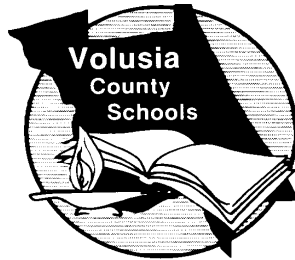
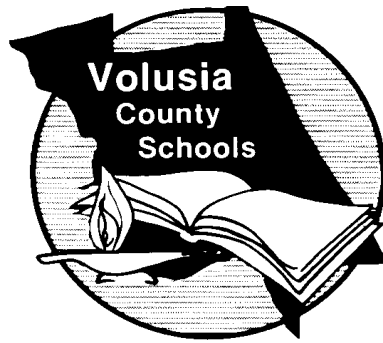

District School Board of Volusia County
DeLand, Florida

Comprehensive Annual
Financial Report

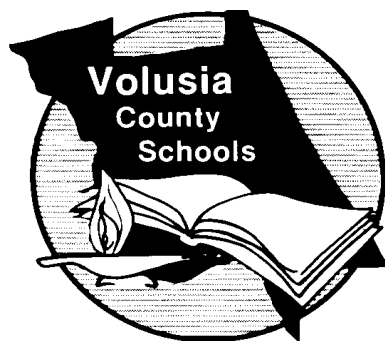
For the Fiscal Year Ended
June 30, 2003



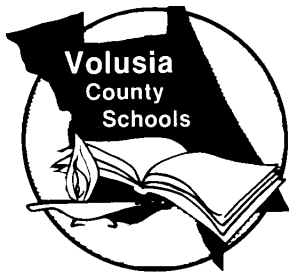
Prepared by:
Division of Financial Services



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Introductory Section



William E. Hall
Superintendent of Schools

January 16, 2004

Dear Chairman, Members of the Board, and Citizens of Volusia County:

State law requires that all local governments publish, after the close of each fiscal year, a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited, by a firm of licensed certified public accountants or by the Florida Auditor General, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, we hereby issue the comprehensive annual financial report ("CAFR") of the District School Board of Volusia County, Florida ("District") for the fiscal year ended June 30, 2003. This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report.

The CAFR is presented here in four sections: 1) introductory, 2) financial, 3) statistical, and 4) single audit report. The introductory section includes this transmittal letter, list of Board members, appointed officials, and an organizational chart. The financial section includes the independent auditor's report, government-wide and governmental, proprietary, and fiduciary funds type statements, notes to the basic financial statements, and combining and individual fund statements and schedules. The statistical section consists of unaudited tables that reflect both financial and demographic data. This information is for the purpose of presenting social and economic information, financial trends, and fiscal capacity of the District, and is generally presented on a multi-year basis. The single audit report section includes the information related to the requirement that all Federal grantee agencies undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the United States Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal control and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards.

This report includes all funds of the District, the Volusia School Board Leasing Corporation, Inc., the Volusia County Education Direct-Support Organization, Inc. ("Futures"), and the District's two Charter Schools, Reading Edge Academy, Inc., and Chiles Academy, Inc., which comprise the reporting entity. The Volusia School Board Leasing Corporation, Inc., was formed by the School Board to be the lessor in connection with financing the acquisition and/or construction of certain educational facilities. Futures is a separate not-for-profit corporation organized and operated as a direct-support organization. Future's purpose is exclusively educational and charitable for the constituents of Volusia County. The Reading Edge Academy, Inc., and Chiles Academy, Inc., charter schools are public schools operating under performance contracts with the School Board. Futures and the Charter Schools are included as aggregate discretely presented component units.

To provide a reasonable basis for making these representations, the District's management has established a system of internal control that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their

P.O. Box 2118 • 200 North Clara Avenue • DeLand, Florida 32721-2118

DeLand Daytona Beach New Smyrna Beach Osteen
(386) 734-7190 (386) 255-6475 (386) 427-5223 (407) 860-3322

School Board of Volusia County

Mrs. Vicki Bumpus, Chairman
Mr. Earl McCrary, Vice Chairman
Ms. Judy Andersen
Ms. Judy Conte
Ms. Candace Lankford

benefits, the District's system of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The Florida Auditor General conducted the audit of the District's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion on the District's financial statements for the fiscal year ended June 30, 2003. The Florida Auditor General's report is presented as the first component of the financial section of this report. The Florida Auditor General is considered to be an independent auditor.

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

Profile of the Government

The District and its governing board were created pursuant to Section 4(b), Article IX of the Constitution of the State of Florida. The District is an independent taxing and reporting entity managed, controlled, operated, administered, and supervised by the District school officials in accordance with Chapter 1001, Florida Statutes. The Board consists of five elected officials responsible for the adoption of policies, which govern the operation of the District's public schools. The appointed Superintendent of Schools ("Superintendent") is the executive officer of the Board and is responsible for the administration and management of the schools within the applicable parameters of Florida Statutes, State Board of Education Rules, and School Board policies. The Superintendent is also specifically delegated the responsibility of maintaining a uniform system of records and accounts in the District by Section 1010.01, Florida Statutes, as prescribed by the State Board of Education.

The geographical boundaries of the District are those of Volusia County. Volusia County is located in the east-central region of the State of Florida. Volusia County is approximately 40 miles northeast of Orlando and approximately 200 miles from Tallahassee, Florida's capital. Volusia County was established in 1854 and became the 30th county in the State of Florida. The 2003 population for Volusia County is estimated to be 466,374 persons. Within its borders are several incorporated areas and small, unincorporated communities.

During the 2002-2003 fiscal year, the District had 69 schools, including 46 elementary schools, 11 middle schools, 8 high schools, 1 middle/high school, 1 alternative education center, and 2 charter schools. The District reported approximately 62,209 students (20 day enrollment).

Economic Condition and Outlook

Volusia County is located on the east coast of central Florida and is the eastern terminus of the I4 corridor, which runs through Orlando and extends to the cities of Tampa and St. Petersburg on the Florida west coast. Volusia has a tourism intensive economy with approximately thirty-six percent (36%) of its taxable sales resulting from tourism. Tourism is a stable and growing industry in Volusia based primarily on a drive-in market of visitors interested in our recreational areas including forty-seven miles of beaches. Major tourist events include: Bike Week, Biketoberfest, NASCAR Daytona 500 and six other major racing events at the Daytona International Speedway, and Spring Break.

Volusia County experienced an increase every month in total taxable sales in 2002 as reported to the Department of Revenue. Volusia's unemployment rate in recent history has been generally below the Florida and national unemployment rates. As of the 2000 census and according to the Bureau of

Economic Analysis, U.S. Department of Commerce, per capita personal income was \$22,660 for the Daytona Beach Metropolitan Statistical Area (MSA). The 2002 median household income was \$37,957. Volusia County, according to the 2002 Florida Price Level Index prepared by the Florida Department of Education, ranks (from highest to lowest) 26th in cost of living out of 67 counties in the State, with an index of 95.06. This means that the cost of living in Volusia County is 4.94 percent below the State average of 100.00.

The County is part of the Daytona Beach MSA, which includes Volusia and Flagler Counties. Volusia County's population growth is projected to be a moderate 1.6 percent per year. The population of Volusia County has increased 72,606 from 1990 to 2000 and is projected to reach 479,000 by 2005, 514,000 by 2010, and 585,000 by 2020.

In 2002, the Daytona Beach MSA median age was 42.4 years. Twenty-one percent of the population was under 18 years and 21 percent were 65 years and older. Families made up 63 percent of the households, which includes both married-couple families (48 percent) and other families (15 percent). Eight percent of the people were foreign born and 92 percent were native, including 31 percent who were born in Florida. Among people at least 5 years old, 10 percent spoke a language other than English at home. Of those speaking a language other than English at home, 63 percent spoke Spanish and 37 percent spoke some other language; 32 percent reported that they did not speak English "very well". Eighty-four percent of people 25 years and older had at least graduated from high school and 17 percent had a bachelor's degree or higher.

In 2002, the leading industries for the employed population 16 years and older in the Daytona Beach MSA were educational, health, and social services, 21 percent; retail trade, 14 percent; and leisure and hospitality, 14 percent. The most common occupations were: sales and office occupations, 31 percent; management, professional, and related occupations, 28 percent; service occupations, 22 percent; construction, extraction, and maintenance occupations, 9 percent; and production, transportation, and material moving occupations, 9 percent.

Major Initiatives

Capital Outlay Program

On October 9, 2001, the voters of Volusia County approved a referendum to adopt a half-cent sales tax for fifteen years. On January 1, 2002, the revenues from the sales tax began funding the Volusia County School Board's approved ten-year plan to construct certain identified educational facilities. The approved capital projects list had an estimated cost of \$397 million and a contingency of \$31 million and a built-in inflation amount of \$87 million for a total project cost of \$515 million. Over the ten-year construction period, the District planned to use \$54 million of other funds to complete these projects, which would leave \$461 million, needed from the sales tax collections. The referendum established a Project Oversight Committee that will provide additional assurance to the citizens that the School Board is meeting its commitments and obligations related to improvements promised during the 2001 election. The Committee is responsible for reporting on the implementation, progress, status, and completion of the sales tax construction projects.

While the District continues to see a trend of increased sales tax collections in the second year, there are no assurances that this trend will continue in future years. Any collections that exceed projections will be added to the amounts set aside for contingencies. In addition to meeting unforeseen costs on projects, these funds will be used for site acquisition and site improvements on sales tax projects.

The reuse of new school construction plans, as well as the current construction bidding environment, has provided the District with opportunities to construct schools at a lower cost than four years ago. Land acquisition and off-site improvements on sales tax projects have been funded using contingency funds. The District anticipates utilizing sales tax funds for land acquisitions and off-site improvements for Elementary Y, Elementary V, Elementary Z, and High School DDD or other projects where a site is not already owned.

The School Board approved a resolution, authorizing the District to enter into an agreement with a financial institution for a line of credit. This will allow the School Board to finance certain educational facilities without the issuance of additional bonds. The Line of Credit is a debt management tool used to minimize interest expense, while continuing to provide the District a vehicle to enter into construction contracts and encumber the needed funds.

The fiscal year 2002-03 witnessed substantial and visible gains in the 10-year construction program as months of planning came to realization through contracts and subsequent construction. Over \$100 million in construction contracts have been awarded this fiscal year. An additional \$8 million has been completed with the conclusion of the final site work at Seabreeze High School in Daytona Beach. T.T. Small Elementary, Daytona Beach, addition was completed in February. Campbell Middle School, Daytona Beach, is nearing completion and will be ready for occupancy this fall. Seabreeze High School, Daytona Beach, Phase III is complete and DeLand High, DeLand, Phase III is well underway. The groundbreaking for the new Mainland High School in Daytona Beach was April 30, 2003, and construction progress is highly visible along International Speedway Boulevard.

Academic Accomplishments

Student achievement is measured throughout a student's educational career using a variety of testing instruments that include both norm-referenced and criterion-referenced assessments. Collectively, the data derived from student achievement tests support several purposes that include School, District, and State accountability; instructional and program decision-making; student placement; and monitoring student progress. Major testing programs include the Florida Comprehensive Assessment Test (FCAT), Pre-Scholastic Assessment Test (PSAT), Scholastic Assessment Test (SAT), American College Test (ACT), Advanced Placement (AP), and the High School Competency Test (HSCT).

The FCAT is a State mandated test that measures the degree to which students are learning the Sunshine State Standards in reading, mathematics, and writing. The reading and mathematics FCAT is administered to students in grades 3 through 10. The writing FCAT is administered to students in grade 4, 8, and 10. The science FCAT is administered to students in grade 5, 8, and 10. FCAT results are used for school accountability purposes, as well as to monitor individual student progress.

Over the four years of the accountability system, the number of Volusia schools receiving an "A" or "B" rating increased from 24 percent in 1999 to 89 percent in 2003. Statewide, 69 percent of schools received an "A" or "B" rating this year. Ninety percent of Volusia's Title I schools received an "A" or "B" rating in 2003 as compared with 65 percent in 2002. No Volusia school received a "D" or "F" rating in 2003. Volusia County's students' 2003 FCAT mean reading and math scores were above the State in all grades 3-10. Volusia County's students either met or exceeded the State's mean writing scores in grades 4, 8, and 10. The State's mean score for science was also exceeded by Volusia County's students in grades 5, 8, and 10.

The SAT assesses verbal and mathematics reasoning skills that are important for success in college. Volusia County students' SAT scores remained above the 1000 mark for the fourth consecutive year despite a decline in the combined score from 1012 in 2002 to 1003 in 2003. Fifty-four percent of Volusia seniors graduated with an SAT score. Nationally, 43-45 percent of seniors participate in the SAT program.

Best Financial Management Practices Review

The final report of the Office of Program Policy Analysis and Government Accountability (OPPAGA) Best Financial Management Practices Review for Volusia County Schools shows the District met 93.2 percent of the established best practices. This score represents the best score in the state, with 23 districts having undergone reviews.

Florida law directs OPPAGA and the Auditor General to review the financial management practices of school districts. This includes the review of best practices in management structures, performance accountability, educational service delivery, administrative and instructional technology, personnel systems and benefits, facilities construction and maintenance, transportation, food service operations, and cost

control systems. The purpose of the review is to improve Florida school district management's use of resources and to identify cost savings.

Budgetary Controls

The District maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of all governmental and proprietary types are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the function level.

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

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

General Government Functions

For the purpose of this section, general government functions include the General Fund, the Special Revenue Funds, the Debt Service Funds and the Capital Projects Funds. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to maintain fund balances sufficient to meet its responsibility for sound financial management.

The District derives its revenues from various Federal, State and local sources. The primary sources of educational funding come from the Florida Education Finance Program ("FEFP") and FEFP categorical programs. Basic FEFP funds are provided on a weighted full-time equivalent (FTE) basis using a formula prescribed by the State Legislature, which takes into account varying program cost factors and District cost differentials. FEFP categorical programs are lump sum appropriations intended to enhance various District educational programs. These sources may fluctuate from year to year based on State legislative appropriations and student enrollment. Local revenue for school district support is derived almost entirely from property and sales taxes.

General Fund Operations

The resources accounted for in this fund are principally committed to carrying out the educational programs offered to the residents of Volusia County, as well as the general operation and support of the public schools. Funds received from the State, mainly FEFP revenue, and local property taxes provide the primary sources of revenues. The general operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds are paid from this fund.

Debt Administration

State Board of Education (SBE) bonds are paid from the District's portion of the State-assessed motor vehicle tax. General obligation bonds are paid from the proceeds of the District's debt service millage levy. The capital outlay millage is used to pay the debt on the Certificates of Participation. The Capital Improvement Note is paid from the proceeds of the 2 mills that the District is allowed to levy annually for capital outlay purposes. Sales Tax Bonds are paid from collections of a one-half cent discretionary sales surtax levied pursuant to Section 212.055(6), Florida Statutes.

Cash Management and Investments

The intention of the cash management systems is to maximize interest earnings. Investment portfolios are designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The overall investment strategy is to expose the District to a minimum amount of credit risk and market risk. All bank balances on deposits are entirely insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Risk Management

Due to the exposure for financial losses associated with the District's operations, the District School Board of Volusia County has maintained a comprehensive risk management program. The District self-insures its program for workers' compensation, property, and general liability and employs a third-party agency to administer the claims. Other risks, such as boiler and machinery losses, employee crime, catastrophic student athletic injuries, fleet, and flood are protected using various commercial insurance policies.

Awards and Acknowledgements

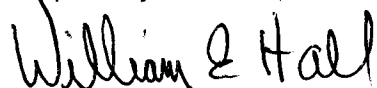
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2002. This was the first year the District has received these prestigious awards. In order to be awarded the Certificate of Achievement for Excellence in Financial Reporting and the Certificate of Excellence in Financial Reporting, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement and the Certificate of Excellence are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA and the ASBO to determine its eligibility for another certificate.

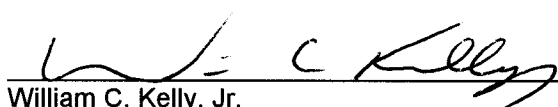
The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of Financial Services and the audit staff of the Florida Auditor General. Each member of the division and the audit staff has our sincere appreciation for the contributions made in the preparation of this report.

In closing, we would like to thank the members of the School Board for their leadership and support in planning and conducting the financial operations of the District.

Respectfully submitted,



William E. Hall
Superintendent of Schools



William C. Kelly, Jr.
Assistant Superintendent for Financial Services



Bertie Trawick
Director of Finance

DISTRICT SCHOOL BOARD OF VOLUSIA COUNTY, FLORIDA
SCHOOL BOARD MEMBERS - ELECTED



Mrs. Vicki Bumpus, Chairman

District 5
Member since November 1998
Current term expires November 2006



Mr. Earl C. McCrary, Vice Chairman

District 2
Member since November 1992
Current term expires November 2004



Ms. Judy L. Andersen

District 3
Member since November 1998
Current term expires November 2006



Ms. Judy Conte

District 4
Member since November 1992
Current term expires November 2004



Ms. Candace Lankford

District 1
Member since November 2002
Current term expires November 2006

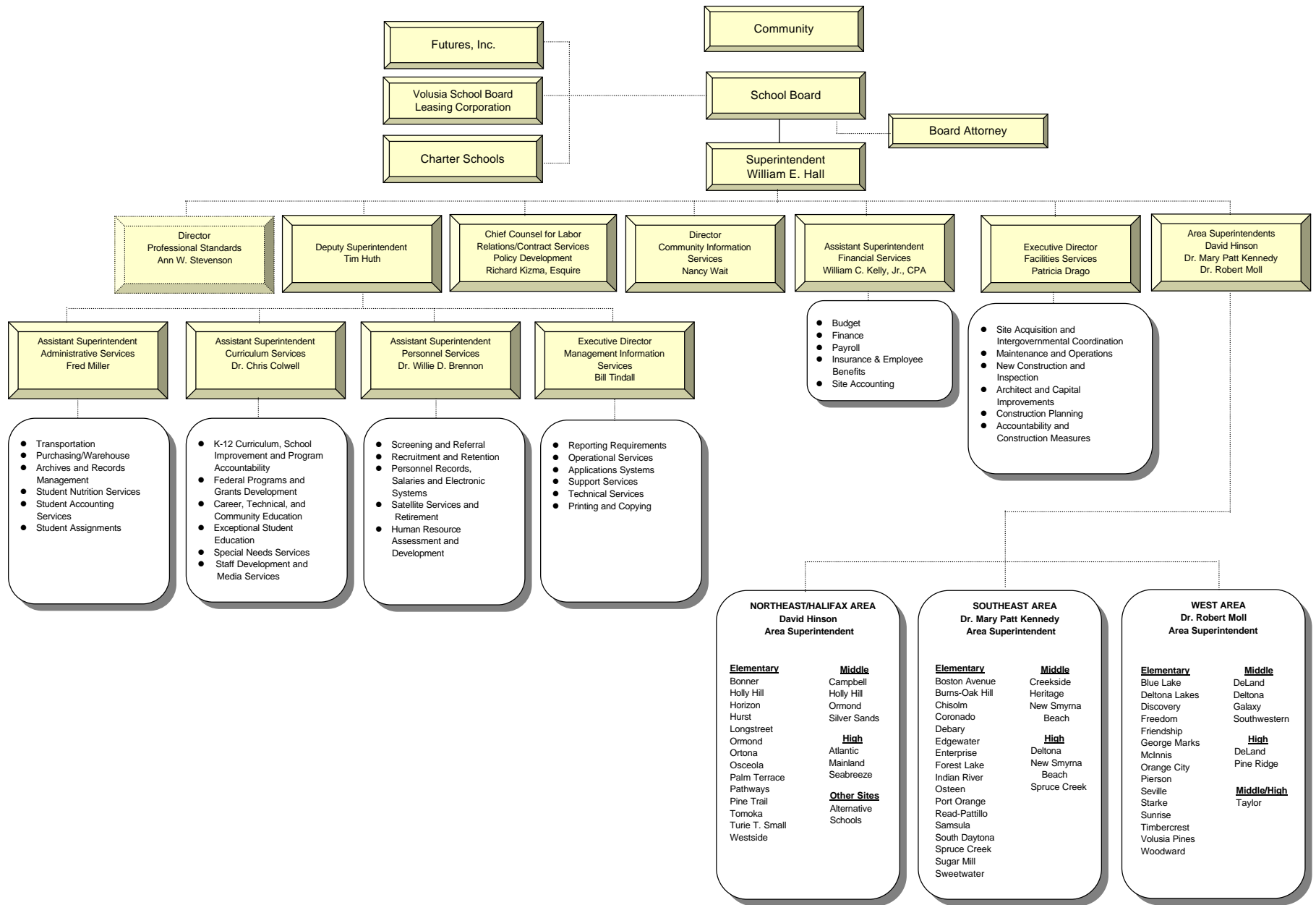
DISTRICT SCHOOL BOARD OF VOLUSIA COUNTY, FLORIDA
PRINCIPAL OFFICIALS - APPOINTED



William E. Hall
Superintendent of Schools

Tim Huth	Deputy Superintendent
David Hinson	Area Superintendent
Dr. Robert Moll	Area Superintendent
Dr. Mary Patt Kennedy	Area Superintendent
Dr. Chris Colwell	Assistant Superintendent Curriculum and School Improvement
Dr. Willie D. Brennon	Assistant Superintendent Personnel Services
William C. Kelly, Jr., CPA	Assistant Superintendent Financial Services
Fred Miller	Assistant Superintendent Administrative Services
Richard Kizma, Esquire	Chief Counsel for Labor Relations, Contract Services, and Policy Development
Patricia Drago	Executive Director Facilities Services
Bill Tindall	Executive Director Management Information Services
Nancy Wait	Director Community Information Services
Ann W. Stevenson	Director Professional Standards

DISTRICT SCHOOL BOARD OF VOLUSIA COUNTY, FLORIDA ORGANIZATIONAL CHART



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

DISTRICT SCHOOL BOARD OF VOLUSIA COUNTY

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2002

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


President


Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

District School Board of
Volusia County, Florida

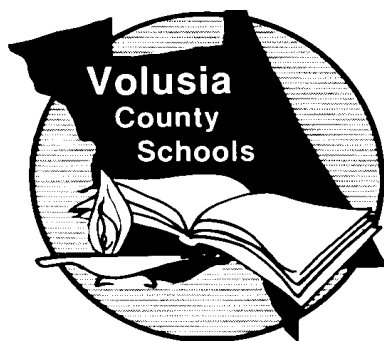
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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



President

Executive Director



Financial Section



WILLIAM O. MONROE, CPA
AUDITOR GENERAL

AUDITOR GENERAL STATE OF FLORIDA

**G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450**



**850/488-5534/SC 278-5534
Fax: 488-6975/SC 278-6975**

The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Volusia County District School Board as of and for the fiscal year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the school internal funds, reported as Agency Funds, which represent 11 percent of the assets and 37 percent of the liabilities of the aggregate remaining fund information. In addition, we did not audit the financial statements of the Reading Edge Academy, Inc.; Chiles Academy, Inc.; or Volusia County Education Direct-Support Organization, Inc., which represent 100 percent of the assets, liabilities, revenues, and expenses of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been provided to us, and our opinion, insofar as it relates to the amounts included for the school internal funds and the aggregate discretely presented component units, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Volusia County Education Direct-Support Organization, Inc., were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

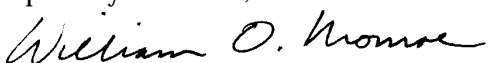
In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Volusia County District School Board as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Volusia County District School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grants included under the heading ***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS***. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis (pages 3 through 10) is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Volusia County District School Board's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the United States Office of Management and Budget's *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The combining and individual fund financial statements and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion of them.

Respectfully submitted,



William O. Monroe, CPA

January 16, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the District School Board of Volusia County, Florida, (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with our basic financial statements found on pages 11 through 25.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2003, by \$490,914,969. Of this amount, \$284,828,249 represents investments in capital assets (net of related debt), \$206,086,720 represents restricted and unrestricted net assets of \$237,120,361 and \$(31,033,641), respectively.
- The District's total net assets increased by \$42,771,926.
- At June 30, 2003, the District's governmental funds reported combined fund balances of \$253,660,701, a decrease of \$21,083,075 in comparison with the prior year.
- At June 30, 2003, the unreserved fund balance for the General Fund was \$13,777,386, or 4 percent of total General Fund expenditures. The unreserved fund balance is available for spending at the District's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows only in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

The government-wide financial statements include the District (known as the primary government), the Volusia County Education Direct-Support Organization, Inc., and two charter schools, Reading Edge Academy, Inc., and Chiles Academy, Inc., for which the District is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government. The Volusia School Board Leasing Corporation, Inc. (Leasing Corporation), although also legally separate, was formed to facilitate financing for the acquisition of facilities and equipment. Due to a substantive economic relationship between the District and the Leasing Corporation, the Leasing Corporation has been included as an integral part of the primary government. The government-wide financial statements can be found on pages 11 through 13 of this report.

Fund 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. All of the District's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains fifteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the District's most significant funds. The District's major funds are the General Fund, Local Capital Improvement - Capital Projects Fund, Certificates of Participation - Capital Projects Fund, and the Local Sales Tax - Capital Projects Fund. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 through 20 of this report.

Proprietary Funds – Proprietary funds may be established to account for activities in which a fee is charged for services. The District maintains Internal Service Funds to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its self-insurance programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The three internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data is provided in the form of combining statements elsewhere in this report.

The basic proprietary funds financial statements can be found on pages 21 through 23 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statements can be found on pages 24 through 25 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 47 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. The District's total assets exceed its liabilities by \$490,914,969 (total net assets) at June 30, 2003, which was an increase of \$42,771,926 over the previous year. Net assets include investments in capital assets, primarily school facilities and related furniture fixtures and equipment, net of outstanding debt used to acquire capital assets. The remaining net assets are divided between those that are restricted and those that are unrestricted. Restricted net assets are those assets net of related liabilities that are restricted to uses specified by third parties, primarily under the terms of debt issues, and Federal and State grantor agencies. Unrestricted net assets can be used to meet the District's ongoing obligations to creditors and to provide programs to its students.

The District had a \$31,033,641 deficit in unrestricted net assets at June 30, 2003. Management has every confidence that the deficit in unrestricted net assets does not represent an inability to meet District obligations. Compensated absences in the amount of \$47,267,280 were the most significant liability (claim) against unrestricted assets. Most of the estimated amount of compensated absences liabilities, \$42,452,103, will be due more than one year from the financial statement date and does not require the use of current resources.

