



# 2012-2013 Unaudited Actuals

September 3, 2013


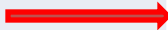
# 2012-2013 Unaudited Actuals

- Fiscal year ended 06-30-2013
- Books were closed on 08-16-2013
  - All final adjustments were posted
  - Receivables and payables were accrued
  - All funds had positive ending cash balances
- Audit will take place during November 2013
- Audit report completed by December 15, 2013

# General Fund – Fund Balance

Beginning Fund Balance	\$	23,937,263	\$	10,780,261	\$	34,717,524
Increase/(Decrease) to Fund Balance	\$	(4,570,778)	\$	2,761,579	\$	(1,809,199)
Audit Adjustments	\$	1,181,608	\$	1,132,403	\$	2,314,011
Restatements				659,410		
Ending Fund Balance	\$	20,548,094	\$	15,333,653	\$	35,881,746
Components of Ending Fund Balance						
Revolving Cash	\$	100,000	\$	0	\$	100,000
Stores	\$	76,120	\$	0	\$	76,120
PrePaid Expenses	\$	471,155	\$		\$	471,155
Designated for Economic Uncertainties	\$	4,739,911	\$	0	\$	4,739,911
Designation for Fiscal Stabilization	\$		\$	0	\$	0
Board Designated	\$		\$	0	\$	0
Designated for Restricted Programs	\$		\$	15,333,652	\$	15,333,652
Unappropriated Amount	\$	15,160,908	\$	0	\$	15,160,908

# Assets – Liabilities = Fund Equity (General Fund)

	Object	Description	Amount		
			Unrestricted	Restricted	Total Fund
Assets:					
	9110	Cash	26,581,299.98	8,895,475.04	35,476,775.02
	9130	Cash in Revolving Funds	100,000.00		100,000.00
	9200	Accounts Receivable 	22,654,699.81	13,271,508.02	35,926,207.83
	9310	Due from Other Funds	136,000.00		136,000.00
	9320	Stores	76,119.50		76,119.50
	9330	Prepaid Expenses	471,155.20		471,155.20
	9340	Other Current Assets	504,569.00		504,569.00
		Total Assets	50,523,843.49	22,166,983.06	72,690,826.55
Liabilities:					
	9500	Accounts Payable	8,975,749.52	4,367,476.02	13,343,225.54
	9640	Current Loans (TRAN) 	21,000,000.00		21,000,000.00
	9650	Deferred Revenue	0.00	2,465,854.77	2,465,854.77
		Total Liabilities	29,975,749.52	6,833,330.79	36,809,080.31
Fund Equity					
		Ending Fund Balance	20,548,093.97	15,333,652.27	35,881,746.24

# 2012-2013 Ending Balances by Resource

Fund	Resource	Description	Ending Balance
01.0	00000.0	General Fund - Unrestricted	20,388,845.25
01.0	05810.0	Unrestricted - MAA	97,143.92
01.0	06205.0	Unrestricted - Deferred Maintenance	0.00
01.4	00000.0	Unrestricted - SELPA	62,104.80
		<b>TOTAL UNRESTRICTED</b>	<b>20,548,093.97</b>
01.0	56400.0	Restricted - Medicare	1,300,206.24
01.0	63000.0	Restricted - Lottery Instruction Mtls	882,212.26
01.0	90150.0	Restricted - Redevelopment	1,043,626.04
01.0	91200.0	Restricted - Local Ed Foundation	20,898.21
01.0	91500.0	Restricted - Immunization Ptnshp	4,000.68
01.0	91600.0	Restricted - Boeing Math & Science	24,909.14
01.0	95000.0	Restricted - Schools Discretionary	63,640.05
01.4	65000.0	Restricted - SELPA Spec Ed AB602	4,116,411.13
01.4	65120.0	Restricted - SELPA Other State	6,035,202.00
		<b>TOTAL RESTRICTED</b>	<b>15,333,552.27</b>

# 2012-2013 Ending Cash Balances (Unrestricted General Fund)

Fund	Resource	Description	Ending Balance	Cash Balance
01.0	00000.0	General Fund - Unrestricted	20,388,845.25	26,607,902.19
01.0	05810.0	Unrestricted - MAA	97,143.92	106,814.10
01.0	06205.0	Unrestricted - Deferred Maintenance	0.00	(176,205.80)
01.4	00000.0	Unrestricted - SELPA	62,104.80	44,022.25
		<b>TOTAL UNRESTRICTED</b>	<b>20,548,093.97</b>	<b>26,582,532.74</b>

Accounts Receivable	22,654,699.81	+
Due from Other Funds	136,000.00	+
Accounts Payable	8,975,749.52	-
Current Loans	21,000,000.00	-

# 2012-2013 Ending Cash Balances (Restricted General Fund)

Fund	Resource	Description	Ending Balance	Cash Balance
01.0	42030.0	Restricted - Federal Resources	0.00	(4,155,421.83)
01.0	56400.0	Restricted - Medicare	1,300,206.24	1,342,999.11
01.0	58150.0	Restricted - Gear UP	0.00	(2,021.62)
01.0	60100.0	After School Education & Safety	0.00	67,189.57
01.0	63000.0	Restricted - Lottery Instruction Mtls	882,212.26	796,726.49
01.0	65000.0	Special Education-State Revenues	0.00	(3,088,784.97)
01.0	70900.0	Restricted - EIA	1,842,446.52	2,614,662.31
01.0	72300.0	Home to School Transportation	0.00	964,613.24
01.0	72400.0	Spec Ed Home to School Trans	0.00	215,106.78
01.0	81500.0	Routine Restricted Maintenance	0.00	137,604.06
01.0	90110.0	Restricted – Microsoft CA Settlement	0.00	8,084.85
01.0	90150.0	Restricted - Redevelopment	1,043,626.04	1,072,265.82
01.0	91200.0	Restricted - Local Ed Foundation	20,898.21	22,616.96
01.0	91500.0	Restricted - Immunization Ptnshp	4,000.68	4,687.38
01.0	91600.0	Restricted - Boeing Math & Science	24,909.14	25,193.61
01.0	95000.0	Restricted - Schools Discretionary	63,640.05	76,935.81
01.4	33200.0	Restricted - SELPA IDEA Spec Ed	0.00	0.00
01.4	65000.0	Restricted - SELPA Spec Ed AB602	4,116,411.13	3,726,615.26
01.4	65120.0	Restricted - SELPA Other State	6,035,202.00	5,065,169.42
		TOTAL RESTRICTED	15,333,552.27	8,894,242.25

