

Holmes County School Board

Annual Financial Report

2007-2008

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Annual Financial Report
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Holmes County School Board
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

The discussion and analysis of Holmes County School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the School District's financial performance as a whole while allowing the reader to focus on significant financial issues, identify changes in the financial position, and highlight significant issues in individual funds. The readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

The District's net assets decreased by \$1,016,060 (or 2.3%). Depreciation accounted for a significant portion of the decrease. This expense is unassociated with actual cash expenditures on the fund financial statements.

During the current year, the General Fund's fund balance decreased by \$711,577. The reduction is primarily a result in a decrease in state funding and state revenues during the course of the year. This may be compared to last year's results which increased by \$313,407. The current year's General Fund balance is \$1,452,342.

Overview Of The Financial Statements

The basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

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

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 and business-type 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 three 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.

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,
Exhibit A-1

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

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 demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the District's financial activities, focusing on its most significant or "major" funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements.

All of the District's funds may be classified within one of 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. One type of proprietary funds is maintained.

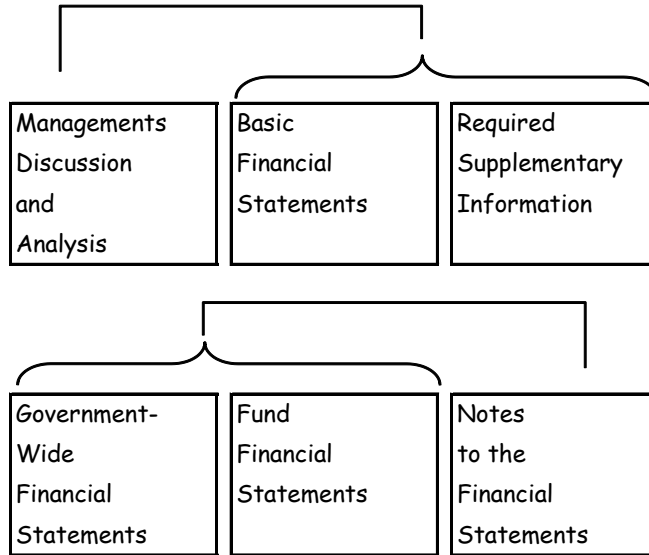
Internal service funds are used to report activities that provide goods and services to support the District's other programs and functions through user charges.

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 following illustrates the components of the annual financial report and their relation to each other.

Holmes County School Board
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2008

Components of the Annual Financial Report



Major Features of Holmes District's Schools Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds) and any component units	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private businesses	Instances in which the District is trustee or agent for someone else's resources
Required financial statements	Statement of net assets Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the District's funds do not currently contain capital assets although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

Government-Wide Financial Analysis

This section is used to present condensed financial information from the government-wide statements that compare the current year to the prior year.

Net Assets

	Governmental Activities	
	2008	2007
Current and other assets	6,373,025	6,785,983
Capital assets	<u>43,311,749</u>	<u>44,591,383</u>
Total assets	<u>49,684,774</u>	<u>51,377,366</u>
Long-term liabilities	4,544,304	4,228,976
Other liabilities	<u>1,253,255</u>	<u>2,245,115</u>
Total liabilities	<u>5,797,559</u>	<u>6,474,091</u>
Net assets:		
Invested in capital assets		
Net of related debt	42,441,749	43,681,383
Restricted	2,163,003	33,822
Unrestricted	<u>(717,537)</u>	<u>1,188,069</u>
Total Net Assets	<u><u>43,887,215</u></u>	<u><u>44,903,275</u></u>

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The following table reflects the changes in net assets for fiscal year.

Changes in Net Assets

	Governmental Activities	
	2008	2007
Revenues		
Program Revenues:		
Charges for Services	444,244	423,966
Operating Grants	2,833,013	1,995,782
Capital Grants	0	0
General Revenue:		
Property Taxes	2,305,954	2,383,646
Grants and Entitlements	25,194,727	23,426,335
Other	197,680	303,507
Total Revenues	<u>30,975,618</u>	<u>28,533,236</u>
Functions:		
Instruction	16,435,081	15,008,614
Pupil Personnel Services	685,592	617,813
Instructional Media Services	612,324	587,535
Instruction and Curriculum	561,300	907,287
Instructional Staff Training	643,165	35,137
Instruction Related Technology	306,173	250,674
Board of Education	185,663	163,700
General Administration	260,053	267,715
School Administration	1,947,614	1,764,363
Facilities Acq & Construction	188	43,228
Fiscal Services	318,028	299,108
Food Service	1,683,066	1,609,251
Central Services	1,100,287	796,110
Pupil Transportation Services	1,372,169	1,307,174
Operation of Plant	2,816,803	2,700,071
Maintenance of Plant	1,142,733	879,051
Community Services	33,385	876
Interest on Long-Term Debt	85,048	90,521
Depreciation - unallocated*	<u>1,803,006</u>	<u>1,843,951</u>
Total Expenses	<u>31,991,679</u>	<u>29,172,179</u>
Increase (Decrease) in Net Assets	<u>(1,016,061)</u>	<u>(638,943)</u>

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

Financial Analysis of the District's Funds

The unreserved fund balance of the General Fund decreased by \$683,583 to a total of \$1,443,168. This decrease resulted primarily from a reduction of state revenue sources, capital purchases, required contractual Exceptional Student Education services, and energy costs.

Information about the School District's major funds begins on Exhibit C-1 page 4. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$30.98 million and expenditures of \$30.57 million. The net increase in fund balances for the year was \$404 thousand.

There was no significant change in the results of operations or a fund balance in the district's other funds.

General Fund Budgeting Highlights

The School District's budget is prepared according to Florida law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. Variances between the original, final and actual appropriations and expenditures were the result of certain grants and funds that are not budgeted until grant approval.

During the course of the fiscal year the School District amends its general fund budget as needed to comply with Florida law and local District's policies.

Capital Assets and Debt Administration

The following table reflects the District's investment in fixed assets and the outstanding debt at June 30. The notes to the financial statements discuss in greater detail the substance of this information.

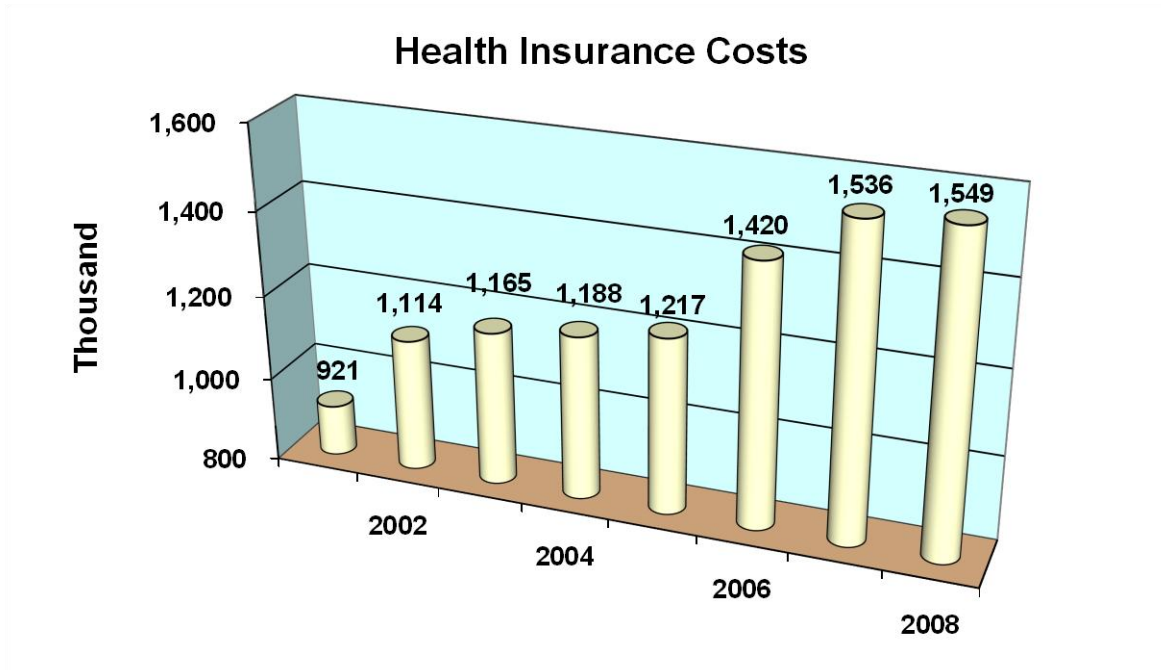
Capital Assets	Governmental Activities		Outstanding Debt	
	2008	2007	2008	
			Total Payments	Debt Outstanding
Land	450,584	450,584	211,280	1,820,701
Improvements Other than Buildings	1,723,157	1,723,157		
Buildings	54,031,063	54,031,063		
Furniture & Equipment	4,970,306	5,213,483		
Motor Vehicles	2,995,426	2,613,902		
Construction In Progress	0	0		
Totals	64,170,535	64,032,188		

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For the Fiscal Year Ended June 30, 2008

Other Significant Matters

Insurance Premiums

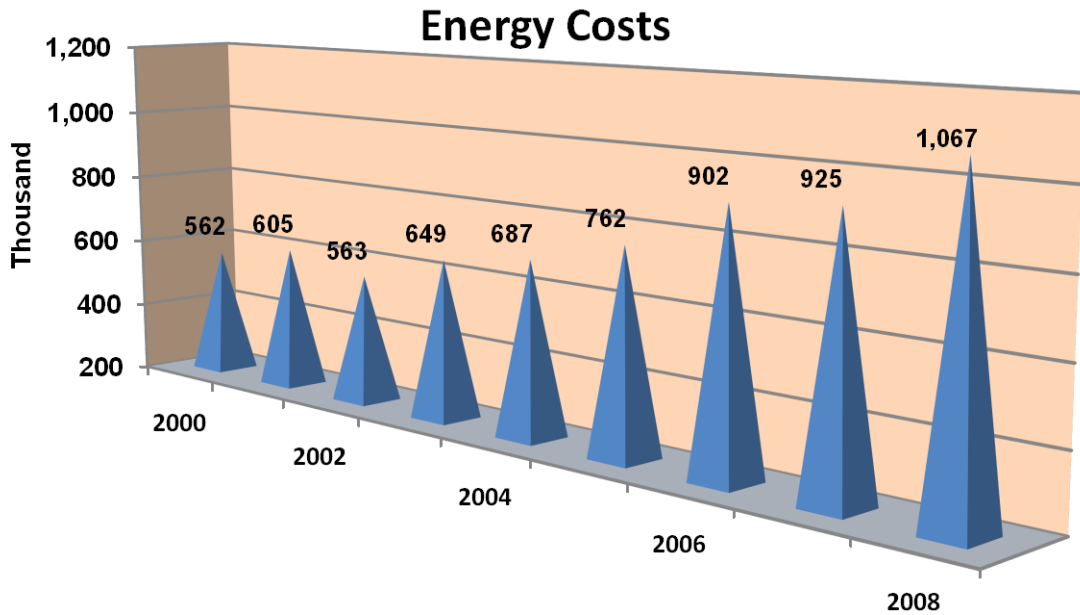
The insurance industry has presented a challenge for consumers for the past few years. Following is information concerning the increases affecting the School District for various insurance premiums. The current provider of health insurance has a contractual provision whereby the School District is to pay at least 75% of the premium cost for employee health coverage. The District's total cost for health insurance benefits is reflected in the chart below for the indicated years.



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Energy Costs

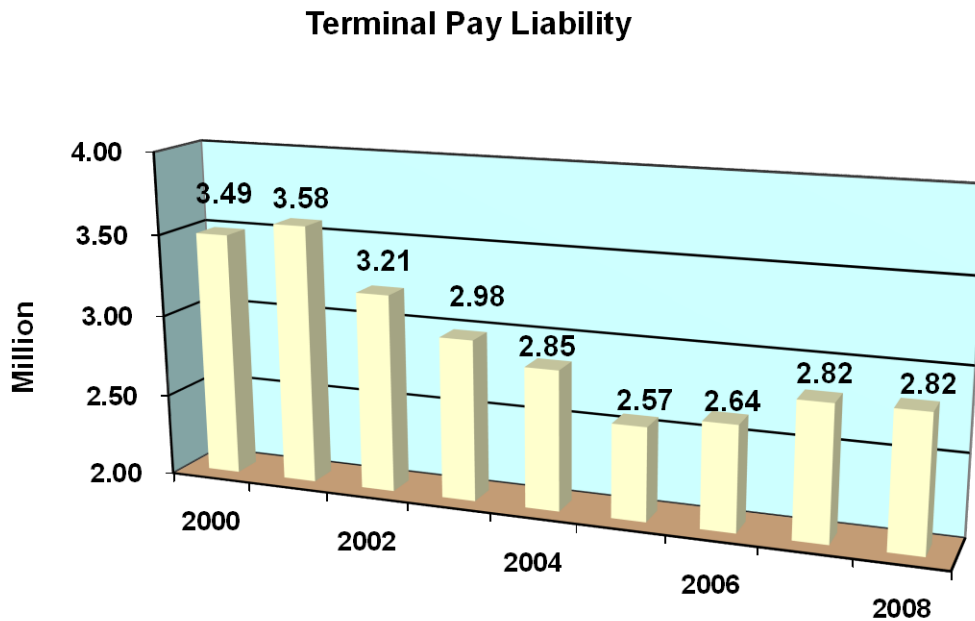
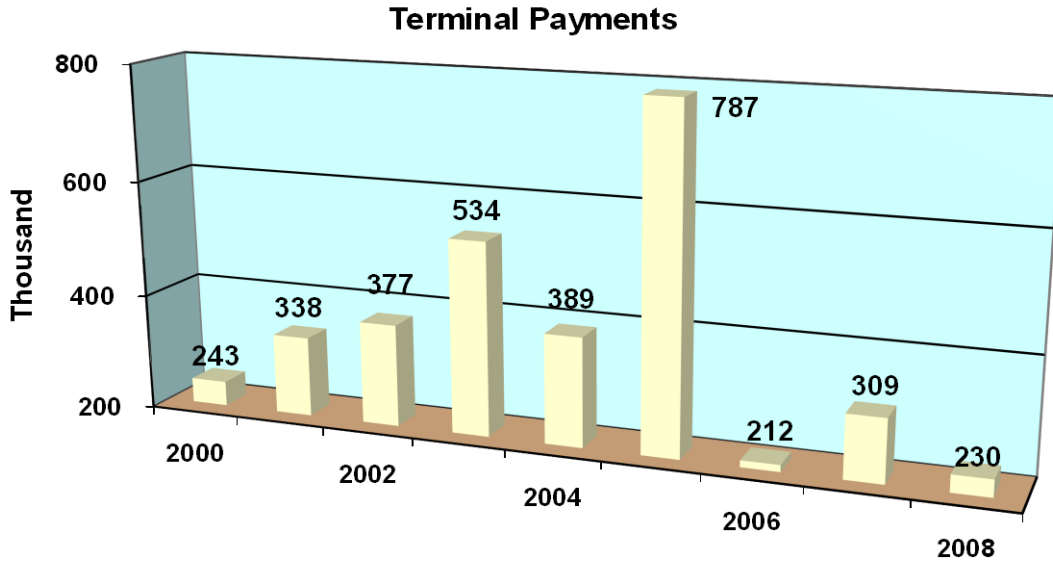
Energy costs for the Operation of Plant have impacted the District's cost containment ability. These energy costs are reflected in the following chart for the indicated years.



