

Lump Sum Statement

Fiscal Year 2014-2015

The School District of Philadelphia's Presentation of the Fiscal Year 2015 Lump Sum Statement of Anticipated Receipts and Expenditures represents forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. Such risks and uncertainties which could affect the revenues and obligations of the School District include, among others, changes in economic conditions, mandates from other governments, reduced governmental allocations, and various other events, conditions and circumstances, many of which are beyond the control of the School District. Such forward-looking statements speak only as of the date of this presentation on March 27, 2014. The School District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the School District's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.



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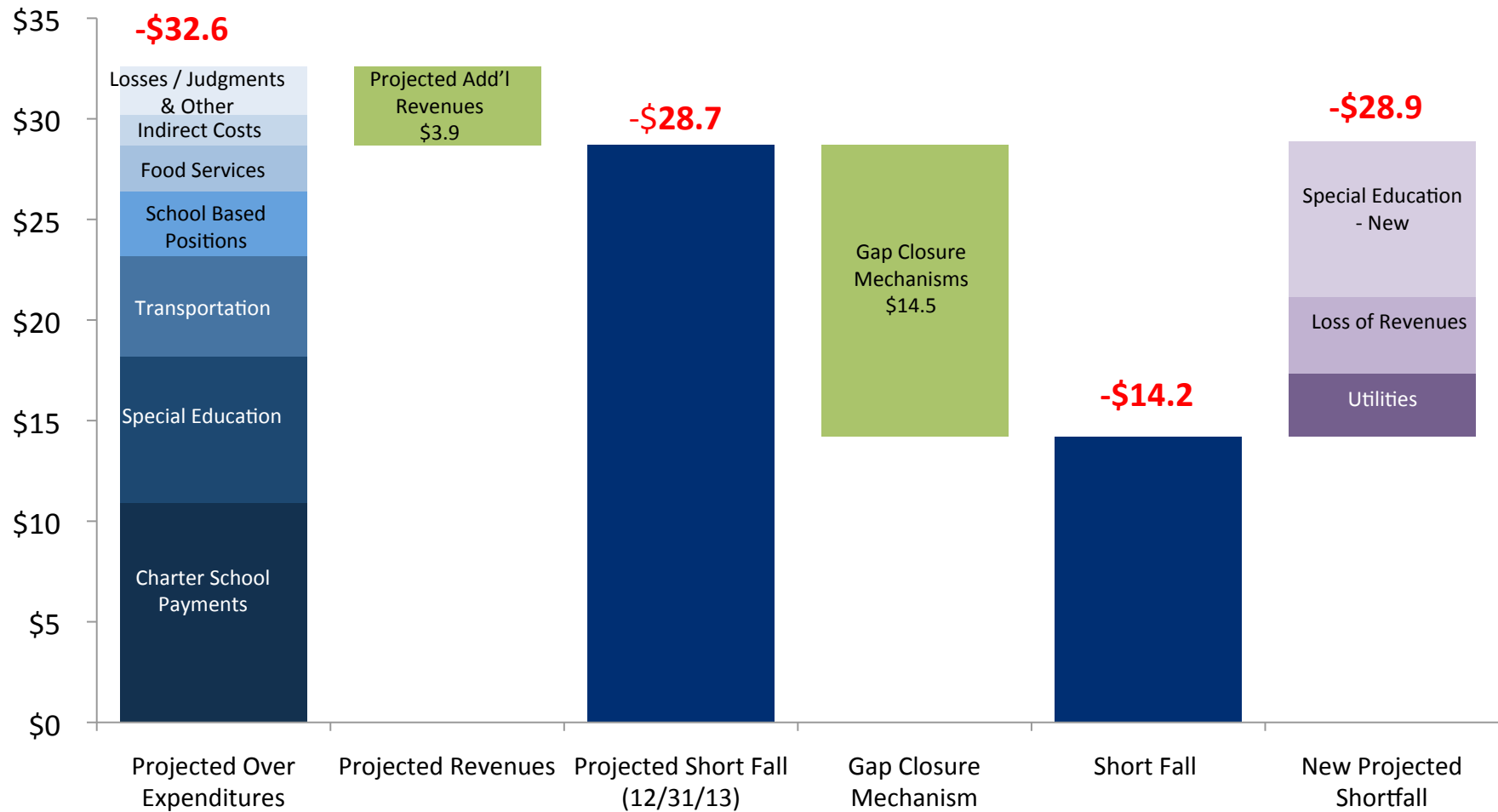
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Overview

