

**FLORIDA DEPARTMENT OF EDUCATION
SUPERINTENDENT'S ANNUAL FINANCIAL REPORT (ESE 145)
DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
For the Fiscal Year Ended June 30, 2006**

Return completed form to:
Department of Education
Office of Funding and
Financial Reporting
325 W. Gaines St., Suite 824
Tallahassee, FL 32399-0400

CONTENTS:		PAGE NUMBER	
		<u>Minimum Reporting</u>	<u>CAFR</u>
Exhibit A-1	Management's Discussion and Analysis.....	1	1
Exhibit B-1	Statement of Net Assets.....	2	2
Exhibit B-2	Statement of Activities	3	3
Exhibit C-1	Balance Sheet – Governmental Funds.....	4	4
Exhibit C-2	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	5	5
Exhibit C-3	Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	6	6
Exhibit C-4	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	7	7
Exhibit C-5	Statement of Net Assets – Proprietary Funds..... (Statement Omitted – Not Applicable to Alachua County)	8	8
Exhibit C-6	Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds..... (Statement Omitted – Not Applicable to Alachua County)	9	9
Exhibit C-7	Statement of Cash Flows – Proprietary Funds..... (Statement Omitted – Not Applicable to Alachua County)	10	10
Exhibit C-8	Statement of Fiduciary Net Assets.....	11	11
Exhibit C-9	Statement of Changes in Fiduciary Net Assets.....	12	12
Exhibit C-10	Combining Statement of Net Assets – Major and Nonmajor Component Units.....	13	13
Exhibit C-11a-d	Combining Statement of Activities – Major and Nonmajor Component Units (Pages 13, 14, & 15 of this Statement Omitted – Not Applicable to Alachua County).....	14-17	14-17
Exhibit D-1	Notes to the Financial Statements.....	18	18
Exhibit E-1	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	19	19
Exhibit E-2	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Special Revenue Fund.....	20	20
Exhibit F-1a-d	Combining Balance Sheet – Nonmajor Governmental Funds (Page 24 of this Statement Omitted – Not Applicable to Alachua County)		21-24
Exhibit F-2a-d	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds (Statement Omitted – Not Applicable to Alachua County).....		25-28
Exhibit G-1	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds..... (Statement Omitted – Not Applicable to Alachua County)		29
Exhibit G-2	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Funds..... (Statement Omitted – Not Applicable to Alachua County)		30
Exhibit G-3	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Capital Project Funds..... (Statement Omitted – Not Applicable to Alachua County)		31
Exhibit G-4	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Permanent Funds.....		32

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		PAGE NUMBER
CONTENTS:		
	<u>Minimum</u> <u>Reporting</u>	<u>CAFR</u>
Exhibit H-1	(Statement Omitted – Not Applicable to Alachua County) Combining Statement of Net Assets – Nonmajor Enterprise Funds.....	33
Exhibit H-2	(Statement Omitted – Not Applicable to Alachua County) Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Nonmajor Enterprise Funds.....	34
Exhibit H-3	(Statement Omitted – Not Applicable to Alachua County) Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	35
Exhibit H-4	(Statement Omitted – Not Applicable to Alachua County) Combining Statement of Net Assets – Internal Service Funds.....	36
Exhibit H-5	(Statement Omitted – Not Applicable to Alachua County) Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds.....	37
Exhibit H-6	(Statement Omitted – Not Applicable to Alachua County) Combining Statement of Cash Flows – Internal Service Funds.....	38
Exhibit I-1	(Statement Omitted – Not Applicable to Alachua County) Combining Statement of Fiduciary Net Assets – Investment Trust Funds (Statement Omitted – Not Applicable to Alachua County).....	39
Exhibit I-2	Combining Statement of Changes in Net Assets – Investment Trust Funds (Statement Omitted – Not Applicable to Alachua County).....	40
Exhibit I-3	Combining Statement of Fiduciary Net Assets – Private-Purpose Trust Funds.....	41
Exhibit I-4	Combining Statement of Changes In Net Assets – Private-Purpose Trust Funds.....	42
Exhibit I-5	Combining Statement of Fiduciary Net Assets – Pension Trust Funds.	43
Exhibit I-6	Combining Statement of Changes In Net Assets – Pension Trust Funds.....	44
Exhibit I-7	.	45
Exhibit I-8a-d	Combining Statement of Changes in Assets and Liabilities – Agency Funds (Page 48 of this Statement Omitted – Not Applicable to Alachua County).....	46-49
Exhibit J-1	Combining Statement of Net Assets – Nonmajor Component Units.....	50
Exhibit J-2a-d	Combining Statement of Activities – Nonmajor Component Units.....	51-54

The Superintendent's Annual Financial Report (ESE 145) for the fiscal year ended June 30, 2006, was submitted in accordance with Rule 6A-1.0071, FAC (Section 1001.51(12)(b), F.S.). This report was approved by the school board on September 5, 2006.

District Superintendent's Signature

Date

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

The Management of the Alachua County District School Board has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues; (b) provide an overview and analysis of the District's financial activities; (c) identify changes in the District's financial position; (d) identify material deviations from the approved budget; and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events, and conditions, it should be considered in conjunction with the District's financial statements and notes to financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2005-06 fiscal year are as follows:

- The District's overall financial status increased over the course of the year. Total net assets increased from \$70.3 million to \$72.4 million, which represents a 2.9 percent increase from the 2004-05 fiscal year.
- The General Fund (the primary operating fund), reflected on a current financial resources basis, ended the year with a fund balance of \$17.3 million, up from \$14.4 million in the prior year. During the current year, General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$2.9 million.
- General revenues accounted for \$227.0 million, or 89.8 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions totaled \$25.8 million, or 10.2 percent.
- The District had \$250.8 million in expenses; only \$25.8 million were offset by program specific charges, with the remainder paid from general revenues. General revenues, primarily ad valorem taxes and Florida Education Finance Program (FEFP) revenues, were used to provide for the remaining expenses of these programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

- Government-wide financial statements.
- Fund financial statements.
- Notes to financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the District's overall financial condition in a manner similar to those of a private-sector business. The statements include a statement of net assets and a statement of activities that are designed to provide consolidated financial information about the governmental activities of the primary government presented on the accrual basis of accounting. The statement of net assets provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net assets, is a measure of the financial health of the District. The statement of activities presents information about the change in the District's net assets, the results of operations, during the fiscal year. An increase or decrease in net assets is an indication of whether the District's financial health is improving or deteriorating.

The government-wide statements present the District's activities in two categories:

- Governmental activities – This represents most of the District's services, including its educational programs: basic, vocational, adult, and exceptional education. Support functions such as transportation

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

and administration are also included. Local property taxes and the State's education finance program provide most of the resources that support these activities.

- Component units – The District presents 16 separate legal entities in this report including 15 charter schools and 1 foundation which are reported as discretely presented component units. Although legally separate organizations, the component units are included in this report because they meet the criteria for inclusion provided by generally accepted accounting principles.

The Alachua County School Board Leasing Corporation, (Leasing Corporation), although also a legally separate entity, was formed to facilitate financing for the acquisition of facilities and equipment for the District. Due to the substantive economic relationship between the Board and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the District's funds may be classified within one of two broad categories as discussed below.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. The financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year.

The governmental fund statements provide a detailed short-term view that may be used to evaluate the District's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities. The governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide detailed information about the District's most significant funds. The District's major funds are the General Fund, Special Revenue – Other Fund, Capital Projects – Local Capital Improvement Fund, and Capital Projects – Other Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the General Fund and the major Special Revenue Fund to demonstrate compliance with the budget.

Fiduciary Funds. Fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of external parties, such as student activity funds. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the District's own programs. In its fiduciary capacity, the District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

The District uses trust funds to account for the District's early retirement program and the J. Dale Haynie Trust, and agency funds to account for resources held for student activities and groups and for the career services award program.

The notes provide additional information that is essential for a full understanding of the data provided in the

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's net assets were \$72.4 million at June 30, 2006. The largest portion of the District's net assets (74.1 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves will not be used to liquidate these liabilities. An additional portion of the District's net assets (\$18.7 million) represents resources that are subject to external restrictions on how they may be used.

The unrestricted net assets of governmental activities represent the accumulated results of all past years' operations. The adoption of GASB Statement 34 resulted in the District having to expense its long-term compensated absences in the government-wide statements. This change in accounting principle resulted in the recording of \$20.7 million in expenses for compensated absences, which results in the shortfall of unrestricted net assets. The District will be closely monitoring its expenditures in the future to reduce its operating budget to increase its unrestricted net assets.

Net assets may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net assets as of June 30, 2005, compared to net assets as of June 30, 2004:

Table 1		
	<u>Net Assets June 30, 2005</u>	<u>Net Assets June 30, 2006</u>
Current and Other Assets	\$ 75,604,698	\$ 70,261,557
Capital Assets	163,429,825	161,964,535
Total Assets	<u>239,034,523</u>	<u>232,226,092</u>
Current and Other Liabilities	8,424,929	9,664,712
Long-term Liabilities	157,665,381	150,115,757
Total Liabilities	<u>166,090,310</u>	<u>159,780,469</u>
Net Assets:		
Invested in Capital Assets, net of related debt	56,380,817	53,706,055
Restricted	31,688,918	28,330,306
Unrestricted	(15,125,522)	(9,590,738)
Total Net Assets	<u>\$ 72,944,213</u>	<u>\$ 72,445,623</u>

The results of this year's operations for the District as a whole are reported in the Statement of Activities. Table 2 takes the information from that statement and rearranges it slightly so the reader can readily see the total revenues for the year.

As reported in the Statement of Activities, the cost of all of the governmental activities this year was \$250.8 million. The amount that the taxpayers ultimately financed for these activities was \$227.1 million because some of the cost was paid by those who benefited from the programs (\$7.3 million) or by other governments and

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

organizations who subsidized certain programs with grants and contributions (\$18.5 million). The District paid for the remaining "public benefit" portion of the governmental activities with \$83.9 million in ad valorem taxes, \$136.7 million in grants and contributions not restricted to specific programs, \$6.4 million with other general revenues. Prior year data is also presented for comparison purposes.

Table 2

	Fiscal Year Ended June 30, 2005	Fiscal Year Ended June 30, 2006
Revenues		
Program Revenues:		
Charges for Services	\$ 7,201,412	\$ 7,371,908
Operating Grants and Contributions	12,762,127	13,622,124
Capital Grants and Contributions	7,805,335	4,831,178
General Revenues:		
Ad Valorem Taxes	76,406,264	83,914,792
Grants and Contributions not Restricted	134,493,909	136,731,020
Other General Revenues	4,140,293	6,432,013
Total Revenues	242,809,339	252,903,036
Functions/Program Expenses:		
Instruction	108,746,590	112,265,962
Pupil Personnel Services	13,572,945	14,198,924
Instructional Media Services	4,326,298	4,362,134
Instruction and Curriculum Development	10,129,307	10,039,916
Instructional Staff Training	3,374,431	3,998,508
Instruction Related Technology		2,658,259
Board of Education	577,325	633,499
General Administration	1,192,818	1,101,226
School Administration	10,998,744	11,250,664
Facilities Acquisition and Construction	6,898,734	9,406,709
Fiscal Services	1,241,277	1,268,921
Food Services	10,911,574	11,382,830
Central Services	4,507,573	2,689,981
Pupil Transportation Services	11,017,822	11,694,371
Operation of Plant	19,065,032	20,401,551
Maintenance of Plant	4,600,643	4,217,778
Administrative Technology Services		1,035,091
Community Services	2,768,636	2,946,429
Interest on Long-term Debt	6,681,408	5,909,669
Unallocated Depreciation	19,290,417	19,382,754
Total Expenses	239,901,574	250,845,178

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

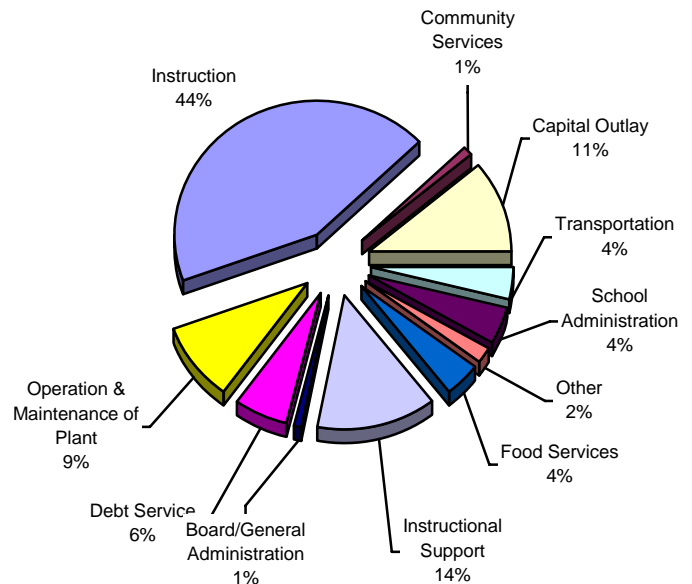
The District uses funds to help it control and manage money for particular purposes. Looking at the funds helps the reader consider whether the District is being accountable for the resources taxpayers and others provide to it but may also give the reader more insight into the District's overall financial health. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

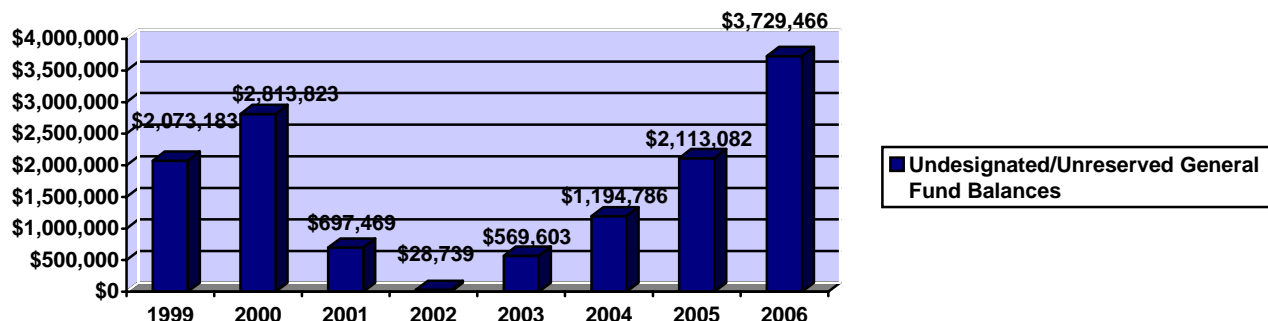
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

As of June 30, 2006, the District's governmental funds reported a combined fund balance of \$59.7 million, which is a decrease of \$7.4 million from the prior year. The over-all decrease is principally due to facility acquisition and construction from funds raised in previous years. The chart to the right shows the percentage of governmental fund expenditures by function for the fiscal year ended June 30, 2006.

As a result of prior year deteriorating financial conditions, the School Board adopted a fund balance reserve policy to target a fund balance reserve of 4% of the recurring expenditure budget. Several measures have had a positive impact in reaching this goal, and the School Board's effort to improve the financial stability of the district is readily apparent. The fund balance of the General Fund, which is the chief operating fund of the District, for fiscal years ending in 2004, 2005 and 2006 are \$12.9 million, \$14.5 and \$17.3 million, respectively.



