DELTONA CORP
Form 10-K/A
August 13, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A

(Mark One)

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ending December 31, 2002

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

Commission file number 1-4719

THE DELTONA CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	59-0997584
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
8014 SW 135th Street Road Ocala, FL	34473
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (352) 307-8100

Securities registered pursuant to Section 12(g) of the Act:

COMMON STOCK, $1 PAR VALUE
(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K. [ ]

State the aggregate market value of the voting stock held by non-affiliates of the Registrant: $1,044,947 (based upon the sales price at which shares were sold on July 25, 2003 ($0.32 per share) multiplied by the 3,265,458 shares of stock owned by non-affiliates, excluding voting stock held by directors, executive officers and beneficial owners of more than 10% of the Registrant's voting stock ; however, this does not constitute an admission that any such holder is an "affiliate" for any purpose.)

Indicate the number of shares outstanding of the Registrant's classes of common stock, as of the latest practicable date: 13,544,277 shares of common stock, $1 par value, as of August 4, 2003, excluding 12,228 shares held in treasury.

DOCUMENTS INCORPORATED BY REFERENCE

NONE

THE DELTONA CORPORATION

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PART I

ITEMS 1 AND 2

BUSINESS

General

The Company was founded in 1962 and is principally engaged in the development and sale of Florida real estate, through the development of planned communities on land acquired for that purpose. The Company offers single-family lots and multi-family and commercial tracts for sale, in communities designed by the Company. The Company is the developer of eleven planned communities in Florida, including TimberWalk, which is located in the western portion of Marion Oaks. Of those eleven planned communities, two are in various stages of development. The Company plans, designs and develops roads, waterways, recreational amenities, grading and drainage systems within these communities. Since 1962, the Company has sold over 157,000 single-family lots and multi-family and commercial tracts in its communities, in addition to over 13,000 single-family homes and over 4,300 multi-family housing units.

The Company's land holdings in Florida include an inventory of approximately 16,000 unsold platted single-family and multi-family lots and commercial tracts. (Platting is the process of recording, in the public records of the county where the land is located, a map or survey delineating the legal boundaries of the lots and tracts.) See "Real Estate: Land".

The Company also operates other businesses related to its real estate activities, such as a title insurance company and a real estate brokerage company. In addition, the Company has designed and constructed country clubs, golf courses and other recreational amenities at its communities, and operated such amenities until their conveyance or sale.

Historically, the Company had designed, constructed and operated utility systems for the distribution of water and LP gas and for the collection and treatment of sewage, primarily at the Company's communities. However, on June 6, 1989, Topeka Group Incorporated ("Topeka"), a subsidiary of Minnesota Power & Light Company ("MPL"), exchanged the Company's Preferred Stock which it acquired in November, 1985 for the Company's utility subsidiaries. The Company entered into a Developer Agreement for each of its communities, which provides the policies for water and sewer utility services to the Company and the Company's customers.

Unless the context otherwise requires, the term Affiliate and Related Party as used in the document shall have the meanings given by the Securities and Exchange Commission Regulation S-X and other appropriate rules, regulations and authoritative sources. As described herein, such relationships are significant to the Company and have been disclosed herein, to the extent appropriate.

The Company is incorporated in Delaware and has its principal office at 8014 SW 135th Street Road, Ocala, Florida 34473. Its telephone number is (352)307-8100. The Company or Deltona, as used herein, refers to The Deltona Corporation and, unless the context otherwise indicates, its wholly-owned subsidiaries.

Forward Looking Statements

This annual report on Form 10-K of The Deltona Corporation for the year ended December 31, 2002 contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. To the extent that such statements are not recitations of historical fact, such statements constitute forward-looking statements which, by definition, involve risks and uncertainties. In particular, statements under Items 1 and 2, Business, Item 5, Price Range of Common Stock and Dividends, and Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operation, contain forward-looking statements. Where, in any forward- looking statement, Deltona expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished.

All of the above estimates are based on the current expectations of our management team, which may change in the future due to a large number of potential events, including unanticipated future developments.

The following factors are factors that could cause actual results or events to differ materially from those anticipated, and include, but are not limited to: the availability of operating capital, general economic, financial and business conditions; competition for customers in the single-family and multi-family home market; the costs of construction; and changes in and compliance with governmental regulations.

Recent Developments

In 2002, the Company filed a Form 13E(3) and a preliminary proxy statement related to a proposed going private transaction. These documents are currently being reviewed by the SEC staff. On December 13, 2001, the Board of Directors approved a 1 for 500,000 reverse split of the Company's common stock and a related amendment to the Company's Articles of Incorporation reducing the number of authorized shares to 30. Both actions are subject to stockholder approval. Based upon the number of shares of common stock held by each stockholder as of February 14, 2003, the effect of the reverse split will be to reduce the number of the Company's stockholders to two stockholders: Selex International, B.V., a Netherlands corporation ("Selex") and Yasawa Holdings, N.V., a Netherlands Antilles corporation ("Yasawa"). The date of the meeting of stockholders to consider both matters will be determined upon the conclusion of the review and subsequent amendments to the disclosures in preliminary proxy statement and Form13E(3) filings.

On March 7, 2003, the Company closed on an agreement that resulted in the termination of its repurchase obligation on contracts receivable sold in 1990 and 1992. The termination of this recourse obligation covering approximately $1 million of contracts receivable, substantially all of which were non-performing, will result in a one-time gain on termination of a recourse obligation of approximately $870,000 and a reduction in the liability for "Obligation under recourse provisions". This one-time gain will be reported in the first quarter of 2003. In terminating the obligation, the Company acquired over 200 contracts

receivable, substantially all of which are non-performing, each of which is collateralized by an improved vacant residential lot, and over 150 lots, which were added to the Company's land inventory. As a part of this transaction, the Company received lots that are being conveyed to Citony Development Corporation pursuant to a 1992 purchase agreement, which conveyed all of the Company's property in the Citrus Springs subdivision, including any lots reacquired under this transaction. The aggregate costs incurred of approximately $195,000 will be assigned to the acquired assets based on a basket-purchase method of allocation.

If the termination of the repurchase obligation had occurred prior to the earliest reported year, the impact of the transaction on the reported Results of Operations in 2002, 2001 and 2000 would have been to increase the "Estimated uncollectible sales expense" and to decrease net income or increase net loss in each of the years by $80,000, $260,000 and $260,000, respectively. Set forth below is the Summary Pro forma results, as if the transaction occurred prior to the earliest reported year:

Pro Forma Results	Years ended December 31, 2002	2001	2000
Revenues, as reported	$ 10,682	$ 14,569	$ 10,082
Costs and expenses, as reported	12,275	14,217	11,124
Pro forma - increase in expenses	81	260	260
Pro forma Net income (loss)	$ (1,674)	$ 92	$ (1,302)
Pro forma income (loss) per share	$ (.12)	$ .01	$ (.10)
Weighted average common shares outstanding	13,544,277	13,544,277	13,544,277

The pro forma results are provided for illustration only of the transaction described above. The pro forma results should not be considered indicative of future results of operations.

Real Estate

Since its inception in 1962, the Company is primarily involved with the development and marketing of planned communities in Florida. The following table sets forth certain information about these communities and other land assets of the Company as of December 31, 2002. For a detailed description of these communities, see "Existing Communities" and "Other Properties".

Existing Communities

	Acreage In Masterplan	Initial Acquisition Year	Year Opened	Estimated Current Population	Platted Lots & Tracts in Masterplan (a)	Unsol Lots Unimproved (a) (b)
* Deltona Lakes	17,203	1962	1962	77,730	34,964	--
* Marco Island(c)	7,844	1964	1965	45,140	8,657	--

* Spring Hill(d)	17,240	1966	1967	81,930	32,909	--
* Citrus Springs(e)	15,954	1969	1970	7,360	33,783	--
* St. Augustine Shores....	1,985	1969	1970	7,890	3,130	--
Sunny Hills (g).........	17,743	1968	1971	1,440	26,251	12,537
* Pine Ridge	9,994	1969	1972	4,580	4,833	--
Marion Oaks(e)(f)	14,644	1969	1973	9,560	27,537	1,967(f)
* Seminole Woods	1,554	1969	1979	560	262	--

There is no unplatted acreage in any community

Joint Venture Community:

* Tierra Verde	666	1976	1977	5,610	1,036	--
Total	104,827			242,210	173,362	14,504

Other Properties

	Initial Acquisition Year	Acres
Other Land Assets:		
Other land adjacent to existing communities(h)..	Various	92
Total.....		92

Land

In selecting sites for its communities, the Company examined various demographic and economic factors, the regulatory climate, the availability of governmental services and medical, educational and commercial facilities, and estimated development costs. Its communities are accessible to major highways and Florida's major metropolitan areas and are near at least one large body of water that can be used for recreational purposes. Other criteria used by the Company in site selection are the suitability of the land for natural or engineered drainage and the availability of a sufficient supply of potable water to support the community's anticipated population.

The master plans of the Company's communities have been designed to provide for amenities such as golf courses, greenbelt areas, parks and recreational areas, as well as for the basic infrastructure, such as roads and water, and in selected development areas, sewer lines. Sites are set aside for shopping centers, schools, houses of worship, medical centers and public facilities such as libraries and fire stations.

In its major planned communities, the Company offers for sale lot and house "packages" situated on paved streets. In other areas of these communities, the

Company historically has sold single-family lots and multi-family and commercial tracts on an installment basis. Prior to 1991, the Company sold such land, subject to a future development obligation, accepting down payments as low as 5% of the sales price, with the balance payable over periods ranging from 2 to 15 years, depending on the payment plan selected. When the applicable rescission period had expired and the Company had received at least 10% of the contracted sales price, a substantial portion of the revenue and related profit on the sale was recognized, with the remaining revenue and profit deferred and recognized as land improvements, such as street paving, occurred.

Due to various factors, since 1986, the Company had utilized a deed and mortgage format for effecting certain sales in its communities. Beginning September 29, 1990, the Company changed its method of recognizing land sales by recording the sale of lots, subject to a future development obligation, under the deposit method; since January 1, 1991, no sale has been recognized until the Company receives at least 20% of the contracted sales price; and beginning in the fourth quarter of 1991, the Company limited the sale of lots to those which front on a paved street and are ready for immediate building. See Note 1 to Consolidated Financial Statements.

A portion of the contract purchase price is discounted and treated as interest income to be amortized over the life of the contract. Interest income is also earned in accordance with the interest rate stated in the installment land sales contract or promissory note. The Company further provides an allowance for contract cancellations based on the historical experience of the Company for such cancellations.

Substantially all of the Company's single-family lot and multi-family and commercial tract sales have been made on an installment basis. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 2 to Consolidated Financial Statements.

Housing

Historically, the Company has been involved in the design, construction and marketing of single-family homes and multi-family housing, including both condominium apartment complexes and a vacation ownership (timesharing) project. Since commencing operations, the Company has constructed and sold over 13,000 single-family homes and over 4,300 multi-family housing units in its communities, with much of the actual construction performed by subcontractors. Revenues, as well as related costs and expenses, from single-family home and vacation ownership sales are recorded at the time of closing.

Single-Family Housing

The Company's homes are designed to fit the needs and wants of a variety of housing customers: models range from 1,692 square feet to 2,895 square feet. From the smallest home to the largest, these homes feature 2 car garages, cathedral ceilings over the main living areas, ceramic tile foyers, plant shelves, large fully equipped kitchens (most with breakfast nooks or good morning rooms), fully enclosed laundry centers, impressive master suites with walk-in closets and

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large bedrooms. Model centers are open at Marion Oaks and in Sunny Hills. Houses are sold with the lot included in the sales price; however, the Company also offers a "build on your own lot" program for those purchasers who have previously acquired a lot. The FeatherNest Housing Village in Marion Oaks, where

the lot is included in the price of the home, is owned by Conquistador Development Corporation and marketed by the Company. Housing sales are made within the local market and through the Company's independent dealer network. See "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The Company is directing a greater portion of its marketing efforts to the sale of lots with homes or lots with compulsory building obligations to offset the negative cash effects of installment land sales, where the purchase price of the lot is paid over several years and there is no commitment to build.

Multi-Family Housing

The Company has designed, constructed and sold more than 4,300 condominium apartment units at its communities in buildings ranging from garden-style apartment complexes to luxury high-rise towers. Every condominium complex constructed by the Company includes at least one pool and patio area; many feature tennis courts and other recreational amenities.

The Company's limited inventory of multi-family housing is at its vacation ownership complex, The Surf Club, located on the Gulf of Mexico at Marco Island. The bulk of its inventory at The Surf Club was sold prior to 1990.

Marketing

The Company has historically sold land and housing on a national and international basis through independent dealers in the United States, Canada and overseas, as well as through Company-affiliated salespeople. For the year ended December 31, 2002, sales by independent dealers in the United States accounted for substantially all new land sales contracts.

Existing Communities

Deltona Lakes

Deltona Lakes is located 26 miles northeast of Orlando, with its popular tourist attractions of Disney World and Sea World, and is bordered on the northwest by Interstate 4. Opened in 1962, Deltona Lakes is now an incorporated city with a population of approximately 77,700. Over 30,000 lots and tracts and over 4,500 single and multi-family housing units have been sold at this community.

Recreational amenities constructed by the Company include tennis courts, a golf course and country club (which were sold in 1983), and a recreational complex on the shores of Lake Monroe. A 133-room motel, an industrial park, a medical complex, several shopping centers, numerous houses of worship, a fire station, a public library and schools are located in the community. The Company has completed development of this community.

Marco Island

The Company's resort community of Marco Island is located 104 miles west of Miami and approximately 17 miles south of Naples, Florida. Over 8,500 lots and tracts and over 4,200 single and multi-family housing units have been sold in this community. More than 45,500 persons reside at Marco Island, including a population which more than triples during the winter season. It is the largest of Florida's Ten Thousand Islands and is known for its recreational amenities which, in addition to its 3 1/2 mile white sand beach, sport fishing, sailing and shelling, include golf, tennis, swimming and other recreational activities. The island community has several major shopping centers, banks and savings & loan associations, and medical and professional centers.

Since the community's opening in January, 1965, the Company has built and operated a yacht club and marina, the Marco Beach Hotel & Villas, and a golf course and country club, all of which have been sold. The Company has also constructed and sold over 3,300 condominium units on the island and The Surf Club, a 44 unit vacation ownership complex. In 1990, the Company completed the sale of substantially all of its remaining vacation ownership weeks at The Surf Club.

Spring Hill

Spring Hill, with an estimated population of over 81,900 is located 45 miles north of Tampa-St. Petersburg. Over 32,000 lots and tracts and over 4,000 single-family homes have been sold in this community. The Company has constructed a recreation complex, a country club, and two golf courses, which have been sold. Several shopping centers and medical centers, schools, numerous houses of worship and fire stations are located in the community. The Company has completed the development of this community.

Citrus Springs

Citrus Springs, with an estimated population of over 7,300 is located 28 miles southwest of Ocala and 25 miles from the Gulf of Mexico. Over 30,000 lots and tracts and over 700 single-family homes have been sold at this community. A golf course and a clubhouse (sold in 1990) and a community center have been completed by the Company. Several churches, schools and a convenience shopping area are located in the community. In 1992, most of the Company's remaining inventory at this community was sold to Citony Development Corporation ("Citony") for approximately $6,500,000. The Company provides miscellaneous administrative assistance and loan servicing to Citony for a fee.