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Terminal Pay Benefits

Terminal pay benefits are a significant annual cost and liability for the School District. The District purchases leave from employees during participation in DROP, Deferred Retirement Option Program, when an employee terminates from employment, and at the rate of 80% of the value of sick leave earned on an annual basis with certain limits. The following reflects the total cost of terminal costs and terminal liability for the years indicated.



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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008

REQUESTS FOR INFORMATION

This report is designed to provide citizens, taxpayers, customers, 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 financial information should be addressed to the Holmes District School Board, 701 East Pennsylvania Avenue, Bonifay, Florida 32425.

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF NET ASSETS
June 30, 2008

ASSETS		Governmental Activities
Cash	1110	4,590,801.42
Investments	1160	359,726.07
Accounts Receivable, net	1130	91,298.20
Due From Other Agencies	1220	1,206,048.28
Inventory	1150	103,573.04
Restricted Cash with Fiscal Agent	1114	21,577.54
Capital Assets		
Land	1310	450,583.66
Improvements Other Than Bldgs	1320	1,723,157.27
Buildings And Fixed Equipment	1330	54,031,062.63
Furniture, Fixtures and Equip	1340	4,970,305.80
Motor Vehicles	1350	2,995,425.78
Less Accumulated Depreciation	1389	(20,858,786.00)
Total assets		<u>49,684,773.69</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	2120	529,372.96
Payroll Withholdings	2170	360,765.30
Noncurrent liabilities		
Portion due within one year:		
Note Payable	2320	89,834.57
Bonds Payable	2315	45,000.00
Compensated Absences	2330	228,282.00
Portion due after one year:		
Note Payable	2320	860,866.31
Bonds Payable	2315	825,000.00
Compensated Absences	2330	2,858,437.89
Total Liabilities		<u>5,797,559.03</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt		42,361,048.26
Restricted for:		
Categorical Carryover	2710	777.20
Debt Service	2750	21,577.54
Capital Projects	2780	2,141,425.35
Unrestricted		(637,613.69)
Total Net Assets		<u>43,887,214.66</u>
Total Liabilities and Net Assets		<u>49,684,773.69</u>

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2008

Functions		Expenses	Charges for Services	Program Revenues		Net (Expense)
				Operating Grants and Contributions	Capital Grants and Contributions	Revenue
Governmental Activities:						Governmental
Instruction	5000	16,435,081.47	59,133.52			Activities
Pupil Personnel Services	6100	685,591.84				(16,375,947.95)
Instructional Media Services	6200	612,323.59				(685,591.84)
Instruction and Curriculum	6300	561,299.84				(612,323.59)
Instructional Staff Training	6400	643,165.30				(561,299.84)
Instruction Related Technology	6500	306,173.27				(643,165.30)
Board of Education	7100	185,663.06				(306,173.27)
General Administration	7200	260,052.74				(185,663.06)
School Administration	7300	1,947,614.23				(260,052.74)
Facilities Acq & Construction	7400	188.07			1,518,437.77	(1,947,614.23)
Fiscal Services	7500	318,027.57				1,518,249.70
Food Service	7600	1,683,066.24	444,243.62	954,629.33		(318,027.57)
Central Services	7700	1,100,286.83				(284,193.29)
Pupil Transportation Services	7800	1,372,168.86	36,250.90	796,924.00		(1,100,286.83)
Operation of Plant	7900	2,816,802.91				(538,993.96)
Maintenance of Plant	8100	1,142,733.38			476,262.00	(2,816,802.91)
Community Services	9100	33,385.38				(666,471.38)
Interest on Long-Term Debt	9200	85,048.11			82,685.85	(33,385.38)
Depreciation - unallocated*	780	1,803,006.00				(82,685.85)
						(1,803,006.00)
Total governmental activities		31,991,678.69	539,628.04	1,751,553.33	2,077,385.62	(27,623,111.70)
Total primary government		31,991,678.69	539,628.04	1,751,553.33	2,077,385.62	(27,623,111.70)
General revenues:						
Taxes:						
Property taxes, levied for general purposes						2,304,632.78
Property taxes, levied for capital projects						1,321.56
Grants and contributions not restricted to specific programs						23,651,439.40
Investment earnings						197,129.90
Miscellaneous						452,527.46
Total general revenues and transfers						26,607,051.10
Change in net assets						(1,016,060.60)
Net assets - beginning						44,903,275.26
Net assets - ending						43,887,214.66

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

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2008

		General	Food	Other	Other Debt	Public	Other	Total
		Fund	Service	Federal	Service	Education	Government	Governmental
		100	410	420	290	Capital Outlay	Funds	Funds
						340		
ASSETS AND OTHER DEBITS:								
Cash	1110	654,312.26	7,678.24	18,456.65	918,668.11	1,507,584.73	734,342.50	3,841,042.49
Cash with Fiscal Agent	1114						21,577.54	21,577.54
Accounts Receivable	1130	18,298.20					73,000.00	91,298.20
Due From Other Funds:							0.00	0.00
Due From Budgetary Funds	1141	1,581,405.43	262,000.00			36,022.00	0.00	1,879,427.43
Inventory	1150	80,116.26	23,456.78				0.00	103,573.04
Investments	1160	29,152.57				168,519.70	0.00	197,672.27
Due From Other Agencies	1220	205,883.86	19,798.63	332,360.96		645,409.00	2,595.83	1,206,048.28
Total Assets And Other Debits		2,569,168.58	312,933.65	350,817.61	918,668.11	2,357,535.43	831,515.87	7,340,639.25

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2008

	General Fund 100	Food Service 410	Other Federal 420	Other Debt Service (290)	Public Education Capital Outlay 340	Other Government Funds	Total Governmental Funds
LIABILITIES AND FUND EQUITY							
Salaries and Wages Payable 2110						0.00	0.00
Accounts Payable 2120	494,060.80	16,995.79	18,316.37			0.00	529,372.96
Construction Contracts Payable 2140						0.00	0.00
Due To Budgetary Funds 2161	262,000.00	295,855.78	332,501.24		953,048.41	36,022.00	1,879,427.43
Due To Internal Funds 2162						0.00	0.00
Payroll Withholdings 2170	360,765.30					0.00	360,765.30
Due To Other Agencies 2230						0.00	0.00
Compensated Absences 2330						0.00	0.00
Deferred Revenue 2410						0.00	0.00
Total Liabilities	1,116,826.10	312,851.57	350,817.61	0.00	953,048.41	36,022.00	2,769,565.69
FUND BALANCES:							
Reserve For State Categorical Carry-Over Program 2710	777.20					0.00	777.20
Reserved For Encumbrances 2720	8,457.52					0.00	8,457.52
Reserved For Capital Projects 2725					1,404,487.02	736,938.33	2,141,425.35
Reserved For Debt Service 2750						21,577.54	21,577.54
Undesignated 2760	1,443,107.76	82.08	0.00	918,668.11		36,978.00	2,398,835.95
Total Fund Equity	1,452,342.48	82.08	0.00	918,668.11	1,404,487.02	795,493.87	4,571,073.56
Total Liabilities And Fund Equity	2,569,168.58	312,933.65	350,817.61	918,668.11	2,357,535.43	831,515.87	7,340,639.25

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET ASSETS
 June 30, 2008

Total Governmental Fund Balances		4,571,073.56
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		43,311,749.14
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds. Long-term liabilities at year end consist of:		
Bonds Payable	(870,000.00)	
Note Payable	(950,700.88)	(1,820,700.88)
The amount to be provided for compensated absences reflected in the funds statements serves as a reduction in available reserves in the governmental activities statements		(2,174,907.16)
Net Assets of Governmental Activities		43,887,214.66

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2008

	General Fund 100	Food Service 410	Other Federal 420	Other Debt Service 290	Public Education Capital Outlay 340	Other Government Funds	Total Governmental Funds
Revenues:							
Federal Direct	3100	55,009.73				73,000.00	128,009.73
Federal Through State	3200	115,463.44	927,017.33	2,752,142.14		0.00	3,794,622.91
State Sources	3300	21,279,155.99	28,205.00	209,250.00	1,962,917.00	114,468.62	23,593,996.61
Local Sources:							
Property Taxes - Operational	3411	2,304,632.78				0.00	2,304,632.78
Property Taxes - Capital Projects	3413					1,321.56	1,321.56
Other Local	3495	580,004.49	448,666.29	42,920.96	20,287.94	60,604.82	1,152,484.50
Total Revenues	24,334,266.43	1,403,888.62	2,752,142.14	252,170.96	1,983,204.94	249,395.00	30,975,068.09
Expenditures:							
Instruction	5000	14,193,814.53	1,922,095.53			0.00	16,115,910.06
Pupil Personnel Services	6100	591,783.83	79,853.89			0.00	671,637.72
Instructional Media Services	6200	592,875.69	6,551.48			0.00	599,427.17
Instruction and Curriculum	6300	293,239.77	257,789.53			0.00	551,029.30
Instructional Staff Training	6400	382,449.80	248,858.59			0.00	631,308.39
Instruction Related Technology	6500	299,117.05	250.00			0.00	299,367.05
Board of Education	7100	185,663.06				0.00	185,663.06
General Administration	7200	198,113.13	60,974.73			0.00	259,087.86
School Administration	7300	1,958,290.24				0.00	1,958,290.24
Facilities Acq & Construction	7410				188.07	0.00	188.07
Fiscal Services	7500	339,506.65				0.00	339,506.65
Food Service	7600		1,668,698.48			0.00	1,668,698.48
Central Services	7700	1,140,106.67	2,180.38			0.00	1,142,287.05
Pupil Transportation Services	7800	1,286,320.68	66,603.38			0.00	1,352,924.06
Operation of Plant	7900	2,803,871.35				0.00	2,803,871.35
Maintenance of Plant	8100	435,558.94			635,460.15	73,000.00	1,144,019.09
Community Services	9100	3,166.48	30,218.90			0.00	33,385.38
Facilities Acq & Construction	7420					0.00	0.00
Other Capital Outlay	9300	526,515.23	76,765.73			0.00	603,280.96
Debt Service	9200					0.00	0.00
Redemption of principal	710			86,379.40		40,000.00	126,379.40
Interest	720			41,483.21		43,417.50	84,900.71
Dues and fees	730			77.10		70.30	147.40
Total Expenditures	25,230,393.10	1,668,698.48	2,752,142.14	127,939.71	635,648.22	156,487.80	30,571,309.45
Excess of Revenues Over (Under) Expenditures	(896,126.67)	(264,809.86)	0.00	124,231.25	1,347,556.72	92,907.20	403,758.64
Other Financing Sources (Uses):							
Proceeds of Loans	3720					0.00	0.00
Loss Recoveries	3740	550.00				0.00	550.00
Change In Compensated Absences	3780					0.00	0.00
Transfers In	3600	446,000.00	262,000.00			0.00	708,000.00
Transfers Out	9700	(262,000.00)			(446,000.00)	0.00	(708,000.00)
Total Other Financing Sources (Uses)	184,550.00	262,000.00	0.00	0.00	(446,000.00)	0.00	550.00
Net Change in Fund Balance	(711,576.67)	(2,809.86)	0.00	124,231.25	901,556.72	92,907.20	404,308.64
Fund Balance, July 1, 2007	2800	2,163,919.15	2,891.94	0.00	794,436.86	702,586.67	4,166,764.92
Fund Balance, June 30, 2008	1,452,342.48	82.08	0.00	918,668.11	1,404,487.02	795,493.87	4,571,073.56

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds 404,308.64

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. In the current period, these amounts are:

Capital Outlay	603,280.96	
Depreciation expense	<u>(1,803,006.00)</u>	
Excess of capital outlay over depreciation expense		(1,199,725.04)

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 amount actually paid for compensated absences. This is the net amount of compensated absences paid in excess of the amount earned in the current period. (267,114.42)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces the long-term liabilities in the statement of net assets. 126,379.40

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures or losses in the governmental funds. These activities consist of:

Net value of surplus property disposed		<u>(79,909.18)</u>
Change in Net Assets of Governmental Activities		<u><u>(1,016,060.60)</u></u>

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008

		Total	Governmental Activities Internal Service Funds
ASSETS			
Cash	1110	749,758.93	749,758.93
Investments	1160	162,053.80	162,053.80
Total Assets		911,812.73	911,812.73
LIABILITIES AND FUND EQUITY			
Liabilities:			
Compensated Absences Payable	2330	911,812.73	911,812.73
Total Liabilities		911,812.73	911,812.73
Fund Equity	2700	0.00	0.00
Total Liabilities and Fund Equity		911,812.73	911,812.73

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008

		Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:		0.00	0.00
OPERATING EXPENSES:			
Other Expenses		0.00	0.00
Operating Income (Loss)		0.00	0.00
Nonoperating Expenses			
Decrease of Compensated Absences Payable	3780	0.00	0.00
Income (Loss) before operating transfers		0.00	0.00
Operating Transfers Out	620	0.00	0.00
Net Income (Loss)		0.00	0.00
Net Assets, July 1, 2007	2880	0.00	0.00
Net Assets, June 30, 2008	2780	0.00	0.00

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2008

	Total	Governmental Activities Internal Service Funds
Net Increase in Cash	0.00	0.00
Cash Beginning	0.00	0.00
Cash Ending	0.00	0.00
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	0.00	0.00
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Increase in Investments	0.00	0.00
Decrease in Due From Other Funds	0.00	0.00
Decrease in Due To Budgetary Funds	0.00	0.00
Total Adjustments	0.00	0.00
Net Cash Provided by Operating Activities	0.00	0.00

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
June 30, 2008

	School Internal Funds 891	Total Agency Funds
ASSETS		
Cash	299,464.36	299,464.36
Total Assets	299,464.36	299,464.36
LIABILITIES		
Internal Accounts Payable	299,464.36	299,464.36
Total Liabilities	299,464.36	299,464.36

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

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

1 Summary of Significant Accounting Policies

A Reporting Entity

The District School Board has direct responsibility for operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Holmes County School District is part of the Florida system of public education under the general direction of the State Board of Education.

