



Board of Directors

Agenda Item 6

**Discussion regarding LHC Fiscal Year
2017-2018 Operating Budget.**

May 10, 2017

Louisiana Housing Corporation
Fiscal Year 2018 Draft Operating Budget Analysis
May 10, 2017

As of this date, the corporation is projecting net operating receipts of approximately \$116 thousand for the fiscal year ending June 30, 2018. Operating receipts are projected to come in at approximately \$16.8 million, while operating expenditures are projected to come in at approximately \$16.7 million. Both categories increased from prior year budgeted amounts primarily due to the addition of programs related to the Great Floods of 2016. The corporation will be requesting approval of the fiscal year 2018 operating budget prior to June 30, 2017. If, after periodic analysis during fiscal year 2018, the corporation sees the need for recommending budget amendments, those would be requested of the board at the appropriate time. Projected results from operations for the fiscal year ending June 30, 2017, remain at the levels reported last month, with net receipts of approximately \$1 million.

FY18 Draft Projected Operating Receipts

- **Sustainable Housing Programs Fees (OCD)** – are projected based upon allowable expenses incurred, which factors in increased receipts from increased activity as a result of administering programs related to the Great Floods of 2016
- **Energy Programs Fees (LIHEAP & WAP)** – projected based upon current grant administrative revenue availability in conjunction with associated costs for running the program
- **HOME & Nat'l Hsg Trust Fund Fees** - projected based upon grant administrative revenue availability in conjunction with associated costs for running the program
- **HUD Disposition Property Receipts** – based upon projections from property manager, Latter and Blum, for results from operations of Village de Jardin and Willowbrook
- **LA Housing Authority Fees** - projected primarily based upon allowable expenses incurred, along with consideration of available grant funds for operations
- **Compliance Monitoring Fees** – projected using current billing rates and projected activity
- **Multi-Family LIHTC, M2M & Risk Sharing Fees** – projected based upon activity for funding rounds and ongoing programs
- **Multi-Family Issuer & MRB Fees** – projected based upon current level of activity
- **Section 8 Contract Administration Fees** – based upon 9 months of operating the program
- **Single Family Homebuyer/Counseling Program Fees** – projected based upon volume
- **Single Family Issuer Fees/Bond Deal Receipts** - projected based upon current levels as well as expected activity for the year
- **Miscellaneous Income – Rental** - projected based upon current level of activity

FY18 Draft Projected Operating Expenditures

- **Human Resources** – Full Time Equivalent (FTE) count is currently projected at 136 for the fiscal year, incorporating increased program activity, primarily as a result of the Great Floods of 2016; the majority of new-hires are expected to be job appointments, which provides for fluctuation in staffing if funding fluctuates; FTEs budgeted for FY2017 were 110
- **Operating Services, Building Expenses, Travel & Training, Supplies, Professional Services, Legal, and Capital Expenditures** – currently projected based upon anticipated activity
- **Auditing** – projected based upon expected efficiencies gained from LLA combining contracts for LHC's audits; to be updated upon contracts being executed this month

Louisiana Housing Corporation
Fiscal Year 2018 Draft Operating Budget Summary
May 10, 2017

	FY18 Draft Requested Budget	FY17 Budget	Increase/ (Decrease) from FY17 to FY18	%	FY17 Projected
Operating Receipts					
Sustainable Housing Program Fees (OCD)	\$ 3,984,838	\$ 2,232,353	\$ 1,752,485	79%	\$ 1,352,587
Energy Programs Fees (LIHEAP & WAP)	1,274,157	1,325,383	(51,226)	(4%)	1,329,090
HOME & Nat'l Hsg Trust Fund Fees	1,519,821	903,821	616,000	68%	903,821
HUD Disposition Property Receipts	1,857,544	1,955,116	(97,572)	(5%)	1,909,292
LA Housing Authority Fees	2,443,130	1,837,355	605,775	33%	1,811,363
Compliance Monitoring Fees	234,426	213,723	20,703	10%	243,151
Multi Family LIHTC, M2M & Risk Sharing Fees	966,000	1,107,001	(141,001)	(13%)	481,864
Multi Family Issuer & MRB Fees	320,000	265,070	54,930	21%	270,065
Section 8 Contract Administration Fees	2,292,368	3,156,300	(863,932)	(27%)	3,156,300
Single Family Homebuyer/Counseling Programs	996,000	553,904	442,096	80%	894,374
Single Family Issuer Fees/Bond Deal Receipts	936,397	846,990	89,407	11%	846,990
Miscellaneous Income - Rental	14,000	6,000	8,000	133%	14,445
TOTAL OPERATING RECEIPTS	\$ 16,838,681	\$ 14,403,016	\$ 2,435,665	17%	\$ 13,213,342
Operating Expenditures					
Human Resources	\$ 12,859,978	\$ 10,391,631	\$ 2,468,347	24%	\$ 9,070,809
Operating Services	1,235,234	1,254,026	(18,792)	(1%)	1,025,323
Building Expenses	367,514	371,296	(3,782)	(1%)	306,386
Travel & Training	317,489	315,245	2,244	1%	174,239
Supplies	101,509	100,150	1,359	1%	52,415
Professional Services	1,476,246	1,425,459	50,787	4%	1,209,584
Legal	100,000	100,000	-	0%	85,368
Auditing	165,000	222,500	(57,500)	(26%)	158,820
Capital Expenditures	100,000	85,000	15,000	18%	85,000
TOTAL OPERATING EXPENDITURES	\$ 16,722,970	\$ 14,265,307	\$ 2,457,663	17%	\$ 12,167,944
EXCESS RECEIPTS OVER EXPENDITURES	\$ 115,711	\$ 137,709	(21,998)	(16%)	\$ 1,045,398