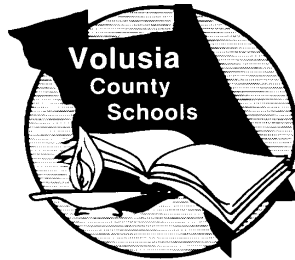

District School Board of Volusia County
DeLand, Florida

Comprehensive Annual
Financial Report

For the Fiscal Year Ended
June 30, 2004



Prepared by:
Division of Financial Services

**District School Board of Volusia County, Florida
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2004
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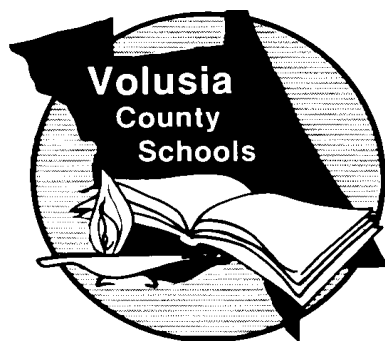
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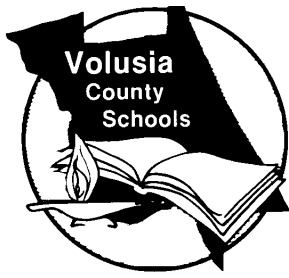
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Introductory Section



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School Board of Volusia County

Margaret A. Smith, D.Ed.
Superintendent of Schools

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

November 30, 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, 2004. 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 report of independent certified public accountants, 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

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 accounting firm of Ernst & Young LLP 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, 2004, 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 certified public accountants 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, 2004. The report of the independent certified public accountants is presented as the first component of the financial section of this report.

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 independent certified public accountants.

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 2004 population for Volusia County is estimated to be 479,765 persons. Within its borders are several incorporated areas and small, unincorporated communities.

During the 2003-2004 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 63,796 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 I-4 corridor, which runs through Orlando and extends to the cities of Tampa and St. Petersburg on the Florida west coast. 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's unemployment rate in recent history has been generally below the Florida and national unemployment rates. According to the 2003 American Community Survey, per capita personal income was \$21,587 for Volusia County. The 2003 median household income was \$36,724. Volusia County, according to the 2003 Florida Price Level Index prepared by the Florida Department of Education, ranks

(from highest to lowest) 9th in cost of living out of 67 counties in the State, with an index of 99.13. This means that the cost of living in Volusia County is .87 percent below the State average of 100.00.

The County is part of the Daytona Beach MSA, which includes Volusia and Flagler Counties. The population of Volusia County has increased 72,606 from 1990 to 2000 and is projected to reach 527,210 by 2010, 566,042 by 2015, and 604,426 by 2020.

In 2003, the Daytona Beach MSA median age was 43.3 years. Twenty-one percent of the population was under 18 years and 21 percent were 65 years and older. Families made up 66 percent of the households, which includes both married-couple families (50 percent) and other families (16 percent). Five percent of the people were foreign born and 95 percent were native, including 33 percent who were born in Florida. Among people at least 5 years old, 8 percent spoke a language other than English at home. Of those speaking a language other than English at home, 67 percent spoke Spanish and 33 percent spoke some other language; 27 percent reported that they did not speak English "very well". Eighty-seven percent of people 25 years and older had at least graduated from high school and 21 percent had a bachelor's degree or higher.

In 2003, the leading industries for the employed population 16 years and older in the Daytona Beach MSA were educational, health, and social services, 22 percent, and leisure and hospitality, 13 percent. The most common occupations were: management, professional, and related occupations, 29 percent; sales and office occupations, 28 percent; service occupations, 22 percent; construction, extraction, and maintenance occupations, 12 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 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 Board to enter into an agreement with a financial institution for a Line of Credit not to exceed \$90 million while waiting on additional cash collections. The line of credit will only be activated when short-term cash is needed. 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.

Actual sales tax expenditures have increased from \$5.9 million in 2002 and \$21.6 million in 2003 to \$75.9 million in 2004. The total expended so far is above \$103.4 million with over \$24.2 million going for debt service payments on the Sales Tax Bonds.

This is the third year of the ten-year building program and the progress made since its inception is substantial. An additional \$100 million in construction contracts have been awarded this fiscal year for a total of \$209 million in open or completed construction contracts. The highlights of the year were the beginning of construction for the replacement of New Smyrna Beach High School and T.D. Taylor Middle/High. Middle School "GG" is progressing well and the construction of the replacement for Mainland High School stands as a tangible result of the passage of the sales tax. DeLand High School construction proceeded apace this year with the completion of the new auditorium in April. The community was able to see the reward of its investment. Seabreeze High School and Campbell Middle Schools held rededication ceremonies for their new schools.

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 six years of the accountability system, the percentage of Volusia schools receiving an "A" or "B" rating increased from 25 percent in 1999 to 89 percent in 2003 and 2004. Statewide, 68 percent of schools received an "A" or "B" rating. Ninety three percent of Volusia's Title I schools received an "A" or "B" rating in 2004 compared with 90% in 2003. One hundred percent of elementary schools received an "A" or "B" rating in 2004. No Volusia school received a "D" or "F" rating in 2003 or 2004. Over the six years of this accountability system, the number of schools receiving a "D" or "F" rating has gone from eleven in 1999 to zero in 2003 and 2004. Statewide, nine percent of schools received a "D" or "F" rating. Students in schools that receive an "F" for two consecutive years are eligible for school vouchers.

The School District of Volusia County achieved its all-time best performance in graduation and dropout rates for 2003-2004. The graduation rate increased to 83%, with students posting a 2.9% gain over the previous year. The dropout rate reached a record low of 1.3%. In both instances, Volusia continues to rank in the top 10 of Florida's 67 school districts.

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, general liability, and fleet and employs a third-party agency to administer the claims. Other risks, such as boiler and machinery losses, employee crime, catastrophic student athletic injuries, and flood are protected using various commercial insurance policies.

Awards and Acknowledgements

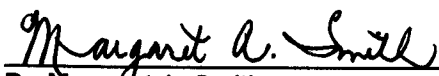
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2003. 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 Ernst & Young LLP. 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.

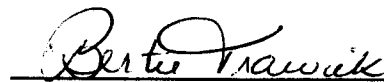
Respectfully submitted,



Dr. Margaret A. Smith
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



Ms. Judy Conte, Chairman

District 4
Member since November 1992
Current term expires November 2004



Ms. Candace Lankford, Vice Chairman

District 1
Member since November 2002
Current term expires November 2006



Mrs. Vicki Bumpus

District 5
Member since November 1998
Current term expires November 2006



Ms. Judy Andersen

District 3
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

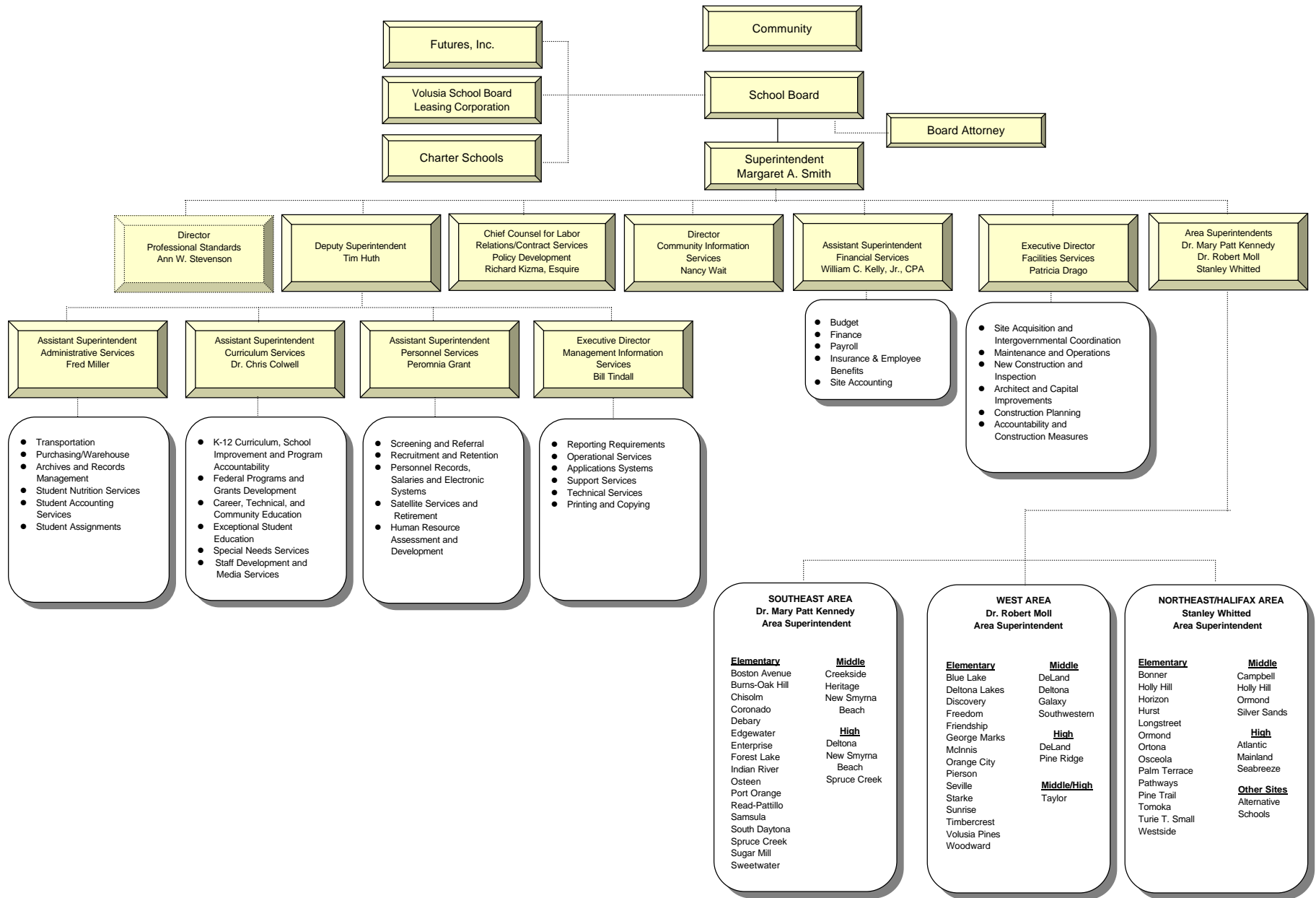
DISTRICT SCHOOL BOARD OF VOLUSIA COUNTY, FLORIDA
PRINCIPAL OFFICIALS - APPOINTED



Dr. Margaret A. Smith
Superintendent of Schools

Tim Huth	Deputy Superintendent
Dr. Mary Patt Kennedy	Area Superintendent
Dr. Robert Moll	Area Superintendent
Stanley Whitted	Area Superintendent
Dr. Chris Colwell	Assistant Superintendent Curriculum and School Improvement
Peromnia Grant	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

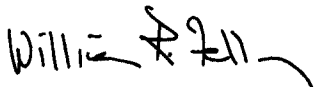


This Certificate of Excellence in Financial Reporting is presented to

DISTRICT SCHOOL BOARD OF VOLUSIA COUNTY

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2003

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, 2003

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.

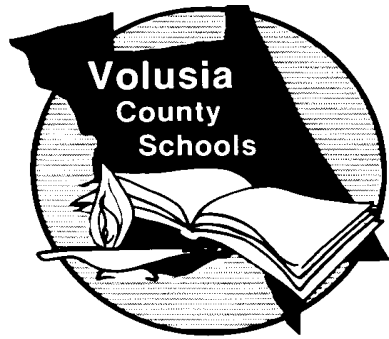


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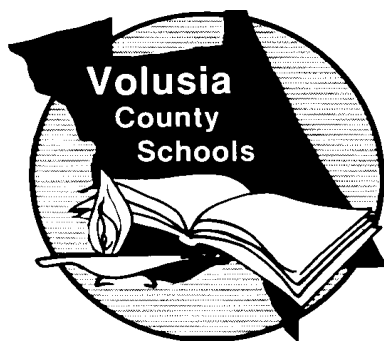
President

Jeffrey R. Emer

Executive Director



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Financial Section

Report of Independent Certified Public Accountants

Members of the School Board
District School Board of Volusia County

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 District School Board of Volusia County (the District), as of and for the year ended June 30, 2004, 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 an agency fund in the accompanying financial statements, which represents 8% of the assets and 0% revenues, respectively, of the aggregate remaining fund information. In addition, we did not audit the financial statements of the Reading Edge Academy, Inc., the Chiles Academy, Inc. (the Charter Schools) which represent 100 percent of the assets and revenues of the charter schools component units column or the Volusia County Education Direct-Support Organization, Inc. (the Foundation), a separate discretely-presented component unit. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units and the agency funds, is based solely on the reports of those other auditors.

We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

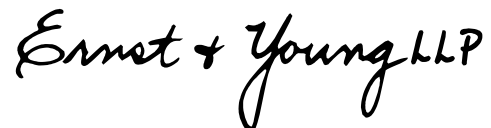
In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2004, and the respective changes in its financial position and cash flows, where applicable, thereof and the budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2004 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. 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.



October 15, 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, 2004. We encourage readers to consider the information presented here in conjunction with our basic financial statements found on pages 13 through 27.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2004, by \$554,275,815. Of this amount, \$328,401,965 represents investments in capital assets (net of related debt), and \$225,873,850 represents restricted and unrestricted net assets of \$243,348,041 and \$(17,474,191), respectively.
- The District's total net assets increased by \$65,990,306.
- At June 30, 2004, the District's governmental funds reported combined fund balances of \$269,518,761, an increase of \$15,858,060 in comparison with the prior year.
- At June 30, 2004, the unreserved fund balance for the General Fund was \$23,743,959, or 7 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 this 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 part of the primary government. The government-wide financial statements can be found on pages 13 through 15 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 governmental funds are the General Fund, Local Capital Improvement - Capital Projects Fund, Certificates of Participation – Capital Projects Fund, and the Local Sales Tax – Capital Project Funds. Data from the other 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 16 through 22 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 23 through 25 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the primary 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 26 through 27 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 28 through 49 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 \$554,275,815 (total net assets) at June 30, 2004, which was an increase of \$65,990,306 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 or construct 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 \$17,474,191 deficit in unrestricted net assets at June 30, 2004. 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 \$44,530,798 were the most significant liability (claim) against unrestricted assets. Most of the estimated amount of compensated absences liabilities, \$40,608,626, 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	
	2004	2003
Current and other assets	\$ 314,288,753	\$ 281,723,179
Capital assets	<u>671,298,920</u>	<u>588,468,255</u>
Total assets	<u>985,587,673</u>	<u>870,191,434</u>
Long-term liabilities outstanding	396,536,139	362,154,561
Other liabilities	<u>34,775,719</u>	<u>19,751,364</u>
Total liabilities	<u>431,311,858</u>	<u>381,905,925</u>
Net assets:		
Invested in capital assets, net of related debt	328,401,965	282,198,789
Restricted	243,348,041	237,120,361
Unrestricted	<u>(17,474,191)</u>	<u>(31,033,641)</u>
Total net assets	<u>\$ 554,275,815</u>	<u>\$ 488,285,509</u>

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

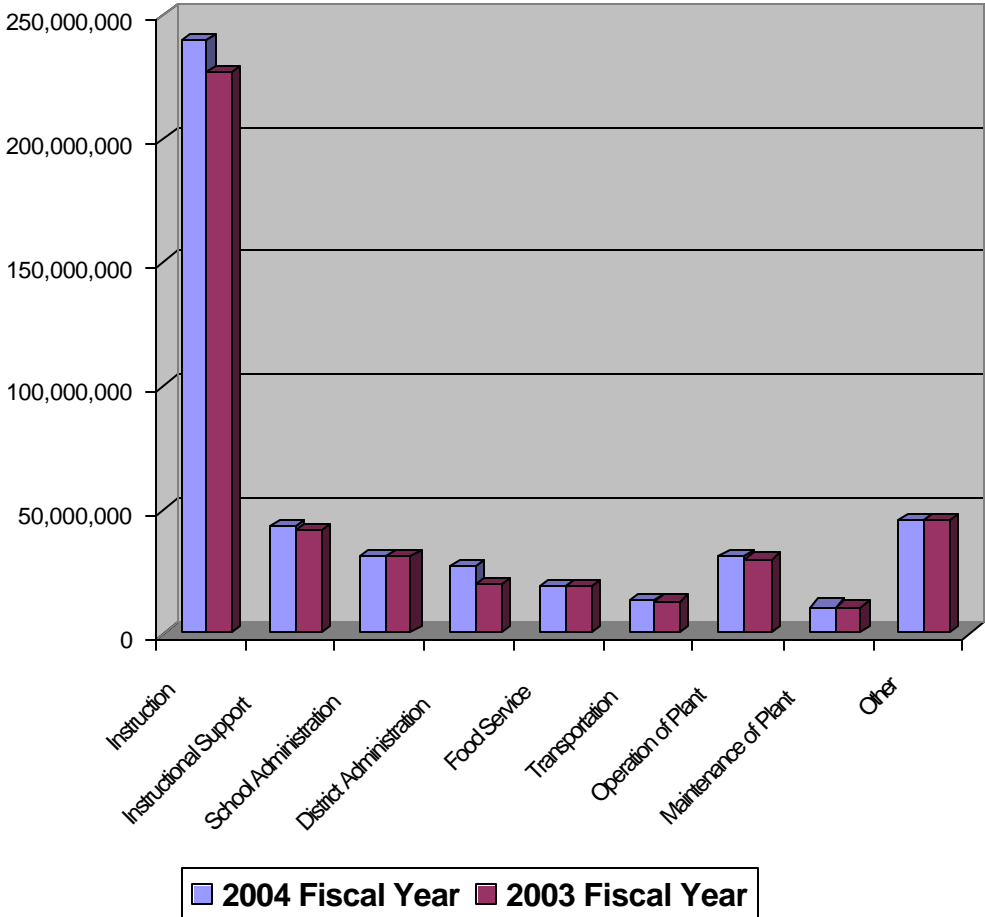
Change in Net Assets

	Governmental Activities	
	2004	2003
Revenues:		
Program revenues:		
Charges for services	\$ 11,961,331	\$ 13,513,689
Operating grants and contributions	22,182,865	23,757,919
Capital grants and contributions	12,277,013	11,766,955
General revenues:		
Property taxes	183,558,818	165,370,868
Other taxes	34,135,494	30,747,285
Grants and contributions not restricted to specific programs	244,739,157	225,760,225
Other	<u>18,179,294</u>	<u>10,519,264</u>
Total revenues	<u>527,033,972</u>	<u>481,436,205</u>
Expenses:		
Instruction	240,157,073	227,594,168
Pupil personnel services	20,150,550	19,938,915
Instructional media services	6,695,041	6,666,347
Instruction and curriculum development	11,284,651	10,337,293
Instructional staff training services	4,894,301	4,783,473
Board of education	366,791	365,919
General administration	3,632,266	2,930,750
School administration	31,261,978	30,844,455
Facilities acquisition and construction	8,968,360	3,015,564
Fiscal services	2,374,602	2,495,708
Food services	19,074,392	18,879,572
Central services	11,281,131	11,237,929
Pupil transportation services	13,208,364	12,654,270
Operation of plant	30,972,833	29,953,234
Maintenance of plant	10,857,862	10,807,896
Community services	1,754,829	1,914,220
Interest on long-term debt	12,666,965	14,703,119
Depreciation expense	<u>31,441,677</u>	<u>32,170,907</u>
Total expenses	<u>461,043,666</u>	<u>441,293,739</u>
Increase in net assets	65,990,306	40,142,466
Net assets - Beginning	<u>488,285,509</u>	<u>448,143,043</u>
Net assets - Ending	<u>\$ 554,275,815</u>	<u>\$ 488,285,509</u>

Governmental activities increased the District's net assets by \$65,990,306. Key elements of this increase are as follows:

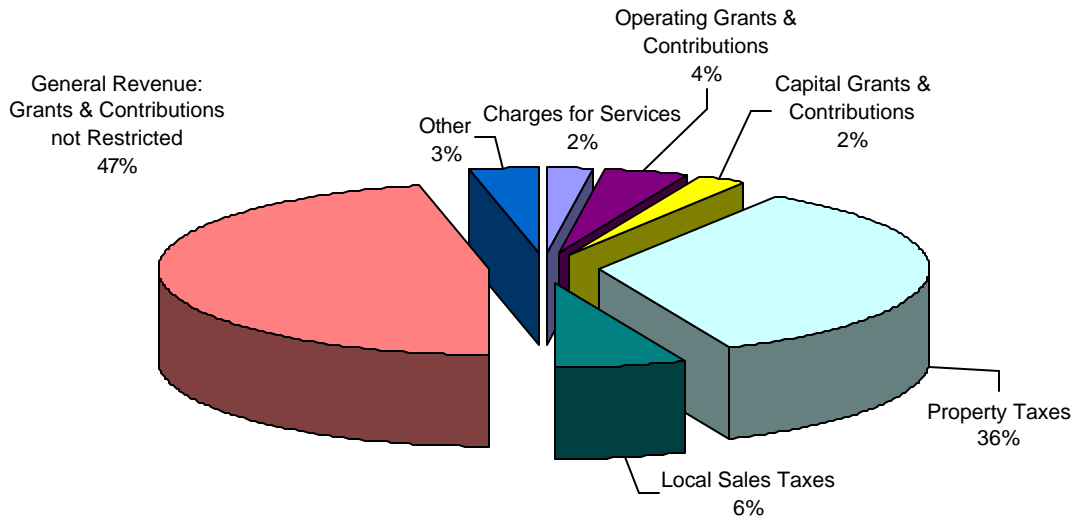
- Property tax revenue increased by \$18,187,950 (11 percent) during the year. Most of this increase relates to an increase in the taxable assessed value.
- The District received \$11,248,714 in class-size reduction funding based on a voter-approved amendment to reduce class size in the State of Florida. Districts are required to reduce their average class size in each grade by 2 students, until they meet the required class size of 18 students in kindergarten through 3^d grade, 22 students in grades 4 through 8, and 25 students in grades 9 through 12 by 2010.
- Federal grants, including Individuals with Disabilities Education Act (IDEA), increased by \$7,754,469 (27 percent) during the year. Local sales tax collections increased by \$3,388,209 (11 percent) and impact fee collections increased by \$2,379,431 (40 percent).
- Instruction and Instructional Support expenses accounted for approximately 61 percent of total governmental expenses in the 2003-04 fiscal year. Instruction and Instructional Support expenses increased by \$13,861,419, which represents a 5.1 percent increase from the 2002-03 fiscal year.

Comparison of Expenses Current to Prior 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 \$269,518,761, an increase of \$15,858,060 in comparison with the prior year. Approximately 51 percent of the ending fund balances, \$137,653,804, 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, \$106,150,664; 2) to liquidate the related expenditures that will be recognized when inventories are eventually consumed, \$2,870,510; 3) to make debt service payments, \$20,498,427; or 4) to fund State categorical programs, \$2,345,356.

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 \$23,743,959, while total fund balance reached \$29,402,619. 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 6.6 percent of total General Fund expenditures, while total fund balance represents 8.2 percent of that same amount.

