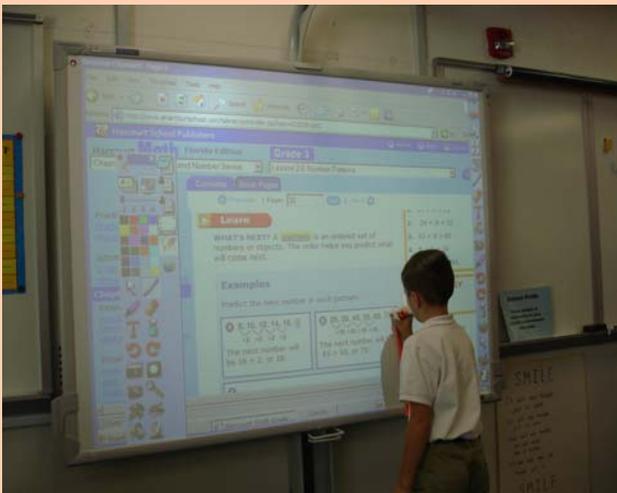




School Board of Sarasota County, Florida



Comprehensive Annual
Financial Statement Report
Year Ended June 30, 2007

**SCHOOL BOARD OF
SARASOTA COUNTY,
FLORIDA
Sarasota, Florida**

**Comprehensive Annual
Financial Report**

**For the
Fiscal Year
Ended June 30, 2007**

**Prepared By:
Financial Services Department**

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Comprehensive Annual Financial Report
For the Year Ended June 30, 2007

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School Board of Sarasota County, Florida



Comprehensive Annual Financial Report
Year Ended June 30, 2007



THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
OFFICE OF THE SUPERINTENDENT
1960 LANDINGS BOULEVARD SARASOTA, FLORIDA 34231-3331
TELEPHONE (941) 927-9000 FAX (941) 927-2539

January 23, 2008

Dear Chairman, School Board Members, and Citizens of Sarasota County:



We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the School Board of Sarasota County, Florida (District) for the fiscal year ended June 30, 2007. State law requires that all school districts publish within twelve months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards by an independent certified public accountant. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the District for the fiscal year ended June 30, 2007.

We believe the information, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the District as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the District's financial affairs have been included. The responsibility for the preparation of the accompanying financial statements and other information contained in this CAFR, based on the above standards, rests with the District's management. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed to compile sufficient reliable information for the District's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh the benefits, the District's comprehensive framework has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Cherry, Bekaert & Holland, L.L.P. The goal of the independent audit is to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used

and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, and the independent auditors' report on the internal control structure and compliance with applicable requirements, are included in the single audit section.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

This report includes all funds of the District, The Financing Corporation of the School Board of Sarasota County and Charter Schools, which comprise the reporting entity. The Financing Corporation, Inc. was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. Charter Schools are public schools operating under a performance contract with the School Board. The Financing Corporation was identified as a component unit, requiring blended presentation of the financial statements. The District's Charter Schools are included as discretely presented component units.

Profile of the Government

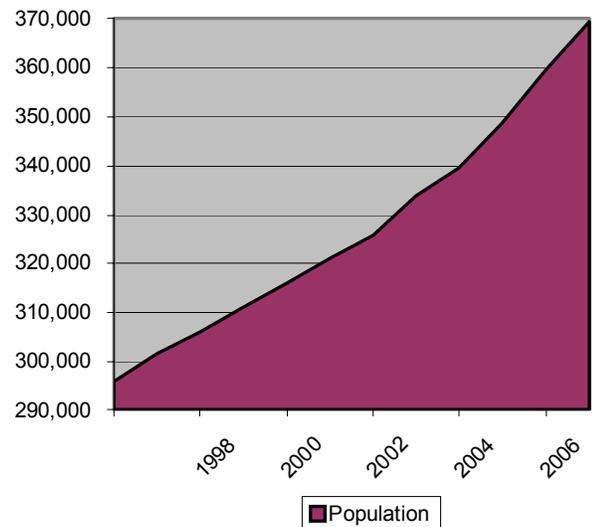
The District and its governing board were created pursuant to Section 4, Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001, Florida Statutes. The governing body of the District is the Sarasota County District School Board that is composed of five (5) elected members. The appointed Superintendent of Schools is the secretary and executive officer of the Board.

Geographic boundaries of the District correspond with those of Sarasota County. During the 2006-2007 fiscal year, the District operated 55 schools, including 22 elementary schools, 6 middle schools, 5 high schools, 9 charter schools, 1 technical center and 12 other types of schools. The District receives the majority of its operating funds through a State funding formula that is intended to equalize funding received from the State and local property tax between districts within the State. Charter schools operate through a contract with the District and are provided with the proportionate share of these funds, based upon the number of full-time equivalent students enrolled at the charter school. The District provided a full range of educational programs, including kindergarten through 12th grade, basic and enriched programs, and exceptional student education to 42,190 unweighted full-time equivalent students. Student enrollment is expected to increase by 0.71, 0.80 and 1.41 percent in the fiscal years ending 2008, 2009 and 2010, respectively. The District also provides career technical and adult programs.

Economic Condition

Sarasota County is a 620 square mile area located on the southwest coast of Florida, 285 miles southeast of Tallahassee and 215 miles northwest of Miami. It was established as a County by the State Legislature in 1921 and now has a resident population of approximately 366,256. The population increased by 13 percent from 2000 to 2006. Population increased at a rate of 2.7 percent last year and is projected to reach approximately 450,000 by 2015.

Sarasota County currently enjoys a favorable economic environment, and local indicators point to continued stability. Sarasota County has been blessed with outstanding natural beauty and a vibrant economy.



The region is primarily service oriented and caters to a population that is older and more affluent than that of surrounding counties.

Tourism is a substantial industry in Sarasota County. The County is the winter home for thousands of visitors and has earned an international reputation as a family vacation spot. Approximately 1.5 million tourists visit Sarasota County each year.

Sarasota County's labor force equals approximately 180,800 and had an unemployment rate of 3.0 percent as of September 2006. This compares quite favorably with rates of 3.3 percent for Florida and 4.6 percent for the United States during the same period. The area is service industry oriented with the largest employers remain in education, healthcare, government and retail.

Financial Planning

On March 14, 2006, voters in Sarasota County voted to continue the one-mill levy to preserve quality schools. This vote continued the tax levy that was originally passed by the voters in 2002. This vote allows the District to maintain existing programs, provide additional programs and continues the District's commitment to quality education. This revenue source will continue until the fiscal year ending June 30, 2010.

The 2006 referendum money will be used to recruit and retain quality teachers by paying competitive salaries, close the achievement gap, extend the school day by 30 minutes (equaling 15 additional days of instruction yearly), maintain arts, music, honors and extra-curricular programs, add safety measures at schools and on school buses, keep relatively small class sizes in all courses, continue summer school options, provide every classroom with state-of-the-art technology, increase emphasis on preparing students for 21st century technical work skills, and create a new career/technical high school.

Providing adequate facilities to all students is fundamental to maintaining an effective education system. It speaks to a range of standards, including safety, class size and equity. Our school building were constructed between 1926 and 2006. The Board has adopted an ambitious construction program that is financially sound. However, we still need longer-term revenue sources.

Financial Policies

The District has a policy to operate, in accordance with state law, a long-range comprehensive plan (Plan). In accordance with this policy, the Plan sets forth goals and objectives for progress in all areas of District operations and outline steps to be taken for their achievement. As part of the comprehensive Plan for the school system, the School Board will approve long-range goals and objectives to serve as a guide for planning on an annual basis in all areas of operations. The Board shall review the Plan annually and the Superintendent is directed to keep the Plan updated as needed.

The District has an investment policy in place for the investment of temporarily idle funds. The purpose of the policy is to outline the responsibility, authority, and general guidelines for the investment management of the District's cash reserves and to ensure compliance with Florida Statutes. The district primarily utilized the state pool for investment of idle funds during the fiscal year in anticipation of earning a fair return relative to the risk assumed.

The District has a policy that the unreserved fund balance in the general fund will be in the range between 7.5 percent and 10 percent of the total appropriations and transfers out.

Budgeting Controls

The annual budget serves as the foundation for the District's financial planning and control. Activities of all governmental fund types are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control is established at the function level.

Budgetary information is integrated into the accounting system and to facilitate budgetary control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances are re-appropriated as part of the subsequent year's budget.

In order to provide budgetary control for salaries, the District utilizes a centralized position control system. On an annual basis, the Board adopts a District staffing plan that establishes teaching positions based generally on student populations served. Additionally, support and administrative positions are created based upon established criteria.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The District Bonds Fund – Debt Service Fund did not have any activity in fiscal year ended 2007, therefore, a budget was not necessary for this fund.

Risk Management

The District is exposed to a variety of accidental losses and has established a risk management strategy that attempts to manage and minimize the District's risk exposure and to provide adequate insurance coverage when warranted, at minimal cost.

Risk control techniques have been established to reasonably assure that the District's employees are aware of their responsibilities regarding loss exposures relating to their duties. In addition, risk management control techniques have been established to reduce possible losses to property owned or under the control of the District. The primary method used for risk financing in the Self Insurance Internal Service Fund.

Major Initiatives

Implementation of NeXt Generation Learning, adopted during the 2005 fiscal year, began during the 2006 school year. NeXt Generation Learning is a vision



of education that adapts to today's reality and tomorrow's needs. It acknowledges changes in our economy, our workplace and our world. It embraces the next generation with its diverse face, digital upbringing and independent thinking. It treats every child as an individual, every educator as a professional and every parent as a customer. It requires total community support, while holding the District accountable to taxpayers. It represents a new direction, a new hope, a commitment to the success of every child and a promising future for an effective, efficient organization.

Implementation of NeXt Generation Learning began during the 2005-06 fiscal year with the addition of 30 minutes of instructional time to the student day, equaling an additional 15 instructional days yearly. Additional investments have been made in training and professional development for instructional staff. The Generation Teacher Certification Program, modeled after the National Board Certified Teacher certification process, prepares teachers to significantly refine their teaching skills. NeXt Generation Certified Teachers across the District were also trained to use ActivBoard technology that was implemented in every classroom in the District during the 2007 calendar year.

During the current school year and into next year, NeXt Generation Learning is focused on District high schools. NeXt Generation has identified the transition from middle school to high school as a key area for student success and started planning a program to support 8th graders in their transition to high school. Part

of this program includes the implementation of a “Summer Bridge” program to support middle school students in achieving high school academic and personal success. Another focus for high schools was the building of a successful advisory program that builds on the work already being done in our high schools. This included the creation of small groups of students who have an adult supervisor who supports them and their families in creating and achieving a long-range plan for success. The District also committed to smaller learning communities that has lowered the teacher/student ratios and allows students to work along side core academic and career/technical teachers.

The Classroom Walk Through Training (CWT) was also implemented during the 2007 school year. This is a data-driven approach to gathering information on classroom practices, enhancing instruction and ultimately improving student achievement. Common planning time for teachers as well as professional learning time has also been scheduled into the school day.

Successful high schools create effective partnerships between all members of the school community. Discussions are being held with Manatee Community College on the possibility of extended dual enrollment courses and articulation agreements. Local foundations have contributed heavily with diploma programs, construction of science labs to meet new standards, and support for classroom level grants for teachers.

In the upcoming year, NeXt Generation will place both teachers and students in small learning communities based on experience and interests. This will be done in correlation with creating student schedules that reflect students working with a core group of teachers. Peer Review Teams will be established consisting of teachers, counselors and administrators from each high school to support the implementation of NeXt Generation strategies and to build capacity within our schools. Other initiatives for the upcoming year include the creation of a video intended for 8th grade students and their families that will focus on NeXt Generation Schools and Career and Technical Education (CTE), additional community forums, and the release of PALS business and volunteer database information service to the schools.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for the fiscal year ended June 30, 2006. This was the third year that the District has received this prestigious award.

The District also received the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006.

This was the third award that the District has received from ASBO. These awards are for one year only and signify that the financial report conforms to GAAP, legal requirements and standards of reporting required by the organization granting the award.

We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate Programs' requirements, and we are submitting it to both GFOA and ASBO, to determine its eligibility to receive their respective prestigious awards.

The preparation of this CAFR could not have been accomplished without the efficient and dedicated services of the Financial Services Department. We would like to express our appreciation to all members of the Financial Services Department who assisted and contributed to its preparation.

Respectfully submitted,

Dr. Gary Norris
Superintendent

Al Weidner
Deputy Chief Finance Officer

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS –
ELECTED



Mr. Frank H. Kovach, Chair
Term expires November 2008

Dr. Kathy Kleinlein
Term expires November 2010

Mrs. Shirley Brown
Term expires November 2010

Dr. Carol Todd
Term expires November 2010

Mrs. Caroline Zucker
Term expires November 2010

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

LIST OF PRINCIPAL OFFICIALS –
APPOINTED

Dr. Gary Norris

Superintendent

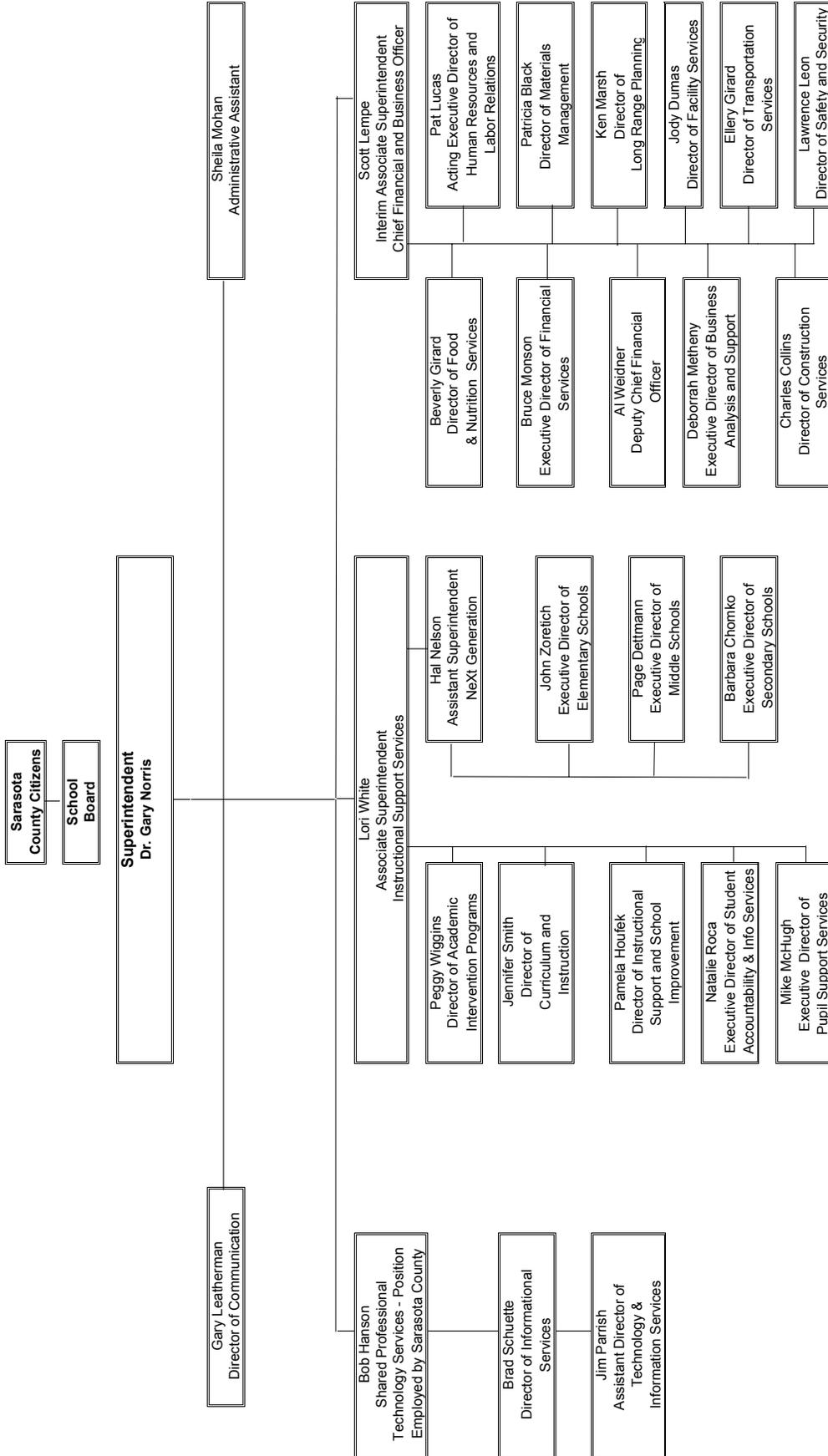
Mrs. Lori White

**Associate Superintendent
Instructional Support Services**

Mr. Scott Lempe

**Interim Associate Superintendent
Chief Financial and Business Officer**

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Organizational Chart
As of June 30, 2007



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SCHOOL BOARD OF SARASOTA COUNTY

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2006

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to
School Board
of Sarasota County
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

School Board of Sarasota County, Florida



Comprehensive Annual Financial Report
Year Ended June 30, 2007

FINANCIAL SECTION



Report of Independent Auditors

The Honorable Members of the School Board
School Board of Sarasota County, Florida
Sarasota, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the School Board of Sarasota County, Florida (the "District"), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the charter schools listed in Note 1 to the financial statements, which constitute 100 percent of the transactions and account balances of the discretely presented component units. Those financial statements were audited by other auditors whose reports have been provided to us, and our opinion, insofar as it relates to the amounts included for the District's aggregate discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the District, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgeted comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2007, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the combining and individual fund statements and schedules, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The combining and individual fund statements and schedules, including the schedule of expenditures of federal awards, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cherry, Bekaert & Holland, L.L.P.

St. Petersburg, Florida
January 23, 2008

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2007

The Management of the School Board of Sarasota County (the District) 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 2006-07 fiscal year are as follows:

- The District's financial position improved during the fiscal year ended June 30, 2007. In total, net assets increased by \$117,090,398, or 21 percent over the course of the year.
- General revenues totaled \$550,330,842, or 90 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions totaled \$64,149,254, or 10 percent. Total revenues increased from \$517,693,217 in fiscal year 2006 to \$614,480,096 in fiscal year 2007. The change is attributed to larger property tax valuations, and increased state operating revenues of \$25,850,246 from the Class Size Reduction Amendment.
- Expenses and special items totaled \$497,389,698; only \$64,149,254 of these expenses were offset by program specific charges, with the remainder paid from general revenues. Total revenues exceeded total expenses and special items by \$117,090,398. Total expenses and special items increased \$41,372,911 or 9 percent, from \$456,016,787 in fiscal year 2006. This change is attributed to the increase in instructional salaries and benefits of \$14,131,724 from fiscal year 2006 due to an increase in the number of teaching positions and a cost of living increase.
- The unreserved fund balance of the General Fund, representing the net current financial resources available for general appropriation by the Board, totaled \$54,670,550 at June 30, 2007 or 14 percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements consist of three components:

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

In addition, this report presents certain required supplementary information, which includes management's discussion and analysis.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2007

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 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 ten separate legal entities in this report. 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. Nine of these organizations are charter schools. Financial information for these component units is reported separately from the financial information presented for the primary government. The Financing Corporation for the School Board of Sarasota County, Inc., although also legally separate, was formed to facilitate financing for the acquisition of facilities and equipment. Due to the substantive economic relationship between the School Board and the Financing Corporation, the Financing Corporation is included as an integral part of the primary government. Please refer to Note 1 to the financial statements for more information on the District's component units.

Over a period of time, changes in the District's net assets are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other non-financial factors, such as changes in the District's property tax base, student enrollment, and the condition of the District's capital assets including its school buildings and administrative facilities.

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

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2007

demonstrate compliance with finance-related legal requirements and prudent fiscal management. Law establishes certain funds, 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 three broad categories:

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. This 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. Consequently, 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 balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.

Proprietary Funds. Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains one type of proprietary fund, the internal service fund to account for the District's self-insurance programs. Since these services predominantly benefit governmental rather than business-type functions, the internal service funds have been included within governmental activities in the government-wide financial statements.

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 agency funds to account for resources held for student activities and groups.

GOVERNMENT- WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position and provides a perspective of the District as a whole. The following is a summary of the District's net assets as of June 30, 2007, compared to net assets as of June 30, 2006.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2007

Net Assets, End of Year

	Governmental Activities		Increase (Decrease)	Percentage Change
	6/30/2007	6/30/2006		
Current and other assets	\$ 248,201,332	\$ 182,062,315	\$ 66,139,017	
Capital assets, net	612,228,023	575,648,924	36,579,099	
Total assets	860,429,355	757,711,239	102,718,116	14%
Other liabilities	39,647,960	40,078,094	(430,134)	
Long-term liabilities	136,790,057	150,732,205	(13,942,148)	
Total liabilities	176,438,017	190,810,299	(14,372,282)	-8%
Net assets				
Invested in capital assets, net of related debt	528,236,762	466,284,259	61,952,503	
Restricted	131,953,410	79,306,831	52,646,579	
Unrestricted	23,801,166	21,309,850	2,491,316	
Total net assets	\$ 683,991,338	\$ 566,900,940	\$ 117,090,398	21%

The largest portion of the District's net assets (71 percent) reflects its investment in capital assets (e.g., land, buildings, furniture and equipment), less any related debt still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The restricted portion of the District's net assets (19 percent) represents resources that are subject to external restrictions on how they may be used. The unrestricted net assets (3 percent) may be used to meet the government's ongoing obligations to students, employees, and creditors.

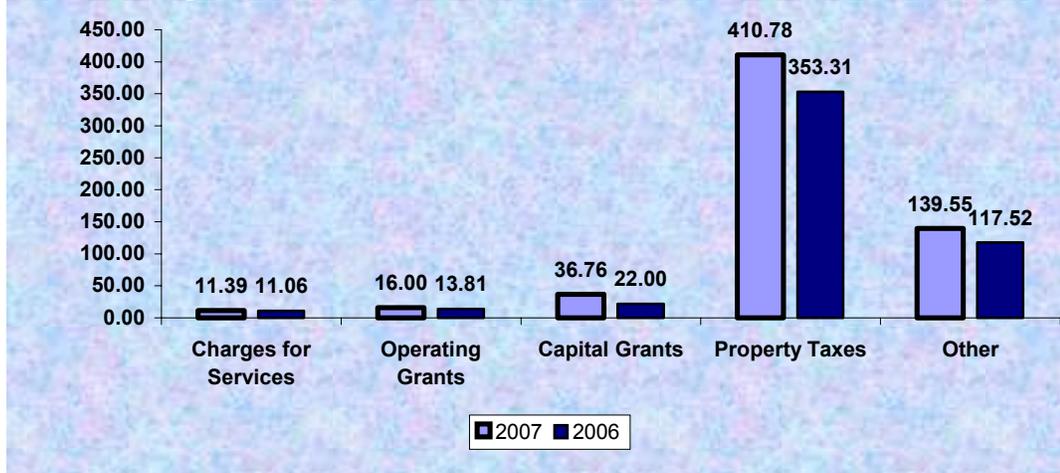
The key elements of the changes in the District's net assets for the fiscal years ended June 30, 2007 and June 30, 2006, are shown in the following table and graphs:

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
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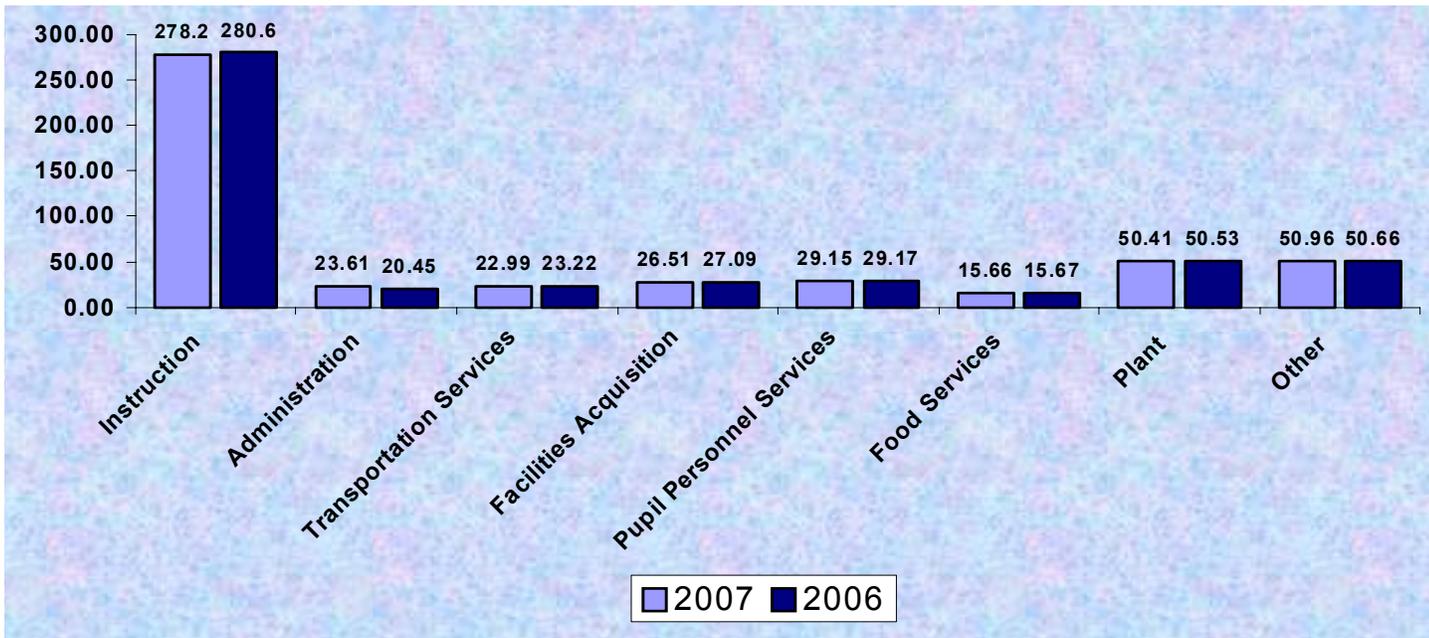
	Governmental Activities			
	6/30/2007	6/30/2006	Increase (Decrease)	Percentage Change
Revenues:				
Program revenues				
Charges for services	\$ 11,391,662	\$ 11,064,911	\$ 326,751	3%
Operating grants and contributions	16,001,462	13,812,394	2,189,068	16%
Capital grants and contributions	36,756,130	21,970,232	14,785,898	67%
General revenues				
Property taxes - general	296,843,842	263,419,295	33,424,547	13%
Property taxes - capital projects	113,936,426	89,881,339	24,055,087	27%
Local sales taxes	16,453,038	16,601,829	(148,791)	-1%
Grants and contributions not restricted to specific programs	96,569,779	84,374,487	12,195,292	14%
Miscellaneous	14,031,997	7,887,638	6,144,359	78%
Unrestricted investment earnings	12,495,760	8,681,092	3,814,668	44%
Total revenues	\$ 614,480,096	\$ 517,693,217	\$ 96,786,879	19%
Expenses & Special Items:				
Expenses				
Instruction	\$ 280,629,797	\$ 257,897,300	\$ 22,732,497	9%
Pupil personnel services	29,165,173	27,207,302	1,957,871	7%
Instructional media services	6,364,718	5,575,610	789,108	14%
Instruction and curriculum development services	8,844,988	5,386,657	3,458,331	64%
Instructional staff training services	9,659,899	8,194,277	1,465,622	18%
Instructional Related Technology	7,313,334	5,713,311	1,600,023	28%
Board of education	990,629	1,226,200	(235,571)	-19%
General administration	3,595,878	3,318,674	277,204	8%
School administration	18,363,321	17,583,450	779,871	4%
Facilities acquisition and construction	27,089,488	25,269,288	1,820,200	7%
Fiscal services	2,182,470	2,078,552	103,918	5%
Food services	15,666,988	14,788,117	878,871	6%
Central services	7,854,963	7,091,071	763,892	11%
Pupil transportation services	23,219,538	19,250,296	3,969,242	21%
Operation of plant	34,389,933	30,327,497	4,062,436	13%
Maintenance of plant	16,142,678	16,481,878	(339,200)	-2%
Administrative Technology Services	2,095,439	2,097,590	(2,151)	0%
Community services	1,305,084	1,326,509	(21,425)	-2%
Interest on long-term debt	2,515,380	4,621,914	(2,106,534)	-46%
Total expenses & special items	497,389,698	455,435,493	41,954,205	9%
Increase in net assets	117,090,398	62,257,724	54,832,674	88%
Ending net assets	\$ 683,991,338	\$ 566,900,940	\$ 117,090,398	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2007

Revenues by Source – Governmental Activities – in Millions of Dollars



Expenses – Governmental Activities – in Millions of Dollars



Overall total revenues increased by 19 percent from the fiscal year ended June 30, 2006. Revenue increases are primarily due to increases in property tax valuations, increased operating state revenues from the Class Size Reduction Amendment, and increased interest investment earnings.