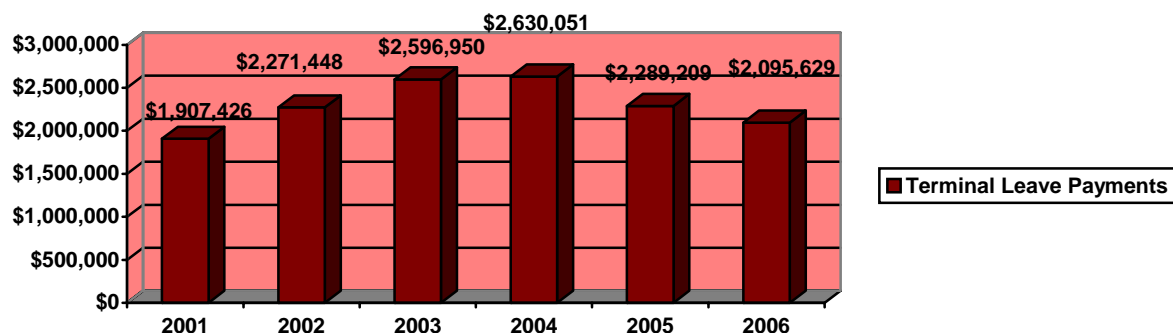
Unreserved/Undesignated General Fund Balances. The School Board has been addressing the District's weak financial condition. The District's unreserved/undesignated General Fund balance has increased to \$3.7 million at June 30, 2006 from a low of \$29 thousand at June 30, 2002. Several factors impacting the District's weak financial position include increased terminal leave payments and increased insurance costs as shown in the graphs under the headings *Terminal Leave Payments* and *Property Casualty Insurance Premium Increases*. Other factors include decreases in overall enrollment, weak investment earnings and increases in charter school enrollment. Due to the enactment of Fund Balance Policy 7.01[2] and the implementation of the Budget Stabilization Plan the District has experienced a recent increase in unreserved/undesignated fund balance. Following is an eight-year history of the District's unrestricted/undesignated General Fund Balances.



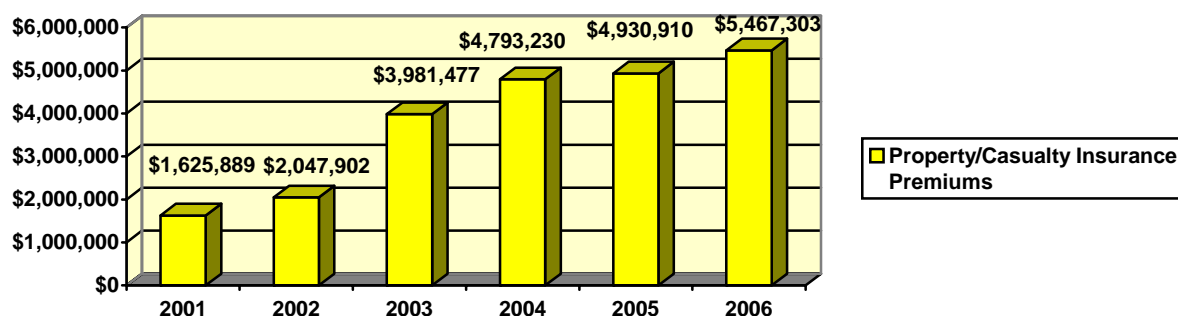
- Terminal Leave Payments.** The General Fund pays the majority of terminal leave payments to retirees. As a result of the DROP program enacted by the Legislature, the District has experienced a significant increase in these payments since the 1998/99 fiscal year. These payments have contributed to the decline in the General Fund's unrestricted/undesignated fund balances. The following chart reflects these payments over the past six years.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006



- **Property Casualty Insurance Premium Increases.** The District has experienced significant increases in insurance premiums over the past several years. The following graph depicts historical property/casualty insurance premiums of the District.



GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget and brings amendments to the Board when needed. These amendments are needed to adjust to actual revenues received and direct resources where needed. The Board approves the final amendment to the budget after year-end.

In 2005-2006, the District continued implementation of the Budget Stabilization Plan started in 2001-2002 necessitated by declining state revenues. The Board continues to focus on increasing the Fund Balance (pursuant to the Fund Balance Policy 7.01[2]) as evident in the approved 2006-2007 budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As shown in Table 4, at June 30, 2006, the District had \$161.9 million invested in a broad range of capital assets, including land, construction in progress, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, audio visual materials and computer software. This amount represents a net decrease (including additions, deletions and depreciation) of \$1.5 million from last year.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Table 4
Capital Assets at Year-End

	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Land	\$ 2,940,438	\$ 3,035,974
Construction in Progress	3,686,883	3,131,224
Improvements Other Than Buildings	24,734,010	26,811,678
Buildings and Fixed Equipment	278,382,226	292,508,428
Furniture, Fixtures and Equipment	24,025,941	24,485,763
Motor Vehicles	14,746,747	15,729,719
Audio Visual & Computer Software	5,353,777	5,647,032
Assets Under Capital Lease	7,780,564	7,780,564
Less: Accumulated Depreciation	(198,220,762)	(217,165,847)
Total Capital Assets, net	<u>\$ 163,429,824</u>	<u>\$ 161,964,535</u>

Long-term Debt

As shown in Table 5, below, at the end of this year the District had \$160.2 million in debt outstanding compared to \$170.5, a decrease of \$10.2 million, or 6%. The net decrease is attributed to the payment of \$10.3 million in principal payments.

Table 5
Long-term Debt Outstanding at Year-End

	<u>June 30, 2005</u>	<u>June 30, 2006</u>
Bonds Payable	\$ 53,890,000	\$ 46,590,000
Obligations Under Capital Lease	960,108	513,535
Certificates of Participation Payable	82,182,000	81,421,000
Compensated Absences Payable	20,633,273	20,740,690
Total	<u>\$ 157,665,381</u>	<u>\$ 149,265,225</u>

FACTORS BEARING ON THE DISTRICT'S FUTURE

The State of Florida, by constitution, does not have a state personal income tax and therefore the state operates primarily using sales, gasoline and corporate income taxes. State funds to school districts are provided primarily by legislative appropriations from the state's general revenue funds under the FEFP. The level of tourism in the state heavily influences the amount collected. Significant changes in the anticipated amount of revenues collected by the state could directly impact the revenue allocation to the District.

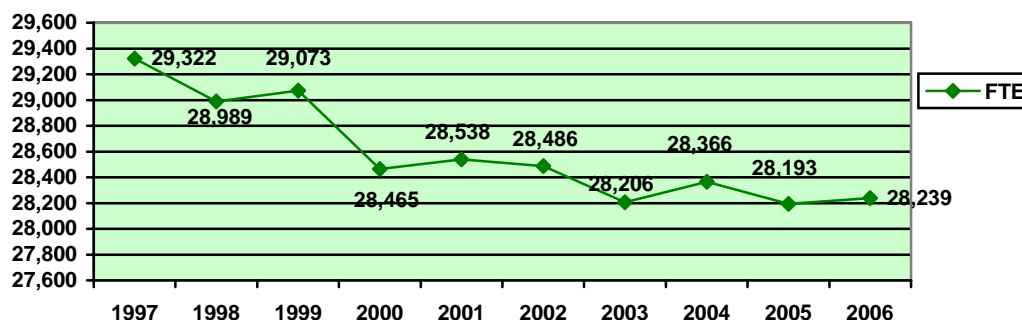
Revenues from State sources for current operations are primarily from the Florida Education Finance Program (FEFP) administered by the Florida Department of Education (Department) under the provisions of Florida Statutes. The focus of the FEFP bases financial support for education upon the individual student participating in a particular educational program rather than upon the number of teachers or classrooms. FEFP funds are primarily generated by multiplying the number of full-time equivalent students (FTEs) in each of the educational programs by cost factors to obtain weighted FTEs. Weighted FTEs are then multiplied by a base student allocation and by a district cost differential in the major calculation to determine the State and local FEFP funds. Program cost factors are determined by the Legislature and represent relative cost differences among the FEFP programs.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

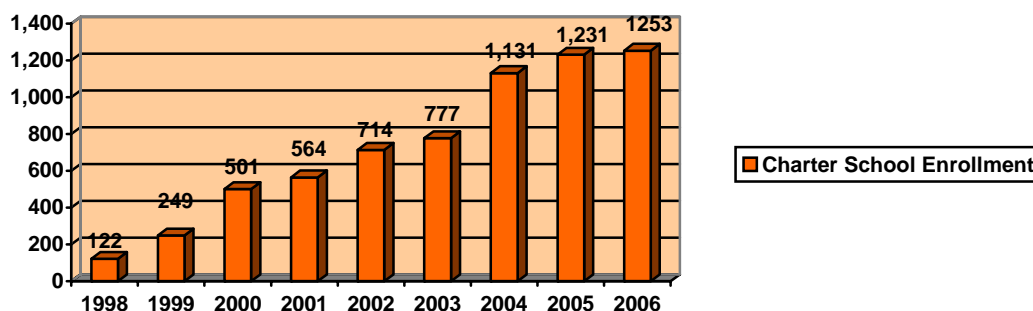
MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

SIGNIFICANT ECONOMIC FACTORS

Student Enrollment and Funding. Revenues from State sources comprise 64.8% of total available resources of the general fund. As shown in the following chart, the District has experienced a general decline in FTE, which is used for funding purposes, over the past several years. Although the District's enrollment increased slightly during the past year, the District has projected that a general decline in FTE will continue for the next several years.



Charter School Student Enrollment and Funding. Included in the pupil population for Alachua County are fifteen Charter Schools, which are public schools that are operated by independent governing bodies under contract with the School Board. The purpose of charter schools is to improve student learning through the use of different and innovative teaching strategies. For the fiscal year ending June 30, 2006, the District had 1,253 students enrolled in Charter Schools having a budgetary impact on the general operating budget in excess of \$2.5 million dollars. The following chart shows the growth of charter school enrollment.



Local Support

Local revenue for school support is derived almost entirely from property taxes. Each of the 67 school districts in the state is a countywide district.

Each school board participating in the state allocation of funds for current operation of schools must levy the millage set for its required local effort taxes. Each district's share of the state total of required local effort is determined by a statutory procedure that is initiated by certification of the property tax valuations of each district by the Department of Revenue. These rates are primarily determined by dividing the dollar amount of required local effort by 95 percent of the aggregated taxable value for school purposes of all districts. Certifications vary due to the use of assessment ratios designed to equalize the effort on the FEFP of differing levels of property appraisal in the counties. Millage rates are also adjusted because required local effort may not exceed 90 percent of a district's total FEFP entitlement.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

School boards may set discretionary tax levies of the following types:

1. Capital Outlay and Maintenance. Schools boards may levy up to 2.000 mills for new construction and remodeling, site improvement or expansion to new sites, existing sites, auxiliary facilities, maintenance, renovation, and repair of existing school plants; purchase of new and replacement equipment; school bus purchases, driver education vehicles, security vehicles, and vehicles used for maintenance or operation of plants and equipment or in storing or distributing materials and equipment. Payments for lease-purchase agreements for educational facilities and sites are authorized in an amount not to exceed one-half the proceeds of the millage levied under this authority. Proceeds may also be used to repay loans authorized under Florida Statutes, payments of costs directly related to complying with state and federal environmental statutes and regulations governing school facilities, and payment of costs of leasing portable educational facilities and of renting or leasing educational facilities and sites.
2. Current Operations. The Legislature set the maximum discretionary current operation millage for 2004-2005 at 0.510 mills; however, districts may make an additional supplemental levy, not to exceed 0.250 mills, which will raise an amount not to exceed \$100 per FTE student. For Alachua County Schools in 2005-2006, this millage was limited to 0.250 mills.

In addition to the board-set levies, qualified electors may vote an additional millage levy for operations and capital outlay purposes. Tax levies for debt service are in addition to the levies for current operation but are limited by State Board of Education Rule to 6.000 mills and 20 years duration except with specific State Board approval. Qualified electors may vote for a local bond issue to be retired by a millage levy.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact:

T. Scott Ward, Chief Financial Officer
The School District of Alachua County, Florida
620 East University Avenue
Gainesville, Florida 32601.

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
STATEMENT OF NET ASSETS
June 30, 2006

Primary Government			
ASSETS	Account Number	Governmental Activities	Component Units
Cash and Cash Equivalents	1110	1,371,880.59	2,124,451.86
Investments	1160	61,556,234.99	550,323.12
Accounts Receivable, Net	1130	67,189.01	28,776.84
Interest Receivable	1170		920.00
Deposits Receivable	1210		17,050.23
Due from Other Agencies	1220	5,041,035.06	269,747.98
Internal Balances		450,375.76	
Inventory	1150	1,735,640.55	725.00
Prepaid Items	1230	39,201.34	41,034.70
Capital Assets:			
Land	1310	3,035,974.25	148,332.00
Land Improvements - Nondepreciable	1315		103,703.00
Construction in Progress	1360	3,131,224.30	1,327.00
Improvements Other Than Buildings	1320	26,811,678.14	513,883.74
Less Accumulated Depreciation	1329	(13,070,542.65)	(138,691.48)
Buildings and Fixed Equipment	1330	292,508,428.29	1,677,063.56
Less Accumulated Depreciation	1339	(160,191,724.96)	(244,495.00)
Furniture, Fixtures and Equipment	1340	24,485,762.76	845,364.18
Less Accumulated Depreciation	1349	(15,641,322.99)	(470,321.66)
Motor Vehicles	1350	15,729,718.56	22,681.00
Less Accumulated Depreciation	1359	(15,328,048.03)	(18,144.00)
Property Under Capital Leases	1370	7,780,564.00	254,729.40
Less Accumulated Depreciation	1379	(7,631,373.57)	(21,282.71)
Audio Visual Materials	1381		965.18
Less Accumulated Depreciation	1388		
Computer Software	1382	5,647,031.96	2,375.00
Less Accumulated Amortization	1389	(5,302,835.03)	
Total Assets		232,226,092.33	5,710,518.94
LIABILITIES AND NET ASSETS			
LIABILITIES			
Salaries and Wages Payable	2110	234,128.81	95,403.23
Payroll Deductions and Withholdings	2170	4,555,981.12	10,538.86
Accounts Payable	2120	1,588,472.77	206,833.43
Construction Contracts Payable	2140	2,195,807.15	
Deposits Payable	2220	35,526.28	
Due to Other Agencies	2230	1,054,795.96	133.00
Noncurrent Liabilities:			
Portion Due Within One Year:			
Section 1011.13, F.S., Notes Payable	2250		
Notes Payable	2310		33,354.00
Bonds Payable	2320	7,535,000.00	
Obligations Under Capital Leases	2315	472,891.00	45,558.00
Liability for Compensated Absences	2330	8,572,498.06	2,900.00
Certificates of Participation Payable	2340	2,660,000.00	
Deferred Revenue	2410	850,531.28	99,153.00
Portion Due After One Year:			
Notes Payable	2310		529,688.00
Bonds Payable	2320	39,055,000.00	
Obligations Under Capital Leases	2315	40,644.28	108,385.00
Liability for Compensated Absences	2330	12,168,191.95	4,600.00
Certificates of Participation Payable	2340	78,761,000.00	
Total Liabilities		159,780,468.66	1,136,546.52
NET ASSETS			
Invested in Capital Assets, Net of Related Debt		53,706,055.33	1,966,999.21
Restricted For:			
Categorical Carryover Programs	2710	3,168,125.65	
Debt Service	2750	4,675,591.94	
Capital Projects		12,253,676.89	236,807.71
Other Purposes		8,232,911.44	624,475.63
Unrestricted		(9,590,737.58)	1,745,689.87
Total Net Assets		72,445,623.67	4,573,972.42
Total Liabilities and Net Assets		232,226,092.33	5,710,518.94

The notes to the financial statements are an integral part of this statement.

