

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

	Approved FY 17-18 Budget Oct 2017 - Sep 2018	% of Total Budget	Approved Amended FY 17-18 Budget Oct 2017 - Sep 2018	% of Total Budget	Variance From Initial Budget	% Change from Initial Budget
<b>Income:</b>						
ISSUER FEES AND OTHER INCOME	259,700	6.89%	227,500.00	5.98%	(32,200.00)	-12.40%
MULTI-FAMILY DEVELOPMENT PROGRAM INCOME <sup>1</sup>	182,900	4.85%	93,800.00	2.46%	(89,100.00)	-48.72%
URBAN INFILL PROGRAM INCOME <sup>2</sup>	27,300	0.72%	26,300.00	0.69%	(1,000.00)	-3.66%
TBA PROGAM INCOME <sup>3</sup>	1,241,800	32.94%	1,404,400.00	36.90%	162,600.00	13.09%
SECOND MORTGAGE SATISFACTIONS <sup>4</sup>	429,600	11.40%	416,500.00	10.94%	(13,100.00)	-3.05%
INTEREST INCOME- BANKS	43,200	1.15%	90,700.00	2.38%	47,500.00	109.95%
INTEREST INCOME-BOND ISSUES	274,200	7.27%	208,000.00	5.47%	(66,200.00)	-24.14%
INTEREST INCOME-LGIP	12,000	0.32%	46,000.00	1.21%	34,000.00	283.33%
NET REALIZED & UNREALIZED GAINS		0.00%	(6,400.00)	-0.17%	(6,400.00)	0.00%
OTHER INCOME <sup>5</sup>				0.00%	0.00	0.00%
FROM RESERVES <sup>6</sup>	1,298,800	34.46%	1,298,800.00	34.13%	0.00	0.00%
<b>Total Income</b>	<b>3,769,500</b>	<b>100%</b>	<b>3,805,600</b>	<b>100%</b>	<b>36,100.00</b>	<b>0.96%</b>
<b>Expense:</b>						
SALARIES AND RELATED BENEFITS <sup>7</sup>	\$802,300.00	21.28%	764,700.00	20.09%	(37,600.00)	-4.69%
LEGAL, ACCTING & ADVISORY FEES <sup>7</sup>	200,600	5.32%	67,000.00	1.76%	(133,600.00)	-66.60%
OFFICE RENT	54,600	1.45%	53,500.00	1.41%	(1,100.00)	-2.01%
GENERAL OPERATING & ADMINISTRATIVE <sup>8</sup>	111,700	2.96%	65,100.00	1.71%	(46,600.00)	-41.72%
TRAVEL, LODGING & MEALS	43,100	1.14%	27,300.00	0.72%	(15,800.00)	-36.66%
DEPRECIATION	4,200	0.11%	5,000.00	0.13%	800.00	19.05%
MEMBERSHIPS, DUES, & SUBSCRIPTIONS	19,800	0.53%	19,000.00	0.50%	(800.00)	-4.04%
EDUCATIONAL CONF. FEES & TRAINING <sup>9</sup>	32,700	0.87%	32,400.00	0.85%	(300.00)	-0.92%
BOND ISSUANCE COSTS- ADVERTISING	20,000	0.53%	15,700.00	0.41%	(4,300.00)	-21.50%
TBA S/F LOAN PROGRAM COI <sup>10</sup>	661,300	17.54%	832,600.00	21.88%	171,300.00	25.90%
BOND RELATED TRAVEL	10,000	0.27%	3,000.00	0.08%	(7,000.00)	-70.00%
MULTI-FAMILY DEVELEOPMENT EXPENSES <sup>11</sup>	500,000	13.26%	5,000.00	0.13%	(495,000.00)	-99.00%
URBAN INFILL PROGRAM EXPENSES	1,600	0.04%	8,300.00	0.22%	6,700.00	418.75%
GRANTS/MINI HOMES <sup>12</sup>	200,000	5.31%	7,000.00	0.18%	(193,000.00)	-96.50%
NON-AMORTIZING SECOND MORTGAGES <sup>13</sup>	1,107,600	29.38%	1,900,000.00	49.93%	792,400.00	71.54%
<b>Total Expense</b>	<b>\$3,769,500</b>	<b>100%</b>	<b>\$3,805,600</b>	<b>100%</b>	<b>36,100.00</b>	<b>0.96%</b>
<b>Net Income</b>	<b>\$0</b>		<b>\$0</b>		<b>0.00</b>	

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

(1b) Perrytown closed in FY18. Springhill, Delphin Downs, and Taylor Pointe are not expected to close before year end.

(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. Nine home have been completed thus far in FY2018.

(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. Originations are exceeding initial budget estimates, but net margins are lower than expected.

(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, was estimated to require up to \$1,298,800 from reserves and it remains the same in the amended budget.

(7) As of January 30, 2017, the Executive Director also serves as the in-house General Counsel increasing salaries and reducing legal fees. Compliance Officer position will be added mid-September.

(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 as approved 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. FY18 originations are exceeding initial budget estimates, but net margins are lower than expected. The Authority has reduced it's expenses related to variance.

(11) The Board appropriated \$1,000,000 for the Multi-Family Development Loan Program on December 9, 2014. The FY17-18 amount represents an extention of a portion of the balance of that appropriation, excluding the write down of the Olive Road property. These funds have not been needed for the Multi-family initiative and have been repurposed to the address the need for increased DPa assistance.

(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 was converted to the mini homes program when presented at the September 12, 2017 Board meeting. These funds have not been needed for the mini-home initiative in FY18 and have been repurposed to address the need for increased DPA assistance.

(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. Originations for FY17-18 are exceeding initial budget estimates and therefore an increase in allocation for DPA assistance is necessary.

(A) ANALYSIS OF CHANGE	FY17-18 Budget	FY17-18 Amended Budget		
Operations Expense (excludes TBA/Bond and Program Related Expenses)	\$1,269,000.00	1,034,000.00	(235,000.00)	-17.05%
Program Expense (TBA/Bond and Other Program Related Expenses)	\$2,500,500.00	\$2,771,600.00	271,100.00	8.39%