



County of El Dorado

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May 18, 2009

Board of Supervisors
County of El Dorado
330 Fair Lane
Placerville, California 95667

2009 MAY 18 PM 4:03
RECEIVED
BOARD OF SUPERVISORS
EL DORADO COUNTY

Subject: Update on Cash Flows and TRAN Application

Ladies and Gentlemen:

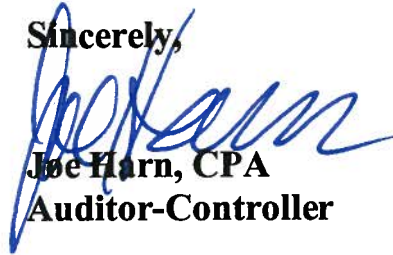
My staff and I are working on a report regarding the County's cash flows and cash position. Further, I have had several formal and informal conversations with the CAO, the CAO's staff, and the Treasurer-Tax Collector regarding these matters and the TRAN (Tax and Revenue Anticipation Note).

I have reached the conclusion that the County will have adequate cash resources to pay its bills during fiscal year 2009-2010 if your Board adopts a balanced budget. The County has substantial cash resources in various special revenue and internal service funds. During periods when the County general fund runs a cash deficit we will rely on internal borrowing from various special revenue funds and internal service funds.

After careful determination and consultation with both the CAO and the Treasurer-Tax Collector, I have determined that the costs and risks associated with the issuance of the TRAN exceed the likely benefits.

We will discuss the County's cash flows and cash position more thoroughly on May 26, 2009.

Sincerely,


Joe Harn, CPA
Auditor-Controller

COPY SENT TO BOARD MEMBERS
FOR THEIR INFORMATION
DATE 5/18/09
cc: Dists. 1-5

Cc: Gayle Erbe-Hamlin