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DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
STATEMENT OF ACTIVITIES
June 30, 2006

FUNCTIONS	Account Number	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
						Governmental Activities	
Governmental Activities:							
Instruction	5000	112,265,962.40	2,861,562.15			(109,404,400.25)	
Pupil Personnel Services	6100	14,198,923.95				(14,198,923.95)	
Instructional Media Services	6200	4,362,134.19				(4,362,134.19)	
Instruction and Curriculum Development Services	6300	10,039,915.90				(10,039,915.90)	
Instructional Staff Training Services	6400	3,998,508.44				(3,998,508.44)	
Instruction Related Technology	6500	2,658,258.60				(2,658,258.60)	
Board	7100	633,499.17				(633,499.17)	
General Administration	7200	1,101,225.95				(1,101,225.95)	
School Administration	7300	11,250,664.10				(11,250,664.10)	
Facilities Acquisition and Construction	7400	9,406,708.75			3,272,743.06	(6,133,965.69)	
Fiscal Services	7500	1,268,920.66				(1,268,920.66)	
Food Services	7600	11,382,829.65	4,304,905.37	7,249,590.04		171,665.76	
Central Services	7700	2,689,981.30				(2,689,981.30)	
Pupil Transportation Services	7800	11,694,371.46	205,440.34	6,372,534.00		(5,116,397.12)	
Operation of Plant	7900	20,401,551.35				(20,401,551.35)	
Maintenance of Plant	8100	4,217,778.30			613,697.00	(3,604,081.30)	
Administrative Technology Services	8200	1,035,091.29				(1,035,091.29)	
Community Services	9100	2,946,429.19				(2,946,429.19)	
Interest on Long-term Debt	9200	5,909,669.47			944,737.72	(4,964,931.75)	
Unallocated Depreciation/Amortization Expense*		19,382,753.64				(19,382,753.64)	
Total Governmental Activities		250,845,177.76	7,371,907.86	13,622,124.04	4,831,177.78	(225,019,968.08)	
Component Units:							
Charter Schools/Foundations		9,331,515.07	206,451.47	69,574.00	395,054.00		(8,660,435.60)
Total Component Units		9,331,515.07	206,451.47	69,574.00	395,054.00		(8,660,435.60)

General Revenues

Taxes:

Property Taxes, Levied for Operational Purposes

Property Taxes, Levied for Debt Service

Property Taxes, Levied for Capital Projects

Grants and Contributions Not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues, Special Items, Extraordinary Items, and Transfers

Change in Net Assets

Net Assets - July 1, 2005

Net Assets - June 30, 2006

56,794,620.43	
8,548,192.79	
18,571,979.21	
136,731,020.25	8,465,703.49
3,848,035.22	78,992.46
2,583,978.06	96,345.19
227,077,825.96	8,641,041.14
2,057,857.88	(19,394.46)
70,387,765.79	4,593,366.88
72,445,623.67	4,573,972.42

*This amount excludes the depreciation/amortization that is included in the direct expenses of the various functions.

The notes to the financial statements are an integral part of this statement.

ESE 145

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2006

	Account Number	General 100	Other Federal Programs 420	Capital Improvement Section 1011.71(2) F.S. 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	1110	274,375.56	71,885.95	684,464.83	56.02	341,098.23	1,371,880.59
Investments	1160	20,026,289.58	601,092.63	10,602,796.75	24,150,231.62	6,175,824.41	61,556,234.99
Accounts Receivable, Net	1130	0.00	0.00	0.00	0.00	67,189.01	67,189.01
Due From Other Funds:							
Budgetary Funds	1141	483,132.84	41.94	1,045,900.00	0.00	16,038.67	1,545,113.45
Internal Funds	1142	157,094.51	0.00	0.00	0.00	0.00	157,094.51
Due from Other Agencies	1220	417,696.28	896,310.45	6,332.45	2,389,243.00	1,331,452.88	5,041,035.06
Inventory	1150	1,308,524.56	0.00	0.00	0.00	427,115.99	1,735,640.55
Prepaid Items	1230	819.75	0.00	38,381.59	0.00	0.00	39,201.34
Total Assets		22,667,933.08	1,569,330.97	12,377,875.62	26,539,530.64	8,358,719.19	71,513,389.50
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Salaries, Benefits and Payroll Taxes Payable	2110	231,488.37	2,640.44	0.00	0.00	0.00	234,128.81
Payroll Deductions and Withholdings	2170	4,381,608.24	148,486.79	0.00	0.00	25,886.09	4,555,981.12
Accounts Payable	2120	685,053.09	301,821.49	408,666.23	122,803.96	70,128.00	1,588,472.77
Judgments Payable	2130	0.00	0.00	0.00	0.00	0.00	0.00
Construction Contracts Payable	2140	0.00	0.00	266,829.30	1,291,607.41	157,182.60	1,715,619.31
Construction Contracts Payable-Retained Percentage	2150	0.00	0.00	112,391.40	345,919.13	21,877.31	480,187.84
Deposits Payable	2220	35,526.28	0.00	0.00	0.00	0.00	35,526.28
Due to Other Agencies	2230	3,914.65	1,050,881.31	0.00	0.00	0.00	1,054,795.96
Due to Other Funds:							
Budgetary Funds	2161	16,080.61	65,500.94	253,177.85	760,590.87	156,463.18	1,251,813.45
Internal Funds	2162	18.75	0.00	0.00	0.00	0.00	18.75
Deferred Revenue	2410	0.00	0.00	0.00	797,070.00	53,461.28	850,531.28
Total Liabilities		5,353,689.99	1,569,330.97	1,041,064.78	3,317,991.37	484,998.46	11,767,075.57
FUND BALANCES							
Reserved for:							
State Required Carryover Programs	2710	1,250,047.25	0.00	0.00	1,918,078.40	0.00	3,168,125.65
Encumbrances	2720	2,728,380.13	0.00	4,843,666.72	8,764,021.68	669,795.53	17,005,864.06
Inventory	2730	1,308,524.56	0.00	0.00	0.00	427,115.99	1,735,640.55
Other Purposes		8,297,824.96	0.00	0.00	0.00	0.00	8,297,824.96
Unreserved, Reported in:							
General Fund	2760	3,729,466.19	0.00	0.00	0.00	0.00	3,729,466.19
Special Revenue Funds	2760	0.00	0.00	0.00	0.00	1,850,183.76	1,850,183.76
Debt Service Funds	2760	0.00	0.00	0.00	0.00	4,675,591.94	4,675,591.94
Capital Projects Funds	2760	0.00	0.00	6,493,144.12	12,539,439.19	251,033.51	19,283,616.82
Total Fund Balances	2700	17,314,243.09	0.00	11,336,810.84	23,221,539.27	7,873,720.73	59,746,313.93
Total Liabilities and Fund Balances		22,667,933.08	1,569,330.97	12,377,875.62	26,539,530.64	8,358,719.19	71,513,389.50

The notes to the financial statements are an integral part of this statement.

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2006

Total Fund Balances - Governmental Funds	59,746,313.93
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	161,964,535.03
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	<u>(149,265,225.29)</u>
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Total Net Assets - Governmental Activities	<u><u>72,445,623.67</u></u>
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The notes to the financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
June 30, 2006

	Account Number	General 100	Other Federal Programs 420	Capital Improvement Section 1011.71(2) F.S. 370	Other Capital Projects 390	Other Governmental Funds	Total Governmental Funds
REVENUES							
Federal Direct	3100	149,297.17	5,459,960.83	0.00	0.00	0.00	5,609,258.00
Federal Through State and Local	3200	807,273.79	18,009,442.84	0.00	0.00	7,032,025.04	25,848,741.67
State Sources	3300	118,693,735.28	0.00	0.00	505,616.00	4,526,971.12	123,726,322.40
Local Sources	3400	63,448,787.79	0.00	19,248,313.29	1,133,160.30	13,864,494.64	97,694,756.02
Total Revenues		183,099,094.03	23,469,403.67	19,248,313.29	1,638,776.30	25,423,490.80	252,879,078.09
EXPENDITURES							
Current:							
Instruction	5000	101,983,634.61	11,678,711.25	0.00	0.00	0.00	113,662,345.86
Pupil Personnel Services	6100	11,602,366.00	2,780,409.54	0.00	0.00	0.00	14,382,775.54
Instructional Media Services	6200	4,413,442.95	8,033.14	0.00	0.00	0.00	4,421,476.09
Instruction and Curriculum Development Services	6300	5,559,331.41	4,614,350.52	0.00	0.00	0.00	10,173,681.93
Instructional Staff Training Services	6400	1,624,213.87	2,415,892.94	0.00	0.00	0.00	4,040,106.81
Instruction Related Technology	6500	2,606,374.30	82,269.02	0.00	0.00	0.00	2,688,643.32
Board	7100	636,533.26	0.00	0.00	0.00	0.00	636,533.26
General Administration	7200	740,703.07	370,374.69	0.00	0.00	0.00	1,111,077.76
School Administration	7300	11,349,529.46	64,081.11	0.00	0.00	0.00	11,413,610.57
Facilities Acquisition and Construction	7410	586,997.50	10,987.92	7,250,645.29	1,307,424.99	20,197.35	9,176,253.05
Fiscal Services	7500	1,242,396.83	44,314.67	0.00	0.00	0.00	1,286,711.50
Food Services	7600	0.00	0.00	0.00	0.00	11,457,969.11	11,457,969.11
Central Services	7700	2,621,820.42	102,469.17	0.00	0.00	0.00	2,724,289.59
Pupil Transportation Services	7800	9,778,453.39	235,423.11	0.00	0.00	0.00	10,013,876.50
Operation of Plant	7900	20,365,613.10	129,038.23	0.00	0.00	0.00	20,494,651.33
Maintenance of Plant	8100	4,267,761.55	0.00	0.00	0.00	0.00	4,267,761.55
Administrative Technology Services	8200	1,049,137.25	0.00	0.00	0.00	0.00	1,049,137.25
Community Services	9100	2,983,645.17	0.00	0.00	0.00	0.00	2,983,645.17
Debt Service: (Function 9200)							
Retirement of Principal	710	0.00	0.00	3,001,397.02	0.00	7,300,000.00	10,301,397.02
Interest	720	0.00	0.00	3,645,787.89	0.00	2,068,235.00	5,714,022.89
Dues, Fees and Issuance Costs	730	0.00	0.00	35,463.75	45,000.00	115,358.81	195,822.56
Miscellaneous Expenditures	790	0.00	0.00	0.00	0.00	0.00	0.00
Capital Outlay:							
Facilities Acquisition and Construction	7420	56,864.91	0.00	1,199,556.33	13,825,338.48	526,819.37	15,608,579.09
Other Capital Outlay	9300	1,213,804.63	933,048.36	1,438,005.82	725,255.53	16,008.64	4,326,122.98
Total Expenditures		184,682,623.68	23,469,403.67	16,570,856.10	15,903,019.00	21,504,588.28	262,130,490.73
Excess (Deficiency) of Revenues Over (Under) Expenditures		(1,583,529.65)	0.00	2,677,457.19	(14,264,242.70)	3,918,902.52	(9,251,412.64)
OTHER FINANCING SOURCES (USES)							
Certificates of Participation Issued	3750	0.00	0.00	0.00	1,794,000.00	0.00	1,794,000.00
Loss Recoveries	3740	21,077.55	0.00	2,880.00	0.00	0.00	23,957.55
Transfers In	3600	4,500,000.00	0.00	0.00	200,000.00	647,120.10	5,347,120.10
Transfers Out	9700	(50,770.10)	0.00	(2,475,095.00)	0.00	(2,821,255.00)	(5,347,120.10)
Total Other Financing Sources (Uses)		4,470,307.45	0.00	(2,472,215.00)	1,994,000.00	(2,174,134.90)	1,817,957.55
		0.00	0.00	0.00	0.00	0.00	0.00
Net Change in Fund Balances		2,886,777.80	0.00	205,242.19	(12,270,242.70)	1,744,767.62	(7,433,455.09)
Fund Balances, July 1, 2005	2800	14,458,534.41	0.00	11,131,568.65	35,491,781.97	6,128,953.11	67,210,838.14
Adjustment to Fund Balances	2891	(31,069.12)	0.00	0.00	0.00	0.00	(31,069.12)
Fund Balances, June 30, 2006	2700	17,314,243.09	0.00	11,336,810.84	23,221,539.27	7,873,720.73	59,746,313.93

The notes to the financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
June 30, 2006

Net Change in Fund Balances - Governmental Funds (7,433,455.09)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense in excess of capital outlays in the current period. (1,465,289.59)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments in the current period. 10,956,602.56

Change in Net Assets of Governmental Activities 2,057,857.88

The notes to the financial statements are an integral part of this statement.
ESE 145

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2006

	Account Number	Private-Purpose Trust Funds 85X	Pension Trust Funds 87X	Agency Funds 89X
ASSETS				
Cash and Cash Equivalents	1110	0.00	83.16	2,725,193.59
Investments	1160	487,507.02	3,339,599.65	1,285.70
Accounts Receivable, Net	1130	0.00	0.00	161,136.27
Due from Other Agencies	1220	0.00	0.00	9,405.05
Total Assets		487,507.02	3,339,682.81	2,897,020.61
LIABILITIES				
Salaries, Benefits and Payroll Taxes Payable	2110	0.00	(132.47)	0.00
Accounts Payable	2120	0.00	0.00	71,939.01
Internal Accounts Payable	2290	0.00	0.00	2,668,005.84
Due to Other Funds-Budgetary	2161	0.00	293,300.00	157,075.76
Total Liabilities		0.00	293,167.53	2,897,020.61
NET ASSETS				
Assets Held in Trust for Pension Benefits		487,507.02	3,046,515.28	
Total Net Assets		487,507.02	3,046,515.28	

The notes to the financial statements are an integral part of this statement.

ESE 145

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2006

	Account Number	Private-Purpose Trust Funds 85X	Pension Trust Funds 87X
ADDITIONS			
Contributions:			
Employer		0.00	437,251.34
Investment Earnings:			
Interest	3431	20,881.41	71,516.15
Gain on Sale of Investments	3432	0.00	40,491.07
Net Increase (Decrease) in the Fair Value of Investments	3433	0.00	61,527.98
Total Investment Earnings		20,881.41	173,535.20
Net Investment Earnings		20,881.41	173,535.20
Total Additions		20,881.41	610,786.54
DEDUCTIONS			
Employee Benefits	200	0.00	552,017.46
Purchased Services	300	0.00	8,530.00
Total Deductions		0.00	560,547.46
Change In Net Assets		20,881.41	50,239.08
Net Assets - July 1, 2005	2885	466,625.61	2,996,276.20
Net Assets - June 30, 2006	2785	487,507.02	3,046,515.28

The notes to the financial statements are an integral part of this statement.
ESE 145

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- **Reporting Entity**

The District School Board has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Alachua County School District is considered part of the Florida system of public education. The governing body of the school district is the Alachua County District School Board, which is composed of five elected members. The appointed Superintendent of Schools is the executive officer of the School Board. Geographic boundaries of the District correspond with those of Alachua County.

Criteria for determining if other entities are potential component units which should be reported within the District's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. The application of these criteria provides for identification of any entities for which the District School Board is financially accountable and other organizations for which the nature and significance of their relationship with the School Board are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. Based on the application of these criteria, the following component unit(s) are included within the District School Board's reporting entity:

- **Blended Component Unit.** The Alachua County School Board Leasing Corporation was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 6. Due to the substantive economic relationship between the Alachua County District School Board and the Leasing Corporation, the financial activities of the Leasing Corporation are included in the accompanying general purpose financial statements and separate financial statements are not published.
- **Discretely Presented Component Units.** The component unit columns in the general purpose financial statements include the financial data of the Alachua County Public Schools Foundation, Inc.; the Micanopy Area Cooperative School, Inc.; the One Room School House Project, Inc.; the Caring and Sharing Learning School, Inc.; the Alachua Learning Center, Inc.; the Love to Learn Educational Center, Inc.; the Expressions Learning Arts Academy, Inc.; the Einstein Montessori School, Inc.; the Genesis Preparatory School Inc.; the Oasis Enrichment Academy; the Hoggetowne Middle School, Inc.; Martin Luther King Academy, Inc.; Desoto High School, Inc.; Florida School for Integrated Academics and Technology, Inc.; Micanopy Middle School; and the Healthy Learning Academy.

The Foundation was formed to provide charitable and educational aid to the School Board, to promote education, and to encourage research, learning, and dissemination of information. An annual postaudit of the organization's financial statements is conducted by an independent certified public accountant and is filed in the District's administrative office.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

The Charter Schools are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, The Florida Not For Profit Corporation Act, and Section 228.056, Florida Statutes. The Charter Schools operate under charters approved by their sponsor, the Alachua County District School Board. The financial data reported on the accompanying financial statements was derived from the compiled general-purpose financial statements of the Charter Schools for the fiscal year ended June 30, 2006, which are on file at the District's administrative office.

