

Where Does the Money Come From and Why?

Part II

**Understanding School Finance
and Revenue Limit Funding**

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Session #2– CBO Mentor Project

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Ready for some gory details

- ❖ **The rest of the story of revenue limits....**
- ❖ **We will cover some additional **concepts**, then quickly review the **specific funding schedules** and then a quick lesson on **cash flow****

PERS Deduct



If you think the RL/Deficit calculation is complicated, it is simple compared to explaining the PERS deduct!

In 1981-82 the employer contribution to PERS was 13.02%. When it dropped to 12% in 1982-83, schools saved money.

The State of CA was in need of money – so they “recaptured the savings”

ONE – TIME FIX (OR SO THEY SAID AT THE TIME – IT CONTINUES TO THIS DAY)

Note - PERS (Public Employees Retirement system - classified employees)

PERS DEDUCT.. In the beginning

	1981-82	1982-83
PERS Salaries subject to wages	10,000,000	10,000,000
Employer contribution	0.1302	0.12
PERS Contribution	1,302,000	1,200,000
1982-83 Savings "recaptured"		102,000

Some relief in the past few years...\$39 million "buyout"/restoration

PERS Deduct



As if that were not confusing enough – the **accounting mechanics** are equally confusing.

State **reduces your income** by the “savings”.
Then you have to journal entry and **add it back to income** and post an **expenditure**

The expenditures are then posted to **appropriate programs:**

- e.g., transportation, food service, special education

Revenue Limit impact

PERS Discussion			
1	ADA		1,000
2	Revenue Limit		\$ 6,000.00
3	Entitlement	line 1 x 2	6,000,000
4	% funded		1.00
5	Entitlement	line 3 x l4	6,000,000
6	less Taxes		(1,000,000)
7	less PERS		(25,000)
8	State Revenue Limit funding	line 5 - 6 - 7	4,975,000
	Income:		
9	State Aid		4,975,000
10	Taxes		1,000,000
11	Total	line 9 + line 10	5,975,000

Total income is \$5.975 m. NOT \$6 m.

What the books show...

Revenue Limit Income	6,000,000	
3xxx PERS expenditure		25,000
Expenditure postings to subsidiary accounts:		
3xxx transportation		12,000
3xxx cafeteria		3,000
3xxx state categorical		5,000
3xxxx general instruction		5,000
Total		25,000

PERS BUY-OUT

As you can imagine, this became a high priority item to “fix”.

The dilemma was trying to explain the concept in legislative environment.

PERS Buy-Out History

- ❖ Funds were appropriated to buy-out the PERS deduct
 - \$6 per ADA on average in 2001-02
 - -0- in 2002-03
 - \$35m in 2003-04 (22% est. buy-out, rate 10.42%)
 - \$36m in 2004-05
 - About the same in 2005-06 through current year
 - Up to \$39m. currently

PERS BUY-OUT

% of Buy-Out is estimate – unknown until statewide data certifies and dependent on the rate.

If \$39 m. buys out 14.5% of PERS deduct.

IF...PERS employer rate goes down to 8%

**% OF PERS BUY OUT GOES UP?
DOWN?**

PERS Rates

2007-08 Rate 9.306%

1			2007-08	If Rates changed
2	PERS Salaries after exclusions	2007-08	1,000,000	2008-09 1,000,000
3	PERS RATE	0.09306	93,060	0.0800 80,000
4	PERS DEDUCT	0.03714	37,140	0.0502 50,200
5	Total	0.1302	130,200	0.1302 130,200
6	Restoration rate (estimate)		0.145	0.36743
7	Restoration Amount		5,385.0	18,445
8	PERS deduct		31,755	31,755

	PERS Historical Employer Rates	Reduction to Income	Total "Cost" to State Programs	Cost to Federal Programs
2005-06	9.116%	3.90%	13.02%	9.116%
2004-05	9.952%	3.07%	13.02%	9.95%
2003-04	10.42%	2.60%	13.02%	10.42%
2002-03	2.89%	10.13%	13.02%	2.89%
2001-02	0.00%	13.02%	13.02%	0.00%
2000-01	0.00%	13.02%	13.02%	0.00%
1999-00	0.00%	13.02%	13.02%	0.00%
1998-99	0.00%	13.02%	13.02%	0.00%
1997-98	6.17%	6.85%	13.02%	6.17%
1996-97	7.79%	5.23%	13.02%	7.79%
1995-96	6.98%	6.04%	13.02%	6.98%
1994-95	4.17%	8.85%	13.02%	4.17%

Why are we talking about this?

