and actual earnings on plan investments		38,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,000	2,000
Total	$96,000	$87,000

The $20,000 reported as deferred outflows of resources related to contributions subsequent to the December 31, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows and Inflows Of Resources
2023	$(7,000)
2024	(12,000)
2025	(7,000)
2026	(4,000)
2027	7,000
2028+	12,000

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN (continued)

Actuarial Assumptions: The total OPEB liability in the June 30, 2021 valuation date was determined using the following significant actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Funding Policy	Employer contributes full ADC Starting 2021/22 Employer will contribute ADC for cash benefit and pay the blended rates benefit on a pay-as-you-go basis
Discount rate	7.00%
Long-Term Expected Rate of Return on Investments	7.00%, net of investment expenses
General Inflation	2.50% per annually
Salary Increases	Aggregate – 3.00% annualy Merit – OCERS 2017-2019 Experience Study
Grant Increase Rate	AFSCME – lesser of 5% and Medical Trend
	Non-AFSCME – lesser of 3% and Medical Trend
Mortality, Disability, Termination, Retirement	OCERS 2017-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Society of Actuaries Scale MP-2019
Medical Trend	- Non-Medicare – 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 - Medicare (Non-Kaiser) – 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 - Medicare (Kaiser) – 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Cost Sharing	The Grant increase rate limits specified in the plan document (3% or 5%, depending on bargaining group) are assumed to remain applicable in the future with no charges
Changes of assumptions	- General inflation assumption lowered from 2.75% to 2.50%, decreasing medical trend and aggregate payroll increase assumptions by 0.25% - Decreased medical trend rate for Kaiser Senior Advantage - Updated OCERS 2017-2019 Experience Study used for demographic assumptions - Mortality improvement scale was updated to Scale MP-2019
Changes to benefit terms	None

Discount Rate. The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN (continued)

The target asset allocation and long-term rates of return for each asset class are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Equity	23.10%	5.43%
Small Cap Equity	1.90%	6.21%
International Developed Equity	13.00%	6.67%
Emerging Markets Equity	9.00%	8.58%
Core Bonds	9.00%	1.10%
High Yield Bonds	1.50%	2.91%
TIPS	2.00%	0.65%
Emerging Market Debt	2.00%	3.25%
Corporate Equity	1.00%	0.53%
Long Duration Fixed Income	2.50%	1.44%
Real Estate	3.01%	4.42%
Private Equity	13.00%	9.41%
Value Added Real Estate	3.01%	7.42%
Opportunistic Real Estate	0.98%	10.18%
Energy	2.00%	9.68%
Infrastructure (Core Private)	1.50%	5.08%
Infrastructure (Non-Core Private)	1.50%	8.92%
CTA – Trend Following	2.50%	2.38%
Global Macro	2.50%	2.13%
Private Credit	2.50%	5.47%
Alternative Risk Premia	2.50%	2.50%
Total Portfolio	100.00%	

-Assumed Long-Term Rate of Inflation – 2.50%
-Expected Long-Term Net Rate of Return – 7.00%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the Commission's proportionate share of the net OPEB liability, as well as what the Commission's proportionate share of net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	$309,000	$231,000	$165,000

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates.

The following presents the Commission's net OPEB liability, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using health care cost trend rate that are one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$218,000	$231,000	$241,000

NOTE 13 – FIRST 5 CALIFORNIA IMPACT PROGRAM AND REGIONAL HUB

First 5 California funded a statewide program to implement the California Quality Rating and Improvement System (QRIS). The QRIS is a systemic approach to asses, improve, and communicate the level of quality in early education programs. The Commission received First 5 IMPACT funds that were contracted to the Orange County Department of Education (OCDE) as the local organization with expertise for implementing early education quality programs. First 5 California funding for IMPACT is $3,263,424 for a three-year period that began July 1, 2020. Funds claimed for the period ending June 30, 2022 totaled $1,137,707, and all IMPACT funds require a two to one program partner match of two dollars of First 5 CA funding to every dollar of local funding.

First 5 California also provided funding for two other programs. The Home Visiting Coordination program coordinates efforts among the various organizations providing home visiting services. While First 5 Orange County has been the primary funder of home visiting in the county, there is not a comprehensive countywide plan for sustained home visiting services. The funding helps to build understanding about what home visiting services are available and who receives them, cultivate leadership around the importance of home visiting in the PN3 system, and develop a shared vision among key stakeholders in Orange County

NOTE 14 – ADVANCES TO OTHERS

Advances to others as of June 30, 2022 were $2,122,468. Advances to others include Catalytic Round 1 and 2 funds advanced to service providers. The Commission invested in Catalytic programs expanding the service capacity of service providers in both Early Learning and Homeless Prevention. In December 2013, the Commission advanced $6,250,000 to HomeAid Orange County to construct emergency shelters to serve homeless families with young children, provide operational support for no less than five years, including staffing and direct services for additional emergency shelter beds, and leverages matching funds obtained by implementing agencies for continued operational support. The balance of advances includes approximately $1.4 million for HomeAid Orange County, $500,000 for Pretend City, and $140,000 for miscellaneous deposits with funded partners. The advanced funds are expensed as services are provided.

REQUIRED SUPPLEMENTARY INFORMATION

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 YEARS*

	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Proportion of the net pension liability	0.078%	0.071%	0.061%	0.019%	0.010%	(0.013%)	(0.015%)	(0.040%)
Proportionate share of the net pension liability	$3,957,426	$4,066,522	$3,158,290	$962,203	$630,611	($646,472)	($612,417)	($811,951)
Covered payroll	$1,043,030	$1,042,786	$925,031	$849,266	$966,061	$1,061,044	$1,167,468	$1,304,766
Proportionate share of the net pension liability as a percentage of covered payroll	379.42%	389.97%	341.43%	113.30%	65.28%	(60.93%)	(52.46%)	(62.23%)
Plan fiduciary net position as a percentage of the total plan pension liability	67.15%	64.73%	71.16%	74.93%	70.03%	76.67%	81.69%	91.45%
Measurement date	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021

* Fiscal Year 2014-2015 was the first year of implementation, therefore, less than ten years are shown from the information available.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
SCHEDULE OF COMMISSION CONTRIBUTIONS - PENSION
LAST 10 YEARS*

	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Contractually required contribution (actuarially determined)	$319,651	$333,800	$245,077	$266,614	$90,445	$117,300	$152,265	$177,498
Contributions in relation to the actuarially determined contributions	(319,651)	(333,800)	(245,077)	(266,614)	(90,445)	(117,300)	(152,265)	(177,498)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered payroll	$1,005,475	$1,001,202	$821,497	$864,802	$1,050,566	$1,208,381	$1,221,222	$1,203,464
Contributions as a percentage of covered payroll	31.79%	33.34%	29.83%	30.83%	8.61%	9.71%	12.47%	14.75%

* Fiscal Year 2014-2015 was the first year of implementation, therefore, less than ten years are shown from the information available.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
SCHEDULE OF CHANGES IN COMMISSION NET OPEB LIABILITIES
LAST 10 YEARS*

	2018	2019	2020	2021	2022
Commission's proportion of the net OPEB liability	$276,000	$290,000	$245,000	$271,000	$231,000
Commission's proportionate share of the net OPEB liability	0.0689%	0.0698%	0.0688%	0.081%	0.090%
Commission's covered payroll	$819,000	$930,000	$975,000	$1,088,000	$1,292,000
Commission's proportionate share of the net OPEB liability as a percentage of its covered payroll	33.70%	31.18%	25.13%	24.91%	17.88%
Plan fiduciary net position as a percentage of the total OPEB liability	42.30%	42.56%	51.02%	55.38%	65.43%
Measurement Date	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021

* Fiscal Year 2017-2018 was the first year of implementation, therefore, less than ten years are shown from the information available.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
SCHEDULE OF COMMISSION CONTRIBUTIONS - OPEB
LAST 10 YEARS*

Fiscal Year Ended June 30	2018	2019	2020	2021	2022
Actuarially Determined Contribution (ADC)	$34,000	$39,000	$41,000	$38,000	$42,000
Contribution in relation to the ADC	(34,000)	(39,000)	(41,000)	(38,000)	(42,000)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$877,000	$975,000	$1,091,000	$1,154,000	$1,189,000
Contributions as a percentage of covered payroll	3.90%	4.00%	3.76%	3.29%	3.53%

* Fiscal Year 2017-2018 was the first year of implementation, therefore, less than ten years are shown from the information available.

SUPPLEMENTARY INFORMATION

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF FIRST 5 CALIFORNIA FUNDING
YEAR ENDED JUNE 30, 2022

First 5 California Funding

Program Title	Funding Source	Beginning Program Balance (As of July 1)	Revenue* F5CA Funds	Expenditures	Ending Program Balance (As of June 30)
IMPACT	F5CA Program Funds	$2,653,202	$1,137,707	$1,137,707	$1,515,495
	County, Local Funds			$1,400,934	
Home Visiting Coordination	F5CA Program Funds	$195,321	$17,175	$17,175	$178,146

* For the purpose of this schedule, the revenue and expenditures reported, in amount of $1,137,707 for IMPACT and $17,175 for Home Visiting Coordination represents the amount claimed by the Commission. For governmental fund or modified accrual financial reporting purposes, a total of $550,030 was identified as unavailable revenue as it was not received within the Commission's period of availability to recognize revenue as described in Note 1.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
STATISTICAL SECTION
(UNAUDITED)

The information in this section is not covered by the Independent Auditor's Report, but it is presented as supplemental data for the benefit of the readers of the annual comprehensive financial report. The objectives of statistical section information are to provide financial statement users with additional detailed information as a context for understanding what the financial statements, notes to financial statements, and required supplementary information say about the Commission's economic condition.

STATISTICAL

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

(1) Since certain data (i.e. total personal income, per capita personal income and unemployment) are not considered relevant to Commission operations, substitute information specific to the Commission is presented.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
NET POSITION BY COMPONENT
SCHEDULE 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	Fiscal Year			
	2022*	2021	2020	2019
Net investment in capital assets	$ (2,108)	$ -	$ -	$ -
Unrestricted	63,931,743	57,224,411	47,128,853	40,695,150
Total net position	$ 63,929,635	$ 57,224,411	$ 47,128,853	$ 40,695,150

* First year of implementation for GASB No. 87
** First year of implementation for GASB No. 75
*** First year of implementation for GASB No. 68

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
NET POSITION BY COMPONENT
SCHEDULE 1 (CONTINUED)

Fiscal Year

2018**	2017	2016	2015***	2014	2013
$ -	$ -	$ -	$ -	$ -	$ -
37,446,530	44,034,865	51,621,511	54,471,707	64,690,535	72,411,134
$ 37,446,530	$ 44,034,865	$ 51,621,511	$ 54,471,707	$ 64,690,535	$ 72,411,134

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
CHANGES NET POSITION
SCHEDULE 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year 2022	2021	2020	2019
Expenses:				
Governmental activities:				
Salaries and benefits	$ 1,074,187	$ 1,105,824	$ 854,804	$ 961,012
Child development	19,218,830	24,581,349	29,826,480	26,092,909
Total expenses	$ 20,293,017	$ 25,687,173	$ 30,681,284	$ 27,053,921
Revenues:				
Governmental activities:				
Operating grants and contributions				
Prop 10 Tobacco taxes	$ 24,080,410	$ 25,496,594	$ 24,991,179	$ 23,573,280
First 5 CARES Plus				
First 5 Child Signature Program				
First 5 IMPACT and Hubs, DDL, HV	1,347,166	1,407,032	4,124,541	2,120,578
CalWORKS Home Visiting	1,643,966	2,277,595		
Other State operating grants and Federal operating grants	531,566	379,171	6,599,710	3,009,855
Investment income earned on tobacco taxes at the State Level (SMIF)	11,467	15,412	86,655	64,514
General revenues				
Investment income, net of fair value	(787,916)	131,764	1,021,339	1,188,495
Miscellaneous revenue	171,583	6,075,163	302,616	345,819
Total revenues	$ 26,998,241	$ 35,782,731	$ 37,126,040	$ 30,302,541
Change in Net Position	$ 6,705,224	$ 10,095,558	$ 6,444,756	$ 3,248,620

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
CHANGES NET POSITION
SCHEDULE 2 (CONTINUED)

Fiscal Year					
2018	2017	2016	2015	2014	2013
$ 1,149,377	$ 1,215,649	$ 1,727,197	$ 1,689,772	$ 1,747,564	$ 1,704,815
32,076,788	33,178,190	30,870,890	34,608,366	36,672,235	33,341,947
$ 33,226,165	$ 34,393,839	$ 32,598,087	$ 36,298,138	$ 38,419,799	$ 35,046,762
$ 21,867,232	$ 24,790,836	$ 25,879,036	$ 25,943,624	$ 26,395,725	$ 27,024,505
		246,281	575,300	269,033	237,504
		2,042,528	3,350,818	2,719,243	90,171
2,745,724	976,964				
1,628,595	445,121	696,686	260,297	902,242	668,105
31,875	20,192	12,315	8,082	7,071	9,588
431,764	343,403	441,810	206,029	349,366	122,358
191,640	230,677	429,235	151,086	56,520	320,180
$ 26,896,830	$ 26,807,193	$ 29,747,891	$ 30,495,236	$ 30,699,200	$ 28,472,411
$ (6,329,335)	$ (7,586,646)	$ (2,850,196)	$ (5,802,902)	$ (7,720,599)	$ (6,574,351)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
FUND BALANCES – GENERAL FUND
SCHEDULE 3

FUND BALANCES - GENERAL FUND

LAST TEN FISCAL YEARS

	Fiscal Year			
	2022	2021	2020	2019
FUND BALANCES				
Nonspendable fund balance	$ 2,329,229	$ 2,385,722	$ 3,958,321	$ 3,889,032
Committed fund balance	18,239,879	15,241,303	13,237,942	14,472,082
Assigned fund balance	23,016,569	37,229,072	26,129,406	18,932,072
Unassigned fund balance	19,776,592	2,182,135		
Total fund balances	$ 63,362,269	$ 57,038,232	$ 43,325,669	$ 37,293,186

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
FUND BALANCES – GENERAL FUND
SCHEDULE 3 (CONTINUED)

Fiscal Year

2018	2017	2016	2015	2014	2013
$ 4,542,478	$ 5,566,849	$ 7,277,958	$ 9,340,291	$ 10,782,162	$ 5,624,041
18,596,717	21,769,602	26,486,583	30,112,816	34,561,184	44,990,092
14,001,862	19,957,923	20,866,371	15,589,112	16,374,998	21,350,266
$ 37,141,057	$ 47,294,374	$ 54,630,912	$ 55,042,219	$ 61,718,344	$ 71,964,399

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
CHANGES IN FUND BALANCES – GENERAL FUND
SCHEDULE 4

CHANGES IN FUND BALANCES - GENERAL FUND

LAST TEN FISCAL YEARS

	Fiscal Year			
	2022*	2021	2020	2019
Revenues:				
Prop 10 Tobacco taxes	$ 24,080,410	$ 25,496,594	$ 28,541,094	$ 20,023,365
First 5 CARES Plus				
First 5 Child Signature Program				
Other State operating grants and contributions	1,615,672	4,713,034	1,238,020	2,755,797
CalWORKS Home Visiting	1,643,966	2,277,595		
Investment income earned on tobacco taxes at the State Level (SMIF)	11,467	15,412	151,169	
Medi-Cal Administrative Activities	531,566	379,171	193,505	674,988
Investment income	324,488	131,764	1,021,339	1,188,495
Net decrease in fair value of investments	(1,112,404)			
Other revenue	171,597	7,007,478	6,259,051	3,031,938
Total revenues	27,266,762	40,021,048	37,404,178	27,674,583
Expenditures:				
Current:				
Salaries and benefits	1,726,003	1,724,112	1,545,217	1,429,545
Expenditures related to "Zero to Five" Program	18,146,011	22,943,993	26,470,166	21,571,504
Catalytic Round 1 and 2 Program Funding	992,258	1,640,380	3,356,314	4,521,405
Debt Service:				
Principal Retirement	74,572			
Interest	3,881			
Total expenditures	20,942,725	26,308,485	31,371,697	27,522,454
Excess (deficiency) or revenues over (under) expenditures	6,324,037	13,712,563	6,032,481	152,129
Total changes in fund balance	$ 6,324,037	$ 13,712,563	$ 6,032,481	$ 152,129

* First year of implementation for GASB No. 87

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
CHANGES IN FUND BALANCES – GENERAL FUND
SCHEDULE 4 (CONTINUED)

