# National Homebuyers Fund Inc. (NHF) Board of Directors Meeting



Wednesday, May 11, 2016 10:00 A.M.

> 1215 K Street, Suite 1650 Sacramento CA 95814 916-447-4806

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Board of Directors Meeting Wednesday, May 11, 2016 10:00 a.m. 1215 K Street, Suite 1650 Sacramento, CA 95814 (916) 447-4806

### **Agenda**

10:00 a.m.
Special Order of Business
Simultaneous Meeting
GSFA Executive Committee Meeting
NHF Board of Directors

### **ACTION ITEMS**

- 1. NHF 2015 Annual Audit Conference and Financial Statements
- 2. GSFA 2015 Annual Audit Exit Conference and Financial Statements
- 1. Call to Order & Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County Vice Chair, Supervisor Randy Hanvelt, Tuolumne County

- 2. Approval of Minutes February 17, 2016 Board Meeting
  (Board Members absent from the meeting will be recorded as abstained unless the Board Member indicates otherwise.)
- 3. Public Testimony

Presentation only of any matters of concern to the general public

**4. NHF Quarterly Reports** (Discussion and possible action relative to) *Greg Norton. President* 

Lisa McCargar, Chief Financial Officer

a. Quarterly Budget Report (March 31, 2016)

b. Quarterly Investment Report (March 31, 2016)

c. Cash and Securities Asset Report (March 31, 2016)

**5. Program Updates** (Discussion and possible action relative to) *Craig Ferguson, Vice President* 

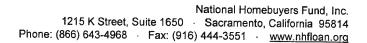
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### 6. Adjournment

Meeting facilities are accessible to persons with disabilities. By request, alternative agenda document formats are available to persons with disabilities. To arrange an alternative agenda document format or to arrange aid or services to modify or accommodate persons with a disability to participate in a public meeting, contact Sarah Bolnik by calling 916-447-4806 at least 48 hours prior to the scheduled meeting.

Agenda items will be taken as close as possible to the schedule indicated. Any member of the general public may comment on agenda items at the time of discussion. In order to facilitate public comment; please let staff know if you would like to speak on a specific agenda item. The agenda for this meeting of the Board of Directors of National Homebuyer's Fund was duly posted at its offices, 1215 K Street, Suite 1650 Street, Sacramento, CA 72 hours prior to the meeting.





To:

NHF Board of Directors

From:

Greg Norton, President

Lisa McCargar, Chief Financial Officer

Date:

May 3, 2016

Re:

NHF 2015 Audited Financial Statements and Exit Conference -

**ACTION, Special Order of Business** 

### Summary

Attached are the National Homebuyers, Fund Inc. (NHF) financial statements as of and for the year ended December 31, 2015, audited by Moss Adams LLP. The financial statements contain an unmodified ("clean") audit opinion. The auditors also issued a communication letter to Those Charged With Governance as required by U.S. audit standards. In summary, the communication states that there were no significant matters identified in the course of the audit and no audit adjustments were proposed or made to the original trial balance prepared by management.

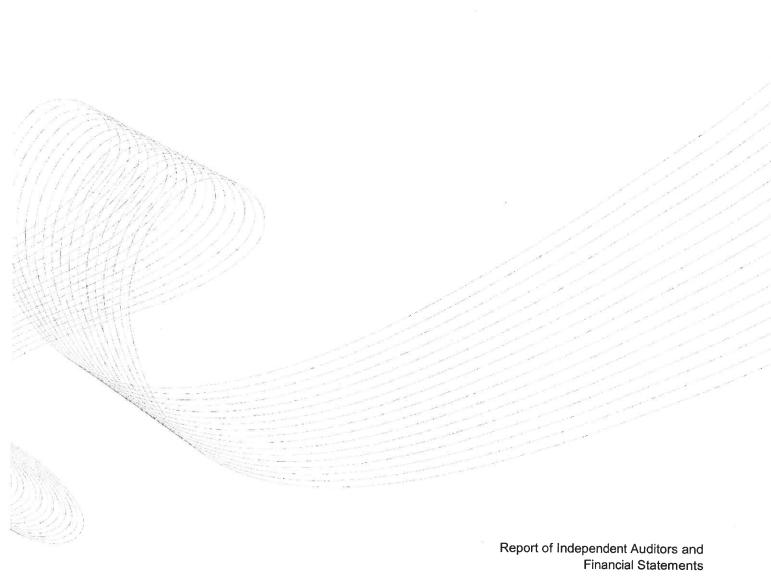
The financial statements and communication letter to Those Charged With Governance provide information useful to Board members in exercising their fiduciary responsibility. Moss Adams will be present to address the audit and audit approach as well as answer any questions.

### Recommendation:

It is recommended that the NHF Board of Directors review, approve, and adopt the 2015 audited financial statements and communications letter as presented.

### **Attachments**

- NHF 2015 Audited Financial Statements
- Communications to Those Charged With Governance



National Homebuyers Fund, Inc.

December 31, 2015



Certified Public Accountants | Business Consultants

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### REPORT OF INDEPENDENT AUDITORS

The Board of Directors National Homebuyers Fund, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of National Homebuyers Fund, Inc. (NHF) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise NHF's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 financial statements are free from material misstatement.

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

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



### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of NHF as of December 31, 2015, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2016 on our consideration of NHF'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 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 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 NHF's internal control over financial reporting and compliance.

