

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of

The School District of
Hillsborough County, Florida

For the

Fiscal Year Ended June 30, 2003



Issued by:

Earl J. Lennard, Ph.D., Superintendent of Schools

Prepared by:

Division of Business

Michael K. Bookman, Ph.D., Chief Business Officer

Ed Nicholson, Supervisor of Accounting

The School District of Hillsborough County
901 East Kennedy Boulevard
Tampa, Florida 33601



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
For the Fiscal Year Ended June 30, 2003**

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>PAGE</u>
Letter of Transmittal.....	i - v
Principal Officials - Elected	vi
Other Principal Officials - Appointed.....	vii
Organizational Chart	viii
Certificate of Achievement	ix
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis (unaudited).....	3 - 9
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets.....	13
Statement of Activities.....	14 - 15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16 - 17
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Assets	19
Statement of Revenues, Expenditures and Changes In Fund Balances – Governmental Funds	20 - 23
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities.....	25
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – General Fund	26 - 27
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Major Special Revenue Fund – Contracted Services ..	28 - 29

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
For the Fiscal Year Ended June 30, 2003**

TABLE OF CONTENTS

<u>FINANCIAL SECTION (continued)</u>	<u>PAGE</u>
Basic Financial Statements (continued)	
Statement of Net Assets – Proprietary Funds	30
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	31
Statement of Cash Flows – Proprietary Funds	32
Statement of Fiduciary Net Assets – Fiduciary Funds	33
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	34
Notes to Financial Statements	35 - 64
Required Supplementary Information (unaudited)	
Schedule of Funding Progress	65
Schedule of Employer Contributions	66
Other Supplementary Information	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Non Major Governmental Funds	70 - 73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non Major Governmental Funds	74 - 77
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Non Major Special Revenue Funds	79
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Debt Service Funds	80 - 83
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Capital Projects Funds	84 - 89
Combining Statement of Net Assets – Internal Service Funds	92 - 93
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	94 - 95
Combining Statement of Cash Flows – Internal Service Funds	96 - 97

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
For the Fiscal Year Ended June 30, 2003**

TABLE OF CONTENTS

<u>FINANCIAL SECTION (continued)</u>	<u>PAGE</u>
Component Units:	
Statement of Net Assets – Discretely Presented Component Units	100 - 101
Statement of Activities – Discretely Presented Component Units	102 - 103
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules by Source	106
Schedule by Function and Activity	107
Schedule of Changes by Function and Activity	108
<u>STATISTICAL SECTION (UNAUDITED)</u>	
General Fund Results of Operations	110 - 111
Tax Levies and Tax Collection	112 - 113
County-Wide Ad Valorem Tax Collections	114 - 115
Taxable Value for Operating Millages	116 - 117
Property Tax Millages – County and Overlapping Governmental Entities	118 - 119
Comparative Ratios of Bonded Debt to Taxable Values and Bonded Debt Per Capita	120 - 121
Legal Debt Margin	122
Computation of Direct and Overlapping General Obligation Debt	123
Ratio of Annual General Bonded Debt to Total General Fund Expenditures and Other Uses	124
Demographic Statistics	125 - 126
Housing and Construction	127
Banking	128
Major Property Taxpayers	129

COMPREHENSIVE ANNUAL FINANCIAL REPORT
SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
For the Fiscal Year Ended June 30, 2003

TABLE OF CONTENTS

<u>STATISTICAL SECTION (UNAUDITED) (continued)</u>	<u>PAGE</u>
School Facilities and Personnel	130 - 131
Largest United States School Districts.....	132 - 133
Miscellaneous Statistics.....	134 - 147

Introductory Section



School District of Hillsborough County

Hillsborough County School Board

Glenn Barrington, Chairman
Candy Olson, Vice-Chairman
Carolyn Bricklemeyer
Jennifer Faliero
Carol W. Kurdell
Jack R. Lamb, Ed.D.
Doris Ross Reddick



Superintendent of Schools
Earl J. Lennard, Ph.D.

Chief of Staff
James P. Hamilton, Ph.D.

Chief Business Officer
for Division of Business
Michael K. Bookman, Ph.D.

December 9, 2003

Dear Chairman Barrington and School Board Members:

The Comprehensive Annual Financial Report ("CAFR") of the School District of Hillsborough County, Florida, (the District) for the fiscal year ended June 30, 2003 is hereby submitted. These financial statements are presented in conformity with generally accepted accounting principles (GAAP) and are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the District's management. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed 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 comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District's financial statements have been audited by KPMG LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2003, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used

and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the District's financial statements for the fiscal year ended June 30, 2003, are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

GAAP requires 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), which should be read in conjunction with the financial statements. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The District School Board of Hillsborough County, Florida has direct responsibility for the operation, control, and supervision of District schools and is considered a primary government for financial reporting purposes. The Hillsborough County School District is a part of the Florida system of public education. The governing body of the school district is the Hillsborough County District School Board that is composed of seven (7) elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Hillsborough County.

The CAFR contains the audited financial statements for all operations over which the School Board is financially accountable. Various potential component units were evaluated to determine whether they should be considered as part of the District's reporting entity. Accordingly, the financial statements include the Hillsborough Leasing Corporation (the Corporation). The Corporation was formed by the School Board solely for the purpose of acting as lessor, with the School Board acting as lessee, to finance the acquisition and/or construction of certain facilities, vehicles and equipment to be used in district operations. The members of the School Board serve as the Board of Directors of the Corporation. In addition, included in the reporting entity is the Hillsborough Education Foundation (the Foundation), a broadly based, non-profit direct-support organization of the School Board, and the Charter Schools that are separate not for profit corporations organized under Section 1002.33, Florida Statutes. Both the Foundation and the Charter Schools are included as discretely presented component units in the accompanying financial statements. Additional information on these component units can be found in the notes to the financial statements.

The District provides a full range of educational programs in Hillsborough County. These include early childhood, kindergarten through 12th grade, basic and enriched programs, and exceptional student education. The District also provides vocational and adult programs.

Hillsborough County is the 3^d largest school district in Florida and the 10th largest in the United States with over 170,000 K-12 students. The District is growing by an average of 5,000 new students each year.

The annual budget serves as the foundation for the District's financial planning and control. The District establishes and maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds are included in the annual appropriations budget. Although project length financial plans are adopted for the capital project funds, the funding is contingent upon the annual budget adoption. Budgetary control is maintained for individual accounts or group of accounts within each school or department through the use of an encumbrance accounting system. This process tests for availability of funds, which precludes a requisition for services, equipment, supplies or materials from becoming a purchase order if the account would be overspent.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Economy. While the District is heavily reliant upon state funding for the core of the educational programs within the District, and while the economic conditions of the nation and state interact with state funding adequacy and availability, the economic outlook for the District is consistent with the national situation. Florida is a high-growth state and will continue in that manner for years into the future. This growth will insure available funds sufficient to meet the minimum needs of the District. The State of Florida is heavily dependent upon sales tax collections and tourism. In addition, the community within the District is wholly supportive of the educational program, as evidenced by the contribution of money, time and effort. Any funding fluctuations will mean that new programs, innovative initiatives and educational enhancements may not be available within the desired time frames, but the positive improvements will continue to occur.

In addition, the Board, Superintendent and staff are acutely aware of the perils of interrupted revenue receipts. Prudent business practices, accompanied by statutes mandating balanced budgets, result in continual review of the financial condition of the District.

Cash Management Policies and Practices. The goal of the District is to maximize yield and minimize risk of invested funds. By policy all idle funds may only be invested with the State Board of Administration in the local government surplus trust funds or with a local intergovernmental pool. State Statutes limit the investment vehicles that may be utilized to United States Government obligations. Idle funds in bank accounts are, under the terms of a banking contract, invested in government securities that must provide a minimum of the federal funds overnight interest rate.

Risk Management. The primary method of risk financing is the self-insurance programs reported in the internal service funds. The fund provides a maximum of \$200,000 for each auto and general liability claim and \$100,000 to \$500,000 for each worker's compensation claim. The District purchases blanket commercial insurance for excess claims liability for worker's compensation. By State Statute \$200,000 is generally the maximum the Board can be liable for auto and general liability claims.

It should be noted that as a result of an actuarial study of the various self-insurance programs it was determined that the funded reserves are not adequate to cover the liabilities recorded. As a result of these studies and projections, the management of the District has embarked on a long range plan to fund the self-insurance programs at a pace necessary to provide for current claims and to accumulate funds adequate to provide the reserves indicated by the actuarial study. While a concern to the District and certainly an issue to be resolved, the immediate impact is negligible on current operations. The long-range plan will provide the resources necessary to bring solvency to the fund.

Pension and Other Post Employment Benefits. The District participates in the Florida Retirement System, which is a State administered cost-sharing multiple-employee defined benefit retirement plan. The District, in addition to participating in the Florida Retirement System, has established a non-contributory Supplemental Early Retirement Plan. In fiscal year 2003 there were 391 retirees and beneficiaries receiving benefits. The actuarial determined contribution made to the plan for fiscal 2003 was approximately \$1.309 million.

Awards and Acknowledgements.

The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2002. This was the second consecutive year that the District received this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

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

Sincerely yours,

Earl J. Lennard
Superintendent of Schools

Michael K. Bookman, Chief Business Officer
Business Division

Ed Nicholson
Supervisor of Accounting

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

Principal Officials - Elected

Board Members – Terms of Office

As of December 9, 2003

Mr. Glenn Barrington, Chairman

Member from District 1

Present term began

November, 2000

Present term expires

November, 2004

Began as a Board member

November, 1988

Mrs. Candy Olson, Vice-Chairman

Member from District 2

Present term began

November, 2002

Present term expires

November, 2006

Began as a Board member

November, 1994

Mrs. Carolyn Bricklemyer

Member from District 6 (at large)

Present term began

November, 2002

Present term expires

November, 2006

Began as a Board member

November, 1994

Mrs. Jennifer Faliero

Member from District 4

Present term began

November, 2002

Present term expires

November, 2006

Began as a Board member

November, 2002

Mrs. Carol W. Kurdell

Member from District 7 (at large)

Present term began

November, 2000

Present term expires

November, 2004

Began as a Board member

November, 1992

Mr. Jack R. Lamb, Ed.D.

Member from District 3

Present term began

November, 2000

Present term expires

November, 2004

Began as a Board member

November, 2000

Mrs. Doris Ross Reddick

Member from District 5

Present term began

November, 2000

Present term expires

November, 2004

Began as a Board member

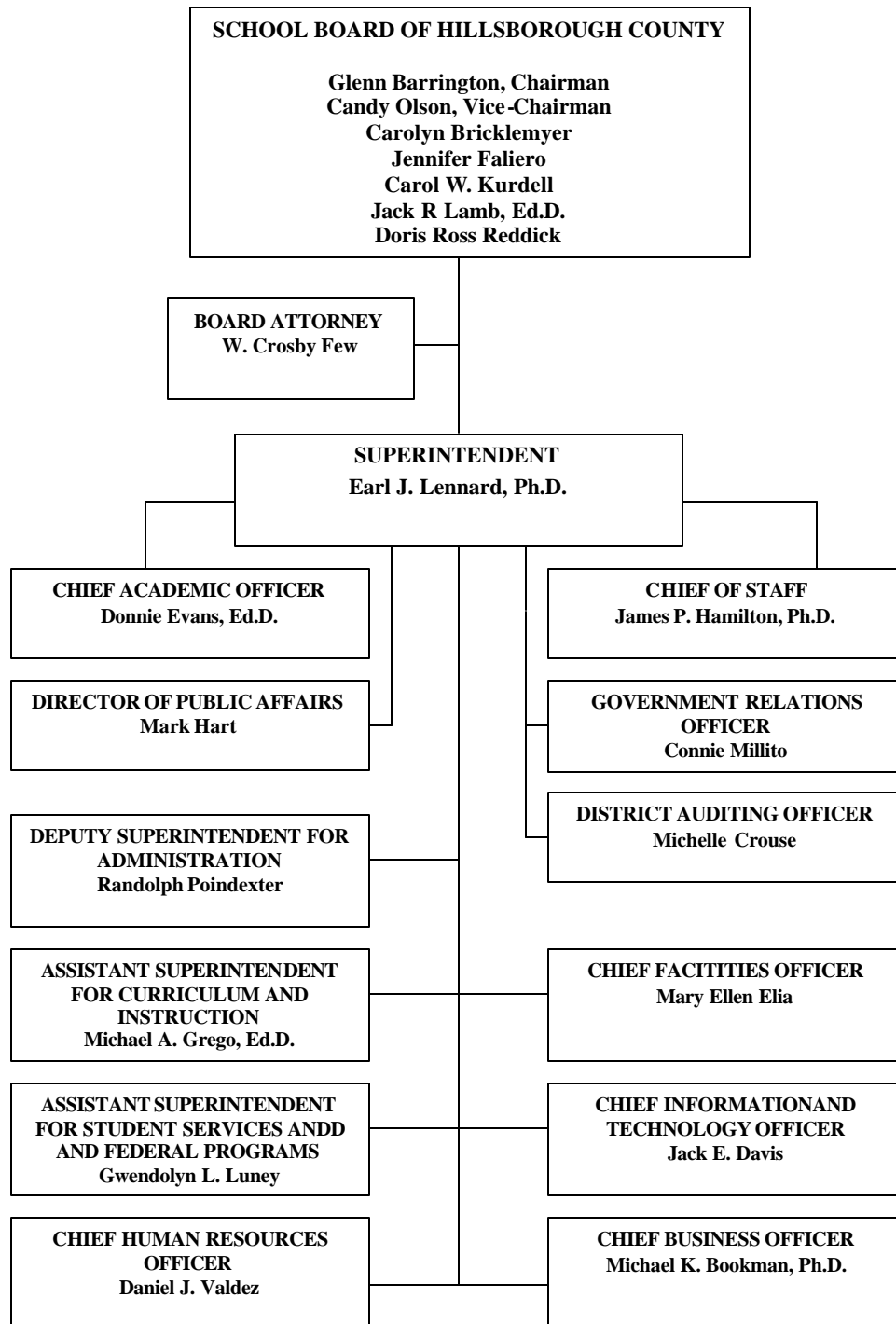
November, 1992

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

Other Principal Officials - Appointed
As of December 9, 2003

<u>Name</u>	<u>Title</u>
Earl J. Lennard, Ph.D.	Superintendent of Schools
James P. Hamilton, Ph.D.	Chief of Staff
Randolph Poindexter	Deputy Superintendent for Administration
Michael K. Bookman, Ph.D.	Chief Business Officer
Donnie W. Evans, Ed.D.	Chief Academic Officer
Jack E. Davis	Chief Information and Technology Officer
Daniel J. Valdez	Chief Human Resources Officer
Gwendolyn L. Luney	Assistant Superintendent for Student Services and Federal Programs
Michael A. Grego, Ed.D.	Assistant Superintendent for Curriculum and Instruction
Mary Ellen Elia	Chief Facilities Officer

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
ORGANIZATIONAL CHART
AS OF DECEMBER 9, 2003



Certificate of Achievement for Excellence in Financial Reporting

Presented to
School District of
Hillsborough County,
Florida

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

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



President

Executive Director



Financial Section





P.O. Box 1439
Tampa, FL 33601-1439

Independent Auditors' Report

Honorable Chairperson and Members of the School Board
School District of Hillsborough County, Florida:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Hillsborough County, Florida (the District), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2003 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



KPMG LLP KPMG LLP a U.S. limited liability partnership, is
a member of KPMG International, a Swiss association.

The management's discussion and analysis and schedules of employer contributions and funding progress, on pages 3 through 9, and 65 through 66 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplemental information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

October 10, 2003

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2003

The School District of Hillsborough County's (the "District") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's financial statements (beginning on page 13). All amounts unless otherwise indicated, are expressed in thousands of dollars.

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 have three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the District's finances in a manner similar to the corporate private sector. Governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

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. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term obligations. Over time, increases and 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 District's net assets changed during the most recent fiscal year. All changes in net assets are reported when the underlying obligation/event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities and/or component units.

The government-wide financial statements include not only the District but its component units as well. The Hillsborough School Board Leasing Corporation, although also legally separate, functions for all practical purposes, as a department of the District, and therefore has been included as an integral part of the primary government. The Hillsborough County Education Foundation and several separate charter schools for which the District is financially accountable are included as discretely presented component units.

The government wide-financial statement can be found on pages 13 - 15 of this report.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2003

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. 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. Funds are established for various purposes and the Fund Financial Statement allows the demonstration of sources and uses and/or budgetary compliance associated therewith (beginning on page 16). All funds of the district can be divided into three major 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, the governmental funds focus on the sources and uses of liquid resources and balances of spendable resources available at the end of the fiscal year.

This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Because the focus is narrower than that of government-wide financial statements, it is useful to compare it to the information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Reconciliation between the government-wide and the governmental fund financial information is necessary because of the different measurement focus (current financial resources versus total economic resources); such reconciliation is reflected on the page following each statement (see pages 19 and 25). The flow of current financial resources reflect bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligations (bonds and others) into the governmental activities column in the government-wide statements.

The District maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Contracted Services Fund, Sales Tax Bond Revenue Fund, Certificates of Participation Fund and Other Capital Projects Fund that are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for all of its governmental funds.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2003

Proprietary Funds

The District maintains an internal service fund as its only proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its group health, workers compensation, and liability self-insurance activities. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund statements can be found on pages 30 – 32.

Fiduciary Funds

The District is the trustee, or fiduciary, for its employee pension plans. It is also responsible for other assets that, because of a trust agreement, can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The District excludes these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

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 page 35 – 64 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of an entities financial position. In the case of the District, assets exceeded liabilities by \$885,268 at the end of the current fiscal year.

By far the largest portion of the District's net assets (86 percent) reflects its investment in capital assets (e.g. land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidated these liabilities.

	Governmental Activities 2003	Governmental Activities 2002
Current and other assets	\$ 637,090	\$ 684,143
Capital assets	1,431,636	1,286,880
Total assets	<u>2,068,726</u>	<u>1,971,023</u>
Long-term liabilities outstanding	1,065,403	1,037,538
Other liabilities	118,055	118,716
Total liabilities	<u>1,183,458</u>	<u>1,156,254</u>
Net assets:		
Invested in capital assets, net of related debt	764,742	667,789
Restricted	205,477	263,083
Unrestricted (deficit)	<u>(84,951)</u>	<u>(116,103)</u>
Total Net Assets	<u>\$ 885,268</u>	<u>\$ 814,769</u>

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2003

An additional portion of the District assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is a deficit of (\$84,951). Unrestricted net assets may be used to meet the government's on going obligations to citizens and creditors. The primary reason for the deficit unrestricted net assets is the accrual of \$134,712 of compensated absences, which will be paid out in future years.

The District's net assets increased by \$70,499 during the current year and the unrestricted net assets increased by \$31,152. The increase in net assets is due in part to the increase of capital assets. The increase in unrestricted net assets is also due to the one time infusion of revenue of an exclusive beverage contract as well as the decrease of compensated absences. The decrease in compensated absences is attributable to the original group of employees that took advantage of the Deferred Retirement Option Program (DROP), and the change in terminal pay out. Terminal pay is now paid into a pre-tax account for the retirees, thus saving the District certain fringe benefit payments.

Governmental Activities

Governmental activities increased the District's net assets by \$70,499. Key elements of this increase are as follows:

	Governmental Activities <u>2003</u>	Governmental Activities <u>2002</u>
Revenues:		
Program revenues:		
Charges for services	\$ 41,523	\$ 37,130
Operating grants and contributions	71,337	70,064
Capital grants and contributions	46,306	42,535
General revenues:		
Property taxes, levied for operational purposes	284,693	266,113
Property taxes, levied for debt service	9,373	8,800
Property taxes, levied for capital projects	89,142	83,407
Local sales taxes	20,405	20,218
Grants and contributions not restricted to specific programs	779,791	721,444
Investment earnings	10,359	17,168
Miscellaneous	26,643	16,919
Total revenues	<u>1,379,572</u>	<u>1,283,798</u>
Expenses:		
Instructional services	658,217	617,263
Instructional support services	121,706	118,208
Pupil transportation services	52,566	47,287
Operation and maintenance of plant	101,149	86,185
Facilities acquisition and construction	94,213	59,156
School administration	67,670	63,904
General administration	46,001	55,534
Food services	68,128	61,907
Community services and other	54,732	51,253
Interest on long term debt	44,191	40,385
Unallocated depreciation	500	1,532
Total expenses	<u>1,309,073</u>	<u>1,202,614</u>
Increase in net assets	70,499	81,184
Net assets Beginning of Year	814,769	733,585
Net assets End of Year	<u>\$ 885,268</u>	<u>\$ 814,769</u>

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2003

Property taxes increased by \$24,888. This is due to the increase in the assessed value of property and the continued growth and new construction in Hillsborough County.

Grant and contribution revenue increased by 58,347, mostly due to the increase of three ongoing grants; Improving Teacher Quality, Title 1 , and the Individual with Disabilities Education Act, and the continued proactive grant application team which aggressively seeks grant funding

For the most part the increase in expenses is due to the continued growth of the District in both urban and rural areas. The District continues to grow at an accelerated rate, requiring additional schools, teachers and support personnel to meet the needs of additional students.

Financial Analysis of the District's 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 \$573,968, a decrease of \$53,857 over the prior year. Of this total amount \$390,673 constitutes unreserved fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$113,663) 2) to pay debt service (\$51,637), 3) to complete State carryover programs (\$5,589) 4) to complete other committed projects (\$10,711) and 5) reserve for inventory (\$1,695).

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 \$45,427, while total fund balance was \$71,524. The fund balance of the District's general fund increased by \$27,945 during the current fiscal year. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 4.76 percent of total general fund expenditures, while total fund balance represents 7.5 percent of that same amount.

The contracted services fund had a large increase in revenue due to the increase of several ongoing grants and the addition of new ones.

The debt service funds have a total fund balance of \$51,637, all of which is reserved for the payment of debt service. The net increase in fund balance in the debt service funds was minimal (1,000).

The Certificate of Participation fund (COPS) received an additional \$61,885 due to the issuance of the Series 2002 Certificates of Participation. However, the fund balance decreased by \$36,579 as the proceeds from the issuance was offset by expenditures of \$96,254.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2003

General Fund Budgetary Highlights

During the fiscal year, the District revises its budget and brings amendments to the Board on a monthly basis. These amendments are needed to adjust to actual revenues and direct resources where needed. The Board approves the final amendment to the budget after year-end.

There were revisions made to the 2002-2003 general fund original budget. These revisions were due to a variety of situations, which included a voter approved class size reduction amendment in November 2002 and a reorganization of senior staff. The District increased by 5,200 new students over the previous school year and opened eleven new schools. The actions to reduce district expenditures were approved by the Board and implemented through out the year.

Budgeted expenditures decreased \$5.1 million from the original budget to the final amended budget because of district wide reductions approved and implemented by the Board through out the year.

Actual expenditures were \$48.5 million below the final amended budget. This amount reflects only 5% of the final budget. In the normal course of business, some of the budget is left unspent, primarily due to temporarily unfilled positions. Actual expenditures for Instruction were more than \$27 million below budgeted levels.

Capital Assets and Debt Administration

Capital Assets

The Districts investment in capital assets for its governmental activities as of June 30, 2003, amounts to \$1,431,636 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, improvements other than buildings, buildings and fixed equipment, furniture, fixtures and equipment, motor vehicles, and computer equipment.

	Governmental Activities <u>2003</u>	Governmental Activities <u>2002</u>
Land	\$ 95,127	\$ 87,578
Land improvements	22,103	14,827
Improvements other than buildings	51,195	39,146
Buildings and systems	1,068,965	897,962
Furniture, fixtures and equipment	52,802	45,078
Motor vehicles	19,450	19,268
Property under capital lease	201	373
Computer software	4,515	5,923
Construction in progress	<u>117,278</u>	<u>176,725</u>
Total capital assets	\$ <u>1,431,636</u>	\$ <u>1,286,880</u>

This years additions of \$215,971 included the construction of eleven (11) new schools which opened in fiscal year 2003, five (5) schools which are to be opened in 2004 and several major expansion and renovation projects.

See the notes to the financial statements for more information on the District's capital assets.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2003

Long Term Debt

At the end of the current fiscal year the District had total debt outstanding of \$959,977, which is net of unamortized bond premiums of \$8,692.

	<u>2003</u>	<u>2002</u>
Notes payable	\$ 4,124	\$ 6,323
Obligations under capital leases	62	309
Bonds payable	322,183	338,628
Certificates of participation	<u>633,608</u>	<u>581,353</u>
Total long term debt	\$ <u>959,977</u>	\$ <u>926,613</u>

The District's total debt increased by \$33,364 during the current fiscal year. The key factor in this increase was the issuance of the following:

- \$64,010 Certificates of Participation, Series 2002, which will be used for the construction of schools.

