

**2007-08
FIRST INTERIM
FINANCIAL REPORT**

December 11, 2007

HIGHLIGHTS

	2007-08 September Projection	2007-08 First Interim Projection	Difference
Revenue	\$141,683,179	\$143,379,084	1,695,905
Expenditures	\$139,018,929	\$145,134,835	\$6,115,906
Net change to fund balance	\$2,664,250 =====	(\$1,755,751) =====	(\$4,420,001) =====
Undesignated Fund Balance	\$764,045 =====	\$246,978 =====	(\$517,067) ===== 2

REVENUE CHANGES FROM THE SEPTEMBER BUDGET

1. Increase in Local Income/New Grants to Schools (no net impact to budget)	\$1,171,967
2. Increase in Property Tax Revenue	\$243,522
3. Increase in Special Education Income	\$200,416
4. Increase in Interest Income	\$50,000
5. Increase in Transportation Income	\$30,000
Total Revenue Increase	\$1,695,905

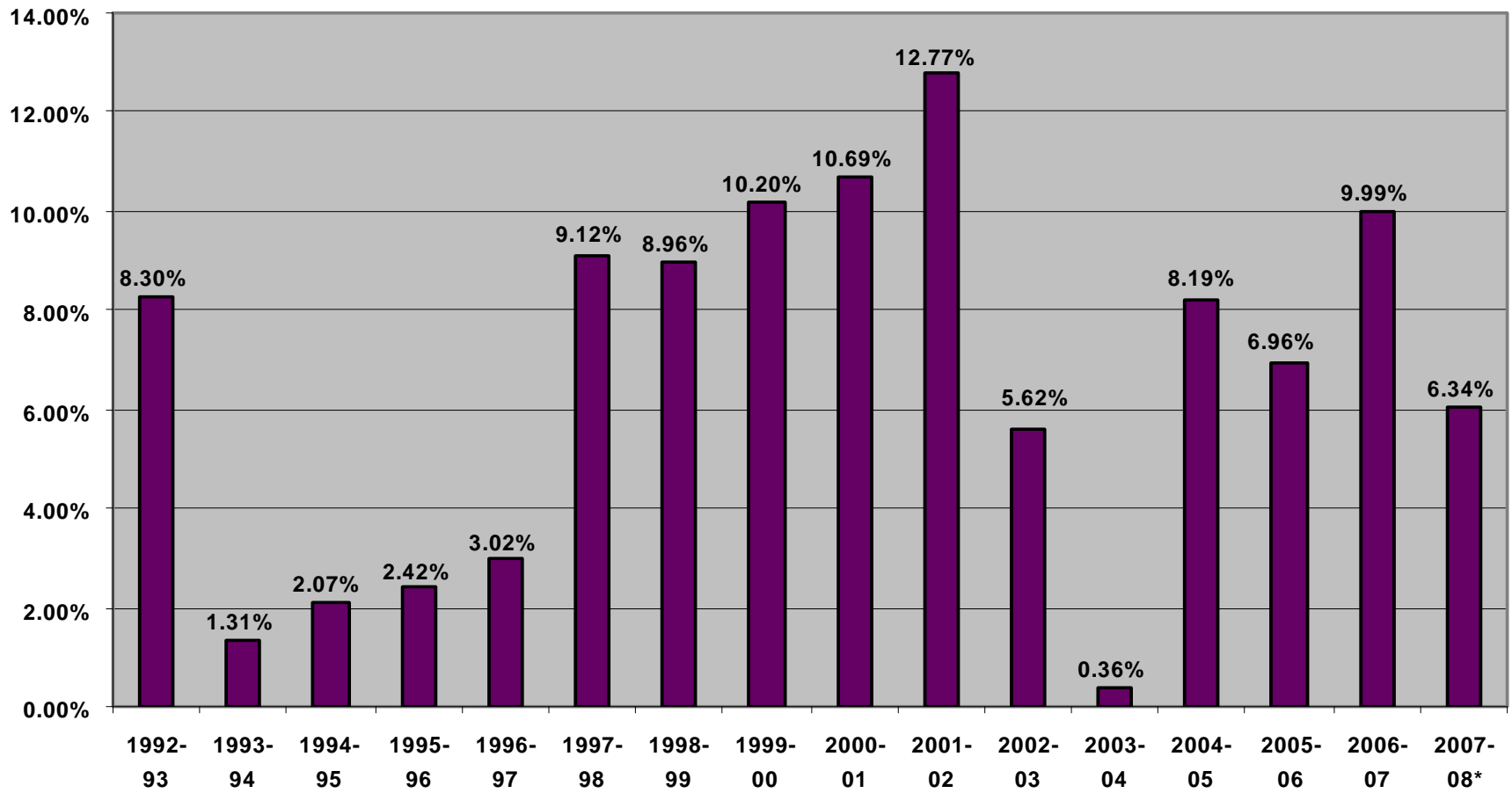