Fiscal Year

2018	2017	2016	2015	2014	2013
$ 21,867,232	$ 24,790,836	$ 25,879,036	$ 25,943,624	$ 26,395,725	$ 27,024,505
		320,200	272,815	306,465	217,258
		4,451,854	2,666,529	117,853	
977,176	1,419,176				
31,875	20,192	12,315	8,082	7,071	9,588
519,989	445,121	696,686	420,247	741,798	603,957
431,764	343,403	441,810	206,029	349,365	122,358
1,300,246	230,677	429,236	151,086	282,705	320,180
25,128,282	27,249,405	32,231,137	29,668,412	28,200,982	28,297,846
3,204,810	1,407,753	1,771,554	1,736,171	1,774,802	1,708,344
26,410,285	26,146,461	24,621,958	28,193,233	31,347,721	28,712,645
5,666,504	7,031,729	6,248,932	6,415,133	5,324,514	4,629,302
35,281,599	34,585,943	32,642,444	36,344,537	38,447,037	35,050,291
(10,153,317)	(7,336,538)	(411,307)	(6,676,125)	(10,246,055)	(6,752,445)
$ (10,153,317)	$ (7,336,538)	$ (411,307)	$ (6,676,125)	$ (10,246,055)	$ (6,752,445)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
REVENUE CAPACITY
TAX REVENUE CAPACITY
SCHEDULE 5

FIRST 5 CALIFORNIA COUNTY TAX REVENUE CAPACITY

	Orange County	State Total
Actual Tobacco Tax Revenues Received (1)		
2009/2010	$29,706,126	$381,995,574
2010/2011	$28,809,921	$374,284,018
2011/2012	$28,988,350	$377,690,133
2012/2013	$27,024,505	$360,434,399
2013/2014	$26,395,725	$347,802,124
2014/2015	$25,943,624	$342,274,305
2015/2016	$25,879,036	$341,825,349
2016/2017	$24,790,836	$322,951,561
2017/2018	$21,867,232	$285,852,695
2018/2019	$23,573,280	$302,205,278
2019/2020	$24,991,179	$315,315,235
2020/2021	$25,496,594	$324,935,472
2021/2022	$24,080,410	$308,031,131
Projected Tobacco Tax Revenues (2)		
2022/2023	$22,933,472	$293,359,758
2023/2024	$21,768,348	$278,455,758
2024/2025	$20,721,675	$265,066,958
2025/2026	$20,139,926	$257,625,358
2026/2027	$19,583,506	$250,507,758

(1) Historical data and projected revenues are presented to communicate tax revenue capacity as a declining revenue source

(2) Source: First 5 California County Tax Revenue Projections for 2021/22 to 2025/26 (Updated 6/6/21 utilizing DOF May Revise 2021 Tobacco Tax Projections and DOF Birth Projections for California State and Counties 1990-2040)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
REVENUE CAPACITY
SURTAX REVENUE
SCHEDULE 6

STATE OF CALIFORNIA - CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE

FY 1959-60 TO 2020-21

	Cigarette tax				Other tobacco products surtax	
Fiscal year	Revenue a/	Distributors' discounts b/	Gross value of tax indicia c/	Refunds	Revenue	Rate (%)
2020-21	1,700,943,000	5,053,000	1,705,996,000	335,000	266,694,000	56.93%
2019-20	1,708,597,000	5,075,000	1,713,672,000	1,191,000	258,560,000	59.27%
2018-19	1,786,074,000	5,305,000	1,791,379,000	3,659,000	271,772,000	62.78%
2017-18	1,882,025,000	5,590,000	1,887,615,000	1,033,000	211,440,000	65.08%
2016-17	950,676,000	6,091,000	956,768,000	1,185,000	95,330,000	27.30%
2015-16	741,937,000	6,360,000	748,297,000	1,262,000	101,427,000	28.13%
2014-15	748,022,000	6,413,000	754,434,000	837,000	86,949,000	28.95%
2013-14	751,513,000	6,443,000	757,956,000	600,000	86,424,000	29.82%
2012-13	782,115,000	6,705,000	788,820,000	498,000	82,548,000	30.68%
2011-12	820,322,000	7,032,000	827,355,000	1,017,000	80,424,000	31.73%
2010-11	828,831,000	7,105,000	835,937,000	1,308,000	77,016,000	33.02%
2009-10	838,709,000	7,187,000	845,896,000	1,583,000	84,617,000	41.11%
2008-09	912,724,000	7,819,000	920,543,000	626,000	85,506,000	45.13%
2007-08	955,030,000	8,185,000	963,215,000	727,000	85,929,000	45.13%
2006-07	998,723,000	8,558,000	1,007,281,000	1,330,000	79,946,000	46.76%
2005-06	1,026,497,000	8,795,000	1,035,293,000	1,707,000	67,348,000	46.76%
2004-05	1,024,272,000	8,778,000	1,033,051,000	1,653,000	58,441,000	46.76%
2003-04	1,021,366,000	8,755,000	1,030,121,000	4,721,000	44,166,000	46.76%
2002-03	1,031,772,000	8,845,000	1,040,617,000	13,248,000	40,996,000	48.89%
2001-02	1,067,004,000	9,146,000	1,076,150,000	10,774,000	50,037,000	52.65%
2000-01	1,110,692,000	9,503,000	1,120,195,000	8,741,000	52,834,000	54.89%
1999-00	1,166,880,000	9,980,000	1,176,859,000	9,413,000	66,884,000	66.50%
1998-99	841,911,000	7,206,000	849,117,000	6,808,000	42,137,000	61.53%
1997-98	612,066,000	5,244,000	617,309,000	5,448,000	39,617,000	29.37%
1996-97	629,579,000	5,394,000	634,973,000	5,060,000	41,590,000	30.38%
1995-96	639,030,000	5,469,000	644,499,000	6,193,000	32,788,000	31.20%
1994-95	656,923,000	5,628,000	662,551,000	11,159,000	28,460,000	31.20%
1993-94	647,993,000	5,553,000	653,546,000	8,353,000	19,773,000	23.03%
1992-93	667,479,000	5,715,000	673,195,000	9,138,000	21,480,000	26.82%
1991-92	711,275,000	6,086,000	717,362,000	7,791,000	22,016,000	29.35%
1990-91	729,612,000	6,242,000	735,854,000	7,904,000	24,064,000	34.17%
1989-90	770,042,000	6,581,000	776,623,000	11,615,000	24,956,000	37.47%
1988-89	499,712,000	4,273,000	503,984,000	4,968,000	9,994,000	41.67%
1987-88	254,869,000	2,180,000	257,049,000	2,970,000		
1986-87	257,337,000	2,202,000	259,539,000	2,661,000		
1985-86	260,960,000	2,231,000	263,190,000	2,834,000		
1984-85	265,070,000	2,267,000	267,337,000	2,390,000		
1983-84	265,265,000	2,267,000	267,532,000	2,756,000		
1982-83	273,748,000	2,336,000	276,084,000	2,060,000		
1981-82	278,667,000	2,383,000	281,050,000	1,843,000		

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
REVENUE CAPACITY
SURTAX REVENUE
SCHEDULE 6 (CONTINUED)

STATE OF CALIFORNIA - CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE

FY 1959-60 TO 2020-21

	Cigarette tax				Other tobacco products surtax	
Fiscal year	Revenue a/	Distributors' discounts b/	Gross value of tax indicia c/	Refunds	Revenue	Rate (%)
1980-81	280,087,000	2,395,000	282,482,000	1,567,000		
1979-80	272,119,000	2,327,000	274,446,000	1,645,000		
1978-79	270,658,000	2,315,000	272,973,000	1,408,000		
1977-78	275,042,000	2,352,000	277,394,000	1,239,000		
1976-77	270,502,000	2,315,000	272,817,000	832,000		
1975-76	269,852,000	2,309,000	272,161,000	927,000		
1974-75	264,182,000	2,262,000	266,444,000	745,000		
1973-74	259,738,000	2,222,000	261,960,000	632,000		
1972-73	253,089,000	2,167,000	255,256,000	626,000		
1971-72	248,398,000	2,127,000	250,525,000	677,000		
1970-71	240,372,000	2,058,000	242,430,000	552,000		
1969-70	237,220,000	2,032,000	239,253,000	455,000		
1968-69	238,836,000	2,046,000	240,882,000	492,000		
1967-68	208,125,000	1,862,000	209,987,000	328,000		
1966-67	75,659,000	1,543,000	77,202,000	129,000		
1965-66	74,880,000	1,528,000	76,407,000	88,000		
1964-65	74,487,000	1,520,000	76,007,000	61,000		
1963-64	71,530,000	1,459,000	72,989,000	71,000		
1962-63	70,829,000	1,445,000	72,274,000	79,000		
1961-62	68,203,000	1,390,000	69,593,000	47,000		
1960-61	66,051,000	1,675,000	67,726,000	76,000		
1959-60	61,791,000	767,000	62,558,000	67,000		

Source: CDTFA Open Data Portal: Cigarette Taxes and Other Tobacco Products Surtax Revenue, 1959-60 to 2020-21

Note: Detail may not compute to total due to rounding.

a. Net of refunds for tax indicia on cigarettes that become unfit for use (See Refunds).

b. A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960, until August 1, 1967, the discount rate was 2 percent.

c. Includes sales of indicia purchased on credit. Effective July 16, 1961, distributors have been able to purchase tax indicia on credit.

d. Effective April 1, 2017, the overall tax rate on cigarettes was increased from 87 cents to $2.87 per pack.

e. From July 1, 2001, through September 9, 2001, the surtax rate on smokeless tobacco ranged from 131 percent for moist snuff to 490 percent for chewing tobacco. Effective September 10, 2001, the surtax rate on smokeless tobacco was lowered to 52.65 percent.

f. Effective January 1, 1999, the overall tax rate on cigarettes was increased from 37 cents to 87 cents per pack under voter-approved Proposition 10. The additional 50-cent-per-pack tax was imposed to raise funds for early childhood development programs. Excludes $87,978,766 in 1998-99 from the floor stocks taxes for both cigarettes and other tobacco products levied on January 1, 1999.

g. From July 1, 1998, through December 31, 1998, the surtax rate was 26.17 percent for other tobacco products. Effective January 1, 1999, the new surtax imposed under Proposition 10 raised the combined surtax rate to 61.53 percent for other tobacco products. The new surtax is equivalent (in terms of the wholesale costs of other tobacco products) to a 50-cent-per-pack tax on cigarettes.

h. Effective January 1, 1994, the overall tax rate on cigarettes was increased from 35 cents to 37 cents per pack. The additional 2-cent-per-pack tax was imposed to raise funds for breast cancer research and education.

i. Effective January 1, 1989, an additional 25-cent-per-pack surtax was imposed on cigarettes and a new 41.67 percent surtax was imposed on other tobacco products. Excludes $57,927,856 in 1988-89 and $595,000 in 1989-90 from the floor stocks tax levied on January 1, 1989.

j. Effective August 1, 1967, the tax rate was increased from 3 cents to 7 cents per pack. On October 1, 1967, the rate was further increased to 10 cents per pack, with the stipulation that 30 percent of the tax be allocated to cities and counties. Includes $6,515,209 from the 4-cent-per-pack floor stocks tax levied on August 1, 1967; and $4,889,485 from the 3-cent-per-pack floor stocks tax imposed October 1, 1967.

k. Refunds made for distributors' discounts in the 1960-61 fiscal year on purchases made in the 1959-60 fiscal year have been deducted. Refunds amounted to $324,000.

l. Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.

m. Includes $2,673,048 from the 3-cent-per-pack floor stocks tax imposed July 1, 1959; and also includes the amount of distributors' discounts which were refunded after purchase of indicia. During July and August of 1959, the tax was collected by invoice and no discount was allowed on these collections of $8,123,700, nor on the $2,673,048 tax on floor stocks.

n. The total 2017-18 expenditures for Prop 56 are $4,932,471. The breakdown by fund is: 1) $677,227 – Fund 3304, 2) $4,255,244 – Fund 3308 (please note that in 2017-18 the fund was 3308 and now 3319 is a subaccount of this fund). The total 2018-19 expenditures for Prop 56 are $3,638,637. The breakdown by fund is: 3) $521,404 – Fund 3304, 4) $3,117,233 – Fund 3319. Funds are used to reimburse the CDTFA for expenses incurred in the administration, enforcement, collection and distribution of the tax imposed by Proposition 56.

r. Revised

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
REVENUE CAPACITY
DISTRIBUTIONS AND PER CAPITA CONSUMPTION
SCHEDULE 7

STATE OF CALIFORNIA - CIGARETTE DISTRIBUTIONS AND PER CAPITA CONSUMPTION, 1959-60 TO 2020-21

Fiscal year	Reported distributions (Millions of packages)			Apparent per capita consumption (a.) (In packages)
	Total	Tax paid	Tax exempt	
1	2	3	4	5
2020-21	601	594	7	15.2
2019-20	628	597	31	15.8
2018-19	635	624	11	15.9
2017-18	665	651	14	16.7
2016-17	818	805	14	20.7
2015-16	875	860	15	22.3
2014-15	881	867	14	22.8
2013-14	889	871	18	23.2
2012-13	930	907	23	24.5
2011-12	972	951	21	25.8
2010-11	989	961	28	26.4
2009-10	1,002	972	30	26.9
2008-09	1,090	1,058	32	28.5
2007-08	1,131	1,107	24	29.9
2006-07	1,177	1,158	20	31.3
2005-06	1,209	1,190	19	32.5
2004-05	1,224	1,187	37	33.3
2003-04	1,234	1,184	50	34.0
2002-03	1,227	1,196	31	34.5
2001-02	1,271	1,237	34	36.3
2000-01	1,324	1,288	37	38.5
1999-00	1,390	1,353	38	41.2
1998-99	1,568	1,523	45	47.3
1997-98	1,717	1,668	48	52.6
1996-97	1,777	1,716	61	55.2
1995-96	1,811	1,742	69	56.9
1994-95	1,871	1,791	80	59.2
1993-94	1,903	1,824	79	60.6
1992-93	2,010	1,923	86	64.5
1991-92	2,144	2,050	94	69.8
1990-91	2,196	2,102	93	72.8
1989-90	2,311	2,219	92	78.2
1988-89	2,431	2,353	78	84.7
1987-88	2,657	2,570	87	94.9
1986-87	2,690	2,595	95	98.4
1985-86	2,730	2,632	98	102.3
1984-85	2,781	2,673	108	106.7
1983-84	2,792	2,675	117	109.9
1982-83	2,889	2,761	128	115.8
1981-82	2,947	2,811	136	120.4
1980-81	2,966	2,825	141	123.6
1979-80	2,892	2,744	148	122.9
1978-79	2,887	2,730	157	125.1
1977-78	2,940	2,774	166	130.0
1976-77	2,900	2,728	172	130.9
1975-76	2,909	2,722	187	133.7
1974-75	2,857	2,664	193	133.7
1973-74	2,827	2,620	207	134.4
1972-73	2,762	2,553	209	133.2
1971-72	2,720	2,505	215	132.9
1970-71	2,635	2,424	211	130.5
1969-70	2,594	2,393	201	130.2
1968-69	2,616	2,409	207	133.0
1967-68	2,596	2,383	213	134.0
1966-67	2,737	2,573	164	143.8
1965-66	2,706	2,547	159	144.9
1964-65	2,679	2,534	145	146.7
1963-64	2,564	2,433	131	144.3
1962-63	2,545	2,409	136	147.9
1961-62	2,450	2,320	130	147.3
1960-61	2,382	2,258	124	147.8
1959-60	2,190	2,085	105	139.7

Source: CDTFA Open Data Portal: Table 30B - Cigarette Distributions and Per Capita Consumption,1959-60 to 2020-21

a. Based on reported distributions and latest estimate of January 1 population for each fiscal year.