St. Augustine Shores

St. Augustine Shores, with a population estimated to be over 7,800 is located seven miles south of St. Augustine, between the Intracoastal Waterway and U.S. Highway 1. In December 1997, the Company sold all of its remaining inventory at St. Augustine Shores to Swan Development Corporation ("Swan"). As part of the purchase, Swan assumed the liability for completing improvements within St. Augustine Shores.

Certain common areas of the community, such as parks and swale areas, are maintained by the St. Augustine Shores Service Corporation, a non-profit corporation, of which all property owners are members. Several houses of worship, shopping facilities, a recreational building and a golf and country club are also located in the community.

Sunny Hills

Sunny Hills, with a population of over 1,400 residents, is located in the Florida Panhandle, 45 miles north of the Gulf of Mexico and 35 miles north of Panama City. Over 12,000 lots and tracts and 300 single-family homes have been sold at this community. The community includes a golf course and country club, which was sold by the Company, several houses of worship and convenience shopping.

During 2002, the Company opened a four home model center in Sunny Hills.

The Company's homes are designed to fit the needs and wants of a variety of housing customers: models range from 1,904 to 2,498 total square feet. The construction of these models is to test the market and future sales potential in the geographical area. Houses will be sold with the lot included in the sales price, however the Company also offers a "build on your own lot" program for those purchasers who have previously acquired a lot. Housing sales are expected to be made within the local market for the foreseable future.

Revenues in 2003 will be generated from the sale of land inventory and housing sales.

Pine Ridge

Pine Ridge, with a population of approximately 4,600 is located 34 miles southwest of Ocala. The community's facilities include an equestrian club and tennis courts. The Company sold over 3,500 lots and tracts and more than 53 single-family homes in Pine Ridge prior to the sale of its remaining inventory in 1987.

Marion Oaks

Marion Oaks, with a population of over 9,500 residents, is located 12 miles southwest of Ocala. Over 24,000 lots and tracts have been sold in the community. The community includes playgrounds, two golf courses (both of which are owned by third parties), several recreation buildings, community shopping centers and several houses of worship. This community is home to the Company's corporate headquarters.

The Company's homes, constructed by an independent builder, are designed to fit the needs and wants of a variety of housing customers: models range from 1,692 square feet to 2,895 square feet. From the smallest home to the largest, these homes feature 2 car garages, cathedral ceilings over the main living areas, ceramic tile foyers, plant shelves, large fully equipped kitchens (most with breakfast nooks or good morning rooms), fully enclosed laundry centers, impressive master suites with walk-in closets and large bedrooms. A model center is open at Marion Oaks. Houses are sold with the lot included in the sales price; however, the Company also offers a "build on your own lot" program for those purchasers who have previously acquired a lot. The FeatherNest Housing Village in Marion Oaks, where the lot is included in the price of the home, is owned by Conquistador Development Corporation and marketed by the Company. All housing sales are made within the local market and through the Company's independent dealer network. During 2002, the Company continued to construct spec homes and these homes generally sold prior to completion of construction.

Revenues in 2003 will be generated from the sale of land inventory, from housing sales, from the recognition of deferred revenue as land development proceeds, from collections on existing contracts receivable and from the Company's real estate brokerage and title company subsidiary operations.

Seminole Woods

Seminole Woods, with a population of over 550, is comprised of 1,554 acres of property located 20 miles north of Orlando. The community's 262 single-family lots, each with a minimum of five acres, have been sold and development

completed.

Tierra Verde

Tierra Verde, with a population of over 5,600, is a 666-acre waterfront subdivision located eight miles south of St. Petersburg. It was developed and marketed pursuant to a 50% joint venture, which no longer exists, between a wholly-owned subsidiary of the Company and an unaffiliated corporation. The community has been sold out and development completed.

Other Land Assets

The Company also owns 92 acres of land in Florida adjacent to its existing communities.

Other Businesses

The Company's title insurance subsidiary was established in 1978 in order to reduce title insurance, legal and certain related closing costs incurred by the Company in transferring title of its land and housing to its purchasers. The subsidiary serves as an agent for TICOR Title Insurance Company, Chicago Title Insurance Company and other title insurers. The Company's realty subsidiary performs real estate brokerage and rental services at the Company's Marion Oaks and Sunny Hills communities.

Employees

At December 31, 2002, the Company had 42 employees, of whom 39 were involved in executive, administrative, sales and community development/ maintenance capacities and 3 were involved with the title insurance subsidiary. Certain of the Company's development activities are carried out by subcontractors who separately employ additional personnel. For the most part, the Company's marketing activities are carried out by independent dealers and marketing personnel employed by the Company and its subsidiaries.

Competition

The Company faces competition in the sale of its lots primarily from property owners in the Company's communities seeking to resell their land. The Company is also facing competition, on a regional level, from other builders and developers in the sale of single-family housing. Such competition is generally based upon location, price, reputation, quality of product and the existence of commercial and recreational facilities and amenities.

Regulation

The Company's real estate business is subject to regulation by various local, state and federal agencies. The communities are increasingly subject to substantial regulation as they are planned, designed and constructed, the nature of such regulation extending to improvements, zoning, building, environmental, health and related matters. Although the Company has been able to operate within the regulatory environment in the past, there can be no assurance that such regulations could not be made more restrictive and thereby adversely affect the Company's operations.

Community Development

In Florida, as in many growth areas, local governments have sought to limit or control population growth in their communities through restrictive zoning, density reduction, the imposition of impact fees and more stringent development requirements. Although the Company has taken such factors into consideration in its master plans by agreeing, for example, to make improvements, construct public facilities and dedicate certain property for public use, the increased regulation has lengthened the development process and added to development costs.

The implementation of the Florida Growth Management Act of 1985 (the "Act") precludes the issuance of development orders or permits if public facilities such as transportation, water and sewer services will not be available concurrent with development. Development orders have been issued for, and development has commenced in, the Company's existing communities (with development being completed in certain of these communities). Thus, the Company's communities are less likely to be affected by the new growth management policies than future communities. Any future communities developed by the Company will be strongly impacted by new growth management policies. Since the Act and its implications are consistently being re-examined by the State, together with local governments and various state and local governmental agencies, the Company cannot further predict the timing or the effect of new growth management policies, but anticipates that such policies may increase the Company's permitting and development costs.

Environmental

To varying degrees, certain permits and approvals will be necessary to complete the development of Marion Oaks and Sunny Hills. Despite the fact that the Company has obtained substantially all of the permits and authorizations necessary to proceed with its development work on communities presently being marketed, additional approvals may be required to develop certain platted properties to be marketed in the future. Although the Company cannot predict the impact of such requirements, they could result in delays and increased expenditures. In addition, the continued effectiveness of permits and authorizations already granted is subject to many factors, some of which, including changes in policies, rules and regulations and their interpretation and application, are beyond the Company's control.

The Company is aware of studies indicating that prolonged exposure to radon gas may be hazardous to one's health. Such studies further indicate that radon gas is apparently associated with mining and earth moving activities, particularly

in phosphate-bearing geological formations. Since phosphate mining has, over the years, constituted a significant industry in Florida, various state and local governmental agencies are in the process of attempting to determine the nature and extent of indoor radon gas intrusion throughout the state. Similar studies undertaken by the Company at its Citrus Springs community indicate that less than 1% of its property in that community may be affected by radon gas; studies conducted at the Company's Marion Oaks community revealed no indications of potential indoor radon gas problems. None of the other properties owned by the Company are situated over geological formations which are suspected of causing radon gas problems. Consequently, the existence of radon gas in Florida is not expected to materially affect the business or financial condition of the Company.

The Company owns and operates one above ground fuel storage tank at Marion Oaks. The Florida Department of Environmental Regulation ("DER") is responsible not only for regulating this tank, but for developing and implementing plans and programs to prevent the discharge of pollutants by the facility. The Company has registered this storage tank with the DER, constructed a containment device around the above ground storage tank and conducts periodic inspections and monitoring of the facility. The Company surveyed this site, which exhibited evidence of potential soil contamination to the DER prior to the deadline for acceptance into the Early Detection Incentive ("EDI") Program. The EDI Program provides for the State to assume the financial responsibility for any necessary clean-up operations when suspected contamination has been voluntarily reported by the facility owner and accepted into the program by the DER. The site has been inspected and reviewed under the EDI program and is in compliance with current DER regulations.

Marketing

The Company is also subject to a number of statutes imposing registration, filing and disclosure requirements with respect to homesites and homes sold or proposed to be sold to the public. On the state level, the Company's land sales activities are subject to the jurisdiction of the Division of Florida Land Sales, Condominiums and Mobile Homes (the "Division") which requires registration of subdividers and subdivided land; regulates the contents of advertising and other promotional material; inspects the Company's land and development work; exercises jurisdiction over sales practices; and requires full disclosure to prospective purchasers of pertinent information relating to the property offered for sale.

Other Obligations

As a result of the delays in completing the land improvements to certain property sold in certain of its Central and North Florida communities, the Company fell behind in meeting its contractual obligations to its customers. In connection with these delays, in 1980 the Company entered into a Consent Order with the Division which provided a program for notifying affected customers. Since 1980, the Consent Order was restated and amended several times, culminating in the 1992 Deltona Consent Order.

On December 30, 1997, the Division approved the formation of a Lot Exchange Trust into which the Company conveyed sufficient exchange inventory to provide exchanges to customers with undeveloped lots. Concurrently, the Division released its lien on the Company's contracts receivable, satisfied its mortgage on the Company's property and approved a settlement of all remaining issues under the 1992 Deltona Consent Order. The 1992 Deltona Consent Order was formally terminated on April 13, 1998.

Currently, the Company has an obligation to complete land improvements prior to sale. Prior to 1987, the Company had an obligation to complete land improvements upon deeding which, depending on contractual provisions, typically occurred within 90 to 120 days after the completion of payments by the customer. The estimated cost to complete improvements to lots and tracts from which sales have been made at December 31, 2002 and 2001 was approximately $648,000 and $783,000, respectively. The foregoing estimates reflect the Company's current development plans at its communities. These estimates as of December 31, 2002 and 2001 include a liability to provide title insurance and deeding costs of $110,000 and $145,000, respectively; and an estimated cost of street maintenance, prior to assumption of such obligations by local governments, of $539,000 and $638,000, respectively; all of which are included in deferred revenue.

The Company's homesite installment sales are subject to the Federal Consumer Credit Protection ("Truth-in-Lending") Act. The Company's activities are subject to regulation by the Interstate Land Sales Registration Division ("ILSRD"), which administers the Interstate Land Sales Full Disclosure Act. That Act requires that the Company file with ILSRD copies of applicable materials on file with the Division as to all properties registered; certain properties must be registered directly with ILSRD, in addition to being registered with the Division.

The Company has either complied with applicable statutory requirements relative to the properties it is offering or has relied on various statutory exemptions which have relieved the Company from such registration, filing and disclosure requirements. If these exemptions do not continue to remain available to the Company, compliance with such statutes may result in delays in the offering of the Company's properties to the public.

The Company's land sales activities are further subject to the jurisdiction of the laws of various states in which the Company's properties are offered for sale. Florida and other jurisdictions in which the Company's properties are offered for sale have strengthened, or may strengthen, their regulation of subdividers and subdivided lands in order to provide further assurances to the public. The Company has taken appropriate steps to modify its marketing programs and registration applications in the face of such increased regulation, and has incurred costs and delays in the marketing of certain of its properties in certain states and countries. For example, the Company has complied with the regulations of certain states which require that the Company sell its properties to residents of those states pursuant to a deed and mortgage transaction, regardless of the amount of the down payment. The Company intends to continue to monitor any changes in statutes or regulations affecting, or anticipated to affect, the sale of its properties and intends to take all necessary and reasonable action to assure that its properties and its proposed marketing programs are in compliance with such regulations, but there can be no assurance that the Company will be able to timely comply with all regulatory changes in all jurisdictions in which the Company's properties are presently offered for sale to the public.

Real estate salespersons must, absent exemptions which may be available to employees of the property owner, be licensed in the jurisdiction in which they perform their activities. Real estate brokerage companies in Florida, as well as their brokers and salespersons, must be licensed by the Florida Real Estate Commission.

Miscellaneous

Various subsidiaries and divisions of the Company are subject to regulation by local, state and federal agencies. Such regulation extends to the licensing of operations, operating areas and personnel; the establishment of safety and service standards; and various other matters.

ITEM 3

LEGAL PROCEEDINGS

From time to time the Company may become a party to legal and administrative proceedings arising in the ordinary course of business. At present, the Company is not a party to any legal or administrative proceeding which might have a material adverse effect on the business or financial condition of the Company.

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ITEM 4

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The annual meeting of the stockholders of the Company was held December 10, 2002 at the Woodlands Pavilion, 312 Marion Oaks Boulevard, Marion Oaks, Florida 34473.

Holders of 13,544,277 shares of Common Stock (holders as of the close of business on the record date, November 1, 2002) were entitled to vote at the meeting. Holders of 10,983,990 shares of Common Stock were present in person or were represented by proxy constituting eighty-one (81%) of the total outstanding shares. They cast their votes as set forth below:

	Votes cast			
Item	For	Against	Withheld	Abstentions and Broker non-votes
(I) re-elect directors,				
Antony Gram (Chairman)	10,746,196	237,794	0	0
Christel DeWilde	10,746,584	237,406	0	0
George W. Fischer	10,746,064	237,926	0	0
Rudy Gram	10,747,276	263,714	0	0
Thomas B. McNeill	10,746,984	237,006	0	0
(ii)select James Moore & Co., PL, as the Company's 2002 auditors, subject to the discretion of the Board of Directors.	10,738,761	92,252	152,977	0

That being all of the scheduled business of the meeting, the meeting was adjourned by voice vote.

See ITEM 11, contained herein, for additional information concerning the present directors of the Company.

PART II

ITEM 5

PRICE RANGE OF COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Common Stock is quoted on the Over-The-Counter Bulletin Board ("OTCBB") under the symbol DLTA. According to the over-the-counter bulletin board, the low and high bid prices for the Company's stock, during the first, second, third and fourth quarters of 2002 and 2001 were as follows:

	Low Bid	High Bid
1st quarter 2002	$ 0.25	$ 0.39
2nd quarter 2002	$ 0.29	$ 0.35
3rd quarter 2002	$ 0.30	$ 0.35
4th quarter 2002	$ 0.31	$ 0.38
1st quarter 2001	$ 0.16	$ 0.56
2nd quarter 2001	$ 0.25	$ 0.45
3rd quarter 2001	$ 0.25	$ 0.46
4th quarter 2001	$ 0.25	$ 0.37

As of February 14, 2003, there were approximately 1,748 record holders of the Company's Common Stock, excluding shareholders whose shares are held by banks and brokerages. The Company has not privately purchased or sold any stock since September 30, 2001.

The Company has never paid cash dividends on its Common Stock. The Company's loan agreements contain certain restrictions which currently prohibit the Company from paying dividends on its Common Stock.

ITEM 6

SELECTED CONSOLIDATED FINANCIAL DATA

The following table summarizes selected consolidated financial information and should be read in conjunction with the Consolidated Financial Statements and

the notes thereto. See "Management's Discussion and Analysis of Financial Condition and Results of Operations".