The governing body of the school district is the Holmes County District School Board which is composed of five elected members. The elected Superintendent of Schools is the executive officer of the Board. The general operating authority of the District School Board and the Superintendent is contained in Chapters 1000 through 1013, Florida Statutes. Geographic boundaries of the district correspond with those of Holmes County.

Pursuant to Section 1001.51, Florida Statutes, the Superintendent of Schools is responsible for keeping records and accounts of all financial transactions in the manner prescribed by the State Board of Education.

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 these criteria, no component units are included within the reporting entity of the District.

B 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 School District as a whole. These statements include the nonfiduciary financial activity of the School District.

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 not readily associated with a particular function are reported as unallocated.

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. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

The effects of interfund activity have been eliminated from the government-wide financial statements.

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

The District reports the following major governmental funds:

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

Special Revenue - Other Fund - to account for certain Federal grant program resources.

Debt Service - Other Fund - to account for the accumulation of resources for, and the payment of, debt principal, interest, and other costs related to the note payable for the energy savings contract.

Capital Projects - Public Education Capital Outlay Fund - to account for the financial resources generated by the State Public Education Capital Outlay and Debt Service Trust Fund to be used for educational capital outlay needs, including new construction and renovation and remodeling projects.

Additionally, the District reports the following proprietary and fiduciary fund types:

Internal Service Fund - to account for the resources set aside to fund a portion of the Board's compensated absences liability.

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.

C Basis of Accounting

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

The government-wide financial statements are prepared using the accrual basis of accounting, as are the proprietary fund and fiduciary funds 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

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

become measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers revenues to be available if they are collected within 45 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 Fund is accounted for as a proprietary activity under standards issued by the Financial Accounting Standards Board through November 1989 and applicable standards issued by the Governmental Accounting Standards Board. 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.

D Budgetary Basis Accounting

The Board follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Budgets are prepared, public hearings are held, and final budgets are adopted for all governmental fund types by the Board and submitted to the Commissioner of Education pursuant to the procedural steps and time intervals prescribed by law and State Board of Education rules.
2. Appropriations are controlled at the object level within each function and may be amended by resolution of the Board at any Board meeting prior to the due date for the annual financial report.
3. Budgets are prepared using the same modified accrual basis as is used to account for actual transactions.
4. 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 year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

E Cash

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are fully insured by Federal depository insurance and a multiple financial institution collateral pool required by Sections 280, Florida Statutes.

F Investments

Investments consist of amounts placed in State Board of Administration Debt Service accounts for investment of debt service moneys and 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. 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

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Securities and Exchange Commission Rule 2a7-like external investment pool, are reported at fair value, which is amortized cost.

G Inventories

Inventories consist of expendable supplies held for consumption in the course of District operations. Inventories are stated at cost on the first-in, first-out 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 Department of Health and Rehabilitative Services, Food Distribution Center. Purchases are recorded as expenditures during the year and are adjusted to reflect year-end physical inventories.

H Fixed Assets and Depreciation

Expenditures for fixed assets acquired or constructed for general District purposes are reported in the governmental fund type that financed the acquisition or construction; whereas, the fixed assets so acquired are capitalized (recorded) at cost whose value is \$750.00 or greater. Donated fixed assets are valued at fair value on the date donated. The depreciation of general fixed assets is recorded in the District's accounts by allocating the net cost of depreciable assets (historical cost less estimated salvage value) over their estimated useful lives based on the District's experience on an individual asset basis.

Interest costs incurred during construction of general fixed assets are not capitalized as part of the cost of construction.

I Internal Funds

The Board is responsible for the administration of certain moneys collected at various schools in connection with school and student organization activities. These moneys are commonly described as "Internal Funds" and are subject to State Board of Education Rules as set forth in the Florida Administrative Code.

J Long-Term Debt and Compensated Absences

Long-term obligations that will be financed from resources to be received in the future by governmental fund types and Expendable Trust Funds are reported as a liability in the Statement of Net Assets and, to the extent funded in accordance with Board policy, in the Internal Service Fund. Long-term obligations to be financed from resources of the Internal Service Fund are recorded in that fund; however, the activity and balances are eliminated when reflected in the government-wide financial statements.

Compensated absences are recorded as an expenditure when used or when accrued as payable to employees entitled to cash payment in lieu of taking leave in governmental fund types or to the extent funded in accordance with Board policy in the Internal Service Fund. Compensated absences that exceed this amount at year-end are reported in the Statement of Net Assets and are not recorded as expenditures. The liability includes the current value of accrued vacation leave, up to thirty days, for each employee. In addition, the liability includes the value of all sick leave accrued by employees employed with the Holmes County District School Board.

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

K Program Revenues

Amounts reflected on the Statement of Activities as program revenues represent funds received for grant monies applied for and awarded to the School District in contradistinction to state revenues and categorical funds received on a systematic basis. These awards must be spent for the specific purposes as outlined in the application.

L Eliminating Entries

Internal and interfund activities and balances are eliminated in the Statement of Activities. These transactions include transfers, any charges for services between funds, receivables, and payables that are reflected in the fund financial statements.

M Total Columns on the Combined Statements

Total columns on the accompanying financial statements are presented only to facilitate financial analyses. Inasmuch as the total columns include fund types and account groups that use different bases of accounting, include both restricted and unrestricted amounts, and include interfund transactions that have not been eliminated, data in the total columns are not intended to present financial position or results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

2 State Funds

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

The State provides financial assistance to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for categorical programs be expended only for the program for which the money is provided and require 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 programs. The Department of Education requires that categorical program revenue be accounted for in the General Fund. A portion of the fund balance of the General Fund is reserved 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 School Board on an annual basis. The Board is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Florida Department of Education. The Board recognizes the allocation of Public Education

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Capital Outlay funds as deferred revenue until such time as an encumbrance authorization is received.

3 Property Taxes

The 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 taxes are assessed by the Holmes County Property Appraiser and are collected by the Holmes County Tax Collector.

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

Property tax revenue is recognized when the District receives taxes except that revenue is accrued for taxes collected by the Holmes County Tax Collector at fiscal year end but not yet remitted to the District. Because any delinquent tax collected after June 30 would not be material, delinquent taxes receivable are not accrued and no delinquent tax revenue deferral is recorded.

Millage and taxes levied for the current year are as follows:

	<u>Mills</u>	<u>Amount Levied</u>
General Fund:		
Required Local Effort	4.485	\$2,030,419
Discretionary	0.760	\$ 344,062

4 Federal Revenue Sources and Encumbrances

The District receives Federal financial assistance for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. Claims to grant proceeds from Federal financial assistance programs are based on incurring eligible expenditures. Revenue is recognized to the extent that eligible expenditures have been incurred.

5 State Retirement Programs

Plan Description. All regular employees of the District are covered by the Florida Retirement System, a State-administered, cost-sharing, multiple-employer, defined benefit retirement plan (Plan). Plan provisions are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and Florida Retirement System Rules; Chapter 60S, Florida Administrative Code, wherein Plan eligibility, contributions, and benefits are defined and described in detail. Essentially all regular employees of participating employers are eligible and must enroll as members of the Plan. Benefits vest at

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

specified numbers of years of service depending upon the employee's classification. The Plan also includes an early retirement provision, but imposes a penalty for each year a member retires before the specified retirement age. The Plan provides retirement, disability, and death benefits, and annual cost-of-living adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

A Deferred Retirement Option Program (DROP) 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 a Florida Retirement System employer. An employee may participate in the DROP for 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 Florida Retirement System Trust Fund and accrue interest.

The Public Employee Optional Retirement Program was implemented July 1, 2002 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 plan is funded by employer contributions that are based on salary and membership class. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices.

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

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

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Class or Plan	Percent of Gross Salary	
	Employee	Employer (A)
Florida Retirement System, Regular	0.00	9.85
Florida Retirement System, Elected County Officers	0.00	16.53
Senior Management		13.12
Deferred Retirement Option Program - Applicable to Members from All of the Above Classes or Plans	0.00	10.91
Florida Retirement System, Reemployed Retiree	(B)	(B)

Note: (A) Employer rates include 1.11 percent for the post-employment health insurance supplement.
(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 preceding and current fiscal years totaled \$1,177,164.16 and \$1,726,735.91 respectively.

6 Changes In General Fixed Assets

The following is a summary of changes in general fixed assets:

	Balance 06-30-07	Additions	Deductions	Balance 06-30-08
Land	450,583.66	0.00	0.00	450,583.66
Improvements Other Than Building	1,723,157.27	0.00	0.00	1,723,157.27
Buildings and Fixed Equipment	54,031,062.63	0.00	0.00	54,031,062.63
Furniture, Fixtures, and Equipment	5,213,483.12	221,756.86	464,934.18	4,970,305.80
Motor Vehicles	2,613,901.68	381,524.10	0.00	2,995,425.78
Construction in Progress	0.00	0.00	0.00	0.00
	<u>64,032,188.36</u>	<u>603,280.96</u>	<u>464,934.18</u>	<u>64,170,535.14</u>
Less Accumulated Depreciation for:				
Improvements Other Than Building	1,243,616.00	56,439.00	0.00	1,300,055.00
Buildings and Fixed Equipment	12,699,906.00	1,145,731.00	0.00	13,845,637.00
Furniture, Fixtures, and Equipment	3,903,472.00	357,975.00	446,691.00	3,814,756.00
Motor Vehicles	1,593,811.00	304,527.00	0.00	1,898,338.00
Total Accumulated Depreciation	<u>19,440,805.00</u>	<u>1,864,672.00</u>	<u>446,691.00</u>	<u>20,858,786.00</u>
Capital Assets, net	<u>44,591,383.36</u>	<u>(1,261,391.04)</u>	<u>18,243.18</u>	<u>43,311,749.14</u>

Depreciation expense is not charged to individual functions on the Statement of Activities but rather is reflected as unallocated depreciation.

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

7 Changes In General Long-Term Debt

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

	Balance 06-30-07	Additions	Deductions	Balance 06-30-08
Bonds Payable	910,000.00	0.00	40,000.00	870,000.00
Note Payable	1,037,080.28	0.00	86,379.40	950,700.88
Compensated Absences	2,819,605.47	486,751.00	219,636.57	3,086,719.90
Total	<u>4,766,685.75</u>	<u>486,751.00</u>	<u>346,015.97</u>	<u>4,907,420.78</u>

8 Risk Management Programs

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Holmes County District School Board is a member of the Panhandle Area Educational Consortium - Risk Management Consortium under which several district school boards have established a combined limited self-insurance program for property protection, general liability, automobile liability, workers' compensation, money and securities, employee fidelity and faithful performance, boiler and machinery, and other coverage deemed necessary by the members of the Consortium. Section 1001.42(10)(k), Florida Statutes, provides the authority for the District to enter into such a risk management program. The Consortium is self-sustaining through member assessments (premiums), and purchases coverage through commercial companies for claims in excess of specified amounts. The Board of Directors for the Consortium is composed of superintendents of all participating districts. The Washington County District School Board serves as fiscal agent for the Consortium. Health and hospitalization coverage are being provided through purchased commercial insurance, with minimum deductibles for each line of coverage. Settled claims resulting from the risks described above have not exceeded commercial coverage in any of the past three fiscal years.

9 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 2007-08 fiscal year budget as a result of purchase orders outstanding at June 30, 2007. Because revenues of grants accounted for in the Special Revenue - Other Fund are not recognized until expenditures are incurred, these grant funds generally do not accumulate fund balances. Accordingly, no reserve for encumbrances is reported for grant funds.

10 Special Termination Benefits

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

School Board policy provides for the payment of special termination benefits to qualifying employees in the amount of \$16,000 if the employee retires with 30 to 33 years of experience or equal to ten percent of their annual salary if the employee is retiring with 33 years or less experience and who is not eligible for the \$16,000. In order to receive either one of these benefits, the employee must be eligible to retire under the Florida Retirement System.

11 Note Payable

The note payable is comprised of the following:

	<u>Balance</u> <u>06-30-08</u>
Wachovia Bank – Borrowed \$1,200,000.00 on 06-30-2005 under the provisions of Section 1013.23, Florida Statutes. Repayment to be made over a 12 year period.	\$950,700.88

Amounts payable for the planned extended repayment of Section 1013.23, Florida Statutes, note are as follows:

Year Ended	Total	Principal	Interest
2009	127,862.61	89,834.57	38,028.04
2010	127,862.61	93,427.96	34,434.65
2011	127,862.61	97,165.08	30,697.53
2012	127,862.61	101,051.68	26,810.93
2013	127,862.61	101,051.68	26,810.93
2014-2017	511,450.39	464,127.84	47,322.55
Total	1,150,763.44	946,658.81	204,104.63

12 Bonds Payable

The State Board of Education on behalf of the District issued School Bonds Series 2001-A. The bonds mature serially and are secured by a pledge of the District's portion of the State-assessed motor vehicle license tax. The State's full faith and credit is also pledged as security for these bonds. Principal payments, interest payments, Debt Service Fund resources, and compliance with reserve requirements are administered by the State Board of Education and the State Board of Administration. These bonds are issued to finance capital outlay projects in the District. The overall average interest rate for the entire bond issue is 4.96% with individual rates for the bond maturities ranging from 4.10% to 5.25%. The bonds mature through the fiscal year ended 2021.

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

June 30	Total Payment Requirements	Interest Requirements	Bonds Outstanding
2008	85,517.50	45,517.50	870,000.00
2009	86,777.50	41,777.50	825,000.00
2010	84,887.50	39,887.50	780,000.00
2011	87,975.00	37,975.00	730,000.00
2012	90,787.50	35,787.50	675,000.00
2013	88,312.50	33,312.50	620,000.00
Later Years	769,687.50	149,687.50	

13 Interfund Receivables, Payables, and Transfers

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

Funds	Receivables	Payables
Major:		
General	1,581,405.43	262,000.00
Special Revenue - Food Service	262,000.00	295,855.78
Special Revenue - Federal Funds		332,501.24
Capital Projects		
Public Education Capital Outlay	36,022.00	953,048.41
Nonmajor Governmental Funds		36,022.00
Total	<u>1,879,427.43</u>	<u>1,879,427.43</u>

The portion of the interfund receivables and payables represent loans to finance expenditures paid by the General Fund on behalf of the Special Revenue Food Service and Special Revenue Federal Funds. These amounts are expected to be repaid within one year. The Public Education Capital Outlay Fund receivable is a reciprocal loan for capital outlay expenditures with an expectation of repayment within one year. The remaining loans between the General Fund, Public Education Capital Outlay, and Special Revenue Food Service represent nonreciprocal loans for expenditures incurred with no expectation of repayment.