Note: Detail may not compute to total due to rounding.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DEBT CAPACITY
RATIOS OF OUTSTANDING DEBT BY TYPE
SCHEDULE 8

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Lease Liability[1]	Total Outstanding	Percentage of Personal Income[2]	Population[3]	Debt per Capita[4]
2022	$101,206	$101,206	**	**	**

* Fiscal Year 2022 was the first year of Right of use Lease debt (The only debt for the Commission); therefore, only one year of debt is shown.
** Data is unavailable

Sources:
1. Lease Liability for Commission office space and equipment
2. Personal Incomes are not included in the Commission's report but are taken from the County of Orange Demographic and Economic Statistics table
3. California Department of Finance, Demographic Research Unit, most current information available is 2021
4. Debt per Capital is Total Outstanding Debt divided by Population

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DEMOGRAPHIC INFOMATION
DEMOGRAPHIC DATA
SCHEDULE 9

ORANGE COUNTY DEMOGRAPHIC DATA

Calendar Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Population	3,209,272	3,190,832	3,195,197	3,195,455	3,188,779	3,169,925	3,154,363	3,132,650	3,110,857	3,086,559
White	1,328,850	1,326,050	1,332,715	1,337,681	1,343,625	1,344,555	1,346,706	1,346,692	1,346,584	1,345,911
Black	49,562	48,930	48,709	48,461	48,291	47,967	47,666	47,378	46,861	46,338
American Indian or Alaska Native	6,907	6,847	6,814	6,803	6,757	6,694	6,646	6,616	6,567	6,501
Asian	582,917	580,384	582,038	582,939	578,861	572,878	568,260	562,210	556,929	551,357
Native Hawaiian or Pacific Islander	9,245	9,196	9,214	9,229	9,179	9,118	9,062	8,976	8,907	8,804
Multiracial	85,700	84,081	83,019	81,798	80,332	78,567	76,945	75,229	73,659	72,096
Hispanic (any race)	1,146,091	1,135,344	1,132,688	1,128,544	1,121,734	1,110,146	1,099,078	1,085,549	1,071,350	1,055,552
Female	1,610,836	1,601,896	1,603,925	1,604,432	1,601,624	1,592,776	1,586,166	1,576,358	1,566,605	1,555,811
Male	1,598,436	1,588,936	1,591,272	1,591,023	1,587,155	1,577,149	1,568,197	1,556,292	1,544,252	1,530,748
Under 5 years	179,784	182,219	186,052	189,077	190,548	190,418	191,761	190,781	190,673	192,015
5-9 years	193,155	193,823	194,249	195,181	197,550	199,511	200,327	201,722	202,687	201,720
10-14 years	202,157	202,417	205,066	207,164	207,123	206,040	206,963	207,959	208,771	209,070
15-19 years	221,344	221,175	223,102	224,592	225,606	229,594	231,068	232,205	233,344	236,225
20-24 years	231,002	232,884	234,883	238,125	242,422	241,899	237,404	232,533	226,620	218,780
25-34 years	386,982	382,813	385,438	388,463	390,626	393,549	399,655	405,611	409,265	412,055
35-44 years	403,777	405,022	408,397	409,018	408,554	409,183	413,829	420,177	427,246	433,173
45-54 years	438,902	442,648	449,860	457,322	462,522	462,357	461,678	458,394	454,950	452,278
55-59 years	216,450	217,903	219,708	218,745	217,212	214,016	209,792	203,586	198,210	191,660
60-64 years	201,114	196,699	192,323	188,312	182,801	176,306	169,450	163,416	158,957	155,147
65-74 years	301,247	290,037	281,321	273,042	264,872	254,836	245,537	234,506	223,007	211,452
75-84 years	163,374	155,970	150,379	144,546	138,024	132,651	129,015	125,221	122,220	118,979
85+	69,984	67,222	64,419	61,868	60,919	59,565	57,884	56,539	54,907	54,005

Sources: California Department of Finance. Demographic Research Unit. Report P-2A, P-2B, P-2C, P-2D: Population Projections, California Counties, 2010-2060 (Baseline 2019 Population Projections; Vintage 2020 Release). Sacramento: California. July 2021.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DEMOGRAPHIC INFOMATION
LIVE BIRTHS
SCHEDULE 10

LIVE BIRTHS, CALIFORNIA COUNTIES, 2011-2020(By Place of Residence)*

COUNTY	FISCAL YEAR									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
CALIFORNIA	**448,754**	**446,548**	**454,244**	**471,806**	**488,925**	**491,789**	**502,973**	**494,392**	**503,788**	**502,023**
ALAMEDA	18,082	18,197	18,225	18,896	19,576	19,442	19,657	19,248	19,550	19,002
ALPINE	6	17	10	7	7	3	6	5	8	6
AMADOR	321	314	305	303	307	305	291	261	285	269
BUTTE	2,083	2,149	2,419	2,389	2,491	2,442	2,482	2,415	2,397	2,392
CALAVERAS	392	401	375	421	374	380	348	337	347	326
COLUSA	253	249	267	293	316	298	285	313	314	302
CONTRA COSTA	11,999	11,811	11,995	12,186	12,344	12,599	12,560	12,149	12,061	12,057
DEL NORTE	235	281	269	269	310	300	324	315	302	337
EL DORADO	1,577	1,531	1,678	1,572	1,602	1,596	1,618	1,533	1,513	1,629
FRESNO	14,367	14,051	14,413	14,546	15,134	15,363	15,796	15,735	15,953	16,157
GLENN	398	398	365	378	379	376	416	399	368	391
HUMBOLDT	1,371	1,406	1,365	1,372	1,491	1,445	1,474	1,531	1,511	1,448
IMPERIAL	2,553	2,618	2,628	2,924	2,990	3,217	3,270	3,068	3,041	3,075
INYO	177	191	176	212	182	203	226	230	219	213
KERN	13,068	12,772	12,874	13,330	13,733	13,769	14,199	14,145	14,558	14,287
KINGS	2,206	2,101	2,256	2,375	2,248	2,275	2,342	2,394	2,357	2,565
LAKE	729	732	714	750	749	724	748	758	739	715
LASSEN	245	284	307	301	306	294	326	294	298	300
LOS ANGELES	106,450	106,987	110,167	116,850	122,940	124,438	130,150	128,523	131,697	130,312
MADERA	2,117	2,066	2,076	2,121	2,355	2,225	2,313	2,314	2,258	2,401
MARIN	2,059	2,083	2,122	2,238	2,255	2,288	2,403	2,320	2,306	2,385
MARIPOSA	156	132	154	141	148	166	138	134	161	132
MENDOCINO	950	926	896	992	1,024	1,052	1,020	1,014	1,153	1,061
MERCED	4,029	3,851	3,870	4,202	4,117	4,105	4,158	4,161	4,311	4,281
MODOC	29	89	100	88	97	80	90	63	76	87
MONO	99	128	129	147	131	152	149	150	131	156
MONTEREY	5,777	5,882	5,887	5,813	6,222	6,426	6,458	6,547	6,652	6,814
NAPA	1,278	1,294	1,206	1,291	1,407	1,456	1,478	1,449	1,431	1,572
NEVADA	828	812	772	797	783	876	817	816	810	761
ORANGE	35,201	34,909	35,643	37,395	38,121	37,622	38,610	37,256	38,186	38,100
PLACER	3,759	3,660	3,664	3,691	3,733	3,748	3,644	3,684	3,648	3,832
PLUMAS	149	162	168	173	169	163	147	152	151	165
RIVERSIDE	28,908	28,255	28,684	29,880	30,682	30,510	30,271	29,930	30,316	30,610
SACRAMENTO	19,130	18,988	19,052	19,206	19,592	19,430	19,886	19,367	19,618	19,998
SAN BENITO	802	791	772	735	777	720	697	752	701	772
SAN BERNARDINO	29,035	28,688	28,964	29,708	31,114	30,619	31,306	30,201	30,691	30,573
SAN DIEGO	38,936	38,645	40,008	41,251	42,741	43,961	44,596	43,627	44,391	43,621
SAN FRANCISCO	8,346	8,396	8,690	8,950	9,061	8,972	9,102	8,807	9,070	8,813
SAN JOAQUIN	10,184	10,076	9,811	9,929	10,269	9,986	10,095	9,799	10,129	10,328
SAN LUIS OBISPO	2,522	2,464	2,433	2,551	2,582	2,668	2,595	2,650	2,580	2,632
SAN MATEO	8,157	8,253	8,326	8,586	8,961	9,040	9,098	8,821	9,182	9,047
SANTA BARBARA	5,456	5,512	5,256	5,533	5,501	5,673	5,829	5,753	5,584	5,803
SANTA CLARA	20,971	21,100	21,267	22,137	23,044	23,393	23,759	23,296	24,308	23,652
SANTA CRUZ	2,425	2,395	2,447	2,661	2,803	2,841	3,047	2,867	3,084	3,232
SHASTA	1,876	1,876	1,961	2,008	2,048	2,074	2,083	2,140	2,110	2,021
SIERRA	20	24	26	32	32	31	21	14	19	23
SISKIYOU	332	434	438	446	462	466	451	443	501	472
SOLANO	5,119	5,053	5,039	5,133	5,262	5,132	5,251	5,255	5,061	5,158
SONOMA	4,333	4,377	4,525	4,645	4,964	5,016	5,075	4,982	5,144	5,150
STANISLAUS	7,469	7,295	7,339	7,443	7,867	7,700	7,521	7,579	7,592	7,737
SUTTER	1,249	1,255	1,266	1,263	1,368	1,302	1,317	1,285	1,258	1,326
TEHAMA	803	788	731	743	789	828	787	753	767	728
TRINITY	108	94	113	126	109	102	112	100	125	123
TULARE	6,944	6,763	6,900	7,131	7,146	7,412	7,618	7,651	8,000	7,966
TUOLUMNE	464	466	450	470	456	466	454	475	459	430
VENTURA	8,819	8,829	9,025	9,321	9,592	10,062	10,471	10,441	10,641	10,656
YOLO	2,203	2,080	2,127	2,271	2,423	2,402	2,395	2,491	2,452	2,340
YUBA	1,200	1,167	1,099	1,184	1,239	1,155	1,193	1,200	1,213	1,282

Source: Updated with Department of Finance Birht Projections for California State and Counties 1990-2040

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DEMOGRAPHIC INFOMATION
CHILDREN'S SCORECARD
SCHEDULE 11

CHILDREN'S SCORECARD ORANGE COUNTY TRENDS, 2011-2020

	2020	2019
GOOD HEALTH		
Total percentage of women who received early prenatal care*	**	88.60%
Newborns with low birth weight (less than 2,500 grams)*	**	2,374
Percent of Infants with low birth weight*	**	6.8%
Infants taken into protective custody due to positive testing for alcohol/drug exposure at birth* (FY)	196	233
Children adequately immunized at Kindergarten entry*	94.7%	95.5%
Infant Mortality Rate (per 1,000 live births)*	**	2.9
Birth rates per 1,000 females ages 15-19 in Orange County*	**	7.5
Breastfeeding Percentages (any)*	**	94.3%
Breastfeeding Percentages (exclusive)*	**	67.0%
ECONOMIC WELL-BEING		
Children receiving financial assistance though CalWORKS* (FY)	25,098	26,545
Percent of children receiving CalWORKS of total population under 18* (FY)	3.5%	3.7%
Percentage of students eligible for free and reduced lunch* (FY)	48.6%	48.6%
Number of participants served by the WIC program* (FY)	**	27,666
Total number of child support cases* (FY)	62,851	68,878
Total child support collections $ (in millions)* (FY)	199.1	185.3
EDUCATIONAL ACHIEVEMENT		
Total public school enrollment* (FY)	473,066	478,149
Number of English learner students* (FY)	102,141	105,441
Average $ expenditure per pupil for grades K-12* (FY)	12,600	12,200
Total number of students K-12 receiving special education* (FY)	**	**
SAFE HOMES AND COMMUNITIES		
Average monthly number of children in out-of-home care* (FY)	2,184	2,336
Average monthly number of dependents of the court* (FY)	3,089	2,925
Total juvenile arrests for youth 10 to 17 years of age*	**	**
Total number of juveniles referred to probation, 10 to 18 years*	**	3,417

* The 27th Annual Report on the Condition of Children in Orange County 2020 presents dates through calendar year 2020. Data through FY 2021-22 not yet available.

** Not yet available

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DEMOGRAPHIC INFOMATION
CHILDREN'S SCORECARD
SCHEDULE 11 (CONTINUED)

2018	2017	2016	2015	2014	2013	2012	2011
89.90%	86.90%	84.40%	85.20%	86.10%	88.30%	88.6%	88.7%
2,227	2,222	2,397	2,360	2,433	2,330	2,401	2,550
6.3%	5.8%	6.3%	6.3%	6.3%	6.3%	6.3%	6.7%
180	190	178	121	110	98	82	128
95.7%	95.7%	95.5%	92.5%	90.1%	88.7%	89.3%	89.5%
2.8	3.1	1.5	2.7	3.0	3.3	3.4	4.2
8.3	9.9	10.9	12.0	14.8	16.7	19.2	20.2
94.8%	95.0%	95.1%	94.8%	94.0%	93.2%	93.2%	92.7%
66.1%	66.1%	67.1%	64.6%	62.7%	62.1%	59.8%	55.6%
30,816	34,485	38,982	42,345	42,877	43,916	45,950	46,809
4.3%	4.7%	5.5%	6.0%	6.0%	6.1%	6.2%	5.9%
49.1%	47.7%	49.1%	49.0%	50.0%	47.9%	46.4%	45.4%
57,874	61,406	71,367	78,856	87,408	92,303	98,219	103,563
66,296	70,403	68,117	67,732	68,635	70,608	77,582	89,852
184.3	184.0	182.3	178.8	177.9	178.6	180.1	177.4
485,099	489,791	492,886	497,116	500,487	501,801	502,195	502,895
113,938	119,315	123,001	129,390	130,570	123,390	130,076	126,226
11,420	10,926	9,105	9,128	8,274	7,950	7,952	7,827
57,141	55,908	54,231	53,512	53,005	52,216	51,905	51,613
2,190	2,134	2,107	2,192	2,279	2,257	2,215	2,018
2,861	2,762	2,627	2,799	2,683	2,862	2,791	2,795
2,729	3,770	4,521	4,829	6,580	6,892	8,566	10,797
4,250	5,098	5,617	5,808	7,156	7,821	8,882	10,454

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
OPERATING INFOMATION
CAPTIAL ASSETS STATISTICS
SCHEDULE 12

CAPITAL ASSETS STATISTICS

Capital Assets (equipment) are used by the Commission for general operating and administrative functions. Proposition 10 funds (tobacco taxes) were not used to purchase any capital assets.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
OPERATING INFOMATION
PRINCIPLE EMPLOYERS
SCHEDULE 13

PRINCIPAL EMPLOYERS

LAST YEAR AND NINE YEARS AGO

2022*

Employer	Number of Employees	Rank	Percentage of Total County Employment
University of California, Irvine	26,182	1	1.63%
The Walt Disney Co.	25,000	2	1.55%
County of Orange	18,139	3	1.13%
Providence	13,079	4	0.81%
Kaiser Permanente	8,800	5	0.55%
Albertsons Southern California Division	7,853	6	0.49%
Hoag Memorial Hospital Presbyterian	7,051	7	0.44%
Walmart Inc.	6,300	8	0.39%
Target Corporation	6,000	9	0.37%
MemorialCare	5,490	10	0.34%

2012**

Employer	Number of Employees	Rank	Percentage of Total County Employment
Walt Disney Co.	22,000	1	1.38%
University of California, Irvine	21,291	2	1.34%
St. Joseph Health System	12,048	3	0.76%
Boeing Co.	7,700	4	0.48%
Bank of America Corp.	6,300	5	0.40%
Yum Brands Inc.	6,300	6	0.40%
Kaiser Permanente	5,968	7	0.37%
Target Corp.	5,527	8	0.35%
Cedar Fair LP	5,200	9	0.33%
California State University, Fullerton	5,173	10	0.32%

* Source: Orange County Business Journal, Book of Lists 2022
** Source: Orange County Business Journal, Book of Lists 2012

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
OPERATING INFOMATION
EMPLOYEES BY FUNCTION
SCHEDULE 14

EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Number of Employees by Function										
General Administration	2	2	2	3	3	3	3	3	3	4
Finance	2	2	2	2	2	2	2	2	2	1
Contracts Administration	2	2	2	2	2	3	3	4	4	4
Program Management & Evaluation	7	7	6	5	5	4	4	4	4	4
Total Employees	13	13	12	12	12	12	12	13	13	13

* Table presents Regular and Limited-Term Employees

CPAs & BUSINESS ADVISORS

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 Commissioners
Children and Families Commission of Orange County
Santa Ana, 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 financial statements of the governmental activities and the general fund of the Children and Families Commission of Orange County (Commission), a component unit of the County of Orange, California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 21, 2022. Our report included an emphasis of matter paragraph regarding the Commission's adoption of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 or significant deficiencies may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are 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 financial statements. 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.

Eide Bailly LLP

Laguna Hills, California
November 21, 2022

Independent Auditor's Report on State Compliance

To the Board of Commissioners
Children and Families Commission of Orange County
Santa Ana, California

Report on Compliance

Opinion

We have audited the Children and Families Commission of Orange County's (Commission), a component unit of the County of Orange, California, compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2022.

In our opinion, the Commission complied 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, 2022.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the California Children and Families Program.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the California Children and Families Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

Description	Audit Guide Procedures	Procedures Performed
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict-of-Interest	3	Yes
County Ordinance	4	Yes
Long-range Financial Plans	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefit Policies	2	Yes

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on compliance is solely to describe the scope of our testing over compliance and the results of that testing based on the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Laguna Hills, California
November 21, 2022

Agenda Item 7
December 7, 2022

DATE: November 21, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO Kimberly Goll

ACTION: Update on Brown Act Teleconferencing Options

SUMMARY:
Beginning January 1, 2023, public agencies may utilize three different teleconferencing options under the Ralph M. Brown Act, Government Code 54950 et seq. ("Brown Act"). This item provides an abbreviated overview of the various teleconferencing options permitted under the Brown Act.