Consolidated Income Statement Data
(in thousands except per share amounts)

	Year Ending			
	December 31, 2002	December 31, 2001	December 31, 2000	D
Revenues	$ 10,682	$ 14,569	$ 10,082	$
Costs and expenses	12,275	14,217	11,124	
Income (Loss) from continuing operations before income taxes	(1,593)	352	(1,042)	
Provision for income taxes	-0-	-0-	-0-	
Net income (loss) applicable to common stock	$ (1,593)	$ 352	$ (1,042)	$
Basic earnings per share amounts:				
Net income (loss)	$ (.12)	$ .03	$ (.08)	$
Weighted average common shares outstanding	13,544,277	13,544,277	13,544,277	1

Consolidated Balance Sheet Data
(in thousands)

	December 31, 2002	December 31, 2001	December 31, 2000	D
Total assets	$ 12,744	$ 13,430	$ 13,968	$
Liabilities	$ 22,576	$ 21,747	22,807	
Stockholders' equity(deficiency)	(9,832)	(8,317)	(8,839)	
Total liabilities and stockholders' equity (deficiency)	$ 12,744	$ 13,430	13,968	$

ITEM 7

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Since 1992, in order to meet its working capital requirements, the Company has been dependent on loans and advances from Selex International B.V., a Netherlands corporation ("Selex"), Yasawa Holdings, N.V., a Netherlands Antilles Corporation ("Yasawa"), Swan Development Corporation ("Swan"), Scafholding B.V., a Netherlands corporation ("Scafholding"), and other related parties.

Scafholding agreed to purchase contracts receivable at 65% of face value, with recourse, to meet the Company's ongoing capital requirements. During 1998, Scafholding purchased approximately $1,396,000 in contracts receivable from the Company, and as of December 31, 1999, the Company had satisfied its principal debt obligation to Scafholding.

As of December 31, 2002, the Company's outstanding debt to Yasawa was $3,000,000 secured by a first lien on the Company's receivables and a mortgage on all of the Company's properties. The terms of repayment of the Yasawa loan provide for $100,000 of monthly payments of principal in cash or contracts receivable at 100% of face value, with recourse. Interest accrues at 6% for all 2000, at the prime rate adjusted semi-annually to the then current rate ranging from 9.5% to 4.75% for 2001 and 2002, and 4.25% effective January 1, 2003. The Company satisfied its principal obligation to Scafholding as of December 31, 1999. Yasawa and Scafholding have not required the Company to make interest payments since September 1, 1998. As of December 31, 2002, the total amount of accrued interest on the Yasawa and Scafholding obligations is approximately $1,629,000, which is included in accrued expenses.

During 2002, Swan loaned the Company an additional $3,849,000 so that it was able to meet its working capital requirements. The Company's debt to Swan as of December 31, 2002, of $8,282,000 is secured by a second lien on the Company's receivables. Swan has agreed to accept contracts receivable at 90% of face value, with recourse, in payment of the Company's obligation to Swan. The Company recognizes a loss on the transfer of contracts at less than face value. The amount of each monthly payment will be dependent upon the amount of contracts receivable in the Company's portfolio, excluding contracts receivable held as collateral for prior receivable sales. Each month, the Company is required to transfer to Swan , as debt repayment, all current contracts receivable in the Company's portfolio in excess of $500,000. Swan does not charge interest for the first six months after an advance; thereafter, the interest was 6% for 2000, at the prime rate adjusted semi-annually to the then current rate ranging from 9.5% to 4.75% for 2001 and 2002 and 4.25% effective January 1, 2003. As of December 31, 2002, the accrued and unpaid interest on the Swan notes of approximately $837,000 is included in accrued interest.

The Company receives preferential cost of borrowings from related companies as described above. For 2002 and 2001, the Company recognized interest expense and a contribution to additional paid in capital for the first six months of each loan advance from Swan, computed at the prime rate, the Company's incremental borrowing rate. Interest is not paid to Swan for the first six months of each advance, the interest expense that is recognized is recorded as a capital contribution increase to capital surplus in the amounts of $78,000 and $170,000, for 2002 and 2001, respectively. For 2000, the Company recognized interest expense on all outstanding debt balances to Yasawa, Scafholding and Swan at 8%, the Company's incremental borrowing rate. The difference between interest calculated at 8% and the amount accrued under the terms of the respective notes was recorded as a capital contribution increase to additional paid in capital of $407,000.

Results of Operations

Years ended December 31, 2002 and December 31, 2001

Revenues

Total revenues were $10,682,000 for 2002 compared to $14,569,000 for 2001.

Gross land sales were $6,591,000 for 2002 versus $9,960,000 for 2001. Net land sales (gross land sales less estimated uncollectible installment sales and contract valuation discount) decreased to $4,530,000 for 2002 compared to $8,113,000 for 2001. The decrease is attributed to a reduction in land sales in 2002, when compared to the prior year, and an increase in the allowance for uncollectible sales of approximately $500,000, when compared to the allowance percentage for 2001.

For the years 2002 and 2001, the Company entered into $6,325,300 and $10,258,000, respectively, of new retail land sales contracts, net of cancellations, and including deposit sales on which the Company has received less than 20% of the sales price. The Company reported a backlog of $2,241,000 and $3,785,000 of unrecognized sales as of December 31, 2002 and 2001, respectively. The backlog of unrecognized contracts are excluded from retail land sales until the applicable rescission period has expired and the Company has received payments totaling 20% of the contract sales price. See Note 1 to the Consolidated Financial Statements.

Advertising and marketing costs are charges to operations when incurred. Sales commissions are recognized as a liability when the related contract is accepted or as a prepaid asset when paid and charged to expense when the sale is recognized as revenue.

Housing revenues are recognized upon completion of construction and the passage of title. Housing revenues were $4,768,000 for 2002 compared to $4,975,000 for 2001. Although housing revenues were flat when comparing 2002 to 2001, the Company's expanded promotional programs for housing has contributed to an expanded housing backlog.

Improvement revenues result from recognition of revenues deferred from prior period sales. Improvement revenues totaled $261,000 in 2002 as compared to $124,000 in 2001. Recognition occurs as development work proceeds on the previously sold property or customers are exchanged to a developed lot.

Interest income was $355,000 for 2002 as compared to $377,000 for 2001. This decrease is the result of lower contracts receivable balances resulting from the Company's repayment of debt.

Other revenues were $768,000 for 2002 compared to $802,000 for 2001. Other revenues were generated principally by the Company's title insurance and real estate brokerage subsidiaries.

Costs and Expenses

Costs and expenses were $12,275,000 for 2002 compared to $14,217,000 for 2001. Cost of sales totaled $5,821,000 for 2002 compared to $6,216,000 for 2001.

The decrease is a result of lower sales by the Company's independent dealers.

Commissions, advertising and other selling expenses totaled $3,368,000 for 2002 compared to $4,690,000 for 2001. Advertising was $144,000 for 2002 compared to $194,000 in 2001. Other selling expenses were $1,062,000 in 2002 as compared to $1,207,000 in 2001.

General and administrative expenses were $1,615,000 in 2002 as compared to $1,431,000 in 2001. General and administrative expenses increased primarily due to increased costs of public liability insurance costs for builder / developer companies.

Real estate tax expense was $794,000 in 2002 as compared to $702,000 in 2001.

Interest expense was $460,000 in 2002 and $724,000 in 2001. The decrease in interest expense is the result of lower cost of funds from Swan, an affiliated company. Interest in the amount of $54,000 and $164,000 was capitalized in 2002 and 2001, respectively.

Net Income (Loss)

The Company reported a net loss of $(1,593,000) for 2002 compared to a net income of $352,000 for 2001.

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Years ended December 31, 2001 and December 31, 2000

Revenues

Total revenues were $14,569,000 for 2001 compared to $10,082,000 for 2000.

Gross land sales were $9,960,000 for 2001 versus $6,804,000 for 2000. Net land sales (gross land sales less estimated uncollectible installment sales and contract valuation discount) increased to $8,113,000 for 2001 compared to $5,361,000 for 2000. The increase reflects higher sales by the Company's independent dealers and a lower estimate of uncollectible installment sales .

New retail land sales contracts entered into, including deposit sales on which the Company has received less than 20% of the sales price, net of cancellations, for the years ended December 31, 2001 and December 31, 2000 were $10,258,000 and $9,535,000, respectively. The Company had a backlog of $3,785,000 and $4,413,000 in unrecognized sales as of December 31, 2001 and 2000, respectively. Such contracts are not included in retail land sales until the applicable rescission period has expired and the Company has received payments totaling 20% of the contract sales price. See Note 1 to the Consolidated Financial Statements.

Advertising and marketing costs are charges to operations when incurred. Sales commissions are recognized as a liability when the related contract is accepted or as a prepaid asset when paid and charged to expense when the sale is recognized as revenue.

Housing revenues are not recognized from housing sales until the completion of construction and the passage of title. Housing revenues were $4,975,000 for

2001 compared to $3,231,000 for 2000. The increase in housing revenues is directly related to the Company's expanded promotional programs for housing.

Improvement revenues result from recognition of revenues deferred from prior period sales. Recognition occurs as development work proceeds on the previously sold property or customers are exchanged to a developed lot. Improvement revenues totaled $124,000 for 2001 as compared to $276,000 in 2000. The decrease is a result of lower expenditures on development work.

Interest income was $377,000 for 2001 as compared to $440,000 for 2000. This decrease is the result of lower contracts receivable balances resulting from the Company's repayment of debt to Swan and Yasawa.

Gain on recovery of bad debt was $178,000 for 2001. The Company collected a large, previously charged-off contract receivable in 2001.

Other revenues were $802,000 for 2001 compared to $774,000 for 2000. Other revenues were generated principally by the Company's title insurance and real estate brokerage subsidiaries.

Costs and Expenses

Costs and expenses were $14,217,000 for 2001 compared to $11,124,000 for 2000. Cost of sales totaled $6,216,000 for 2001 compared to $4,350,000 for 2000. The increase reflects higher sales by the Company's independent dealers.

Commissions, advertising and other selling expenses totaled $4,690,000 for 2001 compared to $3,455,000 for 2000. Advertising was $194,000 for 2001 compared to $351,000 for 2000. Other selling expenses were $1,207,000 in 2001 compared to $1,170,000 in 2000.

General and administrative expenses were $1,431,000 in 2001 compared to $1,362,000 in 2000. General and administrative expenses increased primarily due to there being increased overhead.

Real estate tax expense was $702,000 in 2001 compared to $598,000 in 2000.

Interest expense was $724,000 in 2001 and $894,000 in 2000. The decrease in interest expense is the result of a decrease in the interest rate on outstanding debt offset somewhat by higher total outstanding debt. Interest in the amount of $164,000 and $99,000 was capitalized in 2001 and 2000, respectively.

Net Income (Loss)

The Company reported a net income of $352,000 for 2001 as compared to a net loss of $(1,042,000) for 2000.

Regulatory Developments which may affect Future Operations

In Florida, as in many growth areas, local governments have sought to limit or control population growth in their communities through restrictive zoning, density reduction, the imposition of impact fees and more stringent development requirements. Although the Company has taken such factors into consideration in its master plans by agreeing, for example, to make improvements, construct public facilities and dedicate certain property for public use, the increased

regulation has lengthened the development process and added to development costs.

The implementation of the Florida Growth Management Act of 1985 (the "Act") precludes the issuance of development orders or permits if public facilities such as transportation, water and sewer services will not be available concurrent with development. Development orders have been issued for, and development has commenced in, the Company's existing communities (with development being completed in certain of these communities). Thus, the Company's communities are less likely to be affected by the new growth management policies than future communities. Any future communities developed by the Company will be strongly impacted by new growth management policies. Since the Act and its implications are consistently being re-examined by the State, together with local governments and various state and local governmental agencies, the Company cannot further predict the timing or the effect of new growth management policies, but anticipates that such policies may increase the Company's permitting and development costs.

The Company's land sales activities are further subject to the jurisdiction of the laws of various states in which the Company's properties are offered for sale. In addition, Florida and other jurisdictions in which the Company's properties are offered for sale have strengthened, or may strengthen, their regulation of subdividers and subdivided lands in order to provide further assurances to the public. The Company has attempted to take appropriate steps to modify its marketing programs and registration applications in the face of such increased regulation, but has incurred additional costs and delays in the marketing of certain of its properties in certain states and countries. For example, the Company has complied with the regulations of certain states which require that the Company sell its properties to residents of those states pursuant to a deed and mortgage transaction, regardless of the amount of the down payment. The Company intends to continue to monitor any changes in statutes or regulations affecting, or anticipated to affect, the sale of its properties and intends to take all necessary and reasonable action to assure that its properties and its proposed marketing programs are in compliance with such regulations, but there can be no assurance that the Company will be able to timely comply with all regulatory changes in all jurisdictions in which the Company's properties are presently offered for sale to the public.

Liquidity and Capital Resources

Mortgages and Similar Debt

As of December 31, 2002, the Company's outstanding debt to Yasawa was $3,000,000 secured by a first lien on the Company's receivables and a mortgage on all of the Company's properties. The terms of repayment of the Yasawa loan provide for $100,000 of monthly payments of principal in cash or contracts receivable at 100% of face value, with recourse. Interest accrues at 6% for all 2000, at the prime rate adjusted semi-annually to the then current rate ranging from 9.5% to 4.75% for 2001 and 2002, and 4.25% effective January 1, 2003. The Company satisfied its principal obligation to Scafholding as of December 31, 1999. Yasawa and Scafholding have not required the Company to make interest payments since September 1, 1998. As of December 31, 2002, the total amount of accrued interest on the Yasawa and Scafholding obligations is approximately $1,629,000, which is included in accrued expenses.

During 2002, Swan loaned the Company an additional $3,849,000 so that it was able to meet its working capital requirements. The Company's debt to Swan as of December 31, 2002, of $8,282,000 is secured by a second lien on the Company's

receivables. Swan has agreed to accept contracts receivable at 90% of face value, with recourse, in payment of the Company's obligation to Swan. The Company recognizes a loss on the transfer of contracts at less than face value. The amount of each monthly payment will be dependent upon the amount of contracts receivable in the Company's portfolio, excluding contracts receivable held as collateral for prior receivable sales. Each month, the Company is required to transfer to Swan , as debt repayment, all current contracts receivable in the Company's portfolio in excess of $500,000. Swan does not charge interest for the first six months after an advance; thereafter, the interest was 6% for 2000, at the prime rate adjusted semi-annually to the then current rate ranging from 9.5% to 4.75% for 2001 and 2002 and 4.25% effective January 1, 2003. As of December 31, 2002, the accrued and unpaid interest on the Swan notes of approximately $837,000 is included in accrued interest.

The Company recognizes the preferential cost of borrowing from Swan and other related parties by recording the difference between the Company's incremental borrowing rate and the contractual obligation rate as (i) interest expense and (ii) a capital contribution. The Company recorded a capital contribution of $78,000, $170,000 and $407,000 in 2002, 2001 and 2000, respectively, due to the preferential cost of funds from affiliated companies.

The following table presents information with respect to mortgages and similar debt (in thousands):

	Years Ended	
	December 31, 2002	December 31, 2001
Mortgage notes payable- Yasawa........	$ 3,000	$ 4,200
Other loans - Swan...................	8,282	5,929
Other Loans..........................	95	148
Total Mortgages and similar debt....	$11,377	$10,277

Substantially all of the Company's assets are pledged as collateral for its various obligations. The Company's outstanding debt to Yasawa is secured by a first lien on the Company's receivables and a mortgage on all of the Company's property; and the Company's outstanding debt to Swan is secured by a second lien on the Company's receivables.

Contracts and Mortgages Receivable Sales and Transfers

Approximately $20 million of outstanding contracts receivable had been sold or transferred by the Company subject to recourse obligations as of December 31, 2002. There are no funds on deposit with purchasers of the receivables as collateral for the recourse obligations. A provision has been established for the Company's obligation under the recourse provisions of which approximately $3,088,000 remains at December 31, 2002.

