



Agenda Item 3
May 4, 2016

DATE: April 26, 2016

TO: Children and Families Commission of Orange County

FROM: Christina Altmayer, Executive Director 

SUBJECT: Commission Investment Policy, Delegation of Investment Authority to County Treasurer and Quarterly Investment Report

ACTION: Adopt resolution acknowledging receipt of the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the Commission Treasurer for Fiscal Year 2016/17.

SUMMARY:

The Children and Families Commission of Orange County annually reviews the Commission's Investment Policy Statement and the delegation of the investment authority to the County Treasurer. All Commission funds are managed as part of the Orange County Investment Fund (OCIF). As approved by the Commission in May 2012, the Commission does not operate a separate investment program but delegates authority to the Orange County Treasurer.

Pursuant to California Government Code Section 53646, a Quarterly Investment Report is presented to the Commission to summarize investment activities and report on overall performance of the OCIF for the period. This item reconfirms the delegated investment authority to the Orange County Treasurer, presents the Children and Families Commission of Orange County Investment Policy Statement for fiscal year 2016/17, and provides the Quarterly Investment Report for January through March 2016.

DISCUSSION:

Annual Delegation of Investment Authority to Commission Treasurer

Pursuant to Government Code Section 53607, the Commission may delegate the investment authority to a designated Treasurer for a one-year period and must renew the delegation of authority each year. In May 2012, the Orange County Treasurer was first designated to serve as the Commission's Treasurer for the balance of fiscal year 2011/12, and investment authority was delegated to the Orange County Treasurer. The delegation included the authority to manage, deposit and invest Commission funds not required for the immediate needs of the Commission. Formally reappointing the Orange County Treasurer as the Commission Treasurer and delegating authority to manage, deposit and invest Commission funds for fiscal year 2016/17 in accordance with Government Code Section 53607 is recommended.

Investment Policy Statement

California Government Code contains specific provisions regarding the types of investments and practices permitted after considering the broad requirement of preserving principal and maintaining

liquidity before seeking yield. The Commission, as a local agency may invest only in those instruments specified by State law.

By statute, consideration of the Children and Families Commission of Orange County Investment Policy Statement is annually required. In May 2015, the Commission adopted the Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2015/16 prepared by the Orange County Treasurer's office. The policy statement is designed to be in compliance with State law and provided the flexibility to explore specific investments when directed by the Commission. Minor revisions to the policy statement are recommended for fiscal year 2016/17. The Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2016/17 is included with this staff report as Attachment 1.

Quarterly Investment Report

The attached investment report summarizes Commission investment activities for the period January 1 through March 31, 2016 (Attachment 2). Beginning quarterly cash balance was \$55,497,343 and the ending cash balance was \$53,140,198. Fiscal year-to-date net yield as of March 31, 2016 is .54 percent. Portfolio performance information, an economic update, and monthly statements are provided in the attached report.

The March 31, 2016 cash balance includes funds anticipated to be paid for programs, operations and catalytic projects through June 30, 2016, approximately \$12 million held for sustainability as outlined in the Long-Term Financial Plan, and remaining catalytic funds to be drawn through 2025. All cash balances are currently held in the Orange County Investment Fund. Potential alternative investment opportunities will continue to be monitored through the Orange County Treasurer. Any alternative investments strategies would be presented to the Commission for approval.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions presented in this staff report have been reviewed in relation to the Commission's Strategic Plan and are consistent with all strategic goals.

PRIOR COMMISSION ACTIONS

- May 2015 - Considered the Children and Families Commission of Orange County Investment Policy Statement FY 2015/16 and delegated annual investment authority to the Orange County Treasurer.
- May 2012 - Orange County Treasurer designated to serve as the Commission's Treasurer.

RECOMMENDED ACTIONS:

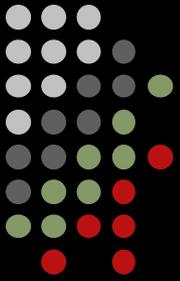
1. Receive and review the Children and Families Commission of Orange County Investment Policy Statement for Fiscal Year 2016/17.
2. Adopt resolution (Attachment 3) to acknowledge receipt of and consider the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the Commission Treasurer to manage, deposit, and invest Commission funds, not required for the immediate needs of the Commission, for fiscal year 2016/17.

3. Direct the Children and Families Commission/Orange County Treasurer to continue to report Commission investment transactions and activities in the Quarterly Investment Reports.

ATTACHMENTS:

1. Presentation
2. Commission Investment Policy and Delegation of Authority Memo
3. Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2016/17
4. Quarterly Investment Report, January – March 2016
5. Resolution

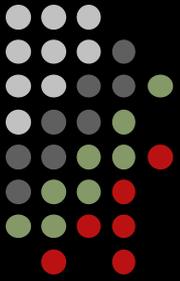
Contact: Michael Garcell



**Children & Families Commission of Orange County
(CFCOC)
Annual Investment Update
May 4, 2016**

Presentation by
Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
Treasurer-Tax Collector
County of Orange

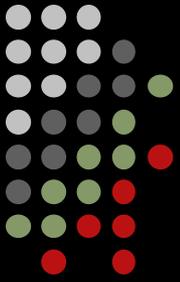
Overview



- CFCOC Investments
 - CFCOC Investment Policy Statement
 - CFCOC Trends
 - Investment Balances
 - Investment Types
 - Investment Ratings
 - Investment Yields
- Other OCIP Information



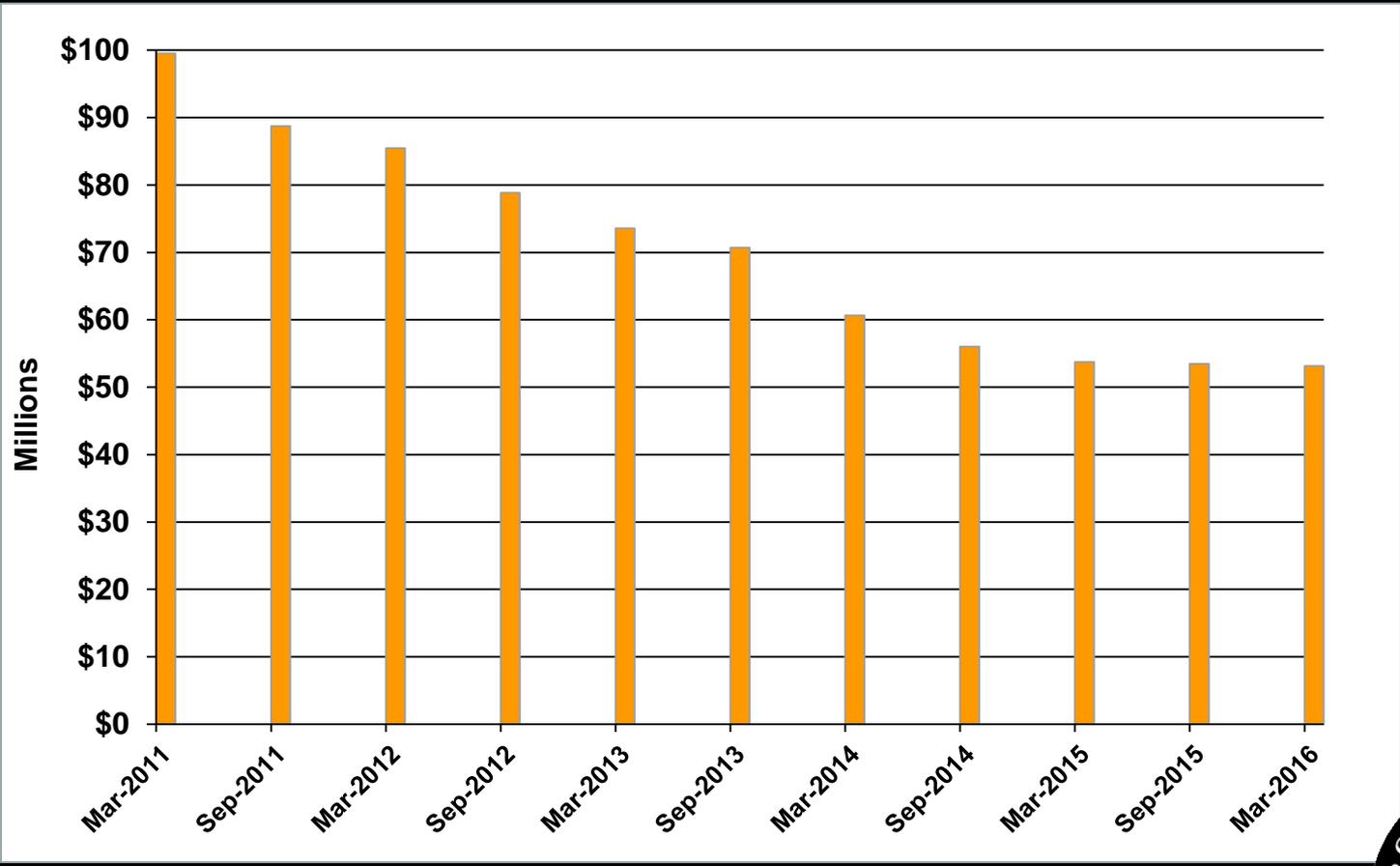
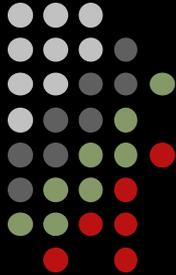
CFCOC Investment Policy Statement