Sacramento, California

Moss Adams, LLP

April 27, 2016

This section presents management's discussion and analysis of National Homebuyers Fund, Inc.'s (NHF) financial performance for the year ended December 31, 2015. Please read it in conjunction with the financial statements and notes thereto, which follow this section.

### FINANCIAL HIGHLIGHTS

The assets of NHF exceeded its liabilities at December 31, 2015, by \$50.5 million (net position). All of the net position is available to meet ongoing obligations. NHF's total net position increased by \$32.6 million (up 182.0%) from December 31, 2014 to December 31, 2015.

Housing programs offered in multiple states via several lending institutions, and program management services, generated revenues of \$139 million for the year ended December 31, 2015. As of December 31, 2015, assets include \$47.8 million in unrestricted cash and equivalents and approximately \$9.1 million in second mortgage loans, net of an allowance for loan losses. It is important to note that the second mortgage loans are interest bearing; however, they are not securitized and are therefore subject to risk of default.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

NHF's basic financial statements include the (1) statement of net position, (2) statement of revenues, expenses, and change in net position, (3) statement of cash flows, and (4) notes to basic financial statements, which explain in more detail some of the information in the financial statements.

NHF's financial statements report information about NHF using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The statement of net position includes all of NHF's operating assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to NHF's creditors (liabilities). The assets and liabilities are presented in a classified format, which distinguishes between current and long-term assets and liabilities.

All of the revenues and expenses for 2015 are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of NHF's operations over the year and can be used to determine whether NHF has successfully recovered all of its costs through the services it provides.

The statement of cash flows provides information about NHF's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, non-capital financing, and financing activities.

The notes to basic financial statements provide additional information that is essential to a full understanding of NHF's financial statements.

### FINANCIAL ANALYSIS

Condensed Statement of Net Position December 31, 2015 and 2014

			Inci	ease	
	2015	2014	\$		%
Assets					
Current and other assets	\$ 405,287,035	\$ 118,962,487	\$ 286,324,548		240.7%
<b>Liabilities</b> Current and other liabilities	354,795,139	101,058,822	253,736,317		251.1%
Net position					
Net position, unrestricted	\$ 50,491,896	\$ 17,903,665	\$ 32,588,231		182.0%

The statement of net position reflects a snapshot of NHF's financial position at a given moment in time. Changes in net position over time are an indicator of whether the financial condition of NHF is improving or declining. As of December 31, 2015, NHF's net position was \$50,491,896, an increase of \$32,588,231 (up 182.0%) from December 31, 2014. The increase in assets of \$286,324,548 (up 240.7%) resulted primarily from the growth of the down payment assistance programs. These programs provide financing options in the form of gifts and second mortgage loans for low to moderate income homebuyers. The increase in current liabilities also resulted from the increase of activity with the down payment assistance programs.

### FINANCIAL ANALYSIS (CONTINUED)

Condensed Statement of Revenues, Expenses and Changes in Net Position Years Ended December 31, 2015 and 2014

				Increase (I	ecrease)
	2015	2014		\$	%
Operating revenues			-		
Bond residuals	\$ 60,524	\$ 70,305	\$	(9,781)	(13.9)%
Program management fee revenue	2,887,727	2,563,804		323,923	12.6%
Housing program revenue	136,071,233	41,884,931	_	94,186,302	224.9%
Total operating revenues	139,019,484	44,519,040		94,500,444	212.3%
Operating expenses					
Housing program expenses	101,400,371	27,746,755		73,653,616	265.4%
Other operating expenses	5,056,283	3,022,299		2,033,984	67.3%
Total operating expenses	106,456,654	30,769,054		75,687,600	246.0%
Operating income	32,562,830	13,749,986		18,812,844	136.8%
Non-operating revenue	25,401	7,385		18,016	244.0%
Change in net position	32,588,231	13,757,371		18,830,860	136.9%
Net position, beginning of year	17,903,665	4,146,294		13,757,371	_331.8%
Net position, end of year	\$ 50,491,896	\$ 17,903,665	\$	32,588,231	182.0%

The statement of revenues, expenses, and change in net position reflects activity that has occurred during the fiscal period of time covered by this report. For the year ended December 31, 2015, NHF's operating revenues increased by \$94,500,444 (up 212.3%) from the year ended December 31, 2014, primarily due to the growth of the down payment assistance gift and second mortgage programs, including continued expansion of these programs into additional states. Housing programs generated revenue of \$136,071,233 (up 224.9%), providing financing options for low to moderate income homebuyers and \$2,887,727 of revenue associated with program management services. NHF experienced an increase in operating expenses of \$75,687,600 (up 246.0%) for the same period due primarily to \$101,400,371 of expenses associated with housing programs. In addition, for the year ended December 31, 2015, other operating expenses increased \$2,033,984 (up 67.3%) primarily due to a \$1,900,000 contribution to Rural County Representatives of California (RCRC) in accordance with NHF's bylaws. RCRC is an affiliate organization that provides administrative support services under a contract.