**CONFUSING EXPENDITURE INTERNALLY
(EXPLAINING TO SCHOOL SITES WHY THEY ARE
PAYING 13% IN PERS)**

**CONFUSING ITEM IN LOCAL BUDGET PRESENTATION
(I KNOW IT SAYS \$6M REVENUE LIMIT INCOME, BUT
WE REALLY DIDN'T GET THAT!)**

**FORGOTTEN ITEM IN PUBLIC DEBATE (BECAUSE IT
IS SO CONFUSING).**

CAN YOU STAND ONE MORE THING..

Salaries subject to PERS

As mentioned before, we are referring to classified employees.

Certificated employees belong to STRS – State Teachers Retirement System.

(Note -may stay in alternate system for either if previous member).

BUT PERS SALARIES PAID BY FEDERAL FUNDS NOT SUBJECT TO RECAPTURE

CBO Leadership Role



- ❖ Ensure **all programs charged appropriate 13.02%** cost (or less depending upon PERS buydown)
- ❖ Be able to explain why a decline in PERS rates does **not result in savings** (except federal programs)
- ❖ Ensure **salaries are appropriately charged** to federal programs (cafeteria funds, PI 94-142, etc.)

CBO Leadership Role



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Ready for More RL Details?

P-2 ADA gets more complicated

- Remove Charter ADA
- Remove Necessary Small School

ADD to Greater of Current Year or Prior Year

- **Non Public school ADA & Community Day School**
 - Not part of PY guarantee – current year added
- **COE ADA (district of residence funded)**
 - Special Education ADA
 - COE Community School “a” & “b” students
 - COE Special Education LCI
 - ADA added – funds “subtracted”
 - COE Special Education funds subtracted at lower rate – without longer day and year add-on



- ❖ **Following example shows comparison of district without COE ADA and with COE ADA**

More RL Detail			without add-in ADA	with add in - ADA
1	Current Year ADA		950	950
2	Prior Year ADA		1,000	1,000
3	Greater of Current or PY ADA	Greater of line 1 or 2	1,000	1,000
4	Non Public School ADA	District annual	2.00	2.00
5	County Office SDC ADA	P-2 reported		9.00
6	Community School ADA "b"	P-2 reported		5.00
7	County Office LCI ADA	annual		1.00
8	Total ADA		1,002.00	1,017.00
9	Revenue Limit (prior to deficit)		\$ 6,000.00	\$ 6,000.00
10	ADA x RL	Line 7 x line 8	6,012,000	6,102,000
11	ADA x RL x deficit factors	1	6,012,000	6,102,000
12	Unemployment Adjustment	Inc. over 1975 exp.	1,000	1,000
13	PERS deduct		(100,000)	(100,000)
14	Taxes		(1,600,000)	(1,600,000)
15	hourly funding		16,000	16,000
16	COE SDC RL	Line 5 x 22		(52,425)
17	COE Com Sch	Line 6 x 23		(30,000)
18	COE LCI	Line 7 x 22		(5,825)
19	Total	lines 11+ sum(12 thru 18)	4,329,000	4,330,750
20	Total state aid & taxes	Line 19+14	5,929,000	5,930,750
21	<i>Difference</i>	<i>COE SpEd ADA x \$175</i>		1,750
22	<i>Sped per ADA - defcited RL less \$175 (longer day/yr)</i>		\$ 5,825.00	\$ 5,825.00
23	<i>Funded RL</i>	<i>100.00%</i>	\$ 6,000.00	\$ 6,000.00

