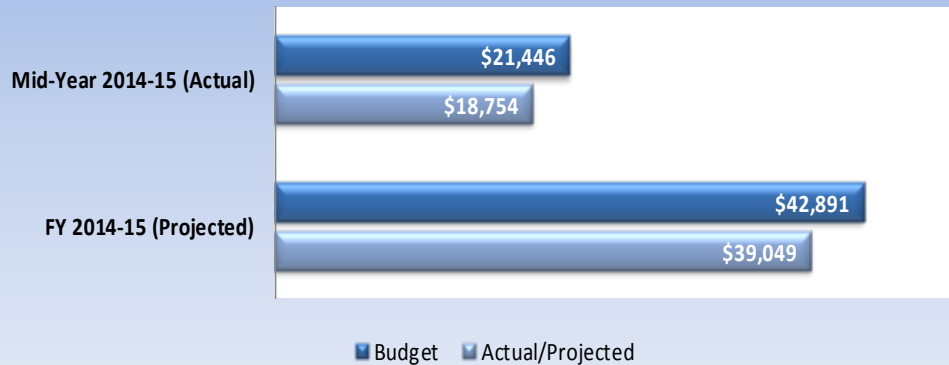


# CalHFA FY 2014-15 MID-YEAR BUDGET UPDATE

## CalHFA Operating Budget

In thousands



Budget Categories	Mid-Year Budget	Mid-Year Actuals	Variance \$	Variance %
Personal Services	\$15,061	\$13,756	(\$1,305)	-9%
Operating Expense and Equipment	\$5,775	\$4,613	(\$1,162)	-20%
Strategic Project Contracts	\$610	\$385	(\$225)	-37%
<b>Total Operating Budget</b>	<b>\$21,446</b>	<b>\$18,754</b>	<b>(\$2,692)</b>	<b>-13%</b>

## Single Family Programs Revenue Trends

(In thousands)



### FACTS:

- ◆ Operating expenditures are trending 13% or \$2.6M under budget at 12/31/2014
- ◆ Savings are primarily the result of position vacancies (38 vacant FTE) and a reduction in previously anticipated contract costs
- ◆ Single family lending activities are steadily increasing, revenues are meeting business plan expectations and portfolio delinquency has dropped below 9%
- ◆ New multifamily lending has been slower than expected; however, with the rollout of the new conduit issuance program and the new HUD Risk Share program, the Agency is optimistic that new multifamily lending activity will increase in the coming months

## Multifamily Programs Revenue Trends\*

(In thousands)



\* Multifamily has also received \$42M in cash from one time loan prepayments and yield maintenance fees.

# CalHFA FY 2014-15 MID-YEAR BUDGET UPDATE

CALIFORNIA HOUSING FINANCE AGENCY  
2014-15 (MID-YEAR UPDATE)  
CONSOLIDATED CALHFA AND MIS FUNDS OPERATING BUDGET  
(DOLLARS IN THOUSANDS)

