

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



**Wednesday, July 12, 2017
12:00 P.M.**

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

**National Homebuyers Fund, Inc.
Board of Directors Meeting
Wednesday, July 12, 2017, 12:00 p.m.
1215 K Street, Suite 1650
Sacramento, CA 95814
(916) 447-4806**

Agenda

1. Call to Order & Determination of Quorum

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

2. Approval of Minutes – May 10, 2017 Board Meeting

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(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. 2017 Revised Budget for NHF – ACTION

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Lisa McCargar, Chief Financial Officer

5. NHF Quarterly Reports (Discussion and possible action relative to)

Lisa McCargar

a. NHF Budget Report (May 31, 2017)

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b. NHF Investment Report (May 31, 2017)

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c. NHF Cash and Investment Report (May 31, 2017)

6. Program Updates (Discussion and possible action relative to)

Craig Ferguson, Vice President

7. 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.



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

MINUTES

Call to Order and Determination of Quorum

NHF and GSFA Vice Chair, Supervisor Randy Hanvelt, Tuolumne County, and RCRC Chair, Supervisor Bob Williams, Tehama County, called the Simultaneous meeting of the NHF Board of Directors, the RCRC Executive Committee, and the GSFA Executive Committee to order at 9:03 a.m. The purpose of the simultaneous meeting was to conduct the Special Order of Business relative to the 2016 NHF, RCRC, and GSFA annual audits. A quorum was determined at that time. Those present were as follows:

Directors Present

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

Directors Absent

Supervisor Kevin Cann, Mariposa County

Others in Attendance

Supervisor Doug Teeter, Mono County
Supervisor Matt Kingsley, Inyo County
Supervisor Les Baugh, Shasta County
Supervisor John Viegas, Glenn County
Supervisor David Rodgers, Madera County
Lisa McCargar, RCRC Chief Financial Officer
Craig Ferguson, RCRC Vice President
Sarah Bolnik, RCRC Business Development & Board Relations
Elizabeth Jensen, RCRC Accountant
Paul A. Smith, RCRC Vice President Governmental Affairs
Justin Caporusso, Vice President External Affairs
James Lanzarotta, Partner, Moss Adams (Via Conference Line)
Derek Criswell, Partner, Moss Adams
Kevin Reynolds, Audit Senior, Moss Adams

Special Order of Business:

2016 Annual Audit Exit Conference and Financial Statements

Lisa McCargar, Chief Financial Officer, introduced Moss Adams, independent auditors. Present were Derek Criswell, Partner, Kevin Reynolds, Audit Senior, and James Lanzarotta, Partner via telephone. The team from Moss Adams provided the NHF Board of Directors, and the RCRC and GSFA Executive Committees with an overview of the financial statements for NHF, RCRC, and GSFA. Mr. Criswell noted that NHF, RCRC, and GSFA received unqualified "clean" opinions, and there were no significant matters identified. No audit adjustments were proposed.

The NHF Board of Directors and the RCRC and GSFA Executive Committees met privately with the Moss Adams team to pose questions and/or comments. Staff exited the room at 9:34 a.m. and returned to the room at 9:52 a.m.

Recommendation:

It is recommended that the NHF Board of Directors review, approve, and adopt the 2016 audited financial statements and information letter as presented.

Supervisor Bob Williams, Tehama County, motioned to approve the 2016 NHF financial statements and information letter as presented. Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion unanimously passed.

At 9:56 a.m., the simultaneous meeting of the NHF Board of Directors, GSFA Executive Committee, and the RCRC Executive Committee was adjourned.

At 10:08 a.m., the NHF Board of Directors Meeting was reconvened.

Approval of Minutes of the March 15, 2017 Board Meeting

Supervisor Bob Williams, Tehama County, motioned to approve the minutes of the March 15, 2017 NHF Board of Directors Meeting. Supervisor Rex Bohn, Humboldt County, seconded the motion. Motion unanimously approved.

Public Testimony

None

NHF Quarterly Budget and Investment Reports

Lisa McCargar, Chief Financial Officer, presented the Quarterly NHF Investment Report, the NHF Budget Report, and the NHF Cash and Securities Asset Report for period ending March 31, 2017.

Program Updates

Craig Ferguson, Vice President, provided the NHF Board of Directors an update on the current housing programs.

Adjournment

NHF Vice Chair, Supervisor Randy Hanvelt, Tuolumne County adjourned the NHF Board of Directors Meeting at 10:18 a.m.



To: NHF Board of Directors
From: Greg Norton, President
Lisa McCargar, Chief Financial Officer
Date: July 3, 2017
Re: 2017 Revised Budget for NHF - **ACTION**

Summary

The revised 2017 National Homebuyers Fund, Inc. (NHF) Operating Budget reflects proposed changes to the budget originally presented to and adopted by the Board on November 16, 2016. Due to the postponement of a significant portion of the down payment assistance program, revisions are deemed necessary.