- **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and statement of activities, present information about the School District as a whole. These statements include the non-fiduciary financial activity of the primary government and its component units.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

The effects of inter-fund activity have been eliminated from the government-wide financial statements

Fund Financial Statements - Fund financial statements report detailed information about the District in the governmental, proprietary, and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District reports the following major governmental funds:

- General Fund - to account for all financial resources not required to be accounted for in another fund, and for certain revenues from the State that are legally restricted to be expended for specific current operating purposes.
- Special Revenue - Other Fund - to account for certain Federal grant program resources.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

- Capital Projects – Other Capital Projects - to account for the financial resources primarily generated by the issuance of Certificates of Participation to be used for educational capital outlay needs, including new construction, renovation and remodeling projects and computer equipment.
- Capital Projects – Local Capital Improvement Fund - to account for the financial resources generated by the local capital improvement tax levy to be used for educational capital outlay needs, including new construction, renovation and remodeling projects, and debt service payments on capital leases for relocatable school buildings.

Additionally the District reports the following fund types:

- Pension Trust Fund - to account for resources used to finance the early retirement program.
- Private-Purpose Trust Fund - to account for resources of the Dale Haynie Trust Fund.
- Agency Fund(s) - to account for resources of the career services award and the school internal funds which are used to administer moneys collected at the several schools in connection with school, student athletic, class, and club activities.

- **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within sixty days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred. The principal exceptions to this general rule are:

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

(1) prepaid items are generally not accrued; (2) interest on general long-term debt is recognized as expenditures when due; and (3) expenditures related to liabilities reported as general long-term debt are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

- **Deposits and Investments**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405, Florida Statutes and those made locally. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in the Local Government Surplus Funds Trust Fund, a Securities and Exchange Commission Rule 2a7-like external investment pool, are reported at amortized cost.

Investments made locally consist of money market funds, mutual funds, equities, and U.S. Government securities and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

- **Inventories**

Inventories consist of expendable supplies held for consumption in the course of District operations. The General Fund central stores, transportation, and maintenance inventories and the Special Revenue Funds non-food inventories are valued at cost on the moving-average basis. The Special Revenue Funds purchased food inventories are valued at final year-end contract price, which approximates cost on the first-in, first-out basis. United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than purchased.

- **Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

estimated historical cost if purchased or constructed. Donated assets are recorded at fair value at the date of donation.

Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

Capital assets are depreciated using the composite method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	9 – 37 years
Buildings and Fixed Equipment	10 – 50 years
Furniture, Fixtures and Equipment	3 – 12 years
Assets Under Capital Lease	7 – 10 years
Motor Vehicles	5 – 10 years
Audio Visual Materials and Computer Software	4 – 5 years

Current-year information relative to changes in general fixed assets is described in a subsequent note.

- **Long-Term Liabilities**

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net assets.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported in the governmental fund financial statements only for the current portion of compensated absences expected to be paid using expendable available resources.

Changes in long-term debt for the current year are reported in a subsequent note.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

- **State Revenue Sources**

Revenues from State sources for current operations are primarily from the Florida Education Finance Program administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the District determines and reports the number of full-time equivalent (FTE) students and related data to the Department. The Department performs certain edit checks on the reported number of FTE and related data, and calculates the allocation of funds to the District. The District is permitted to amend its original reporting for a period of nine months following the date of the original reporting. Such amendments may impact funding allocations for subsequent years. The Department may also adjust subsequent fiscal period allocations based upon an audit of the District's compliance in determining and reporting FTE and related data. Normally, such adjustments are treated as reductions or additions of revenue in the year when the adjustments are made.

The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for certain programs be expended only for the program for which the money is provided, and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical educational programs. The Department generally requires that categorical educational program revenues be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved in the governmental funds financial statements for the unencumbered balance of categorical educational program resources.

The State allocates gross receipts taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department. Accordingly, the District recognizes the allocation of Public Education Capital Outlay as deferred revenue until such time as an encumbrance authorization is received.

A schedule of revenue from State sources for the current year is presented in a subsequent note.

- **District Property Taxes**

The School Board is authorized by State law to levy property taxes for district school operations, capital improvements, and debt service.

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Alachua County Property Appraiser, and property taxes are collected by the Alachua County Tax Collector.

The School Board adopted the 2005 tax levy on September 9, 2005. Tax bills are mailed in October and taxes are payable between November 1 of the year

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

Taxes become delinquent on April 1 of the year following the year of assessment. State law provides for enforcement of collection of personal property taxes by seizure of the property to satisfy unpaid taxes, and for enforcement of collection of real property taxes by the sale of interest-bearing tax certificates to satisfy unpaid taxes. The procedures result in the collection of essentially all taxes prior to June 30 of the year following the year of assessment.

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Alachua County Tax Collector at fiscal year-end but not yet remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued and no delinquent tax revenue deferral is recorded.

Millages and taxes levied for the current year are presented in a subsequent note.

- **Federal Revenue Sources**

The District receives Federal awards for the enhancement of various educational programs. Federal awards are generally received based on applications submitted to, and approved by, various granting agencies. For Federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

- **Budgetary Information**

The Board follows procedures established by State statutes and State Board of Education rules in establishing budget balances for governmental funds as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g., instruction, pupil personnel services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

3. INVESTMENTS

As of June 30, 2005, the District had the following investments and maturities:

Investment	Maturities	Fair Value
Investment in State Board of Administration Pool	54 Day Average	\$ 34,513,509.57
Evergreen Instl Treasury Money Market Fund	30 Day Average	27,042,725.42
Total Investments, Primary Government		61,556,234.99
Fiduciary Funds:		
Investment in State Board of Administration Pool	54 Day Average	\$ 488,792.72
USB Global - RMA Money Market Portfolio	Less Than 3 Months	121,722.12
USB Global - SMA Relationship Trust Mutual Fund	3.61 Years	970,009.20
USB Global - Equities		1,749,622.01
USB Global - United States Government Securities	January 2007 - May 2030	498,246.32
		\$ 3,828,392.37
Total Investments, Reporting Entity		\$ 65,384,627.36

Interest Rate Risk

Section 218.415(17), Florida Statutes, limits investments maturities to provide sufficient liquidity to pay obligations as they come due.

Credit Risk

Section 218.415(17), Florida Statutes, limits investments in money market funds to Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency, and investments in interest-bearing time deposits to qualified public depositories, as defined in Section 280.02, Florida Statutes.

As of June 30, 2005, the District's investment in the Local Government Surplus Funds Trust fund investment pool was unrated.

The District's investment in the Evergreen Institutional Treasury Money Market Fund were rated Aaa by Moody's investor services. Investments in the USB Global – RMA Money Market Fund were rated AAA, and investments in USB Global – SMA Relationship Trust Mutual Fund were rated AA1 by Moody's investor services,

Custodial Credit Risk

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Section 218.415(18), Florida Statutes, requires the District to earmark all investments and 1) if registered with the issuer or its agents, the investment must be immediately placed for safekeeping in a location that protects the governing body's interest in the security; 2) if in book entry form, the investment must be held for the credit of the governing body by a depository chartered by the Federal Government, the State, or any other state or territory of the United States which has a branch or principal place of business in this State, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this State, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or 3) if physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault.

Of the District's \$1,749,622.01 investment in equities, all are held by the investment's counterparty, not in the name of the District.

Of the District's \$498,246.32 investment in United States Government Securities, all are held by the investment's counterparty, not in the name of the District.

Concentration of Credit Risk

Section 218.45(8), Florida Statutes, requires the District to diversify investments to the extent practicable to control risk of loss resulting from over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold.

Foreign Currency Risk

The District's policy does not address investment in foreign currency.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

4. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below:

Capital Assets Not Being Depreciated:				
Land	\$ 2,940,438.16	\$ 95,536.09	\$ -	\$ 3,035,974.25
Construction in Progress	3,686,882.69	15,648,212.10	16,203,870.49	3,131,224.30
Total Capital Assets Not Being Depreciated	6,627,320.85	15,743,748.19	16,203,870.49	6,167,198.55
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	24,734,009.82	2,077,668.32		26,811,678.14
Buildings and Fixed Equipment	278,382,226.12	14,126,202.17		292,508,428.29
Furniture, Fixtures, and Equipment	24,025,940.85	2,160,198.69	1,700,376.78	24,485,762.76
Motor Vehicles	14,746,747.21	1,371,550.10	388,578.75	15,729,718.56
Property Under Capital Lease	7,780,564.00			7,780,564.00
Audio-Visual Materials and Computer Software	5,353,777.35	428,731.31	135,476.70	5,647,031.96
Total Capital Assets Being Depreciated	355,023,265.35	20,164,350.59	2,224,432.23	372,963,183.71
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	11,732,432.72	1,338,109.93		13,070,542.65
Buildings and Fixed Equipment	147,608,848.34	12,582,876.62		160,191,724.96
Furniture, Fixtures, and Equipment	14,095,795.16	3,245,904.61	1,700,376.78	15,641,322.99
Motor Vehicles	13,532,633.52	2,183,993.26	388,578.75	15,328,048.03
Property Under Capital Lease	7,002,349.44	629,024.13		7,631,373.57
Audio-Visual Materials and Computer Software	4,248,702.40	1,189,609.33	135,476.70	5,302,835.03
Total Accumulated Depreciation	198,220,761.58	21,169,517.88	2,224,432.23	217,165,847.23
Total Capital Assets Being Depreciated, Net	156,802,503.77	(1,005,167.29)	-	155,797,336.48
Governmental Activities Capital Assets, Net	\$ 163,429,824.62	\$ 14,738,580.90	\$ 16,203,870.49	\$ 161,964,535.03

The classes of property under capital leases are presented in Note 6.

Depreciation expense was charged to functions as follows:

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Pupil Transportation Services	\$ 1,786,764.24
Unallocated	<u>19,382,753.64</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 21,169,517.88</u>

5. OBLIGATIONS UNDER CAPITAL LEASES

The District entered into a Performance Agreement on November 20, 1996, to increase operating efficiency of the District's schools. The agreement is for the installation of quality control equipment for the conservation of energy and equipment performance. The amount financed under this arrangement totaled \$3,580,564. Repayment is to be made over ten years in monthly principal and interest payments.

The District entered into an Energy Agreement for the installation of quality air ventilation systems for Kimball Wiles Elementary, Talbot Elementary and Hidden Oak Elementary Schools on April 1, 1997. The amount financed under this arrangement totaled \$4,200,000. Repayment is to be made over ninety-three months in monthly principal and interest payments.

Future minimum capital lease payments and the present value of the minimum lease payments as of June 30 are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2007	490,055.59	472,891.00	17,164.59
2008	<u>40,837.70</u>	<u>40,643.28</u>	<u>194.42</u>
Total Minimum Lease Payments	<u>\$ 530,893.29</u>	<u>\$ 513,534.28</u>	<u>\$ 17,359.01</u>

The imputed interest rates range from 5.74 to 5.83 percent.

6. CERTIFICATES OF PARTICIPATION

The District entered into financing arrangements on December 15, 1997, May 1, 1998, May 18, 2001, October 25, 2001, and May 1, 2004, which arrangements were characterized as lease-purchase agreements, with the Alachua County School Board Leasing Corporation whereby the District secured financing of various educational facilities and equipment in the amounts of \$19,225,000 (Series 1997), \$13,690,000 (Series 1997A), \$12,640,000 (Series 1998), \$24,200,000 (Series 2001), \$5,147,000 (Series 2001 – QZAB), \$20,150,000 (Series 2004), \$1,794,000 (Series 2005). The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the District. The Series 1997A Certificates of Participation were issued to refund the Series 1994 Certificates of Participation.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

As a condition of the financing arrangements, the District has given ground leases on District property to the Alachua County School Board Leasing Corporation, with rental fees of \$1 per year. The initial terms of the leases end on the earlier of June 30, 2029, or the date on which the certificates are paid in full; however, if lease obligations remain outstanding the ground leases may be renewed for additional terms of five years. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates as specified by the arrangement.

The ground lease under the 1997 issue includes District properties on which the Kanapaha Middle School, Stephen Foster Elementary Food Service Building, Williams Elementary Food Service Building, Eastside High School Academy of Building Construction, Lofton Center Academy of Building Construction, Newberry High School Criminal Justice Center, Hawthorne High School Animal Production Center, Santa Fe High School Academy of Veterinary Technology Lab and Chiles Elementary School have been built. The ground lease under the 1998 issue includes District properties on which the Buchholz High School Parking Lot and Site Improvements; Gainesville High School Property Purchase, Tennis Court, and Parking and Traffic Improvements; Archer Community Elementary Food Service Facility; Mebane Middle School Additions; and Westwood Middle School Additions are located. The ground lease improvements under the 2001 issue includes the following District's properties: Shell Elementary School Food Service and Dining Facilities, Kanapaha Middle School Exceptional Building for Physically-Impaired (PI), Spring Hill Middle School Classrooms and Dining Facilities, Eastside High School Classroom and Administrative Facilities, Sidney Lanier Center Classrooms and Dining Facilities, High School Tennis Courts at on following High School Campuses: Buchholz, Eastside, Hawthorne, Lofton, Newberry and Santa Fe, Glen Springs Elementary School Food Service and Art and Music Facilities, Bishop Middle School Classrooms and Laboratories, Westwood Middle School Food Service and Multi-purpose Building, and Parking Upgrades at Kirby-Smith Center. The lease under the Series 2001-QZAB issue includes computer equipment purchased throughout the District. The ground lease improvements under the 2004 issue includes the following District's properties: Wile Elementary School Classrooms, Hidden Oak Elementary School Classrooms, Morton Elementary School Classrooms, Talbot Elementary Classrooms, Newberry Elementary School Classrooms, Rawlings Elementary School Food Service Facilities and Multi-purpose Building, Hawthorne Middle/High School Classroom Remodeling, Horizon Center Classrooms and Support Facilities, Lofton High/Horizon Center Gymnasium/Multi-purpose Building, and Lofton High School Food Service Improvements. The lease under the Series 2005-QZAB issue includes computer equipment purchased at various schools throughout the District.

The lease payments are payable by the District, semiannually, on July 1 and January 1 at interest rates ranging from 0.00 (for the 2001-QZAB and 2005-QZAB series discussed below) to 5.00 percent. The following is a schedule by years of future minimum lease payments under the lease agreement together with the present value of minimum lease payments as of June 30:

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

<u>Fiscal Year Ending June 30</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 6,151,282.50	\$ 2,660,000.00	\$ 3,491,282.50
2008	6,152,357.50	2,775,000.00	3,377,357.50
2009	6,152,090.00	2,885,000.00	3,267,090.00
2010	6,155,150.00	2,995,000.00	3,160,150.00
2011	6,151,525.00	3,105,000.00	3,046,525.00
2012-2016	35,909,726.00	22,737,000.00	13,172,726.00
2017-2021	32,715,075.00	24,114,000.00	8,601,075.00
2022-2026	15,710,980.00	11,630,000.00	4,080,980.00
2027-2029	9,425,600.00	8,520,000.00	905,600.00
Total Minimum Lease Payments	<u>\$ 124,523,786.00</u>	<u>\$ 81,421,000.00</u>	<u>\$ 43,102,786.00</u>

The Series 2001-QZAB Certificates of Participation were issued under a special program whereby the Certificates, bearing an original issue date of October 25, 2001, will mature on October 25, 2015 for the original \$5,147,000 issue amount. There is no interest cost for borrowing monies under this program. Mandatory lease payment account deposits of \$596,350 for five consecutive years beginning on October 25, 2003 were established. It is anticipated that these deposits, along with accrued interest, will be sufficient to redeem the Certificates at maturity. The Series 2005-QZAB Certificates of Participation were issued under a special program whereby the Certificates, bearing an original issue date of December 22, 2005, will mature on December 22, 2020 for the original \$1,794,000 issue amount. There is no interest cost for borrowing monies under this program. Mandatory lease payment account deposits of \$235,240 for five consecutive years beginning on December 22, 2006 were established. It is anticipated that these deposits, along with accrued interest, will be sufficient to redeem the Certificates at maturity.