During the current fiscal year, the fund balance of the General Fund increased by \$10,040,675. Key factors in this growth are as follows:

- Revenues increased by 7 percent (\$24.4 million) due to an increase in State and local funding, including grants, categorical programs, and property taxes. The largest increases were from property taxes (\$12.9 million) and class size reduction State funding (\$11.2 million), which was mentioned above.
- Expenditures increased by 4 percent (\$14.9 million), and more closely parallel revenues as compared to the prior year. Therefore, revenues and other financing sources exceeded expenditures.

The Local Capital Improvement – Capital Projects Fund, which is used to account for revenues produced by an ad valorem (property) tax levy authorized by the school board to support capital improvements, has a total fund balance of \$33,031,619. This levy has been capped at two mills since 1989-90 by the state legislature. The net increase in fund balance during the current fiscal year was \$5,357,080. It should also be noted that \$12,510,291 of the total fund balance has been encumbered under specific engineering and construction contracts for projects in progress at year-end.

The Certificates of Participation – Capital Projects Fund, which is used to account for capital project activity funded by a form of lease-purchase agreement, has a total fund balance of \$617,149, a reduction of \$12,905,281 from the prior year.

The Local Sales Tax – Capital Projects Fund, which is used to account for a ten-year construction plan funded by a voter approved referendum adopting a half-cent sales tax for fifteen years, has a total fund balance of \$162,413,948, all of which is reserved for specific capital projects. The net increase in fund balance during the current fiscal year was \$5,581,159. It should also be noted that \$90,226,513 of the total fund balance has been encumbered under specific engineering and construction contracts for projects in progress at year-end.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget were approximately \$12.3 million (3 percent increase), and can be briefly summarized as follows:

- \$5.8 million increase in Federal and State funding during the year
- \$3.4 million increase in local property tax collections
- \$3.1 million increase in miscellaneous activities

The final amended budget reflected a reduction in fund balance of \$7,149,861 for current year operations; however, because actual revenues exceeded budgetary estimates in some areas and expenditures were less than budgetary estimates, the need to draw on existing fund balances was significantly mitigated.

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, 2004, amounted to \$671,298,920 (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 14 percent. Major capital asset events during the current fiscal year included the following:

- Began construction on the replacement of New Smyrna Beach High School, New Smyrna Beach
- Began construction on the replacement of T.D. Taylor Middle/High School, Pierson
- Construction on the replacement of Mainland High, Daytona Beach
- Completion of Seabreeze High School Phase III, Daytona Beach
- Completion of Campbell Middle School, Daytona Beach
- Completion of addition at Volusia Pines Elementary, Lake Helen

Capital Assets (net of depreciation)		
	Governmental Activities	
	2004	2003
Land	\$ 40,424,787	\$ 36,979,234
Construction in progress	98,884,547	67,987,929
Improvements other than buildings	19,044,970	15,470,087
Buildings and fixed equipment	487,006,021	441,011,975
Furniture, fixtures, and equipment	9,927,759	12,408,048
Motor vehicles	11,723,936	9,796,663
Property under capital leases	147,934	1,011,884
Audio visual materials	10,837	57,426
Computer software	4,128,129	3,745,009
Total	\$ 671,298,920	\$ 588,468,255

Additional information on the District's capital assets can be found in note 4 on page 35 of this report.

Long-Term Debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$334,695,000. Of this amount, \$27,965,000 comprises debt backed by the full faith and credit of the District, \$196,650,000 backed by sales tax revenue, and \$20,775,000 backed by the full faith and credit of the State of Florida. The remainder of this debt represents \$89,305,000 in certificates of participation.

The District maintains an "Aaa" insured rating from Moody's and an "AAA" insured 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 "A2" from Moody's and an "AAA" insured 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

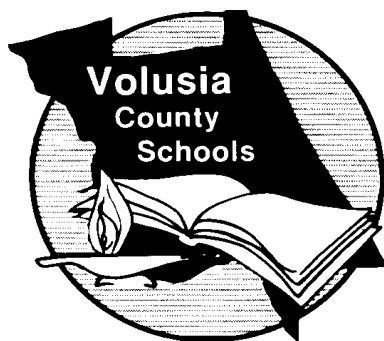
	Governmental Activities	
	2004	2003
Notes payable	\$ -	\$ 897,191
Bonds payable	245,390,000	209,341,705
Obligations under capital leases	472,454	1,335,570
Certificates of participation	<u>89,305,000</u>	<u>94,695,000</u>
Total	<u>\$ 335,167,454</u>	<u>\$ 306,269,466</u>

ECONOMIC FACTORS AND NEW YEAR'S BUDGETS AND RATES

- The unemployment rate for the District (Volusia County, Florida) is currently 4.3 percent, which compares favorably to the State's average unemployment rate of 4.8 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 14.9 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, 2004

	Primary Government	Discretely Presented Component Units	
	Governmental Activities	Charter Schools	Volusia County Education Direct-Support Organization, Inc.
ASSETS			
Cash	\$ 4,302,505	\$ 317,390	\$ 433,188
Investments	280,089,218	-	13,670
Accounts receivable	-	32,628	1,170
Interest receivable	639,181	-	-
Deposits receivable	-	13,000	-
Due from other agencies	24,801,670	-	-
Inventories	2,870,511	1,229	-
Prepaid items	-	1,786	327,434
Deferred charges	1,585,668	-	-
Capital assets:			
Land	40,424,787	473,135	-
Construction in progress	98,884,547	-	-
Improvements other than buildings, net	19,044,970	85,845	-
Buildings and fixed equipment, net	487,006,021	1,247,015	-
Furniture, fixtures and equipment, net	9,927,759	57,087	-
Motor vehicles, net	11,723,936	-	-
Property under capital leases, net	147,934	-	-
Audio visual materials, net	10,837	-	-
Computer Software, net	4,128,129	24,534	-
Total assets	<u>985,587,673</u>	<u>2,253,649</u>	<u>775,462</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Salaries and benefits payable	2,790,591	-	-
Payroll deductions and withholdings	6,819	9,008	-
Accounts payable	7,522,491	11,375	-
Construction contracts payable	6,501,851	-	-
Construction contracts payable - retainage	6,302,566	-	-
Matured bonds payable	-	-	-
Accrued interest payable	699,125	-	-
Due to other agencies	835,878	-	-
Estimated liability for arbitrage rebate	709,787	-	-
Deferred revenue	9,406,611	-	-
Long-term liabilities:			
Portion due within one year:			
Notes payable	-	33,294	-
Bonds payable	20,642,863	-	-
Obligations under capital leases	472,454	-	-
Certificates of participation payable	5,635,000	-	-
Special termination benefits payable	641,684	-	-
Compensated absences payable	3,922,172	-	-
Estimated insurance claims payable	2,406,355	-	-
Portion due in more than one year			
Notes payable	-	734,557	-
Bonds payable	232,476,638	-	-
Certificates of participation payable	83,670,000	-	-
Special termination benefits payable	-	-	-
Compensated absences payable	40,608,626	-	-
Estimated insurance claims payable	6,060,347	-	-
Total liabilities	<u>431,311,858</u>	<u>788,234</u>	<u>-</u>
NET ASSETS			
Invested in capital assets, net of related debt	328,401,965	1,116,592	-
Restricted for:			
State categorical programs	2,345,356	-	-
Debt service	21,384,970	-	-
Capital projects	209,376,865	-	-
Food Service	10,240,850	-	-
Other Purposes	-	-	534,930
Unrestricted	(17,474,191)	348,823	240,532
Total net assets	<u>\$ 554,275,815</u>	<u>\$ 1,465,415</u>	<u>\$ 775,462</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, 2004

FUNCTIONS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Instruction	\$ 240,157,073	\$ 2,709,105	\$ -	\$ -
Pupil personnel services	20,150,550	-	-	-
Instructional media services	6,695,041	-	-	-
Instruction and curriculum development services	11,284,651	-	-	-
Instructional staff training services	4,894,301	-	-	-
Board of education	366,791	-	-	-
General administration	3,632,266	-	-	-
School administration	31,261,978	-	-	-
Facilities acquisition and construction	8,968,360	-	-	5,081,643
Fiscal services	2,374,602	-	-	-
Food services	19,074,392	8,552,228	11,931,806	-
Central services	11,281,131	-	-	-
Pupil transportation services	13,208,364	699,998	10,251,059	-
Operation of plant	30,972,833	-	-	-
Maintenance of plant	10,857,862	-	-	5,113,210
Community services	1,754,829	-	-	-
Interest on long-term debt	12,666,965	-	-	2,082,160
Unallocated depreciation/ amortization expense	31,441,677	-	-	-
Total governmental activities	<u>\$ 461,043,666</u>	<u>\$ 11,961,331</u>	<u>\$ 22,182,865</u>	<u>\$ 12,277,013</u>
Component units:				
Charter Schools	\$ 1,793,212	\$ 85,220	\$ 262,280	\$ -
Volusia County Education Direct-Support Organization, Inc.	552,774	106,504	460,450	-
Total component units	<u>\$ 2,345,986</u>	<u>\$ 191,724</u>	<u>\$ 722,730</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, 2003

Net assets - June 30, 2004

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

Net (Expense) Revenue and Changes in Net Assets

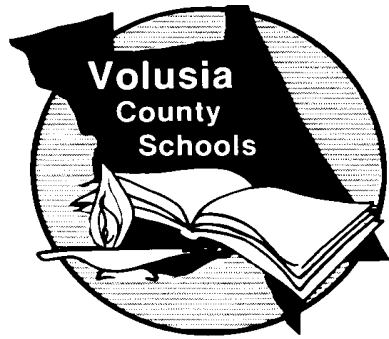
Primary Government		
Governmental Activities	Discretely Presented Component Units	
\$ (237,447,968)	\$ -	
(20,150,550)	-	
(6,695,041)	-	
(11,284,651)	-	
(4,894,301)	-	
(366,791)	-	
(3,632,266)	-	
(31,261,978)	-	
(3,886,717)	-	
(2,374,602)	-	
1,409,642	-	
(11,281,131)	-	
(2,257,307)	-	
(30,972,833)	-	
(5,744,652)	-	
(1,754,829)	-	
(10,584,805)	-	
(31,441,677)	-	
<u>(414,622,457)</u>	<u>-</u>	
-	(1,445,712)	
-	14,180	
-	<u>(1,431,532)</u>	
131,394,434	-	
9,980,321	-	
42,184,063	-	
34,135,494	-	
244,739,157	1,674,715	
4,021,869	1,694	
14,157,425	71,414	
<u>480,612,763</u>	<u>1,747,823</u>	
65,990,306	316,291	
488,285,509	1,924,586	
<u>\$ 554,275,815</u>	<u>\$ 2,240,877</u>	

District School Board of Volusia County, Florida
Balance Sheet -
Governmental Funds
June 30, 2004

	<u>General Fund</u>	<u>Local Capital Improvement - Capital Projects Fund</u>
ASSETS		
Cash	\$ 4,244,768	\$ -
Investments	31,098,429	32,922,803
Interest receivable	15,006	64,317
Due from other funds	-	-
Due from other agencies	3,868,065	1,073,596
Inventories	1,283,305	-
Total assets	<u>\$ 40,509,573</u>	<u>\$ 34,060,716</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Salaries and benefits payable	\$ 2,790,591	\$ -
Payroll deductions and withholdings	6,819	-
Accounts payable	7,483,568	-
Construction contracts payable	-	674,199
Construction contracts payable-retainage	-	354,898
Due to other agencies	825,976	-
Estimated liability for arbitrage rebate	-	-
Due to other funds	-	-
Deferred revenue	-	-
Total liabilities	<u>11,106,954</u>	<u>1,029,097</u>
Fund balances:		
Reserved for:		
State categorical programs	2,345,356	-
Encumbrances	2,030,000	12,510,291
Inventories	1,283,304	-
Debt service	-	-
Unreserved	23,743,959	-
Unreserved, reported in nonmajor:		
Special revenue	-	-
Capital projects	-	20,521,328
Total fund balances	<u>29,402,619</u>	<u>33,031,619</u>
Total liabilities and fund balances	<u>\$ 40,509,573</u>	<u>\$ 34,060,716</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
\$ -	\$ -	\$ 57,737	\$ 4,302,505
1,412,466	166,625,158	38,930,165	270,989,021
-	527,735	24,590	631,648
-	-	31,716	31,716
-	5,578,940	14,281,069	24,801,670
-	-	1,587,206	2,870,511
<u>\$ 1,412,466</u>	<u>\$ 172,731,833</u>	<u>\$ 54,912,483</u>	<u>\$ 303,627,071</u>
\$ -	\$ -	\$ -	\$ 2,790,591
-	-	-	6,819
-	-	38,923	7,522,491
708,858	4,582,051	536,743	6,501,851
86,459	5,735,834	125,375	6,302,566
-	-	9,902	835,878
-	-	709,787	709,787
-	-	31,716	31,716
-	-	9,406,611	9,406,611
<u>795,317</u>	<u>10,317,885</u>	<u>10,859,057</u>	<u>34,108,310</u>
-	-	-	2,345,356
474,549	90,226,513	909,311	106,150,664
-	-	1,587,206	2,870,510
-	-	20,498,427	20,498,427
142,600	72,187,435	-	96,073,994
-	-	7,889,637	7,889,637
-	-	13,168,845	33,690,173
<u>617,149</u>	<u>162,413,948</u>	<u>44,053,426</u>	<u>269,518,761</u>
<u>\$ 1,412,466</u>	<u>\$ 172,731,833</u>	<u>\$ 54,912,483</u>	<u>\$ 303,627,071</u>



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**District School Board of Volusia County, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Assets
June 30, 2004**

Total Fund Balances - Governmental Funds **\$ 269,518,761**

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. 671,298,920

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. 1,585,668

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. (699,125)

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:

Bonds Payable	\$ 253,119,501	
Obligations Under Capital Leases	472,454	
Certificates of Participation Payable	89,305,000	
Special Termination Benefits Payable	641,684	
Compensated Absences Payable	44,530,798	
	44,530,798	(388,069,437)

Total Net Assets - Governmental Activities **\$ 554,275,815**

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, 2004

	General Fund	Local Capital Improvement - Capital Projects Fund
REVENUES		
Federal direct	\$ 239,128	\$ -
Federal through State	1,349,252	-
State sources	216,976,625	-
Local sources	140,187,081	42,740,420
Total revenues	358,752,086	42,740,420
EXPENDITURES		
Current:		
Instruction	225,186,935	-
Pupil personnel services	16,383,070	-
Instructional media services	6,742,450	-
Instruction and curriculum development services	4,302,215	-
Instructional staff training services	2,607,074	-
Board of education	369,752	-
General administration	1,861,585	-
School administration	30,389,396	-
Facilities acquisition and construction	847,893	6,325,162
Fiscal services	2,393,773	-
Food services	-	-
Central services	11,340,537	-
Pupil transportation services	13,067,169	-
Operation of plant	31,219,521	-
Maintenance of plant	10,945,523	-
Community services	1,427,408	-
Debt service:		
Principal	506,303	-
Interest and fiscal charges	17,087	-
Capital Outlay:		
Facilities acquisition and construction	61,092	18,566,479
Other capital outlay	164,759	3,532,911
Total expenditures	359,833,542	28,424,552
Excess (deficiency) of revenues over expenditures	(1,081,456)	14,315,868
OTHER FINANCING SOURCES (USES)		
Long-term bonds issued	-	-
Sale of capital assets	58,459	-
Transfers in	11,077,132	-
Transfers out	(13,460)	(8,958,788)
Total other financing sources (uses)	11,122,131	(8,958,788)
Net change in fund balances	10,040,675	5,357,080
Fund balances, July 1, 2003	19,361,944	27,674,539
Fund balances, June 30, 2004	\$ 29,402,619	\$ 33,031,619

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
\$ -	\$ -	\$ -	\$ 239,128
-	-	47,940,626	49,289,878
-	-	12,693,404	229,670,029
138,000	36,377,593	28,391,843	247,834,937
<u>138,000</u>	<u>36,377,593</u>	<u>89,025,873</u>	<u>527,033,972</u>
-	-	16,219,170	241,406,105
-	-	3,930,165	20,313,235
-	-	6,643	6,749,093
-	-	7,073,543	11,375,758
-	-	2,326,741	4,933,815
-	-	-	369,752
-	-	1,800,006	3,661,591
-	-	1,124,976	31,514,372
1,395,368	470,697	1,646	9,040,766
-	-	-	2,393,773
-	-	19,228,389	19,228,389
-	-	31,672	11,372,209
-	-	226,497	13,293,666
-	-	3,371	31,222,892
-	-	-	10,945,523
-	-	341,589	1,768,997
-	-	24,390,059	24,896,362
-	-	14,532,498	14,549,585
11,962,957	75,491,374	1,724,828	107,806,730
-	-	3,152,606	6,850,276
<u>13,358,325</u>	<u>75,962,071</u>	<u>96,114,399</u>	<u>573,692,889</u>
<u>(13,220,325)</u>	<u>(39,584,478)</u>	<u>(7,088,526)</u>	<u>(46,658,917)</u>
-	61,904,106	554,412	62,458,518
-	-	-	58,459
384,788	-	28,024,851	39,486,771
(69,744)	(16,738,469)	(13,706,310)	(39,486,771)
<u>315,044</u>	<u>45,165,637</u>	<u>14,872,953</u>	<u>62,516,977</u>
(12,905,281)	5,581,159	7,784,427	15,858,060
<u>13,522,429</u>	<u>156,832,789</u>	<u>36,269,000</u>	<u>253,660,701</u>
<u>\$ 617,148</u>	<u>\$ 162,413,948</u>	<u>\$ 44,053,427</u>	<u>\$ 269,518,761</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, 2004

Net Change in Fund Balances - Total Governmental Funds **\$ 15,858,060**

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.	82,889,124
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.	(58,459)
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.	24,896,362
Proceeds from the sale of bonds are reported as other financing sources in the Funds Statements, but not in the Government-wide statements.	(62,679,573)
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.	190,370
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	(158,256)
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.	917,863
Deferred charges for new debt issues are reported as expenditures in governmental funds, but are deferred and amortized over the life of the debt in the statement of activities.	774,387
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.	2,736,482
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.	623,946

Change in net assets of governmental activities **\$ 65,990,306**

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal direct:				
Reserve Officers Training Corp (ROTC)	\$ 190,000	\$ 239,128	\$ 239,128	\$ -
Total Federal direct	<u>190,000</u>	<u>239,128</u>	<u>239,128</u>	<u>-</u>
Federal through State:				
Medicaid	500,000	1,336,237	1,336,237	-
Miscellaneous Federal through State	-	13,015	13,015	-
Total Federal through State	<u>500,000</u>	<u>1,349,252</u>	<u>1,349,252</u>	<u>-</u>
State sources:				
Florida education finance program	175,169,091	177,191,959	177,191,959	-
Categorical programs	33,236,320	35,637,333	35,637,333	-
District discretionary lottery funds	2,935,115	3,025,560	3,025,560	-
CO&DS withheld for administrative expense	35,355	35,709	35,709	-
Other State sources	698,485	1,086,064	1,086,064	-
Total State sources	<u>212,074,366</u>	<u>216,976,625</u>	<u>216,976,625</u>	<u>-</u>
Local sources:				
Ad valorem taxes	127,965,820	131,394,434	131,394,434	-
Interest income	800,000	645,103	645,103	-
Authorized Fees	300,000	2,709,105	2,709,105	-
Indirect Cost	1,350,000	2,115,562	2,115,562	-
Other local sources	654,501	3,322,877	3,322,877	-
Total local sources	<u>131,070,321</u>	<u>140,187,081</u>	<u>140,187,081</u>	<u>-</u>
Total revenues	<u>343,834,687</u>	<u>358,752,086</u>	<u>358,752,086</u>	<u>-</u>
EXPENDITURES				
Current:				
Instruction	226,808,330	233,595,044	225,186,935	8,408,109
Pupil personnel services	15,752,823	16,679,150	16,383,070	296,080
Instructional media services	7,237,880	7,189,475	6,742,450	447,025
Instruction and curriculum development services	4,486,919	4,661,348	4,302,215	359,133
Instructional staff training services	3,873,205	3,266,058	2,607,074	658,984
Board of education	314,395	369,752	369,752	-
General administration	1,869,270	2,007,905	1,861,585	146,320
School administration	28,722,430	31,382,208	30,389,396	992,812
Facilities acquisition and construction	1,339,477	1,392,664	847,893	544,771
Fiscal services	2,674,468	2,629,841	2,393,773	236,068
Central services	11,585,629	13,357,016	11,340,537	2,016,479
Pupil transportation services	12,928,877	13,622,219	13,067,169	555,050
Operation of plant	32,550,612	32,265,565	31,219,521	1,046,044
Maintenance of plant	12,587,208	11,215,122	10,945,523	269,599
Community services	345,947	1,619,703	1,427,408	192,295
Debt Service:				
Principal	506,303	506,303	506,303	-
Interest	17,087	17,087	17,087	-
Capital Outlay:				
Facilities acquisition and construction	677,243	794,607	61,092	733,515
Other capital outlay	459,279	453,011	164,759	288,252
Total expenditures	<u>364,737,382</u>	<u>377,024,078</u>	<u>359,833,542</u>	<u>17,190,536</u>
Excess (Deficiency) of revenues over expenditures	<u>(20,902,695)</u>	<u>(18,271,992)</u>	<u>(1,081,456)</u>	<u>17,190,536</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	10,000	58,459	58,459	-
Transfers in	10,874,906	11,077,132	11,077,132	-
Transfers out	(13,000)	(13,460)	(13,460)	-
Total other financing sources (uses)	<u>10,871,906</u>	<u>11,122,131</u>	<u>11,122,131</u>	<u>-</u>
Net change in fund balances	<u>(10,030,789)</u>	<u>(7,149,861)</u>	<u>10,040,675</u>	<u>17,190,536</u>
Fund balances, July 1, 2003	19,361,944	19,361,944	19,361,944	-
Fund balances, June 30, 2004	<u>\$ 9,331,155</u>	<u>\$ 12,212,083</u>	<u>\$ 29,402,619</u>	<u>\$ 17,190,536</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, 2004

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets:	
Investments	\$ 9,100,197
Interest receivable	7,533
Total assets	9,107,730
 LIABILITIES	
Current liabilities:	
Estimated insurance claims payable	2,406,355
Noncurrent liabilities:	
Estimated liability for long-term claims	6,060,347
Total liabilities	8,466,702
 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, 2004

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Premium revenue	\$ 6,870,625
OPERATING EXPENSES	
Salaries	129,020
Employee benefits	365,964
Purchased services	2,932,755
Materials and supplies	9,321
Capital Outlay	3,703
Insurance claims	3,540,473
Total operating expenses	6,981,236
Operating loss	(110,611)
NONOPERATING REVENUES (EXPENSES)	
Interest	110,611
Change in net assets	-
Net assets - July 1, 2003	641,028
Net assets - June 30, 2004	\$ 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, 2004

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Board funds	\$ 6,870,625
Payments to suppliers	(3,262,790)
Payments to employees	(192,507)
Payments for insurance claims	(2,411,422)
	<u>1,003,906</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(1,114,517)
Interest income	110,611
	<u>(1,003,906)</u>
Net cash provided by operating activities	<u>1,003,906</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(1,114,517)
Interest income	110,611
	<u>110,611</u>
Net cash used by investing activities	<u>(1,003,906)</u>
Net increase in cash and cash equivalents	-
Cash and cash equivalents - July 1, 2003	<u>-</u>
Cash and cash equivalents - June 30, 2004	<u>\$ -</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (110,611)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in estimated insurance claims payable	1,114,517
	<u>1,114,517</u>
Net cash provided by operating activities	<u>\$ 1,003,906</u>

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, 2004

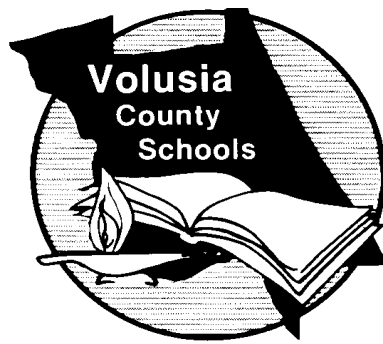
	Private-Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 2,325,259
Investments	710,175	3,487,509
Interest receivable	3,021	-
Total assets	713,196	\$ 5,812,768
LIABILITIES		
Deposits held for others	-	\$ 5,812,768
Total liabilities	-	\$ 5,812,768
NET ASSETS		
Assets held in trust for scholarships and other purposes	\$ 713,196	

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

	Private-Purpose Trust Funds
ADDITIONS	
Interest earnings	\$ 16,300
DEDUCTIONS	
Scholarship payments	7,999
Total deductions	7,999
Change in net assets	8,301
Net assets - July 1, 2003	704,895
Net assets - June 30, 2004	\$ 713,196

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, 2004

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, 2004, 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 for their tax levy and the majority of their budget. Audits of the Charter Schools' financial statements for the fiscal year ended June 30, 2004, 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, 2004

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, 2004

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 utilizing the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants and interest on investments. The District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. 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.

