

**Program # 10027 - Tax Revenue Anticipation Notes**

**Version 2/23/2012 s**

**Lead Agency:** Nondepartmental - All

**Program Contact:** Mark Campbell

**Program Offer Type:** Existing Operating

**Related Programs:**

**Program Characteristics:** In Target

**Executive Summary**

This program offer includes issuance costs, interest expense and interest earnings on short-term Tax and Revenue Anticipation Notes (TRANS).

**Program Description**

Oregon Revised Statutes 288.165 permits the County to issue Tax and Revenue Anticipation Notes (TRANS). The TRANS are issued in anticipation of the receipt of taxes and other revenues not yet received in order to fund an anticipated cash flow deficit. The TRANS can not be issued in an amount greater than eighty percent (80%) of the amount of budgeted General Fund revenue in the adopted budget.

The Board of County Commissioners authorizes the issuance of TRANS by resolution. The Chief Financial Officer, in consultation with the County's financial advisor, determines the principal amount, interest rate and denominations of the notes, and select the underwriter for the issuance. The selection of the underwriter is through a competitive bid process. The notes are issued during the first few days of the fiscal year in July and mature at the end of June in the same fiscal year.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY10-11)	Current Year Purchased (FY11-12)	Current Year Estimate (FY11-12)	Next Year Offer (FY12-13)
Output	Achieve Moody's Rating of MIG 1	0	0	0	1
Outcome		0	0	0	0

**Performance Measure - Description**

The County has not issued TRANS for the past three years. Other options were available to fund estimated cash flow shortfalls.

### Legal/Contractual Obligation

Oregon Revised Statutes and both Internal Revenue Service and US Treasury regulations allow the County to fund a short term cash flow deficit by the use of TRANs, subject to specific legal and accounting requirements.

### Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2012	2012	2013	2013
Debt Service	\$0	\$0	\$250,000	\$0
Total GF/non-GF:	\$0	\$0	\$250,000	\$0
Program Total:	\$0		\$250,000	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Other / Miscellaneous	\$0	\$0	\$125,000	\$0
Total Revenue:	\$0	\$0	\$125,000	\$0

### Explanation of Revenues

Estimated interest earned on a \$25 million TRAN.

### Significant Program Changes

Last year this program was: