



December 17, 2020

TO: Business and Accounting Administrators
Los Angeles County K-12 School and Community College Districts

FROM: Gabriel Leung, Assistant Director
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Property Tax Delinquency – Joint Powers Authority 2020 Financing Pool

The purpose of this bulletin is to (1) provide information to participating districts regarding the sale of Delinquent Property Tax Receivable for 2020 purchased by the California Statewide Delinquent Tax Finance Authority (JPA); (2) demonstrate all the related accounting entries; and (3) clarify the closing and subsequent transactions in the section of “Frequently Asked Questions.”

Outline of 2020 Financing Pool

- Tax Receivable Purchased Year: 2020
- Closing Date: December 17, 2020
- Number of participating districts: 89

Major Events Related to the 2020 Financing Pool

1. The 7% premium of the Base Amount was paid on December 17, 2020. The remaining 3% premium minus losses due to COVID waivers of penalties and interest will be paid after the Governor’s Executive Order expires, currently set to expire on May 21, 2021. Please refer to your respective purchase and sale agreement and Tower’s COVID Funding Proposal document for additional details.
2. The “Purchase and Sale Agreement” and the “Wire Instruction Authorization” were executed by all the participating districts and JPA.
3. The Tax Receivable Base Amount was paid to the County Auditor-Controller for distribution to all participating districts immediately after the closing date.
4. Delinquent taxes are received from the taxpayers by the County Treasurer and Tax Collector as a normal course of business on a continuing basis.
5. Delinquent tax collections are remitted quarterly to the JPA on behalf of participating districts by the Division of School Financial Services (SFS).

Participation Summary

A summary of the purchase amount in each tax category along with the premium for all the participating agencies is provided in Attachment No. 1.

Accounting Procedures

The accounting procedures outlined in Attachment No. 2 were prepared to assist the K-12 school districts in understanding these transactions. Community college districts should refer to Attachment No. 3.

J-29 Reporting

All the tax transactions listed in the attachments will be reflected on the form J-29, with the exception of the premium. The premium is a local revenue item and will not be reported on the J-29. Special location codes (activity codes in community college districts) have been assigned to assist districts in the differentiation of (1) delinquent taxes purchased and the amount received from the JPA; (2) taxes received from the County Auditor-Controller; and (3) the remittance to the JPA for tax collections received.

Frequently Asked Questions

1. What are School Financial Services' responsibilities in relation to this financing mechanism?

SFS is responsible for posting the tax receipts to the participating districts' books and remitting the collections for the sold tax receivables to the JPA. Administrative responsibilities remain exclusively with the JPA.

Any questions concerning the JPA program for financing property tax delinquencies can be directed to William R. Dahms, Consultant to Tower Capital Management, at (213) 220-5010 or Williamrdahms@gmail.com.

2. When can the participating districts expect to “pay off” all the balances?

The districts have sold to the JPA all rights, title, and interest of the Tax Receivable for the purchased years without recourse, hence it should not be considered as a loan to be paid off. The delinquent taxes are remitted to the JPA as collected.

If you have any questions concerning this bulletin, please contact Christina Huang at (562) 922-6451 or Huang_Christina@lacoedu.

Approved:

