

**ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY
APPROVED BUDGET
OCTOBER 1, 2017 THROUGH SEPTEMBER 30, 2018**

	Approved Final FY 16-17 Budget Oct 2016 - Sep 2017	% of Total Budget	Approved FY 17-18 Budget Oct 2017 - Sep 2018	% of Total Budget	Variance From Prior Year	% Change from prior year
Income:						
ISSUER FEES AND OTHER INCOME	314,700	6.83%	259,700	6.89%	(55,000.00)	-17.48%
MULTI-FAMILY DEVELOPMENT PROGRAM INCOME ¹	42,260	0.92%	182,900	4.85%	140,640.00	332.80%
URBAN INFILL PROGRAM INCOME ²	27,300	0.59%	27,300	0.72%	0.00	0.00%
TBA PROGAM INCOME ³	1,247,500	27.06%	1,241,800	32.94%	(5,700.00)	-0.46%
SECOND MORTGAGE SATISFACTIONS ⁴	89,700	1.95%	429,600	11.40%	339,900.00	378.93%
INTEREST INCOME- BANKS	24,300	0.53%	43,200	1.15%	18,900.00	77.78%
INTEREST INCOME-BOND ISSUES	329,500	7.15%	274,200	7.27%	(55,300.00)	-16.78%
INTEREST INCOME-LGIP		0.00%	12,000	0.32%	12,000.00	100.00%
NET REALIZED & UNREALIZED GAINS		0.00%		0.00%	0.00	0.00%
OTHER INCOME ⁵						0.00%
FROM RESERVES ⁶	2,535,540	54.99%	1,298,800	34.46%	(1,236,740.00)	-48.78%
Total Income	\$4,610,800	100%	3,769,500	100%	(841,300.00)	-18.25%
Expense:						
SALARIES AND RELATED BENEFITS ⁷	754,300.00	16.36%	\$802,300.00	21.28%	48,000.00	6.36%
LEGAL, ACCTING & ADVISORY FEES ⁷	288,000	6.25%	200,600	5.32%	(87,400.00)	-30.35%
OFFICE RENT	53,000	1.15%	54,600	1.45%	1,600.00	3.02%
GENERAL OPERATING & ADMINISTRATIVE ⁸	162,600	3.53%	111,700	2.96%	(50,900.00)	-31.30%
TRAVEL, LODGING & MEALS	57,600	1.25%	43,100	1.14%	(14,500.00)	-25.17%
DEPRECIATION	2,500	0.05%	4,200	0.11%	1,700.00	68.00%
MEMBERSHIPS, DUES, & SUBSCRIPTIONS	18,900	0.41%	19,800	0.53%	900.00	4.76%
EDUCATIONAL CONF. FEES & TRAINING ⁹	41,600	0.90%	32,700	0.87%	(8,900.00)	-21.39%
BOND ISSUANCE COSTS- ADVERTISING	20,000	0.43%	20,000	0.53%	0.00	0.00%
TBA S/F LOAN PROGRAM COI ¹⁰	673,100	14.60%	661,300	17.54%	(11,800.00)	-1.75%
BOND RELATED TRAVEL	20,000	0.43%	10,000	0.27%	(10,000.00)	-50.00%
MULTI-FAMILY DEVELEOPMENT EXPENSES ¹¹	893,000	19.37%	500,000	13.26%	(393,000.00)	-44.01%
URBAN INFILL PROGRAM EXPENSES	1,200	0.03%	1,600	0.04%	400.00	33.33%
GRANTS/MINI HOMES ¹²	500,000	10.84%	200,000	5.31%	(300,000.00)	-60.00%
NON-AMORTIZING SECOND MORTGAGES ¹³	1,125,000	24.40%	1,107,600	29.38%	(17,400.00)	-1.55%
Total Expense	\$4,610,800	100%	\$3,769,500	100%	(841,300.00)	-18.25%
Net Income	\$0		\$0		0.00	

^(1a) UWF Dormitory Bonds were refinanced in FY16-17. Accordingly, no revenue is projected for these projects in FY17-18.