The original 2017 operating budget (Attachment A) included total revenues of \$76,364,000 and total expenditures of \$72,810,137. The revised budgeted revenues total \$36,844,000 and revised budgeted expenses are \$34,185,137. Net revenues are expected to exceed expenditures by \$2,658,863 compared to net revenues originally exceeding expenses by \$3,553,863. Variances from the original budgeted revenues and expenditures are described below.

2017 Proposed Revised Revenue Highlights

Budgeted revenues were originally projected at \$76,364,000 and have been reduced to \$36,844,000. The 2017 NHF Operating Revenue Budget has been updated, as follows:

- The revised 2017 housing program revenue is \$32,140,000, down from originally projected revenue of \$74,250,000. The revised revenue includes program revenue earned to date, and those projected from continued activity of a small portion of the program. The proposed reduction in annual program revenues is \$42,110,000.
- Management services, originally budgeted to generate \$1,110,000, are now projected to generate nearly \$3,700,000 in revenue, up \$2,590,000. The increase is a correction from the prior budget.

2017 Proposed Revised Expenditure Highlights

The original 2017 expenditure budget has been revised from \$72,810,137 to \$34,185,137, a decline of \$38,625,000.

The key changes proposed to the 2017 NHF expenditures include:

- Housing program gifts to homebuyers were originally estimated at \$64,000,000 and have been revised down to \$26,000,000 which includes year to date activity, a decrease of \$38,000,000.
- Trading platform expenditures have been reduced \$625,000 from \$750,000 to \$125,000. With the projected decrease in program activity, there are fewer expenses associated with the trading platform.

Budgeted Net Revenue

The revised budget for 2017 will result in net revenues over expenditures of \$2,658,863 compared to net revenue over expenditures of \$3,553,863, an \$895,000 decline.

Recommendations

It is recommended that the NHF Board of Directors approve the attached revised 2017 NHF Operating Budget.

Attachment

- 2017 NHF Revised Operating Budget

ATTACHMENT A

NATIONAL HOMEBUYERS FUND
Revised FY 2017 BUDGET
For the Year Ending December 31, 2017

	REVISED 2017 Budget	ORIGINAL 2017 Budget	Change Increase / (Decrease)
Income:			
Housing Program Revenue	\$ 32,140,000	\$ 74,250,000	\$ (42,110,000)
Program Management Fee Revenue	3,700,000	1,110,000	2,590,000
2nd Mortgage Interest	550,000	550,000	-
Interest Income and Capital Gain/(Loss)	454,000	454,000	-
Total Income	\$ 36,844,000	\$ 76,364,000	\$ (39,520,000)
Expenditures:			
Accounting & Auditing	\$ 28,500	\$ 28,500	\$ -
Bank Fees	-	-	-
Business Development and Expansion	150,000	150,000	-
Consultants	250,000	250,000	-
Contract Support Services	2,449,000	2,449,000	-
County MCC Fees	17,000	17,000	-
Custodian / Trustee Fees	25,000	25,000	-
Dues, Fees & Subscriptions	30,000	30,000	-
Excess Resources to RCRC	3,000,000	3,000,000	-
Insurance	39,000	39,000	-
Legal Services	1,500,000	1,500,000	-
Lender Training	-	-	-
Licenses and Fees	-	-	-
Loan Losses	175,000	175,000	-
Meetings	1,000	1,000	-
Miscellaneous	5,000	5,000	-
Gift Program	26,000,000	64,000,000	(38,000,000)
Pipeline Services	75,000	75,000	-
Trading Platform	125,000	750,000	(625,000)
Promotion and Marketing	100,000	100,000	-
Rent	85,637	85,637	-
Sponsorships	100,000	100,000	-
Travel	30,000	30,000	-
Total Expenditures	\$ 34,185,137	\$ 72,810,137	\$ (38,625,000)
Net Revenue/(Expenditures)	\$ 2,658,863	\$ 3,553,863	\$ (895,000)
Noncash Adjustments:			
Loan Losses	\$ 175,000	\$ 175,000	\$ -
Projected Use of Residual	\$ -	\$ -	\$ -
Use of Reserves Cash Adjustment:			
Designated for Veteran's Housing, Etc.	\$ (1,680,000)	\$ (1,680,000)	\$ -



National Homebuyers Fund, Inc.
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Phone: (866) 643-4968 · Fax: (916) 444-3551 · www.nhfloan.org

To: NHF Board of Directors
From: Greg Norton, President
Lisa McCargar, Chief Financial Officer
Date: July 3, 2017
Re: NHF Budget Report (May 31, 2017)

Summary

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

Attachment

- NHF Statement of Revenues and Expenses, Budget vs. Actual, for the five months ended May 31, 2017.

