

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

of

The School District of
Hillsborough County, Florida

For the

Fiscal Year Ended June 30, 2004



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, 2004**

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Introductory Section



School District of Hillsborough County



School Board

Candy Olson, Chair
Carolyn Brickleyer, Vice Chair
Doretha W. Edgecomb
Jennifer Faliero
Carol W. Kurdell
Jack R. Lamb, Ed.D.
Susan L. Valdes

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 14, 2004

Dear Chair Olson 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, 2004 is hereby submitted. These financial statements are presented in conformity with generally accepted accounting principles (GAAP) and are audited 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 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 objective of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2004, 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, 2004, 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 (School Board) 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 179,000 K-12 students. The District is growing by an average of 6,000 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 is expected to 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 adequate to cover the liabilities recorded.

Pension and Other Post Employment Benefits. The District participates in the Florida Retirement System, which is a State administered cost-sharing multiple-employer 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 2004 there were 417 retirees and beneficiaries receiving benefits. The actuarial determined contribution made to the plan for fiscal 2004 was approximately \$2,100,000.

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, 2003. This was the third 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 14, 2004**

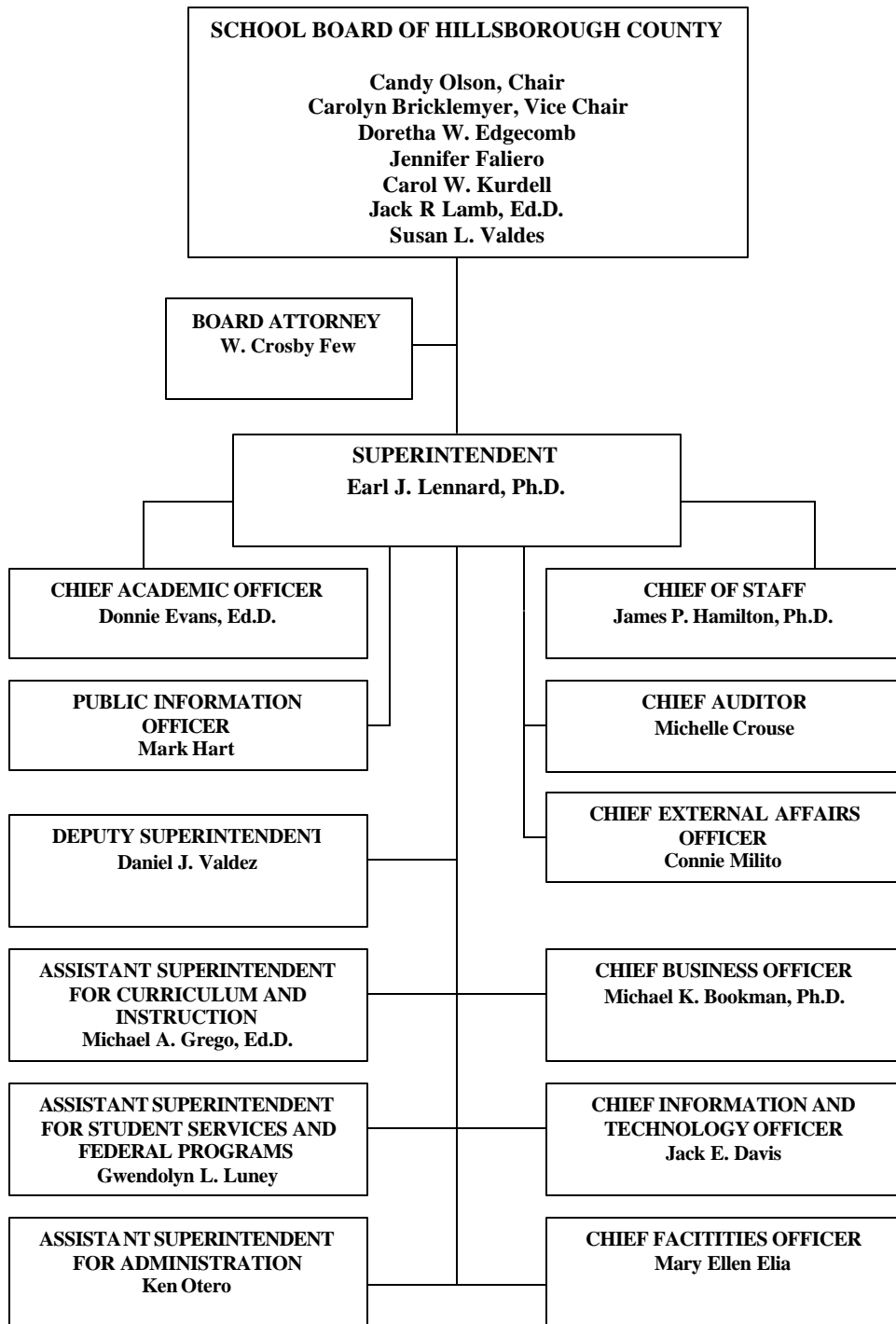
| | |
|--|--|
| Mrs. Candy Olson, Chair Member from District 2 Present term began Present term expires Began as a Board member | November, 2002 November, 2006 November, 1994 |
| Mrs. Carolyn Brickleyer-Vice-Chair Member from District 6 (at large) Present term began Present term expires Began as a Board member | November, 2002 November, 2006 November, 1994 |
| Mrs. Doretha W. Edgecomb Member from District 5 Present term began Present term expires Began as a Board member | November, 2004 November, 2008 November, 2004 |
| Mrs. Jennifer Faliero Member from District 4 Present term began Present term expires Began as a Board member | November, 2002 November, 2006 November, 2002 |
| Mrs. Carol W. Kurdell Member from District 7 (at large) Present term began Present term expires Began as a Board member | November, 2004 November, 2008 November, 1992 |
| Mr. Jack R. Lamb, Ed.D. Member from District 3 Present term began Present term expires Began as a Board member | November, 2004 November, 2008 November, 2000 |
| Susan L. Valdes Member from District 1 Present term began Present term expires Began as a Board member | November, 2004 November, 2008 November, 2004 |

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA

Other Principal Officials - Appointed
As of December 14, 2004

| <u>Name</u> | <u>Title</u> |
|---------------------------|---|
| Earl J. Lennard, Ph.D. | Superintendent of Schools |
| James P. Hamilton, Ph.D. | Chief of Staff |
| Daniel J. Valdez | Deputy Superintendent |
| Michael K. Bookman, Ph.D. | Chief Business Officer |
| Ken Otero | Assistant Superintendent for Administration |
| Donnie W. Evans, Ed.D. | Chief Academic Officer |
| Jack E. Davis | Chief Information and Technology 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 |
| Michelle Crouse | Chief Auditor |
| Connie Milito | Chief External Affairs Officer |

**THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
 ORGANIZATIONAL CHART
 AS OF DECEMBER 14, 2004**



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, 2003

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



President

Executive Director



Financial Section





KPMG LLP
Suite 1700
100 North Tampa Street
Tampa, FL 33602

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, the aggregate discretely presented component units, 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, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate 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, 2004, 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 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 November 19, 2004 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



The management's discussion and analysis and the schedules of employer contributions and funding progress, on pages 3 through 9, and 67 through 68 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, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedule have 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 information included in 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

November 19, 2004

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2004

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 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, 2004

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, 2004

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 – 66 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 \$1,058,710 at the end of the current fiscal year.

By far the largest portion of the District's net assets (78 percent) reflects its investment in capital assets (e.g. land, buildings, 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 <u>2004</u> | Governmental Activities <u>2003</u> |
|---|--|--|
| Current and other assets | \$ 729,816 | \$ 637,090 |
| Capital assets | 1,615,378 | 1,431,636 |
| Total assets | <u>2,345,194</u> | <u>2,068,726</u> |
| Long-term liabilities outstanding | 1,194,856 | 1,105,095 |
| Other liabilities | 91,628 | 78,363 |
| Total liabilities | <u>1,286,484</u> | <u>1,183,458</u> |
| Net assets: | | |
| Invested in capital assets, net of related debt | 822,439 | 764,742 |
| Restricted | 289,321 | 205,477 |
| Unrestricted (deficit) | (53,050) | (84,951) |
| Total Net Assets | <u>\$ 1,058,710</u> | <u>\$ 885,268</u> |

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2004

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 (\$53,050). 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 \$121,723 of compensated absences, which will be paid out in future years.

The District's net assets increased by \$173,442 during the current year and the unrestricted net assets increased by \$31,901. The increase in net assets is due in part to the increase of capital assets. The increase in unrestricted net assets is due in part to 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).

Governmental Activities

Governmental activities increased the District's net assets by \$173,442. Key elements of this increase are as follows:

| | Governmental Activities | Governmental I Activities |
|--|------------------------------------|--|
| | <u>2004</u> | <u>2003</u> |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 44,651 | \$ 41,523 |
| Operating grants and contributions | 76,750 | 71,337 |
| Capital grants and contributions | 122,546 | 46,306 |
| General revenues: | | |
| Property taxes, levied for operational purposes | 304,334 | 284,693 |
| Property taxes, levied for debt service | 10,197 | 9,373 |
| Property taxes, levied for capital projects | 97,048 | 89,142 |
| Local sales taxes | 21,559 | 20,405 |
| Grants and contributions not restricted to specific programs | 852,075 | 779,791 |
| Investment earnings | 8,156 | 10,359 |
| Miscellaneous | 20,060 | 26,643 |
| Total revenues | 1,557,376 | 1,379,572 |
| Expenses: | | |
| Instructional services | 714,080 | 658,217 |
| Instructional support services | 122,807 | 121,706 |
| Pupil transportation services | 55,102 | 52,566 |
| Operation and maintenance of plant | 101,680 | 101,149 |
| Facilities acquisition and construction | 87,709 | 94,213 |
| School administration | 70,565 | 67,670 |
| General administration | 53,972 | 46,001 |
| Food services | 74,500 | 68,128 |
| Community services and other | 53,922 | 54,732 |
| Interest on long term debt | 49,120 | 44,191 |
| Unallocated depreciation | 477 | 500 |
| Total expenses | 1,383,934 | 1,309,073 |
| Increase in net assets | 173,442 | 70,499 |
| Net assets beginning of year | 885,268 | 814,769 |
| Net assets end of year | \$ 1,058,710 | \$ 885,268 |

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2004

Property taxes increased by \$28,371. This is due to the increase in the assessed value of property and the continued growth and new construction in Hillsborough County.

Grants and contributions revenue increased by \$72,284, mostly due to the increase of the Florida School Finance Program 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 \$644,933, an increase of \$70,965 over the prior year. Of this total amount \$497,153 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 (\$50,300), 2) to pay debt service (\$59,900), 3) to complete State carryover programs (\$11,179), 4) to complete other committed projects (\$21,318) and 5) reserve for inventory (\$5,083).

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 \$50,686, while total fund balance was \$96,729. The fund balance of the District's general fund increased by \$25,205 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 4.94 percent of total general fund expenditures, while total fund balance represents 9.44 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 Certificates of Participation Fund total fund balance increased by \$70,863 to a total of \$189,565. This increase was due to the Certificates of Participation Fund receiving an additional \$132,254 from the issuance of the Series 2003B and the Series 2004B Certificates of Participation and the issuance of the Series 2004 QZAB Certificates of Participation. The Sales Tax Bond Revenue Fund, fund balance continues to be expended for eligible projects. Other Capital Projects Fund had an increase of fund balance of \$73,604 to a total of \$115,968. This was due to the receipt of \$73,695 of Class Size Reduction Funds.

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2004

General Fund Budgetary Highlights

During the fiscal year, the District revised its budget and brought amendments to the Board on a monthly basis. These amendments were 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 2003-2004 general fund original budget. These revisions were due to a variety of situations. The District increased by 6,300 new students over the previous school year and opened eight new schools. The actions to reduce district expenditures were approved by the Board and implemented through out the year.

Budgeted expenditures decreased \$3.5 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 \$55.1 million below the final amended budget. This amount reflects only 5.1% 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 \$25 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, 2004, amounts to \$1,615,378 (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>2004</u> | Governmental Activities <u>2003</u> |
|-----------------------------------|--|--|
| Land | \$ 105,210 | \$ 95,127 |
| Land improvements | 32,705 | 22,103 |
| Construction in progress | 131,843 | 117,278 |
| Improvements other than buildings | 52,181 | 51,195 |
| Buildings and systems | 1,198,161 | 1,068,965 |
| Furniture, fixtures and equipment | 59,490 | 52,802 |
| Motor vehicles | 33,052 | 19,450 |
| Property under capital lease | 63 | 201 |
| Audio visual materials | 39 | - |
| Computer software | 2,634 | 4,515 |
| Total capital assets | <u>\$ 1,615,378</u> | <u>\$ 1,431,636</u> |

This years additions of \$248,359 included the construction of eight (8) new schools which opened in fiscal year 2004, eight (8) schools which are to be opened in 2005 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, 2004

Long Term Debt

At the end of the current fiscal year the District had total debt outstanding of \$1,065,183, which is net of unamortized bond premiums and unamortized loss on bond refunding of \$7,206.

| | <u>2004</u> | <u>2003</u> |
|----------------------------------|---------------------|-------------------|
| Notes payable | \$ 2,561 | \$ 4,124 |
| Obligations under capital leases | 20 | 62 |
| Bonds payable | 307,598 | 322,183 |
| Certificates of participation | <u>755,004</u> | <u>633,608</u> |
| Total long term debt | <u>\$ 1,065,183</u> | <u>\$ 959,977</u> |

The District's total debt increased by \$105,206 (net of repayment of principal on outstanding debt) during the current fiscal year. The key factor in this increase was the issuance of the following:

- \$72,065 Certificates of Participation, Series 2003B
- \$27,305 Certificates of Participation, Series 2004A
- \$56,715 Certificates of Participation, Series 2004B
- \$ 6,131 Certificates of Participation, 2004 QZAB
- \$ 2,990 SBE Bonds, 2003A

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, 2004

(amounts expressed in thousands)

| | <u>Primary Government</u> | |
|---|------------------------------------|------------------------|
| | <u>Governmental Activities</u> | <u>Component Units</u> |
| ASSETS: | | |
| Cash | \$ 30,804 | \$ 2,308 |
| Investments | 554,107 | 2,341 |
| Accounts receivable, net | 1,944 | 416 |
| Due from other governmental agencies | 123,744 | 470 |
| Inventories | 7,634 | - |
| Deferred charges | 11,583 | - |
| Prepaid items | - | 2,406 |
| Capital Assets (net of accumulated depreciation): | | |
| Land | 105,210 | 1,445 |
| Land Improvements | 32,705 | 11 |
| Construction in progress | 131,843 | 1,253 |
| Improvements other than buildings | 52,181 | - |
| Buildings and systems | 1,198,161 | 3,266 |
| Furniture, fixtures and equipment | 59,490 | 753 |
| Motor vehicles | 33,052 | 231 |
| Property under capital leases | 63 | 759 |
| Audio visual materials | 39 | 99 |
| Computer software | 2,634 | 161 |
| Total assets | <u>\$ 2,345,194</u> | <u>\$ 15,919</u> |
| LIABILITIES | | |
| Accounts payable | \$ 19,216 | \$ 665 |
| Salaries and wages payable | - | 21 |
| Accrued payroll taxes and withholdings | 455 | - |
| Accrued interest | 22,769 | - |
| Due to other governmental agencies | 3,700 | 273 |
| Deposits payable | 12 | - |
| Deferred revenue | 19,138 | 93 |
| Estimated unpaid claims | 26,338 | - |
| Other liabilities | - | 340 |
| Noncurrent liabilities: | | |
| Due within one year | 43,288 | 125 |
| Due in more than one year | 1,151,568 | 3,905 |
| Total liabilities | <u>1,286,484</u> | <u>5,422</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 822,439 | 3,190 |
| Restricted for: | | |
| Categorical carryover programs | 11,179 | - |
| Debt service | 37,131 | - |
| Capital outlay | 218,468 | 183 |
| Other purposes | 22,543 | 5,234 |
| Unrestricted (deficit) | (53,050) | 1,890 |
| Total net assets | <u>1,058,710</u> | <u>10,497</u> |
| Total liabilities and net assets | <u>\$ 2,345,194</u> | <u>\$ 15,919</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, 2004
(amounts expressed in thousands)**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Charges for Services</u> |
|---|---------------------|---------------------------------|
| Primary government: | | |
| Governmental activities: | | |
| Instructional services | \$ 714,080 | \$ 9,607 |
| Instructional support services | 122,807 | - |
| Pupil transportation services | 55,102 | 2,194 |
| Operation and maintenance of plant | 101,680 | - |
| Facilities acquisition and construction | 87,709 | - |
| School administration | 70,565 | - |
| General administration | 53,972 | - |
| Food services | 74,500 | 32,850 |
| Community services and other | 53,922 | - |
| Interest on long-term debt | 49,120 | - |
| Unallocated depreciation expense | 477 | - |
| Total governmental activities and primary government | \$ 1,383,934 | \$ 44,651 |
| Component units: | | |
| Foundation and charter schools | \$ 20,002 | \$ 303 |
| Total component units | \$ 20,002 | \$ 303 |

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 | |
|--|--|---|--------------------|
| | | Primary Government Governmental Activities | Component Units |
| Operating Grants and Contributions | Capital Grants and Contributions | | |
| \$ - | \$ - | \$ (704,473) | \$ - |
| - | - | (122,807) | - |
| 35,439 | - | (17,469) | - |
| - | - | (101,680) | - |
| - | 116,633 | 28,924 | - |
| - | - | (70,565) | - |
| - | - | (53,972) | - |
| 41,311 | - | (339) | - |
| - | - | (53,922) | - |
| - | 5,913 | (43,207) | - |
| - | - | (477) | - |
| <u>\$ 76,750</u> | <u>\$ 122,546</u> | <u>\$ (1,139,987)</u> | <u>\$ -</u> |
| \$ 553 | \$ 422 | - | (18,724) |
| <u>\$ 553</u> | <u>\$ 422</u> | - | <u>(18,724)</u> |
| | | 304,334 | - |
| | | 10,197 | - |
| | | 97,048 | - |
| | | 21,559 | - |
| | | 852,075 | 18,676 |
| | | 8,156 | 247 |
| | | 20,060 | 573 |
| | | <u>1,313,429</u> | <u>19,496</u> |
| | | 173,442 | 772 |
| | | 885,268 | 9,725 |
| | | <u>\$ 1,058,710</u> | <u>\$ 10,497</u> |

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004**

(amounts expressed in thousands)

| | General | Contracted Services | Certificates Of Participation |
|---------------------------------------|-------------------|------------------------|-------------------------------------|
| ASSETS | | | |
| Cash | \$ 17,188 | \$ 1,533 | \$ 36 |
| Investments | 80,857 | 3,235 | 207,240 |
| Accounts receivable | 301 | 18 | - |
| Due from other governmental agencies | 4,815 | 8,023 | - |
| Due from other funds | 10,547 | 437 | 3,412 |
| Inventories | 5,921 | - | - |
| Total assets | <u>\$ 119,629</u> | <u>\$ 13,246</u> | <u>\$ 210,688</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 10,051 | \$ - | \$ - |
| Payroll deductions and withholdings | 455 | - | - |
| Due to other funds | 5,194 | 3,867 | 21,123 |
| Due to other governmental agencies | 3,520 | 14 | - |
| Deposits payable | 6 | - | - |
| Deferred revenue | 3,674 | 9,365 | - |
| Total liabilities | <u>22,900</u> | <u>13,246</u> | <u>21,123</u> |
| Fund balances | | | |
| Reserved for: | | | |
| State categorical carry-over programs | 11,179 | - | - |
| Encumbrances | 8,463 | - | 5,540 |
| Inventories | 5,083 | - | - |
| Debt service | - | - | - |
| Other purposes | 21,318 | - | - |
| Unreserved, reported in: | | | |
| General fund | 50,686 | - | - |
| Special revenue funds | - | - | - |
| Capital projects funds | - | - | 184,025 |
| Total fund balances | <u>96,729</u> | <u>-</u> | <u>189,565</u> |
| Total liabilities and fund balances | <u>\$ 119,629</u> | <u>\$ 13,246</u> | <u>\$ 210,688</u> |

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 |
|------------------------------|------------------------------|-----------------------------------|--------------------------------|
| \$ 7 | \$ 2,806 | \$ 9,102 | \$ 30,672 |
| 89,828 | 36,424 | 93,474 | 511,058 |
| - | 107 | 627 | 1,053 |
| - | 74,859 | 35,473 | 123,170 |
| 9,931 | 5,680 | 21,261 | 51,268 |
| - | - | 1,713 | 7,634 |
| <u>\$ 99,766</u> | <u>\$ 119,876</u> | <u>\$ 161,650</u> | <u>\$ 724,855</u> |
| \$ - | \$ - | \$ 165 | \$ 10,216 |
| - | - | - | 455 |
| 4,618 | 3,736 | 13,473 | 52,011 |
| - | 166 | - | 3,700 |
| - | 6 | - | 12 |
| - | - | 489 | 13,528 |
| <u>4,618</u> | <u>3,908</u> | <u>14,127</u> | <u>79,922</u> |
| - | - | - | 11,179 |
| 22,644 | 3,052 | 10,601 | 50,300 |
| - | - | - | 5,083 |
| - | - | 59,900 | 59,900 |
| - | - | - | 21,318 |
| - | - | - | 50,686 |
| - | - | 709 | 709 |
| 72,504 | 112,916 | 76,313 | 445,758 |
| 95,148 | 115,968 | 147,523 | 644,933 |
| <u>\$ 99,766</u> | <u>\$ 119,876</u> | <u>\$ 161,650</u> | <u>\$ 724,855</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, 2004
(amounts expressed in thousands)**

| | |
|---|----------------------------|
| Total Fund Balances - Governmental Funds | \$ 644,933 |
| 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. | 1,615,378 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | 11,583 |
| 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. | 4,441 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds. | (1,194,856) |
| Accrued interest on long-term liabilities is not due and payable in the current period and therefore, is not reported in the funds. | <u>(22,769)</u> |
| Total Net Assets - Governmental Activities | <u>\$ 1,058,710</u> |

