



# **Tax and Revenue Anticipation Note (TRAN)**

Board Meeting  
December 10, 2020  
Agenda Item No. 7.1

# TRAN

- Short-term borrowing to address temporary cash flow needs
- Re-paid with tax proceeds within 13 months of issuing

# California School Finance Authority (CSFA) Pooled TRAN

- Available to CA school districts, community colleges, and county offices of education
- Low tax-exempt interest rates based on anticipated high credit ratings
- Low issuance costs with oversight provided by the State Treasurer's Office
- Issuances planned for November, February and April/May



# District's Estimated TRAN

- District is requesting approval for not to exceed amount of \$96M
- \$96M is based on the District's total projected deferrals for fiscal year 2020-2021
- The District's actual TRAN will be sized depending on actual and projected cash flow activity

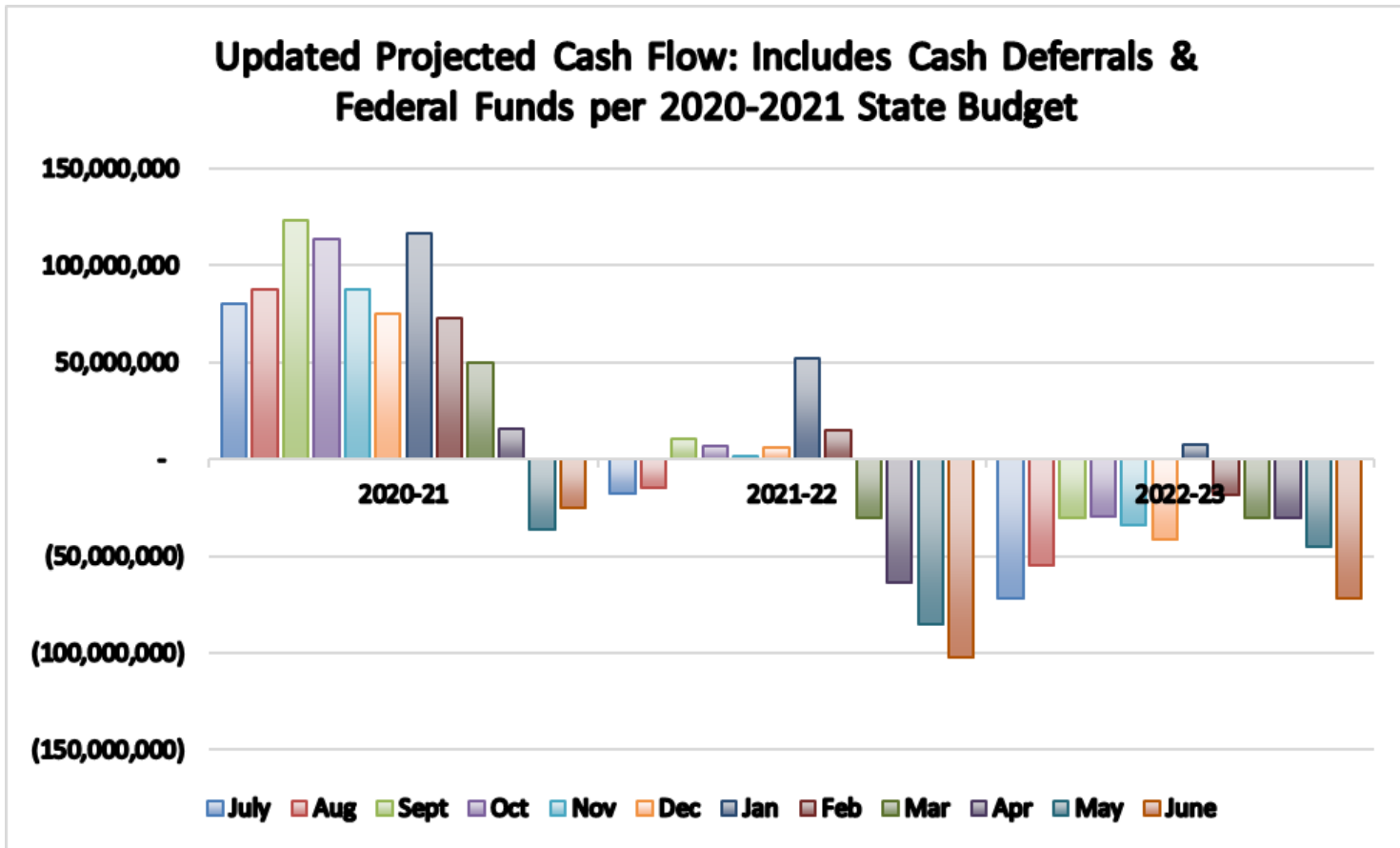
# District's TRAN Major Dates

- By 12/4/20 – District submits cash flows and ratings questionnaire – *completed 11/30/20*
- By 1/15/20 – District Adopts TRAN resolution
- Week of 2/22/21: Credit ratings received
- Week of 3/8/21: Pricing
- 3/24/20: Closing and delivery of funds

# District's Cash Flow Needs

- Based on 2020-2021 1<sup>st</sup> Interim:
  - Projected positive cash balance through April 2020
  - Projected cash challenges starting in May 2021
  - TRAN will mitigate temporary cash deficit
  - District will repay with future Tax Proceeds within 13 months of issuance

# Multi-Year Cash Flow Projection 0% COLA



Adopt Resolution No. 3177  
Authorizing District Participation  
in the California School Finance  
Authority State Aid Intercept  
Notes through the Issuance and  
Sale of Tax and Revenue  
Anticipation Notes