

**Massachusetts Housing Partnership
2017 BUDGET SUMMARY**

	Proposed BUDGET 2017	based on 5/31/16 Projected Actuals 2016	2017 Budget Variance from Projected 2016		BUDGET 2016	ACTUALS 2015
REVENUE						
Interest spread income	8,338,800	7,497,800	841,000	11%	7,144,800	6,759,527
Interest on MHP loan investments	415,200	518,000	(102,800)	-20%	469,300	626,570
Commitment, application and other fees	1,274,400	1,050,200	224,200	21%	2,491,400	1,825,358
Gross revenue from lending	10,028,400	9,066,000	962,400	11%	10,105,500	9,211,455
Interest and investment income	421,200	412,100	9,100	2%	371,000	306,453
Homeownership fee income	712,800	650,400	62,400	10%	637,500	583,500
Miscellaneous income	194,400	293,900	(99,500)	-34%	228,800	346,579
Total revenue, gross	11,356,800	10,422,400	934,400	9%	11,342,800	10,447,987
Provision for loan losses	(948,000)	(394,700)	(553,300)	140%	(1,596,300)	(520,682)
Revenue, net of provision for loan losses	10,408,800	10,027,700	381,100	4%	9,746,500	9,927,305
EXPENSE						
Salaries, wages and fringe benefits	6,130,800	5,607,400	523,400	9%	5,984,300	5,546,869
Consultants and contracted services	363,600	268,900	94,700	35%	400,700	261,683
Audit and legal fees	177,600	180,400	(2,800)	-2%	119,100	98,438
Depreciation and amortization	151,200	137,800	13,400	10%	149,700	149,785
Lease, utilities, and occupancy	506,400	501,500	4,900	1%	503,100	490,283
Bank charges, fees (i.e. S&P, FNMA, line of credit)	123,600	108,200	15,400	14%	46,000	40,990
Communications, marketing & advertising	86,400	67,800	18,600	27%	111,600	84,828
Software, telephone, equip & office supplies	194,400	170,700	23,700	14%	223,600	203,459
Other operating expense	344,400	306,400	38,000	12%	231,400	228,649
Total Expense	8,078,400	7,349,100	729,300	10%	7,769,500	7,104,984
NET SURPLUS (DEFICIT) BEFORE GRANTS & SUBSIDIES	2,330,400	2,678,600	(348,200)	-13%	1,977,000	2,822,321
Net grants, subsidies and reserves	87,600	(68,300)	155,900	-228%	(202,700)	593,978
Change in net assets	2,418,000	2,610,300	(192,300)	-7%	1,774,300	3,416,299
CASH FLOW FROM OPERATIONS						
net surplus (deficit) before grants	2,330,400	2,678,600	(348,200)	-13%	1,977,000	2,822,321
ADD back depreciation	151,200	137,800	13,400	10%	149,700	149,785
ADD BACK LLR expense	948,000	394,700	553,300	140%	1,596,300	520,682
LESS tenant improvement credit	(53,200)	(53,200)				
LESS capital expenditures	(75,000)	(37,000)	(38,000)	103%	(149,999)	(149,999)
OPERATING CASH FLOW	3,301,400	3,120,900	180,500	6%	3,573,001	3,342,789
CASH LLR (board designated account)	(663,600)	(276,290)	(387,310)	140%	(1,117,410)	(364,477)
OPERATING UNRESTRICTED CASH FLOW after board designated cash LLR set aside	\$ 2,637,800	\$ 2,844,610	(206,810)	-7%	\$ 2,455,591	\$ 2,978,312

Massachusetts Housing Partnership
PRO FORMA BALANCE SHEET
based on FY17 proposed budget and projected FY16 projections

	projected 06/30/2017	projected 06/30/2016
ASSETS		
Unrestricted - Operating funds	\$ 21,343,800 *	\$ 17,659,100 *
Board designated - LLR & Community Assistance	9,038,300 *	8,333,700 *
Pledged collateral cash accounts	1,843,800 *	1,843,800 *
Restricted - (incl. Grant funds, HSF, HOP)	31,976,200	29,620,400
Restricted - Homeownership loan loss reserves & program funds	23,080,400	22,937,900
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Total cash and investments	\$87,282,500	\$80,394,900
Accounts receivable and other assets (prepaids)	2,555,000 *	2,555,000 *
Loan receivable	576,525,700	542,380,500
Allowance for loan losses	(11,339,000)	(10,391,000)
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Net loans receivable	565,186,700 *	531,989,500 *
Furniture, fixtures and equipment, net	832,300	832,300
Total assets	\$655,856,500	\$615,771,700
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LIABILITIES		
Accounts payable and accruals	\$ 3,019,500	3,019,600
Deferred revenue and other liabilities	47,500,700	47,358,200
Chapter 102 funds payable	551,892,700	514,409,800
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Total liabilities	602,412,900	564,787,600
Net position - other restricted	\$ 9,105,900 **	\$ 9,105,900 **
Net position - restricted bank grant funds	9,905,000	9,905,000
Net position - board designated (LLR, Community Assistance)	9,038,300 **	8,333,700 **
Unrestricted net assets	22,976,400 **	21,029,200 **
Surplus (Deficit) YTD	2,418,000 **	2,610,300 **
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Total net assets	53,443,600	50,984,100
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*** CAPITAL RATIO	7.15%	7.33%

*** Capital Ratio is a core measure of financial strength used by bank regulators. MHP's capital ratio is calculated by dividing unrestricted net assets (excludes grant cash) by unrestricted assets (excludes escrows, grants and other restricted accounts). The Finance Committee has set 5% as a minimum capital ratio benchmark for MHP.

	numerator	43,538,600 **	41,079,100 **
	assets	599,967,600 *	562,381,100 *
	off balance sheet FNMA, FHA exposure	9,008,302	660,000
	less MHP loan investments (restricted for grants)	(432,575)	(2,788,360)
	denominator	608,543,327	560,252,740
		7.15%	7.33%