DISCUSSION:
The Brown Act requires local governments to conduct business at open and public meetings. It has historically provided limited teleconferencing options for remote participation during public meetings. Prior to the COVID-19 pandemic, teleconferencing was only permitted if the public could participate at each teleconference location. During the pandemic, however, greater flexibility was provided through Assembly Bill ("AB") 361 (Chapter 165, Statutes of 2021) to protect the health and safety of agency board members, staff, and attendees during the proclaimed state of emergency. More recently, in 2022, the Legislature amended the Brown Act again to permit an alternative, but limited, means of teleconferencing. A brief overview of the three different teleconferencing options available to public agencies is discussed below. The teleconferencing options are discretionary, meaning that an agency can utilize any, or none, of the teleconferencing options set forth in the Brown Act.

<u>Option 1: Traditional (pre-pandemic) Teleconferencing</u>

Under the traditional teleconferencing rules, remote participation by a member of the legislative body (hereinafter referred to as a "Member") is permitted so long as each teleconference location is noticed on the agenda, open to the public for participation, and is accessible. Additionally, at least a quorum of the teleconference locations must be within the jurisdiction of the agency.

<u>Option 2: Teleconferencing During a Proclaimed State of Emergency</u>
Passed in 2021, AB 361 provides public agencies with another teleconferencing option specifically for use during a proclaimed state of emergency. Under this option, the teleconference locations do not have to be noticed on the agenda or made available to the public, and there is no requirement for the agency to provide any physical location from which the public may attend or comment. However, the public must be able to address the legislative body via an internet-based service or call-in option.

If the state of emergency continues, the agency can continue to hold remote meetings if, every 30 days, the legislative body makes findings by a majority vote that it has reconsidered the circumstances of the state of emergency and determines that the state of emergency (1) continues to directly impact the ability of the members to meet safely in person and/or (2) state or local officials continue to impose or recommend measures to promote social distancing. However, once the state of emergency is lifted, this teleconferencing method is no longer an option, and by its own terms, this option sunsets on January 1, 2024.

Option 3: Just Cause or Under Emergency Circumstances
AB 2449 (Chapter 285, Statutes of 2022) was recently signed into law and provides a third teleconferencing option beginning January of 2023. This option permits a Member to teleconference into a meeting without noticing the location on the agenda or making the location available for public participation for either “just cause” or “emergency circumstances.” However, at least a quorum of the legislative body must attend the meeting in person from a single location that is identified on the agenda and open to the public.

1. Just Cause is defined as a childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely; a contagious illness that prevents a member from attending in person; a need related to a physical or mental disability defined in the Government Code that is not otherwise accommodated as a reasonable accommodation under the Americans with Disabilities Act; or travel while on official business of the legislative body or another state or local agency.

2. Emergency Circumstances is defined as a physical or family medical emergency that prevents a member from attending in person.

A Member must notify the legislative body of the need to teleconference due to just cause at the earliest opportunity possible, including at the start of a regular meeting, and must include a general description of the circumstances relating to their need to appear remotely during the meeting. This does not require approval by the legislative body.

A request to participate remotely due to emergency circumstances must be approved by the legislative body in a public meeting, which may take action on a request at the earliest opportunity, and if the request does not permit sufficient time to place the item on the posted agenda, then the legislative body may take action at the beginning of the meeting for which the member requests to participate remotely. There is a limitation on participating remotely specifically for just cause up to two times per calendar year. Additionally, a Member cannot participate remotely for both just cause and emergency circumstances for more than three consecutive months or two meetings per calendar year.

If a Member participates remotely, the public must be able to remotely hear and visually observe the in-person meeting and remotely address the legislative body via either a (1) two-way audiovisual platform (meaning it provides both an interactive video conference and a two-way telephonic function) or (2) a two-way telephonic service and a live webcasting of the meeting. In addition, the remote Member must participate through both audio and visual technology and must disclose at the meeting, before any action is taken, whether any other adults are present in the room and the nature of the member’s relationship with any such individuals. This option sunsets on January 1, 2026.

Although these options are available for all local public agencies under the Brown Act, agencies must be able to comply with all the terms of the statute, including having the required technical equipment and streaming capabilities. This can be a challenge for agencies like First 5 Orange County that hold public meetings at a host agency.

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 ACTIONS: None.

RECOMMENDED ACTION:
Receive update on the Brown Act teleconferencing options and provide direction to staff.

ATTACHMENT:
1. Summary of Teleconferencing Options under the Brown Act

CONTACT: Kim Goll

Attachment 1

<u>Traditional (pre-pandemic)</u>	**<u>State of Emergency (AB 361)</u>**	**<u>Justification (AB 2449)</u>**

Permits Board Members to participate at various teleconference locations if:
 	
• A quorum of the teleconference locations are within agency's jurisdiction;
 	
• The address of each location is noticed on the agenda;
 	
• All teleconference locations are open to the public to attend and provide comment; and
 	
• Each location meets ADA accessibility requirements.
	Allows a fully virtual meeting during a state of emergency.
	
	• The Board must adopt a resolution every 30 days.
	
	• All Board Members can participate remotely from various teleconference locations, which do not have to be noticed on the agenda or made available to the public.
	
	• Public must be able to address the Board remotely either through a call-in or internet-based service option.
	
	• Sunsets on January 1, 2024.
		Allows Board Members to teleconference for "just cause" or "emergency circumstances."
		
		• <u>Just Cause:</u> childcare or caregiving needs, contagious illness, or travel while on official business for a public agency.
		    o Limited to 2x per year
		
		• <u>Emergency Circumstances:</u>
		a physical or family medical emergency that prevents a member from attending in person.
		    o Requires approval by a majority of the Board
		
		• A quorum of the Board must be physically present for the meeting.
		
		• The remote Board Member must participate through audio and visual technology.
		
		• The public must be able to visually observe, hear, and remotely address the Board.
		
		• Cannot be used for more than 3 consecutive months or 2 of the regular meetings.
		
		• Sunsets on January 1, 2026.

Attachment 1

Agenda Item 8
December 7, 2022

DATE: November 21, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO Kimberly Goll

ACTION: Discuss and Provide Direction on Next Steps for Determining the Configuration of the Technical Advisory Committee

SUMMARY:
This item requests discussion and direction by the First 5 Board on potential reconfiguration of its Technical Advisory Committee (TAC).

DISCUSSION:
Each First 5 county commission is required by statute to establish one or more advisory committees to provide technical and professional expertise to the Board. Aside from the requirement to meet and make recommendations or reports to the Board as needed, there are no specifics in the statute about frequency of meetings, organizations that must be represented on the committee, or mandated topics of focus. Additionally, there is no singular approach that First 5 commissions have used to organize their TACs statewide.

Since 2019, First 5 Orange County has used our TAC to broaden and deepen our thinking around systems change efforts. Over the course of three years, the Board has appointed additional members to represent key organizations and systems of care in Orange County including Social Services Agency, Health Care Agency, Orange County Department of Education, and CalOptima. The TAC currently meets quarterly.

A systems improvement focus for the TAC has had both benefits and challenges. The process of identifying members to represent Orange County's various systems of care has yielded greater engagement with these systems and stronger partnerships with key leadership. In determining what items to bring to the TAC for discussion, we have narrowed and clarified the systems on which we want to focus our attention and build partnerships. We have also successfully used the TAC meetings to share communications materials to support unified messaging around early childhood topics.

However, we have found that our current approach to the TAC is often inefficient, duplicative and doesn't allow for members to share their unique expertise. For example, when discussing Prenatal to Three initiatives with the TAC, we found that several members had already heard and discussed much of the material we presented, because they *also* serve on separate but related countywide collaboratives (like the countywide Home Visiting collaborative or Detect & Connect OC). At the same time, other TAC members who are not working in the Prenatal to Three space, could not offer advice from their experience or expertise. For another example, when we brought an item to the TAC related to our homeless prevention investment strategy, at least one member of the TAC could not participate due to a conflict of interest. We anticipate there will be similar

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conflicts of interest for TAC members if we bring agenda items related to our early education investment strategies. Thus, our concept of having system experts around the table doesn't work if those system partners could potentially receive First 5 funding, making it impossible for those TAC members to share their experience and expertise.

Consequently, staff is considering a reconfiguration of the TAC. We have an initial concept for the Board's discussion, input, and further direction.

We propose to continue the focus on systems work, and to expand on the relationships and partnerships built to date. Rather than bringing single topics to the TAC on a quarterly basis for in-depth discussion (e.g., home visiting, homeless prevention, etc.), we propose to convene two TAC meetings a year. The first meeting would be an opportunity for First 5 OC and TAC member agencies to share the primary systems change efforts we are focused on. This would include a discussion of opportunities to leverage other systems represented on the TAC, and unifying communications strategies.

The second meeting would be more externally facing. It would be a summit held by First 5 and TAC members to share our early childhood systems work including goals, accomplishments, and opportunities for others to join in the work. The targeted audience for the summit would be broad, including legislators, community partners, and the public.

With this updated configuration, TAC members would continue to represent key system organizations. They would serve on countywide collaboratives and bring their expertise and advice to the First 5 Board through a range of venues such as regular discussion with staff, updates to the Board at Commission meetings, and through participation in the early childhood community summit.

This TAC configuration would allow for deep participation within each of the system change work areas while limiting duplication. It would also continue to provide a panel of experts that First 5 can call upon to provide insight and guidance on our systems work. Additionally, an annual community summit would continue to elevate the importance of early childhood and engage more community partners.

Next Steps:

After Board discussion and input on a possible new TAC configuration, staff recommends presenting the concept to the TAC at their December 14th meeting. Staff would return to the First 5 Board in February with recommendations for future TAC meetings, membership, and bylaws.

PRIOR COMMISSION ACTIONS:

- June 2022 – Appoint Michele Cheung to the First 5 Orange County Technical Advisory Committee.
- April 2022 – Appoint Marie Jeannis to the First 5 Orange County Technical Advisory Committee.
- February 2022 – Appoint Dawn Smith to the First 5 Orange County Technical Advisory Committee.
- December 2021 – Appoint Gail Araujo and Scott Burdick to the First 5 Orange County Technical Advisory Committee
- 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

STRATEGIC PLAN & FISCAL SUMMARY:
This item has been reviewed and is consistent with the First 5 Orange County Strategic Plan. There is no funding action proposed for this item.

RECOMMENDED ACTION:
Discuss and provide direction to staff on next steps for determining the configuration of the Technical Advisory Committee.

ATTACHMENT:
1. Summary PowerPoint Slides

CONTACT: Lisa Burke

First 5 Orange County's Technical Advisory Committee

December 7, 2022

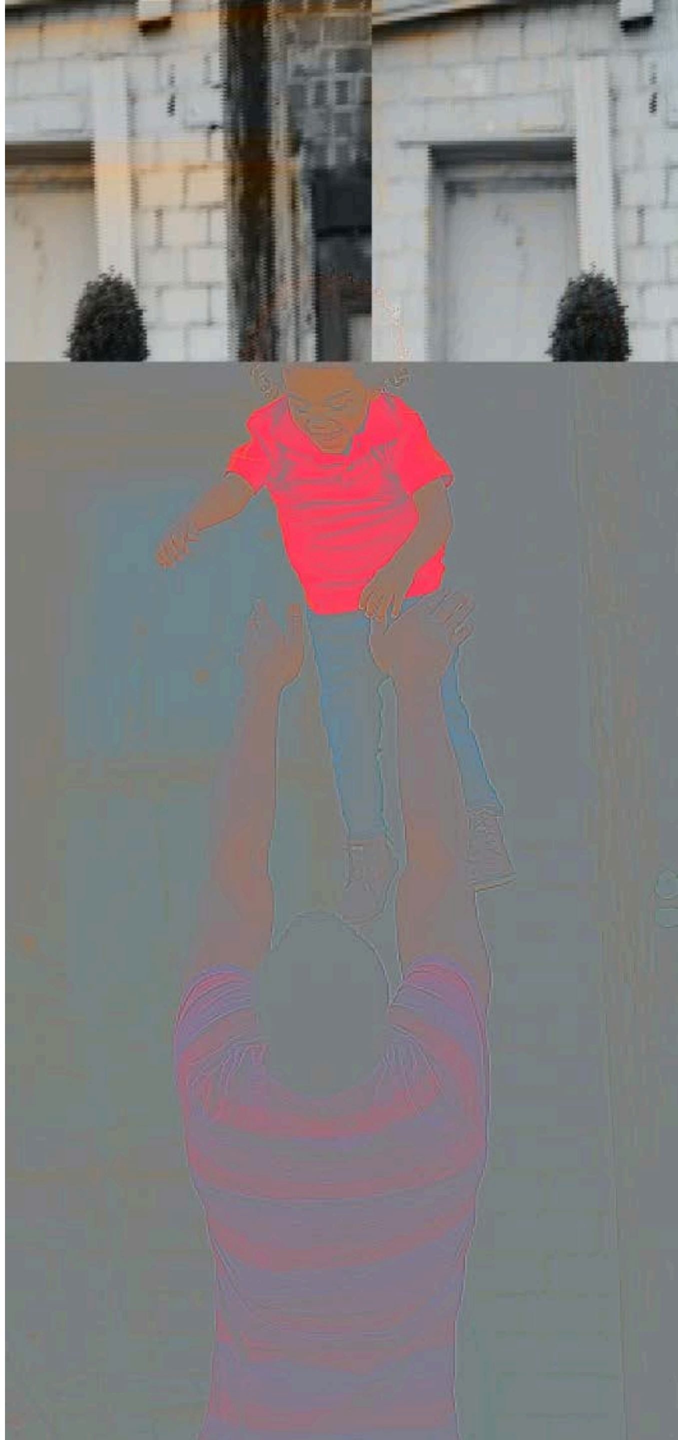
FIRST 5 ORANGE COUNTY

Background

- Statutory Requirements are Minimal
  - We must have a Technical Advisory Committee (TAC)
  - The TAC must meet at least once a year
- There aren’t statewide “best practices”
  - Each county uses their TAC differently
- First 5 Orange County’s TAC history is varied
  - Narrowly focused on pediatric health services linked to CHOC/UCI
  - More recently, focused on systems change with system partners at the table
    - Both benefits and challenges of this approach

Current TAC Configuration

- Stated Goal is to Advance Systems Work
- Partners at the Table include:
  - F5 Board representative
  - Health Care Agency
  - Social Services Agency
  - CalOptima
  - Orange County Department of Education
  - Magnolia School District
- Meetings are Scheduled Quarterly



Benefits and Challenges of Current TAC Configuration

- Benefits
  - Greater engagement with key individuals and system-level organizations
  - Greater clarity on which systems we are focusing our attention and building partnerships
  - Information sharing to support unified communications
- Challenges
  - Duplication of efforts and inefficient meetings
  - Meeting structure doesn't allow all members to share their unique expertise.

Potential Reconfiguration of TAC

- Continued focus on systems change
- Meetings planned twice a year
  - Meeting 1: First 5 and TAC members convene to share their primary systems change work with each other, and identify opportunities to leverage this work with other systems represented on TAC; help plan an early childhood-focused community summit
  - Meeting 2: First 5 and TAC members hold a summit, targeted to reach a broad audience, sharing the early childhood systems work including goals, accomplishments, and opportunities for others to join in the work
- First 5 Board members could participate in the summit; and TAC members present their learnings/thoughts on summit follow up to F5 OC Board at a Board meeting.

FIRST 5 ORANGE COUNTY

Potential TAC Membership

- TAC members would continue to represent key system organizations
- TAC members would serve on countywide collaboratives, and bring their related expertise and advice:
  - To the annual early childhood community summit
  - To First 5 Board meetings as appropriate
  - To staff on an ongoing basis

Benefits of the New Configuration

- Continues to elevate the importance of Early Childhood and engage more community partners (I think this is specific to the Summit)
- Allows for deep participation within each of the system change work areas while limiting duplication
- Provides a panel of experts that First 5 can call upon to provide insight and guidance on our systems work

FIRST 5 ORANGE COUNTY

Questions/Thoughts?

Next Steps

- Present Concept of New Configuration to TAC on Dec. 15, 2022; get their input
- Bring back recommendations to F5OC Board in February 2023
  - Proposed TAC Meetings
  - Proposed TAC members
  - Proposed bylaws

FIRST 5 ORANGE COUNTY

Agenda Item 9
December 7, 2022

DATE: October 30, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO Kimberly Goll

ACTION: Receive Report on First 5 Orange County Action Plans

SUMMARY:
First 5 Orange County staff is undertaking a variety of work in each of the focus areas of the Strategic Plan. We have begun to organize this work by developing and tracking "Action Plans." This agenda item provides a progress report on our Action Plans.

DISCUSSION:
Last year, staff and consultants developed a comprehensive set of goals and activities needed to make progress on the Strategic Plan focus areas of Well-child Visits and Screenings, Strengthening Families, and Quality Infant and Toddler Child Care. To track the progress of this work, we developed a tool called an Action Plan. An Action Plan defines a primary goal and what success would look like if the goal was met. It also outlines activities required to achieve the goal and a timeline for the work. Attachment 1 provides a high-level summary of the set of goals we identified for which we want an Action Plan.