NATIONAL HOMEBUYERS FUND
Statement of Revenue and Expenses
Budget Vs. Actual - Unaudited
For the Five Months Ended May 31, 2017

	2017 Annual Budget	5 Months Ended May 31, 2017 Budget	5 Months Ended May 31, 2017 Actual	Variance Favorable/ (Unfavorable)	Percent Favorable/ (Unfavorable)
Income:					
Housing Program Revenue	\$ 74,250,000	\$ 30,937,500	\$ 26,297,853	\$ (4,639,647)	-15.00%
Program Management Fee Revenue	1,110,000	462,500	1,769,155	1,306,655	282.52%
2nd Mortgage Interest	550,000	229,167	256,911	27,744	12.11%
Interest Income / Capital Gain	454,000	189,167	261,712	72,545	38.35%
Total Income	\$ 76,364,000	\$ 31,818,334	\$ 28,585,631	\$ (3,232,703)	-10.16%
Expenditures:					
Accounting & Auditing	\$ 28,500	\$ 11,875	\$ 22,222	\$ (10,347)	-87.13%
Bank Fees	-	-	10	(10)	0.00%
Business Development and Expansion	150,000	62,500	1,691	60,809	97.29%
Consultants	250,000	104,167	102,500	1,667	1.60%
Contract Support Services	2,449,000	1,020,417	1,020,417	-	0.00%
County MCC Fees	17,000	7,083	-	7,083	100.00%
Custodian / Trustee Fees	25,000	10,417	16,850	(6,433)	-61.75%
Dues, Fees & Subscriptions	30,000	12,500	7,140	5,360	42.88%
Excess Resources to RCRC	3,000,000	1,250,000	750,000	500,000	40.00%
Insurance	39,000	16,250	15,252	998	6.14%
Legal Services	1,500,000	625,000	826,221	(201,221)	-32.20%
Loan Losses	175,000	72,917	11,205	61,712	84.63%
Meetings	1,000	417	-	417	100.00%
Miscellaneous	5,000	2,083	-	2,083	100.00%
Gift Program	64,000,000	26,666,667	20,690,831	5,975,836	22.41%
Pipeline Services	75,000	31,250	26,250	5,000	16.00%
Trading Platform	750,000	312,500	120,074	192,426	61.58%
Promotion and Marketing	100,000	41,667	-	41,667	100.00%
Rent	85,637	35,682	38,831	(3,149)	-8.83%
Sponsorships	100,000	41,667	200,000	(158,333)	-380.00%
Travel	30,000	12,500	4,926	7,574	60.59%
Total Expenditures	\$ 72,810,137	\$ 30,337,559	\$ 23,854,420	\$ 6,483,139	21.37%
Net Revenue Over Expenditures	\$ 3,553,863	\$ 1,480,775	\$ 4,731,211	\$ 3,250,436	219.51%



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To: NHF Board of Directors
From: Greg Norton, President
Lisa McCargar, Chief Financial Officer
Date: July 3, 2017
Re: NHF Investment Report (May 31, 2017)

Summary

In accordance with NHF's investment policy, we are providing the investment report as of May 31, 2017. This report provides a summary of investment transactions from March 31, 2017 to May 31, 2017. In addition, the report provides the returns by investment type and a comparison to the 90 day Treasury Rate.

The CalTRUST yields are the funds' reported May 31st yields.

Attachment

- NHF Investment Report – May 31, 2017

NATIONAL HOMEBUYERS FUND
Investment Report
As of May 31, 2017

	Total	CalTRUST Short-Term	CalTRUST Medium-Term
Bal: 3/31/17	\$ 39,705,728	\$ 9,405,772	\$ 30,299,956
Additions	-	-	-
Withdrawals	-	-	-
Interest (includes accrued)	80,049	16,650	63,399
Capital Gain/(Loss)	30,210		30,210
Bal: 5/31/17	\$ 39,815,987	\$ 9,422,422	\$ 30,393,565

<u>Yield:</u>	<u>Short Term</u>	<u>Mid Term</u>
Annualized One Year	0.89%	1.11%
Average Maturity (days)	343	748
90 Day Treasury Bill Rate	0.98%	

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

DELEGATE EXPENSE CLAIM

Name _____ County _____ Phone Number _____

Purpose of Trip, Details and Remarks:

Month/Year	Date	Time	LOCATION (Where Expenses Were Incurred)	LODGING	MEALS			MILEAGE POV @ \$0.53.5/ mile		TRANSPORTATION, FEE or OTHER EXPENSE		TOTAL EXPENSES
					Breakfast	Lunch	Dinner	Miles	Amount	Description of Expense	Amount	

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. Receipts for ALL requested reimbursements must be attached to this expense claim.

Supervisor's Signature _____

Office Use Only:
Approved By: _____
G / L Code: _____
Amount: _____

Mail Payment To:
Name: _____
Address: _____
City, Zip: _____