### **BUDGETARY COMPARISON**

National Homebuyers Fund, Inc. Comparison of Budget and Actual Revenues, Expenses, and change in Net Position Year Ended December 31, 2015

					er (Under) dget
	Budget	Actual		\$	%
Operating revenues					
Bond residuals	\$ 65,000	\$ 60,524	\$	(4,476)	(6.9)%
Program management fee revenue	556,000	2,887,727		2,331,727	419.4%
Housing program revenue	43,056,750	136,071,233		93,014,483	216.0%
Total operating revenues	43,677,750	139,019,484		95,341,734	218.3%
Operating expenses					
Housing program expenses	30,510,000	101,400,371		70,890,371	232.4%
Other operating expenses	5,394,705	5,056,283		(338,422)	(6.3)%
Total operating expenses	35,904,705	106,456,654		70,551,949	196.5%
Operating income	7,773,045	32,562,830		24,789,785	318.9%
Non-operating income	20,000	25,401	10	5,401	27.0%
Change in net position	\$ 7,793,045	\$ 32,588,231	\$	24,795,186	318.2%

NHF's change in net position of \$32,588,231 exceeded budget by \$24,795,186, an increase of 318.2%, due to the success of the housing programs, including expansion to other states. Program revenue generated in assisting low to moderate income families exceeded budget by \$93,014,483 and program management fee revenue exceeded budget by \$2,331,727. NHF's operating expenses exceeded budget by \$70,551,949, an increase of 196.5%, due to costs associated with housing programs and management services.

### **FUTURE ECONOMIC OUTLOOK**

Down payment assistance gift program activity is expected to continue through 2016, although the robust growth experienced in 2015 is expected to level off. NHF is restructuring the gift program following a contract ending with a primary servicer in February 2016 and remains committed to meeting the needs of homebuyers and lending partners. The down payment second mortgage loan program ceased in the latter part of 2015 thus revenue from this program will consist solely of interest income. NHF's 2016 board-approved budget includes continued revenue growth from its program management services for Mortgage Credit Certificate (MCC) programs, down payment assistance gift programs, mortgage-backed securities administration, and a residential energy retrofit program. NHF will continue to develop and enhance the programs offered for homebuyers to further contribute to NHF revenues.

Following 2015 activity, NHF had approximately \$47.8 million in unrestricted cash available for future operations and programs. NHF also holds approximately \$9.4 million in gross second mortgage loans in its portfolio. We anticipate that additional investment in and development of housing programs, management services, and program expansion efforts will continue to diversify revenues and provide resources for the future.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of NHF's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, 1215 K Street, Suite 1650, Sacramento, CA 95814.

# NATIONAL HOMEBUYERS FUND, INC. STATEMENT OF NET POSITION DECEMBER 31, 2015

### **ASSETS**

Comment		
Current assets	\$	47.014.200
Cash and cash equivalents	Ф	47,814,399
Restricted cash (Note 2)		504,063
Accounts receivable, proceeds from sale of securities		338,619,219
Accounts receivable		566,172
Accounts receivable from affiliated entities		8,616,231
Interest receivable		12,139
Prepaid expenses and other current assets		26,152
Total current assets	į	396,158,375
Non-current assets		
Second mortgage loans receivable, net of allowance for		
loan losses of \$300,000		9,128,660
Total assets	\$	405,287,035
LIABILITIES AND NET POSITION		
Current liabilities		
Accounts payable, securities to be purchased, at fair value	\$	339,138,300
Accounts payable		15,638,035
Accounts payable to affiliated entities		18,804
Total current liabilities		354,795,139
Net position, unrestricted		50,491,896
Total liabilities and net position	\$	405,287,035

The accompanying notes are an integral part of these financial statements

### NATIONAL HOMEBUYERS FUND, INC. STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION YEAR ENDED DECEMBER 31, 2015

Operating revenues		
Bond residuals	\$	60,524
Program management fee revenue		2,887,727
Housing program revenue		136,071,233
	-	
Total operating revenues		139,019,484
	_	
Operating expenses		
Accounting and auditing		29,617
Business development and expansion		18,059
Consultants		97,019
Contribution to affiliate		1,900,000
County MCC fees		4,800
Housing program expenses		101,400,371
Insurance		45,234
Interest expense		(10,122)
Legal fees		169,409
Payroll, taxes, and fees		463
Promotion and marketing		3,927
Provision for loan losses		131,081
Rent		62,001
Support services		2,558,900
Miscellaneous		45,895
	****	
Total operating expenses		106,456,654
Operating income		32,562,830
	-	02,002,000
Non-operating revenues (expenses)		
Interest income		79,493
Loss on investments	_	(54,092)
Total non-operating revenues		25,401
Change in net position		32,588,231
Net position, beginning of year		17,903,665
	_	3
Net position, end of year	\$	50,491,896
	-	, -,-,-

The accompanying notes are an integral part of these financial statements

# NATIONAL HOMEBUYERS FUND, INC. STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities		
Cash receipts from housing programs	\$	124,978,062
Cash receipts from program management fees		2,887,727
Cash receipts from bond residuals		60,524
Cash paid for housing programs		(2,558,900)
Cash paid for services and supplies		(91,920,329)
Net cash from operating activities		33,447,084
Cash flows from investing activities		
Interest received and loss on investments	_	14,685
Increase in cash and cash equivalents		33,461,769
Cash and cash equivalents, beginning of year	_	14,856,693
Cash and cash equivalents, end of year	\$_	48,318,462
	_	
Reconciliation of operating income to net cash from operating activities		
Operating income Adjustment to reconcile operating income to net cash from operating activities	\$	32,562,830
Provision for loan losses		(131,081)
Change in assets and liabilities		
Accounts receivable, proceeds from sale of securities		(241,665,390)
Accounts receivable		595,204
Account receivable from affiliated entities		(8,381,445)
Second mortgage loans receivable		(3,244,663)
Prepaid expenses and other current assets		(24,688)
Accounts payable, securities sold, at fair value		241,624,237
Accounts payable		12,099,112
Accounts payable to affiliated entities	_	12,968
Net cash from operating activities	\$_	33,447,084

The accompanying notes are an integral part of these financial statements

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity – National Homebuyers Fund, Inc. (NHF) was incorporated in August 2002. NHF is a nonprofit public benefit corporation organized exclusively for the purpose of assisting in the provision of adequate, safe, and sanitary residential housing, for any other public purposes related hereto, and is organized within the meaning of Section 115(1) of the Internal Revenue Code. Accordingly, NHF is considered a governmental unit for financial reporting purposes. NHF is governed by a five-member Board of Directors. Four of NHF's five board members are elected officials.

