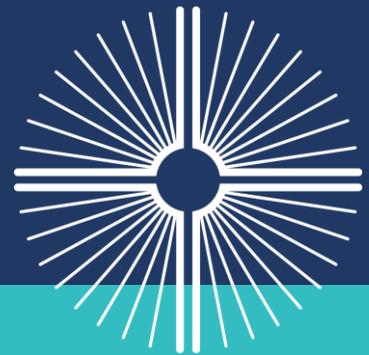


COMMUNITY COLLEGE
LEAGUE OF CALIFORNIA

2020-21 Fiscal Year Tax and Revenue Anticipation Note Program

Information Session Conference Call
March 27, 2020



Agenda

- Financing Team and Program History – Lisa Mealoy
- Community Colleges Budget Update – Ryan McElhinney
- What are TRANs? – David Casnocha, Carlos Villafuerte, Carol Lew
- Legal Overview – David Casnocha, Carlos Villafuerte, Carol Lew
- 2020-21 Pricing and Cashflow worksheet – Karma Pemba
- Getting Started – Karma Pemba
- Timeline – Karma Pemba
- Questions and Answers

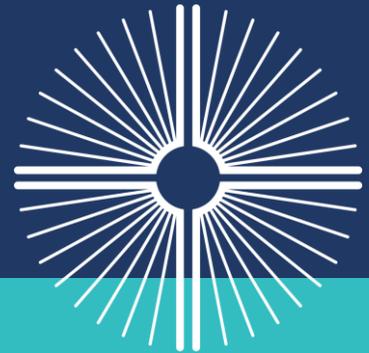


Financing Team

Sponsor – Community College League of California
Lisa Mealoy, Director of District Services and Development

Bond/Disclosure Counsel – Stradling, Yocca, Carlson & Rauth
David Casnocha, Primary Attorney
Carlos Villafuerte, Day-to-Day Attorney
Carol Lew, Tax Counsel

Underwriter – Morgan Stanley
Karma Pemba, Executive Director
Clemente Camacho, Associate
Dan Kelly, Short-Term Underwriter



Withstanding Declining Revenues

Tax Deadline: Filing deadline pushed back to July 15th. Will make it hard to accurately assess state revenues.

Fiscal Year: Starts on July 1st and legislators are required to pass a balanced budget at that time.

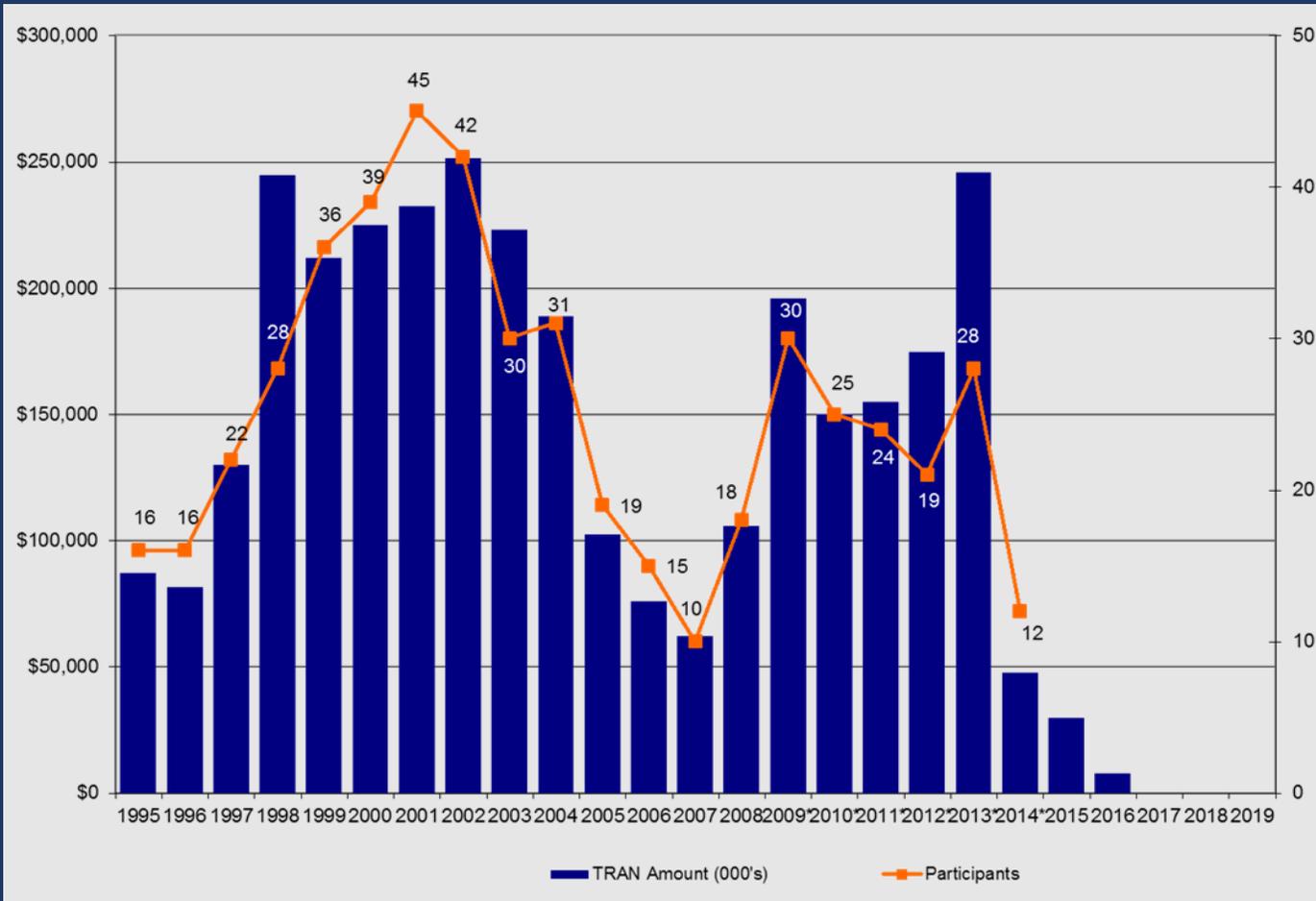
Speculation (seriously, just speculation): Will likely pass a budget something similar to a “continuing resolution” at the federal level and make revisions to budget in the fall during a special session once revenues are better known.