# General Fund Revenues

2012-2013

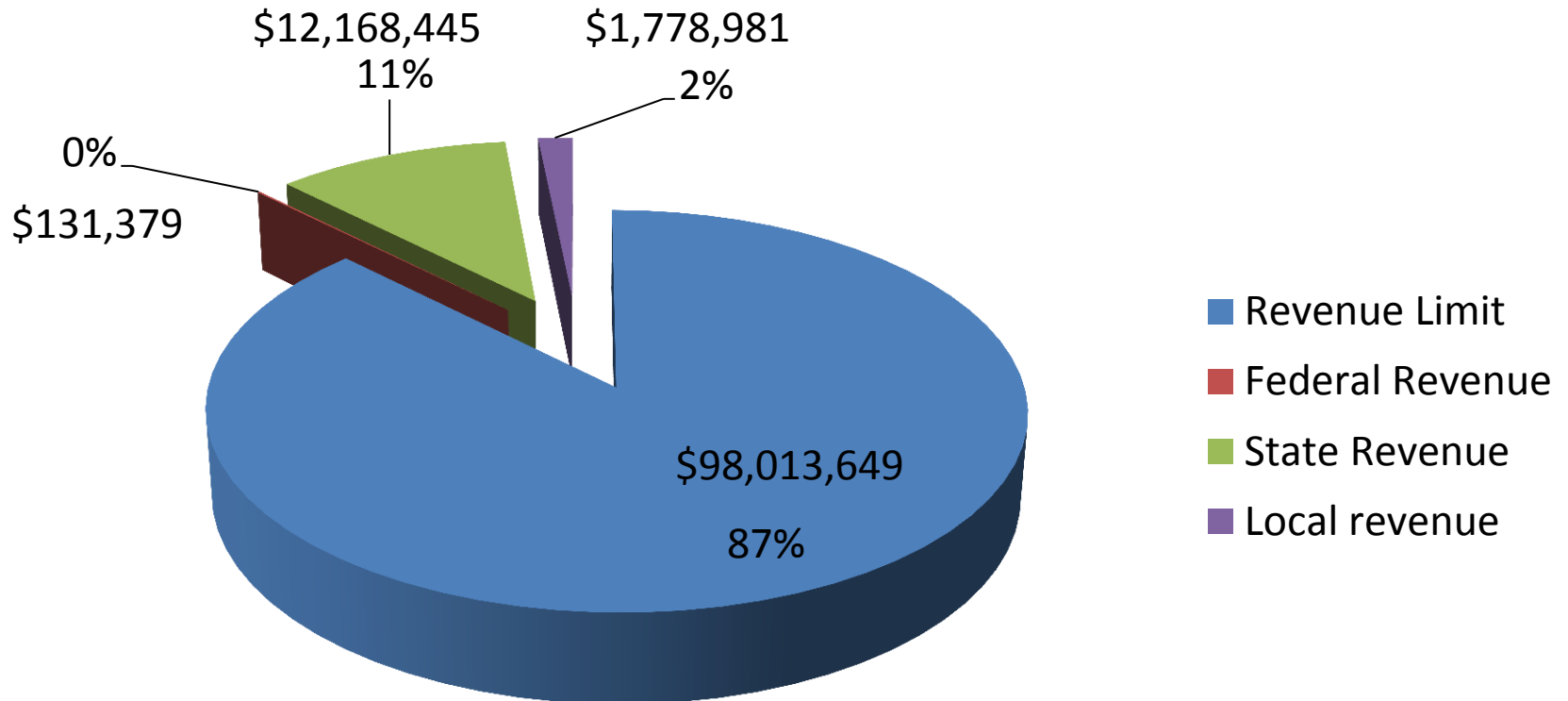
		Unrestricted		Restricted		Total
Revenue Limit Sources	\$	98,013,648.77	\$	4,126,058.00	\$	102,139,706.77
Federal Revenue	\$	131,379	\$	16,889,001.30	\$	17,020,380.30
Other State Revenue	\$	12,168,444.51	\$	9,628,537.70	\$	21,796,982.21
Other Local Revenue	\$	1,778,981.04	\$	13,201,782.78	\$	14,980,763.82
TOTAL REVENUES	\$	112,092,453.92	\$	43,845,379.78	\$	155,937,833.10