- District's Financial Situation
- FY14-15 Lump Sum Statement
- The District's Request

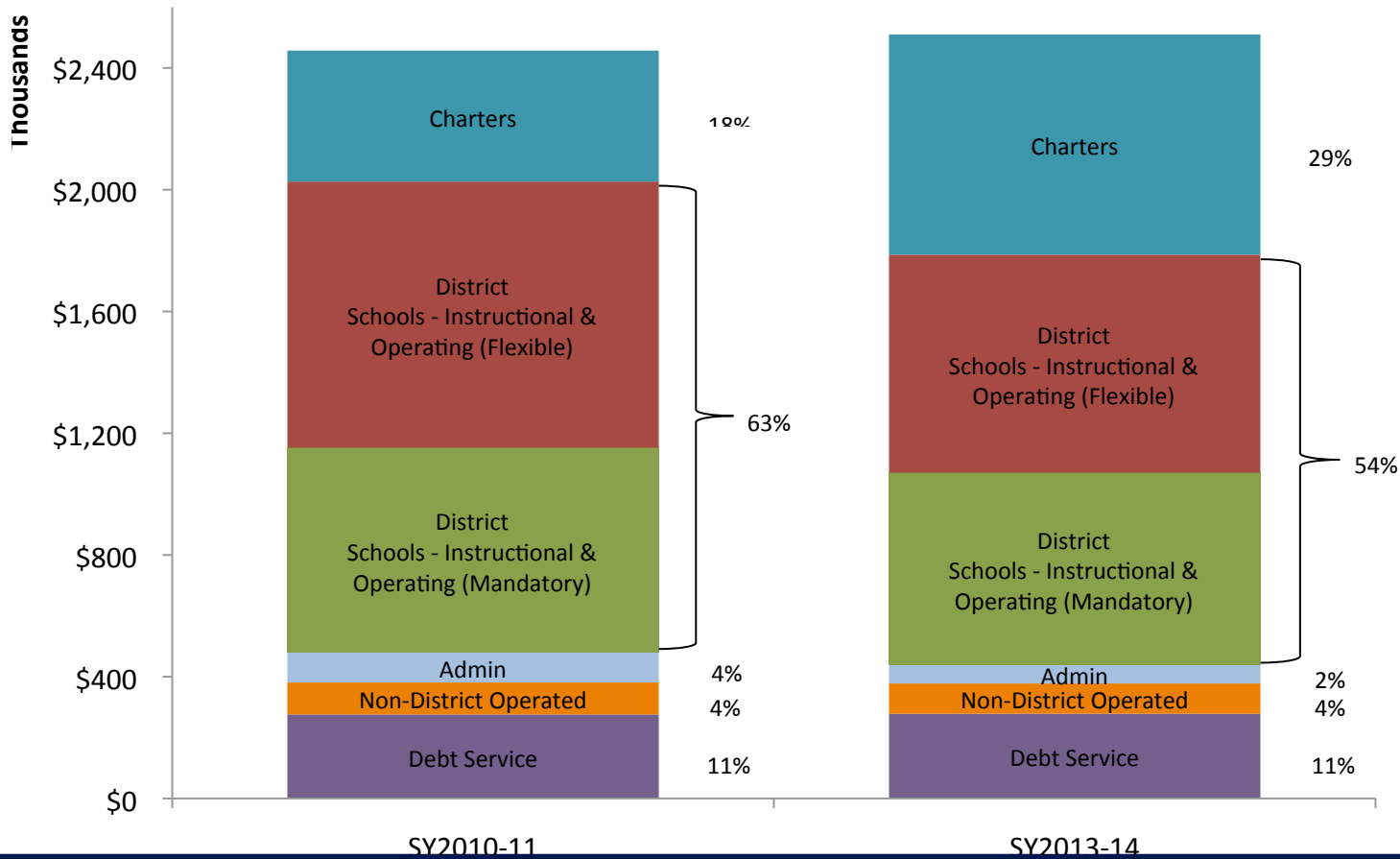


Projected FY2014 Ending Balance



The share of expenditures that go to District schools have declined overtime. The compounding effect of higher labor costs and lower share of expenditures have exacerbated the challenges faced by schools.