Total expenses and special items increased by \$41,954,205, or 9 percent from the fiscal year ended June 30, 2006. The increase in instructional expenses of \$22,732,497 is directly attributed to increases in payroll costs and employee benefits. During fiscal year 2007 the District granted a cost of living increase of 5.25 percent and an additional 1 percent increase for teachers that completed 30 hours of planning time.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
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FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District completed the year with a total governmental fund balance of \$188,284,412, an increase of \$65,807,642 over last year's ending fund balance of \$122,476,770. The majority of the increase governmental fund balance has been reserved for capital projects.

Major Governmental Funds

General Fund

The General Fund is the primary operating fund for the District. Presented below is an overall analysis of the General Fund as compared to the prior year:

	<u>6/30/2007</u>	<u>6/30/2006</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenue	\$ 393,886,372	\$ 345,194,447	\$ 48,691,925	14%
Other financing sources	15,489,683	16,529,164	(1,039,481)	-6%
Beginning fund balance	51,080,835	61,592,413	(10,511,578)	-17%
Increase (decrease) in inventory reserve	35,560	4,399	31,161	-708%
Total	<u>\$ 460,492,450</u>	<u>\$ 423,320,423</u>	<u>\$ 37,172,027</u>	9%
Expenditures	400,499,172	371,394,085	29,105,087	8%
Other financing uses	842,029	845,503	(3,474)	0%
Ending fund balance	59,151,249	51,080,835	8,070,414	16%
Total	<u>\$ 460,492,450</u>	<u>\$ 423,320,423</u>	<u>\$ 37,172,027</u>	9%

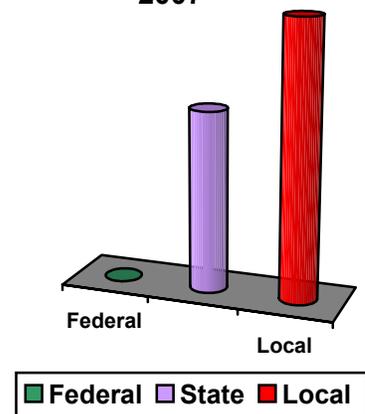
The District's ending fund balance increased by \$8,070,414 or 16 percent.

Revenues – Overall revenues increased by \$48,691,925 or 14 percent as follows:

Revenues By Source - General Fund

	<u>6/30/2007</u>	<u>6/30/2006</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Federal	\$ 2,053,223	\$ 1,569,749	\$ 483,474	31%
State	82,892,972	70,089,174	12,803,798	18%
Local	308,940,177	273,535,524	35,404,653	13%
Total	<u>\$ 393,886,372</u>	<u>\$ 345,194,447</u>	<u>\$ 48,691,925</u>	14%

**Composition of Revenues
In Millions of Dollars -
2007**

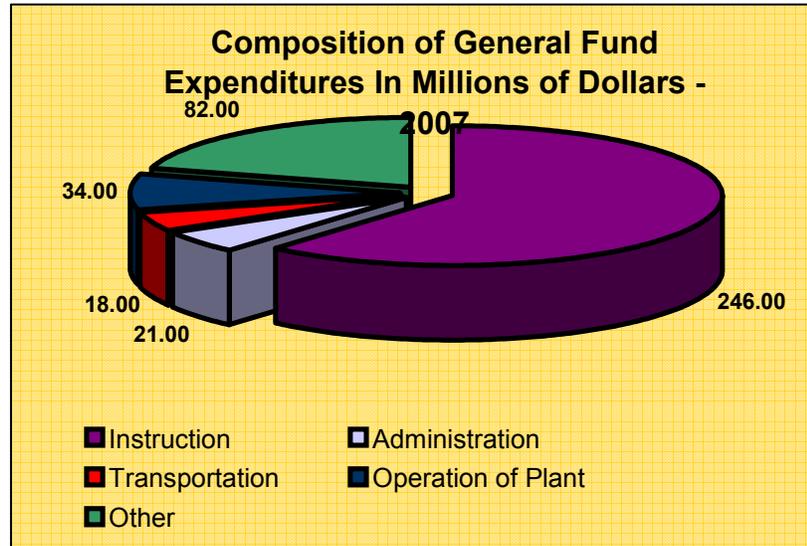


SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
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State sources increased by \$12,803,798, or 18 percent, mainly attributed to the State categorical funding of \$49,678,275 for the Class Size Reduction Program.

Local sources increased by \$35,404,653, or 13 percent, mainly as a result of an increase in property tax revenues of \$33,424,547.

Expenditures - Total General Fund expenditures increased from \$371,394,085 to \$400,499,172 for the fiscal year ended 2007. The major increases are reflected in the areas of salary and employee benefits. Instructional salary expenditures increased by \$10,379,144 from fiscal year 2006, primarily due to an increase of 5.25 percent for all teachers and an additional increase of 1 percent for teachers that completed 30 additional hours of additional planning time.



Expenditures By Function - General Fund

	<u>6/30/2007</u>	<u>6/30/2006</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Instruction	\$ 245,479,779	\$ 228,780,124	\$ 16,699,655	7%
School administration	20,884,258	19,929,409	954,849	5%
Pupil transportation	17,792,304	16,150,907	1,641,397	10%
Operation of plant	34,053,440	30,208,183	3,845,257	13%
Other	82,289,391	76,325,462	5,963,929	8%
Total	\$ 400,499,172	\$ 371,394,085	\$ 29,105,087	8%

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
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Debt Service – Other Debt Service Fund

An overall analysis of the District's Other Debt Service Fund is presented below:

	<u>6/30/2007</u>	<u>6/30/2006</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenue	\$ 61,892	\$ 41,909	\$ 19,983	48%
Other financing sources	15,933,961	16,728,654	(794,693)	-5%
Beginning fund balance	754,233	11,901	742,332	6238%
Total	<u>\$ 16,750,086</u>	<u>\$ 16,782,464</u>	<u>\$ (32,378)</u>	0%
Expenditures	\$ 15,967,629	\$ 16,028,231	\$ (60,602)	0%
Ending fund balance	782,457	754,233	28,224	4%
Total	<u>\$ 16,750,086</u>	<u>\$ 16,782,464</u>	<u>\$ (32,378)</u>	0%

Capital Projects – Local Capital Improvement Tax Fund

An overall analysis of the District's Capital Projects – Local Capital Improvement Tax Fund is presented below:

	<u>6/30/2007</u>	<u>6/30/2006</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenue	\$ 119,227,840	\$ 93,317,053	\$ 25,910,787	28%
Other financing sources	-	109,262	(109,262)	-100%
Beginning fund balance	45,201,866	43,819,266	1,382,600	3%
Total	<u>\$ 164,429,706</u>	<u>\$ 137,245,581</u>	<u>\$ 27,184,125</u>	20%
Expenditures	\$ 66,996,988	\$ 63,414,861	\$ 3,582,127	6%
Other financing uses	27,212,875	28,628,854	(1,415,979)	-5%
Ending fund balance	70,219,843	45,201,866	25,017,977	55%
Total	<u>\$ 164,429,706</u>	<u>\$ 137,245,581</u>	<u>\$ 27,184,125</u>	20%

During the fiscal year 2007, expenditures in the Capital Projects – Local Capital Improvement Tax Fund increased by \$3,582,127, or 6 percent. Completion of the schools listed in the Certificate of Participation 2004 during 2006 was the reason for most of this increase. See further discussion of the Certificates of Participation in the Other Capital Projects section below.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2007

Other Capital Projects

The District's other capital projects fund is primarily used to report revenues and expenditures from sales tax collections and expenditures from the District's 2004 Certificates of Participation issuance. An overall analysis of this fund is presented below:

	<u>6/30/2007</u>	<u>6/30/2006</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Revenue	\$ 46,212,613	\$ 32,349,156	\$ 13,863,457	43%
Other financing sources	5,065,250	1,299,696	3,765,554	290%
Beginning fund balance	23,393,891	25,909,028	(2,515,137)	-10%
Total	<u>\$ 74,671,754</u>	<u>\$ 59,557,880</u>	<u>\$ 15,113,874</u>	25%
Expenditures	\$ 20,167,009	\$ 35,437,470	\$ (15,270,461)	-43%
Other financing sources	-	726,519	(726,519)	100%
Ending fund balance	54,504,745	23,393,891	31,110,854	133%
Total	<u>\$ 74,671,754</u>	<u>\$ 59,557,880</u>	<u>\$ 15,113,874</u>	25%

Other financing sources and expenditures decreased by \$726,519 and \$15,270,461 respectively during the fiscal year ended June 30, 2007. Decreases are attributed to the District's issuance of \$50,000,000 in Certificates of Participation for the construction of Phillippi Shores, Venice and Wilkinson Elementary schools during fiscal year ended June 30, 2005.

GENERAL FUND BUDGETARY HIGHLIGHTS

Most District operations are funded in the General Fund. Total General Fund revenues during 2006-07 were \$780,103 less than originally budgeted. Amendments of \$3,455,839 were made to local revenues to adjust for increases in actual collections for property taxes beyond the 95 percent original budgeted amounts.

Budget amendments for expenditures were relatively minor.

CAPITAL ASSETS AND LONG-TERM DEBT

At June 30, 2007, the District had \$612,228,023 invested in a broad range of capital assets, including land, buildings and improvements, and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$36,579,099 or 6 percent, from last fiscal year.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2007

Governmental Activities				
	<u>6/30/07</u>	<u>6/30/06</u>	<u>Change</u>	<u>Percentage Change</u>
Capital assets not being depreciated:				
Land	\$ 27,714,140	\$ 27,311,641	\$ 402,499	1%
Land improvements	40,210,713	33,010,806	7,199,907	22%
Construction in progress	22,664,293	72,196,053	(49,531,760)	-69%
Capital assets being depreciated:				
Improvements other than buildings	37,194,895	31,419,349	5,775,546	18%
Buildings and fixed equipment	617,744,394	542,046,276	75,698,118	14%
Furniture fixtures and equipment and Audio visual materials	63,736,979	51,066,819	12,670,160	25%
Motor vehicles	24,752,702	22,775,179	1,977,523	9%
Property under capital lease	832,737	1,678,034	(845,297)	-50%
Computer software	7,075,907	6,090,243	985,664	16%
Total Capital Assets	841,926,760	787,594,400	54,332,360	7%
Less accumulated depreciation	(229,698,737)	(211,945,476)	(17,753,261)	8%
Total Capital Assets, net	<u>\$ 612,228,023</u>	<u>\$ 575,648,924</u>	<u>\$ 36,579,099</u>	6%

Detailed information regarding the District's capital asset balances and activity for the fiscal year ended June 30, 2007 is provided in Note 5 to the Financial Statements.

Long-Term Debt

At June 30, 2007 the District had \$87,801,574 in bonds payable, obligations under capital lease, and Certificates of Participation versus \$101,240,613 last fiscal year, a decrease of 14 percent. A summary of the long-term debt obligations are listed in the following table:

	<u>6/30/2007</u>	<u>6/30/2006</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Obligations under capital lease	\$ 285,574	\$ 585,690	\$ (300,116)	-51%
State school bonds	14,670,040	15,564,511	(894,471)	-6%
Race track revenue bonds	2,225,317	2,565,000	(339,683)	-13%
Qualified Academy Zone Bonds	1,299,696	1,299,696	-	0%
Certificates of participation	69,320,947	82,525,412	(13,204,465)	-16%
Total	<u>\$ 87,801,574</u>	<u>\$ 102,540,309</u>	<u>(14,738,735)</u>	-14%

The District's decrease in debt was primarily the result of payments on the current outstanding debt and the early payoff by the State of some of the State Board of Education Bonds during 2006.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Management's Discussion and Analysis
June 30, 2007

For more details concerning capital assets and long-term debt, refer to the notes to the basic financial statements.

The District has been given the following bond ratings:

	<u>Certificates of Participation</u>	
	<u>Insured</u>	<u>Underlying</u>
Moody's	Aaa	Aa2
Fitch IBCA	AAA	AA

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Al Weidner, Deputy Chief Finance Officer, 1960 Landings Boulevard, Sarasota, Florida 34231.

BASIC FINANCIAL STATEMENTS

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Net Assets
June 30, 2007

	Primary Government	Component Units
	Governmental Activities	Charter Schools
Assets		
Cash	\$ 1,252,699	\$ 1,116,756
Investments	220,564,681	-
Accounts receivable	603,939	99,355
Deposits receivable	75,000	-
Due from other governmental agencies	20,695,012	100,151
Inventories	2,024,290	-
Prepaid items	2,356,665	421,205
Deferred charges	629,046	203,634
Capital assets:		
Nondepreciable	90,589,146	1,221,664
Depreciable, net	521,638,877	8,395,770
Total assets	860,429,355	11,558,535
Liabilities		
Accounts payable and other current liabilities	19,666,775	1,160,679
Due to other governmental agencies	4,764,175	-
Matured debt payable	13,004,000	-
Matured interest payable	1,360,972	-
Accrued interest payable	363,991	103,140
Unearned revenue	488,047	-
Portion due within one year:		
Notes payable	-	386,606
Bonds Payable	1,240,000	87,510
Obligations under capital leases	140,677	87,434
Certificates of participation payable	13,310,000	-
Liability for compensated absences	11,981,996	-
Estimated insurance claims payable	3,455,060	-
Early retirement incentive payable	585,664	-
Portion due in more than one year:		
Notes payable	-	3,657,637
Bonds Payable	16,955,053	2,815,054
Obligations under capital leases	144,897	180,984
Certificates of participation payable	56,010,947	-
Liability for compensated absences	22,386,839	44,638
Estimated liability for unpaid claims	4,639,115	-
Early retirement incentive payable	4,452,945	-
Postemployment Health Care Benefits Payable	1,486,864	-
Total liabilities	176,438,017	8,523,682
Net assets		
Invested in capital assets, net of related debt	528,236,762	2,605,784
Restricted for:		
Capital projects	111,095,745	25,000
Debt services	1,368,311	-
Food service	629,244	-
State categorical programs	13,860,110	-
Unrestricted	28,801,166	404,069
Total net assets	\$ 683,991,338	\$ 3,034,853

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Activities
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
Instruction	\$ 280,629,797	\$ 2,496,679	\$ -	\$ -
Pupil personnel services	29,165,173	-	-	-
Instructional media services	6,364,718	-	-	-
Instruction and curriculum development services	8,844,988	-	-	-
Instructional staff training services	9,659,899	-	-	-
Instruction Related Technology	7,313,334	-	-	-
Board of education	990,629	-	-	-
General administration	3,595,878	-	-	-
School administration	18,363,321	-	-	-
Facilities acquisition and construction	27,089,488	-	-	34,917,409
Fiscal services	2,182,470	-	-	-
Food services	15,666,988	8,894,983	6,727,956	-
Central services	7,854,963	-	-	-
Pupil transportation services	23,219,538	-	9,273,506	-
Operation of plant	34,389,933	-	-	-
Maintenance of plant	16,142,678	-	-	-
Administrative technology services	2,095,439	-	-	-
Community services	1,305,084	-	-	-
Interest on long-term debt	2,515,380	-	-	1,838,721
Total governmental activities	<u>\$ 497,389,698</u>	<u>\$ 11,391,662</u>	<u>\$ 16,001,462</u>	<u>\$ 36,756,130</u>
Component units:				
Charter schools	\$ 17,389,379	\$ 8,138	\$ 696,084	\$ -
Total component units	<u>\$ 17,389,379</u>	<u>\$ 8,138</u>	<u>\$ 696,084</u>	<u>\$ -</u>

General revenues:
Property taxes, levied for general purposes
Property taxes, levied for capital projects
Local sales taxes
Grants and contributions not restricted to specific programs
Miscellaneous
Sale of land
Unrestricted investment earnings
Total general revenues

Change in net assets

Total net assets, beginning of year

Total net assets, end of year

The accompanying notes are an integral part of the basic financial statements.

Net (Expense) Revenue and Changes in Net Assets	
Primary Government	Component Units
Governmental Activities	Charter Schools
\$ (278,133,118)	\$ -
(29,165,173)	-
(6,364,718)	-
(8,844,988)	-
(9,659,899)	-
(7,313,334)	-
(990,629)	-
(3,595,878)	-
(18,363,321)	-
7,827,921	-
(2,182,470)	-
(44,049)	-
(7,854,963)	-
(13,946,032)	-
(34,389,933)	-
(16,142,678)	-
(2,095,439)	-
(1,305,084)	-
(676,659)	-
<u>(433,240,444)</u>	<u>-</u>
	<u>(16,685,157)</u>
	<u>(16,685,157)</u>
296,843,842	-
113,936,426	-
16,453,038	-
96,569,779	17,499,286
8,966,747	356,824
5,065,250	-
12,495,760	-
<u>550,330,842</u>	<u>17,856,110</u>
117,090,398	1,170,953
<u>566,900,940</u>	<u>1,863,900</u>
<u>\$ 683,991,338</u>	<u>\$ 3,034,853</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Balance Sheet
Governmental Funds
June 30, 2007

	General Fund	Other Debt Service	Capital Projects Funds	
			Local Capital Improvement Tax	Other Capital Projects
Assets				
Cash	\$ 1,178,163	\$ -	\$ -	\$ 10,002
Investments	61,975,643	15,098,556	78,875,602	41,027,968
Accounts receivable	573,880	-	-	-
Due from other funds	5,478,105	-	4,454,988	116,989
Due from other governmental agencies	852,688	-	159,223	17,926,942
Prepaid items	2,325,343	-	-	-
Inventories	1,415,003	-	-	-
Total assets	\$ 73,798,825	\$ 15,098,556	\$ 83,489,813	\$ 59,081,901
Liabilities and fund balances				
Liabilities:				
Salaries and wages payable	\$ 1,918,940	\$ -	\$ -	\$ -
Payroll deductions and withholdings payable	821,473	-	-	-
Accounts payable	2,521,124	-	2,102,173	660,793
Construction contracts payable	-	-	6,167,424	3,916,363
Deposits payable	20,800	-	-	-
Due to other funds	4,595,125	-	5,000,373	-
Due to other governmental agencies	4,750,127	-	-	-
Matured debt payable	-	12,985,000	-	-
Matured interest payable	-	1,331,099	-	-
Deferred revenue	19,987	-	-	-
Total liabilities	14,647,576	14,316,099	13,269,970	4,577,156
Fund balances:				
Reserved for:				
Retirement of long-term debt	-	-	-	-
Encumbrances	2,930,953	-	30,684,125	29,922,900
Inventories	184,241	-	-	-
State categorical programs	1,365,505	-	-	12,494,605
Unreserved:				
General fund	54,670,550	-	-	-
Debt service funds	-	782,457	-	-
Capital projects funds	-	-	39,535,718	12,087,240
Special revenue funds	-	-	-	-
Total fund balances	59,151,249	782,457	70,219,843	54,504,745
Total liabilities and fund balances	\$ 73,798,825	\$ 15,098,556	\$ 83,489,813	\$ 59,081,901

The accompanying notes are an integral part of the basic financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 53,774	\$ 1,241,939
3,541,963	200,519,732
50,708	624,588
2,843	10,052,925
1,756,159	20,695,012
-	2,325,343
609,287	2,024,290
\$ 6,014,734	\$ 237,483,829
\$ 113,065	\$ 2,032,005
-	821,473
268,076	5,552,166
1,012,466	11,096,253
-	20,800
478,076	10,073,574
-	4,750,127
19,000	13,004,000
29,873	1,360,972
468,060	488,047
2,388,616	49,199,417
949,845	949,845
1,968,422	65,506,400
609,287	793,528
-	13,860,110
-	54,670,550
-	782,457
78,607	51,701,565
19,957	19,957
3,626,118	188,284,412
\$ 6,014,734	\$ 237,483,829

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Assets
June 30, 2007

Total fund balances - governmental funds \$ 188,284,412

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 governmental funds. 612,228,023

Debt issuance costs and underwriter's discounts are not expensed in the government-wide statements, but are reported as deferred charges, and amortized over the life of the debt in the statement of activities. 629,046

Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due. (363,991)

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds. Long-term liabilities at year-end consist of:

Bonds payable	(18,195,053)
Certificates of participation payable	(69,320,947)
Obligations under capital lease	(285,574)
Early retirement incentive liability	(5,038,609)
Compensated absences payable	(34,368,835)
Other postemployment obligations liability	(1,486,864)

Internal service funds are used by the District to charge the costs of certain activities such as insurance to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. 11,909,730

Total net assets of governmental activities \$ 683,991,338

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2007

	<u>General Fund</u>	<u>Other Debt Service</u>	<u>Local Capital Improvement Tax</u>	<u>Other Capital Projects</u>
Revenues				
Federal sources	\$ 309,027	\$ -	\$ -	\$ -
Federal through state	1,744,196	-	-	-
State sources	82,892,972	-	190,756	16,357,780
Local sources	308,940,177	61,892	119,037,084	29,854,833
Total revenues	<u>393,886,372</u>	<u>61,892</u>	<u>119,227,840</u>	<u>46,212,613</u>
Expenditures				
Current:				
Instruction	245,479,779	-	-	-
Pupil personnel services	26,612,866	-	-	-
Instructional media services	6,005,350	-	-	-
Instruction and curriculum development services	6,502,160	-	-	-
Instructional staff training services	7,175,055	-	-	-
Instruction Related Technology	6,071,627	-	-	-
Board of education	969,522	-	-	-
General administration	2,654,774	-	-	-
School administration	18,229,484	-	-	-
Facilities acquisition and construction	-	-	-	-
Fiscal services	2,150,527	-	-	-
Food services	56,302	-	-	-
Central services	6,957,228	-	-	-
Pupil transportation services	17,792,304	-	-	-
Operation of plant	34,053,440	-	-	-
Maintenance of plant	15,146,073	-	-	-
Administrative Technology Services	2,035,824	-	-	-
Community services	1,003,428	-	-	-
Capital outlay:				
Facilities acquisition and construction	-	-	66,996,988	20,167,009
Other capital outlay	1,603,429	-	-	-
Debt service:				
Principal	-	13,282,828	-	-
Interest	-	2,679,701	-	-
Dues and Fees	-	5,100	-	-
Total expenditures	<u>400,499,172</u>	<u>15,967,629</u>	<u>66,996,988</u>	<u>20,167,009</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,612,800)</u>	<u>(15,905,737)</u>	<u>52,230,852</u>	<u>26,045,604</u>
Other financing sources (uses)				
Sale of land	-	-	-	5,065,250
Insurance loss recoveries	202,865	-	-	-
Transfers in	15,286,818	15,933,961	-	-
Transfers out	(842,029)	-	(27,212,875)	-
Total other financing sources (uses)	<u>14,647,654</u>	<u>15,933,961</u>	<u>(27,212,875)</u>	<u>5,065,250</u>
Net change in fund balances	8,034,854	28,224	25,017,977	31,110,854
Fund balance - beginning	51,080,835	754,233	45,201,866	23,393,891
Increase in inventory reserve	35,560	-	-	-
Fund balance - ending	<u>\$ 59,151,249</u>	<u>\$ 782,457</u>	<u>\$ 70,219,843</u>	<u>\$ 54,504,745</u>

The accompanying notes are an integral part of the basic financial statements.