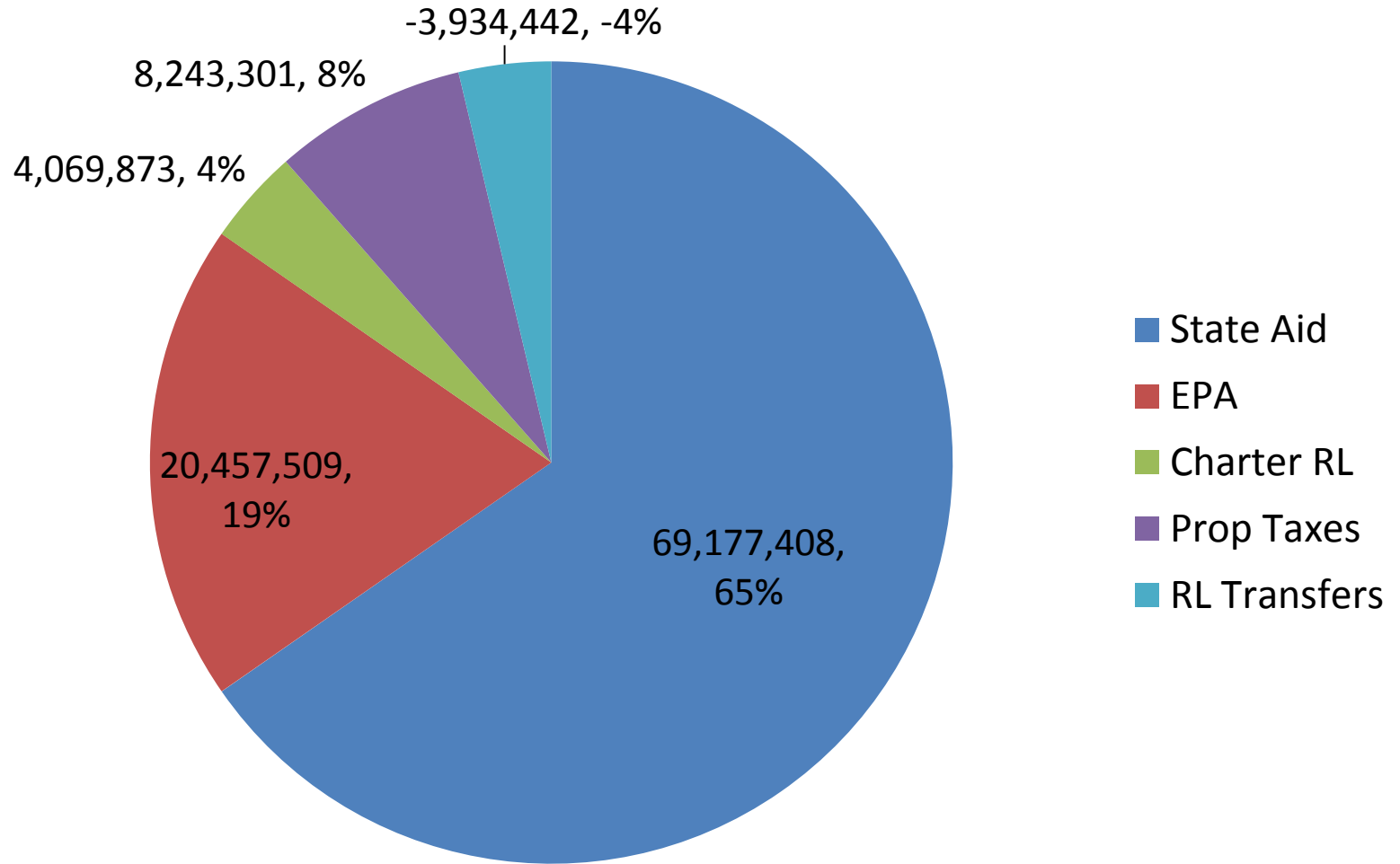
# 2012-2013 Unrestricted Revenues

**Unrestricted Revenue**

**\$112,092,454**



# 2012-2013 Revenue Limit Sources



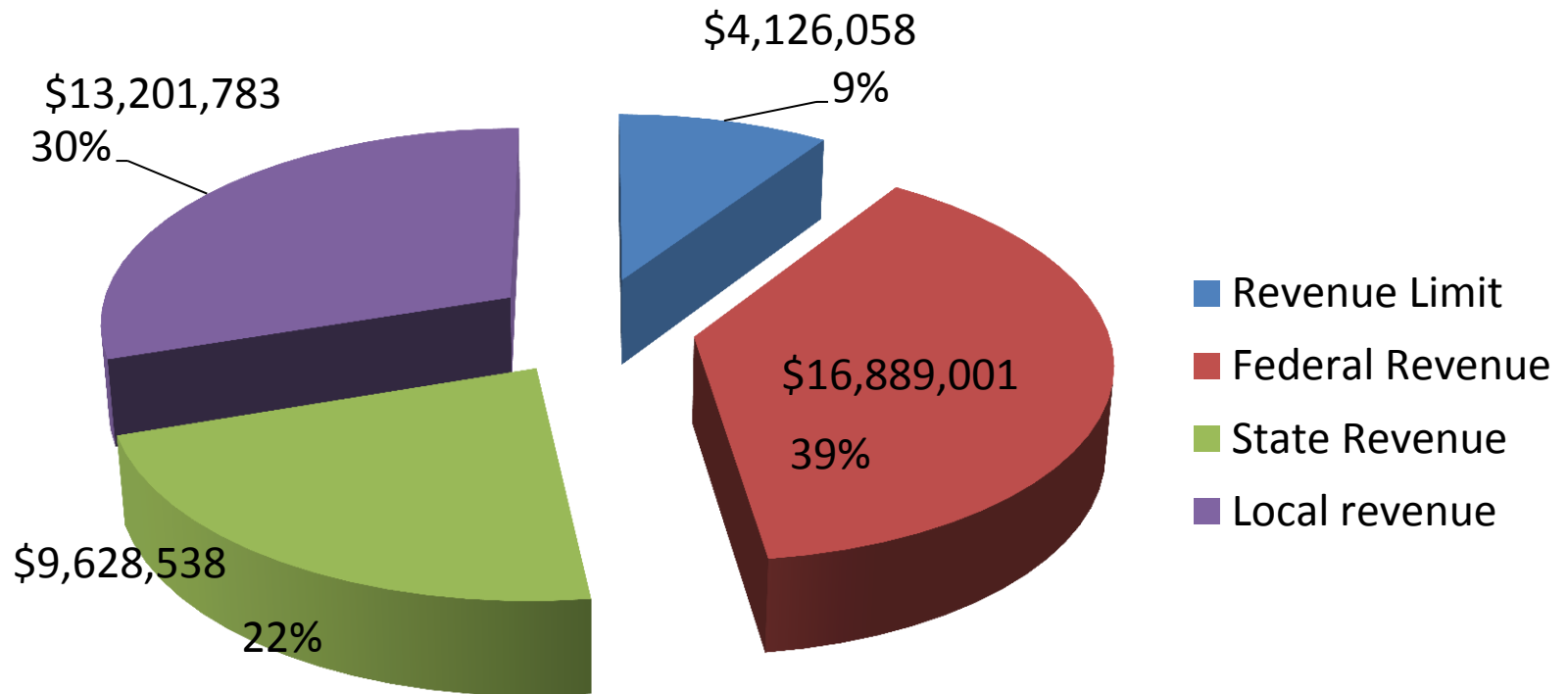
# Education Protection Account

Description	Amount	Account Number
Teachers' Salaries	15,039,118.67	01.0-14000.0-11100-10000-1110-0010000
STRS Contributions	1,240,728.06	01.0-14000.0-11100-10000-3111-0010000
Medicare	211,015.66	01.0-14000.0-11100-10000-3331-0010000
Health & Welfare	3,348,083.73	01.0-14000.0-11100-10000-3411-0010000
State Unemployment	163,960.64	01.0-14000.0-11100-10000-3511-0010000
Worker's Comp Ins	421,347.40	01.0-14000.0-11100-10000-3611-0010000
Instructional Supplies	33,254.84	01.0-14000.0-11100-10000-4310-0010000
Transfer to TPAA	610,910.00	01.0-14000.0-00000-92000-7299-0970000
Transfer to GCS	338,491.00	01.0-14000.0-00000-92000-7299-0990000
Grand Total	21,406,910.00	