Bad news: Capital gains revenue likely to tumble. All other sectors of the economy are affected. Pushed back tax deadline makes State difficult to estimate revenue numbers.

Good news: State is in a much better fiscal position than the last decade to withstand a shortfall. Significant budget reserves and relatively low levels of debt.

Most importantly: Until we have real data we can deal only in reasonable assumption. We have to plan realistically while hoping to emerge relatively unharmed.

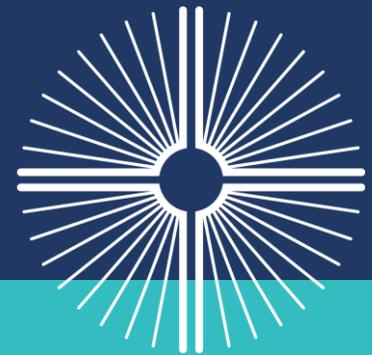




Program History

Since 1995, \$3.23 billion in TRAN Has been issued by the California Community College Financing Authority's TRANs Program.

TRANs were not issued in the past few Years.



What are TRANs

TRANs serve as a cash management tool

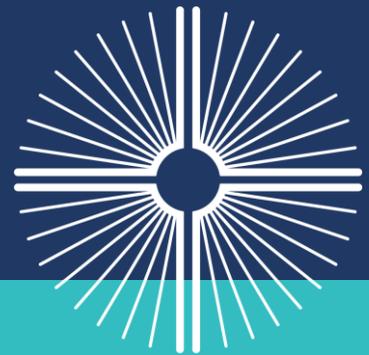
- **Even out monthly cash-flows of General Fund**
- **Cover temporary cash flow deficits**
- **TRANs do not offset year-end cash deficits**

TRANs Sizing Limited by State and Federal Tax Law

- **California Government Code limits borrowing amount to 85% budgeted revenues**
- **Federal tax law limits TRANs sizing to greatest cash-flow deficit, plus working capital reserve (5% of prior year general fund expenditures)**

Approximately 2-3 months lead time to issue TRANs

- **Complete cash flow worksheet**
- **District Board must adopt TRANs Resolution**
- **Rating agency credit review**