Many of the Action Plans have been developed and the work is underway. Some are one-year plans that address discreet, short-term goals. Others span two or more years, with the understanding that it will take several years to accomplish the desired outcomes. A few of the Action Plans have not yet been developed, because they involve work that we know is forthcoming or needed, but we have not yet fleshed out the related goal and activities. This may be because it is contingent on some other action (like state grant that we are waiting to be released), staff capacity at First 5, or community readiness. These Action Plans remain on the summary (Attachment 1) but are noted as "Not Started."

We have developed a project management tool on our High 5 data platform to help track progress on the Action Plans. This tool allows us to streamline our project management and lets us see, in real time, how the work is proceeding. Staff and consultants have access to this tool and can report progress, learn about, and follow the work that others are doing across the organization. We are in the process of training staff and consultants to use the High 5 project management tool, which will allow us to efficiently monitor progress on Action Plans, identify challenges, and track if we are on schedule with the work as planned.

There are currently 15 Action Plans entered into High 5, and 10 more that are either in development but have not yet been entered into High 5 or that are yet to be developed but remain on the summary matrix as a placeholder. Attachment 2 provides additional detail for each of the goals/Action Plans that are underway, including recent accomplishments and challenges. We anticipate gathering status reports from High 5 every other month, and reporting to the Board –

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potentially as a standing item on each Board agenda. We welcome suggestions or input for how you would like to receive updates on the Action Plan work.

STRATEGIC PLAN & FISCAL SUMMARY:

This item is a report on the progress toward First 5 Orange County's Strategic Plan goals. There is no funding action proposed for this item.

RECOMMENDED ACTION:
Receive report on First 5 Orange County Action Plans.

ATTACHMENTS:
1. Summary of Action Plans
2. Report of Action Plan Accomplishments and Challenges

CONTACT: Lisa Burke

Attachment 1

Summary of First 5 Orange County Strategic Plan Action Plans

Focus Area: Well-Child Visits & Screenings	Staff Lead	Status
1.1 Set & Track Community Targets for Well-Child Visits and Developmental Screens	Lisa Burke	On Track
1.2 Comprehensive Messaging & Outreach	Lisa Burke	On Track
1.3 Expand Healthy Steps	Sara Brown	On Track
1.4 Continuous Medi-Cal Eligibility or Redetermination	Lisa Burke	Not Started
1.5 Support Access and Utilization of Well-Child Visits	Lisa Burke	Not Started
Focus Area: Strengthen Families		
2.1 Integrate Plans of Safe Care into the Perinatal Health and Social Services Systems in OC	Sara Brown, Yvette Nunez	On Track
2.2 Support Home Visiting Collaborative	Sara Brown	On Track
2.3 Support Parents as Teachers (PAT) Implementation	Yvette Nunez	On Track
2.4 Support New Innovative Service Deployment for Prenatal to 5	Sara Brown, Anaiah Brown	On Track
2.5 Develop a Strategy for Homeless Prevention Services	Mike Anderson	On Track
2.6 Link DULCE to Home Visiting and Determine Sustainability Strategy	Sara Brown	On Track
2.7 Develop Long Term Prenatal Home Visiting Strategy	Anaiah Brown	On Track
2.8 Integrate Neighborhood Resource Network (NRN) into Home Visiting Program	Sara Brown	On Track
2.9 Analyze and Determine Renewal Strategy for HCA Home Visiting Programs	Sara Brown	On Track
Focus Area: Quality Infant & Toddler Child Care		
3.1 Four to Five Local Solutions with the Child Care Taskforce	Tiffany Alva	On Track
3.2 Child Care System Support	Tiffany Alva	On Track
3.3 IMPACT	Mike Anderson	Not Started
3.4 Streamline Child Care for Special Populations	TBD	Delayed
Focus Area: Equitable Distribution of Resources		
4.1 Refine and Continue the Strategy of Family Engagement	Mike Anderson	On Track
4.2 Support, Refine, and Grow Engaged Neighborhoods	Mike Anderson	On Track
4.3 Conduct a Father Engagement Landscape to Inform Recommendations for a Programmatic Strategy	Andrew Montejo	On Track
4.4 Empower Families to Advocate for Themselves and Their Children to Meet their Medical and Legal Needs	Andrew Montejo	On Track
4.5 Increase relevance and use of Early Development Index	Mike Anderson	On Track
Focus Area: Internal		
5.1 Protective Factors	Lisa Burke	On Track
5.2 Update and Invigorate Kid Builders	Lisa Burke	On Track

Focus Area: Well-Child Visits & Screenings

1.1 Set and track community targets for Well-Child Visits and Developmental Screens

Accomplishments: First 5 participates in Detect & Connect OC and funds the facilitator that keeps the work and workgroups moving and scheduled. Detect & Connect OC has agreed to take on adopting shared metrics around well visits and screenings into their action plan for this year and also ways to share them externally for accountability. The work is being championed by the Data Sharing & Technology Working Group, both of which CalOptima has agreed to attend. We are on schedule to have draft community targets by the end of January.

Challenges*:* It is very difficult to schedule the Working Group and Steering Group meetings. People are engaged and responsive, it is just hard to find dates that work for most of the groups.

1.2 Comprehensive Messaging and Outreach

Accomplishments: This action plan includes creation and implementation of a campaign around well-child visits and developmental screenings, including families in the design of the messages and distribution strategies. Five focus groups have been held in English and Spanish with a total of 50 families. The learnings from the focus groups have been shared with Detect & Connect OC, and they are working on shared messaging strategies. The findings from these focus groups have been shared with our Engaged Neighborhoods to gather further feedback.

Additionally, we have worked with CHIOC to update their *Know Your Benefits* training to include more information on Well-Child visits and Developmental Screenings, as well as how to choose a provider and prenatal support. They are editing their presentation to update these pieces and will roll it out in the community early 2023.

Challenges*:* Knowing how to access families who would benefit from this information is a challenge. We have also been working to have school districts include CHIOC at their parent workshops, and this has been difficult.

1.3 Expand Healthy Steps

Accomplishments: HealthySteps will be implemented at UCI's two Federally Qualified Health Centers (FQHC) this year. Site visits were completed with the Santa Ana Clinic in October, and with the Anaheim clinic in November. UCI's clinical and administrative leaders are highly engaged in the implementation process. We are also working to engage HealthySteps in Detect & Connect OC. We have identified good potential candidates to ask but are waiting until after the New Year to introduce Detect & Connect OC, because the FQHC's have a lot on their plates with HealthySteps implementation.

Challenges: The clinics had difficulty hiring the HealthySteps Specialists due to market conditions. This delayed the implementation of the HealthySteps training programs that the clinic is required to complete. There are nine classes required, and only Friends of Families of OC has completed all nine classes.

1.4 Continuous MediCal Eligibility or Redetermination

Accomplishments: This work has not yet started. During the pandemic, children's MediCal coverage was automatically renewed and families were not required to seek annual redetermination of their coverage as was traditionally required. We anticipate the need to communicate with families about the need to again seek annual redetermination, but this work is dependent on the state's timeline.

1.5 Support Access and Utilization of Well-child Visits

Accomplishments: Messaging around the need for well-child visits is important, but some families can't or don't go to well-child visits due to a variety of barriers. This work has not yet started, but we will develop a goal and actions in response to what we learned from parents in the focus groups that were conducted under item 1.1. We anticipate it will kick off in the New Year.

Focus Area: Strengthen Families

2.1 Integrate Plans of Safe Care into the Perinatal Health and Social Services Systems in OC

Accomplishments: In the last six months, we have conducted monthly meetings with perinatal health, social services systems and community partners which have yielded collective work around the creation of a Plan of Safe Care (PoSC) brochure. One of our consultants was recently accepted into the 2023 Policy Academy from the National Center on the Substance Abuse and Child Welfare Advancing Collaborative Practice and Policy, which will continue to support and inform the work of integrating a PoSC in the major birthing hospitals in Orange County.

2.2 Support Home Visiting Collaborative

Accomplishments: The OC Home Visiting Leadership Collaborative was created to support systemwide planning. At present, the Collaborative, which meets on a quarterly basis, is focused on two strategies to increase access to home visiting services: 1) provider cohort learning and 2) referral pathways. Implementation of both strategies is overseen by two workgroups comprised of home visiting providers and funders. In fall 2022, with support from First 5 OC, the Collaborative organized two trainings on the topic of a safe return to in-person work. The second strategy, referral pathways, involves a few strands of work, all focused on streamlining access and ensuring a "best fit" for families given the variety of home visiting models available in Orange County. Over the past six months, the referral pathways working group developed a detailed inventory of home visiting programs (to aid in identifying appropriate referral sources) as well as a draft set of voluntary service level expectations. Providers have indicated their interest in piloting both the inventory and service expectations in the first half of 2023.

2.3 Support Parents as Teachers (PAT) Implementation

Accomplishments: New reporting requirements were established that focused on fidelity to the PAT model. F5OC priorities were identified and incorporated into provider agreements. Additionally, the first end-of-year PAT Affiliate Annual Performance Reports were submitted to the PAT National Center for FY 21-22.

Challenges: Staffing changes and shortages have contributed to varying affiliate attendance at implementation support meetings.

2.4 Support New Innovative Service Deployment for Prenatal to 5

Accomplishments: First 5 staff are currently exploring and piloting innovative service delivery models such as the "Vital Village" community outreach and resource event being piloted the first weekend in December. We are partnering with HMA to support and expand doula training and related business infrastructure in Orange County. We are also assessing the wide-ranging services we support to ensure integration and coordination across our prenatal to 5 programming.

2.5 Develop a Strategy for Homeless Prevention Services

Accomplishments: The evaluation being conducted by The Mark is underway including input from key stakeholders. Staff proposes to extend funding for homeless Diversion and Housing Navigation (on the December Board agenda) to provide time to complete the system evaluation and gathering stakeholder input, which will be used to develop the strategy for future homeless prevention investment.

Challenges: Due to delays in receiving data, The Mark's interim report was delayed until December 2022.

2.6 Link DULCE to Home Visiting and Determine Sustainability Strategy

Accomplishments: Collaborative work between First 5, CHOC and Health Management Associates began this fall to explore sustainability strategies for DULCE. Work to optimize the coordination of referrals, linkages and services between DULCE clinics continues, as does identifying opportunities to incorporate the role of the DULCE Family Specialist (FS) as part of the larger system of Prenatal to 3 support services. With a little over 2 years left in IGT funding, First 5 will continue to partner with CHOC as they evaluate options for sustainability through CalOptima as well as leveraging internal capacity and external resources.

2.7 Develop Long-term Prenatal Home Visiting Strategy

Accomplishments: First 5 staff and consultants are working on identifying gaps and the need for new family support strategies. Recent work has focus on exploring MOMS OC program model. Program Consultants have held multiple meetings with MOMS CEO and Chief Programs Officer over the course of several months to better understand the agency's current and future plans. Areas they are looking to expand include fatherhood focused services, education, doula services and the feasibility of contracting with CalOptima.

Challenges: While MOMS Orange County has identified their initial focus areas of their strategic plan, the timing to develop and launch the plan is still a few months out and therefore we do not have specific details with regard to some of areas such as the evidence based model they will select, how and when doula services will be deployed and the feasibility of taking advantage of the community health worker or doula benefits through CalOptima.

2.8 Integrate Neighborhood Resource Network (NRN) into Home Visiting Program

Accomplishments: In early Spring, we began the work of integrating NRN into the larger home visiting program. The team reached out to the contracted service hub to better understand the process and responsibilities. Possible workload distribution and provider scope modifications were vetted with key partners and reviewed by the internal First 5 team. Simultaneously, meetings regarding the updates and MOU renewal are underway with Social Services and key service providers. A transition plan from the existing current service hub to First 5 providers and staff is being refined.

2.9 Analyze and Determine Renewal Strategy for HCA Home Visiting Programs

Accomplishments: In early Fall, we took steps to evaluate the home visiting system capacity, with an emphasis on better understanding and matching patients to available services. Over the past few months, we met with key staff at the Health Care Agency (HCA) to understand demand versus capacity for HCA's Perinatal Assessment and Coordination Team (PACT) and Nurse Family Partnership (NFP) Home Visiting programs. The landscape analysis reports a projected gap in the number of home visiting services available compared to the projected demand for high-risk clients. We have developed a set of recommendations to explore, including:

- potential reduction of funding to HCA
- assist HCA in developing a specific outreach strategy to Cal-Optima's Bright Steps program
- leverage funding from the home visiting collaborative to assess the demand for the NFP program
- encourage HCA to explore expanded eligibility criteria to their NFP.

With an approaching renewal date, this work will help determine if there is a need for funding to sustain both PACT and NFP programs.

Focus Area: Quality Infant & Toddler Child Care

3.1 Four to Five Local Solutions with the Child Care Taskforce

Accomplishments: The cross-sector child care task force has been meeting, and the multiple Work Groups of the task force are in various stages of organization. Two of the Work Groups (Affordable Housing and Child Care Legislation) have held their first meetings. We are in the planning process for the Regular Listening Sessions with Child Care Providers. Regarding Engaging Cities, we are in the process of developing city-level reports. Each Work Group facilitator has been doing a great job staying in contact with their members. We are also developing a newsletter-style update that will go to all task force members in December.

3.2 Child Care System Support

Accomplishments: The Collaborative has established a regular meeting schedule and invited additional members. The group has been talking about system needs and has identified priority areas. They want to focus on workforce issues first, before action planning for the broader system, believing that the system is dependent on first stabilizing the workforce.

Challenges: It has been a challenge to establish trust and openness between group members. It seems that there is a general desire or habit to work responsively rather than proactively – putting out fires rather than conducting big picture planning. As a result, there is some hesitancy to see and/or understand what this group will be about, and what we'll work on together.

3.3 IMPACT

Accomplishments: This action plan is not yet started. As First 5 California anticipates another round of IMPACT funding, staff attended a listening session where a new Request for Funding Authority (RFA) was discussed. A full RFA is anticipated to be released in February of 2023. When released, First 5 OC staff will assess whether this project aligns with our strategic plan, current priorities, and recommend to the Board whether or not it makes sense to apply for the new grant funding.

3.4 Streamline Child Care for Special Populations

This Action Plan is delayed. Initial work related to special populations and child care was begun by an intern, Jocelyne Saldana, who is no longer at First 5 OC. Subsequently, we have not yet assigned staff to lead this work or pulled a team together to flesh out an Action Plan. We know it is an important area of work, and we are keeping it on the matrix as a placeholder while we consider which populations to focus on, and how to integrate special populations into our other child care efforts.

Focus Area: Equitable Distribution of Resources

4.1 Refine and Continue the Strategy of Family Engagement

Accomplishments: The Family Ambassador program is progressing nicely. We are continuing to meet individually with ambassadors and as a whole group. We work collaboratively in whole group meetings and conduct trainings or projects that require all of the ambassadors. Individual meetings are focused on a check-in with each ambassador as well as addressing additional questions or training that could not be addressed during the whole group meeting. Family Ambassadors have become liaisons to internal stakeholder groups, such as the equity task force, and the Protective Factors task force. Other Family Ambassadors are liaisons and support consultants who work internally with PMAD and participate in focus groups for Detect and Connect. Additionally, Family Ambassadors have participated in focus groups in both English and Spanish to identify strategies to communicate with families with young children.

Challenges: There have been some challenges finding a time that works for all ambassadors as they are all working parents. We also identified a technology issue with some of our Family Ambassadors which has been addressed. Additionally, some Family Ambassadors have stated they are overwhelmed with current work: we will address this by recruiting more family ambassadors.

4.2 Support, refine, and grow Engaged Neighborhoods

Accomplishments: We have developed a theory of change, which we are beginning to share with Engaged Neighborhood leads during monthly check ins. The leads appreciate how it is laid out and clearly identifies the two pillars of their work which are: concrete access to resources and family engagement. Next steps will be for each Engaged Neighborhood to develop related Impact Plans specific to their local needs. Additionally, we have received Sustainability Plans from three out of four Engaged Neighborhood task forces.

Challenges: We are waiting for Tiered Neighborhood data to identify the at-risk communities and understand the need outside of our four identified neighborhoods. Change in leadership at the Engaged Neighborhoods has created the delay in getting Sustainability Plans submitted.

4.3 Conduct a Father Engagement Landscape to Inform Recommendations for a Programmatic Strategy

Accomplishments: Earlier this year we brought together 15 agencies that are interested in father inclusion and engagement to convene and learn from each other. With the momentum from our first convening, we have had multiple convenings since and have started building a shared vision and goal. In December, we will finalize our group's name and the structure of the group. We have started planning as a group a "father and child" event to happen in the first half of 2023.

Challenges: There is a core group of attendees to the meetings, but we want to expand to include even more organizations representing all OC dads/father figures. Also, we want to include fathers in the coalition and in events who are not connected to any service.