# 2012-2013 Restricted Revenues

**Restricted Revenue**

**\$43,845,380**

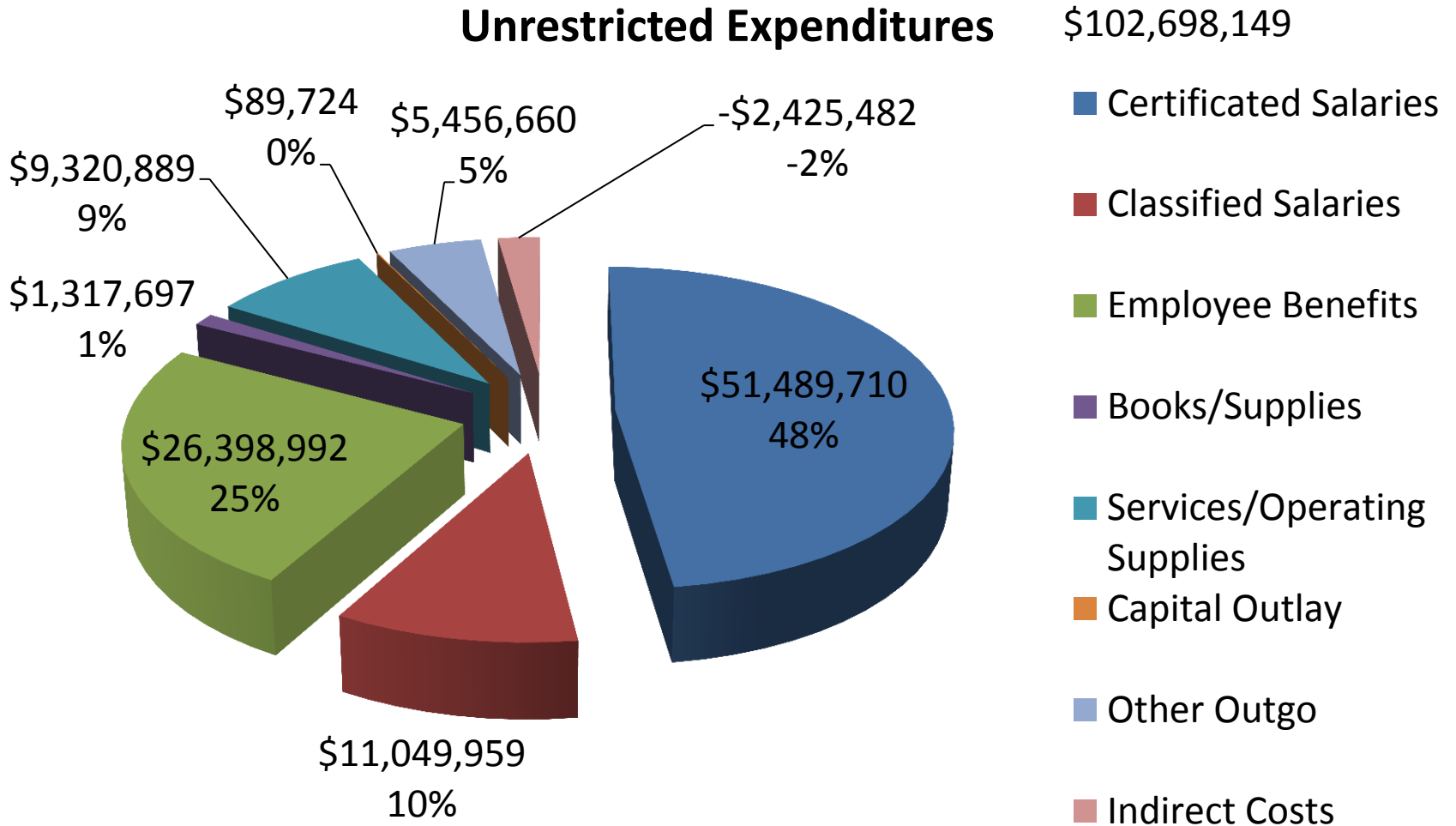


# General Fund Expenditures

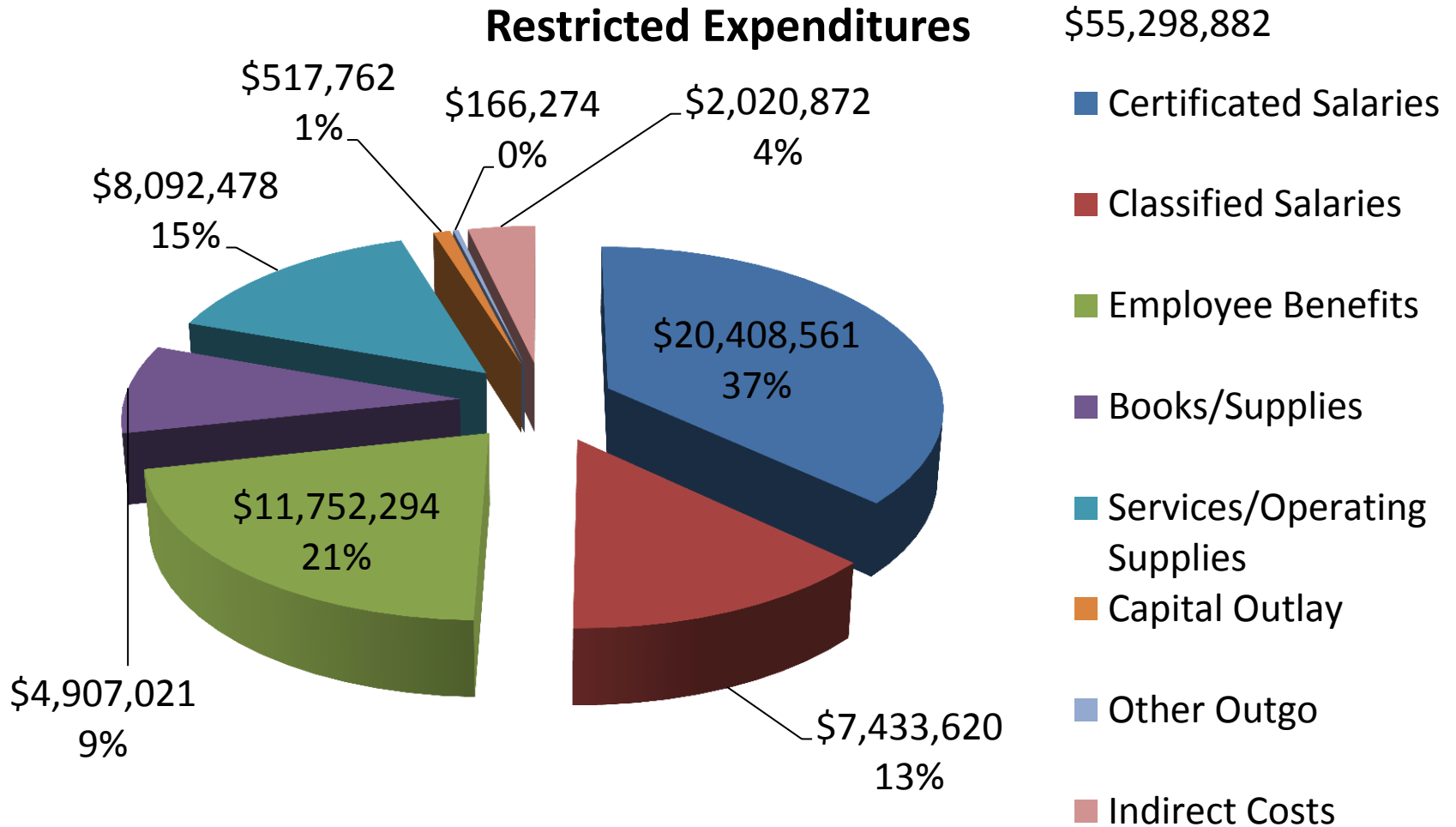
2012-2013

EXPENDITURES		Unrestricted		Restricted		Total
Certificated Salaries	\$	51,489,710.19	\$	20,408,560.95	\$	71,898,271.14
Classified Salaries	\$	11,049,959.19	\$	7,433,620.65	\$	18,483,579.84
Employee Benefits	\$	26,398,991.96	\$	11,752,294.16	\$	38,151,286.12
Books and Supplies	\$	1,317,696.79	\$	4,907,021.28	\$	6,224,718.05
Services, Operating Expenses	\$	9,320,889.06	\$	8,092,477.71	\$	17,413,366.77
Capital Outlay	\$	89,723.86	\$	517,762.09	\$	607,485.95
Other Outgo	\$	5,456,659.85	\$	166,273.68	\$	5,622,933.53
Transfers of Indirect Costs	\$	-2,425,481.67	\$	2,020,871.93	\$	-404,609.74
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>102,698,149.23</b>	<b>\$</b>	<b>55,298,882.43</b>	<b>\$</b>	<b>157,997,031.66</b>

# 2012-2013 Unrestricted Expenditures



# 2012-2013 Restricted Expenditures



# General Fund – Other Sources/Uses

2012-2013

OTHER FINANCING SOURCES/USES		Unrestricted		Restricted		Total
Transfers Out	\$	0	\$		\$	0
Tier III Sweep to Unrestricted	\$	(5,386,269)	\$		\$	(5,386,269)
Contributions - from Unrestricted	\$	(8,828,813)	\$		\$	(8,828,813)
Contribution-Restricted Maintenance	\$		\$	2,052,163	\$	2,052,163
Contribution-Special Education	\$		\$	7,935,610	\$	7,935,610
Contribution-Transportation	\$		\$	3,646,218	\$	3,646,218
Contribution-Community Day School	\$		\$	575,694	\$	575,694
Contribution-Education Foundation	\$		\$	2,799	\$	2,799