Structure of Program

Note Participants

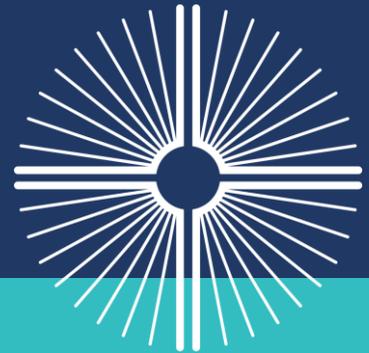
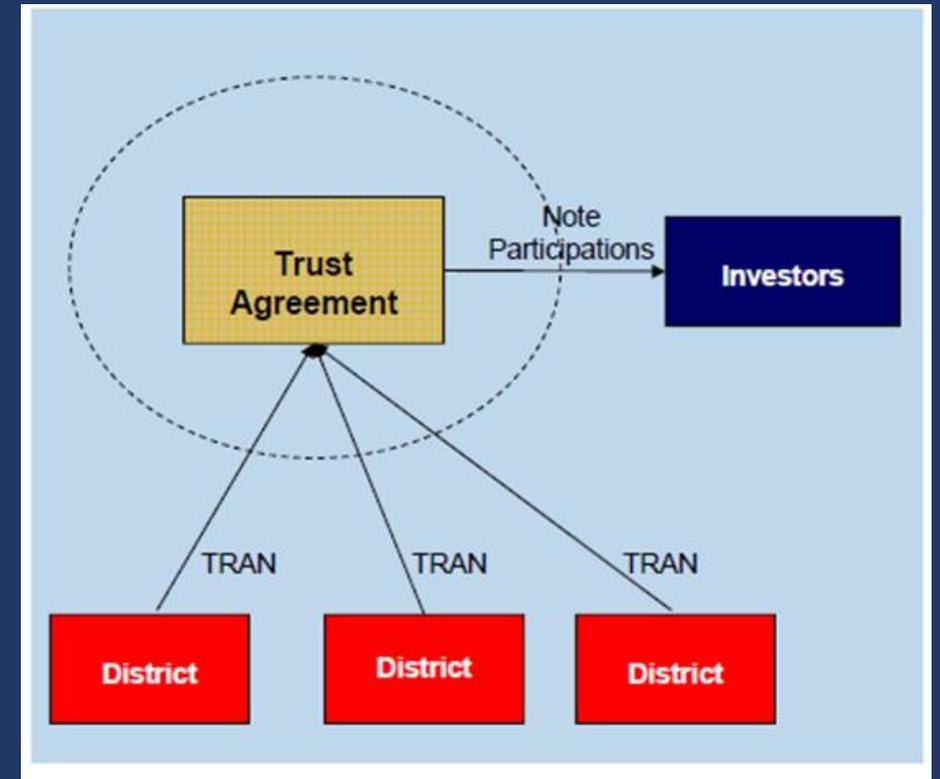
Legal Structure

Benefits

- Maintain “small” issuer exemption
- No cross-collateralization between districts
- No cross default among districts

Documentation

- Trust Agreement
- Note Resolution
- Note Participation Purchase Agreement with pricing confirmation supplement
- Form 8038



Getting Started

To begin the process, please complete the Enrollment Form

ENROLLMENT FORM

District Name

Address City Zip Code

PRIMARY CONTACT

Name

Title

Telephone

Facsimile

E-mail

WORKING CONTACT

Name

Title

Telephone

Facsimile

E-mail

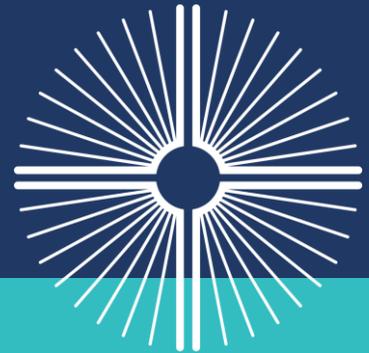
TRAN Amount (not to exceed) \$ _____

Title Only of District Officers to be authorized to sign documentation (please list 3)

(Title) (Title) (Title)

Financial documents needed

- June 30, 2017, 2018 and 2019 Audited Financial Statements
- Adopted 2019-20 Budget
- CCFS-311 2019-20 Budget
- Most recent 311 Quarterly Report (311Q)



Cash Flow Worksheet Example

Beginning General Fund cash balance for 2019

Recommended TRAN sizing

Lowest cash balance

Ending cash balance

Calculation of Beginning Cash Balance							
General Fund Cash and Investments (from 6/30/19 Audit)							\$4,000,000
Less: Restricted Cash							\$0
Adjusted Available Cash (7/1/19)							= \$4,000,000

For each Restricted Cash item, provide a description of the restriction in the space provided on the second tab of this worksheet, called "Restricted Cash."