Condensed Statement of Net Assets		
	Governmental Activities	
	2003	2002
Current and other assets	\$ 281,723,179	\$ 299,950,299
Capital assets	<u>591,097,715</u>	<u>545,291,288</u>
Total assets	<u>872,820,894</u>	<u>845,241,587</u>
Long-term liabilities outstanding	362,154,561	372,897,873
Other liabilities	<u>19,751,364</u>	<u>24,200,671</u>
Total liabilities	<u>381,905,925</u>	<u>397,098,544</u>
Net assets:		
Invested in capital assets, net of related debt	284,828,249	219,414,319
Restricted	237,120,361	258,751,018
Unrestricted	<u>(31,033,641)</u>	<u>(30,022,294)</u>
Total net assets	<u>\$ 490,914,969</u>	<u>\$ 448,143,043</u>

Key elements of the District's governmental activities are as follows:

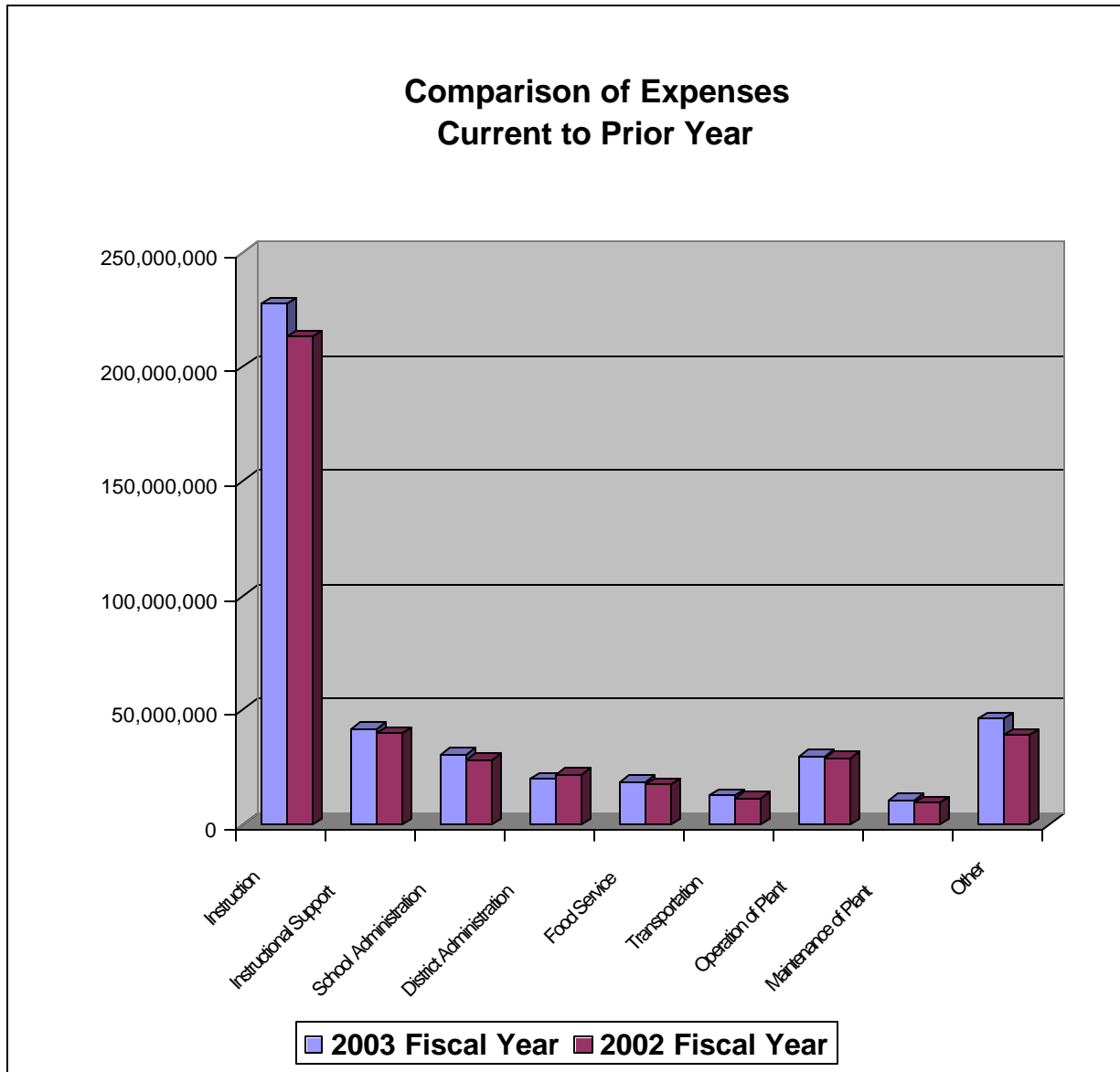
Change in Net Assets

	Governmental Activities	
	2003	2002
Revenues:		
Program revenues:		
Charges for services	\$ 13,513,689	\$ 11,675,049
Operating grants and contributions	23,757,919	20,382,556
Capital grants and contributions	11,766,955	11,216,225
General revenues:		
Property taxes	165,370,868	153,056,718
Other taxes	30,747,285	15,063,254
Grants and contributions not restricted to specific programs	225,760,225	214,903,955
Other	10,519,264	14,545,560
Total revenues	481,436,205	440,843,317
Expenses:		
Instruction	227,594,168	213,318,716
Pupil personnel services	19,938,915	18,214,060
Instructional media services	6,666,347	5,996,773
Instruction and curriculum development	10,337,293	11,134,615
Instructional staff training services	4,783,473	4,476,893
Board of education	365,919	335,061
General administration	2,930,750	2,928,426
School administration	30,844,455	28,478,245
Facilities acquisition and construction	3,015,564	5,623,268
Fiscal services	2,495,708	2,506,261
Food services	18,879,572	17,685,516
Central services	11,237,929	10,514,558
Pupil transportation services	12,654,270	11,709,726
Operation of plant	29,953,234	29,125,890
Maintenance of plant	10,807,896	9,536,530
Community services	1,914,220	1,679,972
Interest on long-term debt	14,703,119	10,242,297
Depreciation expense	29,541,447	27,300,446
Total expenses	438,664,279	410,807,253
Increase in net assets	42,771,926	30,036,064
Net assets - Beginning	448,143,043	418,106,979
Net assets - Ending	\$ 490,914,969	\$ 448,143,043

Governmental activities increased the District's net assets by \$42,771,926. Key elements of this increase are as follows:

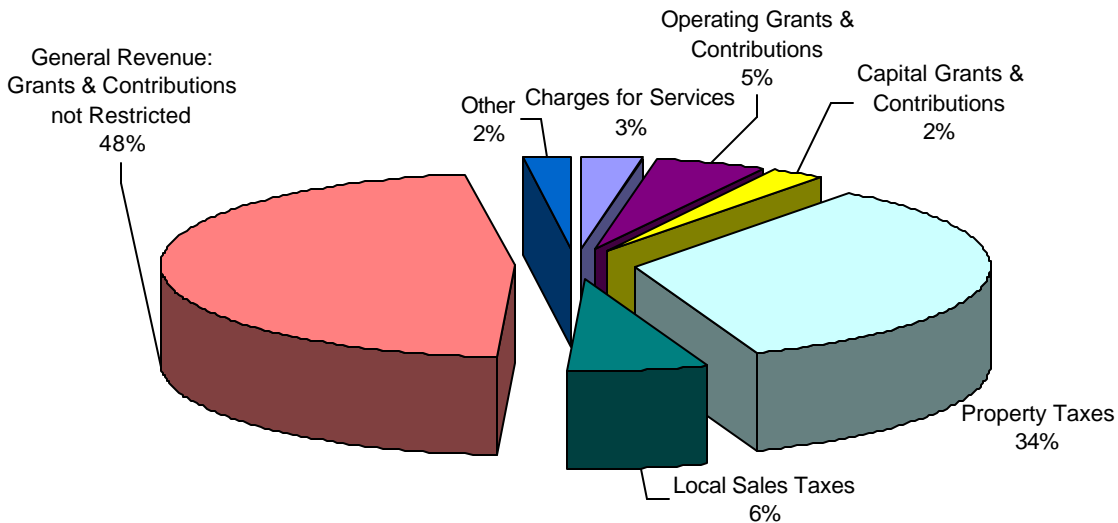
- Property tax revenue increased by \$12,314,150 (8 percent) during the year. Most of this increase relates to an increase in the taxable assessed value.

- On October 9, 2001, the citizens of Volusia County approved a referendum authorizing the imposition of a half-cent option sales tax for fifteen years. Beginning January 1, 2002, the District recorded sales tax revenue for a six-month period. The current fiscal year's twelve-month collections resulted in an increase of \$15,684,031 to be used for construction purposes.
- Instruction and Instructional Support expenses accounted for approximately 61 percent of total governmental expenses in the 2002-03 fiscal year. Instruction and Instructional Support expenses increased by \$16,179,139, which represents a 6.4 percent increase from the 2001-02 fiscal year.



District administration includes board of education, general administration, facilities acquisition and construction, fiscal services, and central services. Other includes community services, interest on long-term debt, and depreciation expense.

Revenues by Source - Governmental Activities



FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$253,660,701, a decrease of \$21,083,075 in comparison with the prior year. Approximately 41 percent of the ending fund balances, \$105,037,799, constitutes unreserved fund balances, which is available for spending at the District's discretion, in accordance with regulations, restrictions, or limitations of the fund. The remainder of the fund balances are reserved to indicate that they are not available for new spending because they have already been committed 1) to liquidate contracts and purchase orders of the prior period, \$124,593,760; 2) to liquidate the related expenditures that will be recognized when inventories are eventually consumed, \$2,784,166; 3) to make debt service payments, \$18,942,621; or 4) to fund State categorical programs, \$2,302,355.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$13,777,386, while total fund balance reached \$19,361,944. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 4 percent of total General Fund expenditures, while total fund balance represents 5.6 percent of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$1,309,196, as compared to a decrease of \$5,583,960 in the prior year. Key factors in this growth are as follows:

- Revenues increased by 6 percent (\$19.6 million) due to an increase in State and local funding, including grants, categorical programs, and property taxes.

- Expenditures increased by 4 percent (\$13.2 million), and more closely parallel revenues as compared to the prior year. Therefore, revenues exceeded expenditures and other financing sources.

The Debt Service Funds had a combined total fund balance of \$18,942,621, all of which is reserved for the payment of debt service. The net increase in fund balance during the current fiscal year in the Debt Service Funds was \$5,276,876. This increase was due to the transfer from Capital Projects Funds to Debt Service Funds for the local sales tax revenue bonds.

The Capital Projects Funds had a combined total fund balance of \$206,076,522, all of which is reserved for capital projects. The net decrease in fund balance during the current fiscal year in the Capital Projects Funds was \$28,226,187, which was the result of spend-downs on several major projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

Many of the large fluctuations between original and amended budget are from revenues that are not known and measurable at the time of budget adoption. These are amended into the budget during the year. Revenues and the corresponding appropriations are amended into the budget upon receipt. Annual salary increases are amended into the budget once salary negotiations have concluded. Fluctuations between amended budget and actual amounts usually occur from unused grant balances. Certain unexpended funds remain allocated and are rebudgeted in the following fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2003, amounted to \$591,097,715 (net of accumulated depreciation). This investment in capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; property under capital leases; audio visual materials; and computer software. The total increase in the District's investment in capital assets for the current fiscal year was 8.4 percent. Major capital asset events during the current fiscal year included the following:

- Near completion of Seabreeze High School Phase III, Daytona Beach
- Completion of T.T. Small Elementary School addition, Daytona Beach
- Near completion of Campbell Middle School, Daytona Beach

Capital Assets (net of depreciation)		
	Governmental Activities	
	2003	2002
Land	\$ 36,979,234	\$ 32,614,545
Construction in progress	67,987,929	65,700,981
Improvements other than buildings	15,470,087	12,749,050
Buildings and fixed equipment	441,011,975	404,274,978
Furniture, fixtures, and equipment	14,061,110	13,895,481
Motor vehicles	10,654,461	9,429,241
Property under capital leases	1,011,884	3,009,185
Audio visual materials	57,426	126,459
Computer software	3,863,609	3,491,368
Total	\$ 591,097,715	\$ 545,291,288

Additional information on the District's capital assets can be found in note 4 on page 33 of this report.

Long-Term Debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$304,036,705. Of this amount, \$37,460,455 comprises debt backed by the full faith and credit of the District, \$150,671,250 backed by sales tax revenue, and \$21,210,000 backed by the full faith and credit of the State of Florida. The remainder of this debt represents \$94,695,000 in certificates of participation.

The District maintains an “Aaa” rating from Moody’s and an “AAA” rating from Fitch on its certificates of participation. The sales tax revenue bonds have been rated an “Aaa” insured rating, with an underlying rating of “Aa” from Moody’s and an “AAA” rating from Fitch.

Additional information on the District’s long-term debt can be found in the notes to the basic financial statements.

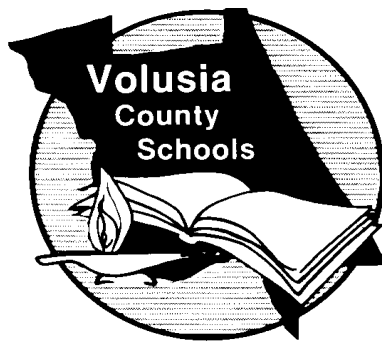
Outstanding Debt		
	Governmental Activities	
	2003	2002
Note payable	\$ 897,191	\$ 4,392,619
Bonds payable	209,341,705	218,804,517
Obligations under capital leases	1,335,570	2,829,833
Certificates of participation	<u>94,695,000</u>	<u>99,850,000</u>
Total	<u>\$ 306,269,466</u>	<u>\$ 325,876,969</u>

ECONOMIC FACTORS AND NEW YEAR’S BUDGETS AND RATES

- The unemployment rate for the District (Volusia County, Florida) is currently 5.1 percent, which compares favorably to the State’s average unemployment rate of 5.5 percent.
- District revenues depend to a large extent on Florida education allocations. As of the date of this report, the most recent State estimates of revenues were very close to the projections used when the State budget was prepared.
- The taxable value of assessed property in Volusia County increased by 11 percent over the previous year, continuing the trend of increasing taxable values. New construction accounts for approximately one-third of the increase.

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 School District of Volusia County, Finance Department, P.O. Box 2118, DeLand, Florida 32721-2118.



Basic Financial Statements

District School Board of Volusia County, Florida
Statement of Net Assets
June 30, 2003

	Primary Government	Discretely Presented Component Units	
	Governmental Activities	Charter Schools	Volusia County Education Direct-Support Organization, Inc.
ASSETS			
Cash	\$ 11,523,292	\$ 219,069	\$ 432,246
Investments	250,539,842	-	13,543
Accounts receivable	-	415	7,500
Interest receivable	257,200	-	-
Deposits receivable	-	13,000	-
Due from other agencies	15,411,283	-	-
Inventories	2,784,166	356	-
Prepaid items	-	3,915	306,299
Deferred charges	1,207,396	-	-
Capital assets:			
Land	36,979,234	156,207	-
Construction in progress	67,987,929	-	-
Improvements other than buildings, net	15,470,087	-	-
Buildings and fixed equipment, net	441,011,975	1,352,613	-
Furniture, fixtures and equipment, net	14,061,110	82,411	-
Motor vehicles, net	10,654,461	-	-
Property under capital leases, net	1,011,884	-	-
Audio visual materials, net	57,426	-	-
Computer Software, net	3,863,609	-	-
Total assets	<u>872,820,894</u>	<u>1,827,986</u>	<u>759,588</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Salaries and benefits payable	3,178,051	432	-
Payroll deductions and withholdings	2,663	946	-
Accounts payable	7,412,045	8,023	-
Construction contracts payable	3,797,135	-	-
Construction contracts payable - retainage	3,197,765	-	-
Matured bonds payable	47,432	-	-
Accrued interest payable	889,495	-	-
Due to other agencies	115,035	-	-
Estimated liability for arbitrage rebate	1,024,830	-	-
Deferred revenue	86,913	-	-
Long-term liabilities:			
Portion due within one year:			
Notes payable	897,191	26,236	-
Bonds payable	18,132,812	-	-
Obligations under capital leases	1,335,570	-	-
Certificates of participation payable	5,390,000	-	-
Special termination benefits payable	632,815	-	-
Compensated absences payable	4,815,177	-	-
Estimated insurance claims payable	2,254,915	-	-
Portion due in more than one year			
Notes payable	-	621,496	-
Bonds payable	191,208,893	-	-
Certificates of participation payable	89,305,000	-	-
Special termination benefits payable	632,815	-	-
Compensated absences payable	42,452,103	5,855	-
Estimated insurance claims payable	5,097,270	-	-
Total liabilities	<u>381,905,925</u>	<u>662,988</u>	<u>-</u>
NET ASSETS			
Invested in capital assets, net of related debt	284,828,249	943,499	-
Restricted for:			
State categorical programs	2,503,703	-	-
Debt service	19,260,522	-	-
Capital projects	206,076,522	-	-
Food Service	9,279,614	-	-
Other Purposes	-	-	535,312
Unrestricted	(31,033,641)	221,499	224,276
Total net assets	<u>\$ 490,914,969</u>	<u>\$ 1,164,998</u>	<u>\$ 759,588</u>

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

District School Board of Volusia County, Florida
Statement of Activities
For the Fiscal Year Ended June 30, 2003

FUNCTIONS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Instruction	\$ 227,594,168	\$ 3,983,765	\$ -	\$ -
Pupil personnel services	19,938,915	-	-	-
Instructional media services	6,666,347	-	-	-
Instruction and curriculum development services	10,337,293	-	-	-
Instructional staff training services	4,783,473	-	-	-
Board of education	365,919	-	-	-
General administration	2,930,750	-	-	-
School administration	30,844,455	-	-	-
Facilities acquisition and construction	3,015,564	-	-	5,116,954
Fiscal services	2,495,708	-	-	-
Food services	18,879,572	8,304,707	11,230,247	-
Central services	11,237,929	-	-	-
Pupil transportation services	12,654,270	-	10,689,681	-
Operation of plant	29,953,234	-	-	-
Maintenance of plant	10,807,896	-	1,837,991	-
Community services	1,914,220	1,225,217	-	-
Interest on long-term debt	14,703,119	-	-	6,650,001
Depreciation expense	29,541,447	-	-	-
Total governmental activities	<u>\$ 438,664,279</u>	<u>\$ 13,513,689</u>	<u>\$ 23,757,919</u>	<u>\$ 11,766,955</u>
Component units:				
Charter Schools	\$ 1,541,485	\$ 83,163	\$ 61,450	\$ -
Volusia County Education Direct-Support Organization, Inc.	390,441	106,591	346,699	-
Total component units	<u>\$ 1,931,926</u>	<u>\$ 189,754</u>	<u>\$ 408,149</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes, levied for operational purposes

Property taxes, levied for debt service

Property taxes, levied for capital projects

Local sales taxes

Grants and contributions not restricted to specific programs

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets - July 1, 2002

Net assets - June 30, 2003

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

Net (Expense) Revenue and Changes in Net Assets

Primary Government		
Governmental Activities	Discretely Presented Component Units	
\$ (223,610,403)	\$ -	
(19,938,915)	-	
(6,666,347)	-	
(10,337,293)	-	
(4,783,473)	-	
(365,919)	-	
(2,930,750)	-	
(30,844,455)	-	
2,101,390	-	
(2,495,708)	-	
655,382	-	
(11,237,929)	-	
(1,964,589)	-	
(29,953,234)	-	
(8,969,905)	-	
(689,003)	-	
(8,053,118)	-	
(29,541,447)	-	
<u>(389,625,716)</u>	<u>-</u>	
-	(1,396,872)	
-	62,849	
-	<u>(1,334,023)</u>	
118,508,547	-	
9,707,724	-	
37,154,597	-	
30,747,285	-	
225,760,225	1,340,370	
4,978,893	5,891	
5,540,371	47,582	
<u>432,397,642</u>	<u>1,393,843</u>	
42,771,926	59,820	
448,143,043	1,864,766	
<u>\$ 490,914,969</u>	<u>\$ 1,924,586</u>	

District School Board of Volusia County, Florida
Balance Sheet -
Governmental Funds
June 30, 2003

	<u>General Fund</u>	<u>Local Capital Improvement - Capital Projects Fund</u>
ASSETS		
Cash	\$ 11,510,302	\$ -
Investments	12,609,987	27,624,976
Interest receivable	88,066	70,685
Due from other funds	-	-
Due from other agencies	4,233,441	1,160,103
Inventories	1,336,882	-
Total assets	<u>\$ 29,778,678</u>	<u>\$ 28,855,764</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Salaries and benefits payable	\$ 3,157,754	\$ -
Payroll deductions and withholdings	2,663	-
Accounts payable	7,155,053	3,396
Construction contracts payable	-	919,306
Construction contracts payable-retainage	-	258,523
Matured bonds payable	-	-
Due to other agencies	101,264	-
Estimated liability for arbitrage rebate	-	-
Due to other funds	-	-
Deferred revenue	-	-
Total liabilities	<u>10,416,734</u>	<u>1,181,225</u>
Fund balances:		
Reserved for:		
State categorical programs	2,302,355	-
Encumbrances	1,945,321	12,272,214
Inventories	1,336,882	-
Debt service	-	-
Unreserved	13,777,386	15,402,325
Unreserved, reported in nonmajor:		
Special revenue	-	-
Capital projects	-	-
Total fund balances	<u>19,361,944</u>	<u>27,674,539</u>
Total liabilities and fund balances	<u>\$ 29,778,678</u>	<u>\$ 28,855,764</u>

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

Certificates of Participation - Capital Projects Fund	Local Sales Tax - Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 12,990	\$ 11,523,292
16,109,442	152,333,275	33,878,327	242,556,007
-	41,909	47,162	247,822
-	-	779,374	779,374
-	7,686,616	2,331,123	15,411,283
-	-	1,447,284	2,784,166
<u>\$ 16,109,442</u>	<u>\$ 160,061,800</u>	<u>\$ 38,496,260</u>	<u>\$ 273,301,944</u>
\$ -	\$ -	\$ 20,297	\$ 3,178,051
-	-	-	2,663
-	-	253,596	7,412,045
785,859	2,090,923	1,047	3,797,135
1,801,154	1,138,088	-	3,197,765
-	-	47,432	47,432
-	-	13,771	115,035
-	-	1,024,830	1,024,830
-	-	779,374	779,374
-	-	86,913	86,913
<u>2,587,013</u>	<u>3,229,011</u>	<u>2,227,260</u>	<u>19,641,243</u>
-	-	-	2,302,355
11,377,887	96,651,516	2,346,822	124,593,760
-	-	1,447,284	2,784,166
-	-	18,942,621	18,942,621
2,144,542	60,181,273	-	91,505,526
-	-	7,217,251	7,217,251
-	-	6,315,022	6,315,022
<u>13,522,429</u>	<u>156,832,789</u>	<u>36,269,000</u>	<u>253,660,701</u>
<u>\$ 16,109,442</u>	<u>\$ 160,061,800</u>	<u>\$ 38,496,260</u>	<u>\$ 273,301,944</u>

**District School Board of Volusia County, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Assets
June 30, 2003**

Total Fund Balances - Governmental Funds **\$ 253,660,701**

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

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. 591,097,715

Debt issuance costs are not expensed in the government-wide statements, but are reported as deferred charges and amortized over the life of the debt. 1,207,396

Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the governmental funds until due. (889,495)

Internal service funds are used by management to charge the costs of its self-insurance programs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 641,028

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

Note Payable	\$ 897,191	
Bonds Payable	209,341,705	
Obligations Under Capital Leases	1,335,570	
Certificates of Participation Payable	94,695,000	
Special Termination Benefits Payable	1,265,630	
Compensated Absences Payable	47,267,280	
	47,267,280	(354,802,376)

Total Net Assets - Governmental Activities **\$ 490,914,969**

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

District School Board of Volusia County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Fiscal Year Ended June 30, 2003

	General Fund	Local Capital Improvement - Capital Projects Fund
REVENUES		
Federal direct	\$ 193,389	\$ -
Federal through State	777,640	-
Federal through local	40,064	-
State sources	205,543,283	-
Local sources	127,745,798	38,226,853
Total revenues	334,300,174	38,226,853
EXPENDITURES		
Current:		
Instruction	211,603,385	-
Pupil personnel services	16,237,925	-
Instructional media services	6,637,500	-
Instruction and curriculum development services	5,363,346	-
Instructional staff training services	2,822,699	-
Board of education	364,517	-
General administration	1,671,843	-
School administration	30,143,792	-
Facilities acquisition and construction	716,515	830,841
Fiscal services	2,486,146	-
Food services	-	-
Central services	11,139,861	-
Pupil transportation services	12,377,627	-
Operation of plant	29,836,292	-
Maintenance of plant	10,766,489	-
Community services	1,628,254	-
Debt service:		
Principal	708,227	-
Interest and fiscal charges	66,536	-
Capital Outlay:		
Facilities acquisition and construction	10,783	13,677,610
Other capital outlay	317,740	8,980,951
Total expenditures	344,899,477	23,489,402
Excess (deficiency) of revenues over expenditures	(10,599,303)	14,737,451
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	160,289	-
Transfers in	11,761,717	-
Transfers out	(13,507)	(15,866,897)
Total other financing sources (uses)	11,908,499	(15,866,897)
Net change in fund balances	1,309,196	(1,129,446)
Fund balances, July 1, 2002	18,052,748	28,803,985
Fund balances, June 30, 2003	\$ 19,361,944	\$ 27,674,539

The notes to the basic financial Statements are an integral part of this Statement.

Certificates of Participation - Capital Projects Fund	Local Sales Tax - Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,201,918	\$ 1,395,307
-	-	39,482,920	40,260,560
-	-	-	40,064
-	-	8,168,474	213,711,757
823,909	33,160,824	25,727,592	225,684,976
<u>823,909</u>	<u>33,160,824</u>	<u>74,580,904</u>	<u>481,092,664</u>
-	-	15,118,819	226,722,204
-	-	3,624,600	19,862,525
-	-	3,307	6,640,807
-	-	4,934,343	10,297,689
-	-	1,942,447	4,765,146
-	-	-	364,517
-	-	1,247,679	2,919,522
-	-	582,491	30,726,283
290,771	324,349	836,426	2,998,902
-	-	-	2,486,146
-	-	18,811,451	18,811,451
-	-	55,013	11,194,874
-	-	228,162	12,605,789
-	-	2,185	29,838,477
-	-	-	10,766,489
-	-	278,632	1,906,886
-	-	18,276,464	18,984,691
-	-	15,312,472	15,379,008
17,391,784	21,191,279	10,332,282	62,603,738
538,828	116,431	2,606,934	12,560,884
<u>18,221,383</u>	<u>21,632,059</u>	<u>94,193,707</u>	<u>502,436,028</u>
<u>(17,397,474)</u>	<u>11,528,765</u>	<u>(19,612,803)</u>	<u>(21,343,364)</u>
-	-	-	160,289
1,305,251	-	26,624,632	39,691,600
-	(12,687,784)	(11,023,412)	(39,591,600)
<u>1,305,251</u>	<u>(12,687,784)</u>	<u>15,601,220</u>	<u>260,289</u>
(16,092,223)	(1,159,019)	(4,011,583)	(21,083,075)
29,614,652	157,991,808	40,280,583	274,743,776
<u>\$ 13,522,429</u>	<u>\$ 156,832,789</u>	<u>\$ 36,269,000</u>	<u>\$ 253,660,701</u>

District School Board of Volusia County, Florida
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2003

Net Change in Fund Balances - Total Governmental Funds **\$ (21,083,075)**

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlays in excess of depreciation expense in the current period.	45,623,175
Capital assets donated to the District during the current period increase net assets in the government-wide statements but do not provide current financial resources and, therefore, are not reported in the governmental funds.	190,717
Proceeds from the sale of land are included in the governmental funds. However, the cost of the land sold is removed from capital assets and offset against the sale proceeds in the government-wide statements.	(7,464)
Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	18,984,691
Interest on long-term debt is recognized as an expenditure in the governmental funds when due, but is recognized as interest accrues in the statement of activities.	175,564
Issuance costs for debt issues are recognized as expenditures in the governmental funds, but are deferred and amortized over the life of the debt in the statement of activities	(122,488)
Bond premiums are recognized in governmental funds in the year bonds are issued, but are amortized over the life of the debt in the statement of activities.	622,812
In the statement of activities, the cost of compensated absences is measured by the amounts earned during the year, while in the governmental funds expenditures are recognized based on the amounts actually paid for compensated absences. This is the net amount of compensated absences earned in excess of the amount paid in the current period.	(2,030,986)
The net change in special termination benefits payable is not reported as an expenditure in the governmental funds, but is recognized in the statement of activities. This is the net amount of special termination benefits paid in excess of the amount earned in the current period.	518,980
Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net expense of internal service funds is reported with governmental activities.	(100,000)

Change in net assets of governmental activities **\$ 42,771,926**

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

District School Board of Volusia County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal direct:				
Reserve Officers Training Corp (ROTC)	\$ 175,000	\$ 193,389	\$ 193,389	\$ -
Total Federal direct	175,000	193,389	193,389	-
Federal through State:				
Medicaid	1,000,000	712,640	712,640	-
Miscellaneous Federal through State	-	65,000	65,000	-
Total Federal through State	1,000,000	777,640	777,640	-
Federal through local:				
Miscellaneous Federal through local	-	40,064	40,064	-
Total Federal through local	-	40,064	40,064	-
State sources:				
Florida education finance program	178,436,437	175,296,247	175,296,247	-
Categorical programs	22,961,163	23,082,791	23,082,791	-
District discretionary lottery funds	4,405,075	4,471,775	4,471,775	-
CO&DS withheld for administrative expense	34,366	34,896	34,896	-
Other State sources	698,485	2,657,574	2,657,574	-
Total State sources	206,535,526	205,543,283	205,543,283	-
Local sources:				
Ad valorem taxes	115,409,765	118,508,547	118,508,547	-
Interest income	1,000,000	624,518	624,518	-
Authorized Fees	-	2,840,455	2,840,455	-
Indirect Cost	1,165,000	1,556,150	1,556,150	-
Other local sources	852,268	4,216,128	4,216,128	-
Total local sources	118,427,033	127,745,798	127,745,798	-
Total revenues	326,137,559	334,300,174	334,300,174	-
EXPENDITURES				
Current:				
Instruction	217,533,518	220,168,495	211,603,385	8,565,110
Pupil personnel services	15,644,963	16,466,107	16,237,925	228,182
Instructional media services	7,308,229	7,261,356	6,637,500	623,856
Instruction and curriculum development services	4,830,951	5,630,052	5,363,346	266,706
Instructional staff training services	2,998,162	4,548,738	2,822,699	1,726,039
Board of education	315,197	366,176	364,517	1,659
General administration	2,036,765	1,847,758	1,671,843	175,915
School administration	27,609,193	30,632,655	30,143,792	488,863
Facilities acquisition and construction	1,336,193	1,221,743	716,515	505,228
Fiscal services	2,639,569	2,726,506	2,486,146	240,360
Central services	12,166,643	11,521,134	11,139,861	381,273
Pupil transportation services	12,289,193	12,412,893	12,377,627	35,266
Operation of plant	31,772,238	30,607,592	29,836,292	771,300
Maintenance of plant	11,809,565	11,018,182	10,766,489	251,693
Community services	193,883	1,864,143	1,628,254	235,889
Debt Service:				
Principal	708,227	708,227	708,227	-
Interest	66,536	66,536	66,536	-
Capital Outlay:				
Facilities acquisition and construction	106,661	688,026	10,783	677,243
Other capital outlay	1,216,416	761,302	317,740	443,562
Total expenditures	352,582,102	360,517,621	344,899,477	15,618,144
Deficiency of revenues under expenditures	(26,444,543)	(26,217,447)	(10,599,303)	15,618,144
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	10,000	160,289	160,289	-
Transfers in	10,396,717	11,761,717	11,761,717	-
Transfers out	(15,000)	(13,507)	(13,507)	-
Total other financing sources (uses)	10,391,717	11,908,499	11,908,499	-
Net change in fund balances	(16,052,826)	(14,308,948)	1,309,196	15,618,144
Fund balances, July 1, 2002	18,052,748	18,052,748	18,052,748	-
Fund balances, June 30, 2003	<u>\$ 1,999,922</u>	<u>\$ 3,743,800</u>	<u>\$ 19,361,944</u>	<u>\$ 15,618,144</u>

The notes to the basic financial Statements are an integral part of this Statement.

District School Board of Volusia County, Florida
Statement of Net Assets -
Proprietary Funds
June 30, 2003

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets:	
Investments	\$ 7,983,835
Interest receivable	9,378
Total assets	7,993,213
LIABILITIES	
Noncurrent liabilities:	
Estimated insurance claims payable	7,352,185
Total liabilities	7,352,185
NET ASSETS	
Unrestricted	641,028
Total net assets	\$ 641,028

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

District School Board of Volusia County, Florida
Statement of Revenues, Expenses, and
Changes in Fund Net Assets -
Proprietary Funds
For the Fiscal Year Ended June 30, 2003

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium revenue	\$ 5,837,181
OPERATING EXPENSES	
Salaries	121,333
Employee benefits	40,510
Purchased services	2,769,427
Materials and supplies	460
Insurance claims	3,042,670
Total operating expenses	5,974,400
Operating loss	(137,219)
NONOPERATING REVENUES (EXPENSES)	
Interest	137,219
Income before transfers	-
Transfers in	462,583
Transfers out	(562,583)
Change in net assets	(100,000)
Net assets - July 1, 2002	741,028
Net assets - June 30, 2003	\$ 641,028

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

District School Board of Volusia County, Florida
Statement of Cash Flows -
Proprietary Funds
For the Fiscal Year Ended June 30, 2003

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Board funds	\$ 5,837,181
Payments to suppliers	(2,769,887)
Payments to employees	(161,843)
Payments for insurance claims	(2,680,461)
	224,990
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	462,583
Transfers to other funds	(562,583)
	(100,000)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(7,983,835)
Interest income	166,706
	(7,817,129)
Net decrease in cash and cash equivalents	(7,692,139)
Cash and cash equivalents - July 1, 2002	7,692,139
	-
Cash and cash equivalents - June 30, 2003	\$ -
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (137,219)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in estimated insurance claims payable	362,209
	224,990
Net cash provided by operating activities	\$ 224,990

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

District School Board of Volusia County, Florida
Statement of Fiduciary Net Assets -
Fiduciary Funds
June 30, 2003

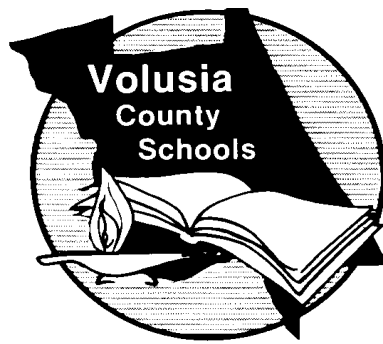
	Private-Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 2,209,428
Investments	701,806	3,467,054
Interest receivable	3,089	-
Total assets	704,895	\$ 5,676,482
LIABILITIES		
Deposits held for others	-	\$ 5,676,482
Total liabilities	-	\$ 5,676,482
NET ASSETS		
Assets held in trust for scholarships and other purposes	\$ 704,895	

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

District School Board of Volusia County, Florida
Statement of Changes in Fiduciary Net Assets -
Fiduciary Funds
For the Fiscal Year Ended June 30, 2003

	<u>Private-Purpose Trust Funds</u>
ADDITIONS	
Interest earnings	<u>\$ 18,220</u>
DEDUCTIONS	
Materials and supplies	3,962
Scholarship payments	<u>4,961</u>
Total deductions	<u>8,923</u>
Change in net assets	9,297
Net assets - July 1, 2002	<u>695,598</u>
 Net assets - June 30, 2003	 <u><u>\$ 704,895</u></u>

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



Notes to the Financial Statements

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On July 1, 2000, the Volusia County District School Board and the State Board of Education executed a charter school district contract that became effective July 1, 2000. The original contract was for three years, but was extended on July 1, 2003. The new contract will expire on June 30, 2008. Volusia County District School Board is the first school district in the State to be approved as a Charter School District.