7. BONDS PAYABLE

Bonds payable at June 30, 2005, are as follows:

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)*</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 1996A	\$ 5,795,000	4.60-6.00%	2016
Series 1998A	1,560,000	4.50-5.50%	2018
Series 1999A	400,000	4.00-4.75%	2019
District General Obligation Bonds:			
Series 2001, refunding	12,795,000	4.25-5.00%	2010
Series 2003, refunding	<u>26,040,000</u>	2.50-5.00%	2012
Total Bonds Payable	<u>\$ 46,590,000</u>		

The various bonds were issued to finance capital outlay projects of the District. The following is a description of the bonded debt issues:

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

- **State School Bonds**

These bonds are issued by the State Board of Education on behalf of the District. The bonds mature serially, and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. Principal and interest payments, investment of Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration.

- **District General Obligation Bonds**

General Obligation Refunding Bonds, Series 2001 and 2003, are authorized by Section 12, Article VII, of the State Constitution and secured by a pledge of property taxes levied, pursuant to Chapter 236, Florida Statutes.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Annual requirements to amortize all bonded debt outstanding as of June 30, 2006, are as follows:

Fiscal Year Ending June 30	Total	Principal	Interest
State School Bonds:			
2007	\$ 959,895.00	\$ 580,000.00	\$ 379,895.00
2008	960,795.00	610,000.00	350,795.00
2009	963,020.00	640,000.00	323,020.00
2010	962,397.50	670,000.00	292,397.50
2011	964,802.50	705,000.00	259,802.50
2012-2016	4,822,802.50	4,085,000.00	737,802.50
2017-2019	<u>502,225.00</u>	<u>465,000.00</u>	<u>37,225.00</u>
Total State School Bonds	<u>10,135,937.50</u>	<u>7,755,000.00</u>	<u>2,380,937.50</u>
General Obligation Bonds:			
2007	8,402,552.50	6,955,000.00	1,447,552.50
2008	8,408,240.00	7,205,000.00	1,203,240.00
2009	8,415,265.00	7,540,000.00	875,265.00
2010	8,421,723.75	7,830,000.00	591,723.75
2011	4,923,755.00	4,570,000.00	353,755.00
2012	<u>4,919,665.00</u>	<u>4,735,000.00</u>	<u>184,665.00</u>
Total General Obligation Bonds	<u>43,491,201.25</u>	<u>38,835,000.00</u>	<u>4,656,201.25</u>
Total	<u>\$ 53,627,138.75</u>	<u>\$ 46,590,000.00</u>	<u>\$ 7,037,138.75</u>

8. DEFEASED DEBT

On March 16, 2005, the Board issued \$22,815,000 in Refunding Certificates of Participation (COPs), Series 2005, with an average interest rate of 3.57 percent, to advance- refund a portion of the District's COPs, Series 1997 and Series 1998. The refunding COPs are being issued to advance-refund the \$18,645,000 principal amount of the COPs, Series 1997, that mature on or after July 1, 2008, and COPs, Series 1998, maturing on or after July 1, 2009. The net proceeds of \$23,227,113 (after payment of \$462,798.70 underwriting fees, insurance, and other issuance costs) were placed in an irrevocable trust to provide for a portion of future debt service payment on the Series 1997 and 1998 COPs. As a result, \$18,645,000 of the Series 1997 and 1998 COPs are considered to be in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements.

The Series 1997 and 1998 COPs were refunded to reduce its total debt service payments over the next 14 years by approximately \$989,380.83 and to obtain an

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

economic gain (difference between the present value of the debt service payments on the new and old debt) of \$832,132.70.

9. CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities:

Description	Balance 7-1-05	Additions	Deductions	Balance 6-30-06	Due in One Year
GOVERNMENTAL ACTIVITIES					
Obligations Under Capital Lease(s)	\$ 960,108.28	\$ -	\$ 446,573.00	\$ 513,535.28	\$ 472,891.00
Bonds Payable	53,890,000.00		7,300,000.00	46,590,000.00	7,535,000.00
Certificates of Participation Payable	82,182,000.00	1,794,000.00	2,555,000.00	81,421,000.00	2,660,000.00
Compensated Absences Payable	23,189,719.57	7,135,696.21	9,584,725.77	20,740,690.01	8,572,498.06
Total Governmental Activities	<u>\$160,221,827.85</u>	<u>\$ 8,929,696.21</u>	<u>\$19,886,298.77</u>	<u>\$149,265,225.29</u>	<u>\$19,240,389.06</u>

For the governmental activities, the majority of compensated absences are generally liquidated with resources of the General Fund.

10. RESERVE FOR ENCUMBRANCES

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Even though appropriations lapse at the end of the fiscal year, unfilled purchase orders of the current year are carried forward and the next year's appropriations are likewise encumbered.

The Florida Department of Education requires that fund balances be reserved at fiscal year-end to report an amount likely to be expended from the 2005-2006 fiscal year budget as a result of purchase orders outstanding at June 30, 2006.

Because revenues of grants accounted for in the Special Revenue – Other Fund are not recognized until expenditures are incurred, these grant funds generally do not accumulate fund balances. Accordingly, no reserve for encumbrances is reported for grant funds. However, purchase orders outstanding for grants accounted for in the Special Revenue – Other Fund total \$501,933.35 at June 30, 2006.

11. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The following is a summary of inter-fund receivables and payables reported in the fund financial statements:

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Funds	Interfund	
	Receivables	Payables
Major Funds:		
General	\$ 640,227.35	\$ 16,099.36
Special Revenue:		
Federal	41.94	65,500.94
Capital Projects:		
Local Capital Improvement	1,045,900.00	253,177.85
Other Capital Projects	-	760,590.87
Nonmajor Governmental Funds	16,038.67	156,463.18
Fiduciary Funds		450,375.76
Total	<u>\$ 1,702,207.96</u>	<u>\$ 1,702,207.96</u>

The following is a summary of interfund transfers reported in the fund financial statements:

Funds	Interfund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ 4,500,000.00	\$ 50,770.10
Special Revenue:		
Federal		
Capital Projects:		
Local Capital Improvement		2,475,095.00
Other Capital Projects	200,000.00	
Nonmajor Governmental Funds	647,120.10	2,821,255.00
Fiduciary Funds		
Total	<u>\$ 5,347,120.10</u>	<u>\$ 5,347,120.10</u>

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006****12. SCHEDULE OF STATE REVENUE SOURCES**

The following is a schedule of the District's State revenue for the 2005-2006 fiscal year:

<u>Source</u>	<u>Amount</u>
Florida Education Finance Program	\$ 87,390,906.00
Categorical Educational Programs:	27,575,378.75
Discretionary Lottery Funds	1,354,893.00
Gross Receipts Tax (Public Education Capital Outlay)	3,870,284.40
Workforce Development Program	1,419,299.00
Motor Vehicle License Tax (Capital Outlay and Debt Service)	944,737.72
Mobile Home License Tax	92,639.09
Food Service Supplement	217,565.00
Miscellaneous	860,619.44
Total	<u><u>\$ 123,726,322.40</u></u>

Accounting policies relating to certain State revenue sources are described in Note 1.

13. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2005 tax roll for the 2005-2006 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>GENERAL FUND</u>		
Nonvoted School Tax:		
Required Local Effort	5.355	\$ 51,811,863
Basic Discretionary Local Effort	0.510	4,916,856
Supplemental Discretionary Local Effort	0.250	2,410,223
<u>DEBT SERVICE FUNDS</u>		
Voted Tax:		
District General Obligation Bonds		
Series 2001, Refunding	0.540	5,206,083
Series 2003, Refunding	0.379	3,653,899
<u>CAPITAL PROJECTS FUNDS</u>		
Nonvoted Tax:		
Local Capital Improvements	<u>2.000</u>	<u>19,291,788</u>
Total	<u><u>9.034</u></u>	<u><u>\$ 87,290,712</u></u>

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

14. STATE RETIREMENT PROGRAM

Plan Description. All regular employees of the District are covered by the Florida Retirement System, a State-administered cost-sharing multiple-employer defined benefit retirement plan (Plan). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules, Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of the Plan. Benefits vest at specified numbers of years of service depending upon the employee's classification. The Plan also includes an early retirement provision but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (DROP) was established effective July 1, 1998, subject to provisions of Section 121.091, Florida Statutes. It permits employees eligible for normal retirement under the plan to defer receipt of monthly benefit payments while continuing employment with a Florida Retirement System employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate. During the period of DROP participation, deferred monthly benefits are held in the Florida Retirement System Trust Fund and accrue interest.

The Plan's financial statements and other supplemental information are included in the comprehensive annual financial report of the State of Florida which may be obtained by contacting the Florida State Comptroller's Office in Tallahassee, Florida. Also, an annual report on the Plan which includes its financial statements, required supplemental information, actuarial report, and other relevant information may be obtained from the State of Florida, Division of Retirement in Tallahassee, Florida.

Funding Policy. The contribution rates for Plan members are established, and may be amended, by the State of Florida. During the 2005-06 fiscal year, contribution rates were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (A)</u>
Florida Retirement System, Regular	-	7.83
Florida Retirement System, Special Risk	-	18.53
Florida Retirement System, County Elected Officers	-	15.23
Florida Retirement System, Senior Management Service	-	10.45
Deferred Retirement Option Program	-	9.33
Renewed EOC Member Opting Out of the SMSM		
Into SMSOP or Local Annuity	-	15.23

Note: (A) Employer rates include the post-employment health insurance subsidy of 1.11 percent.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

The District's liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions to the Plan (including employee contributions) for the fiscal years ending June 30, 2004, June 30, 2005, and June 30, 2006, totaled \$9,158,752.96, \$9, 595,862.79, and \$10,488,410.51 respectively, which were equal to the required contributions for each fiscal year.

15. EARLY RETIREMENT PROGRAM

Plan Description As authorized by Section 1012.685, Florida Statutes, the Board implemented an Early Retirement Plan (Plan) effective January 1, 1984. The Plan is a single-employer defined benefit pension plan. The purpose of the Plan is to provide District employees, who elect to retire under the early retirement provisions of the Florida Retirement System, described in Note 14, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age. The Board administers Plan assets in a Pension Trust Fund and is responsible for their investment. The Board acts as the administrative agent for the Plan.

As of June 30, 2005, employee membership data related to the Plan were as follows:

Retirees and Beneficiaries Currently Receiving Benefits	<u>145</u>
Active Plan Participants:	
Vested	1,418
Nonvested	<u>2,948</u>
Total Active Plan Participants	<u>4,366</u>
Total	<u><u>4,511</u></u>

A summary of eligibility and benefits follows:

Eligibility - A member of the Plan is eligible upon attainment of age 55 to 61, completion of 25 or more years of creditable service, and having applied for retirement under the Florida Retirement System.

Benefits - Amount of the reduction in monthly benefits from the Florida Retirement System as a consequence of early retirement.

Summary of Significant Accounting Policies

Significant accounting policies related to basis of accounting and the method of asset valuation are disclosed in Note 1.

Contributions and Reserves

The District's Early Retirement program was established by the Board and became effective on January 1, 1984. Pursuant to the Plan Agreement, no contribution shall be

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the Plan.

Periodic employer contributions to the Plan are determined on an actuarial basis using the "Aggregate Actuarial Cost Method." Annual pension cost is funded on a current basis. Significant actuarial assumptions used to compute annual required contributions are the same as those used to determine the actuarial accrued liability.

Total contributions to the Plan in 2006 amounted to \$437,251.34, all of which was paid by the Board, were made in accordance with actuarially determined contribution requirements determined through an actuarial update performed at July 1, 2005.

The computation of the annual required contributions for 2006 was based on the same (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method, and (d) other significant factors as used to determine annual required contributions in the previous year.

All of the assets in the District's Pension Trust Fund are legally required reserves. None of the assets have been designated by the Board for any other specific purpose.

Cost of administering the plan are financed through the Plan's resources (employer contributions and investment earnings).

Trend Information

An analysis of funding progress is presented below:

<u>Fiscal Year Ended June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
2003	455,874	100%
2004	492,355	100%
2005	551,412	77%

The plan is included as a Pension Trust fund in the accompanying financial statements. Contributions are recognized when due. Benefits are recognized when due and payable in accordance with the terms of the Plan.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as Percentage of Payroll</u>
7/1/2003	3,017,698	3,017,698	-	100%	114,869,462	-
7/1/2004	3,225,711	3,225,711	-	100%	119,852,403	-
7/1/2005	3,501,031	3,501,031	-	100%	127,850,639	-

Isolated analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Plan's funding status on a going-concern basis. Analysis of this

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

**NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

Trends in the unfunded actuarial accrued liability and covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effects of inflation, and aids analysis of the progress made in accumulating assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

16. CONSTRUCTION CONTRACT COMMITMENTS

The following is a summary of major construction contract commitments remaining at fiscal year-end:

Project	Contract Amount	Completed to Date	Balance Committed
Alachua Elementary Classroom Addition/Paving Improvements			
Architect	108,900	11,875	97,025
Contractor (Not Bid as of 06/30/2006)			
Finley Elementary A/C Buildings 1, 3, & 4			
Engineer	98,286	79,095	19,191
Contractor	1,521,982	196,896	1,325,086
Rawlings Elementary New Food Service/Multi-Purpose Building			
Architect	166,725	144,742	21,983
Contractor	3,101,000	-	
Wiles Elementary New Classroom Building			
Construction Manager	103,989	103,989	-
Contractor	1,823,451	1,543,326	280,125
Kanapaha Middle School Physical Impaired Building			
Architect	128,335	114,255	14,079
Contractor	1,011,061	178,009	833,052
Westwood Middle School Renovation Building 1			
Architect	112,779	88,591	24,188
Contractor	1,298,000	-	1,298,000
Westwood Middle School Remodel Building 2			
Contractor (RFP #05-06 Task Order # 7)	198,200	-	198,200
Buchholz and Eastside High Boiler Replacement			
Engineer	7,410	3,810	3,600
Contractor	298,120	63,953	234,167
Gainesville High Reroofing Building No. 3-10, 17, 19, 21-23			
Architect	92,595	-	92,595
Contractor (Not Bid as of 06/30/2006)			-
Gainesville High Gym Air Conditioning & Roof Replacement			
Architect	51,250	24,439	26,811
Contractor (Not Bid as of 06/30/2006)	-	-	-
Hawthorne High School Baseball Field Repairs			
Engineer	4,800	4,320	480
Contractor (Not Bid as of 06/30/2006)	-	-	-
Loften High School New Classroom Building/Multi-Purpose Bld.			
Architect	270,223	38,813	231,411
Contractor (Not Bid as of 06/30/2006)			-
Santa Fe High School New Classroom Building			
Architect	56,295	2,815	53,480
Contractor (Not Bid as of 06/30/2006)			-
Santa Fe High School Bus Drive			
Architect	38,055	13,799	24,257
Contractor (Not Bid as of 06/30/2006)			-
Santa Fe High School Track Repairs			
Engineer	8,900	-	8,900
Contractor (Not Bid as of 06/30/2006)			-
Santa Fe High Fire Alarm/Intercom Replacement			
Architect	80,000	-	80,000
Contractor (Not Bid as of 06/30/2006)			
Santa Fe High Fire Equestrian Stables			
Architect	5,770	4,039	1,731
Engineer	3,930	2,751	1,179
Contractor (Not Bid as of 06/30/2006)			
Horizon Center New Classrooms & Support Facility			
Architect/Construction Manager	110,169	110,169	
Contractor	2,447,006	821,029	1,625,977
Hurricane Shelters @ BHS, EHS, Kanapaha, Oak View, Talbot, Shell, & High Springs			
Engineer	102,786	70,886	31,900
Contractor	447,838	113,138	334,700
Total	13,697,855	3,734,738	9,963,117

THE SCHOOL DISTRICT OF ALACHUA COUNTY, FLORIDA

NOTES TO FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

17. RISK MANAGEMENT PROGRAMS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Alachua County District School Board is a member of the Florida School Board Insurance Trust (FSBIT), a protected self-insurance fund for Florida school boards established under the authority set forth in Sections 230.22, 230.23, 440.38 and 768.28 and Chapter 163, Florida Statutes. The FSBIT was established for the purpose of pooling property, casualty, and workers' compensation exposure; purchasing and procuring insurance coverage of various types or providing self-insurance; and providing risk management services for the Florida school boards.