NHF makes available competitively priced financing opportunities to homebuyers for the purchase of residential housing, with particular emphasis on assisting low and moderate income homebuyers. NHF works in cooperation with regional lenders to provide mortgage loan financing and down payment assistance to families and individuals who otherwise may not be able to afford to purchase a home. NHF also provides program management services for government entities.

NHF contracts with the Rural County Representatives of California (RCRC), a California nonprofit mutual benefit corporation, for various administrative and support services. RCRC was organized to serve and strengthen county and local governments through definition, study, and action relative to problems affecting the member counties and their resources to include but not be limited to those of social, economic, environmental, and ecological importance.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles. The more significant of NHF's accounting policies are described below.

**Basis of Accounting** – NHF is accounted for as an enterprise fund and its financial statements are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

NHF distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with NHF's principal ongoing operations. The principal operating revenues of NHF are from its housing programs (down payment assistance gift and second mortgage loan) and program management services. Interest income earned on second mortgage loans and mortgage-backed securities is also reported as operating income. Operating expenses of NHF include the cost of providing the services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

**Cash and Cash Equivalents** – NHF considers all highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents, including investments in CalTRUST.

NHF's investment policy authorizes the investment of idle or surplus funds in U.S. Treasury obligations, U.S. government agencies, bankers' acceptances, commercial paper, negotiable CDs, medium-term notes, repurchase agreements, time certificates of deposit, and CalTRUST.

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Second Mortgage Loans** – Second mortgage loans receivable represent future principal payments on outstanding second mortgage loans. As of December 31, 2015, \$9,428,660 in second mortgage loans remains outstanding.

**Allowance for Loan Losses** – NHF maintains an allowance for loan losses at a level considered adequate to provide for probable losses on existing second mortgages receivable. The allowance for loan losses is based on estimates and actual losses may vary from current estimates.

Housing Program Revenue – Housing program revenue consists of program fees earned on NHF's second mortgage loan program and the down payment assistance gift program, including gains and losses on the sale of mortgage-backed securities. As part of the gift program, NHF purchases pools of government backed mortgage-backed securities (MBS) for resale into the secondary market. To manage exposure to interest rate risk on the purchase and subsequent resale of MBSs into the secondary market, NHF enters into sales agreements of "to-be-announced" (TBA) Government National Mortgage Association (GNMA) and Federal National Mortgage Association (FNMA) securities, in which NHF has committed to deliver securities at contracted prices at a future date. Realized and unrealized gains and losses on mortgage backed securities is reported in housing program revenue as the activity relates solely to the down payment assistance gift program.

**Net Position** – Net position is classified into the following categories:

- Invested in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets; NHF does not have any net position in this category as of December 31, 2015.
- Restricted non-expendable: Net position subject to externally imposed conditions that NHF retains in perpetuity; NHF does not have any net position in this category as of December 31, 2015.
- Restricted expendable: Net position subject to externally imposed conditions that can be fulfilled by the
  actions of NHF or by the passage of time; NHF does not have any net position in this category as of
  December 31, 2015.
- Unrestricted: All other categories of net position; in addition, unrestricted net position may be designated for use by management or the Board of Directors.

NHF has adopted a policy of generally utilizing restricted – expendable funds, prior to unrestricted funds, when an expenditure is incurred for purposes for which both are available.

**Income Taxes** – NHF is a tax-exempt corporation under Section 115(1) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. NHF is not required to file federal or state income tax returns.

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Use of Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. The allowance for loan losses and fair market value of financial instruments are particularly subject to change.

### NOTE 2 - CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

A summary of NHF's cash and cash equivalents as of December 31, 2015, is as follows:

restricted cash	\$	48,318,462
Total cash and cash equivalents, including	_	
CalTRUST		19,294,941
Collateral account (restricted)		504,063
Deposits with financial institutions	\$	28,519,458

**Deposits–Custodial Credit Risk –** Custodial credit risk is the risk that in the event of a bank failure, NHF's deposits may not be returned to it. Cash and cash equivalents and restricted cash consist of deposits with financial institutions, a collateral account and amounts held with CalTRUST. As of December 31, 2015, NHF's deposits with financial institutions stated at \$28,519,458 are entirely insured or collateralized. Section 53652 of the California Governmental Code requires financial institutions to secure deposits made by governmental units in excess of insured amounts by the pledging of governmental securities as collateral. The market value of the pledged securities in the collateral pool must be equal to at least 110% of the total amount deposited by governmental units.

Collateral Account – NHF has funds held with a securities firm. The funds represent collateral for the sales agreements of "to-be-announced" (TBA) GNMA and FNMA securities. As required by the Master Securities Forward Transaction Agreement between the securities firm and NHF, if at any time NHF has an "Out-of-the-Money" net unsecured forward exposure, the securities firm shall require NHF to maintain collateral having a margin value sufficient to eliminate such net unsecured forward exposure. If at any time NHF has an excess forward collateral amount, NHF may request the funds from the securities firm. At December 31, 2015, the entire amount of \$504,063 on deposit with the securities firm represented collateral for a net unsecured forward exposure, and the funds have therefore been presented as restricted cash in the statement of net position. Funds at the securities firm are not insured.