Charter Schools



❖ Separate Funding Rates

- Base Revenue Limit
- Categorical Amount – subject to changes/revisions

❖ Sponsoring Agency

- Transfer share of taxes

❖ County Office Charter “b” students

- Transfer share of taxes by district of residence

❖ County wide charters

- Transfer share of taxes by district of residence

More RL Detail		No charter taxes	with charter taxes	Variance	
1	Current Year ADA		950	950	
2	Prior Year ADA		1,000	1,000	
3	Greater of Current or PY ADA	Greater of line 1 or 2	1,000	1,000	
4	Non Public School ADA	District annual	2.00	2.00	
5	County Office SDC ADA	P-2 reported	9.00	9.00	
6	Community School ADA "b"	P-2 reported	5.00	5.00	
7	County Office LCI ADA	annual	1.00	1.00	
8	Total ADA		1,017.00	1,017.00	
9	Revenue Limit (prior to deficit)		\$ 6,000.00	\$ 6,000.00	
10	ADA x RL	Line 7 x line 8	6,102,000	6,102,000	
11	ADA x RL x deficit factors	0.99	6,040,980	6,040,980	
12	Unemployment Adjustment	Inc. over 1975 exp.	1,000	1,000	
13	PERS deduct		(100,000)	(100,000)	
14	Taxes		(1,600,000)	(1,600,000)	
15	Charter Taxes			75,000	
16	Net Taxes		(1,600,000)	(1,525,000)	
17	Summer School Funding		16,000	16,000	
18	COE SDC RL	Line 5 x 30	(51,885)	(51,885)	
19	COE Com SCh	Line 6 x 31	(29,700)	(29,700)	
20	COE LCI	Line 7 x 30	(5,765)	(5,765)	
21	Total	lines 11+ sum(12 thru 18)	4,270,630	4,345,630	
22	Total state aid & taxes	Line 21 + 14	2,670,630	2,745,630	75,000
23	Add back PERS (post exp)		100,000	100,000	-
24	Total reported income		2,770,630	2,845,630	75,000
25	Expenditures:				-
26	PERS		100,000	100,000	-
27	Charter Transfer			75,000	75,000
28	subtotal expenditures		100,000	175,000	75,000
29	Income less expenditures		2,670,630	2,670,630	-
30	Sped per ADA - deficated RL less \$175 (longer day/yr)		\$ 5,765.00	\$ 5,765.00	
31	Funded RL	99.00%	\$ 5,940.00	\$ 5,940.00	

Note: You could be sitting on charter tax money – if agency has not invoiced you. Make sure you book a payable. Don't overstate your income.

Revenue Limit Detail – by the book

Appreciation to School Services for Revenue Limit detail which is based on CDE software.

AS noted before – this is a MUST for CBOs to purchase annually and read.

The following slides will follow the order of the revenue limit schedules.

REVENUE LIMIT DETAIL PER ADA AMOUNTS

1	Prior Year Revenue Limit	5,544.35
2	Inflation Increase	252.00
3	Per ADA amount	\$ 5,796.35
4	Prior year add-on	258.14
5	Inflation increase	1.0453
6	Base RL add-on	269.83
7	District total funding	19,117,927
8	Total ADA	3,298.27
9	per ADA amount	\$ 5,796.35
10	Revenue limit	\$ 5,796.35
11	less add-on	269.83
12	revenue limit	5,526.52
13	deficit factor	1
14	Special Ed Revenue Limit	\$ 5,526.52
15	DEFICITED DISTRICT RL	\$ 5,796.35