Nkeiruka Benson, Director

Division of School Financial Services

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Attachments

SFS-A26-2020-2021

California Statewide Delinquent Tax Finance Authority

Funding Analysis for December 17, 2020 Financing

December 11, 2020

Public School Agencies	Delinquent Taxes Funded		Total	Premium Benefits ²		Totals
	Standard ¹	Supplementals ¹	Delinquencies Funded	7% Premium	3% Holdback	
A B C UNIFIED SCHOOL DISTRICT	242,206.95	30,681.33	272,888.28	19,102.18	8,186.65	300,177.11
ACTON-AGUA DULCE UNIF SD	52,496.52	6,649.95	59,146.47	4,140.26	1,774.39	65,061.12
ALHAMBRA UNIFIED SCHOOL DISTRICT	55,112.81	6,981.36	62,094.17	4,346.59	1,862.83	68,303.59
ANTELOPE VALLEY UNION HS DISTRICT	331,236.11	41,959.01	373,195.12	26,123.66	11,195.85	410,514.63
ARCADIA UNIFIED SCHOOL DISTRICT	572,678.79	72,543.52	645,222.31	45,165.56	19,356.67	709,744.54
AZUSA UNIFIED SCHOOL DISTRICT	143,323.02	18,155.30	161,478.32	11,303.48	4,844.35	177,626.15
BALDWIN PARK UNIF SCH DIST	94,133.31	11,924.24	106,057.55	7,424.03	3,181.73	116,663.31
BASSETT UNIFIED SCHOOL DISTRICT	73,736.72	9,340.53	83,077.25	5,815.41	2,492.32	91,384.98
BELLFLOWER UNIFIED SCHOOL DIST	184,442.79	23,364.11	207,806.90	14,546.48	6,234.21	228,587.59
BEVERLY HILLS UNIFIED SCHOOL DIS	761,451.46	96,456.10	857,907.56	60,053.53	25,737.23	943,698.32
BONITA UNIFIED SCHOOL DISTRICT	161,008.01	20,395.53	181,403.54	12,698.25	5,442.10	199,543.89
BURBANK UNIFIED SCHOOL DISTRICT	483,655.99	61,266.64	544,922.63	38,144.58	16,347.68	599,414.89
CASTAIC UNION SCHOOL DISTRICT	55,640.24	7,048.17	62,688.41	4,388.19	1,880.65	68,957.25
CENTINELA VAL UNION HIGH SCH DIS	239,877.57	30,386.25	270,263.82	18,918.47	8,107.91	297,290.20
CERRITOS COMMUNITY COLLEGE DIST	137,301.71	17,392.55	154,694.26	10,828.60	4,640.83	170,163.69
CHARTER OAK UNIF SCHOOL DIST	110,892.09	14,047.14	124,939.23	8,745.74	3,748.18	137,433.15
CITRUS COMMUNITY COLLEGE DIST	81,770.07	10,358.14	92,128.21	6,448.97	2,763.85	101,341.03
CLAREMONT UNIFIED SCHOOL DIST	150,694.75	19,089.11	169,783.86	11,884.87	5,093.52	186,762.25
COMPTON UNIFIED SCHOOL DIST	276,819.58	35,065.84	311,885.42	21,831.98	9,356.56	343,073.96
COVINA-VALLEY UNIFIED SCHOOL DIS	189,237.50	23,971.47	213,208.97	14,924.63	6,396.27	234,529.87
CULVER CITY UNIFIED SCHOOL DIST	173,918.30	22,030.92	195,949.22	13,716.44	5,878.48	215,544.14
DOWNEY UNIFIED SCHOOL DISTRICT	360,670.25	45,687.55	406,357.80	28,445.05	12,190.73	446,993.58
DUARTE UNIFIED SCHOOL DISTRICT	73,237.80	9,277.32	82,515.12	5,776.06	2,475.45	90,766.63
EAST WHITTIER CITY SCHOOL DIST	71,384.99	9,042.63	80,427.62	5,629.93	2,412.83	88,470.38
EASTSIDE UNION SCHOOL DISTRICT	7,193.03	911.17	8,104.20	567.29	243.13	8,914.62
EL CAMINO COMMUNITY COLLEGE DIST	475,861.41	60,279.27	536,140.68	37,529.85	16,084.22	589,754.75
EL MONTE SCHOOL DISTRICT	69,319.03	8,780.92	78,099.95	5,467.00	2,343.00	85,909.95
EL MONTE UNION HIGH SCHOOL DIST	192,130.50	24,337.94	216,468.44	15,152.79	6,494.05	238,115.28
EL RANCHO UNIF./CONS/ SCH. DIST.	119,140.72	15,092.03	134,232.75	9,396.30	4,026.98	147,656.03
EL SEGUNDO UNIFIED SCHOOL DIST	102,153.96	12,940.25	115,094.21	8,056.59	3,452.83	126,603.63
GARVEY SCHOOL DISTRICT	32,399.35	4,104.16	36,503.51	2,555.25	1,095.10	40,153.86
GLENDALE COMMUNITY COLLEGE DIST	165,786.16	21,000.80	186,786.96	13,075.09	5,603.61	205,465.66