The Company has an agreement with Scafholding and Citony Development Corporation for the servicing of their receivable portfolios. The Company received approximately $72,000 and $73,000 in 2002 and 2001, respectively, in revenue pursuant to these agreements. The Company also has an agreement with Swan for the servicing of its receivable portfolio; however, the Company does not receive servicing fees from Swan.

In the future, if the Company elects to do so, Yasawa and Scafholding have agreed to purchase contracts receivable at 65% of face value, with recourse. The Company has an agreement with Swan whereby Swan may loan the Company funds to be

repaid with contracts receivable at 90% of face value, with recourse.

Other Obligations

Currently, the Company has an obligation to complete land improvements prior to sale. Prior to 1991, the Company had an obligation to complete land improvements upon deeding which, depending on contractual provisions, typically occured within 90 to 120 days after the completion of payments by the customer. The estimated cost to complete improvements to lots and tracts from which sales have been made at December 31, 2002 and 2001 was approximately $648,000 and $783,000, respectively. The foregoing estimates reflect the Company's current development plans at its

communities. These estimates as of December 31, 2002 and 2001 include a liability to provide title insurance and deeding costs of $110,000 and $145,000, respectively; and an estimated cost of street maintenance, prior to assumption of such obligations by local governments, of $539,000 and $638,000, respectively; all of which are included in deferred revenue.

Liquidity

Retail land sales have traditionally produced negative cash flow at the point of sale. This is a result of (i) regulatory requirements to sell fully developed lots, (ii) the payment of marketing and selling expenses prior to or shortly after the point of sale, and (iii) the collection of payments on sold lots over 2-10 years. In an effort to offset these cash flow effects of installment land sales, the Company is directing a greater portion of its marketing efforts to the sale of lots with homes. The Company is now offering lots for sale in compulsory building areas where a lot purchaser must complete payments for the lot and construct a home within a limited period of time.

The Company is dependent on its ability to sell or otherwise finance its contracts receivable and/or secure other financing to meet its cash requirements. Since 1992, the Company has been largely dependent on Yasawa, Scafholding and Swan and related parties for the financing of its operations. Although Scafholding has purchased contracts receivables at the rate of 65% of face value, with recourse, and Swan has loaned the Company additional funds to be paid back with contracts receivable at the rate of 90% of face value, with recourse, there can be no guarantee that the Company will be able to generate sufficient receivables to obtain sufficient financing in the future, nor can there be any guarantee that Yasawa, Scafholding, Swan and other related parties, or unrelated third party lenders will continue to make loans to the Company.

ITEM 7A

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation

methods. Considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize or incur in a current market transaction. The use of different market assumptions and/or estimation methods may have a material effect on the estimated fair value amounts. The Company's financial instruments consist of cash and cash equivalents, contracts and mortgages receivable and similar debt. The stated amount of cash and cash equivalents is a reasonable estimate of fair value. The fair value of contracts and mortgages receivable and similar debt has been estimated using interest rates currently available for similar terms. The stated value of the contracts and mortgages receivable and similar debt approximate fair value.

Management does not use derivatives to manage its exposure to market interest rate risk.

The Company is exposed to market interest rate risk on its contracts receivable. Contracts receivable consists of fixed interest rate paper with an initial collection term of ten years. The stated interest rate is below market interest rates for similar paper. The Company periodically adjusts the stated rate on new contracts in response to changes in the market interest rate and other competitive sales factors. The Company discounts the contracts notes receivable to current market rates. At December 31, 2002, the average stated rate for contracts receivable was 9.3%, and the discount rate used was 13.5%. Under its credit agreement, the Company is required to transfer all excess contracts receivable as defined to a creditor for debt reduction. The Company's outstanding contracts receivable, net of allowance for cancellations before valuation adjustment was $1,074,000 at December 31, 2002. The unamortized valuation adjustment at December 31, 2002 was $148,000. Management estimates that a 1% increase in the market interest rate equals a valuation discount increase of approximately $30,000, which would reduce net income.

At December 31, 2002, interest rates on contracts receivable outstanding ranged from 5% to 12% per annum (weighted average approximately 9.3%). The approximate principal maturities of contracts receivable were:

	December 31, 2002 (in thousands)
2003	$ 219
2004	219
2005	218
2006	186
2007	126
2008 and thereafter	310
Total	$ 1,278

If a regularly scheduled payment on a contract remains unpaid 30 days after its due date, the contract is considered delinquent. Aggregate delinquent contracts receivable at year end 2002 and 2001 approximate $408,000 and $713,000, respectively.

Information with respect to interest rates and average contract lives used in valuing new contracts receivable generated from sales follows:

Years ended	Average Term	Average Stated Interest Rate	Discounted to Yield

December 31, 2002.........	113 months	8.7%	13.5%
December 31, 2001.........	111 months	8.5%	13.5%
December 31, 2000.........	98 months	7.8%	13.5%

The Company also has exposure to market interest rate risk on outstanding debt. As of December 31, 2002, the Company has outstanding debt of approximately $11,377,000. The stated interest rate, which is adjusted semi-annually, is the prime rate, which was 4.25% at January 1, 2003. The outstanding debt has no standard repayment term, it is dependant on the Company's sales and future contracts receivable. Under the assumption that additional borrowing would be approximate to any debt repayment, the Company estimates that a 1% increase in the market interest rate equals an increase in interest expense of approximately $114,000, which would reduce net income.

ITEM 8

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AND SUPPLEMENTAL DATA

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INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF
THE DELTONA CORPORATION:

We have audited the consolidated balance sheets of The Deltona Corporation and subsidiaries (the "Company") as of December 31, 2002 and 2001 and the related statements of consolidated operations, consolidated stockholders' equity (deficit) and consolidated cash flows for the years ended December 31, 2002, 2001 and 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company at December 31, 2002 and 2001 and the results of its operations and its cash flows for the years ended December 31, 2002, 2001 and 2000 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company incurred substantial operating losses, has continued to experience problems with liquidity and has a stockholders' deficit at December 31, 2002. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning these matters are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

JAMES MOORE & CO. P.L.
Certified Public Accountants
Gainesville, Florida
February 6, 2003, except for Note 12,
as to which the date is March 7, 2003

CONSOLIDATED BALANCE SHEETS

THE DELTONA CORPORATION AND SUBSIDIARIES

ASSETS
(in thousands)

	December 31, 2002	December 31, 2001
Cash and cash equivalents, including escrow deposits and restricted cash of $820 in 2002 and $561 in 2001	$ 1,039	$ 923
Contracts receivable for land sales	1,278	1,556
Less: Allowance for uncollectible contracts	(200)	(205)
Unamortized valuation discount	(148)	(138)
Contracts receivable - net	930	1,213
Mortgages and other receivables - net	139	248
Inventories, at lower of cost or net realizable value:		
Land and land improvements	7,237	7,941
Other	1,754	1,261
Total inventories	8,991	9,202
Property, plant and equipment - net	608	623
Investment in venture	70	53
Prepaid expenses and other	967	1,168
Total	$ 12,744	$ 13,430

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

THE DELTONA CORPORATION AND SUBSIDIARIES

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands)

	December 31, 2002	December 31, 2001
Mortgages and similar debt:		
Mortgage notes payable - related parties.......	$ 3,000	$ 4,200
Other loans - related parties	8,282	5,929
Other loans..................................	95	148
Total mortgages and similar debt............	11,377	10,277
Accounts payable-trade	332	298
Accrued interest payable - related parties.......	2,466	2,047
Obligation under recourse provisions............	3,088	2,994
Accrued expenses and other	334	447
Customers' deposits	1,161	1,259
Deferred revenue...............................	3,818	4,425
Total liabilities	22,576	21,747
Commitments and contingencies (Notes 1 and 8)		
Stockholders' equity (deficit):		
Preferred stock, $1 par value - authorized 5,000,000 shares; no shares are issued and outstanding, preferences will be determined prior to issuance.	-0-	-0-
Common stock, $1 par value-authorized 15,000,000 shares; issued and outstanding: 13,544,277 shares in 2002 and 2001 (excluding 12,228 shares held in treasury).....	13,544	13,544
Additional paid-in capital....................	52,518	52,440
Accumulated deficit	(75,894)	(74,301)
Total stockholders' equity (deficit)	(9,832)	(8,317)
Total.......................	$ 12,744	$ 13,430

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The accompanying notes are an integral part of the consolidated financial statements.

STATEMENTS OF CONSOLIDATED OPERATIONS

THE DELTONA CORPORATION AND SUBSIDIARIES
(in thousands except share data)

	Years Ended		
	December 31, 2002	December 31, 2001	December 31, 2000
Revenues			
Gross land sales	$ 6,591	$ 9,960	$ 6,804
Less: Estimated uncollectible sales	(1,834)	(1,774)	(1,176)
Contract valuation discount	(227)	(73)	(267)
Net land sales	4,530	8,113	5,361
Sales-housing	4,768	4,975	3,231
Recognized improvement revenue-prior period sales	261	124	276
Gain on recovery of bad debt	-0-	178	-0-
Interest income	355	377	440
Other	768	802	774
Total	10,682	14,569	10,082
Costs and expenses			
Cost of sales-land	1,470	1,928	1,397
Cost of sales-housing	3,943	4,028	2,716
Cost of improvements-prior period sales ...	161	59	62
Cost of sales-other	247	201	175
Commissions, advertising, and other selling expenses	3,368	4,690	3,455
General and administrative expenses	1,615	1,431	1,362
Real estate tax	794	702	598
Equity in loss of joint venture	67	30	-0-
Loss on transfer of contracts receivable ..	150	424	465
Interest expense	460	724	894
Total	12,275	14,217	11,124
Income (loss) from operations before income taxes	(1,593)	352	(1,042)
Provision for income taxes	-0-	-0-	-0-

Net income (loss)	$ (1,593)	$ 352	$ (1,042)
Net income (loss) per common share	$ (.12)	$ .03	$ (.08)

The accompanying notes are an integral part of the consolidated financial statements.

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STATEMENTS OF CONSOLIDATED STOCKHOLDERS' EQUITY (DEFICIT)

THE DELTONA CORPORATION AND SUBSIDIARIES
(in thousands)

For the years ended December 31, 2002, 2001 and 2000

	Common Stock ($1 par value)	Additional Paid-in Capital	Accumulated Earnings (Deficit)	Tota
Balances, December 31, 1999	$ 13,544	$ 51,863	$(73,611)	$ (8
Imputed interest expense on debt with related party	-0-	407	-0-	
Net (loss)for the year	-0-	-0-	(1,042)	(1
Balances, December 31, 2000	13,544	52,270	(74,653)	(8
Imputed interest expense on debt with related party	-0-	170	-0-	
Net income for the year	-0-	-0-	352	
Balances, December 31, 2001	13,544	52,440	(74,301)	(8
Imputed interest expense on debt with related party	-0-	78	-0-	
Net (loss) for the year	-0-	-0-	(1,593)	(1
Balances, December 31, 2002	$ 13,544	$ 52,518	$(75,894)	$ (9

The accompanying notes are an integral part of the consolidated financial statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS

THE DELTONA CORPORATION AND SUBSIDIARIES
(in thousands)

	Years Ended		
	December 31, 2002	December 31, 2001	December 31, 2000
Cash flows from operating activities:			
Cash received from operations:			
Proceeds from sale of residential units ..	$ 4,768	$ 4,852	$ 3,282
Collections on contracts and mortgages receivable	688	778	1,040
Down payments on and proceeds from sales of homesites and tracts	1,185	1,748	1,748
Proceeds (uses) from other sources	876	375	490
Total cash received from operations ...	7,517	7,753	6,560
Cash expended by operations:			
Cash paid for residential units	3,944	4,036	3,167
Cash paid for land and land improvements .	1,469	1,494	1,309
Cash paid for interest	0	5	0
Commissions, advertising and other selling expenses	3,507	4,254	4,737
General and administrative expenses	1,243	1,247	1,082
Real estate taxes paid	863	900	347
Total cash expended by operations	11,026	11,936	10,642
Net cash provided by (used in) operating activities	(3,509)	(4,183)	(4,082)
Cash flows from investing activities:			
Payment for acquisition and construction of property, plant and equipment	(87)	(76)	(31)
Investment in venture	(84)	(83)	0

Net cash provided by (used in) investing activities	(171)	(159)	(31)
Cash flows from financing activities:			
New borrowings	3,849	4,600	4,245
Repayment of borrowings	(53)	(16)	0
Net cash provided by (used in) financing activities	3,796	4,584	4,245
Net increase (decrease) in cash and cash equivalents	116	243	132
Cash and cash equivalents, beginning of year.	923	680	548
Cash and cash equivalents, end of year	$ 1,039	$ 923	$ 680

The accompanying notes are an integral part of the consolidated financial statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS-(Continued)

THE DELTONA CORPORATION AND SUBSIDIARIES
(in thousands)

	Years Ended		
	December 31, 2002	December 31, 2001	December 31, 2000
Reconciliation of net income (loss) to net cash provided by (used in) operating activities:			
Net income (loss)	$(1,593)	$ 352	$ (1,042)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	102	72	66
Provision for estimated uncollectible sales and recourse obligations	1,834	1,774	1,176
Contract valuation discount, net of amortization	10	(126)	62

Equity in loss in joint venture	67	30	-0-
Imputed Interest on debt with related party (See Note 5)	78	170	408
Loss on transfer of contracts receivable..	150	424	465
(Increase) decrease in assets and increase (decrease) in liabilities:			
Gross contracts receivable plus deductions from reserves	(4,392)	(7,174)	(7,558)
Mortgages and other receivables	109	(108)	(31)
Land and land improvements	704	597	(138)
Housing completed or under construction and other	(493)	100	(430)
Prepaid expenses and other	201	234	(492)
Accounts payable, accrued expenses and other	419	530	1,103
Customers' deposits	(98)	(138)	667
Deferred revenue	(607)	(920)	1,662
Total adjustments and changes	(1,916)	(4,535)	(3,040)
Net cash provided by (used in) operating activities	$(3,509)	$(4,183)	$ (4,082)
Supplemental disclosure of non-cash investing and financing activities:			
Interest expense treated as contribution to capital (See Note 5)	$ 78	$ 170	$ 408
Increase in inventory as a result of spec house transfer and corresponding increase in debt	$ -0-	$ -0-	$ 863
Transfer of contracts receivable for debt repayment.............................	$ 2,696	$ 5,443	$ 5,850
Acquisition of equipment financed with debt	$ -0-	$ 164	$ -0-

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THE DELTONA CORPORATION AND SUBSIDIARIES

1. Basis of Presentation and Significant Accounting Policies

Basis of Presentation - Going Concern

The accompanying financial statements of The Deltona Corporation and subsidiaries (the "Company") have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

The Company has net loss from operations for 2002 of ($1,593,000), net income from operations for 2001 of $352,000 and a net loss from operations for 2000 of ($1,042,000), resulting in a stockholders' deficit of $(9,832,000) as of December 31, 2002.

Following the restructuring of its debt in 1997 (see Note 5), the Company commenced the implementation of its business plan by redirecting its focus to single-family housing with the development of TimberWalk and other housing in Marion Oaks. The transactions described in Note 5 with Selex International, B.V. ("Selex"), Yasawa Holdings, N.V. ("Yasawa"), Scafholding B.V. ("Scafholding") and Swan Development Corporation ("Swan"), provided the Company with a portion of its financing requirements enabling the Company to commence implementation of the marketing program and attempt to accomplish the objectives of its business plan. Selex, Yasawa, Scafholding and Swan are related parties to the Company either because they are stockholders or as a result of common control.

