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



Wednesday, May 10, 2017 9:00 A.M.

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

# National Homebuyers Fund, Inc. Board of Directors Meeting Wednesday, May 10, 2017, 9:00 a.m. 1215 K Street, Suite 1650 Sacramento, CA 95814 (916) 447-4806

#### Agenda

9:00 a.m.
Special Order of Business
Simultaneous Meeting
GSFA Executive Committee
NHF Board of Directors
RCRC Executive Committee

#### **ACTION ITEMS**

1. NHF 2016 Annual Audit Exit Conference and Financial Statements

Page 1

- 2. GSFA 2016 Annual Audit Exit Conference and Financial Statements
- 3. RCRC 2016 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 March 15, 2017 Board Meeting Page 27
  (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)

  Lisa McCargar, Chief Financial Officer
  - a. NHF Quarterly Budget Report (March 31, 2017)

Page 29

b. NHF Quarterly Investment Report (March 31, 2017)

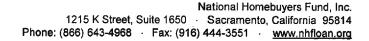
Page 33

- c. NHF Cash and Securities Asset Report (March 31, 2017)
- **5. Program Updates** (Discussion and possible action relative to) *Craig Ferguson, Vice President*

#### 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:

Lisa McCargar, Chief Financial Officer

Date:

May 3, 2017

Re:

NHF 2016 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, 2016, 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 2016 audited financial statements and communications letter as presented.

#### **Attachments**

- NHF 2016 Audited Financial Statements
- Communications to Those Charged With Governance



Report of Independent Auditors and Financial Statements

National Homebuyers Fund, Inc.

December 31, 2016

#### MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants

#### CONTENTS

REPORT OF INDEPENDENT AUDITORS	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	
(REQUIRED SUPPLEMENTARY INFORMATION)	3
BASIC FINANCIAL STATEMENTS	
Statement of net position	8
Statement of revenues, expenses, and changes in net position	9
Statement of cash flows	10
Notes to basic financial statements	11
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	17
	-,



#### 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, 2016, 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, 2016, 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 20, 2017 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 20, 2017

#### NATIONAL HOMEBUYERS FUND, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2016

This section presents management's discussion and analysis of National Homebuyers Fund, Inc.'s (NHF) financial performance for the year ended December 31, 2016. 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, 2016, by \$71.5 million (net position). All of the net position is available to meet ongoing obligations. NHF's total net position increased by \$21.0 million (up 41.5%) from December 31, 2015 to December 31, 2016.

Housing programs offered in multiple states via several lending institutions, and program management services, generated revenues of \$117 million for the year ended December 31, 2016. As of December 31, 2016, assets include \$62.8 million in unrestricted cash and equivalents and approximately \$7.3 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 changes 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 2016 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.

#### NATIONAL HOMEBUYERS FUND, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2016

#### **FINANCIAL ANALYSIS**

Condensed Statement of Net Position December 31, 2016 and 2015

				Increase (	Decrease)
	2016	- 10	2015	\$	%
Assets					
Current and other assets	\$ 303,190,438	\$	405,287,035	\$ (102,096,597)	(25.2)%
Liabilities					
Current and other liabilities	231,740,327		354,795,139	(123,054,812)	(34.7)%
Net position					
Net position, unrestricted	\$ 71,450,111	\$	50,491,896	\$ 20,958,215	41.5%

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, 2016, NHF's net position was \$71,450,111, an increase of \$20,958,215 (up 41.5%) from December 31, 2015. Net position increased during 2016 by \$21 million resulting primarily from net down payment assistance program revenue and gift expenses and increasing NHF's cash position. However, total assets and total liabilities declined. The decrease in assets of \$102,096,597 (down 25.2%) and the decrease in current and other liabilities of \$123,054,812 (down 34.7%) resulted primarily from decreased receivables and payables associated with the estimated proceeds and obligations of mortgage backed securities to be settled at a future date. The decline of the receivables and payables corresponds to the decline in housing down payment assistance revenue and gift expenses following a contract ending with a major provider early in 2016.