Health and hospitalization insurance coverage is provided to District employees through purchased commercial insurance.

Insurance coverage for fiduciary, petroleum tanks, student accident, student nurse malpractice, and sports injury are provided by commercial insurance. Settled claims resulting from insurance coverage above have not exceeded purchased insurance coverage for the past three fiscal years.

18. LITIGATION

The District is involved in several pending and threatened legal actions. In the opinion of District management, the range of potential loss from all such claims and actions should not materially affect the financial condition of the District.

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
June 30, 2006

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100	112,000.00	112,000.00	149,297.17	37,297.17
Federal Through State	3200	900,000.00	900,000.00	807,273.79	(92,726.21)
State Sources	3300	117,617,975.30	123,968,186.31	118,693,735.28	(5,274,451.03)
Local Sources	3400	60,892,425.00	62,473,106.24	63,448,787.79	975,681.55
Total Revenues		179,522,400.30	187,453,292.55	183,099,094.03	(4,354,198.52)
EXPENDITURES					
Current:					
Instruction	5000	102,464,875.72	107,063,751.49	101,983,634.61	5,080,116.88
Pupil Personnel Services	6100	10,687,307.74	11,864,104.91	11,602,366.00	261,738.91
Instructional Media Services	6200	4,499,137.59	4,808,510.54	4,413,442.95	395,067.59
Instruction and Curriculum Development Services	6300	5,258,654.95	5,712,956.93	5,559,331.41	153,625.52
Instructional Staff Training Services	6400	961,966.12	2,471,691.01	1,624,213.87	847,477.14
Instruction Related Technology	6500	2,287,280.00	2,825,941.48	2,606,374.30	219,567.18
Board	7100	770,150.15	761,805.31	636,533.26	125,272.05
General Administration	7200	719,457.19	740,642.27	740,703.07	(60.80)
School Administration	7300	10,877,841.14	11,446,146.36	11,349,529.46	96,616.90
Facilities Acquisition and Construction	7410	777,164.75	947,044.50	586,997.50	360,047.00
Fiscal Services	7500	1,235,401.29	1,424,330.32	1,242,396.83	181,933.49
Food Services	7600				
Central Services	7700	2,643,079.03	2,843,555.88	2,621,820.42	221,735.46
Pupil Transportation Services	7800	8,976,966.20	9,954,298.15	9,778,453.39	175,844.76
Operation of Plant	7900	20,507,861.01	21,412,119.00	20,365,613.10	1,046,505.90
Maintenance of Plant	8100	4,866,957.52	5,069,123.51	4,267,761.55	801,361.96
Administrative Technology Services	8200	1,281,445.00	1,189,535.53	1,049,137.25	140,398.28
Community Services	9100	3,231,717.30	3,517,041.46	2,983,645.17	533,396.29
Debt Service: (Function 9200)					
Retirement of Principal	710				
Interest	720				
Dues, Fees and Issuance Costs	730				
Miscellaneous Expenditures	790				
Capital Outlay:					
Facilities Acquisition and Construction	7420			56,864.91	(56,864.91)
Other Capital Outlay	9300			1,213,804.63	(1,213,804.63)
Total Expenditures		182,047,262.70	194,052,598.65	184,682,623.68	9,369,974.97
Excess (Deficiency) of Revenues Over (Under) Expenditures		(2,524,862.40)	(6,599,306.10)	(1,583,529.65)	5,015,776.45
OTHER FINANCING SOURCES (USES)					
Loss Recoveries	3740			21,077.55	21,077.55
Transfers In	3600	4,900,000.00	4,900,000.00	4,500,000.00	(400,000.00)
Transfers Out	9700		(50,770.10)	(50,770.10)	0.00
Total Other Financing Sources (Uses)		4,900,000.00	4,849,229.90	4,470,307.45	(378,922.45)
Net Change in Fund Balances		2,375,137.60	(1,750,076.20)	2,886,777.80	4,636,854.00
Fund Balances, July 1, 2005	2800	14,458,534.41	14,458,534.41	14,458,534.41	0.00
Adjustment to Fund Balances	2891			(31,069.12)	(31,069.12)
Fund Balances, June 30, 2006	2700	16,833,672.01	12,708,458.21	17,314,243.09	4,605,784.88

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND
June 30, 2006

	Account Number	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
		Original	Final		
REVENUES					
Federal Direct	3100		5,680,381.63	5,459,960.83	(220,420.80)
Federal Through State	3200	13,200,827.00	27,715,002.49	18,009,442.84	(9,705,559.65)
State Sources	3300				
Local Sources	3400				
Total Revenues		13,200,827.00	33,395,384.12	23,469,403.67	(9,925,980.45)
EXPENDITURES					
Current:					
Instruction	5000	7,475,502.00	14,881,199.47	11,678,711.25	3,202,488.22
Pupil Personnel Services	6100	1,275,384.00	3,217,845.23	2,780,409.54	437,435.69
Instructional Media Services	6200		17,843.55	8,033.14	9,810.41
Instruction and Curriculum Development Services	6300	2,530,421.00	6,505,715.71	4,614,350.52	1,891,365.19
Instructional Staff Training Services	6400	1,151,210.00	7,229,207.30	2,415,892.94	4,813,314.36
Instruction Related Technology	6500		109,316.92	82,269.02	27,047.90
Board	7100				
General Administration	7200	303,539.00	519,990.26	370,374.69	149,615.57
School Administration	7300		102,618.97	64,081.11	38,537.86
Facilities Acquisition and Construction	7410		138,882.71	10,987.92	127,894.79
Fiscal Services	7500		44,314.67	44,314.67	0.00
Food Services	7600				
Central Services	7700		153,517.47	102,469.17	51,048.30
Pupil Transportation Services	7800	463,771.00	316,109.00	235,423.11	80,685.89
Operation of Plant	7900	1,000.00	158,822.86	129,038.23	29,784.63
Maintenance of Plant	8100				
Administrative Technology Services	8200				
Community Services	9100				
Debt Service: (Function 9200)					
Retirement of Principal	710				
Interest	720				
Dues, Fees and Issuance Costs	730				
Miscellaneous Expenditures	790				
Capital Outlay:					
Facilities Acquisition and Construction	7420				
Other Capital Outlay	9300			933,048.36	(933,048.36)
Total Expenditures		13,200,827.00	33,395,384.12	23,469,403.67	9,925,980.45
Excess (Deficiency) of Revenues Over (Under) Expenditures		0.00	0.00	0.00	0.00
OTHER FINANCING SOURCES (USES)					
Loss Recoveries	3740				
Transfers In	3600				
Transfers Out	9700				
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
Net Change in Fund Balances		0.00	0.00	0.00	0.00
Fund Balances, July 1, 2005	2800	0.00	0.00	0.00	0.00
Adjustment to Fund Balances	2891				
Fund Balances, June 30, 2006	2700	0.00	0.00	0.00	0.00

FLORIDA DEPARTMENT OF EDUCATION
REPORT OF FINANCIAL DATA TO THE
COMMISSIONER OF EDUCATION (ESE 348)
DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
For the Fiscal Year Ended June 30, 2006

Return completed form to:
Department of Education
Office of Funding and
Financial Reporting
325 W. Gaines St., Suite 824
Tallahassee, FL 32399-0400

		PAGE NUMBER		
CONTENTS:		<u>Minimum Reporting</u>	<u>CAFR</u>	<u>DOE</u>
Exhibit K-1	Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund.....			1-3
Exhibit K-2	Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Fund – Food Services.....			4-5
Exhibit K-3	Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Fund – Other Federal Programs.....			6-7
Exhibit K-4	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Fund – Miscellaneous..... (Statement Omitted – Not Applicable to Alachua County)			8
Exhibit K-5	Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Debt Service Funds.....			9
Exhibit K-6	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Funds.....			10-13
Exhibit K-7	Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Permanent Funds..... (Statement Omitted – Not Applicable to Alachua County)			14
Exhibit K-8	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Enterprise Funds..... (Statement Omitted – Not Applicable to Alachua County)			15
Exhibit K-9	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets – Internal Service Funds..... (Statement Omitted – Not Applicable to Alachua County)			16
Exhibit K-10	Combining Statement of Changes in Assets and Liabilities – School Internal Funds.....			17
Exhibit K-11	Schedule of Long-term Liabilities.....			18
Exhibit K-12	Schedule of State Categorical Programs – Report of Funds Available and Expenditures.....			19
Exhibit K-13	Schedule of Selected Subobject Expenditures.....			20
Exhibit K-14	Schedule 3, School Program Cost Report, General Fund/Special Revenue Funds.....			21
Exhibit K-15	Schedule 4, District Aggregate Program Cost Report, General Fund/Special Revenue Funds (Statement Omitted)			22
Exhibit K-16	Schedule 5, Supplementary Schedule of Federal Financial Assistance Program Expenditures.....			23

The Report of Financial Data to the Commissioner of Education (ESE 348) for the fiscal year ended June 30, 2006, was submitted in accordance with Rule 6A-1.0071, FAC (Section 1001.51(12)(b), F.S.). This report was approved by the school board on September 5, 2006.

_____	_____
District Superintendent’s Signature	Date

	Account Number	
REVENUES		
Federal Direct:		
Federal Impact, Current Operation	3121	
Reserve Officers Training Corps (ROTC)	3191	149,297.17
Miscellaneous Federal Direct	3199	
Total Federal Direct	3100	149,297.17
Federal Through State and Local:		
Medicaid	3202	740,232.85
National Forest Funds	3255	
Federal Through Local	3280	
Miscellaneous Federal Through State	3299	67,040.94
Total Federal Through State and Local	3200	807,273.79
State:		
Florida Education Finance Program	3310	87,390,906.00
Workforce Development	3315	1,419,299.00
Workforce Development Capitalization Incentive Grant	3316	
Adults with Disabilities	3318	40,642.28
CO&DS Withheld for Administrative Expense	3323	16,155.66
Categoricals:		
Florida Teachers Lead Program	3334	188,174.00
Instructional Materials	3336	2,531,602.00
District Discretionary Lottery Funds	3344	1,354,893.00
Transportation	3354	6,372,534.00
Class Size Reduction/Operating Funds	3355	15,409,039.00
School Recognition Funds	3361	948,773.00
Teacher Recruitment and Retention	3362	
Excellent Teaching Program	3363	811,443.36
Voluntary Prekindergarten Program	3371	
Preschool Projects	3372	492,818.29
Reading Programs	3373	
Public School Technology	3375	532,139.00
Teacher Training	3376	192,577.00
Full Service Schools	3378	96,279.10
Other State:		
Diagnostic and Learning Resources Centers	3335	
Racing Commission Funds	3341	
State Forest Funds	3342	1,143.18
State License Tax	3343	92,639.09
Other Miscellaneous State Revenue	3399	802,678.32
Total State	3300	118,693,735.28
Local:		
District School Taxes	3411	56,720,200.46
Tax Redemptions	3421	74,419.97
Payment in Lieu of Taxes	3422	
Excess Fees	3423	
Tuition	3424	
Rent	3425	55,696.59
Interest on Investments	3431	1,058,168.25
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	
Adult General Education Course Fees	3461	
Postsecondary Vocational Course Fees	3462	
Continuing Workforce Education Course Fees	3463	
Capital Improvement Fees	3464	
Postsecondary Lab Fees	3465	
Lifelong Learning Fees	3466	
Financial Aid Fees	3468	
Other Student Fees	3469	
Preschool Program Fees	3471	
Pre-K Early Intervention Fees	3472	43,605.72
School Age Child Care Fees	3473	2,777,638.43
Other School, Course and Class Fees	3479	40,318.00
Miscellaneous Local:		
Bus Fees	3491	55,271.25
Transportation Services-School Activities	3492	150,169.09
Sale of Junk	3493	26,416.27
Receipt of Federal Indirect Cost Rate	3494	370,374.69
Other Miscellaneous Local Sources	3495	1,870,215.16
Impact Fees	3496	
Refunds of Prior Year's Expenditures	3497	12,519.64
Collections for Lost, Damaged and Sold Textbooks	3498	19,559.77
Receipt of Food Service Indirect Costs	3499	174,214.50
Total Local	3400	63,448,787.79
Total Revenues	3000	183,099,094.03

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GENERAL FUND (Continued)

Exhibit K-1

DOE Page 2

For the Fiscal Year Ended June 30, 2006

Fund 100

	Account Number	100	200	300	400	500	600	700	Totals
		Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Supplies	Capital Outlay	Other Expenses	
EXPENDITURES									
Current:									
Instruction	5000	68,280,874.64	17,607,902.78	10,278,455.42	10,087.55	3,218,043.02	790,332.86	1,797,938.34	101,983,634.61
Pupil Personnel Services	6100	8,144,235.14	2,156,496.39	1,055,124.96	2,327.90	197,619.66	18,965.58	27,596.37	11,602,366.00
Instructional Media Services	6200	3,216,999.30	878,745.33	80,717.86	1,284.44	134,746.50	98,581.43	2,368.09	4,413,442.95
Instruction and Curriculum Development Services	6300	4,177,216.10	1,047,643.94	117,787.20	163.75	72,086.94	101,345.70	43,087.78	5,559,331.41
Instructional Staff Training Services	6400	1,047,488.72	243,150.58	159,485.77	0.00	87,434.71	40,524.47	46,129.62	1,624,213.87
Instruction Related Technology	6500	1,595,173.30	371,180.57	526,801.42	1,987.17	41,074.43	54,421.27	15,736.14	2,606,374.30
Board	7100	164,819.80	147,843.54	240,576.44				83,293.48	636,533.26
General Administration	7200	535,175.87	141,208.15	56,390.96	0.00	6,216.48	1,711.61	0.00	740,703.07
School Administration	7300	8,849,353.10	2,237,127.37	115,778.85	0.00	62,741.13	36,648.35	47,880.66	11,349,529.46
Facilities Acquisition and Construction	7410	982.29	186.40	398,492.89	0.00	871.58	186,464.34	0.00	586,997.50
Fiscal Services	7500	966,444.73	228,347.62	13,583.58	0.00	16,130.01	6,268.84	11,622.05	1,242,396.83
Food Services	7600								0.00
Central Services	7700	1,848,507.21	474,496.83	229,814.98	13,790.77	0.00	20,554.09	34,656.54	2,621,820.42
Pupil Transportation Services	7800	5,630,342.47	1,798,186.98	212,445.93	1,303,182.31	759,409.85	38,216.70	36,669.15	9,778,453.39
Operation of Plant	7900	4,998,973.22	1,443,312.74	7,717,648.19	5,721,637.94	297,161.86	89,138.66	97,740.49	20,365,613.10
Maintenance of Plant	8100	2,715,220.23	687,637.20	330,321.15	105,750.61	412,153.80	11,341.86	5,336.70	4,267,761.55
Administrative Technology Services	8200	763,013.06	168,809.26	103,130.80	0.00	511.56	254.10	13,418.47	1,049,137.25
Community Services	9100	2,021,668.84	473,007.91	114,386.39	0.00	184,180.17	21,771.25	168,630.61	2,983,645.17
Capital Outlay:									
Facilities Acquisition and Construction	7420						56,864.91		56,864.91
Other Capital Outlay	9300						1,213,804.63		1,213,804.63
Debt Service: (Function 9200)									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		114,956,488.02	30,105,283.59	21,750,942.79	7,160,212.44	5,490,381.70	2,787,210.65	2,432,104.49	184,682,623.68
Excess (Deficiency) of Revenues Over Expenditures									(1,583,529.65)

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - GENERAL FUND (Continued)