GLENDALE UNIFIED SCHOOL DISTRICT	868,994.76	110,079.04	979,073.80	68,535.17	29,372.21	1,076,981.18
GLENDORA UNIFIED SCHOOL DISTRICT	155,304.61	19,673.06	174,977.67	12,248.44	5,249.33	192,475.44
GORMAN USD	547.05	69.30	616.35	43.15	18.49	677.99
HACIENDA-LA PUENTE UNIF. SCH DISTRICT	278,324.62	35,256.49	313,581.11	21,950.68	9,407.43	344,939.22
HAWTHORNE SCHOOL DISTRICT	45,379.74	5,748.44	51,128.18	3,578.97	1,533.85	56,241.00
HERMOSA BEACH CITY SCHOOL DIST	65,063.48	8,241.85	73,305.33	5,131.37	2,199.16	80,635.86
HUGHES ELIZ. LAKES UNION SCH DIS	10,180.58	1,289.61	11,470.19	802.91	344.11	12,617.21
INGLEWOOD UNIFIED SCHOOL DIST	276,132.15	34,978.76	311,110.91	21,777.76	9,333.33	342,222.00
KEPPEL UNION SCHOOL DISTRICT	14,774.46	1,871.54	16,646.00	1,165.22	499.38	18,310.60
L.A.CITY COMMUNITY COLLEGE DIST	3,092,400.45	391,726.73	3,484,127.18	243,888.90	104,523.82	3,832,539.90
LA CANADA UNIFIED SCHOOL DIST	243,266.60	30,815.55	274,082.15	19,185.75	8,222.47	301,490.37
LANCASTER SCHOOL DISTRICT	20,274.31	2,568.23	22,842.54	1,598.98	685.27	25,126.79
LAS VIRGENES UNIFIED SCHOOL DIST	634,840.04	80,417.72	715,257.76	50,068.05	21,457.73	786,783.54
LAWNDALE SCHOOL DISTRICT	27,700.92	3,508.99	31,209.91	2,184.69	936.30	34,330.90
LITTLE LAKE CITY SCHOOL DISTRICT	26,708.86	3,383.32	30,092.18	2,106.45	902.77	33,101.40
LONG BEACH COMMUNITY COLLEGE DI.	183,676.60	23,267.05	206,943.65	14,486.06	6,208.31	227,638.02
LONG BEACH UNIFIED SCHOOL DIST	1,229,965.98	155,804.71	1,385,770.69	97,003.95	41,573.12	1,524,347.76
LOS ANGELES COUNTY OFFICE OF ED	2,237,198.29	283,394.86	2,520,593.15	176,441.52	75,617.80	2,772,652.47
LOS ANGELES UNIFIED SCHOOL DIST	18,275,625.69	2,315,046.73	20,590,672.42	1,441,347.07	617,720.17	22,649,739.66
LOS NIETOS SCHOOL DISTRICT	23,937.94	3,032.31	26,970.25	1,887.92	809.11	29,667.28
LOWELL JOINT SCHOOL DISTRICT	30,176.84	3,822.62	33,999.46	2,379.97	1,019.98	37,399.41
LYNWOOD UNIFIED SCHOOL DISTRICT	75,714.49	9,591.06	85,305.55	5,971.39	2,559.17	93,836.11
MANHATTAN BEACH UNIFIED SCH DIST	441,216.62	55,890.67	497,107.29	34,797.51	14,913.22	546,818.02
MONROVIA UNIFIED SCHOOL DISTRICT	161,566.23	20,466.24	182,032.47	12,742.28	5,460.97	200,235.72
MONTEBELLO UNIFIED SCHOOL DIST	361,394.47	45,779.28	407,173.75	28,502.17	12,215.21	447,891.13
MOUNTAIN VIEW SCHOOL DISTRICT	26,855.59	3,401.91	30,257.50	2,118.03	907.72	33,283.25
MT.SAN ANTONIO COMMUNITY COLLEGE	296,563.21	37,566.85	334,130.06	23,389.11	10,023.90	367,543.07
NEWHALL SCHOOL DISTRICT	127,418.44	16,140.60	143,559.04	10,049.13	4,306.77	157,914.94
NORWALK-LA MIRADA UNIF SCH. DIST	271,606.25	34,405.45	306,011.70	21,420.82	9,180.35	336,612.87
PALMDALE SCHOOL DISTRICT	42,403.75	5,371.45	47,775.20	3,344.26	1,433.26	52,552.72
PARAMOUNT UNIFIED SCHOOL DIST	117,967.07	14,943.37	132,910.44	9,303.73	3,987.31	146,201.48
PASADENA AREA COMMUNITY COLLEGE	411,921.50	52,179.75	464,101.25	32,487.09	13,923.04	510,511.38
PASADENA UNIFIED SCHOOL DISTRICT	1,080,952.84	136,928.63	1,217,881.47	85,251.71	36,536.44	1,339,669.62
POMONA UNIFIED SCHOOL DISTRICT	265,283.38	33,604.50	298,887.88	20,922.15	8,966.64	328,776.67
REDONDO BEACH UNIFIED SCH DIST	379,787.49	48,109.20	427,896.69	29,952.77	12,836.90	470,686.36
RIO HONDO COMMUNITY COLLEGE DIST	95,352.01	12,078.62	107,430.63	7,520.14	3,222.92	118,173.69
ROSEMEAD SCHOOL DISTRICT	32,636.79	4,134.23	36,771.02	2,573.97	1,103.13	40,448.12

