The District’s financial information is presented in three basic financial statements: Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Net Assets; and Statement of Cash Flows. The District’s component unit is not included in the condensed financial information that follows.

Statement of Net Assets

The Statement of Net Assets reports all assets and liabilities using the accrual basis of accounting, which is similar to the accounting that most private-sector institutions use. Net assets, the difference between assets and liabilities, are one way to measure the District’s financial health. The summary to the right presents a condensed Statement of Net Assets as of June 30, 2007.

Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents the District’s operating results, as well as nonoperating revenues and expenses. Revenues and expenses are classified as operating if they relate to the District’s primary activities, such as instruction and public service. All other revenues and expenses, such as state appropriations, property tax revenues, and interest paid on capital debt, are considered nonoperating. The change in net assets indicates whether the District’s financial health has improved or deteriorated as a result of current-year operations. The District’s net assets showed an increase of $11 million. The summary to the right presents the District’s revenues and expenses for the year ended June 30, 2007.
Revenues and Expenses

Between fiscal years 2005 and 2007, the District’s revenues have increased by $11 million. As shown in the first chart below, this increase was primarily due to increases in property tax revenue and other revenues. Property tax revenue increased by $10 million primarily from increases in property valuations and new construction, and other revenues increased by $4 million primarily due to increases in investment income resulting from higher interest rates and an increase in gifts received.

Between fiscal years 2005 and 2007, the District’s expenses have increased by $10 million. As shown in the second chart below, this increase was primarily due to the increased cost of employee compensation and benefits, largely from higher salaries and the increased cost of supplies and services predominately from utility cost increases.

Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement helps users assess the District’s ability to generate net cash flows to meet its obligations as they become due and the need for external financing. The summary to the right shows the net cash flows from each of the District’s major activities.