In applying the "susceptible to accrual" concept to revenues from federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of revenues. In one, monies must be expended for the specific purpose before the District will receive any amounts; therefore, revenues are recognized based upon the incurrence of the expenditures. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the "susceptible to accrual" criteria are met. In all cases, monies received before the revenue recognition criteria have been met, are reported as deferred revenue.

The Proprietary Funds are prepared under the economic resources measurement focus and the accrual basis of accounting. 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

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

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.

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 \$750. 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.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

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 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.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

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 2003 tax levy on September 9, 2003. Tax bills are mailed in October and taxes are payable between November 1 of the year assessed and March 31 of the following year at discounts of up to 4 percent for early payment.

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

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.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

3. INVESTMENTS

As of June 30, 2004, 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	82 day average	\$ 141,971,356
United States Treasury Bills	December 2004	2,977,586
United States Treasury Notes	June 2005	5,967,969
Obligations of United States Government		
Agencies and Instrumentalities	October 2004 - December 2008	133,175,991
Certificates of Deposit	March 2007	194,000
Total		<u>\$ 284,286,902</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 \$133,175,991 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 October 2004 and December 2008.

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 investment instruments authorized by the District's Investment Policy; certificates of deposit in State qualified public depositories; as well as the Local Government Surplus Funds Trust Fund. As of June 30, 2004, the District's investment in the Local Government Surplus Funds Trust Fund investment pool was unrated. The District's investment 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.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

4. CHANGES IN CAPITAL ASSETS

Changes in capital assets are presented in the table below.

GOVERNMENTAL ACTIVITIES	July 1, 2003 Balance ⁽¹⁾	Additions	Deletions	June 30, 2004 Balance
Capital Assets Not Being Depreciated:				
Land	\$ 36,979,234	\$ 3,518,179	\$ 72,626	\$ 40,424,787
Construction in progress	67,987,929	93,705,043	62,808,425	98,884,547
Total Capital Assets Not Being Depreciated:	<u>104,967,163</u>	<u>97,223,222</u>	<u>62,881,051</u>	<u>139,309,334</u>
Capital Assets Being Depreciated:				
Improvements other than buildings	24,379,061	5,048,769	20,803	29,407,027
Buildings and fixed equipment	608,663,385	62,808,425	880,979	670,590,831
Furniture, fixtures, and equipment	57,303,302	5,357,448	6,267,740	56,393,010
Motor vehicles	26,264,137	4,003,045	549,709	29,717,473
Property under capital leases	4,091,169	1,567	14,896	4,077,840
Audio-visual materials	181,414	-	47,847	133,567
Computer software	14,714,010	2,552,661	125,546	17,141,125
Total Capital Assets Being Depreciated:	<u>735,596,478</u>	<u>79,771,915</u>	<u>7,907,520</u>	<u>807,460,873</u>
Less Accumulated Depreciation for:				
Improvements other than buildings	8,908,974	1,473,886	20,803	10,362,057
Buildings and fixed equipment	167,651,410	16,814,379	880,979	183,584,810
Furniture, fixtures, and equipment	44,895,254	7,837,737	6,267,740	46,465,251
Motor vehicles	16,467,474	2,075,772	549,709	17,993,537
Property under capital leases	3,079,285	865,517	14,896	3,929,906
Audio-visual materials	123,988	46,589	47,847	122,730
Computer software	10,969,001	2,169,541	125,546	13,012,996
Total Accumulated Depreciation	<u>252,095,386</u>	<u>31,283,421</u>	<u>7,907,520</u>	<u>275,471,287</u>
Total Capital Assets Being Depreciated, Net	<u>483,501,092</u>	<u>48,488,494</u>	<u>-</u>	<u>531,989,586</u>
Governmental Activities Capital Assets, Net	<u>\$ 588,468,255</u>	<u>\$ 145,711,716</u>	<u>\$ 62,881,051</u>	<u>\$ 671,298,920</u>

⁽¹⁾ Effective July 1, 2003, the District increased the capital assets threshold from \$500 to \$750 pursuant to Chapter 274.02, Florida Statutes. Accordingly, the beginning balances of furniture, fixtures, and equipment, property under capital lease, motor vehicles, audio-visual materials, and computer software decreased by \$4,573,289, \$233,280, \$953,109, \$139,396, \$148,250, respectively. In addition, accumulated depreciation through June 30, 2003 was decreased by \$2,920,227, \$233,280, \$95,311, \$139,396 and \$29,650.

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 \$31,283,421, was not allocated to functions but is separately reported on the statement of activities.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

5. OBLIGATIONS UNDER CAPITAL LEASES

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

	Asset Balance
Computer laboratories	\$ 1,968,252
Personal computers	2,109,588
Total	\$ 4,077,840

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

Fiscal Year Ending June 30	Principal	Interest	Total
2005	\$ 472,454	\$ 20,292	\$ 492,746

The stated interest rate is 5.50 percent for the computer laboratories.

6. 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.

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.

District School Board of Volusia County, Florida
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June 30, 2004

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, 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.

District School Board of Volusia County, Florida
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June 30, 2004

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>
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	6,795,000	3,491,919	10,286,919
2010-2014	22,250,000	12,681,606	34,931,606
2015-2019	15,640,000	8,288,294	23,928,294
2020-2024	20,435,000	3,491,950	23,926,950
Total Minimum Lease Payments	<u>\$ 89,305,000</u>	<u>\$ 44,939,366</u>	<u>\$ 134,244,366</u>

District School Board of Volusia County, Florida
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7. BONDS PAYABLE

Bonds payable at June 30, 2004, are as follows:

Bond Type	Amount Issued	Amount Outstanding	Interest Rates (Percent)	Annual Maturity To
State School Bonds:				
Series 1996-B	\$ 500,000	\$ 185,000	4.375 - 4.625	2007
Series 1998-A	21,000,000	17,520,000	4.500 - 5.500	2018
Series 1999-A	3,150,000	2,350,000	4.000 - 4.750	2019
Series 2000-A	280,000	175,000	4.750 - 6.000	2020
Series 2003-A	560,000	545,000	3.000 - 5.000	2024
District General Obligation Refunding Bonds:				
Series 2001	44,385,000	27,965,000	4.250 - 5.000	2007
Sales Tax Revenue Bonds:				
Series 2002	146,845,000	138,825,000	2.375 - 5.500	2017
Series 2004	57,825,000	57,825,000	2.000 - 5.250	2017
Subtotal	<u>274,545,000</u>	<u>245,390,000</u>		
Plus Unamortized Net Premiums:				
District General Obligation Refunding Bonds, Series 2001	1,642,425	656,970		
Sales Tax Revenue Bonds, Series 2002	4,414,904	3,531,923		
Sales Tax Revenue Bonds, Series 2004	3,835,659	3,540,608		
Total Unamortized Net Premiums	<u>9,892,988</u>	<u>7,729,501</u>		
Total Bonds Payable	<u>\$ 284,437,988</u>	<u>\$ 253,119,501</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 in 2002 and \$57,825,000 in 2004, 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 School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

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.

Annual requirements to amortize all bonded debt outstanding as of June 30, 2004, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
State School Bonds:			
2005	\$ 1,040,000	\$ 1,035,009	\$ 2,075,009
2006	1,095,000	981,094	2,076,094
2007	1,155,000	924,144	2,079,144
2008	1,205,000	872,712	2,077,712
2009	1,260,000	819,612	2,079,612
2010-2014	7,330,000	3,066,882	10,396,882
2015-2019	7,500,000	1,009,831	8,509,831
2020-2023	190,000	20,125	210,125
Total State School Bonds	20,775,000	8,729,409	29,504,409
Sales Tax Revenue Bonds:			
2005	9,815,000	8,124,705	17,939,705
2006	12,510,000	8,128,240	20,638,240
2007	12,875,000	7,731,987	20,606,987
2008	13,300,000	7,322,649	20,622,649
2009	13,695,000	6,872,221	20,567,221
2010-2014	77,735,000	24,492,159	102,227,159
2015-2016	56,720,000	4,307,014	61,027,014
Total Sales Tax Revenue Bonds	196,650,000	66,978,975	263,628,975
District General Obligation Refunding Bonds:			
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	27,965,000	2,142,875	30,107,875
Subtotal	245,390,000	77,851,259	323,241,259
Plus Unamortized Net Premiums	7,729,501	-	7,729,501
Total	\$ 253,119,501	\$ 77,851,259	\$ 330,970,760

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

Annual requirements to amortize net premiums as of June 30, 2004, are as follows:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Amortized</u> <u>Expense</u>
Sales Tax Revenue Bonds:	
2005	\$ 589,378
2006	589,378
2007	589,378
2008	589,378
2009	589,378
2010-2014	2,946,885
2015-2016	<u>1,178,756</u>
Total Sales Tax Revenue Bonds	<u>7,072,531</u>
District General Obligation Refunding Bonds:	
2005	328,485
2006	<u>328,485</u>
Total District General Obligation Refunding Bonds	<u>656,970</u>
Total	<u>\$ 7,729,501</u>

8. 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 1.05 percent as of June 30, 2004. 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 1.36875 percent as of June 30, 2004.

Fair Value. Because the ratio between the BMA and LIBOR swap curves has declined since execution of the Swap, the Swap has a positive fair value of \$255,471 as of June 30, 2004. 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. As of June 30, 2004, the Swap's positive fair value represented the District's exposure to the counterparty's 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 Aa1 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 is based on the

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

counterparty's credit rating. At its current rating levels, the counterparty would not be required to post collateral until the fair value of the swap exceed \$20,000,000. In accordance with the agreement if collateral is required, the collateral would be posted in an account held in trust for the District. However, should interest rates change and the fair value of the Swap become negative, the Swap's fair value would represent the District's credit exposure to the counterparty.

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. At June 30, 2004, the estimated accrued interest was \$16,303. The estimated net swap payment to date is calculated below:

Notional	\$ 50,000,000
Receive 70.00% of LIBOR ⁽¹⁾	0.816%
Receive Fixed Spread (.41%)	0.410%
Total Received	1.226%
Pay BMA ⁽²⁾	1.020%
Approximate Benefit	0.206%
Approximate Total Cash Flow Benefit ⁽³⁾	\$ 129,000
Approximate FY2004 Cash Flow Benefit ⁽⁴⁾	\$ 110,000
Mark-to-Market Value ⁽⁵⁾	\$ 239,168

- (1) Approximate 1-month LIBOR average since execution (1.15%) x 70% x 365/360 (day count adjustment)
- (2) Approximate BMA average since execution
- (3) Approximate actual cash flow benefit and accrued interest from effective date through 6/30/04
- (4) Approximate actual cash flow benefit and accrued interest during fiscal year 2004 (7/1/03 through 6/30/04)
- (5) Approximate mark-to-market value as of 6/30/04. A positive number is in the District's favor and a negative number is in Citibank's favor.

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.

9. 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, 2004, State School Bonds, Series 1986-A, are considered defeased in substance with an outstanding balance in the amount of \$200,000. The General Obligation Refunding Bonds, Series 1991, are considered defeased in substance with an outstanding balance in the amount of \$23,652,585.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

10. CHANGES IN LONG-TERM LIABILITIES

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

Description	July 1, 2003 Balance	Additions	Deductions	June 30, 2004 Balance	Due in One Year
GOVERNMENTAL ACTIVITIES					
Bonds Payable	\$ 204,530,000	\$ 58,385,000	\$ 17,525,000	\$ 245,390,000	\$ 19,725,000
Plus:					
Unamortized Net Premium	<u>4,811,705</u>	<u>3,835,659</u>	<u>917,863</u>	<u>7,729,501</u>	<u>917,863</u>
Total Bonds Payable	209,341,705	62,220,659	18,442,863	253,119,501	20,642,863
Note Payable	897,191	-	897,191	-	-
Obligations Under Capital Leases	1,335,570	221,055	1,084,171	472,454	472,454
Certificates of Participation Payable	94,695,000	-	5,390,000	89,305,000	5,635,000
Special Termination Benefits Payable	1,265,630	-	623,946	641,684	641,684
Compensated Absences Payable	47,267,280	1,185,690	3,922,172	44,530,798	3,922,172
Estimated Insurance Claims Payable	<u>7,352,185</u>	<u>1,114,517</u>	<u>8,466,702</u>	<u>8,466,702</u>	<u>2,406,355</u>
Total Governmental Activities	<u>\$ 362,154,561</u>	<u>\$ 64,741,921</u>	<u>\$ 30,360,343</u>	<u>\$ 396,536,139</u>	<u>\$ 33,720,528</u>

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

11. 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, 2004.

12. INTERFUND TRANSFERS

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

Funds	Interfund	
	Transfers In	Transfers Out
Major Funds:		
General	\$ 11,077,132	\$ 13,460
Capital Projects:		
Local Capital Improvement	-	8,958,788
Certificates of Participation	384,788	69,744
Local Sales Tax	-	16,738,469
Nonmajor Governmental Funds	<u>28,024,851</u>	<u>13,706,310</u>
Total	<u>\$ 39,486,771</u>	<u>\$ 39,486,771</u>

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

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.

13. SCHEDULE OF STATE REVENUE SOURCES

The following is a schedule of the District's State revenue for the 2003-2004 fiscal year:

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$ 177,191,959
Categorical Educational Programs:	
Other	35,637,333
Discretionary Lottery Funds	3,025,560
Gross Receipts Tax (Public Education Capital Outlay)	5,113,210
Class Size Reduction	4,670,960
Motor Vehicle License Tax (Capital Outlay and Debt Service)	2,410,354
State Grants and Other State Sources	362,764
Mobile Home License Tax	540,588
Food Service Supplement	351,328
Pari-mutuel Tax	283,485
School Infrastructure Thrift	82,488
	<hr/>
Total	<u><u>\$ 229,670,029</u></u>

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

14. PROPERTY TAXES

The following is a summary of millages and taxes levied on the 2003 tax roll for the 2003-04 fiscal year:

	<u>Millages</u>	<u>Taxes Levied</u>
<u>General Fund</u>		
Nonvoted School Tax:		
Required Local Effort	5.565	\$ 121,387,003
Basic Discretionary Local Effort	0.510	11,124,415
Supplemental Discretionary Local Effort	0.152	3,315,512
<u>Debt Service Funds</u>		
Voted Tax:		
Special Tax School District No. 1	0.472	10,295,537
<u>Capital Projects Funds</u>		
Nonvoted Tax:		
Local Capital Improvements	2.000	43,625,158
	<hr/>	<hr/>
Total	<u><u>8.699</u></u>	<u><u>\$ 189,747,625</u></u>

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

15. 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.

Funding Policy

The contribution rates for members are established, and may be amended, by the State of Florida. During the 2003-04 fiscal year, contribution rates were as follows:

<u>Class or Plan</u>	<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer^(A)</u>
Florida Retirement System, Regular	0.00	7.39
Florida Retirement System, Elected County Officers	0.00	15.23
Florida Retirement System, Senior Management Service	0.00	9.37
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 .10 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, 2002, June 30, 2003, and June 30, 2004, totaled \$18,219,504, \$14,877,125, and \$19,904,709, respectively, which were equal to the required contributions for each fiscal year.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

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, 2004, totaled \$246,035.

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.

16. 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:

- 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 \$641,684 in health insurance benefits.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

17. CONSTRUCTION CONTRACT COMMITMENTS

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

<u>Project</u>	<u>Contract Amount</u>	<u>Completed to Date</u>	<u>Balance Committed</u>
Campbell Middle School - New Construction:			
Architect	\$ 970,255	\$ 959,414	\$ 10,841
Contractor	17,063,032	16,833,276	229,756
Deltona High School - HVAC Renovation:			
Architect	659,500	623,574	35,926
Contractor	9,964,873	7,503,926	2,460,947
DeLand High School - New Construction and Renovation:			
Architect	988,185	806,588	181,597
Contractor	19,441,818	15,360,142	4,081,676
Mainland High School - New Construction:			
Architect	2,310,412	2,146,958	163,454
Contractor	40,680,697	17,388,991	23,291,706
New Elementary School "W":			
Architect	382,160	379,806	2,354
Contractor	7,278,954	7,245,794	33,160
New Middle School "GG"			
Architect	693,000	688,419	4,581
Contractor	12,560,649	7,779,312	4,781,337
New Smyrna Beach High School - Replacement School			
Architect	1,327,150	1,133,844	193,306
Contractor	34,172,555	8,064,431	26,108,124
Southwestern Middle School - Renovation and Remodeling			
Architect	417,021	280,169	136,852
Contractor	5,411,496	1,308,154	4,103,342
Spruce Creek High School - Addition and Renovation			
Architect	627,193	532,869	94,324
Contractor	10,377,979	1,562,786	8,815,193
Taylor Middle/High - Addition and Renovation			
Architect	1,558,365	1,195,193	363,172
Contractor	2,077,867	353,543	1,724,324
Total	<u>\$ 168,963,161</u>	<u>\$ 92,147,189</u>	<u>\$ 76,815,972</u>

18. 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 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 \$1,401,629 for the 2003-04 fiscal year to the Daytona Beach Community College.

District School Board of Volusia County, Florida
Notes to the Financial Statements
June 30, 2004

Requests for additional financial information should be addressed to the Advanced Technology Center, 1770 Technology Boulevard, Daytona Beach, Florida 32124.

19. 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 \$8,466,702 was actuarially determined to cover estimated incurred, but not reported, insurance claims payable at June 30, 2004.

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>
2002-03	\$ 6,989,976	\$ 3,042,670	\$ (2,680,461)	\$ 7,352,185
2003-04	7,352,185	3,525,939	(2,411,422)	8,466,702

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.

20. INTERNAL SERVICE FUNDS

The following is a summary of financial information as reported in the Internal Service Funds for the 2003-04 fiscal year:

District School Board of Volusia County, Florida
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June 30, 2004

	<u>Workers' Compensation</u>	<u>Property Insurance</u>	<u>General Liability</u>	<u>Fleet Insurance</u>	<u>Total</u>
Total Assets	\$ 7,192,613	\$ -	\$ 1,773,132	\$ 141,985	\$ 9,107,730
Liabilities and Net Assets:					
Estimated Insurance					
Claims Payable	\$ 6,626,585	\$ -	\$ 1,698,132	\$ 141,985	\$ 8,466,702
Unrestricted Net Assets	566,028	-	75,000	-	641,028
Total Liabilities and Net Assets	<u>\$ 7,192,613</u>	<u>\$ -</u>	<u>\$ 1,773,132</u>	<u>\$ 141,985</u>	<u>\$ 9,107,730</u>
Revenues:					
Premium Contributions	\$ 4,076,673	\$ 1,788,264	\$ 634,592	\$ 371,096	\$ 6,870,625
Interest Income	91,577	-	18,086	948	110,611
Total Revenues	4,168,250	1,788,264	652,678	372,044	6,981,236
Total Expenses	4,168,250	1,788,264	652,678	372,044	6,981,236
Changes in Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

21. LITIGATION

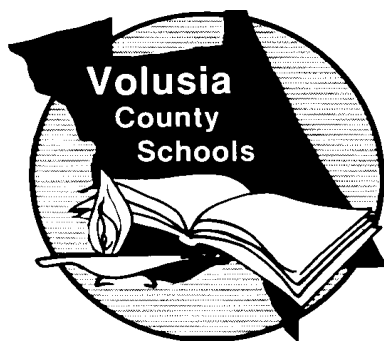
The District is involved in several pending and threatened legal actions. In the opinion of District management, the range of potential loss from all such claims and actions should not materially affect the financial condition of the District.

Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

22. SUBSEQUENT EVENTS

The School District of Volusia County suffered damages as a result of hurricanes Charley in August and Frances in September. The preliminary estimated cost of the damages is over \$5 million from Charley and \$9.7 million from Frances. In addition to widespread power outages in the schools for a number of days, sixty-one schools suffered damages including flooding, downed trees, roof damage and covered walkways blown down. Twenty-five of the District's schools were used as hurricane shelters and were managed by District staff. The District's property coverage is provided on a self-insured basis up to \$5 million for each named storm. The District's primary layer insurance company, Lexington, will provide excess coverage from \$5 million to \$25 million. In addition, the Federal Emergency Management Agency (FEMA) may reimburse the District for debris removal, emergency protective measures, and damages to buildings and equipment net of the insurance proceeds.

The District entered into a refunding agreement on November 22, 2004, closing on May 3, 2005 to refund the Certificates of Participation, Series 1995, issued on behalf of the District by the Volusia School Board Leasing Corporation, Inc, and maturing on and after August 1, 2024. The refunding, which will be in the amount of \$26,730,000, will be accomplished through the issuance of Refunding Certificates of Participation, Series 2005A, to be repaid from the proceeds of rents paid by the District.



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 1011.15 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.

Capital Outlay Bond Issue - Used to account for projects financed by Capital Outlay Bond Issue (COBI).

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.

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.

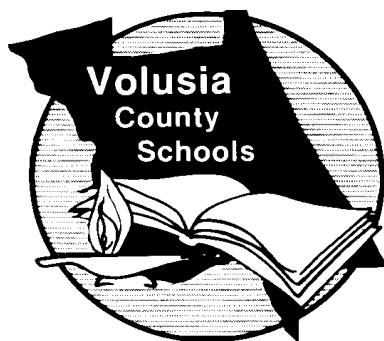
Other Capital Projects Funds - Used to account for capital project activity funded through the sale of property, impact fees, charter schools capital outlay, the Vince Carter project, and classrooms for kids.