The District has been given the following bond ratings:

	<u>General Obligation Bonds</u>	
	<u>Insured</u>	<u>Underlying</u>
Moody's	Aaa	Aa3
Standard & Poors	AAA	AA
Fitch IBCA	AAA	AA-
	<u>Sales Tax Revenue Bonds</u>	
	<u>Insured</u>	<u>Underlying</u>
Moody's	Aaa	A2
Standard & Poors	AAA	A
Fitch IBCA	AAA	A
	<u>Certificates of Participation</u>	
	<u>Insured</u>	<u>Underlying</u>
Moody's	Aaa	A1
Standard & Poors	AAA	AA-
Fitch IBCA	AAA	A+

See the notes to the financial statements for more information on the District's long-term debt.

Requests for Information

This financial report is designed to provide a general overview of the School District of Hillsborough County's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Accounting Department, 901 E. Kennedy Blvd. Tampa, Florida, 33602.





BASIC FINANCIAL STATEMENTS



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF NET ASSETS

JUNE 30, 2003

(amounts expressed in thousands)

	Primary Government	
	Governmental Activities	Component Units
ASSETS:		
Cash	\$ 4,428	\$ 2,355
Investments	578,972	1,977
Accounts receivable, net	6,430	630
Due from other governmental agencies	34,240	732
Inventories	2,684	-
Deferred charges	10,336	-
Prepaid items	-	2,251
Capital Assets (net of accumulated depreciation):		
Land	95,127	1,510
Land Improvements	22,103	11
Construction in progress	117,278	2,134
Improvements other than buildings	51,195	28
Buildings and systems	1,068,965	3,027
Furniture, fixtures and equipment	52,802	616
Motor vehicles	19,450	169
Property under capital leases	201	-
Audio visual materials	-	2
Computer software	4,515	3
Total assets	<u>\$ 2,068,726</u>	<u>\$ 15,445</u>
LIABILITIES		
Accounts payable	\$ 13,658	\$ 1,334
Salaries and wages payable	-	75
Accrued payroll taxes and withholdings	1,597	-
Accrued interest	20,163	-
Due to other governmental agencies	1,729	-
Deposits payable	208	-
Deferred revenue	12,439	-
Estimated unpaid claims	28,619	-
Other liabilities	-	331
Noncurrent liabilities:		
Due within one year	40,227	128
Due in more than one year	1,064,818	4,038
Total liabilities	<u>1,183,458</u>	<u>5,906</u>
NET ASSETS		
Invested in capital assets, net of related debt	764,742	3,356
Restricted for:		
Categorical carryover programs	5,589	-
Debt service	31,475	-
Capital outlay	155,629	810
Other purposes	12,784	4,689
Unrestricted (deficit)	(84,951)	684
Total net assets	<u>885,268</u>	<u>9,539</u>
Total liabilities and net assets	<u>\$ 2,068,726</u>	<u>\$ 15,445</u>

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
Primary government:		
Governmental activities:		
Instructional services	\$ 658,217	\$ 9,457
Instructional support services	121,706	-
Pupil transportation services	52,566	2,088
Operation and maintenance of plant	101,149	-
Facilities acquisition and construction	94,213	-
School administration	67,670	-
General administration	46,001	-
Food services	68,128	29,978
Community services and other	54,732	-
Interest on long-term debt	44,191	-
Unallocated depreciation expense	500	-
Total governmental activities and primary government	<u>\$ 1,309,073</u>	<u>\$ 41,523</u>
Component units:		
Foundation and charter schools	\$ 18,439	\$ 108
Total component units	<u>\$ 18,439</u>	<u>\$ 108</u>

General Revenues:

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 - beginning

Net assets - ending

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

Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units
\$ -	\$ -	\$ (648,760)	\$ -
-	-	(121,706)	-
33,061	-	(17,417)	-
-	-	(101,149)	-
-	46,293	(47,920)	-
-	-	(67,670)	-
-	-	(46,001)	-
38,276	-	126	-
-	-	(54,732)	-
-	13	(44,178)	-
-	-	(500)	-
<u>\$ 71,337</u>	<u>\$ 46,306</u>	<u>\$ (1,149,907)</u>	<u>\$ -</u>
 \$ 1,126	 \$ 800	 -	 (16,405)
<u>\$ 1,126</u>	<u>\$ 800</u>	<u>-</u>	<u>(16,405)</u>
		284,693	-
		9,373	-
		89,142	-
		20,405	-
		779,791	17,111
		10,359	286
		26,643	163
		<u>1,220,406</u>	<u>17,560</u>
		70,499	1,155
		814,769	8,384
		<u>\$ 885,268</u>	<u>\$ 9,539</u>

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**BALANCE SHEET****GOVERNMENTAL FUNDS****JUNE 30, 2003****(amounts expressed in thousands)**

	General	Contracted Services	Certificates Of Participation
ASSETS			
Cash	\$ 2,370	\$ 1,572	\$ 17
Investments	63,167	1,856	119,249
Accounts receivable	4,647	3	13
Due from other governmental agencies	3,176	2,727	-
Due from other funds	9,111	233	2,121
Inventories	1,695	-	-
Total assets	<u>\$ 84,166</u>	<u>\$ 6,391</u>	<u>\$ 121,400</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 4,704	\$ -	\$ 7
Payroll deductions and withholdings	1,598	-	-
Due to other funds	3,138	2,848	2,691
Due to other agencies	1,552	10	-
Deposits payable	203	-	-
Deferred revenue	1,447	3,533	-
Total liabilities	<u>12,642</u>	<u>6,391</u>	<u>2,698</u>
Fund balances			
Reserved for:			
State categorical carry-over programs	5,589	-	-
Encumbrances	8,102	-	13,608
Inventories	1,695	-	-
Debt service	-	-	-
Other purposes	10,711	-	-
Unreserved, reported in:			
General fund	45,427	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	105,094
Total fund balances	<u>71,524</u>	<u>-</u>	<u>118,702</u>
Total liabilities and fund balances	<u>\$ 84,166</u>	<u>\$ 6,391</u>	<u>\$ 121,400</u>

Sales Tax Bond Revenue	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 101	\$ 253	\$ 4,313
216,844	40,206	103,245	544,567
1	108	543	5,315
-	1,689	25,897	33,489
187	2,451	6,027	20,130
-	-	989	2,684
<u>\$ 217,032</u>	<u>\$ 44,555</u>	<u>\$ 136,954</u>	<u>\$ 610,498</u>
\$ -	\$ -	\$ 158	\$ 4,869
-	-	-	1,598
2,027	2,019	8,724	21,447
-	166	-	1,728
-	6	-	209
-	-	1,699	6,679
<u>2,027</u>	<u>2,191</u>	<u>10,581</u>	<u>36,530</u>
-	-	-	5,589
70,792	10,659	10,502	113,663
-	-	-	1,695
-	-	51,637	51,637
-	-	-	10,711
-	-	-	45,427
-	-	1,900	1,900
144,213	31,705	62,334	343,346
215,005	42,364	126,373	573,968
<u>\$ 217,032</u>	<u>\$ 44,555</u>	<u>\$ 136,954</u>	<u>\$ 610,498</u>



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
For the Fiscal Year Ended June 30, 2003
(amounts expressed in thousands)**

Total Fund Balances - Governmental Funds \$ 573,968

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 1,431,636

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. 10,336

Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. (5,464)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. (1,105,045)

Accrued interest on long-term liabilities is not due and payable in the current period and therefore, is not reported in the funds. (20,163)

Total Net Assets - Governmental Activities \$ 885,268

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(amounts expressed in thousands)**

	General	Contracted Services	Certificates Of Participation
REVENUES			
Local sources:			
Ad valorem taxes	\$ 284,693	\$ -	\$ -
Local sales tax	-	-	-
Food services	-	-	-
Interest income	1,336	-	3,102
Other	28,116	4,074	4
Total local sources	314,145	4,074	3,106
State sources:			
Florida education finance program	531,108	-	-
Public education capital outlay	-	-	-
Categorical programs	80,916	-	-
Workforce development	30,556	-	-
Food services	-	-	-
Other	8,547	2,908	-
Total state sources	651,127	2,908	-
Federal sources:			
Food service	-	-	-
Federal grants direct	877	7,288	-
Federal grants through state	3,923	136,130	-
Federal grants through local	-	9,556	-
Total federal sources	4,800	152,974	-
Total revenues	970,072	159,956	3,106
EXPENDITURES			
Current:			
Instructional services:			
Basic programs	434,861	50,510	-
Exceptional child programs	112,225	9,678	-
Adult and vocational technical programs	46,876	2,318	-
Total instructional services	593,962	62,506	-
Instructional support services:			
Pupil personnel services	42,645	14,415	-
Instructional media services	19,389	2,297	-
Instruction and curriculum development services	18,360	17,090	-
Instructional staff training services	3,829	4,096	-
Total instructional support services	84,223	37,898	-
Pupil transportation services	49,533	776	-
Operation and maintenance of plant:			
Operation of plant	78,762	152	-
Maintenance of plant	22,940	11	-
Total operation and maintenance of plant	101,702	163	-
School administration	69,931	148	-
General administration:			
Central services	22,910	351	-
Board of education	4,686	-	-
General administration	5,058	2,930	-
Fiscal services	4,664	534	-
Total general administration	37,318	3,815	-

Sales Tax Bond Revenue	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 98,515	\$ 383,208
-	6,000	14,405	20,405
-	-	29,978	29,978
4,069	523	1,054	10,084
-	364	785	33,343
4,069	6,887	144,737	477,018
-	-	-	531,108
-	-	18,473	18,473
-	-	-	80,916
-	-	-	30,556
-	-	1,407	1,407
-	21,696	7,135	40,286
-	21,696	27,015	702,746
-	-	36,914	36,914
-	-	-	8,165
-	-	-	140,053
-	-	-	9,556
-	-	36,914	194,688
4,069	28,583	208,666	1,374,452
-	-	-	485,371
-	-	-	121,903
-	-	-	49,194
-	-	-	656,468
-	-	-	57,060
-	-	-	21,686
-	-	-	35,450
-	-	-	7,925
-	-	-	122,121
-	-	-	50,309
-	-	-	78,914
-	-	-	22,951
-	-	-	101,865
-	-	-	70,079
-	-	-	23,261
-	-	-	4,686
-	-	-	7,988
-	-	-	5,198
-	-	-	41,133

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(amounts expressed in thousands)**

	General	Contracted Services	Certificates Of Participation
Facilities acquisition and construction	993	1,230	-
Food services	438	-	-
Community services and other	7,515	47,087	-
Debt Service:			
Principal retirement	-	-	-
Interest	-	-	-
Dues, fees and other	-	-	-
Capital outlay	8,209	6,407	96,254
Total expenditures	953,824	160,030	96,254
Excess (deficiency) of revenues over (under) expenditures	16,248	(74)	(93,148)
OTHER FINANCING SOURCES (USES):			
Certificates of participation issued	-	-	61,885
Premium on swaption	5,007	-	-
Discount on sale of certificates of participation	-	-	-
Proceeds from sale of capital assets	-	-	-
Transfers in	7,764	74	1
Transfers out	(1,074)	-	(5,317)
Total other financing sources and uses	11,697	74	56,569
Net change in fund balances	27,945	-	(36,579)
Fund balances - beginning	43,579	-	155,281
Fund balances - ending	\$ 71,524	\$ -	\$ 118,702

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

Sales Tax Bond Revenue	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
-	-	-	2,223
-	-	67,668	68,106
-	-	-	54,602
-	-	30,399	30,399
-	-	44,768	44,768
-	-	1,419	1,419
50,255	36,075	63,214	260,414
50,255	36,075	207,468	1,503,906
(46,186)	(7,492)	1,198	(129,454)
-	-	2,125	64,010
-	-	-	5,007
-	-	(1,291)	(1,291)
-	8,802	-	8,802
-	-	46,777	54,616
-	-	(49,156)	(55,547)
-	8,802	(1,545)	75,597
(46,186)	1,310	(347)	(53,857)
261,191	41,054	126,720	627,825
\$ 215,005	\$ 42,364	\$ 126,373	\$ 573,968



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2003

(amounts expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds	\$	(53,857)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$205,460) exceeds depreciation expense (\$56,705) during the current period.	148,755
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The statement of activities reflects only the gain/loss on the sale of assets, whereas the governmental funds include all proceeds from these sales. Thus, the change in net assets differs by the change in fund balances by the cost of assets sold.	(4,637)
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Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	638
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds (\$64,010) exceeded repayments (\$30,646) in the current period.	(33,364)
--	----------

Governmental funds report certain bond transaction as resources or uses. However, in the statement of activities these transactions are reported over the life of the debt as expenses (\$1,291 bond discount, \$834 issuance cost, and (\$5,007) bond premium).	(2,882)
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Expenses in the statement of activities that do not require the use of current financial resources are not reported in the governmental funds:

Interest expense (including arbitrage rebate)	1,022
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Compensated absences	8,327
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Amortization of bond discount, premium and issuance costs	68
---	----

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.	6,429
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Change in Net Assets of Governmental Activities	\$	70,499
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The notes to the financial statements are an integral part of this statement.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -**

BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(amounts expressed in thousands)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local sources:				
Ad valorem taxes	\$ 283,948	\$ 284,693	\$ 284,693	\$ -
Interest income	1,650	1,336	1,336	-
Other	16,374	29,386	28,116	(1,270)
Total local sources	301,972	315,415	314,145	(1,270)
State sources:				
Florida education finance program	537,100	531,108	531,108	-
Categorical programs	88,967	80,916	80,916	-
Workforce development	30,556	30,556	30,556	-
Other	5,698	11,138	8,547	(2,591)
Total state sources	662,321	653,718	651,127	(2,591)
Federal sources:				
Food grants direct	925	877	877	-
Federal grants through state	4,000	3,923	3,923	-
Total federal sources	4,925	4,800	4,800	-
Total revenues	969,218	973,933	970,072	(3,861)
EXPENDITURES				
Current:				
Instructional services:				
Basic programs	469,944	458,226	434,861	23,365
Exceptional child programs	116,233	113,334	112,225	1,109
Adult and vocational technical programs	50,867	49,599	46,876	2,723
Total instructional services	637,044	621,159	593,962	27,197
Instructional support services:				
Pupil personnel services	43,612	42,827	42,645	182
Instructional media services	17,733	19,836	19,389	447
Instruction and curriculum development services	21,299	18,714	18,360	354
Instructional staff training services	5,672	5,609	3,829	1,780
Total instructional support services	88,316	86,986	84,223	2,763
Pupil transportation services	44,562	51,326	49,533	1,793
Operation and maintenance of plant:				
Operation of plant	68,853	79,589	78,762	827
Maintenance of plant	26,803	23,596	22,940	656
Total operation and maintenance of plant	95,656	103,185	101,702	1,483
School administration	61,700	70,357	69,931	426
General administration:				
Central services	36,402	31,002	22,910	8,092
Board of education	3,156	6,042	4,686	1,356
General administration	10,181	5,526	5,058	468
Fiscal services	6,299	4,894	4,664	230
Total general administration	56,038	47,464	37,318	10,146

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**GENERAL FUND****STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -****BUDGET AND ACTUAL****FOR THE FISCAL YEAR ENDED JUNE 30, 2003****(amounts expressed in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Facilities acquisition and construction	3,466	4,347	993	3,354
Food services	-	441	438	3
Community services and other	20,684	8,909	7,515	1,394
Capital outlay	-	8,209	8,209	-
Total expenditures	1,007,466	1,002,383	953,824	48,559
Excess (deficiency) of revenues over (under) expenditures	(38,248)	(28,450)	16,248	44,698
OTHER FINANCING SOURCES (USES)				
Premium on sale of certificates of participation	-	5,007	5,007	-
Transfers in	7,865	7,865	7,764	(101)
Transfers out	(1,050)	(1,074)	(1,074)	-
Total other financing sources and uses	6,815	11,798	11,697	(101)
Net change in fund balances	(31,433)	(16,652)	27,945	44,597
Fund balances - beginning	43,579	43,579	43,579	-
Fund balances - ending	\$ 12,146	\$ 26,927	\$ 71,524	\$ 44,597

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**MAJOR SPECIAL REVENUE FUND - CONTRACTED SERVICES****STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL****FOR THE FISCAL YEAR ENDED JUNE 30, 2003****(amounts expressed in thousands)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Local sources:				
Other	\$ 4,200	\$ 6,288	\$ 4,074	\$ (2,214)
Total local sources	4,200	6,288	4,074	(2,214)
State sources:				
Other	5,300	5,080	2,908	(2,172)
Total state sources	5,300	5,080	2,908	(2,172)
Federal sources:				
Federal grants direct	10,695	13,087	7,288	(5,799)
Federal grants through state	132,000	163,333	136,130	(27,203)
Federal grants through local	10,305	12,610	9,556	(3,054)
Total federal sources	153,000	189,030	152,974	(36,056)
Total revenues	162,500	200,398	159,956	(40,442)
EXPENDITURES				
Current:				
Instructional services:				
Basic programs	46,451	61,269	50,510	10,759
Exceptional child programs	8,177	10,787	9,678	1,109
Adult and vocational technical programs	3,874	5,110	2,318	2,792
Total instructional services	58,502	77,166	62,506	14,660
Instructional support services:				
Pupil personnel services	14,150	15,493	14,415	1,078
Instructional media services	4,083	3,261	2,297	964
Instruction and curriculum development services	23,625	21,788	17,090	4,698
Instructional staff training services	10,010	9,329	4,096	5,233
Total instructional support services	51,868	49,871	37,898	11,973
Pupil transportation services	1,945	1,322	776	546
Operation and maintenance of plant:				
Operation of plant	751	199	152	47
Maintenance of plant	105	19	11	8
Total operation and maintenance of plant	856	218	163	55
School administration	775	162	148	14
General administration:				
Central services	601	730	351	379
Board of education	13	8	-	8
General administration	3,000	4,270	2,930	1,340
Fiscal services	1,045	570	534	36
Total general administration	4,659	5,578	3,815	1,763

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**MAJOR SPECIAL REVENUE FUND - CONTRACTED SERVICES****STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL****FOR THE FISCAL YEAR ENDED JUNE 30, 2003****(amounts expressed in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Facilities acquisition and construction	5,545	5,325	1,230	4,095
Community services and other	38,400	54,337	47,087	7,250
Capital outlay	-	6,407	6,407	-
Total expenditures	162,550	200,386	160,030	40,356
Excess (deficiency) of revenues over (under) expenditures	(50)	12	(74)	(86)
OTHER FINANCING SOURCES (USES)				
Transfers in	50	202	74	(128)
Total other financing sources and uses	50	202	74	(128)
Net change in fund balances	-	214	-	(214)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ 214	\$ -	\$ (214)

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2003

(amounts expressed in thousands)

	Governmental Activities Internal Service Funds
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 115
Investments	34,405
Accounts receivable	106
Due from other governmental agencies	751
Due from other funds	2,332
Total current assets	<u>37,709</u>
LIABILITIES	
Current liabilities:	
Accounts payable	8,761
Due to other funds	33
Deferred revenue	5,760
Estimated unpaid claims	28,619
Total liabilities	<u>43,173</u>
NET ASSETS	
Unrestricted (deficit)	<u>(5,464)</u>
Total net assets (deficit)	<u>(5,464)</u>
Total net assets and liabilities	<u>\$ 37,709</u>

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(amounts expressed in thousands)**

	Governmental Activities Internal Service Funds
OPERATING REVENUES:	
Premium revenue from other funds	\$ 115,056
Refund of prior year expenses and other	1,422
Total operating revenues	<u>116,478</u>
OPERATING EXPENSES:	
Salaries	1,000
Benefits	302
Purchased services	1,299
Materials and supplies	28
Claims, premiums and other	108,697
Total operating expenses	<u>111,326</u>
Operating income	<u>5,152</u>
NON-OPERATING REVENUE:	
Interest	<u>346</u>
Total non-operating revenue	<u>346</u>
Income before transfers	5,498
TRANSFERS IN	1,000
TRANSFERS OUT	<u>(69)</u>
Change in net assets	6,429
Total net assets (deficit) - beginning	<u>(11,893)</u>
Total net assets (deficit) - ending	<u><u>\$ (5,464)</u></u>

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**STATEMENT OF CASH FLOWS****PROPRIETARY FUNDS****FOR THE FISCAL YEAR ENDED JUNE 30, 2003****(amounts expressed in thousands)**

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from interfund services provided	\$ 114,669
Payment to suppliers	(106,516)
Payment to employees	(1,278)
Other receipts (payments)	(123)
Net cash provided by operating activities	<u>6,752</u>
CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:	
Transfers from other funds	1,000
Transfers to other funds	<u>(69)</u>
Net cash provided by noncapital and related financing activities	<u>931</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales and maturities of investments	629
Purchase of investments	(8,729)
Interest and dividends earned on investments	<u>346</u>
Net cash used in investing activities	<u>(7,754)</u>
Net decrease in cash	(71)
Cash and cash equivalents - Beginning of year	<u>186</u>
Cash and cash equivalents - End of year	<u><u>\$ 115</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 5,152
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in accounts receivable	211
(Increase) decrease in due from other agencies	(303)
(Increase) decrease in due from other funds	(233)
(Increase) decrease in prepaid items	1,633
Increase (decrease) in due to other funds	24
Increase (decrease) in estimated unclaimed claims	330
Increase (decrease) in deferred revenue	<u>(62)</u>
Total adjustments	<u>1,600</u>
Net cash provided by operating activities	<u><u>\$ 6,752</u></u>

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2003

(amounts expressed in thousands)

	Pension Trust Fund	Agency Funds
ASSETS		
Current Assets:		
Cash	\$ -	\$ 8,003
Investments	7,314	8,310
Accounts receivable, net	56	-
Due from other funds	-	28
Inventory	-	293
Total current assets	<u>7,370</u>	<u>16,634</u>
LIABILITIES		
Current liabilities:		
Accounts payable	-	5,104
Due to student organizations	-	10,520
Due to other funds	-	1,010
Total liabilities	<u>-</u>	<u>16,634</u>
NET ASSETS		
Assets held in trust for pension benefits	<u>7,370</u>	<u>-</u>
Total net assets	<u>7,370</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 7,370</u>	<u>\$ 16,634</u>

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

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(amounts expressed in thousands)

	Pension Trust Fund
ADDITIONS	
Contributions received from employer	\$ 1,332
Investment income:	
Interest income	259
Net decrease in fair value of investments	(12)
Total investment earnings	247
Less investment expense	18
Net investment income	229
Total additions	1,561
DEDUCTIONS	
Benefit payments	1,389
Administrative expenses	5
Total deductions	1,394
Net increase	167
Net assets - beginning	7,203
Net assets - ending	\$ 7,370

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

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The District School Board of Hillsborough County, Florida (School Board) has direct responsibility for the operation, control, and supervision of District schools and is considered a primary government for financial reporting. The Hillsborough County School District is a part of the Florida system of public education. The governing body of the school district is the Hillsborough County District School Board that is composed of seven (7) elected members. The appointed Superintendent of Schools is the executive officer of the Board. Geographic boundaries of the District correspond with those of Hillsborough County.

The accompanying financial statements present the activities of the School Board and its component units. Criteria for determining if other entities are potential component units which should be reported within the Schools Board's financial statements are identified and described in the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity. The application of these criteria provide for identification of any entities for which the District School Board is financially accountable and other organizations for which the nature and significance of their relationship with the District School Board are such that exclusion would cause the Board's financial statements to be misleading or incomplete.

Based on the application of these criteria, the following component units are included within the District School Board's reporting entity:

Blended Component Unit

The Hillsborough School Board Leasing Corporation (Corporation) was formed to facilitate financing for the acquisition of facilities and equipment as further discussed in note 8. Due to the substantive economic relationship between the Hillsborough County District School Board and the Corporation, the financial activities of the Corporation are included in the accompanying financial statements of the School Board in the Certificates of Participation Fund. Separate financial statements of the Corporation are not published.

Discretely Presented Component Units

The component unit's column in the government wide financial statements include the financial data of the District's other component units for the fiscal year ended June 30, 2003. These component units consist of the Hillsborough Education Foundation, Inc. (the Foundation) and the District's Charter Schools. Both the Foundation and the Charter Schools are reported in a separate column to emphasize that they are legally separate from the District School Board. It would be misleading to exclude them in the District's financial statements. The Hillsborough Education Foundation, Inc., is a separate not-for-profit corporation organized and operated as a direct-support organization under Section 1001.453, Florida Statutes, to receive, hold, invest, and administer property and to make expenditures to, or for the benefit, of the District.