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, 2004
(amounts expressed in thousands)**

| | General | Contracted Services | Certificates Of Participation |
|---|------------------|------------------------|-------------------------------------|
| REVENUES | | | |
| Local sources: | | | |
| Ad valorem taxes | \$ 304,334 | \$ - | \$ - |
| Local sales tax | - | - | - |
| Food services | - | - | - |
| Interest income | 1,287 | - | 2,194 |
| Other | 24,209 | 2,957 | 23 |
| Total local sources | <u>329,830</u> | <u>2,957</u> | <u>2,217</u> |
| State sources: | | | |
| Florida education finance program | 555,611 | - | - |
| Public education capital outlay | - | - | - |
| Categorical programs | 111,431 | - | - |
| Class size reduction | - | - | - |
| 0 | 30,347 | - | - |
| Food services | - | - | - |
| Other | 17,248 | 1,613 | - |
| Total state sources | <u>714,637</u> | <u>1,613</u> | <u>-</u> |
| Federal sources: | | | |
| Food service | - | - | - |
| Federal grants direct | 1,571 | 9,684 | - |
| Federal grants through state | 4,863 | 143,615 | - |
| Federal grants through local | - | 9,594 | - |
| Total federal sources | <u>6,434</u> | <u>162,893</u> | <u>-</u> |
| Total revenues | <u>1,050,901</u> | <u>167,463</u> | <u>2,217</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Instructional services: | | | |
| Basic programs | 485,637 | 52,887 | - |
| Exceptional child programs | 118,534 | 12,131 | - |
| Adult and vocational technical programs | 47,840 | 1,547 | - |
| Total instructional services | <u>652,011</u> | <u>66,565</u> | <u>-</u> |
| Instructional support services: | | | |
| Pupil personnel services | 43,383 | 14,148 | - |
| Instructional media services | 20,191 | 2,504 | - |
| Instruction and curriculum development services | 17,954 | 19,405 | - |
| Instructional staff training services | 3,039 | 3,604 | - |
| Total instructional support services | <u>84,567</u> | <u>39,661</u> | <u>-</u> |
| Pupil transportation services | <u>51,248</u> | <u>1,096</u> | <u>-</u> |
| Operation and maintenance of plant: | | | |
| Operation of plant | 79,706 | 87 | - |
| Maintenance of plant | 23,281 | 24 | - |
| Total operation and maintenance of plant | <u>102,987</u> | <u>111</u> | <u>-</u> |
| School administration | <u>72,871</u> | <u>499</u> | <u>-</u> |
| General administration: | | | |
| Central services | 22,843 | 436 | - |
| Board of education | 2,701 | - | - |
| General administration | 14,844 | 2,328 | - |
| Fiscal services | 4,609 | 617 | - |
| Total general administration | <u>44,997</u> | <u>3,381</u> | <u>-</u> |

| Sales Tax Bond Revenue | Other Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------|---------------------------------------|--|---|
| \$ - | \$ - | \$ 107,245 | \$ 411,579 |
| - | - | 21,559 | 21,559 |
| - | - | 32,887 | 32,887 |
| 1,958 | 418 | 1,040 | 6,897 |
| 10 | 22 | 2,492 | 29,713 |
| <u>1,968</u> | <u>440</u> | <u>165,223</u> | <u>502,635</u> |
| - | - | - | 555,611 |
| - | - | 22,592 | 22,592 |
| - | - | - | 111,431 |
| - | 73,698 | - | 73,698 |
| - | - | - | 30,347 |
| - | - | 1,396 | 1,396 |
| - | 20,894 | 7,265 | 47,020 |
| - | <u>94,592</u> | <u>31,253</u> | <u>842,095</u> |
| - | - | 39,914 | 39,914 |
| - | - | - | 11,255 |
| - | - | - | 148,478 |
| - | - | - | 9,594 |
| - | - | <u>39,914</u> | <u>209,241</u> |
| <u>1,968</u> | <u>95,032</u> | <u>236,390</u> | <u>1,553,971</u> |
| - | - | - | 538,524 |
| - | - | - | 130,665 |
| - | - | - | 49,387 |
| - | - | - | <u>718,576</u> |
| - | - | - | 57,531 |
| - | - | - | 22,695 |
| - | - | - | 37,359 |
| - | - | - | 6,643 |
| - | - | - | <u>124,228</u> |
| - | - | - | 52,344 |
| - | - | - | 79,793 |
| - | - | - | 23,305 |
| - | - | - | <u>103,098</u> |
| - | - | - | 73,370 |
| - | - | - | 23,279 |
| - | - | - | 2,701 |
| - | - | - | 17,172 |
| - | - | - | 5,226 |
| - | - | - | <u>48,378</u> |

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(amounts expressed in thousands)**

| | General | Contracted Services | Certificates Of Participation |
|--|----------------|--------------------------------|--|
| Facilities acquisition and construction | 2,148 | 2,429 | - |
| Food services | 423 | - | - |
| Community services and other | 6,557 | 47,108 | - |
| Debt Service: | | | |
| Principal retirement | - | - | - |
| Interest | - | - | - |
| Dues, fees and other | - | - | - |
| Capital outlay | 7,220 | 6,674 | 63,547 |
| Total expenditures | 1,025,029 | 167,524 | 63,547 |
| Excess (deficiency) of revenues over (under) expenditures | 25,872 | (61) | (61,330) |
| OTHER FINANCING SOURCES (USES): | | | |
| Long term bonds issued | - | - | - |
| Discount on sale of bonds | - | - | - |
| Certificates of participation issued | - | - | 132,254 |
| Premium on sale of certificates of participation | - | - | - |
| Discount on sale of certificates of participation | - | - | - |
| Proceeds from sale of capital assets | - | - | - |
| Payments to refunded bond escrow agent | - | - | - |
| Transfers in | 394 | 61 | 16 |
| Transfers out | (1,061) | - | (77) |
| Total other financing sources and uses | (667) | 61 | 132,193 |
| Net change in fund balances | 25,205 | - | 70,863 |
| Fund balances - beginning | 71,524 | - | 118,702 |
| Fund balances - ending | \$ 96,729 | \$ - | \$ 189,565 |

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 |
|---------------------------------------|---------------------------------------|--|---|
| - | - | - | 4,577 |
| - | - | 74,449 | 74,872 |
| - | - | - | 53,665 |
| - | - | 31,958 | 31,958 |
| - | - | 46,862 | 46,862 |
| - | - | 2,445 | 2,445 |
| 121,825 | 23,925 | 64,243 | 287,434 |
| 121,825 | 23,925 | 219,957 | 1,621,807 |
| (119,857) | 71,107 | 16,433 | (67,836) |
| - | - | 2,990 | 2,990 |
| - | - | (30) | (30) |
| - | - | 29,962 | 162,216 |
| - | - | 3,733 | 3,733 |
| - | - | (1,043) | (1,043) |
| - | 2,497 | - | 2,497 |
| - | - | (30,601) | (30,601) |
| - | - | 50,253 | 50,724 |
| - | - | (50,547) | (51,685) |
| - | 2,497 | 4,717 | 138,801 |
| (119,857) | 73,604 | 21,150 | 70,965 |
| 215,005 | 42,364 | 126,373 | 573,968 |
| <u>\$ 95,148</u> | <u>\$ 115,968</u> | <u>\$ 147,523</u> | <u>\$ 644,933</u> |



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, 2004

(amounts expressed in thousands)

Net Change in Fund Balances - Total Governmental Funds \$ 70,965

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 (\$248,359) exceeds depreciation expense (\$64,197) during the current period. 184,162

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. (2,165)

Revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,745

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 and payments to a refunding agent is another financing use in the governmental funds, but the repayments reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds (\$165,206) exceeded repayments of bond principal (\$32,000) and repayments to a refunding agent (\$30,601) in the current period. (102,605)

Governmental funds report costs associated with 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 (\$1,043 bond discount, \$2,147 issuance cost and (\$3,733) bond premium). (543)

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) (1,687)

Compensated absences 12,989

Amortization of bond discount, premium and issuance costs 676

Internal service funds are used by management to charge the cost of certain activities, such as insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities. 9,905

Change in Net Assets of Governmental Activities \$ 173,442

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, 2004
(amounts expressed in thousands)**

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|------------------|------------|------------|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Local sources: | | | | |
| Ad valorem taxes | \$ 301,671 | \$ 304,334 | \$ 304,334 | \$ - |
| Interest income | 1,000 | 1,287 | 1,287 | - |
| Other | 18,235 | 25,064 | 24,209 | (855) |
| Total local sources | 320,906 | 330,685 | 329,830 | (855) |
| State sources: | | | | |
| Florida education finance program | 559,417 | 555,611 | 555,611 | - |
| Categorical programs | 111,694 | 111,544 | 111,431 | (113) |
| Workforce development | 30,347 | 30,347 | 30,347 | - |
| Other | 7,167 | 21,499 | 17,248 | (4,251) |
| Total state sources | 708,625 | 719,001 | 714,637 | (4,364) |
| Federal sources: | | | | |
| Federal grants direct | 550 | 1,571 | 1,571 | - |
| Federal grants through state | 3,050 | 4,863 | 4,863 | - |
| Total federal sources | 3,600 | 6,434 | 6,434 | - |
| Total revenues | 1,033,131 | 1,056,120 | 1,050,901 | (5,219) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instructional services: | | | | |
| Basic programs | 519,205 | 507,479 | 485,637 | 21,842 |
| Exceptional child programs | 121,612 | 118,865 | 118,534 | 331 |
| Adult and vocational technical programs | 52,480 | 51,295 | 47,840 | 3,455 |
| Total instructional services | 693,297 | 677,639 | 652,011 | 25,628 |
| Instructional support services: | | | | |
| Pupil personnel services | 43,961 | 43,515 | 43,383 | 132 |
| Instructional media services | 21,036 | 21,865 | 20,191 | 1,674 |
| Instruction and curriculum development services | 20,477 | 18,476 | 17,954 | 522 |
| Instructional staff training services | 5,146 | 4,694 | 3,039 | 1,655 |
| Total instructional support services | 90,620 | 88,550 | 84,567 | 3,983 |
| Pupil transportation services | 52,763 | 51,596 | 51,248 | 348 |
| Operation and maintenance of plant: | | | | |
| Operation of plant | 73,145 | 80,014 | 79,706 | 308 |
| Maintenance of plant | 28,831 | 28,483 | 23,281 | 5,202 |
| Total operation and maintenance of plant | 101,976 | 108,497 | 102,987 | 5,510 |
| School administration | 72,698 | 73,392 | 72,871 | 521 |
| General administration: | | | | |
| Central services | 33,017 | 25,884 | 22,843 | 3,041 |
| Board of education | 6,454 | 2,916 | 2,701 | 215 |
| General administration | 8,217 | 18,854 | 14,844 | 4,010 |
| Fiscal services | 4,564 | 4,732 | 4,609 | 123 |
| Total general administration | 52,252 | 52,386 | 44,997 | 7,389 |

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, 2004
(amounts expressed in thousands)**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Facilities acquisition and construction | <u>4,213</u> | <u>2,927</u> | <u>2,148</u> | <u>779</u> |
| Food services | <u>-</u> | <u>423</u> | <u>423</u> | <u>-</u> |
| Community services and other | <u>15,848</u> | <u>17,503</u> | <u>6,557</u> | <u>10,946</u> |
| Capital outlay | <u>-</u> | <u>7,220</u> | <u>7,220</u> | <u>-</u> |
| Total expenditures | <u>1,083,667</u> | <u>1,080,133</u> | <u>1,025,029</u> | <u>55,104</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(50,536)</u> | <u>(24,013)</u> | <u>25,872</u> | <u>49,885</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | <u>595</u> | <u>433</u> | <u>394</u> | <u>(39)</u> |
| Transfers out | <u>(1,050)</u> | <u>(1,061)</u> | <u>(1,061)</u> | <u>-</u> |
| Total other financing sources and uses | <u>(455)</u> | <u>(628)</u> | <u>(667)</u> | <u>(39)</u> |
| Net change in fund balances | <u>(50,991)</u> | <u>(24,641)</u> | <u>25,205</u> | <u>49,846</u> |
| Fund balances - beginning | <u>71,524</u> | <u>71,524</u> | <u>71,524</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 20,533</u> | <u>\$ 46,883</u> | <u>\$ 96,729</u> | <u>\$ 49,846</u> |

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, 2004

(amounts expressed in thousands)

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|---|------------------|----------|----------|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Local sources: | | | | |
| Other | \$ 6,200 | \$ 4,751 | \$ 2,957 | \$ (1,794) |
| Total local sources | 6,200 | 4,751 | 2,957 | (1,794) |
| State sources: | | | | |
| Other | 5,000 | 5,653 | 1,613 | (4,040) |
| Total state sources | 5,000 | 5,653 | 1,613 | (4,040) |
| Federal sources: | | | | |
| Federal grants direct | 13,825 | 16,681 | 9,684 | (6,997) |
| Federal grants through state | 159,100 | 174,633 | 143,615 | (31,018) |
| Federal grants through local | 11,175 | 13,484 | 9,594 | (3,890) |
| Total federal sources | 184,100 | 204,798 | 162,893 | (41,905) |
| Total revenues | 195,300 | 215,202 | 167,463 | (47,739) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instructional services: | | | | |
| Basic programs | 59,216 | 69,656 | 52,887 | 16,769 |
| Exceptional child programs | 11,403 | 13,413 | 12,131 | 1,282 |
| Adult and vocational technical programs | 5,155 | 6,065 | 1,547 | 4,518 |
| Total instructional services | 75,774 | 89,134 | 66,565 | 22,569 |
| Instructional support services: | | | | |
| Pupil personnel services | 15,710 | 16,000 | 14,148 | 1,852 |
| Instructional media services | 3,308 | 3,618 | 2,504 | 1,114 |
| Instruction and curriculum development services | 22,361 | 23,468 | 19,405 | 4,063 |
| Instructional staff training services | 9,232 | 10,304 | 3,604 | 6,700 |
| Total instructional support services | 50,611 | 53,390 | 39,661 | 13,729 |
| Pupil transportation services | 1,761 | 1,659 | 1,096 | 563 |
| Operation and maintenance of plant: | | | | |
| Operation of plant | 199 | 192 | 87 | 105 |
| Maintenance of plant | 19 | 607 | 24 | 583 |
| Total operation and maintenance of plant | 218 | 799 | 111 | 688 |
| School administration | 162 | 726 | 499 | 227 |
| General administration: | | | | |
| Central services | 832 | 845 | 436 | 409 |
| Board of education | 8 | 8 | - | 8 |
| General administration | 4,285 | 3,923 | 2,328 | 1,595 |
| Fiscal services | 570 | 686 | 617 | 69 |
| Total general administration | 5,695 | 5,462 | 3,381 | 2,081 |

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, 2004
(amounts expressed in thousands)**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Facilities acquisition and construction | 6,589 | 3,819 | 2,429 | 1,390 |
| Community services and other | 54,690 | 53,527 | 47,108 | 6,419 |
| Capital outlay | - | 6,674 | 6,674 | - |
| Total expenditures | 195,500 | 215,190 | 167,524 | 47,666 |
| Excess (deficiency) of revenues over (under) expenditures | (200) | 12 | (61) | (73) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 200 | 237 | 61 | (176) |
| Total other financing sources and uses | 200 | 237 | 61 | (176) |
| Net change in fund balances | - | 249 | - | (249) |
| Fund balances - beginning | - | - | - | - |
| Fund balances - ending | \$ - | \$ 249 | \$ - | \$ (249) |

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, 2004

(amounts expressed in thousands)

| | Governmental Activities |
|--------------------------------------|------------------------------------|
| | Internal Service Funds |
| ASSETS | |
| Current Assets: | |
| Cash and cash equivalents | \$ 132 |
| Investments | 43,049 |
| Due from other governmental agencies | 574 |
| Due from other funds | 1,600 |
| Total current assets | <u>\$ 45,355</u> |
| | |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | \$ 8,966 |
| Deferred revenue | 5,610 |
| Estimated unpaid claims | 26,338 |
| Total liabilities | <u>40,914</u> |
| | |
| NET ASSETS | |
| Unrestricted | 4,441 |
| Total net assets | <u>4,441</u> |
| Total net assets and liabilities | <u>\$ 45,355</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, 2004
(amounts expressed in thousands)**

| | Governmental Activities Internal Service Funds |
|---|---|
| OPERATING REVENUES: | |
| Premium revenue from other funds | \$ 123,147 |
| Refund of prior year expenses and other | 1,211 |
| Total operating revenues | <u>124,358</u> |
| OPERATING EXPENSES: | |
| Salaries | 663 |
| Benefits | 247 |
| Purchased services | 2,303 |
| Claims, premiums and other | 112,541 |
| Total operating expenses | <u>115,754</u> |
| Operating income | <u>8,604</u> |
| NON-OPERATING REVENUE: | |
| Interest | 340 |
| Total non-operating revenue | <u>340</u> |
| Income before transfers | 8,944 |
| TRANSFERS IN | 4,000 |
| TRANSFERS OUT | <u>(3,039)</u> |
| Change in net assets | 9,905 |
| Total net assets (deficit) - beginning | <u>(5,464)</u> |
| Total net assets - ending | <u>\$ 4,441</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, 2004
(amounts expressed in thousands)**

| | <u>Governmental Activities</u> <u>Internal Service Funds</u> |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from interfund services provided | \$ 123,730 |
| Payment to suppliers | (116,746) |
| Payment to employees | (941) |
| Other receipts | 1,317 |
| Net cash provided by operating activities | <u>7,360</u> |
| CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Transfers from other funds | 4,000 |
| Transfers to other funds | (3,039) |
| Net cash provided by noncapital and related financing activities | <u>961</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Purchase of investments | (8,644) |
| Interest and dividends earned on investments | 340 |
| Net cash used in investing activities | <u>(8,304)</u> |
| Net increase in cash | 17 |
| Cash and cash equivalents - Beginning of year | <u>115</u> |
| Cash and cash equivalents - End of year | <u>\$ 132</u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | \$ 8,604 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Change in assets and liabilities: | |
| (Increase) decrease in accounts receivable | 106 |
| (Increase) decrease in due from other agencies | 176 |
| (Increase) decrease in due from other funds | 732 |
| (Increase) decrease in prepaid items | 204 |
| Increase (decrease) in due to other funds | (33) |
| Increase (decrease) in estimated unclaimed claims | (2,280) |
| Increase (decrease) in deferred revenue | (149) |
| Total adjustments | <u>(1,244)</u> |
| Net cash provided by operating activities | <u>\$ 7,360</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, 2004

(amounts expressed in thousands)

| | Pension Trust Fund | Agency Funds |
|---|-----------------------------------|-------------------------|
| ASSETS | | |
| Cash | \$ - | \$ 9,724 |
| Investments | 8,135 | 9,897 |
| Accounts receivable, net | 60 | - |
| Due from other funds | - | 34 |
| Inventory | - | 310 |
| Total assets | <u>8,195</u> | <u>19,965</u> |
| LIABILITIES | | |
| Accounts payable | - | 6,622 |
| Due to student organizations | - | 12,452 |
| Due to other funds | - | 891 |
| Total liabilities | <u>-</u> | <u>19,965</u> |
| NET ASSETS | | |
| Assets held in trust for pension benefits | <u>8,195</u> | - |
| Total net assets | <u>8,195</u> | - |
| Total liabilities and net assets | <u>\$ 8,195</u> | <u>\$ 19,965</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, 2004

(amounts expressed in thousands)

| | Pension Trust Fund |
|---|-----------------------------------|
| ADDITIONS | |
| Contributions received from employer | \$ 2,125 |
| Investment income: | |
| Interest income | 276 |
| Net decrease in fair value of investments | (161) |
| Total investment earnings | 115 |
| Less investment expense | 20 |
| Net investment income | 95 |
| Total additions | 2,220 |
| DEDUCTIONS | |
| Benefit payments | 1,390 |
| Administrative expenses | 5 |
| Total deductions | 1,395 |
| Net increase | 825 |
| Net assets - beginning | 7,370 |
| Net assets - ending | \$ 8,195 |

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, 2004

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 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 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 Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity as amended by Statement No. 39, Determining Whether Certain Organizations Are Component Units. 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 units 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, 2004. 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 from 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.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

A. Reporting Entity (continued)

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

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 fourteen (14) 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:

Anderson Academy
2708 N Central Ave.
Tampa, Fl 33602

Center Academy
5429 Beaumont Center
Tampa, Fl

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

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

Mount Pleasant
2002 N. Rome Ave.
Tampa, Fl 33607

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

ReBirth Academy
1924 E. Comanche Ave.
Tampa, Fl 33610

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

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

Tampa Bay Academy
12012 Boyette Road
Riverview, Fl 33569

Terrace Community
4801 E. Fowler Ave
Tampa, Fl 33617

USF/Patel Charter School
11801 Bull Run
Tampa, Fl 33617

Village of Excellence Academy
8718 North 46th St
Tampa, Fl 33617

Wilbeson Academy
8119 E. Martin Luther King Blvd
Tampa, Fl 33619

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

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.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other funds and to employees for workers compensation and insurance. Operating expenses for the internal service funds include the cost of services and administrative costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses

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.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

B. Basis of Presentation (continued)

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, 2004

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 Statements – The government-wide 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, 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, 2004

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 having a useful life of more than one year. Donated assets are recorded at fair 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, 2004

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, discounts and losses on refunding issuances, 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 and losses on refunding issuances. 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, discounts and losses on refunding issuances 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 and losses on refunding 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 vacation 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 note 14.

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, 2004

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 2003 tax levy on September 9, 2003. Tax bills are mailed in October; and taxes are payable between November 1 of the year assessed and March 31 of the following year 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 note 19.

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

The preparation of the financial statements requires management of the District to make a number of assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

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 21, 2004.
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.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

3. CASH AND INVESTMENTS

At June 30, 2004, 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, 2004 are shown below (amounts in thousands):

| | INVESTMENTS | | | Fair Value |
|---|--------------------|-------------|-----------------|-------------------|
| | Risk Category | | | |
| | 1 | 2 | 3 | |
| Re-Purchase Agreements | \$ - | \$ - | 3,380 | \$3,380 |
| Obligations of Federally Sponsored Agencies and Federally Related Institutions (1) | - | - | 5,438 | 5,438 |
| Total | \$ - | \$ - | \$ 8,818 | 8,818 |
| Money Market Funds (2) | | | | 402 |
| Investment in State Board of Administration Investment Pool | | | | 562,532 |
| Certificates of Deposit | | | | 387 |
| Total Investments, Primary Government | | | | 572,139 |
| Component Units Investments | | | | 2,341 |
| Total Investments, Reporting Entity | | | | \$ 574,480 |

- Notes: (1) Includes mortgage-backed securities issued by the Federal Home Loan Mortgage Corporation \$1,737; Federal Home Loan Bank \$2,162; and the Government National Mortgage Association \$2 with stated maturity dates through 2016. Also includes \$1,537 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, 2004

3. CASH AND INVESTMENTS (continued)

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

| | |
|--------------------------|------------------|
| Governmental funds | \$511,058 |
| Internal service funds | 43,049 |
| Fiduciary funds | |
| Pension trust | 8,135 |
| Agency | <u>9,897</u> |
| Total Primary Government | <u>\$572,139</u> |

4. DUE FROM OTHER GOVERNMENTAL AGENCIES

Amounts due from other governmental agencies as of June 30, 2004 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 | \$ - | \$ 629 | \$ - | \$ - | \$ 629 |
| Miscellaneous | 1,130 | 4,777 | - | - | 5,907 |
| State Government: | | | | | |
| Food Reimbursement | - | - | - | 650 | 650 |
| Classrooms for Kids | - | - | 70,999 | - | 70,999 |
| Public Education Capital Outlay | - | - | - | 31,470 | 31,470 |
| Miscellaneous State | 235 | 363 | 3,557 | 574 | 4,729 |
| Local Government: | | | | | |
| Hillsborough County Board of County Commissioners | 2,879 | | 299 | 2,766 | 5,944 |
| Miscellaneous Local Agencies | <u>571</u> | <u>2,254</u> | <u>4</u> | <u>587</u> | <u>3,416</u> |
| TOTAL: | <u>\$ 4,815</u> | <u>\$8,023</u> | <u>\$ 74,859</u> | <u>\$36,047</u> | <u>\$123,744</u> |

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004 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 | \$ 95,127 | \$11,520 | \$ 1,437 | \$ 105,210 |
| Land Improvements – Non-Depreciable | | | | |
| Landscaping | 22,103 | 10,602 | - | 32,705 |
| Construction In Progress | <u>117,278</u> | <u>200,327</u> | <u>185,762</u> | <u>131,843</u> |
| Total Capital Assets Not Being Depreciated | <u>234,508</u> | <u>222,449</u> | <u>187,199</u> | <u>269,758</u> |
| <u>Capital Assets Being Depreciated:</u> | | | | |
| Improvements Other Than Buildings | 119,149 | 8,882 | 2,428 | 125,603 |
| Buildings and Systems | 1,388,307 | 168,706 | 17,946 | 1,539,067 |
| Furniture, Fixtures and Equipment | 160,917 | 21,936 | 9,534 | 173,319 |
| Motor Vehicles | 65,087 | 15,761 | 1,167 | 79,681 |
| Property Under Capital Lease | 782 | - | 601 | 181 |
| Audio Visual Materials | 89 | 43 | 1 | 131 |
| Computer Software | <u>16,998</u> | <u>1,838</u> | <u>248</u> | <u>18,588</u> |
| Total Capital Assets Being Depreciated | <u>1,751,329</u> | <u>217,166</u> | <u>31,925</u> | <u>1,936,570</u> |
| Less Accumulated Depreciation for: | | | | |
| Improvements Other Than | | | | |
| Buildings | 67,954 | 5,468 | - | 73,422 |
| Buildings & Systems | 319,342 | 33,010 | 11,446 | 340,906 |
| Furniture, Fixtures and Equipment | 108,115 | 16,882 | 11,168 | 113,829 |
| Motor Vehicles | 45,637 | 5,212 | 4,220 | 46,629 |
| Property Under Capital Lease | 581 | 25 | 488 | 118 |
| Audio Visual Materials | 89 | 4 | 1 | 92 |
| Computer Software | <u>12,483</u> | <u>3,596</u> | <u>125</u> | <u>15,954</u> |
| Total Accumulated Depreciation | <u>554,201</u> | <u>64,197</u> | <u>27,448</u> | <u>590,950</u> |
| Total Capital Assets Being Depreciated (Net) | <u>1,197,128</u> | <u>152,969</u> | <u>4,477</u> | <u>1,345,620</u> |
| Governmental Activities Capital Assets (Net) | <u>\$1,431,636</u> | <u>\$375,418</u> | <u>\$191,676</u> | <u>\$1,615,378</u> |

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2004

5. CAPITAL ASSETS (continued)

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

| | |
|---|---------------------|
| Instructional Services | \$ 6,619 |
| Instructional Support services | 1,269 |
| Pupil Transportation Services | 4,927 |
| Operation and Maintenance of Plant | 1,011 |
| Facilities Acquisition and Construction | 45,023 |
| School Administration | 501 |
| General Administration | 3,329 |
| Food Services | 786 |
| Community Services and other | 255 |
| Un-Allocated Depreciation | <u>477</u> |
| Total Depreciation Expense | <u>\$64,197</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 17, 2003 that matures May 28, 2004, in the amount of \$80,000,000 with Wachovia 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 at June 30, 2004, 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 | <u>\$181</u> |
|---------------|--------------|

Future minimum capital lease payments and the present value of the minimum lease payments as of June 30, 2004 are as follows (amounts in thousands):

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------|------------------|-----------------|--------------|
| 2005 | <u>\$ 20</u> | <u>\$ 1</u> | <u>\$ 21</u> |
| Total Minimum Lease Payments | <u>\$ 20</u> | <u>\$ 1</u> | <u>\$ 21</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, 2004

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, September 15, 2002, September 1, 2003, February 19, 2003, February 19, 2003 and June 8, 2004 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, \$64,010,000, \$72,065,000, \$27,305,000, \$56,715,000 and \$6,131,000 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, September 15, 2002, September 1, 2003, February 19, 2003 and June 8, 2004 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, the Series 2002 Project, the Series 2003B Project, the Series 2004B Project and the Series 2004 QZAB 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. The Series 2004A Certificates of Participation were issued on February 19, 2003 in order to provide funds necessary to advance refund the Series 1996 facilities in that the School Board has acquired, constructed and installed from the proceeds of the Series 1996. See Note 13.

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, 2004

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, 2004, the Board has amended the project list to include as follows:

| | |
|-----------------------------------|----------------------------------|
| Davidson 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, 2004, the Board has amended the project list to include as follows:

| | |
|---|--------------------------|
| Middleton High School | Newsom Athletic Facility |
| Freedom High School and land for site | Sheehy Elementary School |
| Liberty Middle School and land for site | |
| Mulrennan Middle School | |

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, 2004

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, 2004, the Board has amended the project list to include as follows:

| | |
|-------------------------------------|-----------------------|
| Farnell Middle School | Riverview Elementary |
| Chimino Elementary School | 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, 2004, the Board has amended the project list to include as follows:

| | |
|----------------------------|----------------------------|
| Jennings Middle School | Nelson Elementary School |
| Heritage Elementary School | Plant City ESE |
| East County Career Center | Ippolito Elementary School |
| Broward Elementary | Grady Elementary |
| Sessums Elementary | Cork Elementary |
| MacFarlane Center | Folsom Elementary |

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

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

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

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" | |

The Master Lease allows the School Board to modify the components to the Series 2002 Project. As of June 30, 2004, the Board has amended the project list to include as follows:

| | |
|-----------------------------|-----------------------|
| Corr Elementary | Elementary "X" |
| Just Early Childhood Center | Elementary "W" |
| Middle School "OO" | Stewart Middle School |
| Woodbridge Elementary | |

The District properties included in the ground lease dated September 1, 2003, include land on which the projects are to be constructed. The projects funded from Series 2003B Certificates of Participation are as follows:

Series 2003B Certificates of Participation

| | |
|---------------------------|-----------------------|
| High School "PPP" | Elementary School "Y" |
| Knights Elementary School | Elementary School "Z" |
| Middle School "PP" | |

The Master Lease allows the School Board to modify the components to the Series 2003B Project. As of June 30, 2004, the Board has amended the project list to include as follows:

| | |
|--------------------------------------|---------------------------|
| High School "PPP" | Fishawk Elementary School |
| High School "PPP" Athletic Facility | Elementary School "Z" |
| Rampello Downtown Partnership School | |

The District properties included in the ground lease dated February 19, 2003, include land on which the projects are to be constructed. The projects funded from Series 2004B Certificates of Participation are as follows:

Series 2004B Certificates of Participation

| | |
|--|--|
| High School "RRR" | |
| Elementary School "K" | |
| Parking Facility at Rampello Downtown School | |

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

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

The District properties included in the ground lease dated June 8, 2004, include land on which the projects are to be constructed. The projects funded from Series 2004-QZAB Certificates of Participation are as follows:

Series 2004 - QZAB Certificates of Participation

- Just Elementary
- Cleveland Elementary
- Foster Elementary
- Desoto Elementary

The lease payments for the Series 1998, Series 1999, Series 2000, Series 2001A, Series 2001B, Series 2002, Series 2003B, Series 2004A and Series 2004B Certificates are payable by the District, semi-annually, on July 1 and January 1 at interest rates, of 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, 2.00 to 4.625, 5.00 percent, 5.25 percent and 2.00 percent to 4.375 percent respectively. The lease payments for the Series 2000-QZAB, 2001-QZAB and 2004-QZAB Certificates are due April 10, 2012, November 2015 and June 3, 2020 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 |
|------------------------------|--------------------|------------------|------------------|
| 2005 | \$ 47,819 | \$ 12,725 | \$ 35,094 |
| 2006 | 49,951 | 14,950 | 35,001 |
| 2007 | 49,959 | 15,575 | 34,384 |
| 2008 | 49,949 | 16,220 | 33,729 |
| 2009 | 49,945 | 16,910 | 33,035 |
| 2010 – 2014 | 260,787 | 108,773 | 152,014 |
| 2015 – 2019 | 263,217 | 139,740 | 123,477 |
| 2020 – 2024 | 261,461 | 176,481 | 84,980 |
| 2025 – 2029 | 246,561 | 209,785 | 36,776 |
| 2030 – 2033 | 44,941 | 43,845 | 1,096 |
| Total Minimum Lease Payments | <u>\$1,324,590</u> | <u>\$755,004</u> | <u>\$569,586</u> |

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

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

As of June 30, 2004, the swap had a fair value of \$7,409,789, estimated using the zero-coupon method. This method calculates 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, 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 are 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).

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

10. NOTES PAYABLE

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

| | |
|--|------------------------------|
| <u>Wachovia Loans</u> | Balance at <u>6/30/04</u> |
| <p>\$4,267 borrowed 1/23/02, under the provisions of Section 1011.14, Florida Statutes. Variable interest rate 1.75 percent at 6/30/04. Proceeds used to purchase insurance on educational property. The Board's intent is to extend repayment of the remaining balance over the next three years in annual installments of \$854.</p> | |
| | <u>\$2,561</u> |

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

| <u>Fiscal Year</u> <u>Ending June 30</u> | <u>Total</u> | <u>Principal</u> | <u>Interest (1)</u> |
|---|----------------|------------------|---------------------|
| 2005 | 899 | 854 | 45 |
| 2006 | 884 | 854 | 30 |
| 2007 | <u>868</u> | <u>853</u> | <u>15</u> |
| Total | <u>\$2,651</u> | <u>\$2,561</u> | <u>\$ 90</u> |

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

11. BONDS PAYABLE

Bonds payable at June 30, 2004 were as follows (amounts in thousands):

| <u>Bond Type</u> | <u>Amount</u> <u>Outstanding</u> | <u>Interest</u> <u>Rates</u> <u>(Percent)</u> | <u>Annual</u> <u>Maturity</u> <u>To</u> |
|--|-------------------------------------|---|---|
| State School Bonds: | | | |
| Series 1996-B | \$ 500 | 4.0 - 4.625 | 2007 |
| Series 1998-A | 47,725 | 4.0 - 5.5 | 2018 |
| Series 1999-A | 6,765 | 4.0 - 4.75 | 2019 |
| Series 2000-A | 900 | 4.625 - 6.0 | 2020 |
| Series 2001-A | 1,555 | 3.0 - 5.0 | 2022 |
| Series 2004-A | 2,895 | 3.0 - 5.0 | 2023 |
| District Revenue Bonds: | | | |
| Series 1998 Capital Improvement & Racetrack Revenue Refunding | 4,023 | 3.5 - 5.35 | 2028 |
| Series 2002 Sales Tax | 224,650 | 2.25 - 5.375 | 2025 |
| District General Obligation Bonds: | | | |
| Series 1994, Refunding | <u>18,585</u> | 2.9 - 7.0 | 2005 |
| Total Bonds Payable | <u>\$307,598</u> | | |

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

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, 2004

11. BONDS PAYABLE (continued)

Annual requirements to amortize all bonded debt outstanding as of June 30, 2004, are as follows (amounts in thousands):

TOTAL SBE BONDS

| Fiscal Year Ending June 30 | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------|-----------------|------------------|-----------------|
| 2005 | \$ 5,951 | \$ 2,970 | \$ 2,981 |
| 2006 | 5,954 | 3,125 | 2,829 |
| 2007 | 5,953 | 3,285 | 2,668 |
| 2008 | 5,953 | 3,430 | 2,523 |
| 2009 | 5,958 | 3,585 | 2,373 |
| 2010 – 2014 | 29,832 | 20,875 | 8,957 |
| 2015 – 2019 | 24,843 | 21,700 | 3,143 |
| 2020 – 2023 | <u>1,514</u> | <u>1,370</u> | <u>144</u> |
| Total Debt Service Payments | <u>\$85,958</u> | <u>\$60,340</u> | <u>\$25,618</u> |

TOTAL DISTRICT REVENUE BONDS

| Fiscal Year Ending June 30 | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------|------------------|------------------|------------------|
| 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 | 16,924 | 6,903 | 10,021 |
| 2010 – 2014 | 84,392 | 38,645 | 45,747 |
| 2015 – 2019 | 83,717 | 48,565 | 35,152 |
| 2020 – 2024 | 83,113 | 62,532 | 20,581 |
| 2025 – 2029 | <u>50,116</u> | <u>45,718</u> | <u>4,398</u> |
| Total Debt Service Payments | <u>\$386,427</u> | <u>\$228,673</u> | <u>\$157,754</u> |

GENERAL OBLIGATION BONDS 1994, REFUNDING

| Fiscal Year Ending June 30 | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-----------------------------|-----------------|------------------|-----------------|
| 2005 | \$ 9,859 | \$ 9,065 | \$ 794 |
| 2006 | <u>9,798</u> | <u>9,520</u> | <u>278</u> |
| Total Debt Service Payments | <u>\$19,657</u> | <u>\$18,585</u> | <u>\$1,072</u> |

12. STATE BOARD OF EDUCATION BONDS

On July 29, 2003 the State Board of Education issued \$2,990,000 in Capital Outlay Bonds, with an average interest rate of 3.0% to 5.0%, on behalf of the District in order to finance the cost of acquiring, building, construction, remodeling, improving, enlarging, furnishing, maintaining, renovating or repairing of projects. The net proceeds were placed in a Capital Outlay Fund for the above projects.

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

13. DEFEASED DEBT

On February 19, 2004, the School Board issued \$27,305,000 in Certificates of Participation, Series 2004A at a premium, with an interest rate of 5.25%. The proceeds were used to advance refund the \$28,000,000 principal amount of the District's Certificates of Participation Series 1996. The net proceeds of \$30,601,187 (after payment of \$508,533 in underwriter's fees, insurance, accrued interest, and other issuance costs) were placed in an irrevocable trust to provide for all future debt service payment of the Series 1996 Certificates of Participation.

As a result, \$28,000,000 of the Series 1996 Certificates of Participation is considered defeased and the liability for these certificates has been removed from long term debt. Accordingly, the trust account assets and the liability for that portion of the Series 1996 Certificates of Participation are not included in the School District's financial statements.

As a result of the advance refunding, the School District reduced its total debt service requirements by \$1,238,366, which resulted in an economic gain (difference between the present value of debt service payments on the old and new debt) of \$853,376.

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, 2004, \$18,240,000 of General Obligation Bonds, Series 1985A and 1985B, \$18,530,000 of General Obligation Bonds, Series 1990, \$146,265,000 of Series 1994 Certificates of Participation, \$56,735,000 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, 2004

14. CHANGES IN LONG TERM DEBT

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

| | Balance July 1, 2003 | Additions | Deletions | Balance June 30, 2004 | Due in One Year |
|------------------------------------|-------------------------|------------------|-----------------|--------------------------|--------------------|
| Compensated | | | | | |
| Absences Payable | \$134,712 | \$24,885 | \$37,874 | \$121,723 | \$10,595 |
| Capital Leases Payable | 62 | - | 42 | 20 | 20 |
| Certificate of Participation | 633,608 | 162,216 | 40,820 | 755,004 | 12,725 |
| Arbitrage Payable | 1,664 | - | 920 | 744 | 744 |
| Notes Payable | 4,124 | - | 1,563 | 2,561 | 854 |
| Bonds Payable | <u>322,183</u> | <u>2,990</u> | <u>17,575</u> | <u>307,598</u> | <u>18,350</u> |
| TOTAL | <u>\$1,096,353</u> | <u>\$190,091</u> | <u>\$98,794</u> | \$1,187,650 | <u>\$43,288</u> |
| Plus unamortized bond premium: | | | | | |
| Bonds payable | | | | 3,994 | |
| Certificates of participation | | | | 7,017 | |
| Less unamortized loss on refunding | | | | <u>(3,805)</u> | |
| Total long-term liabilities | | | | <u>\$1,194,856</u> | |

Compensated absences are generally liquidated by the general fund.

15. 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, 2004 (amounts in thousands):

| | |
|-----------|---|
| \$ 50,300 | Encumbrances which are those amounts that represent obligations or commitments chargeable in the future when the material and services are rendered. |
| \$59,900 | Debt Service which are those amounts available to apply against future principal and interest payments. |
| \$11,179 | State Categorical Carry-over Programs, which are those balances of various specially identified programs, funded by the State Department of Education. |
| \$5,083 | Reserves for Inventory are that portion of inventory on hand over liabilities that cannot be utilized as cash. Although the total General Fund inventory is \$5,920, the \$837 that is not reserved represents the amount of textbooks purchased against next years state allocation in accordance with Florida Statute 233.34. |
| \$21,318 | 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, 2004

16. 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 | \$10,547 | \$5,194 |
| Special Revenue - Contracted Services | 437 | 3,867 |
| Certificates of Participation | 3,412 | 21,123 |
| Sales Tax Bond Revenue | 9,931 | 4,618 |
| Other Capital Projects | 5,680 | 3,736 |
| Non-major Governmental Funds | 21,261 | 13,473 |
| Internal Service Funds | 1,600 | - |
| Fiduciary | <u>34</u> | <u>891</u> |
| Total | <u>\$52,902</u> | <u>\$52,902</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 certificates of participation funds, sales tax bond revenue funds, other capital project funds and non-major 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.