- Authorized Investments
 - Orange County Investment Pool (100%)
 - Exempt from new SEC Money Market rules on floating NAV
 - Certificates of Deposit (30%)
 - “AAA” rated Money Market Mutual Funds (20%)
 - U.S. Treasury Securities (100%)
 - U.S. Government Agency Securities (100%)
 - Municipal Debt (20%)



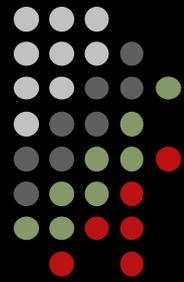
CFCOC Investment Balances



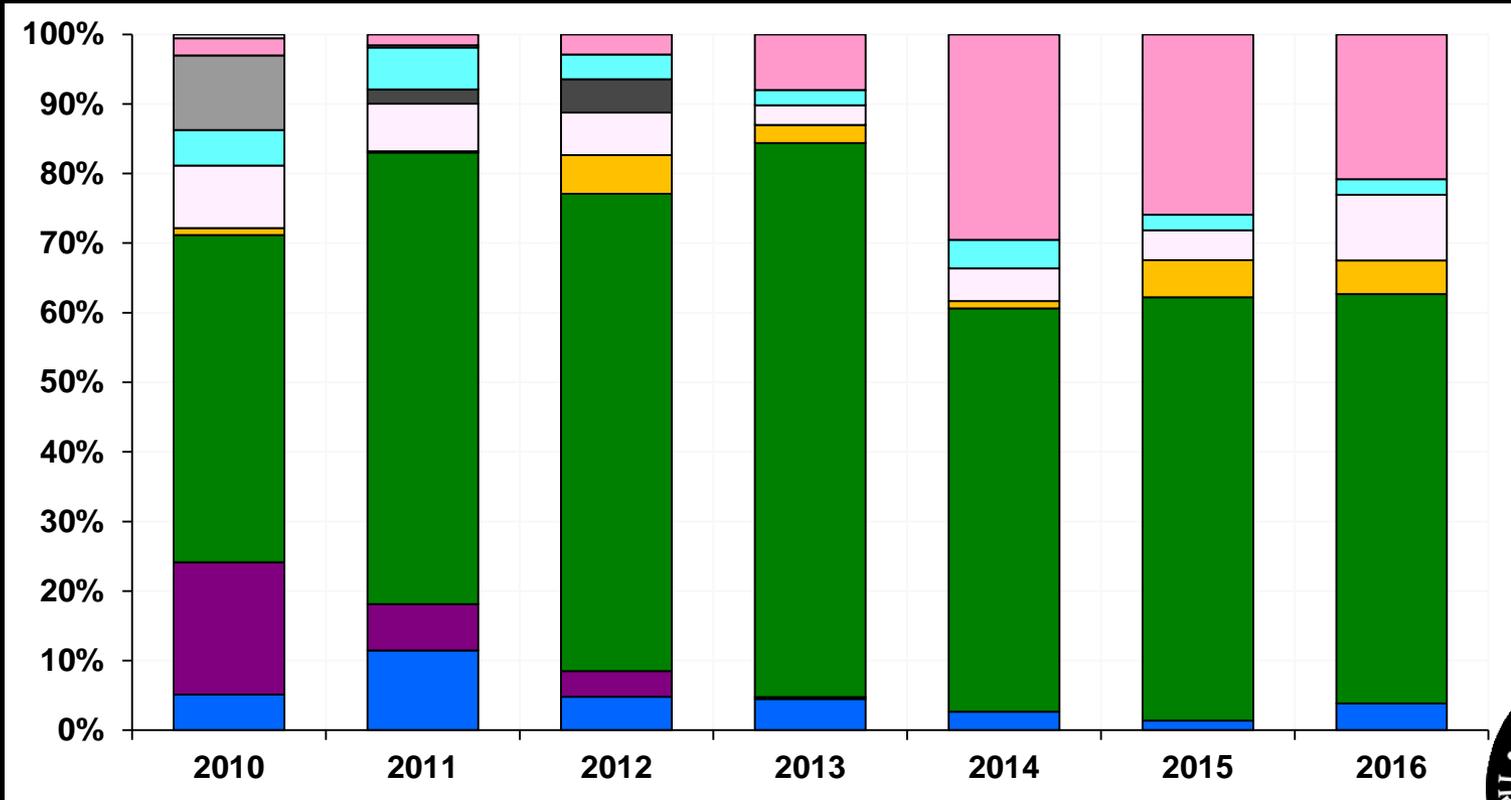
CFCOC

Investment Types

As of March 31, 2016



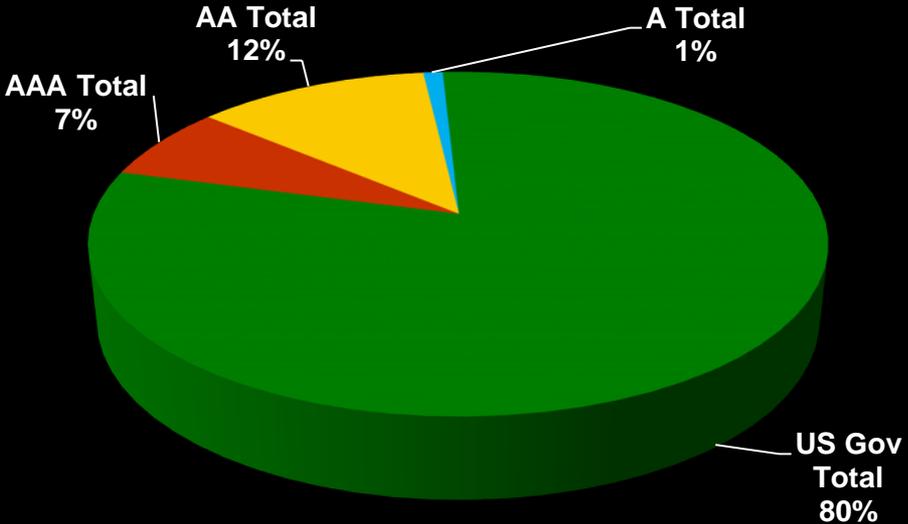
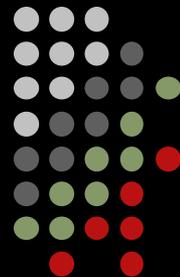
\$128.7 mil. \$97.3 mil. \$85.5 mil. \$73.6 mil. \$60.7 mil. \$53.7 mil. \$53.1 mil.