The Company has been dependent on its ability to sell or otherwise finance contracts receivable and/or secure other financing sources to meet its cash requirements. Additional financing of $3,849,000 was required in 2002 and was funded through additional loans from Swan. Additional financing will be required in the future. Although Swan has loaned the Company additional funds to be paid back with contracts receivable at the rate of 90% of face value, with recourse since 1999, there can be no guarantee that the Company will be able to generate sufficient receivables to obtain sufficient financing in the future or that the Company will be able to obtain financing from Yasawa, Scafholding, Swan and other related parties, or from unrelated parties. (See Notes 5 and 11.)

The consolidated financial statements do not include any adjustments relating to the recoverability of asset amounts or the amounts of liabilities should the Company be unable to continue as a going concern.

Significant Accounting Policies

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Material intercompany accounts and transactions are eliminated.

The Company is principally engaged in the development and sale of Florida real estate through the development of planned communities on land acquired for that purpose. The Company sells homesites under installment contracts, which provide for payments over periods ranging from 2 to 10 years. Since 1991, the Company has offered only developed lots for sale. Sales of homesites are recorded under the percentage-of-completion method in accordance with Statement of Financial Accounting Standards No. 66, "Accounting for Sales of Real Estate" ("SFAS No. 66"). Since 1991, the Company has not recognized a sale until it has received 20% of the contract sales price. The Company recognizes the sale of houses at closing under the full accrual method meeting the requirements of SFAS No. 66. The Company does not finance the sale of homes. Substantially all of the sales in 2002, 2001 and 2000 were through two independent brokers in New York.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THE DELTONA CORPORATION AND SUBSIDIARIES

1. Basis of Presentation and Significant Accounting Policies (continued)

The Company's real estate business is subject to regulation by various local, state and federal agencies. The communities are increasingly subject to substantial regulation as they are planned, designed and constructed, the nature of such regulation extending to improvements, zoning, building, environmental, health and related matters. Although the Company has been able to operate within the regulatory environment in the past, there can be no assurance that such regulations could not be made more restrictive and thereby adversely affect the Company's operations.

At the time of recording a sale the Company records an allowance for the estimated cost to cancel the related contracts receivable through a charge to the provision for uncollectible sales. If the contract is transferred with recourse (see Note 8) the associated allowance for contract cancellation is reclassified to a liability under "Obligation under recourse provisions". The allowance for uncollectible contracts and recourse liability are maintained at a level which, in management's judgement, is adequate to absorb credit losses inherent in the contracts receivable portfolio. The amount of the allowance and recourse liability is based on management's evaluation of the collectibility of the contracts receivable portfolio, including historical loss experience, economic conditions, and other risks inherent in the portfolio. While the Company uses the best information available to make such evaluations it is at least reasonably possible, future material adjustments to these allowances may be necessary in the near term as a result of future national and international economic and other conditions that may be beyond the Company's control. However, the amount of the change that is reasonably possible cannot be estimated. Changes in the Company's estimate of the allowance for previously recognized sales are reported in earnings in the period in which they become estimable and are charged to the provision for uncollectible contracts. The allowance is increased by a provision for uncollectible sales, which is charged to expense and reduced by cancellations, net of recoveries. The determination of the adequacy of the allowance for uncollectible contracts is based on estimates that are particularly susceptible to significant changes in the economic environment and market conditions.

The Company records deferred revenue for contracts transferred to Swan and Yasawa that have not yet been recognized for financial reporting purposes under SFAS No. 66, as 20% of the contract sales price has not been received. These contracts have not been recognized as sales when transferred to Swan and Yasawa because Swan and Yasawa are related parties and because the recourse provision allows the contracts to be returned to the Company in the event they become delinquent. The Company monitors the collection of contracts receivable transferred to Swan and Yasawa and recognizes the contracts as a sale when the provisions of SFAS No. 66 are met. In addition, the Company has determined that the transfer of contracts to Swan and Yasawa with recourse meets the requirements of Statement of Financial Accounting Standard No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS No. 140") to be accounted for as a sale. In accordance with the provisions of SFAS No. 140, the Company has reduced its contracts receivable by the amount transferred and reduced debt by the payment credit given. The loss realized upon the transfer of contracts is recognized as a loss on transfer of contracts receivable. The Company does not retain any financial interests in the

contracts receivable transferred. SFAS No. 140 is effective for transactions after March 31, 2001. Prior to the issuance of SFAS No. 140, the Company followed the provisions of Statement of Financial Accounting Standard No. 125 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS No. 125"). There was no effect on the Company's financial reporting resulting from the transition from SFAS No. 125 to SFAS No. 140.

Land improvement costs are allocated to individual homesites based upon the relationship that the homesite's sales price bears to the total sales price of all homesites in the community. The estimated costs of improving homesites are based upon independent engineering estimates made in accordance with sound cost estimation and provide for anticipated cost-inflation factors. The estimates are systematically reviewed. When cost estimates are revised, the percentage relationship they bear to deferred revenues is recalculated on a cumulative basis to determine future income recognition as performance takes place.

1. Basis of Presentation and Significant Accounting Policies (continued)

Interest costs directly related to, and incurred during, a project's construction period are capitalized. In 2002, 2001 and 2000, approximately $54,000, $164,000, and $99,000, respectively, of interest was capitalized.

Property, plant and equipment is stated at cost. Depreciation is provided by the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 33 years. Additions and betterments are capitalized, and maintenance and repairs are expensed as incurred. Generally, upon the sale or retirement of assets, the accounts are relieved of the costs and related accumulated depreciation, and any gain or loss is reflected in income.

Advertising and marketing costs are charges to operations when incurred. Sales commissions are recognized as a liability when the related contract is accepted or as a prepaid asset when paid and charged to expense when the sale is recognized as revenue.

For the purposes of the statements of consolidated cash flows, the Company considers its investments, which are comprised of short term, highly liquid investments purchased with a maturity of three months or less, to be cash equivalents.

In accordance with Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," long-lived assets, such as inventories and property, plant and equipment to be held and used are to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts of an asset may not be recoverable. As of December 31, 2002 and 2001, there were no assets considered impaired under the provisions of the Statement.

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation

methods. Considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize or incur in a current market transaction. The use of different market assumptions and/or estimation methods may have a material effect on the estimated fair value amounts. The Company's financial instruments consist of cash and cash equivalents, contracts and mortgages receivable, and similar debt. The stated amount of cash and cash equivalents is a reasonable estimate of fair value. The fair value of contracts and mortgages receivable and similar debt has been estimated using interest rates currently available for similar terms. The stated value of the contracts and mortgages receivable and similar debt approximates fair value.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain amounts for 2001 and 2000 have been reclassified to conform to presentations adopted in 2002. These reclassifications include in 2002, the loss recognized on the transfer of contracts receivable reclassified from a component of "Estimated uncollectible sales" to "Loss on transfer of contracts receivable", and the estimated liability for obligations with recourse provisions was reclassified from a component of "Accrued expenses and other" to "Obligations under recourse provisions".

2. Contracts and Mortgages Receivable

The Company's contracts receivable are collateralized by improved vacant residential lots . The Company's contracts receivable portfolio is not diversified and a substantial portion of its customers' ability to honor their contracts is dependent on local economic conditions of its customers.

Contracts receivable that management has the intent and ability to hold for the foreseeable future or until maturity or pay-off are reported at their outstanding principal adjusted for any charge-offs, the allowance for uncollectible contracts receivable, and any valuation allowance.

Interest rates on contracts receivable outstanding as of December 31, 2002, ranged from 5% to 12% per annum (weighted average approximately 9.3%), and the approximate principal maturities on these contracts were:

	December 31, 2002
	(in thousands)

2003........................	$ 219
2004........................	219
2005........................	218
2006........................	186
2007........................	126
2008 and thereafter..........	310
Total.................	$ 1,278

If a regularly scheduled payment on a contract remains unpaid 30 days after its due date, the contract is considered delinquent. Aggregate delinquent contracts receivable at December 31, 2002 and 2001 approximate $302,000 and 713,000, respectively.

Contracts receivable are considered eligible to cancel when a required payment has not been received by the end of the contractual grace period. The length of the contractual grace period ranges from 90 to 180 days depending upon the amount of equity paid into the contract. The accrual of interest on contracts receivable is discontinued at the time the contract is cancelled following the contractual grace period. The accrued interest on cancelled contracts is charged against the reserve for uncollectible contracts. Contracts are returned to accrual status when the principal and interest amounts contractually due are brought current or a reasonable program is established with the customer to bring payments current and future payments are reasonably assured.

Information with respect to interest rates and average contract lives used in valuing new contracts receivable generated from sales follows:

Years ended	Average Term	Average Stated Interest Rate	Discounted to Yield
December 31, 2002...........	113 months	8.7%	13.5%
December 31, 2001...........	111 months	8.5%	13.5%
December 31, 2000...........	98 months	7.8%	13.5%

During 2002 and 2001, the Company transferred contracts and mortgages receivable, with recourse, in satisfaction of debt of $2,696,000 and 5,443,000, respectively. The Company is also required to make monthly principal payments of contracts receivable with recourse to Yasawa, Scafholding and Swan. (See Note 5.)

2. Contracts and Mortgages Receivable (continued)

A credit risk concentration results when the Company has a significant credit exposure to an individual or a group engaged in similar activities or having similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other

conditions. The contracts receivable are generally diversified among individuals but concentrated in certain socio-economic groups and geographical locations.

3. Inventories

Information with respect to the classification of inventory of land and land improvements including land held for sale or transfer as of December 31, 2002 and 2001, is as follows:

	2002	2001
	(in thousands)	
Unimproved land.............	$ 420	$ 420
Land in various stages of development................	2,622	2,147
Fully improved land..........	4,195	5,374
Total..................	$ 7,237	$ 7,941

4. Property, Plant and Equipment

Property, plant and equipment and accumulated depreciation consist of the following:

	December 31, 2002		December 31, 2001	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
	(in thousands)			
Land and land improvements............	$ 98	$ -0-	$ 98	$ -0-
Other buildings, improvements and furnishings.............	1,185	879	1,115	834
Construction and other equipment...............	962	758	948	704
Total..............	$2,245	$ 1,637	$2,161	$ 1,538

Depreciation charged to operations for the years ended December 31, 2002, 2001 and 2000 was approximately $102,000, $72,000 and $66,000, respectively.

5. Mortgages and Similar Debt

As of December 31, 2002, the Company's outstanding debt to Yasawa was $3,000,000 secured by a first lien on the Company's receivables and a mortgage on all of the Company's properties. The terms of repayment of the Yasawa loan provide for $100,000 of monthly payments of principal in cash or contracts receivable at 100% of face value, with recourse. Interest accrues at 6% for 2000, at the prime rate adjusted semi-annually to the then current rate ranging from 9.5% to 4.75% for 2001 and 2002 and 4.25% effective January 1, 2003. The Company satisfied its principal obligation to Scafholding as of December 31, 1999. Yasawa and Scafholding have not required the Company to make interest payments since September 1, 1998. As of December 31, 2002, the total amount of interest accrued on the Yasawa and Scafholding obligations is approximately $1,629,000, which is included in accrued interest.

During 2002, Swan loaned the Company an additional $3,849,000 so that it

was able to meet its working capital requirements. The Company's debt to Swan as of December 31, 2002, of $8,282,000 is secured by a second lien on the

5. Mortgages and Similar Debt (continued)

Company's receivables. Swan has agreed to accept contracts receivable at 90% of face value, with recourse, in payment of the Company's obligation to Swan. The Company recognizes a loss on the transfer of contracts at less than face value. The amount of each monthly payment will be dependent upon the amount of contracts receivable in the Company's portfolio, excluding contracts receivable held as collateral for prior receivable sales. Each month, the Company is required to transfer to Swan , as debt repayment, all current contracts receivable in the Company's portfolio in excess of $500,000. Swan does not charge interest for the first six months after an advance; thereafter, the interest was 6% for 2000, at the prime rate adjusted semi-annually to the then current rate ranging from 9.5% to 4.75% for 2001 and 2002 and 4.25% effective January 1, 2003. As of December 31, 2002, the accrued and unpaid interest on the Swan notes of approximately $837,000 is included in accrued interest.

The Company records interest expense for all borrowing at the Company's incremental borrowing rate, which is currently the prime rate. Since the interest does not accrue for the first six months of each loan advance from Swan, the interest calculated is expensed and recorded as additional paid-in capital. This amount was approximately $78,000 in 2002 and $170,000 in 2001. For 2000, the Company recorded interest expense on all outstanding debt balances to Yasawa, Scafholding and Swan at 8%, the Company's incremental borrowing rate. The difference between interest calculated at 8% and the amount accrued under the terms of the respective notes was approximately $407,000 and was recorded as interest expense and additional paid-in capital.

In the future, if the Company elects to do so, Yasawa and Scafholding have agreed to purchase contracts receivable at 65% of face value, with recourse. The Company has an agreement with Swan whereby Swan may loan the Company funds to be repaid with contracts receivable at 90% of face value, with recourse.

The following table presents information (in thousands) with respect to the minimum principal maturities of mortgages and similar debt for the next five years (excluding amounts owed to Swan) as of December 31, 2002.

Year	Amount
2003...........................	$ 1,255
2004...........................	1,240
2005...........................	600
2006...........................	-0-
2007...........................	-0-
	$ 3,095

Indebtedness under various purchase money mortgages and loan agreements is collateralized by substantially all of the Company's assets, including stock of

wholly-owned subsidiaries.

The Company has an agreement with Scafholding and Citony Development Corporation for the servicing of their receivable portfolios. The Company received approximately $72,000, $73,000, and $75,000, in 2002, 2001 and 2000, respectively, in revenue pursuant to these agreements. The Company also services the Swan receivable portfolio, which consisted of 952 contracts as of December 31, 2002; however, the Swan portfolio is serviced at no charge to Swan under the Trust and Servicing Agreement.

6. Income Taxes

The Company follows the provisions of Statement of Financial Accounting Standard No. 109 "Accounting for Income Taxes." Differences between accounting rules and tax laws cause differences between the basis of certain assets and liabilities for financial reporting purposes and tax purposes. The tax effect of these differences, to the extent they are temporary, is recorded as deferred tax assets and liabilities. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred assets and liabilities. Temporary differences which give rise to deferred tax assets and liabilities consist of recognition of income from land sales differently for financial reporting and

6. Income Taxes (continued)

tax purposes, recognizing estimated losses on contract cancellations and recourse obligations when estimated but not for tax purposes until realized, and interest accrued to related parties but not for tax purposes until paid.

For the years ended December 31, 2002 and 2000, the Company had a net loss for tax and financial reporting purposes. Accordingly, there was no tax provision for such years. For the year ended December 31, 2001, the Company had a net income for financial reporting purposes but a net loss for tax purposes. The 2001 provision for taxes in thousands consists of the following:

	2001
Current	$ -0-
Deferred	66,000
Tax benefit of net operating loss carryforward	(66,000)
Net provision for income taxes	$ -0-

As of December 31, 2002, the Company had a net deferred tax asset of approximately $17,800,000, which primarily resulted from the tax effect of the Company's net operating loss carryforward of $45,000,000. A valuation allowance of $17,800,000 has been established against the net deferred tax asset.

As of December 31, 2001, the Company had a net deferred tax asset of approximately $14,619,000, which primarily resulted from the tax effect of the Company's net operating loss carryforward of $36,917,000. A valuation allowance of $14,619,000 has been established against the net deferred tax asset.

