



Palo Alto Unified School District

2008-09

Second Interim Financial Report

March 3, 2009

BUDGET DEVELOPMENT/FINANCIAL REPORTING/CALENDAR FOR THE 2008-09 & 2009-10 BUDGET

June 2008	Adoption of 2008-09 PAUSD Budget
August 2008	Property Tax Projections from County of Santa Clara
September 2008	Governor Signed the 2008-09 State Budget
September 2008	First Revision of 2008-09 PAUSD Budget
November 2008	County Controller-Treasurer Property Tax Projection Update
December 2008	First Interim PAUSD Financial Report
December 2008	PAUSD Enrollment Projections
January 2009	Release of Governor's Recommended 2009-10 State Budget
February 2009	County Controller-Treasurer Property Tax Projection Update
March 2009	Second Interim PAUSD Financial Report
May 2009	Governor's May Revise
June 2009	Adoption of 2009-10 PAUSD Budget
July 2009	Governor Signs State Budget

17 MONTH STATE BUDGET

2008-09 Mid-Year and 2009-10

- Tax Increases
- Borrowing
- Expenditure Reductions

17 MONTH STATE BUDGET

2008-09 Mid-Year and 2009-10

- Expenditure Reductions to Education
 - Revenue Limit
 - 2.63% in 2008-09
 - 0.97% in 2009-10
 - Categorical Programs
 - 15.4% in 2008-09
 - 4.5% in 2009-10
- Program Flexibility

17 MONTH STATE BUDGET

2008-09 Mid-Year and 2009-10

Impact to PAUSD

- 2008-09

□ Revenue Limit	\$58,000
□ Categorical Programs	\$727,000
□ Adult Education	\$234,000

17 MONTH STATE BUDGET

2008-09 Mid-Year and 2009-10

Impact to PAUSD:

- 2009-10

□ Revenue Limit	\$22,000
□ Categorical Programs	\$212,000
□ Adult Education	\$68,000

HIGHLIGHTS

	2008-09 First Interim Projection	2008-09 Second Interim Projection	Difference
BEGINNING FUND BALANCE	\$ 17,103,536	\$ 17,103,536	\$ -
Restricted/Reserved/Designated	\$ 14,099,204	\$ 14,099,204	\$ -
Unrestricted, Undesignated	\$ 3,004,332	\$ 3,004,332	\$ -
INCOME	\$ 152,910,677	\$ 152,832,067	\$ (78,610)
EXPENDITURES	\$ 148,811,661	\$ 148,665,753	\$ (145,908)
AVAILABLE FOR BUDGET REPRIORITIZATION	\$ 5,704,577	\$ 5,771,875	\$ 67,298
Excess of Revenues over Expenses (Unrestricted)	\$ (1,605,561)	\$ (1,605,561)	\$ -
ENDING FUND BALANCE	\$ 15,497,975	\$ 15,497,975	\$ -
Restricted/Reserved/Designated	\$ 14,340,031	\$ 14,337,673	\$ (2,358)
Unrestricted, Undesignated	\$ 1,157,944	\$ 1,160,302	\$ 2,358

REVENUE CHANGES FROM THE FIRST INTERIM BUDGET

1. Increase in Local Income/New Grants to Schools (no net impact to budget)	\$551,339
2. Increase in Revenue Limit Funding for VTP Students	\$144,281
3. Increase in Property Tax Revenue	\$189,907
4. Decrease in Special Education Revenue	(\$27,763)
5. Decrease in Lease Income from City of Palo Alto	(\$59,801)
6. Decrease in Interest Income	(\$149,120)
7. Categorical Funding Reduction	(\$727,453)
Total Income Adjustments	(\$78,610)