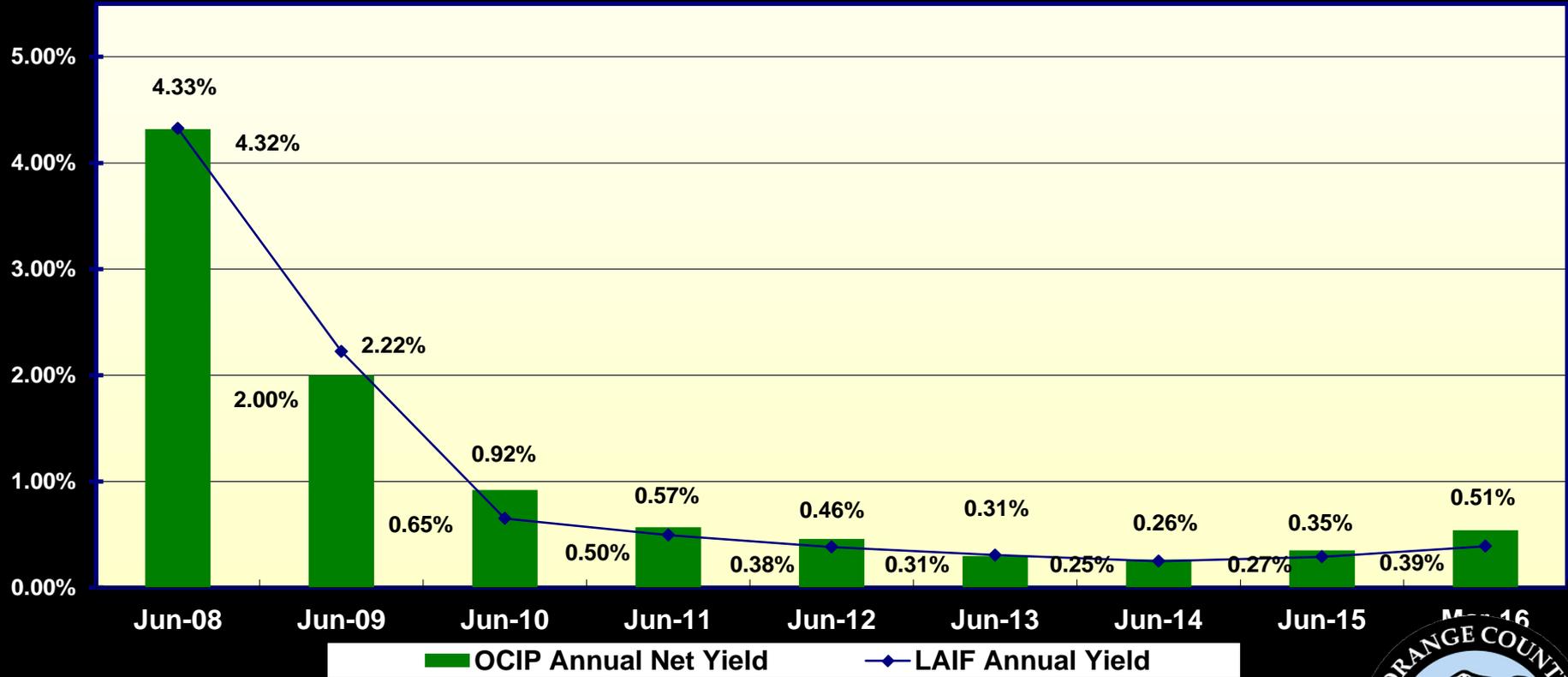
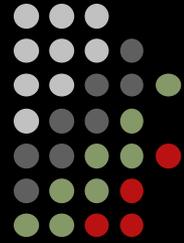
- ASSET - BACKED SECURITIES
- U.S. GOVERNMENT AGENCIES
- MEDIUM - TERM NOTES - FDIC
- U.S. TREASURIES
- CERTIFICATES OF DEPOSIT
- MONEY MARKET FUNDS
- MUNICIPAL DEBT
- COMMERCIAL PAPER
- MEDIUM - TERM NOTES
- REPURCHASE AGREEMENT



CFCOC Investment Ratings As of March 31, 2016

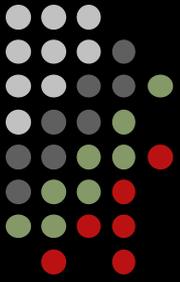


CFCOC Investment Yields OCIP vs. LAIF

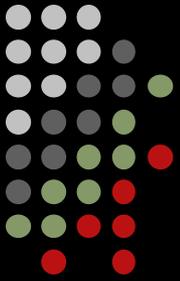


Other OCIP Information

- County Treasurer Responsibilities
- Ownership of Pool Funds
- OCIP Pool Trends
- Pool Participant Debt
- Investment Oversight



County Treasurer Responsibilities



- Trustee/Fiduciary of Public Funds
- Invest based on “Prudent Investor” Standard
- Public Funds Investing Objectives
 - Safety, Liquidity, Yield
- County Pools Operate in the Public Interest (Government Code 27130)
 - Consolidating investment activities
 - Reducing duplication
 - Achieving economies of scale
 - Carrying out consolidated investment strategies
 - Provides a liquidity option for local government agencies



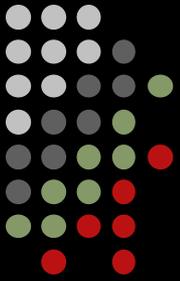
Ownership of Pool Funds



- Government Code Section 27100.1
 - Legislation enacted specifically to clarify the status of these funds should a County file for bankruptcy
 - Funds held in trust are not funds or assets of the County
 - Relationship shall not be one of creditor-debtor
 - County Treasurer is trustee and fiduciary for depositing agency
 - No correlation between OC General Fund funds & each agency funds
 - Funds recorded individually in separate accounts
 - Memo on website
- Government Code Section 53684 (e)
 - Participant funds can't be seized by County Official



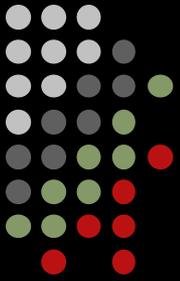
OCIP Pool Trends



	3/31/2016	3/31/2015	3/31/2011
Assets	\$4.06 billion	\$3.77 billion	\$3.59 billion
Weighted Average Maturity (WAM)	333 days	366 days	294 days
Liquidity	Daily	Daily	3 Days
Expenses in Basis Points	7	7	10
YTD Net Yield	0.54%	0.39%	0.67%