#### FINANCIAL ANALYSIS (CONTINUED)

#### Condensed Statement of Revenues, Expenses and Changes in Net Position December 31, 2016 and 2015

•				8		Increase (De	ecrease)
		2016	_	2015		\$	%
Operating revenues							
Bond residuals	\$	48,447	\$	60,524	\$	(12,077)	(20.0)%
Program management fee							
revenue		4,632,371		2,887,727		1,744,644	60.4%
Housing program revenue		112,621,428		136,071,233	_	(23,449,805)	(17.2)%
Total operating revenues		117,302,246		139,019,484		(21,717,238)	(15.6)%
Operating expenses							
Housing program expenses		89,397 <b>,931</b>		101,400,371		(12,002,440)	(11.8)%
Other operating expenses		7,212,435		5,056,283		2,156,152	42.6%
Total operating expenses		96,610,366		106,456,654		(9,846,288)	(9.2)%
			•	Ü.	'		
Operating income		20,691,880		32,562,830		(11,870,950)	(36.5)%
Non-operating revenue		266,335		25,401		240,934	948.5%
					'		
Change in net position		20,958,215		32,588,231		(11,630,016)	(35.7)%
Net position, beginning of year		50,491,896		17,903,665		32,588,231	182.0%
	•					5	
Net position, end of year	\$	71,450,111	\$	50,491,896	\$	20,958,215	41.5%
			'				

The statement of revenues, expenses, and changes in net position reflects activity that has occurred during the fiscal period of time covered by this report. For the year ended December 31, 2016, NHF's operating revenues decreased by \$21,717,238 (down 15.6%) from the year ended December 31, 2015, primarily due to the reduction of the down payment assistance gift and second mortgage programs. Housing programs, which provide financing options for low to moderate income homebuyers, experienced a decline in revenue of \$23,449,805 (down 17.2%) following a contract ending with a major provider early in 2016. The decline in revenue resulted in a corresponding reduction in housing program expenses of \$12,002,440 (down 11.8%) for the same period. This was the primary cause for the decline in total operating expenses of \$9,846,288 (down 9.2%). An offsetting increase of other operating expenses of \$2,156,152 (up 42.6%) was primarily due to a larger contribution to Rural County Representatives of California (RCRC) in accordance with NHF's bylaws. The contribution totaled \$3,056,000 for the year ended December 31, 2016 compared to \$1,900,000 during 2015. RCRC is an affiliate organization that provides administrative support services under a contract.

#### NATIONAL HOMEBUYERS FUND, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2016

#### **BUDGETARY COMPARISON**

National Homebuyers Fund, Inc. Comparison of Budget and Actual Revenues, Expenses, and Changes in Net Position Year Ended December 31, 2016

						Actual Ove	er (Under)
						Bud	get
		Budget		Actual		\$	%
Operating revenues							
Bond residuals	\$	55,000	\$	48,447	\$	(6,553)	(11.9)%
Program management fee							
revenue		500,000		4,632,371		4,132,371	826.5%
Housing program revenue		101,505,000		112,621,428		11,116,428	11.0%
Total operating revenues	9	102,060,000	e e	117,302,246		15,242,246	14.9%
Operating expenses							
Housing program expenses		82,100,000		89,397,931		7,297,931	8.9%
Other operating expenses		6,582,350		7,212,435		630,085	9.6%
Total operating expenses		88,682,350		96,610,366	<u>*</u>	7,928,016	8.9%
Operating income		13,377,650		20,691,880		7,314,230	54.7%
Non-operating income		60,000		266,335	-	206,335	343.9%
Change in net position	\$	13,437,650	\$	20,958,215	\$	7,520,565	56.0%

NHF's change in net position of \$20,958,215 exceeded budget by \$7,520,565, an increase of 56.0%. NHF's budget demonstrated a more moderate growth trend in housing program revenue due to program restructuring and the cancellation of a major contract. However, program revenue generated in assisting low to moderate income families exceeded budget by \$11,116,428 with the addition of new lender contracts. Program management fee revenue also exceeded budget by \$4,132,371. NHF's operating expenses exceeded budget by \$7,928,016, an increase of 8.9%, due to costs associated with housing programs and management services.

#### NATIONAL HOMEBUYERS FUND, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2016

#### **FUTURE ECONOMIC OUTLOOK**

Down payment assistance gift program activity is expected to continue in 2017, although unexpected governmental activity resulted in a postponement of a portion of the program.

NHF's 2017 board-approved budget includes continued revenue of interest income from second mortgage loans and from its program management services for Mortgage Credit Certificate (MCC) programs, down payment assistance gift programs, mortgage-backed securities administration, and prior energy retrofit loan management.