Contribution-Miscellaneous Programs	\$		\$	2,598	\$	2,598
TOTAL OTHER OUTGO	\$	(14,215,082)	\$	14,215,082	\$	0



# Summary of Contributions Comparison to Estimated Actuals

2012-2013

Contributions		Estimated Actuals		Unaudited Actuals		Difference
Restricted Maintenance	\$	2,999,375	\$	2,052,163	\$	(947,212)
Special Education	\$	10,568,687	\$	7,935,610	\$	(2,633,077)
Transportation	\$	2,905,780	\$	3,646,218	\$	740,438
Community Day School	\$	444,197	\$	575,694	\$	131,497
Tier III & Miscellaneous	\$	755,156	\$	5,397	\$	(749,759)
<b>TOTAL CONTRIBUTIONS</b>	\$	<b>17,673,195</b>	\$	<b>14,215,082</b>	\$	<b>(3,458,113)</b>

# Detail of Expenditures in Contribution Resources

		Routine Maintenance		Special Education		Transportation		Community Day School		Total
Program Savings										
Certificated Salaries	\$	0	\$	(642,031)	\$		\$	5,940	\$	(636,091)
Classified Salaries	\$	(185,110)	\$	(113,853)	\$	(17,826)	\$		\$	(316,789)
Employee Benefits	\$	(72,945)	\$	(107,102)	\$	2,067	\$	18,290	\$	(159,690)
Books and Supplies	\$	(178,528)	\$	(32,230)	\$	60,576	\$	2,783	\$	(147,399)
Services, Operating Expenses	\$	(510,629)	\$	(157,911)	\$	703,464	\$	(1,110)	\$	33,814
Transfers of Indirect Costs	\$	0	\$	894,957	\$		\$	(2,061)	\$	892,896
Pass-Through Revenue Spec Ed	\$		\$	(1,307,187)	\$		\$		\$	(1,307,187)
Tuition - Excess Costs	\$		\$	(1,064,311)	\$		\$		\$	(1,064,311)
Revenue Limit Transfers	\$		\$	(103,409)	\$		\$	(18,399)	\$	(121,808)
Other Revenue						(7,843)		126,054		118,211
TOTAL SAVINGS	\$	(947,212)	\$	(2,633,077)	\$	740,438	\$	131,497	\$	(2,708,354)