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

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

Blended Component Unit. The Volusia School Board Leasing Corporation, Inc. (the Corporation), was formed to facilitate financing for the acquisition of facilities and equipment. Due to the substantive economic relationship between the District and the Corporation, the financial activities of the Corporation are included in the accompanying basic financial statements. Separate financial statements for the Corporation are not published.

Discretely Presented Component Units. The component units columns in the basic financial statements include the financial data of the District's other component units. These component units consist of the Volusia County Education Direct-Support Organization, Inc., and the District's two Charter Schools: Reading Edge Academy, Inc., and The Chiles Academy, Inc.

The Volusia County Education Direct-Support Organization, Inc., d/b/a Futures, Inc., is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to provide charitable and educational aid to the District, to promote education, and to encourage research, learning and dissemination of information. Futures, Inc., is considered to be a component unit of the District, because the District must approve all members of Futures, and the District has the ability to impose its will on Futures. It is considered to be a discrete component unit, because the two boards are not the same and Futures does not provide services entirely or nearly entirely to the District. An audit of the Direct-Support Organization's financial statements for the fiscal year ended June 30, 2003, was conducted by an independent certified public accountant and is filed in the District administrative office.

The District's Charter Schools, Reading Edge Academy, Inc., and The Chiles Academy, Inc., are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not For Profit Corporation Act, and Section 1002.33, Florida Statutes. The Charter Schools operate under a charter approved by their sponsor, the District School Board of Volusia County, and are considered to be component units of the District since they are fiscally dependent on the District. Audits of the Charter Schools' financial statements for the fiscal year ended June 30, 2003, were conducted by independent certified public accountants and are filed in the District's administrative office.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

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 primary government and its component units.

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

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 for the State that are legally restricted to be expended for specific current operating purposes.

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

Certificates of Participation - Capital Projects Fund – to account for financial resources provided by the various Certificates of Participation. These funds are used for the acquisition or construction of major educational facilities.

Local Sales Tax - Capital Projects Fund (Local Government Infrastructure Surtax) – to account for and report on funds received by the District from a voted one-half cent sales tax authorized under Section 112.055(6), Florida Statutes, approved by the voters, and agreed to by an interlocal agreement.

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

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

Private-Purpose Trust Funds – to account for the DeLand High, Spruce Creek High, and Seabreeze High Scholarship Trust Funds.

Agency Funds – to account for resources of the school internal funds that are used to administer moneys collected at the several schools in connection with school, student athletic, class, and club activities.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

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 funds 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 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 60 days of the end of the current fiscal year. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for Federal, State, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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

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

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

The Volusia County Education Direct-Support Organization, Inc., d/b/a Futures, Inc., shown as a discretely presented component unit, is accounted for under the not-for-profit basis of accounting and uses the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

D. Deposits and Investments.

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes. The statement of cash flows considers cash and cash equivalents as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Funds Trust Fund investment pool created by Section 218.405, Florida Statutes, and those made locally. This investment pool operates under investment guidelines established by Section 215.47, Florida Statutes. The District's investments in the Local Government Surplus Funds Trust Fund, a Securities and Exchange Commission Rule 2a7-like external investment pool, are reported at amortized cost. Investments made locally consist of United States Treasury securities, Obligations of United States Government Agencies and Instrumentalities, money market mutual funds, and certificates of deposit and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

E. Inventories

Inventories consist of expendable supplies held for consumption in the course of District operations. Warehouse, transportation, maintenance, and purchased food inventories are valued on a moving-average basis, except for purchased food inventories at the schools which are valued at cost on the first-in, first-out basis. The United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Agriculture and Consumer Services, Bureau of Food Distribution. The costs of inventories are recorded as expenditures when used rather than when purchased.

F. Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net assets but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$500. Such assets are recorded at historical cost or estimated historical costs if purchased or constructed. Donated assets are recorded at fair value at the date of donation. Interest costs incurred during construction of capital assets are not considered material and are not capitalized as part of the cost of construction.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Improvements Other than Buildings	20 years
Buildings and Fixed Equipment	40 years
Furniture, Fixtures and Equipment	5 years
Motor Vehicles	10 years
Property Under Capital Leases	3 years
Audio Visual Materials	3 years
Computer Software	5 years

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

G. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported as liabilities in the government-wide statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, bonds and other long-term obligations are not recognized as liabilities until due. Governmental fund types recognize bond premiums and discounts, as well as bond

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the government-wide financial statements, compensated absences (i.e., paid absences for employee vacation leave and sick leave) are accrued as liabilities to the extent that it is probable that the benefits will result in termination payments. A liability is reported in the governmental fund financial statements only for the current portion of compensated absences expected to be paid using expendable available resources. The liability is liquidated with expendable available resources and expenditures are recognized as payments come due each period upon the occurrence of relevant events such as employee resignations and retirements.

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

H. State Revenue Sources

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

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

The State allocates gross receipt taxes, generally known as Public Education Capital Outlay money, to the District on an annual basis. The District is authorized to expend these funds only upon applying for and receiving an encumbrance authorization from the Department.

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

I. District Property Taxes

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

Property taxes consist of ad valorem taxes on real and personal property within the District. Property values are determined by the Volusia County Property Appraiser and property taxes are collected by the Volusia County Finance Department.

The School Board adopted the 2002 tax levy on September 12, 2002. 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.

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

Property tax revenues are recognized in the government-wide financial statements when the Board adopts the tax levy. Property tax revenues are recognized in the governmental fund financial statements when taxes are received by the District, except that revenue is accrued for taxes collected by the Volusia County Finance Department at fiscal year-end but not yet remitted to the District.

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

J. Federal Revenue Sources

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

2. BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The Board follows procedures established by Chapter 1001.51, Florida Statutes, and State Board of Education Administrative Rules, Chapter 6A-1, in establishing budget balances for governmental funds as described below:

- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
- The legal level of control is at the functional level (e.g., instruction, pupil personnel services, and school administration) with control exercised at the object level (e.g., salaries, purchased services, and capital outlay) within each function. Appropriations are amended accordingly by resolution at any School Board meeting prior to the due date of the annual financial report.
- Budgets are prepared using the same modified accrual basis as is used to account for governmental funds.
- Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at fiscal year-end and encumbrances outstanding are honored from the subsequent year's appropriations.

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3. INVESTMENTS

As of June 30, 2003, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Local Government Surplus Funds Trust Fund - Investment Pool	67 day average	\$ 85,843,355
Dreyfus Institutional Preferred Money Market Fund	60 day average	131,400,277
United States Treasury Notes	September 2003	995,000
Obligations of United States Government Agencies and Instrumentalities	February 2004 - June 2008	36,242,477
Certificates of Deposit	April 2004 - June 2007	227,593
Total		<u>\$ 254,708,702</u>

Interest Rate Risk

1. The District's investment policy limits investment maturities to a maximum of five years, unless specifically matched with cash flow needs as a means of managing its exposure to fair value losses arising from increasing interest rates.
2. The District has \$17,242,675 in Obligations of United States Government Agencies and Instrumentalities that include embedded options consisting of the option at the discretion of the issuer to call their obligation or pay a stated increase in the interest rate. These securities have various call dates, and mature between September 2005 and June 2008.
3. Investments in variable rate notes are as follows:

<u>Description</u>	<u>Notes</u>	<u>Maturity</u>	<u>Market Value</u>
Federal Home Loan Bank	3 Month Libor + 85.5 basis points until 5/04, 1 time call and step to 3.00% thereafter	November 2006	\$ 1,000,000
Federal Home Loan Mortgage Corporation	3 Month Libor + 80 basis points until 04/04, 1 time call and step to 3.25% thereafter	April 2007	1,999,250

Credit Risk

District policy limits investments to United States Treasury securities, Obligations of United States Government Agencies and Instrumentalities, SEC registered money market funds with the highest rating from at least two of the six nationally recognized statistical rating organizations, whose portfolios consist of any permitted investment instruments, certificates of deposit in State qualified public depositories, as well as the Local Government Surplus Funds Trust Fund. As of June 30, 2003, the District's investment in the Local Government Surplus Funds Trust Fund investment pool was unrated. The District's investment in Dreyfus Institutional Preferred Money Market Fund, as well as investments in the Federal Home Loan Bank, the Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation were rated AAA by Standard & Poor's and Aaa by Moody's Investor Services.

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4. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

GOVERNMENTAL ACTIVITIES	July 1, 2002			June 30, 2003
	Balance	Additions	Deletions	Balance
Capital Assets Not Being Depreciated:				
Land	\$ 32,614,545	\$ 4,372,153	\$ 7,464	\$ 36,979,234
Construction in progress	65,700,981	54,268,114	51,981,166	67,987,929
Total Capital Assets Not Being Depreciated:	<u>98,315,526</u>	<u>58,640,267</u>	<u>51,988,630</u>	<u>104,967,163</u>
Capital Assets Being Depreciated:				
Improvements other than buildings	20,436,577	3,942,484	-	24,379,061
Buildings and fixed equipment	556,682,219	51,981,166	-	608,663,385
Furniture, fixtures, and equipment	62,607,974	9,852,104	10,583,487	61,876,591
Motor vehicles	26,105,023	3,195,932	2,083,709	27,217,246
Property under capital leases	6,832,979	-	2,508,530	4,324,449
Audio-visual materials	319,227	14,137	12,554	320,810
Computer software	12,789,270	2,217,376	144,386	14,862,260
Total Capital Assets Being Depreciated:	<u>685,773,269</u>	<u>71,203,199</u>	<u>15,332,666</u>	<u>741,643,802</u>
Less Accumulated Depreciation for:				
Improvements other than buildings	7,687,527	1,221,447	-	8,908,974
Buildings and fixed equipment	152,407,241	15,244,169	-	167,651,410
Furniture, fixtures, and equipment	48,712,493	9,686,475	10,583,487	47,815,481
Motor vehicles	16,675,782	1,970,712	2,083,709	16,562,785
Property under capital leases	3,823,794	1,997,301	2,508,530	3,312,565
Audio-visual materials	192,768	83,170	12,554	263,384
Computer software	9,297,902	1,845,135	144,386	10,998,651
Total Accumulated Depreciation	<u>238,797,507</u>	<u>32,048,409</u>	<u>15,332,666</u>	<u>255,513,250</u>
Total Capital Assets Being Depreciated, Net	<u>446,975,762</u>	<u>39,154,790</u>	<u>-</u>	<u>486,130,552</u>
Governmental Activities Capital Assets, Net	<u>\$ 545,291,288</u>	<u>\$ 97,795,057</u>	<u>\$ 51,988,630</u>	<u>\$ 591,097,715</u>

The classes of property under capital lease are presented in a subsequent note.

The District's capital assets serve several functions; accordingly, depreciation expense, which totaled \$29,541,447, was not charged to functions but is separately reported on the statement of activities.

5. OBLIGATIONS UNDER CAPITAL LEASES

The classes and amounts of property being acquired under capital leases are as follows:

Computer laboratories	<u>Asset Balance</u>
Personal computers	\$ 2,067,873
Total	<u>2,256,576</u>
	<u>\$ 4,324,449</u>

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

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	<u>\$ 1,335,570</u>	<u>\$ 62,697</u>	<u>\$ 1,398,267</u>

The stated interest rate is 5.50 percent for the computer laboratories and 7.03 percent for the personal computers.

6. NOTE PAYABLE

Note payable is comprised of the following:

<u>Key Municipal Finance</u>	<u>June 30, 2003 Balance</u>
\$9,366,346, borrowed August 24, 2000, pursuant to Section 1011.14, Florida Statutes. Interest rate of 4.25 percent. Proceeds used to finance certain capital projects. Matures August 23, 2003.	<u>\$ 897,191</u>

Amounts payable for the planned repayment of loan are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	<u>\$ 897,191</u>	<u>\$ 9,533</u>	<u>\$ 906,724</u>

7. CERTIFICATES OF PARTICIPATION

The District entered into a refunding arrangement on November 2, 1995, to advance refund the Certificates of Participation, Series 1991, maturing on and after August 1, 2002, issued on behalf of the District by the Volusia School Board Leasing Corporation, Inc. (Leasing Corporation). The refunding issue was made pursuant to the Master Lease-Purchase Agreement dated August 1, 1991, and the Supplemental Trust Agreement dated October 1, 1995. The refunding, which was in the total amount of \$45,205,000, was accomplished through the issuance of Refunding Certificates of Participation, Series 1995, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The term of the original lease commenced on November 2, 1995, and runs until the earlier of: (a) the date on which the Series 1995 Certificates have been paid or provision for payment of the Series 1995 Certificates have been made pursuant to Section 12.01 of the Supplemental Trust Agreement and any supplemental rent arising under the Lease Agreement shall have been paid or provided for, or (b) June 30, 2011. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through the term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be up to approximately 30 years from the date of the inception of the arrangement.

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The District properties included in the ground lease under this arrangement, and supplements thereto, include:

Friendship Elementary School. Construction of an approximately 77,200 square foot facility located at 2746 Fulford Street in the southwest (Deltona) area of the District. The elementary school accommodates 720 students in grades kindergarten through grade 5.

Pine Ridge High School. Construction of an approximately 250,000 square foot facility on an 83-acre site at 925 Howland Boulevard in the southwest (Deltona) area of the District. The high school accommodates 1,898 students in grades 9 through 12.

Sweetwater Elementary School. Construction of an approximately 77,200 square foot facility on a 17-acre site located in the Halifax area of the District. The elementary school accommodates 720 students in grades kindergarten through grade 5.

Forest Lake Elementary School. Construction of an approximately 77,200 square foot facility on a 25.24-acre site located at 1600 Doyle Road in the southwest (Deltona) area of the District. The elementary school accommodates 720 students in grades kindergarten through grade 5.

Heritage Middle School. Acquisition of undeveloped land and the payment of a portion of design services for the location of a new middle school on a 40.4-acre site in the southwest (Deltona) area of the District. The facility accommodates 1,145 students in grades 6 through 8.

Debary Elementary School. Construction of an approximately 77,200 square foot facility on an 18.4-acre site located at 88 West Highlands Road in Debary, Florida in the southwest are of the District. The elementary school accommodates 720 students in grades kindergarten through grade 5.

The District entered into another financing arrangement on September 1, 1999, which was characterized as a lease-purchase agreement, with the Leasing Corporation, whereby the District secured financing for the acquisition and construction of facilities and equipment in the total amount of \$65,685,000. The financing was accomplished through the issuance of Certificates of Participation, Series 1999, to be repaid from the proceeds of rents paid by the District.

As a condition of the financing arrangement, the District has given a ground lease on District property to the Leasing Corporation, with a rental fee of \$10 per year. The term of the original lease commenced on September 1, 1999, and runs until the earlier of (a) the date on which the Series 1999 Certificates have been paid in full, or (b) July 1, 2029. The properties covered by the ground lease are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the lease and to provide for the rent payments through the term, the District may be required to surrender the sites included under the Ground Lease Agreement for the benefit of the securers of the Certificates for a period of time specified by the arrangement which may be up to approximately 30 years from the date of the inception of the arrangement.

The following is a general description of the facilities comprising the principal components of the Series 1999 Project:

Creekside Middle School. Construction of an approximately 168,000 square foot facility on a 45-acre site in the southeast area of the District. The school includes grades 6 through 8 and accomodates 1,454 student stations.

Maintenance Facility. Construction of a new maintenance facility to replace an existing facility. The facility contains approximately 90,000 square feet and includes a central kitchen, electrical shop, air conditioning/refrigeration shop, carpentry shop, plumbing shop, welding shop, locksmith shop, masonry shop,

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glazing shop, and paint shop. The facility was constructed on a 24-acre site currently owned by the Board located in the City of Daytona Beach.

Campbell Middle Replacement School. Construction of an approximately 165,000 square foot facility on a 40-acre site currently owned by the Board and located at 601 South Keach Street in Daytona Beach, Florida. Upon completion of construction, the existing middle school on the same site will be demolished and replaced with athletic facilities for the new school. The facility will contain grades 6 through 8 and will contain capacity for approximately 1,406 student stations.

New Elementary School "W". On January 9, 2001, the School Board approved Resolution No. 01-02 substituting the cafeteria and auditorium project at Seabreeze High School and increased construction expenditures at Campbell Middle School for construction of New Elementary School "W".

Deltona High School Project. On June 24, 2003, the School Board approved Resolution No. 03-11 substituting the New Middle School "BB" site purchase, the new New Smyrna Beach High School, and the new Middle School "FF" site purchase for the Deltona High School Project. This project includes the design and reconstruction of various classroom buildings, administration building, media center, auditorium, and the construction of a new central chiller facility for the entire campus.

The lease payments are payable by the District, semiannually, on August 1 and February 1 at interest rates ranging from 4.25 to 5.50 percent. The following is a schedule by years of future minimum lease payments under the lease agreements together with the present value of minimum lease payments as of June 30:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 5,390,000	\$ 4,905,110	\$ 10,295,110
2005	5,635,000	4,659,317	10,294,317
2006	5,895,000	4,396,253	10,291,253
2007	6,175,000	4,115,588	10,290,588
2008	6,480,000	3,814,439	10,294,439
2009-2013	26,385,000	14,049,931	40,434,931
2014-2018	14,830,000	9,097,114	23,927,114
2019-2023	19,370,000	4,557,300	23,927,300
2024	4,535,000	249,425	4,784,425
Total Minimum Lease Payments	<u>\$ 94,695,000</u>	<u>\$ 49,844,477</u>	<u>\$ 144,539,477</u>

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8. BONDS PAYABLE

Bonds payable at June 30, 2003, are as follows:

Bond Type	Amount Issued	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 1996-B	\$ 500,000	\$ 245,000	4.375 - 4.625	2007
Series 1998-A	21,000,000	18,255,000	4.500 - 5.500	2018
Series 1999-A	3,150,000	2,510,000	4.000 - 4.750	2019
Series 2000-A	280,000	200,000	4.750 - 6.000	2020
District General Obligation Refunding Bonds:				
Series 2001	44,385,000	36,475,000	4.250 - 5.000	2007
Sales Tax Revenue Bonds:				
Series 2002	<u>146,845,000</u>	<u>146,845,000</u>	2.375 - 5.500	2017
Subtotal	<u>216,160,000</u>	<u>204,530,000</u>		
Plus Unamortized Net Premiums:				
District General Obligation Refunding Bonds, Series 2001	1,642,425	985,455		
Sales Tax Revenue Bonds, Series 2002	<u>4,414,904</u>	<u>3,826,250</u>		
Total Unamortized Net Premiums	<u>6,057,329</u>	<u>4,811,705</u>		
Total Bonds Payable	<u>\$ 222,217,329</u>	<u>\$ 209,341,705</u>		

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

State School Bonds

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

Sales Tax Revenue Bonds

Sales Tax Revenue Bonds, issued in the amount of \$146,845,000, are authorized by Chapter 1001, Florida Statutes, and secured by a one-half cent discretionary sales surtax levied pursuant to Section 212.055(6), Florida Statutes. As required by the bond resolution, the District has established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

District General Obligation Refunding Bonds

General Obligation Refunding Bonds, issued in the amount of \$44,385,000 referred to as the Refunding Bonds, Series 2001, are authorized by Article VII, Section 12, of the State Constitution, as amended, and secured by a pledge of property taxes levied, pursuant to Chapter 1011, Florida Statutes, and Sections 132.33 – 132.47, Florida Statutes.

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Annual requirements to amortize all bonded debt outstanding as of June 30, 2003, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
State School Bonds:			
2004	\$ 980,000	\$ 1,061,159	\$ 2,041,159
2005	1,025,000	1,014,196	2,039,196
2006	1,080,000	961,031	2,041,031
2007	1,135,000	904,831	2,039,831
2008	1,185,000	854,400	2,039,400
2009-2013	6,865,000	3,341,175	10,206,175
2014-2018	8,805,000	1,395,125	10,200,125
2019-2020	135,000	7,138	142,138
Total State School Bonds	21,210,000	9,539,055	30,749,055
Sales Tax Revenue Bonds:			
2004	8,020,000	6,338,607	14,358,607
2005	8,420,000	6,011,870	14,431,870
2006	8,675,000	5,740,507	14,415,507
2007	8,965,000	5,455,304	14,420,304
2008	9,245,000	5,159,217	14,404,217
2009-2013	51,890,000	19,734,954	71,624,954
2014-2017	51,630,000	5,283,620	56,913,620
Total Sales Tax Revenue Bonds	146,845,000	53,724,079	200,569,079
District General Obligation Refunding Bonds:			
2004	8,510,000	1,579,087	10,089,087
2005	8,870,000	1,176,500	10,046,500
2006	9,315,000	721,875	10,036,875
2007	9,780,000	244,500	10,024,500
Total District General Obligation Refunding Bonds	36,475,000	3,721,962	40,196,962
Subtotal	204,530,000	66,985,096	271,515,096
Plus Unamortized Net Premiums	4,811,705	-	4,811,705
Total	\$ 209,341,705	\$ 66,985,096	\$ 276,326,801

Annual requirements to amortize net premiums as of June 30, 2003, are as follows:

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Fiscal Year Ending June 30	Amortized Expense
Sales Tax Revenue Bonds:	
2004	\$ 294,327
2005	294,327
2006	294,327
2007	294,327
2008	294,327
2009-2013	1,471,635
2014-2016	882,980
Total Sales Tax Revenue Bonds	3,826,250
District General Obligation Refunding Bonds:	
2004	328,485
2005	328,485
2006	328,485
Total District General Obligation Refunding Bonds	985,455
Total	\$ 4,811,705

9. Fixed Spread Basis Swap.

Objective of Fixed Spread Basis Swap. As a means to assist the District in managing interest costs, when compared against the District's fixed-rate debt, the District entered into a Fixed Spread Basis Swap (Swap) to take advantage of historically low interest rates without completing a refunding of any of its long-term debt.

Terms. The District entered into the swap agreement with Solomon Brothers Holding Company (counterparty) on March 27, 2003, that matures on April 1, 2017, to coincide with the maturity of the Sales Tax Revenue Bonds. The notional amount of the swap agreement is \$50,000,000. The District pays the counterparty a variable rate equivalent to the Bond Market Association Municipal Swap Index (BMA), which was 0.98 percent as of June 30, 2003. The counterparty pays the District a combination of a fixed rate of 0.41 percent and a computed rate of 70 percent of the London Interbank Offered Rate (LIBOR). The LIBOR rate was 1.12 percent as of June 30, 2003.

Fair Value. Because long-term interest rates have declined since execution of the Swap, the Swap has a negative fair value of \$589,100 as of June 30, 2003. The fair value was calculated by the counterparty as identified in the Schedule to the International Swap Dealers Association Master Agreement (ISDA) using the mid-market level method. This method is in accordance with market conventions, which take into consideration estimates about relevant present and future market conditions, as well as the size and liquidity of the position and related actual or potential hedging transactions.

Credit Risk. The Swap's fair value represents the District's credit exposure to the counterparty. As of June 30, 2003, the District was not exposed to credit risk because the Swap had a negative fair value. However, should interest rates change and the fair value of the Swap becomes positive, the District would be exposed to credit risk in the amount of the Swap's fair value. The counterparty to the Swap was rated AA+ by Fitch Rating, AA- by Standard & Poor's, and Aa by Moody's Investors Service. To mitigate credit risk, the counterparty may be required to post collateral using United States Treasury securities or Obligations of the United States Government Agencies and Instrumentalities with the level of collateral set based on the counterparty's credit quality. The current fair value threshold for posting collateral varies to \$10,000,000 and \$20,000,000 based on

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the counterparty's credit rating. In accordance with the agreement if collateral is required, the collateral would be posted in an account held in trust for the District.

Basis Risk. The Swap exposes the District to basis risk should the relationship between LIBOR and BMA converge and short-term interest rates rise significantly. If a change occurs that results in the rates moving to convergence, or a significant increase in short-term interest rates occurs, the expected cost savings may not be realized. The counterparty pays the District a combination of a fixed rate of 0.41 percent and a computed rate of 70 percent of the London Interbank Offered Rate (LIBOR). The District pays the counterparty a variable rate equivalent to the Bond Market Association Municipal Swap Index (BMA). As of June 30, 2003, the BMA rate was 0.98 percent, whereas 70 percent of LIBOR (1.12 percent as of June 30, 2003) plus the 0.41 fixed rate was 1.194 percent. The estimated annual net swap payment using the rates as of June 30, 2003, is calculated below:

	As of June 30, 2003	
	Applicable Percentage Rate	Estimated Net Annual Swap Payment (Note 1)
Fixed Spread Rate	0.410%	\$ 205,000
70 Percent of LIBOR	0.784%	392,000
BMA Rate	0.980%	(490,000)
Net Annual Cash Flow		<u>\$ 107,000</u>

Note 1: Calculated based on the notional amount of \$50,000,000 as specified in the Swap Agreement.

Termination Risk. The District or counterparty may terminate the Swap if the other party fails to perform under terms of the agreement. The Swap may be transferred to an acceptable party as outlined in the Swap agreement. If at the time of termination the Swap has a negative fair value, the District would be liable to the counterparty for a payment equal to the Swap's fair value.

10. DEFEASED DEBT

In prior years, certain bonds were defeased in substance by placing an amount in irrevocable trusts to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the in-substance defeased bonds are not included in the District's financial statements. On June 30, 2003, State School Bonds, Series 1986-A, are considered defeased in substance with an outstanding balance in the amount of \$260,000. The General Obligation Refunding Bonds, Series 1991, are considered defeased in substance with an outstanding balance in the amount of \$32,612,585.

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11. CHANGES IN LONG-TERM LIABILITIES

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

Description	July 1, 2002 Balance	Additions	Deductions	June 30, 2003 Balance	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 213,370,000	\$ -	\$ 8,840,000	\$ 204,530,000	\$ 17,510,000
Plus:					
Unamortized Net Premium	<u>5,434,517</u>	<u>-</u>	<u>622,812</u>	<u>4,811,705</u>	<u>622,812</u>
Total Bonds Payable	218,804,517	-	9,462,812	209,341,705	18,132,812
Note Payable	4,392,619	-	3,495,428	897,191	897,191
Obligations Under Capital Leases	2,829,833	-	1,494,263	1,335,570	1,335,570
Certificates of Participation Payable	99,850,000	-	5,155,000	94,695,000	5,390,000
Special Termination Benefits Payable	1,784,610	-	518,980	1,265,630	632,815
Compensated Absences Payable	45,236,294	6,846,163	4,815,177	47,267,280	4,815,177
Estimated Insurance Claims Payable	-	7,352,185	-	7,352,185	2,254,915
Total Governmental Activities	<u>\$ 372,897,873</u>	<u>\$ 14,198,348</u>	<u>\$ 24,941,660</u>	<u>\$ 362,154,561</u>	<u>\$ 33,458,480</u>

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

12. RESERVE FOR ENCUMBRANCES

Appropriations in governmental fund types are encumbered upon issuance of purchase orders for goods and/or 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 2003-04 fiscal year budget as a result of purchase orders outstanding at June 30, 2003.

13. INTERFUND RECEIVABLES AND PAYABLES

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

Funds	Interfund	
	Receivable	Payable
Nonmajor Governmental Funds		
Special Revenue:		
Food Service	\$ 779,374	\$ -
Contracted Federal Programs	-	779,374
Total	<u>\$ 779,374</u>	<u>\$ 779,374</u>

The interfund receivables and payables represent the payment of expenditures by one fund for another fund and will be repaid within 12 months.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

14. INTERFUND TRANSFERS

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General	\$ 11,761,717	\$ 13,507
Capital Projects:		
Local Capital Improvement	-	15,866,897
Certificates of Participation	1,305,251	
Local Sales Tax	-	12,687,784
Nonmajor Governmental Funds	26,624,632	11,023,412
Internal Service Funds	462,583	562,583
Total	<u>\$ 40,154,183</u>	<u>\$ 40,154,183</u>

The transfers out of the Local Capital Improvement and Local Sales Tax Capital Projects Funds were to provide debt service principal and interest payments and to assist in funding maintenance operations of the District. The remaining transfers between funds were operational in nature.

15. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2002-2003 fiscal year:

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$ 175,296,247
Categorical Educational Programs:	
Other	23,082,791
Discretionary Lottery Funds	4,471,775
Gross Receipts Tax (Public Education Capital Outlay)	5,251,919
Motor Vehicle License Tax (Capital Outlay and Debt Service)	2,375,318
State Grants and Other State Sources	1,967,966
Mobile Home License Tax	528,954
Food Service Supplement	353,006
Pari-mutuel Tax	283,485
School Infrastructure Thrift	100,296
Total	<u>\$ 213,711,757</u>

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

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

16. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2002 tax roll for the 2002-03 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>General Fund</u>		
Nonvoted School Tax:		
Required Local Effort	5.695	\$ 109,367,086
Basic Discretionary Local Effort	0.510	9,794,068
Supplemental Discretionary Local Effort	0.173	3,322,301
<u>Debt Service Funds</u>		
Voted Tax:		
Special Tax School District No. 1	0.521	10,005,312
<u>Capital Projects Funds</u>		
Nonvoted Tax:		
Local Capital Improvements	2.000	38,408,107
Total	<u>8.899</u>	<u>\$ 170,896,874</u>

17. STATE RETIREMENT PROGRAM

Defined Benefit Plan

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

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

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

Funding Policy

The contribution rates for members are established, and may be amended, by the State of Florida. During the 2002-03 fiscal year, contribution rates were as follows:

<u>Class or Plan</u>	Percent of Gross Salary	
	<u>Employee</u>	<u>Employer^(A)</u>
Florida Retirement System, Regular	0.00	5.76
Florida Retirement System, Elected County Officers	0.00	11.86
Florida Retirement System, Senior Management Service	0.00	6.06
Teachers' Retirement System, Plan E	6.25	11.35
Deferred Retirement Option Program (DROP)- Applicable to Members from All of the Above Classes or Plans	0.00	9.11
Florida Retirement System, Reemployed Retiree	(B)	(B)

Note:

- (A) Employer rates include 1.11 percent for the post-employment health insurance supplement and .15 percent for administrative costs of the Public Employee Optional Retirement Program.
- (B) Contribution rates are dependent upon the retirement class in which reemployed.

The District's liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions (including employee contributions) for the fiscal years ending June 30, 2001, June 30, 2002, and June 30, 2003, totaled \$21,571,495, \$18,219,504, and \$14,877,125, respectively, which were equal to the required contributions for each fiscal year.

Defined Contribution Plan

Effective July 1, 2002, the Public Employee Optional Retirement Program (PEORP) was implemented as a defined contribution plan alternative available to all FRS members in lieu of the defined benefit plan. Employer contributions are defined by law, but the ultimate benefit depends in part on the performance of investment funds. The PEORP is funded by employer contributions that are based on salary and membership class (Regular Class, Special Risk Class, etc.) Contributions are directed to individual member accounts, and the individual members allocate contribution and account balances among various approved investment choices. Required employer contributions made to the program for the fiscal year ending June 30, 2003, totaled \$354,719.

Pension Reporting

The financial statements and other supplemental information of the FRS are included in the comprehensive annual financial report of the State of Florida, which may be obtained by contacting the Department of Financial Services in Tallahassee, Florida. Also, an annual report, and other relevant information may be obtained from the State of Florida, Division of Retirement in Tallahassee, Florida.

18. SPECIAL TERMINATION BENEFITS

During the 1996-97 fiscal year, the District approved a one-time early retirement incentive plan known as the Voluntary Incentive Plan (VIP) for all eligible employees. To be eligible, employees were required to have 5 or more consecutive years (during any 5-year period) of service with the Volusia County School District and 15 or more (10 or more if age 62 and over) non-consecutive years of service with the Florida Retirement System as of June 30, 1997. Under the plan, those employees that took advantage of this incentive received 100 percent of terminal leave pay and a one-time salary bonus based on the following:

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

- 25 percent of salary if age 62 and over with 10 or more years in the Florida or Teachers' Retirement System.
- 25 percent of salary if under age 62 with 30 or more years in the Florida or Teachers' Retirement System.
- 40 percent of salary if under age 62 with 25 to 29 years in the Florida or Teachers' Retirement System.
- 50 percent of salary if under age 62 with 15 to 24 years in the Florida or Teachers' Retirement System.

In addition, employees elected to receive either employee health insurance benefits (single coverage) or an additional \$125 per month for the duration of the benefits. Benefits are paid over 96 months (8 years). Seventy percent of the total 8-year benefit was taxed up-front, with a one-time tax provision paid by the District (in addition to the monthly benefits) on behalf of the participant.

Of the 310 participating employees, 186 chose the option of having health insurance benefits. The District reported expenditures totaling \$518,980 in health insurance benefits.

19. CONSTRUCTION CONTRACT COMMITMENTS

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

Project	Contract Amount	Completed to Date	Balance Committed
Campbell Middle School - New Construction:			
Architect	\$ 650,400	\$ 565,161	\$ 85,239
Contractor	16,877,033	15,139,025	1,738,008
Deltona High School - HVAC Renovation:			
Architect	622,150	496,485	125,665
Contractor	10,640,439	-	10,640,439
DeLand High School - New Construction and Renovation:			
Architect	833,000	705,598	127,402
Contractor	21,035,747	4,863,995	16,171,752
Mainland High School - New Construction:			
Architect	1,773,288	1,404,140	369,148
Contractor	46,473,252	1,420,065	45,053,187
New Elementary School "W":			
Architect	348,160	193,265	154,895
Contractor	8,168,240	406,170	7,762,070
New Middle School "GG"			
Architect	693,000	567,300	125,700
Contractor	17,351,800	-	17,351,800
Seabreeze High School-Phase II-Additions and Renovations:			
Architect	1,073,966	1,052,487	21,479
Contractor	15,464,313	14,124,651	1,339,662
Seabreeze High School-Phase III-Additions and Renovations:			
Architect	263,404	255,502	7,902
Contractor	6,678,276	5,865,730	812,546
Total	<u>\$ 148,946,468</u>	<u>\$ 47,059,574</u>	<u>\$ 101,886,894</u>

20. JOINT VENTURES

On March 2, 1999, the District entered into an agreement with the Daytona Beach Community College and the Flagler County District School Board, pursuant to Section 163.01, Florida Statutes, to construct and operate a charter technical career center. The charter technical career center opened in August 2001 and

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

operates as the Volusia Flagler Advanced Technology Center, Inc. (ATC). The Daytona Beach Community College serves as the fiscal agent for the joint venture. Volusia County District School Board holds title to and is considered the owner of the site and the facility. The cost to acquire the site and construct the facility was \$25,500,000, of which Volusia County District School Board contributed \$10,000,000 during the 1999-2000 fiscal year.

Additionally, the agreement provided for allocation of the operating costs based on actual enrollment. The District agrees to make additional pro-rata contributions as may be required by the agreement. The District paid operating costs of \$1,029,936 for the 2002-03 fiscal year to the Daytona Beach Community College.

21. 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. Workers' compensation, property, and general liability coverage are being provided on a self-insured basis up to specified limits. The District has entered into agreements with various insurance companies to provide specific excess coverage of claim amounts above the stated amount on an individual claim basis, and aggregate excess coverage when total claims, minus specific excess coverage, exceed the loss fund established annually by the District. The District has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

A liability in the amount of \$7,352,185 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2003.

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

<u>Fiscal Years</u>	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2001-02	\$ 4,686,488	\$ 4,674,065	\$ (2,370,577)	\$ 6,989,976
2002-03	6,989,976	3,042,670	(2,680,461)	7,352,185

Health and hospitalization coverage are being provided through purchased commercial insurance.

Settled claims resulting from the risks described above have not exceeded commercial coverage in any of the past three fiscal years.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2003

22. INTERNAL SERVICE FUNDS

The following is a summary of financial information as reported in the Internal Service Funds for the 2002-03 fiscal year:

	<u>Workers' Compensation</u>	<u>Property Insurance</u>	<u>General Liability</u>	<u>Total</u>
Total Assets	<u>\$ 6,459,044</u>	<u>\$ -</u>	<u>\$ 1,534,169</u>	<u>\$ 7,993,213</u>
Liabilities and Net Assets:				
Estimated Insurance Claims Payable	\$ 5,893,016	\$ -	\$ 1,459,169	\$ 7,352,185
Unrestricted Net Assets	<u>566,028</u>	<u>-</u>	<u>75,000</u>	<u>641,028</u>
Total Liabilities and Net Assets	<u>\$ 6,459,044</u>	<u>\$ -</u>	<u>\$ 1,534,169</u>	<u>\$ 7,993,213</u>
Revenues:				
Premium Contributions	\$ 3,286,475	\$ 1,717,963	\$ 832,743	\$ 5,837,181
Interest Income	<u>115,502</u>	<u>5,945</u>	<u>15,772</u>	<u>137,219</u>
Total Revenues	3,401,977	1,723,908	848,515	5,974,400
Total Expenses	3,401,977	1,723,908	848,515	5,974,400
Transfers In/(Out)	<u>462,583</u>	<u>(562,583)</u>	<u>-</u>	<u>(100,000)</u>
Changes in Net Assets	<u>\$ 462,583</u>	<u>\$ (562,583)</u>	<u>\$ -</u>	<u>\$ (100,000)</u>

23. LITIGATION

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

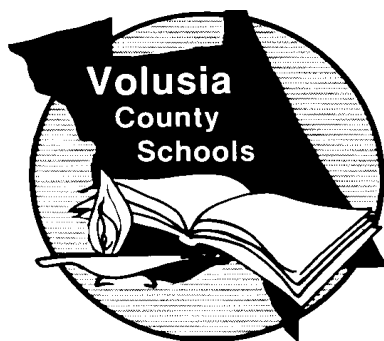
24. SUBSEQUENT EVENTS

On June 24, 2003, the School Board approved a resolution to secure proposals for a line of credit in an amount not to exceed \$90,000,000 in order to finance certain educational facilities. The line of credit will be payable from infrastructure sales surtax proceeds.

On June 24, 2003, the Board approved a resolution to enter into a contract with Preferred Governmental Claims Services (PGCS) as third-party administrator for a District self-insured fleet program. The District purchased insurance from North River Insurance Company effective July 1, 2003, for excess fleet insurance with a self-insured retention of \$100,000 per person and \$200,000 per occurrence.

Effective July 1, 2003, the District increased the capital assets threshold from \$500 to \$750 pursuant to Chapter 274.02, Florida Statutes. Capital assets includes land; construction in progress; improvements other than buildings; buildings and fixed equipment; furniture, fixtures, and equipment; motor vehicles; property under capital leases; audio visual materials; and computer software. The District must maintain a record of its capital assets and take a complete physical inventory of tangible personal property annually.

On October 22, 2003, the Board approved a contract with the prime contractor to construct a replacement school for the New Smyrna Beach High School. The contract was for \$36,935,750 and will be funded from infrastructure sales surtax proceeds.



Combining and Individual Fund Statements and Schedules

All Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Food Service Fund - Used to account for the activities of the District's food services function. These activities are funded primarily through local charges and federal awards.

Contracted Federal Programs Fund - Used to account for programs funded by Federal sources, requiring separate accountability because of legal or regulatory restrictions.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

SBE/COBI Bonds Fund - Used to account for the payment of principal, interest, and related costs on the state school bonds issued by the State Board of Education on behalf of the District. These bonds are payable from the District's portion of the state-assessed motor vehicle license tax.

Section 1011.14 Loan Fund - Used to account for the payment of principal, interest, and related costs pertaining to the District's Capital Improvement Note, Series 2001, which is payable from the proceeds of the capital millage (2.00 mills).

District Bonds - Used to account for the payment of principal, interest, and related costs on the District's General Obligation Refunding Bonds, Series 2001.

Other Debt Service Funds - Used to account for the payment of principal, interest, and related costs pertaining to the District's Certificates of Participation and Local Sales Tax Revenue Bonds.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, or for major renovation projects.

Section 1011.14 Loan Fund - Used to account for funds received from the issuance of the District's Capital Improvement Note, Series 2001.

Public Education Capital Outlay - Used to account for capital project activity funded through the state Public Education Capital Outlay program. The primary funding source for PECO is the gross receipts tax on utilities.

District Bonds - Used to account for capital project activity financed through district bonds.

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

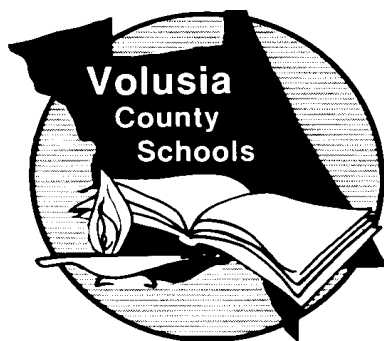
Other Capital Projects Funds - Used to account for capital project activity funded through the sale of property, impact fees, classrooms first program, school infrastructure thrift, effort index grant, class size reduction, charter schools capital outlay, and the Vince Carter project.

District School Board of Volusia County, Florida
Combining Balance Sheet -
All Nonmajor Governmental Funds
June 30, 2003

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 12,990	\$ -	\$ -	\$ 12,990
Investments	7,080,831	19,694,519	7,102,977	33,878,327
Interest receivable	28,251	16,333	2,578	47,162
Due from other funds	779,374	-	-	779,374
Due from other agencies	1,084,835	304,031	942,257	2,331,123
Inventories	1,447,284	-	-	1,447,284
Total assets	<u>\$ 10,433,565</u>	<u>\$ 20,014,883</u>	<u>\$ 8,047,812</u>	<u>\$ 38,496,260</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Salaries and benefits payable	\$ 20,297	\$ -	\$ -	\$ 20,297
Accounts payable	253,596	-	-	253,596
Construction contracts payable	-	-	1,047	1,047
Matured bonds payable	-	47,432	-	47,432
Due to other agencies	13,771	-	-	13,771
Estimated liability for arbitrage rebate	-	1,024,830	-	1,024,830
Due to other funds	779,374	-	-	779,374
Deferred revenue	86,913	-	-	86,913
Total liabilities	<u>1,153,951</u>	<u>1,072,262</u>	<u>1,047</u>	<u>2,227,260</u>
Fund balances:				
Reserved for:				
Encumbrances	615,079	-	1,731,743	2,346,822
Inventories	1,447,284	-	-	1,447,284
Debt service	-	18,942,621	-	18,942,621
Unreserved, reported in:				
Special revenue	7,217,251	-	-	7,217,251
Capital projects	-	-	6,315,022	6,315,022
Total fund balances	<u>9,279,614</u>	<u>18,942,621</u>	<u>8,046,765</u>	<u>36,269,000</u>
Total liabilities and fund balances	<u>\$ 10,433,565</u>	<u>\$ 20,014,883</u>	<u>\$ 8,047,812</u>	<u>\$ 38,496,260</u>

District School Board of Volusia County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
All Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Federal direct	\$ 1,201,918	\$ -	\$ -	\$ 1,201,918
Federal through State	39,482,920	-	-	39,482,920
State sources	361,876	2,009,576	5,797,022	8,168,474
Local sources	8,435,111	9,896,536	7,395,945	25,727,592
Total revenues	<u>49,481,825</u>	<u>11,906,112</u>	<u>13,192,967</u>	<u>74,580,904</u>
EXPENDITURES				
Current:				
Instruction	15,118,819	-	-	15,118,819
Pupil personnel services	3,624,600	-	-	3,624,600
Instructional media services	3,307	-	-	3,307
Instruction and curriculum development services	4,934,343	-	-	4,934,343
Instructional staff training services	1,942,447	-	-	1,942,447
General administration	1,247,679	-	-	1,247,679
School administration	582,491	-	-	582,491
Facilities acquisition and construction	-	-	836,426	836,426
Food services	18,811,451	-	-	18,811,451
Central services	55,013	-	-	55,013
Pupil transportation services	228,162	-	-	228,162
Operation of plant	2,185	-	-	2,185
Community services	278,632	-	-	278,632
Debt service:				
Principal	786,036	17,490,428	-	18,276,464
Interest and fiscal charges	88,842	15,223,630	-	15,312,472
Capital Outlay:				
Facilities acquisition and construction	5,400	-	10,326,882	10,332,282
Other capital outlay	1,228,885	-	1,378,049	2,606,934
Total expenditures	<u>48,938,292</u>	<u>32,714,058</u>	<u>12,541,357</u>	<u>94,193,707</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>543,533</u>	<u>(20,807,946)</u>	<u>651,610</u>	<u>(19,612,803)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	13,507	26,611,125	-	26,624,632
Transfers out	-	(526,303)	(10,497,109)	(11,023,412)
Total other financing sources (uses)	<u>13,507</u>	<u>26,084,822</u>	<u>(10,497,109)</u>	<u>15,601,220</u>
Net change in fund balances	557,040	5,276,876	(9,845,499)	(4,011,583)
Fund balances, July 1, 2002	8,722,574	13,665,745	17,892,264	40,280,583
Fund balances, June 30, 2003	<u>\$ 9,279,614</u>	<u>\$ 18,942,621</u>	<u>\$ 8,046,765</u>	<u>\$ 36,269,000</u>



Special Revenue Funds

District School Board of Volusia County, Florida
Combining Balance Sheet -
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2003

	Food Service	Contracted Federal Programs	Total Nonmajor Special Revenue Funds
ASSETS			
Cash	\$ 12,990	\$ -	\$ 12,990
Investments	6,726,551	354,280	7,080,831
Interest receivable	28,251	-	28,251
Due from other funds	779,374	-	779,374
Due from other agencies	305,461	779,374	1,084,835
Inventories	1,447,284	-	1,447,284
Total assets	\$ 9,299,911	\$ 1,133,654	\$ 10,433,565
LIABILITIES AND FUND BALANCES			
Liabilities:			
Salaries and benefits payable	\$ 20,297	\$ -	\$ 20,297
Accounts payable	-	253,596	253,596
Due to other agencies	-	13,771	13,771
Due to other funds	-	779,374	779,374
Deferred revenue	-	86,913	86,913
Total liabilities	20,297	1,133,654	1,153,951
Fund balances:			
Reserved for:			
Encumbrances	615,079	-	615,079
Inventories	1,447,284	-	1,447,284
Unreserved, reported in:			
Special revenue funds	7,217,251	-	7,217,251
Total fund balances	9,279,614	-	9,279,614
Total liabilities and fund balances	\$ 9,299,911	\$ 1,133,654	\$ 10,433,565

District School Board of Volusia County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds - Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Food Service	Contracted Federal Programs	Total Nonmajor Special Revenue Funds
REVENUES			
Federal direct	\$ -	\$ 1,201,918	\$ 1,201,918
Federal through State	10,877,241	28,605,679	39,482,920
State sources	361,876	-	361,876
Local sources	8,435,111	-	8,435,111
Total revenues	<u>19,674,228</u>	<u>29,807,597</u>	<u>49,481,825</u>
EXPENDITURES			
Current:			
Instruction	-	15,118,819	15,118,819
Pupil personnel services	-	3,624,600	3,624,600
Instructional media services	-	3,307	3,307
Instruction and curriculum development services	-	4,934,343	4,934,343
Instructional staff training services	-	1,942,447	1,942,447
General administration	-	1,247,679	1,247,679
School administration	-	582,491	582,491
Food services	18,811,451	-	18,811,451
Central services	-	55,013	55,013
Pupil transportation services	-	228,162	228,162
Operation of plant	-	2,185	2,185
Community services	-	278,632	278,632
Debt service:			
Principal	-	786,036	786,036
Interest	-	88,842	88,842
Capital Outlay:			
Facilities acquisition and construction	-	5,400	5,400
Other capital outlay	319,244	909,641	1,228,885
Total expenditures	<u>19,130,695</u>	<u>29,807,597</u>	<u>48,938,292</u>
Excess of revenues over expenditures	<u>543,533</u>	<u>-</u>	<u>543,533</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	13,507	-	13,507
Total other financing sources (uses)	<u>13,507</u>	<u>-</u>	<u>13,507</u>
Net change in fund balances	557,040	-	557,040
Fund balances, July 1, 2002	8,722,574	-	8,722,574
Fund balances, June 30, 2003	<u>\$ 9,279,614</u>	<u>\$ -</u>	<u>\$ 9,279,614</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

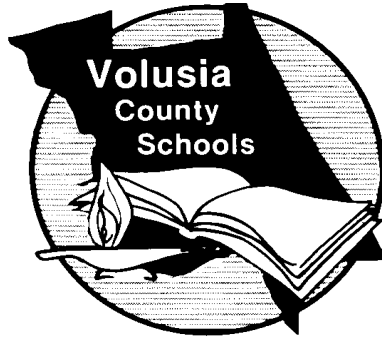
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal direct	\$ 1,502,778	\$ 1,201,918	\$ 1,201,918	\$ -
Federal through State:				
School lunch reimbursement	7,350,000	7,444,326	7,444,326	-
School breakfast reimbursement	1,740,000	1,785,834	1,785,834	-
USDA donated foods	800,000	1,325,631	1,325,631	-
Vocational Education Acts	1,251,972	1,313,648	961,345	352,303
Individuals with Disabilities Education Act (IDEA)	10,891,579	11,215,707	9,450,894	1,764,813
Elementary and Secondary Education Act, Title I	13,489,295	14,372,698	12,825,015	1,547,683
Elementary and Secondary Education Act, Title IV	3,065,843	541,155	357,204	183,951
Other Federal through State	5,228,000	11,629,763	5,332,671	6,297,092
Total Federal through State	<u>43,816,689</u>	<u>49,628,762</u>	<u>39,482,920</u>	<u>10,145,842</u>
State supplements	<u>300,000</u>	<u>361,876</u>	<u>361,876</u>	<u>-</u>
Local sources:				
Interest Income	150,000	109,747	109,747	-
Student lunches	2,000,000	1,422,966	1,422,966	-
Student breakfasts	160,000	80,998	80,998	-
Student and adult a la carte	6,127,000	6,353,326	6,353,326	-
Other local sources	10,000	468,074	468,074	-
Total local sources	<u>8,447,000</u>	<u>8,435,111</u>	<u>8,435,111</u>	<u>-</u>
Total revenues	<u>54,066,467</u>	<u>59,627,667</u>	<u>49,481,825</u>	<u>10,145,842</u>
EXPENDITURES				
Current:				
Instruction	16,292,748	19,728,717	15,118,819	4,609,898
Pupil personnel services	4,380,691	5,024,732	3,624,600	1,400,132
Instructional media services	20,085	19,361	3,307	16,054
Instruction and curriculum development services	8,227,684	6,114,363	4,934,343	1,180,020
Instructional staff training services	2,689,506	3,370,106	1,942,447	1,427,659
General administration	1,472,406	1,602,742	1,247,679	355,063
School administration	19,165	646,041	582,491	63,550
Facilities acquisition and construction	35,130	-	-	-
Fiscal services	22,470	-	-	-
Food services	20,432,144	18,018,733	18,811,451	(792,718)
Central services	170,445	72,154	55,013	17,141
Pupil transportation services	123,625	263,668	228,162	35,506
Operation of plant	27,134	6,296	2,185	4,111
Community services	3,468	673,764	278,632	395,132
Debt Service:				
Principal	369,308	786,036	786,036	-
Interest	505,390	100,000	88,842	11,158
Capital Outlay:				
Facilities acquisition and construction	58,624	27,659	5,400	22,259
Other capital outlay	859,059	2,145,657	1,228,885	916,772
Total expenditures	<u>55,709,082</u>	<u>58,600,029</u>	<u>48,938,292</u>	<u>9,661,737</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>(1,642,615)</u>	<u>1,027,638</u>	<u>543,533</u>	<u>(484,105)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	13,507	13,507	-
Total other financing sources (uses)	<u>15,000</u>	<u>13,507</u>	<u>13,507</u>	<u>-</u>
Net change in fund balances	<u>(1,627,615)</u>	<u>1,041,145</u>	<u>557,040</u>	<u>(484,105)</u>
Fund balances, July 1, 2002	8,722,574	8,722,574	8,722,574	-
Fund balances, June 30, 2003	<u>\$ 7,094,959</u>	<u>\$ 9,763,719</u>	<u>\$ 9,279,614</u>	<u>\$ (484,105)</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Food Service - Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal through State:				
School lunch reimbursement	\$ 7,350,000	\$ 7,444,326	\$ 7,444,326	\$ -
School breakfast reimbursement	1,740,000	1,785,834	1,785,834	-
USDA donated foods	800,000	1,325,631	1,325,631	-
Other Federal through State	208,000	321,450	321,450	-
Total Federal through State	<u>10,098,000</u>	<u>10,877,241</u>	<u>10,877,241</u>	<u>-</u>
State supplements	<u>300,000</u>	<u>361,876</u>	<u>361,876</u>	<u>-</u>
Local sources:				
Interest Income	150,000	109,747	109,747	-
Student lunches	2,000,000	1,422,966	1,422,966	-
Student breakfasts	160,000	80,998	80,998	-
Student and adult a la carte	6,127,000	6,353,326	6,353,326	-
Other local sources	10,000	468,074	468,074	-
Total local sources	<u>8,447,000</u>	<u>8,435,111</u>	<u>8,435,111</u>	<u>-</u>
Total revenues	<u>18,845,000</u>	<u>19,674,228</u>	<u>19,674,228</u>	<u>-</u>
EXPENDITURES				
Current:				
Food services	20,432,144	18,018,733	18,811,451	(792,718)
Capital Outlay:				
Other capital outlay	55,471	627,857	319,244	308,613
Total expenditures	<u>20,487,615</u>	<u>18,646,590</u>	<u>19,130,695</u>	<u>(484,105)</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>(1,642,615)</u>	<u>1,027,638</u>	<u>543,533</u>	<u>(484,105)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	13,507	13,507	-
Total other financing sources (uses)	<u>15,000</u>	<u>13,507</u>	<u>13,507</u>	<u>-</u>
Net change in fund balances	<u>(1,627,615)</u>	<u>1,041,145</u>	<u>557,040</u>	<u>(484,105)</u>
Fund balances, July 1, 2002	8,722,574	8,722,574	8,722,574	-
Fund balances, June 30, 2003	<u>\$ 7,094,959</u>	<u>\$ 9,763,719</u>	<u>\$ 9,279,614</u>	<u>\$ (484,105)</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Contracted Federal Programs - Special Revenue Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal direct	\$ 1,502,778	\$ 1,201,918	\$ 1,201,918	\$ -
Federal through State:				
Vocational Education Acts	1,251,972	1,313,648	961,345	352,303
Individuals with Disabilities Education Act (IDEA)	10,891,579	11,215,707	9,450,894	1,764,813
Elementary and Secondary Education Act, Title I	13,489,295	14,372,698	12,825,015	1,547,683
Elementary and Secondary Education Act, Title VI	3,065,843	541,155	357,204	183,951
Other Federal through State	5,020,000	11,308,313	5,011,221	6,297,092
Total Federal through State	<u>33,718,689</u>	<u>38,751,521</u>	<u>28,605,679</u>	<u>10,145,842</u>
Total revenues	<u>35,221,467</u>	<u>39,953,439</u>	<u>29,807,597</u>	<u>10,145,842</u>
EXPENDITURES				
Current:				
Instruction	16,292,748	19,728,717	15,118,819	4,609,898
Pupil personnel services	4,380,691	5,024,732	3,624,600	1,400,132
Instructional media services	20,085	19,361	3,307	16,054
Instruction and curriculum development services	8,227,684	6,114,363	4,934,343	1,180,020
Instructional staff training services	2,689,506	3,370,106	1,942,447	1,427,659
General administration	1,472,406	1,602,742	1,247,679	355,063
School administration	19,165	646,041	582,491	63,550
Facilities acquisition and construction	35,130	-	-	-
Fiscal services	22,470	-	-	-
Central services	170,445	72,154	55,013	17,141
Pupil transportation services	123,625	263,668	228,162	35,506
Operation of plant	27,134	6,296	2,185	4,111
Community services	3,468	673,764	278,632	395,132
Debt Service:				
Principal	369,308	786,036	786,036	-
Interest	505,390	100,000	88,842	11,158
Capital Outlay:				
Facilities acquisition and construction	58,624	27,659	5,400	22,259
Other capital outlay	803,588	1,517,800	909,641	608,159
Total expenditures	<u>35,221,467</u>	<u>39,953,439</u>	<u>29,807,597</u>	<u>10,145,842</u>
Deficiency of revenues under expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, July 1, 2002	-	-	-	-
Fund balances, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Debt Service Funds

**District School Board of Volusia County, Florida
Combining Balance Sheet -
Nonmajor Governmental Funds- Debt Service Funds
June 30, 2003**

	<u>SBE/COBI Bonds</u>	<u>District Bonds</u>	<u>Other Debt Service</u>	<u>Total Nonmajor Debt Service Funds</u>
ASSETS				
Investments	\$ 533,060	\$ 10,486,852	\$ 8,674,607	\$ 19,694,519
Interest receivable	-	16,333	-	16,333
Due from other agencies	-	304,031	-	304,031
Total assets	<u>\$ 533,060</u>	<u>\$ 10,807,216</u>	<u>\$ 8,674,607</u>	<u>\$ 20,014,883</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Matured bonds payable	\$ -	\$ 47,432	\$ -	\$ 47,432
Estimated liability for arbitrage rebate	-	-	1,024,830	1,024,830
Total liabilities	<u>-</u>	<u>47,432</u>	<u>1,024,830</u>	<u>1,072,262</u>
Fund balances:				
Reserved for:				
Debt service	533,060	10,759,784	7,649,777	18,942,621
Total fund balances	<u>533,060</u>	<u>10,759,784</u>	<u>7,649,777</u>	<u>18,942,621</u>
Total liabilities and fund balances	<u>\$ 533,060</u>	<u>\$ 10,807,216</u>	<u>\$ 8,674,607</u>	<u>\$ 20,014,883</u>

**District School Board of Volusia County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds - Debt Service Funds
For the Fiscal Year Ended June 30, 2003**

REVENUES	SBE/COBI Bonds	Section 1011.14 Loan	District Bonds
State sources	\$ 2,009,576	\$ -	\$ -
Local sources	-	-	9,848,948
Total revenues	<u>2,009,576</u>	<u>-</u>	<u>9,848,948</u>
EXPENDITURES			
Debt service:			
Principal	930,000	3,495,428	7,910,000
Interest and fiscal charges	1,109,754	131,469	2,101,142
Total expenditures	<u>2,039,754</u>	<u>3,626,897</u>	<u>10,011,142</u>
Deficiency of revenues under expenditures	<u>(30,178)</u>	<u>(3,626,897)</u>	<u>(162,194)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,626,897	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,626,897</u>	<u>-</u>
Net change in fund balances	(30,178)	-	(162,194)
Fund balances, July 1, 2002	563,238	-	10,921,978
Fund balances, June 30, 2003	<u>\$ 533,060</u>	<u>\$ -</u>	<u>\$ 10,759,784</u>