Following 2016 activity, NHF had approximately \$62.8 million in unrestricted cash available for future operations and programs. NHF also holds approximately \$7.3 million in gross second mortgage loans in its portfolio. We anticipate that additional investment in and development of housing programs and management services 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, 2016

ASSETS		
Current assets		
Cash and cash equivalents	\$	62,808,183
Restricted cash (Note 2)		442,656
Accounts receivable, proceeds from sale of securities		230,506,484
Accounts receivable		140,779
Accounts receivable from affiliated entities		1,893,667
Interest receivable		35,485
Prepaid expenses and other current assets	_	27,334
Total current assets	_	295,854,588
Non-current assets		
Second mortgage loans receivable, net of allowance for		
loan losses of \$300,000		7,335,850
Total assets	\$ _	303,190,438
LIABILITIES AND NET POSITION		
Current liabilities		
	\$	231,598,530
Accounts payable	Ψ	141,797
Total current liabilities	_	231,740,327
Net position, unrestricted	_	71,450,111
Total liabilities and net position	\$ _	303,190,438

#### NATIONAL HOMEBUYERS FUND, INC. STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION YEAR ENDED DECEMBER 31, 2016

Operating revenues			
Bond residuals		\$	48,447
Program management fee revenue		Ψ	4,632,371
Housing program revenue			112,621,428
		-	112,021,420
Total operating revenues		_	117,302,246
Operating expenses			
Accounting and auditing			26,507
Business development and expansion			31,599
Consultants			282,687
Contribution to affiliate			3,056,000
County MCC fees			4,500
Housing program expenses			89,397,931
Insurance			36,728
Legal fees			999,866
Promotion and marketing			2,225
Provision for loan losses	10		154,273
Rent			68,641
Sponsorships			100,000
Support services			2,413,200
Miscellaneous			36,209
		_	
Total operating expenses			96,610,366
Operating income		_	20,691,880
20	P 2	_	
Non-operating revenues (expenses)			
Interest income			337,895
Loss on investments			(71,560)
		_	
Total non-operating revenues		_	266,335
Change in net position			20,958,215
Net position, beginning of year			
		-	50,491,896
Net position, end of year	9	\$	71,450,111

The accompanying notes are an integral part of these financial statements

#### NATIONAL HOMEBUYERS FUND, INC. STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2016

Cash flows from operating activities		
Cash receipts from housing programs	\$	123,398,720
Cash receipts from program management fees		4,632,371
Cash receipts from bond residuals		48,447
Cash paid for support services		(2,413,200)
Cash paid for services and supplies		(110,976,950)
Net cash from operating activities	5	14,689,388
Cash flows from investing activities	_	
Interest received and loss on investments		242,989
Increase in cash and cash equivalents	_	14,932,377
Cash and cash equivalents, beginning of year		48,318,462
Cash and cash equivalents, end of year	\$ <u></u>	63,250,839
Reconciliation of operating income to net cash from operating activities  Operating income	\$	20,691,880
Adjustment to reconcile operating income to net cash from operating activities		8
Provision for loan losses		(154,273)
Change in assets and liabilities  Accounts receivable, proceeds from sale of securities		
net of accounts payable, securities sold, at fair value		572,965
Accounts receivable		425,393
Account receivable from affiliated entities		6,722,564
Second mortgage loans receivable		1,947,083
Prepaid expenses and other current assets		(1,182)
Accounts payable		(15,496,238)
Accounts payable to affiliated entities	-	(18,804)
Net cash from operating activities	\$_	14,689,388

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 a government entity.

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.

**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 down payment assistance housing programs 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.

**Accounting standards** - 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.

In February 2015, the GASB issued Statement No. 72 (GASB 72), Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. GASB 72 is effective for the current fiscal year. See fair value measurements within Note 1.

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

**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.

**Second mortgage loans** - Second mortgage loans receivable represent future principal payments on outstanding second mortgage loans. As of December 31, 2016, \$7,635,850 in second mortgage loans remain 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 income earned on NHF's 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), Federal National Mortgage Association (FNMA) and/or Federal Home Loan Mortgage Corporation (FHLMC) 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.

**Fair value measurements** – NHF categorizes its fair value measurements within the fair value hierarchy established by generally accept accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments in CalTrust of \$39.5 million are valued at net asset value and therefore excluded from the fair value hierarchy.

NHF has the following recurring fair value measurements as of December 31, 2016:

- Money market funds (Level 2 inputs)
- Accounts payable, securities to be purchased, are valued using quoted market prices (Level 1)

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

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, 2016.

- 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, 2016.
- 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, 2016.
- *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.