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

DISTRICT SCHOOL BOARD
OF HOLMES COUNTY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008

Funds	Transfers In	Transfers Out
Major:		
General	446,000.00	262,000.00
Special Revenue - Food Service	262,000.00	
Capital Projects		
Public Education Capital Outlay		446,000.00
Total	<u>708,000.00</u>	<u>708,000.00</u>

The interfund transfers were to reimburse capital outlay and maintenance expenditures in the General Fund and to subsidize the food service program.

14 Investments

Section 218, Florida Statutes, authorizes the District to invest in the Local Government Surplus Funds Trust Fund, certain intergovernmental investment pools, certain money market funds registered with the Securities and Exchange Commission, interest-bearing time deposits or savings accounts in a qualified public depository, and direct obligations of the U.S. Treasury.

On December 4, 2007, the State Board of Administration restructured the Pool and implemented temporary restrictions on the withdrawal of moneys that were on deposit including the requirement that a redemption fee be paid for withdrawals in excess of amounts to be periodically set by the State Board of Administration. The District had \$768,120.62 placed in Fund B with restrictions on December 5, 2007 by the State Board of Administration. Subsequently, as a result of maturity and liquidation of securities in Fund B, the amount invested in Fund B on June 30, 2008 is \$261,041.85. The fair value factor for these funds on June 30 is .923331.

Investments in the State Board of Administration investment pool A of \$435,723.62 at June 30, 2008 have an average maturity of 60 days. The District's investment in the Local Government Surplus Funds Trust Fund investment pool A has a Standard and Poors rating of AAAM. Fund B has no rating.

In addition, the District reports investments totaling \$21,577.54 at June 30, 2008 in the State Board of Administration Debt Service Accounts to provide for debt service payments on bond debt issued by the State Board of Education for the benefit of the District. These investments consist of United States Treasury securities, with maturity dates of six months or less, and are reported at fair value. The District relies on policies developed by the State Board of Administration for managing credit risk for this account.

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2008

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Federal Direct	3100	116,894.00	116,894.00	55,009.73	(61,884.27)
Federal Through State	3200			115,463.44	115,463.44
State Sources	3300	21,340,168.00	21,340,168.00	21,279,155.99	(61,012.01)
Local Sources:					
Property Taxes - Operational	3411	2,304,632.78	2,304,632.78	2,304,632.78	
Other Local	3495	382,491.22	597,491.22	580,004.49	(17,486.73)
Total Revenues		24,144,186.00	24,359,186.00	24,334,266.43	(24,919.57)
Expenditures:					
Instruction	5000	14,033,283.00	14,196,272.30	14,193,814.53	2,457.77
Pupil Personnel Services	6100	552,134.00	592,984.00	591,783.83	1,200.17
Instructional Media Services	6200	570,788.00	594,076.15	592,875.69	1,200.46
Instruction and Curriculum	6300	526,408.00	294,440.00	293,239.77	1,200.23
Instructional Staff Training	6400	17,720.00	383,650.00	382,449.80	1,200.20
Instruction Related Technology	6500	235,956.00	300,317.00	299,117.05	1,199.95
Board of Education	7100	168,453.00	186,863.00	185,663.06	1,199.94
General Administration	7200	176,679.00	199,313.00	198,113.13	1,199.87
School Administration	7300	1,750,120.00	1,959,490.00	1,958,290.24	1,199.76
Facilities Acq & Construction	7410		0.00		0.00
Fiscal Services	7500	298,941.00	340,706.25	339,506.65	1,199.60
Central Services	7700	881,458.00	1,140,704.45	1,140,106.67	597.78
Pupil Transportation Services	7800	1,512,853.00	1,287,521.00	1,286,320.68	1,200.32
Operation of Plant	7900	2,686,897.00	2,805,071.40	2,803,871.35	1,200.05
Maintenance of Plant	8100	745,156.00	436,759.22	435,558.94	1,200.28
Community Services	9100		3,500.00	3,166.48	333.52
Capital Outlay:					
Other Capital Outlay	9300		526,515.23	526,515.23	0.00
Total Expenses		24,156,846.00	25,248,183.00	25,230,393.10	17,789.90
Excess of Revenues Over (Under) Expenditures		(12,660.00)	(888,997.00)	(896,126.67)	(7,129.67)
Other Financing Sources (Uses):					
Loss Recoveries	3740			550.00	550.00
Transfers In	3600	210,000.00	450,000.00	446,000.00	(4,000.00)
Transfers Out	9700	(260,000.00)	(263,000.00)	(262,000.00)	1,000.00
Total Other Financing Sources (Uses)		(50,000.00)	187,000.00	184,550.00	(2,450.00)
Net Change in Fund Balances		(62,660.00)	(701,997.00)	(711,576.67)	(9,579.67)
Fund Balance, July 1, 2007	2800	2,163,919.00	2,163,919.00	2,163,919.15	0.15
Fund Balance, June 30, 2008	2700	2,101,259.00	1,461,922.00	1,452,342.48	(9,579.52)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - MAJOR SPECIAL REVENUE - FOOD SERVICE
 For the Fiscal Year Ended June 30, 2008

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Federal Direct	3100				0.00
Federal Through State	3200	872,000.00	928,000.00	927,017.33	(982.67)
State Sources	3300	28,000.00	28,000.00	28,205.00	205.00
Local Sources:					
Other Local	3495	466,000.00	466,000.00	448,666.29	(17,333.71)
Total Revenues		1,366,000.00	1,422,000.00	1,403,888.62	(18,111.38)
Expenditures:					
Facilities Acq & Construction	7410				0.00
Food Service	7600	1,627,314.00	1,675,314.00	1,668,698.48	6,615.52
Central Services	7700				0.00
Operation of Plant	7900				0.00
Capital Outlay:					
Other Capital Outlay	9300				0.00
Total Expenses		1,627,314.00	1,675,314.00	1,668,698.48	6,615.52
Excess of Revenues Over (Under) Expenditures		(261,314.00)	(253,314.00)	(264,809.86)	(11,495.86)
Other Financing Sources (Uses):					
Loss Recoveries	3740				0.00
Transfers In	3600	260,000.00	260,000.00	262,000.00	2,000.00
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		260,000.00	260,000.00	262,000.00	2,000.00
Net Change in Fund Balances		(1,314.00)	6,686.00	(2,809.86)	(9,495.86)
Fund Balance, July 1, 2007		2,892.00	2,892.00	2,891.94	(0.06)
Fund Balance, June 30, 2008		1,578.00	9,578.00	82.08	(9,495.92)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MAJOR SPECIAL REVENUE - FEDERAL FUNDS
For the Fiscal Year Ended June 30, 2008

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Federal Direct	3100				0.00
Federal Through State	3200	2,246,812.00	2,772,325.00	2,752,142.14	(20,182.86)
State Sources	3300				0.00
Local Sources	3400				0.00
Total Revenues		2,246,812.00	2,772,325.00	2,752,142.14	(20,182.86)
Expenditures:					
Instruction	5000	1,637,344.00	1,926,443.10	1,922,095.53	4,347.57
Pupil Personnel Services	6100	86,439.00	81,501.00	79,853.89	1,647.11
Instructional Media Services	6200	3,401.00	7,751.00	6,551.48	1,199.52
Instruction and Curriculum	6300	287,253.00	258,990.00	257,789.53	1,200.47
Instructional Staff Training	6400	39,769.00	250,058.79	248,858.59	1,200.20
Instruction Related Technology	6500	0.00	1,450.38	250.00	1,200.38
Board of Education	7100				0.00
General Administration	7200		62,051.00	60,974.73	1,076.27
School Administration	7300	78,896.00	0.00		0.00
Facilities Acq & Construction	7410				0.00
Fiscal Services	7500				0.00
Food Service	7600				0.00
Central Services	7700	5,107.00	3,746.00	2,180.38	1,565.62
Pupil Transportation Services	7800	108,603.00	67,803.00	66,603.38	1,199.62
Operation of Plant	7900				0.00
Maintenance of Plant	8100				0.00
Community Services	9100		35,000.00	30,218.90	4,781.10
Capital Outlay:					
Other Capital Outlay	9300		76,765.73	76,765.73	0.00
Total Expenses		2,246,812.00	2,771,560.00	2,752,142.14	19,417.86
Excess of Revenues Over (Under) Expenditures		0.00	765.00	0.00	(765.00)
Other Financing Sources (Uses):					
Loss Recoveries	3740				0.00
Transfers In	3600				0.00
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
Net Change in Fund Balances		0.00	765.00	0.00	(765.00)
Fund Balance, July 1, 2007		0.00	0.00	0.00	0.00
Fund Balance, June 30, 2008		0.00	765.00	0.00	(765.00)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DEBT SERVICE FUNDS
 June 30, 2008

		SBE/COBI Bonds 210	Total Nonmajor Debt Service Funds
ASSETS			
Cash	1110		0.00
Cash with Fiscal Agent	1114	21,577.54	21,577.54
Investments	1160		0.00
Total Assets		21,577.54	21,577.54
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Due To Budgetary Funds	2161		0.00
Matured Bond Payable	2180		0.00
Notes Payable	2310		0.00
Total Liabilities		0.00	0.00
 Fund Balances:			
Reserved for Debt Service	2750	21,577.54	21,577.54
Unreserved	2760		0.00
Total Fund Balances		21,577.54	21,577.54
Total Liabilities and Fund Balances		21,577.54	21,577.54

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 CAPITAL PROJECTS FUNDS
 June 30, 2008

		Capital Outlay and Debt Service Funds (CO & DS) 360	Capital Improvement Section 1011.71(2) 370	Other Capital Projects 390	Total Nonmajor Capital Project Funds
ASSETS					
Cash	1110	57,837.85	676,504.65	0.00	734,342.50
Accounts Receivable	1130			73,000.00	73,000.00
Due From Budgetary Funds	1141				0.00
Investments	1160				0.00
Due From Other Agencies	1220	2,595.83			2,595.83
Total Assets		60,433.68	676,504.65	73,000.00	809,938.33
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	2120				0.00
Construction Contract Payable	2140				0.00
Due to Budgetary Funds	2161			36,022.00	36,022.00
Due to Other Agencies	2230				0.00
Note Payable	2250				0.00
Deferred Revenue	2410				0.00
Total Liabilities		0.00	0.00	36,022.00	36,022.00
Fund Balances:					
Reserve for Encumbrances	2720				
Reserved For Capital Projects	2725	60,433.68	676,504.65		736,938.33
Unreserved	2760	0.00	0.00	36,978.00	36,978.00
Total Fund Balances		60,433.68	676,504.65	36,978.00	773,916.33
Total Liabilities and Fund Balances		60,433.68	676,504.65	73,000.00	809,938.33

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2008

		Debt Service Funds	
		SBE/COBI Bonds 210	Total Nonmajor Debt Service Funds
Revenues:			
Federal Through State	3200		0.00
State Sources	3300	82,685.85	82,685.85
Local Sources:			
Other Local	3495		0.00
Total Revenues		82,685.85	82,685.85
Expenditures:			
Retirement of Principal	710	40,000.00	40,000.00
Interest	720	43,417.50	43,417.50
Dues, Fees and Issuance Costs	730	70.30	70.30
Miscellaneous Expenditures	790		0.00
Total Expenditures		83,487.80	83,487.80
Excess Deficiency of Revenues Over (Under) Expenditures		(801.95)	(801.95)
Other Financing Sources (Uses):			
Transfers In	3600		0.00
Transfers Out	9700		0.00
Total Other Financing Sources (Uses)		0.00	0.00
Net Change in Fund Balance		(801.95)	(801.95)
Fund Balance, July 1, 2007	2800	22,379.49	22,379.49
Fund Balance, June 30, 2008	2700	21,577.54	21,577.54

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Fiscal Year Ended June 30, 2008

	Capital Projects Funds			
	Capital Outlay & Debt Service 360	Capital Improv Sec 1011.71(2) 370	Other Capital Projects 390	Total Nonmajor Capital Projects Funds
Revenues:				
Miscellaneous Federal	3100		73,000.00	73,000.00
State Sources	3300	31,782.77		31,782.77
Local Sources:				
Property Taxes - Capital Projects	3413	1,321.56		1,321.56
Other Local	3495	84.21	23,542.61	36,978.00
			60,604.82	
Total Revenues	31,866.98	24,864.17	109,978.00	166,709.15
Expenditures:				
General Administration	5000	0.00		0.00
School Administration	7300			0.00
Facilities Acq & Construction	7410	0.00	0.00	0.00
Food Service	7600			0.00
Operation of Plant	7900			0.00
Maintenance of Plant	8100		73,000.00	73,000.00
Capital Outlay:				
Facilities Acquisition and Construction	7420		0.00	0.00
Other Capital Outlay	9300			
Total Expenditures	0.00	0.00	73,000.00	73,000.00
Excess Deficiency of Revenues Over (Under) Expenditures	31,866.98	24,864.17	36,978.00	93,709.15
Other Financing Sources (Uses):				
Transfers In	3600			0.00
Proceeds of Loans	3720			
Transfers Out	9700			0.00
Total Other Financing Sources (Uses)	0.00	0.00	0.00	0.00
Net Change in Fund Balance	31,866.98	24,864.17	36,978.00	93,709.15
Fund Balance, July 1, 2007	2800	28,566.70	651,640.48	0.00
Fund Balance, June 30, 2008	2700	60,433.68	676,504.65	36,978.00
				773,916.33

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE - SBE/COBI BOND
For the Fiscal Year Ended June 30, 2008