Other Debt Service	Total Nonmajor Debt Service Funds
\$ -	\$ 2,009,576
<u>47,588</u>	<u>9,896,536</u>
<u>47,588</u>	<u>11,906,112</u>
5,155,000	17,490,428
<u>11,881,265</u>	<u>15,223,630</u>
<u>17,036,265</u>	<u>32,714,058</u>
<u>(16,988,677)</u>	<u>(20,807,946)</u>
22,984,228	26,611,125
<u>(526,303)</u>	<u>(526,303)</u>
<u>22,457,925</u>	<u>26,084,822</u>
5,469,248	5,276,876
2,180,529	13,665,745
<u>\$ 7,649,777</u>	<u>\$ 18,942,621</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -
All Debt Service Funds
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State sources				
CO&DS withheld for SBE/COBI bonds	\$ 2,037,660	\$ 2,005,000	\$ 2,005,000	\$ -
SBE/COBI bond interest	-	4,576	4,576	-
Total State sources	<u>2,037,660</u>	<u>2,009,576</u>	<u>2,009,576</u>	<u>-</u>
Local sources				
Ad valorem taxes	9,427,483	9,707,724	9,707,724	-
Interest income	-	187,987	187,987	-
Other local sources	-	825	825	-
Total local sources	<u>9,427,483</u>	<u>9,896,536</u>	<u>9,896,536</u>	<u>-</u>
Total revenues	<u>11,465,143</u>	<u>11,906,112</u>	<u>11,906,112</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal	17,490,428	17,490,428	17,490,428	-
Interest and fiscal charges	15,951,602	15,223,630	15,223,630	-
Total expenditures	<u>33,442,030</u>	<u>32,714,058</u>	<u>32,714,058</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(21,976,887)</u>	<u>(20,807,946)</u>	<u>(20,807,946)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	19,368,731	26,611,125	26,611,125	-
Transfers out	-	(526,303)	(526,303)	-
Total other financing sources (uses)	<u>19,368,731</u>	<u>26,084,822</u>	<u>26,084,822</u>	<u>-</u>
Net change in fund balances	<u>(2,608,156)</u>	<u>5,276,876</u>	<u>5,276,876</u>	<u>-</u>
Fund balances, July 1, 2002	<u>14,029,028</u>	<u>13,665,745</u>	<u>13,665,745</u>	<u>-</u>
Fund balances, June 30, 2003	<u>\$ 11,420,872</u>	<u>\$ 18,942,621</u>	<u>\$ 18,942,621</u>	<u>\$ -</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
SBE/COBI Bonds - Debt Service Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State sources:				
CO&DS withheld for SBE/COBI bonds	\$ 2,037,660	\$ 2,005,000	\$ 2,005,000	\$ -
SBE/COBI bond interest	-	4,576	4,576	-
Total State sources	2,037,660	2,009,576	2,009,576	-
Total revenues	2,037,660	2,009,576	2,009,576	-
EXPENDITURES				
Debt Service:				
Principal	930,000	930,000	930,000	-
Interest and fiscal charges	1,107,660	1,109,754	1,109,754	-
Total expenditures	2,037,660	2,039,754	2,039,754	-
Deficiency of revenues under expenditures	-	(30,178)	(30,178)	-
Net change in fund balances	-	(30,178)	(30,178)	-
Fund balances, July 1, 2002	563,238	563,238	563,238	-
Fund balances, June 30, 2003	\$ 563,238	\$ 533,060	\$ 533,060	\$ -

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Section 1011.14 Loan - Debt Service Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Debt Service:				
Principal	\$ 3,495,428	\$ 3,495,428	\$ 3,495,428	\$ -
Interest and fiscal charges	131,469	131,469	131,469	-
Total expenditures	<u>3,626,897</u>	<u>3,626,897</u>	<u>3,626,897</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(3,626,897)</u>	<u>(3,626,897)</u>	<u>(3,626,897)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,626,897</u>	<u>3,626,897</u>	<u>3,626,897</u>	<u>-</u>
Total other financing sources	<u>3,626,897</u>	<u>3,626,897</u>	<u>3,626,897</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, July 1, 2002	-	-	-	-
Fund balances, June 30, 2003	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
District Bonds - Debt Service Fund
For the Fiscal Year Ended June 30, 2003

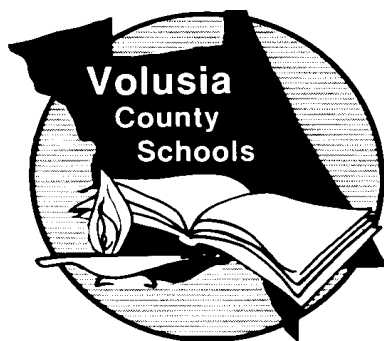
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Ad valorem taxes	\$ 9,427,483	\$ 9,707,724	\$ 9,707,724	\$ -
Interest income	-	140,399	140,399	-
Other local sources	-	825	825	-
Total local sources	<u>9,427,483</u>	<u>9,848,948</u>	<u>9,848,948</u>	<u>-</u>
Total revenues	<u>9,427,483</u>	<u>9,848,948</u>	<u>9,848,948</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal	7,910,000	7,910,000	7,910,000	-
Interest and fiscal charges	<u>1,948,496</u>	<u>2,101,142</u>	<u>2,101,142</u>	<u>-</u>
Total expenditures	<u>9,858,496</u>	<u>10,011,142</u>	<u>10,011,142</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(431,013)</u>	<u>(162,194)</u>	<u>(162,194)</u>	<u>-</u>
Net change in fund balances	<u>(431,013)</u>	<u>(162,194)</u>	<u>(162,194)</u>	<u>-</u>
Fund balances, July 1, 2002	<u>10,921,978</u>	<u>10,921,978</u>	<u>10,921,978</u>	<u>-</u>
Fund balances, June 30, 2003	<u><u>\$10,490,965</u></u>	<u><u>\$10,759,784</u></u>	<u><u>\$10,759,784</u></u>	<u><u>\$ -</u></u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Certificates of Participation - Debt Service Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt Service:				
Principal	\$ 5,155,000	\$ 5,155,000	\$ 5,155,000	\$ -
Interest and fiscal charges	5,135,018	4,615,140	4,615,140	-
Total expenditures	<u>10,290,018</u>	<u>9,770,140</u>	<u>9,770,140</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(10,290,018)</u>	<u>(9,770,140)</u>	<u>(9,770,140)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,292,578	10,296,443	10,296,443	-
Transfers out	-	(526,303)	(526,303)	-
Total other financing sources (uses)	<u>10,292,578</u>	<u>9,770,140</u>	<u>9,770,140</u>	<u>-</u>
Net change in fund balances	2,560	-	-	-
Fund balances, July 1, 2002	-	-	-	-
Fund balances, June 30, 2003	<u>\$ 2,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Sales Tax Revenue Bonds - Debt Service Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Interest income	\$ -	\$ 47,588	\$ 47,588	\$ -
Total local sources	-	47,588	47,588	-
Total revenues	-	47,588	47,588	-
EXPENDITURES				
Debt Service:				
Interest and fiscal charges	7,628,959	7,266,125	7,266,125	-
Total expenditures	7,628,959	7,266,125	7,266,125	-
Deficiency of revenues under expenditures	(7,628,959)	(7,218,537)	(7,218,537)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	5,449,256	12,687,785	12,687,785	-
Total other financing sources (uses)	5,449,256	12,687,785	12,687,785	-
Net change in fund balances	(2,179,703)	5,469,248	5,469,248	-
Fund balances, July 1, 2002	2,543,812	2,180,529	2,180,529	-
Fund balances, June 30, 2003	\$ 364,109	\$ 7,649,777	\$ 7,649,777	\$ -



Capital Projects Funds

**District School Board of Volusia County, Florida
Combining Balance Sheet -
Nonmajor Capital Projects Funds
June 30, 2003**

	Other Capital Projects
ASSETS	
Investments	\$ 7,102,977
Interest receivable	2,578
Due from other agencies	942,257
Total assets	\$ 8,047,812
LIABILITIES AND FUND BALANCES	
Liabilities:	
Construction contracts payable	\$ 1,047
Total liabilities	1,047
Fund balances:	
Reserved for encumbrances	1,731,743
Unreserved, reported in:	
Capital projects funds	6,315,022
Total fund balances	8,046,765
Total liabilities and fund balances	\$ 8,047,812

**District School Board of Volusia County, Florida
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003**

	Section 1011.14 Loan	Public Education Capital Outlay	District Bonds
REVENUES			
State sources	\$ -	\$ 5,251,919	\$ -
Local sources	18,268	27,509	82
Total revenues	<u>18,268</u>	<u>5,279,428</u>	<u>82</u>
EXPENDITURES			
Current:			
Facilities acquisition and construction	804,512	7,347	-
Capital Outlay:			
Facilities acquisition and construction	1,322,573	3,533,437	19,775
Other capital outlay	1,367,120	9,647	-
Total expenditures	<u>3,494,205</u>	<u>3,550,431</u>	<u>19,775</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>(3,475,937)</u>	<u>1,728,997</u>	<u>(19,693)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(5,251,919)	-
Total other financing sources (uses)	<u>-</u>	<u>(5,251,919)</u>	<u>-</u>
Net change in fund balances	<u>(3,475,937)</u>	<u>(3,522,922)</u>	<u>(19,693)</u>
Fund balances, July 1, 2002	3,475,937	3,522,922	19,693
Fund balances, June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Outlay and Debt Service	Other Capital Projects	Total Nonmajor Capital Projects Funds
\$ 330,847	\$ 214,256	\$ 5,797,022
1,314	7,348,772	7,395,945
<u>332,161</u>	<u>7,563,028</u>	<u>13,192,967</u>
-	24,567	836,426
476,998	4,974,099	10,326,882
-	1,282	1,378,049
<u>476,998</u>	<u>4,999,948</u>	<u>12,541,357</u>
<u>(144,837)</u>	<u>2,563,080</u>	<u>651,610</u>
-	(5,245,190)	(10,497,109)
-	(5,245,190)	(10,497,109)
<u>(144,837)</u>	<u>(2,682,110)</u>	<u>(9,845,499)</u>
<u>144,837</u>	<u>10,728,875</u>	<u>17,892,264</u>
<u>\$ -</u>	<u>\$ 8,046,765</u>	<u>\$ 8,046,765</u>

**District School Board of Volusia County, Florida
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual -
All Capital Project Funds
For the Fiscal Year Ended June 30, 2003**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State sources:				
Public Education Capital Outlay (PECO)	\$ 5,251,919	\$ 5,251,919	\$ 5,251,919	\$ -
CO&DS distributed	-	286,512	286,512	-
Interest on undistributed CO&DS	-	44,335	44,335	-
School infrastructure thrift	-	100,296	100,296	-
Other State sources	-	113,960	113,960	-
Total State sources	<u>5,251,919</u>	<u>5,797,022</u>	<u>5,797,022</u>	<u>-</u>
Local sources:				
Ad valorem taxes	36,189,955	37,154,597	37,154,597	-
Local sales tax	28,800,000	30,747,285	30,747,285	-
Interest income	3,299,769	4,056,641	4,056,641	-
Impact fees	4,183,000	5,877,411	5,877,411	-
Contribution	-	1,250,000	1,250,000	-
Other local sources	-	521,597	521,597	-
Total local sources	<u>72,472,724</u>	<u>79,607,531</u>	<u>79,607,531</u>	<u>-</u>
Total revenues	<u>77,724,643</u>	<u>85,404,553</u>	<u>85,404,553</u>	<u>-</u>
EXPENDITURES				
Current:				
Facilities acquisition and construction	1,455,030	5,782,646	2,282,387	3,500,259
Capital Outlay:				
Facilities acquisition and construction	252,725,306	245,349,047	62,587,555	182,761,492
Other capital outlay	5,705,954	8,980,951	11,014,259	(2,033,308)
Total expenditures	<u>259,886,290</u>	<u>260,112,644</u>	<u>75,884,201</u>	<u>184,228,443</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>(182,161,647)</u>	<u>(174,708,091)</u>	<u>9,520,352</u>	<u>184,228,443</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,305,251	1,305,251	-
Transfers out	<u>(29,665,447)</u>	<u>(39,051,790)</u>	<u>(39,051,790)</u>	<u>-</u>
Total other financing sources (uses)	<u>(29,665,447)</u>	<u>(37,746,539)</u>	<u>(37,746,539)</u>	<u>-</u>
Net change in fund balances	<u>(211,827,094)</u>	<u>(212,454,630)</u>	<u>(28,226,187)</u>	<u>184,228,443</u>
Fund balances, July 1, 2002	234,302,709	234,302,709	234,302,709	-
Fund balances, June 30, 2003	<u>\$ 22,475,615</u>	<u>\$ 21,848,079</u>	<u>\$ 206,076,522</u>	<u>\$ 184,228,443</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Section 1011.14 Loan - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Interest income	\$ -	\$ 18,268	\$ 18,268	\$ -
Total local sources	-	18,268	18,268	-
Total revenues	-	18,268	18,268	-
EXPENDITURES				
Current:				
Facilities acquisition and construction	-	804,512	804,512	-
Capital Outlay:				
Facilities acquisition and construction	3,475,937	1,322,573	1,322,573	-
Other capital outlay	-	1,367,120	1,367,120	-
Total expenditures	3,475,937	3,494,205	3,494,205	-
Deficiency of revenues under expenditures	(3,475,937)	(3,475,937)	(3,475,937)	-
Net change in fund balances	(3,475,937)	(3,475,937)	(3,475,937)	-
Fund balances, July 1, 2002	3,475,937	3,475,937	3,475,937	-
Fund balances, June 30, 2003	\$ -	\$ -	\$ -	\$ -

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Public Education Capital Outlay - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State sources:				
Public Education Capital Outlay (PECO)	\$ 5,251,919	\$ 5,251,919	\$ 5,251,919	\$ -
Total State sources	<u>5,251,919</u>	<u>5,251,919</u>	<u>5,251,919</u>	<u>-</u>
Local sources:				
Interest income	-	27,509	27,509	-
Total local sources	<u>-</u>	<u>27,509</u>	<u>27,509</u>	<u>-</u>
Total revenues	<u>5,251,919</u>	<u>5,279,428</u>	<u>5,279,428</u>	<u>-</u>
EXPENDITURES				
Current:				
Facilities acquisition and construction	-	7,347	7,347	-
Capital Outlay:				
Facilities acquisition and construction	3,518,911	3,533,437	3,533,437	-
Other capital outlay	-	9,647	9,647	-
Total expenditures	<u>3,518,911</u>	<u>3,550,431</u>	<u>3,550,431</u>	<u>-</u>
Excess of revenues over expenditures	<u>1,733,008</u>	<u>1,728,997</u>	<u>1,728,997</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,251,919)	(5,251,919)	(5,251,919)	-
Total other financing sources (uses)	<u>(5,251,919)</u>	<u>(5,251,919)</u>	<u>(5,251,919)</u>	<u>-</u>
Net change in fund balances	(3,518,911)	(3,522,922)	(3,522,922)	-
Fund balances, July 1, 2002	<u>3,522,922</u>	<u>3,522,922</u>	<u>3,522,922</u>	<u>-</u>
Fund balances, June 30, 2003	<u>\$ 4,011</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
District Bonds - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Interest Income	\$ -	\$ 82	\$ 82	\$ -
Total local sources	-	82	82	-
Total revenues	-	82	82	-
EXPENDITURES				
Capital Outlay:				
Facilities acquisition and construction	17,799	19,775	19,775	-
Total expenditures	17,799	19,775	19,775	-
Deficiency of revenues under expenditures	(17,799)	(19,693)	(19,693)	-
Net change in fund balances	(17,799)	(19,693)	(19,693)	-
Fund balances, July 1, 2002	19,693	19,693	19,693	-
Fund balances, June 30, 2003	\$ 1,894	\$ -	\$ -	\$ -

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Capital Outlay and Debt Service - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State sources:				
CO&DS distributed	\$ -	\$ 286,512	\$ 286,512	\$ -
Interest on undistributed CO&DS	-	44,335	44,335	-
Total State sources	-	330,847	330,847	-
Local sources:				
Interest income	-	1,314	1,314	-
Total local sources	-	1,314	1,314	-
Total revenues	-	332,161	332,161	-
EXPENDITURES				
Capital Outlay:				
Facilities acquisition and construction	69,457	476,998	476,998	-
Total expenditures	69,457	476,998	476,998	-
Deficiency of revenues under expenditures				
Net change in fund balances	(69,457)	(144,837)	(144,837)	-
Fund balances, July 1, 2002	144,837	144,837	144,837	-
Fund balances, June 30, 2003	\$ 75,380	\$ -	\$ -	\$ -

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Local Capital Improvement - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Ad valorem taxes	\$ 36,189,955	\$ 37,154,597	\$ 37,154,597	\$ -
Interest income	234,776	623,415	623,415	-
Other local sources	-	448,841	448,841	-
Total local sources	<u>36,424,731</u>	<u>38,226,853</u>	<u>38,226,853</u>	<u>-</u>
Total revenues	<u>36,424,731</u>	<u>38,226,853</u>	<u>38,226,853</u>	<u>-</u>
EXPENDITURES				
Current:				
Facilities acquisition and construction	1,199,372	3,211,044	830,841	2,380,203
Capital Outlay:				
Facilities acquisition and construction	38,555,286	34,609,698	13,677,610	20,932,088
Other capital outlay	5,705,954	8,980,951	8,980,951	-
Total expenditures	<u>45,460,612</u>	<u>46,801,693</u>	<u>23,489,402</u>	<u>23,312,291</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>(9,035,881)</u>	<u>(8,574,840)</u>	<u>14,737,451</u>	<u>23,312,291</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(15,171,810)	(15,866,897)	(15,866,897)	-
Total other financing sources (uses)	<u>(15,171,810)</u>	<u>(15,866,897)</u>	<u>(15,866,897)</u>	<u>-</u>
Net change in fund balances	(24,207,691)	(24,441,737)	(1,129,446)	23,312,291
Fund balances, July 1, 2002	28,803,985	28,803,985	28,803,985	-
Fund balances, June 30, 2003	<u>\$ 4,596,294</u>	<u>\$ 4,362,248</u>	<u>\$ 27,674,539</u>	<u>\$ 23,312,291</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Sale of Property - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State sources:				
Other State sources	\$ -	\$ 113,960	\$ 113,960	\$ -
Total State sources	-	113,960	113,960	-
Local sources:				
Interest income	-	62,351	62,351	-
Other local sources	-	72,756	72,756	-
Total local sources	-	135,107	135,107	-
Total revenues	-	249,067	249,067	-
EXPENDITURES				
Current:				
Facilities acquisition and construction	422	3,767	3,767	-
Capital Outlay:				
Facilities acquisition and construction	2,613,428	1,497,358	963,767	533,591
Total expenditures	2,613,850	1,501,125	967,534	533,591
Excess (Deficiency) of revenues over/(under) expenditures	(2,613,850)	(1,252,058)	(718,467)	533,591
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(778,948)	(778,948)	-
Total other financing sources (uses)	-	(778,948)	(778,948)	-
Net change in fund balances	(2,613,850)	(2,031,006)	(1,497,415)	533,591
Fund balances, July 1, 2002	4,464,561	4,464,561	4,464,561	-
Fund balances, June 30, 2003	\$ 1,850,711	\$ 2,433,555	\$ 2,967,146	\$ 533,591

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Impact Fees - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Interest income	\$ -	\$ 64,289	\$ 64,289	\$ -
Impact fees	<u>4,183,000</u>	<u>5,877,411</u>	<u>5,877,411</u>	<u>-</u>
Total local sources	<u>4,183,000</u>	<u>5,941,700</u>	<u>5,941,700</u>	<u>-</u>
Total revenues	<u>4,183,000</u>	<u>5,941,700</u>	<u>5,941,700</u>	<u>-</u>
Excess of revenues over expenditures	<u>4,183,000</u>	<u>5,941,700</u>	<u>5,941,700</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(3,792,462)</u>	<u>(4,466,242)</u>	<u>(4,466,242)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,792,462)</u>	<u>(4,466,242)</u>	<u>(4,466,242)</u>	<u>-</u>
Net change in fund balances	390,538	1,475,458	1,475,458	-
Fund balances, July 1, 2002	<u>2,202,786</u>	<u>2,202,786</u>	<u>2,202,786</u>	<u>-</u>
Fund balances, June 30, 2003	<u>\$ 2,593,324</u>	<u>\$ 3,678,244</u>	<u>\$ 3,678,244</u>	<u>\$ -</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Classrooms First Program - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Interest income	\$ -	\$ 300	\$ 300	\$ -
Total local sources	-	300	300	-
Total revenues	-	300	300	-
EXPENDITURES				
Current:				
Facilities acquisition and construction	11,807	19,486	19,486	-
Capital Outlay:				
Facilities acquisition and construction	31,242	74,286	74,286	-
Other capital outlay	-	1,282	1,282	-
Total expenditures	43,049	95,054	95,054	-
Deficiency of revenues under expenditures	(43,049)	(94,754)	(94,754)	-
Net change in fund balances	(43,049)	(94,754)	(94,754)	-
Fund balances, July 1, 2002	94,754	94,754	94,754	-
Fund balances, June 30, 2003	\$ 51,705	\$ -	\$ -	\$ -

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Certificates of Participation - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Interest income	\$ 414,794	\$ 823,909	\$ 823,909	\$ -
Total local sources	414,794	823,909	823,909	-
Total revenues	414,794	823,909	823,909	-
EXPENDITURES				
Current:				
Facilities acquisition and construction	243,429	1,297,068	290,771	1,006,297
Capital Outlay:				
Facilities acquisition and construction	22,836,402	29,516,150	17,391,784	12,124,366
Other capital outlay	-	538,828	538,828	-
Total expenditures	23,079,831	31,352,046	18,221,383	13,130,663
Deficiency of revenues under expenditures	(22,665,037)	(30,528,137)	(17,397,474)	13,130,663
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,305,251	1,305,251	-
Total other financing sources (uses)	-	1,305,251	1,305,251	-
Net change in fund balances	(22,665,037)	(29,222,886)	(16,092,223)	13,130,663
Fund balances, July 1, 2002	29,614,652	29,614,652	29,614,652	-
Fund balances, June 30, 2003	\$ 6,949,615	\$ 391,766	\$ 13,522,429	\$ 13,130,663

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
School Infrastructure Thrift - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Interest income	\$ -	\$ 9,684	\$ 9,684	-
Total local sources	-	9,684	9,684	-
Total revenues	-	9,684	9,684	-
EXPENDITURES				
Capital Outlay:				
Facilities acquisition and construction	545,081	658,339	658,339	-
Total expenditures	545,081	658,339	658,339	-
Deficiency of revenues under expenditures	(545,081)	(648,655)	(648,655)	-
Net change in fund balances	(545,081)	(648,655)	(648,655)	-
Fund balances, July 1, 2002	648,655	648,655	648,655	-
Fund balances, June 30, 2003	\$ 103,574	\$ -	\$ -	\$ -

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Effort Index Grant - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Interest income	\$ -	\$ 6,943	\$ 6,943	\$ -
Total local sources	-	6,943	6,943	-
Total revenues	-	6,943	6,943	-
EXPENDITURES				
Capital Outlay:				
Facilities acquisition and construction	3,244,194	3,256,096	3,256,096	-
Total expenditures	3,244,194	3,256,096	3,256,096	-
Deficiency of revenues under expenditures	(3,244,194)	(3,249,153)	(3,249,153)	-
Net change in fund balances	(3,244,194)	(3,249,153)	(3,249,153)	-
Fund balances, July 1, 2002	3,249,153	3,249,153	3,249,153	-
Fund balances, June 30, 2003	\$ 4,959	\$ -	\$ -	\$ -

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Class Size Reduction - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Current:				
Facilities acquisition and construction	-	1,314	1,314	-
Total expenditures	-	1,314	1,314	-
Excess (Deficiency) of revenues over expenditures	-	(1,314)	(1,314)	-
Net change in fund balances	-	(1,314)	(1,314)	-
Fund balances, July 1, 2002	1,314	1,314	1,314	-
Fund balances, June 30, 2003	\$ 1,314	\$ -	\$ -	\$ -

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Charter Schools' Capital Outlay - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

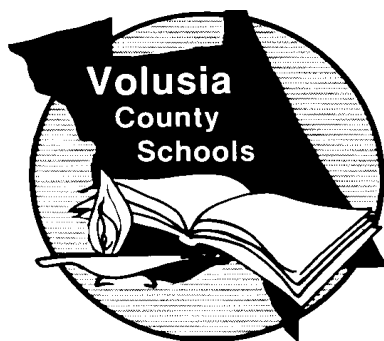
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State sources:				
School infrastructure thrift	\$ -	\$ 100,296	\$ 100,296	\$ -
Total State sources	-	100,296	100,296	-
Local sources				
Interest income	-	1,413	1,413	-
Total local sources	-	1,413	1,413	-
Total revenues	-	101,709	101,709	-
EXPENDITURES				
Capital Outlay:				
Facilities acquisition and construction	67,652	169,361	19,515	149,846
Total expenditures	67,652	169,361	19,515	149,846
Excess (Deficiency) of revenues over/(under) expenditures	(67,652)	(67,652)	82,194	149,846
Net change in fund balances	(67,652)	(67,652)	82,194	149,846
Fund balances, July 1, 2002	67,652	67,652	67,652	-
Fund balances, June 30, 2003	\$ -	\$ -	\$ 149,846	\$ 149,846

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Local Sales Tax - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Local sales tax	\$ 28,800,000	\$ 30,747,285	\$ 30,747,285	\$ -
Interest income	2,650,199	2,413,539	2,413,539	-
Total local sources	31,450,199	33,160,824	33,160,824	-
Total revenues	31,450,199	33,160,824	33,160,824	-
EXPENDITURES				
Current:				
Facilities acquisition and construction	-	438,108	324,349	113,759
Capital Outlay:				
Facilities acquisition and construction	177,749,917	168,962,880	21,191,279	147,771,601
Other capital outlay	-	116,431	116,431	-
Total expenditures	177,749,917	169,517,419	21,632,059	147,885,360
Excess (Deficiency) of revenues over/(under) expenditures	(146,299,718)	(136,356,595)	11,528,765	147,885,360
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,449,256)	(12,687,784)	(12,687,784)	-
Total other financing sources (uses)	(5,449,256)	(12,687,784)	(12,687,784)	-
Net change in fund balances	(151,748,974)	(149,044,379)	(1,159,019)	147,885,360
Fund balances, July 1, 2002	157,991,808	157,991,808	157,991,808	-
Fund balances, June 30, 2003	\$ 6,242,834	\$ 8,947,429	\$ 156,832,789	\$ 147,885,360

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Vince Carter Project - Capital Projects Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Contribution	\$ -	\$ 1,250,000	\$ 1,250,000	\$ -
Interest income	-	3,625	3,625	-
Total local sources	-	1,253,625	1,253,625	-
Total revenues	-	1,253,625	1,253,625	-
EXPENDITURES				
Capital Outlay:				
Facilities acquisition and construction	-	1,252,096	2,096	1,250,000
Total expenditures	-	1,252,096	2,096	1,250,000
Excess (Deficiency) of revenues over/(under) expenditures	-	1,529	1,251,529	1,250,000
Net change in fund balances	-	1,529	1,251,529	1,250,000
Fund balances, July 1, 2002	-	-	-	-
Fund balances, June 30, 2003	\$ -	\$ 1,529	\$ 1,251,529	\$ 1,250,000



Internal Service Funds

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments within the school district on a cost reimbursement basis.

Workers' Compensation Fund - Used to account for the financial activities of the District's self-insured workers' compensation program.

Property Insurance Fund - Used to account for the financial activities of the District's self-insured property coverages.

General Liability Fund - Used to account for the financial activities of the District's self-insured general liability coverages.

District School Board of Volusia County, Florida
Combining Statement of Net Assets -
Internal Service Funds
June 30, 2003

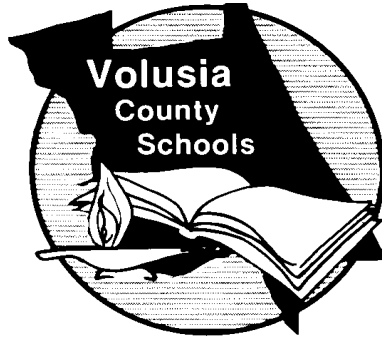
	Workers'	General	Total
	Compensation	Liability	Internal Service
			Funds
ASSETS			
Current assets:			
Investments	\$ 6,449,666	\$ 1,534,169	\$ 7,983,835
Interest receivable	9,378	-	9,378
Total current assets	6,459,044	1,534,169	7,993,213
Total assets	6,459,044	1,534,169	7,993,213
LIABILITIES			
Noncurrent liabilities:			
Estimated insurance claims payable	5,893,016	1,459,169	7,352,185
Total noncurrent liabilities	5,893,016	1,459,169	7,352,185
Total liabilities	5,893,016	1,459,169	7,352,185
NET ASSETS			
Unrestricted	566,028	75,000	641,028
Total net assets	\$ 566,028	\$ 75,000	\$ 641,028

District School Board of Volusia County, Florida
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets -
Internal Service Funds
For the Fiscal Year Ended June 30, 2003

	Workers' Compensation	Property Insurance	General Liability	Total Internal Service Funds
OPERATING REVENUES				
Premium revenue	\$ 3,286,475	\$ 1,717,963	\$ 832,743	\$ 5,837,181
Total operating revenues	<u>3,286,475</u>	<u>1,717,963</u>	<u>832,743</u>	<u>5,837,181</u>
OPERATING EXPENSES				
Salaries	121,333	-	-	121,333
Employee benefits	40,510	-	-	40,510
Purchased services	749,062	1,723,908	296,457	2,769,427
Materials and supplies	460	-	-	460
Capital outlay	-	-	-	-
Insurance claims and related costs	2,490,612	-	552,058	3,042,670
Total operating expenses	<u>3,401,977</u>	<u>1,723,908</u>	<u>848,515</u>	<u>5,974,400</u>
Operating loss	<u>(115,502)</u>	<u>(5,945)</u>	<u>(15,772)</u>	<u>(137,219)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest	115,502	5,945	15,772	137,219
Income before transfers	-	-	-	-
Transfers in	462,583	-	-	462,583
Transfers out	-	(562,583)	-	(562,583)
Change in net assets	462,583	(562,583)	-	(100,000)
Net assets - July 1, 2002	103,445	562,583	75,000	741,028
Net assets - June 30, 2003	<u>\$ 566,028</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ 641,028</u>

District School Board of Volusia County, Florida
Combining Statement of Cash Flows -
Internal Service Funds
For the Fiscal Year Ended June 30, 2003

	Workers' Compensation	Property Insurance	General Liability	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Board contributions	\$ 3,286,475	\$ 1,717,963	\$ 832,743	\$ 5,837,181
Payments to suppliers	(749,522)	(1,723,908)	(296,457)	(2,769,887)
Payments to employees	(161,843)	-	-	(161,843)
Payments for insurance claims	(2,596,936)	-	(83,525)	(2,680,461)
Net cash (used) provided by operating activities	<u>(221,826)</u>	<u>(5,945)</u>	<u>452,761</u>	<u>224,990</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	462,583	-	-	462,583
Transfers to other funds	-	(562,583)	-	(562,583)
Net cash (used) provided by noncapital financing activities	<u>462,583</u>	<u>(562,583)</u>	<u>-</u>	<u>(100,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(6,449,666)	-	(1,534,169)	(7,983,835)
Interest and dividends	144,989	5,945	15,772	166,706
Net cash (used) provided by investing activities	<u>(6,304,677)</u>	<u>5,945</u>	<u>(1,518,397)</u>	<u>(7,817,129)</u>
Net decrease in cash and cash equivalents	(6,063,920)	(562,583)	(1,065,636)	(7,692,139)
Cash and cash equivalents - July 1, 2002	6,063,920	562,583	1,065,636	7,692,139
Cash and cash equivalents - June 30, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash (used) provided by operating activities:				
Operating loss	\$ (115,502)	\$ (5,945)	\$ (15,772)	\$ (137,219)
Adjustments to reconcile operating loss to net cash provided by operating activities:				
Increase (decrease) in estimated insurance claims payable	(106,324)	-	468,533	362,209
Net cash (used) provided by operating activities	<u>\$ (221,826)</u>	<u>\$ (5,945)</u>	<u>\$ 452,761</u>	<u>\$ 224,990</u>



Fiduciary Funds

Fiduciary Funds

Fiduciary Funds are used to report resources held by a governmental unit in a trustee or agency capacity for others and therefore, cannot be used to support the government's own programs.