District School Board of Volusia County, Florida
Combining Balance Sheet -
All Nonmajor Governmental Funds
June 30, 2004

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 57,737	\$ -	\$ -	\$ 57,737
Investments	8,821,286	20,953,683	9,155,196	38,930,165
Interest receivable	17,319	938	6,333	24,590
Due from other funds	31,716	-	-	31,716
Due from other agencies	874,856	253,593	13,152,620	14,281,069
Inventories	1,587,206	-	-	1,587,206
Total assets	<u>\$ 11,390,120</u>	<u>\$ 21,208,214</u>	<u>\$ 22,314,149</u>	<u>\$ 54,912,483</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 38,923	\$ -	\$ -	\$ 38,923
Construction contracts payable	536,743	-	-	536,743
Construction contracts payable-retainage	125,375	-	-	125,375
Due to other agencies	9,902	-	-	9,902
Estimated liability for arbitrage rebate	-	709,787	-	709,787
Due to other funds	31,716	-	-	31,716
Deferred revenue	406,611	-	9,000,000	9,406,611
Total liabilities	<u>1,149,270</u>	<u>709,787</u>	<u>9,000,000</u>	<u>10,859,057</u>
Fund balances:				
Reserved for:				
Encumbrances	764,007	-	145,304	909,311
Inventories	1,587,206	-	-	1,587,206
Debt service	-	20,498,427	-	20,498,427
Unreserved, reported in:				
Special revenue	7,889,637	-	-	7,889,637
Capital projects	-	-	13,168,845	13,168,845
Total fund balances	<u>10,240,850</u>	<u>20,498,427</u>	<u>13,314,149</u>	<u>44,053,426</u>
Total liabilities and fund balances	<u>\$ 11,390,120</u>	<u>\$ 21,208,214</u>	<u>\$ 22,314,149</u>	<u>\$ 54,912,483</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, 2004**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Federal through State	\$ 47,940,626	\$ -	\$ -	\$ 47,940,626
State sources	351,328	2,059,371	10,282,705	12,693,404
Local sources	8,711,561	10,202,018	9,478,264	28,391,843
Total revenues	<u>57,003,515</u>	<u>12,261,389</u>	<u>19,760,969</u>	<u>89,025,873</u>
EXPENDITURES				
Current:				
Instruction	16,219,170	-	-	16,219,170
Pupil personnel services	3,930,165	-	-	3,930,165
Instructional media services	6,643	-	-	6,643
Instruction and curriculum development services	7,073,543	-	-	7,073,543
Instructional staff training services	2,326,741	-	-	2,326,741
General administration	1,800,006	-	-	1,800,006
School administration	1,124,976	-	-	1,124,976
Facilities acquisition and construction	-	-	1,646	1,646
Food services	19,228,389	-	-	19,228,389
Central services	31,672	-	-	31,672
Pupil transportation services	226,497	-	-	226,497
Operation of plant	3,371	-	-	3,371
Community services	341,589	-	-	341,589
Debt service:				
Principal	577,868	23,812,191	-	24,390,059
Interest and fiscal charges	12,503	14,519,995	-	14,532,498
Capital Outlay:				
Facilities acquisition and construction	-	-	1,724,828	1,724,828
Other capital outlay	3,152,606	-	-	3,152,606
Total expenditures	<u>56,055,739</u>	<u>38,332,186</u>	<u>1,726,474</u>	<u>96,114,399</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>947,776</u>	<u>(26,070,797)</u>	<u>18,034,495</u>	<u>(7,088,526)</u>
OTHER FINANCING SOURCES (USES)				
Long-term bonds issued	-	-	554,412	554,412
Transfers in	13,460	28,011,391	-	28,024,851
Transfers out	-	(384,788)	(13,321,522)	(13,706,310)
Total other financing sources (uses)	<u>13,460</u>	<u>27,626,603</u>	<u>(12,767,110)</u>	<u>14,872,953</u>
Net change in fund balances	961,236	1,555,806	5,267,385	7,784,427
Fund balances, July 1, 2003	9,279,614	18,942,621	8,046,765	36,269,000
Fund balances, June 30, 2004	<u>\$ 10,240,850</u>	<u>\$ 20,498,427</u>	<u>\$ 13,314,150</u>	<u>\$ 44,053,427</u>



Special Revenue Funds

District School Board of Volusia County, Florida
Combining Balance Sheet -
Nonmajor Governmental Funds - Special Revenue Funds
June 30, 2004

	<u>Food Service</u>	<u>Contracted Federal Programs</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS			
Cash	\$ 52,083	\$ 5,654	\$ 57,737
Investments	8,442,143	379,143	8,821,286
Interest receivable	17,319	-	17,319
Due from other funds	-	31,716	31,716
Due from other agencies	181,022	693,834	874,856
Inventories	1,587,206	-	1,587,206
Total assets	<u>\$ 10,279,773</u>	<u>\$ 1,110,347</u>	<u>\$ 11,390,120</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 38,923	\$ -	\$ 38,923
Construction contracts payable	-	536,743	536,743
Construction contracts payable-retainage	-	125,375	125,375
Due to other agencies	-	9,902	9,902
Due to other funds	-	31,716	31,716
Deferred revenue	-	406,611	406,611
Total liabilities	<u>38,923</u>	<u>1,110,347</u>	<u>1,149,270</u>
Fund balances:			
Reserved for:			
Encumbrances	764,007	-	764,007
Inventories	1,587,206	-	1,587,206
Unreserved, reported in:			
Special revenue funds	<u>7,889,637</u>	<u>-</u>	<u>7,889,637</u>
Total fund balances	<u>10,240,850</u>	<u>-</u>	<u>10,240,850</u>
Total liabilities and fund balances	<u>\$ 10,279,773</u>	<u>\$ 1,110,347</u>	<u>\$ 11,390,120</u>

**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, 2004**

	Food Service	Contracted Federal Programs	Total Nonmajor Special Revenue Funds
REVENUES			
Federal through State	\$ 11,580,478	\$ 36,360,148	\$ 47,940,626
State sources	351,328	-	351,328
Local sources	8,711,561	-	8,711,561
Total revenues	<u>20,643,367</u>	<u>36,360,148</u>	<u>57,003,515</u>
EXPENDITURES			
Current:			
Instruction	-	16,219,170	16,219,170
Pupil personnel services	-	3,930,165	3,930,165
Instructional media services	-	6,643	6,643
Instruction and curriculum development services	-	7,073,543	7,073,543
Instructional staff training services	-	2,326,741	2,326,741
General administration	-	1,800,006	1,800,006
School administration	-	1,124,976	1,124,976
Food services	19,228,389	-	19,228,389
Central services	-	31,672	31,672
Pupil transportation services	-	226,497	226,497
Operation of plant	-	3,371	3,371
Community services	-	341,589	341,589
Debt service:			
Principal	-	577,868	577,868
Interest	-	12,503	12,503
Capital Outlay:			
Other capital outlay	467,202	2,685,404	3,152,606
Total expenditures	<u>19,695,591</u>	<u>36,360,148</u>	<u>56,055,739</u>
Excess of revenues over expenditures	<u>947,776</u>	<u>-</u>	<u>947,776</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	13,460	-	13,460
Total other financing sources (uses)	<u>13,460</u>	<u>-</u>	<u>13,460</u>
Net change in fund balances	961,236	-	961,236
Fund balances, July 1, 2003	9,279,614	-	9,279,614
Fund balances, June 30, 2004	<u>\$ 10,240,850</u>	<u>\$ -</u>	<u>\$ 10,240,850</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, 2004

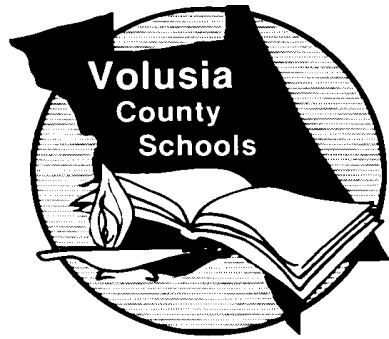
	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Federal through State:				
School lunch reimbursement	\$ 7,648,000	\$ 7,893,710	\$ 7,893,710	\$ -
School breakfast reimbursement	1,826,000	1,930,153	1,930,153	-
USDA donated foods	950,000	1,390,944	1,390,944	-
Vocational Education Acts	999,892	1,406,534	1,231,391	(175,143)
Eisenhower Math and Science	2,973,477	2,989,615	2,407,713	(581,902)
Individuals with Disabilities Education Act (IDEA)	13,238,996	13,780,866	12,472,206	(1,308,660)
Elementary and Secondary Education Act, Title I	12,567,110	14,181,557	13,038,640	(1,142,917)
Elementary and Secondary Education Act, Title IV	478,525	554,687	428,378	(126,309)
Other Federal through State	7,083,037	9,544,474	7,147,491	(2,396,983)
Total Federal through State	<u>47,765,037</u>	<u>53,672,540</u>	<u>47,940,626</u>	<u>(5,731,914)</u>
State supplements	<u>300,000</u>	<u>351,328</u>	<u>351,328</u>	<u>-</u>
Local sources:				
Interest Income	100,000	130,846	130,846	-
Student lunches	1,500,000	1,371,866	1,371,866	-
Student breakfasts	81,000	91,486	91,486	-
Student and adult a la carte	6,150,000	6,590,124	6,590,124	-
Other local sources	15,000	527,239	527,239	-
Total local sources	<u>7,846,000</u>	<u>8,711,561</u>	<u>8,711,561</u>	<u>-</u>
Total revenues	<u>55,911,037</u>	<u>62,735,429</u>	<u>57,003,515</u>	<u>(5,731,914)</u>
EXPENDITURES				
Current:				
Instruction	19,529,001	18,642,626	16,219,170	2,423,456
Pupil personnel services	4,548,170	4,315,073	3,930,165	384,908
Instructional media services	3,005	6,643	6,643	-
Instruction and curriculum development services	5,935,585	8,180,744	7,073,543	1,107,201
Instructional staff training services	2,413,404	2,910,150	2,326,741	583,409
General administration	1,399,104	2,217,215	1,800,006	417,209
School administration	727,194	1,124,976	1,124,976	-
Food services	20,251,407	19,603,981	19,228,389	375,592
Central services	68,679	33,722	31,672	2,050
Pupil transportation services	284,624	262,796	226,497	36,299
Operation of plant	2,728	4,100	3,371	729
Community services	346,909	428,531	341,589	86,942
Debt Service:				
Principal	786,036	750,358	577,868	172,490
Interest	306,180	125,021	12,503	112,518
Capital Outlay:				
Facilities acquisition and construction	-	1,897,322	-	1,897,322
Other capital outlay	996,031	2,048,403	3,152,606	(1,104,203)
Total expenditures	<u>57,598,057</u>	<u>62,551,661</u>	<u>56,055,739</u>	<u>6,495,922</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>(1,687,020)</u>	<u>183,768</u>	<u>947,776</u>	<u>12,227,836</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	13,000	13,460	13,460	-
Total other financing sources (uses)	<u>13,000</u>	<u>13,460</u>	<u>13,460</u>	<u>-</u>
Net change in fund balances	<u>(1,674,020)</u>	<u>197,228</u>	<u>961,236</u>	<u>12,227,836</u>
Fund balances, July 1, 2003	9,279,614	9,279,614	9,279,614	-
Fund balances, June 30, 2004	<u>\$ 7,605,594</u>	<u>\$ 9,476,842</u>	<u>\$ 10,240,850</u>	<u>\$ 12,227,836</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, 2004

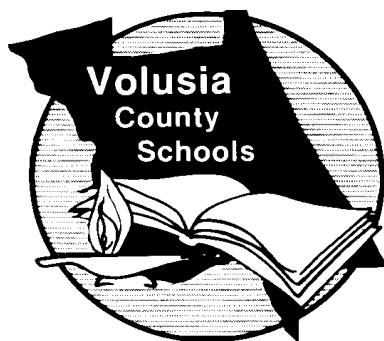
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Federal through State:				
School lunch reimbursement	\$ 7,648,000	\$ 7,893,710	\$ 7,893,710	\$ -
School breakfast reimbursement	1,826,000	1,930,153	1,930,153	-
USDA donated foods	950,000	1,390,944	1,390,944	-
Other Federal through State	310,000	365,671	365,671	-
Total Federal through State	<u>10,734,000</u>	<u>11,580,478</u>	<u>11,580,478</u>	<u>-</u>
State supplements	<u>300,000</u>	<u>351,328</u>	<u>351,328</u>	<u>-</u>
Local sources:				
Interest Income	100,000	130,846	130,846	-
Student lunches	1,500,000	1,371,866	1,371,866	-
Student breakfasts	81,000	91,486	91,486	-
Student and adult a la carte	6,150,000	6,590,124	6,590,124	-
Other local sources	15,000	527,239	527,239	-
Total local sources	<u>7,846,000</u>	<u>8,711,561</u>	<u>8,711,561</u>	<u>-</u>
Total revenues	<u>18,880,000</u>	<u>20,643,367</u>	<u>20,643,367</u>	<u>-</u>
EXPENDITURES				
Current:				
Food services	20,251,407	19,603,981	19,228,389	375,592
Capital Outlay:				
Other capital outlay	315,613	855,618	467,202	388,416
Total expenditures	<u>20,567,020</u>	<u>20,459,599</u>	<u>19,695,591</u>	<u>764,008</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>(1,687,020)</u>	<u>183,768</u>	<u>947,776</u>	<u>764,008</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	13,000	13,460	13,460	-
Total other financing sources (uses)	<u>13,000</u>	<u>13,460</u>	<u>13,460</u>	<u>-</u>
Net change in fund balances	<u>(1,674,020)</u>	<u>197,228</u>	<u>961,236</u>	<u>764,008</u>
Fund balances, July 1, 2003	9,279,614	9,279,614	9,279,614	-
Fund balances, June 30, 2004	<u>\$ 7,605,594</u>	<u>\$ 9,476,842</u>	<u>\$ 10,240,850</u>	<u>\$ 764,008</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Federal through State:				
Vocational Education Acts	\$ 999,892	\$ 1,406,534	\$ 1,231,391	\$ (175,143)
Eisenhower Math and Science	2,973,477	2,989,615	2,407,713	(581,902)
Individuals with Disabilities Education Act (IDEA)	13,238,996	13,780,866	12,472,206	(1,308,660)
Elementary and Secondary Education Act, Title I	12,567,110	14,181,557	13,038,640	(1,142,917)
Elementary and Secondary Education Act, Title VI	478,525	554,687	428,378	(126,309)
Other Federal through State	6,773,037	9,178,803	6,781,820	(2,396,983)
Total Federal through State	<u>37,031,037</u>	<u>42,092,062</u>	<u>36,360,148</u>	<u>(5,731,914)</u>
Total revenues	37,031,037	42,092,062	36,360,148	(5,731,914)
EXPENDITURES				
Current:				
Instruction	19,529,001	18,642,626	16,219,170	2,423,456
Pupil personnel services	4,548,170	4,315,073	3,930,165	384,908
Instructional media services	3,005	6,643	6,643	-
Instruction and curriculum development services	5,935,585	8,180,744	7,073,543	1,107,201
Instructional staff training services	2,413,404	2,910,150	2,326,741	583,409
General administration	1,399,104	2,217,215	1,800,006	417,209
School administration	727,194	1,124,976	1,124,976	-
Central services	68,679	33,722	31,672	2,050
Pupil transportation services	284,624	262,796	226,497	36,299
Operation of plant	2,728	4,100	3,371	729
Community services	346,909	428,531	341,589	86,942
Debt Service:				
Principal	786,036	750,358	577,868	172,490
Interest	306,180	125,021	12,503	112,518
Capital Outlay:				
Facilities acquisition and construction	-	1,897,322	-	1,897,322
Other capital outlay	680,418	1,192,785	2,685,404	(1,492,619)
Total expenditures	<u>37,031,037</u>	<u>42,092,062</u>	<u>36,360,148</u>	<u>5,731,914</u>
Deficiency of revenues under expenditures	-	-	-	(11,463,828)
Net change in fund balances	-	-	-	(11,463,828)
Fund balances, July 1, 2003	-	-	-	-
Fund balances, June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,463,828)</u>



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Debt Service Funds

**District School Board of Volusia County, Florida
Combining Balance Sheet -
Nonmajor Governmental Funds- Debt Service Funds
June 30, 2004**

	SBE/COBI Bonds	District Bonds	Other Debt Service	Total Nonmajor Debt Service Funds
ASSETS				
Investments	\$ 522,506	\$ 10,316,141	\$ 10,115,036	\$ 20,953,683
Interest receivable	-	-	938	938
Due from other agencies	-	253,593	-	253,593
Total assets	\$ 522,506	\$ 10,569,734	\$ 10,115,974	\$ 21,208,214
LIABILITIES AND FUND BALANCES				
Liabilities:				
Estimated liability for arbitrage rebate	\$ -	\$ -	\$ 709,787	\$ 709,787
Total liabilities	-	-	709,787	709,787
Fund balances:				
Reserved for:				
Debt service	522,506	10,569,734	9,406,187	20,498,427
Total fund balances	522,506	10,569,734	9,406,187	20,498,427
Total liabilities and fund balances	\$ 522,506	\$ 10,569,734	\$ 10,115,974	\$ 21,208,214

**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, 2004**

	SBE/COBI	Section 1011.15	District	Other Debt	Total Nonmajor Debt Service
	Bonds	Loan	Bonds	Service	Funds
REVENUES					
State sources	\$ 2,059,371	\$ -	\$ -	\$ -	\$ 2,059,371
Local sources	-	-	10,104,041	97,977	10,202,018
Total revenues	<u>2,059,371</u>	<u>-</u>	<u>10,104,041</u>	<u>97,977</u>	<u>12,261,389</u>
EXPENDITURES					
Debt service:					
Principal	995,000	897,191	8,510,000	13,410,000	23,812,191
Interest and fiscal charges	<u>1,074,925</u>	<u>9,533</u>	<u>1,784,091</u>	<u>11,651,446</u>	<u>14,519,995</u>
Total expenditures	<u>2,069,925</u>	<u>906,724</u>	<u>10,294,091</u>	<u>25,061,446</u>	<u>38,332,186</u>
Deficiency of revenues under expenditures	<u>(10,554)</u>	<u>(906,724)</u>	<u>(190,050)</u>	<u>(24,963,469)</u>	<u>(26,070,797)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	906,724	-	27,104,667	28,011,391
Transfers out	-	-	-	(384,788)	(384,788)
Total other financing sources (uses)	<u>-</u>	<u>906,724</u>	<u>-</u>	<u>26,719,879</u>	<u>27,626,603</u>
Net change in fund balances	(10,554)	-	(190,050)	1,756,410	1,555,806
Fund balances, July 1, 2003	533,060	-	10,759,784	7,649,777	18,942,621
Fund balances, June 30, 2004	<u>\$ 522,506</u>	<u>\$ -</u>	<u>\$ 10,569,734</u>	<u>\$ 9,406,187</u>	<u>\$ 20,498,427</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, 2004

	<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	\$ 2,041,159	\$ 2,054,986	\$ 2,054,986	\$ -
SBE/COBI bond interest	-	4,385	4,385	-
Total State sources	<u>2,041,159</u>	<u>2,059,371</u>	<u>2,059,371</u>	<u>-</u>
Local sources				
Ad valorem taxes	9,699,674	9,980,321	9,980,321	-
Interest income	-	221,697	221,697	-
Total local sources	<u>9,699,674</u>	<u>10,202,018</u>	<u>10,202,018</u>	<u>-</u>
Total revenues	<u>11,740,833</u>	<u>12,261,389</u>	<u>12,261,389</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal	23,797,191	23,812,191	23,812,191	-
Interest and fiscal charges	14,096,289	14,519,995	14,519,995	-
Total expenditures	<u>37,893,480</u>	<u>38,332,186</u>	<u>38,332,186</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(26,152,647)</u>	<u>(26,070,797)</u>	<u>(26,070,797)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	25,760,192	28,011,391	28,011,391	-
Transfers out	-	(384,788)	(384,788)	-
Total other financing sources (uses)	<u>25,760,192</u>	<u>27,626,603</u>	<u>27,626,603</u>	<u>-</u>
Net change in fund balances	(392,455)	1,555,806	1,555,806	-
Fund balances, July 1, 2003	18,942,621	18,942,621	18,942,621	-
Fund balances, June 30, 2004	<u>\$ 18,550,166</u>	<u>\$ 20,498,427</u>	<u>\$ 20,498,427</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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State sources:				
CO&DS withheld for SBE/COBI bonds	\$ 2,041,159	\$ 2,054,986	\$ 2,054,986	\$ -
SBE/COBI bond interest	-	4,385	4,385	-
Total State sources	<u>2,041,159</u>	<u>2,059,371</u>	<u>2,059,371</u>	<u>-</u>
Total revenues	<u>2,041,159</u>	<u>2,059,371</u>	<u>2,059,371</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal	980,000	995,000	995,000	-
Interest and fiscal charges	1,061,159	1,074,925	1,074,925	-
Total expenditures	<u>2,041,159</u>	<u>2,069,925</u>	<u>2,069,925</u>	<u>-</u>
Deficiency of revenues under expenditures	-	(10,554)	(10,554)	-
Net change in fund balances	-	(10,554)	(10,554)	-
Fund balances, July 1, 2003	533,060	533,060	533,060	-
Fund balances, June 30, 2004	<u>\$ 533,060</u>	<u>\$ 522,506</u>	<u>\$ 522,506</u>	<u>\$ -</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Section 1011.15 Loan - Debt Service Fund
For the Fiscal Year Ended June 30, 2004

	<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	\$ 897,191	\$ 897,191	\$ 897,191	\$ -
Interest and fiscal charges	9,533	9,533	9,533	-
Total expenditures	<u>906,724</u>	<u>906,724</u>	<u>906,724</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(906,724)</u>	<u>(906,724)</u>	<u>(906,724)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	906,724	906,724	906,724	-
Total other financing sources	<u>906,724</u>	<u>906,724</u>	<u>906,724</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>

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, 2004

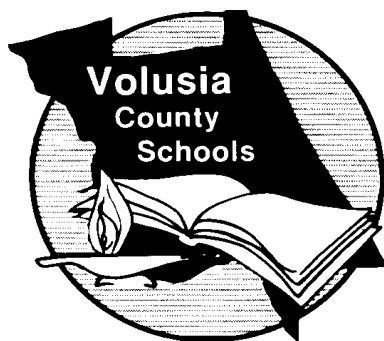
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Ad valorem taxes	\$ 9,699,674	\$ 9,980,321	\$ 9,980,321	\$ -
Interest income	-	123,720	123,720	-
Total local sources	<u>9,699,674</u>	<u>10,104,041</u>	<u>10,104,041</u>	<u>-</u>
Total revenues	<u>9,699,674</u>	<u>10,104,041</u>	<u>10,104,041</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal	8,510,000	8,510,000	8,510,000	-
Interest and fiscal charges	1,781,879	1,784,091	1,784,091	-
Total expenditures	<u>10,291,879</u>	<u>10,294,091</u>	<u>10,294,091</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(592,205)</u>	<u>(190,050)</u>	<u>(190,050)</u>	<u>-</u>
Net change in fund balances	<u>(592,205)</u>	<u>(190,050)</u>	<u>(190,050)</u>	<u>-</u>
Fund balances, July 1, 2003	<u>10,759,784</u>	<u>10,759,784</u>	<u>10,759,784</u>	<u>-</u>
Fund balances, June 30, 2004	<u>\$ 10,167,579</u>	<u>\$ 10,569,734</u>	<u>\$ 10,569,734</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, 2004