**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, 2016, is as follows:

Deposits with financial institutions	\$	6,684,867
Collateral accounts		16,594,563
Collateral accounts (restricted)		442,656
CalTRUST		39,528,753
Total cash and cash equivalents, including	_	4 =
restricted cash	\$	63,250,839

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

**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, 2016, NHF's deposits with financial institutions stated at \$6,684,867 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 accounts – NHF has funds held with securities firms. The funds represent collateral for the sales agreements of TBA GNMA and FNMA securities. As required by the Master Securities Forward Transaction Agreement between each 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, 2016, a portion of the funds on deposit with each securities firm represented collateral for a net unsecured forward exposure, and \$442,656 of those funds have therefore been presented as restricted cash in the statement of net position. Of the \$17,037,219 at the securities firms, \$14,604,406 is insured, and \$2,432,813 is uninsured.

**Highly liquid investments** – As of December 31, 2016, NHF also maintains a highly liquid investment account with CalTRUST in the amount of \$39,528,753. 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, 2016, exceeded \$2.8 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.

#### 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, 2016, are as follows:

Second mortgages	\$	7,635,850
Allowance for loan losses	_	(300,000)
Total second mortgage loans receivable, net of		
allowance for loan losses	\$	7,335,850
Activity in the allowance for loan losses for the year e	ended D	ecember 31, 2016, was as follows:
Balance, beginning of year	\$	300,000
Charge-offs		(154,273)
Recoveries		*
Provision for loan losses		154.273

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

Balance, end of year

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. NHF has partnered with financial institutions to market the programs to homebuyers.

300,000

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 TBA GNMA, FNMA and/or FHLMC 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 \$230,506,484 for the estimated proceeds from the sale of outstanding TBAs. NHF has also recorded a liability of \$231,598,530, the fair value as of December 31, 2016, 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, 2016, NHF maintained a contract support services agreement with RCRC, an affiliated entity, for a flat fee of \$201,100 per month. As of December 31, 2016, RCRC owed NHF \$43,933 for expenses paid by NHF on its behalf. Also for 2016, 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, 2016, \$196,134 was due to NHF from GSFA for program management fees and \$1,653,600 of proceeds from mortgage backed securities trades were due from GSFA. Also, GSFA charges a fee to NHF for administrative services related its trading platform. 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 agreements are revised for fee and scope as needed and 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 has been no significant reduction in coverage compared to prior year and there have been no settlement amounts that have exceeded commercial insurance coverage for the last three years.

#### NOTE 7 - COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

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 alleged that NHF does not have the authority to provide homeownership financing services in the state of Washington. Subsequent to year end, a Washington State judge ruled that NHF did not have the authority to offer services in the state of Washington. NHF maintains that its activities in Washington State complied with all applicable law, and is in the process of appealing this decision. Management believes that this ruling is invalid 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, 2016, and the related notes to the financial statements, which collectively comprise NHF's basic financial statements, and have issued our report thereon dated April 20, 2017.

#### **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 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*.

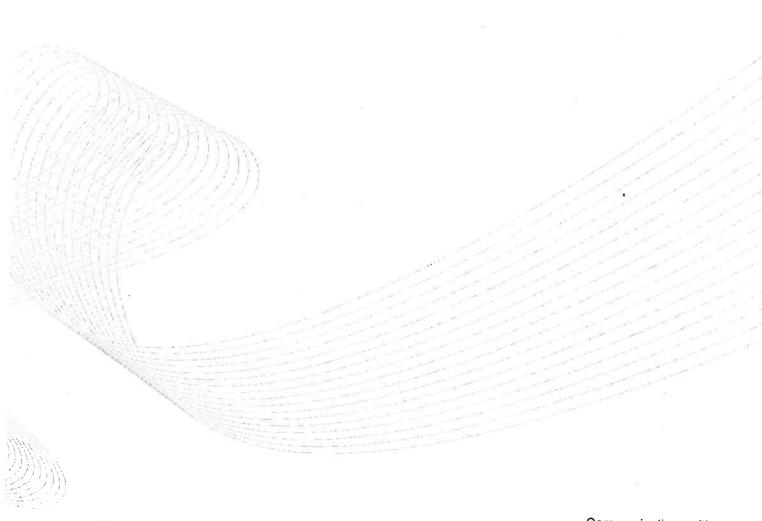
#### Purpose of this Report

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 20, 2017



Communications with Those Charged with Governance

National Homebuyers Fund, Inc.

