



Palo Alto Unified School District



# First Interim Financial Report

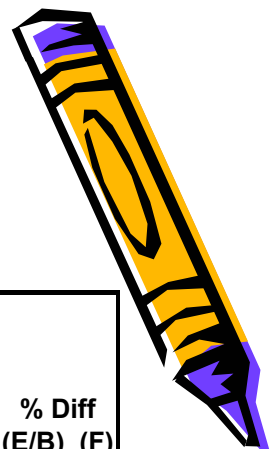


Presented to the Board of Education

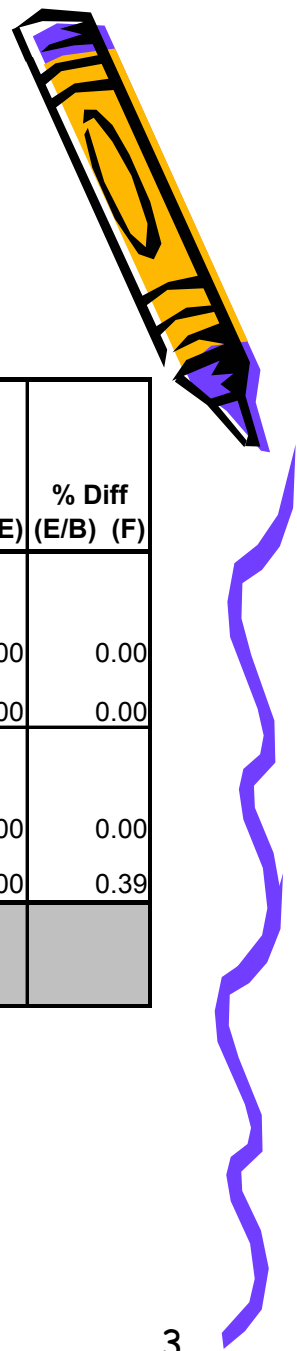
December 14, 2004

## 2004/05 First Interim GENERAL FUND SUMMARY

Description	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col. B & D) (E)	% Diff (E/B) (F)
Revenue Limit Sources	73,970,056.00	75,707,150.00	6,359,887.87	75,807,935.00	100,785.00	0.00
<b>Total Revenues</b>	<b>105,915,952.00</b>	<b>110,892,033.00</b>	<b>14,960,513.38</b>	<b>111,158,876.00</b>		
Certificated Salaries	55,781,025.00	54,595,018.00	12,424,789.99	54,800,876.00	(205,858.00)	(0.00)
Classified Salaries	17,498,682.00	17,604,343.00	5,233,565.71	17,897,536.00	(293,193.00)	(0.02)
Employee Benefits	18,355,121.00	19,822,254.00	5,514,291.52	19,853,442.00	(31,188.00)	(0.00)
<b>Total Expenditures</b>	<b>107,727,555.00</b>	<b>113,988,395.00</b>	<b>27,502,815.17</b>	<b>111,098,716.00</b>		
<b>Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources and Uses</b>	<b>(1,811,603.00)</b>	<b>(3,096,362.00)</b>	<b>(12,542,301.79)</b>	<b>60,160.00</b>		



**2004/05 First Interim  
GENERAL FUND SUMMARY (cont'd)**

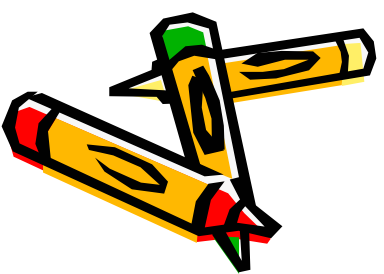
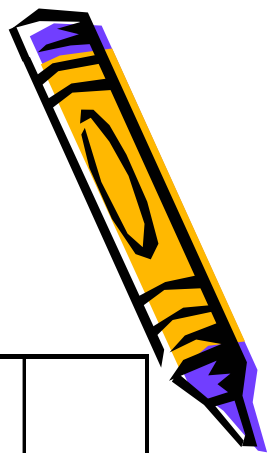


Description	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col. B & D) (E)	% Diff (E/B) (F)
Interfund Transfers						
a) Transfers In	1,195,249.00	114,087.00	0.00	114,087.00	0.00	0.00
b) Transfers Out	399,200.00	399,200.00	0.00	399,200.00	0.00	0.00
Other Sources/Uses						
a) Sources	0.00	0.00	0.00	0.00	0.00	0.00
b) Uses	50,000.00	274,868.00	0.00	167,643.00	107,225.00	0.39
<b>TOTAL OTHER FINANCING SOURCES/USES</b>	<b>746,049.00</b>	<b>(559,981.00)</b>	<b>0.00</b>	<b>(452,756.00)</b>		