	<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	\$ 5,390,000	\$ 5,390,000	\$ 5,390,000	\$ -
Interest and fiscal charges	4,905,110	4,591,409	4,591,409	-
Total expenditures	<u>10,295,110</u>	<u>9,981,409</u>	<u>9,981,409</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(10,295,110)</u>	<u>(9,981,409)</u>	<u>(9,981,409)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,295,110	10,366,197	10,366,197	-
Transfers out	-	(384,788)	(384,788)	-
Total other financing sources (uses)	<u>10,295,110</u>	<u>9,981,409</u>	<u>9,981,409</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, July 1, 2003	-	-	-	-
Fund balances, June 30, 2004	<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 -
Sales Tax Revenue Bonds - Debt Service Fund
For the Fiscal Year Ended June 30, 2004

	<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	\$ -	\$ 97,977	\$ 97,977	\$ -
Total local sources	-	97,977	97,977	-
Total revenues	-	97,977	97,977	-
EXPENDITURES				
Debt Service:				
Principal	8,020,000	8,020,000	8,020,000	-
Interest and fiscal charges	6,338,608	7,060,037	7,060,037	-
Total expenditures	14,358,608	15,080,037	15,080,037	-
Deficiency of revenues under expenditures	(14,358,608)	(14,982,060)	(14,982,060)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	14,558,358	16,738,470	16,738,470	-
Total other financing sources (uses)	14,558,358	16,738,470	16,738,470	-
Net change in fund balances	199,750	1,756,410	1,756,410	-
Fund balances, July 1, 2003	7,649,777	7,649,777	7,649,777	-
Fund balances, June 30, 2004	<u>\$ 7,849,527</u>	<u>\$ 9,406,187</u>	<u>\$ 9,406,187</u>	<u>\$ -</u>



Capital Projects Funds

District School Board of Volusia County, Florida
Combining Balance Sheet -
Nonmajor Capital Projects Funds
June 30, 2004

	<u>Capital Outlay Bond Issue</u>	<u>Capital Outlay and Debt Service</u>	<u>Other Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS				
Investments	\$ 567,325	\$ 315,276	\$ 8,272,595	\$ 9,155,196
Interest receivable	-	-	6,333	6,333
Due from other agencies	-	-	13,152,620	13,152,620
Total assets	<u>\$ 567,325</u>	<u>\$ 315,276</u>	<u>\$ 21,431,548</u>	<u>\$ 22,314,149</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred revenue	-	-	9,000,000	9,000,000
Total liabilities	<u>-</u>	<u>-</u>	<u>9,000,000</u>	<u>9,000,000</u>
Fund balances:				
Reserved for encumbrances	-	-	145,304	145,304
Unreserved, reported in:				
Capital projects funds	567,325	315,276	12,286,244	13,168,845
Total fund balances	<u>567,325</u>	<u>315,276</u>	<u>12,431,548</u>	<u>13,314,149</u>
Total liabilities and fund balances	<u>\$ 567,325</u>	<u>\$ 315,276</u>	<u>\$ 21,431,548</u>	<u>\$ 22,314,149</u>

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, 2004

	Capital Outlay Bond Issue	Public Education Capital Outlay	Capital Outlay and Debt Service	Other Capital Projects	Total Nonmajor Capital Projects Funds
REVENUES					
State sources	\$ -	\$ 5,113,210	\$ 315,276	\$ 4,854,219	\$ 10,282,705
Local sources	14,159	-	-	9,464,105	9,478,264
Total revenues	<u>14,159</u>	<u>5,113,210</u>	<u>315,276</u>	<u>14,318,324</u>	<u>19,760,969</u>
EXPENDITURES					
Current:					
Facilities acquisition and construction	1,246	-	-	400	1,646
Capital Outlay:					
Facilities acquisition and construction	-	-	-	1,724,828	1,724,828
Total expenditures	<u>1,246</u>	<u>-</u>	<u>-</u>	<u>1,725,228</u>	<u>1,726,474</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>12,913</u>	<u>5,113,210</u>	<u>315,276</u>	<u>12,593,096</u>	<u>18,034,495</u>
OTHER FINANCING SOURCES (USES)					
Long-term bonds issued	554,412	-	-	-	554,412
Transfers out	-	(5,113,210)	-	(8,208,312)	(13,321,522)
Total other financing sources (uses)	<u>554,412</u>	<u>(5,113,210)</u>	<u>-</u>	<u>(8,208,312)</u>	<u>(12,767,110)</u>
Net change in fund balances	567,325	-	315,276	4,384,784	5,267,385
Fund balances, July 1, 2003	-	-	-	8,046,765	8,046,765
Fund balances, June 30, 2004	<u>\$ 567,325</u>	<u>\$ -</u>	<u>\$ 315,276</u>	<u>\$ 12,431,549</u>	<u>\$ 13,314,150</u>

District School Board of Volusia County, Florida
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual -
All Capital Project Funds
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State sources:				
Public Education Capital Outlay (PECO)	\$ 5,113,210	\$ 5,113,210	\$ 5,113,210	\$ -
Class Size Reduction	11,390,642	4,670,960	4,670,960	-
CO&DS distributed	-	292,487	292,487	-
Interest on undistributed CO&DS	-	22,789	22,789	-
School infrastructure thrift	-	82,488	82,488	-
Other State sources	-	100,771	100,771	-
Total State sources	<u>16,503,852</u>	<u>10,282,705</u>	<u>10,282,705</u>	<u>-</u>
Local sources:				
Ad valorem taxes	41,100,312	42,184,063	42,184,063	-
Local sales tax	29,580,000	34,135,494	34,135,494	-
Interest income	2,700,000	3,024,225	3,024,225	-
Impact fees	4,400,000	8,256,841	8,256,841	-
Contribution	-	416,666	416,666	-
Other local sources	-	716,988	716,988	-
Total local sources	<u>77,780,312</u>	<u>88,734,277</u>	<u>88,734,277</u>	<u>-</u>
Total revenues	<u>94,284,164</u>	<u>99,016,982</u>	<u>99,016,982</u>	<u>-</u>
EXPENDITURES				
Current:				
Facilities acquisition and construction	2,356,706	10,942,755	8,192,873	2,749,882
Capital Outlay:				
Facilities acquisition and construction	256,764,922	256,262,765	107,745,638	148,517,127
Other capital outlay	7,742,495	7,742,709	3,532,911	4,209,798
Total expenditures	<u>266,864,123</u>	<u>274,948,229</u>	<u>119,471,422</u>	<u>155,476,807</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>(172,579,959)</u>	<u>(175,931,247)</u>	<u>(20,454,440)</u>	<u>155,476,807</u>
OTHER FINANCING SOURCES (USES)				
Long-term bonds issued	560,000	62,458,518	62,458,518	-
Bond anticipation loans	40,000,000	-	-	-
Transfers in	-	384,788	384,788	-
Transfers out	<u>(36,635,098)</u>	<u>(39,088,523)</u>	<u>(39,088,523)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,924,902</u>	<u>23,754,783</u>	<u>23,754,783</u>	<u>-</u>
Net change in fund balances	<u>(168,655,057)</u>	<u>(152,176,464)</u>	<u>3,300,343</u>	<u>155,476,807</u>
Fund balances, July 1, 2003	<u>206,076,522</u>	<u>206,076,522</u>	<u>206,076,522</u>	<u>-</u>
Fund balances, June 30, 2004	<u>\$ 37,421,465</u>	<u>\$ 53,900,058</u>	<u>\$ 209,376,865</u>	<u>\$ 155,476,807</u>

District School Board of Volusia County, Florida
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
Capital Outlay Bond Issue - Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Interest income	\$ -	\$ 14,159	\$ 14,159	\$ -
Total local sources	-	14,159	14,159	-
Total revenues	-	14,159	14,159	-
EXPENDITURES				
Current:				
Interest and fiscal charges	-	1,246	1,246	-
Total expenditures	-	1,246	1,246	-
Deficiency of revenues under expenditures	-	12,913	12,913	-
OTHER FINANCING SOURCES (USES)				
Long-term bonds issued	560,000	554,412	554,412	-
Total other financing sources	560,000	554,412	554,412	-
Net change in fund balances	560,000	567,325	567,325	-
Fund balances, July 1, 2003	-	-	-	-
Fund balances, June 30, 2004	<u>\$ 560,000</u>	<u>\$ 567,325</u>	<u>\$ 567,325</u>	<u>\$ -</u>

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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State sources:				
Public Education Capital Outlay (PECO)	\$5,113,210	\$5,113,210	\$5,113,210	\$ -
Total State sources	<u>5,113,210</u>	<u>5,113,210</u>	<u>5,113,210</u>	<u>-</u>
Total revenues	<u>5,113,210</u>	<u>5,113,210</u>	<u>5,113,210</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,113,210)	(5,113,210)	(5,113,210)	-
Total other financing sources (uses)	<u>(5,113,210)</u>	<u>(5,113,210)</u>	<u>(5,113,210)</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, July 1, 2003	-	-	-	-
Fund balances, June 30, 2004	<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 -
Capital Outlay and Debt Service - Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	<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	\$ -	\$ 292,487	\$ 292,487	\$ -
Interest on undistributed CO&DS	-	22,789	22,789	-
Total State sources	-	315,276	315,276	-
Total revenues	-	315,276	315,276	-
Net change in fund balances	-	315,276	315,276	-
Fund balances, July 1, 2003	-	-	-	-
Fund balances, June 30, 2004	\$ -	\$ 315,276	\$ 315,276	\$ -

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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Ad valorem taxes	\$ 41,100,312	\$ 42,184,063	\$ 42,184,063	\$ -
Interest income	579,114	484,445	484,445	-
Other local sources	-	71,912	71,912	-
Total local sources	<u>41,679,426</u>	<u>42,740,420</u>	<u>42,740,420</u>	<u>-</u>
Total revenues	<u>41,679,426</u>	<u>42,740,420</u>	<u>42,740,420</u>	<u>-</u>
EXPENDITURES				
Current:				
Facilities acquisition and construction	1,236,649	7,727,806	6,325,162	1,402,644
Capital Outlay:				
Facilities acquisition and construction	46,501,456	35,832,055	18,566,479	17,265,576
Other capital outlay	7,742,495	7,742,709	3,532,911	4,209,798
Total expenditures	<u>55,480,600</u>	<u>51,302,570</u>	<u>28,424,552</u>	<u>22,878,018</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>(13,801,174)</u>	<u>(8,562,150)</u>	<u>14,315,868</u>	<u>22,878,018</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(9,963,530)</u>	<u>(8,958,788)</u>	<u>(8,958,788)</u>	<u>-</u>
Total other financing sources (uses)	<u>(9,963,530)</u>	<u>(8,958,788)</u>	<u>(8,958,788)</u>	<u>-</u>
Net change in fund balances	<u>(23,764,704)</u>	<u>(17,520,938)</u>	<u>5,357,080</u>	<u>22,878,018</u>
Fund balances, July 1, 2003	<u>27,674,539</u>	<u>27,674,539</u>	<u>27,674,539</u>	<u>-</u>
Fund balances, June 30, 2004	<u>\$ 3,909,835</u>	<u>\$ 10,153,601</u>	<u>\$ 33,031,619</u>	<u>\$ 22,878,018</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
State sources:				
Other State sources	\$ -	\$ 100,771	\$ 100,771	\$ -
Total State sources	-	100,771	100,771	-
Local sources:				
Interest income	109,492	44,553	44,553	-
Other local sources	-	645,076	645,076	-
Total local sources	109,492	689,629	689,629	-
Total revenues	109,492	790,400	790,400	-
EXPENDITURES				
Current:				
Facilities acquisition and construction	-	400	400	-
Capital Outlay:				
Facilities acquisition and construction	533,591	150,232	34,810	115,422
Total expenditures	533,591	150,632	35,210	115,422
Excess (Deficiency) of revenues over/(under) expenditures	(424,099)	639,768	755,190	115,422
Net change in fund balances	(424,099)	639,768	755,190	115,422
Fund balances, July 1, 2003	2,967,146	2,967,146	2,967,146	-
Fund balances, June 30, 2004	<u>\$ 2,543,047</u>	<u>\$ 3,606,914</u>	<u>\$ 3,722,336</u>	<u>\$ 115,422</u>

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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources:				
Interest income	\$ 56,398	\$ 87,560	\$ 87,560	\$ -
Impact fees	4,400,000	8,256,841	8,256,841	-
Total local sources	<u>4,456,398</u>	<u>8,344,401</u>	<u>8,344,401</u>	<u>-</u>
Total revenues	<u>4,456,398</u>	<u>8,344,401</u>	<u>8,344,401</u>	<u>-</u>
Excess of revenues over expenditures	<u>4,456,398</u>	<u>8,344,401</u>	<u>8,344,401</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,000,000)	(8,006,086)	(8,006,086)	-
Total other financing sources (uses)	<u>(7,000,000)</u>	<u>(8,006,086)</u>	<u>(8,006,086)</u>	<u>-</u>
Net change in fund balances	<u>(2,543,602)</u>	<u>338,315</u>	<u>338,315</u>	<u>-</u>
Fund balances, July 1, 2003	<u>3,678,244</u>	<u>3,678,244</u>	<u>3,678,244</u>	<u>-</u>
Fund balances, June 30, 2004	<u>\$ 1,134,642</u>	<u>\$ 4,016,559</u>	<u>\$ 4,016,559</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 - Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Interest income	\$ 814,680	\$ 138,000	\$ 138,000	\$ -
Total local sources	814,680	138,000	138,000	-
Total revenues	814,680	138,000	138,000	-
EXPENDITURES				
Current:				
Facilities acquisition and construction	1,006,295	1,407,399	1,395,368	12,031
Capital Outlay:				
Facilities acquisition and construction	41,088,822	12,425,474	11,962,957	462,517
Total expenditures	42,095,117	13,832,873	13,358,325	474,548
Deficiency of revenues under expenditures	(41,280,437)	(13,694,873)	(13,220,325)	474,548
OTHER FINANCING SOURCES (USES)				
Bond anticipation loans	40,000,000	-	-	-
Transfers in	-	384,788	384,788	-
Transfers out	-	(69,744)	(69,744)	-
Total other financing sources (uses)	40,000,000	315,044	315,044	-
Net change in fund balances	(1,280,437)	(13,379,829)	(12,905,281)	474,548
Fund balances, July 1, 2003	13,522,429	13,522,429	13,522,429	-
Fund balances, June 30, 2004	\$ 12,241,992	\$ 142,600	\$ 617,148	\$ 474,548

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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State sources:				
School infrastructure thrift	\$ -	\$ 82,488	\$ 82,488	\$ -
Total State sources	-	82,488	82,488	-
Local sources				
Interest income	-	1,550	1,550	-
Total local sources	-	1,550	1,550	-
Total revenues	-	84,038	84,038	-
EXPENDITURES				
Capital Outlay:				
Facilities acquisition and construction	149,846	31,658	-	31,658
Total expenditures	149,846	31,658	-	31,658
Excess (Deficiency) of revenues over/(under) expenditures	(149,846)	52,380	84,038	31,658
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(202,226)	(202,226)	-
Total other financing sources (uses)	-	(202,226)	(202,226)	-
Net change in fund balances	(149,846)	(149,846)	(118,188)	31,658
Fund balances, July 1, 2003	149,846	149,846	149,846	-
Fund balances, June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,658</u>	<u>\$ 31,658</u>

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, 2004

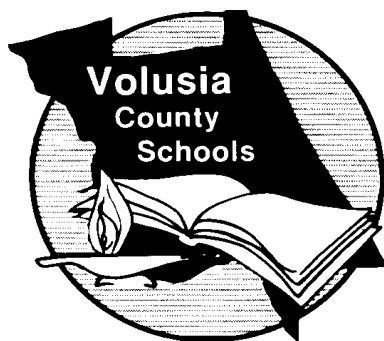
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Local sales tax	\$ 29,580,000	\$ 34,135,494	\$ 34,135,494	\$ -
Interest income	1,140,316	2,242,099	2,242,099	-
Total local sources	<u>30,720,316</u>	<u>36,377,593</u>	<u>36,377,593</u>	<u>-</u>
Total revenues	<u>30,720,316</u>	<u>36,377,593</u>	<u>36,377,593</u>	<u>-</u>
EXPENDITURES				
Current:				
Facilities acquisition and construction	113,762	1,805,904	470,697	1,335,207
Capital Outlay:				
Facilities acquisition and construction	167,241,207	205,033,328	75,491,374	129,541,954
Total expenditures	<u>167,354,969</u>	<u>206,839,232</u>	<u>75,962,071</u>	<u>130,877,161</u>
Excess (Deficiency) of revenues over/(under) expenditures	<u>(136,634,653)</u>	<u>(170,461,639)</u>	<u>(39,584,478)</u>	<u>130,877,161</u>
OTHER FINANCING SOURCES (USES)				
Long-term bonds issued	-	61,904,106	61,904,106	-
Transfers out	(14,558,358)	(16,738,469)	(16,738,469)	-
Total other financing sources (uses)	<u>(14,558,358)</u>	<u>45,165,637</u>	<u>45,165,637</u>	<u>-</u>
Net change in fund balances	(151,193,011)	(125,296,002)	5,581,159	130,877,161
Fund balances, July 1, 2003	156,832,789	156,832,789	156,832,789	-
Fund balances, June 30, 2004	<u>\$ 5,639,778</u>	<u>\$ 31,536,787</u>	<u>\$ 162,413,948</u>	<u>\$ 130,877,161</u>

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, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local sources:				
Contribution	\$ -	\$ 416,666	\$ 416,666	\$ -
Interest income	-	11,314	11,314	-
Total local sources	-	427,980	427,980	-
Total revenues	-	427,980	427,980	-
EXPENDITURES				
Capital Outlay:				
Facilities acquisition and construction	1,250,000	1,679,509	1,679,509	-
Total expenditures	1,250,000	1,679,509	1,679,509	-
Excess (Deficiency) of revenues over/(under) expenditures	(1,250,000)	(1,251,529)	(1,251,529)	-
Net change in fund balances	(1,250,000)	(1,251,529)	(1,251,529)	-
Fund balances, July 1, 2003	1,251,529	1,251,529	1,251,529	-
Fund balances, June 30, 2004	<u>\$ 1,529</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 -
Classrooms for Kids - Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
State sources:				
Class Size Reduction	\$ 11,390,642	\$ 4,670,960	\$ 4,670,960	\$ -
Total state sources	11,390,642	4,670,960	4,670,960	-
Local sources:				
Interest Income	-	545	545	-
Total local sources	-	545	545	-
Total revenues	11,390,642	4,671,505	4,671,505	-
EXPENDITURES				
Capital Outlay:				
Facilities acquisition and construction	-	1,110,509	10,509	1,100,000
Total expenditures	-	1,110,509	10,509	1,100,000
Excess of revenues over expenditures	11,390,642	3,560,996	4,660,996	1,100,000
Net change in fund balances	11,390,642	3,560,996	4,660,996	1,100,000
Fund balances, July 1, 2003	-	-	-	-
Fund balances, June 30, 2004	\$ 11,390,642	\$ 3,560,996	\$ 4,660,996	\$ 1,100,000



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.

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

District School Board of Volusia County, Florida
Combining Statement of Net Assets -
Internal Service Funds
June 30, 2004

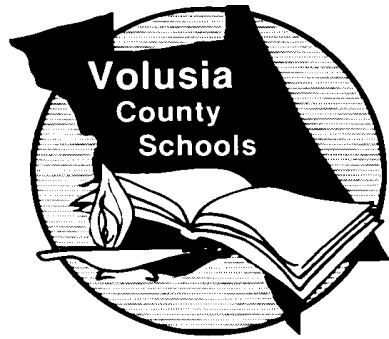
	<u>Workers'</u> <u>Compensation</u>	<u>General</u> <u>Liability</u>	<u>Fleet</u> <u>Insurance</u>	<u>Total</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
ASSETS				
Current assets:				
Investments	\$ 7,185,080	\$ 1,773,132	\$ 141,985	\$ 9,100,197
Interest receivable	7,533	-	-	7,533
Total current assets	<u>7,192,613</u>	<u>1,773,132</u>	<u>141,985</u>	<u>9,107,730</u>
Total assets	<u>7,192,613</u>	<u>1,773,132</u>	<u>141,985</u>	<u>9,107,730</u>
LIABILITIES				
Current liabilities:				
Estimated insurance claims payable	2,080,288	219,578	106,489	2,406,355
Noncurrent liabilities:				
Estimated liability for long-term claims	4,546,297	1,478,554	35,496	6,060,347
Total noncurrent liabilities	<u>6,626,585</u>	<u>1,698,132</u>	<u>141,985</u>	<u>8,466,702</u>
Total liabilities	<u>6,626,585</u>	<u>1,698,132</u>	<u>141,985</u>	<u>8,466,702</u>
NET ASSETS				
Unrestricted	566,028	75,000	-	641,028
Total net assets	<u>\$ 566,028</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 641,028</u>

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, 2004

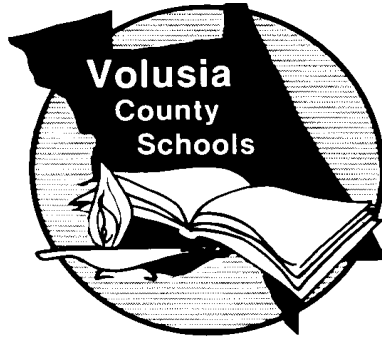
	<u>Workers'</u> <u>Compensation</u>	<u>Property</u> <u>Insurance</u>	<u>General</u> <u>Liability</u>	<u>Fleet</u> <u>Insurance</u>	<u>Total</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
OPERATING REVENUES					
Premium revenue	\$ 4,076,673	\$ 1,788,264	\$ 634,592	\$ 371,096	\$ 6,870,625
Total operating revenues	<u>4,076,673</u>	<u>1,788,264</u>	<u>634,592</u>	<u>371,096</u>	<u>6,870,625</u>
OPERATING EXPENSES					
Salaries	128,856	-	-	164	129,020
Employee benefits	365,964	-	-	-	365,964
Purchased services	645,643	1,781,008	281,528	224,576	2,932,755
Materials and supplies	449	5,487	-	3,385	9,321
Capital outlay	-	1,769	-	1,934	3,703
Insurance claims and related costs	3,027,338	-	371,150	141,985	3,540,473
Total operating expenses	<u>4,168,250</u>	<u>1,788,264</u>	<u>652,678</u>	<u>372,044</u>	<u>6,981,236</u>
Operating loss	<u>(91,577)</u>	<u>-</u>	<u>(18,086)</u>	<u>(948)</u>	<u>(110,611)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest	91,577	-	18,086	948	110,611
Income before transfers	-	-	-	-	-
Change in net assets	-	-	-	-	-
Net assets - July 1, 2003	566,028	-	75,000	-	641,028
Net assets - June 30, 2004	<u>\$ 566,028</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ -</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, 2004

	<u>Workers'</u> <u>Compensation</u>	<u>Property</u> <u>Insurance</u>	<u>General</u> <u>Liability</u>	<u>Fleet</u> <u>Insurance</u>	<u>Total</u> <u>Internal</u> <u>Service</u> <u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Board contributions	\$ 4,076,673	\$ 1,788,264	\$ 634,592	\$ 371,096	\$ 6,870,625
Payments to suppliers	(963,103)	(1,788,264)	(281,528)	(229,895)	(3,262,790)
Payments to employees	(192,343)	-	-	(164)	(192,507)
Payments for insurance claims	(2,279,235)	-	(132,187)	-	(2,411,422)
Net cash (used) provided by operating activities	<u>641,992</u>	<u>-</u>	<u>220,877</u>	<u>141,037</u>	<u>1,003,906</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(733,569)	-	(238,963)	(141,985)	(1,114,517)
Interest and dividends	91,577	-	18,086	948	110,611
Net cash (used) provided by investing activities	<u>(641,992)</u>	<u>-</u>	<u>(220,877)</u>	<u>(141,037)</u>	<u>(1,003,906)</u>
Net decrease in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents - July 1, 2003	-	-	-	-	-
Cash and cash equivalents - June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating loss to net cash (used) provided by operating activities:					
Operating loss	\$ (91,577)	\$ -	\$ (18,086)	\$ (948)	\$ (110,611)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Increase (decrease) in estimated insurance claims payable	733,569	-	238,963	141,985	1,114,517
Net cash (used) provided by operating activities	<u>\$ 641,992</u>	<u>\$ -</u>	<u>\$ 220,877</u>	<u>\$ 141,037</u>	<u>\$ 1,003,906</u>