Complete financial statements of the Foundation can be obtained from their administrative office at:

Hillsborough Education Foundation
2010 E. Hillsborough Ave., Suite 212
Tampa, Florida 33610-8255

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

A. Reporting Entity (continued)

The Charter Schools are separate not for-profit corporations organized under Section 1002.33, Florida Statutes to operate as public (as opposed to private) schools and are held responsible for prudent use of the public funds they receive. Each Charter School is a separate component unit that operates under a charter approved by their sponsor, the School Board. There are ten (10) Charter Schools operating in the School District of Hillsborough County that meet the criteria for presentation as a discretely presented component unit.

The individual Charter Schools are listed below. Further, complete financial statements of the individual component units can be obtained from their administrative offices. These schools include:

Tampa Bay Academy
12012 Boyette Road
Riverview, FL 33569

The Richardson Academy
6815 N. Rome Ave.
Tampa, FL 33604

Pepin Academy of Tampa
3916 E. Hillsborough Ave.
Tampa, FL 33614

Eastside Multicultural Charter School
4701 East Hanna Avenue
Tampa, FL 33610

Learning Gate Charter School
14018 North Blvd.
Tampa, FL 33613

Central City Charter School
3916 E. Hillsborough Ave.
Tampa, FL 33614

The Village of Excellence Academy
8718 North 46th St.
Tampa, FL 33617

Richard Milburn High Charter School
1404 Tech Boulevard
Tampa, FL 33619

USF Charter School
4801 East Fowler Ave
Tampa, FL 33617

North Tampa Alternative Charter School
8602 N. Armenia Ave.
Tampa, FL 33604

B. Basis of Presentation

The basic financial statements include the government-wide financial statements and fund financial statements.

Government-wide Financial Statements

Government-wide financial statements include a Statement of Net Assets and a Statement of Activities that display information about the primary government (District School Board) and its component units. These financial statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the District School Board's functions. The expense of individual functions is compared to the revenues generated by the function (for instance, through user charges or intergovernmental grants). Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

B. Basis of Presentation (continued)

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) 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, including all taxes, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the District School Board's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – government and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Because the focus of the governmental fund financial statements differs from the focus of the government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as investment earnings, result from non-exchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

Contracted Services - to account for financial resources of certain federal grant program resources.

Certificates of Participation – Accounts for and reports on the revenues generated from the issuance of Certificates of Participation.

Sales Tax Bond Revenue – Accounts for and reports on the revenues generated from the issuance of construction bonds backed by sales tax revenue.

Other Capital Projects Fund – Accounts for and reports on other miscellaneous funds from various sources.

Additionally, the District reports the following fund types:

Internal Service Funds – to account for the District's workers' compensation, general and automobile liability self-insurance programs and the employee health insurance program.

Pension Trust Fund – to account for resources used to finance the early retirement program.

Agency Funds – to account for resources held by the District as custodian for others, primarily for the benefit of various schools and their activity funds.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities).

The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide and Fiduciary Fund Financial Statements – The government-wide and fiduciary fund financial statements are presented using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows have taken place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues, other than grant funds, reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Grant funds are considered available if collection is expected in the upcoming fiscal year. Property taxes, sales taxes, franchise taxes, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Cash

Cash consists of petty cash funds and deposits held by banks qualified as public depositories under Florida law. All deposits are fully insured by Federal depository insurance and a multiple financial institution collateral pool required by Chapter 280 Florida Statutes. The statement of cash flows for the Proprietary Funds considers cash as those accounts used as demand deposit accounts and considers as cash equivalents amounts invested with the State Board of Administration.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

E. Investments

Investments consist of amounts placed with the State Board of Administration for participation in the State investment pool, those made by the State Board of Administration from the District's bond proceeds held and administered by the State Board of Education, and those made locally.

District monies placed with the State Board of Administration for participation in the State investment pool represent an interest in the pool rather than ownership of specific securities. The District does not own specific investments but an interest in the pool. Such investments are stated at fair value. Investments of the early retirement program are reported at fair value.

Types and amounts of investments held at year-end are described in a subsequent note on investments.

F. Inventory

Inventories consist of expendable supplies and equipment held for consumption in the course of District operations. Inventories at the central warehouse, maintenance, textbook depository and the bus garage are stated at cost based on a moving average. Food service inventories are stated at cost based on the first-in, first-out basis, except that United States Department of Agriculture surplus commodities are stated at their fair value as determined at the time of donation to the District's food service program by the Florida Department of Health and Rehabilitative Services, Food Distribution Center. All other inventories are stated at cost on the last invoice price method, which approximates the first-in, first-out basis. The cost of inventories is recorded as expenditures when used rather than purchased.

G. 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 recorded at cost in the government-wide statements 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 and have a useful life of more than one year. Donated assets are recorded at fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Interest costs incurred during construction 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>Asset Class Description</u>	<u>Estimated Useful Lives</u>
Buildings	50 years
Improvements other than buildings	10-25 years
Building improvements	10-20 years
Furniture, Fixtures and Equipment	3-20 years
Motor Vehicles	4-10 years
Audio Visual Materials and Computer Software	3-4 years

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

H. Long-Term Liabilities

Long-term obligations that will be financed from resources to be received in the future by governmental funds are reported 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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and are amortized over the term of the related debt.

In 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 an other financing source while discounts on debt issuances are reported as an other financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

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

I. State Revenue Sources

Revenues from State sources for current operations are primarily from the Florida Education Finance Program (FEFP) administered by the Florida Department of Education (Department) under the provisions of Section 1011.62, Florida Statutes. In accordance with this law, the Board 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 (9) months following the date of 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 of or additions to revenues in the year when the adjustments are made.

The District receives revenue from the State to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided. The money not expended or encumbered as of the close of the fiscal year is usually carried forward into the following year to be expended for the same programs. The Department 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 for the unencumbered balance of categorical educational program resources.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

J. Property Taxes

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

Property taxes consist of ad valorem taxes on real and personal property within the District. Property taxes are assessed by the Hillsborough County Property Appraiser and are collected by the Hillsborough County Tax Collector.

The School Board adopted the 2002 tax levy on September 3, 2002. Tax bills are mailed in October; and taxes are payable between November 1 of the year assessed and March 31 of the following year with discounts of up to four percent for early payment.

Taxes become delinquent on April 1 of the year following the 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. These procedures result in the collection of essentially all taxes prior to June 30 of the year following the 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 the taxes are received by the District, except that revenue is accrued for taxes collected by the Hillsborough County Tax Collector at fiscal year end which have not yet been remitted to the District. Because any delinquent taxes collected after June 30 would not be material, delinquent taxes receivable are not accrued.

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

K. Federal Revenue Sources

The District receives Federal financial assistance for the enhancement of various educational programs. This assistance is generally received based on applications submitted to and approved by various granting agencies. For Federal financial assistance 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.

L. Use of Estimates

Management of the District has made a number of assumptions relative to the reporting of assets and liabilities to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

2. BUDGET COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The School Board follows the procedures established by State statutes and State Board of Education rules in establishing final budget balances reported in the financial statements:

1. 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. Original budgets are submitted to the State Commissioner of Education for approval.
2. The budget is prepared by fund, function object and department. Management may make transfers of appropriations between departments and object. The functional level is the legal level of budgetary control and may only be amended by resolution of the Board at any Board meeting prior to the due date for the Superintendent's Annual Financial Report (State Report). Budgetary disclosure in the accompanying financial statements reflects the original and final budget including all amendments approved for the fiscal year through September 9, 2003.
3. Budgets are prepared using the modified accrual basis as is used to account for actual transactions in the governmental funds.
4. Budgetary information is integrated into the accounting system and, to facilitate budget control, budget balances are encumbered when purchase orders are issued. Appropriations lapse at year-end and encumbrances outstanding are honored from the subsequent year's appropriations as described in a subsequent note on Reservations of Fund Balances.

All budget amounts presented in the basic statements and the accompanying supplementary information reflect the original budget and the final amended budget (which has been adjusted for legally authorized revisions of the annual budget during the year).

At the governmental fund level, outstanding encumbrances are reflected as a reservation of fund balance to reflect the re-appropriation in the subsequent year. Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls.

B. Deficit Fund Balances/Net Assets in Individual Non-major Funds

The following non-major funds had a deficit fund balance at June 30, 2003 (amounts in thousands):

Workers' Compensation Insurance Fund	(\$3,008)
Liability Insurance Fund	(\$2,445)

Deficit fund balances will be eliminated through increases in user charges in future years.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

3. CASH AND INVESTMENTS

At June 30, 2003, the District's deposits were entirely covered by federal depository insurance or by collateral pledged with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this Chapter, in the event of default by a participating financial institution (a qualified public depository), all participating institutions are obligated to reimburse the governmental entity for the loss. Additionally, the District's deposits include certificates of deposit of \$34,388, which are classified as investments on the statement of net assets, but are considered deposits for purposes of classifying credit risk. Such certificates of deposit are considered to be Category 1 as the balances are insured or collateralized with securities held by the District or by its agent in the District's name.

Generally accepted accounting principles require that the credit risk of investments be categorized as either (1) insured, registered or securities held by the District or its agent in the District's name, (2) uninsured and unregistered, with securities held by the counter-party's trust department or agent in the District's name, or (3) uninsured and unregistered, with securities held by the counter-party or by its trust department or agent, but not in the District's name.

Certain investments cannot be categorized because the District's investments are not evidenced by specific identifiable investment securities, such as investment pools managed by other governments.

Section 218.415(17), Florida Statutes, authorizes the Board to participate in the State Board of Administration (State Board) investment pool. Section 1011.19, Florida Statutes, as well as other general laws of Florida, also authorizes the Board to invest in obligations of the United States Treasury and United States agencies, bonds of the District, and Florida State Board of Education bonds. The State Board is an external investment pool that is not registered with the Securities and Exchange Commission (SEC), but does operate in a manner consistent with SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the District's investments in the State Board have been determined based on the pool's share price, which approximates fair value.

Investments at June 30, 2003 are shown below (amounts in thousands):

	I N V E S T M E N T S			Fair Value
	<u>1</u>	<u>2</u>	<u>3</u>	
Re-Purchase Agreements	\$ -	\$ -	1,246	\$1,246
Obligations of Federally Sponsored Agencies and Federally Related Institutions (1)	-	-	5,931	5,931
Total	\$ -	\$ -	\$ 7,177	7,177
Money Market Funds (2)				668
Investment in State Board of Administration Investment Pool				586,717
Certificates of Deposit				34
Total Investments, Primary Government				594,596
Component Units Investments				1,977
Total Investments, Reporting Entity				<u>\$ 596,573</u>

- Notes: (1) Includes mortgage-backed securities issued by the Federal Home Loan Mortgage Corporation \$1,966; Federal Home Loan Bank \$1,696; and the Government National Mortgage Association \$6 with stated maturity dates through 2016. Also includes \$2,263 of National Mortgage Association Notes with maturity dates through 2016.
- (2) The money market fund invests in United States Treasury Securities, Obligations of Federally Sponsored Agencies and Federally Related Institutions, and Repurchase Agreements collateralized by obligations issued by these agencies.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

3. CASH AND INVESTMENTS (continued)

Investments are reflected in the financial statements as follows (amounts in thousands):

Governmental funds	\$544,567
Internal service funds	34,405
Fiduciary funds	
Pension trust	7,314
Agency	<u>8,310</u>
Total Primary Government	<u>\$594,596</u>

4. DUE FROM OTHER GOVERNMENTAL AGENCIES

Amounts due from other governmental agencies as of June 30, 2003 are shown below (amounts in thousands):

	<u>General Fund</u>	<u>Contracted Services Fund</u>	<u>Other Capital Projects Fund</u>	<u>Non- Major- and Other Funds</u>	<u>Total</u>
Federal Government:					
Early Childhood Learning Centers	\$ -	\$674	\$ -	\$ -	\$674
Miscellaneous	114	1,214	-	-	1,328
State Government:					
Food Reimbursement	-	-	-	325	325
Classrooms First	-	-	1,685	-	1,685
Public Education					
Capital Outlay	-	-	-	20,742	20,742
Miscellaneous State	154	103	-	774	1,031
Local Government:					
Hillsborough County Board of County Commissioners	2,896	-	-	4,807	7,703
Miscellaneous					
Local Agencies	<u>12</u>	<u>736</u>	<u>4</u>	<u>-</u>	<u>752</u>
TOTAL:	<u>\$ 3,176</u>	<u>\$2,727</u>	<u>\$ 1,689</u>	<u>\$26,648</u>	<u>\$34,240</u>

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2003 was as follows (amounts in thousands):

<u>Description</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
<u>Capital Assets Not Being Depreciated:</u>				
Land	\$ 87,578	\$7,831	\$ 282	\$ 95,127
Land Improvements – Non-Depreciable Landscaping	14,827	7,280	4	22,103
Construction In Progress	<u>176,725</u>	<u>166,239</u>	<u>225,686</u>	<u>117,278</u>
Total Capital Assets Not Being Depreciated	<u>279,130</u>	<u>181,350</u>	<u>225,972</u>	<u>234,508</u>
<u>Capital Assets Being Depreciated:</u>				
Improvements Other Than Buildings	102,206	17,219	276	119,149
Buildings and Fixed Equipment	1,198,038	204,905	14,636	1,388,307
Furniture, Fixtures and Equipment	142,877	30,257	12,217	160,917
Motor Vehicles	66,176	4,590	5,679	65,087
Property Under Capital Lease	782	-	-	782
Audio Visual Materials	92	-	3	89
Computer Software	<u>14,560</u>	<u>3,337</u>	<u>899</u>	<u>16,998</u>
Total Capital Assets Being Depreciated	<u>1,524,731</u>	<u>260,308</u>	<u>33,710</u>	<u>1,751,329</u>
Less Accumulated Depreciation for: Improvements Other Than Buildings	63,060	5,093	199	67,954
Buildings & Fixed Equipment	300,076	26,248	6,982	319,342
Furniture, Fixtures and Equipment	97,799	16,340	6,024	108,115
Motor Vehicles	46,908	4,198	5,469	45,637
Property Under Capital Lease	409	172	-	581
Audio Visual Materials	92	-	3	89
Computer Software	<u>8,637</u>	<u>4,654</u>	<u>808</u>	<u>12,483</u>
Total Accumulated Depreciation	<u>516,981</u>	<u>56,705</u>	<u>19,485</u>	<u>554,201</u>
Total Capital Assets Being Depreciated (Net)	<u>1,007,750</u>	<u>203,603</u>	<u>14,225</u>	<u>1,197,128</u>
Governmental Activities Capital Assets (Net)	<u>\$1,286,880</u>	<u>\$384,953</u>	<u>\$240,197</u>	<u>\$1,431,636</u>

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

5. CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows (amounts in thousands):

Instructional Services	\$ 8,098
Instructional Support services	1,333
Pupil Transportation Services	3,718
Operation and Maintenance of Plant	1,053
Facilities Acquisition and Construction	37,330
School Administration	448
General Administration	3,190
Food Services	769
Community Services and other	266
Un-Allocated Depreciation	<u>500</u>
Total Depreciation Expense	<u>\$56,705</u>

6. REVOLVING LINE OF CREDIT

Pursuant to the provisions of Section 1011.13, Florida Statutes, the Board approved a revolving Line of Credit Tax Anticipation Note on June 18, 2002, in the amount of \$80,000,000 with Wachovia (f/k/a First Union) National Bank of Florida. The outstanding principal amount of the Note shall bear interest at 49.5 percent of the Prime Rate, as published in the *Wall Street Journal* on the Monday of the week preceding the actual borrow date. This line-of-credit allows the Board to borrow funds if established revenues (cash) are lagging behind expenditures such as weekly payrolls and weekly vendor payments. The Note is secured by a pledge of anticipated ad valorem tax proceeds. This revolving Note may be made and repaid from time to time. The principal of this Note may be partly or wholly paid and re-advanced provided that the outstanding principal balance shall not exceed \$80,000,000 at any time outstanding. During the year ended June 30, 2003, no funds had been borrowed under this line-of-credit, nor was the line of credit utilized during the fiscal year.

7. CAPITAL LEASES

The following is a summary of the classes and amounts of property acquired under capital leases stated at acquisition cost (amounts in thousands):

Xerox Copiers	\$ 181
IBM Computer	<u>601</u>
Total	<u>\$ 782</u>

Future minimum capital lease payments and the present value of the minimum lease payments as of June 30, are as follows (amounts in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 42	\$ 2	\$ 44
2005	<u>20</u>	<u>1</u>	<u>21</u>
Total Minimum Lease Payments	<u>\$ 62</u>	<u>\$ 3</u>	<u>\$ 65</u>

The imputed interest rates range from 4.90 to 6.50 percent.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

8. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION

The District entered into a financing arrangement on October 1, 1996 and supplemental arrangements dated March 1, 1998, October 1, 1999, March 9, 2000, November 1, 2000, January 15, 2001, July 1, 2001, November 6, 2001 and September 15, 2002 in that each arrangement was characterized as a lease-purchase agreement, with the Hillsborough School Board Leasing Corporation, whereby the District secured financing of various education facilities in the amount of \$28,000,000, \$336,930,000, \$111,700,000, \$10,628,000, \$48,860,000, \$103,770,000, \$69,265,000, \$9,600,000 and \$64,010,000 respectively.

The financing was accomplished through the issuance of Certificates of Participation to be repaid from the proceeds of rents paid by the School District.

As a condition of the financing arrangement, the District has given ground leases on District property to the Hillsborough School Board Leasing Corporation, with a rental fee of \$10 per year. The initial terms of the leases are 35 years beginning October 1, 1996, March 1, 1998, October 1, 1999, March 9, 2000, November 1, 2000, January 15, 2001, July 1, 2001, November 6, 2001 and September 15, 2002 are referred to as the Series 1996 Project, the Series 1998 Project, the Series 1999 Project, the Series 2000 QZAB Project, the Series 2000 Project, the Series 2001A Project, the Series 2001B Project, the Series 2001 QZAB Project and the Series 2002 Project respectively. The properties covered by the ground leases are, together with the improvements constructed thereon from the financing proceeds, leased back to the District. If the District fails to renew the leases and to provide for the rent payments through to term, the District may be required to surrender the sites included under the Ground Lease Agreements to the Trustee for the benefit of the securers of the Certificates for a maximum period of 35 years from the date of inception of the agreements.

The Series 1998 Certificates of Participation were also issued, in part, in order to provide the funds necessary to advance refund the Series 1994 and the Series 1995 Certificates of Participation and refinance the Series 1994 and Series 1995 facilities which the School Board has acquired, constructed and installed from the proceeds of the Series 1994 and Series 1995. The Series 2001A Certificates of Participation were issued in order to provide funds necessary to partially advance refund the Series 1999 Certificates of Participation and refinance the Series 1999 facilities that the School Board has acquired, constructed and installed from the proceed of the Series 1999. See Note 12.

The District properties included in the ground lease agreement dated April 15, 1994, originally funded from the Series 1994 Certificate of Participation include land on which the projects have been or are to be constructed. The projects are as follows:

Series 1994 Certificates of Participation

Elementary Schools "A", "B", and "I"
Lockhart Elementary School
Middle Schools "BB" and "CC"
High Schools "AAA", "BBB", "CCC", and "DDD"

The Master Lease allows the School Board to modify the components to the Series 1994 Project. As of June 30, 2003, the Board has amended the project list to include as follows:

Middle Schools "AA", "BB", and "CC"
High Schools "AAA", "BBB", "CCC", and "DDD"

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

8. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION
(continued)

The District properties included in the ground lease agreement dated June 1, 1995, funded from the Series 1995 Certificates of Participation are as follows:

Series 1995 Certificates of Participation

Elementary Schools "A", "B", "F", and "I"
Twin Lakes Elementary
Middle School "EE"

The Master Lease allows the School Board to modify the components to the Series 1995 Project. As of June 30, 2003, the Board has amended the project list to include as follows:

Witter Elementary School
Sulphur Springs Elementary
Elementary Schools "B", "F" and "I"
Twin Lakes Elementary School
Crestwood Elementary School
Gibson Elementary School
Middle School "EE"
Portable Classrooms
Tomlin Middle School

The District properties included in the ground lease dated October 1, 1996, include land on which the projects are to be constructed. The projects funded from the Series 1996 Certificates of Participation are as follows:

Series 1996 Certificates of Participation

Elementary School "D"
Middle School "DD"

The District properties included in the ground lease dated March 1, 1998, include land on which the projects are to be constructed. The projects funded from the Series 1998 Certificates of Participation are as follows:

Series 1998 Certificates of Participation

Westchase Middle School "FF"
Middleton High School "GGG"
Media Centers
Completion of Blake High School
Completion of Series 1995 Project
Completion of Series 1996 Project

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

8. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION

(continued)

The Master Lease allows the School Board to modify the components to the Series 1998 Project. As of June 30, 2003, the Board has amended the project list to include as follows:

Westchase Middle School "FF"	Middleton High School "GGG" Land
Springhead Elementary School	Baycrest Elementary School
Wilson Elementary School	Woodbridge Elementary School
Media Centers	Completion of Blake High School
Completion of Series 1995 Project	Franklin Middle School
Riverview High School	Lake Magdalene Elementary
Durant High School	Alonso Athletic Facility
Freedom Athletic Facility	

The District properties included in the ground lease dated October 1, 1999, include land on which the projects are to be constructed. The projects funded from Series 1999 Certificates of Participation are as follows:

Series 1999 Certificates of Participation

Middleton High School "GGG"
High School "JJJ" and land for site
Middle School "JJ" and land for site
Elementary School "M" and land for site

The Master Lease allows the School Board to modify the components to the Series 1999 Project. As of June 30, 2003, the Board has amended the project list to include as follows:

Middleton High School "GGG"
High School "JJJ" and land for site
Middle School "JJ" and land for site
Middle School "NN"

The District properties included in the ground lease dated March 9, 2000, include land on which the projects are to be constructed. The projects funded from Series 2000-QZAB Certificates of Participation are as follows:

Series 2000-QZAB Certificates of Participation

Remodeling of D.W. Waters Training Center

The District properties included in the ground lease dated November 1, 2000, include land on which the projects are to be constructed. The projects funded from the Series 2000 Certificates of Participation are as follows:

Series 2000 Certificates of Participation

Middle School "MM"	Riverview Elementary
Elementary School "P"	Dover ESE
Claywell Elementary	Lopez ESE
Essrig Elementary	Ferrell Middle School
Mabry Elementary	Gorrie Elementary
Morgan Woods Elementary	

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

8. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION

(continued)

The Master Lease allows the School Board to modify the components to the Series 2000 Project. As of June 30, 2003, the Board has amended the project list to include as follows:

Middle School "MM"	Riverview Elementary
Elementary School "P"	Dover ESE
Claywell Elementary	Lopez ESE
Essrig Elementary	Ferrell Middle School
Mabry Elementary	Gorrie Elementary
Morgan Woods Elementary	Lewis Elementary
High School "LLL" Athletic Facility	West Tampa Elementary
Westshore Elementary	

The District properties included in the ground lease dated July 1, 2001, include land on which the projects are to be constructed. The projects funded from Series 2001B Certificates of Participation are as follows:

Series 2001B Certificates of Participation

Middle School "LL"	Elementary School "E"
Elementary School "B"	Plant City ESE
East County Career Center	Elementary School "D"
Elementary School "R"	

The Master Lease allows the School Board to modify the components to the Series 2001B Project. As of June 30, 2003, the Board has amended the project list to include as follows:

Middle School "LL"	Elementary School "D"
Elementary School "S"	Plant City ESE
East County Career Center	Elementary School "R"
Broward Elementary	Grady Elementary
Elementary "V"	

The District properties included in the ground lease dated November 6, 2001, include land on which the projects are to be constructed. The projects funded from Series 2001-QZAB Certificates of Participation are as follows:

Series 2001-QZAB Certificates of Participation

Renovations at Cahoon Elementary
Renovations at Van Buren Middle School

The District properties included in the ground lease dated September 15, 2002, include land on which the projects are to be constructed. The projects funded from Series 2002 Certificates of Participation are as follows:

Series 2002 Certificates of Participation

Elementary "T"	Elementary "X"
Elementary "W"	Elementary "Z"
Middle School "OO"	

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

8. OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT - CERTIFICATES OF PARTICIPATION
(continued)

The lease payments for the Series 1996, Series 1998, Series 1999, Series 2000, Series 2001A, Series 2001B and Series 2002. Certificates are payable by the District, semi-annually, on July 1 and January 1 at interest rates, of 5.25 percent, 3.5 to 5.25 percent, 3.65 to 5.75 percent, 4.20 to 5.55 percent, 3.00 to 5.00 percent, 3.00 to 5.25 percent and 2.00 to 4.625 percent respectively. The lease payments for the Series 2000-QZAB and 2001-QZAB Certificates are due April 10, 2012 and November 2015, respectively. There is no interest to be paid on the QZABs, as the certificate holders receive Federal Tax Credits in lieu of interest payments. The District is required to reserve a portion of the lease payments each year. The following is a schedule by years of future minimum lease payments under the lease agreements as of June 30 (amounts in thousands):

	Total	Principal	Interest
2004	\$ 43,223	\$ 12,820	\$30,403
2005	42,612	12,725	29,887
2006	42,594	13,255	29,339
2007	42,581	13,825	28,756
2008	42,556	14,420	28,136
2009 – 2013	222,929	93,613	129,316
2014 – 2018	226,023	121,655	104,368
2019 – 2023	217,538	146,865	70,673
2024 – 2028	190,431	162,085	28,346
2029 – 2033		<u>42,345</u>	
	<u>43,313</u>		<u>968</u>
Total Minimum Lease Payments	<u>\$1,113,800</u>	<u>\$633,608</u>	<u>\$480,192</u>

9. INTEREST RATE SWAP

The District entered into a swaption contract that provided the District an up-front payment of \$5,006,500. As a synthetic refunding of its Series 1998A Certificates of Participation, this payment represents the risk-adjusted, present-value savings of a refunding as of July 1, 2008 without issuing refunding bonds at February 2003. The swaption gave the counterparty the option to make the District enter into a pay-fixed, receive-variable interest rate swap. If the option is exercised, the District would then expect to issue variable-rate refunding bonds.