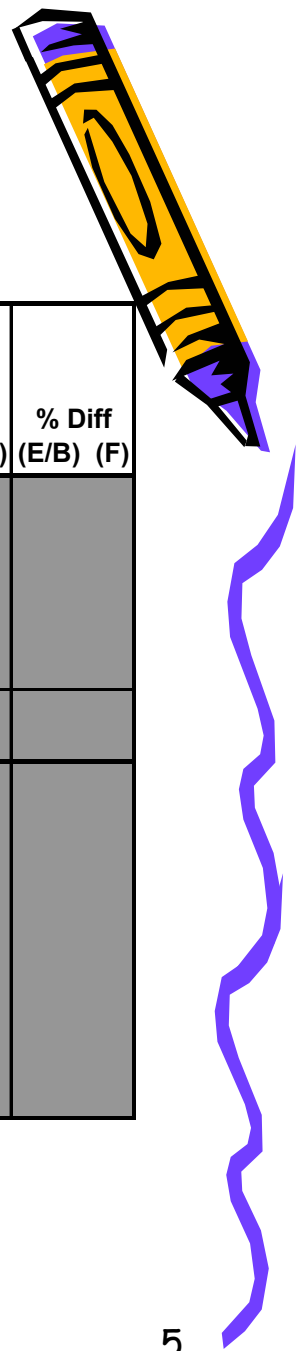


**2004/05 First Interim  
GENERAL FUND SUMMARY (cont'd)**

<b>Description</b>	<b>Original Budget (A)</b>	<b>Board Approved Operating Budget (B)</b>	<b>Actuals To Date (C)</b>	<b>Projected Year Totals (D)</b>	<b>Difference (Col. B &amp; D) (E)</b>	<b>% Diff (E/B) (F)</b>
Net Increase (Decrease) in Fund Balance	(1,065,554.00)	(3,656,343.00)	(12,542,301.79)	(392,596.00)		
Beginning Fund Balance	8,668,494.00	8,668,494.00		8,668,494.00	0.00	0.00
<b>Ending Fund Balance</b>	<b>7,602,940.00</b>	<b>5,012,151.00</b>		<b>8,275,898.00</b>		