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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, 2004**

	<u>DeLand High</u>	<u>Spruce Creek High</u>	<u>Seabreeze High</u>	<u>Total Private-Purpose Trust Funds</u>
ASSETS				
Investments	\$ 7,592	\$ 32,127	\$ 670,456	\$ 710,175
Interest receivable	-	-	3,021	3,021
Total assets	<u>7,592</u>	<u>32,127</u>	<u>673,477</u>	<u>713,196</u>
NET ASSETS				
Assets held in trust for scholarships and other purposes	<u>\$ 7,592</u>	<u>\$ 32,127</u>	<u>\$ 673,477</u>	<u>\$ 713,196</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, 2004**

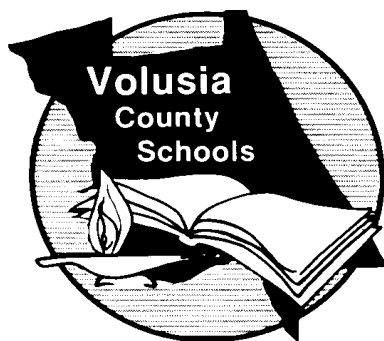
	<u>DeLand High</u>	<u>Spruce Creek High</u>	<u>Seabreeze High</u>	<u>Total Private-Purpose Trust Funds</u>
ADDITIONS				
Investment earnings:				
Interest	\$ 106	\$ 402	\$ 15,792	\$ 16,300
Total additions	<u>106</u>	<u>402</u>	<u>15,792</u>	<u>16,300</u>
DEDUCTIONS				
Scholarships	<u>1,000</u>	<u>-</u>	<u>6,999</u>	<u>7,999</u>
Total deductions	<u>1,000</u>	<u>-</u>	<u>6,999</u>	<u>7,999</u>
Change in net assets	(894)	402	8,793	8,301
Net assets - July 1, 2003	<u>8,486</u>	<u>31,725</u>	<u>664,684</u>	<u>704,895</u>
Net assets - June 30, 2004	<u>\$ 7,592</u>	<u>\$ 32,127</u>	<u>\$ 673,477</u>	<u>\$ 713,196</u>

District School Board of Volusia County, Florida
Schedule of Assets and Liabilities -
Agency Funds
June 30, 2004

	School Internal Funds
ASSETS	
Cash	\$ 2,325,259
Investments	3,487,509
Total assets	\$ 5,812,768
LIABILITIES	
Deposits held for others	\$ 5,812,768
Total liabilities	\$ 5,812,768

District School Board of Volusia County, Florida
Schedule of Changes in Assets and Liabilities -
Agency Funds
For the Fiscal Year Ended June 30, 2004

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2004</u>
ASSETS				
Cash	\$ 2,209,428	\$ 14,165,481	\$ 14,049,650	\$ 2,325,259
Investments	3,467,054	20,455	-	3,487,509
Total assets	<u>\$ 5,676,482</u>	<u>\$ 14,185,936</u>	<u>\$ 14,049,650</u>	<u>\$ 5,812,768</u>
LIABILITIES				
Deposits held for others	<u>\$ 5,676,482</u>	<u>\$ 14,185,936</u>	<u>\$ 14,049,650</u>	<u>\$ 5,812,768</u>
Total liabilities	<u>\$ 5,676,482</u>	<u>\$ 14,185,936</u>	<u>\$ 14,049,650</u>	<u>\$ 5,812,768</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, 2004**

	Charter Schools		Volusia County Education	Total Component Units
	Reading Edge Academy, Inc.	Chiles Academy, Inc.	Direct-Support Organization, Inc.	
ASSETS				
Cash	\$ 75,873	\$ 241,517	\$ 433,188	\$ 750,578
Investments	-	-	13,670	13,670
Accounts receivable	31,726	902	1,170	33,798
Deposits receivable	1,000	12,000	-	13,000
Inventories	1,229	-	-	1,229
Prepaid items	1,150	636	327,434	329,220
Capital assets:				
Land	473,135	-	-	473,135
Improvements other than building, r	85,845	-	-	85,845
Buildings and fixed equipment, net	1,244,661	2,354	-	1,247,015
Furniture, fixtures and equipment, n	50,643	6,444	-	57,087
Computer software, net	-	24,534	-	24,534
Total assets	<u>1,965,262</u>	<u>288,387</u>	<u>775,462</u>	<u>3,029,111</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Salaries and wages payable	-	-	-	-
Payroll deductions and withholdings	9,008	-	-	9,008
Accounts payable	11,247	128	-	11,375
Long-term liabilities:				
Portion due within one year:				
Notes payable	33,294	-	-	33,294
Portion due in more than one year:				
Notes payable	734,557	-	-	734,557
Compensated absences payable	-	-	-	-
Total liabilities	<u>788,106</u>	<u>128</u>	<u>-</u>	<u>788,234</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,083,260	33,332	-	1,116,592
Restricted for:				
Other purposes			534,930	534,930
Unrestricted	93,896	254,927	240,532	589,355
Total net assets	<u>\$ 1,177,156</u>	<u>\$ 288,259</u>	<u>\$ 775,462</u>	<u>\$ 2,240,877</u>

**District School Board of Volusia County, Florida
Combining Schedule of Activities -
Nonmajor Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2004**

FUNCTIONS	Expenses	Program Revenues			Total Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Charter schools:					
Instruction	\$ 1,186,726	\$ -	\$ 194,727	\$ -	\$ (991,999)
Pupil personnel services	30,730	-	738	-	(29,992)
Instructional media services	567	-	-	-	(567)
Instructional staff training services	18,234	-	-	-	(18,234)
General administration	73,492	-	9,530	-	(63,962)
School administration	219,991	-	48,933	-	(171,058)
Facilities acquisition and construction	7,594	-	8,352	-	758
Fiscal services	44,211	-	-	-	(44,211)
Food services	11,653	-	-	-	(11,653)
Operation of plant	75,899	-	-	-	(75,899)
Community services	74,328	85,220	-	-	10,892
Interest on long-term debt	49,787	-	-	-	(49,787)
Total charter school	<u>1,793,212</u>	<u>85,220</u>	<u>262,280</u>	<u>-</u>	<u>(1,445,712)</u>
Volusia County Education Direct-Support Organization, Inc.:					
Community services	552,774	106,504	460,450	-	14,180
Total Component Units	<u>\$ 2,345,986</u>	<u>\$ 191,724</u>	<u>\$ 722,730</u>	<u>\$ -</u>	<u>\$ (1,431,532)</u>
General revenues:					
Grants and contributions not restricted to specific programs					1,674,715
Investment earnings					1,694
Miscellaneous					71,414
Total general revenues					<u>1,747,823</u>
Change in net assets					316,291
Net assets - July 1, 2002					1,924,586
Net assets - June 30, 2003					<u>\$ 2,240,877</u>

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, 2004

<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>	
Charter school activities:				
Instruction	\$ 797,395	\$ -	\$ -	\$ (797,395)
Instructional staff training services	13,173	-	-	(13,173)
Pupil personnel services	875	-	-	(875)
General administration	42,294	-	-	(42,294)
School administration	118,431	-	-	(118,431)
Fiscal services	16,568	-	-	(16,568)
Food services	11,653	-	-	(11,653)
Operation of plant	75,899	-	-	(75,899)
Community services	74,148	85,220	-	11,072
Interest on long-term debt	49,787	-	-	(49,787)
Total charter school	<u>\$ 1,200,223</u>	<u>\$ 85,220</u>	<u>\$ -</u>	<u>\$ (1,115,003)</u>

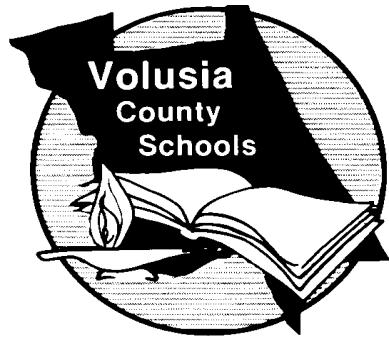
General revenues:		
Grants and contributions not restricted to specific programs		1,213,051
Miscellaneous		62,333
Total general revenues		<u>1,275,384</u>
Change in net assets		160,381
Net assets - July 1, 2003		1,016,775
Net assets - June 30, 2004		<u>\$ 1,177,156</u>

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, 2004

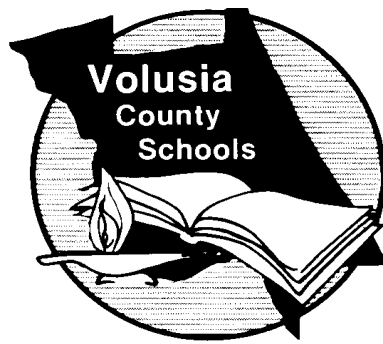
FUNCTIONS	Expenses	Program Revenues		Total Chiles Academy, Inc.
		Charges for Services	Operating Grants and Contributions	
Charter school activities:				
Instruction	\$ 389,331	\$ -	\$ 194,727	\$ -
Pupil personnel services	29,855	-	738	-
Instructional media services	567	-	-	-
Instructional staff training services	5,061	-	-	-
General administration	31,198	-	9,530	-
School administration	101,560	-	48,933	-
Facilities acquisition and construction	7,594	-	8,352	-
Fiscal services	27,643	-	-	-
Community services	180	-	-	-
Total charter school	\$ 592,989	\$ -	\$ 262,280	\$ -
General revenues:				
				461,664
Grants and contributions not restricted to specific programs				9,081
Miscellaneous				470,745
Total general revenues				140,036
Change in net assets				148,223
Net assets - July 1, 2003				\$ 288,259
Net assets - June 30, 2004				

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, 2004

FUNCTIONS	Expenses	Program Revenues		Total Volusia County Education Direct-Support Organization, Inc.	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Direct support organization activities:					
Community services	\$ 552,774	\$ 106,504	\$ 460,450	\$ -	\$ 14,180
Total direct-support organization	<u>\$ 552,774</u>	<u>\$ 106,504</u>	<u>\$ 460,450</u>	<u>\$ -</u>	<u>14,180</u>
General revenues:					
Investment earnings					1,694
Total general revenues					<u>1,694</u>
Change in net assets					15,874
Net assets - July 1, 2003					759,588
Net assets - June 30, 2004					<u>\$ 775,462</u>



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Statistical Section

District School Board of Volusia County, Florida
Government-wide Expenses by Function
Last Three Fiscal Years ⁽¹⁾
(Unaudited)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Primary government:			
Governmental activities:			
Instruction	\$ 213,318,716	\$ 227,594,168	\$ 240,157,073
Pupil personnel services	18,214,060	19,938,915	20,150,550
Instructional media services	5,996,773	6,666,347	6,695,041
Instruction and curriculum development services	11,134,615	10,337,293	11,284,651
Instructional staff training services	4,476,893	4,783,473	4,894,301
Board of education	335,061	365,919	366,791
General administration	2,928,426	2,930,750	3,632,266
School administration	28,478,245	30,844,455	31,261,978
Facilities acquisition and construction	5,623,268	3,015,564	8,968,360
Fiscal services	2,506,261	2,495,708	2,374,602
Food services	17,685,516	18,879,572	19,074,392
Central services	10,514,558	11,237,929	11,281,131
Pupil transportation services	11,709,726	12,654,270	13,208,364
Operation of plant	29,125,890	29,953,234	30,972,833
Maintenance of plant	9,536,530	10,807,896	10,857,862
Community services	1,679,972	1,914,220	1,754,829
Interest on long-term debt	10,242,297	14,703,119	12,666,965
Depreciation expense	27,300,446	29,541,447	31,441,677
Total expenses	<u>\$ 410,807,253</u>	<u>\$ 438,664,279</u>	<u>\$ 461,043,666</u>

⁽¹⁾ 2002 was the first year of reporting government-wide expenses (GASB 34).
Source: District records

District School Board of Volusia County, Florida
Government-wide Revenues by Source
Last Three Fiscal Years ⁽¹⁾
(Unaudited)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Primary government:			
Program Revenues:			
Charges for services	\$ 11,675,049	\$ 13,513,689	\$ 11,961,331
Operating grants and contributions	20,382,556	23,757,919	22,182,865
Capital grants and contributions	11,216,225	11,766,955	12,277,013
General Revenues:			
Property taxes:			
Levied for operational purposes	108,752,183	118,508,547	131,394,434
Levied for debt service	10,359,570	9,707,724	9,980,321
Levied for capital projects	33,944,965	37,154,597	42,184,063
Local sales tax	15,063,254	30,747,285	34,135,494
Unrestricted grants and contributions	214,903,955	225,760,225	244,739,157
Investment earnings	6,509,111	4,978,893	4,021,869
Miscellaneous	8,036,449	5,540,371	14,157,425
Total revenues	<u>\$ 440,843,317</u>	<u>\$ 481,436,205</u>	<u>\$ 527,033,972</u>

⁽¹⁾ 2002 was the first year of reporting government-wide expenses (GASB 34).

Source: District records

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Current:				
Instruction	\$ 153,584,798	\$ 161,980,101	\$ 167,288,156	\$ 182,341,499
Pupil personnel services	12,382,305	13,580,627	16,600,764	14,937,759
Instructional media services	6,452,103	6,393,270	5,922,037	5,621,881
Instruction and curriculum development services	6,994,874	6,982,979	7,412,114	7,467,824
Instructional staff training services	2,199,184	1,836,910	2,558,519	3,325,107
Board of education	241,311	238,823	306,739	302,708
General administration	2,320,907	2,683,854	1,943,013	2,076,555
School administration	22,958,769	23,734,568	21,044,586	24,523,286
Facilities acquisition and construction	5,784,527	2,136,645	543,760	59,974
Fiscal services	1,936,371	1,813,760	1,632,255	1,827,611
Food services	12,456,286	12,699,489	12,728,162	13,857,051
Central services	8,031,189	8,633,208	8,366,306	9,085,448
Pupil transportation services	8,743,063	9,225,204	9,304,705	10,259,408
Operation of plant	22,291,322	21,643,621	22,252,952	22,713,314
Maintenance of plant	6,486,864	7,074,955	7,383,419	7,940,268
Community services	1,563,645	1,650,732	864,659	1,151,813
Debt service:				
Principal	12,925,000	13,980,000	14,085,000	14,989,449
Interest and fiscal charges	11,240,987	10,664,384	9,247,626	8,559,377
Capital Outlay:				
Facilities acquisition and construction	27,238,627	39,836,393	21,946,273	18,825,066
Other capital outlay	5,709,996	1,959,201	11,076,946	15,468,048
Total expenditures	<u>\$ 331,542,128</u>	<u>\$ 348,748,724</u>	<u>\$ 342,507,991</u>	<u>\$ 365,333,446</u>

⁽¹⁾ Includes all governmental fund types.

Source: District records

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$ 193,650,711	\$ 196,787,495	\$ 210,761,834	\$ 215,626,219	\$ 226,722,204	\$ 241,406,105
16,036,053	16,355,719	17,824,538	18,376,824	19,862,525	20,313,235
5,728,262	5,814,187	6,015,456	6,050,361	6,640,807	6,749,093
9,575,797	9,663,340	10,815,233	11,234,116	10,297,689	11,375,758
4,043,857	4,396,259	4,492,894	4,516,899	4,765,146	4,933,815
336,012	333,762	330,909	338,055	364,517	369,752
2,235,863	2,387,176	2,570,974	2,954,595	2,919,522	3,661,591
26,715,974	26,647,038	28,530,480	28,732,731	30,726,283	31,514,372
24,828	2,742,944	369,126	5,673,518	2,998,902	9,040,766
2,074,323	2,250,335	2,166,170	2,528,657	2,486,146	2,393,773
16,573,605	15,518,746	16,752,751	17,843,557	18,811,451	19,228,389
9,044,277	10,145,521	9,412,333	10,608,518	11,194,874	11,372,209
10,218,290	10,753,897	11,477,529	11,814,366	12,605,789	13,293,666
24,714,531	24,152,847	26,686,232	29,386,164	29,838,477	31,222,892
8,177,797	8,839,725	9,213,858	9,621,750	10,766,489	10,945,523
1,347,479	1,271,506	1,579,333	1,694,985	1,906,886	1,768,997
16,067,070	18,784,921	20,585,622	18,804,808	18,984,691	24,896,362
8,862,561	12,919,259	11,479,780	12,155,970	15,379,008	14,549,585
31,796,608	45,732,112	80,975,058	59,598,246	62,603,738	107,806,730
12,093,463	14,566,893	4,131,870	5,931,034	12,560,884	6,850,276
<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>	<u>\$ 573,692,889</u>

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Federal sources:				
Federal direct	\$ 170,116	\$ 341,848	\$ 262,891	\$ 591,152
Other Federal grants	11,019,629	11,622,873	12,493,695	14,296,219
Food services	7,604,833	8,148,081	8,208,524	8,823,978
Total Federal sources	<u>18,794,578</u>	<u>20,112,802</u>	<u>20,965,110</u>	<u>23,711,349</u>
State sources:				
Florida education finance program	117,653,049	118,041,458	124,720,456	139,907,749
Categorical educational programs	11,657,640	17,270,798	21,223,786	23,178,065
Discretionary lottery funds	11,934,462	11,438,619	10,919,065	10,477,873
Public education capital outlay	9,750,708	8,439,881	9,179,887	6,428,112
Capital Outlay and Debt Service	2,028,368	2,044,640	2,109,141	2,251,064
Mobile Home License Tax	424,202	432,339	438,992	449,183
Food services	420,694	390,800	367,427	374,651
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	1,600,538	1,010,760	535,580	1,307,241
Total State sources	<u>155,753,146</u>	<u>159,352,780</u>	<u>169,777,819</u>	<u>184,657,423</u>
Local sources:				
Ad valorem taxes	123,891,210	135,195,167	137,811,242	139,208,492
Local Sales tax	-	-	-	-
Food service sales	4,428,978	4,687,525	4,931,569	5,803,424
Interest income	6,893,744	6,727,828	3,960,616	6,222,325
Local grants and other local sources	8,447,884	8,356,262	7,252,908	9,257,917
Total local sources	<u>143,661,816</u>	<u>154,966,782</u>	<u>153,956,335</u>	<u>160,492,158</u>
Total revenues	<u><u>\$ 318,209,540</u></u>	<u><u>\$ 334,432,364</u></u>	<u><u>\$ 344,699,264</u></u>	<u><u>\$ 368,860,930</u></u>

⁽¹⁾ Includes all governmental fund types.

Source: District records

1999	2000	2001	2002	2003	2004
\$ 1,753,478	\$ 1,340,289	\$ 1,511,802	\$ 2,689,100	\$ 1,395,307	\$ 239,128
17,968,237	21,354,482	22,724,125	25,061,025	29,423,383	37,709,400
9,488,867	8,902,497	9,549,044	10,322,279	10,877,241	11,580,478
<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>	<u>49,529,006</u>
154,986,581	152,111,043	174,721,657	163,970,223	175,296,247	177,191,959
23,375,023	31,571,439	25,278,942	25,758,120	23,082,791	35,637,333
4,654,184	3,810,241	4,648,894	5,616,922	4,471,775	3,025,560
4,842,161	5,035,036	6,073,914	8,669,518	5,251,919	5,113,210
2,343,410	2,296,664	2,356,908	2,354,320	2,375,318	2,410,354
424,869	270,079	687,925	517,938	528,954	540,588
348,157	334,781	331,077	344,792	353,006	351,328
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	82,488
-	-	7,383,670	-	-	-
-	2,045,881	249,472	-	-	4,670,960
1,188,153	1,552,154	1,464,809	722,627	1,967,966	362,764
<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>	<u>229,670,029</u>
143,922,588	143,752,360	146,471,419	153,056,718	165,370,868	183,558,818
-	-	-	15,063,254	30,747,285	34,135,494
6,804,161	7,065,386	7,855,083	8,239,120	7,857,290	8,053,476
6,354,747	10,781,904	9,981,855	6,509,111	4,978,893	4,021,871
8,939,232	13,965,377	11,195,449	11,472,378	16,730,640	18,065,278
<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>247,834,937</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>	<u>\$ 527,033,972</u>

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Florida education finance program	\$ 117,653,049	\$ 118,041,458	\$ 124,720,456	\$ 139,907,749
Categorical educational programs				
Student transportation	5,602,755	9,220,443	9,079,749	9,166,286
Instructional materials	2,228,855	2,627,967	3,502,701	4,057,978
Community education program	-	-	-	-
Safe schools	-	-	-	-
Pre-school programs	2,339,677	2,159,577	2,392,676	2,359,597
Instructional strategies enhancement	-	-	-	-
Public schools technology	1,362,491	1,356,470	1,603,523	2,074,379
Parent involvement	123,862	-	-	-
Summer school	-	1,906,341	1,906,341	1,906,341
Student performance incentives	-	-	236,998	254,002
Class size reduction	-	-	2,501,798	2,455,982
Teacher lead	-	-	-	903,500
School recognition	-	-	-	-
Supplemental academic instruction	-	-	-	-
Teacher training	-	-	-	-
Excellent teaching program	-	-	-	-
Teacher recruitment and retention	-	-	-	-
Discretionary lottery funds	11,934,462	11,438,619	10,919,065	10,477,873
Public education capital outlay	9,750,708	8,439,881	9,179,887	6,428,112
Capital Outlay and Debt Service	2,028,368	2,044,640	2,109,141	2,251,064
Mobile Home License Tax	424,202	432,339	438,992	449,183
Food services	420,694	390,800	367,427	374,651
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	225,705	-	-	-
Summer inservice institute	151,122	-	-	-
Dropout prevention	120,000	-	-	-
Blueprint for career preparation	61,040	60,000	-	-
Storm/fire damage	39,396	57,042	-	-
Assessment center	65,000	138,012	180,329	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	91,713
Suspension out of school alternative	-	58,299	-	93,000
Teacher quest	-	54,041	11,929	-
Fuel tax	15,545	112,839	15,338	112,005
Parents to kids	-	-	-	100,000
Reading recovery	-	-	-	586,623
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	197,182	223,745	131,077	143,571
Total State revenue	<u>\$ 155,753,146</u>	<u>\$ 159,352,780</u>	<u>\$ 169,777,819</u>	<u>\$ 184,657,423</u>

(1) Includes all governmental fund types.