# General Fund

## Revenue/Expenditures/Ending Fund Balance

		Unrestricted		Restricted		Total
Revenue Limit Sources	\$	98,013,649	\$	4,126,058	\$	102,139,707
Federal Revenue	\$	131,379	\$	16,889,001	\$	17,020,380
Other State Revenue	\$	12,168,445	\$	9,628,538	\$	21,796,982
Other Local Revenue	\$	1,778,981	\$	13,201,783	\$	14,980,764
<b>TOTAL REVENUES</b>	\$	<b>112,092,453</b>	\$	<b>43,845,380</b>	\$	<b>155,937,833</b>
Certificated Salaries	\$	51,489,710	\$	20,408,561	\$	71,898,271
Classified Salaries	\$	11,049,959	\$	7,433,621	\$	18,483,580
Employee Benefits	\$	26,398,992	\$	11,752,294	\$	38,151,286
Salaries & Benefits	\$	88,938,661	\$	39,594,476	\$	128,533,137
Books and Supplies	\$	1,317,697	\$	4,907,021	\$	6,224,718
Services, Operating Expenses	\$	9,320,889	\$	8,092,478	\$	17,413,367
Capital Outlay	\$	89,724	\$	517,762	\$	607,486
Other Outgo	\$	5,456,660	\$	166,274	\$	5,622,934
Transfers of Indirect Costs	\$	(2,425,482)	\$	2,020,872	\$	(404,610)
<b>TOTAL EXPENDITURES</b>	\$	<b>102,698,149</b>	\$	<b>55,298,882</b>	\$	<b>157,997,032</b>
Transfers In/Out	\$	0	\$		\$	0
Other Sources	\$	250,000		0		250,000
Contributions	\$	(14,215,082)	\$	14,215,082		0
<b>TOTAL OTHER FINANCING SOURCES/USES</b>	\$	<b>(13,965,082)</b>	\$	<b>14,215,082</b>	\$	<b>250,000</b>
Net Increases(Decreases) in Fund Balance		(4,570,778)		2,761,579		(1,809,199)
<b>BEGINNING FUND BALANCE</b>	\$	<b>23,937,263</b>	\$	<b>10,780,261</b>	\$	<b>34,717,524</b>
Audit Adjustments	\$	1,181,608	\$	1,791,813	\$	2,973,421
<b>ENDING FUND BALANCE</b>	\$	<b>20,548,094</b>	\$	<b>15,333,653</b>	\$	<b>35,881,746</b>
Components of Ending Fund Balance		5,387,186		15,333,652		20,720,838
<b>UNAUDITED ENDING FUND BALANCE</b>	\$	<b>15,160,908</b>	\$	<b>0</b>	\$	<b>15,160,908</b>

# 2012-2013 Estimated Actuals Compared to Unaudited Actuals

2012-2013					
	Estimated Actuals	Unaudited Actuals	Difference	UA-EA	% Difference
Revenue Limit Sources	102,455,315	102,139,707		(315,608)	-0.308%
Federal Revenue	18,934,397	17,020,380		(1,914,017)	-10.109%
Other State Revenue	18,937,783	21,796,982		2,859,199	15.098%
Other Local Revenue	14,182,524	14,980,764		798,240	5.628%
TOTAL REVENUES	154,510,019	155,937,833		1,427,814	0.924%
Certificated Salaries	74,686,967	71,898,271		(2,788,696)	-3.734%
Classified Salaries	19,173,926	18,483,580		(690,346)	-3.600%
Employee Benefits	41,483,808	38,151,286		(3,332,522)	-8.033%
Books and Supplies	10,733,809	6,224,718		(4,509,091)	-42.008%
Services, Other Operating Expenses	21,475,953	17,413,367		(4,062,586)	-18.917%
Capital Outlay	577,962	607,486		29,524	5.108%
Other Outgo	5,756,666	5,622,934		(133,732)	-2.323%
Indirect Costs	(378,998)	(404,610)		(25,612)	6.758%
Other Sources/Uses	(250,000)	(250,000)		0	0.000%
TOTAL EXPENDITURES	173,260,093	157,747,032		(15,513,061)	-8.954%

# 2012-2013 Estimated Actuals Compared to Unaudited Actuals

	Estimated Actuals	Unaudited Actuals	Difference	UA-EA
Beginning Fund Balance	34,717,517	34,717,524		7
Increase/(Decrease) to Reserve	(18,750,074)	(1,809,199)		16,940,875
Audit Adjustments	2,973,421	2,973,421		0
Ending Fund Balance	18,940,864	35,881,746		16,940,882
Components of Ending Fund Balance				
Revolving Cash	100,000	100,000		
Stores	100,000	76,120		
PrePaid Expenses	0	471,155		
Designated for Economic Uncertainties	5,234,160	4,739,911		(494,249)
Designated for Restricted Programs	9,035,189	15,333,652		6,298,464
Unappropriated Amount	4,471,515	15,160,908		10,689,393

# Impact to 2013-2014 Fund Balance

	2012-2013 Unaudited Actual			2013-2014 Budget		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Beginning Fund Balance	\$ 23,937,263.26	\$ 10,780,260.60	\$ 34,717,523.86	20,548,093.97	\$ 15,333,652.27	\$ 35,881,746.24
Increase/(Decrease) to Fund Balance	\$ -4,570,777.58	\$ 2,761,579.02	\$ -1,809,198.56	\$ -5,164,363.00	\$ -649,918.00	\$ -5,814,281.00
Audit Adjustments	\$ 1,181,608.29	\$ 1,791,812.65	\$ 2,973,420.94			\$ 0.00
Ending Fund Balance	\$ 20,548,093.97	\$ 15,333,652.27	\$ 35,881,746.24	\$ 15,383,730.97	\$ 14,683,734.27	\$ 30,067,465.24
Revolving Cash	\$ 100,000.00	\$ 0.00	\$ 100,000.00	\$ 100,000.00	\$ 0.00	\$ 100,000.00
Stores	\$ 76,119.50	\$ 0.00	\$ 76,119.50	\$ 100,000.00	\$ 0.00	\$ 100,000.00
Prepaid Expenses	\$ 471,155.20	\$	\$ 471,155.20	\$ 0.00	\$	\$ 0.00
Designated for Economic Uncertainties	\$ 4,739,910.95	\$ 0.00	\$ 4,739,910.95	\$ 4,632,360.21	\$ 0.00	\$ 4,632,360.21
Designation for Contingency Language	\$	\$ 0.00	\$ 0.00	<b>7,358,917.00</b>	\$ 0.00	\$ 7,358,917.00
Board Designated (1%)	\$	\$ 0.00	\$ 0.00	<b>1,470,531.00</b>	\$ 0.00	\$ 1,470,531.00
Designated for Restricted Programs	\$	\$ 15,333,652.27	\$ 15,333,652.27	\$	\$ 15,094,126.01	\$ 15,094,126.01
Unappropriated Amount	\$ 15,160,908.32	\$ 0.00	\$ 15,160,908.32	\$ 1,721,922.76	\$ -410,391.74	\$ 1,311,531.02