EXPENDITURE CHANGES FROM THE SEPTEMBER BUDGET

1. Increase in Local Income/New Grants to Schools (no net impact to budget)	\$1,171,967
2. Contract Settlement Costs for All Employees	\$3,410,451
3. Special Education & Transportation Personnel	\$593,510
4. Decrease Legal Budget	(\$110,000)
5. Decrease Staff Development Budget	(\$70,000)
6. Decrease Equipment Budget	(\$55,172)
7. One-time Expenditures Funded by 2006-07 Carryovers	\$1,253,072
8. Increase in Indirect Costs/Interprogram Charges/Other Savings	(\$77,922)
Total Expenditure Changes	\$6,115,906

NET CHANGES: Ignoring Local Income to Schools

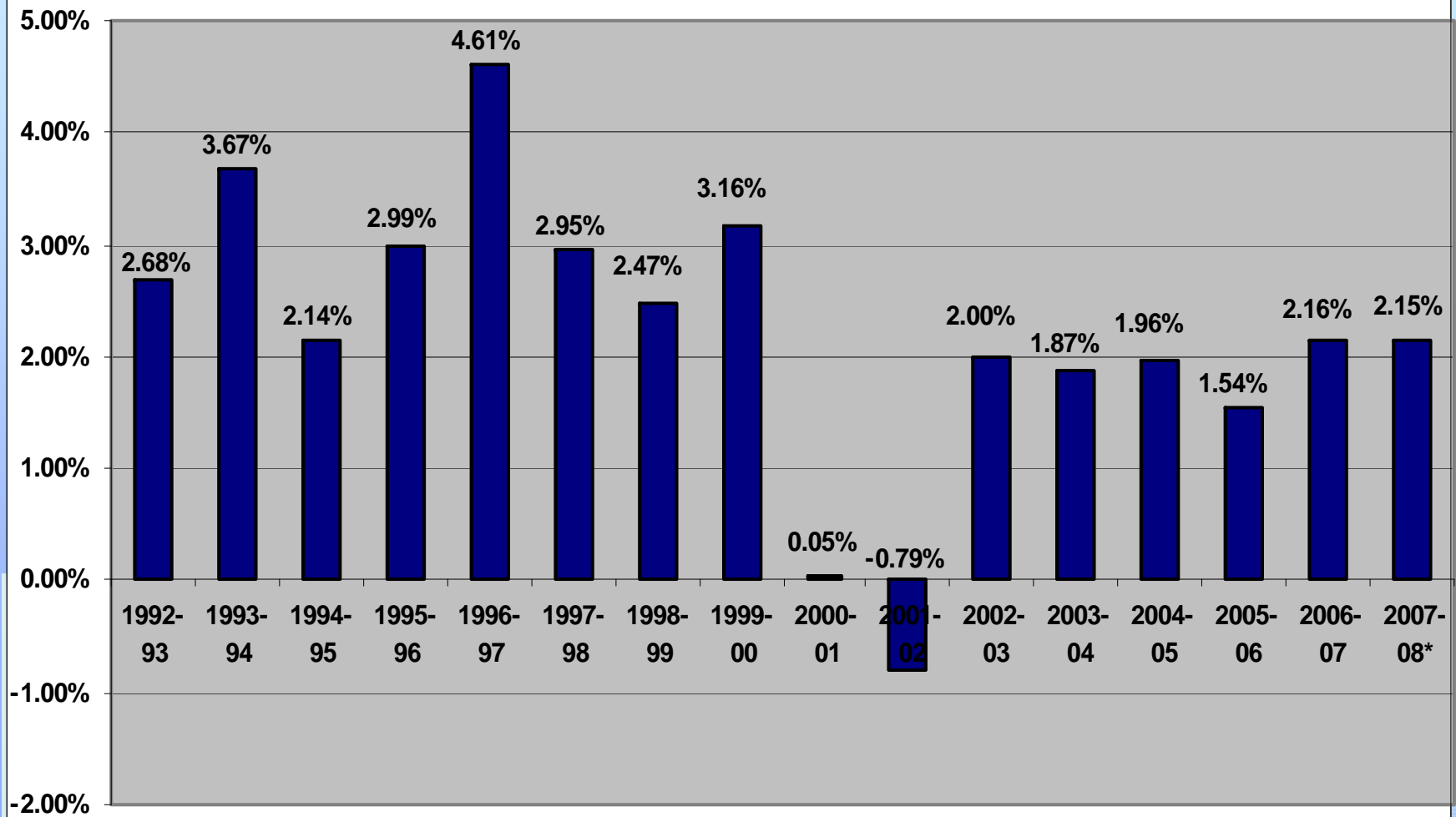
■ Revenue Increase	\$523,938
■ Expenditure Increase	\$4,943,939
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■ Net Changes to Fund Balance	(\$4,420,001) =====