Source: District records

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$ 154,986,581	\$ 152,111,043	\$ 174,721,657	\$ 163,970,223	\$ 175,296,247	\$ 177,191,959
9,401,153	9,744,128	10,031,191	9,715,485	10,689,681	10,251,059
4,565,413	4,806,012	4,736,553	5,169,085	5,604,520	5,597,814
-	-	-	-	-	-
-	-	-	-	-	-
2,343,256	2,304,210	2,262,330	2,175,419	-	-
-	-	-	-	-	-
2,064,379	1,607,000	1,601,610	1,563,076	1,552,956	1,239,295
-	-	-	-	-	-
1,906,341	-	-	-	-	-
-	-	-	-	-	-
2,450,277	-	-	-	-	11,248,714
331,045	374,976	379,243	385,735	392,701	396,184
313,159	727,027	2,894,523	1,537,605	3,170,224	4,868,295
-	11,023,614	-	-	-	-
-	867,787	911,853	902,704	897,683	896,207
-	116,685	153,164	498,413	775,026	1,139,765
-	-	2,308,475	3,810,598	-	-
4,654,184	3,810,241	4,648,894	5,616,922	4,471,775	3,025,560
4,842,161	5,035,036	6,073,914	8,669,518	5,251,919	5,113,210
2,343,410	2,296,664	2,356,908	2,354,320	2,375,318	2,410,354
424,869	270,079	687,925	517,938	528,954	540,588
348,157	334,781	331,077	344,792	353,006	351,328
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	82,488
-	-	7,383,670	-	-	-
-	2,045,881	249,472	-	-	4,670,960
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,300	-	-	-	-	-
187,330	180,329	180,937	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
89,512	70,000	25,000	25,000	43,750	-
153,249	99,420	195,600	-	-	-
-	-	-	-	-	-
127,650	77,382	110,054	109,103	113,960	100,771
142,045	-	-	-	-	-
-	-	-	-	-	-
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	93,293
-	-	-	114,101	-	-
-	-	-	-	585,784	-
-	-	-	-	277,372	214,882
-	-	-	-	616,154	-
240,206	185,634	279,322	125,574	165,212	(46,182)
<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>	<u>\$ 229,670,029</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>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Federal sources:				
Federal direct	\$ 170,116	\$ 341,848	\$ 262,891	\$ 160,862
Other Federal grants	-	139,917	51,740	59,025
Total Federal sources	<u>170,116</u>	<u>481,765</u>	<u>314,631</u>	<u>219,887</u>
State sources:				
Florida education finance program	117,653,049	118,041,458	124,720,456	139,907,749
Categoricals	11,657,641	17,270,798	21,223,786	23,178,065
Discretionary lottery funds	11,934,462	11,438,619	10,919,065	10,477,873
Capital Outlay and Debt Service	30,426	30,670	31,555	33,766
Mobile Home License Tax	424,202	432,339	438,992	449,183
Pari-mutuel tax	283,485	283,485	283,485	283,485
State grants and other State sources	1,561,883	971,965	499,079	1,129,891
Total State sources	<u>143,545,148</u>	<u>148,469,334</u>	<u>158,116,418</u>	<u>175,460,012</u>
Local sources:				
Ad valorem taxes	91,431,400	93,749,124	95,485,946	95,395,081
Interest income	2,437,843	2,456,788	255,977	1,920,270
Local grants and other local sources	4,364,661	4,191,867	4,289,841	4,631,489
Total local sources	<u>98,233,904</u>	<u>100,397,779</u>	<u>100,031,764</u>	<u>101,946,840</u>
Total revenues	<u>241,949,168</u>	<u>249,348,878</u>	<u>258,462,813</u>	<u>277,626,739</u>
Expenditures: (by object)				
Salaries	164,040,207	170,446,217	171,959,954	183,970,778
Employee Benefits	53,611,093	56,028,258	55,934,461	62,173,096
Purchased Services	11,500,156	12,807,897	14,070,138	13,974,320
Energy Services	6,373,378	6,962,072	7,208,893	7,311,283
Material and Supplies	7,592,369	8,069,871	8,033,479	8,319,468
Capital Outlay	3,982,368	2,529,557	2,725,040	1,993,170
Other expenditures	2,925,164	3,020,716	2,834,383	3,191,432
Total expenditures	<u>250,024,735</u>	<u>259,864,588</u>	<u>262,766,348</u>	<u>280,933,547</u>
Deficiency of revenues under expenditures	<u>(8,075,567)</u>	<u>(10,515,710)</u>	<u>(4,303,535)</u>	<u>(3,306,808)</u>
Other financing sources, net	<u>7,378,143</u>	<u>7,058,659</u>	<u>4,048,943</u>	<u>6,882,591</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(697,424)	(3,457,051)	(254,592)	3,575,783
Beginning fund balance	14,763,739	14,066,315	10,609,264	10,354,672
Adjustment to beginning fund balance	-	-	-	263,532
Ending fund balance	<u>\$ 14,066,315</u>	<u>\$ 10,609,264</u>	<u>\$ 10,354,672</u>	<u>\$ 14,193,987</u>

Source: District records

1999	2000	2001	2002	2003	2004
\$ 267,575	\$ 241,835	\$ 188,374	\$ 192,949	\$ 193,389	\$ 239,128
825,947	1,566,845	1,318,900	1,412,103	817,704	1,349,252
<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>	<u>1,588,380</u>
154,986,582	152,111,043	174,721,657	163,970,223	175,296,247	177,191,959
23,375,023	31,571,439	25,278,946	25,758,120	23,082,791	35,637,333
4,654,184	3,810,241	4,648,894	5,616,922	4,471,775	3,025,560
34,023	34,023	34,273	34,366	34,896	35,709
424,869	270,079	687,925	517,938	528,954	540,588
283,485	283,485	283,485	283,485	283,485	283,485
1,025,582	1,426,880	1,310,871	604,784	1,845,135	261,991
<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>	<u>216,976,625</u>
99,702,306	97,703,691	102,250,295	108,752,183	118,508,547	131,394,434
2,061,779	1,739,794	2,161,117	1,159,248	624,518	645,103
5,735,174	6,204,922	6,106,689	6,418,086	8,612,733	8,147,544
<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>140,187,081</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>	<u>358,752,086</u>
192,865,470	205,800,361	220,441,611	224,626,764	236,551,648	243,922,842
67,811,550	56,361,107	58,656,146	59,584,573	60,423,402	68,252,486
14,441,789	16,571,686	18,320,795	20,368,252	20,320,928	20,202,723
7,823,296	7,197,800	8,709,806	9,027,676	8,894,687	9,658,643
10,629,058	11,332,538	11,354,315	11,670,364	12,055,092	11,823,202
1,875,374	2,200,738	2,620,645	1,696,459	1,397,228	1,334,263
3,271,226	3,305,616	4,191,320	4,754,943	5,256,492	4,639,383
<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>	<u>359,833,542</u>
(5,341,234)	(5,805,569)	(5,303,212)	(17,008,624)	(10,599,303)	(1,081,456)
<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>	<u>11,122,131</u>
1,760,403	1,715,711	3,047,701	(5,583,960)	1,309,196	10,040,675
14,193,987	15,954,390	20,589,007	23,636,708	18,052,748	19,361,944
-	2,918,906	-	-	-	-
<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>	<u>\$ 29,402,619</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>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Federal sources:				
Federal direct	\$ -	\$ -	\$ -	\$ 430,290
Other Federal grants	11,019,629	11,482,957	12,441,954	14,237,193
Total Federal sources	<u>11,019,629</u>	<u>11,482,957</u>	<u>12,441,954</u>	<u>14,667,483</u>
Total revenues	<u>11,019,629</u>	<u>11,482,957</u>	<u>12,441,954</u>	<u>14,667,483</u>
Expenditures: (by object)				
Salaries	5,956,950	5,917,646	6,586,713	6,855,575
Employee Benefits	1,924,788	1,955,314	2,099,067	2,250,389
Purchased Services	1,505,196	1,526,718	1,622,461	2,449,090
Energy Services	54	83	-	1,671
Material and Supplies	551,625	891,757	1,039,434	963,939
Capital Outlay	513,235	537,204	542,257	1,393,117
Other expenditures	567,781	654,235	552,022	753,702
Total expenditures	<u>11,019,629</u>	<u>11,482,957</u>	<u>12,441,954</u>	<u>14,667,483</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

1999	2000	2001	2002	2003	2004
\$ 1,460,321	\$ 1,098,454	\$ 1,323,428	\$ 2,496,151	\$ 1,201,918	\$ -
17,142,289	19,787,637	21,405,225	23,648,922	28,605,679	36,360,148
18,602,610	20,886,091	22,728,653	26,145,073	29,807,597	36,360,148
18,602,610	20,886,091	22,728,653	26,145,073	29,807,597	36,360,148
8,009,260	9,704,142	10,621,797	13,367,801	16,307,803	19,040,022
2,673,713	2,543,007	2,684,798	3,504,806	4,053,751	5,139,723
2,809,683	3,187,699	3,270,861	4,427,640	3,353,306	3,801,516
3,220	2,052	2,912	2,051	5,321	6,836
1,067,855	1,380,781	1,530,817	1,600,859	2,451,006	2,365,753
2,727,589	3,065,004	3,000,972	2,940,841	1,282,679	3,526,697
1,311,290	1,003,406	1,616,496	2,368,948	2,353,731	2,479,601
18,602,610	20,886,091	22,728,653	28,212,946	29,807,597	36,360,148
-	-	-	(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>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Federal sources:				
Federal Direct	\$ -	\$ -	\$ -	\$ -
National School Lunch Act	6,757,514	7,285,390	7,560,726	7,832,449
U S D A donated commodities	840,168	861,441	647,797	990,029
Other	7,152	1,251	-	1,500
Total Federal sources	<u>7,604,834</u>	<u>8,148,082</u>	<u>8,208,523</u>	<u>8,823,978</u>
State sources:				
Food service supplements and other	420,694	390,800	367,427	382,871
Total State sources	<u>420,694</u>	<u>390,800</u>	<u>367,427</u>	<u>382,871</u>
Local sources:				
Food service sales	4,743,953	5,083,814	5,311,342	6,103,776
Interest income	151,545	189,880	224,794	300,136
Total local sources	<u>4,895,498</u>	<u>5,273,694</u>	<u>5,536,136</u>	<u>6,403,912</u>
Total revenues	<u>12,921,026</u>	<u>13,812,576</u>	<u>14,112,086</u>	<u>15,610,761</u>
Expenditures: (by object)				
Salaries	4,421,108	4,399,989	4,307,623	4,654,041
Employee Benefits	1,987,668	1,965,572	1,902,152	2,107,425
Purchased Services	210,817	210,474	263,317	253,829
Energy Services	-	3	14	320
Material and Supplies	5,221,354	5,414,477	5,661,177	6,054,575
Capital Outlay	194,131	540,108	549,050	409,868
Other expenditures	542,227	540,698	474,925	660,493
Total expenditures	<u>12,577,305</u>	<u>13,071,321</u>	<u>13,158,258</u>	<u>14,140,551</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>343,721</u>	<u>741,255</u>	<u>953,828</u>	<u>1,470,210</u>
Other financing sources, net	<u>6,734</u>	<u>9,834</u>	<u>10,897</u>	<u>14,639</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	350,455	751,089	964,725	1,484,849
Beginning fund balance	4,075,825	4,426,280	5,177,369	6,142,094
Adjustment to beginning fund balance	-	-	-	-
Ending fund balance	<u>\$ 4,426,280</u>	<u>\$ 5,177,369</u>	<u>\$ 6,142,094</u>	<u>\$ 7,626,943</u>

Source: District records

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$ 25,582	\$ -	\$ -	\$ -	\$ -	\$ -
7,970,772	7,975,237	8,486,953	9,037,945	9,230,160	9,823,863
1,485,392	927,260	1,062,091	1,284,334	1,325,631	1,390,944
32,703	-	-	-	321,450	365,671
<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>	<u>11,580,478</u>
358,584	343,261	339,687	353,532	361,876	351,328
<u>358,584</u>	<u>343,261</u>	<u>339,687</u>	<u>353,532</u>	<u>361,876</u>	<u>351,328</u>
6,832,540	7,145,188	7,891,657	8,258,942	8,325,364	8,580,715
302,011	420,495	299,346	161,742	109,747	130,846
<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>8,711,561</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>	<u>20,643,367</u>
5,237,954	5,587,973	6,012,200	6,742,306	6,732,236	7,082,409
2,508,537	2,232,710	2,326,352	2,720,063	2,808,870	3,218,243
393,903	437,343	653,859	677,276	776,412	752,833
441	997	56,457	74,530	64,490	69,858
6,815,661	6,453,514	6,989,892	6,907,412	7,826,693	7,313,436
2,230,609	937,670	631,653	581,054	405,658	618,474
646,627	470,888	533,868	610,081	516,336	640,338
<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>	<u>19,695,591</u>
(826,148)	690,346	875,453	783,773	543,533	947,776
<u>(636,142)</u>	<u>16,357</u>	<u>13,946</u>	<u>15,628</u>	<u>13,507</u>	<u>13,460</u>
(1,462,290)	706,703	889,399	799,401	557,040	961,236
7,626,943	6,164,653	7,033,774	7,923,173	8,722,574	9,279,614
-	162,418	-	-	-	-
<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>	<u>\$ 10,240,850</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>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
State sources:				
CO&DS withheld for SBE/COBI bonds	\$ 1,086,441	\$ 524,386	\$ 536,653	\$ 173,778
SBE/COBI bond interest	6,519	3,916	1,636	1,484
Total State sources	<u>1,092,960</u>	<u>528,302</u>	<u>538,289</u>	<u>175,262</u>
Local sources:				
Ad valorem taxes	16,386,803	16,696,043	16,869,803	17,272,445
Interest income	627,938	630,064	630,975	664,786
Other local sources	1,795	810	2,802	750
Total local sources	<u>17,016,536</u>	<u>17,326,917</u>	<u>17,503,580</u>	<u>17,937,981</u>
Total revenues	<u>18,109,496</u>	<u>17,855,219</u>	<u>18,041,869</u>	<u>18,113,243</u>
 Expenditures: (by object)				
Debt service:				
Principal	12,925,000	13,980,000	14,085,000	14,425,000
Interest and fiscal charges	<u>11,240,987</u>	<u>10,664,384</u>	<u>9,247,626</u>	<u>8,559,377</u>
Total expenditures	<u>24,165,987</u>	<u>24,644,384</u>	<u>23,332,626</u>	<u>22,984,377</u>
Deficiency of revenues under expenditures	<u>(6,056,491)</u>	<u>(6,789,165)</u>	<u>(5,290,757)</u>	<u>(4,871,134)</u>
Other financing sources, net	<u>5,604,772</u>	<u>6,742,868</u>	<u>5,489,990</u>	<u>5,922,954</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(451,719)	(46,297)	199,233	1,051,820
Beginning fund balances	<u>13,310,120</u>	<u>12,858,401</u>	<u>12,812,104</u>	<u>13,011,337</u>
Ending fund balances	<u>\$ 12,858,401</u>	<u>\$ 12,812,104</u>	<u>\$ 13,011,337</u>	<u>\$ 14,063,157</u>

Source: District records

1999	2000	2001	2002	2003	2004
\$ 1,676,146	\$ 1,961,103	\$ 1,994,353	\$ 2,000,174	\$ 2,005,000	\$ 2,054,986
19,597	28,440	22,603	11,388	4,576	4,385
<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>	<u>2,059,371</u>
16,489,341	17,060,028	12,453,886	10,359,570	9,707,724	9,980,321
620,440	604,298	621,421	174,828	187,987	221,697
678	1,657	2,247	483	825	-
<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>10,202,018</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>	<u>12,261,389</u>
15,625,000	18,315,000	19,702,990	17,160,736	17,490,428	23,812,191
8,740,183	12,824,731	11,352,901	12,008,261	15,223,630	14,519,995
<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>	<u>38,332,186</u>
(5,558,981)	(11,484,205)	(15,961,381)	(16,622,554)	(20,807,946)	(26,070,797)
<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>	<u>27,626,603</u>
(23,120)	186,423	(2,730,014)	2,169,299	5,276,876	1,555,806
14,063,157	14,040,037	14,226,460	11,496,446	13,665,745	18,942,621
<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>	<u>\$ 20,498,427</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>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
State sources:				
CO&DS distributed to district	\$ 911,501	\$ 1,489,584	\$ 1,575,798	\$ 2,099,161
Interest on undistributed CO&DS	32,135	34,879	-	-
Public Education Capital Outlay	9,750,709	8,439,881	9,179,887	6,428,112
Classrooms first program	-	-	-	-
School infrastructure thrift	-	-	-	-
Class size reduction	-	-	-	-
Effort index grant	-	-	-	-
Other State sources	-	-	-	112,005
Total State sources	<u>10,694,345</u>	<u>9,964,344</u>	<u>10,755,685</u>	<u>8,639,278</u>
Local sources:				
Ad valorem taxes	16,073,008	24,750,000	25,455,493	26,540,966
Sales tax	-	-	-	-
Interest income	3,676,417	3,451,097	2,848,869	3,337,133
Impact fees	3,744,976	3,737,924	2,496,203	2,382,129
Contribution	-	-	-	-
Local grants and other local sources	21,477	29,371	84,288	1,943,197
Total local sources	<u>23,515,878</u>	<u>31,968,392</u>	<u>30,884,853</u>	<u>34,203,425</u>
Total revenues	<u>34,210,223</u>	<u>41,932,736</u>	<u>41,640,538</u>	<u>42,842,703</u>
Expenditures: (by object)				
Capital Outlay				
Library books	343,449	110,859	279,570	116,967
Audio visual materials	151,656	134,583	43,354	35,260
Buildings and fixed equipment	7,767,497	23,721,400	10,578,818	9,054,179
Furniture, fixtures, and equipment	9,662,713	4,150,915	7,541,923	6,951,727
Motor vehicles	2,693,096	641,771	915,435	2,150,986
Land	1,254,821	773,207	247,660	1,830,147
Improvements other than buildings	1,142,190	722,702	1,051,136	801,817
Remodeling and renovations	9,238,787	8,979,509	9,870,289	7,101,251
Computer software	1,500,264	450,530	280,617	2,058,191
Debt service	-	-	-	-
Total expenditures	<u>33,754,473</u>	<u>39,685,476</u>	<u>30,808,802</u>	<u>30,100,525</u>
Excess/(Deficiency) of revenues over/(under) expenditures	<u>455,750</u>	<u>2,247,260</u>	<u>10,831,736</u>	<u>12,742,178</u>
Other financing sources, net	<u>(11,503,895)</u>	<u>(12,484,850)</u>	<u>(9,534,840)</u>	<u>7,796,251</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(11,048,145)</u>	<u>(10,237,590)</u>	<u>1,296,896</u>	<u>20,538,429</u>
Beginning fund balances	69,433,419	58,385,274	48,147,684	49,444,580
Adjustment to beginning fund balances	-	-	-	-
Ending fund balances	<u>\$ 58,385,274</u>	<u>\$ 48,147,684</u>	<u>\$ 49,444,580</u>	<u>\$ 69,983,009</u>

Source: District records

	1999	2000	2001	2002	2003	2004
\$	558,055	\$ 273,098	\$ 256,246	\$ 256,524	\$ 286,512	\$ 292,487
	55,588	39,412	49,433	51,868	44,335	22,789
	4,842,161	5,035,036	6,073,915	8,669,518	5,251,919	5,113,210
	12,600,000	29,253,226	-	-	-	-
	-	1,560,997	1,834,005	192,387	100,296	82,488
	-	2,045,881	249,472	-	-	4,670,960
	-	-	7,383,671	-	-	-
	152,144	77,382	145,324	109,103	113,960	100,771
	<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>	<u>10,282,705</u>
	27,730,941	28,988,641	31,767,238	33,944,965	37,154,597	42,184,063
	-	-	-	15,063,254	30,747,285	34,135,494
	3,370,517	7,302,667	6,899,972	5,013,294	4,056,641	3,024,225
	3,173,861	3,813,802	4,326,504	4,955,535	5,877,411	8,256,841
	-	-	-	-	1,250,000	416,666
	1,141	4,579,844	723,434	78,451	521,597	716,988
	<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>88,734,277</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>	<u>99,016,982</u>
	61,798	146,220	144,097	175,973	12,504	72,315
	58,455	51,132	47,145	73,467	3,702	21,384
	18,401,488	28,555,665	37,386,637	33,403,968	32,954,758	59,576,859
	5,599,071	7,084,179	9,131,465	9,029,547	8,626,214	14,388,824
	1,010,670	1,560,363	1,901,301	2,862,856	3,097,913	3,675,665
	2,512,681	698,348	2,330,191	3,159,872	4,385,479	3,531,905
	1,088,503	1,370,153	2,733,732	1,965,946	3,931,701	4,822,451
	9,929,692	17,088,390	24,350,080	14,687,095	21,315,621	31,865,736
	1,135,715	2,592,469	2,863,869	708,953	1,556,309	1,515,037
	-	-	-	-	-	1,246
	<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>	<u>119,471,422</u>
	12,686,335	23,823,067	(21,179,303)	2,267,222	9,520,352	(20,454,440)
	<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>	<u>23,754,783</u>
	3,291,917	70,190,727	(33,591,937)	124,428,993	(28,226,187)	3,300,343
	69,983,009	73,274,926	143,465,653	109,873,716	234,302,709	206,076,522
	-	-	-	-	-	-
	<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>	<u>\$ 209,376,865</u>

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Days meals are served	177	180	180	180
Average number of free and reduced meals served daily	17,991	17,901	18,238	18,457
Number of free and reduced lunches served	3,184,381	3,222,261	3,282,843	3,322,337
Average daily total lunch subsidy received (paid free/reduced)	32,327	33,244	34,497	35,799
Total federal lunch subsidy received	\$5,721,816	\$5,983,959	\$ 6,209,455	\$6,443,882
Average number of lunches served daily	27,597	27,136	26,459	26,837
Total lunches served	4,884,604	4,884,420	4,762,678	4,830,658
Number of full-paid lunches served daily	9,606	9,234	8,221	8,380
Number of full-paid lunches served	1,700,223	1,662,159	1,479,835	1,508,321
Average daily total revenue	\$73,038	\$76,791	\$78,461	\$86,808
Total revenue	\$12,927,759	\$13,822,409	\$14,122,986	\$15,625,399
Average daily total cost	\$71,058	\$72,618	\$73,101	\$78,559
Total cost	\$12,577,304	\$13,071,320	\$13,158,259	\$14,140,551
Included in total cost:				
Capital outlay	\$194,132	\$540,108	\$549,050	\$409,868
Special assessments				
Lunch reimbursement rates:				
Free	N/A	\$1.7950	\$1.8375-\$1.8575	\$1.89-\$1.91
Reduced	N/A	\$1.3950	\$1.4375-\$1.4575	\$1.49-\$1.51
Paid	N/A	\$0.1725	\$.1775-\$1.1975	\$.18-\$1.20
Lunch prices:				
Elementary	\$1.25	\$1.25	\$1.35	\$1.35
Middle	\$1.35	\$1.35	\$1.45	\$1.45
High	\$1.35	\$1.35	\$1.50	\$1.50
Breakfast prices:	\$0.75	\$0.75	\$0.75	\$0.75