^(1b) The Authority still holds residual inducement retainers for the Perrytown and Springhill Projects, \$4,236.37 and \$3,714.59 respectively. The developer received tax credit funding for the Perrytown development and this budget reflects anticipated fees associated with issuing the related bonds. The developer plans to apply for tax credits for the Springhill development in the fall 2017 cycle.

⁽²⁾ During FY16-17, the Authority completed seven (7) Urban Infill projects with an additional seven (7) in various stages of construction. With the increase of the revolving fund to \$800,000, the budget estimates twelve to fifteen (12-15) Urban Infill homes will be completed during the 2017-2018 fiscal year. The administrative fee is 1.5% of the sale price of the home.

^(3a) FY 16-17 Estimated TBA S/F revenue was based on projected TBA Originations of \$16,500,000. FY 17-18 Estimated TBA S/F revenue is based on projected TBA Originations of \$16,336,000 to be conservative. Past Origination volumes are not indicative of future volume.

^(3b) Projection of TBA S/F Lender Extension Fee Income based on actual receipts through the month ending 06/30/2017.

⁽⁴⁾ Assumed prepayment rate of 5.5% of outstanding balance of TBA 0% 30 yr Deferred 2nd Mortgages based on actual receipts through 07/31/2017 (net of Leon HFA sharing agreement). Past Origination volumes are not indicative of future volume.

⁽⁵⁾ Nothing is budgeted for MBS Sales/residuals for FY 17-18.

⁽⁶⁾ The FY2017-2018 Budget, as proposed, is estimated to require up to \$1,298,800 from reserves.

⁽⁷⁾ As of January 30, 2017, the Executive Director also serves as the in-house General Counsel increasing salaries and reducing legal fees.

^(8a) Includes computer budget for the further implementation of the IT Strategic Plan (i.e. implementation of Metalogix, upgraded server, computer rotation, etc.).

^(8b) Includes the Host Policy budget of \$2,700 for "expenditure of Authority funds for certain employee recognition and appreciation activities, certain employee functions, and specified business relationship building activities."

⁽⁹⁾ Includes FY 2017-2018 Contribution to the Sadowski Educational Effort ("SEE") for \$15,000 if approved as presented at the September 12, 2017 meeting.

⁽¹⁰⁾ FY 16-17 TBA COI expenses based on projected TBA Originations of \$16,500,000. FY 16-17 TBA Cost of Issuance ("COI") expenses (i.e. lender profit, custodian fee, hedge fee, financial advisor fee, bidding agent fees, and program related travel) are based on projected TBA Originations of \$16,336,000. Past Origination volumes are not indicative of future volume.

⁽¹¹⁾ The Board appropriated \$1,000,000 for the Multi-Family Development Loan Program on December 9, 2014. The FY17-18 amount represents an extension of a portion of the balance of that appropriation, excluding the write down of the Olive Road property.

⁽¹²⁾ Disaster Recovery Program was approved by the Board on March 29, 2016 to provide grants to the citizens affected by disasters (i.e. the storms in Century). This line is to be converted to the mini homes program if approved as presented at the September 12, 2017 Board meeting.

⁽¹³⁾ FY 16-17 TBA S/F DPA expense projection based on TBA Originations of \$16,500,000, a DPA amount of \$7,500 and average first mortgage of \$110,000. FY 17-18 TBA S/F DPA expense projection based on actual projected FY16-17 TBA Originations of \$16,336,000, a DPA amount of \$7,500 and average first mortgage of \$122,000. Past Origination volumes are not indicative of future volume.

(A) ANALYSIS OF CHANGE

Operations Expense (excludes TBA/Bond and Program Related Expenses)	\$1,378,500.00	\$1,269,000.00	(109,500.00)	-7.94%
Program Expense (TBA/Bond and Other Program Related Expenses)	\$3,232,300.00	\$2,500,500.00	(731,800.00)	-22.64%