**2004/05 First Interim  
GENERAL FUND SUMMARY (cont'd)**

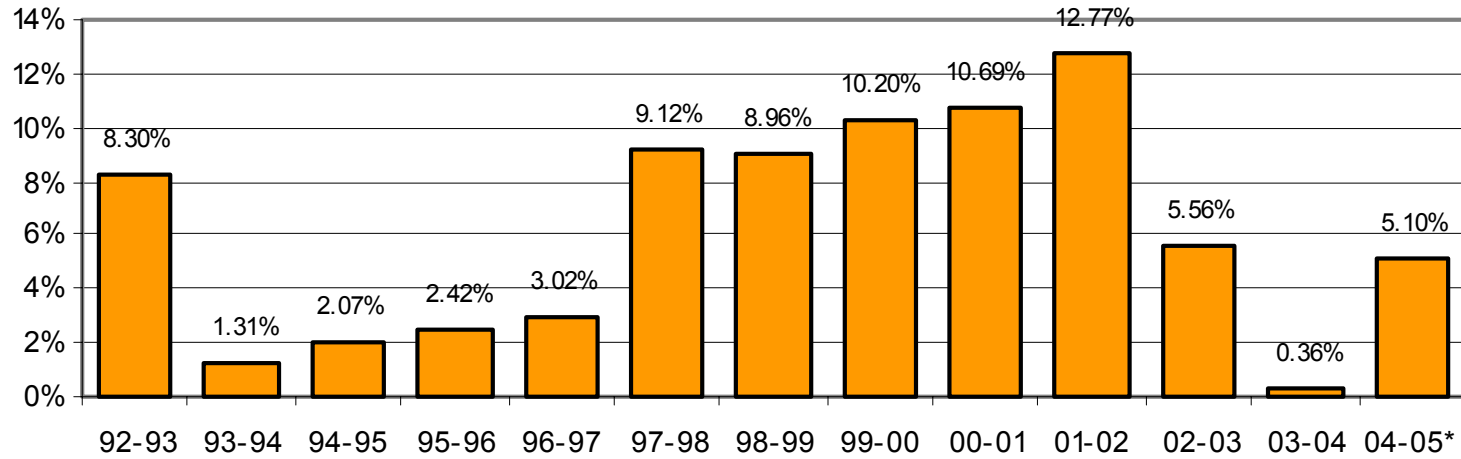


Description	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col. B & D) (E)	% Diff (E/B) (F)
Reserved Amounts						
Revolving Cash	30,000.00	30,000.00		30,000.00		
Stores	465,977.00	301,615.00		301,615.00		
Legally Restricted Balances	1,684,055.00	0.00		1,433,290.00		
Designated Amounts						
Economic Uncertainties	3,245,303.00	3,278,787.00		3,349,967.00		
Other Designations	2,177,605.00	382,500.00		2,564,129.00		
Undesignated Amount				596,897.00		
Unappropriated Amount	0.00	1,019,249.00				