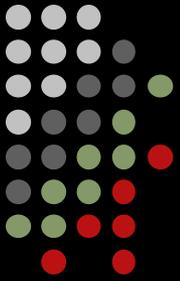
Pool Participant Debt



- Investment in County of Orange Bonds (\$179 million)
 - \$25 Million Pension Obligation Bonds 2015 Series A
 - 0.80% Interest Yield
 - Rated AA
 - Maturing on 6/30/2016
 - \$154 Million Pension Obligation Bonds 2016 Series A
 - 0.75% to 1.21% Interest Yield Range
 - Rated AA
 - 08/01/2016 to 6/30/2017 Maturity Range

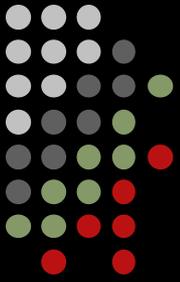


OCIP Oversight



- Daily Internal Compliance checked by Treasury Division
- Automated pre- and post-trade compliance with Bloomberg software
- Daily/weekly/monthly/quarterly review of all approved issuers
- Treasury Investment Committee - Bi-Weekly
- Investment Credit Committee - As Needed
- Treasury Oversight Committee - Quarterly
 - Annual Written Report to Board of Supervisors
 - Meetings open to Pool participants / public
- Quarterly/Annual Audits - per Government Code
 - Annual Investment Compliance/Statement of Assets
 - No Audit Exceptions in the Last XX Years
- Various Internal Audits - internal controls
- Monthly written report to Board of Supervisors required
- Monthly report online - public and pool participants





Questions?





**OFFICE OF THE TREASURER-TAX COLLECTOR
SHARI L. FREIDENRICH, C.P.A.**

Attachment 2



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

INTERDEPARTMENTAL COMMUNICATION

Date: April 25, 2016
To: Children and Families Commission of Orange County
From: Shari Freidenrich, CFCOC Treasurer 
Subject: Meeting of May 4, 2016, Agenda Item No. 3
Consideration of Commission Investment Policy and Delegation of Authority

As Treasurer for the Children and Families Commission of Orange County (Treasurer) I am submitting the Children and Families Commission of Orange County Investment Policy Statement (CFCOC IPS) for Fiscal Year 2016/2017 that also delegates the investment authority to the Treasurer for approval by the Commission.

Delegation of Investment Authority: The Commission is vested with certain public funds investment authority and may delegate its investment authority to the Treasurer. If the Commission delegates its investment authority to the Treasurer, then the Treasurer shall thereafter assume full responsibility for such transactions, for a period of one year. Approval of this policy will ensure that the Treasurer will continue to be authorized to do the investing of the Commission's funds.

Compliance with CFCOC IPS: In accordance with the Fiscal Year 2015/2016 CFCOC IPS adopted on May 6, 2015, the Section entitled Policy Review states that an Investment Policy will be rendered annually, at the beginning of each fiscal year, to the Commission. The CFCOC IPS provides for investing in the Orange County Investment Pool, but also includes other investment types as allowed by California Government Code including U.S. Treasuries and U.S. Government Sponsored Agencies (GSE).

The Treasurer and investment and treasury staff have reviewed the CFCOC IPS and have proposed several minor changes based on a review of the County's Investment Policy Statement (IPS) changes for 2016 approved by the Board of Supervisors in late 2015. The changes consist of replacing the current Prudence section with the standard used in the Government Code, removing Municipal Debt as an authorized investment, increasing the percentage of GSE securities to 33% from 30%, adding the ability to use a laddered investment strategy out to five years only with U.S. Treasury or GSE securities, adding a section on disaster recovery, and adding a section on prohibited transactions that includes Money Market Mutual Funds that do not maintain a constant net asset value. In addition, local government investment pools, such as the Orange County Pool, are exempt from the floating NAV requirement in the new SEC Money Market Mutual Fund rules. Finally, the Treasurer is also reporting to the Commission that the County's Credit Investment Committee is expected to approve Supranational as an authorized issuer later this year and, if so, may consider adding it to next year's CFCOC IPS.

Audits of the Investments: The Treasurer is audited by the County Internal Audit Department (IAD) and the Auditor-Controller Internal Audit unit (ACIA) as required by Government Code Sections 27134, 26920(a) and 26920 (b). IAD has performed the Annual Examination of the Treasurer's Investment Compliance with Government Code for the calendar years 2011, 2012, 2013, 2014, and 2015 with no significant findings. The ACIA performed monthly Continuous Compliance Auditing of the Treasury Investment Portfolio for the months of January through July 2011 and quarterly audits starting with the quarter ended September 30, 2011, and every quarter through December 31, 2015 with no significant findings. The ACIA also performed an Annual Schedule of Assets audit in 2012, 2013, 2014, and 2015 with no significant findings noted.

The Treasurer will continue to work with the Commission and the Commission's Executive Director to ensure the annual IPS presented to the board meets the needs of the Commission. The Treasurer and staff are available to meet with the Commission and will be presenting a brief annual investment update at the upcoming Commission meeting.

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

**CHILDREN & FAMILIES COMMISSION OF ORANGE COUNTY
INVESTMENT POLICY STATEMENT
FISCAL YEAR 2016/2017**

POLICY

This Statement of Investment Policy is intended to outline the policies for the prudent investment of funds for the Children & Families Commission of Orange County, hereinafter referred to as “the Commission”, to meet the short and long term cash flow needs of the Commission. In accordance with Code Section 53646, the Treasurer will annually render to the Commission a statement of investment policy and such investment policy will be annually approved by the Commission.

The investment policy and practices are based upon prudent money management principles and State laws affecting the investment of funds. The County Treasurer (Treasurer) shall invest the Commission’s funds in a manner which will provide the maximum security of principal invested with secondary emphasis on providing adequate liquidity to meet cash flow needs, and to achieve a reasonable rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

SCOPE

This policy covers all funds and investment activities under the direct control of the Commission.

PRUDENCE

Government Code Sections 27000.3 and Section 53600.3 provides that the “prudent investor” standard is to be used by the Treasurer as a fiduciary of public funds. This standard provides that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the Commission and other depositors that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Commission and the other depositors. Within the limitation of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.

The Treasurer and/or authorized designees shall act in accordance with written procedures and within the intent and scope of the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported to the Commission in a timely fashion and appropriate action is taken to control adverse developments.

OBJECTIVE

The objective of the investment portfolio is to meet the short and long term cash flow demands of the Commission. To achieve this objective, the portfolio will be structured to provide Safety of Principal and Liquidity, while providing a reasonable Return on Investments.

A. Safety of Principal

Safety of principal is the foremost objective of the Commission. Investments of the Commission shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The Commission shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

1. Credit Risk: Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by diversifying the investments among issues and issuers so that the failure of any one issue or issuer would not result in a significant loss of income or principal.
2. Market Risk: Defined as the risk of market value fluctuations due to changes in the general level of interest rates. The risk of market value fluctuations shall be reduced by monitoring cash flows and maintaining a liquid component. Also, long term investments with final maturities up to five years or less may be purchased to match cash flow needs.

B. Liquidity

The portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that all funds mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio will maintain monies to be used for current operations (over next 6 months) in funds with daily liquidity, such as the Orange County Investment Pool.

C. Return on Investment

Return on investment is of least importance compared to the safety and liquidity objectives described above. The portfolio will provide a rate of return based on the market rates of investments, at the time of purchase.

