

Memorandum

Housing Finance Authority

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TO: Rodney S. Fischer, Chairman
and Members of the Housing Finance Authority

FROM: Richard J. Perkins
Senior Accountant

THROUGH: Anthony M. Jones
Executive Director

SUBJECT: FY 07-08 General Fund Budget

DATE: May 1, 2007

We are pleased this year to present you with a balanced budget for FY 07/08. Our projected revenues are down less than ½ of 1 percent for the remainder of the current year. The retirement of the bonds related to Alta Largo and the Isle of Gateway caused revenue to drop significantly, however these reductions were offset by interest revenue received and revised projections for certain single family issues outside of the master indenture. Our projected expenses for the same period have decreased by 5%. Expenses for salaries are expected to be \$108,419 (30%) less than anticipated. This savings allows us to explore the strategy of improving the Housing Finance Authority web site at a budgeted cost of \$75,000 in the 2006/2007 fiscal year.

The 07/08 budget is based on revenue we expect to receive from single family and multifamily transactions. Our revenue is projected to decrease less than ½ of 1 percent from the prior year even though we lost fees in the amount of \$51,000 and \$12,600 as a result of the retirement of the bonds associated with Alta Largo and the Isle of Gateway respectively. Our bank interest and anticipated increases in Single Family fees practically offset our loss of income. Expenses increased 3% due to the anticipated increase in Community Land Trust administration, one time charges for the HFA 25th Anniversary event, and an office space renovation.

We anticipate we will continue replenishing our reserves from funds released under the Trust Indentures.

Thank you.