4.4 Empower Families to Advocate for Themselves and Their Children to Meet Their Medical and Legal Needs

Accomplishments: After a year of collaboration between MLPB and the multi-state agencies, the toolkit to support families with legal empowerment in education, family law, and immigration was launched in September. We have initiated a group of Orange County providers that are interested in continuing to work on the toolkit to make it more Orange County-focused, and to explores ways to implement it. We have had one meeting with this group.

Challenges: Many Orange County agencies continue to be hesitant about the subject of legal empowerment because there is a stigma that only lawyers can talk about laws and people's rights.

4.5 Increase Relevance and Use of Early Development Index

Accomplishments: We have developed a variety of materials that can be used as we communicate about the Early Development Index. These materials include FAQs, county level analysis, and indicator report presentations, as well as one-pagers for use with a range of audiences including funded partners, legislators, school district leaders, staff, parents and other stakeholders. The Engaged Neighborhoods are requesting tools in multiple languages. In November, we presented the EDI to the Local Planning Council. We are also meeting with each Family Ambassador to review their own city data, which is prompting questions regarding the relationship between school readiness and their neighborhood.

Focus Area: Internal

5.1 Protective Factors

Accomplishments: We have established an internal Protective Factors Task Force of staff and consultants. One of our first activities is to gather information about the use of Protective Factors across Orange County. We have developed a survey that will be distributed in December. The Center for the Study of Social Policy has presented on some of the strategies used by other organizations and communities to implement the Protective Factors.

5.2 Update and Invigorate Kid Builders

Accomplishments: Over the past six months, a group of childhood health and development experts have met to update and refresh the Kid Builder activities. We are currently conducting focus groups with parents to vet the updated activities, asking what they like or don't like about the activities, whether the instructions and clear and the materials accessible, and getting their overall feedback. Simultaneously, the design team has been working on updated graphic illustrations and updating the website infrastructure so that it is user friendly for families. Next, we will be working with families who have children with special needs to ensure they can use Kid Builder activities; and, we will develop the Kid Builders rollout plan. We are on schedule to launch the updated Kid Builders website in the New Year.

Agenda Item 10
December 7, 2022

DATE: November 21, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO Kimberly Goll

ACTION: Receive Update on Doula Benefit and Adopt Resolution Authorizing an Amendment to Agreement No. PS-267 with Health Management Associates Inc.

SUMMARY:
Incorporated in California Advancing and Innovating Medi-Cal (CalAIM) is a Doula Benefit for birthing persons that begins in January 2023. First 5 Orange County has been investigating ways to support and enhance the implementation of this expanded benefit. This agenda item outlines our initial approach for this support and includes a request for funding a consultant to assist with implementation.

DISCUSSION:
In January 2023, CalAIM will begin the rollout of a new Doula Benefit. The Doula Benefit marks another CalAIM commitment to transform and strengthen Medi-Cal by offering a more equitable, coordinated, and person-centered approach to maximizing health and life trajectory. Doulas are trained individuals that provide emotional, physical, and educational support to birthing persons before, during, and after birth. The Doula Benefit in CalAIM is directed at preventing perinatal complications and improving health outcomes for birthing persons and infants.

Doulas advocate for, educate, and support expectant families. Numerous studies show that the use of doulas can reduce poor health outcomes. Further, the inclusion of the Doula Benefit in CalAIM can significantly improve disparities for maternal and infant health outcomes in Black, Indigenous, and People of Color (BIPOC). Given our Strategic Plan's focus on early intervention, prevention, and equity, the Doula Benefit provides an opportunity to leverage an evidence-based early intervention strategy.

First 5 OC and CalOptima have been discussing ways for First 5 to invest in the rollout to ensure Orange County is in the best position to fully utilize this benefit. We have identified three areas where First 5 OC can help to expedite the full use of the benefit, including:

1. Training: expand opportunities for doula training
2. Outreach: outreach to existing and potential doulas, birthing persons, community organizations, hospitals, and others to ensure there is a clear understanding of the benefit and the evidence behind doula support
3. Business Infrastructure: investigate and develop a better understanding of the business supports and practices that will be needed to grow and sustain this benefit in a way that is equitable to doulas

<u>Training:</u> We have begun to develop a strategy for expansion of doula training opportunities. Costs for doula training that meet the Department of Health Care Services (DHCS) criteria range

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from $750 to almost $1,500 per person, which is a barrier. Another barrier is ensuring that training opportunities are available in languages and ways that honor cultural practices for BIPOC communities. First 5 OC is working on identifying training that meets the DHCS requirements and is language and culturally sensitive. Additionally, staff is reaching out to existing community-based doulas to understand their knowledge of the benefit and barriers to using it, along with an overall understanding of their practices.

One of our first findings is that Orange County has a smaller population of BIPOC doulas in practice. In order to see the impact of the benefit expansion, investment will need to be made in training doulas. We will be launching a cohort for individuals that are interested in participating in the doula training. They will meet specific criteria such as experience working in pre- and post-birth support, early childhood education or experience, and/or having a lived experience that would support a historically marginalized group. We will also require their participation in an evaluation of the program and feedback on the startup. We anticipate a cohort size of no more than 15 and, given that size, will be able to complete this initial cohort training using the existing contracting authority provided to the President/CEO.

Outreach: The second area of work for First 5 OC is to begin outreach efforts. In partnership with CalOptima, we have identified important collaboratives where we will begin to socialize the new doula benefit to generate an understanding and strategies for outreach to specific communities. We will also begin an education and training opportunity for our Engaged Neighborhoods and funded partners so they can help advocate for the new benefit.

We will leverage our existing relationships with the birthing hospitals throughout the county. First 5 will investigate ways to streamline the transition to this additional benefit, including working with the First 5-funded coordinators at each birthing hospital. Additionally, we will work with our communications team with input from our Family Ambassadors and Engaged Neighborhood families to develop a social media outreach campaign.

Business Infrastructure: The last area of work focuses on understanding the business structure that will be needed to ensure a sustainable delivery of doula services. This is an area of work we believe HMA is well-qualified to support, including a review of existing learnings from where this benefit has already rolled out, convenings of local doulas to understand barriers to their work, and business-related support for hospitals and health networks. Staff proposes an amendment to the current HMA agreement for an additional $75,000 to support the work around business infrastructure.

STRATEGIC PLAN & FISCAL SUMMARY:
The recommended actions have been reviewed in relation to the Strategic Plan and align with the Get Involved Early, Elevate Equity, Empower Champions, and Align Systems of Care strategies. Funding for this request will be added to the FY 2022-2023 budget and will come from the systems building one-time allocation.

PRIOR COMMISSION ACTIONS:
None

RECOMMENDED ACTION:
1. Receive update on First 5's Role in the upcoming DHCS Doula Services Benefit.

2. Adopt resolution (Attachment 1) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate the First Amendment to Agreement No. PS-267 with Health Management Associates to add $75,000 for a total, three-year maximum obligation of $255,000 for the term July 1, 2021 to June 30, 2023 to assist with the development of best practice research for business infrastructures that support the Doula benefit roll out.

ATTACHMENT:
Resolution

CONTACT: Sara Brown

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-22-C&FC

December 7, 2022

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 NO. PS-267 WITH HEALTH MANAGEMENT ASSOCIATES; 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, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

WHEREAS, Commission previously entered into Agreement No. PS-267 (hereinafter referred to as the “Agreement”) with Health Management Associates (hereinafter referred to as “Contractor”)**,** to assist with the development of practice research for business infrastructures that support the Doula benefit roll out; and

WHEREAS, the Commission desires to enter into the First Amendment to the Agreement (“Amendment”) with Contractor for the terms and in the amounts as specified in the December 7, 2022 staff report for this Agenda Item; and

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

WHEREAS, Commission has reviewed the staff report for the December 7, 2022 Commission meeting relating to the scopes 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 the Contractor.

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 in the amounts and for the terms consistent with the December 7, 2022 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 Amendment by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Amendment with Contractor for the terms and in the amounts as specified in the December 7, 2022 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 Amendment on behalf of the Commission.

Section 6 A copy of the Amendment 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. The final executed Amendment 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 Agreement(s), including any amendments; (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such Amendment(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(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 7, 2022 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: __-22-C&FC

Agenda Date: December 7, 2022

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 Amendment)

Agenda Item 11
December 7, 2022

DATE: November 9, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

ACTION: Receive Update on Homeless Prevention Funding Initiative and Adopt Resolution Authorizing an Amendment with Charitable Ventures of Orange County

SUMMARY:
At the April 2022 First 5 Commission meeting, staff received direction and approval to develop a funding strategy for the homeless prevention initiative. This agenda item includes an update on the strategy development and a request for continued funding to the Family Solutions Collaborative (FSC), which is fiscally sponsored by Charitable Ventures of Orange County.

DISCUSSION:
In addition to our homeless shelter capital investment, First 5 Orange County has an agreement with Charitable Ventures of Orange County as the fiscal sponsor for the Family Solutions Collaborative, which funds housing navigation and diversion services. The decision to fund housing navigation and diversion came directly from a systems evaluation conducted in 2018. The current agreement, which terminates on June 30, 2023, also includes funding for an evaluation of the homeless system of care, to measure the impact of First 5's investment.

At their April meeting, First 5 OC's Technical Advisory Committee (TAC) provided input on the most pressing issues within the homeless system of care from their vantage point, as well as recommendations for gathering further stakeholder input.

Areas identified by the TAC as top barriers to finding housing and staying housed include:

- Mental health
- Lack of knowledge/understanding in how and where to access services
- Time involved in accessing services
- Substance use
- The gap between income and cost of housing
- Low affordable, subsidized housing availability and options
- High rent prices
- Landlord not willing to accept housing vouchers/Stigma
- Legal Status

In addition to items listed above, the TAC was also strong in their recommendation to hold focus groups/input sessions with providers, families, community partners, and experts in the delivery of homeless services.

In partnership with The Mark Inc., the evaluation firm that is conducting the systems evaluation, input sessions are underway and have yielded valuable insight from families experiencing homelessness, shelter leadership, and staff. Themes that have emerged so far include a continued need for training opportunities for Access Point staff to improve clarity for managing family expectations, such as how quickly shelter and housing opportunities become available; navigating the system; understanding resources that are available; and educating families on eligibility requirements. Additional training for data input, compliance, and timeliness was also identified as an area of need, along with the ongoing difficulties of high caseloads and lack of affordable housing.

Stakeholder input sessions will continue throughout next year and will include shelter providers, families, experts, and individuals working with homeless system infrastructure. First 5 OC staff will incorporate the topics highlighted by the TAC into the focus group discussions that are planned for 2023, to test assumptions, uncover other work in this area, and help clarify the most effective tools to make progress.

As described above, the agreement to fund the FSC includes funding for a system evaluation. The intent is to replicate as closely as possible the evaluation that was conducted in 2018 to understand how the First 5 OC investments have affected the system of care and to identify other insights that can be gleaned from the reporting system. The evaluation uses best practices to monitor key indicators of system performance such as percent of families diverted from entering the homeless system, length of stay, transition of families between providers, and return to the system after permanent housing exit. The pandemic has significantly disrupted the system of care for homeless families, so while the evaluation is on schedule it may not have the ability to provide a clean comparison or indication of First 5 OC funding impacts.

Ultimately, the goal of stakeholder input sessions and the evaluation is to identify unique opportunities for First 5 OC funding that are innovative, maximize impact, and create improved outcomes for the system of care.

Staff recommends adding one year of funding and extending the term of the agreement with Charitable Ventures of Orange County to continue the FCS's housing navigation and diversion services for one year. This will ensure continuity of services while allowing the time needed to complete the stakeholder input process. This additional time will provide us with a better picture of the efficacy of both programs. The diversion strategy appears to be working; however, the data we have to date is limited because of the impact of the COVID-19 pandemic. At the start of this fiscal year, the housing navigation program underwent administrative changes. These changes will better align the program with the addition of a Housing Unit Repository and new outreach efforts targeted at landlord engagement.

An additional year will also provide time to analyze the landscape of homelessness in Orange County with the addition of CalAIM funding, and other funding streams that could expand opportunities. To enhance the coordination of services, we will transition the oversight of our Homeless Prevention Initiative to our Health Systems and Family Resilience team led by Dr. Sara Brown. Sara's team will help identify resources and programs that wrap around the family as a whole.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action 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 Fiscal Year 2023/2024 and 2024/2025 budgets

PRIOR COMMISSION ACTIONS:
- April 2022 – Discuss funding renewal strategy for prevention of family homelessness.
- February 2022 – Receive Presentation and Discuss Strategies for First 5 Orange County's Next Funding Cycle
- April 2019 – Adoption of the First 5 Orange County Strategic Plan
- February 2017 – Approved Renewal Funding Actions

RECOMMENDED ACTIONS:
1. Receive update on homeless prevention funding initiative.
2. Adopt resolution (Attachment 1) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate the First Amendment to Agreement No. FCI-FSC-05 with Charitable Ventures of Orange County, as the fiscal intermediary for the Family Solutions Collaborative, to add $813,000 for a total, two-year maximum obligation of $1,716,000 for the term July 1, 2020 to June 30, 2024 to implement the diversion program, housing navigation program, and evaluation.

ATTACHMENT:
1. Resolution

CONTACT: Mike Anderson

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-22-C&FC

December 7, 2022

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 NO. FCI-FSC-05 WITH CHARITABLE VENTURES OF ORANGE COUNTY; 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, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

WHEREAS, Commission previously entered into Agreement No. FCI-FSC-05 (hereinafter referred to as the "Agreement") with Charitable Ventures of Orange County (hereinafter referred to as "Contractor") to serve as the fiscal agent for the Family Solutions Collaborative; and

WHEREAS, the Commission desires to amend the Agreement with Contractor under the terms and in the amounts as specified in the December 7, 2022 staff report for this Agenda Item ("Amendment"); and

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

WHEREAS, Commission has reviewed the staff report for the December 7, 2022 Commission meeting relating to the scopes 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 the Contractor.

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 in the amounts and for the terms consistent with the December 7, 2022 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 Non-Profit 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 Amendment by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Amendment with Contractor for the terms and in the amounts as specified in the December 7, 2022 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 Amendment on behalf of the Commission.

Section 6 A copy of the Amendment 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. The final executed Amendment 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 Agreement(s), including any amendments; (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such Amendment(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(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 7, 2022 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: __-22-C&FC

Agenda Date: December 7, 2022

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 Amendment)

Agenda Item 12
December 7, 2022

DATE: November 28, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

ACTION: Receive Report

2023 Commissioner Recruitment

There are six at-large positions which are appointed by the Board of Supervisors on a rotating basis. Three are in the Education and Early Intervention category, and three are in the Healthy Children and Early intervention category. One year, the Board of Supervisors will fill two of the early education category positions and one of the health category positions; the following year, they will fill two of the health category positions and one early education position. Appointments are for two years.

Recruitment for the upcoming First 5 Orange County board positions will begin in February 2023. (This year, they include two positions in the early education category and one in the health category). First 5 OC's role in the appointment process is to develop the application materials and distribute them widely to recruit a broad pool of candidates for the Board of Supervisor's consideration. The recruitment package will include a cover letter from the chairman of the Board of Supervisors, along with the application, and the position description. The application will be distributed through each Board office, as well as through email blasts from First 5 Orange County, social media, and several partners' listservs. Applications will be due in March 2023, after which the Board of Supervisor's Chair and two Supervisors will recommend candidates and the full Board will make the final appointments. Tiffany Alva is the contact for recruitment-related questions. You can reach her at Tiffany.alva@cfcoc.ocgov.com.

Fifth District Child Care Funding

As you know, we have made a significant effort over the past years to highlight the importance of and need for quality infant and toddler child care in Orange County. In addition to raising awareness, we have helped to get much needed supplies, funding, and technical business assistance into the hands of child care providers. Most recently, Supervisor Lisa Bartlett allocated 1.5 million dollars of discretionary funding to support child care centers and family child care programs. First 5 OC staff worked closely with the Fifth District and Chartable Ventures to distribute the funding to licensed Orange County family child care homes, and center-based child care programs within the Fifth District boundaries. We received 234 applications: 126 applications were approved; and 108 were outside of the Fifth District geographic boundaries and thereby disqualified. The breakdown of qualified providers includes 50 family child care providers who each received $8,000 and 76 center-based providers who each received $13,533. This funding may be spent on materials for the classroom and technology. An event was held on Saturday, November 5, 2022, at the Laguna Hills Lakeshore Learning Store where Supervisor Bartlett met the child care providers that were funded thought the grant. Thank you to Supervisor Bartlett for supporting the child care providers in the Fifth District!

Speech and Language Service Analysis
Social Impact Advising Group is the consultant leading the outreach and analysis to better understand system barriers to speech and language services for young children in Orange County. Based on the learnings from this assessment, we will develop recommendations for ways in which First 5 can support children and families' access to services. Social Impact Advising Group has begun collecting data available from public sources like the California Department of Education, as well from community partners. To date, they have completed 10 interviews with the organizations shown below, and additional interviews are in process of being scheduled. The next phase of work will include conducting a survey of families and focus groups to learn about the barriers from the families' perspectives.