Exhibit K-1

DOE Page 3

For the Fiscal Year Ended June 30, 2006

Fund 100

	Account Number	
OTHER FINANCING SOURCES (USES)		
Loans	3720	
Sales of Capital Assets	3730	
Loss Recoveries	3740	21,077.55
Transfers In:		
From Debt Service Funds	3620	
From Capital Projects Funds	3630	4,500,000.00
From Special Revenue Funds	3640	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	4,500,000.00
Transfers Out: (Function 9700)		
To Debt Service Funds	920	
To Capital Projects Funds	930	
To Special Revenue Funds	940	(50,770.10)
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	(50,770.10)
Total Other Financing Sources (Uses)		4,470,307.45
Net Change In Fund Balance		2,886,777.80
Fund Balance, July 1, 2005	2800	14,458,534.41
Adjustments to Fund Balance	2891	(31,069.12)
Fund Balance, June 30, 2006	2700	17,314,243.09

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUND - FOOD SERVICES

For the Fiscal Year Ended June 30, 2006

Exhibit K-2
DOE Page 4
Fund 410

	Account Number	
REVENUES		
Federal Through State:		
School Lunch Reimbursement	3261	4,443,485.56
School Breakfast Reimbursement	3262	1,535,912.45
After School Snack Reimbursement	3263	228,559.39
Child Care Food Program	3264	
USDA Donated Foods	3265	654,114.69
Cash in Lieu of Donated Foods	3266	65,760.12
Summer Food Service Program	3267	104,192.83
Nutrition Education and Training Program	3268	
Other Food Service Revenues	3269	
Miscellaneous Federal Through State	3299	
Total Federal Through State and Local	3200	7,032,025.04
State:		
School Breakfast Supplement	3337	98,077.00
School Lunch Supplement	3338	113,815.00
Other Miscellaneous State Revenues	3399	5,673.00
Total State	3300	217,565.00
Local:		
Interest on Investments	3431	59,801.11
Gain on Sale Of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	
Student Lunches	3451	1,162,350.50
Student Breakfasts	3452	68,588.22
Adult Breakfasts/Lunches	3453	209,011.45
Student and Adult a la Carte	3454	2,498,493.13
Student Snacks	3455	53,026.70
Other Food Sales	3456	313,435.37
Other Miscellaneous Local Sources	3495	19,039.87
Refunds of Prior Year's Expenditures	3497	212.78
Total Local	3400	4,383,959.13
Total Revenues	3000	11,633,549.17

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUND - FOOD SERVICES (Continued)
For the Fiscal Year Ended June 30, 2006

Exhibit K-2
DOE Page 5
Fund 410

	Account Number	
EXPENDITURES (Function 7600/9300)		
Salaries	100	4,081,770.86
Employee Benefits	200	1,669,301.38
Purchased Services	300	448,234.83
Energy Services	400	241,176.60
Materials and Supplies	500	4,762,333.22
Capital Outlay	600	31,792.68
Other Expenses	700	223,359.54
Other Capital Outlay (Function 9300)	600	13,826.64
Total Expenditures		11,471,795.75
Excess (Deficiency) of Revenues Over Expenditures		161,753.42
OTHER FINANCING SOURCES (USES)		
Proceeds of Loans	3720	
Proceeds from Sale of Capital Assets	3730	
Loss Recoveries	3740	
Transfers In:		
From General Fund	3610	50,770.10
From Debt Service Funds	3620	
From Capital Projects Funds	3630	
Interfund	3650	
From Permanent Funds	3660	
From Internal Service Funds	3670	
From Enterprise Funds	3690	
Total Transfers In	3600	50,770.10
Transfers Out: (Function 9700)		
To General Fund	910	
To Debt Service Funds	920	
To Capital Projects Funds	930	(200,000.00)
Interfund	950	
To Permanent Funds	960	
To Internal Service Funds	970	
To Enterprise Funds	990	
Total Transfers Out	9700	(200,000.00)
Total Other Financing Sources (Uses)		(149,229.90)
Net Change in Fund Balance		12,523.52
Fund Balance, July 1, 2005	2800	2,455,613.26
Adjustments to Fund Balance	2891	
Fund Balance, June 30, 2006	2700	2,468,136.78

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE
FUND - OTHER FEDERAL PROGRAMS

For the Fiscal Year Ended June 30, 2006

Exhibit K-3
DOE Page 6
Fund 420

	Account Number	
REVENUES		
Federal Direct:		
Workforce Investment Act	3170	
Community Action Programs	3180	
Reserve Officers Training Corps (ROTC)	3191	
Miscellaneous Federal Direct	3199	5,459,960.83
Total Federal Direct	3100	5,459,960.83
Federal Through State and Local:		
Vocational Education Acts	3201	313,993.29
Medicaid	3202	
Workforce Investment Act	3220	
Eisenhower Math and Science	3226	1,730,817.79
Drug Free Schools	3227	151,539.50
Individuals with Disabilities Education Act	3230	6,460,806.17
Elementary and Secondary Education Act, Title I	3240	6,544,958.87
Adult General Education	3251	
Vocational Rehabilitation	3253	
Elementary and Secondary Education Act, Title V	3270	136,363.46
Federal Through Local	3280	
Cuban and Haitian Refugee Program	3291	
Transition Program for Refugee Children	3292	
Emergency Immigrant Education Program	3293	
Miscellaneous Federal Through State	3299	2,670,963.76
Total Federal Through State and Local	3200	18,009,442.84
State:		
Other Miscellaneous State Revenue	3399	
Total State	3300	0.00
Local:		
Interest on Investments	3431	
Gain on Sale of Investments	3432	
Net Increase (Decrease) in Fair Value of Investments	3433	
Gifts, Grants and Bequests	3440	
Sale of Junk	3493	
Other Miscellaneous Local Sources	3495	
Refund of Prior Year's Expenditures	3497	
Total Local	3400	0.00
Total Revenues	3000	23,469,403.67

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUND - OTHER FEDERAL PROGRAMS (Continued)

For the Fiscal Year Ended June 30, 2006

Exhibit K-3

DOE Page 7

Fund 420

	Account Number	100 Salaries	200 Employee Benefits	300 Purchased Services	400 Energy Services	500 Materials and Supplies	600 Capital Outlay	700 Other Expenses	Totals
EXPENDITURES									
Current:									
Instruction	5000	7,574,302.18	2,498,258.08	371,897.44	0.00	686,344.19	362,925.91	184,983.45	11,678,711.25
Pupil Personnel Services	6100	1,843,060.74	530,618.77	116,893.36	14,217.79	75,404.17	167,917.71	32,297.00	2,780,409.54
Instructional Media Services	6200	6,606.80	1,426.34						8,033.14
Instruction and Curriculum Development Services	6300	3,089,301.91	722,871.97	617,858.78	0.00	110,674.36	38,834.97	34,808.53	4,614,350.52
Instructional Staff Training Services	6400	1,212,242.85	250,251.82	579,303.62	0.00	150,082.10	72,364.54	151,648.01	2,415,892.94
Instruction Related Technology	6500	55,403.87	12,051.89	14,675.26			138.00		82,269.02
Board	7100								0.00
General Administration	7200							370,374.69	370,374.69
School Administration	7300	2,322.39	230.26	32,983.22	0.00	12,118.27	16,426.97		64,081.11
Facilities Acquisition and Construction	7410			667.80			10,320.12		10,987.92
Fiscal Services	7500			44,314.67					44,314.67
Food Services	7600								0.00
Central Services	7700	15,208.35	3,706.49	34,825.67		609.20		48,119.46	102,469.17
Pupil Transportation Services	7800	142,480.98	50,214.92	29,250.05	10,340.70	3,136.46			235,423.11
Operation of Plant	7900	58,459.30	18,550.60	23,809.98	16,468.91	7,895.73	387.48	3,466.23	129,038.23
Maintenance of Plant	8100								0.00
Administrative Technology Services	8200								0.00
Community Services	9100								0.00
Capital Outlay:									
Facilities Acquisition and Construction	7420								0.00
Other Capital Outlay	9300						933,048.36		933,048.36
Debt Service: (Function 9200)									
Redemption of Principal	710								0.00
Interest	720								0.00
Total Expenditures		13,999,389.37	4,088,181.14	1,866,479.85	41,027.40	1,046,264.48	1,602,364.06	825,697.37	23,469,403.67
Excess (Deficiency) of Revenues over Expenditures									0.00
OTHER FINANCING SOURCES (USES)									
Loans	3720								
Sales of Capital Assets	3730								
Loss Recoveries	3740								
Transfers In:									
From General Fund	3610								
From Debt Service Funds	3620								
From Capital Projects Funds	3630								
Interfund	3650								
From Permanent Funds	3660								
From Internal Service Funds	3670								
From Enterprise Funds	3690								
Total Transfers In	3600								0.00
Transfers Out: (Function 9700)									
To the General Fund	910								
To Debt Service Funds	920								
To Capital Projects Funds	930								
Interfund	950								
To Permanent Funds	960								
To Internal Service Funds	970								
To Enterprise Funds	990								
Total Transfers Out	9700								0.00
Total Other Financing Sources (Uses)									0.00
Net Change in Fund Balance									0.00
Fund Balance, July 1, 2005	2800								
Adjustments to Fund Balance	2891								
Fund Balance, June 30, 2006	2700								

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2006

Exhibit K-5
DOE Page 9

	Account Number	SBE/COBI Bonds (210)	Special Act Bonds (220)	Section 1011.14/1011.15 F.S. Loans (230)	Motor Vehicle Revenue Bonds (240)	District Bonds (250)	Other Debt Service (290)	Totals
REVENUES								
CO & DS Distributed	3321							0.00
CO & DS Withheld for SBE/COBI Bonds	3322	944,737.72						944,737.72
Cost of Issuing SBE/COBI Bonds	3324							0.00
Interest on Undistributed CO&DS	3325							0.00
SBE/COBI Bond Interest	3326							0.00
Racing Commission Funds	3341							0.00
Other Miscellaneous State Revenue	3399							0.00
Total State Sources	3300	944,737.72	0.00	0.00	0.00	0.00	0.00	944,737.72
District Interest and Sinking Taxes	3412					8,530,114.06		8,530,114.06
Local Sales Tax	3418							0.00
Tax Redemptions	3421					18,078.73		18,078.73
Payments in Lieu of Taxes	3422							0.00
Excess Fees	3423							0.00
Interest on Investments	3431					162,591.43	756,455.57	919,047.00
Gain on Sale of Investments	3432							0.00
Net Increase (Decrease) in Fair Value of Investments	3433							0.00
Gifts, Grants, and Bequests	3440							0.00
Miscellaneous Local Revenues	3495							0.00
Impact Fees	3496							0.00
Refunds of Prior Year Expenditures	3497							0.00
Total Local Sources	3400	0.00	0.00	0.00	0.00	8,710,784.22	756,455.57	9,467,239.79
Total Revenues	3000	944,737.72	0.00	0.00	0.00	8,710,784.22	756,455.57	10,411,977.51
EXPENDITURES (Function 9200)								
Redemption of Principal	710	550,000.00				6,750,000.00		7,300,000.00
Interest	720	411,645.00				1,656,590.00		2,068,235.00
Dues and Fees	730					115,358.81		115,358.81
Miscellaneous Expenses	790							0.00
Total Expenditures		961,645.00	0.00	0.00	0.00	8,521,948.81	0.00	9,483,593.81
Excess (Deficiency) of Revenues Over Expenditures		(16,907.28)	0.00	0.00	0.00	188,835.41	756,455.57	928,383.70
OTHER FINANCING SOURCES (USES)								
Sale of Bonds	3710							0.00
Premium on Sale of Bonds	3791							0.00
Proceeds of Refunding Bonds	3715							0.00
Premium on Refunding Bonds	3792							0.00
Proceeds of Loans	3720							0.00
Proceeds of Certificates of Participation	3750							0.00
Premium on Certificates of Participation	3793							0.00
Proceeds of Forward Supply Contract	3760							0.00
Payments to Refunded Bond Escrow Agent (Function 9299)	760							0.00
Discounts on Sale of Bonds (Function 9299)	891							0.00
Discounts on Refunding Bonds (Function 9299)	892							0.00
Discounts on Certificates of Participation (Function 9299)	893							0.00
Transfers In:								
From General Fund	3610							0.00
From Capital Projects Funds	3630						596,350.00	596,350.00
From Special Revenue Funds	3640							0.00
Interfund	3650							0.00
From Permanent Funds	3660							0.00
From Internal Service Funds	3670							0.00
From Enterprise Funds	3690							0.00
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00	596,350.00	596,350.00
Transfers Out: (Function 9700)								
To General Fund	910							0.00
To Capital Projects Funds	930							0.00
To Special Revenue Funds	940							0.00
Interfund	950							0.00
To Permanent Funds	960							0.00
To Internal Service Funds	970							0.00
To Enterprise Funds	990							0.00
Total Transfers Out	9700	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00	0.00	596,350.00	596,350.00
Net Change in Fund Balances		(16,907.28)	0.00	0.00	0.00	188,835.41	1,352,805.57	1,524,733.70
Fund Balances, July 1, 2005	2800	206,854.11				1,010,146.88	1,933,857.25	3,150,858.24
Adjustments to Fund Balances	2891							0.00
Fund Balances, June 30, 2006	2700	189,946.83				1,198,982.29	3,286,662.82	4,675,591.94

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS

Exhibit K-6

For the Fiscal Year Ended June 30, 2006

DOE Page 10

	Account Number	Capital Outlay Bond Issues (COBI) (310)	Special Act Bonds (Racetrack) (320)	Section 1011.14/1011.15 F.S. Loans (330)	Public Education Capital Outlay (PECO) (340)	District Bonds (350)
REVENUES						
Miscellaneous Federal Direct	3199					
Miscellaneous Federal Through State	3299					
CO&DS Distributed	3321					
Interest on Undistributed CO&DS	3325					
SBE/COBI Bond Interest	3326					
Racing Commission Funds	3341					
Public Education Capital Outlay (PECO)	3391				3,234,952.00	
Classrooms First Program	3392					
School Infrastructure Thrift Program	3393					
Effort Index Grant	3394					
Smart Schools Small County Assistance Program	3395					
Class Size Reduction/Capital Funds	3396					
Charter School Capital Outlay Funding	3397					
Other Miscellaneous State Revenue	3399					
Total State Sources	3300	0.00	0.00	0.00	3,234,952.00	0.00
District Local Capital Improvement Tax	3413					
Local Sales Tax	3418					
Tax Redemptions	3421					
Interest on Investments	3431	7,260.80			233.30	
Gain on Sale of Investments	3432					
Net Increase (Decrease) in Fair Value of Investments	3433					
Gifts, Grants, and Bequests	3440					
Other Miscellaneous Local Sources	3495					
Impact Fees	3496					
Total Local Sources	3400	7,260.80	0.00	0.00	233.30	0.00
Total Revenues	3000	7,260.80	0.00	0.00	3,235,185.30	0.00
EXPENDITURES (Function 7400)						
Library Books	610					
Audio-Visual Materials (Non-consumable)	620					
Buildings and Fixed Equipment	630				27,330.71	
Furniture, Fixtures and Equipment	640				2,182.00	
Motor Vehicles (Including Buses)	650					
Land	660					
Improvements Other than Buildings	670	687.08				
Remodeling and Renovations	680	26,063.90			138,871.95	
Computer Software	690					
Debt Service (Function 9200)						
Redemption of Principal	710					
Interest	720					
Dues and Fees	730					
Miscellaneous Expenses	790					
Total Expenditures		26,750.98	0.00	0.00	168,384.66	0.00
Excess (Deficiency) of Revenues Over Expenditures		(19,490.18)	0.00	0.00	3,066,800.64	0.00

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)