17. 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 | \$ 394 | \$1,061 |
| Special Revenue - Contracted Services | 61 | - |
| Certificates of Participation | 16 | 77 |
| Non-major Governmental Funds | 50,253 | 50,547 |
| Internal Service Funds | <u>4,000</u> | <u>3,039</u> |
| Total | <u>\$54,724</u> | <u>\$54,724</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, 2004

18. STATE REVENUE SOURCES

The following is a schedule of the Districts state revenue for the 2003/2004 fiscal year (amounts in thousands):

| <u>Sources</u> | <u>Amount</u> |
|--|------------------|
| Florida Education Finance Program | \$555,611 |
| Workforce Development | 30,347 |
| Discretionary Lottery Funds | 8,731 |
| Categorical Education Programs | 102,700 |
| Gross Receipts Tax (Public Education Capital Outlay) | 22,592 |
| Capital Outlay and Debt Service | 6,839 |
| Effort Index | 19,340 |
| Class Size Reduction | 73,698 |
| Food Service Supplement | 1,397 |
| Mobile Home License Tax | 629 |
| State Board of Education Bond Interest | 78 |
| Pari-Mutuel Tax | 447 |
| Miscellaneous | <u>19,686</u> |
| Total | <u>\$842,095</u> |

19. PROPERTY TAXES

The following is a summary of millages and taxes levied in the 2003 tax roll for the fiscal year 2003-04 (dollars in thousands):

| <u>General Fund</u> | <u>Millage Levied</u> | <u>Taxes Levied</u> |
|-------------------------------|---------------------------|-------------------------|
| Non-voted School Tax: | | |
| Required Local Effort | 5.577 | \$282,914 |
| Discretionary Local Effort | .693 | 35,155 |
| <u>Debt Service Funds</u> | | |
| Voted Tax: | | |
| Interest and Sinking | .210 | 10,653 |
| <u>Capital Projects Funds</u> | | |
| Non-voted Tax: | | |
| Local Capital Improvements | <u>2.000</u> | <u>101,458</u> |
| Total | <u>8.480</u> | <u>\$430,180</u> |

SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2004

20. 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 21, 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, 2004, 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 | 7.39 |
| Florida Retirement System, County Elected Officers (HI) | 0.00 | 15.23 |
| Florida Retirement System, Senior Management Service Class (HM) | 0.00 | 9.37 |
| Florida Retirement System, Special Risk (HB) | 0.00 | 18.53 |
| 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 | 7.39 |

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, 2004

20. 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, 2002, June 30, 2003, and June 30, 2004, totaled \$52,290,623, \$43,234,653 and \$56,048,722 respectively, representing a percentage of payroll of 7.76% for fiscal year 2002, 6.09% for fiscal year 2003 and 7.56% for fiscal year 2004. 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.

21. 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 20, 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, 2003 employee membership data related to the Plan was as follows:

| | |
|---|--------------|
| Retirees and beneficiaries currently receiving benefits | <u>417</u> |
| Active Plan Participants: | |
| Vested | 2,276 |
| Non-vested | <u>3,146</u> |
| Total | <u>5,422</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, 2004

21. 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 2004 amounted to \$2,100,014, all of which were paid by the Board and made in accordance with actuarially determined contribution requirements determined through an actuarial valuation performed at February 28, 2003.

The computation of the annual required contributions for fiscal 2004 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, 2004

21. EARLY RETIREMENT PROGRAM (continued)

d. Concentrations

The Plan's investments at June 30, 2004, consisted of the following:

| | Balance June 30, 2004 | Percentage of Plan Net Assets |
|------------------------------|--------------------------|----------------------------------|
| Obligations of U.S. Agencies | \$7,732,901 | 95% |
| Other Investments | 402,214 | 5% |
| Total | \$8,135,115 | 100% |

e. Actuarial Information

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

| | |
|------------------------------|-----------------------------|
| Valuation Date | 07/01/03 |
| 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% |
| Rate of Inflation Adjustment | None |

22. OTHER POST-RETIREMENT BENEFITS

The state retirement program described in Note 20 includes District payments for a retiree health insurance subsidy. The employer contribution rate from July 2003 through June 2004 was .94 percent of eligible wages. Total District contributions for the fiscal year ended June 30, 2004 were \$6,973,408.

23. 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, 2004

23. RISK MANAGEMENT (continued)

A liability in the amount of \$26,338,204 was actuarially determined to cover reported and unreported insurance claims payable at June 30, 2004. It is estimated that \$11,670,259 of the liability is current and due within one year. The remaining \$14,667,945 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 |
|-------------|------------------------------------|--|----------------|----------------------------|
| 2002 - 2003 | \$28,288,760 | \$10,845,522 | \$(10,515,242) | \$28,619,040 |
| 2003 - 2004 | \$28,619,040 | \$ 4,557,077 | \$(6,837,913) | \$26,338,204 |

Claims and judgments are generally liquidated by the general fund.

24. COMMITMENTS AND CONTINGENCIES

Construction Contract Commitments

The following is summary of major construction contract commitments remaining at June 30, 2004 (Amounts in thousands):

DETAIL LISTING OF CONSTRUCTION IN PROGRESS
JUNE 30, 2004

| <u>Description</u> | <u>Project Authorization</u> | <u>Expended Through 6/30/04</u> | <u>Committed</u> |
|---------------------|------------------------------|---------------------------------|------------------|
| Additions | \$ 11,181 | \$ 7,548 | \$ 3,633 |
| Elementary Schools | 74,609 | 29,910 | 44,699 |
| Middle Schools | 18,661 | 3,117 | 15,544 |
| Senior High Schools | 12,914 | 1,849 | 11,065 |
| Other | 13,010 | 6,435 | 6,575 |
| Renovations | 148,896 | 81,669 | 67,227 |
| Improvements | <u>2,575</u> | <u>1,315</u> | <u>1,260</u> |
| Total | <u>\$281,846</u> | <u>\$131,843</u> | <u>\$150,003</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, 2004

24. 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.

25. SUBSEQUENT EVENTS

On October 19, 2004 the Board approved the sale of Certificates of Participation Series 2004C in the amount of approximately \$90,000,000. It is anticipated that the Certificates of Participation will be sold toward the end of November 2004. The proceeds will be used to build a new high school, two new middle schools, an elementary school and an ancillary facility.

THE SCHOOL BOARD OF HILLSBOROUGH COUNTY, FLORIDA
 SUPPLEMENTAL EARLY RETIREMENT PENSION TRUST
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 June 30, 2004
 (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 |
|------------------------------------|---|---|--|------------------------|--------------------|---|
| 1999 | 4,568,183 | 16,429,399 (4) | 11,861,216 | 27.80% | 118,781,662 (4) | 13.83% |
| 2000 | 5,138,834 | 17,837,415 (5) | 12,698,581 | 28.80% | 128,190,836 (5) | 13.91% |
| 2001 | 5,580,220 | 22,070,817 (6) | 16,490,597 | 25.28% | 156,605,715 (6) | 14.09% |
| 2002 | 6,409,495 | 22,827,019 (7) | 16,417,524 | 28.10% | 170,162,468 (7) | 13.41% |
| 2003 | 7,202,634 | 28,443,117 (8) | 21,240,483 | 25.30% | 163,581,224 (8) | 17.39% |
| 2004 | 7,476,928 | 29,906,771 (9) | 22,429,843 | 25.00% | 172,252,480 (9) | 17.36% |

- 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, 1998, dated January 12, 1999.
 - (5) Based on data from an actuarial valuation report as of July 1, 1999, dated July 1, 1999.
 - (6) Based on data from an actuarial valuation report as of July 1, 2000, dated April 30, 2001.
 - (7) Based on data from an actuarial valuation report as of July 1, 2001, dated December 4, 2001.
 - (8) Based on data from an actuarial valuation report as of July 1, 2002, dated February 28, 2003.
 - (9) Based on data from an actuarial valuation report as of July 1, 2003, dated July 1, 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, 2004
(UNAUDITED)

Schedule of Employer Contributions:

| <u>Fiscal</u> <u>Year Ended</u> <u>June 30</u> | <u>Annual</u> <u>Required</u> <u>Contribution</u> | <u>Percentage</u> <u>Contributed</u> |
|--|---|---|
| 1999 | 954,501 | 100% |
| 2000 | 1,031,006 | 100% |
| 2001 | 1,143,077 | 100% |
| 2002 | 1,481,303 | 100% |
| 2003 | 1,309,182 | 100% |
| 2004 | 2,100,014 | 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, 2004
(amounts expressed in thousands)**

| | Special Revenue | |
|--------------------------------------|----------------------------|-----------------|
| | Food Services | Total |
| ASSETS | | |
| Cash | \$ 162 | \$ 162 |
| Investments | 1 | 1 |
| Accounts receivable | 624 | 624 |
| Due from other governmental agencies | 1,237 | 1,237 |
| Due from other funds | 272 | 272 |
| Inventories | 1,713 | 1,713 |
| Total assets | <u>\$ 4,009</u> | <u>\$ 4,009</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable | \$ 157 | \$ 157 |
| Due to other funds | 2,438 | 2,438 |
| Deferred revenue | 189 | 189 |
| Total liabilities | <u>2,784</u> | <u>2,784</u> |
| Fund balances: | | |
| Reserved for: | | |
| Encumbrances | 516 | 516 |
| Debt service | - | - |
| Unreserved, reported in: | | |
| Special revenue funds | 709 | 709 |
| Capital projects funds | - | - |
| Total fund balances | <u>1,225</u> | <u>1,225</u> |
| Total liabilities and fund balances | <u>\$ 4,009</u> | <u>\$ 4,009</u> |

| Debt Service | | | | |
|--|-------------------------------|----------------------------|---------------------------------|------------------|
| State Board of Education Bond Funds | Special Act Bond Funds | District Bond Funds | Other Debt Service Funds | Total |
| \$ - | \$ - | \$ 1 | \$ 1,708 | \$ 1,709 |
| 1,511 | 504 | 9,303 | 46,617 | 57,935 |
| - | - | - | - | - |
| - | - | 264 | - | 264 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>\$ 1,511</u> | <u>\$ 504</u> | <u>\$ 9,568</u> | <u>\$ 48,325</u> | <u>\$ 59,908</u> |
| \$ - | \$ - | \$ - | \$ 8 | \$ 8 |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | 8 | 8 |
| - | - | - | - | - |
| 1,511 | 504 | 9,568 | 48,317 | 59,900 |
| - | - | - | - | - |
| - | - | - | - | - |
| <u>1,511</u> | <u>504</u> | <u>9,568</u> | <u>48,317</u> | <u>59,900</u> |
| <u>\$ 1,511</u> | <u>\$ 504</u> | <u>\$ 9,568</u> | <u>\$ 48,325</u> | <u>\$ 59,908</u> |

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**COMBINING BALANCE SHEET
NON MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004
(amounts expressed in thousands)**

| | Capital Outlay Bond Issue Funds | Special Act Bond Racetrack Fund |
|--------------------------------------|--|--|
| ASSETS | | |
| Cash | \$ - | \$ - |
| Investments | 5,907 | 1,191 |
| Accounts receivable | - | - |
| Due from other governmental agencies | - | - |
| Due from other funds | - | - |
| Inventories | - | - |
| Total assets | <u>\$ 5,907</u> | <u>\$ 1,191</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable | \$ - | \$ - |
| Due to other funds | 3,009 | 14 |
| Deferred revenue | - | - |
| Total liabilities | <u>3,009</u> | <u>14</u> |
| Fund balances | | |
| Reserved for: | | |
| Encumbrances | 32 | 2 |
| Debt service | - | - |
| Unreserved, reported in: | | |
| Special revenue funds | - | - |
| Capital projects funds | 2,866 | 1,175 |
| Total fund balances | <u>2,898</u> | <u>1,177</u> |
| Total liabilities and fund balances | <u>\$ 5,907</u> | <u>\$ 1,191</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 |
| \$ 414 | \$ 2 | \$ 6,815 | \$ 7,231 | \$ 9,102 |
| 10,139 | 1,071 | 17,230 | 35,538 | 93,474 |
| - | - | 3 | 3 | 627 |
| 31,471 | - | 2,501 | 33,972 | 35,473 |
| 2,655 | 1 | 18,333 | 20,989 | 21,261 |
| - | - | - | - | 1,713 |
| <u>\$ 44,679</u> | <u>\$ 1,074</u> | <u>\$ 44,882</u> | <u>\$ 97,733</u> | <u>\$ 161,650</u> |
| | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ 165 |
| 3,758 | 3 | 4,251 | 11,035 | 13,473 |
| 300 | - | - | 300 | 489 |
| <u>4,058</u> | <u>3</u> | <u>4,251</u> | <u>11,335</u> | <u>14,127</u> |
| | | | | |
| 2,378 | 90 | 7,583 | 10,085 | 10,601 |
| - | - | - | - | 59,900 |
| - | - | - | - | 709 |
| 38,243 | 981 | 33,048 | 76,313 | 76,313 |
| 40,621 | 1,071 | 40,631 | 86,398 | 147,523 |
| <u>\$ 44,679</u> | <u>\$ 1,074</u> | <u>\$ 44,882</u> | <u>\$ 97,733</u> | <u>\$ 161,650</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, 2004
(amounts expressed in thousands)**

| | Special Revenue | |
|--|----------------------------|-------------------|
| | Food Services | Total |
| REVENUES | | |
| Local sources: | | |
| Ad valorem taxes | \$ - | \$ - |
| Local sales tax | - | - |
| Food services | 32,887 | 32,887 |
| Interest income | 24 | 24 |
| Other | - | - |
| Total local sources | <u>32,911</u> | <u>32,911</u> |
| State sources: | | |
| Public education capital outlay | - | - |
| Food services | 1,396 | 1,396 |
| Other | - | - |
| Total state sources | <u>1,396</u> | <u>1,396</u> |
| Federal sources: | | |
| Food services | 39,914 | 39,914 |
| Total federal sources | <u>39,914</u> | <u>39,914</u> |
| Total revenues | <u>74,221</u> | <u>74,221</u> |
| EXPENDITURES | | |
| Food services | 74,449 | 74,449 |
| Debt Service: | | |
| Principal retirement | - | - |
| Interest | - | - |
| Dues, fees and other | - | - |
| Capital outlay | <u>620</u> | <u>620</u> |
| Total expenditures | <u>75,069</u> | <u>75,069</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(848)</u> | <u>(848)</u> |
| OTHER FINANCING SOURCES (USES): | | |
| Long term bonds issued | - | - |
| Discount on sale of bonds | - | - |
| Certificates of participation issued | - | - |
| Premium on sale of certificates of participation | - | - |
| Discount on sale of certificates of participation | - | - |
| Payments to refunded bond escrow agent | - | - |
| Transfers in | - | - |
| Transfers out | - | - |
| Total other financing sources and uses | <u>-</u> | <u>-</u> |
| Net change in fund balances | (848) | (848) |
| Fund balances - beginning | <u>2,073</u> | <u>2,073</u> |
| Fund balances - ending | <u>\$ 1,225</u> | <u>\$ 1,225</u> |

| 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 | | | | |
| \$ - | \$ - | \$ - | | \$ 10,197 | \$ - | \$ 10,197 |
| - | - | - | | - | 21,559 | 21,559 |
| - | - | - | | - | - | - |
| - | 2 | - | | 61 | 217 | 280 |
| - | - | - | | 73 | - | 73 |
| - | 2 | - | | 10,331 | 21,776 | 32,109 |
| - | - | - | | - | - | - |
| - | - | - | | - | - | - |
| 5,914 | 447 | - | | - | - | 6,361 |
| 5,914 | 447 | - | | - | - | 6,361 |
| - | - | - | | - | - | - |
| - | - | - | | - | - | - |
| 5,914 | 449 | - | | 10,331 | 21,776 | 38,470 |
| - | - | - | | - | - | - |
| 2,840 | 360 | 1,563 | | 8,660 | 18,535 | 31,958 |
| 3,064 | 77 | 83 | | 1,259 | 42,379 | 46,862 |
| 12 | 2 | - | | 199 | 2,232 | 2,445 |
| - | - | - | | - | - | - |
| - | - | - | | - | - | - |
| 5,916 | 439 | 1,646 | | 10,118 | 63,146 | 81,265 |
| (2) | 10 | (1,646) | | 213 | (41,370) | (42,795) |
| 36 | - | - | | - | - | 36 |
| (30) | - | - | | - | - | (30) |
| - | - | - | | - | 29,962 | 29,962 |
| - | - | - | | - | 3,733 | 3,733 |
| - | - | - | | - | (1,043) | (1,043) |
| - | - | - | | - | (30,601) | (30,601) |
| - | 574 | 1,646 | | - | 48,033 | 50,253 |
| - | (355) | - | | - | (897) | (1,252) |
| 6 | 219 | 1,646 | | - | 49,187 | 51,058 |
| 4 | 229 | - | | 213 | 7,817 | 8,263 |
| 1,507 | 275 | - | | 9,355 | 40,500 | 51,637 |
| \$ 1,511 | \$ 504 | \$ - | | \$ 9,568 | \$ 48,317 | \$ 59,900 |

(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, 2004
(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 | 73 | 16 | 74 |
| Other | 8 | - | 122 |
| Total local sources | <u>81</u> | <u>16</u> | <u>196</u> |
| State sources: | | | |
| Public education capital outlay | - | - | 22,592 |
| Food services | - | - | - |
| Other | - | - | - |
| Total state sources | <u>-</u> | <u>-</u> | <u>22,592</u> |
| Federal sources: | | | |
| Food services | - | - | - |
| Total federal sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>81</u> | <u>16</u> | <u>22,788</u> |
| EXPENDITURES: | | | |
| Food services | - | - | - |
| Debt Service: | | | |
| Principal retirement | - | - | - |
| Interest | - | - | - |
| Dues, fees and other | - | - | - |
| Capital outlay | <u>3,485</u> | <u>289</u> | <u>10,707</u> |
| Total expenditures | <u>3,485</u> | <u>289</u> | <u>10,707</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(3,404)</u> | <u>(273)</u> | <u>12,081</u> |
| OTHER FINANCING SOURCES (USES): | | | |
| Long term bonds issued | 2,954 | - | - |
| Discount on sale of bonds | - | - | - |
| Certificates of participation issued | - | - | - |
| Premium on sale of certificates of participation | - | - | - |
| Discount on sale of certificates of participation | - | - | - |
| Payments to refunded bond escrow agent | - | - | - |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources and uses | <u>2,954</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (450) | (273) | 12,081 |
| Fund balances - beginning | <u>3,348</u> | <u>1,450</u> | <u>28,540</u> |
| Fund balances - ending | <u>\$ 2,898</u> | <u>\$ 1,177</u> | <u>\$ 40,621</u> |

See accompanying independent auditors' report.

| Capital Projects | | | |
|--|--|------------------|--|
| Capital Outlay and Debt Service Funds | Local Capital Improvement Funds | Total | Total Nonmajor Governmental Funds |
| \$ - | \$ 97,048 | \$ 97,048 | \$ 107,245 |
| - | - | - | 21,559 |
| - | - | - | 32,887 |
| 17 | 556 | 736 | 1,040 |
| 19 | 2,270 | 2,419 | 2,492 |
| <u>36</u> | <u>99,874</u> | <u>100,203</u> | <u>165,223</u> |
| - | - | 22,592 | 22,592 |
| - | - | - | 1,396 |
| 901 | 3 | 904 | 7,265 |
| <u>901</u> | <u>3</u> | <u>23,496</u> | <u>31,253</u> |
| - | - | - | 39,914 |
| - | - | - | 39,914 |
| <u>937</u> | <u>99,877</u> | <u>123,699</u> | <u>236,390</u> |
| - | - | - | 74,449 |
| - | - | - | 31,958 |
| - | - | - | 46,862 |
| - | - | - | 2,445 |
| 409 | 48,733 | 63,623 | 64,243 |
| <u>409</u> | <u>48,733</u> | <u>63,623</u> | <u>219,957</u> |
| <u>528</u> | <u>51,144</u> | <u>60,076</u> | <u>16,433</u> |
| - | - | 2,954 | 2,990 |
| - | - | - | (30) |
| - | - | - | 29,962 |
| - | - | - | 3,733 |
| - | - | - | (1,043) |
| - | - | - | (30,601) |
| - | - | - | 50,253 |
| (573) | (48,722) | (49,295) | (50,547) |
| <u>(573)</u> | <u>(48,722)</u> | <u>(46,341)</u> | <u>4,717</u> |
| (45) | 2,422 | 13,735 | 21,150 |
| <u>1,116</u> | <u>38,209</u> | <u>72,663</u> | <u>126,373</u> |
| <u>\$ 1,071</u> | <u>\$ 40,631</u> | <u>\$ 86,398</u> | <u>\$ 147,523</u> |



THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**NON MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(amounts expressed in thousands)**

| | Food Services Fund | | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------|-----------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Local sources: | | | | |
| Food services | \$ 31,619 | \$ 32,900 | \$ 32,887 | \$ (13) |
| Interest income | 15 | 24 | 24 | - |
| Total local sources | <u>31,634</u> | <u>32,924</u> | <u>32,911</u> | <u>(13)</u> |
| State sources: | | | | |
| Food services | 1,482 | 1,396 | 1,396 | - |
| Total state sources | <u>1,482</u> | <u>1,396</u> | <u>1,396</u> | <u>-</u> |
| Federal sources: | | | | |
| Food services | 39,219 | 41,525 | 39,914 | (1,611) |
| Total federal sources | <u>39,219</u> | <u>41,525</u> | <u>39,914</u> | <u>(1,611)</u> |
| Total revenues | <u>72,335</u> | <u>75,845</u> | <u>74,221</u> | <u>(1,624)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Food services | 68,605 | 74,963 | 74,449 | 514 |
| Capital outlay | 1,000 | 620 | 620 | - |
| Total expenditures | <u>69,605</u> | <u>75,583</u> | <u>75,069</u> | <u>514</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,730</u> | <u>262</u> | <u>(848)</u> | <u>(1,110)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | - | - | - | - |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | 2,730 | 262 | (848) | (1,110) |
| Fund balance - beginning | 2,073 | 2,073 | 2,073 | - |
| Fund balance - ending | <u>\$ 4,803</u> | <u>\$ 2,335</u> | <u>\$ 1,225</u> | <u>\$ (1,110)</u> |