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Federal Direct	3100				0.00
Federal Through State	3200				0.00
State Sources	3300	83,417.00	83,417.00	82,685.85	(731.15)
Local Sources:					
Other Local	3495				0.00
Total Revenues		83,417.00	83,417.00	82,685.85	(731.15)
Expenditures:					
Instruction	5000				0.00
Pupil Personnel Services	6100				0.00
Instructional Media Services	6200				0.00
Instruction and Curriculum	6300				0.00
Instructional Staff Training	6400				0.00
Board of Education	7100				0.00
General Administration	7200				0.00
School Administration	7300				0.00
Facilities Acq & Construction	7400				0.00
Fiscal Services	7500				0.00
Debt Service: (Function 9200)					
Retirement of Principal	710	40,000.00	40,000.00	40,000.00	0.00
Interest	720	43,417.00	43,517.00	43,417.50	99.50
Dues and fees	730		100.00	70.30	29.70
Miscellaneous Expenditures	790				0.00
Total Expenses		83,417.00	83,617.00	83,487.80	129.20
Excess of Revenues Over (Under) Expenditures		0.00	(200.00)	(801.95)	(601.95)
Other Financing Sources (Uses):					
Loss Recoveries	3740				0.00
Transfers In	3600				0.00
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
Net Change in Fund Balances		0.00	(200.00)	(801.95)	(601.95)
Fund Balance, July 1, 2007	2800	23,781.00	22,379.49	22,379.49	0.00
Fund Balance, June 30, 2008	2700	23,781.00	22,179.49	21,577.54	(601.95)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - DEBT SERVICE - OTHER DEBT SERVICE
For the Fiscal Year Ended June 30, 2008

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Federal Direct	3100				0.00
Federal Through State	3200				0.00
State Sources	3300	209,250.00	209,250.00	209,250.00	0.00
Local Sources					
Other Local	3495	49,750.00	49,750.00	42,920.96	(6,829.04)
Total Revenues		259,000.00	259,000.00	252,170.96	(6,829.04)
Expenditures:					
Instruction	5000				0.00
Pupil Personnel Services	6100				0.00
Instructional Media Services	6200				0.00
Instruction and Curriculum	6300				0.00
Instructional Staff Training	6400				0.00
Board of Education	7100				0.00
General Administration	7200				0.00
School Administration	7300				0.00
Facilities Acq & Construction	7400				0.00
Fiscal Services	7500				0.00
Debt Service: (Function 9200)					0.00
Retirement of Principal	710	86,379.00	86,399.00	86,379.40	19.60
Interest	720	41,483.00	41,563.00	41,483.21	79.79
Dues and fees	730		100.00	77.10	22.90
Miscellaneous Expenditures	790				0.00
Total Expenses		127,862.00	128,062.00	127,939.71	122.29
Excess of Revenues Over (Under) Expenditures		131,138.00	130,938.00	124,231.25	(6,706.75)
Other Financing Sources (Uses):					
Loss Recoveries	3740				0.00
Transfers In	3600				0.00
Transfers Out	9700				0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00	0.00
Net Change in Fund Balances		131,138.00	130,938.00	124,231.25	(6,706.75)
Fund Balance, July 1, 2007	2800	794,437.00	794,437.00	794,436.86	(0.14)
Fund Balance, June 30, 2008		925,575.00	925,375.00	918,668.11	(6,706.89)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS - PECO
For the Fiscal Year Ended June 30, 2008

		Budgeted Amounts		Actual Amounts	Variance With Final Budget
		Original	Final		
Revenues:					
Federal Direct	3100				0.00
Federal Through State	3200				0.00
State Sources	3300	384,000.00	1,584,000.00	1,962,917.00	378,917.00
Local Sources:					
Other Local	3495	15,839.00	15,839.00	20,287.94	4,448.94
Total Revenues		399,839.00	1,599,839.00	1,983,204.94	383,365.94
Expenditures:					
Instruction	5000				0.00
Pupil Personnel Services	6100				0.00
Instructional Media Services	6200				0.00
Instruction and Curriculum	6300				0.00
General Administration	7200				0.00
School Administration	7300				0.00
Facilities Acq & Construction	7410		500.00	188.07	311.93
Food Service	7600				0.00
Central Services	7700				0.00
Pupil Transportation Services	7800				0.00
Operation of Plant	7900				0.00
Maintenance of Plant	8100		639,000.00	635,460.15	3,539.85
Capital Outlay:					
Facilities Acquisition and Construction	7420				0.00
Other Capital Outlay	9300				0.00
Total Expenses		0.00	639,500.00	635,648.22	3,851.78
Excess of Revenues Over (Under) Expenditures		399,839.00	960,339.00	1,347,556.72	387,217.72
Other Financing Sources (Uses):					
Transfers In	3600				0.00
Transfers Out	9700	(225,000.00)	(450,000.00)	(446,000.00)	4,000.00
Total Other Financing Sources (Uses)		(225,000.00)	(450,000.00)	(446,000.00)	4,000.00
Net Change in Fund Balances		174,839.00	510,339.00	901,556.72	391,217.72
Fund Balance, July 1, 2007	2800	502,930.00	502,930.00	502,930.30	0.30
Fund Balance, June 30, 2008	2700	677,769.00	1,013,269.00	1,404,487.02	391,218.02

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS - CO&DS
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Federal Direct	3100			0.00
Federal Through State	3200			0.00
State Sources	3300	4,800.00	4,800.00	31,782.77
Local Sources:				
Other Local	3495	220.00	220.00	84.21
				(135.79)
Total Revenues		5,020.00	5,020.00	31,866.98
Expenditures:				
Instruction	5000			0.00
Pupil Personnel Services	6100			0.00
Instructional Media Services	6200			0.00
Instruction and Curriculum	6300			0.00
Instructional Staff Training	6400			0.00
General Administration	7200			0.00
School Administration	7300			0.00
Facilities Acq & Construction	7410			0.00
Fiscal Services	7500			0.00
Central Services	7700			0.00
Pupil Transportation Services	7800			0.00
Operation of Plant	7900			0.00
Maintenance of Plant	8100			0.00
Capital Outlay:				
Facilities Acquisition and Construction	7420			0.00
Other Capital Outlay	9300			0.00
Total Expenses		0.00	0.00	0.00
Excess of Revenues Over (Under) Expenditures		5,020.00	5,020.00	31,866.98
Other Financing Sources (Uses):				
Loss Recoveries	3740			0.00
Transfers In	3600			0.00
Transfers Out	9700	0.00	0.00	0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00
Net Change in Fund Balances		5,020.00	5,020.00	31,866.98
Fund Balance, July 1, 2007	2800	28,567.00	28,567.00	28,566.70
Fund Balance, June 30, 2008	2700	33,587.00	33,587.00	60,433.68

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS - LOCAL CAPITAL IMPROVEMENT
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Federal Direct	3100			0.00
Federal Through State	3200			0.00
State Sources	3300			0.00
Local Sources:				
Property Taxes - Capital Projects	3413		1,321.56	1,321.56
Other Local	3495	32,042.00	23,542.61	(8,499.39)
Total Revenues		32,042.00	24,864.17	(7,177.83)
Expenditures:				
Instruction	5000			0.00
Pupil Personnel Services	6100			0.00
Instructional Media Services	6200			0.00
Instruction and Curriculum	6300			0.00
Instructional Staff Training	6400			0.00
General Administration	7200			0.00
School Administration	7300			0.00
Facilities Acq & Construction	7410			0.00
Fiscal Services	7500			0.00
Central Services	7700			0.00
Pupil Transportation Services	7800			0.00
Operation of Plant	7900			0.00
Maintenance of Plant	8100			0.00
Capital Outlay:				
Facilities Acquisition and Construction	7420			0.00
Other Capital Outlay	9300			0.00
Total Expenses		0.00	0.00	0.00
Excess of Revenues Over (Under) Expenditures		32,042.00	24,864.17	(7,177.83)
Other Financing Sources (Uses):				
Loss Recoveries	3740			0.00
Transfers In	3600			0.00
Transfers Out	9700	0.00	0.00	0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00
Net Change in Fund Balances		32,042.00	24,864.17	(7,177.83)
Fund Balance, July 1, 2007	2800	651,641.00	651,640.48	(0.52)
Fund Balance, June 30, 2008	2700	683,683.00	676,504.65	(7,178.35)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - CAPITAL PROJECTS - OTHER CAPITAL
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues:				
Federal Direct	3100	75,000.00	73,000.00	(2,000.00)
Federal Through State	3200			0.00
State Sources	3300			0.00
Local Sources:				
Other Local	3495	49,399.00	36,978.00	(12,421.00)
Total Revenues		49,399.00	109,978.00	(14,421.00)
Expenditures:				
Instruction	5000			0.00
Pupil Personnel Services	6100			0.00
Instructional Media Services	6200			0.00
Instruction and Curriculum	6300			0.00
Instructional Staff Training	6400			0.00
School Administration	7300			0.00
Facilities Acq & Construction	7410			0.00
Fiscal Services	7500			0.00
Food Service	7600			0.00
Central Services	7700			0.00
Pupil Transportation Services	7800			0.00
Operation of Plant	7900			0.00
Maintenance of Plant	8100	75,000.00	73,000.00	2,000.00
Capital Outlay:				
Facilities Acquisition and Construction	7420			0.00
Other Capital Outlay	9300			0.00
Total Expenses		0.00	73,000.00	2,000.00
Excess of Revenues Over (Under) Expenditures		49,399.00	36,978.00	(12,421.00)
Other Financing Sources (Uses):				
Proceeds of Loans	3720			0.00
Transfers In	3600			0.00
Transfers Out	9700			0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00
Net Change in Fund Balances		49,399.00	36,978.00	(12,421.00)
Fund Balance, July 1, 2007	2800	1,023,760.00	0.00	0.00
Fund Balance, June 30, 2008	2700	1,073,159.00	36,978.00	(12,421.00)

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 June 30, 2008

		Total	Total Internal Service Funds
ASSETS			
Cash	1110	749,758.93	749,758.93
Investments	1160	162,053.80	162,053.80
Total Assets		911,812.73	911,812.73
 LIABILITIES AND FUND EQUITY			
Liabilities:			
Compensated Absences Payable	2330	911,812.73	911,812.73
Total Liabilities		911,812.73	911,812.73
Fund Equity	2700	0.00	0.00
Total Liabilities and Fund Equity		911,812.73	911,812.73

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2008

		Total	Total Internal Service Funds
OPERATING REVENUES:		0.00	0.00
OPERATING EXPENSES:			
Other Expenses		0.00	0.00
Operating Income (Loss)		0.00	0.00
Nonoperating Revenues			
Decrease of Compensated Absences Payable	3780	0.00	0.00
Income (Loss) before operating transfers		0.00	0.00
Operating Transfers Out	9700	0.00	0.00
Net Income (Loss)		0.00	0.00
Net Assets, July 1, 2007	2800	0.00	0.00
Net Assets, June 30, 2008	2780	0.00	0.00

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2008

	Total	Total Internal Service Funds
Net Increase in Cash	0.00	0.00
Cash Beginning	0.00	0.00
Cash Ending	0.00	0.00
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income	0.00	0.00
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Changes in Assets and Liabilities:		
Increase in Investments	0.00	0.00
Decrease in Due From Other Funds	0.00	0.00
Decrease in Due To Budgetary Funds	0.00	0.00
Total Adjustments	0.00	0.00
Net Cash Provided by Operating Activities	0.00	0.00

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 June 30, 2008

	School Internal Funds 891	Total Agency Funds
ASSETS		
Cash	299,464.36	299,464.36
Total Assets	299,464.36	299,464.36
LIABILITIES		
Internal Accounts Payable	299,464.36	299,464.36
Total Liabilities	299,464.36	299,464.36

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS - SCHOOL INTERNAL FUNDS
 June 30, 2008

		Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
ASSETS					
Cash	1110	275,830.26	1,172,371.19	1,148,737.09	299,464.36
Total Assets		<u>275,830.26</u>	<u>1,172,371.19</u>	<u>1,148,737.09</u>	<u>299,464.36</u>
LIABILITIES					
Internal Accounts Payable	2290	275,830.26	1,172,371.19	1,148,737.09	299,464.36
Total Liabilities		<u>275,830.26</u>	<u>1,172,371.19</u>	<u>1,148,737.09</u>	<u>299,464.36</u>

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND
For the Fiscal Year Ended June 30, 2008

REVENUES	Acct No	Amount
Federal Direct		
Reserve Officers Training Corps (ROTC)	3191	55,009.73
Total Federal Direct	3100	55,009.73
Federal Through State	3200	115,463.44
		<hr/>
Total Federal		170,473.17
		<hr/>
STATE		
Florida Education Finance Program	3310	16,448,420.00
CO&DS Withheld for Administrative Expense	3323	1,709.40
Teachers Lead	3334	60,194.00
Instructional Materials	3336	359,130.00
District Discretionary Lottery Funds	3344	142,886.00
Transportation	3354	796,924.00
Class Size Reduction/Operating Funds	3355	2,920,529.00
School Recognition/Merit Schools	3361	132,590.00
Excellent Teaching Program	3363	26,686.77
Voluntary Prekindergarten Program	3371	150,935.18
Preschool Projects	3372	
Public School Technology	3375	
Teacher Training	3376	
State License Tax	3343	12,622.00
Miscellaneous State	_____	226,529.64
		<hr/>
Total State	3300	21,279,155.99
		<hr/>
LOCAL		
District School Taxes	3411	2,304,632.78
Tax Redemptions	3421	
Interest	3431	73,093.87
Preschool Program Fees	3471	59,133.52
Federal Indirect Cost Rate	3494	60,974.73
Lost, Damaged and Sold Textbooks	3498	1,210.45
Miscellaneous Local Sources	_____	385,591.92
		<hr/>
Total Local	3400	2,884,637.27
		<hr/>
Total Revenues	3000	24,334,266.43
		<hr/>

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE--GENERAL FUND, CONTINUED
For the Fiscal Year Ended June 30, 2008

EXPENDITURES:		000	100	200	300	400	500	600	700
Function/Object	Acct. Code	Total	Salaries	Employee Benefits	Purchased Services	Energy Services	Materials & Supplies	Capital Outlay	Other Expenses
Instruction*	5000	14,193,814.53	10,034,480.15	2,500,775.29	492,796.51	0.00	491,461.98	267,871.39	406,429.21
Pupil Personnel Services	6100	591,783.83	433,630.12	91,465.40	64,823.81	0.00	259.65	1,604.85	0.00
Instructional Media Services	6200	592,875.69	439,348.17	110,436.73	4,929.50	0.00	7,612.19	28,033.57	2,515.53
Instructional & Curriculum Services	6300	293,239.77	222,077.98	54,154.49	13,288.02	0.00	3,646.29	72.99	0.00
Instructional Staff Training	6400	382,449.80	292,828.03	69,574.28	12,184.41	0.00	4,154.21	2,844.99	863.88
Instruction Related Technology	6500	299,117.05	247,085.64	48,669.72	0.00	0.00	0.00	2,379.45	982.24
Board of Education	7100	185,663.06	123,290.00	40,355.77	8,523.29	0.00	0.00	0.00	13,494.00
General Administration	7200	198,113.13	132,005.01	35,397.81	4,081.36	0.00	556.49	0.00	26,072.46
School Administration	7300	1,958,290.24	1,538,843.05	403,513.04	6,318.02	0.00	2,232.96	5,763.22	1,619.95
Facilities Acquisition & Construction	7410	0.00						0.00	
Fiscal Services	7500	339,506.65	238,648.55	54,904.58	38,549.69	0.00	6,059.94	790.17	553.72
Central Services	7700	1,140,106.67	555,625.03	127,605.06	116,618.45	33.60	19,645.65	3,622.81	316,956.07
Pupil Transportation Services	7800	1,286,320.68	661,447.31	248,332.13	21,105.89	250,286.52	78,514.16	4,633.73	22,000.94
Operation of Plant	7900	2,803,871.35	508,959.73	378,133.56	1,004,307.74	816,237.85	57,205.27	8,487.13	30,540.07
Maintenance of Plant	8100	435,558.94	202,852.12	52,481.32	110,419.23	0.00	57,293.73	10,732.78	1,779.76
Community Services	9100	3,166.48	2,694.88	471.60	0.00	0.00	0.00		0.00
Facilities Acq & Construction	7460	0.00							
Other Capital Outlay	9300	526,515.23						526,515.23	
Debt Service	9200								
Total Expenditures	0000	25,230,393.10	15,633,815.77	4,216,270.78	1,897,945.92	1,066,557.97	728,642.52	863,352.31	823,807.83
Excess (Deficiency) Of Revenues Over Expenditures	01	<u>(896,126.67)</u>							