DELEGATION OF AUTHORITY:

The Commission delegates to the Treasurer the authority to invest and reinvest the funds of the Commission as specified in California Government Code Sections 53607 and 53608. The Treasurer may further delegate investment authority to such persons within the Treasurer's Department as deemed appropriate. The Commission hereby authorizes the Treasurer and/or authorized designees, to invest the Commission's funds in accordance with California

Government Code Sections 53600 and 53684, et seq. as further limited by this Investment Policy and such investment authority must be renewed annually. Adoption of this policy constitutes delegation of investment authority to the Treasurer for the following year unless revoked in writing. Within the Treasurer's office, the responsibility for the day-to-day investment of the Commission funds will be the Treasurer and/or authorized designees. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

ETHICS AND CONFLICTS OF INTEREST

The Treasurer and/or authorized designees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. All individuals involved in the investment process shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Commission. The Treasurer and authorized designees are required to file annual disclosure statements as required for "public officials who manage public investments" (as defined and required by the Political Reform Act and related regulations, being Government Code Sections 81000 and the Fair Political Practices Commission (FFPC)).

AUTHORIZED BROKER DEALERS AND FINANCIAL INSTITUTIONS:

The Treasurer will maintain a list of broker/dealers and financial institutions authorized to provide investment and depository services and will perform an annual review of the financial condition and require annual audited financial statements to be on file for each company. Money market mutual fund accounts are restricted to funds that are rated "AAA" by at least two nationally recognized rating agencies.

AUTHORIZED INVESTMENTS

All investments under this Investment Policy shall be made in accordance with California Government Code Section 53600 et seq. to invest in specific types of securities. Investments not specifically listed below are prohibited.

Authorized investment instruments include:

- Certificates of Deposit (insured or collateralized)
- Orange County Investment Pool
- "AAA" 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), Resolution Trust Corporation (RTC), and Tennessee Valley Authority (TVA).

All Money Market Mutual Funds must be AAA rated by two NRSROs, invest only in direct obligations in US Treasury bills, notes, bonds, U.S. Government Agencies and repurchase agreements with a weighted average 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.

INVESTMENT POOLS:

The Treasurer will investigate all local government investment pools and money market mutual funds prior to investing and periodically thereafter. The Orange County Investment Pool (OCIP), managed by the Treasurer, is an authorized investment. The OCIP distributes a monthly report that includes the breakdown of the investment holdings, provides the maturity distribution and market value of the portfolio.

SAFEKEEPING

All security transactions entered into by the Treasurer shall be conducted on delivery-versus-payment (DVP) basis (does not apply to money market funds or investment pools). Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping statements.

PERFORMANCE STANDARDS:

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The investment strategy will be passive and the benchmark for determining market yields will be the 6-month Treasury bill. This will be used solely as a reference tool. The comparison to a benchmark does not imply that the Treasurer will add additional risk to the portfolio in order to attain or exceed the benchmark.

DIVERSIFICATION

To reduce overall portfolio risks, the Commission may diversify its investments by security type and institution with no more than the following percentages of total assets:

- Certificates of Deposit (insured or collateralized) (30%)
- Orange County Investment Pool (100%)
- “AAA” rated Money Market Mutual Funds (20%)
- U.S. Treasury securities (100%)
- U.S. Government Agency securities (100%), with each issuer limited to 33% of total assets

MAXIMUM MATURITIES

To the extent possible, the Commission will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow need or in a laddered portfolio structure, the Commission will not invest directly in securities maturing more than three years from the date of purchase. If matched to a specific cash flow need, or in a laddered portfolio structure consisting only of U.S. Treasury or U.S. Government Agency securities, the maximum maturity will be five years or less.

INTERNAL CONTROL:

The external auditors shall annually review the investments with respect to the investment policy. This review will provide internal control by assuring compliance with policies and procedures for the investments that are selected for testing.

DISASTER RECOVERY PROGRAM

The Treasurer's Disaster Plan includes critical phone numbers and addresses of key treasury and investment personnel as well as currently approved bankers and broker/dealers. Three copies of the Disaster Plan for home, office, and car have been distributed to key treasury and investment personnel. The plan provides for an offsite location to be communicated at the time of readiness if our offices are uninhabitable.

In the event the Treasurer or authorized staff is unable to invest the portfolio, the Treasurer has an agreement with the custodian for a daily sweep of all uninvested cash with the custody bank into a money market mutual fund. Until normal operations of the Treasurer's office have been restored, the limitations on the size of an individual issuer and the percentage restrictions by investment type would be allowed to exceed those approved in this Investment Policy Statement and would be required to be reported to the Board of Supervisors and pool participants in a timely manner.

PROHIBITED TRANSACTIONS

At the time of purchase, all permitted investments shall conform in all respects with this Investment Policy Statement and with applicable provisions of the Government Code, as may be amended from time to time. No investment prohibited by Government Code shall be permitted herein.

Any investment transactions, credit risk criterion, percentage limitations, or market valuation that are not in compliance with this Investment Policy Statement and cannot be corrected without penalty **at time of purchase** must be documented and approved by the Treasurer in writing as soon as possible. Thereafter, action shall be taken by the Treasurer to correct such matter as soon as practical. If a percentage restriction is adhered to at the time of purchase, a later increase or decrease in percentage resulting from a change in values or assets will not constitute a violation of that restriction. The following transactions are prohibited:

- Borrowing for investment purposes ("Leverage").

- Reverse Repurchase Agreements, as defined by Government Code Section 53601(j) (3) and (j) (4) or otherwise.
- Structured Notes (e.g. inverse floaters, leveraged floaters, structured certificates of deposit, equity-linked securities, event-linked securities). This includes all floating-rate, adjustable-rate or variable-rate securities in which a change in interest rates or other variables that can reasonably be foreseen to occur during their term would result in their market value not returning to par at the time of each interest rate adjustment. Simple “floating rate notes,” whose periodic coupon adjustment is based on a short-term (one-year or less) rate index (such as Treasury bills, federal funds, prime rate, or LIBOR) and which have a reasonable expectation of maintaining a value of par at each interest rate adjustment through final maturity, are exempt from this definition. Additionally, U.S. Treasury and Agency zero coupon bonds, U.S. Treasury and Agency strips, Resolution Funding Corporation (REFCORP) strips, or other callable securities which otherwise meet the quality, maturity, and percent limitations assigned to their respective security category, are exempt from this section.
- Structured Investment Vehicles (SIV).
- Derivatives (e.g. options, futures, swaps, swap options, spreads, straddles, caps, floors, collars).
- Money Market Mutual Funds that do not maintain a constant Net Asset Value (NAV).

REPORTING

Under the provision of Code Section 53646, the Treasurer shall render a report to the Commission containing detailed information on all securities, investments, and monies of the Commission. The report will be provided on a quarterly basis and submitted for inclusion on a Commission Agenda within 30 days following the end of the quarter.

The report will contain the following information:

1. Type of investment, name of the issuer, date of maturity, par and cost of each investment
2. Any investments that are under the management of contracted parties
3. The market value and source of the valuation for all investments, bank accounts and Certificates of Deposits (exempt from market valuation per Government Code)
4. A description of the compliance with the statement of investment policy, exceptions, if any, and
5. A statement denoting the Commission’s ability to meet its expenditure requirements for the next six months.
6. Monthly transaction detail for investments.

POLICY REVIEW

This Investment Policy will remain in effect through the year unless amended by the Commission. An Investment Policy will be rendered annually, at the beginning of each fiscal year, to the Commission.