2019-20 Actual/Estimated Cash Flow							
Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Indicate "A" for Actual or "E" for Estimated	2020 TRAN (+) Amount/ (-) Pledges	Adjusted Ending Cash Balance
July, 2019	\$4,000,000	\$6,275,174	\$6,434,167	\$3,841,007	A		\$3,841,007
August, 2019	3,841,007	398,262	2,645,903	1,593,366	A	*	1,593,366
September, 2019	1,593,366	357,019	2,964,002	(1,013,617)	A		(1,013,617)
October, 2019	(1,013,617)	10,480,098	3,866,173	5,600,308	A		5,600,308
November, 2019	5,600,308	1,706,425	3,840,526	3,466,207	A		3,466,207
December, 2019	3,466,207	1,457,553	4,866,564	57,196	A		57,196
December ?-31, 2019	57,196	12,432,009	2,304,633	10,184,572	A		10,184,572
January, 2020	10,184,572	6,656,572	4,799,387	12,041,757	A	0	12,041,757
February, 2020	12,041,757	1,902,324	3,724,632	10,219,449	A		10,219,449
March, 2020	10,219,449	762,404	5,371,230	5,610,623	A		5,610,623
April, 2020	5,610,623	12,918,140	5,399,280	13,129,483	E	0	13,129,483
May, 2020	13,129,483	1,055,882	5,242,462	8,942,903	E		8,942,903
June, 2020	8,942,903	1,408,836	7,093,388	3,258,351	E		3,258,351
Total		\$57,810,698	\$58,552,347				

Lowest actual cash balance mm/dd/yy September, 2019 and amount (\$1,013,617) (For a "Large Issuer", only the first six months are considered)

2020-21 Projected Cash Flow							
For your convenience, the 2020-21 Cash Flows will be automatically prepared based on the 2019-20 Actual/Estimated Cash Flow, if the following information is provided. Please adjust the cash flows to represent your reasonable expectations for 2019-20.							
Estimated 2020-21 General Fund Receipts							\$57,810,698
Estimated 2020-21 General Fund Disbursements							\$58,552,347
Month	Beginning Cash Balance	(+) plus Receipts	(-) minus Disbursements	Ending Cash Balance	Pledge Factor (% of repayment)	2021 TRAN (+) Amount/ (-) Pledges	Ending Cash Balance
July, 2020	\$3,258,351	\$6,275,174	\$6,434,167	\$3,099,358		\$4,440,000	\$7,539,358
August, 2020	3,099,358	\$398,262	\$2,645,903	851,717			5,291,717
September, 2020	851,717	\$357,019	\$2,964,002	(1,755,266)			2,684,734
October, 2020	(1,755,266)	\$10,480,098	\$3,866,173	4,858,659			9,298,659
November, 2020	4,858,659	\$1,706,425	\$3,840,526	2,724,558			7,164,558
December 1-?, 2020	2,724,558	\$1,457,553	\$4,866,564	(684,453)			3,755,547
December ?-31, 2020	(684,453)	\$12,432,009	\$2,304,633	9,442,923			13,882,923
January, 2021	9,442,923	\$6,656,572	\$4,799,387	11,300,108	50%	(2,220,000)	13,520,108
February, 2021	11,300,108	\$1,902,324	\$3,724,632	9,477,800			11,697,800
March, 2021	9,477,800	\$762,404	\$5,371,230	4,868,974			7,088,974
April, 2021	4,868,974	\$12,918,140	\$5,399,280	12,387,834	50%	(2,220,000)	12,387,834
May, 2021	12,387,834	\$1,055,882	\$5,242,462	8,201,254			8,201,254
June, 2021	8,201,254	\$1,408,836	\$7,093,388	2,516,702			2,516,702
Total		\$57,810,698	\$58,552,347				

Lowest projected cash balance mm/dd/yy September, 2020 and amount (\$1,755,266) (For a "Large Issuer", only the first six months are considered)