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, 2004
(amounts expressed in thousands)**

| | State Board of Education Bond Funds | | | |
|--|-------------------------------------|----------|----------|---|
| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Local sources: | | | | |
| Ad valorem taxes | \$ - | \$ - | \$ - | \$ - |
| Local sales tax | - | - | - | - |
| Interest income | - | - | - | - |
| Other | - | - | - | - |
| Total local sources | - | - | - | - |
| State sources: | | | | |
| Capital Outlay and debt service withheld for SBE/COBI bonds | 5,887 | 11,787 | 5,901 | (5,886) |
| SBE/COBI bond interest | - | 13 | 13 | - |
| Racing commission funds | - | - | - | - |
| Total state sources | 5,887 | 11,800 | 5,914 | (5,886) |
| Total revenues | 5,887 | 11,800 | 5,914 | (5,886) |
| EXPENDITURES: | | | | |
| Principal retirement | 2,840 | 5,680 | 2,840 | 2,840 |
| Interest | 3,064 | 6,127 | 3,064 | 3,063 |
| Dues, fees and other | - | 12 | 12 | - |
| Total expenditures | 5,904 | 11,819 | 5,916 | 5,903 |
| Excess (deficiency) of revenues over (under) expenditures | (17) | (19) | (2) | 17 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Long term bonds issued | - | 36 | 36 | - |
| Discount on sale of bonds | - | (30) | (30) | - |
| Certificates of participation issued | - | - | - | - |
| Premium on sale of certificates of participation | - | - | - | - |
| Discount on sale of certificates of participation | - | - | - | - |
| Payments to refunded bond escrow agent | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources and uses | - | 6 | 6 | - |
| Net change in fund balances | (17) | (13) | 4 | 17 |
| Fund balances - beginning | 1,507 | 1,507 | 1,507 | - |
| Fund balances - ending | \$ 1,490 | \$ 1,494 | \$ 1,511 | \$ 17 |

| Special Act Bond Funds | | | | Section 237.161 Loan Fund | | | |
|------------------------|---------------|---------------|---|---------------------------|--------------|--------------|---|
| Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| 4 | 2 | 2 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>4</u> | <u>2</u> | <u>2</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 447 | 447 | 447 | - | - | - | - | - |
| <u>447</u> | <u>447</u> | <u>447</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 451 | 449 | 449 | - | - | - | - | - |
| 360 | 360 | 360 | - | 1,563 | 1,563 | 1,563 | - |
| 77 | 77 | 77 | - | 82 | 83 | 83 | - |
| 1 | 2 | 2 | - | - | - | - | - |
| <u>438</u> | <u>439</u> | <u>439</u> | <u>-</u> | <u>1,645</u> | <u>1,646</u> | <u>1,646</u> | <u>-</u> |
| 13 | 10 | 10 | - | (1,645) | (1,646) | (1,646) | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | 574 | 574 | - | 1,645 | 1,646 | 1,646 | - |
| - | (355) | (355) | - | - | - | - | - |
| - | 219 | 219 | - | 1,645 | 1,646 | 1,646 | - |
| 13 | 229 | 229 | - | - | - | - | - |
| <u>275</u> | <u>275</u> | <u>275</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 288</u> | <u>\$ 504</u> | <u>\$ 504</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

(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, 2004
(amounts expressed in thousands)**

| | District Bond Funds | | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|------------------|-----------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Local sources: | | | | |
| Ad valorem taxes | \$ 10,888 | \$ 10,888 | \$ 10,197 | \$ (691) |
| Local sales tax | 20,000 | - | - | - |
| Interest income | 190 | 67 | 61 | (6) |
| Other | 60 | 73 | 73 | - |
| Total local sources | <u>31,138</u> | <u>11,028</u> | <u>10,331</u> | <u>(697)</u> |
| State sources: | | | | |
| Capital Outlay and debt service withheld for SBE/COBI bonds | - | - | - | - |
| SBE/COBI bond interest | - | - | - | - |
| Racing commission funds | - | - | - | - |
| Total state sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>31,138</u> | <u>11,028</u> | <u>10,331</u> | <u>(697)</u> |
| EXPENDITURES: | | | | |
| Principal retirement | 14,375 | 8,660 | 8,660 | - |
| Interest | 12,115 | 1,259 | 1,259 | - |
| Dues, fees and other | 210 | 200 | 199 | 1 |
| Total expenditures | <u>26,700</u> | <u>10,119</u> | <u>10,118</u> | <u>1</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>4,438</u> | <u>909</u> | <u>213</u> | <u>(696)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Long term bonds issued | - | - | - | - |
| Discount on sale of bonds | - | - | - | - |
| Certificates of participation issued | - | - | - | - |
| Premium on sale of certificates of participation | - | - | - | - |
| Discount on sale of certificates of participation | - | - | - | - |
| Payments to refunded bond escrow agent | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 4,438 | 909 | 213 | (696) |
| Fund balances - beginning | <u>9,355</u> | <u>9,355</u> | <u>9,355</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 13,793</u> | <u>\$ 10,264</u> | <u>\$ 9,568</u> | <u>\$ (696)</u> |

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 | | |
| \$ - | \$ - | \$ - | \$ - | \$ 10,888 | \$ 10,888 | \$ 10,197 | \$ (691) |
| - | 21,559 | 21,559 | - | 20,000 | 21,559 | 21,559 | - |
| 121 | 246 | 217 | (29) | 315 | 315 | 280 | (35) |
| - | - | - | - | 60 | 73 | 73 | - |
| 121 | 21,805 | 21,776 | (29) | 31,263 | 32,835 | 32,109 | (726) |
| - | - | - | - | 5,887 | 11,787 | 5,901 | (5,886) |
| - | - | - | - | - | 13 | 13 | - |
| - | - | - | - | 447 | 447 | 447 | - |
| - | - | - | - | 6,334 | 12,247 | 6,361 | (5,886) |
| 121 | 21,805 | 21,776 | (29) | 37,597 | 45,082 | 38,470 | (6,612) |
| 13,638 | 19,938 | 18,535 | 1,403 | 32,776 | 36,201 | 31,958 | 4,243 |
| 28,370 | 42,459 | 42,379 | 80 | 43,708 | 50,005 | 46,862 | 3,143 |
| 910 | 3,694 | 2,232 | 1,462 | 1,121 | 3,908 | 2,445 | 1,463 |
| 42,918 | 66,091 | 63,146 | 2,945 | 77,605 | 90,114 | 81,265 | 8,849 |
| (42,797) | (44,286) | (41,370) | 2,916 | (40,008) | (45,032) | (42,795) | 2,237 |
| - | - | - | - | - | 36 | 36 | - |
| - | - | - | - | - | (30) | (30) | - |
| - | 29,962 | 29,962 | - | - | 29,962 | 29,962 | - |
| - | 3,733 | 3,733 | - | - | 3,733 | 3,733 | - |
| - | (1,043) | (1,043) | - | - | (1,043) | (1,043) | - |
| - | (30,601) | (30,601) | - | - | (30,601) | (30,601) | - |
| 44,292 | 50,634 | 48,033 | (2,601) | 45,937 | 52,855 | 50,253 | (2,601) |
| - | (897) | (897) | - | - | (1,252) | (1,252) | - |
| 44,292 | 51,788 | 49,187 | (2,601) | 45,937 | 53,660 | 51,058 | (2,601) |
| 1,495 | 7,502 | 7,817 | 315 | 5,929 | 8,628 | 8,263 | (364) |
| 40,500 | 40,500 | 40,500 | - | 51,637 | 51,637 | 51,637 | - |
| \$ 41,995 | \$ 48,002 | \$ 48,317 | \$ 315 | \$ 57,566 | \$ 60,265 | \$ 59,900 | \$ (364) |

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, 2004
 (amounts expressed in thousands)**

| | Capital Outlay Bond Issue Funds | | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------------|----------------|-----------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Local sources: | | | | |
| Ad valorem taxes | \$ - | \$ - | \$ - | \$ - |
| Interest income | 30 | 73 | 73 | - |
| Other | - | 8 | 8 | - |
| Total local sources | <u>30</u> | <u>81</u> | <u>81</u> | <u>-</u> |
| State sources: | | | | |
| Public education capital outlay | - | - | - | - |
| Capital outlay distributed to district | - | - | - | - |
| Interest on undistributed CO & DS | - | - | - | - |
| Classsize Reduction | - | - | - | - |
| Other | - | - | - | - |
| Total state sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>30</u> | <u>81</u> | <u>81</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Capital outlay | <u>5,337</u> | <u>6,383</u> | <u>3,485</u> | <u>2,898</u> |
| Total expenditures | <u>5,337</u> | <u>6,383</u> | <u>3,485</u> | <u>2,898</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(5,307)</u> | <u>(6,302)</u> | <u>(3,404)</u> | <u>2,898</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Long term bonds issued | - | 2,954 | 2,954 | - |
| Certificates of participation issued | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources and uses | <u>-</u> | <u>2,954</u> | <u>2,954</u> | <u>-</u> |
| Net change in fund balances | <u>(5,307)</u> | <u>(3,348)</u> | <u>(450)</u> | <u>2,898</u> |
| Fund balances - beginning | <u>3,348</u> | <u>3,348</u> | <u>3,348</u> | <u>-</u> |
| Fund balances - ending | <u>\$ (1,959)</u> | <u>\$ -</u> | <u>\$ 2,898</u> | <u>\$ 2,898</u> |

| Special Act Bond Racetrack Fund | | | | Public Education Capital Outlay Funds | | | |
|---------------------------------|---------|----------|---|---------------------------------------|----------|-----------|---|
| Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
| Original | Final | | | Original | Final | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 12 | 16 | 16 | - | 77 | 92 | 74 | (18) |
| - | - | - | - | - | 122 | 122 | - |
| 12 | 16 | 16 | - | 77 | 214 | 196 | (18) |
| - | - | - | - | 12,918 | 22,891 | 22,592 | (299) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 12,918 | 22,891 | 22,592 | (299) |
| 12 | 16 | 16 | - | 12,995 | 23,105 | 22,788 | (317) |
| 1,381 | 1,466 | 289 | 1,177 | 25,803 | 51,627 | 10,707 | 40,920 |
| 1,381 | 1,466 | 289 | 1,177 | 25,803 | 51,627 | 10,707 | 40,920 |
| (1,369) | (1,450) | (273) | 1,177 | (12,808) | (28,522) | 12,081 | 40,603 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| (1,369) | (1,450) | (273) | 1,177 | (12,808) | (28,522) | 12,081 | 40,603 |
| 1,450 | 1,450 | 1,450 | - | 28,540 | 28,540 | 28,540 | - |
| \$ 81 | \$ - | \$ 1,177 | \$ 1,177 | \$ 15,732 | \$ 18 | \$ 40,621 | \$ 40,603 |

(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, 2004
 (amounts expressed in thousands)**

| | Capital Outlay & Debt Service Funds | | | Variance with Final Budget - Positive (Negative) |
|--|--|-----------------|-----------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Local sources: | | | | |
| Ad valorem taxes | \$ - | \$ - | \$ - | \$ - |
| Interest income | 8 | 17 | 17 | - |
| Other | - | 19 | 19 | - |
| Total local sources | <u>8</u> | <u>36</u> | <u>36</u> | <u>-</u> |
| State sources: | | | | |
| Public education capital outlay | - | - | - | - |
| Capital outlay distributed to district | 700 | 836 | 836 | - |
| Interest on undistributed CO & DS | - | 65 | 65 | - |
| Classsize Reduction | - | - | - | - |
| Other | - | - | - | - |
| Total state sources | <u>700</u> | <u>901</u> | <u>901</u> | <u>-</u> |
| Total revenues | <u>708</u> | <u>937</u> | <u>937</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Capital outlay | <u>300</u> | <u>429</u> | <u>409</u> | <u>20</u> |
| Total expenditures | <u>300</u> | <u>429</u> | <u>409</u> | <u>20</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>408</u> | <u>508</u> | <u>528</u> | <u>20</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Long term bonds issued | - | - | - | - |
| Certificates of participation issued | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | <u>(504)</u> | <u>(573)</u> | <u>(573)</u> | <u>-</u> |
| Total other financing sources and uses | <u>(504)</u> | <u>(573)</u> | <u>(573)</u> | <u>-</u> |
| Net change in fund balances | (96) | (65) | (45) | 20 |
| Fund balances - beginning | <u>1,116</u> | <u>1,116</u> | <u>1,116</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 1,020</u> | <u>\$ 1,051</u> | <u>\$ 1,071</u> | <u>\$ 20</u> |

| 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 | | |
| \$ 96,482 | \$ 97,121 | \$ 97,048 | \$ (73) | \$ - | \$ - | \$ - | \$ - |
| 750 | 660 | 556 | (104) | 1,283 | 2,204 | 2,194 | (10) |
| - | 2,405 | 2,270 | (135) | - | 24 | 23 | (1) |
| 97,232 | 100,186 | 99,874 | (312) | 1,283 | 2,228 | 2,217 | (11) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | 3 | 3 | - | - | - | - | - |
| - | 3 | 3 | - | - | - | - | - |
| 97,232 | 100,189 | 99,877 | (312) | 1,283 | 2,228 | 2,217 | (11) |
| 32,384 | 89,009 | 48,733 | 40,276 | 7,406 | 252,063 | 63,547 | 188,516 |
| 32,384 | 89,009 | 48,733 | 40,276 | 7,406 | 252,063 | 63,547 | 188,516 |
| 64,848 | 11,180 | 51,144 | 39,964 | (6,123) | (249,835) | (61,330) | 188,505 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 132,254 | 132,254 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 16 | 16 | - |
| (45,926) | (49,286) | (48,722) | 564 | (82) | (100) | (77) | 23 |
| (45,926) | (49,286) | (48,722) | 564 | (82) | 132,170 | 132,193 | 23 |
| 18,922 | (38,106) | 2,422 | 40,528 | (6,205) | (117,665) | 70,863 | 188,528 |
| 38,209 | 38,209 | 38,209 | - | 118,702 | 118,702 | 118,702 | - |
| \$ 57,131 | \$ 103 | \$ 40,631 | \$ 40,528 | \$ 112,497 | \$ 1,037 | \$ 189,565 | \$ 188,528 |

(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, 2004
 (amounts expressed in thousands)**

| | Sales Tax Bond Revenue | | | Variance with Final Budget - Positive (Negative) |
|--|------------------------|------------------|------------------|---|
| | Budgeted Amounts | | Actual | |
| | Original | Final | | |
| REVENUES: | | | | |
| Local sources: | | | | |
| Ad valorem taxes | \$ - | \$ - | \$ - | \$ - |
| Interest income | 2,125 | 2,030 | 1,958 | (72) |
| Other | - | 10 | 10 | - |
| Total local sources | <u>2,125</u> | <u>2,040</u> | <u>1,968</u> | <u>(72)</u> |
| State sources: | | | | |
| Public education capital outlay | - | - | - | - |
| Capital outlay distributed to district | - | - | - | - |
| Interest on undistributed CO & DS | - | - | - | - |
| Classsize Reduction | - | - | - | - |
| Other | - | - | - | - |
| Total state sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | <u>2,125</u> | <u>2,040</u> | <u>1,968</u> | <u>(72)</u> |
| EXPENDITURES: | | | | |
| Capital outlay | <u>2,489</u> | <u>216,973</u> | <u>121,825</u> | <u>95,148</u> |
| Total expenditures | <u>2,489</u> | <u>216,973</u> | <u>121,825</u> | <u>95,148</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(364)</u> | <u>(214,933)</u> | <u>(119,857)</u> | <u>95,076</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Long term bonds issued | - | - | - | - |
| Certificates of participation issued | - | - | - | - |
| Proceeds from sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>(364)</u> | <u>(214,933)</u> | <u>(119,857)</u> | <u>95,076</u> |
| Fund balances - beginning | <u>215,005</u> | <u>215,005</u> | <u>215,005</u> | <u>-</u> |
| Fund balances - ending | <u>\$ 214,641</u> | <u>\$ 72</u> | <u>\$ 95,148</u> | <u>\$ 95,076</u> |

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 | | |
| \$ - | \$ - | \$ - | \$ - | \$ 96,482 | \$ 97,121 | \$ 97,048 | \$ (73) |
| 388 | 525 | 418 | (107) | 4,673 | 5,617 | 5,306 | (311) |
| - | 23 | 22 | (1) | - | 2,611 | 2,474 | (137) |
| <u>388</u> | <u>548</u> | <u>440</u> | <u>(108)</u> | <u>101,155</u> | <u>105,349</u> | <u>104,828</u> | <u>(521)</u> |
| - | - | - | - | 12,918 | 22,891 | 22,592 | (299) |
| - | - | - | - | 700 | 836 | 836 | - |
| - | - | - | - | - | 65 | 65 | - |
| - | 73,698 | 73,698 | - | - | 73,698 | 73,698 | - |
| - | 23,216 | 20,894 | (2,322) | - | 23,219 | 20,897 | (2,322) |
| - | 96,914 | 94,592 | (2,322) | 13,618 | 120,709 | 118,088 | (2,621) |
| <u>388</u> | <u>97,462</u> | <u>95,032</u> | <u>(2,430)</u> | <u>114,773</u> | <u>226,058</u> | <u>222,916</u> | <u>(3,142)</u> |
| <u>33,706</u> | <u>142,223</u> | <u>23,925</u> | <u>118,298</u> | <u>108,806</u> | <u>760,173</u> | <u>272,920</u> | <u>487,253</u> |
| <u>33,706</u> | <u>142,223</u> | <u>23,925</u> | <u>118,298</u> | <u>108,806</u> | <u>760,173</u> | <u>272,920</u> | <u>487,253</u> |
| <u>(33,318)</u> | <u>(44,761)</u> | <u>71,107</u> | <u>115,868</u> | <u>5,967</u> | <u>(534,115)</u> | <u>(50,004)</u> | <u>484,111</u> |
| - | - | - | - | - | 2,954 | 2,954 | - |
| - | - | - | - | - | 132,254 | 132,254 | - |
| - | 2,497 | 2,497 | - | - | 2,497 | 2,497 | - |
| - | - | - | - | - | 16 | 16 | - |
| - | - | - | - | (46,512) | (49,959) | (49,372) | 587 |
| - | 2,497 | 2,497 | - | (46,512) | 87,762 | 88,349 | 587 |
| (33,318) | (42,264) | 73,604 | 115,868 | (40,545) | (446,353) | 38,345 | 484,698 |
| <u>42,364</u> | <u>42,364</u> | <u>42,364</u> | <u>-</u> | <u>448,734</u> | <u>448,734</u> | <u>448,734</u> | <u>-</u> |
| <u>\$ 9,046</u> | <u>\$ 100</u> | <u>\$ 115,968</u> | <u>\$ 115,868</u> | <u>\$ 408,189</u> | <u>\$ 2,381</u> | <u>\$ 487,079</u> | <u>\$ 484,698</u> |



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, 2004

(amounts expressed in thousands)

| | Workers Compensation Fund | Liability Self Insurance Fund |
|--------------------------------------|--|--|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 130 | \$ 1 |
| Investments | 26,921 | 3,727 |
| Due from other governmental agencies | - | - |
| Due from other funds | - | - |
| Total current assets | <u>\$ 27,051</u> | <u>\$ 3,728</u> |
| | | |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ - | \$ - |
| Deferred revenue | - | - |
| Estimated unpaid claims | 22,909 | 3,429 |
| Total liabilities | <u>22,909</u> | <u>3,429</u> |
| | | |
| NET ASSETS | | |
| Unrestricted | 4,142 | 299 |
| Total net assets | <u>4,142</u> | <u>299</u> |
| Total net assets and liabilities | <u>\$ 27,051</u> | <u>\$ 3,728</u> |

See accompanying independent auditors' report.



| Group Health Insurance Fund | Totals |
|--|------------------|
| \$ 1 | \$ 132 |
| 12,401 | 43,049 |
| 574 | 574 |
| 1,600 | 1,600 |
| <u>\$ 14,576</u> | <u>\$ 45,355</u> |
| | |
| \$ 8,966 | \$ 8,966 |
| 5,610 | 5,610 |
| - | 26,338 |
| <u>14,576</u> | <u>40,914</u> |
| | |
| - | 4,441 |
| - | 4,441 |
| <u>\$ 14,576</u> | <u>\$ 45,355</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, 2004
(amounts expressed in thousands)**

| | Workers Compensation Fund | Liability Self Insurance Fund |
|---|--|--|
| OPERATING REVENUES: | | |
| Premium revenue from other funds | \$ 17,445 | \$ - |
| Refund of prior year expenses and other | 1,141 | 70 |
| Total operating revenues | <u>18,586</u> | <u>70</u> |
| OPERATING EXPENSES: | | |
| Salaries | 663 | - |
| Benefits | 247 | - |
| Purchased services | 2,140 | 163 |
| Claims, premiums and other | <u>5,673</u> | <u>1,166</u> |
| Total operating expenses | <u>8,723</u> | <u>1,329</u> |
| Operating income (loss) | <u>9,863</u> | <u>(1,259)</u> |
| NON-OPERATING REVENUE: | | |
| Interest | <u>287</u> | <u>14</u> |
| Total non-operating revenue | <u>287</u> | <u>14</u> |
| Income (loss) before transfers | 10,150 | (1,245) |
| TRANSFERS IN | - | 4,000 |
| TRANSFERS OUT | <u>(3,000)</u> | <u>-</u> |
| Change in net assets | 7,150 | 2,755 |
| Total net assets (deficit) - beginning | <u>(3,008)</u> | <u>(2,456)</u> |
| Total net assets - ending | <u>\$ 4,142</u> | <u>\$ 299</u> |

See accompanying independent auditors' report.