GLOSSARY

ASK: The price at which securities are offered. (The price at which a firm will sell a security to an investor.)

BASIS POINT: When a yield is expressed as 7.32%, the digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.)

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most money market securities are “delivered” to an investor’s custodian bank. The Federal Reserve maintains a computerized record of the ownership of these securities, and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). The owners of these securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together for a commission. He does not take a position.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON: a). The annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value. b) A certificate attached to a bond evidencing interest due on a payment date.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g. US Treasury Bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A Federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by congress and consisting of a seven-member Board of Governors in Washington, D.C.; 12 regional banks and about 5700 commercial banks are member of the system.

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MARKET RISK: The risk that changes in overall market conditions or interest rate may adversely affect current market prices.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invest in a variety of short-term money market instruments.

NEGOTIABLE CERTIFICATES OF DEPOSIT: Unsecured obligations of the financial institution, bank or savings and loan, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See “Asked” and “Bid”.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit: Sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

PAR or PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called “legal list”. In other states, the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity; on a bond, the current income return.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See “Uniform Net Capital Rule”.

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), Resolution Trust Corporation (RTC), and Tennessee Valley Authority (TVA).

U.S. TREASURY SECURITIES: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest-bearing discount securities with maturities under one year issued by the U.S. Treasury to finance the national debt.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from date of issue.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, which is one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Children & Families Commission of Orange County
Quarterly Investment Report and Annual Update
January 1, 2016 through March 31, 2016 & Fiscal Year 2015-16

OVERVIEW

Pursuant to the Commission's Investment Policy Statement dated May 6, 2015, 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 January 1 through March 31, 2016. In addition, prior to the approval of the Commission's Investment Policy Statement, the Treasurer is providing some annualized investment information to the Commission.

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 March 31, 2016, these totaled \$53,140,197.70. All funds are managed by the Office of the Orange County Treasurer. A summary of key OCIP investment information is included as 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 January, February, and March 2016. The net year-to-date yield for fiscal year 2015/2016 is 0.54%, net of the investment administrative fee of seven basis points. The forecasted gross yield for the fiscal year 2015/2016 for the Orange County Investment Pool and the Orange County Educational Investment Pool is expected to be 0.70% and the forecasted net yield is expected to be 0.63%.

Month Ended	Commission's Month End Balance	Commission's Monthly Gross Yield	OCIP Market Value	OCIP Book Value	Average Days to Maturity	Net Asset Value	Effective Duration
January	\$56,262,438	0.66%	\$3,700,764,571	\$3,699,044,843	361 days	1.00	0.95
February	\$54,639,290	0.72%	\$3,882,197,428	\$3,879,363,466	345 days	1.00	0.90
March	\$53,140,198	0.69%	\$4,064,403,689	\$4,057,820,731	333 days	1.00	0.87

In January 2016, the Treasurer received a principal payment distribution of \$664,865 from an investment previously owned by the County, commonly known as Whistlejacket. As per our procedures, the Treasurer allocated this principal payment pro rata to all the County, School and Community College districts, and other accounts that had balances at the time the investment went into receivership in February 2008 and this deposit to the Commission's OCIP account in the amount of \$14,385.47 is expected to have an impact of approximately .01 on the annual yield.

ECONOMIC UPDATE

From January through March, the U.S. economy continued its steady economic growth. The job market added 168,000 new jobs in January, 245,000 in February, and 215,000 in March. The unemployment rate was 4.9% in January, 4.9% in February, and 5.0% in March. U.S. gross domestic product (GDP) increased at a 1.4% annualized rate in the fourth quarter of 2015, down from the previous quarter's rate of 2.0%. S&P/CaseShiller reported that housing prices continue to show positive momentum as year-over-year prices increased for the forty-fourth consecutive month in January, up 5.7% from a year ago. The index for pending home sales increased 5.1% on a year-over-year basis in February. The Federal Reserve met twice during the quarter and left its target interest rate unchanged at 25-50 bps.

Rates on short-term Treasuries increased and long-term Treasuries decreased as investors anticipated a slower pace of rate hikes by the Federal Reserve relative to previous expectations. The 10-year Treasury ended the quarter at 1.77%, down from 2.27% at the end of the previous quarter.

U.S. Treasury Yield Curve: The Treasury 3-month yield increased during the Quarter Ended March 31, 2016 while the Treasury 2, 5, 10 and 30 year yields decreased.

	Quarter Ended March 31, 2016	Quarter Ended December 31, 2015
3-Month	0.20%	0.16%
2-Year	0.72%	1.05%
5-Year	1.21%	1.76%
10-Year	1.77%	2.27%
30-Year	2.61%	3.02%

Source: Bloomberg World Markets

COMPLIANCE MONITORING

As of March 31, 2016, 100% of the holdings of the Commission are in compliance with the Commission's Investment Policy Statement dated May 6, 2015. Further, OCIP had no compliance exceptions for the three months ending March 2016. The Treasurer is audited regularly by the County Auditor-Controller Internal Audit Department (ACIA). The ACIA issued one audit report during the quarter ended March 31, 2016, as follows:

- The ACIA Report on Continuous Compliance Auditing of the Treasury Investment Portfolio for the Quarter ended December 31, 2015 identified no compliance exceptions.

We have attached the Investment Policy and Treasury Oversight Committee Compliance Summary as reported in the Treasurer's Monthly Report for the months of January, February and March 2016 (Attachment C). 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. OCIP has a total market value of \$89.5 million in AA rated County of Orange debt, which represents approximately 2.21% of assets. Prior to purchasing any pool participant debt, a standardized credit analysis is performed.