N/A: Information not available
Source: District records

	1999	2000	2001	2002	2003	2004
	180	178	180	180	180	180
	18,179	17,710	17,995	18,483	18,804	19,426
	3,272,189	3,152,344	3,239,185	3,326,898	3,384,786	3,496,718
	36,174	36,083	37,348	39,825	41,360	\$43,855
\$	6,511,278	\$6,422,837	\$6,722,664	\$7,168,451	\$7,444,886	\$7,893,913
	26,832	26,832	27,471	28,337	28,659	29,905
	4,829,798	4,776,100	4,944,694	5,100,734	5,158,579	5,382,986
	8,653	9,122	9,475	9,855	9,854	10,479
	1,557,609	1,623,756	1,705,509	1,773,836	1,773,793	1,886,278
	\$94,562	\$95,308	\$100,520	\$106,178	\$109,376	\$113,234
	\$17,021,201	\$16,964,741	\$18,093,680	\$19,112,123	\$19,687,734	\$20,382,090
	\$99,076	\$90,568	\$95,579	\$101,737	\$106,282	\$109,420
	\$17,833,732	\$16,121,095	\$17,204,281	\$18,312,722	\$19,130,695	19,695,591
	\$2,230,609	\$937,670	\$631,653	\$480,354	\$405,658	\$501,866
	\$649,759					
	\$1.9425-\$1.9625	\$1.98-\$2.00	\$2.02-\$2.04	\$2.09-\$2.11	\$2.14-\$2.16	\$2.19-\$2.21
	\$1.5425-\$1.5625	\$1.58-\$1.60	\$1.62-\$1.64	\$1.69-\$1.71	\$1.74-\$1.76	\$1.79-\$1.81
	\$.18-\$.20	\$.19-\$.21	\$0.21	\$.20-\$.22	\$.20-\$.22	\$.21-\$.23
	\$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>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
School Board	10.27700	10.88700	10.82100	10.48700
St. Johns River Water Management	0.48200	0.48200	0.48200	0.48200
Florida Inland Navigation District	0.04900	0.04000	0.03800	0.05000
County of Volusia	5.71600	6.17200	6.21700	6.38100
Municipalities:				
Daytona Beach	6.46898	6.58049	6.59207	6.49517
Daytona Beach Shores	3.74600	3.72600	3.72000	3.69000
Ormond Beach	3.57900	3.40000	3.76710	3.62970
Holly Hill	5.46950	5.55375	5.53591	5.51831
South Daytona	3.64249	3.64249	4.20000	4.22592
Deltona	0.00000	0.00000	4.19800	4.19800
Port Orange	4.59283	4.61830	4.61340	4.40707
New Smyrna Beach	5.62710	5.56848	5.48694	5.32896
Edgewater	5.83979	7.10107	6.59000	6.44000
Ponce Inlet	4.16800	4.16257	4.08142	4.43850
Oak Hill	3.50000	3.52222	3.58258	4.00000
Pierson	3.90300	3.85097	3.90300	4.40300
DeLand	6.49000	6.20000	5.95000	5.90000
Orange City	5.60000	5.60000	5.50000	5.37949
Lake Helen	5.00000	4.92220	4.89420	4.96855
Debary	2.65250	2.58769	2.58760	2.58760
Unincorporated Areas:				
Municipal Service District	1.60100	1.86500	1.69100	1.69100
Special Other Districts:				
Independent:				
Halifax Hospital	2.26400	2.25500	2.23060	2.18939
Southeast Volusia Hospital	2.29196	2.28505	2.24742	2.13244
West Volusia Hospital Authority	2.62500	2.53260	1.90000	1.87206
Daytona Beach Downtown Development	0.98137	0.98166	0.99196	0.99592
Deltona Fire	1.90000	2.00000	0.00000	0.00000
Dependent:				
Fire Services	0.00000	0.00000	0.00000	0.00000
Northeast Fire Quadrant No. One	2.38000	2.49700	2.99900	2.92000
Southeast Fire Quadrant No. Two	0.94500	0.94500	1.46800	1.55000
Southwest Fire Quadrant No. Three	1.61200	1.62600	2.14900	2.52400
Northwest Fire Quadrant No. Four	1.45400	1.45400	2.07800	2.49100
Mosquito Control	0.28700	0.26200	0.23800	0.23800
Ponce Inlet and Port Authority	0.09400	0.09400	0.09300	0.09000
East Volusia Transportation District	0.00000	0.00000	0.00000	0.00000
South Peninsula Municipal Service District	1.69100	1.69100	2.21400	2.09500
North Peninsula Municipal Service District	1.40500	1.40500	1.92800	1.90000
Silver Sands/Bethune Beach Municipal Service District	0.04200	0.03400	0.03300	0.03100
West Volusia Hospital District	0.05600	0.10900	0.00000	0.00000
Deltona Municipal Service District	0.33300	0.33300	0.00000	0.00000
Total Range:				
Low	21.71500	22.81029	22.04560	21.85966
High	26.61935	27.75415	27.70363	27.40848

Source: Volusia County Tax Collector

1999	2000	2001	2002	2003	2004
10.37600	9.91700	9.15800	9.01500	8.89900	8.69900
0.48200	0.48200	0.04720	0.46200	0.46200	0.46200
0.04700	0.04400	0.04100	0.03850	0.03850	0.03850
6.37800	6.37300	6.36700	6.60400	6.60400	6.60400
6.38384	6.11686	5.80579	6.79389	6.79389	6.70279
3.57513	3.72978	3.94585	3.68231	3.68231	4.08231
3.65084	3.65699	3.54023	3.33842	3.33842	3.33842
5.25000	5.09007	5.09007	4.50000	4.50000	4.08002
4.18422	4.18499	4.59701	4.63900	4.63900	4.63900
4.19800	4.19800	4.19800	4.19800	4.19800	4.19800
4.67219	4.60315	4.59372	4.57562	4.57562	4.37904
5.28578	5.13361	4.99000	5.10000	5.10000	5.10000
6.29000	5.95000	5.95000	6.95000	6.95000	6.95000
4.37800	4.37800	4.87800	4.77800	4.77800	4.57800
5.04800	5.01400	4.95970	4.33500	4.33500	4.68590
5.49700	5.40300	5.27568	5.00000	5.00000	4.70124
5.87800	6.48700	6.44700	6.40500	6.40500	6.46900
5.37949	5.37949	5.37949	5.21700	5.21700	4.87506
4.96586	5.20000	5.20000	5.20000	5.20000	5.20000
2.58760	2.58760	2.58760	2.50746	2.50746	2.50746
1.69100	1.69100	1.69100	1.69100	1.69100	1.69100
2.15174	2.15174	2.50000	2.38000	2.38000	2.30000
2.05229	2.05229	2.52832	2.32000	2.32000	2.32000
1.60000	1.56918	1.59681	1.59680	1.59680	1.80000
0.99027	0.99216	0.97733	0.94769	0.94769	1.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	1.00000	2.49200	2.49200	2.49200	2.86680
2.92000	2.49200	0.00000	0.00000	0.00000	0.00000
1.60300	2.49230	0.00000	0.00000	0.00000	0.00000
2.52400	2.49200	0.00000	0.00000	0.00000	0.00000
2.49100	2.49200	0.00000	0.00000	0.00000	0.00000
0.23800	0.23800	0.23800	0.23800	0.23800	0.23800
0.09000	0.09000	0.09000	0.09000	0.09000	0.09000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2.09500	2.49200	0.00000	0.00000	0.00000	0.00000
1.90000	2.49200	0.00000	0.00000	0.00000	0.00000
0.03800	0.03900	0.03600	0.02620	0.02620	0.02620
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21.47060	20.97278	20.22241	20.10776	20.10776	20.11096
27.13685	26.70229	26.34602	26.45308	26.45308	26.13429

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

Fiscal Year	Total Tax Levy			Total
	General Fund	Capital Outlay	District Bonds	
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
2004	135,826,930	43,625,158	10,295,537	189,747,625

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%
130,617,632	41,951,552	9,900,784	182,469,968	96.16%	96.16%	96.17%	96.16%

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
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
2004	8.699	5.565	0.510	0.152	2.000	0.472

⁽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)

Fiscal Year	General Fund	Debt Service Funds	Capital Projects Funds	Total All Funds
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
2004	131,394,434	9,980,321	42,184,063	183,558,818

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	
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%
2004	28,045,286,601	28,617,639,389	2,294,712,821	2,341,543,695	30,339,999,422	30,959,183,084	98%

Source: Volusia County Property Appraiser

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

Fiscal Year	Amount of Residential & Commercial Construction	Real Property Taxable Value	
		Commercial	Residential
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
2004	847,369,343	6,245,924,637	16,300,037,679

Source: Volusia County Property Appraiser

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

Taxpayer	Type of Business	2003 Taxable Value*	Percent of Total Taxable Value
Florida Power & Light Co.	Electric Utility	\$ 590,252,193	2.74%
Florida Power Corporation	Electric Utility	190,312,077	0.88%
Bellsouth Telecommunications	Telecommunication	167,403,504	0.78%
Bray & Gillespie	Timeshare Investments	65,660,394	0.30%
International Speedway Corporation	Recreation	55,981,772	0.26%
Highway 92 L.L.C.	Retail Sales/Mall	51,378,048	0.24%
Wal-Mart Stores, Inc	Retail Sales	50,307,465	0.23%
TWEAN Subsidiary LLD	Entertainment/Cablevision	45,086,019	0.21%
Tyco Healthcare Group LP	Medical Supply Manufacturer	40,651,171	0.19%
Publix Super Markets, Inc	Retail Sales	31,687,440	0.15%
All Other		<u>20,251,987,711</u>	<u>94.02%</u>
Total		<u><u>\$ 21,540,707,794</u></u>	<u><u>100.00%</u></u>

*Taxes due on the 2003 Tax Roll were collected during fiscal year 2004. The total 2003 taxable value of all property was \$21,540,707,794.

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⁾
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%
2004	479,765	63,796	4.3%

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, 2004
(Unaudited)

Net assessed taxable property value 2004		<u>\$ 30,339,999,422</u>
Debt limit - 10% of net assessed taxable property value		\$ 3,033,999,942
Bond payable	\$ 28,621,970	
Less, amount available for debt service	<u>10,569,734</u>	
Total amount of debt applicable to the debt limit		<u>18,052,236</u>
Legal debt margin		<u>\$ 3,015,947,706</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, 2004
(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	\$ 28,621,970	100%	\$ 28,621,970	100%	\$ 28,621,970
County of Volusia, Florida	-	0%	-	0%	-
City of DeLand	4,229,420	0%	-	0%	4,229,420
City of Ormond Beach	10,561,000	0%	-	0%	10,561,000
City of Port Orange	<u>1,040,000</u>	0%	<u>-</u>	0%	<u>1,040,000</u>
Totals	<u><u>\$ 44,452,390</u></u>		<u><u>\$ 28,621,970</u></u>		<u><u>\$ 44,452,390</u></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⁾
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
2004	30,339,999,422	10,294,317	0.357 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
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
2004	479,765	30,339,999,422	28,621,970	10,569,734	18,052,236	0.059%	38

⁽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
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
2004	8,510,000	1,579,088	10,089,088	573,692,889	0.018

⁽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
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
2004	4,306	281	3,660	8,247	14.82	20.70

(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>
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
2004	29,050	56,490	39,436

Source: District records

District School Board of Volusia County, Florida
Transportation Performance Indicators
Last Four Fiscal Years ⁽¹⁾
(Unaudited)

Performance Measures	Benchmark	District Statistics 2001	District Statistics 2002	District Statistics 2003	District Statistics 2004
Total annual transportation cost per student	\$450 - \$500	\$516	\$484	\$507	\$596
Total annual transportation cost per special education student	\$1,500 - \$3,000	\$1,212	\$980	\$1,505	\$1,612
Average total cost per mile	\$1.85 - \$2.75	\$2.33	\$2.33	\$2.41	\$2.74
Percent of District budget spent on student transportation	4% - 5%	3.5%	3.5%	3.6%	3.6%
Average buses used to transport 100 students	.95 - 1.10	1.04	1.07	1.02	0.95
Span of control: buses managed by transportation supervisor	75 - 100	68	66	78	61.5
Spare bus ratio (by District)	10% - 12%	22%	16%	16%	21%
Average school bus fleet age (years)	6.5	6.1	7.3	6.7	6
Average school bus fleet age (meter miles)	65,000	125,700	137,506	125,618	113,624
Annual maintenance and repair cost per vehicle equivalent	\$800 - \$1,100	\$1,224	\$739	\$620	\$778
Average vehicle equivalent units maintained by each	90 - 100	63	80	82	81
Annual parts consumption per vehicle equivalent unit	\$200 - \$300	\$458	\$227	\$221	\$331
Average parts inventory value per vehicle equivalent unit	\$75 - \$150	\$170	\$169	\$143	\$122
Annual parts inventory turnover rate	4 - 8	3	3.68	3.3	4.8
Span of control: technicians to maintenance supervisors	8 - 10 to 1	10.6 to 1	7.5 to 1	7.0 to 1	7.5 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	6.5 to 1

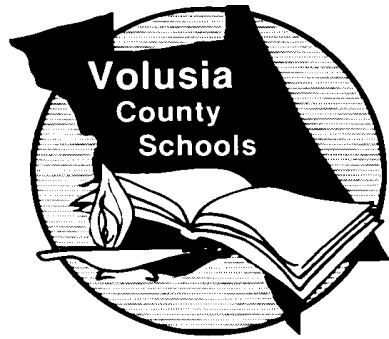
⁽¹⁾ 2001 is the first year information was available.
Source: District records

District School Board of Volusia County, Florida
Schedule of Insurance in Force
as of June 30, 2004
(Unaudited)

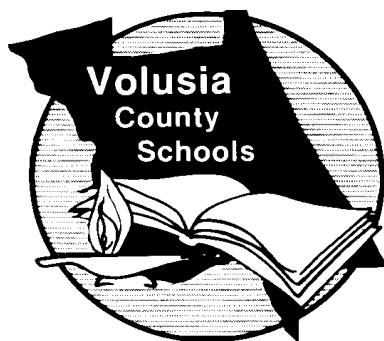
<u>Coverage Type</u>	<u>Name of Company</u>	<u>Policy Number</u>	<u>Coverage</u>	
			<u>From</u>	<u>To</u>
Boiler & machinery	Theresa Schwab Brown & Brown Insurance (386) 239-5756 CNA Insurance Company	BM1098494519	10/1/2003	9/30/2004
Employee Crime Bond	Theresa Schwab Brown & Brown Insurance (386) 239-5756 Westfield Companies	CBP 5 259 162	7/1/2001	7/1/2004
Superintendent & Board Member Bonds	Don Bramlage Brown & Brown Insurance (386) 239-5716 Continental Casualty Co.	Various	11/1/2002	11/1/2003
Catastrophic Sports Insurance	Theresa Schwab Brown & Brown Insurance (386) 239-5756 Mutual of Omaha	T5MP-079324	8/13/2003	8/13/2004
Fleet Insurance	Charles Lydecker Brown & Brown Insurance (386) 252-9601 North River (Excess)	PK FL 77 0645064 03-01	7/1/2003	7/1/2004
Flood Insurance	Theresa Schwab Brown & Brown Insurance (386) 239-5756 Omaha Property & Casualty	Multiple numbers	9/13/2003 4/18/2003	9/13/2004 4/18/2004
Property Insurance	Charles Lydecker Brown & Brown Insurance (386) 252-9601	PK FL 0645064 03-01	7/01/2003	7/01/2004
Excess Workers' Comp	Theresa Schwab Brown & Brown Insurance (386) 239-5756 North River (Excess)	PK FL 0645064 03-01	7/01/2003	7/01/2004

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 \$50,000,000 Deductible \$5,000 Water damage, ammonia contamination, Hazardous substance \$100,000	\$ 26,560
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	\$5,000,000 maximum medical \$600,000 maximum disability \$25,000 deductible	\$ 17,103
Coverage for all District owned vehicles including buses, vans and automobiles Specific liability coverage	SIR 100,000 per claimant 200,000 per occurrence 1,000,000 Coverage (900,000 excess of 100,000)	\$ 150,000
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	\$ 105,561
	Buldings & contents, earthquake, extra expense, valuable papers, auto physical damage while parked. SIR 5,000,000 named storm. Wind deductible, 100,000 AOP Inland marine 25,000, flood 5% TIV subject to maximum 1,000,000. Maximum coverage is 575,000,000 per schedule flood and earthquake 25,000,000 sublimit	\$ 1,658,672
Provides coverage for excessive claims	Retention \$300,000 Each accident/disease 1,000,000 Aggregate 1,000,000	\$ 250,000



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Single Audit Section

**District School Board of Volusia County, Florida
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2004**

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	\$ 1,290,114	\$ -
Florida Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	321	1,930,153	-
National School Lunch Program	10.555	300	7,893,710	-
Summer Food Service Program for Children	10.559	323	196,909	-
Total Child Nutrition Cluster			<u>10,020,772</u>	<u>-</u>
Child and Adult Care Food Program	10.558	302	140,426	-
Total United States Department of Agriculture			<u>11,451,312</u>	<u>-</u>
United States Department of Labor:				
Indirect:				
Workforce Development Board of Flagler and Volusia Counties, Inc.:				
WIA Youth Services	17.259	None	112,565	-
Total United States Department of Labor			<u>112,565</u>	<u>-</u>
United States Department of Education:				
Direct:				
Twenty-First Century Community Learning Centers	84.287	NA	588,315	-
Total Direct			<u>588,315</u>	<u>-</u>
Indirect:				
Special Education Cluster:				
Florida Department of Education:				
Special Education - Grants to States	84.027	262,263	12,140,503	-
Special Education - Preschool Grants	84.173	267	331,701	-
Total Special Education Cluster			<u>12,472,204</u>	<u>-</u>
Florida Department of Education:				
Adult Education-State Grant Program	84.002	191	31,038	-
Title I Grants to Local Educational Agencies	84.010	212, 223, 226	12,465,272	-
Migrant Education-State Grant Program	84.011	217	573,367	-
Vocational Education - Basic Grants to States	84.048	151	730,246	-
Immigrant Education	84.162	136	-	-
Safe and Drug-Free Schools and Communities - State Grants	84.186	103	546,657	-
Education for Homeless Children and Youth	84.196	127	61,945	-
Fund for the Improvement of Education	84.215		296,762	-
Tech-Prep Education	84.243	157	501,145	53,089
Goals 2000-State and Local Education Systemic Improvement Grants	84.276	133	46,213	-
School-to-Work Opportunities	84.278	406	-	-
Eisenhower Professional Development State Grants	84.281	224	-	-
Charter Schools	84.282	298	351,203	351,203
State Grants for Innovative Programs	84.298	113	428,379	-
Education Technology State Grants	84.318	121, 122	696,555	-
Comprehensive School Reform Demonstration	84.332	128, 129	695,001	-
Reading Excellence	84.338	138	-	-
Transition to Teaching	84.350		38,914	-
School Renovation, IDEA, and Technology Grant	84.352		2,095,400	-
Reading First State Grants	34.357	211, 213	1,112,384	-
English Language Acquisition Grants	84.365	102	200,499	-
Improving Teacher Quality State Grants	84.367	224	2,407,712	-
Total Indirect			<u>35,750,896</u>	<u>404,292</u>
Total United States Department of Education			<u>36,339,211</u>	<u>404,292</u>
Corporation for National and Community Service:				
Indirect:				
Florida Department of Education:				
Learn and Serve America - School and Community Based Programs	94.004	234	14,886	-
Total Corporation for National and Community Service			<u>14,886</u>	<u>-</u>
United States Department of Defense:				
Direct:				
Air Force Junior Reserve Officers Training Corps	None	NA	191,428	-
Army Junior Reserve Officer Training Corps	None	NA	47,701	-
Total United States Department of Defense			<u>239,129</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 48,157,103</u>	<u>\$ 404,292</u>

District School Board of Volusia County, Florida
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2004

1. Summary of Significant Accounting Policies

Basis of Presentation

The Schedule of Expenditures of Federal Awards represents amounts expended from Federal programs during the 2003-04 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 2003-04 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.

Report of Independent Certified Public Accountants on Compliance
with Requirements Applicable to Each Major Federal Awards Program
and Internal Control Over Compliance in Accordance with
OMB Circular A-133

Members of the School Board
District School Board of Volusia County

Compliance

We have audited the compliance of District School Board of Volusia County (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal awards programs for the year ended June 30, 2004. The District's major federal awards programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal awards programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal awards programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal awards 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 awards 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 would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud that would be material in relation to a major federal awards 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 management, the school board, the Auditor General, State of Florida and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



October 15, 2004

District School Board of Volusia County
Schedule of Findings and Questioned Costs

For the year ended June 30, 2004

Part I—Summary of Auditor’s Results

Financial Statement Section

Type of auditor’s report issued: Unqualified Opinion

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes _____ X No

Reportable condition(s) identified not considered to be material weaknesses? _____ Yes _____ X No

Noncompliance material to financial statements noted? _____ Yes _____ X No

Federal Awards Section

Dollar threshold used to determine Type A programs: \$1,444,713

Auditee qualified as low-risk auditee? _____ X Yes _____ No

Type of auditor’s report on compliance for major programs: Unqualified Opinion

District School Board of Volusia County

Schedule of Findings and Questioned Costs (continued)

Federal Awards Section (continued)

Internal Control over compliance:

Material weakness(es) identified?	_____ Yes	___X___ No
Were reportable condition(s) identified not considered to be material weakness(es)?	_____ Yes	___X___ No
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section 510(a))?	_____ Yes	___X___ No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster
84.352	School Renovation, IDEA and Technology Grant

District School Board of Volusia County

Schedule of Findings and Questioned Costs (continued)

Part II—Schedule of Financial Statement Findings

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance and other matters related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

No reportable conditions, material weakness, or instances of noncompliance, including questioned costs and other matters, related to the financial statements were noted.

District School Board of Volusia County

Schedule of Findings and Questioned Costs (continued)

Part III—Schedule of Federal Award Findings and Questioned Costs

This section identifies reportable conditions, material weaknesses, and instances of noncompliance, including questioned costs and other matters, related to the audit of major federal programs, as required to be reported by Circular A-133 section .510.

No reportable conditions, material weakness, or instances of noncompliance, including questioned costs and other matters, related to major federal programs were identified.

District School Board of Volusia County
Summary Schedule of Prior Audit Findings

For the year ended June 30, 2004

<u>Finding Number</u>	<u>Program/Requirement</u>	<u>Description</u>	<u>Status</u>
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N/A, no prior year findings noted.

Report of Independent Certified Public Accountants on Internal Control
Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Basic Financial Statements Performed in Accordance
with *Government Auditing Standards*

Members of the School Board
District School Board of Volusia County

We have audited the accompanying basic financial statements of District School Board of Volusia County (the District) as of June 30, 2004, and have issued our report thereon dated October 15, 2004. We conducted our audit 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. We did not audit the financial statements of the school internal funds, reported as an agency fund in the accompanying financial statements which represents 8% of the assets and 0% of revenues, respectively, of the aggregate remaining fund information.. In addition, we did not audit the financial statements the Reading Edge Academy, Inc., the Chiles Academy, Inc. (the Charter Schools) which represent 100 percent of the assets and revenues of the charter schools component units column or the Volusia County Education Direct-Support Organization, Inc. (the Foundation). Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units and the agency funds, is based solely on the reports of those auditors.

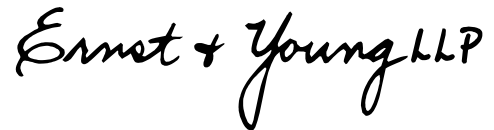
Internal Control over Financial Reporting

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 opinion on the basic financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 misstatements caused by error or fraud 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. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the District in a separate letter dated October 15, 2004.

Compliance and Other Matters

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

This report is intended for the information of school board management and the Auditor General, State of Florida, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



October 15, 2004