Private-Purpose Trust Funds - Used to account for the resources of the District's trust and endowment funds for DeLand High, Spruce Creek High, and Seabreeze High.

Agency Funds - Used to account for resources of the school internal funds which are used to administer monies collected at the schools for student, athletic, class, and club activities.

**District School Board of Volusia County, Florida
Combining Statement of Fiduciary Net Assets -
Private-Purpose Trust Funds
June 30, 2003**

	<u>DeLand High</u>	<u>Spruce Creek High</u>	<u>Seabreeze High</u>	<u>Total Private-Purpose Trust Funds</u>
ASSETS				
Investments	\$ 8,486	\$ 31,725	\$ 661,595	\$ 701,806
Interest receivable	-	-	3,089	3,089
Total assets	<u>8,486</u>	<u>31,725</u>	<u>664,684</u>	<u>704,895</u>
NET ASSETS				
Assets held in trust for scholarships and other purposes	<u>\$ 8,486</u>	<u>\$ 31,725</u>	<u>\$ 664,684</u>	<u>\$ 704,895</u>

District School Board of Volusia County, Florida
Combining Statement of Changes in Fiduciary Net Assets -
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2003

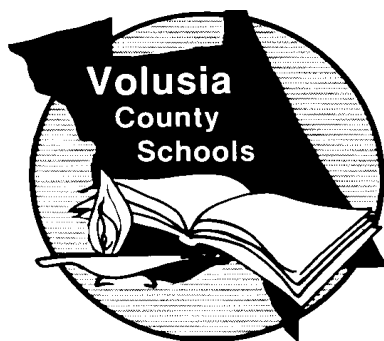
	<u>DeLand High</u>	<u>Spruce Creek High</u>	<u>Seabreeze High</u>	<u>Total Private-Purpose Trust Funds</u>
ADDITIONS				
Investment earnings:				
Interest	\$ 154	\$ 520	\$ 17,546	\$ 18,220
Total additions	<u>154</u>	<u>520</u>	<u>17,546</u>	<u>18,220</u>
DEDUCTIONS				
Material and supplies	-	-	3,962	3,962
Scholarships	<u>1,000</u>	<u>-</u>	<u>3,961</u>	<u>4,961</u>
Total deductions	<u>1,000</u>	<u>-</u>	<u>7,923</u>	<u>8,923</u>
Change in net assets	(846)	520	9,623	9,297
Net assets - July 1, 2002	<u>9,332</u>	<u>31,205</u>	<u>655,061</u>	<u>695,598</u>
Net assets - June 30, 2003	<u>\$ 8,486</u>	<u>\$ 31,725</u>	<u>\$ 664,684</u>	<u>\$ 704,895</u>

District School Board of Volusia County, Florida
Schedule of Assets and Liabilities -
Agency Funds
June 30, 2003

	School Internal Funds
ASSETS	
Cash	\$ 2,209,428
Investments	3,467,054
Total assets	\$ 5,676,482
 LIABILITIES	
Deposits held for others	\$ 5,676,482
Total liabilities	\$ 5,676,482

District School Board of Volusia County, Florida
Schedule of Changes in Assets and Liabilities -
Agency Funds
For the Fiscal Year Ended June 30, 2003

	<u>Balance</u> <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2003</u>
ASSETS				
Cash	\$ 2,454,190	\$ 12,913,035	\$ 13,157,797	\$ 2,209,428
Investments	2,865,415	601,639	-	3,467,054
Total assets	<u>\$ 5,319,605</u>	<u>\$ 13,514,674</u>	<u>\$ 13,157,797</u>	<u>\$ 5,676,482</u>
LIABILITIES				
Deposits held for others	<u>\$ 5,319,605</u>	<u>\$ 13,514,674</u>	<u>\$ 13,157,797</u>	<u>\$ 5,676,482</u>
Total liabilities	<u>\$ 5,319,605</u>	<u>\$ 13,514,674</u>	<u>\$ 13,157,797</u>	<u>\$ 5,676,482</u>



Nonmajor Discretely Presented
Component Units

Nonmajor Discretely Presented Component Units

The component units columns in the basic financial statements include the financial data of the District's nonmajor discretely presented component units.

Reading Edge Academy, Inc., and Chiles Academy, Inc., Charter Schools - are separate not-for-profit corporations organized pursuant to Chapter 617, Florida Statutes, the Florida Not-For-Profit Corporation Act, and Section 1002.33, Florida Statutes. The charter schools operate under charters approved by their sponsor, the Board, and are considered to be component units of the District since they are fiscally dependent on the District.

Volusia County Education Direct-Support Organization, Inc. (Futures) - is a not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to raise funds, receive, hold, invest, and administer property and to make expenditures for the benefit of the District. Section 1001.453 Florida Statutes, requires Futures to be authorized and approved by the District. It is considered to be a component unit of the District since the District must approve all members of Futures' Board and the District has the ability to impose its will on the organization. It is considered to be a discretely presented component unit, because the two boards are not the same and Futures does not provide services entirely or nearly entirely to District.

District School Board of Volusia County, Florida
Combining Schedule of Net Assets -
Nonmajor Discretely Presented Component Units
June 30, 2003

	Charter Schools		Volusia County Education Direct-Support Organization, Inc.	Total Component Units
	Reading Edge Academy, Inc.	Chiles Academy, Inc.		
ASSETS				
Cash	\$ 109,098	\$ 109,971	\$ 432,246	\$ 651,315
Investments	-	-	13,543	13,543
Accounts receivable	415	-	7,500	7,915
Deposits receivable	1,000	12,000	-	13,000
Inventories	356	-	-	356
Prepaid items	405	3,510	306,299	310,214
Capital assets:				
Land	156,207	-	-	156,207
Buildings and fixed equipment, net	1,350,089	2,524	-	1,352,613
Furniture, fixtures and equipment, net	58,534	23,877	-	82,411
Total assets	<u>1,676,104</u>	<u>151,882</u>	<u>759,588</u>	<u>2,587,574</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Salaries and wages payable	432	-	-	432
Payroll deductions and withholdings	946	-	-	946
Accounts payable	4,364	3,659	-	8,023
Long-term liabilities:				
Portion due within one year:				
Notes payable	26,236	-	-	26,236
Portion due in more than one year:				
Notes payable	621,496	-	-	621,496
Compensated absences payable	5,855	-	-	5,855
Total liabilities	<u>659,329</u>	<u>3,659</u>	<u>-</u>	<u>662,988</u>
NET ASSETS				
Invested in capital assets, net of related debt	917,098	26,401	-	943,499
Restricted for:				
Other purposes			535,312	535,312
Unrestricted	99,677	121,822	224,276	445,775
Total net assets	<u>\$ 1,016,775</u>	<u>\$ 148,223</u>	<u>\$ 759,588</u>	<u>\$ 1,924,586</u>

**District School Board of Volusia County, Florida
Combining Schedule of Activities -
Nonmajor Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2003**

FUNCTIONS	Expenses	Program Revenues		Total Component Units	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Charter schools:					
Instruction	\$ 1,005,352	\$ -	\$ 58,485	\$ -	\$ (946,867)
Instructional staff training services	1,287	-	-	-	(1,287)
Pupil personnel services	21,106	-	-	-	(21,106)
Instructional media services	513	-	-	-	(513)
Instruction and curriculum development services	1,118	-	-	-	(1,118)
Instructional staff training services	2,726	-	-	-	(2,726)
General administration	37,246	-	-	-	(37,246)
School administration	206,472	-	2,965	-	(203,507)
Fiscal services	16,976	-	-	-	(16,976)
Food services	7,405	-	-	-	(7,405)
Operation of plant	116,830	-	-	-	(116,830)
Community services	79,573	83,163	-	-	3,590
Interest on long-term debt	44,881	-	-	-	(44,881)
Total charter school	<u>1,541,485</u>	<u>83,163</u>	<u>61,450</u>	<u>-</u>	<u>(1,396,872)</u>
Volusia County Education Direct-Support Organization, Inc.:					
Community services	390,441	106,591	346,699	-	62,849
Total Component Units	<u>\$ 1,931,926</u>	<u>\$ 189,754</u>	<u>\$ 408,149</u>	<u>\$ -</u>	<u>\$ (1,334,023)</u>
General revenues:					
					1,340,370
Grants and contributions not restricted to specific programs					5,891
Investment earnings					47,582
Miscellaneous					<u>1,393,843</u>
Total general revenues					59,820
Change in net assets					<u>1,864,766</u>
Net assets - July 1, 2002					<u>\$ 1,924,586</u>
Net assets - June 30, 2003					

District School Board of Volusia County, Florida
Schedule of Activities - Nonmajor Discretely Presented Component Units -
Reading Edge Academy, Inc.
For the Fiscal Year Ended June 30, 2003

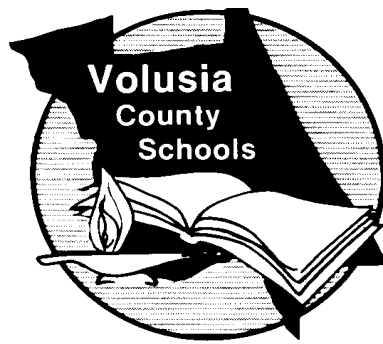
<u>FUNCTIONS</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Total Reading Edge Academy, Inc.</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Charter school activities:					
Instruction	\$ 684,848	\$ -	\$ -	\$ -	\$ (684,848)
Instructional staff training services	1,287	-	-	-	(1,287)
General administration	33,060	-	-	-	(33,060)
School administration	112,051	-	-	-	(112,051)
Fiscal services	11,568	-	-	-	(11,568)
Food services	7,405	-	-	-	(7,405)
Operation of plant	85,662	-	-	-	(85,662)
Community services	79,130	83,163	-	-	4,033
Interest on long-term debt	44,881	-	-	-	(44,881)
Total charter school	<u>\$ 1,059,892</u>	<u>\$ 83,163</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(976,729)</u>
General revenues:					
Grants and contributions not restricted to specific programs					914,753
Miscellaneous					44,631
Total general revenues					<u>959,384</u>
Change in net assets					(17,345)
Net assets - July 1, 2002					<u>1,034,120</u>
Net assets - June 30, 2003					<u>\$ 1,016,775</u>

District School Board of Volusia County, Florida
Schedule of Activities - Nonmajor Discretely Presented Component Units -
Chiles Academy, Inc.
For the Fiscal Year Ended June 30, 2003

FUNCTIONS	Expenses	Program Revenues		Total Chiles Academy, Inc.	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Charter school activities:					
Instruction	\$ 320,504	\$ -	\$ 58,485	\$ -	\$ (262,019)
Pupil personnel services	21,106	-	-	-	(21,106)
Instructional media services	513	-	-	-	(513)
Instruction and curriculum development services	1,118	-	-	-	(1,118)
Instructional staff training services	2,726	-	-	-	(2,726)
General administration	4,186	-	-	-	(4,186)
School administration	94,421	-	2,965	-	(91,456)
Fiscal services	5,408	-	-	-	(5,408)
Operation of plant	31,168	-	-	-	(31,168)
Community services	443	-	-	-	(443)
Total charter school	<u>\$ 481,593</u>	<u>\$ -</u>	<u>\$ 61,450</u>	<u>\$ -</u>	<u>(420,143)</u>
General revenues:					
					425,617
					2,951
					<u>428,568</u>
					8,425
					139,798
					<u>\$ 148,223</u>

District School Board of Volusia County, Florida
Schedule of Activities - Nonmajor Discretely Presented Component Units -
Volusia County Education Direct-Support Organization, Inc.
For the Fiscal Year Ended June 30, 2003

<u>FUNCTIONS</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Total Volusia County Education Direct-Support Organization, Inc.</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Direct support organization activities:					
Community services	\$ 390,441	\$ 106,591	\$ 346,699	\$ -	\$ 62,849
Total direct-support organization	<u>\$ 390,441</u>	<u>\$ 106,591</u>	<u>\$ 346,699</u>	<u>\$ -</u>	<u>62,849</u>
General revenues:					
					5,891
					<u>5,891</u>
					68,740
					<u>690,848</u>
					<u>\$ 759,588</u>



Statistical Section

District School Board of Volusia County, Florida
Government-wide Expenses by Function
Last Two Fiscal Years
(Unaudited)

	<u>2002</u>	<u>2003</u>
Primary government:		
Governmental activities:		
Instruction	\$ 213,318,716	\$ 227,594,168
Pupil personnel services	18,214,060	19,938,915
Instructional media services	5,996,773	6,666,347
Instruction and curriculum development services	11,134,615	10,337,293
Instructional staff training services	4,476,893	4,783,473
Board of education	335,061	365,919
General administration	2,928,426	2,930,750
School administration	28,478,245	30,844,455
Facilities acquisition and construction	5,623,268	3,015,564
Fiscal services	2,506,261	2,495,708
Food services	17,685,516	18,879,572
Central services	10,514,558	11,237,929
Pupil transportation services	11,709,726	12,654,270
Operation of plant	29,125,890	29,953,234
Maintenance of plant	9,536,530	10,807,896
Community services	1,679,972	1,914,220
Interest on long-term debt	10,242,297	14,703,119
Depreciation expense	27,300,446	29,541,447
Total expenses	<u>\$ 410,807,253</u>	<u>\$ 438,664,279</u>

Source: District records

District School Board of Volusia County, Florida
Government-wide Revenues by Source
Last Two Fiscal Years
(Unaudited)

	<u>2002</u>	<u>2003</u>
Primary government:		
Program Revenues:		
Charges for services	\$ 11,675,049	\$ 13,513,689
Operating grants and contributions	20,382,556	23,757,919
Capital grants and contributions	11,216,225	11,766,955
General Revenues:		
Property taxes:		
Levied for operational purposes	108,752,183	118,508,547
Levied for debt service	10,359,570	9,707,724
Levied for capital projects	33,944,965	37,154,597
Local sales tax	15,063,254	30,747,285
Unrestricted grants and contributions	214,903,955	225,760,225
Investment earnings	6,509,111	4,978,893
Miscellaneous	8,036,449	5,540,371
Total revenues	<u><u>\$ 440,843,317</u></u>	<u><u>\$ 481,436,205</u></u>

Source: District records

District School Board of Volusia County, Florida
General Governmental Expenditures by Function ⁽¹⁾
Last Ten Fiscal Years
(Unaudited)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Current:				
Instruction	\$ 139,568,769	\$ 153,584,798	\$ 161,980,101	\$ 167,288,156
Pupil personnel services	11,711,918	12,382,305	13,580,627	16,600,764
Instructional media services	6,154,168	6,452,103	6,393,270	5,922,037
Instruction and curriculum development services	7,449,286	6,994,874	6,982,979	7,412,114
Instructional staff training services	1,307,358	2,199,184	1,836,910	2,558,519
Board of education	230,840	241,311	238,823	306,739
General administration	2,448,302	2,320,907	2,683,854	1,943,013
School administration	21,232,457	22,958,769	23,734,568	21,044,586
Facilities acquisition and construction	3,361,356	5,784,527	2,136,645	543,760
Fiscal services	2,018,812	1,936,371	1,813,760	1,632,255
Food services	11,704,930	12,456,286	12,699,489	12,728,162
Central services	7,897,052	8,031,189	8,633,208	8,366,306
Pupil transportation services	8,178,473	8,743,063	9,225,204	9,304,705
Operation of plant	19,245,246	22,291,322	21,643,621	22,252,952
Maintenance of plant	7,046,844	6,486,864	7,074,955	7,383,419
Community services	1,374,264	1,563,645	1,650,732	864,659
Debt service:				
Principal	42,594,474	12,925,000	13,980,000	14,085,000
Interest and fiscal charges	15,483,715	11,240,987	10,664,384	9,247,626
Capital Outlay:				
Facilities acquisition and construction	42,225,225	27,238,627	39,836,393	21,946,273
Other capital outlay	4,538,693	5,709,996	1,959,201	11,076,946
Total expenditures	<u>\$ 355,772,182</u>	<u>\$ 331,542,128</u>	<u>\$ 348,748,724</u>	<u>\$ 342,507,991</u>

⁽¹⁾ Includes all governmental fund types.

Source: District records

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
\$ 182,341,499	\$ 193,650,711	\$ 196,787,495	\$ 210,761,834	\$ 215,626,219	\$ 226,722,204
14,937,759	16,036,053	16,355,719	17,824,538	18,376,824	19,862,525
5,621,881	5,728,262	5,814,187	6,015,456	6,050,361	6,640,807
7,467,824	9,575,797	9,663,340	10,815,233	11,234,116	10,297,689
3,325,107	4,043,857	4,396,259	4,492,894	4,516,899	4,765,146
302,708	336,012	333,762	330,909	338,055	364,517
2,076,555	2,235,863	2,387,176	2,570,974	2,954,595	2,919,522
24,523,286	26,715,974	26,647,038	28,530,480	28,732,731	30,726,283
59,974	24,828	2,742,944	369,126	5,673,518	2,998,902
1,827,611	2,074,323	2,250,335	2,166,170	2,528,657	2,486,146
13,857,051	16,573,605	15,518,746	16,752,751	17,843,557	18,811,451
9,085,448	9,044,277	10,145,521	9,412,333	10,608,518	11,194,874
10,259,408	10,218,290	10,753,897	11,477,529	11,814,366	12,605,789
22,713,314	24,714,531	24,152,847	26,686,232	29,386,164	29,838,477
7,940,268	8,177,797	8,839,725	9,213,858	9,621,750	10,766,489
1,151,813	1,347,479	1,271,506	1,579,333	1,694,985	1,906,886
14,989,449	16,067,070	18,784,921	20,585,622	18,804,808	18,984,691
8,559,377	8,862,561	12,919,259	11,479,780	12,155,970	15,379,008
18,825,066	31,796,608	45,732,112	80,975,058	59,598,246	62,603,738
15,468,048	12,093,463	14,566,893	4,131,870	5,931,034	12,560,884
<u>\$ 365,333,446</u>	<u>\$ 399,317,361</u>	<u>\$ 430,063,682</u>	<u>\$ 476,171,980</u>	<u>\$ 473,491,373</u>	<u>\$ 502,436,028</u>

District School Board of Volusia County, Florida
General Governmental Revenues by Source ⁽¹⁾
Last Ten Fiscal Years
(Unaudited)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Federal sources:				
Federal direct	\$ 147,813	\$ 170,116	\$ 341,848	\$ 262,891
Other Federal grants	11,689,435	11,019,629	11,622,873	12,493,695
Food services	7,333,759	7,604,833	8,148,081	8,208,524
Total Federal sources	<u>19,171,007</u>	<u>18,794,578</u>	<u>20,112,802</u>	<u>20,965,110</u>
State sources:				
Florida education finance program	107,736,387	117,653,049	118,041,458	124,720,456
Categorical educational programs	10,273,590	11,657,640	17,270,798	21,223,786
Discretionary lottery funds	11,757,979	11,934,462	11,438,619	10,919,065
Public education capital outlay	11,915,897	9,750,708	8,439,881	9,179,887
Capital Outlay and Debt Service	1,937,392	2,028,368	2,044,640	2,109,141
Mobile Home License Tax	428,488	424,202	432,339	438,992
Food services	382,977	420,694	390,800	367,427
Pari-mutuel tax	283,485	283,485	283,485	283,485
Classrooms first program	-	-	-	-
School infrastructure thrift program	-	-	-	-
Effort index	-	-	-	-
Class size reduction	-	-	-	-
State grants and other State sources	990,440	1,600,538	1,010,760	535,580
Total State sources	<u>145,706,635</u>	<u>155,753,146</u>	<u>159,352,780</u>	<u>169,777,819</u>
Local sources:				
Ad valorem taxes	116,706,664	123,891,210	135,195,167	137,811,242
Local Sales tax	-	-	-	-
Food service sales	4,379,160	4,428,978	4,687,525	4,931,569
Interest income	7,574,492	6,893,744	6,727,828	3,960,616
Local grants and other local sources	6,244,245	8,447,884	8,356,262	7,252,908
Total local sources	<u>134,904,561</u>	<u>143,661,816</u>	<u>154,966,782</u>	<u>153,956,335</u>
Total revenues	<u>\$ 299,782,203</u>	<u>\$ 318,209,540</u>	<u>\$ 334,432,364</u>	<u>\$ 344,699,264</u>

⁽¹⁾ Includes all governmental fund types.

Source: District records

1998	1999	2000	2001	2002	2003
\$ 591,152	\$ 1,753,478	\$ 1,340,289	\$ 1,511,802	\$ 2,689,100	\$ 1,395,307
14,296,219	17,968,237	21,354,482	22,724,125	25,061,025	29,423,383
8,823,978	9,488,867	8,902,497	9,549,044	10,322,279	10,877,241
<u>23,711,349</u>	<u>29,210,582</u>	<u>31,597,268</u>	<u>33,784,971</u>	<u>38,072,404</u>	<u>41,695,931</u>
139,907,749	154,986,581	152,111,043	174,721,657	163,970,223	175,296,247
23,178,065	23,375,023	31,571,439	25,278,942	25,758,120	23,082,791
10,477,873	4,654,184	3,810,241	4,648,894	5,616,922	4,471,775
6,428,112	4,842,161	5,035,036	6,073,914	8,669,518	5,251,919
2,251,064	2,343,410	2,296,664	2,356,908	2,354,320	2,375,318
449,183	424,869	270,079	687,925	517,938	528,954
374,651	348,157	334,781	331,077	344,792	353,006
283,485	283,485	283,485	283,485	283,485	283,485
-	12,600,000	29,253,226	-	-	-
-	-	1,560,997	1,834,005	192,387	100,296
-	-	-	7,383,670	-	-
-	-	2,045,881	249,472	-	-
1,307,241	1,188,153	1,552,154	1,464,809	722,627	1,967,966
<u>184,657,423</u>	<u>205,046,023</u>	<u>230,125,026</u>	<u>225,314,758</u>	<u>208,430,332</u>	<u>213,711,757</u>
139,208,492	143,922,588	143,752,360	146,471,419	153,056,718	165,370,868
-	-	-	-	15,063,254	30,747,285
5,803,424	6,804,161	7,065,386	7,855,083	8,239,120	7,857,290
6,222,325	6,354,747	10,781,904	9,981,855	6,509,111	4,978,893
9,257,917	8,939,232	13,965,377	11,195,449	11,472,378	16,730,640
<u>160,492,158</u>	<u>166,020,728</u>	<u>175,565,027</u>	<u>175,503,806</u>	<u>194,340,581</u>	<u>225,684,976</u>
<u>\$ 368,860,930</u>	<u>\$ 400,277,333</u>	<u>\$ 437,287,321</u>	<u>\$ 434,603,535</u>	<u>\$ 440,843,317</u>	<u>\$ 481,092,664</u>

District School Board of Volusia County, Florida
Schedule of State Revenues (1)
Last Ten Fiscal Years
(Unaudited)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Florida education finance program	\$ 107,736,387	\$ 117,653,049	\$ 118,041,458	\$ 124,720,456
Categorical educational programs				
Student transportation	4,959,173	5,602,755	9,220,443	9,079,749
Instructional materials	2,037,076	2,228,855	2,627,967	3,502,701
Community education program	-	-	-	-
Safe schools	-	-	-	-
Pre-school programs	1,643,861	2,339,677	2,159,577	2,392,676
Instructional strategies enhancement	283,562	-	-	-
Public schools technology	1,349,918	1,362,491	1,356,470	1,603,523
Parent involvement	-	123,862	-	-
Summer school	-	-	1,906,341	1,906,341
Student performance incentives	-	-	-	236,998
Class size reduction	-	-	-	2,501,798
Teacher lead	-	-	-	-
School recognition	-	-	-	-
Supplemental academic instruction	-	-	-	-
Teacher training	-	-	-	-
Excellent teaching program	-	-	-	-
Teacher recruitment and retention	-	-	-	-
Discretionary lottery funds	11,757,979	11,934,462	11,438,619	10,919,065
Public education capital outlay	11,915,897	9,750,708	8,439,881	9,179,887
Capital Outlay and Debt Service	1,937,392	2,028,368	2,044,640	2,109,141
Mobile Home License Tax	428,488	424,202	432,339	438,992
Food services	382,977	420,694	390,800	367,427
Pari-mutuel tax	283,485	283,485	283,485	283,485
Classrooms first program	-	-	-	-
School infrastructure thrift program	-	-	-	-
Effort index	-	-	-	-
Class size reduction	-	-	-	-
Other State grants and sources	-	-	-	-
Full service schools	197,854	225,705	-	-
Summer inservice institute	132,500	151,122	-	-
Dropout prevention	86,957	120,000	-	-
Blueprint for career preparation	242,370	61,040	60,000	-
Storm/fire damage	137,292	39,396	57,042	-
Assessment center	-	65,000	138,012	180,329
Break the mold grant	-	50,000	-	50,000
Model technology schools	-	227,000	-	-
School year 2000 initiative	-	137,471	130,319	-
Vocational rehabilitation supported employment	-	57,577	-	-
Vocational education academy	-	253,500	126,463	71,500
Bridges	-	-	50,000	75,407
Suspension out of school alternative	-	-	58,299	-
Teacher quest	-	-	54,041	11,929
Fuel tax	77,016	15,545	112,839	15,338
Parents to kids	-	-	-	-
Reading recovery	-	-	-	-
Reading readiness	-	-	-	-
Tobacco pilot program	-	-	-	-
Commissioner's reading incentive	-	-	-	-
School readiness initiative	-	-	-	-
Reading initiatives	-	-	-	-
HOSTS	-	-	-	-
Resource management	-	-	-	-
Bonner Elementary matching challenge grant	-	-	-	-
New millennium high schools	-	-	-	-
Recruitment and retention bonus	-	-	-	-
Schoolside change for improvement	-	-	-	-
Research based reading program	-	-	-	-
Language immersion pilot program	-	-	-	-
Boys and girls mentoring services	-	-	-	-
Schoolwide change for improving student performance	-	-	-	-
Alternative schools-public/private partnership	-	-	-	-
Full service tobacco (nurses)	-	-	-	-
Reading coaches model grant	-	-	-	-
Miscellaneous	116,451	197,182	223,745	131,077
Total State revenue	<u>\$ 145,706,635</u>	<u>\$ 155,753,146</u>	<u>\$ 159,352,780</u>	<u>\$ 169,777,819</u>

(1) Includes all governmental fund types.
Source: District records

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
\$ 139,907,749	\$ 154,986,581	\$ 152,111,043	\$ 174,721,657	\$ 163,970,223	\$ 175,296,247
9,166,286	9,401,153	9,744,128	10,031,191	9,715,485	10,689,681
4,057,978	4,565,413	4,806,012	4,736,553	5,169,085	5,604,520
-	-	-	-	-	-
2,359,597	2,343,256	2,304,210	2,262,330	2,175,419	-
-	-	-	-	-	-
2,074,379	2,064,379	1,607,000	1,601,610	1,563,076	1,552,956
-	-	-	-	-	-
1,906,341	1,906,341	-	-	-	-
254,002	-	-	-	-	-
2,455,982	2,450,277	-	-	-	-
903,500	331,045	374,976	379,243	385,735	392,701
-	313,159	727,027	2,894,523	1,537,605	3,170,224
-	-	11,023,614	-	-	-
-	-	867,787	911,853	902,704	897,683
-	-	116,685	153,164	498,413	775,026
-	-	-	2,308,475	3,810,598	-
10,477,873	4,654,184	3,810,241	4,648,894	5,616,922	4,471,775
6,428,112	4,842,161	5,035,036	6,073,914	8,669,518	5,251,919
2,251,064	2,343,410	2,296,664	2,356,908	2,354,320	2,375,318
449,183	424,869	270,079	687,925	517,938	528,954
374,651	348,157	334,781	331,077	344,792	353,006
283,485	283,485	283,485	283,485	283,485	283,485
-	12,600,000	29,253,226	-	-	-
-	-	1,560,997	1,834,005	192,387	100,296
-	-	-	7,383,670	-	-
-	-	2,045,881	249,472	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	27,300	-	-	-	-
180,329	187,330	180,329	180,937	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
91,713	89,512	70,000	25,000	25,000	43,750
93,000	153,249	99,420	195,600	-	-
-	-	-	-	-	-
112,005	127,650	77,382	110,054	109,103	113,960
100,000	142,045	-	-	-	-
586,623	-	-	-	-	-
-	122,450	-	-	-	-
-	98,411	63,368	65,310	65,785	68,314
-	-	50,000	-	-	-
-	-	50,000	-	-	-
-	-	235,000	99,690	-	-
-	-	80,000	-	-	-
-	-	413,748	-	-	-
-	-	-	50,000	-	-
-	-	-	306,028	-	-
-	-	-	48,131	-	-
-	-	-	60,000	-	-
-	-	-	-	75,000	-
-	-	-	-	125,000	-
-	-	47,273	44,737	83,064	97,420
-	-	-	-	114,101	-
-	-	-	-	-	585,784
-	-	-	-	-	277,372
-	-	-	-	-	616,154
143,571	240,206	185,634	279,322	125,574	165,212
<u>\$ 184,657,423</u>	<u>\$ 205,046,023</u>	<u>\$ 230,125,026</u>	<u>\$ 225,314,758</u>	<u>\$ 208,430,332</u>	<u>\$ 213,711,757</u>