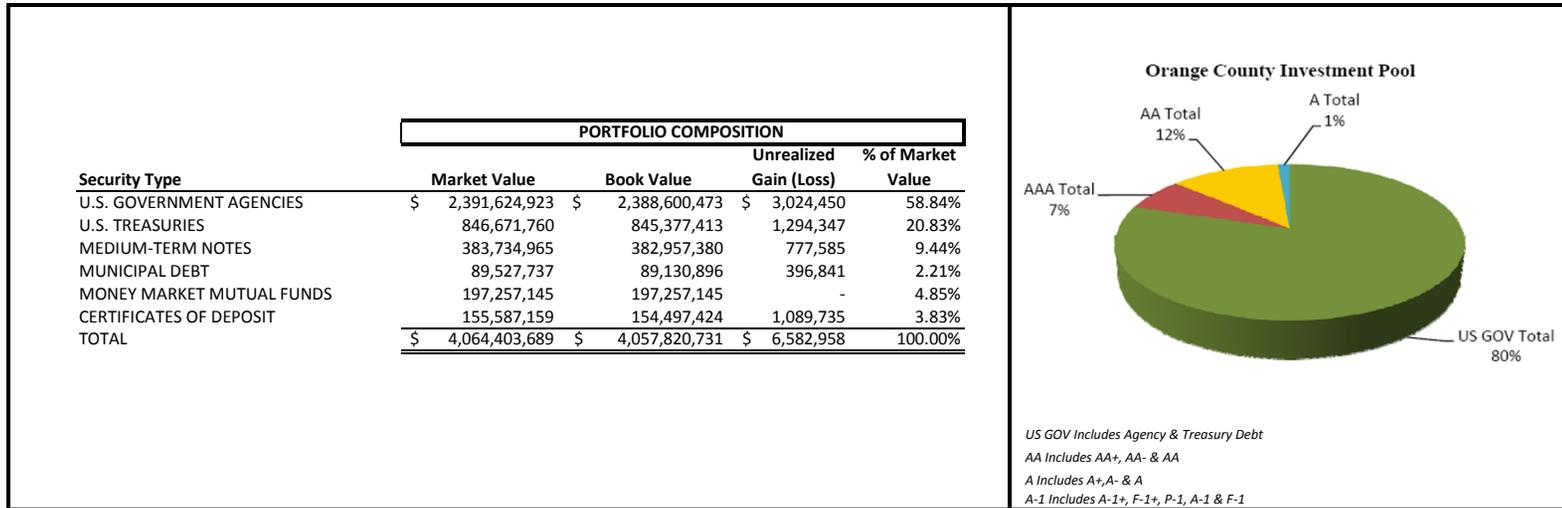
STATEMENT OF ACTIVITY

We have included the Statement of Activity for the months of January, February, and March 2016 (Attachment B). These Statements report the beginning and ending balances of the Commission's funds invested in the OCIP. All deposits, withdrawals, investment earnings, and administrative fees for the reporting period are also posted.

Attachments:

- Orange County Investment Pool Summary
- Statement of Activity for the months of January, February and March 2016
- Investment Policy and Treasury Oversight Committee Compliance Summary for January, February, and March 2016
- Annual Investment Update

ORANGE COUNTY TREASURER-TAX COLLECTOR
ORANGE COUNTY INVESTMENT POOL
INVESTMENT POOL SUMMARY
AT MARCH 31, 2016



SUMMARY OF INVESTMENT DATA								
INVESTMENT TRENDS								
	MARCH 2016	FEBRUARY 2016	INCREASE (DECREASE)	NET CHANGE %	MARCH 2015	INCREASE (DECREASE)	NET CHANGE %	
Orange County Investment Pool (OCIP)								
End Of Month Market Value ^{1,2}	\$ 4,064,403,689	\$ 3,882,197,428	182,206,261	4.69%	\$ 3,776,558,980	\$ 287,844,709	7.62%	
End Of Month Book Value ²	\$ 4,057,820,731	\$ 3,879,363,466	178,457,265	4.60%	\$ 3,773,783,576	\$ 284,037,155	7.53%	
Monthly Average Balance ²	\$ 3,874,263,799	\$ 3,785,406,926	88,856,873	2.35%	\$ 3,466,252,621	\$ 408,011,178	11.77%	
Year-To-Date Average Balance	\$ 3,657,472,820	\$ 3,630,373,948	27,098,872	0.75%	\$ 3,352,197,370	\$ 305,275,450	9.11%	
Monthly Accrued Earnings ³	\$ 2,277,935	\$ 2,136,866	141,070	6.60%	\$ 1,337,414	\$ 940,521	70.32%	
Monthly Net Yield ³	0.62%	0.65%	-0.02%	-3.23%	0.39%	0.23%	60.05%	
Year-To-Date Net Yield ³	0.54%	0.53%	0.01%	2.08%	0.34%	0.20%	58.53%	
Annual Estimated Gross Yield ⁴	0.70%	0.70%	0.00%	0.00%	0.41%	0.29%	70.73%	
Weighted Average Maturity (WAM)	333	345	(12)	-3.43%	366	(33)	-8.97%	

¹ Market values provided by Bloomberg and Northern Trust.

² In March 2016, OCIP Monthly Average Balance was higher than March 2015 due to higher balances in the County General Fund, Educational Revenue Augmentation Fund and higher bond proceeds on deposit due to issuance of County CFD bonds in October 2015.

³ In March 2016, OCIP Monthly Accrued Earnings, Monthly Net Yield and Year-To-Date Net Yield were higher than March 2015 primarily due to investments in longer-term, higher yielding securities, slightly higher short-term interest rates and higher average pool balances.

⁴ Annual Estimated Gross Yield for March 2015 is reported at the actual annual gross yield for FY14/15, and the Annual Estimated Gross Yield for March 2016 is reported at the latest forecasted yield of 0.70%. The Annual Estimated Gross Yield for FY 15/16 is higher than FY 14/15 due to an increase in the short-term Federal Funds Rate of 0.25% on December 17, 2015, and reductions in excess liquidity and improved cash management while maintaining the same high credit quality of securities.

ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
January 31, 2016

COMPLIANCE CATEGORY	PERFORMED BY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	AC	Performance Evaluation-Cal Govt. Code 27134	Annual audit of calendar year 2014 completed.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	Quarter ended September 30, 2015 completed, December 31, 2015 in process.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	Annual audit as of June 30, 2015 in process.
Quarterly Continuous Compliance Auditing	AC	TOC Directive	Quarter ended September 30, 2015 completed, December 31, 2015 in process.
Treasury Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	Annual review of fees for FY 14/15 in process.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar Year 2014 completed.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	All but one 2015 IPS certifications received. The non-compliant broker was removed from the list of approved brokers in November 2015.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	FY 15/16 identified zero compliance incidents as of January 31, 2016.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	TOC reviewed Bylaws and made one change at the October 28, 2015 meeting. BOS approved on December 15, 2015.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	TOC reviewed proposed IPS changes at the October 28, 2015 meeting and did not make any additional changes. BOS approved on December 15, 2015.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	TOC 2015 Annual Report was presented to BOS on February 9, 2016.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 28, 2015.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	TOC members are in compliance for 2016.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	TOC members are in compliance for Calendar Year 2014.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	TOC members are in compliance for Calendar Year 2014.

LEGEND	
Auditor-Controller Internal Audit	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
February 29, 2016

COMPLIANCE CATEGORY	PERFORMED BY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	AC	Performance Evaluation-Cal Govt. Code 27134	Annual audit of calendar year 2014 completed.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	Quarter ended September 30, 2015 completed, December 31, 2015 in process.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	Annual audit as of June 30, 2015 in process.
Quarterly Continuous Compliance Auditing	AC	TOC Directive	Quarter ended September 30, 2015 completed, December 31, 2015 in process.
Treasury Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	Annual review of fees for FY 14/15 in process.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar Year 2014 completed.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	A letter and the IPS certifications have been mailed to all authorized Broker/Dealers for 2016.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	FY 15/16 identified zero compliance incidents as of February 29, 2016.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	TOC reviewed Bylaws and made one change at the October 28, 2015 meeting. BOS approved on December 15, 2015.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	TOC reviewed proposed IPS changes at the October 28, 2015 meeting and did not make any additional changes. BOS approved on December 15, 2015.
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Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	TOC members are in compliance for 2016.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	TOC members are in compliance for Calendar Year 2014.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	TOC members are in compliance for Calendar Year 2014.

LEGEND	
Auditor-Controller Internal Audit	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
March 31, 2016

COMPLIANCE CATEGORY	PERFORMED BY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	AC	Performance Evaluation-Cal Govt. Code 27134	Annual audit of calendar year 2015 in process.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	Quarter ended December 31, 2015 in process.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	Annual audit as of June 30, 2015 completed April 8,2016.
Quarterly Continuous Compliance Auditing	AC	TOC Directive	Quarter ended December 31, 2015 completed.
Treasury Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	Annual review of fees for FY 14/15 in process.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Annual review of calendar year 2015 in process.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	All 2015 IPS certifications received.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	FY 15/16 identified zero compliance incidents as of March 31, 2016.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	TOC reviewed Bylaws and made one change at the October 28, 2015 meeting. BOS approved on December 15, 2015.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	TOC reviewed proposed IPS changes at the October 28, 2015 meeting and did not make any additional changes. BOS approved on December 15, 2015.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	TOC 2015 Annual Report was presented to BOS on February 9, 2016.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 28, 2015.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	TOC members are in compliance for 2016.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	TOC members are in compliance for Calendar Year 2014.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	TOC members are in compliance for Calendar Year 2015.