| Group Health Insurance | | |
|---------------------------------------|--|-----------------|
| Fund | | Totals |
| \$ 105,702 | | \$ 123,147 |
| - | | 1,211 |
| <u>105,702</u> | | <u>124,358</u> |
| - | | 663 |
| - | | 247 |
| - | | 2,303 |
| <u>105,702</u> | | <u>112,541</u> |
| <u>105,702</u> | | <u>115,754</u> |
| - | | 8,604 |
| 39 | | 340 |
| <u>39</u> | | <u>340</u> |
| 39 | | 8,944 |
| - | | 4,000 |
| <u>(39)</u> | | <u>(3,039)</u> |
| - | | 9,905 |
| - | | <u>(5,464)</u> |
| <u>\$ -</u> | | <u>\$ 4,441</u> |

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(amounts expressed in thousands)**

| | Workers Compensation Fund | Liability Self Insurance Fund |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from interfund services provided | \$ 18,252 | \$ - |
| Payment to suppliers | (10,281) | (1,143) |
| Payment to employees | (941) | - |
| Other receipts | 1,247 | 70 |
| Net cash provided by (used in) operating activities | <u>8,277</u> | <u>(1,073)</u> |
| CASH FLOWS FROM NON CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Transfers from other funds | - | 4,000 |
| Transfers to other funds | (3,000) | - |
| Net cash provided by (used in) noncapital and related financing activities | <u>(3,000)</u> | <u>4,000</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales and maturities of investments | - | - |
| Purchase of investments | (5,548) | (2,940) |
| Interest and dividends earned on investments | 287 | 14 |
| Net cash provided by (used in) investing activities | <u>(5,261)</u> | <u>(2,926)</u> |
| Net increase in cash | 16 | 1 |
| Cash and cash equivalents- Beginning of year | 114 | - |
| Cash and cash equivalents- End of year | <u>\$ 130</u> | <u>\$ 1</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | |
| Operating income (loss) | \$ 9,863 | \$ (1,259) |
| 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 | 106 | - |
| (Increase) decrease in due from other agencies | - | - |
| (Increase) decrease in due from other funds | 807 | - |
| (Increase) decrease in prepaid items | - | - |
| Increase (decrease) in due to other funds | (31) | (2) |
| Increase (decrease) in estimated unclaimed claims | (2,468) | 188 |
| Increase (decrease) in deferred revenue | - | - |
| Total adjustments | <u>(1,586)</u> | <u>186</u> |
| Net cash provided by (used in) operating activities | <u>\$ 8,277</u> | <u>\$ (1,073)</u> |

See accompanying independent auditors' report.

| Group Health Insurance Fund | | Totals | |
|--|------------|---------------|--------------|
| \$ | 105,478 | \$ | 123,730 |
| | (105,322) | | (116,746) |
| | - | | (941) |
| | - | | 1,317 |
| | <u>156</u> | | <u>7,360</u> |

| | | | |
|--|-------------|--|----------------|
| | - | | 4,000 |
| | <u>(39)</u> | | <u>(3,039)</u> |

| | | | |
|--|-------------|--|------------|
| | <u>(39)</u> | | <u>961</u> |
|--|-------------|--|------------|

| | | | |
|--|--------------|--|----------------|
| | - | | - |
| | (156) | | (8,644) |
| | 39 | | 340 |
| | <u>(117)</u> | | <u>(8,304)</u> |

| | | | |
|----|----------|----|------------|
| | - | | 17 |
| | <u>1</u> | | <u>115</u> |
| \$ | <u>1</u> | \$ | <u>132</u> |

\$ - \$ 8,604

| | | | |
|----|--------------|----|----------------|
| | - | | 106 |
| | 176 | | 176 |
| | (75) | | 732 |
| | 204 | | 204 |
| | - | | (33) |
| | - | | (2,280) |
| | <u>(149)</u> | | <u>(149)</u> |
| | <u>156</u> | | <u>(1,244)</u> |
| \$ | <u>156</u> | \$ | <u>7,360</u> |



Agency Funds

The Agency Funds account for resources held by the District as custodian for others

- **School Activity Fund** - Accounts for and reports on the schools activity funds.
 - **Extended Year Fund** - Accounts for and reports on funds withheld to be paid at a later date.
 - **Miscellaneous Depository Fund** – Accounts for and reports on the deposits held by the District on behalf of others.
-

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(amounts expressed in thousands)

| | School Activity Fund | | | |
|------------------------------|-----------------------------|------------------|-------------------|----------------------|
| | Balances | | | Balances |
| | July 1, 2003 | Additions | Deductions | June 30, 2004 |
| ASSETS | | | | |
| Cash | \$ 7,972 | \$ 35,618 | \$ 33,897 | \$ 9,693 |
| Investments | 3,310 | 92 | 47 | 3,355 |
| Due from other funds | 27 | 34 | 27 | 34 |
| Inventory | 294 | 310 | 294 | 310 |
| Total assets | <u>\$ 11,603</u> | <u>\$ 36,054</u> | <u>\$ 34,265</u> | <u>\$ 13,392</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 73 | \$ 49 | \$ 73 | \$ 49 |
| Due to student organizations | 10,520 | 12,452 | 10,520 | 12,452 |
| Due to other funds | 1,010 | 891 | 1,010 | 891 |
| Total liabilities | <u>\$ 11,603</u> | <u>\$ 13,392</u> | <u>\$ 11,603</u> | <u>\$ 13,392</u> |



Extended Year Fund

| Balances July 1, 2003 | Additions | Deductions | Balances June 30, 2004 |
|----------------------------------|------------------|-------------------|-----------------------------------|
| \$ - | \$ - | \$ - | \$ - |
| 5,000 | 6,542 | 5,000 | 6,542 |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 5,000</u> | <u>\$ 6,542</u> | <u>\$ 5,000</u> | <u>\$ 6,542</u> |
| | | | |
| \$ 5,000 | \$ 6,542 | \$ 5,000 | \$ 6,542 |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 5,000</u> | <u>\$ 6,542</u> | <u>\$ 5,000</u> | <u>\$ 6,542</u> |

(Continued)

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(amounts expressed in thousands)

| | Miscellaneous Depository Fund | | | |
|------------------------------|--------------------------------------|------------------|-------------------|----------------------|
| | Balances | | | Balances |
| | July 1, 2003 | Additions | Deductions | June 30, 2004 |
| ASSETS | | | | |
| Cash | \$ 31 | \$ 1 | \$ 1 | \$ 31 |
| Investments | - | - | - | - |
| Due from other funds | - | - | - | - |
| Inventory | - | - | - | - |
| Total assets | <u>\$ 31</u> | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ 31</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 31 | \$ 1 | \$ 1 | \$ 31 |
| Due to student organizations | - | - | - | - |
| Due to other funds | - | - | - | - |
| Total liabilities | <u>\$ 31</u> | <u>\$ 1</u> | <u>\$ 1</u> | <u>\$ 31</u> |

See accompanying independent auditors' report.



Totals

| Balances July 1, 2003 | Additions | Deductions | Balances June 30, 2004 |
|----------------------------------|------------------|-------------------|-----------------------------------|
| \$ 8,003 | \$ 35,619 | \$ 33,898 | \$ 9,724 |
| 8,310 | 6,634 | 5,047 | 9,897 |
| 27 | 34 | 27 | 34 |
| 294 | 310 | 294 | 310 |
| <u>\$ 16,634</u> | <u>\$ 42,597</u> | <u>\$ 39,266</u> | <u>\$ 19,965</u> |
| | | | |
| \$ 5,104 | \$ 6,592 | \$ 5,074 | \$ 6,622 |
| 10,520 | 12,452 | 10,520 | 12,452 |
| 1,010 | 891 | 1,010 | 891 |
| <u>\$ 16,634</u> | <u>\$ 19,935</u> | <u>\$ 16,604</u> | <u>\$ 19,965</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, 2004
(amounts expressed in thousands)**

| | Anderson Academy Charter School | Center Academy Charter School | Central City Charter School | Learning Gate Charter School | Mount Pleasant Charter School | Pepin Charter School of Tampa |
|---|--|--|--------------------------------------|---------------------------------------|--|--|
| ASSETS: | | | | | | |
| Cash | \$ 72 | \$ 50 | \$ 12 | \$ 141 | \$ 27 | \$ 270 |
| Investments | - | - | - | - | - | - |
| Accounts receivable, net | - | 11 | 6 | 10 | 6 | 30 |
| Due from other governmental agencies | - | - | - | - | - | - |
| Prepaid items | - | 1 | - | - | - | - |
| Capital Assets (net of accumulated depreciation): | | | | | | |
| Land | - | - | - | - | - | 1,237 |
| Land Improvements | - | - | - | - | - | - |
| Construction in progress | - | - | - | - | - | - |
| Buildings and systems | 13 | - | - | 14 | 10 | 3,030 |
| Furniture, fixtures and equipment | 10 | 13 | 70 | 43 | 17 | 80 |
| Motor vehicles | - | - | - | - | - | - |
| Property under capital leases | - | - | - | - | - | - |
| Audio visual materials | - | - | - | - | - | - |
| Computer software | - | - | - | - | - | - |
| Total assets | <u>\$ 95</u> | <u>\$ 75</u> | <u>\$ 88</u> | <u>\$ 208</u> | <u>\$ 60</u> | <u>\$ 4,647</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 8 | \$ 38 | \$ 26 | \$ 71 | \$ 21 | \$ 14 |
| Salaries and wages payable | 4 | - | - | - | 11 | - |
| Due to other governmental agencies | - | - | - | - | 1 | - |
| Deferred revenue | 30 | - | - | - | - | - |
| Other liabilities | - | - | 5 | - | - | - |
| Noncurrent liabilities: | | | | | | |
| Due within one year | - | - | 1 | - | - | 115 |
| Due in more than one year | - | - | 4 | - | - | 3,875 |
| Total Liabilities | <u>42</u> | <u>38</u> | <u>36</u> | <u>71</u> | <u>33</u> | <u>4,004</u> |
| NET ASSETS | | | | | | |
| Invested in capital assets, net of related debt | 23 | 13 | 65 | 57 | 27 | 357 |
| Restricted for: | | | | | | |
| Capital outlay | - | - | - | - | - | 119 |
| Other purposes | - | - | - | - | - | - |
| Unrestricted (deficit) | 30 | 24 | (13) | 80 | - | 167 |
| Total net assets | <u>53</u> | <u>37</u> | <u>52</u> | <u>137</u> | <u>27</u> | <u>643</u> |
| Total liabilities and net assets | <u>\$ 95</u> | <u>\$ 75</u> | <u>\$ 88</u> | <u>\$ 208</u> | <u>\$ 60</u> | <u>\$ 4,647</u> |

See accompanying independent auditors' report.

| ReBirth Academy Charter School | Richard Milburn Charter School | Richardson Academy Charter School | Tampa Bay Academy Charter School | Terrace Community Charter School | USF Charter School | The Village of Excellence Charter School | Wilbesan Academy Charter School | Hillsborough Education Foundation | TOTALS Component Units |
|--------------------------------|--------------------------------|-----------------------------------|----------------------------------|----------------------------------|--------------------|--|---------------------------------|-----------------------------------|------------------------|
| \$ 36 | \$ 158 | \$ 200 | \$ 186 | \$ 202 | \$ 202 | \$ 31 | \$ 7 | \$ 714 | \$ 2,308 |
| - | - | - | - | - | - | - | - | 2,341 | 2,341 |
| 8 | 55 | 8 | - | - | - | 23 | - | 259 | 416 |
| - | 142 | 2 | 308 | - | 18 | - | - | - | 470 |
| - | - | - | - | - | 1 | - | - | 2,404 | 2,406 |
| - | - | 208 | - | - | - | - | - | - | 1,445 |
| - | - | 11 | - | - | - | - | - | - | 11 |
| - | - | - | - | - | - | - | - | 1,253 | 1,253 |
| 75 | - | - | 120 | 4 | - | - | - | - | 3,266 |
| 44 | 59 | 52 | 94 | 61 | 92 | 6 | 56 | 56 | 753 |
| - | - | - | 231 | - | - | - | - | - | 231 |
| - | - | - | - | - | 759 | - | - | - | 759 |
| - | - | - | - | 99 | - | - | - | - | 99 |
| - | - | - | - | 161 | - | - | - | - | 161 |
| <u>\$ 163</u> | <u>\$ 414</u> | <u>\$ 481</u> | <u>\$ 939</u> | <u>\$ 527</u> | <u>\$ 1,072</u> | <u>\$ 60</u> | <u>\$ 63</u> | <u>\$ 7,027</u> | <u>\$ 15,919</u> |
| \$ 7 | \$ 40 | \$ 7 | \$ 362 | \$ 8 | \$ 39 | \$ 4 | \$ - | \$ 20 | \$ 665 |
| 6 | - | - | - | - | - | - | - | - | 21 |
| - | 198 | 7 | - | - | 67 | - | - | - | 273 |
| - | 56 | 7 | - | - | - | - | - | - | 93 |
| - | - | - | - | - | - | - | - | 335 | 340 |
| - | 9 | - | - | - | - | - | - | - | 125 |
| - | 25 | 1 | - | - | - | - | - | - | 3,905 |
| <u>13</u> | <u>328</u> | <u>22</u> | <u>362</u> | <u>8</u> | <u>106</u> | <u>4</u> | <u>-</u> | <u>355</u> | <u>5,422</u> |
| 119 | 25 | 271 | 445 | 325 | 92 | 6 | 56 | 1,309 | 3,190 |
| - | 13 | 9 | - | - | - | 42 | - | - | 183 |
| - | - | - | - | - | - | - | - | 5,234 | 5,234 |
| 31 | 48 | 179 | 132 | 194 | 874 | 8 | 7 | 129 | 1,890 |
| <u>150</u> | <u>86</u> | <u>459</u> | <u>577</u> | <u>519</u> | <u>966</u> | <u>56</u> | <u>63</u> | <u>6,672</u> | <u>10,497</u> |
| <u>\$ 163</u> | <u>\$ 414</u> | <u>\$ 481</u> | <u>\$ 939</u> | <u>\$ 527</u> | <u>\$ 1,072</u> | <u>\$ 60</u> | <u>\$ 63</u> | <u>\$ 7,027</u> | <u>\$ 15,919</u> |

THE SCHOOL DISTRICT OF HILLSBOROUGH COUNTY

**STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(amounts expressed in thousands)**

| | Anderson Academy Charter School | Center Academy Charter School | Central City Charter School | Learning Gate Charter School | Mount Pleasant Charter School | Pepin Charter School of Tampa |
|---|--|--|--------------------------------------|---------------------------------------|--|--|
| EXPENSES | | | | | | |
| Instructional services | \$ 87 | \$ 323 | \$ 499 | \$ 958 | \$ 334 | \$ 946 |
| Instructional support services | 46 | 11 | 34 | - | 1 | 341 |
| Pupil transportation services | - | 5 | - | - | 11 | 10 |
| Operation and maintenance of plant | 73 | 40 | 95 | 487 | 171 | 250 |
| Facilities acquisition and construction | 26 | 78 | - | - | - | - |
| School administration | 153 | 178 | 209 | 289 | 115 | 626 |
| General administration | 13 | 23 | 28 | 47 | 7 | 31 |
| Food services | - | - | 11 | 14 | - | 73 |
| Community services and other | - | - | - | - | - | - |
| Interest on long term debt | - | - | - | - | - | - |
| Unallocated depreciation/amortization expense | 3 | - | 17 | - | 5 | 149 |
| Total expenses | \$ 401 | \$ 658 | \$ 893 | \$ 1,795 | \$ 644 | \$ 2,426 |
| PROGRAM REVENUES | | | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ 19 | \$ - | \$ 43 |
| Operating grants and contributions | - | - | 100 | - | - | 117 |
| Capital grants and contributions | 4 | - | 52 | 145 | 5 | 103 |
| Net program expenses | (397) | (658) | (741) | (1,631) | (639) | (2,163) |
| GENERAL REVENUES | | | | | | |
| Grants and contributions not restricted to specific programs | 348 | 551 | 656 | 1,604 | 642 | 2,166 |
| Investment earnings | - | - | - | - | - | - |
| Miscellaneous | 102 | 15 | 8 | 70 | 24 | 1 |
| Total general revenues | 450 | 566 | 664 | 1,674 | 666 | 2,167 |
| Change in net assets | 53 | (92) | (77) | 43 | 27 | 4 |
| Net assets (deficit) - beginning | - | 129 | 129 | 94 | - | 639 |
| Net assets - ending | \$ 53 | \$ 37 | \$ 52 | \$ 137 | \$ 27 | \$ 643 |

See accompanying independent auditors' report

| ReBirth Academy Charter School | Richard Milburn Charter School | Richardson Academy Charter School | Tampa Bay Academy Charter School | Terrace Community Charter School | USF Charter School | The Village of Excellence Charter School | Wilbesan Academy Charter School | Hillsborough Education Foundation | TOTALS Component Units |
|--------------------------------|--------------------------------|-----------------------------------|----------------------------------|----------------------------------|--------------------|--|---------------------------------|-----------------------------------|------------------------|
| \$ 345 | \$ 228 | \$ 303 | \$ 2,186 | \$ 1,111 | \$ 495 | \$ 392 | \$ 145 | \$ - | \$ 8,352 |
| 5 | 37 | 9 | 964 | - | - | 36 | 9 | - | 1,493 |
| - | 23 | - | 190 | 14 | 15 | - | - | - | 268 |
| 73 | 180 | 66 | 230 | 333 | 183 | 109 | 15 | - | 2,305 |
| - | - | - | - | - | 122 | - | 46 | - | 272 |
| 124 | 160 | 151 | 8 | 167 | 82 | 161 | 131 | - | 2,554 |
| - | 213 | 44 | 891 | 184 | 16 | 31 | 7 | 525 | 2,060 |
| 8 | 5 | 10 | 202 | 24 | - | 14 | 7 | - | 368 |
| - | 37 | - | - | 5 | - | - | - | 1,829 | 1,871 |
| - | 5 | 1 | 98 | 2 | - | - | - | - | 106 |
| 16 | - | 11 | 16 | 96 | 33 | - | 7 | - | 353 |
| <u>\$ 571</u> | <u>\$ 888</u> | <u>\$ 595</u> | <u>\$ 4,785</u> | <u>\$ 1,936</u> | <u>\$ 946</u> | <u>\$ 743</u> | <u>\$ 367</u> | <u>\$ 2,354</u> | <u>\$ 20,002</u> |
| \$ - | \$ - | \$ - | \$ 227 | \$ - | \$ 9 | \$ - | \$ 5 | \$ - | \$ 303 |
| 33 | - | 25 | 96 | - | 136 | 46 | - | - | 553 |
| - | 69 | 44 | - | - | - | - | - | - | 422 |
| <u>(538)</u> | <u>(819)</u> | <u>(526)</u> | <u>(4,462)</u> | <u>(1,936)</u> | <u>(801)</u> | <u>(697)</u> | <u>(362)</u> | <u>(2,354)</u> | <u>(18,724)</u> |
| 500 | 974 | 533 | 4,513 | 1,568 | 754 | 630 | 374 | 2,863 | 18,676 |
| - | - | - | 1 | 2 | - | - | - | 244 | 247 |
| - | - | - | - | 283 | 10 | 60 | - | - | 573 |
| <u>500</u> | <u>974</u> | <u>533</u> | <u>4,514</u> | <u>1,853</u> | <u>764</u> | <u>690</u> | <u>374</u> | <u>3,107</u> | <u>19,496</u> |
| (38) | 155 | 7 | 52 | (83) | (37) | (7) | 12 | 753 | 772 |
| 188 | (69) | 452 | 525 | 602 | 1,003 | 63 | 51 | 5,919 | 9,725 |
| <u>\$ 150</u> | <u>\$ 86</u> | <u>\$ 459</u> | <u>\$ 577</u> | <u>\$ 519</u> | <u>\$ 966</u> | <u>\$ 56</u> | <u>\$ 63</u> | <u>\$ 6,672</u> | <u>\$ 10,497</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 2003-04 | Actual Fiscal 2002-03 | Actual Fiscal 2001-02 | Actual Fiscal 2000-01 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Beginning Fund Balance: | | | | |
| Designated (1) | \$ 26,097 | \$ 24,561 | \$ 17,263 | \$ 16,336 |
| Undesignated | 45,427 | 19,018 | 20,479 | 11,318 |
| TOTAL BEGINNING FUND BALANCE | 71,524 | 43,579 | 37,742 | 27,654 |
| Revenues: | | | | |
| Federal | 1,571 | 877 | 1,068 | 1,016 |
| Federal Through State | 4,863 | 3,923 | 5,705 | 4,076 |
| State | 714,637 | 651,127 | 617,267 | 623,763 |
| Local | 329,830 | 314,145 | 288,692 | 263,837 |
| Non-Revenue and Transfers | 394 | 12,771 | 10,699 | 10,170 |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | 1,051,295 | 982,843 | 923,431 | 902,862 |
| Expenditures: | | | | |
| Instruction | 652,011 | 593,962 | 569,275 | 553,748 |
| Pupil Personnel Services | 43,383 | 42,645 | 42,344 | 40,812 |
| Instructional Media Services | 20,191 | 19,389 | 18,604 | 17,880 |
| Instruction & Curriculum Development Services | 17,954 | 18,360 | 20,074 | 24,546 |
| Instructional Staff Training | 3,039 | 3,829 | 3,502 | 4,002 |
| Board of Education | 2,701 | 4,686 | 4,170 | 2,983 |
| General Administration | 14,844 | 5,058 | 7,205 | 8,234 |
| School Administration | 72,871 | 69,931 | 64,195 | 63,146 |
| Fiscal Services | 4,609 | 4,664 | 4,668 | 4,473 |
| Food Services | 423 | 438 | 244 | 224 |
| Central Services | 22,843 | 22,910 | 27,120 | 22,471 |
| Pupil Transportation Services | 51,248 | 49,533 | 46,871 | 45,840 |
| Operation of Plant | 79,706 | 78,762 | 64,935 | 63,033 |
| Maintenance of Plant | 23,281 | 22,940 | 22,791 | 23,788 |
| Community Services | 6,557 | 7,515 | 8,407 | 9,058 |
| Facilities, Acquisitions and Construction and Capital Outlay | 9,368 | 9,202 | 11,645 | 8,839 |
| Remittance and Transfers to Other Funds | 1,061 | 1,074 | 1,544 | 36 |
| TOTAL EXPENDITURES AND OTHER USES | 1,026,090 | 954,898 | 917,594 | 893,113 |
| Ending Fund Balance: | | | | |
| Designated (1) | 46,043 | 26,097 | 24,561 | 17,263 |
| Undesignated | 50,686 | 45,427 | 19,018 | 20,141 |
| TOTAL ENDING FUND BALANCE | \$ 96,729 | \$ 71,524 | \$ 43,579 | \$ 37,404 |

