

STATE OF CALIFORNIA BUSINESS TRANSPORTATION AND HOUSING AGENCY



**CALIFORNIA
INFRASTRUCTURE AND
ECONOMIC
DEVELOPMENT BANK**



SUPPLEMENT

**TO THE
ANNUAL ACTIVITY REPORT
FISCAL YEAR 2007/2008**

***“FINANCING FACILITIES THAT PROMOTE
ECONOMIC DEVELOPMENT”***



SUPPLEMENT
TO THE
ANNUAL ACTIVITY REPORT
FISCAL YEAR 2007/2008

INTRODUCTION

On September 30, 2008, the reporting requirements set forth in Government Code section 63035 for the California Infrastructure and Economic Development Bank's Annual Activity Report to the Legislature (Annual Report) were amended. This Supplement to the Annual Report includes the additional information now required by 63035 as applicable for the 2007/2008 Fiscal Year.

AMENDED REPORTING REQUIREMENTS

Government Code section 63035 was amended as of September 30, 2008 as follows (amendments in *bold italics*),

(a) *(1) A listing of applications accepted, including a description of the expected employment impact of each project. (2) A separate summary of applications for the Infrastructure State Revolving Fund Program, including a summary of the number of preliminary applications that did not receive funding and the reason the applicant did not qualify.*

(b) A specification of bonds sold and interest rates thereon.

(c) The amount of other public and private funds leveraged by the assistance provided.

(d) A report of revenues and expenditures for the preceding fiscal year, including all of the bank's costs. *The information provided pursuant to this subdivision shall include, but need not be limited to, both of the following:*

(1) The amount and source of total bank revenues. Revenues shall be shown by main categories of revenues, including interest earnings, fees collected, and bond proceeds, for each bank program.

(2) The amount and type of total bank expenditures. Expenditures shall be shown by major categories of expenditures, including loans provided, debt service payments, and program support costs, for each bank program.

(e) A projection of the bank's needs and requirements for the coming year.

(f) Recommendations for changes in state and federal law necessary to meet the objectives of this division.



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ACTIVITIES DURING FISCAL YEAR 2007/2008

- A. In accordance with Government Code section 63035(a)(1), as amended, see Appendix 1-A and 1-B of the Annual Report listing the summary of all applications for the Infrastructure State Revolving Fund Program.
- B. In accordance with Government Code section 63035(a)(2), as amended, the following is a summary of the number of preliminary applications for the Infrastructure State Revolving Fund (ISRF) Program that did not receive funding and the reason the applicant did not qualify.

ISRF Program Preliminary Applications Received and Withdrawn 2007/2008			
Applicant/Project Description	Date Received	Date Withdrawn by Applicant	Reason(s) for Withdrawal
City of Dunsmuir: Water treatment and distribution project (\$645,000)	7/10/2007	2/19/08	Lack of debt service coverage for the proposed financing
City of Hanford: Water treatment and distribution project (\$7,435,000)	9/27/2007	1/18/2008	Seeking other financing with quicker approval and funding process
City of Orland: Public safety facility project (\$5,565,000)	9/25/2007	4/24/2008	City not ready to go forward with project due to cost, location and design issues

- C. In accordance with Government Code section 63035(d)(1), as amended, see both Appendix 3 of the Annual Report and the following table below that sets forth:
 - (1) *The amount and source of total bank revenues. Revenues shall be shown by main categories of revenues, including interest earnings, fees collected, and bond proceeds, for each bank program.*
 - (2) *The amount and type of total bank expenditures. Expenditures shall be shown by major categories of expenditures, including loans provided, debt service payments, and program support costs, for each bank program.*



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I-Bank Revenues and Expenditures			
Fiscal Year 2007/2008			
	ISRF Program	Bond Programs	Guarantee Program
REVENUES			
Interest Earnings:			
Interest on Loan Repayment	\$9,530,573	N/A	N/A
Investment Income ⁽¹⁾	\$2,784,778		\$1,004,285
Administration Fee Revenue	\$1,001,078	\$720,561	\$0
Bond Proceeds	\$0	N/A	N/A
EXPENDITURES			
ISRF Program Loans Provided ⁽²⁾	\$32,601,600	N/A	N/A
Debt Service Payments (Principal & Interest—ISRF Program Bonds)	\$16,462,325	N/A	N/A
Amortization of Bond Issuance Costs	\$86,010	N/A	N/A
Program Support Costs ⁽³⁾	\$2,752,827		\$0

Source: I-Bank Audit and internal I-Bank accounting records.

N/A means “not applicable.”

(1) “Investment Income” includes interest/investment earnings on funds held by a bond trustee outside the State Treasury and interest earnings on funds held in the State’s Surplus Money Investment Fund (SMIF). Moneys held in SMIF were not segregated between the ISRF Program and the Bond Programs during fiscal year 2007-2008. As such, the total Investment Income revenues cannot be separated between programs. Accounting records have since been adjusted to report investment earnings by program effective July 1, 2008.

(2) “ISRF Program Loans Provided” includes the full amount of loans approved and closed during 2007-2008. Approved and closed loans are not always fully disbursed during the fiscal year, and typically are disbursed over a several year period.

(3) “Program Support Costs” were not segregated by program during 2007-2008. As such, the segregated data for this expenditure is not available for Fiscal Year 2007/2008. Accounting records have been adjusted to report Program Support Costs by program effective July 1, 2008.