School District ADA

1	Prior Year P-2 ADA*	3,253.00
2	Prior Year Charter Adjust	(12.00)
3	PY Adjusted ADA	3,241.00
4		
5	Current Year ADA	3,187.00
6		
7	Greater of Current or PY	3,241.00
8	Charter - Unified only	-
9	Subtotal	3,241.00
10		
11	Annual Non Public School ADA	2.81
12	annual NPS ext. Year	0.19
13	Annual NPS/Licensed Child. Inst.	
14	Annual NPS/LCI/ext year	
15	Annual Com. Day School	35.00
16	Annual County Office Com. Sch.	3.21
17	Annual COE SDC	14.00
18	Annual Ext. Year Special Day Class ADA	1.00
19	annual COE NPS	
20	Annual COE NPS ext year	
21	Annual COE NPS/LCI	1.00
22	Annual Coe NPS/LCI ext year	0.06
23		57.27
24	Subtotal	3,298.27
25	Charter - Unified only	252.00
26	Total	3,550.27

School District Revenue Limit

1	ADA		3,298.27
2	Revenue Limit		\$ 5,796.35
3	Entitlement (ADA x RL)	line 1 x 2	19,117,927
4	Meals for needy pupils		86,663
5	Beginning teacher salary		66,153
6	Subtotal	line 3 + 4+5	19,270,743
7	Deficit factor		1.0000
8	Subtotal x deficit	line 6 x 7	19,270,743
9	Unemployment		50,000
10	PERS adjustment		(87,750)
11	SB 319 50% adjustment		-
12	Subtotal	line 8 through 11	19,232,993
13	Local taxes		(9,769,705)
14	Charter school offset (unified)		-
15	State Aid	line 12 thru 14	9,463,288

Meals for Needy Pupils

Historic amount – based on permissive 1977-78 property tax override. If your district **did not levy in 1977-78, you don't have it (and can't get it)**

Considered unrestricted funding

Do you have this – see prior year CDE exhibits

2	COLA	1.0453
3	PY x COLA	0.2194
4	Pupil participation	395,000
5	Rate x Pupil #	86,663

Beginning Teacher Salary

ONGOING FUNDING FOR THE 1999-00 AND 2000-01 BEGINNING TEACHER SALARY PROGRAMS. Reference: Education Code sections 45023.1 and 45023.4

The 1999-00 program to raise beginning teacher salary to at least \$32,000 is referred to as BTS#1, while the 2000-01 program to raise beginning teacher salary to at least \$34,000 is referred to as BTS#2. To receive funding for these programs, the minimum beginning teacher salary for BTS#1 or BTS#2, depending on the LEA's program participation, must be maintained in 2003-04.

Beginning Teacher Salary

1	PY Rate BTSA #1	11.22
2	COLA	1.0453
3	Adjusted Rate	11.73
4	PY P-2 ADA	3,291.00
5	ADA x rate	38,603
6	#2. option 1	7.32
7	#2. option 2	8.21
8	COLA	1.0453
9	Adj Rate	8.58
10	ADA	3,291.00
11	ADA x rate	28,237.00
12	Total	66,840.00

Unemployment Insurance

Add-on to Revenue Limit

**Current year cost of unemployment insurance
LESS 1975-76 District base year expenditures**

**Increase in unemployment insurance – does not
result in increased cost to district**

**Cost includes district unique experience charge.
Future issue – unemployment pool has huge
disparities and shortfalls**

Actual Expenditures	80,000
1975 - 76 expenditures	30,000
Increase	50,000

PERS deduct

1	Salaries	3,512,000
2	exclusions	(480,000)
3	exclusions	(268,644)
4	Adjusted Salaries	2,763,356
5		
6	PERS 1981-82 Rate	0.1302
7	Rate	0.09306
8	Change in PERS Rate	0.037140
9	Salary x rate	102,631
10	Buyout/restore	0.14500
11	Amount of buy-out	(14,881)
12	PERS deduct	87,750

Local Revenue

1	Local Revenue		10,500,000
2	community redevelopment funds		15,000
3	Total		10,515,000
4			
5	District and Charter ADA		3,550.27
6	tax per ADA	line 1 / line 5	2,957.52
7	Charter Ada		252
8	charter ADA x rate	line 6 x 7	745,295
9	Total local revenue	line 3 - line 8	9,769,705