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

| | Actual Fiscal 1999-00 | Actual Fiscal 1998-99 | Actual Fiscal 1997-98 | Actual Fiscal 1996-97 | Actual Fiscal 1995-96 | Actual Fiscal 1994-95 |
|----|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$ | 14,501 | \$ 16,313 | \$ 18,014 | \$ 14,564 | \$ 16,798 | \$ 12,753 |
| | 11,172 | 17,290 | 24,339 | 8,994 | 891 | 8,552 |
| | 25,673 | 33,603 | 42,353 | 23,558 | 17,689 | 21,305 |
| | 890 | 1,153 | 1,045 | 789 | 1,973 | 1,258 |
| | 4,893 | 5,702 | 702 | 483 | 181 | 204 |
| | 571,705 | 571,618 | 532,384 | 503,345 | 467,940 | 453,645 |
| | 254,089 | 245,743 | 222,824 | 212,519 | 202,447 | 194,323 |
| | 12,084 | 5,081 | 9,235 | 15,027 | 25,219 | 38,731 |
| | 843,661 | 829,297 | 766,190 | 732,163 | 697,760 | 688,161 |
| | 518,855 | 512,919 | 475,980 | 439,449 | 423,968 | 425,916 |
| | 37,630 | 36,330 | 32,342 | 28,700 | 28,419 | 28,762 |
| | 16,057 | 16,392 | 15,397 | 14,746 | 13,902 | 14,091 |
| | 23,218 | 22,817 | 20,747 | 19,927 | 20,349 | 21,370 |
| | 3,437 | 3,160 | 2,700 | 2,954 | 2,620 | 2,914 |
| | 2,543 | 5,603 | 4,678 | 4,429 | 3,215 | 2,283 |
| | 5,067 | 6,652 | 5,102 | 4,064 | 4,042 | 4,423 |
| | 60,165 | 61,016 | 58,838 | 55,841 | 54,058 | 52,937 |
| | 4,718 | 4,375 | 4,018 | 3,718 | 3,727 | 4,784 |
| | - | - | - | - | - | - |
| | 24,135 | 21,339 | 18,417 | 17,105 | 17,771 | 18,100 |
| | 44,776 | 45,127 | 44,658 | 40,206 | 38,572 | 37,604 |
| | 63,263 | 61,953 | 59,929 | 55,273 | 55,836 | 52,854 |
| | 23,351 | 22,977 | 19,992 | 20,196 | 18,080 | 20,057 |
| | 6,932 | 6,420 | 5,665 | 5,655 | 5,933 | 3,669 |
| | 6,488 | 7,528 | 2,595 | 896 | 1,227 | 1,700 |
| | 1,045 | 2,619 | 3,882 | 209 | 172 | 313 |
| | 841,680 | 837,227 | 774,940 | 713,368 | 691,891 | 691,777 |
| | 16,336 | 14,501 | 16,313 | 18,014 | 14,564 | 16,798 |
| | 11,318 | 11,172 | 17,290 | 24,339 | 8,994 | 891 |
| \$ | 27,654 | \$ 25,673 | \$ 33,603 | \$ 42,353 | \$ 23,558 | \$ 17,689 |

**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> |
|--------------------|---------------------------------------|-------------------------|---------------------|
| 2003-04 | \$ 50,374,394,070 | 6.270 | \$ 315,847,451 |
| 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 |

(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) |
|---------------------------------|------------|-----------------------------|-------------|--|
| \$ | 10,544,518 | \$ | 303,824,989 | 99.53% |
| | 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% |

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

| | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> |
|---|---------------------|---------------------|---------------------|-------------------|
| Taxes Levied (1) | \$ 1,215,100 | \$ 1,125,127 | \$ 1,052,314 | \$ 937,067 |
| Discounts Allowed | 40,281 | 36,826 | 35,170 | 31,380 |
| Taxes Collected with respect to above levies | <u>1,160,495</u> | <u>1,070,259</u> | <u>998,438</u> | <u>887,725</u> |
| Taxes Collected & Discounts | <u>\$ 1,200,776</u> | <u>\$ 1,107,085</u> | <u>\$ 1,033,608</u> | <u>\$ 919,105</u> |
| Taxes Collected and Discounts Allowed Representing a Percentage of Taxes Levied | 98.82% | 98.40% | 98.22% | 98.02% |

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

Source: Hillsborough County Tax Collector

| <u>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> | <u>1995</u> | <u>1994</u> |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 873,048 | \$ 824,724 | \$ 761,828 | \$ 716,343 | \$ 671,974 | \$ 678,706 |
| 29,308 | 27,845 | 25,817 | 24,310 | 22,707 | 22,720 |
| <u>806,160</u> | <u>765,165</u> | <u>708,144</u> | <u>666,830</u> | <u>641,772</u> | <u>643,363</u> |
| <u>\$ 835,468</u> | <u>\$ 793,010</u> | <u>\$ 733,961</u> | <u>\$ 691,140</u> | <u>\$ 664,479</u> | <u>\$ 666,083</u> |
| 95.70% | 96.15% | 96.34% | 96.48% | 98.88% | 98.14% |

HILLSBOROUGH COUNTY, FLORIDA
SCHOOL TAXABLE VALUE
(In thousands)

| | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| ASSESSED PROPERTY VALUE | | | | |
| Just Value | \$ 72,263,339 | \$ 66,579,217 | \$ 60,706,431 | \$ 53,356,474 |
| Classified Agricultural | 227,209 | 236,783 | 228,225 | 220,473 |
| Classified Value Park and Recreational | ----- | ----- | ----- | ----- |
| Classified Pollution Control Devices | 58,775 | 59,325 | 62,672 | 65,485 |
| Just Value Agricultural | (1,372,552) | (1,437,811) | (1,465,623) | (1,473,622) |
| Just Value Park and Recreational | ----- | ----- | ----- | ----- |
| Just Value Pollution Control Devices | (58,775) | (59,325) | (62,672) | (65,485) |
| Governmental Exemptions | (6,112,797) | (5,825,883) | (5,044,515) | (4,420,706) |
| Institutional Exemptions | <u>(2,332,610)</u> | <u>(2,187,132)</u> | <u>(1,965,237)</u> | <u>(1,670,396)</u> |
| NET ASSESSED VALUE | 62,672,589 | 57,365,174 | 52,459,281 | 46,012,223 |
| Lands Available for Taxes | (3,102) | (5,120) | (5,417) | (5,902) |
| Widow/Widower Exemptions | (9,338) | (9,496) | (9,649) | (9,860) |
| Disability / Blind Exemptions | (199,735) | (160,933) | (148,931) | (151,120) |
| Homestead Exemptions | (6,092,780) | (5,931,381) | (5,708,122) | (5,542,718) |
| Just Value - Capped Value | <u>(5,993,240)</u> | <u>(4,902,319)</u> | <u>(3,695,182)</u> | <u>(2,337,576)</u> |
| SCHOOL TAXABLE VALUE | <u>\$ 50,374,394</u> | <u>\$ 46,355,925</u> | <u>\$ 42,891,980</u> | <u>\$ 37,965,047</u> |

Source: Hillsborough County Property Appraiser

| 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 49,254,441 | \$ 45,885,695 | \$ 42,519,275 | \$ 39,905,926 | \$ 38,316,415 | \$ 37,044,896 |
| 287,459 | 301,194 | 273,702 | 246,390 | 296,011 | 478,800 |
| ----- | ----- | ----- | ----- | ----- | 55 |
| 55,741 | 54,768 | 53,058 | 57,217 | 52,371 | 52,120 |
| (1,503,733) | (1,611,649) | (1,663,818) | (1,729,216) | (1,772,513) | (2,089,233) |
| ----- | ----- | ----- | ----- | ----- | (55) |
| (557,408) | (547,679) | (530,582) | (572,167) | (523,707) | (521,205) |
| (4,296,699) | (4,289,307) | (4,067,873) | (3,892,222) | (3,567,721) | (3,547,289) |
| (1,745,031) | (1,632,099) | (1,569,769) | (1,570,863) | (1,451,466) | (1,127,479) |
| 41,494,770 | 38,160,923 | 35,013,993 | 32,445,065 | 31,349,390 | 30,290,610 |
| (7,275) | (7,739) | (7,073) | (6,768) | ----- | ----- |
| (9,112) | (9,096) | (8,892) | (8,614) | (8,383) | (8,169) |
| (123,109) | (113,435) | (102,738) | (94,247) | (90,835) | (85,040) |
| (5,377,084) | (5,199,336) | (5,066,281) | (4,941,799) | (4,825,563) | (4,708,945) |
| (1,306,436) | (938,014) | (479,325) | (239,468) | (202,031) | - |
| <u>\$ 34,671,754</u> | <u>\$ 31,893,303</u> | <u>\$ 29,349,684</u> | <u>\$ 27,154,169</u> | <u>\$ 26,222,578</u> | <u>\$ 25,488,456</u> |

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

| | <u>2003</u> | <u>2002</u> | <u>2001</u> |
|--------------------------------------|-----------------------|-----------------------|-----------------------|
| County Wide: | | | |
| Board of County Commissioners | | | |
| General Revenue | 7.1877 | 7.1982 | 7.4349 |
| Environmentally Sensitive Lands | 0.1045 | 0.1140 | 0.1273 |
| Criminal Justice | ----- | ----- | ----- |
| Parks and Recreation | ----- | ----- | ----- |
| School District | 8.4800 | 8.5950 | 8.5860 |
| Tampa Port Authority | 0.2900 | 0.2900 | 0.2900 |
| Children's Board of Hillsborough Cty | 0.5000 | 0.5000 | 0.4170 |
| S.W. Florida Water Management | 0.4220 | 0.4220 | 0.4220 |
| | <u>16.9842</u> | <u>17.1192</u> | <u>17.2772</u> |
| TOTAL COUNTY WIDE | <u><u>16.9842</u></u> | <u><u>17.1192</u></u> | <u><u>17.2772</u></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) | 0.0455 | 0.0500 | 0.0584 |
| 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

| <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> | <u>1995</u> | <u>1994</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 7.5336 | 7.5968 | 7.7500 | 7.8065 | 7.9163 | 7.9048 | 7.9048 |
| 0.1486 | 0.1854 | 0.1573 | 0.1880 | 0.1880 | 0.2100 | 0.2500 |
| ----- | ----- | ----- | ----- | 0.0212 | 0.0222 | 0.0222 |
| ----- | ----- | ----- | ----- | 0.0297 | 0.0320 | 0.0324 |
| 8.7150 | 9.0710 | 9.5310 | 9.5880 | 9.9542 | 9.8672 | 9.8672 |
| 0.2950 | 0.3100 | 0.3100 | 0.3100 | 0.3100 | 0.3300 | 0.3500 |
| 0.4170 | 0.4170 | 0.4170 | 0.4170 | 0.4170 | 0.4210 | 0.4160 |
| 0.4220 | 0.4220 | 0.4220 | 0.4220 | 0.4220 | 0.4220 | 0.4220 |
| <u>17.5312</u> | <u>18.0022</u> | <u>18.5873</u> | <u>18.7315</u> | <u>19.2584</u> | <u>19.2092</u> | <u>19.2646</u> |
| 0.6423 | 0.6423 | 0.6423 | 0.6423 | 0.6423 | 0.6423 | 0.6303 |
| 5.0621 | 5.0621 | 5.0621 | 5.0621 | 5.0621 | 5.0621 | 5.0621 |
| 0.0675 | 0.0734 | 0.0890 | 0.0890 | 0.0456 | 0.0485 | 0.0510 |
| 0.2400 | 0.2400 | 0.2400 | 0.2400 | 0.2400 | 0.2400 | 0.2400 |
| 0.2850 | 0.2850 | 0.2850 | 0.2850 | 0.2850 | 0.2850 | 0.2860 |
| 0.2680 | 0.2680 | 0.2680 | 0.2680 | 0.2680 | 0.2680 | 0.2680 |
| 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 | 4.9100 | 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>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> |
|---|---------------|---------------|---------------|---------------|
| Population (1) | 1,115,960 | 1,078,809 | 1,026,906 | 998,948 |
| School Taxable Value (2) (In Thousands) | \$ 50,374,394 | \$ 46,335,925 | \$ 42,782,759 | \$ 37,965,047 |
| General Bonded Debt (In Thousands) (3) | \$ 18,585 | \$ 27,245 | \$ 35,510 | \$ 43,410 |
| Ratio of Bonded Debt to Taxable Value | 0.0004 | 0.0005 | 0.0008 | 0.0011 |
| Bonded Debt Per Capita | \$ 16.65 | \$ 25.25 | \$ 34.58 | \$ 43.46 |

(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>1999</u> | <u>1998</u> | <u>1997</u> | <u>1996</u> | <u>1995</u> | <u>1994</u> |
|---------------|---------------|---------------|---------------|---------------|---------------|
| 967,511 | 942,322 | 928,731 | 910,855 | 892,874 | 879,069 |
| \$ 34,671,754 | \$ 31,893,303 | \$ 29,349,684 | \$ 27,154,169 | \$ 26,222,578 | \$ 25,488,456 |
| \$ 50,900 | \$ 57,945 | \$ 64,580 | \$ 72,225 | \$ 79,450 | \$ 86,270 |
| 0.0014 | 0.0018 | 0.0022 | 0.0027 | 0.0030 | 0.0034 |
| \$ 52.61 | \$ 61.49 | \$ 69.54 | \$ 79.29 | \$ 88.98 | \$ 98.14 |

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
LEGAL DEBT MARGIN
JUNE 30, 2004**

| | | |
|---|------------------|--------------------------------|
| Net Assessed Value 2003 Tax Roll | | <u>\$ 62,672,589,000</u> |
| Debt Limit - 10% of Net Assessed Valuation | | \$ 6,267,258,900 |
| General Obligation Bonds | \$ 18,585,000 | |
| Deduct Amount Available in Debt Service Fund | <u>9,567,930</u> | |
| Less Net Applicable Debt | | <u>\$ 9,017,070</u> |
| Legal Debt Margin | | <u><u>\$ 6,258,241,830</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, 2004**

| <u>Governmental Unit</u> | <u>Outstanding Gross Debt</u> | Percentage Applicable to this <u>Governmental Unit</u> | <u>Overlapping Gross Debt</u> |
|---|-----------------------------------|---|-----------------------------------|
| Hillsborough County, Florida | | | |
| 1998 ELAPP Refunding | \$ 24,415,000 | 100% | \$ 24,415,000 |
| 2002 Parks and Recreation Refunding | 17,840,000 | 100% | 17,840,000 |
| 2003 ELAPP Refunding | <u>10,105,000</u> | 100% | <u>10,105,000</u> |
| | <u>\$ 52,360,000</u> | | <u>\$ 52,360,000</u> |
| | | | |
| School District of Hillsborough County | | | |
| 1994 Refunding Bonds | <u>18,585,000</u> | 100% | <u>18,585,000</u> |
| | <u>\$ 18,585,000</u> | | <u>\$ 18,585,000</u> |
| | | | |
| TOTAL Direct and Overlapping General Obligation Debt | | | <u>\$ 70,945,000 (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, Accounting Department

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

| Year Ended June 30 | Principal | Interest | Total Debt Service | Total General Fund Expenditures And Other Uses | Ratio of Debt Service to General Fund Expenditures And Other Uses |
|--------------------------|-----------|----------|--------------------------|---|---|
| 2004 | \$ 8,660 | \$ 1,259 | \$ 9,919 | \$ 1,026,090 | 0.97% |
| 2003 | 8,265 | 1,703 | 9,968 | 953,824 | 1.05% |
| 2002 | 7,900 | 2,128 | 10,028 | 916,049 | 1.09% |
| 2001 | 7,490 | 2,590 | 10,080 | 893,076 | 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% |

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 999,000 in 2000, an increase of 100.3 percent. This compares to a 50.4 percent increase in the nation and a 135.33 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 made Hillsborough County the fourth largest county 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, 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 2000, the age group from 25 through 64 years, the primary working ages, comprises 53.5 percent of the County's population compared to 51.7 percent in 1990. The 2000 group represents 51.3 percent of the State's population and 52.1 percent of the United States population. The County's largest population growth from 1990 to 2000 occurred in the 45 to 64 age group which showed an increase of 30.0 percent.

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

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

| | <u>2000</u> | <u>1990</u> | <u>1980</u> | <u>1970</u> |
|---------------------|-------------|-------------|-------------|-------------|
| 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 |

| | <u>1990-2000</u> | | <u>1980-1990</u> | | <u>1970-1980</u> | |
|---------------------|------------------------------|--------------------|------------------------------|--------------------|------------------------------|--------------------|
| | <u>POPULATION GROWTH</u> | <u>% INCR.</u> | <u>POPULATION GROWTH</u> | <u>% INCR.</u> | <u>POPULATION GROWTH</u> | <u>% INCR.</u> |
| 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)**

| | <u>Hillsborough County</u> | | <u>Florida</u> | | <u>United States</u> | |
|-------------------|--------------------------------|-------------|----------------|---------------|----------------------|--------------|
| | <u>2000</u> | <u>1990</u> | <u>2000</u> | <u>1990</u> | <u>2000</u> | <u>1990</u> |
| 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>#####</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**

| | <u>2000</u> | <u>1990</u> | <u>1980</u> | <u>1970</u> |
|------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Single-Family | 261,062 | 216,451 | 171,516 | 128,137 |
| Mobile Homes (1) | 42,063 | 45,559 | 27,233 | 11,405 |
| Multi-Family | <u>122,837</u> | <u>105,830</u> | <u>64,870</u> | <u>29,013</u> |
| | <u><u>425,962</u></u> | <u><u>367,840</u></u> | <u><u>263,619</u></u> | <u><u>168,555</u></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
1994 - 2003**

| <u>YEAR</u> | <u>SINGLE FAMILY</u> | <u>MULTI FAMILY (1)</u> | <u>MOBILE HOMES</u> | <u>TOTAL</u> |
|-------------|--------------------------|-----------------------------|-------------------------|--------------|
| 2003 | 10,268 | 3,396 | 579 | 14,243 |
| 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 |

(1) Includes Duplexes

Source: Hillsborough County City-County Planning Commission

BANKING

The county has a total of two hundred ten (210) banking offices, including branches, with total deposits of over 11 billion dollars.

The county also has thirteen (13) offices of federal savings and loan associations with total deposits of approximately 484 million dollars.

Growth in bank deposits over the last ten years, shown below, demonstrates a 48% increase. The lower table indicates the largest banks in terms of total deposits.