The Company's regular net operating loss carryover for tax purposes is estimated to be approximately $37,500,000 at December 31, 2002, of which $9,189,000 was available through 2005, $9,780,000 through 2006, $5,029,000 through 2008, $5,401,000 through 2009, $1,977,000 through 2011, $1,425,000 through 2019, $695,000 through 2020, $307,000 in 2021, and $3,697,000 through 2022. In addition to the net operating loss carryover, alternative minimum tax credits of $386,000 are available to reduce federal income tax liabilities only after the net operating loss carryovers have been utilized.

There can be no assurances that the Company will generate taxable income to utilize any of the carryforwards or, that the generation of such taxable income may not trigger an alternative tax liability that would offeset any such carryforwards. The utilization of the Company's net operating loss and tax credit carryforwards could be impaired or reduced under certain circumstances, pursuant to changes in the federal income tax laws. Events which affect these carryforwards include, but are not limited to, cumulative stock ownership changes of 50% or more over a three-year period, as defined, and the timing of the utilization of the tax benefit carryforwards.

7. Liability for Improvements

The Company has an obligation to complete land improvements upon deeding which, depending on contractual provisions, typically occurs within 90 to 120 days after the completion of payments by the customer. The estimated cost to complete improvements to lots and tracts from which sales have been made at December 31, 2002 and 2001 was approximately $648,000 and $783,000, respectively. The foregoing estimates reflect the Company's current development plans at its communities (see Note 8). These estimates as of December 31, 2002 and 2001 include a liability to provide title insurance and deeding costs of $110,000 and $145,000, respectively; and an estimated cost of street maintenance, prior to assumption of such obligations by local governments, of $538,000 and $638,000, respectively; all of which are included in deferred revenue.

7. Liability for Improvements (continued)

The anticipated expenditures, in thousands, for land improvements, title insurance and deeding to complete areas from which sales have been made as of December 31, 2002 are as follows:

2003	$ 309
2004	205
2005	54
2006	20
2007 and thereafter	60

Total......................	$ 648

8. Commitments and Contingent Liabilities

Total rental expense for the years ended December 31, 2002, 2001 and 2000 was approximately $78,000, $82,000 and $89,000, respectively.

The Company has short-term leases on its headquarters building in the TimberWalk section of Marion Oaks, and on its Miami office. Estimated rental expense under these short-term leases is expected to be approximately $135,000 annually. The Company has no material equipment leases.

The Company earns administrative fees for selling lots owned by Scafholding. In the years ended December 31, 2002, 2001 and 2000, the Company earned $159,770, $205,878 and $38,520, respectively, in fees for sold lots.

Homesite sales contracts provide for the return of all monies paid in (including paid-in interest) should the Company be unable to meet its contractual obligations after the use of reasonable diligence. If a refund is made, the Company will recover the related homesite and any improvement thereto.

On properties where customers have contractually assumed the obligation to pay real estate taxes, monies received from customers for payment of such taxes are deposited into a tax escrow maintained by the Company until paid.

In 1990 and 1992, the Company sold contracts and mortgages receivable to third parties. These transactions, among other things, require that the Company replace or repurchase any receivable that becomes 90 days delinquent upon the request of the purchaser. Such requirement can be satisfied from contracts in which the purchaser holds a security interest (approximately $800,000 as of December 31, 2002). The Company provides for estimated future cancellations based on the Company's historical experience for receivables the Company services. The Company did not replace any delinquent receivables in 2002, 2001 or 2000. As of December 31, 2002 and 2001, $969,000 and $1,060,000, respectively, in receivables were delinquent. (See Note 12.)

Approximately $20 million of contracts receivable, subject to recourse provisions were sold or transferred by the Company as of December 31, 2002. There are no funds on deposit with purchasers of the receivables as collateral for the recourse obligation. However, the Company may recover the underlying lot when the contract is cancelled. The Company has estimated its obligations under the recourse provisions, following the same methodology utilized in estimating contract cancellations (see Note 1) to be approximately $3,088,000 and $2,994,000 at December 31, 2002 and 2001, respectively. Because of inherent uncertainties in estimating the ultimate amount to be required under the recourse provisions, it is reasonably possible that the Company's estimate will change in the near term.

In addition to the matters discussed above, from time to time, the Company may become a party to claims and other litigation relating to the conduct of its business, which is routine in nature and, in the opinion of management, should have no material effect upon the Company's operation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

THE DELTONA CORPORATION AND SUBSIDIARIES

9. Common Stock and Earnings Per Share Information

Net income (loss) per common share is computed in accordance with the requirements of Statement of Financial Accounting Standards No. 128 "Earnings Per Share" ("SFAS No. 128"). SFAS No. 128 requires net income (loss) per share information to be computed using a simple weighted average of common shares outstanding during the periods presented.

The net income (loss) for 2002, 2001 and 2000 were ($1,593,000), $352,000, and ($1,042,000), respectively.

The average number of shares of common stock and common stock equivalents used to calculate basic earnings (loss) per share in 2002, 2001 and 2000 was 13,544,277.

10. Investment in Venture

The Company entered into a joint venture agreement (the "Venture") with Scafholding (see Note 1) in 2001 for the purchase of property tax certificates, application of tax deeds, administration and the acquisition and sale of land. The Company provides administrative, managerial, sales and marketing services to the Venture. The Company is reimbursed by the Venture for all commissions and marketing costs plus an administrative fee of 10% of all sales consummated. Scafholding provides financing to the Venture and has loaned the Venture approximately $1,554,000 as of December 31, 2002. The Company collected $3,549 in administrative fees and reimbursements in 2002; there were no reimbursements or administrative fees earned for 2001. Interest on the outstanding debt to Scafholding accrues at the fixed rate of 7.75%. Net income is to be distributed equally between the Company and Scafholding. The Company records its investment in the Venture using the equity method of accounting as control of the Venture rests with Scafholding as specified in the joint venture agreement.

11. Capital Transactions

In 2002, the Company filed a Form 13E(3) and a preliminary proxy statement related to a proposed going private transaction. These documents are currently being reviewed by the SEC staff. These filings were done pursuant to actions by the Board of Directors. On December 13, 2001, the Board of Directors approved, subject to stockholder approval, a 1 for 500,000 reverse split of the Company's common stock and a related amendment to the Company's Articles of Incorporation reducing the number of authorized shares to 30. Based on the current common stockholdings, if voted and approved by the stockholders, the reverse split will reduce the number of the Company's stockholders to two stockholders: Selex International, B.V., a Netherlands corporation ("Selex") and Yasawa Holdings, N.V., a Netherlands Antilles corporation ("Yasawa"). The date of the meeting of stockholders to consider both matters will be determined upon the conclusion of the review and subsequent amendments to the disclosures in preliminary proxy statement and Form13E(3)filings.

12. Subsequent Events

On March 7, 2003, the Company closed on an agreement that resulted in the termination of its repurchase obligation on contracts receivable sold in 1990 and 1992. The termination of this recourse obligation covering approximately $1 million of contracts receivable, substantially all of which were non-performing,

will result in a one-time gain on termination of a recourse obligation of approximately $870,000 and a reduction in the liability for "Obligation under recourse provisions". This one-time gain will be reported in the first quarter of 2003. In terminating the obligation, the Company acquired over 200 contracts receivable, substantially all of which are non-performing, each of which is collateralized by an improved vacant residential lot, and over 150 lots, which were added to the Company's land inventory. As a part of this transaction, the Company received lots that are being conveyed to Citony Development Corporation pursuant to a 1992 purchase agreement, which conveyed all of the Company's property in the Citrus Springs subdivision,

12. Subsequent Events (continued)

including any lots reacquired under this transaction. The aggregate costs incurred of approximately $195,000 will be assigned to the acquired assets based on a basket-purchase method of allocation.

If the termination of the repurchase obligation had occurred prior to the earliest reported year, the impact of the transaction on the reported Results of Operations in 2002, 2001 and 2000 would have been to increase the "Estimated uncollectible sales expense" and to decrease net income or increase net loss in each of the years by $80,000, $260,000 and $260,000, respectively. Set forth below is the Summary Pro forma results, as if the transaction occurred prior to the earliest reported year:

Pro Forma Results	Years ended December 31, 2002	2001	2000
Revenues, as reported	$ 10,682	$ 14,569	$ 10,082
Costs and expenses, as reported	12,275	14,217	11,124
Pro forma - increase in expenses	81	260	260
Pro forma Net income (loss)	$ (1,674)	$ 92	$ (1,302)
Pro forma income (loss) per share	$ (.12)	$ .01	$ (.10)
Weighted average common shares outstanding	13,544,277	13,544,277	13,544,277

The pro forma results are provided for illustration only of the transaction described above. The pro forma results should not be considered indicative of future results of operations.

Between January 1, 2003 and March 7, 2003, Swan loaned the Company $800,000 under similar terms as described in Note 5. These funds were used to meet the Company's current working capital requirements. In January and February 2003, the Company transferred contracts receivable with a face value of approximately $200,000 to Scafholding and contracts receivable with a face value of approximately $100,000 to Swan under terms described in Note 5 above.

13. Supplemental Unaudited Quarterly Financial Data

Set forth on the following page is supplemental unaudited quarterly financial data prepared pursuant to the rules and regulations of the Securities and Exchange Commission. The information furnished reflects, in the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the results for the interim periods presented. In the fourth quarter of 2002, the results were negatively impacted by lower land sales and by increased cancellations of contracts which contributed to an increase in the allowance for uncollectible contracts of approximately $500,000.

SUPPLEMENTAL UNAUDITED QUARTERLY FINANCIAL DATA
(in thousands, except per share amounts)

	Revenues	Net Income (Loss) From Operations Before Income Taxes	Net Income (Loss)	Net Income (loss) per Share
2002				
First.....	$ 2,930	$ 133	$ 133	$ .01
Second....	$ 3,216	$ (47)	$ (47)	$ .00
Third.....	$ 3,035	$ (293)	$ (293)	$ (.02)
Fourth....	$ 1,501	$ (1,386)	$ (1,386)	$ (.11)
Total.......	$10,682	$ (1,593)	$ (1,593)	$ (.12)
2001				
First....	$ 3,407	$ 61	$ 61	$ .01
Second...	$ 3,495	$ 44	$ 44	$ .00
Third....	$ 3,029	$ 15	$ 15	$ .00
Fourth...	$ 4,638	$ 232	$ 232	$ .02
Total......	$14,569	$ 352	$ 352	$ .03
2000				
First....	$ 2,087	$ (402)	$ (402)	$ (.03)
Second...	$ 2,503	$ (69)	$ (69)	$ (.01)
Third....	$ 2,794	$ 69	$ 69	$ .01
Fourth...	$ 2,698	$ (640)	$ (640)	$ (.05)
Total......	$10,082	$ (1,042)	$ (1,042)	$ (.08)

ITEM 9.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS
ON ACCOUNTING AND FINANCIAL DISCLOSURES

Audit Fees

The Company paid audit and review fees and out of pocket expenses to James Moore & Co. P.L. totaling $69,306 for the year ended December 31, 2002.

Financial Information Systems and Implementation Fees

The Company did not incur any fees or costs associated with financial information systems or implementation fees.

All Other Fees

The Company also paid fees to James Moore & Co. P.L. for the year ended December 31, 2002 for preparation of tax related documentation in the amount of $13,900 and $3,410 for fees related to consultation regarding selection criteria and process for the new Chief Financial Officer.

PART III

ITEM 10.

DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Directors of the Company

The Board of Directors of the Company presently consists of five individuals: Antony Gram (Chairman of the Board), Christel DeWilde, George W. Fischer, Rudy Gram and Thomas B. McNeill.

The table below sets forth the names of the present directors of the Company, together with certain information as of March 3, 2003 with respect to each of them. The entire Board of Directors is elected annually to hold office until the next Annual Meeting of Stockholders and until their respective successors are duly elected and qualified. Unless otherwise indicated, each nominee has held the position shown, or has been associated with the named employer in the executive capacity shown, for more than the past five years.

Name and Age	Principal Occupation and Other Information	Year First Elected Director
Christel DeWilde 40	Independent Consultant for Antony Gram	1998

(b)(d)	since January 2003. From February 1995 through December 2002, Ms. DeWilde was employed as financial analyst for Antony Gram. Ms. DeWilde was Chief Financial Officer of the Sab Wabco Group, Brussels, Belgium from December 1992 to February 1995.	
George W. Fischer, 62 (a),(b),(c)	Mr. Fischer is retired. From 1975 through 1995 he served as President of H.E.C. Fischer, Inc., a closely held real estate company.	1992
Antony Gram, 60 (a), (c), (d), (e)	Chairman of the Board of Directors and Chief Executive Officer of the Company since July 13, 1994 and President since October 2, 1998. For more than the past five years, Mr. Gram has served as Managing Director of Gramyco, a scaffolding company, based in Belgium.	1992
Rudy Gram, 39 (a),(c),(e)	Vice President, Swan Development Corporation, based in St. Augustine, Florida since 1995.	1995
Thomas B. McNeill, 68 (b)(d)	Retired partner of the law firm of Mayer, Brown, Rowe & Maw, formerly Mayer, Brown & Platt, Chicago, Illinois.	1975

Current Committee Members & Affiliations:

(a) Member, Executive Committee.
(b) Member, Audit Committee.
(c) Member, Executive Compensation Committee.
(d) Member, Nominating Committee.
(e) Rudy Gram is the son of Antony Gram.

Additional Information Concerning the Board of Directors

Currently, Directors DeWilde, McNeill and Rudy Gram receive a fee of $1,000 per month for services as a Director of the Company and are reimbursed for travel and related costs incurred with respect to committee and board meetings. Mr. Fischer receives a fee of $1,600 per month for services as a Director of the Company and as the Board's representative on the Management Committee; he is also reimbursed for travel and related costs incurred with respect to committee and board

meetings. Mr. Antony Gram does not receive a monthly Director's fee; however, he is reimbursed for travel and related costs incurred with respect to committee and board meetings and other Company business activities.

The Board of Directors has several standing committees: an Executive Committee, an Audit Committee, an Executive Compensation Committee and a Nominating Committee.

The Executive Committee, of which Antony Gram is Chairman, exercises certain powers of the Board of Directors during the intervals between meetings of the Board and met once during 2002.

The Audit Committee, of which Mr. McNeill is Chairman, confers with the independent auditors of the Company and otherwise reviews the adequacy of

internal controls, reviews the scope and results of the audit, assesses the accounting principles followed by the Company, and recommends the selection of the independent auditors. There were two meetings of the Audit Committee during 2002.

The Executive Compensation Committee is chaired by Mr. Fischer, who serves on no similar committee of any other company. While the other members of the Committee, Messrs. Antony Gram and Rudy Gram, may serve together as directors of other companies, none serves as a member of any other compensation committee. The Committee reviews the methods and means by which management is compensated, studies and recommends new methods of compensation, and reviews the standards of compensation for management. In addition, the Executive Compensation Committee administers the Annual Executive Bonus Plan. No member of the Committee is eligible to participate in any of the Company's compensation and benefit plans. See "Compensation Committee Report." The Executive Compensation Committee held one meeting during 2002.

The Nominating Committee, of which Mr. McNeill is Chairman, recommends to the Board of Directors nominees to fill additional directorships that may be created and to fill vacancies that may exist on the Board of Directors. There was one meeting of the Nominating Committee during 2002, held as part of a Board of Directors meeting. The Nominating Committee will consider nominees recommended by stockholders. Recommendations by stockholders should be submitted to the Secretary of the Company and should identify the nominee by name and provide detailed background information. Recommendations received by December 31, 2002 will be considered by the Nominating Committee for nomination at the 2003 Annual Meeting.

During 2002, the Board of Directors held three meetings. Each director attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and the total number of meetings held by all committees on which he or she served.