# All Other Funds – 2012-2013

Fund	Description	Beginning Balance	Revenue	Expenditures	Ending Balance
10	Special Education Pass Through	\$0	\$57,060,318	\$57,004,983	\$55,335
12	Child Development	\$261,414	\$14,068,239	\$14,072,526	\$257,127
13	Cafeteria	\$3,548,198	\$10,129,693	\$9,519,059	\$4,158,831
20	Post Employment Benefits	\$172,213	\$1,111	\$0	\$173,324
21	Building Fund (GO Bonds)	\$17,093,385	\$40,145,048	\$2,260,274	\$54,978,159
25	Capital Facilities (Dev Fees)	\$374,236	\$639,445	\$328,561	\$685,120
35	County School Facilities	\$2,058,492	\$105,413	\$0	\$2,163,905
40	Capital Outlay	\$1,246,623	\$8,044	\$0	\$1,254,667
49	Building Fund (Spec Tax Bonds)	\$11,547,055	\$9,370,393	\$9,647,508	\$11,269,941
51	Bond Interest & Redemption	\$1,512,745	\$2,361,991	\$1,745,851	\$2,128,885
52	Debt Service (Spec Tax Bonds)	\$14,236,566	\$7,958,185	\$5,215,142	\$16,979,609
56	Debt Service (Spec Tax Bonds)	\$787,680	\$2,072,649	\$2,096,654	\$763,675

# Supplemental Reports

Report	Description	Palmdale School District Results
CEA	Percent of Current Costs of Education for Classroom Compensation - Must meet or exceed 60% for Elementary Districts	Value = 61.07% Target Met
GANN	The GANN limit is a limit on the appropriation of tax revenues of all California Government - State, cities, counties, school agencies, special districts. The Districts calculations and documentation are made in accord with applicable constitutional and statutory law.	Adjusted Appropriations GANN Limit = \$123,049,451 Appropriations Subject to GANN Limit = \$101,949,985
ICR	The Indirect Cost Rate is the amount that can be charged to restricted categorical programs to recover administrative costs.	Indirect Charged = \$1,579,294 Indirect Rate for 10-11 = 6.37% Indirect Rate for 11-12 = 6.06% Indirect Rate for 12-13 = 6.70%
NCMOE	No Child Left Behind (NCLB) Maintenance of Effort (MOE) Determination. Established to improve the education opportunities for every child. The District must have a minimum of 90% of the prior year expenditures to meet the MOE requirements.	PY Expenditures = \$139,285,303 90% of PY Exp = \$125,356,773 CY Expenditures = \$132,630,473 MOE Met
TRAN	Transportation Information and Costs for Home-to-School & Severely Disabled/Orthopedically Impaired (SD/OI) pupils.	Home-to-School = \$3,656,265 SD/OI = \$ 849,763 Buses (41/23) = 64 Total Miles = 985,063 Cost Per Mile = 5.794 / 2.401



# 2013-2014 Budget

## Local Control Funding Formula

### **Funding Provisions**

The 2013–14 budget package replaces the previous K–12 finance system with a new Local Control Funding Formula (LCFF). For school districts and charter schools, the LCFF creates base, supplemental, and concentration grants in place of most previously existing K–12 funding streams, including revenue limits and most state categorical programs. For county offices of education (COEs), the LCFF creates separate funding streams for oversight activities and instructional programs.

The 2013–14 Budget Act provides \$2.1 billion for school districts and charter schools and \$32 million for COEs to support the first-year implementation of the LCFF. Until full implementation, however, local educational agencies (LEAs) will receive roughly the same amount of funding they received in 2012–13 plus an additional amount each year to bridge the gap between current funding levels and the new LCFF target levels. The budget projects the time frame for full implementation of the LCFF to be eight years