December 31, 2016

### MOSS-ADAMS LLP

Certified Public Accountants | Business Consultants



#### COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

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, 2016, and have issued our report thereon dated April 20, 2017. 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 December 8, 2016, 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 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 16, 2016.



#### 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. During 2016, NHF implemented GASB 72 related to accounting for and reporting fair value for certain investments. No other new accounting policies were adopted and there were no changes in the application of existing policies during 2016. 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 transactions 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 Notes 1 and 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, 2016.

#### 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 20, 2017.

#### 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 and is not intended to be and should not be used by anyone other than these specified parties.

Sacramento, California

Moss Adams, LLP

April 20, 2017



Board of Directors Meeting Wednesday, March 15, 2017 1:00 p.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 1:00 p.m. A quorum was determined at that time. Those present:

#### **Directors Present**

Supervisor Kevin Cann, Mariposa County Supervisor Randy Hanvelt, Tuolumne County Supervisor Bob Williams, Tehama County Supervisor Rex Bohn, Humboldt County Greg Norton, President

#### **Directors Absent**

None

#### Others in Attendance

Craig Ferguson, RCRC Vice President
Lisa McCargar, RCRC Chief Financial Officer
Sarah Bolnik, RCRC Office Manager
Frederick Levine, Buckley Sandler (Via Teleconference)
Clinton Rockwell, Buckley Sandler (Via Teleconference)
Kevin Clune, Kerr Wagstaffe (Via Teleconference)

#### Approval of Minutes of the February 15, 2017 Board Meeting

Supervisor Randy Hanvelt, Tuolumne County, motioned to approve the minutes of the February 15, 2017 NHF Board of Directors Meeting. Supervisor Bob Williams, Tehama County, seconded the motion. Motion unanimously approved.

Public Testimony None

#### **Closed Session: Conference with Legal Counsel**

The NHF Board of Directors convened a closed session at 1:02 p.m. pursuant to Section 54956.9(d)(3) of the Government Code.

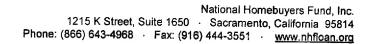
The NHF Board of Directors was reconvened to an open session at 1:33 p.m.

Report any Action Taken During the Closed Session Pursuant to Section 54956.9(d)(3) of the Government Code.

Information was received. No Action was taken.

#### Adjournment

Chair, Supervisor Kevin Cann, Mariposa County adjourned the NHF Board of Directors Meeting at 1:35 p.m.





To:

NHF Board of Directors

From:

Lisa McCargar, Chief Financial Officer

Date:

May 3, 2017

Re:

NHF Quarterly Budget Report

#### Summary

The Statement of Revenues and Expenses for NHF provides a budget to actual comparison for the quarter ended March 31, 2017.

#### **Attachment**

 NHF Statement of Revenues and Expenses, Budget vs. Actual, for the Quarter Ended March 31, 2017

#### NATIONAL HOMEBUYERS FUND Statement of Revenue and Expenses Budget Vs. Actual - Unaudited For the Quarter Ended March 31, 2017

	2017 Annual Budget	Quarter Ended March 31, 2017 Budget	Quarter Ended March 31, 2017 Actual	Variance Faverable / (Unfavorable)	Percent Favorable / ( Unfavorable )
Income:					
Housing Program Revenue	\$ 74,250,000	\$ 18,562,500	\$ 20,069,062	\$ 1,506,562	8.12 %
Program Management Fee Revenue	1,110,000	277,500	1,097,927	820,427	295.65 %
2nd Mortgage Interest	550,000	137,500	156,198	18,698	13.60 %
Interest Income / Capital Gain	454,000	113,500	144,507	31,007	27.32 %
Total income	76,364,000	19,091,000	21,467,694	2,376,694	12.45 %
Expenditures:					
Accounting & Auditing	\$ 28,500	7,125	\$ 7,449	(324)	-4.55 %
Bank Fees	-	0	10	(10)	0.00 %
Business Development and Expansion	150,000	37,500	1,365	36,135	96.36 %
Consultants	250,000	62,500	61,500	1,000	1.60 %
Contract Support Services	2,449,000	612,250	612,250	0	0.00 %
County MCC Fees	17,000	4,250	0	4,250	100.00 %
Custodian / Trustee Fees	25,000	6,250	11,750	(5,500)	-88.00 %
Dues, Fees & Subscriptions	30,000	7,500	3,570	3,930	52.40 %
Excess Resources to RCRC	3,000,000	750,000	750,000	0	0.00 %
insurance	39,000	9,750	9,152	598	6.13 %
Legal Services	1,500,000	375,000	489,965	(114,965)	-30.66 %
Lender Training	-	0	0	0	0.00 %
Licenses and Fees	-	0	0	0	0.00 %
Loan Losses	175,000	43,750	11,205	32,545	74.39 %
Meetings	1,000	250	0	250	100.00 %
Miscellaneous	5,000	1,250	0	1,250	100.00 %
Offsite Storage	-	0	0	0	0.00 %
Gift Program	64,000,000	16,000,000	16,238,364	(238,364)	-1.49 %
Pipeline Services	75,000	18,750	16,250	2,500	13.33 %
Trading Platform	750,000	187,500	98,426	89,074	47.51 %
Promotion and Marketing	100,000	25,000	0	25,000	100.00 %
Rent	85,637	21,409	23,712	(2,303)	-10.76 %
Sponsorships	100,000	25,000	200,000	(175,000)	-700.00 %
Travel	30,000	7,500	4,926	2,574	34.32 %
Total Expenditures	72,810,137	18,202,534	18,539,894	(337,360)	-1.85 %
Net Revenue Over Expenditures	\$ 3,553,863	\$ 888,465	\$ 2,927,800	\$ 2,039,334	229.53 %