District Expenditures
 SY2010-11 Actuals Compared to SY2013-14 Budgeted

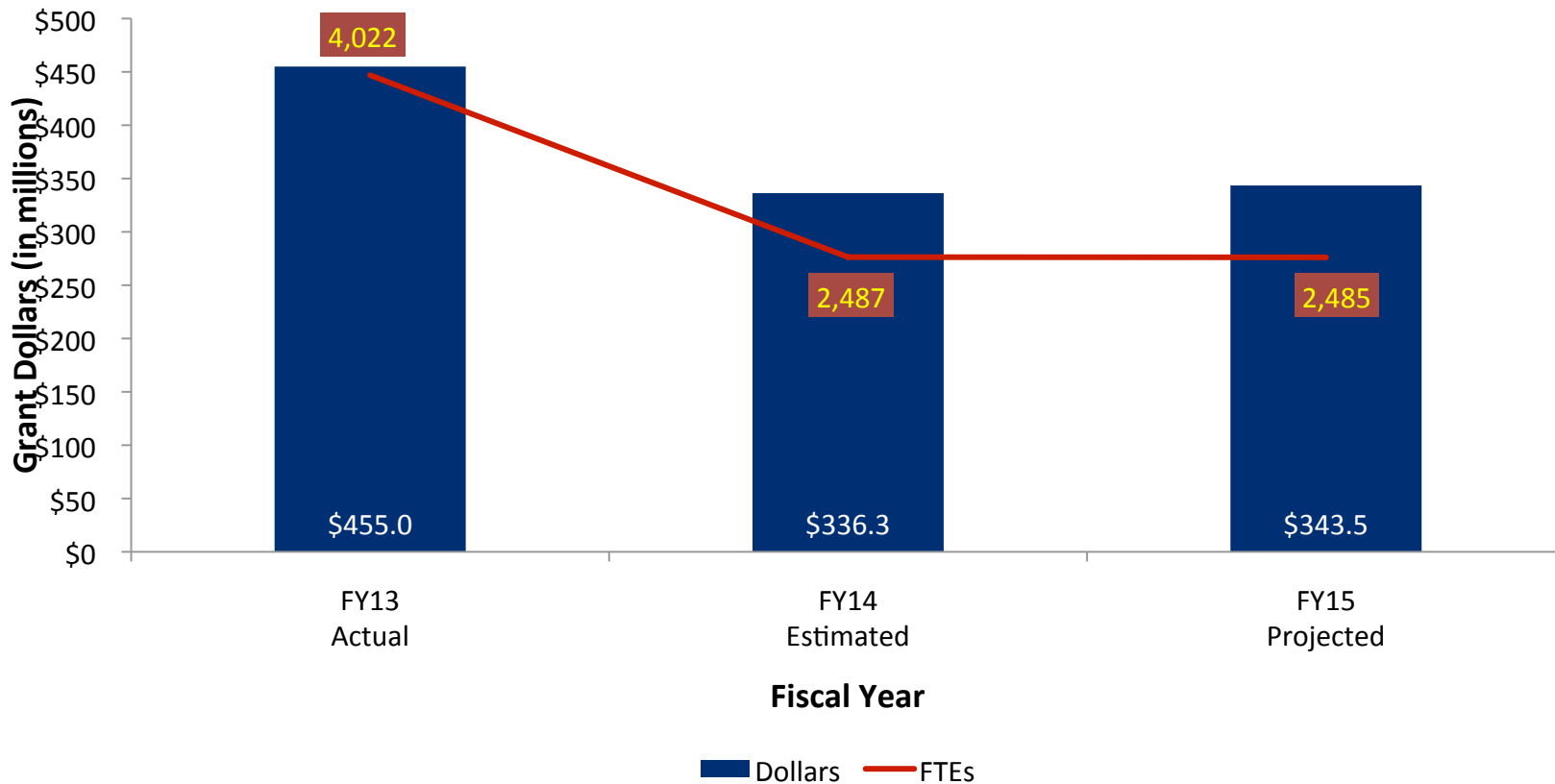


This year, the District only had resources to open schools with greatly-reduced staffing and vastly reduced services



In addition to the operating budget, our District will receive an estimated \$336.3 million in federal and state grant funds in FY14. This, however, is a significant decline from FY13. We lost approximately \$119 million between FY13 and FY14, which translates to approximately 1,535 fewer staff – most of whom were based in schools.

State and Federal Grant Funding FY2013 through FY2015



The services currently provided to our students are wholly inadequate. The following lump sum statement is our official funding request to ensure that students receive the supports they need, and the District can accelerate its process of transformation.

	Actual 2012/2013 \$(thousands)	Estimated 2013/2014 \$(thousands)	Request 2014/2015 \$(thousands)
Revenues	2,304,571	2,408,527	2,399,518
1% Sales Tax			120,000
Other Financing Sources	<u>303,417</u>	<u>65,586</u>	<u>3,889</u>
Total Revenues and Other Financing Sources	2,607,988	2,474,113	2,523,407
Obligations	2,548,630	2,544,204	2,812,017
Other Financing Uses	<u>2,459</u>	<u>2,264</u>	<u>2,518</u>
Total Obligations and Other Financing Uses	2,551,089	2,546,508	2,814,535
Prior Year Fund Balance (Deficit) July 1	(20,436)	39,462	(28,872)
Fund Balance Prior to Changes in Reserves	36,462	(32,932)	(320,000)
Changes in Reserve	<u>3,000</u>	<u>4,061</u>	<u>0</u>
Fund Balance (Deficit) June 30	<u>39,462</u>	<u>(28,872)</u>	<u>(320,000)</u>
Additional Funding Request			320,000



The Lump Sum Statement revenues section includes the following:

	Request 2014/2015
	<hr/> \$(thousands)
Revenues	\$2,399,518
Local Sales Tax*	\$120,000
Other Financing Sources	\$3,889
Total Revenues	\$2,523,407

** The Local Sales Tax has been identified separately because the state's approved action on the continuance of the sales tax requires City Council approval. This approval has yet to occur. The sales tax proceeds would largely replace one-time funding received from the state and city in FY14.*