Public School Agencies	Delinquent Taxes Funded		Total	Premium Benefits ²		Totals
	Standard ¹	Supplementals ¹	Delinquencies Funded	7% Premium	3% Holdback	
ROWLAND UNIFIED SCHOOL DISTRICT	222,206.84	28,147.83	250,354.67	17,524.83	7,510.64	275,390.14
SAN GABRIEL UNIFIED SCHOOL DIST	149,158.90	18,894.56	168,053.46	11,763.75	5,041.60	184,858.81
SAN MARINO UNIFIED SCHOOL DIST	194,556.17	24,645.21	219,201.38	15,344.10	6,576.04	241,121.52
SANTA CLARITA COMMUNITY COLLEGE	242,576.48	30,728.13	273,304.61	19,131.32	8,199.14	300,635.07
SANTA MONICA COMMUNITY COLLEGE D	247,954.64	31,409.41	279,364.05	19,555.49	8,380.92	307,300.46
SANTA MONICA-MALIBU UNIF SCH DIST	1,011,575.08	128,140.26	1,139,715.34	79,780.07	34,191.46	1,253,686.87
SAUGUS UNION SCHOOL DISTRICT	158,797.63	20,115.53	178,913.16	12,523.92	5,367.40	196,804.48
SOUTH PASADENA UNIFIED SCHOOL	119,596.51	15,149.77	134,746.28	9,432.24	4,042.39	148,220.91
SOUTH WHITTIER SCHOOL DISTRICT	31,972.26	4,050.06	36,022.32	2,521.56	1,080.67	39,624.55
SULPHUR SPRINGS UNION SCHOOL DIS	90,557.69	11,471.31	102,029.00	7,142.03	3,060.87	112,231.90
TEMPLE CITY UNIFIED SCHOOL DIST	131,047.59	16,600.32	147,647.91	10,335.35	4,429.44	162,412.70
TORRANCE UNIFIED SCHOOL DISTRICT	872,553.82	110,529.88	983,083.70	68,815.86	29,492.51	1,081,392.07
VALLE LINDO SCHOOL DISTRICT	4,326.22	548.02	4,874.24	341.19	146.23	5,361.66
WEST COVINA UNIF. SCHOOL DIST	126,658.79	16,044.38	142,703.17	9,989.22	4,281.10	156,973.49
WESTSIDE UNION SCHOOL DISTRICT	66,492.66	8,422.90	74,915.56	5,244.09	2,247.47	82,407.12
WHITTIER CITY SCHOOL DISTRICT	65,726.47	8,325.83	74,052.30	5,183.66	2,221.57	81,457.53
WHITTIER UNION HIGH SCHOOL DIST	278,225.26	35,243.91	313,469.17	21,942.84	9,404.08	344,816.09
WILLIAM S HART UNION HIGH SCH DISTRICT	528,297.27	66,921.53	595,218.80	41,665.32	17,856.56	654,740.68
WILSONA SCHOOL DISTRICT	10,149.39	1,285.66	11,435.05	800.46	343.05	12,578.56
WISEBURN SCHOOL DISTRICT	143,888.18	18,226.89	162,115.07	11,348.06	4,863.45	178,326.58
89 Agencies	42,866,343.44	5,430,051.36	48,296,394.80	3,380,747.70	1,448,891.87	53,126,034.37

¹The amount of standard and supplemental taxes allocated to each school district is determined by apportionment factors provided to the Authority's underwriter, Tower Capital Management, by the office of the Los Angeles County Auditor Controller.