## Property Tax Revenue Growth

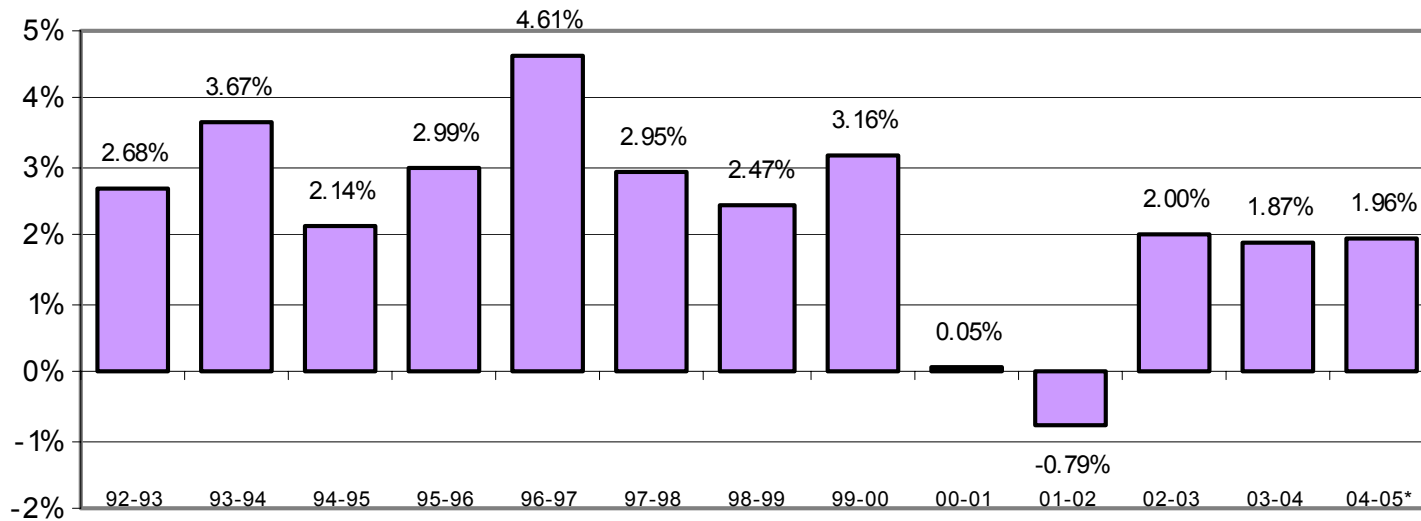


\* = Projected





## Enrollment Growth

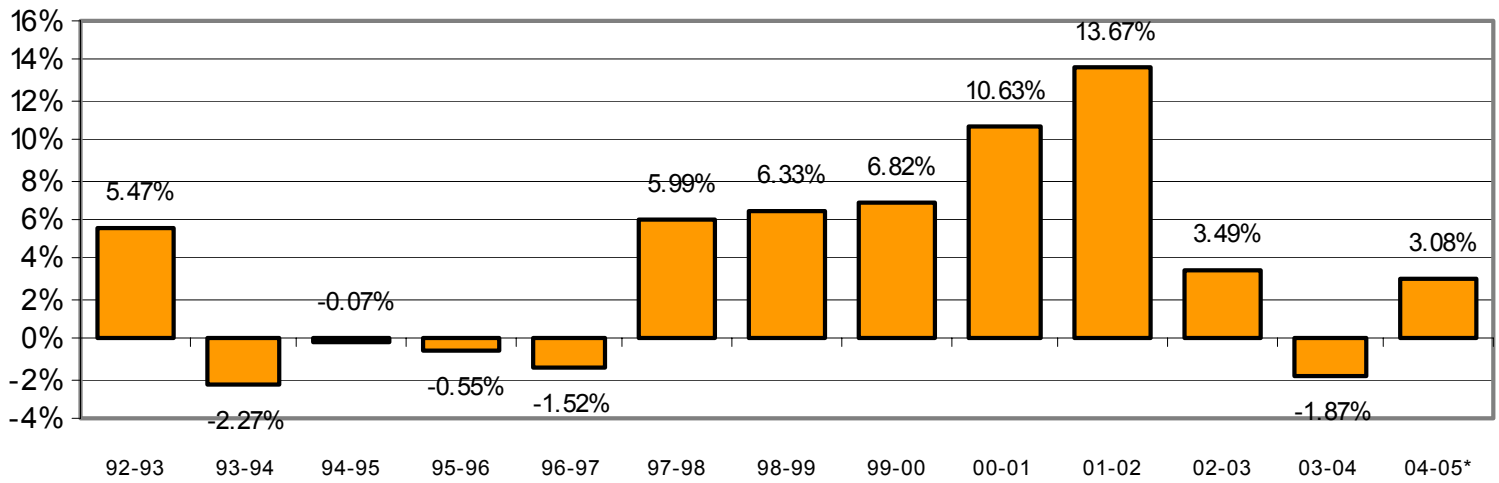


\* = Projected





# Property Tax Revenue Growth Per Student

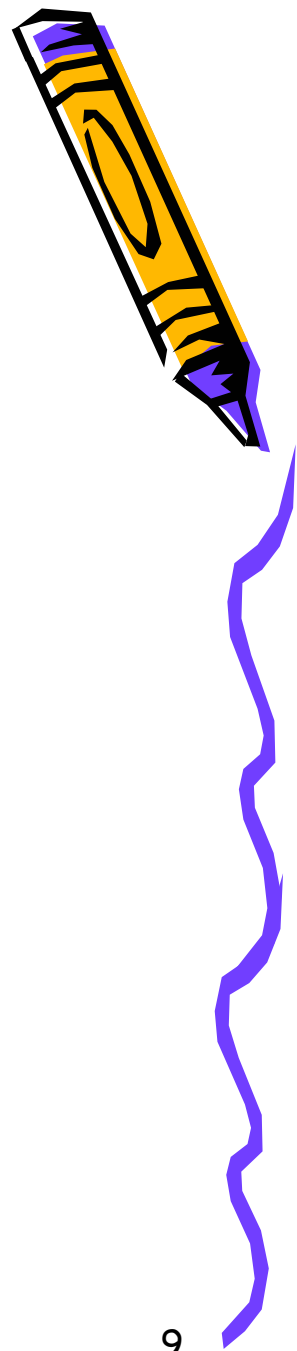


\* = Projected

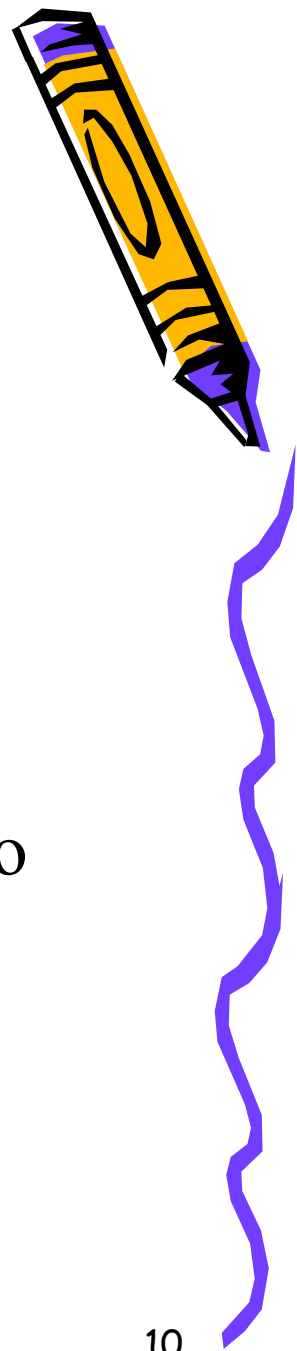


# Basic Aid is comprised of:

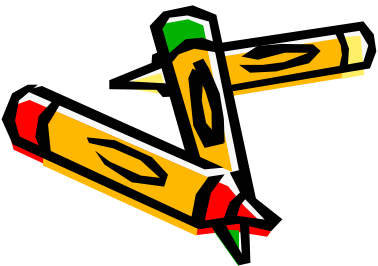
- Secured Roll (Real Property)
- Unsecured Roll (Non-Real Property, ie: equipment, etc)