- Detect & Connect OC
- Help Me Grow
- Chapman University
- Cal State Fullerton
- Regional Center OC
- American Academy of Pediatrics, CA Chapter 4
- CalOptima
- Regional Center of Orange County
- Family Support Network
- MOMS Orange County

The goal for data collection and analysis is to determine barriers to service, where and how people are accessing services, the age of intervention, and the length of intervention. While some data is readily available, we are working to identify which type of data is not available and needed.

Commission Office Lease
First 5 office space is currently located at The Village in Santa Ana. November 2023 will mark nine years in this location. In anticipation of the office lease expiration, staff has been in discussion with both County of Orange CEO/Real Estate and representatives of The Village. CEO/Real Estate has confirmed that the current lease is below market, anywhere from 25% to 50%. If a lease extension is pursued, the current office space is not configured to accommodate the current staffing level and provide enough meeting space. Staff is working on office configuration options with The Village's construction and office design team. We plan to return in February with a detailed plan including costs for office construction, furniture, and the potential lease extension.

Vital Village
First 5 OC's Health Systems and Family Resilience team piloted "Vital Village" on December 3rd, the first in a series of learning gatherings. Founded on the traditions of a baby shower, Vital Village intends to provide families with tangible items they will need for their babies, like diapers, along with other forms of support such as information, and a linkage to other families that are in the pregnancy stage. The First 5 OC team has been intentional about integrating the protective factors of parental resilience, social connections, concrete support in times of need, knowledge of parenting and child development, and social and emotional competence of children into the experience. In addition, we are gaining a better understanding of how to connect with families in the prenatal stage and learning what resonates with families in creating their own support structures. Families in attendance socialized with other expectant families, engaged in interactive activities, learned about vital community resources, and shared their thoughts on current needs

and service gaps. The Health Systems and Family Resilience team will return to the Board in February with the learnings from this event.

Sustainability Planning for Healthy Smiles For Kids of Orange County

Healthy Smiles continues to work with AltaMed, a Federally Qualified Health Center (FQHC), to plan the transition of services in a manner that will ensure continued sustainability and growth of the Healthy Smiles pediatric dental services that were established through the First 5 Orange County catalytic investment. Next steps include finalizing a lease transfer with CHOC Children's for the Garden Grove clinic location so that AltaMed can complete the site credentialing process. In addition to the transition of the clinic, outreach services, and residency program, it has been discussed that AtaMed may also take over the pediatric specialty care services. This would mean the full transition of all services to the FQHC, with Healthy Smiles remaining the recognized branding as a subsidiary of the AltaMed organization.

As the organizations work through this process and finalize details, First 5 is assessing the broader landscape of pediatric dental services in Orange County. We are outreaching to the FQHC partners from the Dental Transformation Initiative (DTI) for updates regarding their service capacity post-DTI and following the impact of Covid-19. We have also asked the Coalition of Orange County Community Health Centers for details regarding the pediatric dental services being offered through their partner FQHCs, such as their scope of services, service areas, and language capacity. We will provide a more detailed update about the landscape of services and needs at the next First 5 board meeting.

Human Resources Update

In August of 2022, we launched a complete audit of our Human Resources policies and practices as well as a Salary Benchmarking exercise. This work is well on its way but has taken longer than originally estimated. We are currently on schedule to complete the updates for Board review at the February 2023 meeting.

Financial Report Update

Pursuant to First 5 Orange County's Fiscal Year 2022-2023 Investment Policy Statement, the Orange County Treasurer submits Quarterly Investment Reports to the Commission. The Investment Report (Attachment 1) summarizes investment activities for the three-month period of July 1 through September 30, 2022. 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).

Attachment:

1. Investment Report

First 5 Orange County, Children & Families Commission
Quarterly Investment Report
July 1, 2022 through September 30, 2022

OVERVIEW

Pursuant to the First 5 Orange County, Children & Families Commission (Commission) fiscal year 2022/2023 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, 2022.

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, 2022, these totaled $63,089,452.49. 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 2022. The net year-to-date yield for fiscal year 2022/2023 is 1.002%, net of the estimated investment administrative fee of 5.5 basis points. The forecast for the OCIP gross and net yields for fiscal year 2022/2023 is 1.86% and 1.80% respectively. The OCIP has a Net Asset Value of 0.98 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	$66,206,698.27	0.848%	$5,340,065,651	$5,419,591,273	274 days	0.99	0.76
August	$66,111,594.21	1.034%	$5,204,838,405	$5,306,693,411	258 days	0.98	0.71
September	$63,089,452.49	1.315%	$5,348,175,685	$5,468,057,996	254 days	0.98	0.71

During the third quarter, short-term rates sharply rose causing the OCIP market value to fall further below book value. This decline is for reporting purposes only, as the OCIP's buy-and-hold strategy anticipates all investments to mature at par. Thus, there is no day-to-day impact on the Commission's funds invested in the OCIP, which maintain sufficient liquidity to meet projected cash flow needs. The OCIP market value is sensitive to changes of interest rates as it invests 100% in fixed income investments. With a month end balance of $63.1 million and duration of 0.71, every 1% increase in short term interest rates would have an additional estimated $447,935 decrease in the value below book value.

ECONOMIC UPDATE

The U.S. economy had strong employment gains and continued high inflation in the third quarter of 2022. Employment gains were 1.1 million, which was lower than the second quarter's 1.2 million. Headline inflation remained elevated at 8.2% year over year, yet lower than the second quarter's 9.0%. Core inflation, which excludes food and energy, increased 6.6% from a year ago, the highest level since 1982. The Federal Open Market Committee (FOMC) raised the Fed Funds Rate (Rate) twice during the second quarter: to a range of 3.00-3.25% on September 21st and to a range of 2.25-250% on July 27th, which were up from the 1.50-1.75% range at the end of the second quarter. The bond market is pricing another rate increase at the next FOMC meeting on November 2nd. Some U.S. economic releases covering the third quarter of 2022:

- Consumer prices increased at an 8.2% (survey: 8.1%) annual rate at the end of the third quarter, down from the prior quarter's 9.0% with housing costs contributing materially.
- The unemployment rate declined to 3.5% (survey: 3.7%) at the end of the third quarter, down from 3.6% at the end of the second quarter.
- The Empire State Manufacturing Index declined to -9.1 (survey: -4.3) from -1.5 at the end of the second quarter while the Philadelphia Fed Index fell to -8.7 (survey: -5) from -3.3 at the end of the second quarter. The Federal Reserve uses these indexes as regional economic gauges with a positive reading signaling economic expansion.

The Treasury yield curve increased and flattened as short-term interest rate rose more than longer-term interest rates during the third quarter. The 90-day Treasury Bill yield increased to 3.27% from 1.67%. The 2-year Treasury Note yield rose to 4.28% from 2.96% while the 10-year Treasury Bond yield increased to 3.83% from 3.02%.

COMPLIANCE MONITORING
As of September 30, 2022, 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 September 30.

The County Treasurer's investments are audited regularly by the County Auditor-Controller, Internal Division (ACID). The ACID issued four reports (Attachments D, E, F, and G) during the quarter ended September 30, 2022, as follows:

> <u>Report of the Schedule of Assets Held by the County Treasury as of June 30, 2021.</u>
> The Auditor-Controller contracted with Eide Bailly (EB) to perform one of their required audits of the Treasury. EB issued their report on July 27, 2022. They 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, 2021, in accordance with the modified basis of accounting as described in the notes to the financial schedule.
>
> <u>Review of the Schedule of Assets Held by the County Treasury as of March 31, 2022.</u>
> On July 12, 2022 the Auditor-Controller issued their review stating that they were not aware of any material modifications, except that Management has elected to omit disclosures, which is consistent with prior Review reports.
>
> <u>Management Letter on Review of Assets held by County Treasury as of March 31, 2022.</u>
> The ACIAD report dated July 27, 2022, identified a deficiency relating to the accounting treatment of investment. T-TC reports all assets of the County Treasury using the modified cash basis of accounting. The Treasurer's books include cash and investment balances in Quantum and any reconciliation items, including County Treasury stand-alone bank accounts. T-TC management completed the set-up of these accounts in Quantum on April 27, 2022, during the post-go-live phase of the Quantum upgrade.
>
> <u>Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2022.</u>
> In the report issued on September 29, 2022, the Auditor-Controller stated no compliance exceptions were identified.

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 2022 (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, 2022, OCIP has a total market value of $178.5 million in County of Orange debt, which represents approximately 3.34% of total OCIP assets.

STATEMENT OF ACTIVITY
We have attached the Statement of Activity for the months of April, May and June 2022. (Attachment C). These Statements report the beginning and ending balances of the Commission's funds invested in the OCIP.

<u>Attachments:</u>

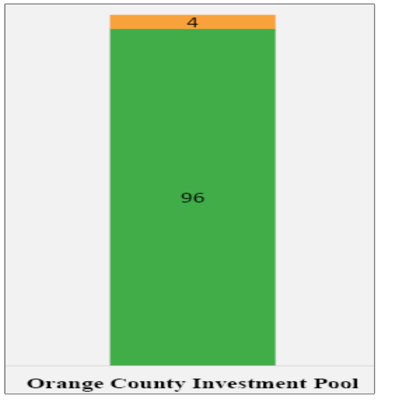
A. Orange County Investment Pool Summary
B. Investment Policy and Treasury Oversight Committee Compliance Summary for July, August and September 2022
C. Statement of Activity for the months of July, August, and September 2022
D. Report of the Schedule of Assets Held by the County Treasury as of June 30, 2021
E. Review of the Schedule of Assets Held by the County Treasury as of March 31, 2022
F. Management Letter on Review of the Schedule of Assets Held by the County Treasury as of March 31, 2022
G. Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2022

ATTACHMENT A

ORANGE COUNTY TREASURER-TAX COLLECTOR
ORANGE COUNTY INVESTMENT POOL
INVESTMENT POOL SUMMARY
AT September 30, 2022

OCIP PORTFOLIO COMPOSITION

Security Type	Market Value[1]	% of Market Value	Book Value[1]	Unrealized Gain (Loss)
U.S. GOVERNMENT AGENCIES	2,351,180,918	43.96%	2,391,299,315	(40,118,397)
U.S. TREASURIES	$ 1,959,598,814	36.64%	$ 2,037,828,154	$ (78,229,340)
MONEY MARKET MUTUAL FUNDS	824,566,418	15.42%	824,566,418	-
MUNICIPAL DEBT	178,509,748	3.34%	180,044,322	(1,534,574)
LOCAL AGENCY INVESTMENT FUND	34,319,787	0.64%	34,319,787	-
TOTAL	$ 5,348,175,685	100.00%	$ 5,468,057,996	$ (119,882,311)



SUMMARY OF INVESTMENT DATA
INVESTMENT TRENDS
OCIP

	SEPTEMBER 2022	AUGUST 2022	INCREASE (DECREASE)	NET CHANGE %	SEPTEMBER 2021	INCREASE (DECREASE)	NET CHANGE %
Orange County Investment Pool (OCIP)							
End Of Month Market Value[1]	$ 5,348,175,685	$ 5,204,838,405	$ 143,337,280	2.75%	$ 5,041,145,300	$ 307,030,385	6.09%
End Of Month Book Value[1]	$ 5,468,057,996	$ 5,306,693,411	$ 161,364,585	3.04%	$ 5,032,600,305	$ 435,457,691	8.65%
Monthly Average Balance	$ 5,297,263,888	$ 5,306,080,561	$ (8,816,673)	-0.17%	$ 4,988,413,528	$ 308,850,360	6.19%
Year-To-Date Average Balance	$ 5,452,758,289	$ 5,530,505,489	$ (77,747,200)	-1.41%	$ 5,062,032,513	$ 390,725,776	7.72%
Monthly Accrued Earnings[2]	$ 5,891,744	$ 4,774,583	$ 1,117,161	23.40%	$ 2,359,210	$ 3,532,534	149.73%
Monthly Net Yield[2]	1.260%	0.979%	0.281%	28.70%	0.504%	0.756%	150.00%
Year-To-Date Net Yield[2]	1.002%	0.882%	0.120%	13.59%	0.471%	0.531%	112.76%
Annual Estimated Gross Yield[3]	1.860%	1.860%	0.000%	0.00%	0.523%	1.337%	255.64%
Weighted Average Maturity (WAM)4	254	258	(4)	-1.55%	403	(149)	-36.97%

1 Market values provided by Bloomberg and Northern Trust. Market values for OCIP is lower than book values. Short-term rates have risen sharply causing the market values on these pools to be slightly below book values. The OCIP has sufficient liquidity to meet projected cash flow needs.

2 The OCIP Monthly Accrued Earnings, Monthly Net Yields and Year-To-Date Net Yields are higher than the prior month and year due to purchases at higher interest rates.

3 The OCIP Annual Estimated Gross Yield is higher than the prior year due to the 3.00% of the FOMC short-term rate increases. The OCIP Annual Estimated Gross Yields for September 2021 are reported at the actual annual gross yields for FY 21-22.

4 The OCIP WAM decreased from the prior year due to shorter term purchases as the FOMC is expected to significantly increase short-term rates for the next several months.

ATTACHMENT B

ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
July 31, 2022

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2021 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	June 30, 2022 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2021 completed.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	March 31, 2022 completed.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013 and IPS Section XVI.	FY 21/22 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2021 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2022 IPS certifications received for all approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	FY 22/23 identified zero compliance incidents as of July 31, 2022.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed Bylaws changes at the October 28, 2021 meeting and approved the Bylaw changes. BOS approved on December 14, 2021.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2021 meeting and provided input on the proposed IPS changes. BOS approved on December 14, 2021.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2021 Annual Report was approved at the BOS meeting on March 8, 2022.
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, 2021.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	2022 Certificates of Compliance received for all TOC members.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	2022 training for TOC members in progress.
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 2021. One designated former employee has not filed after leaving office in calendar year 2021.

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, 2022

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2021 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	June 30, 2022 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2021 completed.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	March 31, 2022 completed.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013 and IPS Section XVI.	FY 21/22 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2021 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2022 IPS certifications received for all approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	FY 22/23 identified zero compliance incidents as of August 31, 2022.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed Bylaws changes at the October 28, 2021 meeting and approved the Bylaw changes. BOS approved on December 14, 2021.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2021 meeting and provided input on the proposed IPS changes. BOS approved on December 14, 2021.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2021 Annual Report was approved at the BOS meeting on March 8, 2022.
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, 2021.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	2022 Certificates of Compliance received for all TOC members.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	2022 training for TOC members in progress.
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 2021. One designated former employee has not filed after leaving office in calendar year 2021.

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, 2022

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2021 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	June 30, 2022 completed.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2021 completed.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	March 31, 2022 completed.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013 and IPS Section XVI.	FY 21/22 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2021 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2022 IPS certifications received for all approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	FY 22/23 identified zero compliance incidents as of September 30, 2022.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed Bylaws changes at the October 28, 2021 meeting and approved the Bylaw changes. BOS approved on December 14, 2021.
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TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2021 Annual Report was approved at the BOS meeting on March 8, 2022.
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Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	2022 Certificates of Compliance received for all TOC members.
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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 2021. One designated former employee has not filed after leaving office in calendar year 2021.

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

ATTACHMENT C

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

octreasurer.com/publicfunds
July 31, 2022

FIRST 5 ORANGE COUNTY
Attn: Kimberly Goll, Executive Director
1505 E. 17th Street, Suite 230
Santa Ana, CA 92705

Fund Number : 225

JULY 2022 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

Transaction Date	Transaction Description		Amount
07/01/2022	June 2022 Investment Admin Fee	$	(1,070.97)
07/27/2022	April 2022 Interest Paid	$	29,470.17

Summary

Total Deposit:	$	448,969.29	Beginning Balance:	$	66,349,555.59
Total Withdrawal:	$	(591,826.61)	Ending Balance:	$	66,206,698.27

ATTACHMENT C

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

octreasurer.com/publicfunds

August 31, 2022

FIRST 5 ORANGE COUNTY
Attn: Kimberly Goll, Executive Director
1505 E. 17th Street, Suite 230
Santa Ana, CA 92705

Fund Number : 225

AUGUST 2022 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

Transaction Date	Transaction Description		Amount
08/01/2022	July 2022 Investment Admin Fee	$	(3,121.14)
08/29/2022	May 2022 Interest Paid	$	35,067.13

Summary

Total Deposit:	$	67,975,421.39	Beginning Balance:	$	66,206,698.27
Total Withdrawal:	$	(68,070,525.45)	Ending Balance:	$	66,111,594.21

ACCRUED INVESTMENT INCOME

Description		Amount
June 2022 Interest Accrued	$	40,800.70
July 2022 Interest Accrued	$	42,673.28
Total	$	83,473.98

August 2022 Interest to be accrued in September 2022	$	59,027.47

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

octreasurer.com/publicfunds

September 30, 2022

FIRST 5 ORANGE COUNTY
Attn: Kimberly Goll, Executive Director
1505 E. 17th Street, Suite 230
Santa Ana, CA 92705

Fund Number : 225

SEPTEMBER 2022 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

Transaction Date	Transaction Description		Amount
09/01/2022	August 2022 Investment Admin Fee	$	(3,140.26)
09/28/2022	June 2022 Interest Paid	$	40,800.70

Summary

Total Deposit:	$	74,621.19	Beginning Balance:	$	66,111,594.21
Total Withdrawal:	$	(3,096,762.91)	Ending Balance:	$	63,089,452.49

Report of the Schedule of Assets
Held by the County Treasury
June 30, 2021

Orange County Treasury

EideBailly

CPAs & BUSINESS ADVISORS

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, 2021, 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, 2021, 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 July 27, 2022, 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.