Nonmajor Governmental Funds	Total Governmental Funds
\$ 517,957	\$ 826,984
24,996,292	26,740,488
13,007,346	112,448,854
9,928,800	467,822,786
<u>48,450,395</u>	<u>607,839,112</u>
11,467,161	256,946,940
2,336,064	28,948,930
47,762	6,053,112
1,967,422	8,469,582
2,355,948	9,531,003
-	6,071,627
-	969,522
698,470	3,353,244
42,456	18,271,940
110,523	110,523
4,390	2,154,917
15,435,054	15,491,356
33,719	6,990,947
265,271	18,057,575
13,286	34,066,726
-	15,146,073
-	2,035,824
279,603	1,283,031
5,676,338	92,840,335
319,197	1,922,626
1,195,000	14,477,828
761,751	3,441,452
2,147	7,247
<u>43,011,562</u>	<u>546,642,360</u>
<u>5,438,833</u>	<u>61,196,752</u>
-	5,065,250
-	202,865
-	31,220,779
<u>(3,858,660)</u>	<u>(31,913,564)</u>
<u>(3,858,660)</u>	<u>4,575,330</u>
1,580,173	65,772,082
2,045,945	122,476,770
-	35,560
<u>\$ 3,626,118</u>	<u>\$ 188,284,412</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended June 30, 2007

Net change in fund balances - total governmental funds **\$ 65,772,082**

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 by which capital outlays exceed depreciation expense in the current period.

Capital Outlay	\$	64,020,183	
Loss on Sale of Capital Assets		(1,791,860)	
Less, Depreciation Expense		(25,613,689)	
			36,614,634

Repayments of long-term liabilities are expenditures in the governmental funds, but repayments reduce long-term liabilities in the statement of net assets.

Certificates of Participation	\$	12,985,000	
State School Bonds		845,000	
Racetrack Bonds		350,000	
Capital Lease		300,116	
			14,480,116

Issuance costs and premiums on new debt issues are reported when issued as expenditures and other financing sources in the governmental funds, but are deferred and amortized as expenses over the life of the debt in the statement of activities.

Deferred Charges:			
Current Year	\$	629,046	
Less, Prior Year		825,886	
Net Increase in Expenses from Deferred Charges			(196,840)
Unamortized Difference Between Old and New Debt:			
Current Year	\$	630,481	
Less, Prior Year		765,511	
Net Increase in Revenue from Difference Between Old and New Debt			(135,030)
Unamortized Premiums:			
Prior Year	\$	2,574,041	
Less, Current Year		2,201,785	
Net Reduction in Expenses from Unamortized Premiums			372,256

The net change in the liability for early retirement benefits is reported in the government-wide statements but not in the governmental funds until due. 964,660

Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrues in the statement of activities. 67,901

In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for leave used. This is the net amount of vacation and sick leave earned in excess of the amount used in the current period. (68,720)

Internal service funds are used by management to charge the cost of insurance to individual funds. The net revenue of internal service funds is reported with governmental activities. 706,203

The net change in the liability for postemployment healthcare benefits is reported in the government-wide statements, but not in the governmental fund statements (1,486,864)

Change in net assets of governmental activities \$ 117,090,398

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal direct	\$ 271,832	\$ 309,027	\$ 309,027	\$ -
Federal through state	919,370	1,751,197	1,744,196	(7,001)
State sources	86,596,144	83,155,609	82,892,972	(262,637)
Local sources	<u>305,994,803</u>	<u>309,450,642</u>	<u>308,940,177</u>	<u>(510,465)</u>
Total revenues	<u>393,782,149</u>	<u>394,666,475</u>	<u>393,886,372</u>	<u>(780,103)</u>
Expenditures				
Current:				
Instruction	254,164,696	247,565,996	245,479,779	2,086,217
Pupil personnel services	27,732,857	27,023,589	26,612,866	410,723
Instructional media services	6,066,533	6,327,832	6,005,350	322,482
Instruction and curriculum development services	4,429,848	6,750,709	6,502,160	248,549
Instructional staff training services	6,093,767	7,305,262	7,175,055	130,207
Instructional Related Technology	6,331,527	6,860,239	6,071,627	788,612
Board of education	1,056,347	1,121,203	969,522	151,681
General administration	2,717,342	2,723,268	2,654,774	68,494
School administration	19,510,982	18,478,455	18,229,484	248,971
Facilities acquisition and construction	21,807	-	-	-
Fiscal services	2,214,053	2,396,108	2,150,527	245,581
Food services	-	84,979	56,302	28,677
Central services	7,419,269	7,242,276	6,957,228	285,048
Pupil transportation services	18,510,606	17,980,208	17,792,304	187,904
Operation of plant	36,666,532	34,314,957	34,053,440	261,517
Maintenance of plant	17,539,796	15,306,180	15,146,073	160,107
Administrative Technology Services	2,159,433	2,105,334	2,035,824	69,510
Community services	1,225,594	1,148,255	1,003,428	144,827
Capital outlay:				
Other capital outlay	-	-	1,603,429	(1,603,429)
Total expenditures	<u>413,860,989</u>	<u>404,734,850</u>	<u>400,499,172</u>	<u>4,235,678</u>
Deficiency of revenues under expenditures	<u>(20,078,840)</u>	<u>(10,068,375)</u>	<u>(6,612,800)</u>	<u>3,455,575</u>
Other financing sources (uses)				
Insurance loss recovery	-	-	202,865	202,865
Transfers in	18,529,640	16,893,811	15,286,818	(1,606,993)
Transfers out	<u>(852,785)</u>	<u>(852,785)</u>	<u>(842,029)</u>	<u>10,756</u>
Total other financing sources (uses)	<u>17,676,855</u>	<u>16,041,026</u>	<u>14,647,654</u>	<u>(1,393,372)</u>
Net change in fund balance	<u>\$ (2,401,985)</u>	<u>\$ 5,972,651</u>	<u>8,034,854</u>	<u>\$ 2,062,203</u>
Fund balance - beginning			51,080,835	
Increase in inventory reserve			<u>35,560</u>	
Fund balance - ending			<u>\$ 59,151,249</u>	

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Fund Net Assets
Proprietary Funds
June 30, 2007

	Governmental Activities - Internal Service Funds
Assets	
Current assets	
Cash	\$ 10,760
Investments	20,044,949
Deposits receivable	75,000
Due from other funds	20,744
Prepaid items	10,578
Total current assets	20,162,031
Total assets	\$ 20,162,031
Liabilities and net assets	
Current liabilities	
Accounts payable	\$ 133,371
Due to other funds	95
Due to other governmental agencies	14,048
Estimated insurance claims payable	3,455,060
Total current liabilities	3,602,574
Long-term liabilities	
Liability for compensated absences	93,401
Estimated insurance claims payable	4,639,115
Total long-term liabilities	4,732,516
Total liabilities	8,335,090
Net assets	
Unrestricted	11,826,941
Total net assets	11,826,941
Total liabilities and net assets	\$ 20,162,031

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Governmental Activities Internal Service Funds
Operating revenues	
Charges for services	\$ 4,292,821
Other	156,283
Total operating revenues	4,449,104
Operating expenses	
Salaries	319,093
Employee benefits	80,299
Purchased services	815,677
Materials and supplies	2,589
Capital outlay	-
Insurance claims	4,185,301
Total operating expenses	5,402,959
Operating income	(953,855)
Nonoperating revenues	
Interest	967,273
Income before transfers	13,418
Transfer in	692,785
Change in net assets	706,203
Total net assets - beginning	11,120,738
Total net assets - ending	\$ 11,826,941

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Governmental Activities Internal Service Funds
Operating activities	
Cash receipts from interfund services provided	\$ 4,292,821
Cash payments to suppliers	(612,376)
Cash payments to employees	(387,213)
Cash payments for interfund services used	(4,001,031)
Net cash used by operating activities	<u>(707,799)</u>
Noncapital financing activities	
Transfer from other funds	692,855
Transfer to other funds	(10,703)
Net cash provided by noncapital financing activities	<u>682,152</u>
Investing activities	
Proceeds from the sale and maturities of investments	25,951,380
Interest payments received	967,273
Purchase of investments	(26,892,837)
Net cash provided by investing activities	<u>25,816</u>
Net increase in cash	169
Cash - Beginning of year	10,591
Cash - End of year	<u>\$ 10,760</u>
Reconciliation of operating income to net cash used by operating activities	
Operating income	\$ (953,855)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities	
Increase in salaries and benefits	10,587
Increase in accounts payable	49,607
Increase in due to other governmental agencies	1,592
Increase in estimated unpaid claims	184,270
Total adjustments	<u>246,056</u>
Net cash used by operating activities	<u>\$ (707,799)</u>

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	School Internal Accounts
Assets	
Cash and cash equivalents	\$ 4,915,173
Accounts receivable, net of allowance of \$57,884	137,897
Inventories	132,441
Total assets	\$ 5,185,511
Liabilities	
Accounts payable and other	\$ 71,547
Internal accounts payable	5,113,964
Total liabilities	\$ 5,185,511

The accompanying notes are an integral part of the basic financial statements.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

➤ Reporting Entity

The School Board of Sarasota County, Florida (District) has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Sarasota County School District is considered part of the Florida system of public education. The governing body of the school district is the Sarasota County District School Board (Board) that 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 Sarasota 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 Financing Corporation of the School Board of Sarasota County, Inc. (corporation) was founded to facilitate financing for the acquisition of facilities and equipment as further discussed in Note 7. Due to the substantive economic relationship between the Sarasota County District School Board and the Corporation, the financial activities of the Corporation are included in the accompanying basic financial statements. Separate financial statements for the Corporation are not published.
- Discretely Presented Component Units The component unit(s) columns in the basic financial statements include the financial data of the District's other component units. For financial reporting purposes, nine charter schools are included in the financial statements of the District as discretely presented component units. These schools operate under a charter approved by their sponsor, the Board, and are considered to be component units of the District since they are fiscally dependent on the District to levy taxes for them. The component units are as follows:

Island Village Montessori North, Inc., Island Village Montessori Charter School, Inc., Island Village Middle School, Inc., Sarasota Suncoast Academy, Student Leadership Academy of Venice, Sarasota Military Academy, Inc., Sarasota School of Arts and Sciences, Inc., Suncoast

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

School for Innovative Studies, Inc., and Goodwill Academy (charter schools) are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and section 1002.33, Florida Statutes. The Board is responsible for the prudent use of the public funds received for providing an appropriate educational program for its targeted enrollment. Audits of the Charter Schools for the fiscal year ended June 30, 2007 were conducted by independent certified public accountants and are filed at the District's administrative office at 1960 Landings Boulevard, Sarasota, FL 34231.

➤ **Basis of Presentation**

Government-wide Financial Statements - Government-wide financial statements, including the statement of net assets and the statement of activities, present information about the District as a whole. These statements include the nonfiduciary 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. Depreciation expenses are allocated to functions/programs of the primary government. 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 interfund activities have been eliminated from the government-wide financial statements. Interfund transactions, consisting of transactions involving the internal service funds, were eliminated by allocating the change in net assets of internal service funds in direct proportion as they were charged as expenses to the various functions.

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. Nonmajor funds are aggregated and reported in a single

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
- Debt Service – Other Debt Service Fund – to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs on the long-term certificates of participation.
- Capital Projects – Local Capital Improvement Tax 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.
- Capital Projects – Other Capital Projects – to account for the financial resources such as Sales Tax Proceeds, Impact Fees, Certificates of Participation, etc.

Additionally the District reports the following fund types:

- Internal Service Funds - to account for the District's individual self-insurance programs.
- Agency Funds - to account for resources of 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.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide financial statements are prepared using the accrual basis of accounting, as are the 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. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants and interest on investments. The District considers revenues to be available if they are collected within 60 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, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The Proprietary Funds are accounted for as proprietary activities under standards issued by the Financial Accounting Standards Board through November 1989 and applicable standards issued by the Governmental Accounting Standards Board. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for workers' compensation and employee dental insurance. Operating expenses include insurance claims and excess coverage premiums. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

The charter schools are accounted for as governmental organizations and follow the same accounting model as the District's governmental activities.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

➤ **Deposits and Investments**

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by the Federal Depository Insurance Corporation (FDIC) and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The statement of cash flows considers cash as those accounts used as demand deposit accounts.

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 2a-7 like external investment pool, are reported at fair value with is amortized cost.

Investments made locally consist of money market mutual funds 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 and Prepaid Items**

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost on a weighted average basis, except that 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 at the time individual inventory items are requisitioned for consumption, except for transportation parts. Transportation parts inventory balance is offset on the balance sheet by a fund balance reserve account, which indicates that it does not constitute "available expendable resources" even though it is a component of the current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

➤ **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 historical cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Capital assets are

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

defined by the District as those costing more than \$750. Such assets are recorded at historical cost or 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 straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	5 – 40 years
Buildings and Fixed Equipment	10 – 50 years
Furniture, Fixtures and Equipment	3 – 15 years
Motor Vehicles	5 – 10 years
Audio Visual Materials and Computer Software	4 – 5 years

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

➤ **Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable that they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as accrued salaries and benefits to the extent that the amounts

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

are expected to be paid. The balance of the liability is not recorded. The liability at year-end includes salary related payments such as Social Security, Medicare and Florida Retirement System contributions.

➤ **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. Bond and certificates of participation premiums and discounts, differences between the reacquisition price and net carrying amount of the old debt, and issuance costs, are deferred and amortized over the life of the bonds and certificates of participation using the effective interest method. Bonds and certificates of participation payable are reported net of the applicable premium or discount and differences between the reacquisition price and the net carrying amount of the old debt.

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.

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

➤ **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.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 and Capital Funds are 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 also received an allocation under the lottery-funded Public School Capital Outlay Program (commonly called the Classrooms First Program). 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 (and the Classrooms First Programs funds) as deferred revenue until such time 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 Sarasota County Property Appraiser, and property taxes are collected by the Sarasota County Tax Collector.

The School Board adopted the 2006 tax levy on September 12, 2006. Tax bills are mailed in October and taxes are payable between November 1 of the year 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.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Sarasota County Tax Collector at fiscal year-end but not yet remitted to the District.

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

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 function level within fund (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.
- 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.
- The reported budgetary data consists of the original budget as well as the final appropriated budget after amendments approved by the board.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

3. INVESTMENTS

Investments at June 30, 2007, are shown below:

<u>Investment</u>	<u>Maturities</u>	<u>Value</u>
State Board of Administration - Trust Funds - Investment Pool (SBA)	27 Day Average ⁽¹⁾	\$ 202,284,857
Wells Fargo - Treasury Money Market Fund	50 Day Average	5,299,926
Wells Fargo - Government Money Market Fund	19 Day Average	12,209,343
US Treasury Obligations - FNMA Discount Note ⁽²⁾	7/9/2007	<u>770,555</u>
Total Investments - Primary Government		<u>\$ 220,564,681</u>

⁽¹⁾The average maturity for the SBA was found at www.sbafla.com

⁽²⁾This investment is held under a paying agent agreement in connection with the Qualified Zone Academy Bonds financing arrangement. (See Note 10)

Interest Rate Risk

- Section 218.415(17), Florida Statutes, limits investments maturities to provide sufficient liquidity to pay obligation as they come due. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates, but the policy does state that securities should be invested 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.
- The District's investment policy authorizes the following investments:
 - Savings accounts.
 - Certificates of deposits.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

3. INVESTMENTS (continued)

- Time deposits.
 - Securities of the United States Government including obligations of the United States Treasury.
 - Investment pools managed and directed by an approved agency of the state.
- As of June 30, 2007, the District's investments in the State Board of Administration Investment Pool are unrated.
- The District's investment in the Wells Fargo Advantage 100% Treasury Money Market Fund, as well as investment in the Wells Fargo Advantage Government Money Market Fund are rated AAAM-G by Standard & Poor's and Aaa by Moody's Investor Services.
- The District's investment in US Treasury Obligations is authorized under a forward delivery agreement with the Qualified Zone Academy Bonds paying agent. The forward delivery agreement authorizes the investment of the sinking fund amounts in certain eligible securities, including, without limitation, the Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC). The eligible securities must have a maturity date that is on or before November 16, 2021.

Custodial Credit Risk

- 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 a 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. The District does not have a formal investment policy that addresses custodial credit risk. The District's \$17,509,269 investment in the Treasury and Government Money Market Fund, 100 percent comprised of U.S. Treasury Bills and Notes are held by the safekeeping agent, in the name of the District.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

3. INVESTMENTS (continued)

Concentration of Credit Risk

- Section 218.415(17), Florida Statutes, authorizes the District to invest in the Local Government Surplus Funds Trust Fund, any intergovernmental investment pool, the money market funds registered with the Securities and Exchange Commission, interest-bearing time deposits or savings accounts, and direct obligations of the U.S. Treasury. The District does not have a formal investment policy that limits the amount the District may invest in any one issuer.
- Investments at June 30, 2007 are comprised of 92 percent in the State Board of Administration investment pool. The weighted average maturity of the portfolio may not exceed 90 days.

4. RECEIVABLES

The majority of receivables are due from other governmental agencies. These receivables and the remaining accounts receivable are considered to be fully collectible. As such, no allowance for uncollectible accounts receivable is accrued.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

	Balance 7-1-06	Additions	Deletions	Balance 6-30-07
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 27,311,641	\$ 413,714	\$ 11,215	\$ 27,714,140
Land Improvements	33,010,806	8,334,305	1,134,398	40,210,713
Construction in Progress	72,196,053	18,753,878	68,285,638	22,664,293
Total Capital Assets Not Being Depreciated	132,518,500	27,501,897	69,431,251	90,589,146
Capital Assets Being Depreciated:				
Improvements Other Than Buildings	31,419,349	6,000,564	225,018	37,194,895
Buildings and Fixed Equipment	542,046,276	76,815,135	1,117,017	617,744,394
Furniture, Fixtures, and Equipment	50,945,779	17,888,491	5,215,821	63,618,449
Motor Vehicles	22,775,179	3,029,058	1,051,535	24,752,702
Property Under Capital Lease	1,678,034	-	845,297	832,737
Audio-Visual Materials	121,040	-	2,510	118,530
Computer Software	6,090,243	1,035,801	50,137	7,075,907
Total Capital Assets Being Depreciated	655,075,900	104,769,049	8,507,335	751,337,614
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(18,375,160)	(1,347,117)	102,145	(19,620,132)
Buildings and Fixed Equipment	(139,515,522)	(12,680,051)	890,625	(151,304,948)
Furniture, Fixtures, and Equipment	(35,899,109)	(7,690,862)	4,924,873	(38,665,098)
Motor Vehicles	(13,321,571)	(2,550,761)	1,047,131	(14,825,201)
Property Under Capital Lease	(706,582)	(616,568)	847,296	(475,854)
Audio-Visual Materials	(103,825)	(1,305)	1,673	(103,457)
Computer Software	(4,023,707)	(727,025)	46,685	(4,704,047)
Total Accumulated Depreciation	(211,945,476)	(25,613,689)	7,860,428	(229,698,737)
Total Capital Assets Being Depreciated, Net	443,130,424	79,155,360	646,907	521,638,877
Governmental Activities Capital Assets, Net	\$ 575,648,924	\$ 106,657,257	\$ 70,078,158	\$ 612,228,023

The class of property under capital leases is presented in Note 6.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

5. CHANGES IN CAPITAL ASSETS (continued)

Depreciation expense was charged to functions as follows:

<u>Function</u>	<u>Amount</u>
GOVERNMENTAL ACTIVITIES	
Instruction	\$ 20,022,112
Pupil Personnel Services	42,940
Instructional Media	184,818
Instruction and Curriculum	115,918
Instructional Staff Training	52,261
Board of Education	12,890
General Administration	243,230
School Administration	14,827
Facilities Acquisition	385,325
Fiscal Services	10,137
Food Services	67,676
Central Services	817,420
Pupil Transportation	2,769,292
Operation of Plant	45,844
Maintenance of Plant	765,243
Administrative Technology Services	41,217
Community Services	22,539
Total Depreciation Expense - Governmental Activities	<u>\$ 25,613,689</u>

6. OBLIGATIONS UNDER CAPITAL LEASE

The class and amount of property being acquired under a capital lease are as follows:

	<u>Asset Balance</u>
Copiers	<u>\$ 832,737</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

6. OBLIGATIONS UNDER CAPITAL LEASE (continued)

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

Fiscal Year Ending June 30	Total
2008	149,244
2009	149,244
Total minimum lease payments	298,488
Less interest	(12,914)
Present value of minimum payments	\$ 285,574

The imputed interest rates range from 3.00 to 8.6 percent.

7. CERTIFICATES OF PARTICIPATION PAYABLE

The District entered into a financing arrangement on June 1, 2003, which arrangement was characterized as a lease-purchase agreement, with the Financing Corporation for the School Board of Sarasota County, Florida (the Corporation) whereby the District secured financing of various educational facilities in the total amount of \$59,865,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2003, to be repaid from the proceeds of rents paid by the District.

The District also entered into a financing arrangement on September 15, 2004. This arrangement was characterized as a lease-purchase agreement, with the Corporation whereby the District secured financing of various educational facilities in the amount of \$50,000,000. The financing was accomplished through the issuance of Certificates of Participation, Series 2004, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Corporation with a rental fee of \$10 per year. The 2003 and 2004 leases have an original term extending to the date that the Certificates of Participation are paid, or prior to July 1, 2015. If the District fails to provide for the rent payment through to term, the District may be required to surrender the sites and financed improvements to the Corporation.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

7. CERTIFICATES OF PARTICIPATION PAYABLE (continued)

The District properties included in the ground lease under this arrangement include:

Series 2003 Certificates of Participation

Booker Middle School	Pine View School
Purchasing and Transportation Complex	Laurel Middle School
North County School Bus Depot	Sarasota Middle School
North Port Toledo Blade Elementary School	Venice High Media Center
Oak Park School	

Series 2004 Certificates of Participation

Phillippi Elementary School
Venice Elementary School
Wilkinson Elementary School

The lease payments are payable by the District semiannually, on June 15 and December 15, with interest rates ranging from 2.50 to 5.00 percent. The following is a schedule by years of future minimum lease payments as of June 30:

Fiscal Year Ending June 30:	Series 2003 <u>Lease</u>	Series 2004 <u>Lease</u>	<u>Total</u>
2008	\$ 9,563,775	\$ 6,083,799	\$ 15,647,574
2009	9,557,475	6,083,799	15,641,274
2010	9,566,112	6,082,349	15,648,461
2011-2015	<u>-</u>	<u>30,415,830</u>	<u>30,415,830</u>
Total Minimum Lease Payments	28,687,362	48,665,777	77,353,139
Add: Unamortized Premium on Debt	587,642	913,119	1,500,761
Less: Difference between the Reacquisition Price and Net Carrying Amount of Old Debt	(229,814)	-	(229,814)
Less Interest	<u>(1,747,363)</u>	<u>(7,555,776)</u>	<u>(9,303,139)</u>
Total Certificates of Participation	<u>\$ 27,297,827</u>	<u>\$ 42,023,120</u>	<u>\$ 69,320,947</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

8. BONDS PAYABLE

Bonds payable at June 30, 2007, 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 1998-A	\$ 460,000	4.50	2008
Series 1999-A	2,235,000	4.00-4.75	2019
Series 2000-A	465,000	5.00-5.125	2010
Series 2003-A	850,000	3.00-5.00	2023
Series 2004-A	1,080,000	3.00-4.625	2024
Series 2005-B	7,825,000	3.5-5.00	2020
Series 2006-A	1,465,000	4.00-5.00	2026
District Revenue Bonds:			
Race Track Revenue, Series 2003	<u>2,215,000</u>	2.75-3.60	2013
Subtotal	<u>\$ 16,595,000</u>		
Add: Unamortized Premium on Debt	701,024		
Less: Difference between the Reacquisition Price and Net Carrying Amount of Old Debt	<u>(400,667)</u>		
Total Bonds Payable	<u><u>\$ 16,895,357</u></u>		

The various bonds were issued to finance capital outlay projects of the District.

The following is a description of the bonded debt issues:

➤ **State School Bonds**

These bonds were 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. Additionally, the State's full faith and credit is also pledged as security for these bonds. 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 Revenue Bonds**

Race Track Revenue Refunding Bonds - These bonds were issued by the District and are authorized by Chapter 83-250, Laws of Florida, which provides that the bonds be secured from the pari-mutuel tax proceeds distributed annually to Sarasota County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Chapter 550, Florida Statutes (effective

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

8. BONDS PAYABLE (continued)

July 1, 2000, tax proceeds are distributed pursuant to Section 212.20(6)(d) 7.a., Florida Statutes). The annual distribution is remitted by the Department of Financial Services to the District. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2007, are as follows:

Fiscal Year Ending June 30: State School Bonds	Total	Principal	Interest
2008	\$ 1,982,775	\$ 880,000	\$ 1,102,775
2009	1,649,963	920,000	729,963
2010	1,646,775	960,000	686,775
2011	1,535,419	985,000	550,419
2012	1,539,061	1,035,000	504,061
2013-2017	7,731,600	6,005,000	1,726,600
2018-2022	3,277,185	2,835,000	442,185
2023-2026	834,819	760,000	74,819
Total State School Bonds	<u>\$ 20,197,597</u>	<u>\$ 14,380,000</u>	<u>\$ 5,817,597</u>

Fiscal Year Ending June 30: Race Track Revenue Bonds	Total	Principal	Interest
2008	\$ 431,855	\$ 360,000	\$ 71,855
2009	426,055	365,000	61,055
2010	435,105	385,000	50,105
2011	438,170	400,000	38,170
2012	434,970	410,000	24,970
2013	305,620	295,000	10,620
	<u>\$ 2,471,775</u>	<u>\$ 2,215,000</u>	<u>\$ 256,775</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

9. DEFEASED DEBT

On July 1, 2005, the Florida Department of Education issued Capital Outlay Refunding Bonds, 2005 Series B, with an average interest rate of 4.99 percent, to advance-refund callable portions of the District's State School Bonds, Series 1998A and 2000A. The Refunding Bonds were issued to advance-refund the \$6,510,000 principal amount of the District's State School Bonds, Series 1998A, that mature on or after January 1, 2009 and \$1,630,000 principal amount of the District's State School Bonds, Series 2000A, that mature on or after January 2011. The District's pro-rata share of net proceeds totaling \$7,860,000 (after deduction of \$29,573 by the Florida Department of Education for the District's pro-rata share of underwriting fees, insurance, and other issuance costs) were placed in an irrevocable trust to provide for future debt service payments. As a result, \$8,140,000 of the State School Bonds, Series 1998A and 2000A are considered to be in-substance defeased and the liability for these bonds has been removed from the government-wide financial statements.

The Series 2005B bonds were refunded to reduce the total debt service payments over the next 15 years by approximately \$607,621 and to obtain an economic gain of \$466,562.