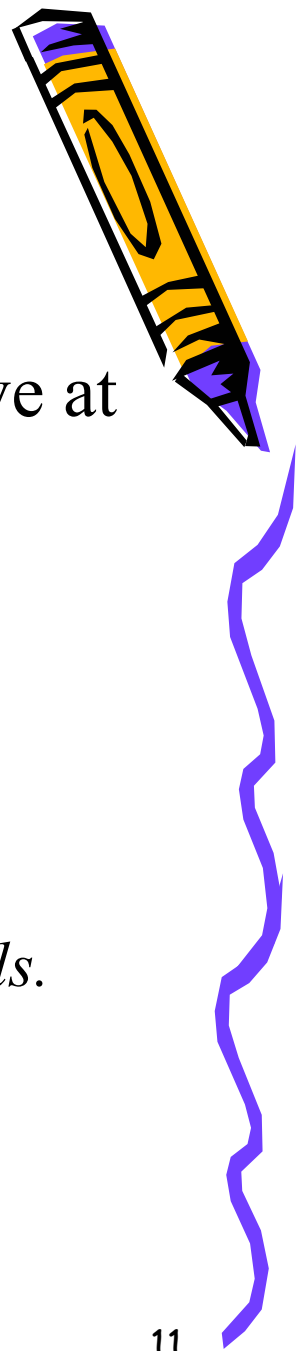
# *Additional Basic Aid Information*



- Prop 13 allows an increase of one percent per year unless the property changes ownership.
- Secured Roll increases are relatively stable.
- Unsecured Roll is very volatile – very prone to appeals.



# Additional Basic Aid Information



- The two rolls must be viewed together to arrive at a projection of growth.

For Example (2004-05 fiscal year):

- Original County Estimate .88%
- September County Revision 6.1%
- District Budget Built Upon 5.1%
- Last (November) County Estimate 5.8%

*This is not final, as there are still outstanding appeals.*

- Initial 2005-06 County Estimate = 3.74%

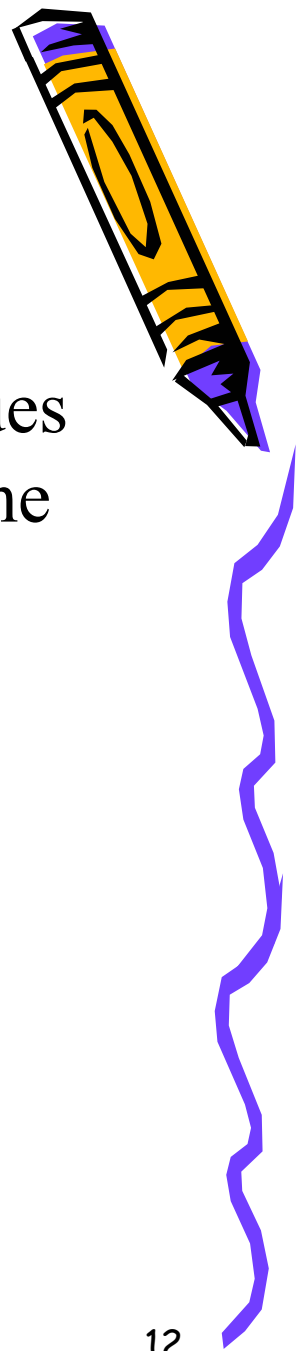


# Structural

- Structural profit or loss is comprised of revenues and expenses resulting from the operation of the District.

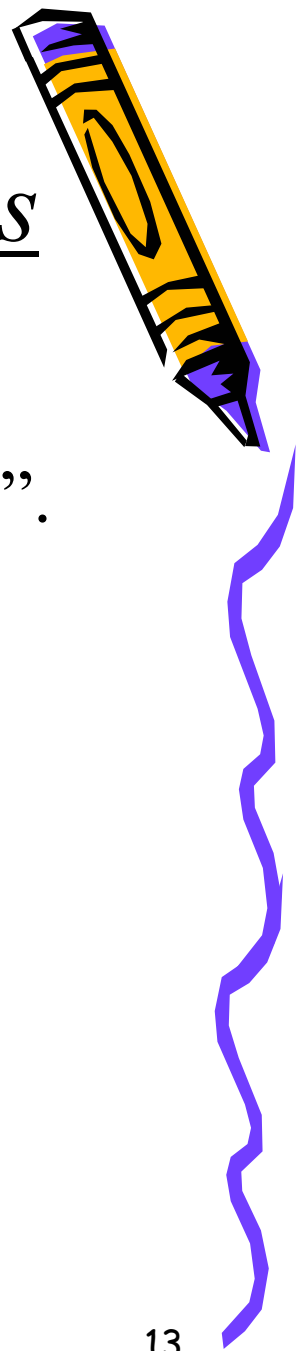
- PAUSD's Operation:

– Total Revenue	\$111,158,876
– Total Expenditures	<u>\$111,098,716</u>
– Excess of Revenues (Profit)	\$60,160



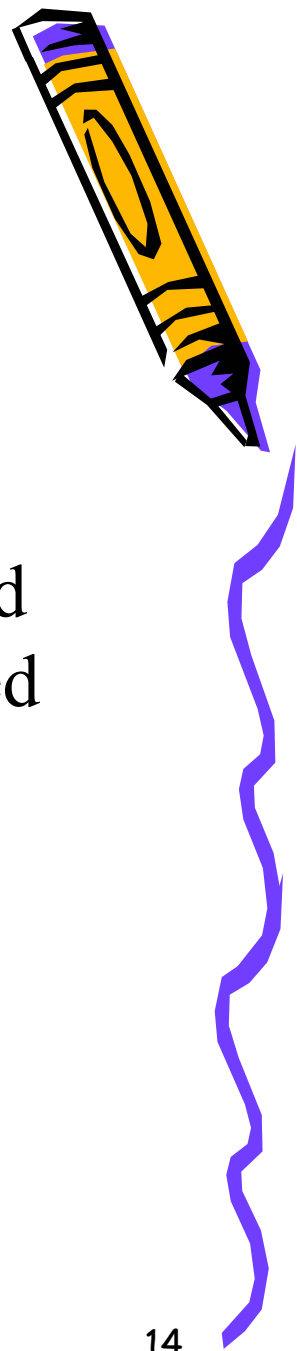
# *Other Financing Sources and Uses*

- These are neither revenues nor expenses, but transfers from “other funds” or to “other funds”.
- They are not an integral part of the operating structure.
- They can be halted or restructured at any time.



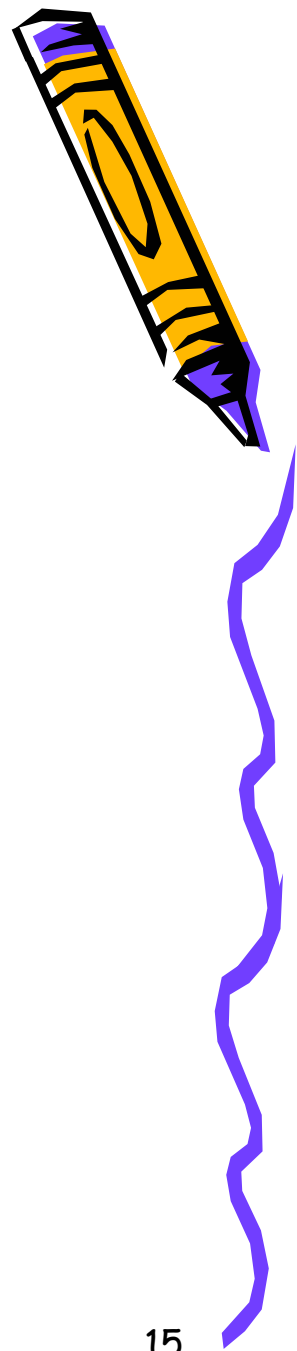
# Setting the Stage for the Future

- A one percent basic aid increase = \$750,000.
- Potential additional revenue for 2004-05 would result from the difference between the budgeted 5.1% and 5.8% basic aid.
- Basic Aid Revenue = 68.198% of Total General Fund