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GENERAL FUND
For the Fiscal Year Ended June 30, 2008

	Acct No	Amount
OTHER FINANCING SOURCES (USES)		
Nonrevenue Receipts		
Loss Recoveries	3740	550.00
Transfers In		
From Debt Service Funds	3620	
From Capital Projects Funds	3630	446,000.00
From Internal Service Funds	3670	0.00
Total Transfers In	3600	446,000.00
Transfers Out		
To Special Revenue Funds	940	(262,000.00)
To Trust and Agency Funds	980	
Total Transfers Out	9700	(262,000.00)
Total Other Financing Sources (Uses)		184,550.00
Net Change in Fund Balance		(711,576.67)
Fund Balance, July 1, 2007	2800	2,163,919.15
Fund Balance, June 30, 2008	2700	1,452,342.48

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND -- FOOD SERVICE
For the Fiscal Year Ended June 30, 2008

REVENUES	Acct No	Amount
Federal Through State:		
School Lunch Reimbursement	3261	678,133.37
School Breakfast Reimbursement	3262	184,138.51
After School Snack Reimbursement	3263	21,296.92
USDA Donated Foods	3265	31,067.83
Summer Food Service Program	3267	<u>12,380.70</u>
Total Federal Through State	3200	<u>927,017.33</u>
State:		
Breakfast Supplement	3337	12,369.00
School Lunch Supplement	3338	15,243.00
Miscellaneous State	3390	<u>593.00</u>
Total State	3300	<u>28,205.00</u>
Local:		
Interest	3431	222.31
Student Lunches	3451	287,691.03
Student Breakfasts	3452	74,269.76
Adult Breakfast/Lunch	3453	69,862.69
Student and Adult a la Carte	3454	12,420.14
Other Food Sales	3456	
Miscellaneous Local Sources	3490	<u>4,200.36</u>
Total Local	3400	<u>448,666.29</u>
Total Revenues	3000	<u>1,403,888.62</u>

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND -- FOOD SERVICE
For the Fiscal Year Ended June 30, 2008

EXPENDITURES (Function 7600)	Acct No	Amount
Salaries	100	531,322.96
Employee Benefits	200	197,586.06
Purchased Services	300	7,614.69
Energy Services	400	0.00
Materials and Supplies	500	896,725.00
Capital Outlay	600	7,565.28
Other Expenses	700	27,884.49
Other Capital Outlay (Function 9300)	600	<u>0.00</u>
 Total Expenditures	 7600	 <u>1,668,698.48</u>
 Excess (Deficiency) of Revenues Over Expenditures		 (264,809.86)
 OTHER FINANCING SOURCES (USES)		
Transfers In	3600	<u>262,000.00</u>
 Net Change in Fund Balance		 (2,809.86)
Fund Balance, July 1, 2007	2800	<u>2,891.94</u>
Fund Balance, June 30, 2008	2700	<u><u>82.08</u></u>

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - SPECIAL REVENUE FUND -- OTHER
 For the Fiscal Year Ended June 30, 2008

REVENUES	Acct No	Amount
Federal Direct:		
Vocational Education Acts	3201	91,970.68
Job Training Partnership Act (JTPA)	3220	
Title II	3226	228,729.00
Drug Free Schools	3227	16,501.00
Education for the Handicapped (PL 94-142)	3230	778,540.46
Education Consolidation and Improvement Act, Chapter I	3240	869,151.30
Vocational Rehabilitation	3253	30,218.90
Education Consolidation and Improvement Act, Chapter II	3270	7,989.96
Federal Through Local	3280	615,683.21
Miscellaneous Federal	3290	113,357.63
Total Federal Through State	3200	2,752,142.14
Total Revenues	3000	2,752,142.14

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE--SPECIAL REVENUE FUNDS/OTHER, CONTINUED
For the Fiscal Year Ended June 30, 2008

EXPENDITURES:		000	100	200	300	400	500	600	700
Function/Object	Acct. Code	Totals	Salaries	Employee Benefits	Purchased Services	Energy Services	Materials & Supplies	Capital Outlay	Other Expenses
Instruction*	5000	1,922,095.53	1,059,449.52	262,959.45	389,853.90	0.00	108,902.99	46,647.56	54,282.11
Pupil Personnel Services	6100	79,853.89	57,886.92	12,745.82	1,817.73	0.00	6,665.18		738.24
Instructional Media Services	6200	6,551.48	0.00	0.00	4,969.00	0.00	355.63	1,226.85	0.00
Instructional & Curriculum Services	6300	257,789.53	192,528.58	46,423.12	12,354.97	0.00	5,671.87	310.99	500.00
Instructional Staff Training	6400	248,858.59	130,156.51	25,102.65	86,204.24	0.00	5,198.75	98.42	2,098.02
Instruction Related Technology	6500	250.00	0.00	0.00	250.00	0.00	0.00		0.00
Board of Education	7100	0.00	0.00	0.00	0.00	0.00	0.00		0.00
General Administration	7200	60,974.73	0.00	0.00	0.00	0.00	0.00		60,974.73
School Administration	7300	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Facilities Acquisition & Construction	7410	0.00			0.00				
Fiscal Services	7500	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Food Services	7600	0.00							
Central Services	7700	2,180.38	0.00	0.00	1,557.16	0.00	623.22	0.00	0.00
Pupil Transportation Services	7800	66,603.38	12,134.00	3,011.02	39,643.36	0.00	0.00		11,815.00
Operation of Plant	7900	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Maintenance of Plant	8100	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Community Services	9100	30,218.90	23,329.40	6,889.50	0.00	0.00	0.00		0.00
Facilities Acq & Construction	7420	0.00							
Other Capital Outlay	9300	76,765.73						76,765.73	
Debt Service		0.00							
Total Expenditures	0000	2,752,142.14	1,475,484.93	357,131.56	536,650.36	0.00	127,417.64	125,049.55	130,408.10
Net Change in Fund Balance		0.00							
Fund Balance, July 1, 2007	2800	<u>0.00</u>							
Fund Balance, June 30, 2008	2700	<u><u>0.00</u></u>							

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES--DEBT SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2008

Account Title	Acct. Code	Total	SBE/COBI Funds (210)	Other Debt Service (290)
REVENUES:				
CO & DS Withheld for SBE/COBI Bonds	3322	81,926.76	81,926.76	
SBE/COBI Bond Interest	3326	759.09	759.09	
Racing Commission Funds	3341	209,250.00		209,250.00
Total State Sources	3300	291,935.85	82,685.85	209,250.00
Local Source: Interest	3400	42,920.96		42,920.96
Total Revenues		334,856.81	82,685.85	252,170.96
EXPENDITURES:				
Redemption Of Principal	710	126,379.40	40,000.00	86,379.40
Interest	720	84,900.71	43,417.50	41,483.21
Dues And Fees	730	147.40	70.30	77.10
Total Expenditures		211,427.51	83,487.80	127,939.71
Excess (Deficiency) Of Revenues Over Expenditures		123,429.30	(801.95)	124,231.25
OTHER FINANCING SOURCES (USES)				
Transfers In	3600	0.00		
Transfers Out	9700	0.00		0.00
Total Other Financing Sources (Uses)		0.00	0.00	0.00
Net Change in Fund Balance		123,429.30	(801.95)	124,231.25
Fund Balance, July 1, 2007	2800	816,816.35	22,379.49	794,436.86
Fund Balance, June 30, 2008	2700	940,245.65	21,577.54	918,668.11

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES--CAPITAL PROJECTS FUNDS
 For the Fiscal Year Ended June 30, 2008

Account Title	Acct. Code	Total Amount	Public Education Capital Outlay Funds (340)	Capital Outlay & Debt Service Fund (360)	Capital Improve. Sec 1011.71(2) (370)	Other Capital Projects (390)
REVENUES:						
Miscellaneous Federal	3100	73,000.00				73,000.00
CO&DS Distributed To District	3321	29,132.86		29,132.86		
Interest on Undistributed CO&DS	3325	2,649.91		2,649.91		
Public Education Capital Outlay	3391	476,262.00	476,262.00			
Class Size Reduction	3396	1,486,655.00	1,486,655.00			
Other Miscellaneous State	3399	0.00				
Total State	3300	1,994,699.77	1,962,917.00	31,782.77	0.00	0.00
District Local Capital Improvement Tax	3413	1,321.56			1,321.56	
Interest Including Profit on Investments	3430	80,892.76	20,287.94	84.21	23,542.61	36,978.00
Miscellaneous Local Sources	3490	0.00				
Total Local	3400	82,214.32	20,287.94	84.21	24,864.17	36,978.00
Total Revenues	3000	2,149,914.09	1,983,204.94	31,866.98	24,864.17	109,978.00
EXPENDITURES: (Function 7400)						
Buildings and Fixed Equipment	630	708,648.22	635,648.22			73,000.00
Furniture, Fixtures and Equipment	640	0.00				
Remodeling	680	0.00				
DEBT SERVICE: (Function 9200)						
Redemption of Principal	710	0.00				
Total Expenditures		708,648.22	635,648.22	0.00	0.00	73,000.00
Excess (Deficiency) Of Revenues Over Expenditures		1,441,265.87	1,347,556.72	31,866.98	24,864.17	36,978.00

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES--CAPITAL PROJECTS FUNDS
 For the Fiscal Year Ended June 30, 2008

Account Title	Acct. Code	Total Amount	Public Education Capital Outlay Funds (340)	Capital Outlay & Debt Service Fund (360)	Capital Improve. Sec 1011.71(2) (370)	Other Capital Projects (390)
OTHER FINANCING SOURCES (USES)						
Transfers Out						
To General Fund	910	(446,000.00)	(446,000.00)			
Total Transfers Out	9700	(446,000.00)	(446,000.00)	0.00	0.00	0.00
Total Other Financing Sources (Uses)		(446,000.00)	(446,000.00)	0.00	0.00	0.00
Net Change in Fund Balance		995,265.87	901,556.72	31,866.98	24,864.17	36,978.00
Fund Balance, July 1, 2007	2800	1,183,137.48	502,930.30	28,566.70	651,640.48	0.00
Fund Balance, June 30, 2008	2700	2,178,403.35	1,404,487.02	60,433.68	676,504.65	36,978.00

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS
 INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended June 30, 2008

		Total	Compensated Absences
OPERATING REVENUES:		0.00	0.00
OPERATING EXPENSES:			
Other Expenses		0.00	0.00
Operating Income (Loss)		0.00	0.00
Nonoperating Revenues			
Decrease of Compensated Absences Payable	3780	0.00	0.00
Income (Loss) before operating transfers		0.00	0.00
Operating Transfers Out	9700	0.00	0.00
Net Income (Loss)		0.00	0.00
Net Assets, July 1, 2007	2880	0.00	0.00
Net Assets, June 30, 2008	2780	0.00	0.00

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHOOL INTERNAL FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 June 30, 2008

		Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
ASSETS					
Cash	1110	275,830.26	1,172,371.19	1,148,737.09	299,464.36
Total Assets		<u>275,830.26</u>	<u>1,172,371.19</u>	<u>1,148,737.09</u>	<u>299,464.36</u>
LIABILITIES					
Internal Accounts Payable	2290	275,830.26	1,172,371.19	1,148,737.09	299,464.36
Total Liabilities		<u>275,830.26</u>	<u>1,172,371.19</u>	<u>1,148,737.09</u>	<u>299,464.36</u>

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF GENERAL LONG-TERM LIABILITIES
 June 30, 2008

Account Title	Acct. Num	Total Amount	Governmental Activities Total Balance
Notes Payable	2310	950,700.88	950,700.88
Bonds Payable	2320	870,000.00	870,000.00
Liability for Compensated Absences	2330	2,824,102.79	2,824,102.79
Total General Long-Term Debt Payable	2300	4,644,803.67	4,644,803.67

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

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
SCHEDULE OF STATE CATEGORICAL PROGRAMS
REPORT OF FUNDS AVAILABLE AND EXPENDITURES
For the Fiscal Year Ended June 30, 2008

Categorical Programs		Unexpended June 30, 2007	Returned To DOE	7,088,981.95	Expenditures 2007-08	Flexibility [3] 2007-08	Balance June 30, 2008	
				Revenues 2007-08			Encumbered	Unencumbered
Class Size Reduction/Operating Funds (3355)	94740	0.00		2,920,529.00	2,920,529.00			0.00
Class Size Reduction/Capital Funds (3396)	91050	0.00		1,486,655.00	1,081,460.15			405,194.85
Comprehensive K-12 Reading Plan (FEFP Earmark)	90800	11,442.93		217,154.00	228,596.93			0.00
Excellent Teaching (3363)	90570	0.00		29,686.77	29,686.77			0.00
Florida Teacher Lead Program (3334)	97580	0.00		60,194.00	59,416.80			777.20
Instructional Materials (3336)	90880	0.00		339,236.00	339,236.00			0.00
Library Media (3336)	90881	0.00		19,894.00	19,894.00			0.00
Preschool Projects (3372)	97950	0.00		0.00	0.00			0.00
Public School Technology (3375)	90320	0.00						0.00
Safe Schools (FEFP Earmark)	90803	0.00		119,575.00		119,575.00		0.00
Bonus for Outstanding Teachers in D and F Schools	94030	0.00						0.00
School Recognition Funds (3361)	92040	0.00		132,590.00	132,590.00			0.00
Supplemental Academic Instruction (3374)	91280	0.00		815,609.00		815,609.00		0.00
Teacher Recruitment and Retention (3362)	93460	0.00						0.00
Teacher Training (3376)	91290	0.00						0.00
Transportation (3354)	90830	0.00		796,924.00	796,924.00			0.00
Voluntary Prekindergarten - School Year Prog (3371)	96440	0.00		150,935.18	150,935.18			0.00
Voluntary Prekindergarten - Summer Program (3371)	96441	0.00						0.00