10. QUALIFIED ZONE ACADEMY BONDS PAYABLE

The District entered into a purchase contract dated November 1, 2005, under the Qualified Zone Academy Bonds (QZAB) Program. The QZAB program provides no interest cost financing to purchase certain goods or services for schools located in eligible District areas (zones). The District received financing of \$1,299,696 from a local bank on November 16, 2005. Interest on the debt is paid by the United States Government through the issuance of Federal income tax credits to the holder of the QZAB debt (the bank). The rate of return to the bank was established by the United States Government at the time of the sale.

Repayment of the original \$1,299,696 financing proceeds is due in full on November 16, 2021. In connection with the financing, the District entered into a forward delivery agreement dated November 16, 2005, requiring a single deposit of \$726,519 into a sinking fund. The forward delivery agreement provides for a guaranteed investment return of 3.67 percent per annum whereby the required deposit, along with accrued interest, will be sufficient to repay the debt at maturity. The invested assets accumulated pursuant to the forward delivery agreement are held under a custodial agreement until the debt matures. There is \$770,555 in this sinking fund at June 30, 2007.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

11. CHANGES IN LONG-TERM LIABILITIES

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

Description	Balance 7-1-06	Additions	Deductions	Balance 6-30-07	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 18,108,118	\$ -	\$ 1,212,761	\$ 16,895,357	\$ 1,240,000
Qualified Zone Academy Bonds	1,299,696	-	-	1,299,696	-
Obligations Under Capital Leases	585,690	-	300,116	285,574	140,677
Certificates of Participation Payable	82,525,412	-	13,204,465	69,320,947	13,310,000
Liability for Compensated Absences	34,300,115	12,677,301	12,608,581	34,368,835	11,981,996
Estimated Insurance Claims Payable	7,909,905	4,185,301	4,001,031	8,094,175	3,455,060
Early Retirement Incentive Payable	6,003,269	-	964,660	5,038,609	585,664
Postemployment Health Care Benefits Payable	-	1,486,864	-	1,486,864	-
Total Governmental Activities	\$ 150,732,205	\$ 18,349,466	\$ 32,291,614	\$ 136,790,057	\$ 30,713,397

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

12. 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 2006-2007 fiscal year budget as a result of purchase orders outstanding at June 30, 2007.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

13. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Funds	Interfund	
	Receivables	Payables
Major Funds:		
General	\$ 5,478,105	\$ 4,595,125
Capital Projects:		
Local Capital Improvement Tax	4,454,988	5,000,373
Other Capital Projects	116,989	-
Nonmajor Governmental Funds	2,843	478,076
Internal Service Funds	20,744	95
 Total	\$ 10,073,669	\$ 10,073,669

Interfund receivables and payables are temporary loans of cash between funds allowable under Section 1011.09(2), Florida Statutes, for a period of less than 13 months. The temporary loans do not restrict, impede, or limit implementation or fulfillment of the original purposes for which the monies were received in the fund providing the advancement. All amounts will be repaid within the 2007-08 fiscal year.

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

Funds	Interfund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ 15,286,818	\$ 842,029
Other Debt Service	15,933,961	-
Local Capital Improvement Tax	-	27,212,875
Other Capital Projects	-	-
Nonmajor Governmental Funds	-	3,858,660
Internal Service Funds	692,785	-
 Total	\$ 31,913,564	\$ 31,913,564

Interfund transfers of money represent permanent transfers of moneys between funds. The transfer from the General Fund to the Internal Service Funds was to reimburse the general liability and auto liability self-insurance funds. Transfers from the Local Capital Improvement Fund were for the purpose of funding maintenance and equipment expenditures in the General Fund and for paying debt service expenditures in the Other Debt Service Fund. The transfers from the Nonmajor Governmental Funds were for the purpose of reimbursing the General Fund for custodial/utilities expenditures and Public Education Capital Outlay maintenance expenditures.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

14. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2006-2007 fiscal year:

Source:	Amount
Class size reduction - operating	\$ 33,670,495
Florida education finance program	14,817,885
Categorical educational programs	14,790,005
Workforce development	10,726,553
Public education capital outlay	10,538,636
Classrooms For Kids - PECO	16,007,780
Discretionary lottery	1,694,438
School recognition	2,797,059
Motor vehicle license tax (CODS)	1,838,721
Adult and senior learners with disabilities	868,659
Charter school capital outlay	1,388,721
Miscellaneous-operating	666,811
Pari-mutuel tax	446,500
Florida teachers lead program	725,048
Mobile home license tax	244,820
Miscellaneous-capital	796,900
Food services supplement	181,407
Voluntary Pre K Program	248,416
	<u>248,416</u>
Total	\$ 112,448,854

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

15. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2006 tax roll for the 2006-2007 fiscal year:

General Fund	Millages	Taxes Levied
Nonvoted School Tax:		
Required Local Effort	3.623	\$ 213,509,680
Basic Discretionary Local Effort	0.510	30,055,185
Supplemental Discretionary Local Effort	0.077	4,537,744
Voted Operating Tax	1.000	58,931,736
Capital Projects Funds		
Nonvoted Tax:		
Local Capital Improvements	2.000	117,863,472
TOTAL	7.210	\$ 424,897,818

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

16. STATE RETIREMENT PROGRAMS

Defined Benefit Plan. All regular employees of the District are covered by the Florida Retirement System (FRS). The FRS is primarily 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 FRS. Benefits in the defined benefit plan vest at six years of service. All members are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, which may include up to 4 years of credit for military service. The defined benefit plan also includes an early retirement provision, but imposes a penalty for each year a member retires before the specified retirement age. The defined benefit 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) subject to provisions of Section 121.091, Florida Statutes permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest.

Funding Policy. The contribution rates for Plan members are established and may be amended by the State of Florida. During the 2006-2007 fiscal year, contribution rates were as follows:

Class or Plan	Employee	Employer(A)
Florida Retirement System, Regular	0.00	9.85%
Florida Retirement System, County Elected Officials	0.00	16.53%
Florida Retirement System, Sr. Management Service	0.00	13.12%
Florida Retirement System, DROP, Teachers' Retirement System DROP	0.00	10.91%
Florida Retirement Special Risk System	0.00	20.92%
Florida Retirement System, Reemployed Retiree	(B)	(B)

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

16. STATE RETIREMENT PROGRAMS (continued)

Note: (A) Employer rates include the post-employment health insurance supplement of 1.11 percent and 0.05 percent for administrative cost of the Public Employee Optional Retirement Program.

(B) Contribution rates are dependent upon the retirement class in which reemployed.

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 ended June 30, 2005, June 30, 2006 and June 30, 2007 totaled \$15,545,294, \$17,713,926 and \$23,724,441 respectively, which were equal to the required contributions for each fiscal year.

Defined Contribution Plan. Effective September 1, 2002 the Public Employee Optional Retirement Program (PEORP) was implemented as a defined contribution plan alternative available to all FRS members in lieu of the defined benefit plan. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class (Regular Class, Special Risk Class, etc.). Contributions are directed to the individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. There were 601 District participants in the PEORP during the 2006-07 fiscal year. Required employer contributions made to the program for the fiscal year ended June 30, 2007 totaled \$1,978,560.

Pension Reporting. The financial statements and other supplemental information of the FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained by contacting the Department of Financial Services in Tallahassee, Florida. Also, an annual report on the FRS, 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. An annual report on the Plan which includes its financial statements, required supplemental information, actuarial report, and other relevant information may also be obtained by contacting the Florida Department of Management Services, Division of Retirement, 2639 North Monroe Street, Building C, Tallahassee, Florida, 32399-1560.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

17. SPECIAL TERMINATION BENEFITS

On May 18, 1993, the Board approved the establishment of a one-time early retirement incentive program for members of the instructional and classified collective bargaining units and its administrative personnel who signed an agreement to participate in the program and agreed to retire from employment under the provisions of the Florida Retirement System as explained in Note 16. The early out program was offered only until August 15, 1993. Participating employees were required to select an option under the existing provisions of the Florida Retirement System which pays over the life of the employee the maximum retirement benefit payable, forfeiting an option which would pay decreased retirement benefits for the lifetime of both the employee and a joint annuitant (Survivor). To compensate for the loss of these extended survivor benefits, the District, as part of the Early Out Program, purchased on behalf of participating employees a flexible premium universal life insurance policy to be paid for over the life of the retiree, providing death benefits upon the qualified employee's death equaling the amount the survivor would have received, including a 3 percent annual cost of living adjustment (COLA), had the qualified employee selected the Florida Retirement System option which paid survivor benefits. Premiums are to be paid for over the life of the participating employee. The District reported a liability of \$5,038,609 in the Statement of Net Assets representing the present value of the estimated future payments for life insurance coverages for the 138 employees who elected to retire during the 1992-93 and 1993-94 fiscal years and participate in the program.

18. POSTEMPLOYMENT HEALTH CARE BENEFITS

Effective for the 2006-07 fiscal year, the District elected to early implement Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for certain postemployment health care benefits and life insurance benefits provided by the District. The requirements of this Statement are being implemented prospectively, with the actuarially determined liability of \$9,260,149 at June 30, 2007, date of transition amortized over 30 years. Accordingly, for financial reporting purposes, no liability is reported for the postemployment health care benefits liability at the date of transition.

Plan Description – Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the District and eligible dependents, may continue to participate in the district's self-insured health and hospitalization plan for medical, prescription drug, dental and vision coverages. The District subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at reduced or blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. Additionally, certain retirees receive insurance coverage at a lower (explicitly subsidized) premium rate than active employees. The benefits provided under this

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

18. POSTEMPLOYMENT HEALTH CARE BENEFITS (continued)

defined benefit plan are provided for a fixed number of years determined at the time of retirement based on the number of years worked for the District. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

Funding Policy – The District has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. For the 2006-07 fiscal year, 386 retirees and eligible dependents received postemployment health care benefits. The District provided required contributions of \$307,319 toward the annual OPEB cost, comprised of benefit payments made on behalf of retirees for claims expenses (net of reinsurance), administrative expenses, and reinsurance payments, and net of retiree contributions totaling \$228,631. Required contributions are based on projected pay-as-you-go financing.

Annual OPEB Cost and Net OPEB Obligation – The following table shows the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Description	Life Insurance	Medical and Drug
Normal Cost (service cost for one year)	\$ 62,713	\$ 947,547
Amortization of Unfunded Actuarial Accrued Liability	74,578	640,338
Interest on Normal Cost and Amortization	<u>5,492</u>	<u>63,515</u>
Annual Required Contribution	142,783	1,651,400
Interest on Net OPEB Obligation	-	-
Adjustment to Annual Required Contribution	<u>-</u>	<u>-</u>
Annual OPEB Cost (expense)	142,783	1,651,400
Contribution Toward the OPEB Cost	<u>(69,687)</u>	<u>(237,632)</u>
Increase in Net OPEB Obligation	73,096	1,413,768
Net OPEB Obligation, Beginning of Year	<u>-</u>	<u>-</u>
Net OPEB Obligation, End of Year	<u><u>\$ 73,096</u></u>	<u><u>\$ 1,413,768</u></u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

18. POSTEMPLOYMENT HEALTH CARE BENEFITS (continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2007 (first year of implementation), was as follows:

<u>Fiscal Year</u>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Beginning Balance, 7-1-06	\$ -		\$ -
2006-07	1,794,183	17.1%	1,486,864

Funded Status and Funding Progress – As of June 30, 2007, the actuarial accrued liability for benefits was \$1,486,864, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$1,486,864. The covered payroll (annual payroll of active participating employees) was \$273,581,362 for the 2006-07 fiscal year, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 1 percent.

Actuarial Methods and Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and termination, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan provisions, as understood by the employer and participating members, and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and participating members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The District's initial OPEB actuarial valuation as of July 1, 2006, used the entry age actuarial cost method to estimate both the unfunded actuarial liability as of June 30, 2007 and to estimate the District's 2006-07 fiscal year annual required contribution. This method was selected because it produced the best estimate of the OPEB liability and annual cost. Because the OPEB liability is currently unfunded, the actuarial assumptions include a 4 percent rate of return on invested assets, which is the District's long-term expectation of investment returns under its investment policy. The actuarial assumptions also include a payroll growth of 3.50 percent per year, and an annual healthcare cost trend rate of 12.50 percent initially

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

18. POSTEMPLOYMENT HEALTH CARE BENEFITS (continued)

for the 2006-07 fiscal year, reduced by 1 percent per year, to an ultimate rate of 5.50 percent after 6 years. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll growth on an open basis. The remaining amortization period at June 30, 2007 is 29 years.

19. CONSTRUCTION CONTRACT COMMITMENTS

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

Project Name	Contract Amount	Completed To Date	Balance Committed
Booker High School	\$ 375,376	\$ -	\$ 375,376
Fruitville Elementary	266,356.00	168,826	97,530
Glenallen	1,558,339	845,412	712,927
Gocio Elementary	3,271,264	1,455,870	1,815,394
Lakeview Elementary	1,037,763	565,113	472,650
North Port 2nd Middle School	44,675,319	9,564,791	35,110,528
Oak Park School	7,691,383	6,583,034	1,108,349
Pineview School	362,525	50,289	312,236
Riverview High	21,262,403	6,864,864	14,397,539
Sarasota High School	1,142,797	400,248	742,549
Southside Elementary	13,138,049	12,223,822	914,227
Tatum Ridge Elementary	1,653,000	419,515	1,233,485
Taylor Ranch Elementary	3,525,676	2,768,300	757,376
Technical Center	2,483,460	587,859	1,895,601
Venice High	113,139	-	113,139
Wilkinson Elementary	344,822	95,110	249,712
District Wide	406,737	338,928	67,809
Total	\$ 103,308,408	\$ 42,931,981	\$ 60,376,427

20. RISK MANAGEMENT PROGRAMS

The District has established a cafeteria plan under Section 125 of the Internal Revenue Code whereby the District will purchase various insurance products for the employee. In addition, an employee may purchase additional insurance, which qualifies for salary reduction under Internal Revenue Service guidelines. The cafeteria plan is accounted for as an Internal Service Fund.

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. Workers' compensation, automobile liability, and general liability coverage, and certain dental benefits contained within the District's cafeteria plan, are being provided on a self-insured basis up to specified limits.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

20. RISK MANAGEMENT PROGRAMS (continued)

The District has contracted with an insurance administrator to administer the worker's compensation and dental benefits self-insurance programs, including the processing, investigation, and payment of claims. The District has entered into an insurance agreement for their worker's compensation plan to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis and aggregate excess coverage up to \$25 million. For general liability coverage the District depends on the Florida Sovereign Immunity Act, Section 768.28, Florida Statutes, to limit their potential tort liability to \$100,000 per person or \$200,000 per occurrence.

The District's health and hospitalization insurance program is administered by an insurance carrier under an agreement wherein the total premium is divided into equal monthly payments.

A liability in the amount of \$7,972,315 for the worker's compensation, the general liability, the auto liability, and the dental liability funds was actuarially determined to cover estimated incurred but not reported insurance claims payable at June 30, 2007, and is net of excess insurance recoverable on unpaid claims. A liability in the amount of \$121,860 relates to the District's cafeteria plan fund. Nonincremental claims expense have been included as part of the liabilities.

The following schedule represents the changes in claims liability for the past two fiscal years for the District's self-insurance program.

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
2005-2006	8,757,781	2,362,355	(3,210,231)	7,909,905
2006-2007	7,909,905	4,185,301	(4,001,031)	8,094,175

21. LITIGATION

The District is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. Management believes that any liability arising from such claims would be immaterial to the financial statements.

22. CONTINGENCY

The District receives grant funds from the federal government. Certain expenditures of these funds are subject to audit by the grantor, and the reporting entity is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the District, no material refunds will be required as a result of expenditures disallowed by the grantors.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Notes to the Basic Financial Statements (continued)
June 30, 2007

23. SUBSEQUENT EVENT

As discussed in Note 3, at June 30, 2007, the District had \$202,284,857 invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool (Pool). On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawals followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Rating Services assigned its "AAAM" principal stability fund rating to Pool A.

Currently, Pool B participants are prohibited from withdrawing any amount from the Pool and a formal withdrawal policy has not yet been developed. Market valuations of the assets held in Pool B are not readily available. In addition, full realization of the principle value of Pool B assets is not readily determinable.

As of December 5, 2007, the District has \$168,478,793 and \$28,306,258 invested in Pool A and B, respectively. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds account for certain revenues derived from the State of Florida, the Federal Government and other local and private sources that are required to finance designated activities. Activities included within the funds are as follows:

Food Service Fund – To account for and report on activities of the food service program in serving breakfast and lunch at the schools.

Contracted Programs Fund – To account for and report on activities of various programs of different funding sources according to the specifications and requirements of each funding source.

Debt Service Funds

The Debt Service Funds are used to account for the payment of interest and principal of the current portion of long-term debt.

State Board of Education Bonds Fund – To account for and report on payment of principal, interest, and related costs on the State School Bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the State-assessed motor vehicle license tax.

Special Act Bonds Fund – To account for and report on the payment of principal, interest, and related charges on the District's Race-Track Revenue Bonds, which are payable from the District's portion of race track and jai-alai fronton receipts.

District Bonds Fund – To account for bonds issued by the District as authorized by vote of the people of the District.

(continued)

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Nonmajor Governmental Funds (continued)

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects. Specific funding sources are included herein are:

Capital Outlay Bond Issues Fund – To account for capital project activity funded by proceeds of bonds issued by the State Board of Education on behalf of the District.

Special Act Bonds Fund – To account for capital project activity funded by proceeds of special act bonds associated with the refunding of the District's Race-Track Revenue Bonds.

Public Education Capital Outlay Fund – To account for capital project activity funded through the state Public Education Capital Outlay program.

Capital Outlay and Debt Service Fund – To account for capital project activity funded by the District's portion of the state Capital Outlay and Debt Service program.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash	\$ 43,771	\$ 10,003	\$ -	\$ 53,774
Investments	1,031,244	988,715	1,522,004	3,541,963
Accounts receivable	50,708	-	-	50,708
Due from other funds	-	-	2,843	2,843
Due from other governmental agencies	221,511	-	1,534,648	1,756,159
Inventories	609,287	-	-	609,287
Total assets	\$ 1,956,521	\$ 998,718	\$ 3,059,495	\$ 6,014,734
Liabilities and fund balances				
Liabilities:				
Salaries, benefits and payroll taxes payable	\$ 113,065	\$ -	\$ -	\$ 113,065
Accounts payable	268,076	-	-	268,076
Construction contracts payable	-	-	1,012,466	1,012,466
Due to other funds	478,076	-	-	478,076
Matured debt payable	-	19,000	-	19,000
Matured interest payable	-	29,873	-	29,873
Deferred revenue	468,060	-	-	468,060
Total liabilities	1,327,277	48,873	1,012,466	2,388,616
Fund balances:				
Reserved for:				
Retirement of long-term debt	-	949,845	-	949,845
Encumbrances	-	-	1,968,422	1,968,422
Inventories	609,287	-	-	609,287
Unreserved:				
Capital projects funds	-	-	78,607	78,607
Special revenue funds	19,957	-	-	19,957
Total fund balances	629,244	949,845	2,047,029	3,626,118
Total liabilities and fund balances	\$ 1,956,521	\$ 998,718	\$ 3,059,495	\$ 6,014,734

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2007

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Federal direct	\$ 517,957	\$ -	\$ -	\$ 517,957
Federal through state	24,996,292	-	-	24,996,292
State sources	181,407	1,992,123	10,833,816	13,007,346
Local sources	9,884,189	30,048	14,563	9,928,800
Total revenues	<u>35,579,845</u>	<u>2,022,171</u>	<u>10,848,379</u>	<u>48,450,395</u>
Expenditures				
Current:				
Instruction	11,467,161	-	-	11,467,161
Pupil personnel services	2,336,064	-	-	2,336,064
Instructional media services	47,762	-	-	47,762
Instruction and curriculum development services	1,967,422	-	-	1,967,422
Instructional staff training services	2,355,948	-	-	2,355,948
General administration	698,470	-	-	698,470
School administration	42,456	-	-	42,456
Facilities acquisition and construction	110,523	-	-	110,523
Fiscal Services	4,390	-	-	4,390
Food services	15,435,054	-	-	15,435,054
Central services	33,719	-	-	33,719
Pupil transportation services	265,271	-	-	265,271
Operation of plant	13,286	-	-	13,286
Community services	279,603	-	-	279,603
Capital outlay:				
Facilities acquisition and construction	-	-	5,676,338	5,676,338
Other capital outlay	319,197	-	-	319,197
Debt service:				
Principal	-	1,195,000	-	1,195,000
Interest	-	761,751	-	761,751
Dues and Fees	-	1,180	967	2,147
Total expenditures	<u>35,376,326</u>	<u>1,957,931</u>	<u>5,677,305</u>	<u>43,011,562</u>
Excess (deficiency) of revenues over (under) expenditures	<u>203,519</u>	<u>64,240</u>	<u>5,171,074</u>	<u>5,438,833</u>
Other financing sources (uses)				
Transfers out	(530,000)	-	(3,328,660)	(3,858,660)
Total other financing sources (uses)	<u>(530,000)</u>	<u>-</u>	<u>(3,328,660)</u>	<u>(3,858,660)</u>
Net change in fund balances	(326,481)	64,240	1,842,414	1,580,173
Fund balance - beginning	<u>955,725</u>	<u>885,605</u>	<u>204,615</u>	<u>2,045,945</u>
Fund balance - ending	<u>\$ 629,244</u>	<u>\$ 949,845</u>	<u>\$ 2,047,029</u>	<u>\$ 3,626,118</u>

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Food Service Fund	Contracted Programs Fund	Total Nonmajor Special Revenue Funds
Assets			
Cash	\$ 22,571	\$ 21,200	\$ 43,771
Investments	129,228	902,016	1,031,244
Accounts receivable	50,708	-	50,708
Due from other governmental agencies	179,559	41,952	221,511
Inventories	609,287	-	609,287
Total assets	\$ 991,353	\$ 965,168	\$ 1,956,521
Liabilities and fund balances			
Liabilities:			
Salaries, benefits and payroll taxes payable	\$ 1,307	\$ 111,758	\$ 113,065
Accounts payable	46,059	222,017	268,076
Due to other funds	314,743	163,333	478,076
Deferred revenue	-	468,060	468,060
Total liabilities	362,109	965,168	1,327,277
Fund balances:			
Reserved for:			
Inventories	609,287	-	609,287
Unreserved:			
Special revenue funds	19,957	-	19,957
Total fund balances	629,244	-	629,244
Total liabilities and fund balances	\$ 991,353	\$ 965,168	\$ 1,956,521

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2007

	Food Service Fund	Contracted Programs Fund	Total Nonmajor Special Revenue Funds
Revenues			
Federal direct	\$ -	\$ 517,957	\$ 517,957
Federal through state	6,546,549	18,449,743	24,996,292
State sources	181,407	-	181,407
Local sources	8,914,147	970,042	9,884,189
Total revenues	<u>15,642,103</u>	<u>19,937,742</u>	<u>35,579,845</u>
Expenditures			
Current:			
Instruction	-	11,467,161	11,467,161
Pupil personnel services	-	2,336,064	2,336,064
Instructional media services	-	47,762	47,762
Instruction and curriculum development services	-	1,967,422	1,967,422
Instructional staff training services	-	2,355,948	2,355,948
Instruction Related Technology	-	-	-
Board of Education	-	-	-
General administration	-	698,470	698,470
School administration	-	42,456	42,456
Facilities acquisition and construction	-	110,523	110,523
Fiscal services	-	4,390	4,390
Food services	15,435,054	-	15,435,054
Central services	-	33,719	33,719
Pupil transportation services	-	265,271	265,271
Operation of plant	-	13,286	13,286
Maintenance of plant	-	-	-
Community services	-	279,603	279,603
Capital outlay:			
Other capital outlay	3,530	315,667	319,197
Total expenditures	<u>15,438,584</u>	<u>19,937,742</u>	<u>35,376,326</u>
Excess of revenues over expenditures	<u>203,519</u>	<u>-</u>	<u>203,519</u>
Other financing uses			
Transfers out	(530,000)	-	(530,000)
Total other financing uses	<u>(530,000)</u>	<u>-</u>	<u>(530,000)</u>
Net change in fund balances	(326,481)	-	(326,481)
Fund balance - beginning	<u>955,725</u>	<u>-</u>	<u>955,725</u>
Fund balance - ending	<u>\$ 629,244</u>	<u>\$ -</u>	<u>\$ 629,244</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2007

	State Board of Education Bonds Fund	Special Act Bonds Fund	District Bonds Fund	Total Nonmajor Debt Service Funds
Assets				
Cash	\$ -	\$ 10,003	\$ -	\$ 10,003
Investments	387,796	557,365	43,554	988,715
Total assets	\$ 387,796	\$ 567,368	\$ 43,554	\$ 998,718
Liabilities and fund balances				
Liabilities:				
Matured debt payable	\$ -	\$ -	\$ 19,000	\$ 19,000
Matured interest payable	-	5,319	24,554	29,873
Total liabilities	-	5,319	43,554	48,873
Fund balances:				
Reserved:				
Retirement of long-term debt	387,796	562,049	-	949,845
Total fund balances	387,796	562,049	-	949,845
Total liabilities and fund balances	\$ 387,796	\$ 567,368	\$ 43,554	\$ 998,718

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year Ended June 30, 2007

	State Board of Education Bonds Fund	Special Act Bonds	District Bonds	Total Nonmajor Debt Service Funds
Revenues				
State sources	\$ 1,545,623	\$ 446,500	\$ -	\$ 1,992,123
Local sources	-	30,048	-	30,048
Total revenues	<u>1,545,623</u>	<u>476,548</u>	<u>-</u>	<u>2,022,171</u>
Expenditures				
Debt service:				
Principal	845,000	350,000	-	1,195,000
Interest and fees	680,271	81,480	-	761,751
Issuance costs	1,180	-	-	1,180
Total expenditures	<u>1,526,451</u>	<u>431,480</u>	<u>-</u>	<u>1,957,931</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,172</u>	<u>45,068</u>	<u>-</u>	<u>64,240</u>
Net change in fund balances	19,172	45,068	-	64,240
Fund balance - beginning	<u>368,624</u>	<u>516,981</u>	<u>-</u>	<u>885,605</u>
Fund balance - ending	<u>\$ 387,796</u>	<u>\$ 562,049</u>	<u>\$ -</u>	<u>\$ 949,845</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2007