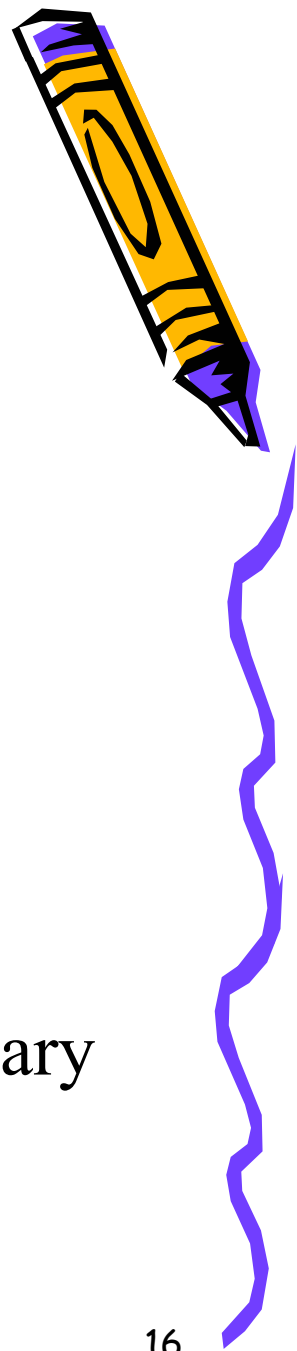
# Expenditure Suppositions

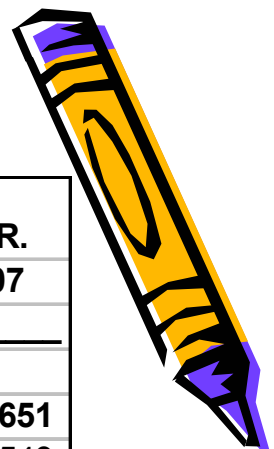
- Total Salaries (Cert. & Class.) = 65.436% of Total Expenses (not including benefits)
- Step and Column Increases (est.) = \$785,466
- One Percent Wage Increase (est.) = \$724,984
- Statutory Benefits (without health) (est.) = \$98,942 (per one percent of salary)



# Other Considerations

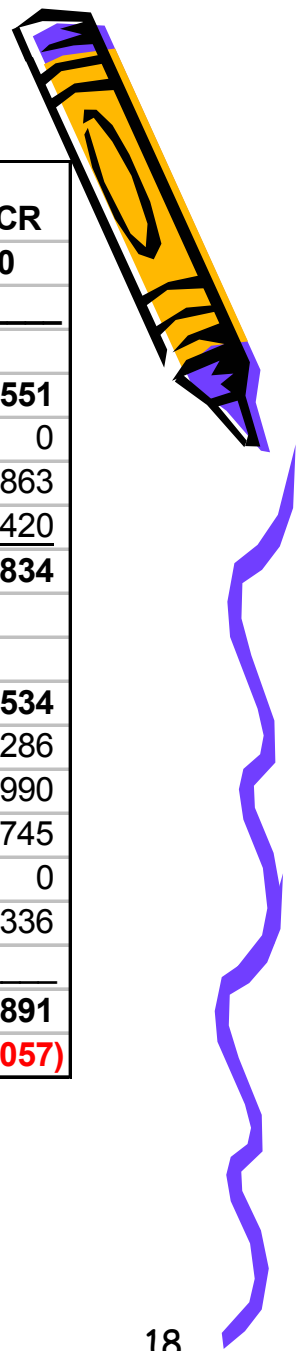
- Costs of Teaching Staff for Estimated New Students (approximately 290-300)
- Increased Cost of Utilities
- Increased Costs Related to Special Education
- There is No Provision in the Projection for Salary Schedule Increases!!





		1% INCR.	1% INCR.
	2004-05	2005-06	2006-07
<b>2004-05 10/31/04 REVENUE BUDGET</b>	<b>111,158,876</b>		
<b>RECURRING OPER. REV. FROM P/Y</b>		<b>111,158,876</b>	<b>113,045,651</b>
Increase Rev. Limit for enroll. Growth		104,823	107,549
Increase Property Taxes		735,979	743,339
<u>Other Revenues</u>		<u>1,045,973</u>	<u>444,800</u>
	<b>111,158,876</b>	<b>113,045,651</b>	<b>114,341,339</b>
<b>2004-05 10/31/04 EXPENDITURE BUDGT</b>	<b>111,098,716</b>		
<b>RECURRING OPER. EXP. FROM P/Y</b>		<b>111,098,716</b>	<b>113,689,961</b>
Add'l teachers for growth FTE (Sal/Ben)		1,088,738	589,370
Step, Col. Incr. & attrition (Cert)		652,721	709,330
Step, Col. Incr. & attrition (Class)		132,745	132,745
Negotiated Health Benefit Incr.		235,981	0
Other cost increases		481,060	420,952
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>111,098,716</b>	<b>113,689,961</b>	<b>115,542,358</b>
<b>EXCESS REVENUES/(EXPENSES)</b>	<b>60,160</b>	<b>(644,310)</b>	<b>(1,201,019)</b>