National Homebuyers Fund, Inc. 1215 K Street, Suite 1650 Sacramento, California 95814 Phone: (866) 643-4968 Fax: (916) 444-3551 www.nhfloan.org

To:

NHF Board of Directors

From:

Lisa McCargar, Chief Financial Officer

Date:

May 3, 2017

Re:

NHF Quarterly Investment Report

#### **Summary**

In accordance with NHF's investment policy, we are providing the 1<sup>st</sup> quarter 2017 investment report. This report provides a summary of year-to-date investment transactions through the quarter ending March 31, 2017. 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 - 1st Quarter 2017

#### NATIONAL HOMEBUYERS FUND Investment Report

#### As of and for the Quarter Ended March 31, 2017

	Total	CalTRUST Short-Term	CalTRUST Medium-Term
Bal: 12/31/16	\$ 39,564,236	\$ 9,383,525	\$ 30,180,711
Additions	_	-	-
Withdrawals	-	-	_
Interest (includes accrued)	111,436	22,254	89,182
Capital Gain/(Loss)	30,056	(7)	30,063
Bal: 3/31/17	\$ 39,705,728	\$ 9,405,772	\$ 30,299,956

Yield:	Short Term	Mid Term
Annualized One Year	0.83%	1.07%
Average Maturity (days)	365	745
90 Day Treasury Bill Rate	0.76%	

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: -None

и

# DELEGATE EXPENSE CLAIM

Name				_	County					Phone Number	
Purpo	se of Trip	Purpose of Trip, Details and Remarks:									
Mon	-≓ ⊦		LODGING		MEALS		MILEAGE POV @ \$0.53.5/ mile	<b>AGE</b> .53.5/ mile	TRANSPORTATION, FEE or OTHER EXPENSE	EXPENSE	TOTAL
Date	Time	(Where Expenses Were Incurred)		Breakfast	Lunch	Dinner	Miles	Amount	Description of Expense	Amount	EXPENSE
										;	
Provide lodging except	documer expense, as noted it	Provide documentation for expenses as required in the Travel and Expense Policy for Delegates. Mileage expenses may not exceed \$0 lodging expense, inclusive of room rate, occupancy tax and other fees, up to a maximum of \$112 per night. Meal allowances may not expense, inclusive of room rate, occupancy tax and other fees, up to a maximum of \$112 per night. Meal allowances may not expense claim.	ivel and Expens d other fees, up s for <u>ALL</u> reque	se Policy for De to a maximum ssted reimburse	legates. Mile of \$112 per n ments must b	age expenses ight. Meal allo e attached to t	may not excee wances may r his expense cl	ed \$0.53.5 per lot exceed \$8 : laim.	Provide documentation for expenses as required in the Travel and Expense Policy for Delegates. Mileage expenses may not exceed \$0.53.5 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. Reciepts for ALL requested reimbursements must be attached to this expense claim.	reimbursement w	ill include approval,
Supervi	Supervisor's Signature	nature					Office Use Only:	ly:			
Mail Pa	Mail Payment To:	2					Approved By:	• ' ﻧﻨ			
Name:	in i						0				
7							G/L Code:	•			
city, 2lp.	dl7						Amount:	•			
				]		_					