For the Fiscal Year Ended June 30, 2006

Exhibit K-6

DOE Page 11

	Account Number	Capital Outlay and Debt Service Funds (360)	Capital Improvement Section 1011.71(2) F.S. (370)	Voted Capital Improvement (380)	Other Capital Projects (390)	Totals
REVENUES						
Miscellaneous Federal Direct	3199					0.00
Miscellaneous Federal Through State	3299					0.00
CO&DS Distributed	3321	116,150.62				116,150.62
Interest on Undistributed CO&DS	3325	13,565.78				13,565.78
SBE/COBI Bond Interest	3326					0.00
Racing Commission Funds	3341					0.00
Public Education Capital Outlay (PECO)	3391					3,234,952.00
Classrooms First Program	3392					0.00
School Infrastructure Thrift Program	3393					0.00
Effort Index Grant	3394					0.00
Smart Schools Small County Assistance Program	3395					0.00
Class Size Reduction/Capital Funds	3396				505,616.00	505,616.00
Charter School Capital Outlay Funding	3397					0.00
Other Miscellaneous State Revenue	3399					0.00
Total State Sources	3300	129,716.40	0.00	0.00	505,616.00	3,870,284.40
District Local Capital Improvement Tax	3413		18,143,859.36			18,143,859.36
Local Sales Tax	3418					0.00
Tax Redemptions	3421		428,119.85			428,119.85
Interest on Investments	3431	5,801.62	664,562.84		1,133,160.30	1,811,018.86
Gain on Sale of Investments	3432					0.00
Net Increase (Decrease) in Fair Value of Investments	3433					0.00
Gifts, Grants, and Bequests	3440					0.00
Other Miscellaneous Local Sources	3495		11,771.24			11,771.24
Impact Fees	3496					0.00
Total Local Sources	3400	5,801.62	19,248,313.29	0.00	1,133,160.30	20,394,769.31
Total Revenues	3000	135,518.02	19,248,313.29	0.00	1,638,776.30	24,265,053.71
EXPENDITURES (Function 7400)						
Library Books	610					0.00
Audio-Visual Materials (Non-consumable)	620					0.00
Buildings and Fixed Equipment	630	856.66	578,522.99		13,139,767.88	13,746,478.24
Furniture, Fixtures and Equipment	640		414,753.29		1,661,088.48	2,078,023.77
Motor Vehicles (Including Buses)	650		1,147,803.00			1,147,803.00
Land	660		95,536.09			95,536.09
Improvements Other than Buildings	670	233,017.05	485,445.43		479,909.30	1,199,058.86
Remodeling and Renovations	680	120,189.37	7,144,625.00		491,902.94	7,921,653.16
Computer Software	690		21,521.64		85,350.40	106,872.04
Debt Service (Function 9200)						
Redemption of Principal	710		3,001,397.02			3,001,397.02
Interest	720		3,645,787.89			3,645,787.89
Dues and Fees	730		35,463.75		45,000.00	80,463.75
Miscellaneous Expenses	790					0.00
Total Expenditures		354,063.08	16,570,856.10	0.00	15,903,019.00	33,023,073.82
Excess (Deficiency) of Revenues Over Expenditures		(218,545.06)	2,677,457.19	0.00	(14,264,242.70)	(8,758,020.11)

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)

Exhibit K-6

For the Fiscal Year Ended June 30, 2006

DOE Page 12

	Account Number	Capital Outlay Bond Issues (COBI) (310)	Special Act Bonds (Racetrack) (320)	Section 1011.14/1011.15 F.S. Loans (330)	Public Education Capital Outlay (PECO) (340)	District Bonds (350)
OTHER FINANCING SOURCES (USES)						
Sale of Bonds	3710					
Premium on Sale of Bonds	3791					
Proceeds of Refunding Bonds	3715					
Premium on Refunding Bonds	3792					
Loans	3720					
Sales of Capital Assets	3730					
Loss Recoveries	3740					
Proceeds of Certificates of Participation	3750					
Premium on Certificates of Participation	3793					
Proceeds of Forward Supply Contract	3760					
Proceeds from Special Facilities Construction Advance	3770					
Payments to Refunded Bond Escrow Agent (Function 9299)	760					
Discounts on Sale of Bonds (Function 9299)	891					
Discounts on Refunding Bonds (Function 9299)	892					
Discounts on Certificates of Participation (Function 9299)	893					
Transfers In:						
From General Fund	3610					
From Debt Service Funds	3620					
From Special Revenue Funds	3640					
Interfund	3650					
From Permanent Funds	3660					
From Internal Service Funds	3670					
From Enterprise Funds	3690					
Total Transfers In	3600	0.00	0.00	0.00	0.00	0.00
Transfers Out: (Function 9700)						
To General Fund	910				(2,621,255.00)	
To Debt Service Funds	920					
To Special Revenue Funds	940					
Interfund	950					
To Permanent Funds	960					
To Internal Service Funds	970					
To Enterprise Funds	990					
Total Transfers Out	9700	0.00	0.00	0.00	(2,621,255.00)	0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	(2,621,255.00)	0.00
Net Change in Fund Balances		(19,490.18)	0.00	0.00	445,545.64	0.00
Fund Balances, July 1, 2005	2800	171,885.64			37,718.96	
Adjustments to Fund Balances	2891					
Fund Balances, June 30, 2006	2700	152,395.46			483,264.60	

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)

For the Fiscal Year Ended June 30, 2006

Exhibit K-6

DOE Page 13

	Account Number	Capital Outlay and Debt Service Funds (360)	Section 1011.71(2) F.S. (370)	Voted Capital Improvement (380)	Other Capital Projects (390)	Totals
OTHER FINANCING SOURCES (USES)						
Sale of Bonds	3710					0.00
Premium on Sale of Bonds	3791					0.00
Proceeds of Refunding Bonds	3715					0.00
Premium on Refunding Bonds	3792					0.00
Loans	3720					0.00
Sales of Capital Assets	3730					0.00
Loss Recoveries	3740		2,880.00			2,880.00
Proceeds of Certificates of Participation	3750				1,794,000.00	1,794,000.00
Premium on Certificates of Participation	3793					0.00
Proceeds of Forward Supply Contract	3760					0.00
Proceeds from Special Facilities Construction Advance	3770					0.00
Payments to Refunded Bond Escrow Agent (Function 9299)	760					0.00
Discounts on Sale of Bonds (Function 9299)	891					0.00
Discounts on Refunding Bonds (Function 9299)	892					0.00
Discounts on Certificates of Participation (Function 9299)	893					0.00
Transfers In:						
From General Fund	3610					0.00
From Debt Service Funds	3620					0.00
From Special Revenue Funds	3640				200,000.00	200,000.00
Interfund	3650					0.00
From Permanent Funds	3660					0.00
From Internal Service Funds	3670					0.00
From Enterprise Funds	3690					0.00
Total Transfers In	3600	0.00	0.00	0.00	200,000.00	200,000.00
Transfers Out: (Function 9700)						
To General Fund	910		(1,878,745.00)			(4,500,000.00)
To Debt Service Funds	920		(596,350.00)			(596,350.00)
To Special Revenue Funds	940					0.00
Interfund	950					0.00
To Permanent Funds	960					0.00
To Internal Service Funds	970					0.00
To Enterprise Funds	990					0.00
Total Transfers Out	9700	0.00	(2,475,095.00)	0.00	0.00	(5,096,350.00)
Total Other Financing Sources (Uses)		0.00	(2,472,215.00)	0.00	1,994,000.00	(3,099,470.00)
Net Change in Fund Balances		(218,545.06)	205,242.19	0.00	(12,270,242.70)	(11,857,490.11)
Fund Balances, July 1, 2005	2800	312,877.01	11,131,568.65		35,491,781.97	47,145,832.23
Adjustments to Fund Balances	2891					0.00
Fund Balances, June 30, 2006	2700	94,331.95	11,336,810.84		23,221,539.27	35,288,342.12

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS (Continued)

For the Fiscal Year Ended June 30, 2006

Exhibit K-6

DOE Page 13

	Account Number	Capital Outlay and Debt Service Funds (360)	Section 1011.71(2) F.S. (370)	Voted Capital Improvement (380)	Other Capital Projects (390)	Totals
OTHER FINANCING SOURCES (USES)						
Sale of Bonds	3710					0.00
Premium on Sale of Bonds	3791					0.00
Proceeds of Refunding Bonds	3715					0.00
Premium on Refunding Bonds	3792					0.00
Loans	3720					0.00
Sales of Capital Assets	3730					0.00
Loss Recoveries	3740		2,880.00			2,880.00
Proceeds of Certificates of Participation	3750				1,794,000.00	1,794,000.00
Premium on Certificates of Participation	3793					0.00
Proceeds of Forward Supply Contract	3760					0.00
Proceeds from Special Facilities Construction Advance	3770					0.00
Payments to Refunded Bond Escrow Agent (Function 9299)	760					0.00
Discounts on Sale of Bonds (Function 9299)	891					0.00
Discounts on Refunding Bonds (Function 9299)	892					0.00
Discounts on Certificates of Participation (Function 9299)	893					0.00
Transfers In:						
From General Fund	3610					0.00
From Debt Service Funds	3620					0.00
From Special Revenue Funds	3640				200,000.00	200,000.00
Interfund	3650					0.00
From Permanent Funds	3660					0.00
From Internal Service Funds	3670					0.00
From Enterprise Funds	3690					0.00
Total Transfers In	3600	0.00	0.00	0.00	200,000.00	200,000.00
Transfers Out: (Function 9700)						
To General Fund	910		(1,878,745.00)			(4,500,000.00)
To Debt Service Funds	920		(596,350.00)			(596,350.00)
To Special Revenue Funds	940					0.00
Interfund	950					0.00
To Permanent Funds	960					0.00
To Internal Service Funds	970					0.00
To Enterprise Funds	990					0.00
Total Transfers Out	9700	0.00	(2,475,095.00)	0.00	0.00	(5,096,350.00)
Total Other Financing Sources (Uses)		0.00	(2,472,215.00)	0.00	1,994,000.00	(3,099,470.00)
Net Change in Fund Balances		(218,545.06)	205,242.19	0.00	(12,270,242.70)	(11,857,490.11)
Fund Balances, July 1, 2005	2800	312,877.01	11,131,568.65		35,491,781.97	47,145,832.23
Adjustments to Fund Balances	2891					0.00
Fund Balances, June 30, 2006	2700	94,331.95	11,336,810.84		23,221,539.27	35,288,342.12

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
SCHOOL INTERNAL FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
June 30, 2006

Exhibit K-10
DOE Page 17
Fund 891

	Account Number	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
ASSETS					
Cash	1110	2,795,951.39	7,697,521.27	7,768,279.07	2,725,193.59
Investments	1160	1,230.62		1,230.62	0.00
Accounts Receivable, Net	1130	161,136.27	78,447.00	161,136.27	78,447.00
Interest Receivable	1170				0.00
Due From Other Funds:					
Budgetary Funds	1141	18.75		18.75	0.00
Inventory	1150	9,405.05	26,070.00	9,405.05	26,070.00
Due from Other Agencies	1220				0.00
Total Assets		2,967,742.08	7,802,038.27	7,940,069.76	2,829,710.59
LIABILITIES					
Salaries, Benefits and Payroll Taxes Payable	2110				0.00
Payroll Deductions and Withholdings	2170				0.00
Accounts Payable	2120	71,939.01	48,760.00	71,939.01	48,760.00
Due to Budgetary Funds	2161	58,918.32		58,918.32	0.00
Internal Accounts Payable	2290	2,836,884.75	7,753,278.27	7,809,212.43	2,780,950.59
Total Liabilities		2,967,742.08	7,802,038.27	7,940,069.76	2,829,710.59

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
SCHEDULE OF LONG-TERM LIABILITIES

June 30, 2006

Exhibit K-11

DOE Page 18

Fund 601

	Account Number	Governmental Activities Total Balance June 30, 2006 [1]	Business-type Activities Total Balance June 30, 2006 [1]	Total
Notes Payable	2310			0.00
Obligations Under Capital Leases	2315	513,535.28		513,535.28
Bonds Payable	2320	46,590,000.00		46,590,000.00
Liability for Compensated Absences	2330	20,740,690.01		20,740,690.01
Certificates of Participation Payable	2340	81,421,000.00		81,421,000.00
Estimated Liability for Long-term Claims	2350			0.00
Estimated PECO Advance Payable	2370			0.00
Other Long-term Liabilities	2380			0.00
Total Long-term Liabilities		149,265,225.29	0.00	149,265,225.29

[1] Include total current and noncurrent liability balances at June 30, 2006.

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
SCHEDULE OF STATE CATEGORICAL PROGRAMS
REPORT OF FUNDS AVAILABLE AND EXPENDITURES
For the Fiscal Year Ended June 30, 2006

CATEGORICAL PROGRAMS (Revenue Number) [Footnote]	Grant Number	Unexpended June 30, 2005	Returned To DOE	Revenues 2005-06	Expenditures 2005-06	Flexibility [3] 2005-06	Balance June 30, 2006	
							Encumbered	Unencumbered
Class Size Reduction/Operating Funds (3355)	94740			15,409,039.00	15,409,039.00			
Class Size Reduction/Capital Funds (3396)	91050	3,420,485.13		505,616.00	1,937,627.64			1,988,473.49
Comprehensive K-12 Reading Plan (FEFP Earmark)	90800			942,664.00	813,627.02		81.20	128,955.78
Excellent Teaching (3363)	90570	232.75		811,443.36	811,443.36			232.75
Florida Teacher Lead Program (3334)	97580	424.00		188,174.00	187,950.00			648.00
Instructional Materials (3336) [1]	90880	1,342,666.10		2,377,199.00	2,082,414.69		1,522,636.05	114,814.36
Library Media (3336) [1]	90881	6,893.15		154,403.00	137,975.26		52.21	23,268.68
Preschool Projects (3372)	97950	167,930.66		492,818.29	603,985.44		500.00	56,263.51
Public School Technology (3375)	90320	168,078.62		532,139.00	546,890.76		10,487.25	142,839.61
Safe Schools (FEFP Earmark) [2]	90803			967,723.00	889,588.77		77,096.16	1,038.07
Salary Bonus Outstanding Teachers in D and F Schools	94030							
School Recognition/Merit Schools (3361)	92040	266,655.76		948,773.00	965,409.64		6,901.55	243,117.57
Supplemental Academic Instruction (FEFP Earmark)	91280			8,458,475.00	8,458,475.00			
Teacher Recruitment and Retention (3362)	93460							
Teacher Training (3376)	91290	724,687.70		192,577.00	366,600.41		11,795.37	538,868.92
Transportation (3354)	90830			6,372,534.00	6,372,534.00			
Voluntary Prekindergarten - School Year Program (3371)	96440							
Voluntary Prekindergarten - Summer Program (3371)	96441							

[1] Report the Library Media portion of the Instructional Materials allocation under the line "Library Media."
[2] Combine all programs funded from the Safe Schools allocation under one line "Safe Schools."
[3] Report the amount of funds transferred from each program to maintain board-specified academic classroom instruction.

DISTRICT SCHOOL BOARD OF ALACHUA COUNTY
SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES

For the Fiscal Year Ended June 30, 2006

Exhibit K-13

DOE Page 20

	Sub-Object	General Fund	Special Revenue Fund - Food Services	Special Revenue Fund - Other
ENERGY EXPENDITURES:				
Natural Gas	410	395,966.24	47,276.52	
Bottled Gas	420	142,776.25	5,025.02	
Electricity	430	5,164,776.64	183,029.55	16,322.62
Heating Oil	440			
Total		5,703,519.13	235,331.09	16,322.62
ENERGY EXPENDITURES FOR PUPIL TRANSPORTATION:				
Gasoline	450	0.00		916.39
Diesel	460	1,303,007.97		9,424.31
Oil & Grease	540	40,258.14		240.22
Total		1,343,266.11		10,580.92

	Sub-Object	General Fund	Special Revenue Fund - Other	Capital Projects Funds
EXPENDITURES FOR SCHOOL BUS(ES) AND SCHOOL BUS REPLACEMENT(S):				
Bus(es)	651	6,584.00		1,103,468.00
EXPENDITURES FOR CAPITALIZED AUDIO VISUAL MATERIALS:				
Audio Visual Materials	621	8,039.00	1,044.75	