County Office Transfer

1	COE special Ed. ADA	15.00
2	COE ADA Special Ed Revenue Limit less add-ons)	\$ 5,526.52
3	ADA x RL	82,898
4	County NPS ADA	1.06
5	COE ADA Special Ed Revenue Limit less add-ons)	\$ 5,526.52
6	ADA x RL	5,858
7	County Com. School	3.21
8	Deficit RL	\$ 5,796.35
9	ADA x RL	18,606
	Total	107,362

Supplemental Instruction In Core Academic Programs

- ❖ ***Schedule D***
- ❖ ***Reference: Education Code sections 37253 and 42239***
- ❖ ***Lesser of actual hours or cap***
- ❖ ***CBEDS K-12 Enrollment, October 2003 x .05 x 120***
If less than 1,500, use 1,500
(Exclude Direct Funded Charter Enrollment)
- ❖ ***\$3.53 per hour***
- ❖ ***Exceptions for small districts:***
 - ***\$5.05 per hour if 1,500 or less***
 - ***Greater than 1,500 hour and less than equal to 2,109 hour \$7,573***

Core Supplemental Instruction

Ec 37253 & 42239

Capped program

CBEDS x 5% x 120 hours = cap

1	PY Cbeds	3,490
2	Factor	0.05
3	Hour cap	120.00
4	Max funded hours	20,940
5	Actual hours operated	22,000
6	Rate	\$ 4.08
7	hours x rate	85,435
8	Deficit	1.00000
9	Entitlement x deficit	85,435
	Note: alternate formula for districts under 500	

SUPPLEMENTAL INSTRUCTIONAL REMEDIAL (7-12 CAHSEE)

Reference: Education Code sections 37252 and 42239

Program that shall be offered for pupils enrolled in grades 7 to 12, inclusive, who do not demonstrate sufficient progress toward passing the exit examination required for high school graduation. This program may also be offered to pupils who were enrolled in grade 12 during the prior school year.

❖ Pupil Hours x rate (no cap)

1	Hours	12,000
2	Rate	4.08
3	hours x rate	48,960

SUPPLEMENTAL INSTRUCTION -PUPIL PROMOTION AND RETENTION FOR GRADES 2 to 9

Reference: Education Code Section 42239

Program that shall be offered for pupils enrolled in grades 2 to 9, inclusive, who have been retained pursuant to E.C. 48070.5 or recommended for retention. (Education Code Section 37252.2)

- **Pupil Hours x rate (no cap)**

Program that may be offered for pupils enrolled in grades 2 to 6 inclusive, identified as having a deficiency in mathematics, reading, or written expression based on STAR scores or identified as at risk of retention pursuant to E.C. 48070.5. (Education Code Section 37252.8).

- **Lesser of Actual hours or Cap**
- **CAP Calculation**
CBEDS Grades 2 to 6 Enrollment, x .05
times 120
(Less Direct Funded Charter Enrollment)

uncapped portion		
1	Rate	4.08
2	Hours	8,000
3	hours x rate	32,640
4	potential deficit	0.860
5	Total	28,070
capped portion		
4	PY Cbeds 2-6	1,455
5	Cap factor	0.05
6	hour cap	120
8	cbeds x 5% x 120	8,730
9	at risk hours	3,500
10	low star score	2,500
11	Total hours	6,000
12	Rate	\$ 4.08
13	< funded/actual x rate	24,480
14	pro-rated funding	0.720000
15	capped funding	17,626
16	Total	45,696