HILLSBOROUGH COUNTY, FLORIDA
TOTAL BANK DEPOSITS
IN THOUSANDS

| <u>Calendar Year</u> | <u>Total Deposits</u> |
|----------------------|-----------------------|
| 2003 ----- | \$ 11,923,127 |
| 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 |

HILLSBOROUGH COUNTY, FLORIDA
LEADING BANKS CALENDAR 2003
IN THOUSANDS

| | <u>Bank</u> | <u>Branches</u> | <u>Total Deposits</u> |
|-----|---------------------------|-----------------|-----------------------|
| 1. | Bank of America | 40 | \$ 3,143,595 |
| 2. | Wachovia | 17 | 2,306,807 |
| 3. | SunTrust | 31 | 1,991,074 |
| 4. | Tampa Bank | 9 | 546,864 |
| 5. | Amsouth | 20 | 545,259 |
| 6. | Colonial | 10 | 513,692 |
| 7. | Southtrust | 18 | 444,228 |
| 8. | Florida Banks | 1 | 288,993 |
| 9. | Carolina First | 9 | 285,510 |
| 10. | First National (FNB Corp) | 13 | 257,144 |
| 11. | Regions | 5 | 200,444 |
| 12. | RBC Centura | 2 | 145,892 |
| 13. | Sunshine Federal | 4 | 137,320 |
| 14. | Bay Cities | 2 | 126,632 |
| 15. | Pilot Bankshares | 4 | 120,426 |
| 16. | Platinum | 2 | 109,514 |
| 17. | Valrico | 4 | 101,743 |

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

**HILLSBOROUGH COUNTY, FLORIDA
MAJOR PROPERTY TAXPAYERS
2003**

| ORIGINAL AMOUNTS CHARGED TO COLLECT-TAX ROLL | \$ 1,300,243,891 | |
|---|-------------------------|----------------------------|
| | 2003 Taxes Levied | % of Total Taxes Levied |
| 1. Tampa Electric Company | \$ 30,944,818 | 2.38% |
| 2. Verizon | 23,963,095 | 1.84% |
| 3. Hillsborough County Aviation Authority | 9,350,426 | 0.72% |
| 4. Tampa Sports Authority | 6,831,787 | 0.53% |
| 5. Camden Property Trust | 5,306,099 | 0.41% |
| 6. Post Apartments Homes LP | 4,575,099 | 0.35% |
| 7. Glimcher LTD Partnership | 4,460,014 | 0.34% |
| 8. Cargill Incorporated | 3,935,585 | 0.30% |
| 9. Walmart | 3,644,486 | 0.28% |
| 10. Highwoods / Florida Holdings | 3,350,485 | 0.26% |
| TOTAL | \$ 96,361,894 | 7.41% |

Source: Hillsborough County Tax Collector, September 30, 2004

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY
PUBLIC SCHOOL FACILITIES (1)
1995-2004**

| | <u>2003-04</u> | <u>2002-03</u> | <u>2001-02</u> |
|--------------------------|----------------|----------------|----------------|
| Elementary | 123 | 119 | 114 |
| Junior High/Middle | 39 | 39 | 36 |
| Senior High | 23 | 22 | 20 |
| Adult and Career Centers | 9 | 8 | 7(2) |
| Total | <u>194</u> | <u>188</u> | <u>177</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
1995-2004**

| | <u>2003-04</u> | <u>2002-03</u> | <u>2001-02</u> |
|--|----------------|----------------|----------------|
| Teachers: | | | |
| Elementary | 4,903 | 4,675 | 4,426 |
| Secondary | 4,270 | 4,052 | 3,691 |
| Exceptional Ed | 2,049 | 1,964 | 1,724 |
| Voc/Adult/Other-Instructional | 1,644 | 1,649 | 1,520 |
| Sub Total | 12,866 | 12,340 | 11,361 |
| Other Non-Administrative, Non-Instructional (1) | 492 | 554 | 654 |
| Teacher Aides | 1,920 | 1,989 | 2,010 |
| Principals & Asst. Prin. | 393 | 387 | 393 |
| Administration & Mgmt. | 192 | 189 | 201 |
| Support Staff | 6,328 | 6,165 | 5,524 |
| Total Full-Time Staff | <u>22,191</u> | <u>21,624</u> | <u>20,143</u> |
| Total Part-Time Staff | <u>3,642</u> | <u>4,162</u> | <u>3,421</u> |
| Grand Total | <u>25,833</u> | <u>25,786</u> | <u>23,564</u> |

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

Source: District Equal Employment Opportunity Report, Fall Surveys, 1994-2003

| <u>2000-01</u> | <u>1999-00</u> | <u>1998-99</u> | <u>1997-98</u> | <u>1996-97</u> | <u>1995-96</u> | <u>1994-95</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 109 | 107 | 106 | 105 | 104 | 106 | 107 |
| 36 | 34 | 34 | 33 | 30 | 27 | 27 |
| 19 | 19 | 19 | 18 | 15 | 15 | 14 |
| 5 | 5 | 5 | 5 | 5 | 4 | 4 |
| <u>169</u> | <u>165</u> | <u>164</u> | <u>161</u> | <u>154</u> | <u>152</u> | <u>152</u> |

| <u>2000-01</u> | <u>1999-00</u> | <u>1998-99</u> | <u>1997-98</u> | <u>1996-97</u> | <u>1995-96</u> | <u>1994-95</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 4,531 | 4,278 | 4,168 | 4,148 | 4,080 | 4,057 | 4,016 |
| 3,755 | 3,647 | 3,591 | 3,375 | 2,999 | 2,808 | 2,677 |
| 1,804 | 1,647 | 1,574 | 1,539 | 1,501 | 1,650 | 1,739 |
| 1,514 | 1,885 | 1,876 | 1,706 | 1,675 | 1,707 | 1,624 |
| 11,604 | 11,457 | 11,209 | 10,768 | 10,255 | 10,222 | 10,056 |
| 663 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2,101 | 1,885 | 1,780 | 1,837 | 1,780 | 1,985 | 2,119 |
| 358 | 342 | 343 | 342 | 333 | 333 | 319 |
| 199 | 305 | 302 | 310 | 297 | 296 | 301 |
| <u>5,826</u> | <u>5,580</u> | <u>5,432</u> | <u>5,389</u> | <u>5,045</u> | <u>5,056</u> | <u>5,281</u> |
| <u>20,751</u> | <u>19,569</u> | <u>19,066</u> | <u>18,646</u> | <u>17,710</u> | <u>17,892</u> | <u>18,076</u> |
| <u>6,618</u> | <u>2,672</u> | <u>3,442</u> | <u>3,165</u> | <u>3,243</u> | <u>3,283</u> | <u>2,896</u> |
| <u>27,369</u> | <u>22,241</u> | <u>22,508</u> | <u>21,811</u> | <u>20,953</u> | <u>21,175</u> | <u>20,972</u> |

**COMPARATIVE ENROLLMENT TREND
LARGEST UNITED STATES SCHOOL DISTRICTS (1)
1993-2004**

| | 2003-04 | 2002-03 | 2001-02 | 2000-01** |
|---|----------------|----------------|----------------|----------------|
| 1. New York, NY | 1,063,609 | 1,077,381 | 1,049,831 | 1,066,516 |
| 2. Los Angeles, CA | 746,610 | 746,852 | 735,058 | 721,346 |
| 3. Chicago, IL | 438,589 | 436,048 | 437,418 | 435,261 |
| 4. Dade Co., FL (Miami). | 362,319 | 373,395 | 375,836 | 368,625 |
| 5. Broward Co., FL | 271,339 | 267,925 | 262,055 | 251,129 |
| 6. Clark Co., NV (Las Vegas). | 267,894 | 256,574 | 245,659 | 231,655 |
| 7. Houston, TX | 212,099 | 212,099 | 210,950 | 208,462 |
| 8. Philadelphia, PA | 211,003 | 192,683 | 197,083 | 201,190 |
| 9. Hawaii (Entire State) | 182,434 | 183,829 | 184,546 | 184,360 |
| 10. Hillsborough Co., FL | 179,466 | 175,454 | 169,789 | 164,311 |
| 11. Detroit, MI | NA | 173,742 | 166,675 | 162,194 |
| 12. Palm Beach County, FL | NA | 164,896 | 160,223 | 153,871 |
| 13. Dallas, TX | NA | 163,347 | 163,562 | 161,548 |
| 14. Fairfax Co., VA. | NA | 162,585 | 160,584 | 156,412 |
| 15. Orange County, FL | NA | 158,718 | 157,433 | 150,681 |

(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 (ERS) has stopped compiling this list

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

NA Not available at the time of printing

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

| Fall 1999 * | Fall 1998 | Fall 1997 | Fall 1995 * | Fall 1994 | Fall 1993 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 1,066,473 | 1,068,231 | 1,075,638 | 1,050,993 | 1,027,732 | 1,004,215 |
| 681,422 | 667,203 | 651,075 | 618,275 | 608,172 | 611,370 |
| 405,092 | 403,310 | 409,162 | 387,224 | 387,224 | 393,742 |
| 350,603 | 343,285 | 345,861 | 321,000 | 305,566 | 305,556 |
| 235,563 | 226,284 | 218,907 | 207,345 | 194,477 | 186,115 |
| 207,169 | 194,303 | 181,835 | 158,659 | 148,998 | 138,612 |
| 198,397 | 199,291 | 199,949 | 196,039 | 192,315 | 190,673 |
| 205,413 | 207,702 | 214,037 | 209,425 | 204,653 | 202,639 |
| 185,036 | 187,395 | 189,887 | 186,581 | 183,164 | 179,876 |
| 156,246 | 152,809 | 149,658 | 140,747 | 135,902 | 130,802 |
| 164,433 | 170,394 | 177,151 | 170,449 | 173,122 | 169,434 |
| 147,051 | 143,593 | 139,771 | 130,000 | 125,537 | 120,265 |
| 153,917 | 153,230 | 151,135 | 149,405 | 145,270 | 142,833 |
| 150,027 | 145,021 | 145,995 | 142,808 | 134,221 | 131,218 |
| 141,936 | 137,697 | 131,584 | NA | NA | 113,563 |

**SCHOOL DISTRICT OF HILLSBOROUGH COUNTY, FLORIDA
 PROFILE OF ENROLLMENTS
 Full-Time Equivalent Students (1)
 1995-2004**

| | <u>2003-04</u> | <u>2002-03</u> | <u>2001-02</u> | <u>2000-01</u> |
|-----------------------------|----------------|----------------|----------------|----------------|
| Pre-K & Kindergarten. . . . | 10,256 | 9,715 | 9,424 | 9,824 |
| Grades 1-3. | 42,753 | 40,267 | 40,731 | 40,266 |
| Grades 4-8. | 50,274 | 47,283 | 45,413 | 43,747 |
| Grades 9-12. | 32,935 | 31,254 | 30,054 | 30,100 |
| Exceptional Ed | 36,497 | 34,895 | 33,377 | 31,899 |
| Vocational Ed | 7,218 | 8,625 | 7,873 | 7,641 |
| Post Secondary. | ----- | ----- | ----- | ----- |
| Total | <u>179,933</u> | <u>172,039</u> | <u>166,872</u> | <u>163,477</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>1999-00</u> | <u>1998-99</u> | <u>1997-98</u> | <u>1996-97</u> | <u>1995-96</u> | <u>1994-95</u> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 9,986 | 9,721 | 9,886 | 10,485 | 10,479 | 10,231 |
| 40,078 | 40,751 | 40,021 | 38,384 | 36,286 | 34,850 |
| 41,892 | 38,301 | 35,787 | 46,250 | 44,692 | 43,290 |
| 29,495 | 34,743 | 33,452 | 35,715 | 33,503 | 32,653 |
| 30,952 | 30,487 | 29,659 [2] | 12,891 | 13,197 | 13,816 |
| 7,710 | 7,071 | 7,448 | 7,368 | 6,868 | 6,263 |
| 511 [3] | 6,848 | 7,978 | 8,856 | 8,424 | 7,490 |
| <u>160,624</u> | <u>167,922</u> | <u>164,231</u> | <u>159,949</u> | <u>153,449</u> | <u>148,593</u> |

HILLSBOROUGH COUNTY AGRICULTURE

Hillsborough County has 2,969 farms, the 2nd largest of any county in the state and 20th 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 \$654 million of products in 2003. Hillsborough County ranks as the 3rd largest producer of agricultural products 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 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. Consequently 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 | \$ 26,265,000 | 1,700 |
| Beef Cattle | \$ 12,800,000 | 70,000 |
| Blueberries | \$ 2,100,000 | 110 |
| Citrus | \$ 25,500,000 | 23,734 |
| Dairy | \$ 13,545,000 | 2,000 |
| Forestry | \$ 1,100,000 | 100,000 |
| Ornamental Plants | \$ 178,408,163 | 3,552 |
| Poultry | \$ 27,140,000 | 42 |
| Sod | \$ 24,816,910 | 6,437 |
| Strawberries | \$ 195,333,000 | 7,300 |
| Vegetables | \$ 95,000,000 | 13,000 |
| Miscellaneous | \$ 52,000,000 | 2,000 |
| | <u><u>\$ 654,008,073</u></u> | <u><u>229,875</u></u> |

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 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 agriculturist in Hillsborough 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% 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
1980-2004**

| | <u>June</u> <u>2004</u> | <u>2000</u> | <u>1990</u> | <u>1980</u> |
|---------------------|----------------------------|-------------|-------------|-------------|
| Hillsborough County | | | | |
| Labor Force | 647,056 | 572,743 | 446,230 | 313,737 |
| Employment | 623,568 | 555,635 | 443,789 | 298,015 |
| Unemployment | 23,488 | 17,108 | 22,441 | 15,722 |
| Unemployment Rate | 3.6% | 3.0% | 4.8% | 5.0% |
| Florida | | | | |
| Labor Force | 8,476,000 | 7,649,884 | 6,365,000 | 4,271,000 |
| Employment | 9,090,000 | 7,336,454 | 5,987,000 | 4,020,000 |
| Unemployment | 396,000 | 313,430 | 378,000 | 251,000 |
| Unemployment Rate | 4.7% | 4.1% | 5.9% | 5.9% |
| United States | | | | |
| Labor Force | 149,217,000 | 142,132,000 | 124,787,000 | 106,946,000 |
| Employment | 140,700,000 | 136,192,000 | 117,914,000 | 99,303,000 |
| Unemployment | 8,518,000 | 5,940,000 | 6,873,000 | 7,643,000 |
| Unemployment Rate | 5.7% | 4.2% | 5.5% | 7.1% |

Hillsborough County's labor force is comprised of 647,056 civilians - or 7.63% of the state's 8.4 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 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: State of Florida, Department of Labor and Employment Statistics

MAJOR EMPLOYERS
DECEMBER 2003

| ENTITY | TYPE OF ENTITY | NUMBER OF EMPLOYEES |
|---|-----------------------|---------------------|
| 1. School District of Hillsborough County | Public Education | 25,833 (1) |
| 2. Verizon | Telecommunications | 14,000 |
| 3. University of South Florida | Education Service | 11,607 |
| 4. Hillsborough County Government | Government Service | 10,886 |
| 5. MacDill Air Force Base | Military Service | 9,000 |
| 6. Tampa International Airport | International Airport | 7,760 |
| 7. James A Haley Veteran's Hospital | Medical Facility | 5,900 |
| 8. St. Joseph's Hospital / Baker Health Systems | Medical Facility | 5,242 |
| 9. JP Morgan Chase | Banking Service | 5,237 |
| 10. Publix Food Centers | Supermarket | 4,630 |
| 11. City of Tampa | Government Service | 4,500 |
| 12. U. S. Postal Service | Postal Service | 3,947 |
| 13. Bank of America | Banking Service | 3,754 |
| 14. Tampa Electric Company/Peoples Gas | Electric Service | 3,211 |
| 15. Tampa General Hospital | Medical Facility | 3,166 |

(1) Equal Employment Opportunity Commission, Fall Survey, 2003

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 1993 - 2002

| YEAR | UNITED STATES | FLORIDA | HILLSBOROUGH COUNTY | COUNTY/U.S. PERCENTAGE |
|------|---------------|-----------|---------------------|------------------------|
| 2002 | \$ 30,906 | \$ 29,758 | \$ 29,602 | 95.78% |
| 2001 | 30,527 | 29,247 | 29,055 | 95.18% |
| 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% |

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

| YEAR | UNITED STATES | FLORIDA | HILLSBOROUGH COUNTY | COUNTY/U.S. PERCENTAGE |
|------|---------------|-----------|---------------------|------------------------|
| 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

| | Total EBI (\$000) | Median Household EBI | ... Percent of Household by EBI ... | | |
|---------------------|-------------------|----------------------|-------------------------------------|-------------------|-------------------|
| | | | \$20,000-\$34,999 | \$35,000-\$49,999 | \$50,000 and over |
| 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 16.0 million in 2003. 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 these 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 places 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 four international carriers. There are a total of fifty-four active gates. In 2003 the airport handled 171.1 million pounds of cargo and 34.9 million pounds of mail.

Seaboard Coastline 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 links St. Petersburg, Sarasota continues down to the Florida Keys. This effectively connects Hillsborough, Pinellas and Manatee counties.

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

PORT OF TAMPA

The port of Tampa is the largest tonnage port in Florida, handling almost as much cargo as Florida's 13 other deep water 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
- *** 3 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 2,500 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 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. The Port Authority is continuing to invest in security infrastructure helping keep port business and the region safe and secure.

Source: Tampa Port Authority, Public Information

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 41,000 students. The university offers 202 undergraduate and advanced degrees, including the M.D. The average SAT score for entering freshmen is roughly 1,084, the average ACT is approximately 22 and the mean high school grade point average is 3.6. 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 100 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 5,511 instructional full and part-time faculty and 12,446 total full and part-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 \$254 million in sponsored research. Faculty work has gained national and international recognition in the areas of accounting, education, engineering, marine science, performing arts and medical research including Alzheimer's disease, immunology, cancer and nutrition. USF also has 55 Eminent Chairs in a variety of disciplines ranging from architecture to swallowing disorders. Faculty serve in eleven colleges and schools: Arts and Science, Business Administration, Education, Engineering Medicine, Architecture and Community Design, Nursing, Public Health, Marine Science, Graduate Studies and Visual and Performing Arts.

TAMPA'S COLLEGES AND UNIVERSITIES

| <u>School</u> | <u>Established</u> | <u>2003 Unduplicated Fall Term Enrollment</u> | <u>Highest Degree Offered</u> | <u>Programs</u> |
|--|--------------------|---|---------------------------------------|--|
| University of South Florida | 1956 | 41,392 | Doctorate | Liberal Arts, General; Technical Preparatory; Professional |
| University of Tampa | 1931 | 4,661 | Masters | Same as Above |
| Tampa College (Florida Metropolitan University) | 1890 | 1,150 | Masters | Business, Technical Professional |
| Florida College | 1944 | 478 | B. A. | Liberal Studies, Biblical Studies & Elem. Education |
| Hillsborough Community College | 1968 | 28,396 | 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 condition (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 MacDill Air Force Base.

One hospital, Vencor Hospital- Central Tampa, is a long-term acute care facility. Tampa General is the county's only civilian 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 & adult lung
- ** Trauma facilities
 - St. Joseph's Hospital - level 2 and PRTC (Pediatric Referral Trauma Center) provisional
 - Tampa General Hospital - level 1 and PRTC
- ** Neonatal intensive care unit
 - Brandon Regional Hospital - level 2 & 3
 - St. Joseph's Hospital - level 2 & 3
 - Tampa General Hospital - level 2 & 3
 - University Community Hospital - Medical Center - level 2 only

NURSING HOMES AND HOSPICES

- ** Hospices
 - Life Path Hospice

- ** Nursing homes
 - 8 hospital - based skilled nursing facilities with a total of 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 hospital based skilled nursing facilities.

Tampa was ranked number 23 out of 100 cities surveyed in Child Magazine's ranking of the "Best Cities for Families". Criteria were: number of pediatricians per capita; proximity of Children's Hospitals; immunization rates; infant mortality rate; air quality; water quality; school spending; pupil-teacher ratio; availability of parks / green space; nearby recreational opportunities; average commute time; number of sunny days; average cost of a 3 bedroom home; unemployment rate; future job growth; crime rate; percentage of children under 5 and mandated minimum child care ratios.

The County's human medical resources include more than 2,781 practicing physicians and surgeons with specialists in all fields of medicine and surgery, in addition to 12,395 practicing registered and practical nurses. The University of South Florida's Colleges of Medicine and Nursing now enroll 420 medical students and 803 nursing students. Hillsborough Community College has 1,266 students in nursing and 71 students in nuclear medicine technology.

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

COMMUNICATIONS

Fifteen television stations serve the county: eight (8) 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. Among these publications is the weekly publication of La Gaceta which serves the growing Hispanic community.

The St. Petersburg Times has a daily circulation of 24,434 and a Sunday circulation of 30,208 in Hillsborough County. The Tampa Tribune has a daily circulation of 224,630 and a Sunday circulation of 299,459.

Sources: 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 county 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 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 African 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 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 such as the Outback Bowl. Also numerous community, high school and youth events, motor and equestrian events and concerts are held annually at the stadium.

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 half a 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 are made. In 2004 the new Ford Amphitheater, with a seating capacity of 20,000, opened on fair grounds property. This covered open-air facility hosts concerts year-round.

Whatever your interests, the Florida Strawberry Festival has it all. Exhibits of agriculture, commerce, livestock, fine arts, horticulture and crafts await you. The festival includes social events, competitive contests, youth development programs, top-name entertainment and 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 led by Jose Gaspar. 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 on parade floats, to drink beer and party into the night. A second parade is held at night, with the same cast of characters. through the historic Ybor city section of Tampa.

"OK The first thing you need to know is that Lowry Park Zoo is mega cool. So what if it doesn't have roller coasters or video games? You can pet a kangaroo, see a bald eagle up close and get soaked in the eater fountains. Plus, it just opened an awesome Safari Africa exhibit where you can ride a camel and feed a giraffe.

If you don't believe it, just ask Child magazine. It named Lowry Park Zoo the No. 1 zoo for kids, beating out more than 150 others across the country. Check it out in the July (2004) issue, on newsstands now" (1)

RECREATIONAL FACILITIES AND EVENTS (continued)

Lowry Park Zoo features 41 acres of lush, natural habitats comprising five (5) 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 activities, events and facilities located in the Hillsborough County area include:

| | |
|-----------------------------------|---|
| Adventure Island Water Park | New York Yankees Spring Training |
| Busch Gardens | Outback Bowl |
| Equestrian World Cup | Raymond James Stadium |
| Ford Amphitheater | Seminole Indian Casino |
| Florida Aquarium | Strawberry Festival |
| Florida State Fair | Tampa Bay Buccaneers, NFL Football |
| Gasparilla Distance Classic | Tampa Bay Devil Rays, Major League Baseball |
| Gasparilla Invasion Festival | Tampa Bay Downs, Horse Racing |
| GTE Suncoast Seniors Golf Classic | Tampa Bay Lightning, NHL Hockey |
| Golf Courses (35) | Tampa Bay Storm, Arena Football |
| Guavaween | Tampa Greyhound Track |
| Legends Baseball Field | USF & UT Collegiate Sports |
| Lowry Park Zoo | |

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

(1) "The Tampa Tribune, Baylife Section", Page 1, Karla Jackson, May 31, 2004.

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 Hillsborough 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 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 Theater, an atmosphere movie palace listed on the National Register of Historic Places. The Theater presents foreign and classic films, concerts, special events and tours.

Source: Arts Council of Hillsborough County