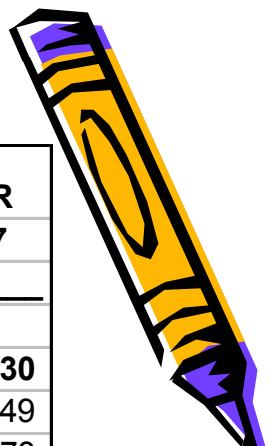




	1% INCR 2007-08	1% INCR 2008-09	1% INCR 2009-10
<b>2004-05 10/31/04 REVENUE BUDGET</b>			
<b>RECURRING OPER. REV. FROM P/Y</b>	<b>114,341,339</b>	<b>115,658,024</b>	<b>116,899,551</b>
Increase Rev. Limit for enroll. Growth	110,453	0	0
Increase Property Taxes	750,772	758,280	765,863
<u>Other Revenues</u>	<u>455,460</u>	<u>483,247</u>	<u>445,420</u>
	<b>115,658,024</b>	<b>116,899,551</b>	<b>118,110,834</b>
<b>2004-05 10/31/04 EXPENDITURE BUDGT</b>			
<b>RECURRING OPER. EXP. FROM P/Y</b>	<b>115,347,358</b>	<b>117,265,537</b>	<b>119,149,534</b>
Add'l teachers for growth FTE (Sal/Ben)	598,211	531,286	531,286
Step, Col. Incr. & attrition (Cert)	742,660	775,990	775,990
Step, Col. Incr. & attrition (Class)	132,745	132,745	132,745
Negotiated Health Benefit Incr.	0	0	0
Other cost increases	444,563	443,976	443,336
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>117,265,537</b>	<b>119,149,534</b>	<b>121,032,891</b>
<b>EXCESS REVENUES/(EXPENSES)</b>	<b>(1,607,513)</b>	<b>(2,249,983)</b>	<b>(2,922,057)</b>



		2% INCR	2% INCR
	2004-05	2005-06	2006-07
<b>2004-05 10/31/04 REVENUE BUDGET</b>	<b>111,158,876</b>		
<b>RECURRING OPER. REV. FROM P/Y</b>		<b>111,158,876</b>	<b>113,781,630</b>
Increase Rev. Limit for enroll. Growth		104,823	107,549
Increase Property Taxes (1%)		1,471,958	1,486,678
Other Revenues		1,045,973	444,800
	<b>111,158,876</b>	<b>113,781,630</b>	<b>115,820,657</b>
<b>2004-05 10/31/04 EXPENDITURE BUDGT</b>	<b>111,098,716</b>		
<b>RECURRING OPER. EXP. FROM P/Y</b>		<b>111,098,716</b>	<b>113,689,961</b>
<b>TOTAL RECURRING OPER. EXP. P/Y</b>			
Add'l teachers for growth FTE (Sal/Ben)		1,088,738	589,370
Step, Col. Incr. & attrition (Cert)		652,721	709,330
Step, Col. Incr. & attrition (Class)		132,745	132,745
Negotiated Health Benefit Incr.		235,981	0
Other cost increases		481,060	420,952
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>111,098,716</b>	<b>113,689,961</b>	<b>115,542,358</b>
<b>EXCESS REVENUES/(EXPENSES)</b>	<b>60,160</b>	<b>91,669</b>	<b>278,299</b>



	2% INCR 2007-08	2% INCR 2008-09	2% INCR 2009-10
<b>2004-05 10/31/04 REVENUE BUDGET</b>			
<b>RECURRING OPER. REV. FROM P/Y</b>	<b>115,820,657</b>	<b>117,888,114</b>	<b>119,887,921</b>
Increase Rev. Limit for enroll. Growth	110,453	0	0
Increase Property Taxes (1%)	1,501,544	1,516,560	1,531,725
Other Revenues	455,460	483,247	445,420
	<b>117,888,114</b>	<b>119,887,921</b>	<b>121,865,066</b>
<b>2004-05 10/31/04 EXPENDITURE BUDGT</b>			
<b>RECURRING OPER. EXP. FROM P/Y</b>	<b>115,542,358</b>	<b>117,460,537</b>	<b>119,344,534</b>
<b>TOTAL RECURRING OPER. EXP. P/Y</b>			
Add'l teachers for growth FTE (Sal/Ben)	598,211	531,286	531,286
Step, Col. Incr. & attrition (Cert)	742,660	775,990	775,990
Step, Col. Incr. & attrition (Class)	132,745	132,745	132,745
Negotiated Health Benefit Incr.	0	0	0
Other cost increases	444,563	443,976	443,336
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>117,460,537</b>	<b>119,344,534</b>	<b>121,227,891</b>
<b>EXCESS REVENUES/(EXPENSES)</b>	<b>427,577</b>	<b>543,387</b>	<b>637,175</b>



# Trivia Items

- One account (called a “string”) in the accounting system contains thirty-three digits.
- The District has approximately 18,463 accounts.