EXPENDITURE ITEM	Budgeted	Actual	\$ Variance	% Variance	YTD	YTD	\$ Variance	% Variance	Budgeted	Projected	\$ Variance	% Variance
	2013-14	2013-14			Budgeted	Actuals thru 12/31/2014			2014-15	2014-15		
<b>PERSONAL SERVICES</b>												
Salaries and Wages	\$21,346	\$21,346	\$0	0%	\$10,558	\$10,558	\$0	0%	\$21,116	\$21,116	\$0	0%
Benefits	7,471	7,919	448.07	6%	4,434	4,308	(126)	-3%	8,868	8,616	(252)	-3%
Estimated Savings (Vacancies)	0	(2,995)			0	(1,138)			0	(2,276)		
Anticipated Salaries and Wages and Benefits	28,816	26,270	(2,546)	-9%	14,992	13,728	(1,264)	-8%	29,984	27,456	(2,528)	-8%
Temporary Help												
Students/Retired Annuitants	269	403	134.00	50%	172	166	(6)	-3%	344	332	(12)	-3%
Contract	319	388	69.00	22%	98	109	11	11%	195	218	23	12%
Overtime	118	107	(11)	-9%	47	42	(5)	-11%	94	84	(10)	-11%
Reimbursements												
KYHC (Outside Funding)	(\$580)	(\$392)	\$188	-32%	(\$248)	(\$192)	\$56	-23%	(\$496)	(\$384)	\$112	-23%
HCD	\$0	(\$215)			\$0	(\$97)			\$0	(\$194)		
<b>TOTALS, Personal Services</b>	<b>\$28,944</b>	<b>\$26,562</b>	<b>(\$2,382)</b>	<b>-8%</b>	<b>\$15,061</b>	<b>\$13,756</b>	<b>(\$1,305)</b>	<b>-9%</b>	<b>\$30,121</b>	<b>\$27,512</b>	<b>(\$2,609)</b>	<b>-9%</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>												
General Expense	633	589	(\$44)	-7%	339	307	(\$32)	-9%	677	614	(\$63)	-9%
Communications	509	404	(\$105)	-21%	248	155	(\$93)	-38%	497	410	(\$87)	-17%
Travel	381	372	(\$9)	-2%	195	131	(\$64)	-33%	390	350	(\$40)	-10%
Training	115	62	(\$53)	-46%	67	38	(\$29)	-43%	134	76	(\$58)	-43%
Facilities Operation	3,025	2,855	(\$170)	-6%	1,542	1,519	(\$23)	-1%	3,084	3,038	(\$46)	-1%
Consulting & Professional Services	3,791	2,496	(\$1,295)	-34%	1,837	1,299	(\$538)	-29%	3,674	3,098	(\$576)	-16%
**Central Admin. Serv.	3,794	3,738	(\$56)	-1%	1,156	1,041	(\$115)	-10%	2,312	2,082	(\$230)	-10%
Information Technology	600	504	(\$96)	-16%	332	99	(\$233)	-70%	663	550	(\$113)	-17%
Equipment	150	101	(\$49)	-33%	60	24	(\$36)	-60%	120	100	(\$20)	-17%
<b>TOTALS, Operating Expenses and Equipment</b>	<b>\$12,999</b>	<b>\$11,121</b>	<b>(\$1,878)</b>	<b>-14%</b>	<b>\$5,775</b>	<b>\$4,613</b>	<b>(\$1,162)</b>	<b>-20%</b>	<b>\$11,551</b>	<b>\$10,318</b>	<b>(\$1,233)</b>	<b>-11%</b>
<b>TOTALS, Strategic Project Contracts</b>	<b>\$2,053</b>	<b>\$501</b>	<b>(\$1,552)</b>	<b>-76%</b>	<b>\$610</b>	<b>\$385</b>	<b>(\$225)</b>	<b>-37%</b>	<b>\$1,219</b>	<b>\$1,219</b>	<b>\$0</b>	<b>0%</b>
<b>TOTALS, EXPENDITURES</b>	<b>\$43,996</b>	<b>\$38,184</b>	<b>(\$5,812)</b>	<b>-13%</b>	<b>\$21,446</b>	<b>\$18,754</b>	<b>(\$2,692)</b>	<b>-13%</b>	<b>\$42,891</b>	<b>\$39,049</b>	<b>(\$3,842)</b>	<b>-9%</b>

\* OPEB (Other Post-Employment Benefits) Under GASB 45, public agencies must account for, and report, the annual required contribution (ARC) for OPEBs in the same way they report pension benefits. As a result, the annual OPEB expense to be reported by most employers will need to be based on actuarially determined amounts rather than on the "pay-as-you-go" method. Governments must use actuarial evaluations to determine the final accounting and reporting amounts expected in the future. OPEB costs also must be reported over the working lifetime of employees, and the information provided in financial statements must include the funding, costs and provisions in an OPEB plan. While GASB 45 does not require that OPEB plans be funded, it requires disclosure of net OPEB obligations (NOO).

FY 2014-15 estimated OPEB liability expected to be approximately \$3.6m.