Eide Bailly LLP

Laguna Hills, California
July 27, 2022

Orange County Treasury
Schedule of Assets Held by the County Treasury
(Dollar Amounts in Thousands)
June 30, 2021

	OCIF		
	Pooled	Specific Investments	Total
Cash on Hand and in Banks	$ 199,037	$ 17,253	$ 216,290
Investments at Fair Value	10,739,371	112,334	10,851,705
Total assets	$ 10,938,408	$ 129,587	$ 11,067,995

See Notes to Financial Schedule

Note 1 - Summary of Significant Accounting Policies

CASH AND INVESTMENTS:
The accompanying Schedule of Assets Held by the County Treasury (Schedule) is intended to separately report cash 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, 2021 publication of the County's Annual Comprehensive Financial 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 though pooled investment activities. In addition, the OCIF includes other non-pooled specific investment accounts. The pooled funds are not registered with the Securities and Exchange Commission ("SEC") as an investment company. The OCIF do not have any legally binding guarantees of share values.

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 Statement's modified cash basis primarily differs from the cash basis of accounting by the amount of outstanding checks of $151,868 at June 30, 2021.

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 - Cash and Investments

The elected 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 (OCIF – Pooled Funds) and various non-pooled accounts, which by law, are defined as the Orange County Treasury. The non-pooled funds are called Specific Investments and include the John Wayne Airport Investment Fund (JWA).

The Treasurer further invests OCIF - Pooled Funds into three funds, the Orange County Money Market Fund (OCMMF), the Orange County Educational Money Market Fund (OCEMMF), and the Extended Fund.

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. Cash in Banks

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 Department of Financial Protection and Innovation. 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

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, 2021, the Treasurer was in full compliance with the more restrictive IPS for the OCIF - Pooled Funds and Specific Investments accounts.

(Dollar Amounts in Thousands)

The following table provides a summary listing of the authorized investments as of June 30, 2021.

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	$75 million per account	State limit (currently $75 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
JPA 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

(Dollar Amounts in Thousands)

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 - Pooled Funds are marked-to-market on a daily basis.

Unless otherwise required in a trust agreement or other financing document, 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, 2021, the OCIF - Pooled Funds includes approximately 54.8% of these involuntary participant deposits. Involuntary (Education Code Sections 41001 and 41002) and other external pool participant funds (Government Code Section 27001.1) are deemed to be held in trust and such funds shall not be deemed funds or assets of the County and the relationship of the depositing entity and the County shall not be one of creditor-debtor.

Investment Disclosures

The following table presents a summary of the Orange County Treasury investments, the credit quality distribution, and concentration of credit risk by investment type as a percentage of the fair value at June 30, 2021.

With Treasurer: OCIF	Fair Value	Principal	Interest Rate Range (%) [3]	Maturity Range	Weighted Average Maturity (Years)	Ratings [1]	% of Portfolio
U.S. Treasuries	$ 4,047,760	$ 4,059,600	0.002-2.985%	07/01/2021-01/31/2026	0.541		37.69%
U.S. Government Agencies	4,354,034	4,329,284	0.001-3.092%	07/02/2021-11/28/2025	0.500	AA	40.55%
Municipal Debt	484,800	484,800	0.304-0.398%	07/30/2021-04/29/2022	0.021	NR	4.51%
Medium-Term Notes	17,055	17,035	1.702%	08/08/2021	0.000	AA	0.16%
Local Agency Investment Fund	74,089	74,089	0.262%	07/01/2021	0.000	NR	0.69%
Money Market Mutual Funds	1,761,633	1,761,633	0.026%	07/01/2021	0.000	AAA	16.40%
	$ 10,739,371	$ 10,726,441			1.062	[2]	100.00%

With Treasurer: Specific Investments	Fair Value	Principal	Interest Rate Range (%) [3]	Maturity Range	Weighted Average Maturity (Years)	Ratings [1]	% of Portfolio
U.S. Treasuries	$ 43,244	$ 42,500	0.025-2.908%	07/13/2021-02/15/2036	0.785		38.50%
U.S. Government Agencies	64,338	61,021	0.015-3.480%	07/12/2021-11/02/2035	2.140	AA	57.27%
Money Market Mutual Funds	4,752	4,752	0.010-0.026%	07/01/2021	0.000	AAA	4.23%
	$ 112,334	$ 108,273			2.925	[2]	100.00%

(1) The County Treasurer 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 Treasurer 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.

(3) Interest Rate Range for OCIF and Specific Investments are purchase yield rates.

(Dollar Amounts in Thousands)

Fair Value Measures

The County Treasurer 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 Treasurer'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 Treasurer 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 Orange County Treasury's investments according to the assigned fair value hierarchy level as of June 30, 2021.

		Fair Value Measurement		
OCIF	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	$ 4,047,760	$ -	$ 4,047,760	$ -
U.S. Government Agencies	4,354,034	-	4,354,034	-
Medium-Term Notes	17,055	-	17,055	-
Municipal Debt	484,800	-	-	484,800
Total	$ 8,903,649	$ -	$ 8,418,849	$ 484,800
Investments Not Subject to Fair Value Hierarchy:				
Money Market Mutual Funds	$ 1,761,633			
Local Agency Investment Fund	74,089			
Total	$ 10,739,371			
Specific Investments				
U.S. Treasuries	$ 43,244	$ -	$ 43,244	$ -
U.S. Government Agencies	64,338	-	64,338	-
Total	$ 107,582	$ -	$ 107,582	$ -
Investments Not Subject to Fair Value Hierarchy:				
Money Market Mutual Funds	$ 4,752			
Total	$ 112,334			

Investment in County of Orange Taxable Pension Obligation Bonds 2021, Series A

On January 14, 2021, the OCIF - Pooled Funds purchased the County issued Taxable Pension Obligation 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 the pooled funds in the OCIF. 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 June 30, 2021, the outstanding principal amount of the 2021 POBs is $484,800. The bonds are not rated by any of the NRSROs. The OCIF – Pooled Funds investment in the 2021 POBs is disclosed herein as Municipal Debt.

Interest Rate Risk

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. 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 OCIF- Pooled Funds are presented in the table in the Investment Disclosures section. The OCIF - Pooled Funds at June 30, 2021 has 52.6% of investments maturing in six months or less and 47.4% maturing between six months and five years. As of June 30, 2021, the OCIF - Pooled Funds has no variable-rate notes.

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

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. Both the OCMMF and the OCEMMF have received the highest-level Principal Stability Fund rating of AAAm by Standard and Poor's. These Funds represent 10.5% of the total OCIF – Pooled Funds with a fair value of $1,127,948. As of June 30, 2021, the Orange County Treasury's investments in OCIF were in compliance with the IPS limits when purchased.

(Dollar Amounts in Thousands)

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, 2021, all OCIF investments were in compliance with state law and the IPS single issuer limits. See the Orange County Treasury's investments table for concentrations of holdings. The following holdings in OCIF -Pooled Funds exceeded five percent of the portfolio at June 30, 2021.

Investment Type	Issuer	Fair Value	Portfolio %
U.S. Government Agencies	Federal Home Loan Bank (FHLB) Bonds	1,870,731	17.42%
	Federal Farm Credit Bank (FFCB)	1,441,321	13.42%
	Federal National Mortgage Association (FNMA)	614,894	5.73%

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: On December 14, 2021, the Board of Supervisors (BOS) adopted Resolution 21-147 approving the 2022 Investment Policy Statement (IPS) that delegated the investment and deposit for safekeeping authority to the Treasurer-Tax Collector for calendar year 2022. The main changes to the 2022 IPS were adding a name for the OCIF -Pooled Funds as the Orange County Treasurer's Pool (OCTP), updating compliance to be required on OCTP versus on each individual pool and removing the references to long-term and short-term pools as currently all three pools have significant liquidity used to meet County and Educational cash flow outflows.

Investment in County of Orange Taxable Pension Obligations Bonds 2022, Series A: On January 13, 2022, the OCIF - Pooled Funds purchased the County issued Taxable Pension Obligations Bonds 2022, Series A (2022 POBs) in the principal amount of $521,784. The 2022 POBs were issued with a fixed coupon rate and with maturities from July 2022 to April 2023 and are solely owned by OCIF. The obligation of the county to pay principal and interest on the 2022 POBs is an obligation imposed by law and is absolute and unconditional. As of the report date, the outstanding principal amount of the 2022 POBs was $521,784. The bonds are not rated by any of the NRSROs.

Standard & Poor's (S&P) reaffirmation of "AAAm": On November 22, 2021 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, 2021, and the related notes to the Schedule, and have issued our report thereon dated July 27, 2022.

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 County Treasury'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.

Eide Bailly LLP

Laguna Hills, California
July 27, 2022

ATTACHMENT E

Frank Davies, CPA

Orange County Auditor-Controller

Review of the Schedule of Assets Held by the County Treasury as of March 31, 2022

Audit Manager: Michael Steinhaus, CPA, CIA, CISA
Auditor II: John C. Lim, CIA

Internal Audit

Audit Number 2108
Report Date: July 12, 2022

OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2108

July 12, 2022

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

SUBJECT: Review of the Schedule of Assets Held by the County Treasury as of March 31, 2022

We have completed our Review of the Schedule of Assets Held by the County Treasury as of March 31, 2022. 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
- Frank Kim, County Executive Officer
- Shari Freidenrich, Treasurer-Tax Collector
- James Kim, Assistant Treasurer-Tax Collector
- Christine Herrera, Director of Treasury, Treasurer-Tax Collector
- Salvador Lopez, Chief Deputy Auditor-Controller
- Michael Steinhaus, Audit Manager
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditor

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PHONE: (714) 834- 2450 • FAX: (714)834-2569 • WWW.OCAUDITOR.COM

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, 2022, 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 Treasury management and the Board of Supervisors in a separate management letter.

Frank Davies, CPA
Auditor-Controller
July 12, 2022

Orange County Treasury
Schedule of Assets Held by the County Treasury
As of March 31, 2022
(Dollar Amounts in Thousands)

		TOTAL
Cash on Hand and in Banks	$	174,676
Pooled Investments		12,161,210
Specific Investment Accounts		110,122
TOTAL ASSETS	**$**	**12,446,008**

ATTACHMENT F

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 March 31, 2022

Audit Number 2108
Report Date: July 27, 2022

Audit Manager: Michael Steinhaus, CPA, CIA, CISA
Auditor II: John C. Lim, CIA

OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2108

July 27, 2022

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

SUBJECT: Management Letter on Review of the Schedule of Assets Held by the County Treasury as of March 31, 2022

We have completed our Review of the Schedule of Assets Held by the County Treasury as of March 31, 2022, and have issued our report thereon dated July 12, 2022. We identified one control issue 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 March 31, 2022. 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.

Frank Davies, CPA
Auditor-Controller

Other recipients of this report:
Members, Audit Oversight Committee
Frank Kim, County Executive Officer
Shari Freidenrich, Treasurer-Tax Collector
James Kim, Assistant Treasurer-Tax Collector
Christine Herrera, Director of Treasury, Treasurer-Tax Collector – Treasury
Salvador Lopez, Chief Deputy Auditor-Controller
Michael Steinhaus, Audit Manager
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Eide Bailly LLP, County External Auditor

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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 March 31, 2022, pursuant to Government Code Section 26920(a) and have issued our report thereon dated July 12, 2022.

In performing our review, we identified one issue 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 July 12, 2022.

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 T-TC management and their response has been incorporated into this letter. T-TC management'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
July 27, 2022

Management Letter

Finding #1: Accounts Not Recorded in Quantum
Control 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 with the cash and investment accounts as stated on the treasurer’s books… to determine that the amounts in those accounts as stated on the books of the treasurer [Quantum] are in agreement with the amounts in those accounts as stated on the books of the auditor [CAPS+].” 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 March 31, 2022, we noted two Sheriff accounts totaling $11,378,951 and two John Wayne Airport accounts totaling $7,620,332 were reported on the Schedule of Assets as of March 31, 2022, but were not stated on the books of the treasurer (Quantum).

Cause
In July 2016, T-TC transferred certain monies from the pooled investment funds to separate and individual bank accounts because of a Federal audit recommendation received by the Sheriff’s Department that required those monies to be kept separate from other County monies. This event triggered a review by T-TC of other similar accounts held independently by John Wayne Airport in a separate bank account. T-TC has included these accounts in their Schedule of Assets since July 31, 2016.

According to T-TC management, these accounts were not recorded in Quantum due to a system limitation. T-TC planned to add them during their Quantum upgrade, which was originally expected to be completed in 2017. Phase 1 of the upgrade was finalized in September 2021 and T-TC planned on adding these accounts to Quantum by February 28, 2022.

Effect
These accounts totaling $18,999,283 are included in the Schedule of Assets as of March 31, 2022, but could not be reconciled pursuant to Government Code Section 26905 because they were 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.

Treasurer-Tax Collector Management's Response

Since 2016, the T-TC has and continues to properly report all assets (including all County Treasury bank accounts) of the County Treasury in the Treasurer's books and in the Quarterly Schedule of Assets reports using the modified cash basis of accounting. The Treasurer's books include cash and investment balances in Quantum and any reconciling items, including these County Treasury stand-alone bank accounts. T-TC management did complete the set-up of these bank accounts in Quantum on April 27, 2022 during the post go-live phase of the recent Quantum upgrade.

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.

OFFICE OF THE TREASURER-TAX COLLECTOR
SHARI L. FREIDENRICH, CPA, CCMT, CPFA, ACPFIM

POST OFFICE BOX 4515
SANTA ANA, CA 92702-4515
octreasurer.com

INTERDEPARTMENTAL COMMUNICATION

Date: July 26, 2022

To: Frank Davies, CPA, Auditor-Controller

From: Shari L. Freidenrich, CPA, Treasurer-Tax Collector

Subject: Response to Management Letter on Review of the Schedule of Assets Held by the County Treasury as of March 31, 2022

We have provided our response to the single finding in the management report.

Finding #1: Accounts Not Recorded in Quantum
Condition
During our review of the Treasurer-Tax Collector (T-TC) bank reconciliation as of March 31, 2022, we noted two Sheriff accounts totaling $11,378,951 and two John Wayne Airport accounts totaling $7,620,332 were reported on the Schedule as of March 31, 2022, but were 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.

Treasurer-Tax Collector Response
Since 2016, the T-TC has and continues to properly report all assets (including all County Treasury bank accounts) of the County Treasury in the Treasurer's books and in the Quarterly Schedule of Assets reports using the modified cash basis of accounting. The Treasurer's books include cash and investment balances in Quantum and any reconciling items, including these County Treasury stand-alone bank accounts. T-TC management did complete the set-up of these bank accounts in Quantum on April 27, 2022 during the post go-live phase of the recent Quantum upgrade.

Please contact myself and James Kim if you have any questions.

Cc: James Kim, Assistant Treasurer-Tax Collector
Michael Steinhaus, CPA, Audit Manager

Mission: Ensure safe and timely receipt, deposit, collection and investment of public funds.

ATTACHMENT G

Frank Davies, CPA

Orange County Auditor-Controller

Internal Audit

Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2022

Audit Number 2203
Report Date: September 29, 2022

Audit Manager: Michael Steinhaus, CPA, CIA, CISA
Auditor II: John C. Lim, CIA

OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2203

September 29, 2022

TO: Members, Treasury Oversight Committee

SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2022

At the request of the Treasury Oversight Committee, we have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended June 30, 2022. 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, Board of Supervisors
- Members, Audit Oversight Committee
- Frank Kim, County Executive Officer
- Shari Freidenrich, Treasurer-Tax Collector
- James Kim, Assistant Treasurer-Tax Collector
- Brian Winn, Accounting/Compliance Manager
- Salvador Lopez, Chief Deputy Auditor-Controller
- Michael Steinhaus, Audit Manager
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditors

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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 June 30, 2022. 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 are the Orange County Treasurer’s Pool (OCTP) and John Wayne Airport (JWA) Investment Fund. The Treasurer invests pooled funds from the OCTP 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.

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 per 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.

Frank Davies, CPA
Auditor-Controller
September 29, 2022