EXPENDITURE CHANGES FROM THE FIRST INTERIM BUDGET

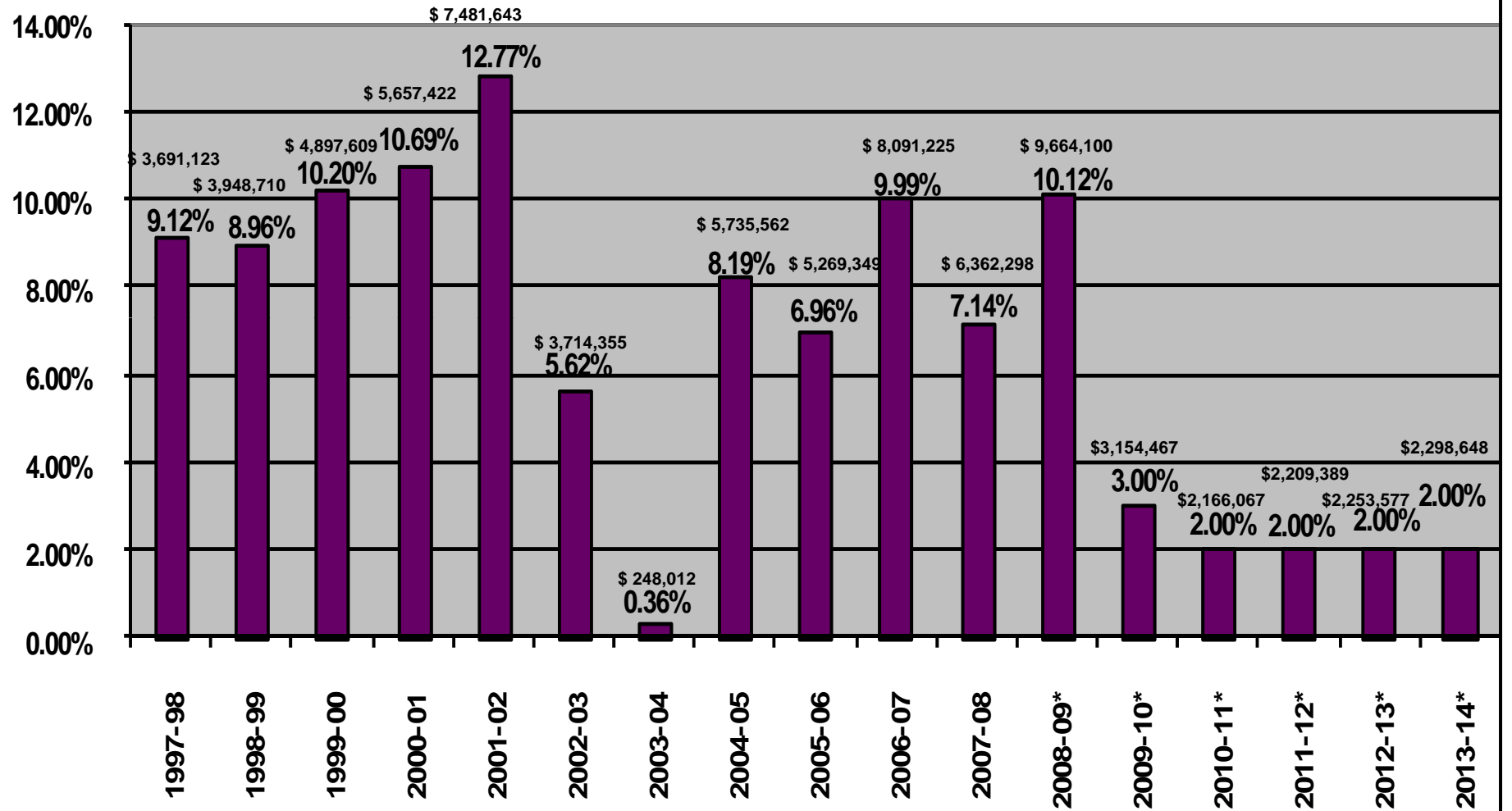
1. Increase in Local Income/New Grants to Schools (no net impact to budget)	\$551,339
2. Savings in Personnel Budgets	(\$270,756)
3. Savings in Legal Budget	(\$75,000)
4. Savings in Fuel Budget	(\$100,000)
5. Savings in Alternative Education Budget	(\$75,000)
6. Savings in Utilities/Phone Budgets	(\$69,449)
7. IT Software Budget for Computers to be Purchased from Measure A Funds	\$200,000
8. Categorical Program Reduction	(\$307,042)
Total Expenditure Changes	(\$145,908)

NET CHANGES:

Ignoring Local Income to Schools

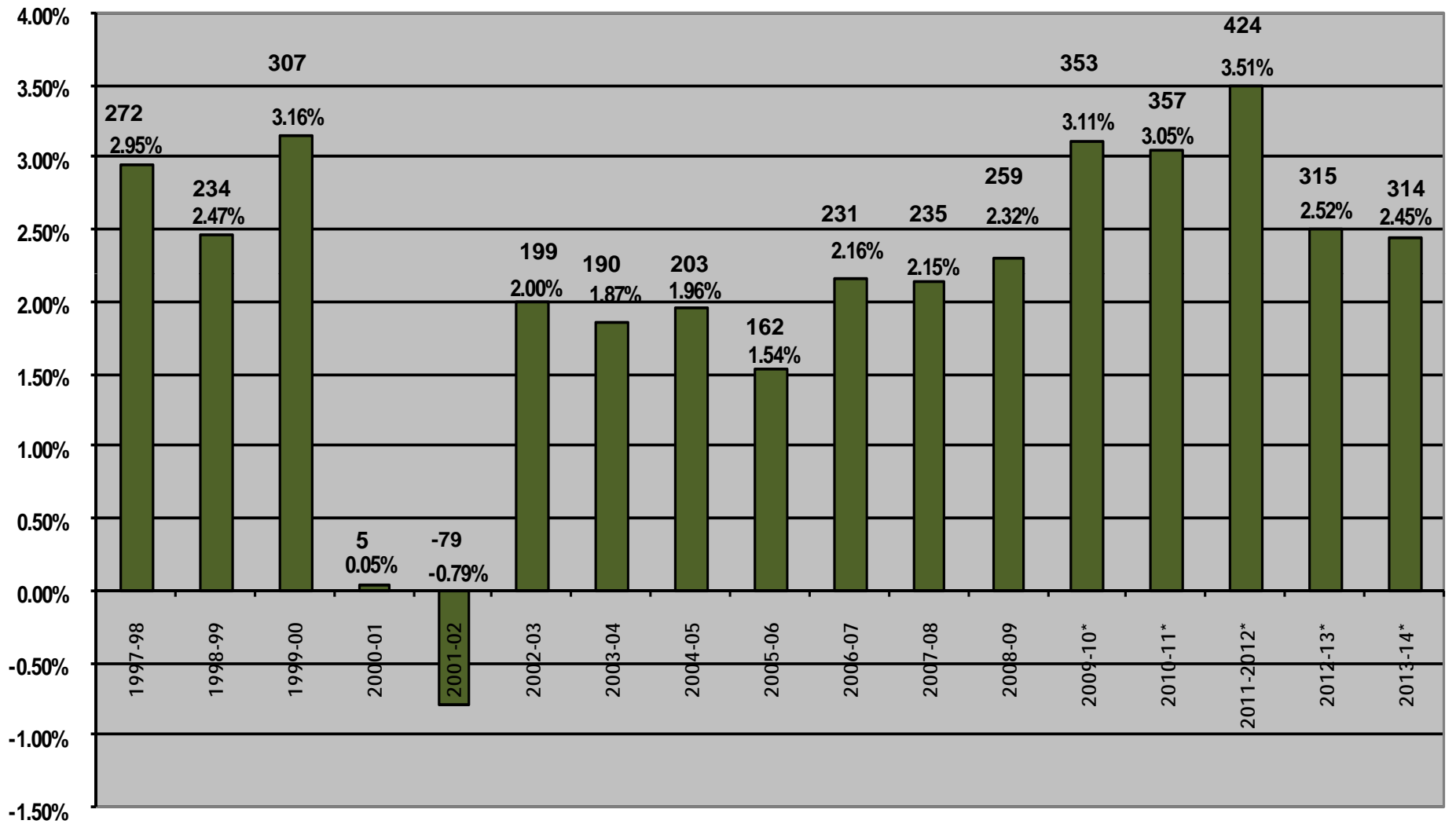
■ Revenue Decrease	(\$78,610)
■ Expenditure Decrease	(\$145,908)
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■ Net Changes to Fund Balance	\$67,298 =====