The Swaption was entered into on February 19, 2003. The \$5,006,500 payment was based on a notional amount of \$177,195,000. The counterparty has the option to exercise the agreement on July 1, 2008, the District's Series 1998A Certificates of Participation's first call date. The counterparty also has the option to exercise the agreement on January 1, 2009, July 1, 2009, January 1, 2010, and July 1, 2010. If the swap is exercised, the swap will commence on the respective option date. The fixed swap rate (5.036%) was set at a rate that, when added to an assumption for remarketing and liquidity costs, will approximate the coupons of the "refunded" bonds. The swap's variable payment would be the Bond Market Association (BMA) municipal swap index

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

9. INTEREST RATE SWAP (continued)

As of June 30, 2003, the swap had a fair value of \$177,195,000, estimated using the zero-coupon method. This method calculated the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments were then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

If the option is exercised and refunding bonds are not issued, the Series 1998A Certificates of Participation would not be refunded and the District would make net swap payments as required by the terms of the contract—that, making a fixed payment to the counterparty for the term of the swap at 5.063 percent and receiving a variable payment of the BMA Municipal Swap Index. If the option is exercised and the variable-rate bonds issued, the actual savings ultimately recognized by the transaction will be affected by the relationship between the interest rate terms of the to-be-issued variable-rate bonds versus the variable payment on the Swap (BMA Municipal Swap Index).

10. NOTES PAYABLE

Notes payable are comprised of the following (amounts in thousands):

Wachovia Loans

Balance at
6/30/03

\$3,550 borrowed 2/3/99, under the provisions of Section 1011.14, Florida Statutes. Fixed interest rate 2.00 percent at 6/30/03. Proceeds used to purchase educational equipment. The Board's intent is to pay the remaining balance in the next year.

\$ 710

\$4,267 borrowed 1/23/02, under the provisions of Section 1011.14, Florida Statutes. Fixed interest rate 1.98 percent at 6/30/03. Proceeds used to purchase insurance on educational property. The Board's intent is to extend repayment of the remaining balance over the next four years in annual installments of \$854.

3,414

Total Notes Payable

\$4,124

Amounts needed for the planned repayment of the Section 1011.14, Florida Statutes, bank loans are as follows (amounts in thousands):

Fiscal Year Ending June 30	Total	Principal	Interest (1)
2004	\$1,646	\$1,564	\$ 82
2005	904	854	50
2006	888	854	34
2007	<u>869</u>	<u>852</u>	<u>17</u>
Total	<u>\$4,307</u>	<u>\$4,124</u>	<u>\$183</u>

- (1) The projected interest amounts can change based on interest rate changes upon the annual renewal of the bank loans.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

11. BONDS PAYABLE

Bonds payable at June 30, 2003 were as follows (amounts in thousands):

<u>Bond Type</u>	<u>Amount Outstanding</u>	<u>Interest Rates (Percent)</u>	<u>Annual Maturity To</u>
State School Bonds:			
Series 1996-B	\$ 655	4.0 - 4.625	2007
Series 1998-A	49,700	4.0 - 5.5	2018
Series 1999-A	7,245	4.0 - 4.75	2019
Series 2000-A	985	4.625 - 6.0	2020
Series 2001-A	1,605	3.0 - 5.0	2022
District Revenue Bonds:			
Series 1998 Capital Improvement & Racetrack Revenue Refunding	4,383	3.5 - 5.35	2028
Series 2002 Sales Tax	230,365	2.25 - 5.375	2025
District General Obligation Bonds:			
Series 1994, Refunding	<u>27,245</u>	2.9 - 7.0	2005
Total Bonds Payable	<u>\$322,183</u>		

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

11. BONDS PAYABLE (continued)

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

STATE SCHOOL BONDS

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

DISTRICT REVENUE BONDS

Capital Improvement and Racetrack Revenue Refunding Bonds of 1998

These bonds are authorized by Chapter 71-680, Laws of Florida, which authorized the Board to pledge all of the portion of racetrack funds accruing annually to Hillsborough County, under the provisions of Chapters 550 and 551, Florida Statutes, as allocated to the Board pursuant to law, and Chapter 132, Florida Statutes, which authorized the refunding of the District Revenue Bonds of 1985. As required by the bond resolution the Board established the sinking fund and reserve account and has accumulated and maintained adequate resources in the sinking fund and reserve account.

Sales Tax Revenue Bonds, Series 2002

These bonds are authorized by the Constitution and Laws of the State of Florida, including, particularly Chapter 1010, Florida Statutes, Chapter 212, Part I, Florida Statutes and other applicable provisions of law. The bonds are secured by a pledge of the proceeds received pursuant to the Interlocal Agreement from the levy and collection by the County of the one-half cent local infrastructure sales surtax.

DISTRICT GENERAL OBLIGATION BONDS

General Obligation Refunding Bonds, Series 1994

These bonds are authorized by Chapter 1010, Sections 40 through 41, Florida Statutes, and other applicable provisions of law, and are secured by a pledge of property taxes levied and collected each year sufficient to pay principal and interest thereon. The Bonds and the interest on the Bonds do not constitute a new debt, but merely constitute a renewal and continuation of the original existing indebtedness evidenced by the Refunded Bonds and the interest due thereon.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

11. BONDS PAYABLE (continued)

Annual requirements to amortize all bonded debt outstanding as of June 30, 2003, are as follows (amounts in thousands):

TOTAL SBE BONDS			
Fiscal Year Ending June 30			
	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 5,746	\$ 2,745	\$ 3,001
2005	5,746	2,875	2,871
2006	5,748	3,025	2,723
2007	5,748	3,180	2,568
2008	5,752	3,325	2,427
2009 – 2013	28,771	19,235	9,536
2014 – 2018	28,805	24,710	4,095
2019 – 2023	<u>1,194</u>	<u>1,095</u>	<u>99</u>
Total Debt Service Payments	<u>\$87,510</u>	<u>\$60,190</u>	<u>\$27,320</u>

TOTAL DISTRICT REVENUE BONDS			
Fiscal Year Ending June 30			
	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 17,007	\$ 6,075	\$ 10,932
2005	17,051	6,315	10,736
2006	17,030	6,465	10,565
2007	17,014	6,655	10,359
2008	17,070	6,875	10,195
2009 – 2013	84,484	37,189	47,295
2014 – 2018	83,887	46,225	37,662
2019 – 2023	83,173	59,438	23,735
2024 – 2028	66,563	59,459	7,104
2029 – 2033	<u>156</u>	<u>52</u>	<u>104</u>
Total Debt Service Payments	<u>\$403,435</u>	<u>\$234,748</u>	<u>\$168,687</u>

GENERAL OBLIGATION BONDS 1994, REFUNDING			
Fiscal Year Ending June 30			
	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2004	\$ 9,919	\$ 8,660	\$1,259
2005	9,859	9,065	794
2006	<u>9,798</u>	<u>9,520</u>	<u>278</u>
Total Debt Service Payments	<u>\$29,576</u>	<u>\$27,245</u>	<u>\$2,331</u>

12. DEFEASED DEBT

In prior years, the Board defeased in substance certain outstanding revenue bonds, general obligation bonds, and Certificates of Participation by placing the proceeds of each of the new bond issues in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and the liability for the in substance defeased bonds are not included in the Board's financial statements. At June 30, 2003, \$26,300,000 of General Obligation Bonds, Series 1985A and 1985B, \$26,930,000 of General Obligation Bonds, Series 1990, \$155,650,000 of Series 1994 Certificates of Participation, \$53,970,000 of Series 1995 Certificates of Participation, and \$95,785,000 of Series 1999 Certificates of Participation are considered defeased.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

13. CHANGES IN LONG TERM DEBT

The following is a summary of changes in general long-term debt (amounts in thousands):

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003	Due in One Year
Compensated					
Absences Payable	\$143,039	\$16,032	\$24,359	\$134,712	\$8,321
Capital Leases Payable	309	-	247	62	42
Certificate of Participation	581,353	64,010	11,755	633,608	12,820
Arbitrage Payable	1,592	391	319	1,664	-
Notes Payable	6,323	-	2,199	4,124	1,564
Bonds Payable	<u>338,628</u>	<u>-</u>	<u>16,445</u>	<u>322,183</u>	<u>17,480</u>
TOTAL	<u>\$1,071,244</u>	<u>\$80,433</u>	<u>\$55,324</u>	\$1,096,353	<u>\$40,227</u>
Plus unamortized bond premium:					
Certificates of participation			4,394		
Bonds payable			<u>4,298</u>		
Total long-term liabilities			<u>\$1,105,045</u>		

14. RESERVATIONS OF FUND BALANCES

Reserves are generally limited to indicating that portion of the fund equity that is restricted to a specific future use or is not available for appropriations and expenditures. Fund balances have been reserved for the following at June 30, 2003 (amounts in thousands):

\$ 113,663	Encumbrances which are those amounts that represent obligations or commitments chargeable in the future when the material and services are rendered.
\$51,637	Debt Service which are those amounts available to apply against future principal and interest payments.
\$5,589	State Categorical Carry-over Programs, which are those balances of various specially identified programs, funded by the State Department of Education.
\$1,695	Reserves for Inventory are that portion of inventory on hand over liabilities that cannot be utilized as cash.
\$10,711	Reserves for Other Purposes, which are those balances of various identified programs other than State Categorical programs that are funded by the State and local government.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

15. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Funds</u>	<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
General	\$9,111	\$3,138
Special Revenue - Contracted Services	233	2,848
Certificates of Participation	2,121	2,691
Sales Tax Bond Revenue	187	2,027
Other Capital Projects	2,451	2,019
Non-major Governmental Funds	6,027	8,724
Internal Service Funds	2,332	33
Fiduciary	<u>28</u>	<u>1,010</u>
Total	<u>\$22,490</u>	<u>\$22,490</u>

The majority of interfund receivables and payables are established during the closing period. The receivable in the general fund is for payback of payroll and direct/indirect charges for June. The amounts in the capital project funds and nonmajor funds are mostly due to the movement of expenditures between capital project funds. The receivable in internal service is for June's deductions for worker's compensation and health insurance in the governmental funds.

16. INTERFUND TRANSFERS

The following is a summary of interfund transfers reported in the fund financial statements (amounts in thousands):

<u>Funds</u>	<u>Interfund</u>	
	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General	\$7,764	\$1,074
Special Revenue - Contracted Services	74	-
Certificates of Participation	1	5,317
Non-major Governmental Funds	46,777	49,156
Internal Service Funds	<u>1,000</u>	<u>69</u>
Total	<u>\$55,616</u>	<u>\$55,616</u>

The largest amount of interfund transfers is to move money to the debt service funds for bond principal and interest payments. The remainder is the charging of direct and indirect costs.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2003

17. STATE REVENUE SOURCES

The following is a schedule of the Districts state revenue for the 2002/2003 fiscal year (amounts in thousands):

<u>Sources</u>	<u>Amount</u>
Florida Education Finance Program	\$531,108
Workforce Development	30,556
Discretionary Lottery Funds	12,935
Categorical Education Programs	67,981
Gross Receipts Tax (Public Education Capital Outlay)	18,473
Capital Outlay and Debt Service	6,649
School Infrastructure Thrift Program	21,005
Food Service Supplement	1,362
Mobile Home License Tax	597
State Board of Education Bond Interest	139
Pair-Mutual Tax	447
Miscellaneous	<u>11,494</u>
Total	<u>\$702,746</u>

18. PROPERTY TAXES

The following is a summary of millages and taxes levied in the 2002 tax roll for the fiscal year 2002-03 (dollars in thousands):

	<u>Millage Levied</u>	<u>Taxes Levied</u>
<u>General Fund</u>		
Non-voted School Tax:		
Required Local Effort	5.680	\$263,301
Discretionary Local Effort	.705	32,681
<u>Debt Service Funds</u>		
Voted Tax:		
Interest and Sinking	.210	9,735
<u>Capital Projects Funds</u>		
Non-voted Tax:		
Local Capital Improvements	<u>2.000</u>	<u>92,712</u>
Total	<u>8.595</u>	<u>\$398,429</u>

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

19. STATE RETIREMENT PROGRAMS

All regular employees of the District are covered by the Florida Retirement System, a State-administered cost-sharing multiple-employer public employee defined benefit retirement plan (Plan). Participating employers include all State departments, counties, district school boards, and community colleges. Many municipalities and special districts have elected to be participating employers. Employees who earn benefit credits while employed by one participating employer may transfer the credits to any other participating employer.

Essentially all regular employees of participating employers are eligible and must enroll as members of the Plan. Benefits vest at specified numbers of years of service depending upon the employee's classification. Generally, members are eligible for normal retirement benefits at age 62 with 6 years of service or at any age after 30 years of service. For normal retirement, benefit payments are based on the member's highest 5-year average annual salary (average final compensation) times the number of years of service, multiplied by a percentage ranging from 1.60 percent at either 62 or with 30 years of service to 1.68 percent at age 65 or with 33 years of service. Members are eligible for early retirement after 6 years of service but before age 62; however, normal benefits are reduced by 5 percent for each year a member retires before age 62. As described in note 20, the District administers a single-employer retirement program that under certain conditions covers the difference in benefits between normal and early retirement.

The Plan provides retirement, disability, and death benefits and annual cost-of-living-adjustments, as well as supplements for certain employees to cover social security benefits lost by virtue of retirement system membership.

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

The benefit provisions and all other requirements of the Plan are established by Florida Statutes.

The contribution rates for the Plan are established, and may be amended, by the State of Florida. As of June 30, 2003, the 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 (HA)	0.00	5.76
Florida Retirement System, County Elected Officers (HI)	0.00	11.86
Florida Retirement System, Senior Management Service Class (HM)	0.00	6.06
Florida Retirement System, Special Risk (HB)	0.00	16.01
Teachers' Retirement System, Plan E (IE)	6.25	11.35
State and County Officers and Employees' Retirement System, Plan B (AF)	4.00	9.10
Florida Retirement System, Reemployed Retiree (RA)	0.00	5.76

Notes: (A) Employer rates include the post-retirement health insurance supplement, which was increased on January 1, 1998 to 0.94 percent.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

19. STATE RETIREMENT PROGRAMS (continued)

The District's liability for participation in the Plan is limited to the payment of the required contribution at the rates and frequencies established by law on future payrolls of the District. The District's contributions to the Plan (including employee contributions) for the fiscal years ending June 30, 2001, June 30, 2002, and June 30, 2003, totaled \$62,705,148, \$52,290,623 and \$43,234,653 respectively, representing a percentage of payroll of 9.40% for fiscal year 2001, 7.76% for fiscal year 2002 and 6.09% for fiscal year 2003. These amounts are equal to the required contributions for each fiscal year.

The State of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the Florida Retirement System. The report may be obtained by writing to the State of Florida, Division of Retirement, Department of Management Services, 2639 North Monroe Street, Building C, Tallahassee, Florida 32399.

20. EARLY RETIREMENT PROGRAM

a. Plan Description and Provisions

As authorized by Section 1012.985, Florida Statutes, the Board implemented an Early Retirement Plan (Plan), effective August 1, 1984. The Plan is a single-employer defined benefit plan. The purpose of the Plan is to provide eligible District employees, who elect to retire under the early retirement provisions of the Florida Retirement System, described in Note 19, with a monthly benefit equal to the statutory reduction of the normal retirement benefits when early retirement precedes the normal retirement age of 62. The School Board entered into an agreement with Provident Bank, N.A., designating the Bank as the Investment Manager and Custodian (Trustee) for the Plan assets. The Agreement also provides that monthly benefits be paid by the Trustee.

Based on an actuarial report as of July 1, 2002 employee membership data related to the Plan was as follows:

Retirees and beneficiaries currently receiving benefits	<u>391</u>
---	------------

Active Plan Participants:

Vested	2,301
Non-vested	<u>2,876</u>
Total	<u>5,177</u>

A summary of Eligibility and Benefits follows:

Eligibility

A member of the Plan is eligible upon attainment of age 55 to 59, completion of 25 but not more than 28 years of creditable service, at least 5 consecutive and uninterrupted years of service immediately preceding early retirement, and having applied for retirement under The Florida Retirement System.

Benefits

The amount of the monthly benefit will be equal to the reduction imposed on the retirement benefit by the Florida Retirement System due to early retirement. The benefit amount will be based on the initial benefit amount determined by the Florida

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

20. EARLY RETIREMENT PROGRAM (continued)

Retirement System prior to any cost of living adjustments and once established will remain unchanged, unless a specific increase is authorized by the Board.

b. Summary of Significant Accounting Policies

The Plan is accounted for as a pension trust fund; therefore it is accounted for in substantially the same manner as a proprietary fund with a "capital maintenance" measurement focus and the accrual basis of accounting. Employer contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with terms of the Plan. Plan assets are valued at fair value for financial statement purposes.

Separate Statements are not issued for the Plan.

c. Contributions and Reserves

The District's Early Retirement Program was established by the Board on August 1, 1984. Pursuant to the Plan Agreement, no contribution shall be required or permitted from any member. Board contributions shall be sufficient to meet the annual pension cost of the Plan and to amortize the un-funded actuarial accrued liability within 30 years based on an actuarial study. There are no long-term contracts to the plan. Periodic employer contributions to the Plan are determined on an actuarial basis using the "Entry Age Actuarial Cost Method". Annual pension cost is funded on a current basis. Pursuant to Section 112.64, Florida Statutes, the un-funded actuarial accrued liability is funded over a 40-year period. Periodic contributions for both normal cost and the amortization of the un-funded actuarial liability are based on the level percentage of payroll method.

Significant actuarial assumptions used to compute annual required contributions are the same as those used to determine the actuarial accrued liability.

Total contributions to the Plan in fiscal 2003 amounted to \$1,309,182, all of which were paid by the Board and made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at October 30, 2001.

The computation of the annual required contributions for fiscal 2003 was based on the same (a) actuarial assumptions, (b) benefit provisions, (c) actuarial funding method, and (d) other significant factors as used to determine annual required contributions in the previous year.

All of the assets in the District's Pension Trust Fund are maintained in legally required reserves. None of the assets have been designated by the Board for any other specific purpose. Costs of administering the Plan are financed through the Plan's resources (employer contributions and investment earnings).

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

20. EARLY RETIREMENT PROGRAM (continued)

d. Concentrations

The Plan's investments at June 30, 2003, consisted of the following:

	Balance <u>June 30, 2003</u>	Percentage of <u>Plan Net</u> <u>Assets</u>
Obligations of U.S. Agencies	\$6,645,383	91%
Other Investments	<u>668,204</u>	<u>9%</u>
Total	<u>\$7,313,587</u>	<u>100%</u>

e. Actuarial Information

Additional information as of the latest actuarial valuation is as follows:

Valuation Date	07/01/02
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Investment Rate of Return	7%
Projected Salary Increases	5%
Cost of Living Adjustment	None

21. OTHER POST-RETIREMENT BENEFITS

The state retirement program described in Note 19 includes District payments for a retiree health insurance subsidy. The employer contribution rate from July 2002 through June 2003 was .94 percent of eligible wages. Total District contributions for the fiscal year ended June 30, 2003 were \$6,669,283.

In addition to the benefits described in Note 20, the School Board also provides 50 percent of the postretirement life insurance premium payments for employees who retired from the District prior to October 1, 1969. As of June 30, 2003, the District is providing for payment of postretirement life insurance premiums for 7 eligible retirees. Expenditures for postretirement health and life insurance premium payments are recognized on the accrual basis and funded on the cash basis. During the year, expenditures of \$36 were recognized for postretirement life insurance premium payments.

22. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Workers' compensation, automobile liability, and general liability coverage 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. The Board has contracted with an insurance administrator to administer these self-insurance programs, including the processing, investigating, and payment of claims.

Settled claims resulting from the risks described above have not exceeded commercial insurance coverage for the past three fiscal years.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

22. RISK MANAGEMENT (continued)

A liability in the amount of \$28,619,040 was actuarially determined to cover reported and unreported insurance claims payable at June 30, 2003. It is estimated that \$11,766,229 of the liability is current and due within one year. The remaining \$16,852,811 will be due in future years.

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

	Beginning-of-Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2001 – 2002	\$38,592,362	\$ (140,561)	\$(10,163,041)	\$28,288,760
2002 – 2003	\$28,288,760	\$10,845,522	\$(10,515,242)	\$28,619,040

23. COMMITMENTS AND CONTINGENCIESConstruction Contract Commitments

The following is summary of major construction contract commitments remaining at June 30, 2003 (Amounts in thousands):

DETAIL LISTING OF CONSTRUCTION IN PROGRESS

JUNE 30, 2003

<u>Description</u>	<u>Project Authorization</u>	<u>Expended Through 6/30/03</u>	<u>Committed</u>
Additions	\$ 46,836	\$ 29,221	\$ 17,615
Elementary Schools	64,010	28,475	35,535
Middle Schools	49,020	14,847	34,173
Senior High Schools	9,651	2,440	7,211
Other	16,449	3,894	12,555
Renovations	106,263	36,093	70,170
Improvements	<u>3,881</u>	<u>2,308</u>	<u>1,573</u>
Total	<u>\$296,110</u>	<u>\$117,278</u>	<u>\$178,832</u>

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.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2003

23. COMMITMENTS AND CONTINGENCIES (continued)

Grants and Contracts

The District participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the District.

24. SUBSEQUENT EVENTS

On September 1, 2003 the District issued \$72,065,000 of Certificates of Participation Series 2003B. The Series 2003B Certificates were sold on September 9, 2003 and will mature on July 1, 2004 through July 1, 2029 with interest rates of 5.00%.

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
SUPPLEMENTAL EARLY RETIREMENT PENSION TRUST
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
June 30, 2003
(UNAUDITED)

Schedule of Funding Progress:

FISCAL YEAR ENDED JUNE 30	Actuarial Value of Plan Assets	Actuarial Accrued Liability Entry Age (1)	Unfunded Actuarial Accrued Liability (3)	Funded Ratio (2)	Covered Payroll	Actuarial Liability as a Percentage of Covered Payroll
1998	\$4,494,078	\$14,939,321 (4)	\$10,445,243	30.08%	\$111,739,482 (4)	13.37%
1999	4,568,183	16,429,399 (5)	11,861,216	27.80%	118,781,662 (5)	13.83%
2000	5,138,834	17,837,415 (6)	12,698,581	28.80%	128,190,836 (6)	13.91%
2001	5,580,220	22,070,817 (7)	16,490,597	25.28%	156,605,715 (7)	14.09%
2002	6,409,495	22,827,019 (8)	16,417,524	28.10%	170,162,468 (8)	13.41%
2003	7,202,634	28,443,117 (9)	21,240,483	25.30%	163,581,224 (9)	17.39%

- Notes:
- (1) The Entry Age Actuarial Cost Method is used to determine the Plan's funding requirements.
 - (2) The percentage funded is derived by dividing the actuarial value of assets by the actuarial accrued liability.
 - (3) The unfunded actuarial accrued liability is the actuarial accrued liability minus the actuarial value of assets.
 - (4) Based on data from an actuarial valuation report as of July 1, 1997, dated December 3, 1997.
 - (5) Based on data from an actuarial valuation report as of July 1, 1998, dated January 12, 1999.
 - (6) Based on data from an actuarial valuation report as of July 1, 1999, dated July 1, 1999.
 - (7) Based on data from an actuarial valuation report as of July 1, 2000, dated April 30, 2001.
 - (8) Based on data from an actuarial valuation report as of July 1, 2001, dated December 4, 2001.
 - (9) Based on data from an actuarial valuation report as of July 1, 2002, dated February 28, 2003.