Apprentice funding

Education code 8151

Hours x rate

No cola

1,000 hours x \$5.06 = \$5,060

Community Day School

- ❖ **SCHEDULE FOR DETERMINING THE COMMUNITY DAY SCHOOL ADDITIONAL FUNDING**
Reference: Education Code Section 48664
- ❖ *ADA reported with all other funded ADA (FUNDED THROUGH REVENUE LIMIT)*
- ❖ *Additional amounts for 5th and 6th hour funding*
- ❖ *ADA for Mandatory Expelled Pupils [E.C. 48915(d)] – no cap*
- ❖ *ADA for All Other Community Day School Pupils*
 - *CAP = PY P-2 ADA x %*
 - *Elementary Cap Factor.....0.00375*
 - *High School Cap Factor.....0.00625*
 - *Unified Cap Factor.....0.00500*
- ❖ *7th and 8th hour funding x rate*
- ❖ *Additional Cap ADA ONLY for districts that are over their original Cap. *If sufficient funds are available, CDE may increase the original cap percentage not to exceed one-half of that percentage*
- ❖ **DEFICITS ARE BIG ISSUE WITH THIS PROGRAM**

Community Day School

1	UNCAPPED			Deficit	Additional Funding
2	ADA 5th hour	10			
3	ADA 5th hour	8			
4	Total	18			
5	Rate	\$ 2,742.77			
6	ADA x Rate	49,370	49,370	1	49,370
7	CAPPED				
8	Prior Year ADA	3,253.00			
9	Factor	0.005			
10	ADA CAP	16.27			
11	CAP funding rate	\$ 5,485.53			
12	ADA x Rate	89,250			
13					
14	5th hour ADA	25			
15	6th hour ADA	23			
16	ada	48			
17	Rate	\$ 2,742.77			
18	ADA x Rate	131,653			
19	lesser of ADA or CAP		89,250	0.94	83,895
20					
21	7th and 8th hour				
22	7th and 8th hour	2,000			
23	Rate	5.25			
24	ADA x rate	10,500	10,500	0.94	9,870
25	Total		149,120		143,135

ROC/P Funding (page 31 -34)

**Operated as consortium of some type (JPA,
large district, or through COE)**

Regional Occupation Centers and Programs

Capped ADA

\$3,533.64 Statewide average RL

Adult Education

Capped ADA

\$2,645.30 statewide average per RL

New recapture provisions if operating less than capped ADA

Few more things...Independent Study Ratio

Calculation to determine:

What is the teacher student ratio in general education program?

What is the teacher/student ratio in independent study?

Penalty if independent study ratio is too high. E.g. general program ratio is 25 to 1 and independent study is 35 to 1.

Audit guide specifically requires this be audited.

Continuation High School Adjustment

**ADA for continuation included in K-12 P-2
ADA**

**Specific add-on for Continuation High
Schools**

- **Historical amounts carried forward**
- **New Continuation HS**
- **NO LONGER IN REVENUE LIMIT –
MOVED TO BLOCK GRANT**

Community Day School

- ❖ ***Community Day School Waiver Funding. (Only for school districts with fewer than 2,501 ADA, and only if the Superintendent of Public Instruction has approved a Community Day School Waiver under E.C. 48664(d).)***
- ❖ ***Approved waiver amount (Not to exceed rate for 1 FTE certificated employee for necessary small high school***
- ❖ ***Waiver adjusted for days of operation***
- ❖ ***Subtract from Waiver – funds received through revenue limit (after deficit)***
- ❖ ***Waiver amount subject to deficit – varies dependent upon state funding***

CBO Leadership Role

Are your revenue limit projections being done accurately?

Ensure accurate Revenue Limit projections

- **Minimum of four revisions**
- **Budget, First Interim, 2nd Interim, Actual**

Develop one page summary document and compare from revision to revision and prior year to current year

CBO Leadership Role

Are you conversant with the significant legislative issues of the day?

Charter Schools

Declining Enrollment

PERS deduct

Equalization

Are you maximizing supplemental instruction hours?

Are you maximizing cash flow?

Cash Flow and Paperwork

- ❖ You have now mastered the excruciating detail of the Revenue Limit
- ❖ You are probably wondering; how does it magically show up in our general fund each month?
- ❖ Details revealed...

Cash Flow

- ❖ **Revenue Limit funds deposited in county treasury monthly**
- ❖ **County Superintendent prepares monthly apportionment distribution**
- ❖ **Based on CDE estimates of each district funding**
 - **Apportionment schedule**

So how does cash and paperwork flow?