Executive Officers of the Company

The table below sets forth the executive officers of the Company as of February 14, 2003, and the Chairman of the Board in his capacity as President and Chief Executive Officer, their ages and their principal occupations during the past five years. Each has been appointed to serve in the capacities indicated until their successors are appointed and qualified, subject to their earlier resignation or removal by the Board of Directors.

Name and Age	Principal Occupation During the Past Five Years
Antony Gram, 60............	Chairman of the Board of Directors and Chief Executive Officer of the Company since July 13, 1994 and President since October 2, 1998. For more than the past five years, Mr. Gram has served as Managing Director of Gramyco, a scaffolding company, based in Belgium.
Sharon J. Hummerhielm, 53...	Executive Vice President and Corporate Secretary since October 2, 1998, Mrs Hummerhielm served as Vice President-Administration and Corporate Secretary since May 1995 and Vice President - Administration prior to that time, having joined the Company in March 1975.

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Name and Age	Principal Occupation During the Past Five Years
Robert O. Moore, 54.........	Treasurer and Chief Financial Officer since joining the Company in July 2002. From 2001 until joining the Company, he was a financial consultant. From 2000 until 2001 he was Chief Financial Officer of SkyWay Partners, Inc a developer and operator of telecommunications systems. From 1998 until 2000, he was Vice President of Finance, Chief Financial Officer and Corporate Secretary for Mark III Industries, a manufacturer of vans and trucks.

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ITEM 11.

EXECUTIVE COMPENSATION

Due to the Company's liquidity situation, Antony Gram has served as Chairman of the Board , Chief Executive Officer and President of the Company without compensation. The Securities and Exchange Commission's rules on executive compensation disclosure require, however, that the Summary Compensation Table which appears below, depict the compensation for the past three years of the Company's chief executive officer and its four most highly compensated executive officers whose annual salary and bonuses exceed $100,000. Accordingly, the table set forth below, discloses the annual compensation paid to Antony Gram (Chairman of the Board, Chief Executive Officer and President) and Sharon Hummerhielm (Executive Vice President and Corporate Secretary) for the three years ended December 31, 2002.

Summary Compensation Table

Summary Compensation Table

		Annual Compensation			Long Term Compensation			
					Awards			Payou
Name and	Fiscal	Salary	Bonus	Other Annual	SARs/Restricted	Stock	LTIP	All O

Principal Position	Year	($)	($)	Compensation (a)	Stock Awards	Options (#)	Payouts	Compe ($)
Antony Gram, Chairman of the Board, President & CEO	2002	--	--	--	--	--	--	
	2001	--	--	--	--	--	--	
	2000	--	--	--	--	--	--	
Sharon J. Hummerhielm Exec. VP & Corporate Sec'y	2002	$124,945	--	--	--	--	--	
	2001	$122,947	$13,933(b)	--	--	--	--	
	2000	$122,939	$10,245(b)	--	--	--	--	

Employment Contracts

One executive officer, Mrs. Hummerhielm, is employed pursuant to an employment agreement which provides that if her employment is terminated due to death, payment of compensation to her beneficiary continues for six months and, if employment is otherwise terminated by the Company without cause (defined as gross misconduct), she is entitled to receive one year's compensation, payable in twenty-four equal semi-monthly installments. For purposes of this agreement, compensation includes salary, car allowances, vacation pay, fringe benefits, benefit plans, perquisites and other like items.

COMPENSATION COMMITTEE REPORT

Compensation Philosophy

It is the goal of the Company and this Committee to align all compensation, including executive compensation, with business objectives and both individual and corporate performance, while simultaneously attracting and retaining employees who contribute to the long-term success of the Company. The Company attempts, within its resources, to pay competitively and for performance and management initiative, while striving for fairness in the administration of its compensation program.

Executive Compensation Program

It has long been the policy of the Company to encourage and enable employees upon whom it principally depends to acquire a personal proprietary interest in the Company. In prior years, the total executive compensation program of the Company consisted of both cash and equity-based compensation and was comprised of three key elements: salary, an annual bonus and a long term incentive plan.

Salary

Salaries paid to officers (other than the Chief Executive Officer and President) are based upon the Committee's review of the nature of the position, competitive salaries and the contribution, experience and Company tenure of the officer. Salaries (if any) paid to the Chief Executive Officer and President are determined by the Committee, subject to ratification by the Board of Directors and are based upon the Committee's subjective evaluation of contributions to the

Company, performance and salaries paid by competitors to their Chief Executive Officer and President. Since January 2000, Mrs. Hummerhielm, and other officers were granted salary increases.

Annual Bonus

Although the Company's liquidity situation has required the Company to limit the awarding of bonuses to only certain limited instances, it is the intention of the Committee that an executive's annual compensation consist of a base salary and an annual bonus. All officers and managerial employees of the Company (except those who are otherwise entitled to receive additional compensation) will be considered by the Compensation Committee for a bonus. Such bonuses are earned based upon the success of the Company, or of the subsidiary or division for which the individual is responsible, in achieving its goals. There were bonuses awarded to all non-commissioned employees of the Company in 2002 for 2001, including officers, as a percentage of their base salary.

Long Term Incentive Program

Presently, there are no long-term cash and equity incentives provided through any Stock Plan.

Chief Executive Officer Compensation

Since July 13, 1994, Antony Gram has served as Chairman of the Board and Chief Executive Officer of the Company. In October 1998, he was also appointed to the position of President. Mr. Gram has been responsible for resolving the problems facing the Company and developing an alternative business plan to enable the Company to continue as a going concern. During the process of resolving such difficulties and developing such plan, Mr. Gram has agreed to serve without compensation, with the understanding that all ordinary, necessary and reasonable expenses incurred by him in the performance of his duties, including travel and temporary living expenses, will be reimbursed by the Company and with the further understanding that the Committee and the Board will thereafter consider establishing an appropriate salary to be paid him for his services.

Compliance With Internal Revenue Code Section 162(m)

Section 162(m) of the Internal Revenue Code, enacted in 1993, generally disallows a tax deduction to public companies for compensation over $1,000,000 paid to the corporation's Chief Executive Officer and four other mostly highly compensated executives officers. Qualifying performance-based compensation will not be subject to the deduction limit if certain requirements are met. The compensation currently paid to the Company's Chief Executive Officer and highly compensated executive officers does not approach the $1,000,000 threshold, and the Company does not anticipate approaching such threshold in the foreseeable future. Nevertheless, the Company intends to take the necessary action to comply with the Code limitations.

Future Compensation Trends

The Committee anticipates undertaking a review of all compensation programs and policies of the Company, and making appropriate modifications and revisions, in conjunction with the Company's development of future business plans.

ITEM 12.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Based upon information furnished to the Company or contained in filings made with the Commission, the Company believes that the only persons who beneficially own more than five percent (5%) of the shares of the Common Stock of the Company are Yasawa (52.41%), Selex (20.82%) and Antony Gram, through his holdings in Selex and Yasawa (73.23%).

All of the issued and outstanding stock of Selex, Ottergeerde 14, 4941 VM Raamsdonksveer, The Netherlands, is owned by Wilbury, a majority of which is, in turn, owned by Antony Gram. As the majority shareholder of Wilbury, Antony Gram is treated as the beneficial owner of all of the Company's Common Stock held by Selex. In addition, Mr. Gram beneficially owns Yasawa, c/o Zarf Trust Corporation, N.V., 1-5 Plaza JoJo Correa, PO Box 897, Willemstad, Curacao, Netherlands Antilles. Since Yasawa is the direct owner of 7,098,975 shares of the Common Stock of the Company, and Selex is the direct owner of 2,820,066 shares of the Common Stock of the Company, Mr. Gram is deemed to be the beneficial owner of an aggregate of 9,919,041 shares of Common Stock of the Company (73.23%).

The following table sets forth information, as of February 14, 2003, concerning the beneficial ownership by all directors and nominees, by each of the executive officers named in the Summary Compensation Table (the "Summary Compensation Table") and by all directors and executive officers as a group. The number of shares beneficially owned by each director or executive officer is determined under the rules of the Commission, and the information is not necessarily indicative of beneficial ownership for any other purpose.

	Amount and Nature of Beneficial Ownership	Percent of Class
Current Directors and/or Nominees: Address: c/o The Deltona Corporation 8014 SW 135th Street Road Ocala, FL 34473		
George W. Fischer.......	35,000 - Direct	*
Antony Gram	9,919,041 - Indirect	73.23%
Rudy Gram..............	324,378 - Direct	2.39%
Thomas B. McNeill	200 - Direct	*
Christel DeWilde........	-0-	*
Current Executive Officers named in Summary Compensation Table: Address: c/o The Deltona Corporation 8014 SW 135th Street Road Ocala, FL 34473		
Antony Gram.............	9,919,041 - Indirect	73.23%
Sharon J. Hummerhielm...	200 - Direct	*
All executive officers and directors as a group, consisting of 7 persons (including those listed above)........	10,278,819	75.89%

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* Represents holdings of less than 1%.

Based upon information furnished to the Company or contained in filings made with the Commission, the Company believes that the only persons who

beneficially own more than five percent (5%) of the shares of the Common Stock of the Company are Yasawa (52.41%), Selex (20.82%) and Antony Gram, through his holdings in Selex and Yasawa (73.23%).

Mr. Rudy Gram, a member of the Board of Directors is the son of Mr. Antony Gram.

From June 19, 1992 through March 1999, the Company had entered into loan agreements with Selex International B.V., a Netherlands corporation ("Selex"), Yasawa Holdings, N.V., a Netherlands Antilles Corporation ("Yasawa"), Swan Development Corporation ("Swan") and related parties. Since December, 1992, the Company has been dependent on loans and advances from Selex, Yasawa, Swan and their affiliates in order to meet its working capital requirements.

Section 16(a) Beneficial Ownership Reporting Compliance

The Securities Exchange Act of 1934 requires the Company's directors, its executive officers and any persons holding more than ten percent of the Company's Common Stock to report their initial ownership of the Company's Common Stock and any subsequent changes in that ownership to the Commission. Under the Section 16(a) rules, the Company is required to disclose in this Proxy Statement any failure to file such required reports by their prescribed due dates.

To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required during the fiscal year ended December 31, 2002, all Section 16(a) filing requirements were satisfied.

ITEM 13.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Executive Compensation Committee (the "Committee") is comprised of Mr. Fischer, Chairman, and Messrs. Antony Gram and Rudy Gram.

Mr. Antony Gram, a member of the Committee, has served as Chairman of the Board and Chief Executive Officer of the Company, and thus, as an executive officer of the Company, since July 13, 1994. Additionally, Mr. Antony Gram is deemed to be the beneficial owner of 73.23% of the Company's Common Stock since he is the beneficial owner of Yasawa Holdings, N.V. ("Yasawa") (which holds 52.41% of the Common Stock of the Company as of March 15, 2002), as well as the holder of a majority equity interest in Wilbury International N.V., a Netherlands Antilles corporation ("Wilbury"), which owns all of the issued and outstanding stock of Selex International B.V. ("Selex) (which holds 20.82% of the Common Stock of the Company as of March 15, 2002). See "Ownership of Voting Securities of the Company."

Mr. Rudy Gram, a member of the Committee, a member of the Board of Directors and a candidate for re-election to the Board of Directors, is the son of Mr. Antony Gram. See "Ownership of Voting Securities of the Company."

From June 19, 1992 through March 1999, the Company had entered into loan agreements with Selex International B.V., a Netherlands corporation ("Selex"), Yasawa Holdings, N.V., a Netherlands Antilles Corporation ("Yasawa"), Swan Development Corporation ("Swan") and related parties. Since December, 1992, the Company has been dependent on loans and advances from Selex, Yasawa, Swan and their affiliates in order to meet its working capital requirements.

Scafholding agreed to purchase contracts receivable at 65% of face value, with recourse, to meet the Company's ongoing capital requirements. During 1998, Scafholding purchased approximately $1,396,000 in contracts receivable from the Company.

As of December 31, 2002, the Company's outstanding debt to Yasawa was $3,000,000 secured by a first lien on the Company's receivables and a mortgage on all of the Company's properties. The terms of repayment of the Yasawa loan provide for $100,000 of monthly payments of principal in cash or contracts receivable at 100% of face value, with recourse. Interest accrues at 6% for 2000, at the prime rate adjusted semi-annually to the then current rate ranging from 9.5% to 4.75% for 2001 and 2002 and 4.25% effective January 1, 2003. The Company satisfied its principal obligation to Scafholding as of December 31, 1999. Yasawa and Scafholding have not required the Company to make interest payments since September 1, 1998. As of December 31, 2002, the total amount of interest accrued on the Yasawa and Scafholding obligations is approximately $1,629,000, which is included in accrued interest.

During 2002, Swan loaned the Company an additional $3,849,000 so that it was able to meet its working capital requirements. The Company's debt to Swan as of December 31, 2002, of $8,282,000 is secured by a second lien on the Company's receivables. Swan has agreed to accept contracts receivable at 90% of face value, with recourse, in payment of the Company's obligation to Swan. The Company recognizes a loss on the transfer of contracts at less than face value. The amount of each monthly payment will be dependent upon the amount of contracts receivable in the Company's portfolio, excluding contracts receivable held as collateral for prior receivable sales. Each month, the Company is required to transfer to Swan , as debt repayment, all current contracts receivable in the Company's portfolio in excess of $500,000. Swan does not charge interest for the first six months after an advance; thereafter, the interest was 6% for 2000, at the prime rate adjusted semi-annually to the then current rate ranging from 9.5% to 4.75% for 2001 and 2002 and 4.25% effective January 1, 2003. As of December 31, 2002, the accrued and unpaid interest on the Swan notes of approximately $837,000 is included in accrued interest.

The Company recognized interest expense and a contribution to additional paid in capital for preferential cost of funds advanced by Swan and other affiliated companies. The first six months of each loan advance from Swan that is non-interest bearing, the Company recognizes interest at the prime rate, the Company's incremental borrowing rate. The Company recorded interest expense and a capital contribution in the amount of approximately $78,000 and $170,000, for 2002 and 2001, respectively. For 2000 the company recognized an additional interest expense and capital contribution of $408,000 on all outstanding debt balances to Yasawa, Scafholding and Swan at 8%, the Company's incremental borrowing rate and the amount accrued under the terms of the respective notes.

During 1998, the Company transferred 14 lots and 4 tracts of land to Swan. In return, Swan built an office complex on part of the land for use by the Company for a period of 54 months, renewable thereafter. The Company valued the

land transferred at approximately $440,000 and recorded the net present value of the use of the office complex of approximately $375,000 as prepaid rent. The difference between the net present value of the rent and the cost of the land was recorded as deferred profit and is recognized over the lease term.

In January 2000, the Company purchased 16 lots and homes under construction from Scafholding for approximately $862,000. This amount represents Scafholding's lot cost and payments to date to the home builder. This transaction was 100% financed by Swan under its existing note payable arrangement.

During 2001, the Company entered into a joint venture agreement (the "Venture") with Scafholding, (see Note 12), for the purchase of property tax certificates, application of tax deeds, administration and the acquisition and sale of land. The Company provides administrative, managerial, sales and marketing services to the Venture. The Company is reimbursed by the Venture for all commissions and marketing costs plus an administrative fee of 10% of all sales consummated. Scafholding provides financing to the Venture and has loaned the Venture approximately $1,554,000 as of December 31, 2002. Interest on the outstanding debt accrues at the fixed rate of 7.75%. Net income is to be distributed equally between the Company and Scafholding. The Company records its investment in the Venture on the equity method as control of the Venture rests with Scafholding as specified in the joint venture agreement.