### NOTE 2 - CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (CONTINUED)

**Highly Liquid Investments** – As of December 31, 2015, NHF also maintains a highly liquid investment account with CalTRUST in the amount of \$19,294,941. CalTRUST is a program established by local public agencies in California for the purpose of pooling and investing local agency funds. The total amount invested by public agencies in CalTRUST at December 31, 2015, exceeded \$2.3 billion.

CalTRUST is a joint powers authority that was formed to pool and invest funds of public agencies. Three pools are offered and NHF is currently invested in the short term and medium term funds. Because NHF's deposits are maintained in a recognized Pooled Investment Fund (Fund) under the care of a third party and NHF's share of the pool does not represent specific identifiable investment securities owned by NHF, no disclosure of the individual deposits and investments and related custodial credit risk is required.

A Board of Trustees supervises and administers the investment program of CalTRUST. CalTRUST invests in fixed income securities eligible for investment pursuant to California Government Code Sections 53602, et seq. and 53635, et seq. CalTRUST Short Term and Medium Term funds are rated A- or better by a credit rating agency. NHF's highly liquid investment in CalTRUST is reported at fair value.

**Interest Rate and Credit Risk** – Interest rate risk is the risk that changes in the market interest will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

NHF may own mortgage-backed securities that are secured by first mortgage loans. These are fixed rate securities backed by the Government National Mortgage Association or the Federal National Mortgage Association that were rated AAA by nationally recognized rating agencies. There were no mortgage-backed securities owned by NHF as of December 31, 2015.

### NOTE 3 - SECOND MORTGAGE LOANS RECEIVABLE

Second mortgage loan portfolios are comprised of loans issued to individuals, and are serviced by mortgage companies on NHF's behalf. Second mortgage loans receivable as of December 31, 2015, are as follows:

Second mortgages	\$	9,428,660
Allowance for loan losses	_	(300,000)
Total second mortgage loans receivable, net of		
allowance for loan losses	\$_	9,128,660

### NOTE 3 - SECOND MORTGAGE LOANS RECEIVABLE (CONTINUED)

Activity in the allowance for loan losses for the year ended December 31, 2015, was as follows:

Balance, beginning of year	\$ 300,000
Charge-offs	(131,081)
Recoveries	-
Provision for loan losses	131,081
Balance, end of year	\$ 300,000

### **NOTE 4 - HOUSING PROGRAMS**

NHF maintains its down payment assistance programs targeting low to moderate income homebuyers. The programs provide down payment assistance in the form of a gift or second mortgage. NHF has partnered with financial institutions to market the programs to homebuyers.

As part of this program, NHF purchases pools of government backed mortgage-backed securities (MBS) for resale into the secondary market. To manage exposure to interest rate risk on the purchase and subsequent resale of MBS's into the secondary market, NHF enters into sales agreements of "to-be-announced" (TBA) GNMA and FNMA securities, in which NHF has committed to deliver the specified securities at contracted prices at a future date. The entity has recorded a receivable of \$338,619,219 for the estimated proceeds from the sale of outstanding TBAs. NHF has also recorded a liability of \$339,138,300, the fair value as of December 31, 2015, to purchase the securities at prevailing prices in order to fulfill the future obligation.

### NOTE 5 - RELATED PARTY TRANSACTIONS

For the year ended December 31, 2015, NHF maintained a contract support services agreement with RCRC, an affiliated entity, for a flat fee of \$213,242 per month. As of December 31, 2015, NHF owed RCRC \$18,804 for expenses paid by RCRC on its behalf. Also for 2015, NHF entered into a service agreement with Golden State Finance Authority (GSFA), an affiliated entity, to manage its housing programs to include lender training, customer service and support, loan pipeline management, pooling, delivery management, and pricing. Total revenue for those services is included in program management fee revenue. As of December 31, 2015, \$475,834 was due to NHF from GSFA for program management fees and \$8,140,397 of proceeds from mortgage backed securities trades were due from GSFA. Also, GSFA charges a fee to NHF for administrative services related to one of its housing programs. Fees incurred of approximately \$2.2 million are reported as a component of housing program expenses in the statement of revenue, expenses, and change in net position. The support service agreements with both RCRC and GSFA are annual agreements, expiring on December 31st of each year, with successive one year automatic renewals until terminated by either party. The annual amounts are approved by the applicable Board of Directors.

### **NOTE 6 - RISK MANAGEMENT**

NHF is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. RCRC purchases commercial insurance through an insurance agent who obtains the appropriate insurance coverage needed from insurance companies, which includes coverage for NHF. NHF reimburses RCRC for its pro-rata portion of the insurance premium. There have been no settlement amounts that have exceeded commercial insurance coverage for the last three years.

### NOTE 7 - COMMITMENTS AND CONTINGENCIES

In May 2015, NHF, and additionally RCRC and GSFA, two affiliated entities, were named as defendants in a summons brought by the Washington State Housing Finance Commission ("Commission"). The lawsuit alleges that NHF does not have the authority to provide homeownership financing services outside of their boundaries. The suit claims that NHF boundaries should be limited to California. A hearing is currently scheduled for November 2016. Management believes that the lawsuit is without merit and the outcome will not have a material adverse effect on the financial position or results of operations.



