

**INFORMATION ITEM CONCERNING  
CIDFAC'S ESTIMATED REVENUE  
AND EXPENSES FOR FY 2007/2008**

**Information Item**

May 28, 2008

**STAFF SUMMARY – CIDFAC**

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At the outset of the current fiscal year, staff estimated that CIDFAC's FY 07/08 revenue from fees charged to borrowers under the Industrial Development Bond (IDB) program would reach \$187,000 and that it would spend \$164,000 on its operations (see Attachment A).<sup>1</sup>

FY 07/08 Revenues from Fees

CIDFAC revenues from fees have exceeded estimates. As of March 31, 2008, CIDFAC earned \$235,925.91 in fees. This figure does not include \$2,500 in application fees and \$129,777.50 in general fees for IDB transactions currently in the pipeline and expected to be completed before the end of FY 07/08.

In addition, if the remaining \$40,665,114 in 2008 IDB allocation is used by local issuers before the end of the calendar year, CIDFAC will earn general fees in an amount up to \$101,662.78. Given that there are only 30 days remaining in FY 07/08, it is unlikely that IDBs using this allocation will be issued before June 30th and that these additional fees will be reflected in CIDFAC's final FY 07/08 fund condition.

FY 07/08 Expenditures on Operations

CIDFAC's expenditures on operations as of March 31, 2008 were \$145,682. Using conservative estimates, staff believes that total FY 07/08 expenditures will reach approximately \$200,000. If revenues and expenditures meet staff's projections, CIDFAC's FY 07/08 revenues will exceed its expenditures by more than \$160,000.

Staff again will report on CIDFAC's fund condition as soon as the final FY 07/08 information is available. In the meantime, staff has posted the attached projected fund condition statement on CIDFAC's website and will continue to make it available to Commission members and the public at CIDFAC meetings.

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<sup>1</sup> CIDFAC charges borrowers (1) an application fee of \$1,250 and (2) a general fee at closing of 25 bps (.0025) of the principal amount of the bonds issued up to \$25,000. Note that the I-Bank's IDB borrowers only pay the CIDFAC application fee.

Attachment A

CA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION  
 FUND CONDITION (IN THOUSANDS)

	ESTIMATED 2007/08	ESTIMATED 2008/09
BEGINNING RESERVE	145	171
PRIOR YEAR ADJUSTMENT	0	0
RESERVES, ADJUSTED	145	171
REVENUE:		
REGULATORY FEES	187	196
INTEREST INCOME <sup>1/</sup>	3	3
TOTAL REVENUE	190	199
TOTAL RESOURCES (TOTAL RESERVES AND RESOURCES)	335	370
EXPENDITURES:		
STATE OPERATIONS	164	172
TOTAL EXPENDITURES	164	172
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YEAR-END RESERVES (TOTAL RESOURCES LESS EXPENDITURES)	171	198
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1/ Interest Income is calculated for 07/08 and 08/09 based on the year's Beginning Reserve x 2%