Isolated analysis of the dollar amounts of the actuarial value of assets, actuarial accrued liability, and unfunded actuarial accrued liability can be misleading.

Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the Plan is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

Unaudited – see accompanying independent auditors' report.

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
SUPPLEMENTAL EARLY RETIREMENT PENSION TRUST
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
June 30, 2003
(UNAUDITED)

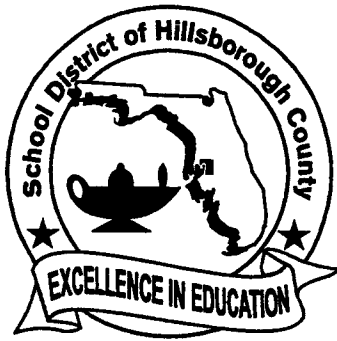
Schedule of Employer Contributions:

Fiscal Year Ended June 30	Annual Required Contribution	Percentage Contributed
1998	\$ 877,983	100%
1999	954,501	100%
2000	1,031,006	100%
2001	1,143,077	100%
2002	1,481,303	100%
2003	1,309,182	100%

Unaudited – see accompanying independent auditors' report.



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



Nonmajor Governmental Funds

Special Revenue Funds

- **Food Services Fund** – Accounts for and reports on activities of the food service program.

Debt Service Funds

The Debt Service Funds account for the payment of interest and principal of the current portion of long-term debt, primarily from tax proceeds and earnings on temporary investments

- **State Board of Education Bond Funds** – Accounts for and reports on payments of principal, interest and related costs on various bond issues serviced by the State.
- **Special Act Bond Funds** - Accounts for and reports on the payment of principal, interest and related costs on bonds that are secured by the portion of the State racetrack funds.
- **Section 237.161 Loan Funds** - Accounts for and reports on the payment of principal and interest on notes issued under Section 237.161, Florida Statutes.
- **District Bond Funds** - Accounts for and reports on the repayment of general obligation debt.
- **Other Debt Service Funds** - Accounts for and reports on the payment of principal, interest and related costs for the Certificates of Participation and other debt.

Capital Projects Funds

The Capital Projects Funds account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects

- **Capital Outlay Bond Issue Funds** – Accounts for and reports on bond issue proceeds received from the State Board of Education and issued at the request of the District.
 - **Special Act Bond Racetrack Funds** - Accounts for and reports on funds received from racetrack funds.
 - **Public Education Capital Outlay Funds (PECO)** - Accounts for and reports on funds received from the State for the construction and maintenance of schools.
 - **Capital Outlay & Debt Service Funds** - Accounts for and reports on funds received from the State Board of Education Capital Outlay Bonds.
 - **Local Capital Improvement Funds** - Accounts for and reports on locally received funds, primarily ad valorem tax revenue.
-

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**COMBINING BALANCE SHEET****NON MAJOR GOVERNMENTAL FUNDS****JUNE 30, 2003****(amounts expressed in thousands)**

	Special Revenue	
	Food Services	Total
ASSETS		
Cash	\$ 150	\$ 150
Investments	2,727	2,727
Accounts receivable	534	534
Due from other governmental agencies	880	880
Due from other funds	230	230
Inventories	989	989
Total assets	<u>\$ 5,510</u>	<u>\$ 5,510</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 156	\$ 156
Due to other funds	3,162	3,162
Deferred revenue	119	119
Total liabilities	<u>3,437</u>	<u>3,437</u>
Fund balances:		
Reserved for:		
Encumbrances	173	173
Debt service	-	-
Unreserved, reported in:		
Special revenue funds	1,900	1,900
Capital projects funds	-	-
Total fund balances	<u>2,073</u>	<u>2,073</u>
Total liabilities and fund balances	<u>\$ 5,510</u>	<u>\$ 5,510</u>

Debt Service				
State Board of Education Bond Funds	Special Act Bond Funds	District Bond Funds	Other Debt Service Funds	Total
\$ -	\$ -	\$ 1	\$ -	\$ 1
1,507	275	9,102	38,881	49,765
-	-	-	-	-
-	-	252	1,620	1,872
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,507</u>	<u>\$ 275</u>	<u>\$ 9,355</u>	<u>\$ 40,501</u>	<u>\$ 51,638</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1	1
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
-	-	-	-	-
1,507	275	9,355	40,500	51,637
-	-	-	-	-
-	-	-	-	-
<u>1,507</u>	<u>275</u>	<u>9,355</u>	<u>40,500</u>	<u>51,637</u>
<u>\$ 1,507</u>	<u>\$ 275</u>	<u>\$ 9,355</u>	<u>\$ 40,501</u>	<u>\$ 51,638</u>

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2002
(amounts expressed in thousands)**

	Capital Outlay Bond Issue Funds	Special Act Bond Racetrack Fund
ASSETS		
Cash	\$ 1	\$ -
Investments	3,701	1,450
Accounts receivable	-	-
Due from other governmental agencies	-	-
Due from other funds	439	-
Inventories	-	-
Total assets	<u>\$ 4,141</u>	<u>\$ 1,450</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ -
Due to other funds	793	-
Deferred revenue	-	-
Total liabilities	<u>793</u>	<u>-</u>
Fund balances		
Reserved for:		
Encumbrances	192	114
Debt service	-	-
Unreserved, reported in:		
Special revenue funds	-	-
Capital projects funds	3,156	1,336
Total fund balances	<u>3,348</u>	<u>1,450</u>
Total liabilities and fund balances	<u>\$ 4,141</u>	<u>\$ 1,450</u>

See accompanying independent auditors report.

Capital Projects				
Public Education Capital Outlay Funds	Capital Outlay and Debt Service Funds	Local Capital Improvement Funds	Total	Total Nonmajor Governmental Funds
\$ -	\$ 1	\$ 100	\$ 102	\$ 253
9,385	1,114	35,103	50,753	103,245
2	-	7	9	543
20,742	-	2,403	23,145	25,897
1,510	1	3,847	5,797	6,027
-	-	-	-	989
<u>\$ 31,639</u>	<u>\$ 1,116</u>	<u>\$ 41,460</u>	<u>\$ 79,806</u>	<u>\$ 136,954</u>
\$ -	\$ -	\$ 2	\$ 2	\$ 158
1,519	-	3,249	5,561	8,724
1,580	-	-	1,580	1,699
<u>3,099</u>	<u>-</u>	<u>3,251</u>	<u>7,143</u>	<u>10,581</u>
2,097	116	7,810	10,329	10,502
-	-	-	-	51,637
-	-	-	-	1,900
26,443	1,000	30,399	62,334	62,334
28,540	1,116	38,209	72,663	126,373
<u>\$ 31,639</u>	<u>\$ 1,116</u>	<u>\$ 41,460</u>	<u>\$ 79,806</u>	<u>\$ 136,954</u>

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(amounts expressed in thousands)**

	Special Revenue	
	Food Services	Total
REVENUES		
Local sources:		
Ad valorem taxes	\$ -	\$ -
Local sales tax	-	-
Food services	29,978	29,978
Interest income	15	15
Other	-	-
Total local sources	29,993	29,993
State sources:		
Public education capital outlay	-	-
Food services	1,407	1,407
Other	-	-
Total state sources	1,407	1,407
Federal sources:		
Food services	36,914	36,914
Total federal sources	36,914	36,914
Total revenues	68,314	68,314
EXPENDITURES		
Food services	67,668	67,668
Debt Service:		
Principal retirement	-	-
Interest	-	-
Dues, fees and other	-	-
Capital outlay	213	213
Total expenditures	67,881	67,881
Excess (deficiency) of revenues over (under) expenditures	433	433
OTHER FINANCING SOURCES (USES):		
Certificates of participation issued	-	-
Discount on sale of certificates of participation	-	-
Transfers in	-	-
Transfers out	-	-
Total other financing sources and uses	-	-
Net change in fund balances	433	433
Fund balances - beginning	1,640	1,640
Fund balances - ending	\$ 2,073	\$ 2,073

State Board of Education Bond Funds	Special Act Bond Funds	Debt Service		District Bond Funds	Other Debt Service Funds	Total
		Section 237.161 Loan Funds				
\$ -	\$ -	\$ -		\$ 9,373	\$ -	\$ 9,373
-	-	-		-	14,405	14,405
-	-	-		-	-	-
-	4	-		93	209	306
-	-	-		61	-	61
-	4	-		9,527	14,614	24,145
-	-	-		-	-	-
-	-	-		-	-	-
5,667	447	-		-	-	6,114
5,667	447	-		-	-	6,114
-	-	-		-	-	-
-	-	-		-	-	-
5,667	451	-		9,527	14,614	30,259
-	-	-		-	-	-
2,615	345	2,199		8,265	16,975	30,399
3,109	92	145		1,703	39,719	44,768
6	1	-		185	1,227	1,419
-	-	-		-	-	-
-	-	-		-	-	-
5,730	438	2,344		10,153	57,921	76,586
(63)	13	(2,344)		(626)	(43,307)	(46,327)
-	-	-		-	2,125	2,125
-	-	-		-	(1,291)	(1,291)
-	-	2,344		-	44,433	46,777
-	(355)	-		-	(1)	(356)
-	(355)	2,344		-	45,266	47,255
(63)	(342)	-		(626)	1,959	928
1,570	617	-		9,981	38,541	50,709
\$ 1,507	\$ 275	\$ -		\$ 9,355	\$ 40,500	\$ 51,637

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(amounts expressed in thousands)**

	Capital Outlay Bond Issue Funds	Special Act Bond Racetrack Fund	Public Education Capital Outlay Funds
REVENUES			
Local sources:			
Ad valorem taxes	\$ -	\$ -	\$ -
Local sales tax	-	-	-
Food services	-	-	-
Interest income	93	35	84
Other	-	14	5
Total local sources	93	49	89
State sources:			
Public education capital outlay	-	-	18,473
Food services	-	-	-
Other	-	-	-
Total state sources	-	-	18,473
Federal sources:			
Food services	-	-	-
Total federal sources	-	-	-
Total revenues	93	49	18,562
EXPENDITURES:			
Food services	-	-	-
Debt Service:			
Principal retirement	-	-	-
Interest	-	-	-
Dues, fees and other	-	-	-
Capital outlay	5,352	1,381	24,445
Total expenditures	5,352	1,381	24,445
Excess (deficiency) of revenues over (under) expenditures	(5,259)	(1,332)	(5,883)
OTHER FINANCING SOURCES (USES):			
Certificates of participation issued	-	-	-
Discount on sale of certificates of participation	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	-	-	-
Net change in fund balances	(5,259)	(1,332)	(5,883)
Fund balances - beginning	8,607	2,782	34,423
Fund balances - ending	\$ 3,348	\$ 1,450	\$ 28,540

See accompanying independent auditors' report.

Capital Projects			
Capital Outlay and Debt Service Funds	Local Capital Improvement Funds	Total	Total Nonmajor Governmental Funds
\$ -	\$ 89,142	\$ 89,142	\$ 98,515
-	-	-	14,405
-	-	-	29,978
8	513	733	1,054
8	697	724	785
16	90,352	90,599	144,737
-	-	18,473	18,473
-	-	-	1,407
1,021	-	1,021	7,135
1,021	-	19,494	27,015
-	-	-	36,914
-	-	-	36,914
1,037	90,352	110,093	208,666
-	-	-	67,668
-	-	-	30,399
-	-	-	44,768
-	-	-	1,419
337	31,486	63,001	63,214
337	31,486	63,001	207,468
700	58,866	47,092	1,198
-	-	-	2,125
-	-	-	(1,291)
-	-	-	46,777
-	(48,800)	(48,800)	(49,156)
-	(48,800)	(48,800)	(1,545)
700	10,066	(1,708)	(347)
416	28,143	74,371	126,720
\$ 1,116	\$ 38,209	\$ 72,663	\$ 126,373



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

SPECIAL REVENUE FUNDS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

(amounts expressed in thousands)

	Food Services Fund			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Local sources:				
Food services	\$ 28,493	\$ 30,247	\$ 29,978	\$ (269)
Interest income	18	15	15	-
Total local sources	28,511	30,262	29,993	(269)
State sources:				
Food services	1,402	1,407	1,407	-
Total state sources	1,402	1,407	1,407	-
Federal sources:				
Food services	32,493	37,197	36,914	(283)
Total federal sources	32,493	37,197	36,914	(283)
Total revenues	62,406	68,866	68,314	(552)
EXPENDITURES:				
Current:				
Food services	62,200	69,595	67,668	1,927
Capital outlay	-	213	213	-
Total expenditures	62,200	69,808	67,881	1,927
Excess (deficiency) of revenues over (under) expenditures	206	(942)	433	1,375
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	206	(942)	433	1,375
Fund balances - beginning	1,640	1,640	1,640	-
Fund balances - ending	\$ 1,846	\$ 698	\$ 2,073	\$ 1,375

See accompanying independent auditors' report

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

DEBT SERVICE FUNDS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

(amounts expressed in thousands)

	State Board of Education Bond Funds		
	Budgeted Amounts		Variance with
	Original	Final	Final Budget Positive (Negative)
REVENUES:			
Local sources:			
Ad valorem taxes	\$ -	\$ -	\$ -
Local sales tax	-	-	-
Interest income	-	-	-
Excess fees	-	-	-
Total local sources	-	-	-
State sources:			
Capital Outlay and debt service withheld for SBE/COBI bonds	5,654	5,654	5,654
SBE/COBI bond interest	-	13	13
Racing commission funds	-	-	-
Total state sources	5,654	5,667	5,667
Total revenues	5,654	5,667	5,667
EXPENDITURES:			
Principal retirement	2,615	2,615	2,615
Interest	3,109	3,109	3,109
Dues, fees and other	-	6	6
Total expenditures	5,724	5,730	5,730
Excess (deficiency) of revenues over (under) expenditures	(70)	(63)	(63)
OTHER FINANCING SOURCES (USES):			
Certificates of participation issued	-	-	-
Discount on sale of certificates of participation	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and uses	-	-	-
Net change in fund balances	(70)	(63)	(63)
Fund balances - beginning	1,570	1,570	1,570
Fund balances - ending	\$ 1,500	\$ 1,507	\$ 1,507

h :-	Special Act Bond Funds				Section 237.161 Loans			
	Budgeted Amounts		Variance with Final Budget - Positive (Negative)		Budgeted Amounts		Variance with Final Budget - Positive (Negative)	
	Original	Final			Original	Final		
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-	-
	4	4	4	-	-	-	-	-
	-	-	-	-	-	-	-	-
	4	4	4	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	447	447	447	-	-	-	-	-
	447	447	447	-	-	-	-	-
	451	451	451	-	-	-	-	-
	345	345	345	-	2,199	2,199	2,199	-
	92	92	92	-	145	145	145	-
	1	1	1	-	-	-	-	-
	438	438	438	-	2,344	2,344	2,344	-
	13	13	13	-	(2,344)	(2,344)	(2,344)	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	425	425	-	(425)	2,344	2,344	2,344	-
	(355)	(355)	(355)	-	-	-	-	-
	70	70	(355)	(425)	2,344	2,344	2,344	-
	83	83	(342)	(425)	-	-	-	-
	617	617	617	-	-	-	-	-
	\$ 700	\$ 700	\$ 275	\$ (425)	\$ -	\$ -	\$ -	\$ -

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**DEBT SERVICE FUNDS****COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

(amounts expressed in thousands)

	District Bond Funds			Variance with
	Budgeted Amounts			Final Budget -
	Original	Final	Actual	Positive
				(Negative)
REVENUES:				
Local sources:				
Ad valorem taxes	\$ 10,130	\$ 9,480	\$ 9,373	\$ (107)
Local sales tax	-	-	-	-
Interest income	150	150	93	(57)
Excess fees	68	68	61	(7)
Total local sources	10,348	9,698	9,527	(171)
State sources:				
Capital Outlay and debt service withheld for SBE/COBI bonds	-	-	-	-
SBE/COBI bond interest	-	-	-	-
Racing commission funds	-	-	-	-
Total state sources	-	-	-	-
Total revenues	10,348	9,698	9,527	(171)
EXPENDITURES:				
Principal retirement	7,900	8,265	8,265	-
Interest	2,128	1,703	1,703	-
Dues, fees and other	170	229	185	44
Total expenditures	10,198	10,197	10,153	44
Excess (deficiency) of revenues over (under) expenditures	150	(499)	(626)	(127)
OTHER FINANCING SOURCES (USES):				
Certificates of participation issued	-	-	-	-
Discount on sale of certificates of participation	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	150	(499)	(626)	(127)
Fund balances - beginning	9,981	9,981	9,981	-
Fund balances - ending	\$ 10,131	\$ 9,482	\$ 9,355	\$ (127)

See accompanying independent auditors' report.

Other Debt Service Funds				Totals			
Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 10,130	\$ 9,480	\$ 9,373	\$ (107)
16,273	16,273	14,405	(1,868)	16,273	16,273	14,405	(1,868)
212	252	209	(43)	366	406	306	(100)
-	-	-	-	68	68	61	(7)
16,485	16,525	14,614	(1,911)	26,837	26,227	24,145	(2,082)
-	-	-	-	5,654	5,654	5,654	-
-	-	-	-	-	13	13	-
-	-	-	-	447	447	447	-
-	-	-	-	6,101	6,114	6,114	-
16,485	16,525	14,614	(1,911)	32,938	32,341	30,259	(2,082)
18,378	16,975	16,975	-	31,437	30,399	30,399	-
39,053	39,719	39,719	-	44,527	44,768	44,768	-
62	1,244	1,227	17	233	1,480	1,419	61
57,493	57,938	57,921	17	76,197	76,647	76,586	61
(41,008)	(41,413)	(43,307)	(1,894)	(43,259)	(44,306)	(46,327)	(2,021)
-	2,125	2,125	-	-	2,125	2,125	-
-	(1,291)	(1,291)	-	-	(1,291)	(1,291)	-
41,458	44,461	44,433	(28)	44,227	47,231	46,777	(453)
-	(1)	(1)	-	(355)	(356)	(356)	-
41,458	45,294	45,266	(28)	43,872	47,709	47,255	(453)
450	3,881	1,959	(1,922)	613	3,403	928	(2,474)
38,541	38,541	38,541	-	50,709	50,709	50,709	-
\$ 38,991	\$ 42,422	\$ 40,500	\$ (1,922)	\$ 51,322	\$ 54,112	\$ 51,637	\$ (2,474)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

CAPITAL PROJECTS FUNDS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

(amounts expressed in thousands)

	Capital Outlay Bond Issue Funds			Variance with
	Budgeted Amounts			Final Budget -
	Original	Final	Actual	Positive
				(Negative)
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local sales tax	-	-	-	-
Interest income	22	169	93	(76)
Other	-	-	-	-
Total local sources	22	169	93	(76)
State sources:				
Public education capital outlay	-	-	-	-
Capital outlay distributed to district	-	-	-	-
Interest on undistributed CO & DS	-	-	-	-
Other	-	-	-	-
Total state sources	-	-	-	-
Total revenues	22	169	93	(76)
EXPENDITURES:				
Capital outlay	162	8,696	5,352	3,344
Total expenditures	162	8,696	5,352	3,344
Excess (deficiency) of revenues over (under) expenditures	(140)	(8,527)	(5,259)	3,268
OTHER FINANCING SOURCES (USES):				
Certificates of participation issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(140)	(8,527)	(5,259)	3,268
Fund balances - beginning	8,607	8,607	8,607	-
Fund balances - ending	\$ 8,467	\$ 80	\$ 3,348	\$ 3,268

Special Act Bond Racetrack Fund				Public Education Capital Otlay Funds			
Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
25	35	35	-	97	125	84	(41)
-	14	14	-	-	5	5	-
25	49	49	-	97	130	89	(41)
-	-	-	-	18,520	20,052	18,473	(1,579)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	18,520	20,052	18,473	(1,579)
25	49	49	-	18,617	20,182	18,562	(1,620)
25	2,830	1,381	1,449	18,881	54,557	24,445	30,112
25	2,830	1,381	1,449	18,881	54,557	24,445	30,112
-	(2,781)	(1,332)	1,449	(264)	(34,375)	(5,883)	28,492
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(2,781)	(1,332)	1,449	(264)	(34,375)	(5,883)	28,492
2,782	2,782	2,782	-	34,423	34,423	34,423	-
\$ 2,782	\$ 1	\$ 1,450	\$ 1,449	\$ 34,159	\$ 48	\$ 28,540	\$ 28,492

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

CAPITAL PROJECTS FUNDS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

(amounts expressed in thousands)

	Capital Outlay & Debt Service Funds			Variance with
	Budgeted Amounts			Final Budget -
	Original	Final	Actual	Positive
				(Negative)
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local sales tax				-
Interest income	40	8	8	-
Other	-	8	8	-
Total local sources	40	16	16	-
State sources:				
Public education capital outlay	-	-	-	-
Capital outlay distributed to district	600	895	895	-
Interest on undistributed CO & DS	-	126	126	-
Other	-	-	-	-
Total state sources	600	1,021	1,021	-
Total revenues	640	1,037	1,037	-
EXPENDITURES:				
Capital outlay	140	592	337	255
Total expenditures	140	592	337	255
Excess (deficiency) of revenues over (under) expenditures	500	445	700	255
OTHER FINANCING SOURCES (USES):				
Certificates of participation issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(425)	(425)	-	425
Total other financing sources and uses	(425)	(425)	-	425
Net change in fund balances	75	20	700	680
Fund balances - beginning	416	416	416	-
Fund balances - ending	\$ 491	\$ 436	\$ 1,116	\$ 680

Local Capital Improvement Funds				Certificates of Participation Funds			
Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
Original	Final			Original	Final		
\$ 88,566	\$ 89,142	\$ 89,142	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
535	529	513	(16)	3,679	3,497	3,102	(395)
-	697	697	-	-	4	4	-
89,101	90,368	90,352	(16)	3,679	3,501	3,106	(395)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
89,101	90,368	90,352	(16)	3,679	3,501	3,106	(395)
34,590	68,758	31,486	37,272	3,625	212,814	96,254	116,560
34,590	68,758	31,486	37,272	3,625	212,814	96,254	116,560
54,511	21,610	58,866	37,256	54	(209,313)	(93,148)	116,165
-	-	-	-	-	61,885	61,885	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1	1	-
(51,088)	(48,849)	(48,800)	49	(54)	(5,332)	(5,317)	15
(51,088)	(48,849)	(48,800)	49	(54)	56,554	56,569	15
3,423	(27,239)	10,066	37,305	-	(152,759)	(36,579)	116,180
28,144	28,143	28,143	-	155,281	155,281	155,281	-
\$ 31,567	\$ 904	\$ 38,209	\$ 37,305	\$ 155,281	\$ 2,522	\$ 118,702	\$ 116,180

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

CAPITAL PROJECTS FUNDS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

(amounts expressed in thousands)

	Sales Tax Bond Revenue			
	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Local sources:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local sales tax	-	-	-	-
Interest income	3,800	4,069	4,069	-
Other	-	-	-	-
Total local sources	3,800	4,069	4,069	-
State sources:				
Public education capital outlay	-	-	-	-
Capital outlay distributed to district	-	-	-	-
Interest on undistributed CO & DS	-	-	-	-
Other	-	-	-	-
Total state sources	-	-	-	-
Total revenues	3,800	4,069	4,069	-
EXPENDITURES:				
Capital outlay	3,800	264,997	50,255	214,742
Total expenditures	3,800	264,997	50,255	214,742
Excess (deficiency) of revenues over (under) expenditures	-	(260,928)	(46,186)	214,742
OTHER FINANCING SOURCES (USES):				
Certificates of participation issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	-	(260,928)	(46,186)	214,742
Fund balances - beginning	261,191	261,191	261,191	-
Fund balances - ending	\$ 261,191	\$ 263	\$ 215,005	\$ 214,742

See accompanying independent auditors' report.