# REPORT OF INDEPENDENT AUDITORS 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 Directors National Homebuyers Fund, Inc.

We have audited, in accordance with the 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 National Homebuyers Fund, Inc. (NHF) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise NHF's basic financial statements, and have issued our report thereon dated April 27, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered NHF's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NHF's internal control. Accordingly, we do not express an opinion on the effectiveness of NHF'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 NHF's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

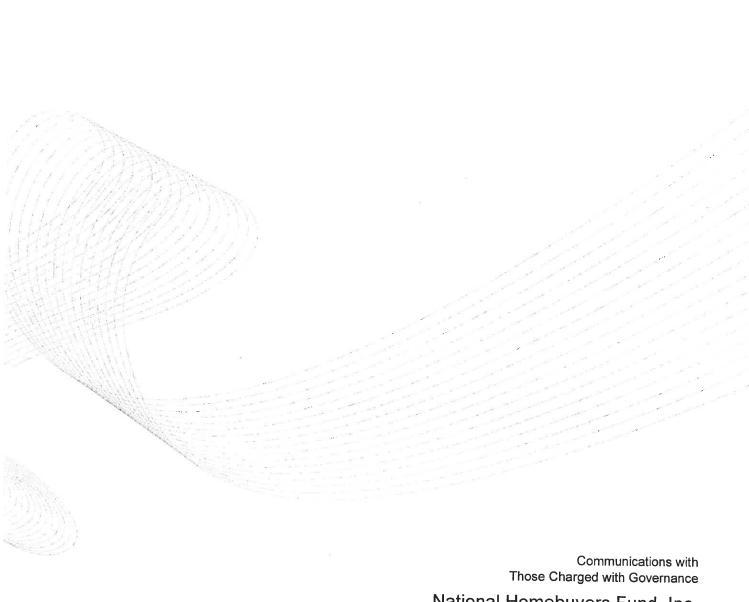
### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting 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.

Sacramento, California

Moss Adams, LLP

April 27, 2016



National Homebuyers Fund, Inc.

December 31, 2015



Certified Public Accountants | Business Consultants



To the Board of Directors and Management National Homebuyers Fund, Inc.

We have audited the financial statements of National Homebuyers Fund, Inc. (NHF) as of and for the year ended December 31, 2015, and have issued our report thereon dated April 27, 2016. Professional standards require that we provide you with the following information related to our audit.

### OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND GOVERNMENT AUDITING STANDARDS

As stated in our engagement letter dated October 14, 2015, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America as well as Government Auditing Standards, issued by the Comptroller General of the United States, and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NHF's internal control over financial reporting. Accordingly, we considered NHF's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously communicated to you in the engagement letter and during planning discussions conducted on November 18, 2015.



### SIGNIFICANT AUDIT FINDINGS AND ISSUES

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by NHF are described in Note 1 to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2015. We noted no transactions entered into by NHF during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

### Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the allowance for loan loss on second mortgages receivable is based on estimates of historical loss trends and current exposure in the loan pools. We evaluated the key factors and assumptions used in the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

### **Financial Statement Disclosures**

The disclosures in the financial statements are consistent, clear and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

Disclosure of the reporting entity and its operations, basis of accounting, and summary of significant accounting policies are described in Note 1.

Disclosure of mortgage backed securities and forward sales of "to-be-announced" (TBA) securities in Note 1 and Note 4. Mortgage backed securities sold, not yet purchased, represent obligations of NHF to deliver the specified security at a contract price, thereby creating a liability to purchase the security at quoted market prices. NHF also records a receivable as of the trade date for the estimated proceeds receivable. Realized and unrealized gains and losses on mortgage backed securities are reported in operating income as the activity relates solely to the housing program.

### Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements as of and for the year ended December 31, 2015.

### Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated April 27, 2016.

### Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to NHF's financial statements, or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as NHF's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of NHF, is not intended to be, and should not be used by anyone other than these specified parties.

Sacramento, California

Moss Adams, LLP

April 28, 2016



Board of Directors Meeting Wednesday, February 17, 2016 11:00 a.m. 1215 K Street, Suite 1650 Sacramento CA 95814 (916) 447-4806

### **MINUTES**

### Call to Order, Determination of Quorum

Chair, Supervisor Kevin Cann, Mariposa County, called to order the meeting of National Homebuyers Fund, Inc. (NHF) at 11:08 a.m. A quorum was determined at that time. Those present:

### **Directors Present**

Supervisor John Viegas, Glenn County Supervisor Kevin Cann, Mariposa County Supervisor Bob Williams, Tehama County Supervisor Randy Hanvelt, Tuolumne County Patricia Megason, RCRC Executive Vice President

### **Directors Absent**

None

### Others in Attendance

Supervisor Kevin Goss, Plumas County
Supervisor John Pedrozo, Merced County
Supervisor Rex Bohn, Humboldt County
Greg Norton, President
Peter Tran, RCRC Director of Operations
Lisa McCargar, RCRC Chief Financial Officer
Sarah Bolnik, RCRC Office Manager
Terrance Rodgers, RCRC Economic Development Officer
Justin Caporusso, RCRC Director of Public Affairs

### Approval of Minutes of the November 18, 2015 Board Meeting

Patricia Megason, RCRC, motioned to approve the minutes of the November 18, 2015 NHF Board of Directors Meeting. Supervisor Kevin Cann, Mariposa County, seconded the motion. Motion unanimously approved.

