

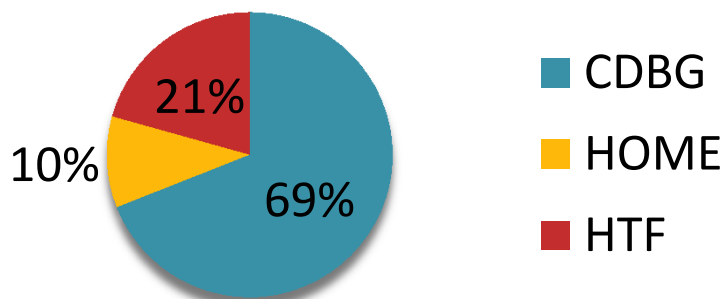
PRA FY18 – YEAR 43 OPERATING BUDGET

Presented By: Angela Chandler, Director of Finance

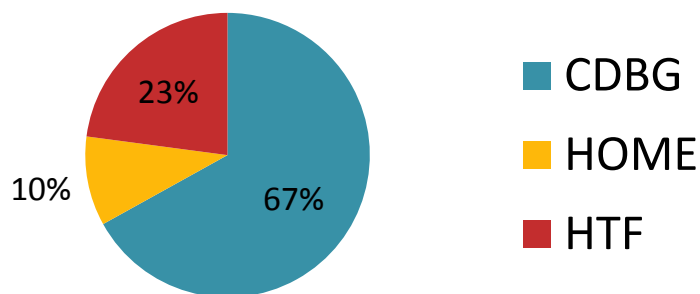
Date: 4/25/18

BUDGET OVERVIEW

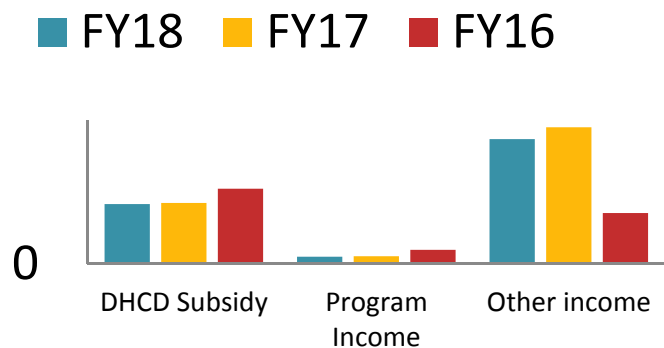
FY2017 DHCD Subsidy



FY2017 DHCD Subsidy



Funding Sources FY18 vs. FY17



Fiscal Year 2018 vs. 2017 Operating Budget (in thousands)

Funding Source	FY2018	FY2017	FY2016	\$ Δ	% Δ
FY 2018 vs. FY2017					
DHCD Subsidy					
CDBG	\$3,735	\$3,690	\$5,394	\$45	1%
HOME	560	560	536	0	0%
HTF	1,118	1,263	618	(145)	(11%)
ARRA	0	0	250	0	N/A
Total DHCD Subsidy	\$5,413	\$5,513	\$6,798	\$(100)	(2%)
Program Income					
Land Sales	\$327	\$485	\$790	\$(158)	(33%)
Rents	5	5	6	(0)	N/A
Notes Income	60	27	134	33	122%
Other Income	10	4	165	6	150%
CEO Sublease	258	184	180	74	40%
Total Program Income	\$660	\$705	\$1,275	\$(45)	(6%)
Other Income					
Design & Construction	\$7,000	\$7,000	\$0	\$0	N/A
Art Fund	67	70	0	(3)	(4%)
Parking Leases	1,046	1,039	1,063	7	1%
Land Sales (non-CDBG Funded)	150	0	0	150	N/A
PHA Blumberg Admin Fee	500	750	800	(250)	(33%)
Divine Lorraine Loan \$2.5M@ 8%	307	204	171	103	51%
Working Capital-D&C	388	1,359	0	(971)	(71%)
Working Capital-Operating	1,813	1,909	2,563	(96)	(5%)
Total Other Income	\$11,273	\$12,331	\$4,597	\$(1,058)	(9%)
Grand Total	\$17,346	\$18,549	\$12,670	\$(1,203)	(6%)