# 2013-2014 Budget

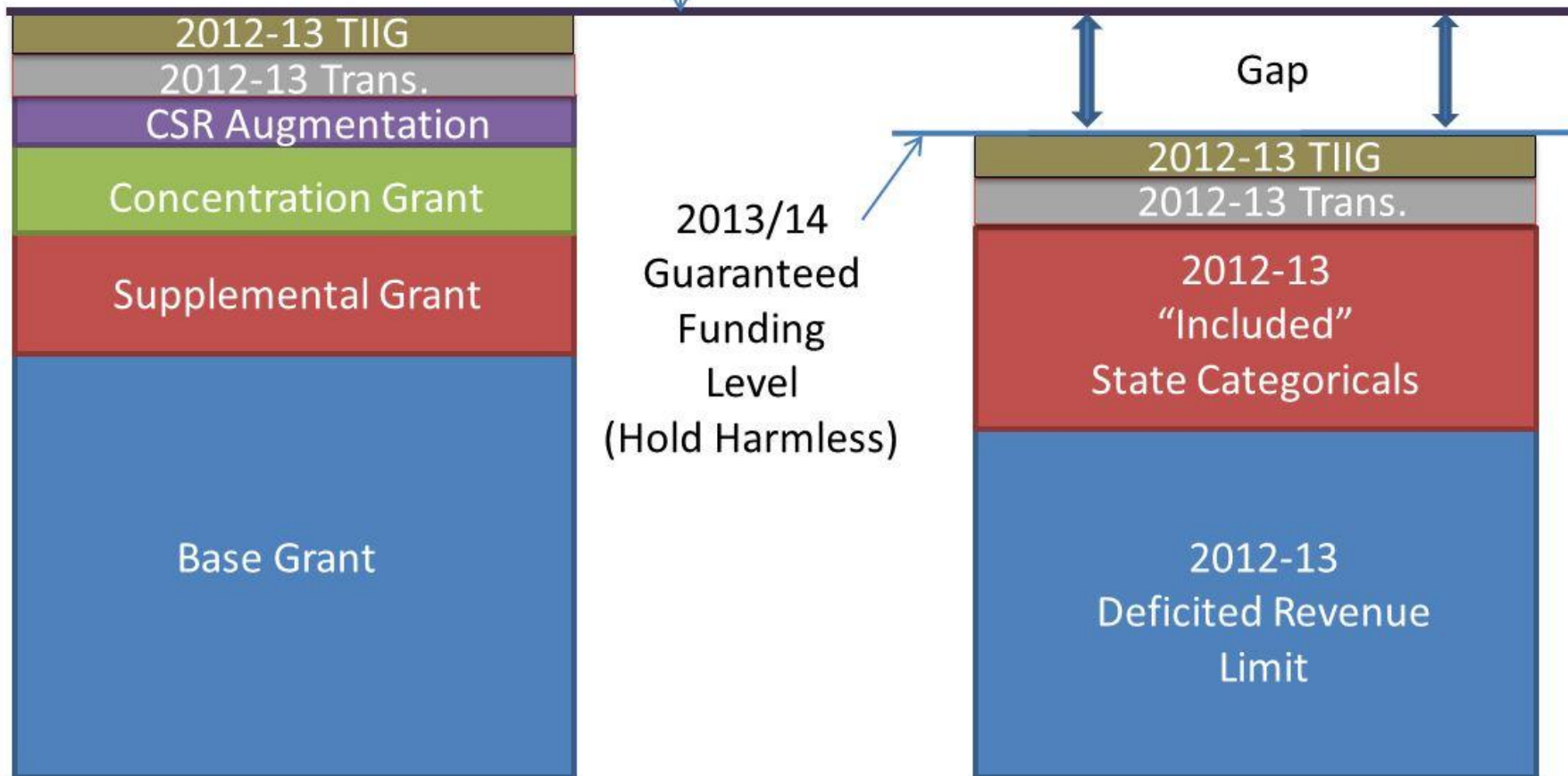
## Local Control Funding Formula

- The LCFF includes the following components for school districts and charter schools:
- Provides a base grant for each LEA equivalent to \$7,643 per average daily attendance (ADA). The actual base grants would vary based on grade span.
- Provides an adjustment of 10.4 percent on the base grant amount for kindergarten through grade three (K-3). As a condition of receiving these funds, the LEA shall progress toward an average class enrollment of no more than 24 pupils in kindergarten through grade three, unless the LEA has collectively bargained an annual alternative average class enrollment in those grades for each school site.
- Provides an adjustment of 2.6 percent on the base grant amount for grades nine through twelve.
- Provides a supplemental grant equal to 20 percent of the adjusted base grant for targeted disadvantaged students. Targeted students are those classified as English learners (EL), eligible to receive a free or reduced-price meal (FRPM), foster youth, or any combination of these factors (unduplicated count).
- Provides a concentration grant equal to 50 percent of the adjusted base grant for targeted students exceeding 55 percent of an LEA's enrollment.
- Provides for additional funding based on an "economic recovery target" to ensure that virtually all districts are at least restored to their 2007-08 state funding levels (adjusted for inflation) and also guarantees a minimum amount of state aid to LEAs.
- The budget maintains Home-to-School Transportation and Targeted Instructional Improvement Block Grant funding as add-ons to the LCFF. The budget requires LEAs to maintain 2012-13 expenditure levels on transportation out of funds received for this purpose.

# Local Control Funding Formula (LCFF)

## LCFF Entitlement Target

(Reached by 2020/21)



# LCFF Calculation Worksheet

Estimated Total LCFF Entitlement/Target	
Base Grant	136,832,888.00
Augmentation Grants (K-3 CSR)	6,271,668.00
Supplemental Add-on	24,585,348.00
Concentration Add-on	22,109,617.00
2012-13 Transportation Add-on	309,220.00
2012-13 TIIG Funding Add-on	1,059,011.00
Other Current Assets	0.00
<b>Total LCFF Entitlement/Target (2020/21)</b>	<b>191,167,752.00</b>

Estimated 2013-14 Hold Harmless Calculation	
2012-13 Total Categoricals	13,217,912.00
2012-13 Revenue Limit Funding	95,644,835.00
2012-13 Funded ADA	18,680.60
2012-13 Hold Harmless RL per ADA	5,120.01
2013-14 Funded ADA	19,396.86
2013-14 Hold Harmless RL Funding	99,312,093.00
<b>2013-14 Total Hold Harmless RL</b>	
<b>Funding and Categorical Funding</b>	<b>112,530,005.00</b>

Estimated 2013-14 Total LCFF Funding	
Difference between Total LCFF Entitlement	
and Hold Harmless Funding (The GAP)	78,637,748.00
GAP Funding (11.78% for 2013-14)	9,263,527.00
<b>Estimated 2013-14 Funding</b>	<b>121,793,531.00</b>

# Expected Delay in LCFF Entitlement Calculations

The formulas to calculate LEA entitlements are extraordinarily complex during the transition period with a number of changes to be implemented in the 2013–14 and subsequent fiscal years. ... the California Department of Education's (CDE) School Fiscal Services Division will transition the flow of funds to LEAs from the old structure (revenue limits, general purpose entitlements and categorical programs) to the new (LCFF grade span base grants, supplemental and concentration grants).

The CDE cannot immediately determine how much an LEA is entitled to receive during the transition period under LCFF, including the components of LCFF such as an LEA's supplemental or concentration grant, for three reasons:

An LEA's funding is based on current year data that will not be known until the end of the fiscal year, such as the LEA's average daily attendance.

The CDE must reprogram its apportionment system to reflect the new formula calculations and its apportionment data collection software in order to collect data in the format required for LCFF.

Technical problems with the LCFF laws must be fixed.

Nevertheless, state aid for LCFF is currently flowing to LEAs. Because the greater part of funding that LEAs will receive for LCFF (\$40 billion) is based on what they received in 2012–13, CDE can reasonably estimate the amount of state funds that an LEA will receive for LCFF. Consequently, consistent with past practice the prior-year funding level served as a basis to provide operating funds to LEAs beginning July in the Advance Principal Apportionment.

# Other 2013-2014 Budget Items

Other items of importance for education

➤ \$1.25 billion for Common Core

➤ PSD preliminary entitlement \$3,918,200

➤ \$4 billion for deferral buybacks

➤ \$50 million increase for mandate block grant

➤ PSD has applied – estimated \$523,057  
(28/ADA)

# 2013-2014 Education Protection Account

The Education Protection Account (EPA) provides local educational agencies (LEAs) with general purpose state aid funding pursuant to Proposition 30, The Schools and Local Public Safety Protection Act of 2012, approved by the voters on November 6, 2012. The EPA funding is a component of an LEA's total revenue limit or charter school general purpose entitlement.

The funds are continuously appropriated and are not contingent on the passage of the State budget by the constitutional deadline.

For each fiscal year cycle the EPA proportionate share percentage will be recalculated four times.

Effective with the 2013–14 fiscal year, before the start of each fiscal year (June 30), the California Department of Finance (DOF) will provide an EPA revenue estimate. In the fourth quarter of each fiscal year, the DOF will provide an updated EPA revenue estimate of statewide receipts for the current fiscal year. These EPA revenue estimates as well as the statewide revenue limit and charter school general purpose funding totals as of the Advance, First Principal Apportionment (P-1), Second Principal Apportionment (P-2), and Annual certification periods will be used to determine an LEA's EPA proportionate share entitlement, relevant to each certification period.

# Summary

- Increased Ending Fund Balance in 12-13 will help restore salary reductions and furlough days per the contingency language
- Still deficit spending in Unrestricted
- Accurate cash flow projections critical due to delay in LCFF apportionments
- Development of LCAP will define future budgets





Questions?

Thank you