	Capital Outlay Bond Issues	Special Act Bonds
Assets		
Investments	\$ -	\$ -
Due from other funds	-	-
Due from other governmental agencies	-	-
	-	-
Total assets	\$ -	\$ -
Liabilities and Fund Balances		
Liabilities:		
Construction contracts payable	\$ -	\$ -
Total liabilities	-	-
Fund balances:		
Reserved for:		
Encumbrances	-	-
Unreserved:		
Capital projects funds	-	-
Total fund balances	-	-
Total liabilities and fund balances	\$ -	\$ -

Public Education Capital Outlay	Capital Outlay and Debt Service	Total Nonmajor Capital Projects Funds
\$ 1,446,240	\$ 75,764	\$ 1,522,004
-	2,843	2,843
<u>1,534,648</u>	<u>-</u>	<u>1,534,648</u>
<u><u>\$ 2,980,888</u></u>	<u><u>\$ 78,607</u></u>	<u><u>\$ 3,059,495</u></u>
\$ 1,012,466	\$ -	\$ 1,012,466
<u>1,012,466</u>	<u>-</u>	<u>1,012,466</u>
1,968,422	-	1,968,422
-	78,607	78,607
<u>1,968,422</u>	<u>78,607</u>	<u>2,047,029</u>
<u><u>\$ 2,980,888</u></u>	<u><u>\$ 78,607</u></u>	<u><u>\$ 3,059,495</u></u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2007

	Capital Outlay Bond Issues	Special Act Bonds
Revenues		
State sources	\$ -	\$ -
Local sources	136	-
Total revenues	136	-
Expenditures		
Capital outlay:		
Facilities acquisition and construction	56,277	-
Debt service:		
Issue costs	-	-
Total expenditures	56,277	-
Excess (deficiency) of revenues over expenditures	(56,141)	-
Other financial sources (uses)		
Transfer out	-	-
Total other financial sources (uses)	-	-
Net change in fund balances	(56,141)	-
Fund balance - beginning	56,141	-
Fund balance - ending	\$ -	\$ -

Public Education Capital Outlay	Capital Outlay and Debt Service	Total Nonmajor Capital Projects Funds
\$ 10,555,510	\$ 278,306	\$ 10,833,816
8,666	5,761	14,563
<u>10,564,176</u>	<u>284,067</u>	<u>10,848,379</u>
5,267,094	352,967	5,676,338
-	967	967
<u>5,267,094</u>	<u>353,934</u>	<u>5,677,305</u>
5,297,082	(69,867)	5,171,074
(3,328,660)	-	(3,328,660)
<u>(3,328,660)</u>	<u>-</u>	<u>(3,328,660)</u>
1,968,422	(69,867)	1,842,414
-	148,474	204,615
<u>\$ 1,968,422</u>	<u>\$ 78,607</u>	<u>\$ 2,047,029</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Food Service - Special Revenue Fund
Year Ended June 30, 2007

	Food Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Federal through state sources:				
Food service	\$ 6,530,741	\$ 6,530,741	\$ 6,546,549	\$ 15,808
Total federal through state	<u>6,530,741</u>	<u>6,530,741</u>	<u>6,546,549</u>	<u>15,808</u>
State sources:				
Food service	174,472	174,472	181,407	6,935
Total state sources	<u>174,472</u>	<u>174,472</u>	<u>181,407</u>	<u>6,935</u>
Local sources:				
Food service	9,545,618	9,545,618	8,894,983	(650,635)
Interest income	23,891	23,891	15,569	(8,322)
Other local sources	8,589	8,589	3,595	(4,994)
Total local sources	<u>9,578,098</u>	<u>9,578,098</u>	<u>8,914,147</u>	<u>(663,951)</u>
Total revenues	<u>16,283,311</u>	<u>16,283,311</u>	<u>15,642,103</u>	<u>(641,208)</u>
Expenditures				
Current:				
Food services	15,722,172	15,722,172	15,435,054	287,118
Capital Outlay:				
Other capital outlay	150,000	150,000	3,530	146,470
Total expenditures	<u>15,872,172</u>	<u>15,872,172</u>	<u>15,438,584</u>	<u>287,118</u>
Excess of revenues over expenditures	<u>411,139</u>	<u>411,139</u>	<u>203,519</u>	<u>(354,090)</u>
Other financing uses				
Transfers out	(1,100,000)	(1,100,000)	(530,000)	(570,000)
Total other financing uses	<u>(1,100,000)</u>	<u>(1,100,000)</u>	<u>(530,000)</u>	<u>(570,000)</u>
Net change in fund balance	<u>\$ (688,861)</u>	<u>\$ (688,861)</u>	<u>(326,481)</u>	<u>\$ 362,380</u>
Fund balance - beginning			<u>955,725</u>	
Fund balance - ending			<u>\$ 629,244</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Contracted Programs - Special Revenue Fund
Year Ended June 30, 2007

	Contracted Programs			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Federal direct sources:				
Other federal direct sources	\$ 1,004,646	\$ 409,862	\$ 517,957	\$ 108,095
Total federal direct sources	<u>1,004,646</u>	<u>409,862</u>	<u>517,957</u>	<u>108,095</u>
Federal through state sources:				
Other federal through state sources	19,610,825	22,102,019	18,449,743	(3,652,276)
Total federal through state sources	<u>19,610,825</u>	<u>22,102,019</u>	<u>18,449,743</u>	<u>(3,652,276)</u>
Local sources:				
Other local sources	67,600	983,436	970,042	(13,394)
Total local sources	<u>67,600</u>	<u>983,436</u>	<u>970,042</u>	<u>(13,394)</u>
Total revenues	<u>20,683,071</u>	<u>23,495,317</u>	<u>19,937,742</u>	<u>(3,557,575)</u>
Expenditures				
Current:				
Instruction	10,942,786	12,028,762	11,467,161	561,601
Pupil personnel services	4,393,404	3,572,560	2,336,064	1,236,496
Instructional media services	4,018	50,000	47,762	2,238
Instruction and curriculum development services	1,642,864	2,760,397	1,967,422	792,975
Instructional staff training services	2,357,428	3,388,321	2,355,948	1,032,373
Insturctional related technology	-	-	-	-
Board of Education	-	-	-	-
General administration	877,571	816,455	698,470	117,985
School administration	-	94,324	42,456	51,868
Facilities acquisition and construction	-	146,776	110,523	36,253
Fiscal Services	-	6,000	4,390	1,610
Central services	-	46,451	-	46,451
Pupil transportation services	195,000	281,891	33,719	248,172
Operation of plant	-	23,380	265,271	(241,891)
Administrative technology services	-	-	13,286	(13,286)
Community services	270,000	280,000	279,603	397
Capital outlay:				
Other capital outlay	-	-	315,667	(315,667)
Total expenditures	<u>20,683,071</u>	<u>23,495,317</u>	<u>19,937,742</u>	<u>3,557,575</u>
Excess of revenues over expenditures/ net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ -</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Other Debt Service - Debt Service Fund
Year Ended June 30, 2007

	Other Debt Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Local sources:				
Interest income	\$ -	\$ 61,892	\$ 61,892	\$ -
Total local sources	<u>-</u>	<u>61,892</u>	<u>61,892</u>	<u>-</u>
Total revenues	<u>-</u>	<u>61,892</u>	<u>61,892</u>	<u>-</u>
Expenditures				
Debt service:				
Principal	13,285,116	13,282,828	2,679,701	10,603,127
Interest	2,679,895	2,679,701	5,100	2,674,601
Issue costs and fees	14,000	5,100	-	5,100
Total expenditures	<u>15,979,011</u>	<u>15,967,629</u>	<u>2,684,801</u>	<u>13,282,828</u>
Deficiency of revenues under expenditures	<u>(15,979,011)</u>	<u>(15,905,737)</u>	<u>(2,622,909)</u>	<u>13,282,828</u>
Other financing sources (uses)				
Transfers in	16,139,011	15,944,717	-	(15,944,717)
Total other financing sources (uses)	<u>16,139,011</u>	<u>15,944,717</u>	<u>15,933,961</u>	<u>(15,944,717)</u>
Net change in fund balance	<u>\$ 160,000</u>	<u>\$ 38,980</u>	<u>13,311,052</u>	<u>\$ (2,661,889)</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ 13,311,052</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
State Board of Education Bonds Fund - Debt Service Fund
Year Ended June 30, 2007

	State Board of Education Bonds			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
State sources:				
CO&DS withheld for SBE Bonds	\$ 1,477,597	\$ 1,545,623	\$ 1,545,623	\$ -
Total state sources	<u>1,477,597</u>	<u>1,545,623</u>	<u>1,545,623</u>	<u>-</u>
Total revenues	<u>1,477,597</u>	<u>1,545,623</u>	<u>1,545,623</u>	<u>-</u>
Expenditures				
Debt service:				
Principal	795,000	845,000	845,000	-
Interest and fees	682,597	680,271	680,271	-
Issue costs	<u>-</u>	<u>1,180</u>	<u>1,180</u>	<u>-</u>
Total expenditures	<u>1,477,597</u>	<u>1,526,451</u>	<u>1,526,451</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>19,172</u>	<u>19,172</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 19,172</u>	<u>19,172</u>	<u>\$ -</u>
Fund balance - beginning			<u>368,624</u>	
Fund balance - ending			<u>\$ 387,796</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Act Bonds - Debt Service Fund
Year Ended June 30, 2007

	Special Act Bonds			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
State sources:				
Racing commission funds	\$ 446,500	\$ 446,500	\$ 446,500	\$ -
Total state sources	<u>446,500</u>	<u>446,500</u>	<u>446,500</u>	<u>-</u>
Local sources:				
Interest income	-	30,048	30,048	-
Total local sources	<u>-</u>	<u>30,048</u>	<u>30,048</u>	<u>-</u>
Total revenues	<u>446,500</u>	<u>476,548</u>	<u>476,548</u>	<u>-</u>
Expenditures				
Debt service:				
Principal	350,000	350,000	350,000	-
Interest	81,480	81,480	81,480	-
Dues and fees	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>439,480</u>	<u>431,480</u>	<u>431,480</u>	<u>-</u>
Excess of revenues over expenditures	7,020	45,068	45,068	-
Net change in fund balances	<u>\$ 7,020</u>	<u>\$ 45,068</u>	<u>45,068</u>	<u>\$ -</u>
Fund balance - beginning			<u>516,981</u>	
Fund balance - ending			<u>\$ 562,049</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Local Capital Improvement Tax - Capital Projects Fund
Year Ended June 30, 2007

	Local Capital Improvement Tax			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Federal sources:				
Miscellaneous federal revenue	\$ -	\$ -	\$ -	\$ -
Total federal sources	-	-	-	-
State sources:				
Miscellaneous state revenue	-	190,756	190,756	-
Total state sources	-	190,756	190,756	-
Local sources:				
Local property taxes	112,128,715	113,936,426	113,936,426	-
Interest income	2,000,000	4,146,919	4,146,919	-
Miscellaneous local revenue	2,012,500	953,739	953,739	-
Total local sources	116,141,215	119,037,084	119,037,084	-
Total revenues	116,141,215	119,227,840	119,227,840	-
Expenditures				
Capital outlay:				
Facilities acquisition and construction	173,285,214	124,817,655	66,996,988	57,820,667
Total expenditures	173,285,214	124,817,655	66,996,988	57,820,667
Excess of revenues over expenditures	(57,143,999)	(5,589,815)	52,230,852	57,820,667
Other financing sources (uses)				
Loans incurred	40,000,000	-	-	-
Transfers out	(30,096,865)	(28,198,271)	(27,212,875)	985,396
Total other financing sources (uses)	(30,096,865)	(28,198,271)	(27,212,875)	985,396
Net change in fund balance	\$ (87,240,864)	\$ (33,788,086)	25,017,977	\$ 58,806,063
Fund balance - beginning			45,201,866	
Fund balance - ending			\$ 70,219,843	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Other Capital Projects - Capital Projects Fund
Year Ended June 30, 2007

	Other Capital Projects			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
State sources:				
Classrooms first program	\$ 16,007,780	\$ 16,007,780	\$ 16,007,780	\$ -
Miscellaneous state revenue	-	350,000	350,000	-
Total state sources	<u>16,007,780</u>	<u>16,007,780</u>	<u>16,357,780</u>	<u>-</u>
Local sources:				
Sales tax collections	17,597,939	16,453,038	16,453,038	-
Impact fee collections	9,000,000	8,358,866	8,358,866	-
Interest income	350,000	1,844,629	1,844,629	-
Miscellaneous local revenue	-	3,198,300	3,198,300	-
Total local sources	<u>26,947,939</u>	<u>29,854,833</u>	<u>29,854,833</u>	<u>-</u>
Total revenues	<u>42,955,719</u>	<u>45,862,613</u>	<u>46,212,613</u>	<u>-</u>
Expenditures				
Capital outlay:				
Facilities acquisition and construction	64,310,612	71,838,446	-	71,838,446
Total expenditures	<u>64,310,612</u>	<u>71,838,446</u>	<u>-</u>	<u>71,838,446</u>
Deficiency of revenues under expenditures	(21,354,893)	(25,975,833)	46,212,613	71,838,446
Other financing sources				
Sale of capital assets	-	5,065,250	-	(5,065,250)
Total other financing sources	<u>-</u>	<u>5,065,250</u>	<u>31,110,854</u>	<u>26,045,604</u>
Net change in fund balance	<u>\$ (21,354,893)</u>	<u>\$ (20,910,583)</u>	<u>77,323,467</u>	<u>\$ 97,884,050</u>
Fund balance - beginning			<u>-</u>	
Fund balance - ending			<u>\$ 77,323,467</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Outlay Bond Issues - Capital Projects Fund
Year Ended June 30, 2007

	Capital Outlay Bond Issues			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Local sources:				
Interest income	\$ -	\$ 136	\$ 136	\$ -
Total local sources	<u>-</u>	<u>136</u>	<u>136</u>	<u>-</u>
 Total revenues	 <u>-</u>	 <u>136</u>	 <u>136</u>	 <u>-</u>
Expenditures				
Capital outlay:				
Facilities acquisition and construction	1,056,142	56,277	56,277	-
Debt service:				
Issue cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenditures	 <u>1,056,142</u>	 <u>56,277</u>	 <u>56,277</u>	 <u>-</u>
Deficiency of revenues under expenditures	(1,056,142)	(56,141)	(56,141)	-
Other financing sources				
Issuance of bonds	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balances	 <u>\$ (56,142)</u>	 <u>\$ (56,141)</u>	 <u>(56,141)</u>	 <u>\$ -</u>
 Fund balance - beginning			 <u>56,141</u>	
Fund balance - ending			 <u>\$ -</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Special Act Bonds - Capital Projects Fund
Year Ended June 30, 2007

	Special Act Bonds			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Expenditures				
Capital outlay:	\$ -	\$ -	\$ -	\$ -
Facilities acquisition and construction	-	-	-	-
Total expenditures	-	-	-	-
Deficiency of revenues under expenditures	-	-	-	-
Other financing sources				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - beginning			-	
Fund balance - ending			\$ -	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Public Education Capital Outlay - Capital Projects Fund
Year Ended June 30, 2007

	Public Education Capital Outlay (PECO)			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
State sources:				
Public Education Capital Outlay	\$ 10,538,636	\$ 10,555,510	\$ 10,555,510	\$ -
Total state sources	<u>10,538,636</u>	<u>10,555,510</u>	<u>10,555,510</u>	<u>-</u>
Local sources:				
Interest income	1,000	9,000	8,666	(334)
Total local sources	<u>1,000</u>	<u>9,000</u>	<u>8,666</u>	<u>(334)</u>
Total revenues	<u>10,539,636</u>	<u>10,564,510</u>	<u>10,564,176</u>	<u>(334)</u>
Expenditures				
Capital outlay:				
Facilities acquisition and construction	7,227,850	7,252,724	5,267,094	1,985,630
Total expenditures	<u>7,227,850</u>	<u>7,252,724</u>	<u>5,267,094</u>	<u>1,985,630</u>
Excess of revenues over expenditures	<u>3,311,786</u>	<u>3,311,786</u>	<u>5,297,082</u>	<u>1,985,296</u>
Other financing uses				
Transfers out	(3,311,786)	(3,311,786)	(3,328,660)	(16,874)
Total other financing uses	<u>(3,311,786)</u>	<u>(3,311,786)</u>	<u>(3,328,660)</u>	<u>(16,874)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,968,422</u>	<u>\$ 1,968,422.00</u>
Fund balance - beginning			-	
Fund balance - ending			<u>\$ 1,968,422</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Outlay and Debt Service - Capital Projects Fund
Year Ended June 30, 2007

	Capital Outlay and Debt Service			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
State sources:				
CO&DS Distribution	\$ 203,974	\$ 278,306	\$ 278,306	\$ -
Total state sources	<u>203,974</u>	<u>278,306</u>	<u>278,306</u>	<u>-</u>
Local sources:				
Interest income	520	5,761	5,761	-
Total local sources	<u>520</u>	<u>5,761</u>	<u>5,761</u>	<u>-</u>
Total revenues	<u>204,494</u>	<u>284,067</u>	<u>284,067</u>	<u>-</u>
Expenditures				
Capital outlay:				
Facilities acquisition and construction	352,967	352,967	352,967	-
Debt service:				
Issue costs	-	967	967	-
Total expenditures	<u>352,967</u>	<u>352,967</u>	<u>353,934</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>\$ (148,473)</u>	<u>\$ (68,900)</u>	<u>(69,867)</u>	<u>\$ -</u>
Fund balance - beginning			<u>148,474</u>	
Fund balance - ending			<u>\$ 78,607</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Internal Service Funds

Internal Service funds are used to account for the District's individual self-insurance programs.

Workers' Compensation Insurance Fund – To account for the financial activities of the District's self-insured workers compensation program.

General Liability Insurance Fund – To account for the financial activities of the District's self-insured general liability coverages.

Cafeteria Plan Funds – To account for self-insured dental benefits for employees.

Automobile Liability Insurance Fund – To account for the financial activities of the District's self-insured automobile liability coverages.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Fund Net Assets
Internal Service Funds
June 30, 2007

	Workers' Compensation Insurance	General Liability Insurance
Assets		
Current Assets		
Cash	\$ 2,543	\$ -
Investments	13,442,696	3,016,613
Due from other funds	-	-
Deposits receivable	75,000	-
Prepaid items	-	10,578
Total current assets	<u>13,520,239</u>	<u>3,027,191</u>
Total assets	\$ 13,520,239	\$ 3,027,191
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 72,750	\$ 4,572
Due to other funds	-	-
Due to other governmental agencies	5,328	3,290
Estimated insurance claims payable	2,743,100	248,900
Total current liabilities	<u>2,821,178</u>	<u>256,762</u>
Long-term liabilities		
Liability for compensated absences	35,427	21,872
Estimated insurance claims payable	4,162,483	364,038
Total long-term liabilities	<u>4,197,910</u>	<u>385,910</u>
Total liabilities	<u>7,019,088</u>	<u>642,672</u>
Net assets		
Unrestricted	6,501,151	2,384,519
Total net assets	<u>6,501,151</u>	<u>2,384,519</u>
Total liabilities and net assets	\$ 13,520,239	\$ 3,027,191

Cafeteria Plan		Automobile	Internal Service
Dental	Cafeteria	Liability	Funds
Insurance		Insurance	Total
\$ -	\$ 5,704	\$ 2,513	\$ 10,760
1,185,983	311,016	2,088,641	20,044,949
20,744	-	-	20,744
-	-	-	75,000
-	-	-	10,578
<u>1,206,727</u>	<u>316,720</u>	<u>2,091,154</u>	<u>20,162,031</u>
\$ 1,206,727	\$ 316,720	\$ 2,091,154	\$ 20,162,031
\$ 37,442	\$ 1,228	\$ 17,379	\$ 133,371
-	95	-	95
-	2,140	3,290	14,048
160,000	121,860	181,200	3,455,060
<u>197,442</u>	<u>125,323</u>	<u>201,869</u>	<u>3,602,574</u>
-	14,230	21,872	93,401
-	-	112,594	4,639,115
-	14,230	134,466	4,732,516
<u>197,442</u>	<u>139,553</u>	<u>336,335</u>	<u>8,335,090</u>
1,009,285	177,167	1,754,819	11,826,941
<u>1,009,285</u>	<u>177,167</u>	<u>1,754,819</u>	<u>11,826,941</u>
\$ 1,206,727	\$ 316,720	\$ 2,091,154	\$ 20,162,031

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Revenues, Expenditures and Changes in Fund Net Assets
Internal Service Funds
Year Ended June 30, 2007

	Workers' Compensation Insurance	General Liability Insurance
Operating revenues		
Charges for services	\$ 2,053,153	\$ -
Other operating revenues	-	156,283
Total operating revenues	2,053,153	156,283
Operating expenses		
Salaries	171,110	41,251
Employee benefits	39,715	10,177
Purchased services	516,534	35,135
Materials and supplies	97	-
Insurance claims	2,132,964	47,181
Total operating expenses	2,860,420	133,744
Operating income	(807,267)	22,539
Nonoperating revenues		
Interest	649,733	136,219
Income (loss) before transfers	(157,534)	158,758
Transfer in	-	494,470
Change in net assets	(157,534)	653,228
Net assets - beginning	6,658,685	1,731,291
Net assets - ending	\$ 6,501,151	\$ 2,384,519

Cafeteria Plan		Automobile Liability Insurance	Internal Service Funds Total
Dental Insurance	Cafeteria		
\$ 2,024,812	\$ 214,856	\$ -	\$ 4,292,821
-	-	-	156,283
<u>2,024,812</u>	<u>214,856</u>	<u>-</u>	<u>4,449,104</u>
-	65,481	41,251	319,093
-	20,233	10,174	80,299
194,700	47,481	21,827	815,677
-	2,492	-	2,589
1,751,117	-	254,039	4,185,301
<u>1,945,817</u>	<u>135,687</u>	<u>327,291</u>	<u>5,402,959</u>
78,995	79,169	(327,291)	(953,855)
<u>53,382</u>	<u>18,488</u>	<u>109,451</u>	<u>967,273</u>
132,377	97,657	(217,840)	13,418
-	-	198,315	692,785
<u>132,377</u>	<u>97,657</u>	<u>(19,525)</u>	<u>706,203</u>
876,908	79,510	1,774,344	11,120,738
<u>\$ 1,009,285</u>	<u>\$ 177,167</u>	<u>\$ 1,754,819</u>	<u>\$ 11,826,941</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Cash Flows
Internal Service Funds
Year Ended June 30, 2007

	Workers' Compensation Insurance	General Liability Insurance
Cash flows from operating activities		
Cash receipts from interfund services provided	\$ 2,053,153	\$ -
Cash payments to suppliers	(487,978)	124,374
Cash payments to employees	(206,546)	(48,331)
Cash payments for interfund services used	(1,761,628)	(203,464)
Net cash provided (used) by operating activities	(402,999)	(127,421)
Cash flows from noncapital financing activities		
Transfers from other funds	-	494,470
Transfers to other funds	-	-
Net cash provided by noncapital financing activities	-	494,470
Cash flows from Investing activities		
Proceeds from the sale and maturities of investments	24,440,210	494,470
Interest payments received	649,733	136,219
Purchase of investments	(24,684,984)	(997,738)
Net cash provided (used) by investing activities	404,959	(367,049)
Net increase in cash	1,960	-
Cash - Beginning of year	583	-
Cash - End of year	\$ 2,543	\$ -
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ (807,267)	\$ 22,539
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities		
Increase in salaries and benefits	3,720	2,692
Increase (decrease) in accounts payable	28,653	3,226
Increase in due to other governmental agencies	559	405
Increase (decrease) in estimated unpaid claims	371,336	(156,283)
Total adjustments	404,268	(149,960)
Net cash provided (used) by operating activities	\$ (402,999)	\$ (127,421)

The accompanying notes are an integral part of the basic financial statements.

Cafeteria Plan		Automobile	Internal Service
Dental	Cafeteria	Liability	Funds
Insurance		Insurance	Total
\$ 2,024,812	\$ 214,856	\$ -	\$ 4,292,821
(195,579)	(48,745)	(4,448)	(612,376)
-	(84,008)	(48,328)	(387,213)
(1,771,117)	20,786	(285,608)	(4,001,031)
58,116	102,889	(338,384)	(707,799)
-	70	198,315	692,855
(10,703)	-	-	(10,703)
(10,703)	70	198,315	682,152
551,672	266,713	198,315	25,951,380
53,382	18,488	109,451	967,273
(654,427)	(387,991)	(167,697)	(26,892,837)
(49,373)	(102,790)	140,069	25,816
(1,960)	169	-	169
1,960	5,535	2,513	10,591
<u>\$ -</u>	<u>\$ 5,704</u>	<u>\$ 2,513</u>	<u>\$ 10,760</u>
\$ 78,995	\$ 79,169	\$ (327,291)	\$ (953,855)
-	1,483	2,692	10,587
(879)	1,228	17,379	49,607
-	223	405	1,592
(20,000)	20,786	(31,569)	184,270
(20,879)	23,720	(11,093)	246,056
<u>\$ 58,116</u>	<u>\$ 102,889</u>	<u>\$ (338,384)</u>	<u>\$ (707,799)</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Agency Funds

Agency funds are used to account for assets held by the District in a trustee capacity.