Change In Property Tax Revenue Amount and Percentage

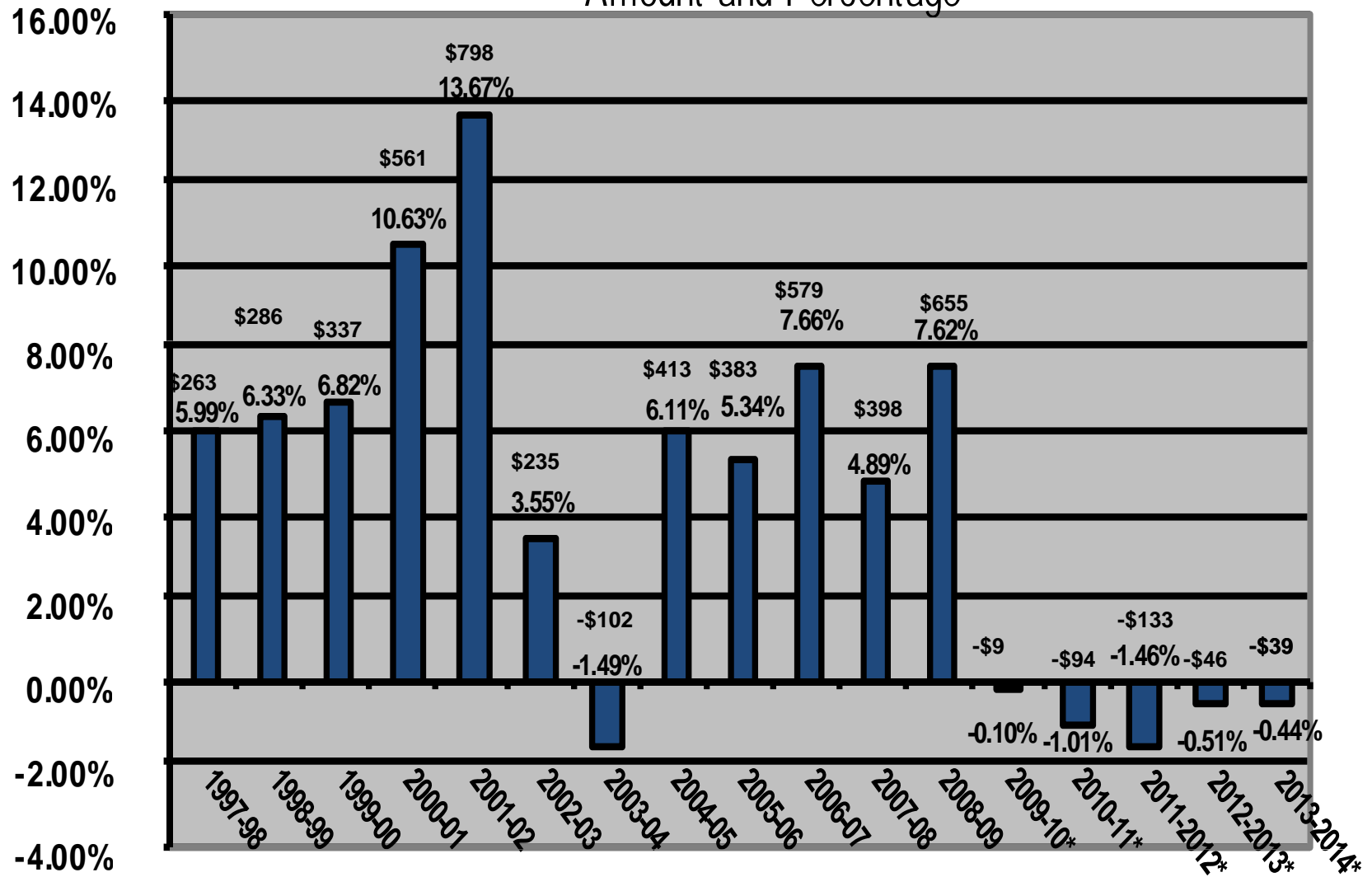


*Estimate

Change In Enrollment # of Students and Percentage



Change In Property Tax Revenue Per Student Amount and Percentage



UNKNOWNNS/VARIABLES

- 2008-09
 - Property Tax Revenue
 - Employee Compensation

UNKNOWNNS/VARIABLES

- 2009-10

- State Budget
- Property Tax Revenue
- Enrollment Growth
- Compensation
- Unemployment Insurance (UI)
- Health Benefits
- Inflation