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
 For the Fiscal Year Ended June 30, 2008

		General Fund	Special Revenue Food Service	Special Revenue Other	Total
Energy Expenditures:					
Bottle Gas	420	63,325.02			63,325.02
Electricity	430	753,328.98			753,328.98
Heating Oil	440				
Total		816,654.00	0.00		816,654.00

Energy Expenditures for Pupil Transportation					
Gasoline	450	37,813.71			37,813.71
Diesel	460	212,090.26			212,090.26
Oil & Grease	540	8,594.09			8,594.09
Total		258,498.06			258,498.06

		General Fund	Special Revenue Other	Capital Projects Funds	Total
Expenditures for School Buses And School Bus Replacements:					
Buses	651	381,524.10			381,524.10

Capitalized Audio Visual Materials:					
Audio Visual Materials	621				

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF SELECTED SUBOBJECT EXPENDITURES
 For the Fiscal Year Ended June 30, 2008

	Sub- Object	General Fund	Special Revenue Fund - Other	Total
Teacher Salaries				
Basic Programs 101, 102, and 103 (Function 5100)	120	7,572,769.76	492,972.28	8,065,742.04
Basic Programs 101, 102, and 103 (Function 5100)	140			
Basic Programs 101, 102, and 103 (Function 5100)	750	206,488.71	17,427.48	223,916.19
Total Basic Program Salaries		<u>7,779,258.47</u>	<u>510,399.76</u>	<u>8,289,658.23</u>
Other Programs 130 (ESOL) (Function 5100)	120	0.00	0.00	0.00
Other Programs 130 (ESOL) (Function 5100)	140			
Other Programs 130 (ESOL) (Function 5100)	750	0.00	0.00	0.00
Total Other Program Salaries		<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
ESE Programs 111, 112, 113, 254, and 255 (Function 5200)	120	1,115,257.59	3,900.00	1,119,157.59
ESE Programs 111, 112, 113, 254, and 255 (Function 5200)	140			
ESE Programs 111, 112, 113, 254, and 255 (Function 5200)	750	30,410.02	137.87	30,547.89
Total ESE Program Salaries		<u>1,145,667.61</u>	<u>4,037.87</u>	<u>1,149,705.48</u>
Career Program 300 (Function 5300)	120	503,760.49	0.00	503,760.49
Career Program 300 (Function 5300)	140			
Career Program 300 (Function 5300)	750	13,736.17	0.00	13,736.17
Total Career Program Salaries		<u>517,496.66</u>	<u>0.00</u>	<u>517,496.66</u>
	Sub- Object	General Fund	Special Revenue Fund - Other	Total
Textbooks (used for classroom instruction)				
Textbooks (Function 5000)	520	214,087.84	6,926.06	221,013.90

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SPECIFIC ACADEMIC CLASSROOM INSTRUCTION AND OTHER DATA COLLECTION
 For the Fiscal Year Ended June 30, 2008

CATEGORICAL FLEXIBLE SPENDING - GENERAL FUND: EXPENDITURES	Account Number	Safe Schools	Supplemental Academic Instruction
Instruction:			
Basic Instruction	5100	119,575.00	815,609.00
Exceptional Instruction	5200		
Career Instruction	5300		
Adult Instruction	5400		
Prekindergarten	5500		
Other Instruction	5900		
Total Flexible Spending Instructional Expenditures	5000	119,575.00	815,609.00

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL
 ASSISTANCE PROGRAM EXPENDITURES
 For the Fiscal Year Ended June 30, 2008

Grantor/Program	CFDA NUMBER	Amount of Expenditures
United States Department of Agriculture:		
National School Lunch Program	10.555	699,430.29
School Breakfast Program	10.553	184,138.51
Department of Health and Rehabilitative Services; Food Donation	10.550	35,249.51
United States Department of Defense:		
Army Junior Reserve Officers Training Corps	None	55,009.73
United States Department of Labor:		
WIA In-School Youth	17.255	86,962.29
United States Department of Education:		
ESEA Title VI	84.298	7,989.96
Educationally Deprived Children- Title I Part A	84.01	816,828.36
State Aid Programs for the Handicapped	84.027	748,051.58
Vocation Education-Basic Grants to States	84.048	91,970.68
Drug Free Schools	84.186	16,501.00
Handicapped Early Childhood Education	84.173	30,488.88
EETT Part I	84.318	8,205.84
Title VI Rural And Low Income	84.358	105,151.79
Summer Food Service Program	10.559	12,380.70
Putnam County School Board / NEFEC	84.027	16,391.07
Title II, Part A - Teacher and Principal Training and Recruiting Fund	84.367	228,729.00
Chipola College - Tech Prep Education	84.243	14,049.83
Washington County School Board:		
Reading First Grant	84.357	104,189.95
21st Century Community Learning Centers	84.287	511,493.26
Title I Part D	84.013	52,322.94
Vocational Rehabilitation	84.126	30,218.90
United States Department of Homeland Security:		
Disaster Grants - Public Assistance	97.036	73,000.00
Total Expenditures		<u><u>3,928,754.07</u></u>

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHEDULE OF CAPITALIZED CAPITAL OUTLAY
 BY FUNCTION
 For the Fiscal Year Ended June 30, 2008

Function		General Fund Fund 100	Special Revenue Fund 420
Instruction	5000	72,470.70	41,440.90
Pupil Personnel Services	6100		
Instructional Media Services	6200	29,360.85	
Instruction & Curriculum	6300		
Instructional Staff Training	6400		4,357.21
Instruction Related Technology	6500		30,967.62
Board of Education	7100		
General Administration	7200		
School Administration	7300		
Facilities Acq & Construction	7410		
Fiscal Services	7500	4,009.75	
Food Service	7600		
Central Services	7700	11,606.55	
Pupil Transportation Services	7800	389,489.00	
Operation of Plant	7900	8,545.60	
Maintenance of Plant	8100	11,032.78	
Community Services	9100		
Total		526,515.23	76,765.73

Exhibit M

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
NET ASSETS BY COMPONENT
Last Six Years

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	34,587,927.24	39,501,266.54	45,029,179.08	43,705,743.04	43,681,383.36	42,441,749.14
Restricted	794,860.08	630,091.77	289,423.29	943,329.81	1,216,959.90	2,163,002.89
Unrestricted	729,818.36	1,408,652.58	1,655,117.72	849,821.81	4,932.00	(717,537.37)
Total governmental activities net assets	<u>36,112,605.68</u>	<u>41,540,010.89</u>	<u>46,973,720.09</u>	<u>45,498,894.66</u>	<u>44,903,275.26</u>	<u>43,887,214.66</u>
Primary government						
Invested in capital assets, net of related debt	34,587,927.24	39,501,266.54	45,029,179.08	43,705,743.04	43,681,383.36	42,441,749.14
Restricted	794,860.08	630,091.77	289,423.29	943,329.81	1,216,959.90	2,163,002.89
Unrestricted	729,818.36	1,408,652.58	1,655,117.72	849,821.81	4,932.00	(717,537.37)
Total primary government net assets	<u>36,112,605.68</u>	<u>41,540,010.89</u>	<u>46,973,720.09</u>	<u>45,498,894.66</u>	<u>44,903,275.26</u>	<u>43,887,214.66</u>

Exhibit P-1

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
CHANGES IN NET ASSETS
Last Six Years

		Fiscal Year					
		2003	2004	2005	2006	2007	2008
Functions							
Governmental Activities:							
Instruction	5000	11,935,449.59	12,659,066.91	13,297,847.82	13,947,273.51	15,008,613.67	16,435,081.47
Pupil Personnel Services	6100	586,133.29	589,053.29	669,342.10	661,294.84	617,812.50	685,591.84
Instructional Media Services	6200	451,585.90	588,655.47	630,647.65	579,602.57	587,535.26	612,323.59
Instruction and Curriculum	6300	447,899.89	375,462.93	619,676.98	875,971.96	907,287.38	561,299.84
Instructional Staff Training	6400	93,571.17	132,060.58	148,745.39	161,983.68	35,136.71	643,165.30
Instruction Related Technology	6500				182,380.00	250,674.26	306,173.27
Board of Education	7100	169,578.50	168,333.37	167,181.26	168,523.21	163,700.05	185,663.06
General Administration	7200	237,092.32	248,424.95	256,261.98	1,203,634.70	267,714.98	260,052.74
School Administration	7300	1,526,811.49	1,468,605.01	1,734,007.84	1,590,533.72	1,764,362.67	1,947,614.23
Facilities Acq & Construction	7400	(126,060.03)	(4,933,520.96)	(5,699,199.76)	1,592,257.52	43,228.36	188.07
Fiscal Services	7500	260,161.90	239,102.64	258,882.34	286,819.27	299,108.25	318,027.57
Food Service	7600	57,598.93	84,328.73	92,527.91	118,592.92	260,107.01	284,193.29
Central Services	7700	697,457.59	657,193.51	829,605.10	737,266.32	796,109.87	1,100,286.83
Pupil Transportation Services	7800	62,717.95	61,930.72	395,953.95	300,120.38	421,570.48	575,244.86
Operation of Plant	7900	2,169,353.47	2,215,385.66	2,452,717.70	2,526,777.43	2,700,070.60	2,816,802.91
Maintenance of Plant	8100	567,632.48	641,201.53	407,520.20	494,663.70	694,050.89	61,273.23
Community Services	9100		3,323.96	(81,961.87)	0.00	876.36	33,385.38
Interest on Long-Term Debt	9200	52,732.42	51,149.08	68,507.91	95,563.31	90,521.14	85,048.11
Depreciation - unallocated*	780	1,695,553.96	1,728,971.76	1,862,779.00	1,889,370.00	1,843,951.00	1,803,006.00
Total governmental activities		20,885,270.82	16,978,729.14	18,111,043.50	27,412,629.04	26,752,431.44	28,714,421.59
Business-type activities		0.00	0.00	0.00	0.00	0.00	0.00
Total primary government expenses		20,885,270.82	16,978,729.14	18,111,043.50	27,412,629.04	26,752,431.44	28,714,421.59

Exhibit P-2

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 CHANGES IN NET ASSETS
 Last Six Years

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
General revenues:						
Taxes:						
Property taxes, levied for general purposes	1,938,857.94	1,891,132.58	2,007,873.24	1,918,814.11	2,374,140.49	2,304,632.78
Property taxes, levied for capital projects	566,345.06	596,314.71	630,288.71	666,034.30	9,505.96	1,321.56
Grants and contributions not restricted to specific programs	17,682,317.87	19,778,971.49	20,766,462.84	22,494,505.96	23,426,335.31	25,194,726.75
Investment earnings	86,427.62	88,776.72	134,845.91	235,876.43	303,507.10	197,129.90
Miscellaneous	339,190.68	50,938.85	5,282.00	0.00	0.00	550.00
Total governmental activities	20,613,139.17	22,406,134.35	23,544,752.70	25,315,230.80	26,113,488.86	27,698,360.99
Total business type activities	0.00	0.00	0.00	0.00	0.00	0.00
Total primary government	20,613,139.17	22,406,134.35	23,544,752.70	25,315,230.80	26,113,488.86	27,698,360.99
Change in net assets						
Government activities	(272,131.65)	5,427,405.21	5,433,709.20	(2,097,398.24)	(638,942.58)	(1,016,060.60)
Business activities	0.00	0.00	0.00	0.00	0.00	0.00
Total primary government	(272,131.65)	5,427,405.21	5,433,709.20	(2,097,398.24)	(638,942.58)	(1,016,060.60)

Exhibit P-2

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 FUND BALANCES, GOVERNMENTAL FUNDS
 Last Six Years

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
General Fund						
Reserved	175,339.80	292,816.53	94,994.32	331,585.36	37,167.99	0.00
Unreserved	444,125.19	530,500.42	671,829.91	632,065.48	1,102,990.80	1,452,342.48
Total general fund	<u>619,464.99</u>	<u>823,316.95</u>	<u>766,824.23</u>	<u>963,650.84</u>	<u>1,140,158.79</u>	<u>1,452,342.48</u>
All Other Governmental Funds						
Reserved	1,013,747.97	1,219,457.06	939,562.66	967,111.36	1,205,516.97	2,163,002.89
Unreserved, reported in:						
Special revenue funds	4,919.71	5,380.09	1,650.42	2,078.53	2,891.94	82.08
Debt service funds	16,326.09	16,088.68	537,701.57	656,716.69	794,436.86	918,668.11
Capital projects funds	2,163,444.23	2,008,175.26	1,962,341.65	975,160.18	1,023,760.36	36,978.00
Total all other governmental funds	<u>3,198,438.00</u>	<u>3,249,101.09</u>	<u>3,441,256.30</u>	<u>2,601,066.76</u>	<u>3,026,606.13</u>	<u>3,118,731.08</u>