School Internal Accounts – To account for resources of the school internal funds which are used to administer moneys collected at the schools in connection with school, student athletic, class, and club activities.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2007

	School Internal Accounts			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets				
Cash	\$ 5,187,010	\$ 11,671,700	\$ 11,943,537	\$ 4,915,173
Accounts receivable	204,648	137,897	204,648	137,897
Inventories	132,482	132,441	132,482	132,441
Total assets	\$ 5,524,140	\$ 11,942,038	\$ 12,280,667	\$ 5,185,511
Liabilities				
Accounts payable	\$ 97,617	\$ 71,547	\$ 97,617	71,547
Internal accounts payable	5,426,523	12,039,655	12,352,214	5,113,964
Total liabilities	\$ 5,524,140	\$ 12,111,202	\$ 12,449,831	\$ 5,185,511

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

Discretely Presented Component Units

The District's discretely presented component units consist of the following entities:

Charter Schools – Pursuant to Chapter 617, Florida Statutes, and Section 1002.33, Florida Statutes, the following charter schools are considered discretely presented component units: Island Village Montessori North, Inc., Island Village Montessori Charter School, Inc., Island Village Middle School, Inc., Sarasota Suncoast Academy, Inc., Student Leadership Academy of Venice, Goodwill Manasota Academy Inc., Sarasota Military Academy, Inc., Sarasota School of Arts and Sciences, Inc., and Suncoast School for Innovative Studies, Inc.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Net Assets
Component Units - Charter Schools
June 30, 2007

	Island Village Montessori North, Inc.	Island Village Montessori Charter, Inc.	Island Village Middle School, Inc.	Sarasota Suncoast Academy, Inc.	Student Leadership Academy of Venice
Assets					
Cash	\$ 49,671	\$ 104,383	\$ 38,056	\$ 14,057	\$ 110,986
Accounts receivable	-	65,147	17,433	132	1,683
Due from other governments	3,084	-	-	-	-
Prepaid items and other assets	-	22,168	-	210,909	2,223
Deferred charges:	-	-	-	-	-
Capital assets:					
Land	-	169,500	-	-	-
Construction In Process	-	-	-	-	54,470
Improvements Other Than Buildings	-	29,936	-	-	-
Leasehold Improvements	-	-	-	-	125,520
Buildings and Fixed Equipment	-	1,531,389	-	-	-
Furniture, Fixtures and Equipment	19,961	233,593	148,210	153,303	225,818
Motor Vehicles	-	7,273	-	10,000	-
Capital Lease	-	-	-	-	-
Less Accumulated Depreciation	(3,992)	(440,669)	(47,311)	(63,664)	(105,995)
Total assets	68,724	1,722,720	156,388	324,737	414,705
Liabilities					
Salaries and wages payable	-	80,594	24,612	77,983	-
Accounts payable	14,792	78,785	5,961	5,239	74,719
Accrued interest	-	-	-	-	103,140
Deferred revenue	-	-	-	-	-
Noncurrent liabilities:					
Portion due within one year:					
Notes payable	-	89,337	-	-	110,000
Bonds payable	-	-	-	-	-
Obligations under capital lease	-	-	-	-	-
Compensated absences	-	-	-	-	-
Portion due after one year:					
Notes payable	-	1,356,446	-	-	-
Bonds Payable	-	-	-	-	-
Obligations under capital lease	-	-	-	-	-
Compensated absences	-	-	-	-	-
Total liabilities	14,792	1,605,162	30,573	83,222	287,859
Net assets					
Invested in capital assets, net of related debt	15,969	178,814	100,899	99,639	299,813
Restricted for capital projects	-	-	-	-	-
Unrestricted	37,963	(61,256)	24,916	141,876	(172,967)
Total net assets	\$ 53,932	\$ 117,558	\$ 125,815	\$ 241,515	\$ 126,846

Goodwill Mansota Academy, Inc.	Sarasota Military Academy	Sarasota School of Arts and Sciences, Inc.	Suncoast School for Innovative Studies	Total Component Units
\$ 1,584	\$ 614,928	\$ 182,802	\$ 289	\$ 1,116,756
	1,400		13,560	99,355
1,499	95,568		-	100,151
500	58,611	77,280	49,514	421,205
	203,634		-	203,634
	973,750			1,143,250
	23,944			78,414
		152,383		182,319
113,016			364,748	603,284
	1,692,396	4,187,398	-	7,411,183
51,735	310,913	425,259	34,774	1,603,566
	37,551	-	-	54,824
	104,599	335,461	-	440,060
(9,464)	(432,176)	(656,199)	(139,996)	(1,899,466)
<u>158,870</u>	<u>3,685,118</u>	<u>4,704,384</u>	<u>322,889</u>	<u>11,558,535</u>
4,590	168,487	148,847	71,563	576,676
256,959	32,541	55,474	59,533	584,003
-	-			103,140
-				-
-	280	118,980	68,009	386,606
-	70,000	17,510		87,510
-	6,471	80,963		87,434
-				-
-		2,210,308	90,883	3,657,637
-	1,790,000	1,025,054		2,815,054
-	47,850	133,134		180,984
-	44,638			44,638
<u>261,549</u>	<u>2,160,267</u>	<u>3,790,270</u>	<u>289,988</u>	<u>8,523,682</u>
155,287	796,376	858,353	100,634	2,605,784
-	25,000	-	-	25,000
(257,966)	703,475	55,761	(67,733)	404,069
<u>\$ (102,679)</u>	<u>\$ 1,524,851</u>	<u>\$ 914,114</u>	<u>\$ 32,901</u>	<u>\$ 3,034,853</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Combining Schedule of Activities
Component Units - Charter Schools
For the Year Ended June 30, 2007

	Island Village Montessori North, Inc.	Island Village Montessori Charter, Inc.	Island Village Middle School, Inc.	Sarasota Suncoast Academy, Inc.	Student Leadership Academy of Venice
Expenses:					
Instruction	\$ 167,711	\$ 1,659,821	\$ 406,788	\$ 804,096	\$ 847,646
Pupil personnel services	1,540	57,803	-	-	31,767
Instructional media services	-	-	-	-	-
Instructional curriculum development services	-	27,027	-	1,284	-
Instructional staff training services	-	-	-	14,545	990
Board	-	-	-	87,205	-
General administration	-	-	-	-	80,428
School administration	31,998	424,370	45,209	156,494	265,898
Facilities acquisition and construction	-	109,570	-	152,826	-
Fiscal services	4,000	6,500	5,750	51,230	-
Food services	-	-	-	117	6,752
Pupil transportation services	-	-	-	9,683	55,559
Operation of plant	5,123	130,112	63,927	46,570	247,688
Maintenance of plant	9,062	74,379	22,422	12,572	6,539
Community services	-	-	-	1,770	-
Interest on long-term debt	-	92,113	-	-	10,740
Unallocated depreciation	3,992	93,328	29,641	-	-
Total expenses	<u>223,426</u>	<u>2,675,023</u>	<u>573,737</u>	<u>1,338,392</u>	<u>1,554,007</u>
Program Revenues:					
Charges for services	-	-	-	8,138	-
Operating grants and contributions	-	-	-	19,139	16,380
Capital grants and contributions	-	-	-	-	-
Total program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,277</u>	<u>16,380</u>
Net program expense	<u>(223,426)</u>	<u>(2,675,023)</u>	<u>(573,737)</u>	<u>(1,311,115)</u>	<u>(1,537,627)</u>
General Revenues:					
Grants and contributions not restricted to specific programs	221,133	2,595,619	584,744	1,452,081	1,679,213
Other state and local sources	5,197	133,318	3,309	3,302	386
Total general revenues	<u>226,330</u>	<u>2,728,937</u>	<u>588,053</u>	<u>1,455,383</u>	<u>1,679,599</u>
Change in net assets	2,904	53,914	14,316	144,268	141,972
Net assets - beginning	51,028	63,644	111,499	97,247	(15,126)
Net assets - ending	<u>\$ 53,932</u>	<u>\$ 117,558</u>	<u>\$ 125,815</u>	<u>\$ 241,515</u>	<u>\$ 126,846</u>

Goodwill Mansota Academy, Inc.	Sarasota Military Academy	Sarasota School of Arts and Sciences, Inc.	Suncoast School for Innovative Studies	Total Component Units
\$ 98,626	\$ 2,224,988	\$ 2,655,670	\$ 1,135,296	\$ 10,000,642
-	115,292	-	-	206,402
-	197,219	47,442	-	244,661
1,000	-	-	-	29,311
-	-	16,609	3,868	36,012
234,132	-	7,622	4,456	333,415
-	190,548	202,334	-	473,310
138,944	752,327	525,575	347,374	2,688,189
87,174	-	-	-	349,570
3,025	63,261	35,420	11,276	180,462
-	-	-	-	6,869
2,510	144,632	167,590	108,515	488,489
12,001	158,051	198,586	329,728	1,191,786
6,172	123,300	179,047	89,426	522,919
-	-	-	-	1,770
-	119,882	245,290	-	468,025
-	-	-	40,586	167,547
<u>583,584</u>	<u>4,089,500</u>	<u>4,281,185</u>	<u>2,070,525</u>	<u>17,389,379</u>
-	-	-	-	8,138
345,437	185,861	129,267	-	696,084
-	-	-	-	-
<u>345,437</u>	<u>185,861</u>	<u>129,267</u>	<u>-</u>	<u>704,222</u>
<u>(238,147)</u>	<u>(3,903,639)</u>	<u>(4,151,918)</u>	<u>(2,070,525)</u>	<u>(16,685,157)</u>
142,237	4,422,563	4,639,945	1,761,751	17,499,286
19	11,562	(9,312)	209,043	356,824
<u>142,256</u>	<u>4,434,125</u>	<u>4,630,633</u>	<u>1,970,794</u>	<u>17,856,110</u>
(95,891)	530,486	478,715	(99,731)	1,170,953
(6,788)	994,365	435,399	132,632	1,863,900
<u>\$ (102,679)</u>	<u>\$ 1,524,851</u>	<u>\$ 914,114</u>	<u>\$ 32,901</u>	<u>\$ 3,034,853</u>

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School Board of Sarasota County, Florida



Comprehensive Annual Financial Report
Year Ended June 30, 2007

STATISTICAL SECTION

Statistical Section

This part of The School Board of Sarasota County, Florida's comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the School Board's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	105
Revenue Capacity <i>These schedules contain information to help the reader assess the District's most significant local revenues sources, the property tax.</i>	116
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	120
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	125
Operating Information <i>These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</i>	128

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Net Assets by Component
Last 5 Fiscal Years (A)
(Unaudited)

Net asset components	Fiscal Year					
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
Primary government						
Invested in capital assets, net of related debt	\$ 305,566,714	\$ 338,457,486	\$ 378,703,842	\$ 394,541,772	\$ 466,284,259	\$ 528,236,762
Restricted	61,001,050	53,559,156	53,373,292	83,717,983	79,306,831	131,953,410
Unrestricted	(5,031,991)	23,020,976	31,779,519	26,964,755	21,309,850	23,801,166
Total primary government net assets	<u>\$ 361,535,773</u>	<u>\$ 415,037,618</u>	<u>\$ 463,856,653</u>	<u>\$ 505,224,510</u>	<u>\$ 566,900,940</u>	<u>\$ 683,991,338</u>

Note: (A) Years after implementation of GASB Statement No. 34

Source: District records

Unrestricted net assets have increased consistently from June 30, 2003 to June 30, 2006. These increases are due to collections of the voted one mill property tax levy beginning fiscal year 2003.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Expenses, Program Revenues, and Net (Expense)/Revenue
Last 5 Fiscal Years (A)
(Unaudited)

	Fiscal Year					
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
Primary Government Expenses						
Governmental activities:						
Instruction ^a	\$ 166,273,830	\$ 181,083,738	\$ 207,730,199	\$ 233,185,107	\$ 257,897,300	\$ 280,629,797
Pupil personnel services	15,608,950	16,451,426	20,723,261	24,232,443	27,207,302	29,165,173
Instructional media services	4,718,925	5,309,259	5,976,778	6,672,205	5,575,610	6,364,718
Instruction and curriculum development services	3,873,236	3,896,628	3,478,065	5,183,796	5,386,657	8,844,988
Instructional staff training services	2,973,270	2,463,932	3,557,832	5,874,238	8,195,277	9,659,899
Instructional Related Technology	-	-	-	-	5,713,311	7,313,334
Board of education	1,178,788	1,555,003	922,043	949,399	1,226,200	990,629
General administration	1,655,083	2,286,528	2,981,360	2,962,401	3,318,674	3,595,878
School administration	11,020,173	12,058,633	13,499,658	16,074,405	17,583,450	18,363,321
Facilities acquisition and construction	20,913,164	19,465,222	24,140,689	21,520,131	25,269,288	27,089,488
Fiscal services	1,534,523	1,527,119	1,654,038	1,875,597	2,078,552	2,182,470
Food services	11,815,223	12,261,858	13,002,571	14,044,865	14,788,117	15,666,988
Central services	6,845,395	7,716,625	8,683,906	9,537,256	7,091,071	7,854,963
Pupil transportation services	12,505,590	13,920,782	15,256,247	16,821,952	19,250,296	23,219,538
Operation of plant	21,015,491	22,520,649	24,734,255	27,720,445	30,327,497	34,389,933
Maintenance of plant	11,059,884	10,983,063	13,615,303	15,265,066	16,481,878	16,142,678
Administrative Technology Services	-	-	-	-	2,097,590	2,095,439
Community services	2,229,683	1,745,450	1,632,683	1,774,211	1,326,509	1,305,084
Interest on long-term debt	4,557,196	4,308,690	2,826,348	3,495,834	4,621,914	2,515,380
Loss on disposal of assets	-	254,418	395,809	1,811,401	580,294	-
Total expenses	\$ 299,778,404	\$ 319,809,023	\$ 364,811,045	\$ 409,000,752	\$ 456,016,787	\$ 497,389,698
Program Revenues						
Governmental activities:						
Charges for services						
Instruction	\$ 898,638	\$ 1,576,039	\$ 2,030,539	\$ 2,339,858	\$ 2,299,622	\$ 2,496,679
Food	6,690,764	6,863,324	7,458,783	8,201,660	8,765,289	8,894,983
Operating grants and contributions	11,798,797	12,374,826	12,582,433	13,499,585	13,812,394	16,001,462
Capital grants and contributions ^b	8,017,129	6,217,310	15,083,451	11,199,114	21,970,232	36,756,130
Total program revenues	27,405,328	27,031,499	37,155,206	35,240,217	46,847,537	64,149,254
Primary government net expense	\$ (272,373,076)	\$ (292,777,524)	\$ (327,655,839)	\$ (373,760,535)	\$ (409,169,250)	\$ (433,240,444)

Note: (A) Years after implementation of GASB Statement No. 34

^a The District's expenses, particularly for instruction, have increased significantly in the last three years as a result of the state's class size reduction law.

^b In conjunction with the state's class size reduction law, the district received additional funding for school construction and expansion.

Source: District records

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
General Revenues and
Total Changes in Net Assets
Last 5 Fiscal Years (A)
(Unaudited)

Table 3

	Fiscal Year					
	June 30, 2002	June 30, 2003	June 30, 2004	June 30, 2005	June 30, 2006	June 30, 2007
Net (Expense)/Revenue						
Total primary government net expense	\$ (272,373,076)	\$ (292,777,524)	\$ (327,655,839)	\$ (373,760,535)	\$ (409,169,250)	\$ (433,240,444)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes levied for general purposes ^a	165,329,600	221,025,180	223,682,403	237,166,152	263,419,295	296,843,842
Property taxes levied for capital projects	50,964,874	47,549,085	65,855,565	74,530,028	89,881,339	113,936,426
Local sales tax	12,211,625	12,590,838	13,835,823	15,472,027	16,601,829	16,453,038
Unrestricted grants and contributions	54,863,464	57,300,663	66,853,738	79,305,558	84,374,487	96,569,779
Miscellaneous	9,358,802	5,309,955	4,346,074	4,079,285	7,887,638	14,031,997
Unrestricted investment earnings	2,717,249	2,503,648	1,901,271	4,575,342	8,681,092	12,495,760
Total primary government	<u>295,445,614</u>	<u>346,279,369</u>	<u>376,474,874</u>	<u>415,128,392</u>	<u>470,845,680</u>	<u>550,330,842</u>
Change in Net Assets						
Total primary government	<u>\$ 23,072,538</u>	<u>\$ 53,501,845</u>	<u>\$ 48,819,035</u>	<u>\$ 41,367,857</u>	<u>\$ 61,676,430</u>	<u>\$ 117,090,398</u>

Notes: (A) Years after implementation of GASB Statement No. 34

^a Changes in property tax revenues are a product of underlying changes in property values and tax rates.

Source: District records

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Fund Balances, Governmental Funds (A)
Last 10 Fiscal Years
(Unaudited)

Table 4

	Fiscal Year			
	1998	1999	2000	2001
General Fund				
Reserved	\$ 3,225,800	\$ 2,799,844	\$ 4,885,508	\$ 3,546,161
Unreserved	19,821,485	15,793,135	13,365,520	22,217,861
Total general fund	<u>\$ 23,047,285</u>	<u>\$ 18,592,979</u>	<u>\$ 18,251,028</u>	<u>\$ 25,764,022</u>
All Other Governmental Funds				
Reserved	\$ 22,091,513	\$ 45,203,745	\$ 55,909,625	\$ 18,681,492
Unreserved, reported in:				
Capital projects funds	28,345,615	6,341,176	6,651,841	23,403,795
Debt Service	-	-	-	-
Special revenue funds	1,825,012	1,518,987	1,218,066	1,280,174
Total all other governmental funds	<u>\$ 52,262,140</u>	<u>\$ 53,063,908</u>	<u>\$ 63,779,532</u>	<u>\$ 43,365,461</u>

Note: (A) Includes all governmental fund types

Source: District records

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Fund Balances, Governmental Funds (A)
Last 10 Fiscal Years
(Unaudited)

Table 4

		Fiscal Year				
2002	2003	2004	2005	2006	2007	
\$ 3,654,584	\$ 3,412,221	\$ 5,080,282	\$ 6,218,253	\$ 3,771,836	\$ 4,480,699	
27,226,585	53,117,465	61,004,090	55,374,160	47,308,999	54,670,550	
<u>\$ 30,881,169</u>	<u>\$ 56,529,686</u>	<u>\$ 66,084,372</u>	<u>\$ 61,592,413</u>	<u>\$ 51,080,835</u>	<u>\$ 59,151,249</u>	
\$ 37,332,843	\$ 38,736,411	\$ 51,929,561	\$ 42,521,301	\$ 45,463,536	\$ 76,629,184	
22,004,491	13,488,917	(8,660,757)	28,540,690	24,187,552	51,701,565	
-	-	-	-	789,122	782,457	
1,135,255	1,055,375	925,495	1,119,637	955,725	19,957	
<u>\$ 60,472,589</u>	<u>\$ 53,280,703</u>	<u>\$ 44,194,299</u>	<u>\$ 72,181,628</u>	<u>\$ 71,395,935</u>	<u>\$ 129,133,163</u>	

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Governmental Funds Revenues (A)
Last 10 Fiscal Years
(Unaudited)

Table 5

	Fiscal Year			
	1998	1999	2000	2001
Revenues				
Federal sources:				
Federal grants	\$ 8,607,783	\$ 9,849,677	\$ 11,175,372	\$ 12,519,733
Food services	4,097,653	4,546,122	4,203,200	4,817,543
Total federal sources	<u>12,705,436</u>	<u>14,395,799</u>	<u>15,378,572</u>	<u>17,337,276</u>
State sources:				
Florida education finance program	23,025,746	19,216,809	24,883,205	26,482,584
Public education capital outlay	4,774,190	3,335,730	6,472,812	5,692,486
Food services	159,597	154,235	147,848	144,057
State grants and other	35,052,261	37,070,862	68,679,563	33,980,759
Total state sources	<u>63,011,794</u>	<u>59,777,636</u>	<u>100,183,428</u>	<u>66,299,886</u>
Local sources:				
Ad valorem taxes	165,834,013	181,499,522	180,864,551	196,718,110
Food service sales	5,055,550	5,596,964	6,109,566	6,416,529
Interest and other income	5,102,400	5,491,783	5,984,342	6,213,900
Other revenues	14,768,149	15,382,678	20,592,121	18,812,749
Total local sources	<u>190,760,112</u>	<u>207,970,947</u>	<u>213,550,580</u>	<u>228,161,288</u>
Total revenues	<u>\$ 266,477,342</u>	<u>\$ 282,144,382</u>	<u>\$ 329,112,580</u>	<u>\$ 311,798,450</u>

Note: (A) Includes all governmental fund types

Source: District records

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Governmental Funds Revenues (A)
 Last 10 Fiscal Years
 (Unaudited)

Table 5

		Fiscal Year									
		2002	2003	2004	2005	2006	2007				
\$	16,435,445	\$	18,794,016	\$	18,944,852	\$	21,206,226	\$	21,296,728	\$	21,020,923
	5,101,468		5,442,515		6,812,883		6,380,608		6,218,085		6,546,549
	<u>21,536,913</u>		<u>24,236,531</u>		<u>25,757,735</u>		<u>27,586,834</u>		<u>27,514,813</u>		<u>27,567,472</u>
	13,889,965		13,915,022		16,697,408		18,492,045		15,326,282		14,817,885
	6,447,060		-		3,709,656		3,589,035		7,418,890		10,538,636
	154,932		150,726		136,663		151,721		157,278		181,407
	<u>32,650,520</u>		<u>37,590,519</u>		<u>48,218,160</u>		<u>50,128,637</u>		<u>59,450,786</u>		<u>86,910,926</u>
	<u>53,142,477</u>		<u>51,656,267</u>		<u>68,761,887</u>		<u>72,361,438</u>		<u>82,353,236</u>		<u>112,448,854</u>
	216,294,473		268,574,266		289,537,968		311,696,180		353,316,447		410,780,268
	6,693,637		6,883,554		7,476,537		8,201,660		8,765,289		9,884,189
	2,714,581		2,299,872		1,739,793		4,222,565		4,265,347		12,495,760
	<u>21,276,666</u>		<u>18,769,996</u>		<u>19,891,034</u>		<u>25,470,697</u>		<u>40,048,173</u>		<u>34,662,569</u>
	<u>246,979,357</u>		<u>296,527,688</u>		<u>318,645,332</u>		<u>349,591,102</u>		<u>406,395,256</u>		<u>467,822,786</u>
\$	<u>321,658,747</u>	\$	<u>372,420,486</u>	\$	<u>413,164,954</u>	\$	<u>449,539,374</u>	\$	<u>516,263,305</u>	\$	<u>607,839,112</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Governmental Funds Expenditures and Debt Service Ratios
Last 10 Fiscal Years
(Unaudited)

	Fiscal Year				
	1998	1999	2000	2001	2002
Expenditures:					
Instruction	\$ 128,438,848	\$ 139,899,526	\$ 140,761,021	\$ 143,372,747	\$ 152,144,480
Pupil personnel services	12,563,658	13,648,095	14,317,643	14,634,352	15,380,529
Instructional media services	3,622,991	3,602,837	4,454,124	5,097,916	5,068,176
Instruction and curriculum development services	4,204,152	4,154,503	3,764,912	4,451,254	3,907,397
Instructional staff training	2,248,800	2,070,386	2,842,513	2,296,884	2,923,055
Instruction related technology	-	-	-	-	-
Board of education	692,472	724,883	1,275,689	799,745	1,168,325
General administration	988,066	1,154,988	1,396,579	1,378,738	1,514,794
School administration	9,322,827	10,104,662	10,669,026	10,868,528	11,009,163
Fiscal services	1,176,080	1,326,570	1,295,089	1,337,084	1,506,808
Food services	8,880,560	9,982,350	10,413,108	10,959,493	11,618,092
Central services	4,791,459	5,189,967	6,043,010	6,212,295	6,242,805
Pupil transportation services	9,606,805	9,983,250	10,371,528	10,886,424	11,100,539
Operation of plant	17,983,509	18,295,722	18,295,079	18,998,374	20,989,297
Maintenance of plant	9,254,079	9,287,996	10,006,623	10,672,405	10,419,601
Administrative technology services	-	-	-	-	-
Community services	1,736,923	1,877,272	1,827,291	2,022,327	2,090,671
Capital Outlay:					
Facilities acquisition and construction	17,770,359	43,098,225	61,695,840	65,243,314	32,375,434
Other capital outlay	8,234,392	2,476,268	9,824,213	3,449,579	2,401,885
Debt Service:					
Principal	6,217,083	6,632,949	6,920,048	7,110,000	7,445,000
Interest and fiscal charges	5,067,235	5,258,136	5,109,513	4,944,649	4,620,216
Total expenditures	<u>\$ 252,800,298</u>	<u>\$ 288,768,585</u>	<u>\$ 321,282,849</u>	<u>\$ 324,736,108</u>	<u>\$ 303,926,267</u>
Debt service as a percentage of noncapital expenditures	5.0%	4.9%	4.8%	4.7%	4.5%

Source: District records

Debt service as a percentage of noncapital expenditures has decreased in 2004. This is a result of savings from refunding lease revenue and race track bonds during fiscal year 2003.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Governmental Funds Expenditures and Debt Service Ratios
Last 10 Fiscal Years
(Unaudited)

	2003	2004	Fiscal Year 2005	2006	2007
\$	165,718,380	\$ 191,944,926	\$ 216,279,716	\$ 240,739,506	\$ 256,946,940
	16,210,280	20,597,947	24,180,157	27,229,460	28,948,930
	5,256,899	5,916,203	6,536,392	5,605,383	6,053,112
	3,881,192	3,466,155	5,164,216	5,167,001	8,469,582
	2,347,592	3,435,650	5,727,951	8,116,892	9,531,003
	-	-	-	5,685,909	6,071,627
	1,546,841	916,050	942,274	1,215,542	969,522
	2,160,679	2,833,368	2,803,097	3,121,207	3,353,244
	12,050,448	13,503,541	16,042,734	17,680,518	18,271,940
	1,494,363	1,628,731	1,853,645	2,066,910	2,154,917
	12,015,804	12,896,708	13,944,723	14,770,445	15,491,356
	6,793,407	7,841,414	8,664,140	6,564,895	6,990,947
	12,278,635	13,414,943	14,900,983	16,491,954	18,057,575
	22,388,206	24,674,201	27,696,037	30,316,553	34,066,726
	10,234,739	12,980,795	14,497,219	15,726,868	15,146,073
	-	-	-	1,918,449	2,035,824
	1,735,000	1,626,000	1,761,530	1,315,817	1,283,031
	61,294,523	81,489,958	100,295,481	105,837,563	92,950,858
	2,747,398	3,800,894	3,722,243	2,548,271	1,922,626
	7,800,000	8,841,951	9,529,713	14,204,533	14,477,828
	5,306,427	2,450,366	4,195,284	3,820,416	3,448,699
\$	353,260,813	\$ 414,259,801	\$ 478,737,535	\$ 530,144,092	\$ 546,642,360
	4.5%	3.4%	3.7%	4.3%	4.0%

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Other Financing Sources and Uses and Net Changes in Fund Balance,
Governmental Funds
Last 10 Fiscal Years
(Unaudited)

Table 7

	Fiscal Year			
	1998	1999	2000	2001
Excess (deficiency) of revenues over (under) expenditures	\$ 13,677,044	\$ (6,624,203)	\$ 7,829,731	\$ (12,937,658)
Other Financing Sources (Uses)				
Long-term debt issued	9,850,000	2,991,850	2,947,804	569,929
Capital leases	-	-	-	-
Refunding bonds issued	-	-	-	-
Premium on refunding bonds	-	-	-	-
Discount on sale of bonds	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Sale of capital assets	-	650,670	350,000	-
FEMA loss recovery	-	-	-	-
Insurance loss recovery	-	-	-	-
Transfers in	22,056,287	23,203,336	24,076,514	24,999,353
Transfers out	<u>(23,065,787)</u>	<u>(23,928,886)</u>	<u>(24,821,197)</u>	<u>(25,555,353)</u>
Total other financing sources	<u>8,840,500</u>	<u>2,916,970</u>	<u>2,553,121</u>	<u>13,929</u>
Net change in fund balances	<u>\$ 22,517,544</u>	<u>\$ (3,707,233)</u>	<u>\$ 10,382,852</u>	<u>\$ (12,923,729)</u>

Source: District records

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Other Financing Sources and Uses and Net Changes in Fund Balance,
Governmental Funds
Last 10 Fiscal Years
(Unaudited)

Table 7

Fiscal Year					
2002	2003	2004	2005	2006	2007
\$ 17,732,480	\$ 19,159,673	\$ (1,094,847)	\$ (29,198,161)	\$ (13,880,787)	\$ 61,196,752
-	914,703	2,005,934	52,457,063	2,814,696	-
-	-	-	469,793	-	-
-	-	-	-	7,860,000	-
-	-	-	-	765,091	-
-	-	-	-	(7,658)	-
-	-	-	-	(8,595,518)	-
1,225,500	-	86,000	-	-	5,065,250
-	-	-	438,240	438,765	-
-	-	-	-	-	202,865
28,352,984	25,323,251	25,024,054	25,667,628	32,819,053	26,220,779
<u>(25,108,984)</u>	<u>(26,872,095)</u>	<u>(25,553,360)</u>	<u>(26,345,197)</u>	<u>(33,515,312)</u>	<u>(26,913,564)</u>
4,469,500	(634,141)	1,562,628	52,687,527	2,579,117	4,575,330
<u>\$ 22,201,980</u>	<u>\$ 18,525,532</u>	<u>\$ 467,781</u>	<u>\$ 23,489,366</u>	<u>\$ (11,301,670)</u>	<u>\$ 65,772,082</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Assessed Value and Estimated Actual Value of Taxable Property
Last 10 Fiscal Years
(in thousands of dollars)
(Unaudited)

Fiscal Year	Assessed Value		Less: Exemptions	Total Taxable Value	Total Direct Rate ⁽¹⁾
	Residential Property	Personal Property			
1998	21,101,553	2,376,028	4,330,777	19,146,804	8.947
1999	22,772,359	2,510,190	4,927,998	20,354,551	9.229
2000	24,851,893	2,599,624	5,541,230	21,910,287	8.537
2001	27,089,803	2,739,810	6,014,830	23,814,783	8.544
2002	30,329,859	2,871,128	6,816,629	26,384,358	8.488
2003	35,502,248	2,855,384	8,458,202	29,899,430	9.287
2004	42,072,743	3,081,984	11,040,724	34,114,003	8.793
2005	49,021,600	3,299,142	13,544,250	38,776,492	8.366
2006	58,973,841	4,380,022	16,901,193	46,452,670	7.861
2007	76,796,905	6,432,934	24,313,875	58,915,964	7.210

Source: Sarasota County Property Appraiser

Note: The basis of assessed value required by the State is 100 percent of actual value. For each fiscal year ending June 30, property is valued as of the preceeding January 1st.