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



COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR

Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515

ocgov.com/ocinvestments

January 31, 2016

ORANGE COUNTY CHILDREN AND FAMILIES COMMISSION

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

Monthly Apportionment Gross Yield: 0.656%

Administration Fee: **-0.070%**

Monthly Apportionment Net Yield: 0.586%

Fund Number : 225

JANUARY 2016 STATEMENT

CASH IN TREASURY

Transactions

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
01/01/16	December 2015 Admin Fee	AF		\$ (3,360.60)
01/14/16	December 2015 Interest	IN		\$ 24,988.31
01/29/16	Whistlejacket Residual Distribution	OE		\$ 14,385.47

Summary

Total Deposit:	\$	2,546,155.47	Beginning Balance:	\$	55,497,343.04
Total Withdrawal:	\$	(1,781,060.88)	Ending Balance:	\$	56,262,437.63

ACCRUED INVESTMENT INCOME

Transactions

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
01/14/16	December 2015 Interest	IN		\$ (24,988.31)
02/01/16	January 2016 Interest	IN		\$ 31,416.36

Summary

Total Accrual:	\$	31,416.36	Beginning Balance:	\$	24,988.31
Total Payment:	\$	(24,988.31)	Ending Balance:	\$	31,416.36



COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR

Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515

ocgov.com/ocinvestments

February 29, 2016

ORANGE COUNTY CHILDREN AND FAMILIES COMMISSION

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

Monthly Apportionment Gross Yield: 0.715%

Administration Fee: **-0.070%**

Monthly Apportionment Net Yield: 0.645%

Fund Number : 225

FEBRUARY 2016 STATEMENT

CASH IN TREASURY

Transactions

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
02/01/16	January 2016 Admin Fee	AF		\$ (3,342.52)
02/10/16	January 2016 Interest	IN		\$ 31,416.36

Summary

Total Deposit:	\$	2,026,810.98	Beginning Balance:	\$	56,262,437.63
Total Withdrawal:	\$	(3,649,958.19)	Ending Balance:	\$	54,639,290.42

ACCRUED INVESTMENT INCOME

Transactions

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
02/10/16	January 2016 Interest	IN		\$ (31,416.36)
03/01/16	February 2016 Interest	IN		\$ 31,920.26

Summary

Total Accrual:	\$	31,920.26	Beginning Balance:	\$	31,416.36
Total Payment:	\$	(31,416.36)	Ending Balance:	\$	31,920.26



COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR

Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515

ocgov.com/ocinvestments

March 31, 2016

ORANGE COUNTY CHILDREN AND FAMILIES COMMISSION

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

Monthly Apportionment Gross Yield: 0.691%

Administration Fee: **-0.070%**

Monthly Apportionment Net Yield: 0.621%

Fund Number : 225

MARCH 2016 STATEMENT

CASH IN TREASURY

Transactions

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
03/01/16	February 2016 Admin Fee	AF		\$ (3,118.67)
03/10/16	February 2016 Interest	IN		\$ 31,920.26

Summary

Total Deposit:	\$	2,910,977.25	Beginning Balance:	\$	54,639,290.42
Total Withdrawal:	\$	(4,410,069.97)	Ending Balance:	\$	53,140,197.70

ACCRUED INVESTMENT INCOME

Transactions

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
03/10/16	February 2016 Interest	IN		\$ (31,920.26)
04/01/16	March 2016 Interest	IN		\$ 32,116.05

Summary

Total Accrual:	\$	32,116.05	Beginning Balance:	\$	31,920.26
Total Payment:	\$	(31,920.26)	Ending Balance:	\$	32,116.05

CHILDREN AND FAMILIES COMMISSION ORANGE COUNTY

RESOLUTION NO. ___-16-C&FC

May 4, 2016

**A RESOLUTION OF THE CHILDREN AND FAMILIES
COMMISSION OF ORANGE COUNTY RELATIVE TO
INVESTMENT POLICY AND TREASURER FUNCTION; AND
MAKING CERTAIN FINDINGS IN CONNECTION
THEREWITH**

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, pursuant to the Act and Article 25 of the Codified Ordinances of the County of Orange (“County Ordinance”), there is created the Children and Families Trust Fund (“Trust Fund”) of the Commission, and the Commission administers the revenues in the Trust Fund; and

WHEREAS, pursuant to the County Ordinance the Commission is empowered to enter into contracts with the County of Orange for specific staff purposes; and

WHEREAS, Commission desires to designate the Orange County Treasurer to perform all treasury related functions of the Commission pursuant to existing County Support Services Agreement and Section 4.4 of the Administrative Policy Guidelines of the Commission (as amended and approved by the Commission); and

WHEREAS, pursuant to California Government Code Section 53607 and California Government Code Section 53646(a)(2) the Treasurer of the Commission, if any, is authorized to invest or reinvest Commission funds and is directed to make quarterly reports of investment transactions to the legislative body of the Commission and to annually render to the legislative body of the Commission a statement of investment policy, which the legislative body shall consider at a public meeting; and

WHEREAS, Commission has received from the Treasurer her statement of investment policy and has considered it at the public meeting at which this resolution is adopted.

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

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

Section 2 The Commission hereby designates the Orange County Treasurer as the Treasurer of the Commission. The Treasurer shall perform the duties imposed upon the office by law and Section 4.4 of the Administrative Policy Guidelines of the Commission. The Commission acknowledges receipt of and has considered its Treasurer's statement of investment policy. The Commission hereby affirms the delegation of authority to its Treasurer to invest moneys in accordance with the Children and Families Commission Investment Policy and to perform all other treasurer functions, as described in Section 4.4 of the Administrative Policy Guidelines and applicable provisions of California Government Code, including the making of periodic reports to the governing board of the Commission.

Section 3 The Commission specifically determines that excess funds, comprising all the moneys in the Trust Fund are available for investment pursuant to Government Code Section 53684. The persons at the Commission authorized to coordinate transactions are the Executive Director and Finance Director. The Commission agrees to be bound by the withdrawal provisions of California Government Code Section 27136, and the Commission acknowledges that administrative charges will be deducted as permitted by Section 53684(b) and 27013. Investments in the Orange County Investment Pool in accordance with existing Commission practice is ratified and affirmed, and the Executive Director is authorized and directed to execute any instrument required by the Investment Policy indicating an undertaking of the possible net asset value risk involved as a result of such investment.

Section 4 In addition to the authorization of Sections 2 and 3 above, the Commission Executive Director (or his designee) is hereby authorized, on behalf of the Commission, (i) to sign all documents and to take all other actions reasonably necessary and appropriate to carry out and implement the Agreement or as may be reasonably requested by its Treasurer or other County official relative to the provision of services by the County related to the treasury function, (ii) to cause the issuance of warrants, and (iii) to administer the Commission's obligations, responsibilities and duties to be performed under the Agreement.

Section 5 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 May 4, 2016 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: __-16-C&FC

Agenda Date: May 4, 2016

Item No. ____



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

ROBIN STEILER, Clerk of the Commission

By: _____
Deputy