District School Board of Volusia County, Florida
Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balance -
General Fund
Last Ten Fiscal Years
(Unaudited)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Federal sources:				
Federal direct	\$ 147,813	\$ 170,116	\$ 341,848	\$ 262,891
Other Federal grants	-	-	139,917	51,740
Total Federal sources	<u>147,813</u>	<u>170,116</u>	<u>481,765</u>	<u>314,631</u>
State sources:				
Florida education finance program	107,736,387	117,653,049	118,041,458	124,720,456
Categoricals	10,273,590	11,657,641	17,270,798	21,223,786
Discretionary lottery funds	11,757,979	11,934,462	11,438,619	10,919,065
Capital Outlay and Debt Service	29,061	30,426	30,670	31,555
Mobile Home License Tax	428,488	424,202	432,339	438,992
Pari-mutuel tax	283,485	283,485	283,485	283,485
State grants and other State sources	945,244	1,561,883	971,965	499,079
Total State sources	<u>131,454,234</u>	<u>143,545,148</u>	<u>148,469,334</u>	<u>158,116,418</u>
Local sources:				
Ad valorem taxes	84,531,910	91,431,400	93,749,124	95,485,946
Interest income	1,669,210	2,437,843	2,456,788	255,977
Local grants and other local sources	3,771,489	4,364,661	4,191,867	4,289,841
Total local sources	<u>89,972,609</u>	<u>98,233,904</u>	<u>100,397,779</u>	<u>100,031,764</u>
Total revenues	<u>221,574,656</u>	<u>241,949,168</u>	<u>249,348,878</u>	<u>258,462,813</u>
Expenditures: (by object)				
Salaries	150,089,200	164,040,207	170,446,217	171,959,954
Employee Benefits	49,624,420	53,611,093	56,028,258	55,934,461
Purchased Services	10,603,221	11,500,156	12,807,897	14,070,138
Energy Services	5,916,063	6,373,378	6,962,072	7,208,893
Material and Supplies	6,263,749	7,592,369	8,069,871	8,033,479
Capital Outlay	2,315,637	3,982,368	2,529,557	2,725,040
Other expenditures	3,068,323	2,925,164	3,020,716	2,834,383
Total expenditures	<u>227,880,613</u>	<u>250,024,735</u>	<u>259,864,588</u>	<u>262,766,348</u>
Deficiency of revenues under expenditures	<u>(6,305,957)</u>	<u>(8,075,567)</u>	<u>(10,515,710)</u>	<u>(4,303,535)</u>
Other financing sources, net	<u>4,489,957</u>	<u>7,378,143</u>	<u>7,058,659</u>	<u>4,048,943</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,816,000)	(697,424)	(3,457,051)	(254,592)
Beginning fund balance	16,579,739	14,763,739	14,066,315	10,609,264
Adjustment to beginning fund balance	-	-	-	-
Ending fund balance	<u>\$ 14,763,739</u>	<u>\$ 14,066,315</u>	<u>\$ 10,609,264</u>	<u>\$ 10,354,672</u>

Source: District records

	1998	1999	2000	2001	2002	2003
\$	160,862	\$ 267,575	\$ 241,835	\$ 188,374	\$ 192,949	\$ 193,389
	59,025	825,947	1,566,845	1,318,900	1,412,103	817,704
	<u>219,887</u>	<u>1,093,522</u>	<u>1,808,680</u>	<u>1,507,274</u>	<u>1,605,052</u>	<u>1,011,093</u>
	139,907,749	154,986,582	152,111,043	174,721,657	163,970,223	175,296,247
	23,178,065	23,375,023	31,571,439	25,278,946	25,758,120	23,082,791
	10,477,873	4,654,184	3,810,241	4,648,894	5,616,922	4,471,775
	33,766	34,023	34,023	34,273	34,366	34,896
	449,183	424,869	270,079	687,925	517,938	528,954
	283,485	283,485	283,485	283,485	283,485	283,485
	1,129,891	1,025,582	1,426,880	1,310,871	604,784	1,845,135
	<u>175,460,012</u>	<u>184,783,748</u>	<u>189,507,190</u>	<u>206,966,051</u>	<u>196,785,838</u>	<u>205,543,283</u>
	95,395,081	99,702,306	97,703,691	102,250,295	108,752,183	118,508,547
	1,920,270	2,061,779	1,739,794	2,161,117	1,159,248	624,518
	4,631,489	5,735,174	6,204,922	6,106,689	6,418,086	8,612,733
	<u>101,946,840</u>	<u>107,499,259</u>	<u>105,648,407</u>	<u>110,518,101</u>	<u>116,329,517</u>	<u>127,745,798</u>
	<u>277,626,739</u>	<u>293,376,529</u>	<u>296,964,277</u>	<u>318,991,426</u>	<u>314,720,407</u>	<u>334,300,174</u>
	183,970,778	192,865,470	205,800,361	220,441,611	224,626,764	236,551,648
	62,173,096	67,811,550	56,361,107	58,656,146	59,584,573	60,423,402
	13,974,320	14,441,789	16,571,686	18,320,795	20,368,252	20,320,928
	7,311,283	7,823,296	7,197,800	8,709,806	9,027,676	8,894,687
	8,319,468	10,629,058	11,332,538	11,354,315	11,670,364	12,055,092
	1,993,170	1,875,374	2,200,738	2,620,645	1,696,459	1,397,228
	3,191,432	3,271,226	3,305,616	4,191,320	4,754,943	5,256,492
	<u>280,933,547</u>	<u>298,717,763</u>	<u>302,769,846</u>	<u>324,294,638</u>	<u>331,729,031</u>	<u>344,899,477</u>
	(3,306,808)	(5,341,234)	(5,805,569)	(5,303,212)	(17,008,624)	(10,599,303)
	<u>6,882,591</u>	<u>7,101,637</u>	<u>7,521,280</u>	<u>8,350,913</u>	<u>11,424,664</u>	<u>11,908,499</u>
	3,575,783	1,760,403	1,715,711	3,047,701	(5,583,960)	1,309,196
	10,354,672	14,193,987	15,954,390	20,589,007	23,636,708	18,052,748
	263,532	-	2,918,906	-	-	-
\$	<u>14,193,987</u>	<u>\$ 15,954,390</u>	<u>\$ 20,589,007</u>	<u>\$ 23,636,708</u>	<u>\$ 18,052,748</u>	<u>\$ 19,361,944</u>

District School Board of Volusia County, Florida
Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balance -
Contracted Federal Programs - Special Revenue Fund
Last Ten Fiscal Years
(Unaudited)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Federal sources:				
Federal direct	\$ -	\$ -	\$ -	\$ -
Other Federal grants	11,689,436	11,019,629	11,482,957	12,441,954
Total Federal sources	<u>11,689,436</u>	<u>11,019,629</u>	<u>11,482,957</u>	<u>12,441,954</u>
Total revenues	<u>11,689,436</u>	<u>11,019,629</u>	<u>11,482,957</u>	<u>12,441,954</u>
Expenditures: (by object)				
Salaries	6,240,574	5,956,950	5,917,646	6,586,713
Employee Benefits	1,976,211	1,924,788	1,955,314	2,099,067
Purchased Services	1,729,045	1,505,196	1,526,718	1,622,461
Energy Services	49	54	83	-
Material and Supplies	611,258	551,625	891,757	1,039,434
Capital Outlay	618,573	513,235	537,204	542,257
Other expenditures	513,726	567,781	654,235	552,022
Total expenditures	<u>11,689,436</u>	<u>11,019,629</u>	<u>11,482,957</u>	<u>12,441,954</u>
Deficiency of revenues under expenditures	-	-	-	-
Other financing sources, net	-	-	-	-
Excess of revenues and other sources over expenditures and other uses	-	-	-	-
Beginning fund balance	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: District records

1998	1999	2000	2001	2002	2003
\$ 430,290	\$ 1,460,321	\$ 1,098,454	\$ 1,323,428	\$ 2,496,151	\$ 1,201,918
14,237,193	17,142,289	19,787,637	21,405,225	23,648,922	28,605,679
14,667,483	18,602,610	20,886,091	22,728,653	26,145,073	29,807,597
14,667,483	18,602,610	20,886,091	22,728,653	26,145,073	29,807,597
6,855,575	8,009,260	9,704,142	10,621,797	13,367,801	16,307,803
2,250,389	2,673,713	2,543,007	2,684,798	3,504,806	4,053,751
2,449,090	2,809,683	3,187,699	3,270,861	4,427,640	3,353,306
1,671	3,220	2,052	2,912	2,051	5,321
963,939	1,067,855	1,380,781	1,530,817	1,600,859	2,451,006
1,393,117	2,727,589	3,065,004	3,000,972	2,940,841	1,282,679
753,702	1,311,290	1,003,406	1,616,496	2,368,948	2,353,731
14,667,483	18,602,610	20,886,091	22,728,653	28,212,946	29,807,597
-	-	-	-	(2,067,873)	-
-	-	-	-	2,067,873	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

District School Board of Volusia County, Florida
Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balances -
Food Service - Special Revenue Fund
Last Ten Fiscal Years
(Unaudited)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Federal sources:				
Federal Direct	\$ -	\$ -	\$ -	\$ -
National School Lunch Act	6,474,784	6,757,514	7,285,390	7,560,726
U S D A donated commodities	858,119	840,168	861,441	647,797
Other	856	7,152	1,251	-
Total Federal sources	<u>7,333,759</u>	<u>7,604,834</u>	<u>8,148,082</u>	<u>8,208,523</u>
State sources:				
Food service supplements and other	382,977	420,694	390,800	367,427
Total State sources	<u>382,977</u>	<u>420,694</u>	<u>390,800</u>	<u>367,427</u>
Local sources:				
Food service sales	4,605,783	4,743,953	5,083,814	5,311,342
Interest income	85,361	151,545	189,880	224,794
Total local sources	<u>4,691,144</u>	<u>4,895,498</u>	<u>5,273,694</u>	<u>5,536,136</u>
Total revenues	<u>12,407,880</u>	<u>12,921,026</u>	<u>13,812,576</u>	<u>14,112,086</u>
Expenditures: (by object)				
Salaries	4,147,790	4,421,108	4,399,989	4,307,623
Employee Benefits	1,813,955	1,987,668	1,965,572	1,902,152
Purchased Services	228,600	210,817	210,474	263,317
Energy Services	-	-	3	14
Material and Supplies	4,970,641	5,221,354	5,414,477	5,661,177
Capital Outlay	105,949	194,131	540,108	549,050
Other expenditures	521,133	542,227	540,698	474,925
Total expenditures	<u>11,788,068</u>	<u>12,577,305</u>	<u>13,071,321</u>	<u>13,158,258</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>619,812</u>	<u>343,721</u>	<u>741,255</u>	<u>953,828</u>
Other financing sources, net	<u>9,792</u>	<u>6,734</u>	<u>9,834</u>	<u>10,897</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	629,604	350,455	751,089	964,725
Beginning fund balance	3,446,221	4,075,825	4,426,280	5,177,369
Adjustment to beginning fund balance	-	-	-	-
Ending fund balance	<u>\$ 4,075,825</u>	<u>\$ 4,426,280</u>	<u>\$ 5,177,369</u>	<u>\$ 6,142,094</u>

Source: District records

1998	1999	2000	2001	2002	2003
\$ -	\$ 25,582	\$ -	\$ -	\$ -	\$ -
7,832,449	7,970,772	7,975,237	8,486,953	9,037,945	9,230,160
990,029	1,485,392	927,260	1,062,091	1,284,334	1,325,631
1,500	32,703	-	-	-	321,450
<u>8,823,978</u>	<u>9,514,449</u>	<u>8,902,497</u>	<u>9,549,044</u>	<u>10,322,279</u>	<u>10,877,241</u>
382,871	358,584	343,261	339,687	353,532	361,876
<u>382,871</u>	<u>358,584</u>	<u>343,261</u>	<u>339,687</u>	<u>353,532</u>	<u>361,876</u>
6,103,776	6,832,540	7,145,188	7,891,657	8,258,942	8,325,364
300,136	302,011	420,495	299,346	161,742	109,747
<u>6,403,912</u>	<u>7,134,551</u>	<u>7,565,683</u>	<u>8,191,003</u>	<u>8,420,684</u>	<u>8,435,111</u>
<u>15,610,761</u>	<u>17,007,584</u>	<u>16,811,441</u>	<u>18,079,734</u>	<u>19,096,495</u>	<u>19,674,228</u>
4,654,041	5,237,954	5,587,973	6,012,200	6,742,306	6,732,236
2,107,425	2,508,537	2,232,710	2,326,352	2,720,063	2,808,870
253,829	393,903	437,343	653,859	677,276	776,412
320	441	997	56,457	74,530	64,490
6,054,575	6,815,661	6,453,514	6,989,892	6,907,412	7,826,693
409,868	2,230,609	937,670	631,653	581,054	405,658
660,493	646,627	470,888	533,868	610,081	516,336
<u>14,140,551</u>	<u>17,833,732</u>	<u>16,121,095</u>	<u>17,204,281</u>	<u>18,312,722</u>	<u>19,130,695</u>
1,470,210	(826,148)	690,346	875,453	783,773	543,533
<u>14,639</u>	<u>(636,142)</u>	<u>16,357</u>	<u>13,946</u>	<u>15,628</u>	<u>13,507</u>
1,484,849	(1,462,290)	706,703	889,399	799,401	557,040
6,142,094	7,626,943	6,164,653	7,033,774	7,923,173	8,722,574
-	-	162,418	-	-	-
<u>\$ 7,626,943</u>	<u>\$ 6,164,653</u>	<u>\$ 7,033,774</u>	<u>\$ 7,923,173</u>	<u>\$ 8,722,574</u>	<u>\$ 9,279,614</u>

District School Board of Volusia County, Florida
Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balances -
Debt Service Funds
Last Ten Fiscal Years
(Unaudited)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
State sources:				
CO&DS withheld for SBE/COBI bonds	\$ 1,127,481	\$ 1,086,441	\$ 524,386	\$ 536,653
SBE/COBI bond interest	7,514	6,519	3,916	1,636
Total State sources	<u>1,134,995</u>	<u>1,092,960</u>	<u>528,302</u>	<u>538,289</u>
Local sources:				
Ad valorem taxes	16,432,120	16,386,803	16,696,043	16,869,803
Interest income	2,616,537	627,938	630,064	630,975
Other local sources	1,841	1,795	810	2,802
Total local sources	<u>19,050,498</u>	<u>17,016,536</u>	<u>17,326,917</u>	<u>17,503,580</u>
Total revenues	<u>20,185,493</u>	<u>18,109,496</u>	<u>17,855,219</u>	<u>18,041,869</u>
Expenditures: (by object)				
Debt service:				
Principal	42,594,474	12,925,000	13,980,000	14,085,000
Interest and fiscal charges	15,483,715	11,240,987	10,664,384	9,247,626
Total expenditures	<u>58,078,189</u>	<u>24,165,987</u>	<u>24,644,384</u>	<u>23,332,626</u>
Deficiency of revenues under expenditures	<u>(37,892,696)</u>	<u>(6,056,491)</u>	<u>(6,789,165)</u>	<u>(5,290,757)</u>
Other financing sources, net	<u>5,651,684</u>	<u>5,604,772</u>	<u>6,742,868</u>	<u>5,489,990</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(32,241,012)	(451,719)	(46,297)	199,233
Beginning fund balances	45,551,132	13,310,120	12,858,401	12,812,104
Ending fund balances	<u>\$ 13,310,120</u>	<u>\$ 12,858,401</u>	<u>\$ 12,812,104</u>	<u>\$ 13,011,337</u>

Source: District records

1998	1999	2000	2001	2002	2003
\$ 173,778	\$ 1,676,146	\$ 1,961,103	\$ 1,994,353	\$ 2,000,174	\$ 2,005,000
1,484	19,597	28,440	22,603	11,388	4,576
<u>175,262</u>	<u>1,695,743</u>	<u>1,989,543</u>	<u>2,016,956</u>	<u>2,011,562</u>	<u>2,009,576</u>
17,272,445	16,489,341	17,060,028	12,453,886	10,359,570	9,707,724
664,786	620,440	604,298	621,421	174,828	187,987
750	678	1,657	2,247	483	825
<u>17,937,981</u>	<u>17,110,459</u>	<u>17,665,983</u>	<u>13,077,554</u>	<u>10,534,881</u>	<u>9,896,536</u>
<u>18,113,243</u>	<u>18,806,202</u>	<u>19,655,526</u>	<u>15,094,510</u>	<u>12,546,443</u>	<u>11,906,112</u>
14,425,000	15,625,000	18,315,000	19,702,990	17,160,736	17,490,428
8,559,377	8,740,183	12,824,731	11,352,901	12,008,261	15,223,630
<u>22,984,377</u>	<u>24,365,183</u>	<u>31,139,731</u>	<u>31,055,891</u>	<u>29,168,997</u>	<u>32,714,058</u>
(4,871,134)	(5,558,981)	(11,484,205)	(15,961,381)	(16,622,554)	(20,807,946)
<u>5,922,954</u>	<u>5,535,861</u>	<u>11,670,628</u>	<u>13,231,367</u>	<u>18,791,853</u>	<u>26,084,822</u>
1,051,820	(23,120)	186,423	(2,730,014)	2,169,299	5,276,876
13,011,337	14,063,157	14,040,037	14,226,460	11,496,446	13,665,745
<u>\$ 14,063,157</u>	<u>\$ 14,040,037</u>	<u>\$ 14,226,460</u>	<u>\$ 11,496,446</u>	<u>\$ 13,665,745</u>	<u>\$ 18,942,621</u>

District School Board of Volusia County, Florida
Summary of Revenues and Expenditures (by Major Object) and Changes in Fund Balances -
Capital Projects Funds
Last Ten Fiscal Years
(Unaudited)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
State sources:				
CO&DS distributed to district	\$ 780,850	\$ 911,501	\$ 1,489,584	\$ 1,575,798
Interest on undistributed CO&DS	37,682	32,135	34,879	-
Public Education Capital Outlay	11,915,897	9,750,709	8,439,881	9,179,887
Classrooms first program	-	-	-	-
School infrastructure thrift	-	-	-	-
Class size reduction	-	-	-	-
Effort index grant	-	-	-	-
Other State sources	-	-	-	-
Total State sources	<u>12,734,429</u>	<u>10,694,345</u>	<u>9,964,344</u>	<u>10,755,685</u>
Local sources:				
Ad valorem taxes	15,742,634	16,073,008	24,750,000	25,455,493
Sales tax	-	-	-	-
Interest income	3,203,384	3,676,417	3,451,097	2,848,869
Impact fees	2,157,971	3,744,976	3,737,924	2,496,203
Contribution	-	-	-	-
Local grants and other local sources	86,321	21,477	29,371	84,288
Total local sources	<u>21,190,310</u>	<u>23,515,878</u>	<u>31,968,392</u>	<u>30,884,853</u>
Total revenues	<u>33,924,739</u>	<u>34,210,223</u>	<u>41,932,736</u>	<u>41,640,538</u>
Expenditures: (by object)				
Capital Outlay				
Library books	93,495	343,449	110,859	279,570
Audio visual materials	32,789	151,656	134,583	43,354
Buildings and fixed equipment	27,067,253	7,767,497	23,721,400	10,578,818
Furniture, fixtures, and equipment	4,167,009	9,662,713	4,150,915	7,541,923
Motor vehicles	1,926,954	2,693,096	641,771	915,435
Land	911,249	1,254,821	773,207	247,660
Improvements other than buildings	1,303,483	1,142,190	722,702	1,051,136
Remodeling and renovations	10,192,759	9,238,787	8,979,509	9,870,289
Computer software	640,885	1,500,264	450,530	280,617
Total expenditures	<u>46,335,876</u>	<u>33,754,473</u>	<u>39,685,476</u>	<u>30,808,802</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>(12,411,137)</u>	<u>455,750</u>	<u>2,247,260</u>	<u>10,831,736</u>
Other financing sources, net	<u>(10,011,009)</u>	<u>(11,503,895)</u>	<u>(12,484,850)</u>	<u>(9,534,840)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(22,422,146)</u>	<u>(11,048,145)</u>	<u>(10,237,590)</u>	<u>1,296,896</u>
Beginning fund balances	91,855,565	69,433,419	58,385,274	48,147,684
Adjustment to beginning fund balances	-	-	-	-
Ending fund balances	<u>\$ 69,433,419</u>	<u>\$ 58,385,274</u>	<u>\$ 48,147,684</u>	<u>\$ 49,444,580</u>

Source: District records

	1998	1999	2000	2001	2002	2003
\$	2,099,161	\$ 558,055	\$ 273,098	\$ 256,246	\$ 256,524	\$ 286,512
	-	55,588	39,412	49,433	51,868	44,335
	6,428,112	4,842,161	5,035,036	6,073,915	8,669,518	5,251,919
	-	12,600,000	29,253,226	-	-	-
	-	-	1,560,997	1,834,005	192,387	100,296
	-	-	2,045,881	249,472	-	-
	-	-	-	7,383,671	-	-
	112,005	152,144	77,382	145,324	109,103	113,960
	<u>8,639,278</u>	<u>18,207,948</u>	<u>38,285,032</u>	<u>15,992,066</u>	<u>9,279,400</u>	<u>5,797,022</u>
	26,540,966	27,730,941	28,988,641	31,767,238	33,944,965	37,154,597
	-	-	-	-	15,063,254	30,747,285
	3,337,133	3,370,517	7,302,667	6,899,972	5,013,294	4,056,641
	2,382,129	3,173,861	3,813,802	4,326,504	4,955,535	5,877,411
	-	-	-	-	-	1,250,000
	1,943,197	1,141	4,579,844	723,434	78,451	521,597
	<u>34,203,425</u>	<u>34,276,460</u>	<u>44,684,954</u>	<u>43,717,148</u>	<u>59,055,499</u>	<u>79,607,531</u>
	<u>42,842,703</u>	<u>52,484,408</u>	<u>82,969,986</u>	<u>59,709,214</u>	<u>68,334,899</u>	<u>85,404,553</u>
	116,967	61,798	146,220	144,097	175,973	12,504
	35,260	58,455	51,132	47,145	73,467	3,702
	9,054,179	18,401,488	28,555,665	37,386,637	33,403,968	32,954,758
	6,951,727	5,599,071	7,084,179	9,131,465	9,029,547	8,626,214
	2,150,986	1,010,670	1,560,363	1,901,301	2,862,856	3,097,913
	1,830,147	2,512,681	698,348	2,330,191	3,159,872	4,385,479
	801,817	1,088,503	1,370,153	2,733,732	1,965,946	3,931,701
	7,101,251	9,929,692	17,088,390	24,350,080	14,687,095	21,315,621
	2,058,191	1,135,715	2,592,469	2,863,869	708,953	1,556,309
	<u>30,100,525</u>	<u>39,798,073</u>	<u>59,146,919</u>	<u>80,888,517</u>	<u>66,067,677</u>	<u>75,884,201</u>
	12,742,178	12,686,335	23,823,067	(21,179,303)	2,267,222	9,520,352
	<u>7,796,251</u>	<u>(9,394,418)</u>	<u>46,367,660</u>	<u>(12,412,634)</u>	<u>122,161,771</u>	<u>(37,746,539)</u>
	20,538,429	3,291,917	70,190,727	(33,591,937)	124,428,993	(28,226,187)
	49,444,580	69,983,009	73,274,926	143,465,653	109,873,716	234,302,709
	-	-	-	-	-	-
	<u>\$ 69,983,009</u>	<u>\$ 73,274,926</u>	<u>\$ 143,465,653</u>	<u>\$ 109,873,716</u>	<u>\$ 234,302,709</u>	<u>\$ 206,076,522</u>

District School Board of Volusia County, Florida
Food Service Operating Data
Last Ten Fiscal Years
(Unaudited)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Days meals are served	180	177	180	180
Average number of free and reduced meals served daily	16,916	17,991	17,901	18,238
Number of free and reduced lunches served	3,044,873	3,184,381	3,222,261	3,282,843
Average daily total lunch subsidy received (paid free/reduced)	30,094	32,327	33,244	34,497
Total federal lunch subsidy received	\$5,416,877	\$5,721,816	\$5,983,959	\$ 6,209,455
Average number of lunches served daily	27,540	27,597	27,136	26,459
Total lunches served	4,957,241	4,884,604	4,884,420	4,762,678
Number of full-paid lunches served daily	10,624	9,606	9,234	8,221
Number of full-paid lunches served	1,912,368	1,700,223	1,662,159	1,479,835
Average daily total revenue	\$68,987	\$73,038	\$76,791	\$78,461
Total revenue	\$12,417,672	\$12,927,759	\$13,822,409	\$14,122,986
Average daily total cost	\$65,489	\$71,058	\$72,618	\$73,101
Total cost	\$11,788,069	\$12,577,304	\$13,071,320	\$13,158,259
Included in total cost:				
Capital outlay	\$105,949	\$194,132	\$540,108	\$549,050
Special assessments				
Lunch reimbursement rates:				
Free	N/A	N/A	\$1.7950	\$1.8375-\$1.8575
Reduced	N/A	N/A	\$1.3950	\$1.4375-\$1.4575
Paid	N/A	N/A	\$0.1725	\$.1775-\$.1975
Lunch prices:				
Elementary	\$1.25	\$1.25	\$1.25	\$1.35
Middle	\$1.35	\$1.35	\$1.35	\$1.45
High	\$1.35	\$1.35	\$1.35	\$1.50
Breakfast prices:	\$0.75	\$0.75	\$0.75	\$0.75

N/A: Information not available
Source: District records

<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
180	180	178	180	180	180
18,457	18,179	17,710	17,995	18,483	18,804
3,322,337	3,272,189	3,152,344	3,239,185	3,326,898	3,384,786
35,799	36,174	36,083	37,348	39,825	41,360
\$6,443,882	\$ 6,511,278	\$6,422,837	\$6,722,664	\$7,168,451	\$7,444,886
26,837	26,832	26,832	27,471	28,337	28,659
4,830,658	4,829,798	4,776,100	4,944,694	5,100,734	5,158,579
8,380	8,653	9,122	9,475	9,855	9,854
1,508,321	1,557,609	1,623,756	1,705,509	1,773,836	1,773,793
\$86,808	\$94,562	\$95,308	\$100,520	\$106,178	\$109,376
\$15,625,399	\$17,021,201	\$16,964,741	\$18,093,680	\$19,112,123	\$19,687,734
\$78,559	\$99,076	\$90,568	\$95,579	\$101,737	\$106,282
\$14,140,551	\$17,833,732	\$16,121,095	\$17,204,281	\$18,312,722	\$19,130,695
\$409,868	\$2,230,609 \$649,759	\$937,670	\$631,653	\$480,354	\$405,658
\$1.89-\$1.91	\$1.9425-\$1.9625	\$1.98-\$2.00	\$2.02-\$2.04	\$2.09-\$2.11	\$2.14-\$2.16
\$1.49-\$1.51	\$1.5425-\$1.5625	\$1.58-\$1.60	\$1.62-\$1.64	\$1.69-\$1.71	\$1.74-\$1.76
\$.18-\$.20	\$.18-\$.20	\$.19-\$.21	\$0.21	\$.20-\$.22	\$.20-\$.22
\$1.35	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35
\$1.45	\$1.45	\$1.45	\$1.45	\$1.45	\$1.45
\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75

District School Board of Volusia County, Florida
Property Tax Rates -
Direct and Overlapping Governments
(Mills per \$1,000 of Taxable Valuation)
Last Ten Fiscal Years
(Unaudited)

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
School Board	8.89900	9.01500	9.15800	9.91700
St. Johns River Water Management	0.46200	0.46200	0.04720	0.48200
Florida Inland Navigation District	0.03850	0.03850	0.04100	0.04400
County of Volusia	6.60400	6.60400	6.36700	6.37300
Municipalities:				
Daytona Beach	6.79389	6.79389	5.80579	6.11686
Daytona Beach Shores	3.68231	3.68231	3.94585	3.72978
Ormond Beach	3.33842	3.33842	3.54023	3.65699
Holly Hill	4.50000	4.50000	5.09007	5.09007
South Daytona	4.63900	4.63900	4.59701	4.18499
Deltona	4.19800	4.19800	4.19800	4.19800
Port Orange	4.57562	4.57562	4.59372	4.60315
New Smyrna Beach	5.10000	5.10000	4.99000	5.13361
Edgewater	6.95000	6.95000	5.95000	5.95000
Ponce Inlet	4.77800	4.77800	4.87800	4.37800
Oak Hill	4.33500	4.33500	4.95970	5.01400
Pierson	5.00000	5.00000	5.27568	5.40300
DeLand	6.40500	6.40500	6.44700	6.48700
Orange City	5.21700	5.21700	5.37949	5.37949
Lake Helen	5.20000	5.20000	5.20000	5.20000
Debary	2.50746	2.50746	2.58760	2.58760
Unincorporated Areas:				
Municipal Service District	1.69100	1.69100	1.69100	1.69100
Special Other Districts:				
Independent:				
Halifax Hospital	2.38000	2.38000	2.50000	2.15174
Southeast Volusia Hospital	2.32000	2.32000	2.52832	2.05229
West Volusia Hospital Authority	1.59680	1.59680	1.59681	1.56918
Daytona Beach Downtown Development	0.94769	0.94769	0.97733	0.99216
Deltona Fire	0.00000	0.00000	0.00000	0.00000
Dependent:				
Fire Services	2.49200	2.49200	2.49200	1.00000
Northeast Fire Quadrant No. One	0.00000	0.00000	0.00000	2.49200
Southeast Fire Quadrant No. Two	0.00000	0.00000	0.00000	2.49230
Southwest Fire Quadrant No. Three	0.00000	0.00000	0.00000	2.49200
Northwest Fire Quadrant No. Four	0.00000	0.00000	0.00000	2.49200
Mosquito Control	0.23800	0.23800	0.23800	0.23800
Ponce Inlet and Port Authority	0.09000	0.09000	0.09000	0.09000
East Volusia Transportation District	0.00000	0.00000	0.00000	0.00000
South Peninsula Municipal Service District	0.00000	0.00000	0.00000	2.49200
North Peninsula Municipal Service District	0.00000	0.00000	0.00000	2.49200
Silver Sands/Bethune Beach Municipal Service District	0.02620	0.02620	0.03600	0.03900
West Volusia Hospital District	0.00000	0.00000	0.00000	0.00000
Deltona Municipal Service District	0.00000	0.00000	0.00000	0.00000
Total Range:				
Low	20.10776	20.10776	20.22241	20.97278
High	26.45308	26.45308	26.34602	26.70229