Total Property Tax Revenue Growth

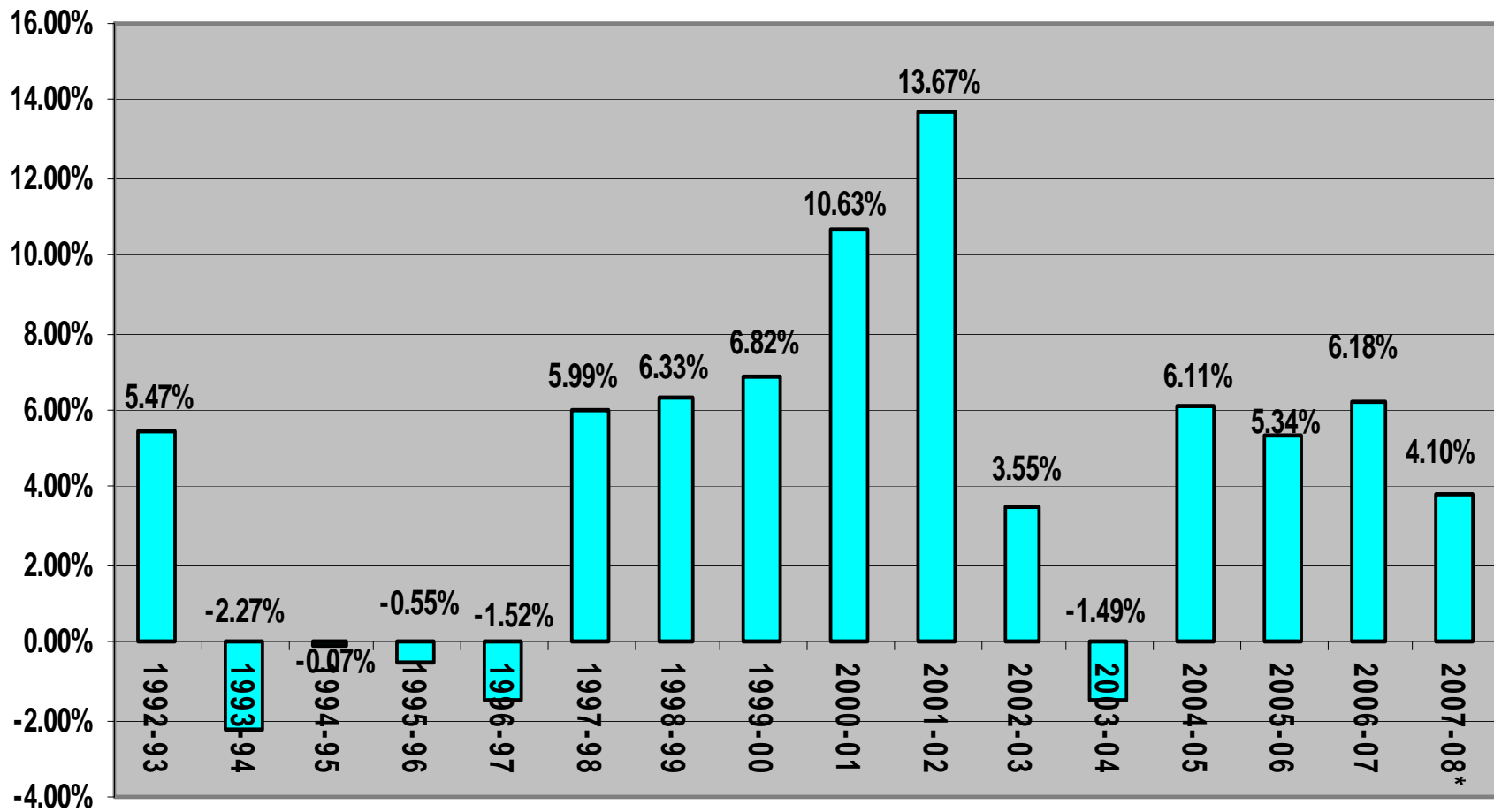


*Estimate as of 8/28/07

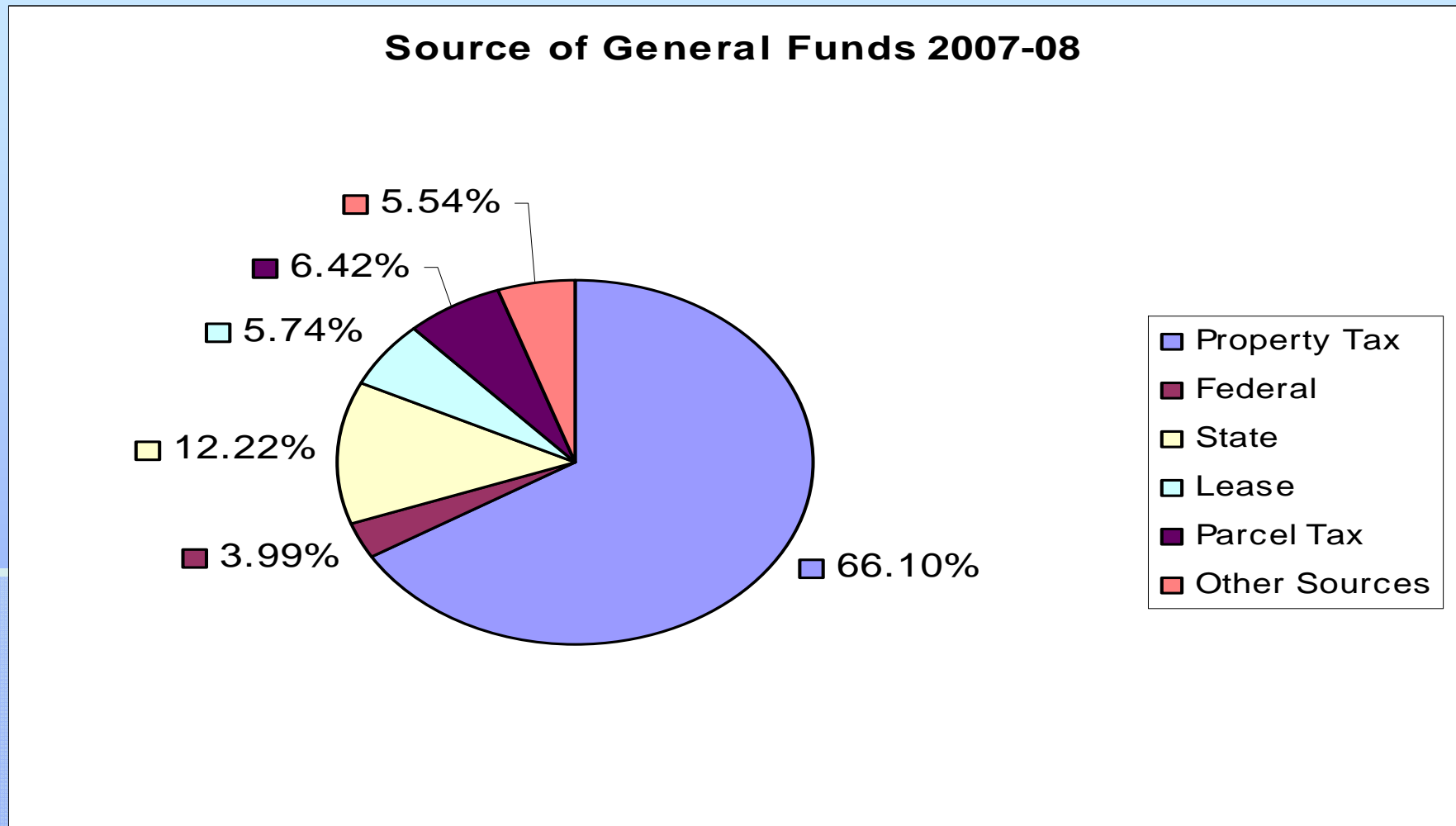
Enrollment Growth



Total Property Tax Revenue Per Student Growth

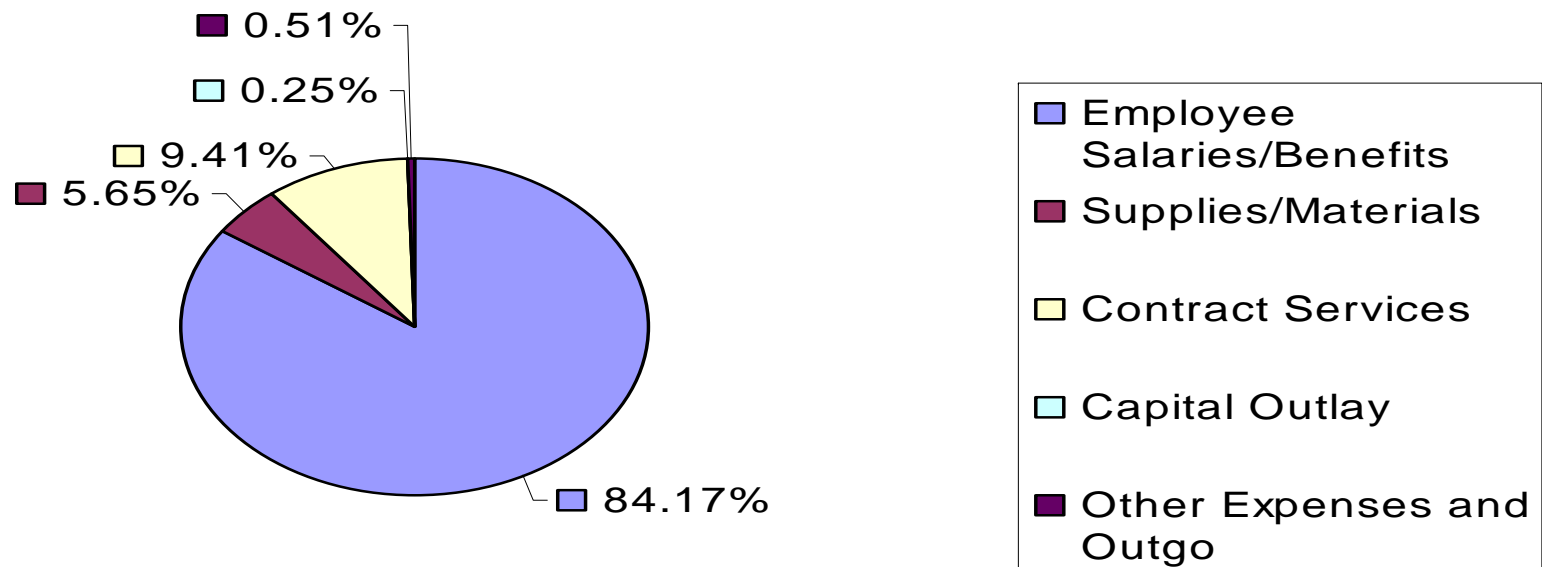


SOURCE OF GENERAL FUNDS 2007-08