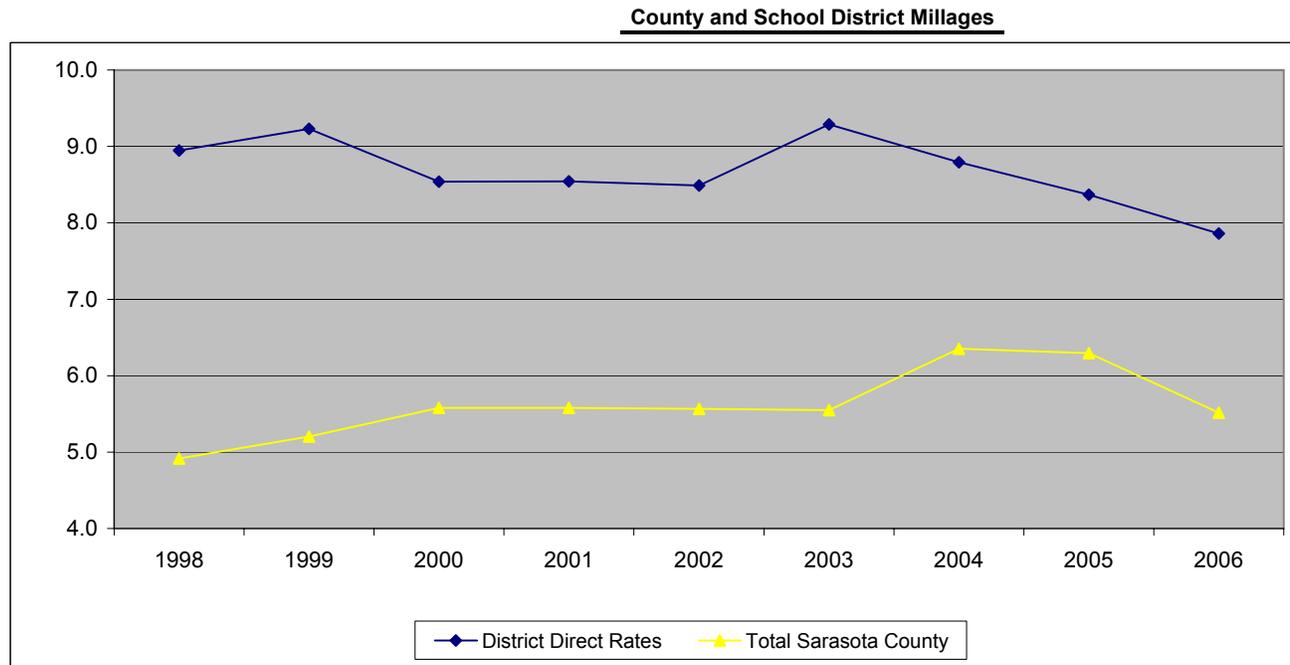
⁽¹⁾ Per \$1,000 of assessed value

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Direct and Overlapping Property Tax Rates
Last 10 Fiscal Years
(Unaudited)
(per \$1,000 assessed valuation)

Fiscal Year	District Direct Rates			Overlapping Rates ⁽¹⁾				
	General Purposes	Capital Purposes	Total	Sarasota County	City of Sarasota	City of Venice	Town of Longboat Key ⁽²⁾	City of North Port
1998	7.447	1.500	8.947	4.917	4.234	3.406	2.779/3.742	5.000
1999	7.566	1.663	9.229	5.204	3.611	3.406	2.750/3.655	4.900
2000	7.218	1.319	8.537	5.579	2.960	3.406	2.846/3.676	4.800
2001	6.813	1.731	8.544	5.576	3.261	3.406	2.794/3.536	4.650
2002	6.488	2.000	8.488	5.565	3.171	3.406	2.562/3.209	4.550
2003	7.643	1.644	9.287	5.549	3.237	3.355	2.424/3.205	4.500
2004	6.793	2.000	8.793	6.353	3.150	3.275	2.171/2.690	5.000
2005	6.366	2.000	8.366	6.294	3.018	3.512	1.836/2.287	4.900
2006	5.861	2.000	7.861	5.516	3.009	3.395	1.729/2.163	4.900
2007	5.210	2.000	7.210	5.316	3.000	3.344	1.627/2.006	3.300

- (1) Additional millages for incorporated areas include levies for operating and debt service costs.
- (2) Inland/Beach side

Source: Sarasota County Property Appraiser



SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Principal Property Taxpayers
Current Year and 9 Years Ago
(Unaudited)

Table 10

Taxpayer	Rank	January 1, 2006		Rank	January 1, 1997
		Taxable Value	Percentage of Total Taxable Value		Taxable Value
Florida Power & Light Co.	1	\$ 322,214,778	0.55 %	2	\$ 192,041,968
Verizon Florida, Inc.	2	232,888,971	0.40	1	250,139,069
Westfield/Southgate & Sarasota Shoppingtown	3	135,648,075	0.23	3	83,509,604
Sarasota Doctors Hospital, Inc./Columbia Healthcare	4	126,339,902	0.21	4	62,761,227
Slab/Ritz Carlton Hotel Co.	5	96,451,806	0.16	-	----
WCI Communities, Inc.	6	89,857,284	0.15	-	----
The Glenridge on Palmer Ranch	7	87,938,825	0.15	-	----
Osprey S A Ltd.	8	86,619,264	0.15	-	----
Venice HMA Inc.	9	85,280,541	0.14	-	----
MHC Mobile Home Communities	10	71,226,335	0.12	7	36,947,592
Comcast Cablevision	-	----	----	5	40,219,410
Publix Super Markets	-	----	----	6	37,319,349
Ellenburg Capital Corp.	-	----	----	8	27,252,414
Sunbelt Dix, Inc.	-	----	----	9	26,276,461
Phillip E. tephens, Trustee	-	----	----	10	25,909,696
Total		\$ 1,334,465,781	2.26 %		\$ 782,376,790

Source: Sarasota County Property Appraiser

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Property Tax Levies and Collections
Last 10 Fiscal Years
(Unaudited)

Table 11

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	171,306,455	165,402,758	96.55	420,991	165,823,749	96.80
1999	187,852,151	181,078,416	96.39	437,269	181,515,685	96.63
2000	187,048,120	180,327,166	96.41	624,883	180,952,049	96.74
2001	203,473,506	196,273,871	96.46	572,955	196,846,826	96.74
2002	223,950,431	215,914,172	96.41	470,163	216,384,335	96.62
2003	277,676,006	268,263,729	96.61	500,842	268,764,571	96.79
2004	300,036,373	289,537,968	96.50	419,201	289,957,169	96.64
2005	324,404,132	311,696,180	96.08	368,388	312,064,568	96.20
2006	365,164,439	353,300,634	96.75	680,559	353,981,193	96.94
2007	424,784,100	410,780,268	96.70	-	410,780,268	96.70

Source: Sarasota County Property Appraiser

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Outstanding Debt by Type
Last 10 Fiscal Years
(dollars in thousands, except per capita)
(Unaudited)

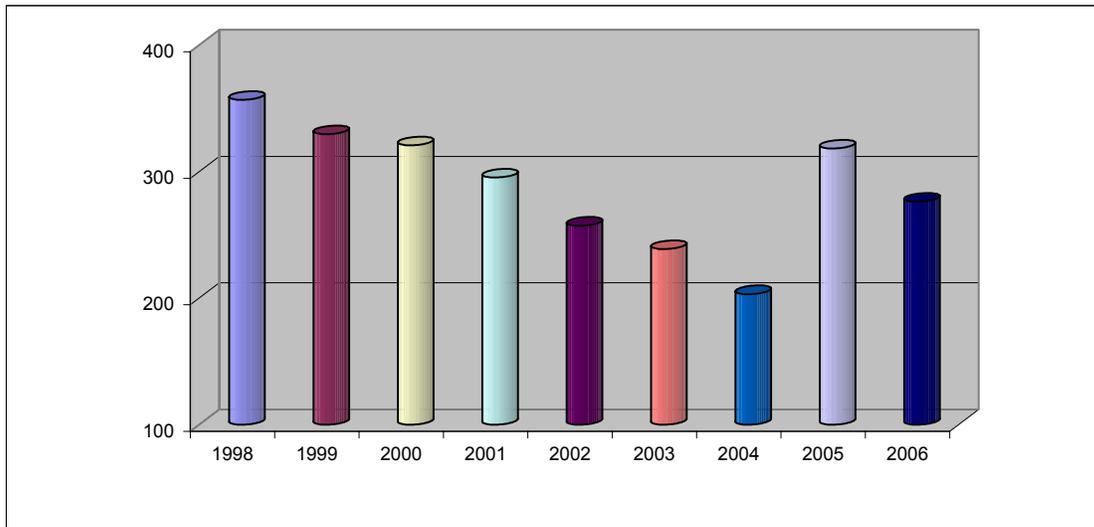
Governmental Activities								
Fiscal Year	Lease Revenue Bonds	State Board of Education Bonds	Certificates of Participation	Race Track Revenue Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
1998	91,555	15,151	-	4,255	39	111,000	0.99	357
1999	85,725	14,381	-	4,070	-	104,176	0.87	330
2000	79,635	19,506	-	3,875	-	103,016	0.82	321
2001	73,265	18,766	-	3,670	570	96,271	0.79	295
2002	66,595	15,409	-	3,455	478	85,937	0.63	257
2003	-	17,152	60,421	3,175	373	81,120	0.56	239
2004	-	14,300	52,569	3,175	840	70,884	0.44	203
2005	-	14,780	95,440	2,905	935	114,061	0.67	318
2006	-	15,540	82,525	2,565	585	101,215	N/A	276
2007	-	14,380	68,050	2,215	286	84,931	N/A	230

Note: The lease revenue bonds were repaid with the proceeds of certificates of participation in 2003.
 Details regarding the District's outstanding debt can be found in the notes to the basic financial statements.
 N/A = Data not currently available

⁽¹⁾ Population and personal income data can be found in Table 16

Source: District records

Debt Per Capita



SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Direct and Overlapping Governmental Activities Debt
as of June 30, 2006
(Unaudited)

Table 13

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Sarasota County	\$ 270,390,486	100.000%	\$ 270,390,486
City of Sarasota	39,860,000	13.424%	5,350,983
City of Venice	13,841,471	5.189%	718,301
City of North Port	14,380,000	8.370%	1,203,574
Town of Longboat Key			-
Subtotal, overlapping debt			277,663,345
District direct debt			84,930,574
Total direct and overlapping debt			<u>\$ 362,593,919</u>

Source: Taxable value data used to estimate applicable percentages provided by the County Property Appraiser.
Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Legal Debt Margin Information
Last 10 Fiscal Years
(dollars in thousands)
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2007				
Assessed value 2006 tax roll	\$	58,915,964		
Limit of bonded indebtedness, 10% of net assessed taxable property value		5,891,596		
Amount of debt applicable to the debt limit		<u>84,931</u>		
Legal Debt Margin	\$	<u>5,806,665</u>		
			1998	1999
			2000	2001
Debt limit	\$	1,914,680	\$ 2,035,455	\$ 2,191,029
Total debt applicable to limit		<u>111,000</u>	<u>104,176</u>	<u>103,016</u>
Legal debt margin	\$	<u>1,803,680</u>	<u>\$ 1,931,279</u>	<u>\$ 2,088,013</u>
Total debt applicable as a percentage of debt limit		5.80%	5.12%	4.70%
			4.04%	

Note: Rule 6A-1.037(2) State Board of Education, Florida Administration Code, establishes a limit of 10 percent on the nonexempt assessed valuation of the District.

Source: District records

Table 14

Fiscal Year					
2002	2003	2004	2005	2006	2007
\$ 2,638,436	\$ 2,989,943	\$ 3,411,400	\$ 3,877,649	\$ 4,645,267	\$ 5,891,596
85,937	81,120	70,884	114,061	101,215	84,931
<u>\$ 2,552,499</u>	<u>\$ 2,908,823</u>	<u>\$ 3,340,516</u>	<u>\$ 3,763,589</u>	<u>\$ 4,544,052</u>	<u>\$ 5,806,665</u>
3.26%	2.71%	2.08%	2.94%	2.18%	1.44%

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Pledged-Revenue Coverage,
Last Ten Fiscal Years
(Unaudited)

Table 15

Fiscal Year	Race Track Revenue Bonds ⁽¹⁾				State Board of Education Bonds			
	Racing Commission Funds	Debt Service		Coverage	Motor Vehicle License Tax	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
1998	446,500	175,000	268,553	1.01	482,292	415,000	80,455	0.97
1999	446,500	185,000	259,278	1.01	1,122,133	585,000	511,136	1.02
2000	446,500	195,000	249,195	1.01	1,262,218	630,000	633,798	1.00
2001	446,500	205,000	238,275	1.01	1,288,366	535,000	768,396	0.99
2002	446,500	215,000	226,590	1.01	1,288,523	560,000	754,729	0.98
2003	446,500	230,000	214,120	1.01	1,297,102	585,000	729,791	0.99
2004 (2)	446,500	-	103,447	4.32	1,378,457	650,000	721,663	1.00
2005	446,500	270,000	96,730	1.22	1,455,168	720,000	730,105	1.00
2006	446,500	340,000	89,980	1.04	1,449,261	790,000	703,821	0.97
2007	446,500	350,000	81,480	1.03	1,533,496	845,000	1,110,299	0.78

Source: District records

Note: Details regarding the District's outstanding debt can be found in Note 8 of the notes to the financial statements.

- (1) Bonds are issued by the district and secured from pari-mutual tax proceeds distributed annually to Sarasota County from the State's Pari-Mutuel Tax Collection Trust Fund pursuant to Florida Statutes.
- (2) Bonds were refunded in fiscal year 2004. Racetrack Revenue Refunding Bonds, Series 2003 were issued.

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Demographic and Economic Statistics
Last 10 Fiscal Years
(Unaudited)

Calendar Year	Estimated Population⁽¹⁾	Personal Income⁽²⁾ (thousands of dollars)	Per Capita Personal Income	Student Membership⁽³⁾	Unemployment Rate⁽⁴⁾
1998	311,043	11,200,658	36,010	33,159	2.8
1999	316,023	11,974,427	37,891	33,615	2.5
2000	321,044	12,499,527	38,934	34,576	2.3
2001	325,957	12,200,571	37,430	35,499	2.1
2002	334,023	14,177,419	41,707	37,048	2.3
2003	339,684	14,421,000	41,618	38,026	3.2
2004	348,761	16,283,000	45,808	39,519	3.3
2005	358,307	17,148,000	46,965	38,850	3.1
2006	366,256	N/A	N/A	41,884	3.0
2007	369,535	N/A	N/A	42,190	3.0

N/A = Data not currently available

Source: (1) Bureau of Economic and Business Research
(2) US Department of Commerce, Bureau of Economic Analysis
(3) The Florida Department of Education's Statistical Brief entitled "Membership in Florida's Public Schools Fall" for each respective year
(4) Florida Agency for Workforce Innovation, Office of Workforce Information Services, Labor Market Statistics (12 month average)

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Principal Employers
Current Year and 9 Years Ago
(Unaudited)

Table 17

Employer	2006			1997		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
School Board of Sarasota County, Florida	1	5,657	3.13 %	1	3,848	2.64 %
Sarasota Memorial Hospital	2	4,181	2.31	4	3,000	2.06
Sarasota County Government	3	3,633	2.01	2	3,192	2.19
Publix Super Markets, Inc.	4	3,088	1.71	3	3,107	2.13
PGT Industries	5	2,000	1.11	8	730	0.50
Wal-Mart	6	1,318	0.73	-	----	----
CEMAX, Inc.	7	1,200	0.66	-	----	----
Venice Regional Medical Center	8	1,060	0.59	5	2,900	1.99
Nielsen Media Research	9	716	0.40	-	----	----
Sun Hydraulics Corporation	10	700	0.39	-	----	----
Doctors Hospital of Sarasota	-	----	----	6	1,200	0.82
Winn Dixie Stores	-	----	----	7	750	0.51
City of Sarasota	-	----	----	9	739	0.51
Sarasota Herald Tribune	-	----	----	10	575	0.39
Total		<u>23,553</u>	<u>13.02 %</u>		<u>20,041</u>	<u>13.74 %</u>

Source: Sarasota Chamber of Commerce

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SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Full-time-Equivalent District Employees by Type
Last 10 Fiscal Years
(Unaudited)

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Supervisory				
Administrators	26	29	32	31
Consultants/supervisors of instruction	5	4	5	6
Principals	32	32	33	33
Assistant principals	44	45	48	45
Total supervisory	<u>107</u>	<u>110</u>	<u>118</u>	<u>115</u>
Instruction				
Elementary classroom teachers	824	872	898	835
Secondary classroom teachers	715	739	740	718
ESE teachers	375	403	404	376
Other teachers (adult)	18	18	19	21
Other professionals (instructional)	89	84	92	88
Aides	403	486	517	515
Total instructional	<u>2,424</u>	<u>2,602</u>	<u>2,670</u>	<u>2,553</u>
Student Services				
Guidance counselors	42	44	50	49
Visiting teachers/Social workers	9	9	8	9
Psychologists	12	13	13	13
Librarians	16	16	15	13
Other professionals (non-instructional)	126	127	132	139
Technicians	36	36	38	49
Total student services	<u>241</u>	<u>245</u>	<u>256</u>	<u>272</u>
Support and Administration				
Clerical/secretarial	364	346	318	305
Service workers	860	864	857	870
Skilled crafts	116	118	115	117
Unskilled laborers	21	21	22	25
Total support and administration	<u>1,361</u>	<u>1,349</u>	<u>1,312</u>	<u>1,317</u>
Total employees	<u><u>4,133</u></u>	<u><u>4,306</u></u>	<u><u>4,356</u></u>	<u><u>4,257</u></u>

Source: Florida Department of Education Statistical Brief entitled
"Staff in Florida's Public Schools"

Note: Employee data includes only full-time staff.
Information presented above excludes Charter Schools and
Second Chance Schools. The number of personnel is total employees.

Table 18

2002	2003	2004	2005	2006	2007
35	36	42	41	43	42
4	5	5	5	7	6
35	36	37	38	48	44
46	50	53	58	69	71
<u>120</u>	<u>127</u>	<u>137</u>	<u>142</u>	<u>167</u>	<u>163</u>
843	886	985	1101	1168	1170
750	809	899	979	1124	1040
407	428	479	519	565	523
19	21	45	45	71	71
87	91	118	150	179	185
515	522	562	626	610	531
<u>2,621</u>	<u>2,757</u>	<u>3,088</u>	<u>3,420</u>	<u>3,717</u>	<u>3,520</u>
51	54	66	76	95	93
9	9	10	12	16	15
15	15	18	22	22	21
16	15	18	19	19	22
136	137	151	162	170	168
52	55	43	43	46	46
<u>279</u>	<u>285</u>	<u>306</u>	<u>334</u>	<u>368</u>	<u>365</u>
304	331	355	387	409	391
877	900	932	995	1098	1087
120	120	127	128	128	137
27	28	28	32	33	50
<u>1,328</u>	<u>1,379</u>	<u>1,442</u>	<u>1,542</u>	<u>1,668</u>	<u>1,665</u>
<u>4,348</u>	<u>4,548</u>	<u>4,973</u>	<u>5,438</u>	<u>5,920</u>	<u>5,713</u>

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Operating Statistics
Last 10 Fiscal Years
(Unaudited)

Table 19

Fiscal Year	Operating Expenditures	Fall Student Memberships	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio	Percentage of Free and Reduced Meals to Total Meals Served⁽¹⁾
1998 ⁽²⁾	184,098,768	33,159	5,552	3.58	1,932	17.2	59%
1999 ⁽²⁾	194,630,850	33,615	5,790	4.29	2,032	16.5	58%
2000 ⁽²⁾	201,612,656	34,576	5,831	0.71	2,061	16.8	55%
2001 ⁽²⁾	213,703,980	35,499	6,020	3.24	1,950	18.2	55%
2002 ⁽¹⁾	247,553,079	37,048	6,682	11.00	2,019	18.3	56%
2003 ⁽¹⁾	267,249,584	38,026	7,028	5.18	2,144	17.7	57%
2004 ⁽¹⁾	310,056,455	39,519	7,846	11.63	2,408	16.4	57%
2005 ⁽¹⁾	352,355,192	41,158	8,561	9.12	2,644	15.6	57%
2006 ⁽¹⁾	387,422,316	41,689	9,293	8.55	2,928	14.2	54%
2007 ⁽¹⁾	417,142,200	42,190	9,887	10.36	2,804	15.0	54%

Source: (1) District records
(2) National Center for Education Statistics

Note: Expenditures only include General and Special Revenue Funds.
Community service expenditures are not included in total expenditure amounts.