²The 7% Premium (70% of the 10% premium): This amount will be paid on December 17, 2020, the date this year's financing will close.

³The 3% Premium (30% of the 10% premium): An amount equal to 3% minus losses due to COVID waivers of penalties and interest will be paid after the Governor's Executive Order expires which is currently set to expire on May 21, 2021. The total amount of premiums total \$4,829,639.57

Los Angeles County Office of Education
Division of School Financial Services
Accounting Procedures for Property Tax Delinquency JPA
K-12 School Districts

1. a. JPA issues bond and makes tax receivable payment to school district for the amount sold.

This is a one-time transaction which increases cash.

County Treasurer receives wire transfer. County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to school district.

<u>Account Description</u>	<u>Account Number</u>	<u>Debit</u>	<u>Credit</u>
Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Prop Tax Revenues - Prior Year Taxes	01.0-00000.0-00000-00000-8043-1111111		\$ XXX

b. JPA pays premium to school district

This is a one-time transaction which increases cash.

County Treasurer receives wire transfer. County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to school district.

Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Other Local Revenues	01.0-00000.0-00000-00000-8699-0000000		\$ XXX

2. Delinquent taxes are received by county tax collector

These are on-going quarterly transactions which increase cash.

County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to school district.

Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Prop Tax Revenues - Prior Year Taxes	01.0-00000.0-00000-00000-8043-0000000		\$ XXX
Cr. Penalties and Interest on Del Tax Rev	01.0-00000.0-00000-00000-8048-0000000		\$ XXX

3. Remittances of delinquent tax collections to the Trustee are made

These are on-going quarterly transactions which reduce cash.

A written authorization has been provided by the districts to LACOE to process on-going wire transfers. Upon receipt of request from the Administrative Agent, wire transfers will be made by LACOE through the County Treasurer's office on behalf of districts.

Dr. Prop Tax Revenues - Prior Year Taxes	01.0-00000.0-00000-00000-8043-2222222	\$ XXX	
Dr. Penalties and Interest on Del Tax Rev	01.0-00000.0-00000-00000-8048-2222222	\$ XXX	
Cr. Cash	01.0-00000.0-00000-00000-9110-0000000		\$ XXX

Los Angeles County Office of Education
Division of School Financial Services
Accounting Procedures for Property Tax Delinquency JPA
Community College Districts

1. a. JPA issues bond and makes tax receivable payment to community college district for the amount sold.

This is a one-time transaction which increases cash.

County Treasurer receives wire transfer. County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to the district.

<u>Account Description</u>	<u>Account Number</u>	<u>Debit</u>	<u>Credit</u>
Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Prop Tax Revenues- Prior Year Taxes	01.0-00000.0-00000-00000-8816-1111111		\$ XXX

b. JPA pays premium to community college district

This is a one-time transaction which increases cash.

County Treasurer receives wire transfer. County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to the district.

Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Other Local Revenues	01.0-00000.0-00000-00000-8890-0000000		\$ XXX

2. Delinquent taxes are received by county tax collector

These are on-going quarterly transactions which increase cash.

County Auditor-Controller prepares a journal voucher.

Upon notice from the County Auditor-Controller, LACOE distributes money to the district.

Dr. Cash	01.0-00000.0-00000-00000-9110-0000000	\$ XXX	
Cr. Prop Tax Revenues- Prior Year Taxes	01.0-00000.0-00000-00000-8816-0000000		\$ XXX
Cr. Penalties and Interest on Del Tax Rev	01.0-00000.0-00000-00000-8816-0000000		\$ XXX

3. Remittances of delinquent tax collections to the Trustee are made

These are on-going quarterly transactions which reduce cash.

A written authorization has been provided by the districts to LACOE to process on-going wire transfers. Upon receipt of request from the Administrative Agent, wire transfers will be made by LACOE through the County Treasurer's office on behalf of districts.

Dr. Prop Tax Revenues- Prior Year Taxes	01.0-00000.0-00000-00000-8816-2222222	\$ XXX	
Dr. Penalties and Interest on Del Tax Rev	01.0-00000.0-00000-00000-8816-2222222	\$ XXX	
Cr. Cash	01.0-00000.0-00000-00000-9110-0000000		\$ XXX