### **Member County Concerns**

None

### **Public Testimony**

None

### Recognition of the 2016 Board of Directors and Appointment of Corporate Officers

Greg Norton, President, reviewed the following with the NHF Board:

NHF Bylaws, Section 4. (e) states that the Directors of the corporation shall be the current Chair, Vice Chair and President (or his or her designee) of RCRC and the current Chair and Vice Chair of Golden State Finance Authority (GSFA). Bylaws, Section 6. (a) further states that the Chair shall be the current Chair of GSFA and the Vice Chair shall be the current Vice Chair of GSFA. As RCRC President, Mr. Norton designated Patricia Megason, RCRC Executive Vice President, to serve as a Director of NHF.

Bylaws, Section 6. (b) states the following: the President shall be the President of RCRC, the Chief Financial Officer shall be the Chief Financial Officer of RCRC and the Secretary of the corporation shall be the Secretary of RCRC. For purposes of conducting the business and affairs of NHF, the NHF President, appointed the following as officers of NHF:

### 2016 NHF Corporate Officers:

Executive Vice President/Secretary
Chief Financial Officer

Vice President/Assistant Secretary

Patricia Megason Lisa McCargar Craig Ferguson

Following are the 2016 NHF Board of Directors and Board Officers:

### 2016 NHF Board of Directors:

Chair Supervisor Kevin Cann GSFA Chair Vice Chair Supervisor Randy Hanvelt GSFA Vice Chair Member Supervisor John Viegas RCRC Chair

MemberSupervisor Bob WilliamsRCRC First Vice ChairMemberPatricia MegasonRCRC President Designee

### **Staff Recommendations:**

- Acknowledge the 2016 NHF Board of Directors and Chair and Vice Chair as reflected above, including the designation of Patricia Megason as a Director. (no action necessary)
- Confirm the appointment of the additional corporate officers by the NHF President as noted above.

Supervisor Randy Hanvelt, Tuolumne County, motioned to approve the proposed recommendations. Supervisor John Viegas, Glenn County, seconded the motion. Motion unanimously passed.

### NHF Charitable Contributions

Greg Norton, President, reminded the NHF Board of Directors that when the 2016 budget was approved, money was set aside to support Veteran Housing Projects. Recently, a local project was discovered. The Volunteers of America are currently in the process of renovating and repairing a 12 unit apartment complex which would provide housing to 24 homeless veterans. This complex will serve homeless veterans from four different counties, three of which are members of RCRC. Mr. Norton provided the location of the complex as well as the gap in funding needed to complete phase two and three of the project.

Mr. Norton provided an overview of a Human Trafficking Education Support program which RCRC voted to support in 2016. This program will implement an educational program for 5<sup>th</sup>, 7<sup>th</sup>, 9<sup>th</sup>, and 11<sup>th</sup> grade students in rural California. RCRC Board Members voted to provide \$150,000 for youth related support efforts in rural counties. It was then discovered that the program rollout for the first year would be \$210,539. Mr. Norton asked that the NHF Board of Director consider participating in this program along with RCRC. Together funding the training development and implementation for students among RCRC's membership counties. The program will be implemented in all RCRC Member counties over the next three school years.

### Recommendation:

It is recommended that the NHF Board of Directors review, discuss and approve the following:

- 1. Authorize the contribution of up to \$320,000 of NHF resources to Volunteers of America for the specific purpose of funding the Phase II and Phase III renovation of HomeAid Sacramento's Permanent Support Housing Project for veteran families; and,
- 2. Authorize use of \$100,000 of NHF resources to provide support, along with RCRC, to fund first year program development and implementation of Human Trafficking education for RCRC member county students.

Patricia Megason, RCRC, motioned to approve the proposed recommendations. Supervisor John Viegas, Glenn County, seconded the motion. Motion unanimously passed.

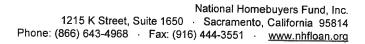
### NHF Quarterly Budget and Investment Reports

Greg Norton presented the Quarterly NHF Investment Report, the NHF Budget Report, and the NHF Cash and Securities Asset Report for period ending December 31, 2015.

### **Program Updates**

Greg Norton provided the NHF Board of Directors an update on the current housing programs.

**Adjournment**Chair, Supervisor Kevin Cann, Mariposa County adjourned the NHF Board of Directors Meeting at 11:51 a.m.





To:

NHF Board of Directors

From:

Greg Norton, President

Lisa McCargar, Chief Financial Officer

Date:

May 3, 2016

Re:

Quarterly Budget Report for NHF

### Summary

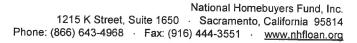
The Statement of Revenues and Expenses for NHF provides a budget to actual comparison for the quarter ended March 31, 2016.