Source: Volusia County Tax Collector

1999	1998	1997	1996	1995	1994
10.37600	10.48700	10.82100	10.88700	10.27700	9.86900
0.48200	0.48200	0.48200	0.48200	0.48200	0.47000
0.04700	0.05000	0.03800	0.04000	0.04900	0.05100
6.37800	6.38100	6.21700	6.17200	5.71600	5.62700
6.38384	6.49517	6.59207	6.58049	6.46898	5.98800
3.57513	3.69000	3.72000	3.72600	3.74600	3.61600
3.65084	3.62970	3.76710	3.40000	3.57900	3.61100
5.25000	5.51831	5.53591	5.55375	5.46950	5.46950
4.18422	4.22592	4.20000	3.64249	3.64249	3.68000
4.19800	4.19800	4.19800	0.00000	0.00000	0.00000
4.67219	4.40707	4.61340	4.61830	4.59283	4.48230
5.28578	5.32896	5.48694	5.56848	5.62710	5.49548
6.29000	6.44000	6.59000	7.10107	5.83979	5.88820
4.37800	4.43850	4.08142	4.16257	4.16800	4.24700
5.04800	4.00000	3.58258	3.52222	3.50000	2.95600
5.49700	4.40300	3.90300	3.85097	3.90300	3.90300
5.87800	5.90000	5.95000	6.20000	6.49000	6.99000
5.37949	5.37949	5.50000	5.60000	5.60000	5.60251
4.96586	4.96855	4.89420	4.92220	5.00000	5.00000
2.58760	2.58760	2.58760	2.58769	2.65250	0.00000
1.69100	1.69100	1.69100	1.86500	1.60100	1.38400
2.15174	2.18939	2.23060	2.25500	2.26400	2.75000
2.05229	2.13244	2.24742	2.28505	2.29196	2.33213
1.60000	1.87206	1.90000	2.53260	2.62500	2.95351
0.99027	0.99592	0.99196	0.98166	0.98137	0.96241
0.00000	0.00000	0.00000	2.00000	1.90000	2.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2.92000	2.92000	2.99900	2.49700	2.38000	2.28600
1.60300	1.55000	1.46800	0.94500	0.94500	0.95800
2.52400	2.52400	2.14900	1.62600	1.61200	1.39200
2.49100	2.49100	2.07800	1.45400	1.45400	1.26400
0.23800	0.23800	0.23800	0.26200	0.28700	0.31800
0.09000	0.09000	0.09300	0.09400	0.09400	0.09400
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2.09500	2.09500	2.21400	1.69100	1.69100	1.65100
1.90000	1.90000	1.92800	1.40500	1.40500	1.38900
0.03800	0.03100	0.03300	0.03400	0.04200	0.05100
0.00000	0.00000	0.00000	0.10900	0.05600	0.19600
0.00000	0.00000	0.00000	0.33300	0.33300	0.33000
21.47060	21.85966	22.04560	22.81029	21.71500	21.10313
27.13685	27.40848	27.70363	27.75415	26.61935	26.15651

District School Board of Volusia County, Florida
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy			
	General Fund	Capital Outlay	District Bonds	Total
1994	\$ 87,424,339	\$ 16,315,622	\$ 16,963,850	\$ 120,703,811
1995	94,978,182	16,704,139	17,004,663	128,686,984
1996	96,319,339	25,531,965	17,131,951	138,983,255
1997	98,774,440	26,350,391	17,443,960	142,568,791
1998	98,986,322	27,549,770	17,921,125	144,457,217
1999	102,987,019	28,655,264	17,021,227	148,663,510
2000	101,335,042	30,069,746	17,696,045	149,100,833
2001	103,711,041	32,455,340	12,446,624	148,613,005
2002	112,563,679	35,143,203	10,701,105	158,407,987
2003	122,483,455	38,408,107	10,005,312	170,896,874

Source: Volusia County Tax Collector

Current Tax Collections				Percent of Levy Collected			
General Fund	Capital Outlay	District Bonds	Total	General Fund	Capital Outlay	District Bonds	Total
\$ *	\$ *	\$ *	\$ *	*	*	*	*
90,787,640	15,967,133	16,253,216	123,007,989	95.59%	95.59%	95.58%	95.59%
92,570,805	24,538,318	16,463,767	133,572,890	96.11%	96.11%	96.10%	96.11%
94,824,698	25,295,968	16,746,533	136,867,199	96.00%	96.00%	96.00%	96.00%
95,011,368	26,443,377	17,201,350	138,656,095	95.98%	95.98%	95.98%	95.98%
98,833,111	27,499,457	16,335,055	142,667,623	95.97%	95.97%	95.97%	95.97%
97,178,435	28,836,330	16,970,065	142,984,830	95.90%	95.90%	95.90%	95.90%
99,607,304	31,171,742	11,954,334	142,733,380	96.04%	96.05%	96.04%	96.04%
108,202,969	33,781,761	10,286,692	152,271,422	96.13%	96.13%	96.13%	96.13%
117,766,085	36,928,845	9,619,983	164,314,913	96.08%	96.08%	96.08%	96.08%

District School Board of Volusia County, Florida
Millage Rates
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Millage	Required Local Effort Millage	Discretionary Millage	Supplemental Discretionary Millage ⁽¹⁾	Capital Improvement Millage	Debt Service Millage
1994	9.869	6.638	0.510	-	1.334	1.387
1995	10.277	6.834	0.510	0.241	1.334	1.358
1996	10.887	6.801	0.510	0.234	2.000	1.342
1997	10.821	6.757	0.510	0.230	2.000	1.324
1998	10.487	6.451	0.510	0.225	2.000	1.301
1999	10.376	6.458	0.510	0.220	2.000	1.188
2000	9.917	6.022	0.510	0.208	2.000	1.177
2001	9.158	5.687	0.510	0.194	2.000	0.767
2002	9.015	5.712	0.510	0.184	2.000	0.609
2003	8.899	5.695	0.510	0.173	2.000	0.521

⁽¹⁾ Since fiscal year 1995, school districts have been authorized to levy additional millage in an amount not to exceed .25 mills. The additional millage is intended to raise up to \$50 per full-time equivalent student.

Source: District records

District School Board of Volusia County, Florida
Property Tax Revenues by Fund
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total All Funds</u>
1994	\$ 84,531,910	\$ 16,432,120	\$ 15,742,634	\$ 116,706,664
1995	91,431,400	16,386,803	16,073,008	123,891,211
1996	93,749,124	16,696,043	24,750,000	135,195,167
1997	95,485,946	16,869,803	25,455,493	137,811,242
1998	95,395,081	17,272,445	26,540,966	139,208,492
1999	99,702,306	16,489,341	27,730,941	143,922,588
2000	97,703,691	17,060,028	28,988,641	143,752,360
2001	102,250,295	12,453,886	31,767,238	146,471,419
2002	108,752,183	10,359,570	33,944,965	153,056,718
2003	118,508,547	9,707,724	37,154,597	165,370,868

Source: District records

District School Board of Volusia County, Florida
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Real Property		Personal Property		Total		Percentage of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1994	\$ 14,791,561,021	\$ 15,570,064,233	\$ 1,482,561,799	\$ 1,560,591,367	\$ 16,274,122,820	\$ 17,130,655,600	95%
1995	15,113,046,843	15,908,470,361	1,557,715,759	1,639,700,799	16,670,762,602	17,548,171,160	95%
1996	15,615,286,835	16,265,923,786	1,585,241,298	1,651,293,019	17,200,528,133	17,917,216,805	96%
1997	16,196,094,618	16,476,189,845	1,636,069,691	1,664,363,877	17,832,164,309	18,140,553,722	98%
1998	16,866,986,753	17,211,210,972	1,716,064,840	1,751,086,571	18,583,051,593	18,962,297,543	98%
1999	17,621,889,994	17,799,888,883	1,746,560,512	1,764,202,537	19,368,450,506	19,564,091,420	99%
2000	18,547,372,867	18,547,372,867	1,807,249,877	1,807,249,877	20,354,622,744	20,354,622,744	100%
2001	20,095,130,702	20,095,130,702	1,869,643,500	1,869,643,500	21,964,774,202	21,964,774,202	100%
2002	21,808,216,859	22,028,501,878	1,949,439,650	1,969,130,960	23,757,656,509	23,997,632,837	99%
2003	24,417,226,127	24,663,864,775	1,991,503,047	2,011,619,239	26,408,729,174	26,675,484,014	99%

Source: Volusia County Property Appraiser

District School Board of Volusia County, Florida
Property Value and Construction
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Amount of Residential & Commercial Construction</u>	<u>Real Property Taxable Value</u>	
		<u>Commercial</u>	<u>Residential</u>
1994	\$ 394,398,000	\$ 2,529,125,645	\$ 7,898,306,005
1995	326,844,000	2,572,444,062	8,065,755,900
1996	334,431,000	2,581,369,982	8,279,575,292
1997	230,050,000	2,591,135,417	8,641,481,146
1998	280,894,000	2,695,780,244	9,038,351,022
1999	333,520,000	2,815,169,662	9,417,446,798
2000	469,220,000	2,950,481,402	9,908,883,578
2001	338,670,000	3,231,613,735	10,716,106,090
2002	554,172,851	4,539,012,599	12,811,294,319
2003	661,290,488	5,101,766,643	14,552,474,092

Source: Volusia County Property Appraiser

**District School Board of Volusia County, Florida
Principal Taxpayers
(Unaudited)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2002 Taxable Value*</u>	<u>Percent of Total Taxable Value</u>
Florida Power & Light Co.	Electric Utility	\$ 263,798,080	1.37%
Florida Power Corporation	Electric Utility	193,574,692	1.01%
Bellsouth Telecommunications	Telecommunication	181,283,931	0.94%
TWEAN Subsidiary LLD	Entertainment/Cablevision	65,978,803	0.34%
Bray & Gillespie	Timeshare Investments	58,643,824	0.31%
International Speedway Corporation	Recreation	57,337,959	0.30%
Highway 92 L.L.C.	Retail Sales/Mall	52,157,242	0.27%
Tyco Healthcare Group LP	Medical Supply Manufacturer	39,973,720	0.21%
Wal-Mart Stores, Inc	Retail Sales	27,270,337	0.14%
Florida Water Services Company	Utility	23,843,600	0.12%
All Other		<u>18,223,617,115</u>	<u>94.98%</u>
Total		<u><u>\$ 19,187,479,303</u></u>	<u><u>100.00%</u></u>

*Taxes due on the 2002 Tax Roll were collected during fiscal year 2003. The total 2002 taxable value of all property was \$19,187,479,303

Source: Volusia County Tax Collector

District School Board of Volusia County, Florida
Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population ⁽¹⁾	20 Day Student Enrollment ⁽²⁾	Unemployment Rate (Percent) ⁽³⁾
1994	398,678	54,505	6.2%
1995	405,518	55,771	4.8%
1996	412,486	56,743	4.3%
1997	418,895	57,953	3.9%
1998	425,978	59,285	3.4%
1999	433,979	59,906	3.1%
2000	443,343	60,289	2.8%
2001	452,050	61,259	4.3%
2002	459,680	62,305	5.4%
2003	466,374	62,209	5.1%

Sources: (1) Florida Research & Economic Database

(2) District records

(3) U.S. Department of Labor, Bureau of Labor Statistics

District School Board of Volusia County, Florida
Computation of Legal Debt Margin
June 30, 2003
(Unaudited)

Net assessed taxable property value 2003		<u>\$ 26,408,729,174</u>
Debt limit - 10% of net assessed taxable property value		\$ 2,640,872,917
Bond payable	\$ 37,460,455	
Less, amount available for debt service	<u>10,759,784</u>	
Total amount of debt applicable to the debt limit		<u>26,700,671</u>
Legal debt margin		<u>\$ 2,614,172,246</u>

Note: The Florida State Board of Education Administrative Rule 6A-1.037(2) establishes a limit of 10 percent on the nonexempt assessed valuation of the district.

Source: District records

District School Board of Volusia County, Florida
Computation of Direct and Overlapping Debt
June 30, 2003
(Unaudited)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Direct Debt</u>		<u>Direct and Overlapping Debt</u>	
		<u>Percentage Applicable to School Board of Volusia County</u>	<u>Amount Applicable to School Board of Volusia County</u>	<u>Percentage Applicable to Volusia County</u>	<u>Amount Applicable to Volusia County</u>
School District of Volusia County	\$ 37,460,455	100%	\$ 37,460,455	100%	\$ 37,460,455
County of Volusia, Florida	-	0%	-	0%	-
City of DeLand	4,413,650	0%	-	0%	4,413,650
City of Ormond Beach	11,785,000	0%	-	0%	11,785,000
City of Port Orange	<u>1,135,000</u>	0%	<u>-</u>	0%	<u>1,135,000</u>
Totals	<u>\$ 54,794,105</u>		<u>\$ 37,460,455</u>		<u>\$ 54,794,105</u>

Source: Volusia County Finance Department and District Records.

**District School Board of Volusia County, Florida
Anticipated Capital Outlay Millage Levy
Required to Cover Certificates of Participation Payments
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Taxable Assessed Valuation	Annual Lease Payment	Millage Levy to Provide 1.00 x Coverage ⁽¹⁾
1994	\$ 16,274,122,820	\$ 5,592,925	0.362 Mills
1995	16,670,762,602	5,500,612	0.347 Mills
1996	17,200,528,133	5,490,623	0.336 Mills
1997	17,832,164,309	5,468,419	0.323 Mills
1998	18,583,051,593	5,410,463	0.306 Mills
1999	19,368,450,506	9,989,683	0.543 Mills
2000	20,354,622,744	11,033,297	0.571 Mills
2001	21,964,774,202	10,765,848	0.516 Mills
2002	23,757,656,509	9,760,529	0.432 Mills
2003	26,408,729,174	10,295,110	0.410 Mills

⁽¹⁾ Millage rate calculated using 95% of the taxable assessed valuation.

NOTE: Capital lease arrangements financed by Certificates of Participation are not considered general obligation debt as no specific property tax levy has been pledged.

Source: District records

District School Board of Volusia County, Florida
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Population ⁽¹⁾	Taxable Assessed Value	Gross Bonded Debt ⁽²⁾	Less Debt Service Funds ⁽³⁾	Net Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1994	398,678	\$ 16,274,122,820	\$ 130,920,471	\$ 13,223,830	\$ 117,696,641	0.723%	295
1995	405,518	16,670,762,602	121,162,475	12,798,691	108,363,784	0.650%	267
1996	412,486	17,200,528,133	110,862,065	12,761,195	98,100,870	0.570%	238
1997	418,895	17,832,164,309	100,094,134	12,981,513	87,112,621	0.489%	208
1998	425,978	18,583,051,593	88,817,014	13,604,422	75,212,592	0.405%	177
1999	433,979	19,368,450,506	76,976,889	13,442,864	63,534,025	0.328%	146
2000	443,343	20,354,622,744	54,530,588	13,868,407	40,662,181	0.200%	92
2001	452,050	21,964,774,202	52,470,153	10,902,906	41,567,247	0.189%	92
2002	459,680	23,757,656,509	44,385,000	10,921,978	33,463,022	0.141%	73
2003	466,374	26,408,729,174	37,460,455	10,759,784	26,700,671	0.101%	57

⁽¹⁾ Florida Research & Economic Database

⁽²⁾ NOTE: Includes general obligation bonds only.

⁽³⁾ NOTE: Fund balance for general obligation bonds only.

District School Board of Volusia County, Florida
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures ⁽¹⁾	Ratio of Debt Service to General Governmental Expenditures
1994	\$ 39,775,000	\$ 10,987,640	\$ 50,762,640	\$ 355,772,182	0.143
1995	10,080,000	6,974,151	17,054,151	331,542,128	0.051
1996	10,645,000	6,386,801	17,031,801	348,748,724	0.049
1997	11,135,000	5,866,049	17,001,049	342,507,991	0.050
1998	11,670,000	5,295,284	16,965,284	365,333,446	0.046
1999	12,260,000	4,673,466	16,933,466	399,317,361	0.042
2000	12,895,000	3,998,826	16,893,826	430,063,682	0.039
2001	12,540,000	3,275,219	15,815,219	476,171,980	0.033
2002	7,970,000	2,582,307	10,552,307	473,491,373	0.022
2003	7,910,000	1,898,350	9,808,350	502,436,028	0.020

⁽¹⁾ Includes general, special revenue, debt service, and capital projects funds of the Primary Government.

Source: District records

**District School Board of Volusia County, Florida
Number of Personnel
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	(1) Instructional	(2) Administrative	(3) Support Services	Total	Ratio of Students to Instructional Personnel	Ratio of Instructional Personnel to School Administrators
1994	3,442	161	2,943	6,546	15.84	27.10
1995	3,664	171	3,073	6,908	15.22	27.14
1996	3,833	229	3,206	7,268	14.80	19.56
1997	3,751	223	3,270	7,244	15.45	19.95
1998	3,931	238	3,360	7,529	15.08	20.47
1999	3,987	245	3,513	7,745	15.03	19.84
2000	4,218	254	3,483	7,955	14.29	20.58
2001	4,237	263	3,518	8,018	14.46	20.27
2002	4,285	258	3,644	8,187	14.54	21.43
2003	4,347	278	3,716	8,341	14.31	20.90

(1) Classroom teachers, Exceptional Education teachers, Other teachers, Guidance, Social Workers, Psychologists, Media Specialists, Other Professional Staff

(2) Principals, Assistant Principals, Deans, Curriculum Coordinators, Supervisors of Instruction, Community Education Coordinators

(3) Other Professional staff, Paraprofessionals, Technicians, Clerical, custodial, Craft Workers

Source: District records

District School Board of Volusia County, Florida
Teachers' Base Salaries (10 Month)
Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>Average Salary</u>
1994	\$ 22,502	\$ 34,632	\$ 28,893
1995	22,952	35,631	30,594
1996	23,306	36,180	30,015
1997	23,911	37,146	31,776
1998	24,346	38,280	31,070
1999	25,100	40,318	32,974
2000	26,080	42,173	34,143
2001	27,267	44,703	35,995
2002	27,267	45,553	35,720
2003	28,630	48,332	38,422

Source: District records

District School Board of Volusia County, Florida
Transportation Performance Indicators
Last Three Fiscal Years
(Unaudited)

Performance Measures	Benchmark	District Statistics 2001	District Statistics 2002	District Statistics 2003
Total annual transportation cost per student	\$450 - \$500	\$516	\$484	\$507
Total annual transportation cost per special education student	\$1,500 - \$3,000	\$1,212	\$980	\$1,505
Average total cost per mile	\$1.85 - \$2.75	\$2.33	\$2.33	\$2.41
Percent of District budget spent on student transportation	4% - 5%	3.5%	3.5%	3.6%
Average buses used to transport 100 students	.95 - 1.10	1.04	1.07	1.02
Span of control: buses managed by transportation supervisor	75 - 100	68	66	78
Spare bus ratio (by District)	10% - 12%	22%	16%	16%
Average school bus fleet age (years)	6.5	6.1	7.3	6.7
Average school bus fleet age (meter miles)	65,000	125,700	137,506	125,618
Annual maintenance and repair cost per vehicle equivalent	\$800 - \$1,100	\$1,224	\$739	\$620
Average vehicle equivalent units maintained by each	90 - 100	63	80	82
Annual parts consumption per vehicle equivalent unit	\$200 - \$300	\$458	\$227	\$221
Average parts inventory value per vehicle equivalent unit	\$75 - \$150	\$170	\$169	\$143
Annual parts inventory turnover rate	4 - 8	3	3.68	3.3
Span of control: technicians to maintenance supervisors	8 -10 to 1	10.6 to 1	7.5 to 1	7.0 to 1
Span of control: technicians to fleet parts personnel	8 - 10 to 1	3.9 to 1	6.5 to 1	6.0 to 1

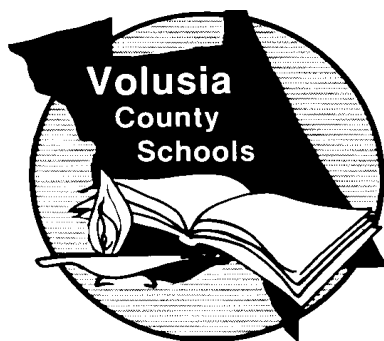
Source: District records

**District School Board of Volusia County, Florida
Schedule of Insurance in Force
as of June 30, 2003
(Unaudited)**

<u>Coverage Type</u>	<u>Name of Company</u>	<u>Policy Number</u>	<u>Coverage</u>	
			<u>From</u>	<u>To</u>
Boiler & machinery	Theresa Schwab Brown & Brown Insurance (386) 239-5756 CAN Insurance Company	BM1098494519	10/1/2002	9/30/2003
Employee Crime Bond	Theresa Schwab Brown & Brown Insurance (386) 239-5756 Westfield Companies	CBP 5 259 162	7/1/2001	7/1/2004
Superintendent & Board Member Bonds	Don Bramlage Brown & Brown Insurance (386) 239-5756 Continental Casualty Co.	Various	11/1/2002	11/1/2003
Catastrophic Sports Insurance	Theresa Schwab Brown & Brown Insurance (386) 239-5756 Mutual of Omaha	KCC001878	8/15/2002	8/15/2003
Fleet Insurance	Charles Lydecker Brown & Brown Insurance (386) 252-9601 Coregis Insurance Company	651011009	7/1/2002	7/1/2003
Flood Insurance	Theresa Schwab Brown & Brown Insurance (386) 239-5756 Omaha Property & Casualty	Multiple numbers	9/13/2002 4/18/2003	9/13/2003 4/18/2004

Source: District records

Coverage Details	Limit of Coverage	Annual Premium
Comprehensive covering boilers, pressure vessels & electrical machines including A/C and refrigeration.	Limit per accident \$25,000,000 Additional expediting exp. \$250,000 Water damage, ammonia contamination, Hazardous substance \$100,000	\$ 17,700
Covered property (money, securities) resulting directly from covered cause of loss (employee dishonesty)	Public employee dishonesty \$250,000 Forgery or alteration \$1,000,000	\$ 7,933
Coverage against wrongful acts subject to exclusions	Varies by bond/officer \$250,000 to \$1,000,000	\$ 2,000 Regular \$ 12,000 Officer \$ 15,000 Superintendent
All school activities and sports including interscholastic football	\$1,000,000 maximum medical \$500,000 maximum disability \$25,000 deductible	\$ 21,600
Coverage for all District owned vehicles including buses, vans and automobiles	\$1,000,000 combined single limit PIP - statutory \$25,000 deductible	\$ 688,408
Flood coverage for all property east of I-95	Coverage on each building and content vary with each building based on building value and content	\$ 132,190



Single Audit Section

District School Board of Volusia County, Florida
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass - Through Grantor Number	Amount of Expenditures	Amount Provided to Subrecipients
United States Department of Agriculture:				
Indirect:				
Florida Department of Agriculture and Consumer Services:				
Food Donation	10.550	None	\$ 1,579,863	\$ -
Florida Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	321	1,785,834	-
National School Lunch Program	10.555	300	7,444,326	-
Summer Food Service Program for Children	10.559	323	181,028	-
Total Child Nutrition Cluster			<u>9,411,188</u>	<u>-</u>
Child and Adult Care Food Program	10.558	302	140,422	-
Total United States Department of Agriculture			<u>11,131,473</u>	<u>-</u>
United States Department of Labor:				
Indirect:				
Workforce Development Board of Flagler and Volusia Counties, Inc.:				
WIA Youth Services	17.259	None	233,480	-
Total United States Department of Labor			<u>233,480</u>	<u>-</u>
United States Department of Education:				
Direct:				
Twenty-First Century Community Learning Centers	84.287	NA	649,665	-
Technology Innovation Challenge Grants	84.303	NA	552,253	205,809
Total Direct			<u>1,201,918</u>	<u>205,809</u>
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262,263	9,207,715	-
Special Education - Preschool Grants	84.173	267	243,179	-
Washington County District School Board:				
Special Education - Grants to States	84.027	None	9,802	-
Total Special Education Cluster			<u>9,460,696</u>	<u>-</u>
Florida Department of Education:				
Adult Education-State Grant Program	84.002	191	51,145	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	12,255,704	-
Migrant Education-State Grant Program	84.011	217	569,311	-
Vocational Education - Basic Grants to States	84.048	151	604,397	-
Immigrant Education	84.162	136	87,920	-
Safe and Drug-Free Schools and Communities - State Grants	84.186	103	477,625	-
Education for Homeless Children and Youth	84.196	127	20,243	-
Tech-Prep Education	84.243	157	356,948	40,788
Goals 2000-State and Local Education Systemic Improvement Grants	84.276	133	167,888	-
School-to-Work Opportunities	84.278	406	37,619	-
Eisenhower Professional Development State Grants	84.281	224	36,769	-
Charter Schools	84.282	298	130,642	130,642
Innovative Education Program Strategies	84.298	113	357,204	-
Education Technology State Grants	84.318	121, 122	52,257	-
Comprehensive School Reform Demonstration	84.332	128, 129	790,760	-
Reading Excellence	84.338	138	37,897	-
Reading First State Grants	84.357	211, 213	2,549	-
English Language Acquisition Grants	84.365	102	60,172	-
Improving Teacher Quality State Grants	84.367	224	3,069,865	-
Total Indirect			<u>28,627,611</u>	<u>171,430</u>
Total United States Department of Education			<u>29,829,529</u>	<u>377,239</u>
Corporation for National and Community Service:				
Indirect:				
Florida Department of Education:				
Learn and Serve America - School and Community Based Programs	94.004	234	38,740	-
Total Corporation for National and Community Service			<u>38,740</u>	<u>-</u>
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	NA	153,216	-
Army Junior Reserve Officer Training Corps	None	NA	40,173	-
Total United States Department of Defense			<u>193,389</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 41,426,611</u>	<u>\$ 377,239</u>

District School Board of Volusia County, Florida
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2003

1. Summary of Significant Accounting Policies

Basis of Presentation

The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 2002-03 fiscal year as determined based on the modified accrual basis of accounting. The amounts reported on the Schedule have been reconciled to and are in material agreement with amounts recorded in the District's accounting records from which the basic financial statements have been reported.

Noncash Assistance

The amount reported for food donation represents the amount of donated food used during the 2002-03 fiscal year. Commodities are valued at fair value as determined at the time of donation.

2. Program Clusters

OMB Circular A-133 defines a cluster of program as a grouping of closely related programs that share common compliance requirements. According to this definition, similar programs deemed to be a cluster of programs are reported accordingly.

3. Contingency

The grant revenue amounts received are subject to audit and adjustment. If any expenditures are disallowed by the grantor agencies as a result of such an audit, any claim for reimbursement to the grantor agencies would become a liability of the District. In the opinion of management, all grant expenditures are in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

**District School Board of Volusia County, Florida
Summary Schedule of Prior Audit Findings - Federal Awards
For the Fiscal Year Ended June 30, 2003**

Listed below is the District's summary of the status of prior audit findings on Federal programs:

<u>Audit Report No. and Federal Awards Findings No.</u>	<u>Program/Area</u>	<u>Brief Description</u>	<u>Status</u>	<u>Comments</u>
Ernst & Young, LLP		There were no prior Federal audit findings.		



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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Volusia County District School Board as of and for the fiscal year ended June 30, 2003, which collectively comprise the District's basic financial statements and have issued our report thereon included under the heading ***INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS***. Our report on the basic financial statements included disclosures regarding our reference to the report of other auditors. The financial statements of the Volusia County Education Direct-Support Organization, Inc., were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not extend to this component unit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

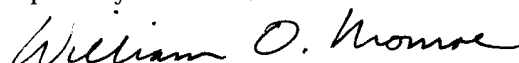
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grants, noncompliance with which could have a direct and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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the District's basic financial statements and not to provide assurance on the District's internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components over financial reporting does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, and applicable management. Copies of this report are available pursuant to Section 11.45(4), Florida Statutes, and its distribution is not limited.

Respectfully submitted,



William O. Monroe, CPA
January 16, 2004



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The President of the Senate, the Speaker of the
House of Representatives, and the
Legislative Auditing Committee

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the District's compliance with the types of compliance requirements described in the United States Office of Management and Budget's (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the fiscal year ended June 30, 2003. The District's major Federal programs are identified in the **SUMMARY OF AUDIT RESULTS** section of the accompanying **SCHEDULE OF FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS**. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of the District's major Federal programs is the responsibility of District management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of the District's compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the OMB's *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB *Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. The legal determination on the District's compliance with these requirements is, however, ultimately the responsibility of the grantor agency.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the fiscal year ended June 30, 2003.

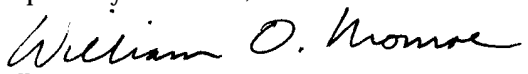
Internal Control Over Compliance

District management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB *Circular A-133*.

Our consideration of the internal control over compliance and its operation would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, Federal and other granting agencies, and applicable management. Copies of this report are available pursuant to Section 11.45(4), Florida Statutes, and its distribution is not limited.

Respectfully submitted,


William O. Monroe, CPA
January 16, 2004

**VOLUSIA COUNTY
DISTRICT SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2003**

SUMMARY OF AUDIT RESULTS

As required by United States Office of Management and Budget *Circular A-133*, Section __.505, the following is a summary of the results of the audit of the Volusia County District School Board for the fiscal year ended June 30, 2003:

- There was no modification to the opinion on the financial statements.
- No material weaknesses in internal control over financial reporting were noted.
- No noncompliance was disclosed which is material to the financial statements.
- No reportable conditions in internal control over major Federal programs were disclosed.
- An unqualified opinion was issued on major program compliance.
- No audit findings on Federal programs were disclosed.
- Major Federal programs included: Food Donation (CFDA 10.550), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and Improving Teacher Quality State Grants (CFDA 84.367).
- The dollar threshold used to distinguish between Type A and Type B Federal programs was \$1,242,799.
- The low risk entity threshold was applied.

FINDINGS AND RECOMMENDATIONS

There were no audit findings on Federal programs required to be reported under OMB *Circular A-133*, Section __.510.