

ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY
APPROVED BUDGET
OCTOBER 1, 2018 THROUGH SEPTEMBER 30, 2019

	Approved FY 17-18 Budget Oct 2017 - Sep 2018	Amended % of Total Budget	Proposed FY18-19 Budget Oct 2018 - Sep 2019		Variance From Prior Year	% Change from prior year Amended Budget
Income:						
ISSUER FEES AND OTHER INCOME	227,500	5.98%	207,000	5.44%	(20,500.00)	-9.01%
MULTI-FAMILY DEVELOPMENT PROGRAM INCOME ¹	93,800	2.46%	213,000	5.60%	119,200.00	127.08%
URBAN INFILL PROGRAM INCOME ²	26,300	0.69%	47,000	1.24%	20,700.00	78.71%
TBA PROGAM INCOME ³	1,404,400	36.90%	1,736,000	45.62%	331,600.00	23.61%
SECOND MORTGAGE SATISFACTIONS ⁴	416,500	10.94%	506,000	13.30%	89,500.00	21.49%
INTEREST INCOME- BANKS	90,700	2.38%	128,000	3.36%	37,300.00	41.12%
INTEREST INCOME-BOND ISSUES	208,000	5.47%	236,000	6.20%	28,000.00	13.46%
INTEREST INCOME-LGIP	46,000	1.21%	69,000	1.81%	23,000.00	50.00%
NET REALIZED & UNREALIZED GAINS	(6,400)	-0.17%	(5,000)	-0.13%	1,400.00	-21.88%
OTHER INCOME ⁵					0.00	0.00%
FROM RESERVES ⁶	1,298,800	34.13%	1,298,800	34.13%	0.00	0.00%
Total Income	3,805,600	100%	4,435,800	117%	630,200.00	16.56%
Expense:						
SALARIES AND RELATED BENEFITS ⁷	\$764,700.00	20.09%	909,000.00	23.89%	144,300.00	18.87%
LEGAL, ACCTING & ADVISORY FEES	67,000	1.76%	75,000.00	1.97%	8,000.00	11.94%
OFFICE RENT	53,500	1.41%	55,000.00	1.45%	1,500.00	2.80%
GENERAL OPERATING & ADMINISTRATIVE ⁸	65,100	1.71%	109,000	2.86%	43,900.00	67.43%
TRAVEL, LODGING & MEALS	27,300	0.72%	42,000	1.10%	14,700.00	53.85%
DEPRECIATION	5,000	0.13%	5,000	0.13%	0.00	0.00%
MEMBERSHIPS, DUES, & SUBSCRIPTIONS	19,000	0.50%	21,000	0.55%	2,000.00	10.53%
EDUCATIONAL CONF. FEES & TRAINING ⁹	32,400	0.85%	32,000	0.84%	(400.00)	-1.23%
BOND ISSUANCE COSTS- ADVERTISING	15,700	0.41%	20,000	0.53%	4,300.00	27.39%
TBA S/F LOAN PROGRAM COI ¹⁰	832,600	21.88%	897,000.00	23.57%	64,400.00	7.73%
BOND RELATED TRAVEL	3,000	0.08%	5,000.00	0.13%	2,000.00	66.67%
MULTI-FAMILY DEVELEOPMENT EXPENSES ¹¹	5,000	0.13%	500,000.00	13.14%	495,000.00	9900.00%
URBAN INFILL PROGRAM EXPENSES	8,300	0.22%	5,000.00	0.13%	(3,300.00)	-39.76%
GRANTS/MINI HOMES ¹²	7,000	0.18%	200,000.00	5.26%	193,000.00	2757.14%
NON-AMORTIZING SECOND MORTGAGES ¹³	1,900,000	49.93%	1,560,800.00	41.01%	(339,200.00)	-17.85%
					0.00	0.00%
Total Expense	\$3,805,600	100%	\$4,435,800	117%	630,200.00	0.00%
Net Income	\$0		\$0		0.00	

⁽¹⁾ The Authority still holds residual inducement retainers for the Springhill Project and Delphin Downs projects. The developers have received tax credit funding. The Authority is also working on the Taylor Pointe Development. This budget reflects anticipated fees associated with issuing the related bonds.