### **Attachment**

 NHF Statement of Revenues and Expenses, Budget vs. Actual, for the Quarter ended March 31, 2016

### NATIONAL HOMEBUYERS FUND Statement of Revenue and Expenses Budget Vs. Actual - Unaudited For the Quarter Ended March 31, 2016

	201 Anni Bud		Quarter Ended March 31, 2016 Budget		Quarter Ended March 31, 2016 Actual		Variance Favorable / (Unfavorable)		Percent Favorable / (Unfavorable)
Income:									
Housing Program Revenue	8	99,100,000	\$	24,775,000	\$	36,071,530	S	11,296,530	45.60%
Program Management Fee Revenue		2,405,000	Ť	601,250	<del>                                     </del>	871,695	Ψ-	270,445	44.98%
2nd Mortgage Interest		555,000		138,750	-	79,125	_	(59,625)	-42.97%
Interest Income / Capital Gain		60,000	_	15,000	-	151,092	-	136,092	907.28%
Total Income		102,120,000		25,530,000		37,173,442		11,643,442	45.61%
Expenditures:									
Accounting & Auditing	$\neg$	29,200		7,300	-	13.263	-	(5,963)	-81.68%
Bank Fees		3,000		750		0		750	100.00%
Business Development and Expansion		120,000		30,000	$\vdash$	285	-	29,715	99.05%
Consultants		150,000		37,500		55,590	_	(18,090)	-48.24%
Contract Support Services		2,413,200		603,300		603,300		0	0.00%
County MCC Fees		17,000		4,250		4,500		(250)	-5.88%
Custodian / Trustee Fees		25,000		6,250		5,750	-	500	8.00%
Dues, Fees & Subscriptions		30,000		7,500		3,283		4,217	56.23%
Excess Resources to RCRC		3,056,000		764,000		764,000		0	0.00%
Insurance		36,000		9,000		8.735	_	265	2.94%
Legal Services		250,000		62,500		122,966	_	(60,466)	-96.75%
Lender Training		10,000		2,500		0	-	2,500	100.00%
Licenses and Fees		20,000		5,000	_	0		5,000	100.00%
Loan Losses		150,000		37,500		22,867		14,633	39.02%
Miscellaneous		5,000		1,250		184		1,066	85.28%
Gift Program		80,000,000		20,000,000		28,024,970		(8,024,970)	-40.12%
Pipeline Services		75,000		18,750		18,750		0	0.00%
Trading Platform		2,000,000		500,000		692,615	_	(192,615)	-38.52%
Promotion and Marketing		100,000		25,000		35		24,965	99.86%
Rent		67,950		16,988		17,162	_	(175)	-1.03%
Sponsorships		100,000		25,000		0	$\vdash$	25,000	100.00%
Travel		25,000		6,250		4,876		1,374	21.98%
Total Expenditures		88,682,350		22,170,588		30,363,131		(8,192,544)	-36.95%
Net Revenue Over Expenditures	\$	13,437,650	\$	3,359,412	\$	6,810,311	\$	3,450,899	102.72%





To:

NHF Board of Directors

From:

Greg Norton, President

Lisa McCargar, Chief Financial Officer

Date:

May 3, 2016

Re:

Quarterly Investment Report for NHF

### **Summary**

In accordance with NHF's investment policy, we are providing the 1<sup>st</sup> quarter 2016 investment report. This report provides a summary of year-to-date investment transactions through the quarter ending March 31, 2016. In addition, the report provides the 1<sup>st</sup> quarter's returns by investment type and a comparison to the 90 day Treasury Rate.

The CalTRUST yields are the funds' reported 1st quarter yields.

### **Attachment**

NHF Investment Report - 1<sup>st</sup> Quarter 2016

### NATIONAL HOMEBUYERS FUND Investment Report March 31, 2016

	Total	CalTRUST CalTRUST Short-Term Medium-Ter		
Bal: 12/31/15	\$19,294,940	\$9,299,954	\$9,994,986	
Additions	20,000,000	-	20,000,000	
Withdrawals	-	-	-	
Interest	41,053	14,617	26,436	
Capital Gain/(Loss)	108,885	9,295	99,590	
Bal: <b>3</b> /31/16	\$39,444,878	\$9,323,866	\$30,121,012	

Yield:	Short Term	Mid Term
Annualized One Year	0.54%	0.88%
Average Maturity (days)	398	712
90 Day Treasury Bill Rate	0.21%	

All current cash investments are held in either CalTRUST's Short-Term Fund or Medium-Term Fund. Cash in the CalTRUST Short-Term Fund may be accessed within 24 hours. Cash in the CalTRUST Medium-Term Fund may be accessed at the end of each month.

Amounts include accrued interest at the end of the period.

No members of the Investment Committee have any conflict of interest with any current investment firms.

Purpose of transactions in excess of \$1 million:

-Funds available for investment.

			*-	

# DELEGATE EXPENSE CLAIM

				:					
Purpose of Trip, Details and Remarks:			County				7	Phone Number	
Month/Year LOCATION	LODGING		MEALS		MILEAGE	MILEAGE	TRANSPORTATION, FEE or OTHER EXPENSE	PENSE	10101
Date Time (Where Expenses Were Incurred)		Breakfast	Lunch	Dinner	Miles	=	Description of Expense	Amount	EXPENSE
Provide documentation for expenses as required in the Travel and Expense Policy for Delegates. Mileage expenses may not exceed \$0.54 per mile. For lodging in the Sacramento area, reimbursement will include lodging expense, inclusive of room rate, occupancy tax and other fees, up to a maximum of \$112 per night. Meal allowances may not exceed \$8 for breakfast, \$12 for lunch, and \$25 for dinner without prior approval, except as noted in the Travel and Expense Policy.	avel and Expended other fees, up	se Policy for De to a maximum	egates. Milea of \$112 per ni	ge expenses ght. Meal allo	may not excee wances may r	ed \$0.54 per m not exceed \$8 f	ile. For lodging in the Sacramento area, reimbuor breakfast, \$12 for lunch, and \$25 for dinner v	ursement will ir without prior ap	nclude nproval,
Supervisor's Signature									
Mail Payment To:					Approved By:	*			
Address:					G / L Code:	1			
City, Elp.					Amount:				

				s