Other Capital Projects Funds				Totals			
Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ 88,566	\$ 89,142	\$ 89,142	\$ -
5,300	6,000	6,000	-	5,300	6,000	6,000	-
338	570	523	(47)	8,536	9,002	8,427	(575)
-	364	364	-	-	1,092	1,092	-
5,638	6,934	6,887	(47)	102,402	105,236	104,661	(575)
-	-	-	-	18,520	20,052	18,473	(1,579)
-	-	-	-	600	895	895	-
-	-	-	-	-	126	126	-
-	21,696	21,696	-	-	21,696	21,696	-
-	21,696	21,696	-	19,120	42,769	41,190	(1,579)
5,638	28,630	28,583	(47)	121,522	148,005	145,851	(2,154)
6,338	78,390	36,075	42,315	67,561	691,634	245,585	446,049
6,338	78,390	36,075	42,315	67,561	691,634	245,585	446,049
(700)	(49,760)	(7,492)	42,268	53,961	(543,629)	(99,734)	443,895
-	-	-	-	-	61,885	61,885	-
-	8,802	8,802	-	-	8,802	8,802	-
-	-	-	-	-	1	1	-
-	-	-	-	(51,567)	(54,606)	(54,117)	489
-	8,802	8,802	-	(51,567)	16,082	16,571	489
(700)	(40,958)	1,310	42,268	2,394	(527,547)	(83,163)	444,384
41,053	41,054	41,054	-	531,897	531,897	531,897	-
\$ 40,353	\$ 96	\$ 42,364	\$ 42,268	\$ 534,291	\$ 4,350	\$ 448,734	\$ 444,384



Internal Service Funds

The Internal Service Funds account for the cost of the District's Insurance Funds

- **Workers Compensation Fund** - Accounts for and reports on the workers' compensation program.
 - **Liability Self-Insurance Liability Fund** - Accounts for and reports on the automobile and general liability programs.
 - **Group Health Insurance Fund** – Accounts for and reports on the health insurance program.
-

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF NET ASSETS****JUNE 30, 2003****(amounts expressed in thousands)**

	Workers Compensation Fund	Liability Self Insurance Fund
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 114	\$ -
Investments	21,373	788
Accounts receivable	106	-
Due from other governmental agencies	-	-
Due from other funds	807	-
Total current assets	<u>\$ 22,400</u>	<u>\$ 788</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ -	\$ -
Due to other funds	31	2
Deferred revenue	-	-
Estimated unpaid claims	25,377	3,242
Total liabilities	<u>25,408</u>	<u>3,244</u>
NET ASSETS		
Unrestricted (deficit)	<u>(3,008)</u>	<u>(2,456)</u>
Total net assets (deficit)	<u>(3,008)</u>	<u>(2,456)</u>
Total net assets and liabilities	<u>\$ 22,400</u>	<u>\$ 788</u>

See accompanying independent auditors' report.

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Group Health Insurance Fund	Totals
\$ 1	\$ 115
12,244	34,405
-	106
751	751
1,525	2,332
<u>\$ 14,521</u>	<u>\$ 37,709</u>

\$ 8,761	\$ 8,761
-	33
5,760	5,760
-	28,619
<u>14,521</u>	<u>43,173</u>

-	(5,464)
-	(5,464)
<u>\$ 14,521</u>	<u>\$ 37,709</u>

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS****FOR THE FISCAL YEAR ENDED JUNE 30, 2003****(amounts expressed in thousands)**

	Workers Compensation Fund	Liability Self Insurance Fund
OPERATING REVENUES:		
Premium revenue from other funds	\$ 17,257	\$ -
Refund of prior year expenses and other	1,381	41
Total operating revenues	18,638	41
OPERATING EXPENSES:		
Salaries	1,000	-
Benefits	302	-
Purchased services	1,157	142
Materials and supplies	28	-
Claims, premiums and other	9,126	1,772
Total operating expenses	11,613	1,914
Operating income (loss)	7,025	(1,873)
NON-OPERATING REVENUE:		
Interest	260	17
Total non-operating revenue	260	17
Income (loss) before transfers	7,285	(1,856)
TRANSFERS IN	-	1,000
TRANSFERS OUT	-	-
Change in net assets	7,285	(856)
Total net assets (deficit) - beginning	(10,293)	(1,600)
Total net assets (deficit) - ending	\$ (3,008)	\$ (2,456)

See accompanying independent auditors' report.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(amounts expressed in thousands)**

	Workers Compensation Fund	Liability Self Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from interfund services provided	\$ 17,458	\$ -
Payment to suppliers	(10,208)	(142)
Payment to employees	(1,278)	-
Other receipts (payments)	1,381	(1,504)
Net cash provided by (used in) operating activities	7,353	(1,646)
CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES:		
Transfers from other funds	-	1,000
Transfers to other funds	-	-
Net cash provided by (used in) noncapital and related financing activities	-	1,000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales and maturities of investments	-	629
Purchase of investments	(7,685)	-
Interest and dividends earned on investments	260	17
Net cash provided by (used in) investing activities	(7,425)	646
Net increase (decrease) in cash	(72)	-
Cash and cash equivalents- Beginning of year	186	-
Cash and cash equivalents- End of year	\$ 114	\$ -
Reconciliation of operating income (Loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 7,025	\$ (1,873)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	211	-
(Increase) decrease in due from other agencies	-	-
(Increase) decrease in due from other funds	(10)	-
(Increase) decrease in prepaid items	-	-
Increase (decrease) in due to other funds	24	-
Increase (decrease) in estimated unclaimed claims	103	227
Increase (decrease) in deferred revenue	-	-
Total adjustments	328	227
Net cash provided by (used in) operating activities	\$ 7,353	\$ (1,646)

See accompanying independent auditors' report.

Group Health Insurance Fund		Totals	
\$	97,211	\$	114,669
	(96,166)		(106,516)
	-		(1,278)
	-		(123)
	<u>1,045</u>		<u>6,752</u>
	-		1,000
	<u>(69)</u>		<u>(69)</u>
	<u>(69)</u>		<u>931</u>
	-		629
	(1,044)		(8,729)
	<u>69</u>		<u>346</u>
	<u>(975)</u>		<u>(7,754)</u>
	1		(71)
	-		186
	<u>-</u>		<u>-</u>
\$	<u>1</u>	\$	<u>115</u>

\$ - \$ 5,152

	-		211
	(303)		(303)
	(223)		(233)
	1,633		1,633
	-		24
	-		330
	<u>(62)</u>		<u>(62)</u>
	<u>1,045</u>		<u>1,600</u>
\$	<u>1,045</u>	\$	<u>6,752</u>



Component Units

- **Discretely Presented Component Units** - Accounts for and reports on the Hillsborough Education Foundation and the various Charter Schools

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2003
(amounts expressed in thousands)**

	Pepin Charter School of Tampa	Learning Gate Charter School	Tampa Bay Academy Charter School	Eastside Multicultural Charter School
ASSETS:				
Cash	\$ 810	\$ 101	\$ 140	\$ 372
Investments	-	-	-	-
Accounts receivable, net	-	1	-	45
Due from other governmental agencies	-	-	532	-
Prepaid items	15			
Capital Assets (net of accumulated depreciation):				
Land	1,237	-	-	65
Land Improvements	-	-	-	-
Construction in progress	180	-	-	-
Improvements other than buildings	-	-	-	-
Buildings and systems	2,612	1	120	219
Furniture, fixtures and equipment	123	61	106	56
Motor vehicles	-	-	159	9
Audio visual materials	-	-	-	-
Computer software	-	-	-	-
Total assets	\$ 4,977	\$ 164	\$ 1,057	\$ 766
LIABILITIES				
Accounts payable	\$ 238	\$ 70	\$ 533	\$ 34
Salaries and wages payable	-	-	-	-
Other liabilities				
Noncurrent liabilities				
Due within one year	110	-	-	-
Due in more than one year	3,990	-	-	-
Total Liabilities	4,338	70	533	34
NET ASSETS				
Invested in capital assets, net of related debt	53	62	385	349
Restricted for:				
Capital outlay	431	-	20	258
Other purposes	-	-	-	-
Unrestricted (deficit)	155	32	119	125
Total net assets (deficit)	639	94	524	732
Total liabilities and net assets	\$ 4,977	\$ 164	\$ 1,057	\$ 766

See accompanying independent auditors' report.

USF Charter School	Village of Excellance Charter School	Central City Charter School	Richardson Academy Charter School	North Tampa Alternative Charter School	Richard Milburn Charter School	Hillsborough Education Foundation	TOTALS Component Units
\$ 122	\$ 40	\$ 102	\$ 172	\$ -	\$ 14	\$ 482	\$ 2,355
-	-	-	-	-	-	1,977	1,977
1	21	4	16	-	55	487	630
-	-	-	-	200	-	-	732
6			11			2,219	2,251
-	-	-	208	-	-	-	1,510
-	-	-	11	-	-	-	11
780	-	-	-	-	-	1,174	2,134
-	-	-	-	-	-	28	28
16	-	-	-	59	-	-	3,027
112	10	40	50	8	50	-	616
-	-	-	1	-	-	-	169
-	-	-	-	2	-	-	2
-	-	-	1	2	-	-	3
<u>\$ 1,037</u>	<u>\$ 71</u>	<u>\$ 146</u>	<u>\$ 470</u>	<u>\$ 271</u>	<u>\$ 119</u>	<u>\$ 6,367</u>	<u>\$ 15,445</u>
\$ 34	\$ 8	\$ 11	\$ 3	\$ 143	\$ 143	\$ 117	\$ 1,334
-	-	-	-	75	-	-	75
						331	331
-	-	1	7	-	10	-	128
-	-	5	8	-	35	-	4,038
<u>34</u>	<u>8</u>	<u>17</u>	<u>18</u>	<u>218</u>	<u>188</u>	<u>448</u>	<u>5,906</u>
908	10	40	271	71	5	1,202	3,356
-	79	-	22	-	-	-	810
-	-	-	-	-	-	4,689	4,689
95	(26)	89	159	(18)	(74)	28	684
<u>1,003</u>	<u>63</u>	<u>129</u>	<u>452</u>	<u>53</u>	<u>(69)</u>	<u>5,919</u>	<u>9,539</u>
<u>\$ 1,037</u>	<u>\$ 71</u>	<u>\$ 146</u>	<u>\$ 470</u>	<u>\$ 271</u>	<u>\$ 119</u>	<u>\$ 6,367</u>	<u>\$ 15,445</u>

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

STATEMENT OF ACTIVITIES

DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2003

(amounts expressed in thousands)

	Pepin Charter School of Tampa	Learning Gate Charter School	Tampa Bay Academy Charter School	Eastside Multicultural Charter School
EXPENSES				
Instructional services	\$ 1,165	\$ 758	\$ 2,117	\$ 722
Instructional support services	332	1	953	11
Pupil transportation services	7	-	141	5
Operation and maintenance of plant	284	352	224	124
School administration	743	257	12	354
General administration	38	43	804	18
Food services	12	7	181	-
Community services and other	-	-	-	43
Interest on long term debt	-	-	-	-
Unallocated depreciation/amortization expense	131	-	74	50
Total expenses	<u>\$ 2,712</u>	<u>\$ 1,418</u>	<u>\$ 4,506</u>	<u>\$ 1,327</u>
PROGRAM REVENUES				
Charges for services	\$ 52	\$ 9	\$ -	\$ 36
Operating grants and contributions	98	-	182	-
Capital grants and contributions	125	136	110	120
Net program expenses	<u>(2,437)</u>	<u>(1,273)</u>	<u>(4,214)</u>	<u>(1,171)</u>
GENERAL REVENUES				
Grants and contributions not restricted to specific programs	2,530	1,173	4,131	1,160
Investment earnings	9	-	1	1
Miscellaneous	-	19	1	-
Total general revenues	<u>2,539</u>	<u>1,192</u>	<u>4,133</u>	<u>1,161</u>
Change in net assets	102	(81)	(81)	(10)
Net assets (deficit) - beginning	537	175	605	742
Net assets (deficit) - ending	<u>\$ 639</u>	<u>\$ 94</u>	<u>\$ 524</u>	<u>\$ 732</u>

See accompanying independent auditors' report

USF Charter School	The Village of Excellence Charter School	Central City Charter School	Richardson Academy Charter School	North Tampa Alternative Charter School	Richard Milburn Charter School	Hillsborough Education Foundation	TOTALS Component Units
\$ 508	\$ 453	\$ 437	\$ 341	\$ 747	\$ 113	\$ -	\$ 7,361
1	35	31	-	13	53	-	1,430
18	-	1	-	75	-	-	247
124	73	95	30	338	101	-	1,745
134	132	173	79	534	294	-	2,712
57	35	15	37	18	3	716	1,784
16	17	11	-	7	-	-	251
-	-	-	-	-	10	2,543	2,596
-	-	-	3	-	5	-	8
32	-	6	12	-	-	-	305
<u>\$ 890</u>	<u>\$ 745</u>	<u>\$ 769</u>	<u>\$ 502</u>	<u>\$ 1,732</u>	<u>\$ 579</u>	<u>\$ 3,259</u>	<u>\$ 18,439</u>
\$ 8	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108
183	44	291	-	328	-	-	1,126
-	68	60	57	82	42	-	800
<u>(699)</u>	<u>(630)</u>	<u>(418)</u>	<u>(445)</u>	<u>(1,322)</u>	<u>(537)</u>	<u>(3,259)</u>	<u>(16,405)</u>
677	606	589	503	1,615	451	3,676	17,111
14	-	1	-	-	-	260	286
95	30	-	-	1	17	-	163
<u>786</u>	<u>636</u>	<u>590</u>	<u>503</u>	<u>1,616</u>	<u>468</u>	<u>3,936</u>	<u>17,560</u>
87	6	172	58	294	(69)	677	1,155
916	57	(43)	394	(241)	-	5,242	8,384
<u>\$ 1,003</u>	<u>\$ 63</u>	<u>\$ 129</u>	<u>\$ 452</u>	<u>\$ 53</u>	<u>\$ (69)</u>	<u>\$ 5,919</u>	<u>\$ 9,539</u>





CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS****COMPARATIVE SCHEDULES BY SOURCE****JUNE 30, 2003 AND 2002****(amounts expressed in thousands)**

	<u>2003</u>	<u>2002</u>
Governmental funds capital assets:		
Land	\$ 95,127	\$ 87,578
Land improvements	22,103	14,827
Improvements other than buildings	119,149	102,206
Buildings and systems	1,388,307	1,198,038
Furniture, fixtures and equipment	160,917	142,877
Audio visual	89	92
Computer software	16,998	14,560
Motor vehicles	65,087	66,176
Property under capital leases	782	782
Construction in progress	<u>117,278</u>	<u>176,725</u>
Total governmental funds capital assets	<u>\$ 1,985,837</u>	<u>\$ 1,803,861</u>

Investments in governmental funds capital assets by source:

Capital projects funds	\$ 1,580,355	\$ 1,411,020
General fund	71,598	62,917
Special revenue funds	54,072	47,686
Undetermined	<u>279,812</u>	<u>282,238</u>
Total governmental funds capital assets	<u>\$ 1,985,837</u>	<u>\$ 1,803,861</u>

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS****SCHEDULE BY FUNCTION AND ACTIVITY****JUNE 30, 2003****(amounts expressed in thousands)**

	<u>Instructional</u>	<u>Administrative</u>	<u>Transportation</u>	<u>Totals</u>
Land	\$ 90,735	\$ 4,392	\$ -	95,127
Land improvements	21,970	133	-	22,103
Improvements other than buildings	116,547	2,602	-	119,149
Buildings and systems	1,357,776	30,531	-	1,388,307
Furniture, fixtures and equipment	141,702	19,215	-	160,917
Audio visual	69	20	-	89
Computer software	8,480	8,518	-	16,998
Motor vehicles	-	-	65,087	65,087
Property under capital leases	-	782	-	782
Construction in progress	<u>117,278</u>	<u>-</u>	<u>-</u>	<u>117,278</u>
Total governmental funds capital assets	<u>\$ 1,854,557</u>	<u>\$ 66,193</u>	<u>\$ 65,087</u>	<u>\$ 1,985,837</u>

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

FOR THE FISCAL ENDED JUNE 30, 2003

(amounts expressed in thousands)

	<u>Instructional</u>	<u>Administrative</u>	<u>Transportation</u>	<u>Totals</u>
Balance, July 1, 2002	\$ 1,662,411	\$ 75,274	\$ 66,176	\$ 1,803,861
Additions/transfers	434,869	2,199	4,590	441,658
Deductions/transfers	<u>242,723</u>	<u>11,280</u>	<u>5,679</u>	<u>259,682</u>
Balance, June 1, 2003	<u>\$ 1,854,557</u>	<u>\$ 66,193</u>	<u>\$ 65,087</u>	<u>\$ 1,985,837</u>

Statistical Section

(UNAUDITED)





District Statistics

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY GENERAL FUND
RESULTS OF OPERATIONS FOR FISCAL YEARS ENDING JUNE 30**

(Amounts in Thousands)

	Actual Fiscal 2002-03	Actual Fiscal 2001-02	Actual Fiscal 2000-01	Actual Fiscal 1999-00
Beginning Fund Balance:				
Designated (1)	\$ 24.561	\$ 17.263	\$ 16.336	\$ 14.501
Undesignated	19.018	20.479	11.318	11.172
TOTAL BEG. FUND BALANCE	43.579	37.742	27.654	25.673
Revenues:				
Federal	0.877	1.068	1.016	0.890
Federal Through State	3.923	5.705	4.076	4.893
State	651.127	617.267	623.763	571.705
Local	314.145	288.692	263.837	254.089
Non-Revenue and Transfers	12.771	10.699	10.170	12.084
TOTAL REVENUES AND OTHER FINANCING SOURCES	982.843	923.431	902.862	843.661
Expenditures:				
Instruction	593.962	569.275	553.748	518.855
Pupil Personnel Services	42.645	42.344	40.812	37.630
Instructional Media Services	19.389	18.604	17.880	16.057
Instruction & Curriculum Development Services	18.360	20.074	24.546	23.218
Instructional Staff Training	3.829	3.502	4.002	3.437
Board of Education	4.686	4.170	2.983	2.543
General Administration	5.058	7.205	8.234	5.067
School Administration	69.931	64.195	63.146	60.165
Fiscal Services	4.664	4.668	4.473	4.718
Food Services	0.438	0.244	0.224	-
Central Services	22.910	27.120	22.471	24.135
Pupil Transportation Services	49.533	46.871	45.840	44.776
Operation of Plant	78.762	64.935	63.033	63.263
Maintenance of Plant	22.940	22.791	23.788	23.351
Community Services	7.515	8.407	9.058	6.932
Facilities, Acquisitions and Construction and Capital Outlay	9.202	11.645	8.839	6.488
Remittance and Transfers to Other Funds	1.074	1.544	0.036	1.045
TOTAL EXPENDITURES AND OTHER USES	954.898	917.594	893.113	841.680
Ending Fund Balance:				
Designated (1)	26.097	24.561	17.263	16.336
Undesignated	45.427	19.018	20.141	11.318
TOTAL ENDING FUND BALANCE	\$ 71.524	\$ 43.579	\$ 37.404	\$ 27.654

(1) Amounts set aside to meet obligations created by the School District in a prior fiscal year.

Actual Fiscal 1998-99	Actual Fiscal 1997-98	Actual Fiscal 1996-97	Actual Fiscal 1995-96	Actual Fiscal 1994-95	Actual Fiscal 1993-94
\$ 16.313	\$ 18.014	\$ 14.564	\$ 16.798	\$ 12.753	\$ 12.722
17.290	24.339	8.994	0.891	8.552	22.611
33.603	42.353	23.558	17.689	21.305	35.333
1.153	1.045	0.789	1.973	1.258	1.479
5.702	0.702	0.483	0.181	0.204	0.262
571.618	532.384	503.345	467.940	453.645	414.296
245.743	222.824	212.519	202.447	194.323	185.646
5.081	9.235	15.027	25.219	38.731	27.704
829.297	766.190	732.163	697.760	688.161	629.387
512.919	475.980	439.449	423.968	425.916	391.992
36.330	32.342	28.700	28.419	28.762	26.497
16.392	15.397	14.746	13.902	14.091	14.405
22.817	20.747	19.927	20.349	21.370	17.902
3.160	2.700	2.954	2.620	2.914	2.946
5.603	4.678	4.429	3.215	2.283	2.104
6.652	5.102	4.064	4.042	4.423	4.163
61.016	58.838	55.841	54.058	52.937	50.363
4.375	4.018	3.718	3.727	4.784	4.573
-	-	-	-	-	-
21.339	18.417	17.105	17.771	18.100	15.120
45.127	44.658	40.206	38.572	37.604	38.114
61.953	59.929	55.273	55.836	52.854	50.320
22.977	19.992	20.196	18.080	20.057	20.666
6.420	5.665	5.655	5.933	3.669	0.873
7.528	2.595	0.896	1.227	1.700	2.043
2.619	3.882	0.209	0.172	0.313	1.334
837.227	774.940	713.368	691.891	691.777	643.415
14.501	16.313	18.014	14.564	16.798	12.753
11.172	17.290	24.339	8.994	0.891	8.552
\$ 25.673	\$ 33.603	\$ 42.353	\$ 23.558	\$ 17.689	\$ 21.305

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
TAX LEVIES AND TAX COLLECTION**

<u>FISCAL YEAR</u>	<u>FINAL SCHOOL TAXABLE VALUE (1)</u>	<u>BASE MILLAGE (2)</u>	<u>TAXES LEVIED</u>
2002-03	\$ 46,355,925,135	6.385	\$ 295,982,582
2001-02	42,891,979,683	6.376	273,479,262
2000-01	37,965,047,068	6.465	245,444,029
1999-00	34,671,753,793	6.771	234,762,445
1998-99	31,893,302,579	7.208	229,886,925
1997-98	29,349,684,182	7.152	209,908,941
1996-97	27,154,169,011	7.518	204,145,043
1995-96	26,222,578,128	7.431	194,859,978
1994-95	25,488,456,154	7.401	188,640,064
1993-94	25,234,389,126	7.254	183,050,259

(1) Less Development Exemptions

(2) Excludes Capital Improvement and Debt Service Levies.

(3) The District is limited by statute to budget 95% of the tax levy for its revenue estimate.

Source: Hillsborough County, Tax Collector's Office and Property Appraiser's Office

DISCOUNTS FOR EARLY PAYMENTS		CURRENT YEAR COLLECTIONS		% OF CURRENT TAX COLLECTIONS AND DISCOUNT TO TAXES LEVIED (3)
\$	9,759,605	\$	283,650,249	99.10%
	9,242,432		262,305,780	99.27%
	8,273,771		234,005,931	98.67%
	7,933,541		218,145,700	96.30%
	7,842,260		215,446,681	97.13%
	7,172,313		201,667,762	99.49%
	6,964,607		196,119,407	99.46%
	6,640,946		187,605,019	99.68%
	6,410,220		181,306,693	99.51%
	6,030,696		173,621,651	98.14%

HILLSBOROUGH COUNTY, FLORIDA
COUNTY-WIDE AD VALOREM TAX COLLECTIONS
(In Thousands)

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Taxes Levied (1)	\$ 1,125,127	\$ 1,052,314	\$ 937,067	\$ 873,048
Discounts Allowed	36,826	35,170	31,380	29,308
Taxes Collected with respect to above levies	<u>1,070,259</u>	<u>998,438</u>	<u>887,725</u>	<u>806,160</u>
Taxes Collected & Discounts	<u>\$ 1,107,085</u>	<u>\$ 1,033,608</u>	<u>\$ 919,105</u>	<u>\$ 835,468</u>
Taxes Collected and Discounts Allowed Representing a Percentage of Taxes Levied	98.40%	98.22%	98.02%	95.70%

(1) Includes insolvencies, injunctions by court order and claims filed in bankruptcy.