Financial Highlights

- 1 PRA has experienced a trend of decreasing DHCD subsidy and is positioning itself for a realignment of operating funding. ARRA funding will no longer be available and CDBG funding is projected to be either flat or reduced in the coming years.
- 2 PRA has taken a conservative budgeting position on land sales for FY18.
- 3 Design & Construction (D&C) is being positioned to become its own segment within PRA. DHCD has drastically reduced the amount of CDBG funding to cover D&C related costs and the segment is taking on more capital projects for the City of Philadelphia. While the FY18 budget assumes the segment will earn \$7M in revenue; it is projected to lose \$388K and will require a working capital investment as an internal subsidy this year.
- 4 The PHA Blumberg condemnation project wrapped up in FY18. We will not collect the \$200K balance on our contract until FY20 based on the terms of our contract.
- 5 PRA has made some investments in real estate projects that are earning us interest income. Our \$2.5M investment in the Divine Lorraine project in FY16 and the FY17 \$250K investment in the People For People project are earning us interest and Divine Lorraine is slated for a refinance in FY18.
- 6 Working capital contributions will amount to \$2.201M in FY18.

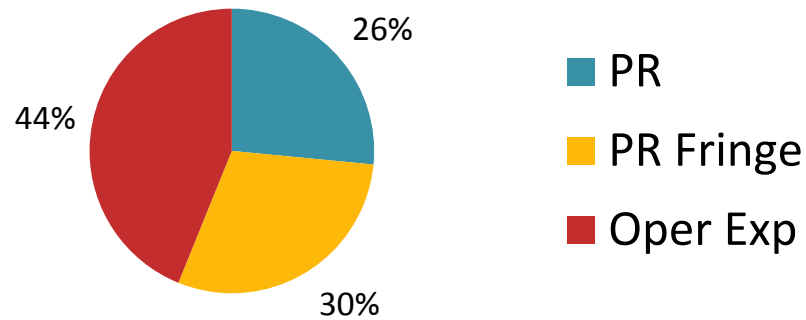
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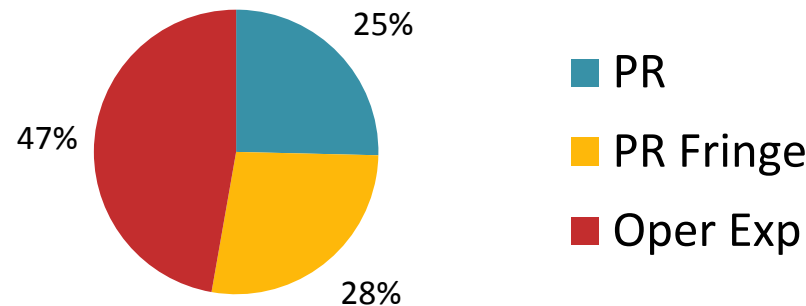
Financial Highlights

- ① Salaries are net of PHDC & Land Bank allocations. Lower building trades reflect the removal of specialized trades hired for specific D&C projects in FY17.
- ② Fringe includes PR taxes, pension contributions, healthcare and group life insurance. No health care increase projected in FY18.
- ③ FY18 Maintenance & Construction includes materials and supplies costs for City CAPEX projects .

FY2018 Budgeted Operating Expenses



FY2017 Budgeted Operating Expenses



Fiscal Year 2017 vs. 2016 Budgeted Operating Expenses (in thousands)

Operating Expenses	FY2018	FY2017	FY2016	\$ Δ	% Δ
FY 2018 vs. FY2017					
Personnel - Salaries					
Professional Salaries	\$3,592	\$3,384	\$3,679	\$208	6.16%
Building Trade Salaries ¹	1,007	1,323	881	(316)	(23.91%)
Total Personnel - Salaries	\$4,599	\$4,707	\$4,560	(108)	(2.29)
Personnel - Taxes & Fringe					
Professional Staff Fringe	\$4,307	\$4,190	\$4,425	\$117	2.79%
Building Trade Fringe	832	892	684	(60)	(6.72%)
Total PR Taxes & Fringe ²	\$5,139	\$5,082	\$5,109	\$57	1.12%
Operating Expenses					
Purchase Services	\$2,608	\$2,645	\$2,711	(\$37)	(1.40%)
Materials & Supplies	51	43	55	8	17.91%
Equipment	111	68	68	43	62.78%
Maintenance & Construction	64,838	6,004	167	(1,166)	(19.41%)
Total Operating Expenses ³	\$7,608	\$8,760	\$3,001	(\$1,152)	(13.15%)
Grand Total	\$17,346	\$18,549	\$12,670	(\$1,203)	(6.49%)