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Six Years

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Federal Direct Sources						
Reserve officers training corps (ROTC)	38,826.60	42,685.50	45,423.01	42,819.21	49,659.67	55,009.73
Miscellaneous federal direct						188,463.44
Total federal direct	38,826.60	42,685.50	45,423.01	42,819.21	49,659.67	243,473.17
Federal Through State						
Food service	771,925.00	797,619.00	826,597.00	867,573.75	858,303.03	895,949.50
Donated foods	60,263.39	61,063.35	52,668.53	66,962.16	41,867.61	31,067.83
Other federal through state	2,618,548.99	3,514,946.16	4,246,506.63	3,358,364.64	3,062,763.05	2,752,142.14
Total federal through state	3,450,737.38	4,373,628.51	5,125,772.16	4,292,900.55	3,962,933.69	3,679,159.47
Total federal	3,489,563.98	4,416,314.01	5,171,195.17	4,335,719.76	4,012,593.36	3,922,632.64
State Sources						
Florida education finance program (FEFP)	13,777,848.00	13,922,286.00	13,689,512.00	14,902,033.00	15,787,959.00	16,448,420.00
Categoricals	1,524,086.00	2,177,732.93	2,558,472.00	3,265,258.68	3,806,662.66	4,395,638.58
District discretionary lottery funds	227,299.00	146,369.00	164,456.00	143,731.00	115,651.00	169,259.00
CO&DS distributed to district	32,824.67	28,146.33	30,281.63	32,160.40	28,443.28	31,782.77
CO&DS withheld for SBE/COBI bonds	81,603.83	85,188.01	83,364.01	82,441.00	84,569.18	82,685.85
Public education and capital outlay	253,433.00	6,946,290.00	6,842,344.20	840,463.80	534,232.00	1,962,917.00
Food service	34,019.00	29,243.00	29,835.00	25,283.00	26,188.97	28,205.00
State grants and other state sources	335,480.27	334,144.45	448,202.04	455,719.47	601,857.81	475,088.41
Total state sources	16,266,593.77	23,669,399.72	23,846,466.88	19,747,090.35	20,985,563.90	23,593,996.61
Local Sources						
Ad valorem taxes	2,505,203.00	2,487,447.29	2,638,161.95	2,584,848.41	2,383,646.45	2,305,954.34
Food service sales	365,662.11	377,993.26	393,302.31	400,804.80	423,965.94	444,243.62
Interest income and others	86,427.62	88,776.72	134,845.91	235,876.43	303,507.10	197,129.90
Local grants and other local sources	334,400.96	345,729.67	528,789.42	496,926.76	423,959.66	511,110.98
Total local sources	3,291,693.69	3,299,946.94	3,695,099.59	3,718,456.40	3,535,079.15	3,458,438.84
Total revenues	23,047,851.44	31,385,660.67	32,712,761.64	27,801,266.51	28,533,236.41	30,975,068.09

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Six Years

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenditures						
Instruction	12,224,602.22	12,956,589.65	13,805,604.30	13,792,591.36	15,010,021.78	16,115,910.06
Pupil Personnel Services	581,990.12	593,132.22	674,293.87	651,856.04	652,429.11	671,637.72
Instructional Media Services	452,520.83	591,379.34	632,643.48	573,684.40	573,502.18	599,427.17
Instruction and Curriculum	444,682.79	378,839.84	623,611.63	870,262.39	883,935.46	551,029.30
Instructional Staff Training	93,571.17	132,060.58	148,745.39	161,983.68	35,136.71	631,308.39
Instruction Related Technology				173,268.10	244,045.26	299,367.05
Board of Education	169,595.78	168,333.37	167,181.26	168,523.21	163,700.05	185,663.06
General Administration	235,716.40	248,963.02	968,995.30	1,200,964.69	266,619.17	259,087.86
School Administration	1,511,008.59	1,481,805.04	1,745,773.80	1,573,676.48	1,755,840.79	1,958,290.24
Facilities Acq & Construction	183,963.69	310,788.74	994,334.50	1,646,700.52	43,228.36	188.07
Fiscal Services	258,363.15	242,397.05	264,487.63	273,899.52	297,863.42	339,506.65
Food Service	1,282,882.27	1,354,757.50	1,395,600.63	1,474,723.86	1,595,176.01	1,668,698.48
Central Services	686,391.82	664,199.00	840,228.06	756,607.42	791,876.03	1,142,287.05
Pupil Transportation Services	962,843.17	978,265.29	1,059,295.14	1,145,878.04	1,285,378.21	1,352,924.06
Operation of Plant	2,158,673.19	2,219,970.70	2,456,010.46	2,522,296.21	2,687,628.95	2,803,871.35
Maintenance of Plant	702,363.26	751,176.78	718,585.74	711,802.94	872,100.79	1,144,019.09
Community Services	0.00	3,323.96	1,212.00	0.00	876.36	33,385.38
Facilities Acq & Construction	615,947.76	9,952,310.01	3,635,848.36	0.00	0.00	0.00
Other Capital Outlay	349,803.98	563,643.30	828,421.69	535,484.66	557,870.71	603,280.96
Debt Service:						0.00
Redemption of principal	30,000.00	35,000.00	4,205,450.00	114,862.61	123,057.11	126,379.40
Interest	52,605.00	51,030.00	68,345.83	95,355.00	90,323.00	84,900.71
Dues and fees	127.42	119.08	162.08	208.31	198.14	147.40
Total Expenditures	22,997,652.61	33,678,084.47	35,234,831.15	28,444,629.44	27,930,807.60	30,571,309.45
Excess of Revenues Over						
(Under) Expenditures	50,198.83	(2,292,423.80)	(2,522,069.51)	(643,362.93)	602,428.81	403,758.64
Other Financing Sources (Uses):						
Proceeds of loans		3,218,000.00	2,152,450.00			
Loss recoveries	77,397.35	50,938.85	5,282.00			550.00
Change in compensated absences			500,000.00			
Transfers In	839,314.57	731,163.00	5,289,603.33	326,000.00	600,005.00	708,000.00
Transfers Out	(1,051,814.57)	(1,453,163.00)	(5,289,603.33)	(326,000.00)	(600,005.00)	(708,000.00)
Total Other Financing Sources (Uses)	(135,102.65)	2,546,938.85	2,657,732.00	0.00	0.00	550.00
Net Change in Fund Balance	(84,903.82)	254,515.05	135,662.49	(643,362.93)	602,428.81	404,308.64
Fund balance, beginning	3,902,806.81	3,817,902.99	4,072,418.04	4,208,080.53	3,564,336.11	4,166,764.92
Fund balance, ending	3,817,902.99	4,072,418.04	4,208,080.53	3,564,717.60	4,166,764.92	4,571,073.56

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 Seven Years

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Agriculture</u>	<u>Tax-Exempt</u>	<u>Miscellaneous</u>	<u>Total Assessed</u>
2007	242,323,924	47,193,860	6,321,868	160,868,596	92,583,411	52,001,363	601,293,022
2006	228,551,094	45,862,269	5,647,732	152,919,465	90,526,508	46,357,135	569,864,203
2005	197,341,237	33,785,552	4,772,523	144,954,671	72,414,813	21,140,950	474,409,746
2004	189,752,108	30,436,419	4,702,695	136,055,272	69,371,634	17,509,495	447,827,623
2003	182,408,567	28,620,787	4,955,337	131,759,187	66,810,463	14,358,945	428,913,286
2002	173,288,865	28,647,426	5,160,295	128,365,961	64,145,639	14,417,392	414,025,578
2001	162,586,756	27,690,464	4,808,751	128,703,052	78,119,464	14,583,161	416,491,648

Exhibit P-5

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
PROPERTY TAX RATES
Last Seven Years

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
County wide							
Board of County commissioners	9.980	10.000	10.000	10.000	10.000	9.750	9.500
NWF water commission	0.050	0.050	0.050	0.050	0.050	0.050	0.045
School	6.700	8.842	8.338	8.372	7.761	5.774	5.245
Total	<u>16.730</u>	<u>18.892</u>	<u>18.388</u>	<u>18.422</u>	<u>17.811</u>	<u>15.574</u>	<u>14.790</u>

Exhibit P-6

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 PRINCIPAL PROPERTY TAX PAYERS
 Last Seven Years

Taxpayer	2001		2002		2003		2004	
	Taxable Value	Per-cent of total	Taxable Value	Per-cent of total	Taxable Value	Per-cent of total	Taxable Value	Per-cent of total
West Florida Electric	8,752,149	3.14%	8,882,445	3.06%	9,282,906	3.04%	10,314,146	3.22%
Embarq Florida Inc								
Sprint-Florida Inc	7,284,711	2.61%	8,280,084	2.86%	10,191,092	3.33%	10,820,535	3.38%
Alabama Electric Co	2,845,522	1.02%	2,877,065	0.99%	5,464,021	1.79%	5,455,979	1.70%
Gulf Power Co	4,851,309	1.74%	4,989,908	1.72%	5,442,353	1.78%	5,404,724	1.69%
Florida Gas Transmission Co	4,305,000	1.54%	3,971,000	1.37%	4,388,704	1.44%	4,251,000	1.33%
Holmes Health Care	3,397,622	1.22%	3,445,544	1.19%	3,330,890	1.09%		
CSX	3,274,995	1.17%	3,406,816	1.17%	6,156,116	2.01%	7,186,043	2.24%
Formation Properties III, LLC							3,304,291	1.03%
Soterra LLC	2,990,912	1.07%	3,017,127	1.04%	3,037,409	0.99%	2,543,507	0.79%
Prutimber Fund Three	2,381,810	0.85%	2,107,551	0.73%	1,989,476	0.65%		
Interstate Fibernet I	1,807,089	0.65%	1,665,350	0.57%				
Alltell Communications					1,241,716	0.41%		
Plum Creek Timber OP I LLC								
Gray Midamerica TV Inc							1,754,143	0.55%
The Bank Of Bonifay							1,847,875	0.58%
Timber Landholdings of FI, Inc								
Vaghmar Bhupendra B								
Providential Group LLC								
Holmes Timberland LLC								
Total	41,891,119	15.01%	42,642,890	14.70%	50,524,683	16.53%	52,882,243	16.51%

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 PRINCIPAL PROPERTY TAX PAYERS
 Last Seven Years

Taxpayer	2005		2006		2007	
	Taxable Value	Per-cent of total	Taxable Value	Per-cent of total	Taxable Value	Per-cent of total
West Florida Electric	10,688,518	3.16%	11,296,319	2.77%	11,850,271	2.76%
Embarq Florida Inc					6,926,949	1.61%
Sprint-Florida Inc	8,391,678	2.48%	8,391,678	2.06%		
Alabama Electric Co	6,282,793	1.85%	6,293,275	1.55%	6,225,271	1.45%
Gulf Power Co	6,080,180	1.79%	6,116,370	1.50%	6,298,754	1.47%
Florida Gas Transmission Co	4,951,439	1.46%	4,951,439	1.22%	4,907,694	1.14%
Holmes Health Care						
CSX						
Formation Properties III, LLC	3,322,726	0.98%	3,732,707	0.92%	3,698,545	0.86%
Soterra LLC						
Prutimber Fund Three	1,529,622	0.45%				
Interstate Fibernet I						
Alltell Communications						
Plum Creek Timber OP I LLC	2,602,187	0.77%				
Gray Midamerica TV Inc	2,175,565	0.64%	2,175,565	0.53%	2,853,942	0.66%
The Bank Of Bonifay	1,211,018	0.36%	1,923,929	0.47%	1,908,675	0.44%
Timber Landholdings of FI, Inc	2,527,641	0.75%				
Vaghmar Bhupendra B			1,638,434	0.40%	1,609,026	0.37%
Providential Group LLC					1,583,202	0.37%
Holmes Timberland LLC			2,080,153	0.51%		0.00%
Total	49,763,367	14.69%	48,599,869	11.93%	47,862,329	11.13%

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
GOVERNMENTAL TAX REVENUE BY SOURCE
Last Ten Years

<u>Fiscal Year</u>	<u>General</u>	<u>Discretionary</u>	<u>Capital Projects</u>	<u>Total</u>
2000	5.942	0.000	2.000	7.942
2001	5.520	0.760	0.000	6.280
2002	5.940	0.760	0.000	6.700
2003	6.082	0.760	2.000	8.842
2004	5.578	0.760	2.000	8.338
2005	5.612	0.760	2.000	8.372
2006	5.001	0.760	2.000	7.761
2007	5.014	0.760	0.000	5.774
2008	4.485	0.760	0.000	5.245
2009	5.136	0.748	0.000	5.884

Exhibit P-8

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 SCHOOL BUILDING INFORMATION AND ENROLLMENT DATA
 Last Ten Years

	Bonifay Middle	Poplar Springs	Bethlehem	Ponce de Leon High	Ponce de Leon Elem	Bonifay Elem	Holmes Co High	Gap
Placed in service	1950	2005	2001	1989	1979	1970	1992	
Square footage (a)	92,531	117,533	130,629	72,891	51,492	98,576	131,466	
Portables	1		2	1	4	6	1	
Student stations	822	515	873	568	474	858	757	
Enrollment:								
1998	443.62	392.21	649.11	448.35	402.50	862.09	561.38	38.97
1999	441.65	394.31	617.61	444.51	386.10	794.67	507.84	26.99
2000	412.85	386.59	587.16	467.79	377.66	772.82	477.89	22.00
2001	406.40	390.64	542.21	445.64	381.70	796.78	470.10	24.00
2002	378.50	364.56	548.84	440.94	401.22	774.29	483.90	27.00
2003	373.50	318.50	573.59	429.85	365.50	774.75	483.30	28.86
2004	391.68	320.74	553.89	409.81	331.50	773.28	485.10	29.00
2005	526.51	321.60	507.07	409.46	335.66	669.32	462.00	38.50
2006	510.70	331.50	501.72	390.74	379.05	686.83	475.65	30.50
2007	482.66	320.50	505.02	399.49	370.00	670.98	473.24	30.50
2008	499.00	310.52	509.11	410.50	352.50	705.42	472.90	47.85

(a) Square footage does not include portables

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
NUMBER OF PERSONNEL
Last Ten Years

Year	(a) Administrative	(b) Instructional	(c) Support Services	Total Employees	Ratio of Students to Instructional Personnel
1998	27	265	214	506	14.33
1999	27	269	216	512	13.43
2000	29	255	204	488	13.74
2001	29	256	202	487	13.51
2002	29	252	194	475	13.57
2003	29	250	194	473	13.39
2004	28	251	198	477	13.13
2005	30	257	204	491	12.72
2006	34	258	209	501	12.82
2007	34	263	210	507	12.37
2008	34	265	220	519	12.65

- (a) Superintendent, board members, district administrative, directors, principals, assistant principals,
(b) Teachers, guidance, psychologists, media specialists, curriculum, other professional instructional staff
(c) Aides, bus drivers, food service workers, maintenance, clerical, etc.

DISTRICT SCHOOL BOARD OF HOLMES COUNTY
 FOOD SERVICE OPERATING DATA
 Last Five Years

	2004	2005	2006	2007	2008
Days meals were served	180	180	180	180	180
Meals served	589,938	597,796	612,035	594,340	583,411
Average meals served daily	3,277	3,321	3,400	3,302	3,241
Free and reduced meals served	396,500	392,908	392,203	373,882	381,139
Percentage of free and reduced to total meals	67.2%	65.7%	64.1%	62.9%	65.3%
Total revenues	1,268,958.55	1,303,263.39	1,365,928.17	1,358,989.42	1,403,888.62
Total subsidy received	826,862.00	855,524.00	892,856.75	883,310.00	923,561.50
Total expenses	1,353,498.17	1,386,993.06	1,473,500.06	1,595,176.01	1,668,698.48
Average daily costs	7,519.43	7,705.52	8,186.11	8,862.09	9,270.55

Exhibit P-11