Source: Hillsborough County Tax Collector

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
\$ 824,724	\$ 761,828	\$ 716,343	\$ 671,974	\$ 678,706	\$ 655,437
27,845	25,817	24,310	22,707	22,720	21,570
<u>765,165</u>	<u>708,144</u>	<u>666,830</u>	<u>641,772</u>	<u>643,363</u>	<u>620,259</u>
<u><u>\$ 793,010</u></u>	<u><u>\$ 733,961</u></u>	<u><u>\$ 691,140</u></u>	<u><u>\$ 664,479</u></u>	<u><u>\$ 666,083</u></u>	<u><u>\$ 641,829</u></u>
96.15%	96.34%	96.48%	98.88%	98.14%	97.82%

HILLSBOROUGH COUNTY, FLORIDA
TAXABLE VALUE FOR
OPERATING MILLAGES
(In Thousands)

	2002	2001	2000	1999
ASSESSED PROPERTY VALUE				
Just Value	\$ 66,579,217	\$ 60,706,431	\$ 53,356,474	\$ 49,254,441
Classified Agricultural	236,783	228,225	220,473	287,459
Classified Value Park and Recreational	-----	-----	-----	-----
Classified Pollution Control Devices	59,325	62,672	65,485	55,741
Just Value Agricultural	(1,437,811)	(1,465,623)	(1,473,622)	(1,503,733)
Just Value Park and Recreational	-----	-----	-----	-----
Just Value Pollution Control Devices	(59,325)	(62,672)	(65,485)	(557,408)
Governmental Exemptions	(5,825,883)	(5,044,515)	(4,420,706)	(4,296,699)
Institutional Exemptions	(2,187,132)	(1,965,237)	(1,670,396)	(1,745,031)
NET ASSESSED VALUE	57,365,174	52,459,281	46,012,223	41,494,770
Lands Available for Taxes	(5,120)	(5,417)	(5,902)	(7,275)
Widow/Widower Exemptions	(9,497)	(9,649)	(9,860)	(9,112)
Disability Exemptions	(160,933)	(148,931)	(151,120)	(123,109)
Homestead Exemptions	(6,082,324)	(5,817,343)	(5,542,718)	(5,377,084)
Just Value - Capped Value	(4,902,319)	(3,695,182)	(2,337,576)	(1,306,436)
TAXABLE VALUE FOR OPERATING MILLAGES	<u>\$ 46,204,981</u>	<u>\$ 42,782,759</u>	<u>\$ 37,965,047</u>	<u>\$ 34,671,754</u>

Source: Hillsborough County Property Appraiser

1998	1997	1996	1995	1994	1993
\$ 45,885,695	\$ 42,519,275	\$ 39,905,926	\$ 38,316,415	\$ 37,044,896	\$ 36,526,642
301,194	273,702	246,390	296,011	478,800	466,493
-----	-----	-----	-----	55	55
54,768	53,058	57,217	52,371	52,120	49,814
(1,611,649)	(1,663,818)	(1,729,216)	(1,772,513)	(2,089,233)	(2,115,793)
-----	-----	-----	-----	(55)	(55)
(547,679)	(530,582)	(572,167)	(523,707)	(521,205)	(498,139)
(4,289,307)	(4,067,873)	(3,892,222)	(3,567,721)	(3,547,289)	(3,509,542)
(1,632,099)	(1,569,769)	(1,570,863)	(1,451,466)	(1,127,479)	(993,450)
38,160,923	35,013,993	32,445,065	31,349,390	30,290,610	29,926,025
(7,739)	(7,073)	(6,768)	-----	-----	-----
(9,096)	(8,892)	(8,614)	(8,383)	(8,169)	(7,937)
(113,435)	(102,738)	(94,247)	(90,835)	(85,040)	(81,095)
(5,199,336)	(5,066,281)	(4,941,799)	(4,825,563)	(4,708,945)	(4,602,604)
(938,014)	(479,325)	(239,468)	(202,031)	-	-
\$ 31,893,303	\$ 29,349,684	\$ 27,154,169	\$ 26,222,578	\$ 25,488,456	\$ 25,234,389

HILLSBOROUGH COUNTY, FLORIDA
PROPERTY TAX MILLAGES
COUNTY AND OVERLAPPING GOVERNMENTAL ENTITIES
RATES PER \$1,000 ASSESSED VALUATION

	2002	2001	2000
County Wide:			
Board of County Commissioners			
General Revenue	7.1982	7.4349	7.5336
Environmentally Sensitive Lands	0.1140	0.1273	0.1486
Criminal Justice	-----	-----	-----
Parks and Recreation	-----	-----	-----
School District	8.5950	8.5860	8.7150
Tampa Port Authority	0.2900	0.2900	0.2950
Children's Board of Hillsborough Cty	0.5000	0.4170	0.4170
S.W. Florida Water Management	0.4220	0.4220	0.4220
	<u>17.1192</u>	<u>17.2772</u>	<u>17.5312</u>
Non-County Wide:			
Board of County Commissioners			
Public Library Service (1)	0.6423	0.6423	0.6423
Municipal Service Tax	5.0621	5.0621	5.0621
Parks & Recreation (unincorporated)	0.0500	0.0584	0.0675
Independent Special Districts			
SWFWMD Watershed Basins (2)			
Alafia River Basin	0.2400	0.2400	0.2400
Hillsborough River Basin	0.2850	0.2850	0.2850
N.W. Hillsborough Basin	0.2680	0.2680	0.2680
Transit Authority	0.5000	0.5000	0.5000
Tampa Palms C.D.D.	2.6000	2.6000	2.6000
Municipalities:			
Tampa	6.5390	6.5390	6.5390
Plant City	4.7000	4.7000	4.7000
Temple Terrace	4.9100	4.9100	4.9100

(1) This levy is assessed on all property outside Plant City and Temple Terrace, i.e., Tampa and unincorporated areas.

(2) Dependent on its location, property within Tampa may be in either the Alafia River, the Hillsborough River or the NW Hillsborough Basins.
The City of Temple Terrace is entirely within the Hillsborough River Basin.
The City of Plant City is within the Alafia and Hillsborough River Basins.

Source: Hillsborough County Tax Collector

1999	1998	1997	1996	1995	1994	1993
7.5968	7.7500	7.8065	7.9163	7.9048	7.9048	7.9048
0.1854	0.1573	0.1880	0.1880	0.2100	0.2500	0.2500
-----	-----	-----	0.0212	0.0222	0.0222	0.0242
-----	-----	-----	0.0297	0.0320	0.0324	0.0353
9.0710	9.5310	9.5880	9.9542	9.8672	9.8672	9.7248
0.3100	0.3100	0.3100	0.3100	0.3300	0.3500	0.3500
0.4170	0.4170	0.4170	0.4170	0.4210	0.4160	0.3980
0.4220	0.4220	0.4220	0.4220	0.4220	0.4220	0.4220
<u>18.0022</u>	<u>18.5873</u>	<u>18.7315</u>	<u>19.2584</u>	<u>19.2092</u>	<u>19.2646</u>	<u>19.1091</u>
0.6423	0.6423	0.6423	0.6423	0.6423	0.6303	0.5662
5.0621	5.0621	5.0621	5.0621	5.0621	5.0621	5.0621
0.0734	0.0890	0.0890	0.0456	0.0485	0.0510	0.0526
0.2400	0.2400	0.2400	0.2400	0.2400	0.2400	0.1360
0.2850	0.2850	0.2850	0.2850	0.2850	0.2860	0.1470
0.2680	0.2680	0.2680	0.2680	0.2680	0.2680	0.1040
0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
2.6000	2.6000	2.6000	2.6000	2.6000	2.6000	2.6000
6.5390	6.5390	6.5390	6.5390	6.5390	6.5390	6.5390
4.7000	4.7000	4.7000	4.7000	4.7000	4.7000	4.7000
4.9100	4.4100	4.4100	4.4100	4.4100	4.4100	4.4100

**HILLSBOROUGH COUNTY, FLORIDA
COMPARATIVE RATIOS OF BONDED DEBT TO TAXABLE
VALUES AND BONDED DEBT PER CAPITA**

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Population (1)	1,078,809	1,026,906	998,948	967,511
School Taxable Value (2) (In Thousands)	\$ 46,204,981	\$ 42,782,759	\$ 37,965,047	\$ 34,671,754
General Bonded Debt (In Thousands) (3)	\$ 27,245	\$ 35,510	\$ 43,410	\$ 50,900
Ratio of Bonded Debt to Taxable Value	0.0006	0.0008	0.0011	0.0014
Bonded Debt Per Capita	\$ 25.25	\$ 34.58	\$ 43.46	\$ 52.61

(1) Revised Estimates from University of Florida, Bureau of Economic and Business Research.

(2) Gross assessed valuation less exemptions for: Homestead, Institutional, Disability, Widows, Widowers and Governmental Property.

(3) Includes only bonded debt that is the direct obligation of the School District of Hillsborough County and will be payable from and secured by ad valorem taxes levied on the assessed value of all taxable property in the County.

Sources: Hillsborough County Budget Department and Property Appraiser
School District of Hillsborough County, Accounting Department
City / County Planning Commission

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
942,322	928,731	910,855	892,874	879,069	866,134
\$ 31,893,303	\$ 29,349,684	\$ 27,154,169	\$ 26,222,578	\$ 25,488,456	\$ 25,234,389
\$ 57,945	\$ 64,580	\$ 72,225	\$ 79,450	\$ 86,270	\$ 92,715
0.0018	0.0022	0.0027	0.0030	0.0034	0.0038
\$ 61.49	\$ 69.54	\$ 79.29	\$ 88.98	\$ 98.14	\$ 107.04

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
LEGAL DEBT MARGIN
JUNE 30, 2003**

Net Assessed Value 2001 Tax Roll		<u>\$ 57,365,173,841</u>
Debt Limit - 10% of Assessed Valuation		\$ 5,736,517,384
General Obligation Bonds	\$ 27,245,000	
Deduct Amount Available in Debt Service Fund	<u>9,355,068</u>	
Less Net Applicable Debt		<u>\$ 17,889,932</u>
Legal Debt Margin		<u><u>\$ 5,718,627,452</u></u>

Sources: Hillsborough County Property Appraiser
School District of Hillsborough County, Accounting Department
School District of Hillsborough County, Accounts Control Department

**HILLSBOROUGH COUNTY, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
JUNE 30, 2003**

<u>Governmental Unit</u>	<u>Outstanding Gross Debt</u>	<u>Percentage Applicable to this Governmental Unit</u>	<u>Overlapping Gross Debt</u>
Hillsborough County, Florida			
1998 ELAPP Refunding	\$ 26,935,000	100%	\$ 26,935,000
2002 Parks and Recreation Refunding	18,540,000	100%	18,540,000
2003 ELAPP Refunding	10,105,000	100%	10,105,000
	<u>\$ 55,580,000</u>		<u>\$ 55,580,000</u>
 School District of Hillsborough County			
1994 Refunding Bonds	<u>27,245,000</u>	100%	<u>\$ 27,245,000</u>
	<u>\$ 27,245,000</u>		<u>\$ 27,245,000</u>
 Total Direct and Overlapping General Obligation Debt			<u>\$ 82,825,000 (1)</u>

(1) Constitutes total county-wide debt payable from ad valorem tax revenues.
No other governmental entity in Hillsborough County has General Obligation debt.

Sources: Hillsborough County Clerk of the Circuit Court
School District of Hillsborough County, Accounts Control Department

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
RATIO OF ANNUAL GENERAL BONDED DEBT TO TOTAL
GENERAL FUND EXPENDITURES AND OTHER USES
(In Thousands)

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures And Other Uses</u>	<u>Ratio of Debt Service to General Fund Expenditures And Other Uses</u>
2003	\$ 8,265	\$ 1,703	\$ 9,968	\$ 954,898	1.04%
2002	7,900	2,128	10,028	917,594	1.09%
2001	7,490	2,590	10,080	893,113	1.13%
2000	7,045	3,081	10,126	841,680	1.20%
1999	6,635	3,540	10,175	837,227	1.22%
1998	7,645	3,987	11,632	774,940	1.50%
1997	7,225	4,439	11,664	713,368	1.64%
1996	6,820	4,876	11,696	691,891	1.69%
1995	6,445	5,284	11,729	691,777	1.70%
1994	5,650	6,213	11,862	643,415	1.84%

Sources: School District of Hillsborough County, Accounting Department

DEMOGRAPHIC STATISTICS - HILLSBOROUGH COUNTY, FLORIDA

THE COUNTY

Hillsborough County, established on June 25, 1834, encompasses 1,051 square miles. In area it is the twelfth largest county in the state of Florida. It is located approximately half way down the West Coast of Florida with Tampa as the county seat. The incorporated cities of Temple Terrace and Plant City are also located within the County. The County enjoys an excellent climate with temperatures ranging from an average of 65 degrees in January to about 84 degrees in August.

Source: Department of Business and Economic Research, University of Florida

GOVERNMENT

Hillsborough County is governed by a seven-member Board of County Commissioners (the "Board"). Four commissioners are elected from single-member districts and three from an at-large basis to serve a four year staggered term. Annually, a chairperson is elected by the Board. A county administrator is appointed to implement policy.

The City of Tampa, the County Seat, has a strong mayor-council form of government. In a non-partisan election the mayor is elected to a four-year term and is the chief administrator in charge of the City's departments, bureaus, and commissions.

Source: Tampa Chamber of Commerce, Committee of One Hundred

POPULATION

The County's population increased from approximately 490,000 in 1970 to approximately 646,960 in 1980, an increase of 32.0 percent. This compares to an 11.0 percent increase in the nation and a 43.5 percent increase for the State.

The 1990 population as estimated by the Bureau of Economic and Business Research at the University of Florida shows a 35.4 percent gain for the State and a 30.3 percent gain for the County over the census of 1980. This makes Hillsborough County the fourth largest in population in the state of Florida.

By the year 2000, the County's population had increased an additional 18.5 percent which is a faster growth rate than the United States. Furthermore, the population is expected to grow at a rate of 18,000 per year, for the next 20 years.

According to the U.S. Census of 1990, the age group from 25 through 64 years, the primary working ages, comprises 51.7 percent of the County's population compared to 47.8 percent in 1980. This age group represents 50.1 percent of the State's population and 51.1 percent of the United States population. The County's greatest population growth from 1980 to 1990 occurred in the 25 to 44 age groups that showed an increase of 56.0 percent.

Source: Department of Business and Economic Research, University of Florida

**HILLSBOROUGH COUNTY, FLORIDA
POPULATION COMPARISON
1970 - 2000**

	2000	1990	1980	1970
Hillsborough County	998,948	843,059	646,960	490,265
Florida	15,982,378	13,193,432	9,746,424	6,791,418
United States	285,288,292	248,709,873	225,505,000	203,236,000

	1990-2000		1980-1990		1970-1980	
	POPULATION GROWTH	% INCR.	POPULATION GROWTH	% INCR.	POPULATION GROWTH	% INCR.
Hillsborough County	155,889	18.49	196,099	30.3	156,695	32.0
Florida	2,788,946	21.13	2,447,008	35.4	2,955,006	43.5
United States	36,578,419	14.70	23,204,873	10.3	22,269,000	11.0

Sources: U.S. Department of Commerce, Bureau of the Census
Department of Business and Economic Research, University of Florida

**HILLSBOROUGH COUNTY, FLORIDA
POPULATION BY AGE
1990 - 2000**

(Amounts in Thousands)

	Hillsborough County		Florida		United	States
	2000	1990	2000	1990	2000	1990
0 - 14	210	184	2,973	2,412	58,643	53,914
15 - 24	135	130	1,998	1,670	38,587	36,733
25 - 44	317	284	4,571	3,927	82,003	80,632
45 - 64	217	167	3,628	2,559	61,894	46,498
65 and over	120	107	2,813	2,369	34,932	30,984
Total	<u>999</u>	<u>872</u>	<u>15,983</u>	<u>12,937</u>	<u>276,059</u>	<u>248,761</u>
Median Age	35	33	39	36	36	33

Sources: U.S. Department of Commerce, Bureau of the Census
Department of Business and Economic Research, University of Florida

**HOUSING CHARACTERISTICS
1970, 1980, 1990 and 2000**

	2000	1990	1980	1970
Single-Family	261,062	216,451	171,516	128,137
Mobile Homes (1)	42,063	45,559	27,233	11,405
Multi-Family	122,837	105,830	64,870	29,013
	<u>425,962</u>	<u>367,840</u>	<u>263,619</u>	<u>168,555</u>

- (1) Does not include campers, houseboats, automobiles and railroad cars.
The number of housing units in the County increased 152.7 percent from 1970 to 2000.

HOUSING (New Units)

Building Permits activity in Hillsborough County reflects a steady growth pattern in single family homes.
Figures include unincorporated Hillsborough County and the cities of Tampa, Temple Terrace and Plant City.

**HILLSBOROUGH COUNTY, FLORIDA
NEW RESIDENTIAL UNITS
1993 - 2002**

YEAR	SINGLE FAMILY	MULTI FAMILY (1)	MOBILE HOMES	TOTAL
2002	9,275	2,941	286	12,502
2001	8,193	2,821	356	11,370
2000	7,149	4,330	375	11,854
1999	7,215	7,359	377	14,951
1998	6,176	5,751	349	12,276
1997	5,595	2,821	364	8,780
1996	4,890	4,426	304	9,620
1995	4,545	2,910	304	7,759
1994	5,189	2,357	293	7,839
1993	4,450	569	190	5,209

- (1) Includes Duplexes

Source: Hillsborough County City-County Planning Commission

BANKING

The county has a total of two hundred nine (209) banking offices, including branches, with total deposits of over 11 billion dollars.

The county also has a total of twelve (12) offices of federal savings and loan associations with total deposits of approximately 455 million dollars.

Growth in bank deposits over the last ten years shown below demonstrates a 49% increase. Lower table indicates the largest banks in terms of total deposits as of December 31, 2002.

HILLSBOROUGH COUNTY, FLORIDA TOTAL BANK DEPOSITS IN THOUSANDS

<u>Calendar Year</u>	<u>Total Deposits</u>
2002.....	\$11,978,826
2001.....	11,828,458
2000.....	10,696,423
1999.....	9,446,838
1998.....	8,664,836
1997.....	8,430,807
1996.....	8,159,428
1995.....	8,348,799
1994.....	8,068,501
1993.....	8,069,443
1992.....	8,019,132
1991.....	7,945,417

HILLSBOROUGH COUNTY, FLORIDA LEADING BANKS 2002 IN THOUSANDS

	<u>Bank</u>	<u>Branches</u>	<u>Total Deposits</u>
1.	BOA	40	\$3,659,292
2.	Wachovia	20	2,355,146
3.	SunTrust Bank	32	1,958,624
4.	Tampa Bank	9	515,236
5.	Amsouth	18	484,333
6.	Colonial	10	476,535
7.	Southtrust	16	353,178
8.	Charter (Southern Exchange)	13	297,028
9.	Carolina First	11	284,988
10.	Fl Banks Inc	1	279,918
11.	Regions	5	212,629
12.	Provident	2	129,978
13.	Pilot Bankshares	4	108,067
14.	Valrico	4	101,743

Sources: "Banking and Thrift Institutions Market Share –Hillsborough County"
Florida Bankers Association

**HILLSBOROUGH COUNTY, FLORIDA
MAJOR PROPERTY TAXPAYERS
2002**

ORIGINAL AMOUNTS CHARGED TO COLLECT-TAX ROLL **\$ 1,199,269,764**

	2002 Taxes Levied	% of Total Taxes Levied
1. Tampa Electric Company	\$ 30,394,203	2.53%
2. Verizon	26,674,745	2.22%
3. Hillsborough County Aviation Authority	9,208,176	0.77%
4. Tampa Sports Authority	7,313,395	0.61%
5. Highwoods Properties Inc	7,266,343	0.61%
6. Camden Property Trust	4,524,358	0.38%
7. Post Apartments Homes LP	4,219,564	0.35%
8. Cargill Incorporated	3,726,443	0.31%
9. IMC Phosphates Company	3,460,766	0.29%
10. Wal - Mart	3,121,689	0.26%
	<hr/>	<hr/>
TOTAL	\$ 99,909,682	8.33%
	<hr/> <hr/>	<hr/> <hr/>

Source: Hillsborough County Tax Collector, August 29, 2002

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
PUBLIC SCHOOL FACILITIES (1)
1994-2003**

	<u>2002-03</u>	<u>2001-02</u>	<u>2000-01</u>	<u>1999-00</u>
Elementary	119	114	109	107
Junior High/Middle	39	36	36	34
Senior High	22	20	19	19
Adult and Career Centers	8	7(2)	5	5
Total	<u>188</u>	<u>177</u>	<u>169</u>	<u>165</u>

(1) Does not include Special School Centers or Charter Schools

(2) Career Centers Were Initiated During 2001-02

Source: School District of Hillsborough County, Administrative Division

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
CLASSIFICATION OF PERSONNEL
1993-2002**

	<u>2002-03</u>	<u>2001-02</u>	<u>2000-01</u>	<u>1999-00</u>
Teachers:				
Elementary	4,675	4,426	4,531	4,278
Secondary	4,052	3,691	3,755	3,647
Exceptional Ed	1,964	1,724	1,804	1,647
Voc/Adult/Other-Instructional	<u>1,649</u>	<u>1,520</u>	<u>1,514</u>	<u>1,885</u>
Sub Total	12,340	11,361	11,604	11,457
Other Non-Administrative, Non-Instructional (1)	554	654	663	0
Teacher Aides	1,989	2,010	2,101	1,885
Principals & Asst. Prin.	387	393	358	342
Administration & Mgmt.	189	201	199	305
Support Staff	<u>6,165</u>	<u>5,524</u>	<u>5,826</u>	<u>5,580</u>
Total Full-Time Staff	<u>21,624</u>	<u>20,143</u>	<u>20,751</u>	<u>19,569</u>
Total Part-Time Staff	<u>4,162</u>	<u>3,421</u>	<u>6,618</u>	<u>2,672</u>
Grand Total	<u>25,786</u>	<u>23,564</u>	<u>27,369</u>	<u>22,241</u>

(1) "Other" category divided into instructional and non-instructional.

Source: District Equal Employment Opportunity Report, Fall Surveys, 1993-2002

1998-99	1997-98	1996-97	1995-96	1994-95	1993-94
106	105	104	106	107	108
34	33	30	27	27	26
19	18	15	15	14	14
5	5	5	4	4	4
164	161	154	152	152	152

1998-99	1997-98	1996-97	1995-96	1994-95	1993-94
4,168	4,148	4,080	4,057	4,016	3,903
3,591	3,375	2,999	2,808	2,677	2,563
1,574	1,539	1,501	1,650	1,739	1,490
1,876	1,706	1,675	1,707	1,624	1,393
11,209	10,768	10,255	10,222	10,056	9,349
0	0	0	0	0	0
1,780	1,837	1,780	1,985	2,119	1,919
343	342	333	333	319	315
302	310	297	296	301	293
5,432	5,389	5,045	5,056	5,281	5,022
19,066	18,646	17,710	17,892	18,076	16,898
3,442	3,165	3,243	3,283	2,896	1,555
22,508	21,811	20,953	21,175	20,972	18,453

**COMPARATIVE ENROLLMENT TREND
LARGEST UNITED STATES SCHOOL DISTRICTS (1)
1991-2002**

	<u>2001-02</u>	<u>2000-01**</u>	<u>Fall 1999 *</u>	<u>Fall 1998</u>
1. New York, NY.	1,049,831	1,066,516	1,066,473	1,068,231
2. Los Angeles, CA	735,058	721,346	681,422	667,203
3. Chicago, IL	437,418	435,261	405,092	403,310
4. Dade Co., FL (Miami).	375,836	368,625	350,603	343,285
5. Broward Co., FL.	262,055	251,129	235,563	226,284
6. Clark Co., NV (Las Vegas).	245,659	231,655	207,169	194,303
7. Houston, TX	210,950	208,462	198,397	199,291
8. Philadelphia, PA	197,083	201,190	205,413	207,702
9. Hawaii (Entire State)	184,546	184,360	185,036	187,395
10. Hillsborough Co., FL.	169,789	164,311	156,246	152,809
11. Detroit, MI	166,675	162,194	164,433	170,394
12. Dallas, TX	163,562	161,548	153,917	153,230
13. Fairfax Co., VA.	160,584	156,412	150,027	145,021
14. Palm Beach County, FL.	160,223	153,871	147,051	143,593
15. Orange County, FL.	157,433	150,681	141,936	137,697

(1) Enrollments reported by ERS are based on the number of students enrolled in grades kindergarten through twelve at a fixed time during the fall.

* 1996 and 2000 Data was not compiled and since 1999 Educational Research Services has stopped compiling this list

** Beginning with the 2000-01 school year the American School & University is the new data source

NA Not available

Source: ERS Spectrum, Educational Research Services, Inc., Arlington, VA.
American School & University

Fall 1997	Fall 1995 *	Fall 1994	Fall 1993	Fall 1992	Fall 1991
1,075,638	1,050,993	1,027,732	1,004,215	983,162	973,263
651,075	618,275	608,172	611,370	613,733	612,341
409,162	387,224	387,224	393,742	405,206	385,255
345,861	321,000	305,566	305,556	302,163	299,351
218,907	207,345	194,477	186,115	177,173	167,513
181,835	158,659	148,998	138,612	130,122	123,368
199,949	196,039	192,315	190,673	189,437	197,633
214,037	209,425	204,653	202,639	197,631	195,735
189,887	186,581	183,164	179,876	176,923	174,249
149,658	140,747	135,902	130,802	129,808	127,165
177,151	170,449	173,122	169,434	169,439	168,150
151,135	149,405	145,270	142,833	139,819	137,503
145,995	142,808	134,221	131,218	128,806	127,419
139,771	130,000	125,537	120,265	117,567	NA
131,584	NA	NA	113,563	NA	NA

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
PROFILE OF ENROLLMENTS
Full-Time Equivalent Students (1)
1994-2003

	<u>2002-03</u>	<u>2001-02</u>	<u>2000-01</u>	<u>1999-00</u>
Kindergarten.	9,715	9,424	9,824	9,986
Grades 1-3.	40,267	40,731	40,266	40,078
Grades 4-8.	47,283	45,413	43,747	41,892
Grades 9-12.	31,254	30,054	30,100	29,495
Exceptional Ed	34,895	33,377	31,899	30,952
Vocational Ed	8,625	7,873	7,641	7,710
Post Secondary.	-----	-----	-----	511 [3]
Total	<u>172,039</u>	<u>166,872</u>	<u>163,477</u>	<u>160,624</u>

(1) Enrollments are calculated on a full-time equivalent student basis for adults and on the basis of the number of students in grades kindergarten through twelve for the regular and summer school terms. A full-time equivalent student is defined as equal to 900 hours of instruction time.