Revenue Limit Timeline

January	2007	Project Revenue Limit based on Governor's Budget
March	2007	Issue lay off notices if applicable
June	2007	<u>Adopt 2006-07 budget based on best guess</u>
July - Sept.	2007	Adopt budget revisions based on budget act
October	2007	County Auditor prepares J-29 - report of estimated taxes
November	2007	CDE generates a blank revenue limit document (maybe) P-1 revenue limit data sent to CDE

Note:

July to January the state funds districts through the "Advance Apportionment" using prior year data adjusted for the current year COLA

December 2007 Prepare P-1 ADA reports, submit to CDE

December 2007 First Interim Report

February 2008 CDE certifies revenue limits and adjusts funding using:
P-1 ADA
J-29 estimated taxes
P-1 Revenue limit data submitted
Compares cash due to cash sent, 1/3 of difference in February
Calculates 2005-06 AP/AR (accounts payable/accounts receivable)

YOUR FIRST SIGN THAT YOUR NUMBERS DON'T AGREE WITH CDE & THE YEAR IS ALMOST OVER
Simplified Cash Flow Calculation for 2006-07 funding:

ADA			1,000		
Revenue Limit			6,000		
ADA x RL			6,000,000		
<i>Less Estimated Taxes</i>			<i>1,000,000</i>		
State Aid =			5,000,000		
	<i>Cash sent</i>	█	3,000,000	<i>(received from July through January)</i>	60%
	Balance owed		2,000,000		
	February	1/3	666,667	<i>(1/3 of balance owed)</i>	
	March	1/6	333,333		
	April	1/6	333,333		
	May	1/6	333,333		
	<i>Total cash sent as of May</i>		<i>4,666,666</i>		
	June		Recalculate		

March 2008 Second Interim to Board

March	2008	Second Interim to Board
April/May	2008	P-2 ADA reports submitted to CDE
April	2008	P-2 Revenue limit data submitted to CDE County Auditor prepares revised J-29, report of estimated taxes
June	2008	CDE certifies revenue limits and adjusts funding using: P-2 ADA revised J-29 estimated taxes P-2 Revenue limit data submitted Compares cash due to cash sent, sends difference recalculates 2005-06 AP/AR
July	2008	Prepare annual ADA report Finalize revenue limit internally using: June CDE certification Actual taxes collected other data changes, unemployment, PERS Changes based on annual ADA, adult, ROC/P, NPS Post AR/AP for any difference calculated above compared to cash received
August	2008	County Auditor submits final J-29 report of taxes collected for 2006-07
October	2008	Annual revenue limit submitted to CDE
February	2009	CDE certifies 2006-07 Data and calculates AR/AP

Note: if the state owes you money after the close of **2006-07** you won't start seeing it until February of 2008.
If you owe the state money, you don't have to pay until February of 2008.

Note: if the state owes you money after the close of **2007-08** you won't start seeing it until February of 2009.
If you owe the state money, you don't have to pay until February of 2009.

And it's done in installments from February to June!

Note: Reconcile the CDE prior year AR/AP with your own internal July of 2007 calculation for 2006-07 (February 2008)

Quiz

*The Superintendent comes into your office
on September 1, 2008.*

*Enrollment is up 100 students over last
year.*

When will we see the increased monies?



Year-End Close

- ❖ **Costly errors if year-end revenue limit close is not done properly!**
- ❖ **Prepare RL in July after year close**
- ❖ **Compare to CDE exhibits & funding**
- ❖ **Make adjustments**
- ❖ **Determine AR/AP**

CBO Leadership Role

Review the systems in place in your district/county

- Are taxes being estimated appropriately?
- Is revenue limit reconciled to CDE exhibits?
- Is cash flow being calculated correctly and deposited timely?

CBO Leadership Role

- **Is a process in place to ensure that end of year AR/AP's (accounts receivable and payables) are done correctly, so that income is not under or overstated.**