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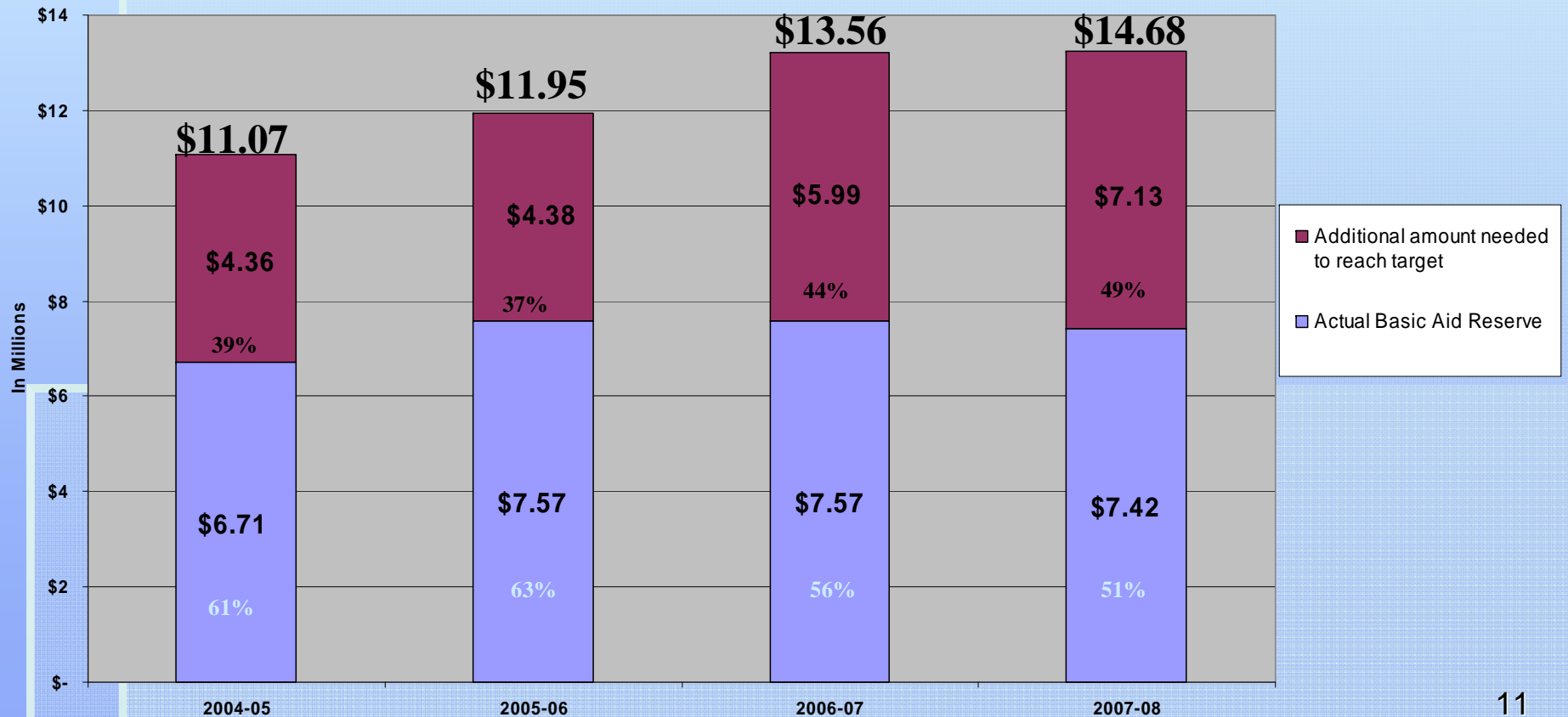
Use of General Funds 2007-08



Basic Aid Reserve

- PAUSD adopted a Basic Aid Reserve Policy in February, 2004.
- Targeted Amount = $\frac{1}{2}$ of difference between property tax revenue and revenue limit.

Basic Aid Reserve Target



UNFUNDED LIABILITY HISTORY

GASB 45 will require school districts to disclose retiree health benefits liabilities. PAUSD currently has an actuarially determined \$10.8 million unfunded liability. The following amounts have been set aside to fund this liability. No amount is budgeted beyond 2006-07 to fund this requirement.

UNFUNDED LIABILITY HISTORY

■ 2004-05	\$807,200 from general fund
■ 2005-06	\$600,000 from general fund
■ 2006-07	\$600,000 from general fund \$50,000 from interest income
■ 2007-08	\$100,802 from interest income
■ Total	\$2,158,002 =====