Expanded Cash Flow Worksheet

ABC Community College District														
Series 2020-21 TRAN														
2019-20 Cash Flows (Actuals)														
	July-19	August-19	September-19	October-19	November-19	December-19	January-20	February-20	March-20	April-20	May-20	June-20	Accruals*	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	
BEGINNING CASH INCLUDING TRAN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BEGINNING CASH EXCLUDING TRAN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECEIPTS														
Revenue Limit														
Property Taxes														0
Principal Apportionment														0
Education Protection Act (EPA)														0
Other Fundament														0
Federal Revenue														0
Other State Revenue														0
Other Local Revenue														0
Interfund Transfer In														0
Other Financing Sources														0
Other Receipts/Non-Revenues														0
TOTAL RECEIPTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISBURSEMENTS														
Certificated Salaries														0
Classified Salaries														0
Employee Benefits														0
Books, Supplies and Services														0
Capital Outlay														0
Other Outgo														0
Interfund Transfers Out														0
TOTAL DISBURSEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PROR YEAR TRANSACTIONS														
Deferrals														0
Accounts Receivable														0
Accounts Payable														0
TOTAL PY TRANSACTIONS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCREASE/DECREASE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRAN														
FY TRAN Receipts														0
FY TRAN Disbursements														0
Cross FY TRAN Receipts														0
Cross FY TRAN Disbursements														0
ENDING CASH INCLUDING TRAN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ENDING CASH EXCLUDING TRAN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRAN BALANCE AVAILABLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ENDING CASH INCLUDING TRAN	0	0	0	0	0	0	0	0	0	0	0	0	0	0

2020-21 Cash Flows (Projected)														
	July-20	August-20	September-20	October-20	November-20	December-20	January-21	February-21	March-21	April-21	May-21	June-21	Accruals*	Total
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
BEGINNING CASH INCLUDING TRAN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BEGINNING CASH EXCLUDING TRAN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
RECEIPTS														
Revenue Limit														
Property Taxes														0
Principal Apportionment														0
Education Protection Act (EPA)														0
Other Fundament														0
Federal Revenue														0
Other State Revenue														0
Other Local Revenue														0
Interfund Transfer In														0
Other Financing Sources														0
Other Receipts/Non-Revenues														0
TOTAL RECEIPTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DISBURSEMENTS														
Certificated Salaries														0
Classified Salaries														0
Employee Benefits														0
Books, Supplies and Services														0
Capital Outlay														0
Other Outgo														0
Interfund Transfers Out														0
TOTAL DISBURSEMENTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PROR YEAR TRANSACTIONS														
2019-20 Deferrals														0
Accounts Receivable														0
Accounts Payable														0
TOTAL PY TRANSACTIONS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET INCREASE/DECREASE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TRAN														
FY TRAN Receipts														0
FY TRAN Disbursements														0
Cross FY TRAN Receipts														0
Cross FY TRAN Disbursements														0
ENDING CASH INCLUDING TRAN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ENDING CASH EXCLUDING TRAN	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRAN BALANCE AVAILABLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ENDING CASH INCLUDING TRAN	0	0	0	0	0	0	0	0	0	0	0	0	0	0

* Accruals indicate unpaid amounts to be paid or received in the following fiscal year

Preliminary Timeline

Fiscal Year 2020-21 TRANs Preliminary Schedule

Date	Event	Responsibility
03/27/20	10:00 AM – 2020-21 Sumer TRAN Kickoff Conference Call	All parties
04/10/20	Deadline to Submit Enrollment Forms (may withdraw any time prior to pricing) <i>Note: Upon Enrollment Form Submission – Authorizing Documents Distributed by Special Counsel</i>	District, SC
05/01/20	Deadline for participating districts to submit initial Cash Flow Worksheet & Financial Documents to Underwriter	District, UW
May Board Meeting	Last day for participating Governing Boards to adopt Resolution	District, SC
06/01/20	Conference Call (Program Information, Legislative and Market Update)*	CCLC, UW, SC
06/12/20	Deadline to submit Rating Questionnaire and final Cash Flow Worksheets	District, UW
06/17/20	Deadline to have Completed Due Diligence call with Tax Counsel	District, UW
06/18/20	Send Final Cash Flows and Financial Information to Rating Agency	UW, SC
07/06/2020	Print Preliminary Official Statement (POS)*	UW, SC
Week of July 13 th	Available for Investor Calls (if necessary)*	District, UW
Week of July 13 th	Pre-price Notes and Price Notes*	All Hands
Week of July 27 th	Closing and Delivery of Funds*	All Hands

*Preliminary, Subject to change

Questions?

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