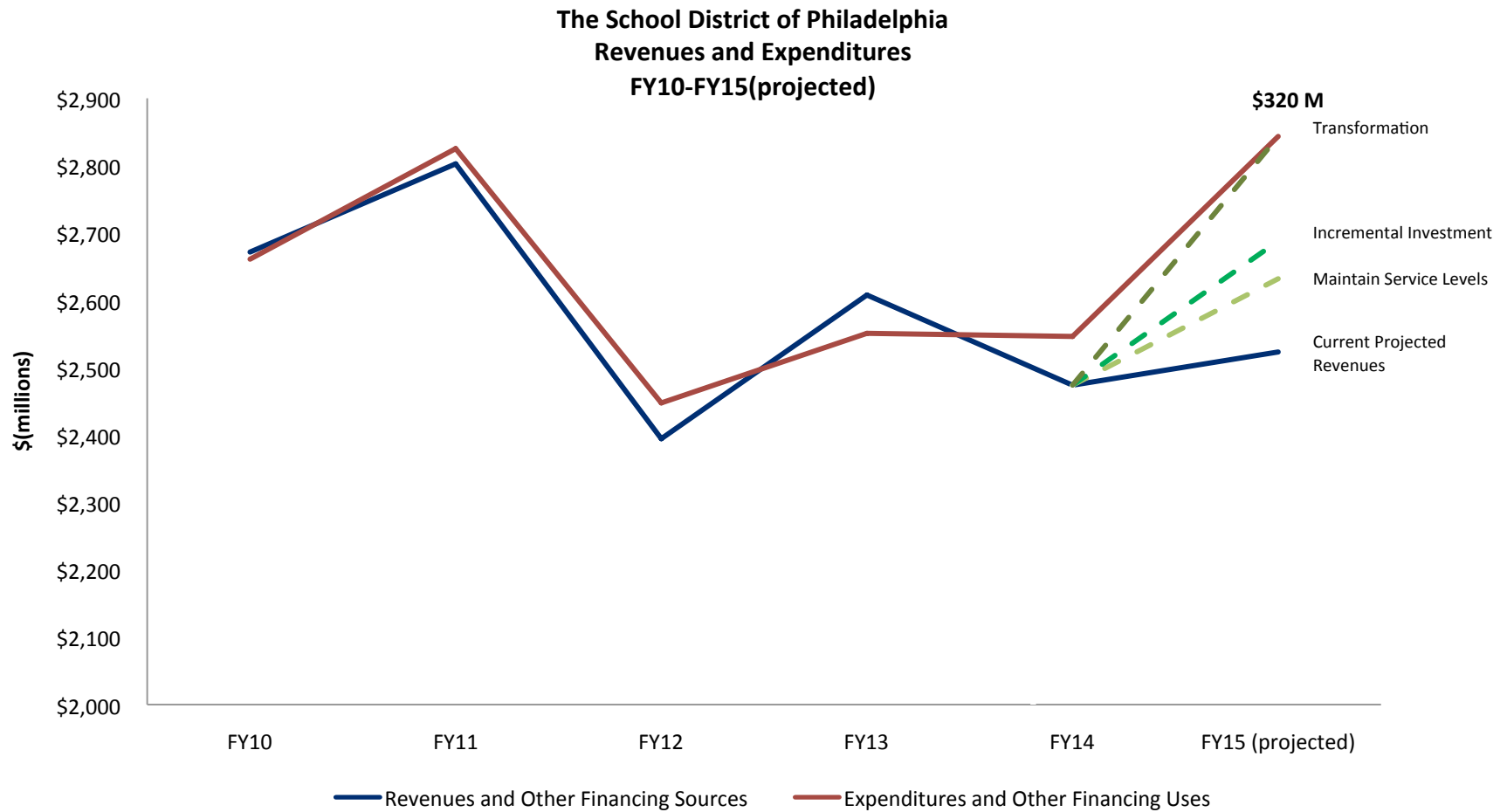


Even with the cuts made in FY14 and after spending our entire fund balance, the District is projected to experience a **\$28.87 M** budget shortfall. This shortfall, combined with the need to maintain to significantly transform the District requires an additional \$320 M in new revenues.

	Request 2014/2015
	\$(thousands)
FY14 Ending Fund Balance (Projected)	(\$28,871)
FY15 Revenues	\$2,523,407
FY15 Obligations	\$2,814,536
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FY15 Gap (Projected)	(\$320,000)



The District Financial Scenarios



100% of students will graduate, ready for college and career

100% of 8 year olds will read on grade level

100% of schools will have great principals and teachers

SDP will have 100% of the funding we need for great schools, and zero deficit