(2) The State of Florida changed the funding parameters for Exceptional Programs.

(3) The State of Florida eliminated funding for post secondary.

Sources: School District of Hillsborough County, Information Services (IS)
Department, FTE by Program by Grade
School District of Hillsborough County, Business Division

<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>
9,721	9,886	10,485	10,479	10,231	11,462
40,751	40,021	38,384	36,286	34,850	33,569
38,301	35,787	46,250	44,692	43,290	48,178
34,743	33,452	35,715	33,503	32,653	27,574
30,487	29,659 [2]	12,891	13,197	13,816	11,867
7,071	7,448	7,368	6,868	6,263	5,703
6,848	7,978	8,856	8,424	7,490	8,203
<u>167,922</u>	<u>164,231</u>	<u>159,949</u>	<u>153,449</u>	<u>148,593</u>	<u>146,556</u>

HILLSBOROUGH COUNTY AGRICULTURE

Hillsborough County has 2,625 farms, the most of any county in the state and 19th highest in the country. Diversity is one of the keys to the success of Hillsborough County agriculture. In addition to eight major commodities, a variety of specialty crops contributed to the sale of \$626 million of products in 2002. Hillsborough County ranks as the 3rd largest producer in the state (out of 67 counties) and 57th in the United States (out of 3,150 counties). Hillsborough County is in the top 2% of agricultural counties in the country. Approximately 37% of the county's land area is in agricultural production. Urban development and rising land values influence the agricultural sector, encouraging production of high-value commodities such as strawberries, tropical fish, ornamental plants, and enterprises for niche markets. Hillsborough County produces the most tropical fish and strawberries of all counties in the state.

Annual commodity sales are estimated as follows:

<u>Commodity</u>	<u>Annual Sales</u>	<u>Acreage</u>
Aquaculture	\$ 26.3 million	1,700
Beef Cattle	\$ 11.9 million	72,500
Blueberries	\$ 2.0 million	110
Citrus	\$ 46.3 million	23,734
Dairy	\$ 12.96 million	2,000
Forestry	\$ 1.2 million	105,000
Ornamental Plants	\$ 191.4 million	3,575
Poultry	\$ 23.6 million	42
Sod	\$ 30.5 million	7,900
Strawberries	\$ 140.0 million	7,300
Vegetables	\$ 89.0 million	15,000
Miscellaneous	\$ 52 million	2,000
Total	\$ 626,986,000	240,861

Note: These figures are the best current estimates from the "expert opinion" of various extension agents and should be cited as such.

Local agriculture generates additional local economic impact by supporting related businesses such as banking, real estate, legal services, transportation, packaging, equipment, seed, and agriculture suppliers and services, and marketing firms. The majority of agricultural goods produced in Hillsborough County are sold outside of the county. For every dollar sold outside of the county, an estimated \$1.98 is added to the local economy as a result of indirect and induced benefits, according to a recent study commissioned by the Hillsborough County Agriculture Task Force. This study also calculated that agriculturists in Hillsborough County effectively subsidize the urban residential population by contributing six times more in local taxes than they use in county services. Each year, agriculture and its related businesses in Hillsborough County generate over \$1.5 billion in sales and employ 19,000 people with \$249 million in annual earnings.

Source: Hillsborough County Cooperative Extension Service and Hillsborough County Economic Development Department

EMPLOYMENT

The resident labor force in the County increased 82 percent between 1980 and 2000. Annualized unemployment rates for that period compare favorably with those of the State and the United States as presented below.

HILLSBOROUGH COUNTY, STATE OF FLORIDA, AND THE UNITED STATES RESIDENT LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT NOT SEASONALLY ADJUSTED 1980-2003

	<u>June</u> <u>2003</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
Hillsborough County				
Labor Force	613,335	572,743	466,230	313,737
Employment	586,222	555,635	443,789	298,015
Unemployment	27,113	17,108	22,441	15,722
Unemployment Rate	4.4%	3.0%	4.8%	5.0%
Florida				
Labor Force	8,107,000	7,649,884	6,365,000	4,271,000
Employment	7,656,000	7,336,454	5,987,000	4,020,000
Unemployment	451,000	313,430	378,000	251,000
Unemployment Rate	5.6%	4.1%	5.9%	5.9%
United States				
Labor Force	148,117,000	142,132,000	124,787,000	106,946,000
Employment	138,468,000	136,192,000	117,914,000	99,303,000
Unemployment	9,649,000	5,940,000	6,873,000	7,643,000
Unemployment Rate	6.5%	4.2%	5.5%	7.1%

Hillsborough County's labor force is comprised of 613,335 civilians - or 7.56% of the state's 8.1 million workers.

Employment in the Southeastern United States is projected to grow at a faster rate than the national average through 2010. Florida is projected to have the greatest increase in employment of all the eight (8) southeastern states. The expected surge in Florida's employment during the nineties has increased the Tampa area's share of the state's labor force. This will continue to make the area one of the fastest growing for employment opportunities in the south.

Sources: U.S. Department of Labor, Bureau of Labor Statistics
State of Florida, Department of Labor and Employment Statistics

HILLSBOROUGH COUNTY, FLORIDA
MAJOR EMPLOYERS
NOVEMBER 2002

ENTITY	TYPE OF ENTITY	NUMBER OF EMPLOYEES
1. School District of Hillsborough County	Public Education	25,786 (1)
2. Verizon	Telecommunications	14,000
3. University of South Florida	Education Service	11,607
4. Hillsborough County Government	Government Service	10,886
5. Tampa International Airport	International Airport	7,760
6. MacDill Air Force Base	Military Service	5,645
7. St. Joseph's Hospital	Medical Facility	5,242
8. City of Tampa	Government Service	4,500
9. Publix Food Centers	Supermarket	4,342
10. U. S. Postal Service	Postal Service	3,947
11. Bank of America	Banking Service	3,754
12. Tampa Electric Company/Peoples Gas	Electric Service	3,463
13. Tampa General Hospital	Medical Facility	3,166
14. Chase Manhattan Mortgage Coepration	Financial Services	3,000
15. Veteran's Administration Hospital	Health Care	2,800

(1) Equal Employment Opportunity Commission, Fall Survey, 2002

Source: Hillsborough County City-County Planning Commission

PERSONAL INCOME

The following financial indices are presented to compare personal income in Hillsborough County with the State of Florida and the United States.

PER CAPITA PERSONAL INCOME PLACE OF RESIDENCE BASIS 1991 - 2000

<u>YEAR</u>	<u>UNITED STATES</u>	<u>FLORIDA</u>	<u>HILLSBOROUGH COUNTY</u>	<u>COUNTY/U.S. PERCENTAGE</u>
2000	\$ 29,469	\$ 27,764	\$ 27,458	93.18%
1999	28,546	27,781	27,304	95.65%
1998	27,203	26,845	26,355	96.88%
1997	25,288	24,799	23,719	93.80%
1996	24,436	24,198	22,872	93.60%
1995	23,196	23,031	21,509	92.73%
1994	21,696	21,767	20,058	92.45%
1993	20,800	20,828	19,134	92.00%
1992	20,105	19,797	18,689	92.96%
1991	19,091	19,087	17,413	91.21%

Sources: 2002 Florida Statistical Abstract, University of Florida
U.S. Department of Commerce, Bureau of Economic Analysis

MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME (EBI) 1993-2002

<u>YEAR</u>	<u>UNITED STATES</u>	<u>FLORIDA</u>	<u>HILLSBOROUGH COUNTY</u>	<u>COUNTY/U.S. PERCENTAGE</u>
2002	\$ 38,035	\$ 36,599	\$ 38,827	102.08%
2001	38,365	35,363	39,567	103.13%
2000	39,129	34,937	38,480	98.34%
1999	37,233	33,581	36,809	98.86%
1998	35,377	32,109	34,970	98.85%
1997	34,618	31,573	34,490	99.63%
1996	33,482	30,830	33,556	100.22%
1995	32,238	29,664	31,683	98.28%
1994	37,070	32,883	33,985	91.68%
1993	35,056	31,146	32,321	92.20%

Sources: Sales and Marketing Management, 2003 Survey of Buying Power
U.S. Department of Commerce, Bureau of Economic Analysis

EFFECTIVE BUYING INCOME (EBI) PERCENTAGE 2002

	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>	<u>... Percent of Household by EBI ...</u>		
			<u>\$20,000- \$34,999</u>	<u>\$35,000- \$49,999</u>	<u>\$50,000- and over</u>
Hillsborough County	\$ 21,415,513	\$ 38,827	23.5	19.7	35.8
Florida	330,261,544	36,599	24.6	19.5	32.8
United States	5,340,682,818	38,035	25.4	21.3	38.3

Sources: Sales and Marketing Management, 2003 Survey of Buying Power
U.S. Department of Commerce, Bureau of Economic Analysis

TRANSPORTATION

Tampa is the transportation hub of the West Coast of Florida.

Tampa International Airport (TPA) is ranked third in Florida and twenty-ninth in the United States in terms of total passengers serving over 15.4 million in 2002. The airport is the regional facility for the west central section of Florida serving primarily the counties of Hillsborough and Pinellas (including the cities of Tampa, St. Petersburg and Clearwater) in addition to Manatee, Pasco, Citrus, Hernando and Polk Counties. It serves the surrounding counties on a secondary basis.

Tampa International Airport (TPA) is continuously voted "America's Favorite Airport", because of its revolutionary Landside/Airside design, which puts passenger convenience first. As a result of this passenger-friendly design, TPA. continues to rank as the country's best airport in the categories of: clear signage, available ground transportation, ease of reaching gates, closeness of parking and quickness of baggage delivery.

The march 2003 issue of "Conde Nast Traveler" magazine conducted a survey of world travelers and the editors wrote the following:

"The winners, according to our recent poll, are those airports that do the best job on several fronts, from making it easy to arrive and get around to hosting high-quality retail stores and restaurants. Singapore's Changi and Amsterdam's Schiphol held their own as the top two airports in the world—with overall scores of 75.5 and 62.5 percent, respectively, out of a possible 100 percent. **Third place goes to Tampa**"

Tampa International Airport is presently served by twenty-four airlines and three international carriers. They have a total number of forty-eight active gates. Tampa International Airport handled 167.6 million pounds of cargo and 34.5 million pounds of mail in 2002.

Seaboard Coast Line Railroad Company serves six domestic carriers and eight all-cargo carriers.

Tampa is the trucking center of the West Coast of Florida with major trucking firms maintaining terminals in the City and County. The County is served by interstate and intrastate motor common carriers moving goods throughout the United States.

Intercity bus service is supplied by two lines, which offer frequent daily schedules throughout Florida as well as to the principal cities of the United States.

The County is served by three interstate, three U.S. and several Florida highways. All parts of Florida and bordering states to the north and west can be reached within one day by truck or automobile. Interstate 75 Tampa by-pass and Interstate 275 linking St. Petersburg and Sarasota are both complete. This has effectively connected Hillsborough, Pinellas and Manatee counties.

Source: Hillsborough County Aviation Authority
Conde Nast Traveler, March, 2003, Page 68

PORT FACILITIES

The Port of Tampa is the largest tonnage port in Florida, handling almost as much cargo as Florida's 13 other deepwater ports combined. It is one of the largest ports in the United States and it is also the closest full-service deep-water port to the Panama Canal. Tampa provides port services and facilities to shippers and consignees throughout Florida, the Gulf of Mexico, and the Southeastern United States.

Historically known as a bulk port, Tampa's deep water and aggressive infrastructure investment program have helped it gain favor as a general cargo hub.

FACILITIES:

The Port of Tampa includes public and private facilities:

- 29,818 linear feet of berth space
- 9 general cargo facilities
- 43 dry and liquid bulk facilities
- 4 cruise terminals
- 3 scrap facilities
- shrimp docks
- 5 ship repair yards with 13 dry-docks

The Tampa Port Authority owns and/or operates more than 100 buildings and more than 2,000 acres of land.

DESCRIPTION OF BUSINESS:

The Tampa Port Authority was created in 1945. It is a "special district of the state", responsible for administering docks, terminal buildings, and waterways. It also leases special purpose waterfront facilities to private enterprises. The Authority is responsible for channel and port maintenance. The Port's bulk cargo, composing 97% of Port traffic, is primarily phosphate and related cargo, and petroleum products.

INFRASTRUCTURE PROGRAM:

The Tampa Port Authority's three year infrastructure improvement campaign is designed to better serve existing customers and maximize attractiveness to future customers.

The Port is continuing to deepen channels and berths, maintaining Tampa's status as Florida's deepest port, and is undertaking a large number of truck and rail access and staging improvements. A project to add 66 acres to the Port's main peninsula is almost complete, and brand new facilities will soon be constructed in that area.

Source: Tampa Port Authority

COLLEGES AND UNIVERSITIES

The University of South Florida (USF), one of the largest universities in the Southeast United States, is a comprehensive metropolitan research institution that was founded by the State Legislature in 1956. The University opened its doors to 1,997 students in 1960 in Tampa, its first and largest campus.

Since then, USF has added three (3) branch campuses and has expanded to over 39,000 students. The University offers 202 undergraduate and advanced degrees, including the M.D. The average SAT score for entering freshmen is roughly 1,050, the average ACT is approximately 22 and the mean high school grade point average is 3.5. USF has the State University System's first four-year Honors Program and recently introduced an honors program for community college students. USF students come from all 50 states and some 120 foreign nations. About one out of every four USF students is a racial or ethnic minority. The University has almost 300 affiliated student organizations and clubs, including 30 fraternities and sororities.

Approximately 2,464 instructional faculty and 4,400 full-time staff work at USF. More than 90 percent of the faculty hold doctorate or terminal degrees. USF ranks among the top 50 public research universities in the country, with over \$207 million in sponsored research. Faculty work has gained national and international recognition in the areas of accounting, education, engineering, marine science, performing and visual arts, and medical research including Alzheimer's disease, immunology, cancer and nutrition. USF also has nearly 54 endowed chairs in a variety of disciplines ranging from architecture to swallowing disorders. Faculty serve in eleven colleges and schools: Arts and Sciences, Business Administration, Education, Engineering, Medicine, Architectural and Community Design, Nursing, Public Health, Marine Science, Graduate Studies and Visual and Performing Arts.

TAMPA'S COLLEGES AND UNIVERSITIES

	<u>ESTABLISHED</u>	<u>2002 UNDUPLICATED FALL TERM ENROLLMENT</u>	<u>HIGHEST DEGREE OFFERED</u>	<u>PROGRAMS</u>
University of South Florida	1956	39,262	Doctorate	Liberal Arts, General; Technical Preparatory; Professional
University of Tampa	1931	4,500	Masters	Same as above
Tampa College	1890	1,150	Masters	Business Technical Professional
Florida College	1944	460	B.A.	Liberal Studies, Biblical Studies & Elem. Education
Hillsborough Community College	1968	22,839	A.A./A.S.	Same as above

Sources: University of South Florida, Fact Book
Listed Individual Institutions

MILITARY FACILITIES

MacDill Air Force Base, one of the nation's major installations, is located in the County. It houses the 6th Air Mobility Wing. It is the home of the headquarters for the United States Special Operations Command, United States Central Command and the Joint Communications Support Element. MacDill also houses the aircraft operations center for the National Oceanic and Atmospheric Administration (NOAA) which tracks and analyzes atmospheric conditions (hurricanes) for the National Hurricane Center in Miami.

Source: MacDill Air Force Base Public Affairs Office

MEDICAL FACILITIES

Hillsborough County has 12 general/specialty hospitals with approximately 3,840 beds. Not included in this count are the Shriner's Hospital for Children, James A. Haley Veteran's Hospital and the USAF 6th Medical Group at the MacDill Air Force Base.

One hospital, Vencor Hospital – Central Tampa, is long-term acute care facility. Tampa General is the county's only teaching hospital.

Services offered at the community hospitals include:

- Adult cardiac catheterization
 - Brandon Regional Hospital
 - Memorial Hospital of Tampa
 - St. Joseph's Hospital
 - Tampa General Hospital
 - University Community Hospital
- Pediatric cardiac catheterization
 - St. Joseph's Hospital
- Adult open heart surgery
 - St. Joseph's Hospital
 - Tampa General Hospital
 - University Community Hospital
- Pediatric open heart surgery
 - St. Joseph's Hospital
- Burn unit
 - Tampa General Hospital
- Transplants
 - H. Lee Moffitt - adult bone marrow
 - St. Joseph's Hospital - adult bone marrow
 - Tampa General Hospital - adult and pediatric kidney, adult heart, adult liver, and adult lung
- Trauma facilities
 - St. Joseph's Hospital - Level 2 and PRTC provisional
 - Tampa General Hospital - Level 1 and PRTC (Pediatric Referral Trauma Center)
- Neonatal Intensive Care Unit
 - Brandon Regional Hospital – Level II & III
 - St. Joseph's Hospital – Level II & III
 - Tampa General Hospital – Level II & III
 - University Community Hospital – Medical Center - Level II Only

NURSING HOMES AND HOSPICES

- Hospices
 Life Path Hospice
- Nursing Homes
 8 Hospital – Based Skilled Nursing Facilities with a total a 151 skilled nursing beds
 28 Nursing Homes with Community Beds only totaling 3,789 beds
 5 Nursing Homes with both Community and Sheltered Beds totaling 625 beds

All totaled, there are 33 Skilled Nursing Facilities in Hillsborough County containing 4,193 Community Beds and 221 Sheltered Beds. This total excludes H-Based Skilled Nursing Facilities.

The County's human medical resources include more than 2,450 practicing physicians and surgeons with specialists in all fields of medicine and surgery, in addition to 11,929 practicing registered and practical nurses. The University of South Florida's Colleges of Medicine and Nursing now enroll 400 medical students and 803 nursing students. Hillsborough Community College has 1,266 students in nursing and 71 in nuclear medicine technology.

Sources: Tampa General Hospital
University of South Florida, Colleges of Medicine and Nursing
Hillsborough Community College, Registrar

COMMUNICATIONS

Fourteen television stations serve the County: seven (7) independent stations, four (4) network affiliated stations, and three (3) educational stations. In addition there is one cable television system serving the county.

Thirty-six radio stations are located in the county.

The Tampa Tribune, a morning newspaper, is published daily. There are several weekly newspapers and monthly magazines published in the County.

The St. Petersburg Times has a daily circulation of 28,466 and a Sunday circulation of 32,411. The Tampa Tribune has a daily circulation of 238,176 and a Sunday circulation of 313,693.

Source: Tampa Tribune Market Development Department
St. Petersburg Times Web Site

RECREATIONAL FACILITIES AND EVENTS

Recreational facilities that appeal to both residents and visitors to the County are either located within the limits or are only a short drive away. Walt Disney World and Sea World are slightly over an hour's drive to the east and many of the state's major tourist attractions are within a 100-mile radius.

Busch Gardens Tampa Bay, is the ultimate family adventure park offering an array of fascinating attractions based on exotic encounters with the Africa continent. A unique blend of thrilling rides, one of the country's premier zoos featuring more than 2,700 animals, live shows, restaurants, shops and games, Busch Gardens provides unrivaled "real" excitement for guests of every age. The park was recently rated the most popular theme park in Florida among bay area residents.

Raymond James Stadium, managed by the Tampa Sports Authority, has often been referred to as the jewel of the National Football League. The stadium, which opened September 20, 1998, has one of the NFL's largest video boards, an animated pirate ship and cove as well as picnic tables and palm trees in the end zone plazas for the enjoyment of the fans. The seating capacity for non-concert events is 65,657. The Tampa Bay Buccaneers and the USF Bulls call Raymond James Stadium home along with other annual events- the Outback Bowl, numerous community, high school and youth events, motor and equestrian events and concerts.

The Florida State Fair is a feast for the senses, and a showcase of the best our state has to offer. On a 319-acre site in eastern Hillsborough county, it's a family friendly, clean and safe tradition for more than a half million people each year. With daily parades, horse shows, livestock competitions, concerts and fabulous Fair food, it's a time when family and friends gather and memories made.

Whatever your interests the Florida Strawberry Festival has it all. Exhibits of agriculture, commerce, industry, livestock, fine arts, horticulture, and crafts await you. The festival includes social events, competitive contests, youth development programs, top-name entertainment, parades with scores of glorious floats and high-stepping marching bands.

Gasparilla, Tampa's version of Mardi Gras, a bead-and-beer fest that celebrates the city's mythical invasion by a gang of seafaring blokes. Each February, hundreds of thousands of people turn out along Bayshore Boulevard and downtown Tampa to celebrate the pirate takeover, to watch more than 35 crews in their colorful garb riding on parade floats, to drink beer and party into the night.

Lowry Park Zoo features 41 acres of lush, natural habitats comprising five main exhibit areas: The David A Straz Jr. Manatee Hospital, Native Florida Wildlife Center, Asian Domain, Primate World, Free-Flight Aviary and Children's Zoo. Located within a 100-acre city owned park, the zoo is fully accredited by the American Zoo and Aquarium Association (AZA), which supports excellence in conservation, education, science and recreation.

RECREATIONAL FACILITIES AND EVENTS (continued)

Recreational activities located in the Hillsborough County area include:

Adventure Island, Water Park	Outback Bowl
Busch Gardens	Seminole Indian Casino
Equestrian World Cup	Strawberry Festival
Florida Aquarium	Tampa Bay Buccaneers, NFL Football
Florida State Fair	Tampa Bay Devil Rays Major League Baseball
Gasparilla Distance Classic	Tampa Bay Downs Horse Racing
Gasparilla Invasion Festival	Tampa Bay Lightning NHL Hockey
GTE Suncoast seniors Golf Classic	Tampa Bay Mutiny Professional Soccer
Golf Courses (30)	Tampa Bay Storm Arena Football
Guavaween	Tampa Greyhound Track
Lowry Park Zoo	USF & UT Collegiate Sports
New York Yankees Spring Training	

Sources: Busch Gardens, Tampa Bay
Tampa Sports Authority
Lowry Park Zoological Garden

CULTURAL PROGRAMS AND FACILITIES

Programs

The arts council of Hillsborough County and the School District of Hillsborough County have been collaborating on providing arts in education programming since 1976. The mission and driving force of this vital program is to integrate music, visual, performing and literal arts into K-12 daily instruction through the Artists in Schools Program and the Visual and Performing Arts field trip program. These comprehensive programs provide a variety of arts experiences for hundreds of thousands of students and teachers in every Hills borough County school each year.

The arts council also collaborates with school district personnel to design and implement special projects in the arts, such as the Arts Media Resource Center for music and art specialists, the Water Conservation Theater Project, Arts for Alternative and Magnet Schools, Lasting Legacy installations of public art at school sites, and long-term artist residencies at school sites provided through State of Florida Division of Cultural Affairs grants.

Through the Visual and Performing Arts Field Trips, students and teachers attend high quality, professional performances and exhibitions at venues throughout the Tampa Bay area, including the Tampa Theater, the Tampa Bay Performing Arts Center, Ruth Eckerd Hall, Center Place in Brandon, USF, the Tampa Museum of Art, the Dali Museum and many others.

Facilities

The Tampa Bay area is rich in cultural, historic and educational facilities. The Tampa Bay Performing Arts Center presents a popular Broadway series, produces original productions and provides educational programming for both the public and the schools. Dynamic and diverse local cultural groups, such as The Florida Orchestra, Spanish Lyric Theater, Stageworks Theater Company, Tampa Oratorio, Masterworks Chorale and Tampa Bay Youth Orchestra perform at the Performing Arts Center and other venues throughout the Bay area.

Museums and historical/educational venues include the Museum of Science and Industry, the Florida Aquarium, Lowry Park Zoo and Bandshell, The Tampa Bay History Center, H.B. Plant Museum, Tampa Museum of Art and the Ybor City State Museum. One of Tampa's jewels is the historic 1926 Tampa Theatre, an atmosphere movie palace listed on the National Register of Historic Places. The Theatre presents foreign and classic films, concerts special events and tours.

Sources: Arts Council of Hillsborough County

