



November 30, 2006

Chief Financial Officer's Message

The District's financial position as of November 30, 2006 has decreased in comparison to a year ago. The estimated undesignated budgeted fund balance is at **\$6 M**; however this is still below the optimum fund balance of **\$20M**. Revenue streams are dependent on enrollment attendance and tax collection efforts. Revenues are coming in as estimated; however, enrollment has marginally increased over the last couple of years. Expenditures have increased over a year ago due to teacher increases and health insurance costs. These are expected to be within budget allocations. Overall, the District must continue to monitor revenue streams and expenditure levels and stay within its financial plan.

Statement of Revenues and Expenditures for all general funds, special revenue funds, debt service fund, and capital project fund have been prepared and are attached. These unaudited financial statements compare the annual budget to year to date expenditures, and percentages to actual totals are provided.

Included in the financial information is an administrative cost ratio analysis for the District. The cost ratio as of November 30, 2006 is **6.7283%**, well below the maximum allowed administrative cost ratio of **11.050%**. The financial statements also include a fiscal analysis on the status of the Superintendent's Discretionary Funds. Of the **\$12,000** appropriated for this purpose, **\$1,534.30** of expenditures has been incurred through November 30, 2006. Remaining discretionary funds are **\$10,465.70**.

Three months or 25% of the fiscal year has lapsed and our finances are reflected on the following financial statements as of November 30, 2006. Total General Fund revenues received totaled **\$54,516,076** and total General Fund expenditures were **\$45,737,995**. A total of **\$690,742** has been recognized for operating transfer outs to the Athletic Fund, Special Revenue Funds, and Debt Service Fund. Out of the general operating expenditures in the General Fund, the following expenditure levels have been incurred:

	Nov. 06	Oct. 06	Nov. 05
11 Instruction	63.48%	65.05%	63.76%
12 Instruction Resource and Media	2.57%	2.49%	2.48%
13 Curriculum and Instructional Staff Dev	0.52%	0.34%	0.62%
21 Instructional Administration	1.67%	1.69%	1.68%
23 School Administration	6.43%	6.56%	6.19%

31 Guidance and Counseling Services	4.48%	4.37%	4.05%
32 Social Work Services	1.02%	1.04%	0.95%
33 Health Services	1.05%	1.05%	1.05%
34 Pupil Transportation – Regular	1.87%	1.81%	1.96%
36 Co-Curricular/Extra Curricular Activities	1.02%	0.88%	0.97%
41 General Administration	3.08%	3.16%	3.34%
51 Plant Maintenance and Operations	9.02%	7.95%	8.88%
52 Security and Monitoring Services	1.75%	1.73%	1.77%
53 Data Processing Services	1.21%	1.16%	1.34%
61 Community Services	0.11%	0.08%	0.05%
71 Debt Service	0.23%	0.34%	0.00%
81 Facilities Acquisition and Construction	0.49%	0.30%	0.90%
95 Juvenile Justice Alternative Education	0.00%	0.00%	0.02%
Total	100.00%	100.00%	100.00%

The District's unaudited fund balance as of November 30, 2006 is **\$15,563,568**. Approximately **\$8,787,337** is used on working operations of the District. This leaves a projected undesignated fund balance of **\$6,776,231**. Depending on Board policy, the District's fund balance can be set between 15% or 20% of the operating budget. This would give the District between one to three months of operating funds. The optimum undesignated fund balance for the operating fund is estimated at **\$20,400,000**.

The Finance Department acknowledges the efforts of the Accounting Staff in the preparation of the monthly financial statements. Any questions regarding the financial statements should be directed to the Finance Department at 795-3250.

Sincerely,

Jesus J. Amezcua, CPA
Chief Financial Officer