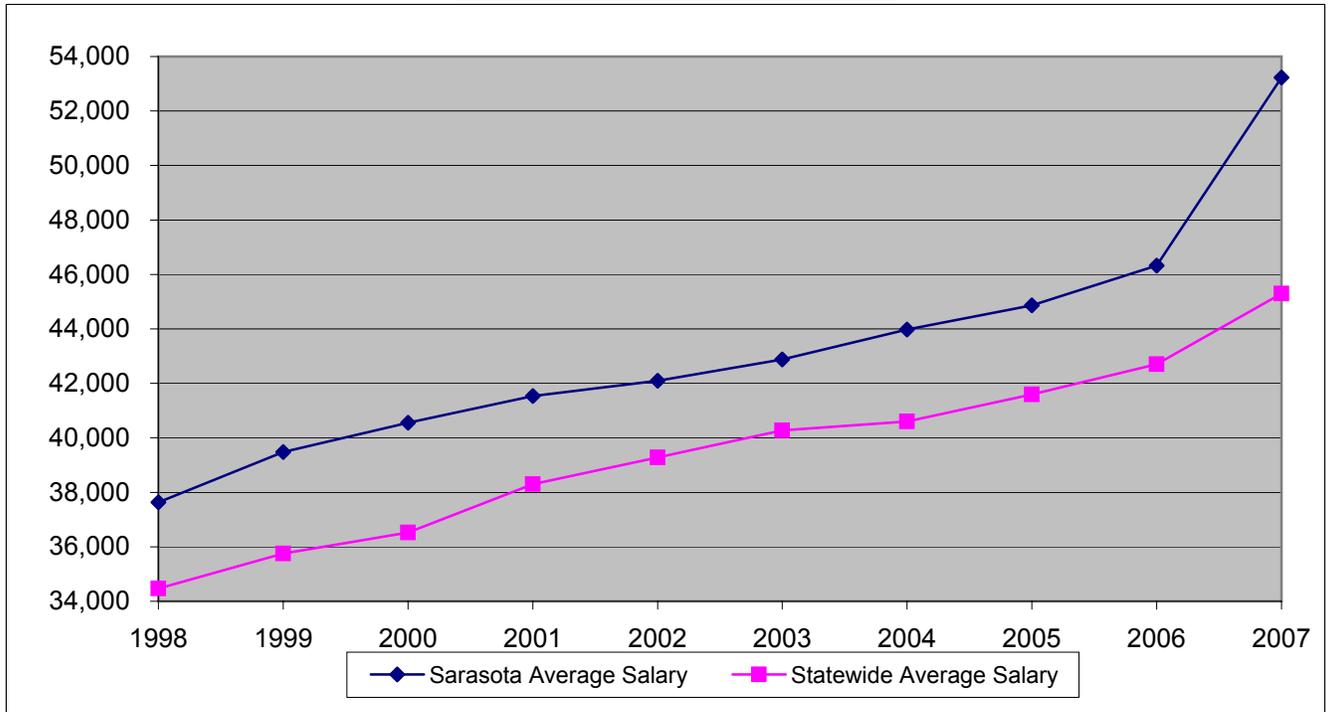
SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
Teacher Salaries
Last 10 Fiscal Years
(Unaudited)

Table 20

Fiscal Year	Minimum Salary⁽¹⁾	Maximum Salary⁽¹⁾	Sarasota Average Salary⁽¹⁾	Statewide Average Salary⁽²⁾
1998	25,126	44,627	37,632	34,473
1999	25,754	45,742	39,480	35,749
2000	26,269	46,657	40,551	36,524
2001	26,795	47,590	41,538	38,299
2002	26,795	47,590	42,098	39,275
2003	27,599	49,018	42,879	40,275
2004	30,233	51,101	43,980	40,598
2005	31,518	53,273	44,860	41,590
2006	34,024	66,944	46,329	42,702
2007	37,038	72,874	53,231	45,296

Source: (1) District records
(2) Florida Department of Education

Teacher Average Salary



SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
School Building Information
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Elementary										
Alta Vista (1997)										
Square feet	91,196	91,196	91,196	91,196	91,196	91,196	95,116	96,746	96,746	122,939
Capacity	1,027	1,027	1,027	1,027	1,027	820	1,110	1,110	1,155	968
Enrollment	876	884	872	814	755	632	686	695	703	703
Ashton (1976)										
Square feet	100,575	119,233	119,233	119,233	119,233	123,208	129,480	130,555	126,044	126,044
Capacity	980	1,383	1,383	1,383	1,383	1,324	1,682	1,682	1,555	1,062
Enrollment	1,113	1,145	1,212	1,276	1,283	1,281	1,313	1,225	898	873
Bay Haven (1926)										
Square feet	50,702	50,782	50,782	50,782	50,782	68,454	68,454	72,576	71,440	71,440
Capacity	533	533	533	533	533	581	641	641	841	701
Enrollment	580	574	582	580	576	576	530	545	570	582
Emma Booker (1989)										
Square feet	112,035	112,583	112,583	112,583	112,583	112,583	118,071	118,071	118,064	118,344
Capacity	1,297	1,309	1,309	1,309	1,309	948	1,335	1,335	1,375	1,146
Enrollment	867	785	700	648	617	599	646	665	648	648
Brentwood (1955)										
Square feet	110,363	110,363	110,363	110,363	110,363	110,363	141,631	140,395	136,450	136,450
Capacity	1,222	1,222	1,222	1,222	1,222	987	1,534	1,534	1,336	1,114
Enrollment	1,055	1,016	1,053	1,028	999	930	954	939	812	741
Cranberry (2003)										
Square feet	-	-	-	-	-	110,113	110,113	118,053	134,496	133,945
Capacity	-	-	-	-	-	753	983	983	1,294	1,079
Enrollment	-	-	-	-	-	-	585	750	859	843
Englewood (1958)										
Square feet	85,690	85,690	85,690	85,690	85,690	102,436	104,788	104,788	104,788	104,788
Capacity	915	915	915	915	915	655	873	873	837	698
Enrollment	638	645	607	599	574	543	531	534	486	449
Fruitville (1941)										
Square feet	79,825	79,825	79,825	79,825	79,825	86,169	117,480	110,442	112,566	112,406
Capacity	862	862	862	862	862	701	1,329	1,329	1,112	949
Enrollment	856	865	828	826	799	804	771	782	672	684
Garden (1973)										
Square feet	87,186	87,638	87,638	87,638	87,638	87,638	87,638	87,638	88,184	88,184
Capacity	791	783	783	783	783	716	1,016	1,016	1,003	836
Enrollment	740	697	657	677	635	610	623	668	658	638
Glenallen (1984)										
Square feet	83,164	98,275	98,275	98,275	98,275	99,568	113,680	120,032	173,605	168,891
Capacity	1,019	1,291	1,291	1,291	1,291	1,028	1,697	1,697	1,924	1,426
Enrollment	719	818	864	919	954	988	1,093	1,195	1,274	875
Gocio (1993)										
Square feet	112,712	113,512	113,512	113,512	113,512	116,692	121,396	120,062	122,730	121,895
Capacity	851	1,000	1,000	1,000	1,000	925	1,279	1,279	1,419	1,183
Enrollment	786	883	828	891	904	962	916	877	927	898
Gulf Gate (1964)										
Square feet	132,212	132,212	132,212	132,212	132,212	132,212	132,212	132,212	136,531	154,346
Capacity	1,190	1,190	1,190	1,190	1,190	882	1,190	1,190	1,095	913
Enrollment	875	863	860	850	904	944	964	927	894	778
Lakeview (1986)										
Square feet	81,284	81,284	81,284	81,284	81,284	81,284	85,988	85,988	85,988	86,439
Capacity	1,011	1,011	1,011	1,011	1,011	827	1,106	1,106	1,166	1,192
Enrollment	863	881	920	930	924	851	831	977	828	790
Lamarque (2005)										
Square feet	-	-	-	-	-	-	-	-	-	150,688
Capacity	-	-	-	-	-	-	-	-	-	1,295
Enrollment	-	-	-	-	-	-	-	-	-	1,011
Phillippi Shores (1953)										
Square feet	82,593	82,593	82,593	82,593	82,593	82,593	82,593	119,168	120,900	121,160
Capacity	806	806	806	806	806	617	806	806	867	723
Enrollment	550	545	543	588	553	507	486	491	591	569
Southside (1926)										
Square feet	75,166	75,936	75,936	75,936	75,936	75,936	75,936	73,660	127,155	119,822
Capacity	576	576	576	576	576	540	601	601	1,524	1,058
Enrollment	780	740	791	785	748	769	743	730	675	640
Tatem Ridge (2004)										
Square feet	-	-	-	-	-	-	-	-	122,673	126,495
Capacity	-	-	-	-	-	-	-	-	890	835
Enrollment	-	-	-	-	-	-	-	-	698	766
Taylor Ranch (1989)										
Square feet	85,779	100,890	100,890	100,890	100,890	100,890	105,594	111,190	111,247	142,727
Capacity	724	1,078	1,078	1,078	1,078	887	1,264	1,264	1,371	1,143
Enrollment	750	757	846	840	847	834	867	918	875	863
Toledo Blade (1992)										
Square feet	120,072	129,172	129,172	129,172	129,172	129,172	129,172	138,725	142,361	171,183
Capacity	1,197	1,423	1,423	1,423	1,423	849	1,577	1,577	1,998	1,773
Enrollment	788	839	944	1,092	1,308	1,483	1,044	1,276	1,511	1,417
Tuttle (1999)										
Square feet	-	118,555	118,555	118,555	118,555	120,847	121,631	121,631	124,844	129,058
Capacity	-	1,072	1,072	1,072	1,072	877	1,201	1,201	1,238	1,032
Enrollment	-	762	810	796	827	812	880	847	891	788
Venice (1952)										
Square feet	97,939	97,939	97,939	97,939	97,939	97,939	97,939	128,259	133,267	131,371
Capacity	959	959	959	959	959	777	1,033	1,033	993	828
Enrollment	662	683	711	650	602	588	624	678	674	651
Wilkinson (1967)										
Square feet	87,808	87,808	87,808	87,808	88,180	88,180	103,860	144,479	142,499	142,499
Capacity	1,093	1,093	1,093	1,093	1,093	882	1,166	1,166	943	786
Enrollment	1,003	957	985	912	897	776	783	788	780	718

SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA
School Building Information
Last 10 Fiscal Years
(Unaudited)

School	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Middle										
Booker (1988)										
Square feet	180,888	180,888	180,888	180,888	180,888	180,888	212,196	208,117	208,117	208,117
Capacity	1,647	1,647	1,647	1,647	1,647	1,413	2,195	2,195	2,221	1,851
Enrollment	1,155	1,208	1,170	1,094	1,064	1,140	1,264	1,207	1,015	938
Brookside (2000)										
Square feet	-	-	193,266	193,266	193,266	193,366	207,312	207,303	207,303	208,812
Capacity	-	-	1,529	1,529	1,529	1,251	1,723	1,723	1,794	1,484
Enrollment	-	-	846	1,087	1,387	1,352	1,263	1,200	1,122	1,097
Heron Creek (2004)										
Square feet	-	-	-	-	-	-	231,009	241,609	242,903	242,903
Capacity	-	-	-	-	-	-	2,157	2,157	2,533	2,174
Enrollment	-	-	-	-	-	-	1,431	1,730	1,789	1,977
McIntosh (1961)										
Square feet	199,749	214,842	214,842	214,842	214,842	214,842	214,842	216,660	219,000	219,000
Capacity	1,184	1,616	1,616	1,616	1,616	1,555	1,492	1,492	1,550	1,292
Enrollment	1,160	1,163	1,220	1,257	1,281	1,112	1,054	1,092	1,096	1,105
Sarasota (1992)										
Square feet	189,730	189,730	189,730	189,730	189,730	189,830	189,830	189,730	188,097	188,097
Capacity	1,527	1,527	1,527	1,527	1,527	1,277	1,882	1,882	1,963	1,636
Enrollment	1,447	1,506	1,519	1,411	1,361	1,325	1,342	1,397	1,266	1,203
Venice (1984)										
Square feet	155,677	155,677	155,677	155,677	155,677	155,677	160,381	167,301	170,608	170,608
Capacity	1,835	1,835	1,835	1,835	1,835	987	1,458	1,458	1,796	1,497
Enrollment	1,312	1,329	1,423	1,483	648	705	739	781	908	887
High										
Booker (1953)										
Square feet	377,318	377,318	377,318	377,318	377,318	377,318	383,590	353,517	359,684	359,684
Capacity	2,134	2,134	2,134	2,134	2,134	1,790	2,276	2,276	2,671	2,240
Enrollment	1,439	1,463	1,504	1,496	1,514	1,575	1,597	1,596	1,662	1,711
Cyesis (1993)										
Square feet	38,288	38,288	38,288	38,288	38,288	38,288	38,680	38,680	38,680	39,090
Capacity	273	273	273	273	273	286	345	345	394	329
Enrollment	170	176	157	172	174	179	149	132	144	130
NorthPort (2002)										
Square feet	-	-	-	-	341,862	341,862	341,862	389,694	466,254	296,971
Capacity	-	-	-	-	1,872	1,615	1,781	1,781	3,551	2,882
Enrollment	-	-	-	-	651	1,017	1,516	1,810	2,089	2,438
Riverview (1957)										
Square feet	266,857	267,405	302,649	302,649	302,649	308,040	312,744	313,627	324,327	310,282
Capacity	2,761	2,761	2,832	2,832	2,832	2,799	3,202	3,202	4,131	3,347
Enrollment	2,601	2,471	2,501	2,509	2,576	2,559	2,582	2,657	2,687	2,548
Sarasota (1996)										
Square feet	414,688	414,688	414,688	414,688	414,688	414,688	414,688	423,101	422,111	422,111
Capacity	2,718	2,718	2,718	2,718	2,718	2,713	2,878	2,878	3,841	3,201
Enrollment	1,937	1,990	2,240	2,442	2,513	2,655	2,638	2,619	2,673	2,669
Venice (1955)										
Square feet	336,230	336,600	338,471	338,471	338,471	338,471	338,471	338,797	348,832	353,177
Capacity	2,344	2,344	2,705	2,705	2,705	2,367	2,716	2,716	3,264	2,706
Enrollment	2,256	2,358	2,503	2,700	2,322	2,225	2,157	2,178	2,204	2,141
Other										
Laurel Nokomis (1991)										
Square feet	197,710	212,821	212,821	212,821	212,821	215,206	219,910	215,137	214,260	214,260
Capacity	1,671	2,016	2,016	2,016	2,016	1,780	2,414	2,414	2,415	2,013
Enrollment	1,432	1,509	1,610	1,676	1,694	1,723	1,785	1,535	1,318	1,232
Oak Park (1993)										
Square feet	138,117	138,117	138,117	138,117	138,117	143,903	145,471	148,647	156,997	179,189
Capacity	479	479	479	479	479	479	580	580	877	731
Enrollment	272	281	300	341	350	362	378	439	439	408
Pineview (1993)										
Square feet	173,279	173,730	173,730	173,730	173,730	174,742	206,050	210,814	216,360	216,360
Capacity	1,584	1,584	1,584	1,584	1,584	1,448	1,998	1,998	2,505	2,254
Enrollment	1,428	1,436	1,427	1,515	1,591	1,675	1,799	1,948	2,061	2,200
Phoenix Academy (2005)										
Square feet	-	-	-	-	-	-	-	26,808	26,657	26,647
Capacity	-	-	-	-	-	-	-	282	345	288
Enrollment	-	-	-	-	-	-	-	203	157	163

Sources: (1) District Records
(2) Florida Inventory of School Houses

Notes: Capacity information reported for fiscal year ended 2003 reflects adjustments due to the Class Size Reduction Amendment.
Rebuilt schools only include information after rebuilding.

School Board of Sarasota County, Florida



Comprehensive Annual Financial Report
Year Ended June 30, 2007

Federal Reports and Schedules

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Schedule of Expenditures of Federal Awards

Schedule of Findings and Questioned Costs

Summary Schedule of Prior Audit Findings – Federal Awards



**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable Members of the School Board
School Board of Sarasota County, Florida
Sarasota, Florida

We have audited the financial statements of the governmental activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the School Board of Sarasota County, Florida (the "District") as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 23, 2008. We did not audit the financial statements of the charter schools, reported as discretely presented component units, or the school internal accounts; these financial statements were audited by other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing out opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency described as Finding 2007-1 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and accordingly, we express no opinion on it.

This report is intended for the information of the District, management, specific legislative or regulatory bodies, applicable federal and state agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, L.L.P.

St. Petersburg, Florida
January 23, 2008



**Report on Compliance with Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133**

The Honorable Members of the School Board
School Board of Sarasota County, Florida
Sarasota, Florida

Compliance

We have audited the compliance of the School Board of Sarasota County, Florida (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency described as Finding 2007-2 in the accompanying schedule of findings and questioned costs to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control. We consider the significant deficiency described as Finding 2007-2 above to be a material weakness.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and accordingly, we express no opinion on it.

This report is intended for the information of the District, management, specific legislative or regulatory bodies, applicable federal and state agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, L.L.P.

St. Petersburg, Florida
January 23, 2008

School Board of Sarasota County, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2007

FEDERAL GRANTOR / PASS-THROUGH GRANTOR/PROGRAM TITLE OR CLUSTER TITLE	Federal CFDA #	Pass - Through Grantor Number	Federal Expenditure	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Florida Department of Agriculture and Consumer Services:				
Food Distribution	10.550	none	\$ 708,374	
Florida Department of Education:				
Child Nutrition Cluster				
School Breakfast Program	10.553	321	952,919	
National School Lunch Program	10.555	300	4,496,127	
Summer Food Service Program for Children	10.559	323	239,937	
Summer Food Service Program for Children	10.559	344	4,185	
Total Child Nutrition Cluster			<u>5,693,168</u>	
Child and Adult Care Food Program	10.558	302	96,355	
Total United States Department of Agriculture			<u>6,497,897</u>	
United States Department of Education:				
Direct:				
Student Financial Assistance Programs:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	85,556	
Federal Pell Grant Program	84.063	N/A	194,048	
Direct:				
Elementary and Secondary Education:				
Safe & Drug-Free Schools & Communities-National Program	84.184	N/A	126,411	
Total Direct			<u>406,015</u>	
Florida Department of Education:				
Indirect:				
Special Education Cluster:				
Special Education - Grants to States	84.027	262, 263	9,105,934	
Special Education - Preschool Grants	84.173	266, 267	318,800	
Putnam County District School Board:				
Special Education - Grants to States	84.027	None	5,537	
Total Special Education Cluster			<u>9,430,271</u>	
Adult Education - State Grant Program	84.002	191, 193	417,903	
Vocational Education - Basic Grants to States	84.048	151	326,271	
Title I Grants to Local Educational Agencies	84.010	212, 223	4,421,419	
Migrant Education - State Grant Program	84.011	217	29,615	
Safe and Drug-Free Schools & Communities - State Grants	84.186	103	148,479	
Education for Homeless Children and Youth	84.196	127	118,604	
Fund for the Improvement of Education	84.215	143	111,943	
Charter Schools	84.282	298	335,238	\$ 335,238
Innovative Education Program Strategies	84.298	113	76,961	
Technology Literacy Challenge Grants	84.318	121	52,122	
Reading First State Grants	84.357	211	273,718	
Voluntary Public School Choice	84.361	299	138,625	
Title II - Improving Teacher Quality State Grants	84.367	224	1,116,699	
21st Century Community Learning Centers	84.287	244	1,123,514	
Title III - NCLB English Language Acquisition Grants	84.365	102	379,329	
Total Indirect			<u>9,070,440</u>	<u>335,238</u>
Total United States Department of Education			<u>18,906,726</u>	<u>335,238</u>

School Board of Sarasota County, Florida
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2007

FEDERAL GRANTOR / PASS-THROUGH GRANTOR/PROGRAM TITLE OR CLUSTER TITLE	Federal CFDA #	Pass - Through Grantor Number	Federal Expenditure	Amount Provided to Subrecipients
Cooperation for National & Community Services:				
Indirect:				
Florida Safety, Preparedness and Response Coalition				
Learn and Serve America- School and Community Based Programs	94.004	234	<u>38,909</u>	
Department of Homeland Security				
Indirect:				
Florida Department of Community Affairs				
State Domestic Preparedness Equipment Support Program	97.004	532	<u>3,880</u>	
United States Department of Defense:				
Direct:				
Army Junior Reserve Officers Training Corps	none	N/A	177,079	
Marine Corps Junior Reserve Officers Training Corps	none	N/A	63,256	
Navy Junior Reserve Officers Training Corps	none	N/A	<u>68,692</u>	
Total United States Department of Defense			<u>309,027</u>	
Total Expenditure of Federal Awards			<u>\$ 25,756,439</u>	<u>\$ 335,238</u>

See accompanying notes to schedule of expenditures of Federal awards

School Board of Sarasota County, Florida
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

Note 1 – Basis of Presentation – The Schedule of Expenditures of Federal Awards represents amounts expended from federal programs during the fiscal year based on the modified accrual basis of accounting. The amounts have been reconciled to and are in material agreement with the amounts recorded in the District's accounting records from which the basic financial statements have been reported.

Note 2 – Noncash Assistance – Food Distribution – Represents the amount of donated food used during the fiscal year. Commodities are valued at fair value as determined at the time of donation.

**School Board of Sarasota County, Florida
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007**

Section I - Summary of Audit Results

Type of auditor's report issued: Unqualified

Financial Statements

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not
Considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes
- Significant deficiency(ies) identified that are not
considered to be material weakness(es)? None reported

Type of auditor's report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? Yes

Identification of major programs:

Federal Program	CFDA Number
Food Donation	10.550
Student Financial Assistance Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Pell Grant Program	84.063
Special Education Cluster:	
Special Education – Grants to States	84.027
Special Education - Preschool Grants	84.173

Dollar threshold used for distinguishing between type A and B programs \$772,693

Auditee qualified as low-risk auditee? Yes

School Board of Sarasota County, Florida
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007

Section II – Financial Statement Findings

Significant Deficiency:

Finding 2007-1 School Internal Funds

Criteria: The Financial and Program Cost Accounting and Reporting for Florida Schools (the “Red Book”) establishes the District’s responsibility for the administration and control of internal funds including maintaining an adequate system of internal controls in order to safeguard the assets of the school internal funds and accurate annual reporting.

Condition: Sarasota County Technical Institute (SCTI) is one of the 40 public schools of the District which is reported in the agency funds of the District. SCTI has significantly greater and more complex financial activity than the other schools. We noted the control environment and the overall internal controls relating to financial reporting and various account balances was not adequate.

In addition, we noted that internal controls could be strengthened relating to the segregation of duties relating to monies collected at all the schools and to ensure that all monies submitted to bookkeepers are properly collected, deposited and recorded.

Cause: The District did not adequately monitor or provide appropriate oversight of SCTI’s financial reporting and internal controls. It appears the District has not established proper segregation of duties over monies collected, deposited and recorded.

Effect: Financial reports and account balances may be misstated and misappropriations could occur without being detected by SCTI or the District. Monies collected could be misappropriated by school bookkeepers without being timely detected.

Recommendation: We recommend that the District establish appropriate monitoring and oversight of SCTI financial activity.

District’s Response: Since SCTI’s financial activities are unique from all other schools in the District, the Director of SCTI and the Chief Financial Officer will review the organizational structure and financial activities of SCTI. The purpose of this analysis will be to determine which financial activities should be performed at a District level and which will remain within the school’s internal accounts. The Internal Accounts Specialist in the District’s Finance office will be provided access to SCTI’s general ledger system (Financial Edge) and their student database system (SONIS) to provide greater financial oversight. In addition, the Internal Accounts Specialist will begin to prepare the monthly bank reconciliation for SCTI as she does for all other schools.

The District has performed a risk assessment of the cash handling procedures at our traditional schools. It has been determined that a segregation of bookkeeper duties is not financially feasible. The District will investigate the possibility of changing the “monies collected” form to a three-part NCR with one copy retained by the collector, one for the bookkeeper and one forwarded to the District office by the collector. No changes may be made to the form without the initials of both the collector and the bookkeeper.

**School Board of Sarasota County, Florida
Schedule of Findings and Questioned Costs
Year Ended June 30, 2007**

Section III – Federal Award Finding and Questioned Costs

Finding 2007-2 - Eligibility

Material Weakness:

**Department of Education - Student Financial Aid Cluster
Federal Supplemental Educational Opportunity Grants – CFDA #84.007
Federal Pell Grant Program – CFDA #84.063**

Criteria: Circular A-133 Subpart C (b) requires auditees to maintain internal control over federal programs that provide reasonable assurance that federal awards are administered in compliance with laws, regulations, and the provisions of the contracts or grant agreements that could have a material effect on each of its major programs.

Condition: We noted there was no review of the eligibility determinations for students or the subsequent award calculations that the financial aid officer performs at Sarasota County Technical Institute for students receiving grants under the Student Financial Aid Cluster.

Cause: The District does not adequately monitor the internal controls over SCTI's grant administration activities.

Effect: The financial aid officer may make an inappropriate eligibility determination or award calculation without being timely detected by the District.

Recommendation: We recommend that internal controls be established for eligibility determinations and award calculations.

District's Response: Dr. Jack McDonald, Assistant Director of SCTI, will review the eligibility determinations for students prepared by the financial aid officer for students receiving grants under the Student Financial Aid Cluster. In addition, a review of the award calculations prepared by the financial aid officer will be performed by the District's Finance office prior to making request for funds from the grantors.

School Board of Sarasota County, Florida
Summary Schedule of Prior Year's Auditing Findings
Year Ended June 30, 2007

The School Board of Sarasota County, Florida (the District) had no findings reported in the Schedule of Findings and Questioned Costs – Federal Awards for the period ended June 30, 2006, therefore, the District has no findings in which to report on for the Summary Schedule of Prior Year's Audit Findings.

**School Board of Sarasota County, Florida
Corrective Action Plan
Year Ended June 30, 2007**

Finding 2007-2 - Eligibility

**Department of Education - Student Financial Aid Cluster
Federal Supplemental Educational Opportunity Grants – CFDA #84.007
Federal Pell Grant Program – CFDA #84.063**

Dr. Jack McDonald, Assistant Director of SCTI, will review the eligibility determinations for students prepared by the financial aid officer for students receiving grants under the Student Financial Aid Cluster. In addition, a review of the award calculations prepared by the financial aid officer will be performed by the District's Finance office prior to making request for funds from the grantors.



Independent Auditors' Management Letter

The Honorable Members of the School Board
School Board of Sarasota County, Florida
Sarasota, Florida

We have audited the financial statements of the governmental activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of the School Board of Sarasota County, Florida (the District) as of and for the year ended June 30, 2007, and have issued our report thereon dated January 23, 2008. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the charter schools, reported as discretely presented component units, these financial statements were audited by other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and our Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the Schedule of Findings and Questioned Costs. Disclosure in those reports and schedule, which are dated January 23, 2008 should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.800, Rules of the Auditor General. The Rules of the Auditor General, (Section 10.804(d)1.) requires that we address in the management letter, if not already addressed in the auditors' report on compliance and internal controls, whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no such matters reported in the preceding annual financial audit.

As required by the Rules of the Auditor General (Section 10.804(d)2.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes. In connection with our audit of the financial statements of the District, the results of our tests did not indicate that the District met any of the specified conditions of a financial emergency contained in Section 218.503(1). However, our audit does not provide a legal determination of the District's compliance with this requirement.

The Rules of the Auditor General (Section 10.804(1)(d)3) require disclosure of recommendations to address deteriorating financial conditions pursuant to Section 218.39(5), Florida Statutes. There were no such recommendations.

The Rules of the Auditor General (Section 10.804(d)4.) states that a management letter shall include a statement as to whether or not the District complied with Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit of the financial statements of the District, the results of our tests did not indicate that the District was in noncompliance with Section 218.415 regarding the investment of public funds. However, our audit was not directed toward obtaining knowledge regarding the District's compliance with this requirement.

The Rules of the Auditor General (Section 10.804(d)5.) require disclosure in the management letter of the following matters if not clearly inconsequential considering both quantitative and qualitative factors: (1) violations of laws, rules, regulations, contract, and grant agreements or abuse that have occurred, or are likely to have occurred; (b) improper expenditures discovered within the scope of the financial audit; (c) deficiencies in internal control of inconsequential effect in relation to the financial statements and other recommendations to improve the District's present financial management, accounting procedure and internal controls. There were no such matters noted.

In planning and performing our audit of the financial statements for the year ended June 30, 2007, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

This report is intended for the information of the District, the management, specific legislative or regulatory bodies, applicable federal and state agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekert & Holland, L.L.P.

St. Petersburg, Florida
January 23, 2008