⁽²⁾ During FY17-18, the Authority completed nine (9) Urban Infill projects with an additional thirteen (13) in various stages of construction. With the added flexibility and the increase of the revolving fund to \$2,000,000, the budget estimates twenty to twenty-two (20-22) Urban Infill homes will be completed during the 2018-2019 fiscal year. The administrative fee is 1.5% to 2.5% of the sale price of the home.

⁽³⁾ TBA revenue is based on TBA loans pooled/sold during the year. FY 16-17 TBA loans pooled/sold was \$16,400,000. With the addition of the Freddie Mac program and the increase in home sales in general, FY 17-18 TBA loans pooled/sold is \$25,800,000. The FY18-19 budget is based on TBA loans pooled/sold of \$26, 800,000. Past origination volumes are not necessarily indicative of future volume. TBA revenue also includes TBA S/F Lender Extension Fee Income (\$10,000) based on actual receipts through the month ending 07/31/2018.

⁽⁴⁾ Assumed prepayment rate of 5.7% of outstanding balance of TBA 0% 30 yr Deferred 2nd Mortgages based on total DPA outstanding and actual receipts through 07/31/2018 (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 18-19.

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

⁽⁷⁾ The salary budget includes estimates for increased costs in benefits and raises. Also, in September 2018, the Authority added a benefits eligible Compliance Officer position.

⁽⁸⁾ Includes computer budget for the further implementation of the IT Strategic Plan (i.e. upgrade to business server, computer rotation, etc.) and the Host Policy budget of \$2,500 for "expenditure of Authority funds for certain employee recognition and appreciation activities, certain employee functions, and specified business relationship building activities."

⁽⁹⁾ Includes funds for a FY 2018-2019 Contribution to the Sadowski Educational Effort ("SEE") of \$15,000 pending approval of the Board when presented.

⁽¹⁰⁾ FY 16-17 TBA COI expenses based on projected TBA loans pooled/sold. FY 16-17 TBA loans pooled/sold was \$16,400,000. With the addition of the Freddie Mac program and the increase in home sales in general, FY 17-18 TBA loans pooled/sold is \$25,800,000. The FY18-19 TBA COI budget is based on TBA loans pooled/sold of \$26, 800,000. Past origination volumes are not necessarily indicative of future volume. This budget line includes ongoing account fees for outstanding issues.

⁽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⁾ The mini homes program was approved at the September 12, 2017 Board meeting. These funds will be used as needed to supplement the construction and sale of mini homes.

⁽¹³⁾ FY 16-17 TBA DPA expenses based on projected TBA loans pooled/sold. FY 16-17 TBA loans pooled/sold was \$16,400,000. With the addition of the Freddie Mac program and the increase in home sales in general, FY 17-18 TBA loans pooled/sold is \$25,800,000. The FY18-19 TBA DPA budget is based on TBA loans pooled/sold of \$26, 800,000. Past origination volumes are not necessarily indicative of future volume.

(A) ANALYSIS OF CHANGE COMPARED TO AMENDED BUDGET				
Operations Expense (excludes TBA/Bond and Program Related Expenses)	\$1,034,000.00		1,248,000.00	214,000.00 20.70%
Program Expense (TBA/Bond and Other Program Related Expenses)	\$2,771,600.00		\$3,187,800.00	416,200.00 15.02%
Operations Net (Fees and Investments less Operation expenses)	(\$468,200.00)		(\$613,000.00)	(144,800.00) 30.93%
Program Net (All Program Revenues less all Program Expenses)	(\$830,600.00)		(\$685,800.00)	144,800.00 -17.43%
TBA Only Net (Including DPA & Satisfactions)	(911,700.00)		(215,800.00)	695,900.00 -76.33%