In the future, if the Company elects to do so, Yasawa and Scafholding have agreed to purchase contracts receivable at 65% of face value, with recourse. The Company has an agreement with Swan whereby Swan may loan the Company funds to be repaid with contracts receivable at 90% of face value, with recourse.

In 2002, the Company filed a Form 13E(3) and a preliminary proxy statement related to a proposed going private transaction. These documents are currently being reviewed by the SEC staff. These filings were done pursuant to actions by the Board of Directors. On December 13, 2001, the Board of Directors approved, subject to stockholder approval, a 1 for 500,000 reverse split of the Company's common stock and a related amendment to the Company's Articles of Incorporation reducing the number of authorized shares to 30. Based on the current common stockholdings, if voted and approved by the stockholders, the reverse split will reduce the number of the Company's stockholders to two stockholders: Selex International, B.V., a Netherlands corporation ("Selex") and Yasawa Holdings, N.V., a Netherlands Antilles corporation ("Yasawa"). The date of the meeting of stockholders to consider both matters will be determined upon the conclusion of the review and subsequent amendments to the disclosures in preliminary proxy statement and Form13E(3) filings.

ITEM 14

CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer have evauluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of a date within 90 days prior to the filing date of this annual report on Form 10-K (the "Evaluation Date"). Based on such evaluation, they have concluded that, as of the Evaluaion Date, our disclosure

controls and procedures are effective in alerting management on a timely basis to material information relating to the Company required to be included in our reports filed or submitted under the Exchange Act.

Changes in Internal Controls

Since the Evaluation Date, there have not been any significant changes in our internal controls or in other factors that could affect such controls.

PART IV

ITEM 15

EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

See Item 8, Index to Consolidated Financial Statements and Supplemental Data.

2. Financial Statement Schedules

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Independent Auditors' Report....................	54
Schedule II - Valuation and qualifying accounts for each of the three years ended December 31, 2002.................	55

All other schedules are omitted because they are not applicable or not required, or because the required information is included in the Consolidated Financial Statements or Notes thereto.

3. Exhibits

Attached hereto as Exhibit 10(pp) is the Purchase and Sale Agreement between the Company and Finova Capital Group for the acquisition of the remaining contracts receivable purchased in 1990 and 1992 by Oxford Finance Company. See the Exhibit Index included herewith.

(b) Reports on Form 8-K

None.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF THE DELTONA CORPORATION:

We have audited the consolidated financial statements of The Deltona Corporation and subsidiaries (the "Company") as of December 31, 2002 and 2001 and for the years ended December 31, 2002, 2001 and 2000 and have issued our reports thereon dated February 6, 2003, except for Note 12 as to which the date is March 7, 2003, (which expresses an unqualified opinion and includes an explanatory paragraph relating to the Company's ability to continue as a going concern), included elsewhere in this Annual Report on Form 10-K. Our audit also included the financial statement schedules listed in Item 14(a)2 of this Annual Report on Form 10-K. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audit. In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

JAMES MOORE & COMPANY P.L.
Certified Public Accountants
Gainesville, Florida
February 6, 2003 except for Note 12
as to which the date is March 7, 2003

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SCHEDULE II

THE DELTONA CORPORATION AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS
(in thousands)

Those Valuation and Qualifying Accounts Which are Deducted in the Balance Sheet from the Assets to Which They Apply	Balance at Beginning of Period	Revenues, Costs, and Expenses	Additions Charged to Deductions from Reserves	B E P
Year ended December 31, 2002				

Allowance for uncollectible contracts(a)(c).......	$ 205	$ 1,834	$ 1,839
Unamortized contract valuation discount(b)........	$ 138	$ 227	$ 217
Year ended December 31, 2001			
Allowance for uncollectible contracts(a)(c).......	$ 291	$ 1,774	$ 1,860
Unamortized contract valuation discount(b)........	$ 264	$ 73	$ 199
Year ended December 31, 2000			
Allowance for uncollectible contracts(a)(c).......	$ 606	$ 1,176	$ 1,491
Unamortized contract valuation discount(b)........	$ 293	$ 267	$ 296

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SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Act of 1934, the Company has duly caused this amendment to the annual report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

THE DELTONA CORPORATION
(Company)

By:/s/ Robert O. Moore DATE: August 13, 2002

Robert O.Moore, Treasurer, Chief Financial
Officer and Chief Accounting Officer

Pursuant to the requirements of the Securities Act of 1934, this amendment to the annual report on Form 10-K/A has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the date indicated.

/s/ Antony Gram

Antony Gram, Chairman of the Board of Directors,
Chief Executive Officer and President

/s/ Christel DeWilde

Christel DeWilde, Director

/s/ George W. Fischer

George W. Fischer, Director

/s/ Rudy Gram

Rudy Gram, Director

/s/ Thomas B. McNeill

Thomas B. McNeill, Director DATE: August 13, 2003

INDEX TO EXHIBITS

Exhibit Number	Exhibits	Sequentially Numbered Page
2(a)	Purchase Agreement dated November 6, 1985, among the Company, its utility subsidiaries and Topeka Group Incorporated, including as exhibits thereto the form of Deltona Warrant, the form of Utility Subsidiary Warrant and the form of Security Agreement. Incorporated herein by reference to Exhibit 2(a) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1985.	
2(b)	Stock Redemption and Stock Purchase Agreement dated November 8, 1985, by and among the Company, its utility subsidiaries and Topeka Group Incorporated, including as an exhibit the specimen Articles of Amendment of Deltona Utilities, Inc. Incorporated herein by reference to Exhibit 2(b) to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1985.	
2(c)	Agreement dated November 17, 1987 modifying the November 6, 1985 Purchase Agreement among the Company, its utility subsidiaries and Topeka Group, Incorporated, including as an exhibit thereto a specimen Amended Stock Redemption and Stock Purchase Agreement by and among the Company, its utility subsidiaries and Topeka Group, Incorporated.*	
2(d)	Letter to American Stock Transfer to Transfer 6,809,338 shares of common stock to Yasawa Holding N.V.	

3(a)	Restated Certificate of Incorporation and Certificate of Designation, Preferences and Rights relating to the Series A Cumulative Preferred Stock of the Company.*
3(b)	By-laws of the Company. ++
4(a)	Fifth Amended and Restated Credit and Security Agreement dated as of March 25, 1987, between the Company, certain subsidiaries of the Company, Citibank, N.A., and certain other banks. Incorporated herein by reference to Exhibit 4(a) to the Company's Quarterly Report on Form 10-Q for the quarter ended March 27, 1987.
4(b)	Modification Agreement, dated June 30, 1988, to Exhibit 4(b). Incorporated by reference to Exhibit4 to Company's Quarterly Report on Form 10-Q for the quarter ended June 24, 1988.
4(C)	Extension of Maturity Date, dated January 30, 1989, to Exhibit 4(b).***
4(d)	Extension of Maturity Date, dated January 31, 1990, to Exhibit 4(b).****
4(e)	Conveyance Agreement between the Company, certain subsidiaries of the Company, Citibank, N.A., and certain other banks. Incorporated herein by reference to Exhibit 4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 27, 1991.
4(f)	Sixth Amended and Restated Credit and Security Agreement dated as of June 18, 1992, between the Company, certain subsidiaries of the Company, Citibank, N.A., and certain other banks, including therewith the Receivables Sharing Agreement and the form of Warrant issued to the banks.++
4(g)	Option granted to Selex Sittard B.V., dated June 19, 1992. Incorporated by reference to Exhibit4 to Company's Quarterly Report on Form 10-Q for the quarter ended June 26, 1992.
4(h)	Waiver and Relinquishment by Selex Sittard B.V., dated September 14, 1992, as to certain shares under option pursuant to that Option granted Selex Sittard B.V. on June 19, 1992. Incorporated by reference to Exhibit 4 to Company's Quarterly Report on Form 10-Q for the quarter ended September 25, 1992.
4(i)	Seventh Amendment to Credit and Security Agreement dated December 2, 1992 by and among Yasawa Holdings, N.V., the Company and certain subsidiaries of the Company. +++
4(j)	Warrant Exercise and Debt Reduction Agreement dated December 2, 1992 by and between the Company and Yasawa Holdings, N.V. +++
4(k)	Loan Agreement dated April 30, 1993 between the Company and Selex International, B.V., including therewith the Mortgage and Note entered into pursuant thereto. Incorporated herein by reference to Exhibit 4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 26, 1993.

4(l)	Loan Agreement dated July 14, 1993 between the Company and Selex International B.V, including therewith the Mortgage and Note entered into pursuant thereto. Incorporated herein by reference to Exhibit 4 to the Registrant's Quarterly Report on Form 10-Q dated June 25, 1993.	

INDEX TO EXHIBITS

Exhibit Number	Exhibits	Sequentially Numbered Page
4(m)	First, Second, Third, Fourth and Fifth Amendments to Loan Agreement dated July 14, 1993 between the Registrant and Selex International, B.V., Incorporated herein by reference to Exhibit 4 to the Registrant's Report on Form 8-K dated February 17, 1994.	
4(n)	Eighth Amendment and Consolidation of Credit and Security Agreement between the Company and Yasawa dated November 13, 1997.++++	
4(o)	Renewal Promissory Note from the Company to Yasawa in the amount of $6,692,732 dated November 13, 1997.++++	
4(p)	Consolidated Mortgage Modification and Spreader Agreement between the Company and Yasawa dated November 13, 1997.++++	
4(q)	Partial Release of Mortgage and Financing Statement from the Company to Yasawa dated November 13, 1997.++++	
4(r)	Satisfaction of Mortgage dated November 13, 1997 from Selex International, B.V. for Selex I loan.++++	
4(s)	Satisfaction of Mortgage dated November 13, 1997 from Selex international, B.V. for Selex II loan.++++	
4(t)	General Release from Selex International, B.V. dated November 13, 1997.++++	
4(u)	Renewal Promissory Note from the Company to Scafholding, B.V. in the amount of $2,293,950 dated November 13, 1997 ++++	
4(v)	Satisfaction of Mortgage dated January 28, 1998, effective December 30, 1997 , of the Mortgage given by the Company to the Division of Florida Land Sales, Condominiums and Mobile Homes.++++	
4(w)	UCC3 effective December 30, 1997 from the Division of Florida Land Sales, Condominiums and Mobile Homes releasing its lien on the Company's contracts receivable.++++	

4(x)	Promissory Note from the Company to Swan in the amount of $5,690,000 dated March 26, 1999.+++++
10(a)	Employment Agreement dated June 15, 1992 between the Company and Earle D. Cortright, Jr.++
10(b)	Employment Agreement dated November 1, 1988 between the Company and Michelle R. Garbis.**
10(c)	Agreement dated June 15, 1992 extending the Employment Agreement dated November 1, 1988,as amended, between the Company and Michelle R. Garbis.++
10(d)	Employment Agreement dated February 28, 1992 between the Company and David M. Harden and amendment thereto dated June 15, 1992.++
10(e)	Employment Agreement dated June 15, 1992 between the Company and Sharon J. Hummerhielm. ++
10(f)	Employment Agreement dated June 15, 1992 between the Company and Charles W. Israel.++
10(g)	Letter Agreement dated October 26, 1988 between the Company and Stephen J. Diamond. **
10(h)	1982 Employees' Incentive Stock Option Plan. Incorporated herein by reference to Exhibit 4(g) to Company's Registration Statement on Form S-8, registration number 2-78904.
10(i)	Annual Executive Bonus Plan adopted by the Company on November 13, 1986. Incorporated herein by reference to Exhibit 10(x) to the Company's Annual Report on Form 10-K for the year ended December 26, 1986.
10(j)	1987 Stock Incentive Plan adopted by the Company on November 13, 1986, subject to the approval of the Company's stockholders. Incorporated herein by reference to Exhibit 10(y) to the Company's Annual Report on Form 10-K for the year ended December 26, 1986.
10(k)	Resolution of the Board of Directors of Company adopted February 25, 1987 amending the 1982 Employees' Incentive Stock Option Plan. Incorporated herein by reference to Exhibit 10(d) to the Company's Annual Report on Form 10K for the year ended December 26, 1986.

INDEX TO EXHIBITS

Exhibit Number	Exhibits	Sequentially Numbered Page
10(l)	Amendment to Annual Executive Bonus Plan, as adopted by the Company on October 20, 1988.**	
10(m)	Amendment to 1987 Stock Incentive Plan, as adopted by the Company on October 20, 1988.**	

10(n)	Settlement Agreement, made and entered into by and between the National Audubon Society, Collier County Conservancy, Florida Audubon Society, Environmental Defense Fund, Florida Division of the Izaak Walton League, Department of Environmental Regulation of the State of Florida, the Board of Trustees of the Internal Improvement Trust Fund, the Department of Veteran and Community Affairs of the State of Florida, the South Florida Water Management District and Company dated July 20, 1982, and Agreement of Exchange executed pursuant thereto, dated March 24, 1984. Incorporated herein by reference to Exhibit 10(C) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1984.
10(o)	Agreement, retroactive to June 19, 1992, amending the Employment Agreement dated June 15, 1992 between the Company and Earle D. Cortright, Jr. Incorporated herein by reference to Exhibit 10(o) to the Company's Annual Report on Form 10-Kfor the year ended December 31, 1993.
10(p)	Employment Agreement, effective July 15, 1992, between the Company and Joseph Mancilla, Jr. Incorporated herein by reference to Exhibit 10(p) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993.
10(q)	Sale, Purchase, Repurchase and Servicing Agreement dated October 7,1988 between the Company and Morsemere Federal Savings Bank.**
10(r)	Agreement dated February 27, 1989 between Company and Oxford Finance Companies, Inc.***
10(s)	Agreement dated February 7, 1990 between Company and Oxford Finance Companies, Inc.****
10(t)	Promissory Note dated October 12, 1990 from the Company to Empire of Carolina, Inc.+
10(u)	Settlement Agreement dated November 6, 1989 between Company and Topeka Group Incorporated. Incorporated herein by reference to Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 29, 1989.
10(v)	Loan and Escrow Agreement dated June 15, 1992 between Company and Selex Sittard B.V., including therewith the Mortgage and Note entered into pursuant thereto.++
10(w)	Agreement dated June 12, 1992 between Company and The Oxford Finance Companies, Inc., including therewith the Collateral Trust Agreement entered into pursuant thereto.++
10(x)	The 1992 Deltona Consent Order, dated June 17, 1992, between Company and the State of Florida, Department of Business Regulation, Division of Florida Land Sales, Condominiums and Mobile Homes (the "Division"), including therewith the Escrow Agreement entered into

	pursuant thereto.++
10(y)	The St. Augustine Shores Restated Consent Order, dated June 17, 1992, between Company and the Division.++
10(z)	The Consent Order, dated June 15, 1992, between Company and the Division pertaining to ad valorem taxes on real estate.++
10(aa)	Agreement of Purchase and Sale dated December 2, 1992 between the Company and Scafholding, B.V. +++
10(bb)	Citrus Springs Joint Venture Agreement dated December 2, 1992 between the Company and Citony Development Corporation.+++
10(cc)	Agreement of Purchase and Sales dated December 2, 1992 between the Company, Margolf Investments, Inc. and Five Points Title Service Co., Inc., as Escrow Agent. +++
10(dd)	Lease Agreement dated December 2, 1992 between Margolf as Landlord and the Company as Tenant. +++
10(ee)	Loan Agreement dated December 2,1992 between Scafholding B.V. and the Company. +++
10(ff)	Employment Agreement, effective March 15, 1993, between the Company and Bruce M. Weiner. Incorporated herein by reference to Exhibit 10(ff) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993
10(gg)	Agreement dated March 10, 1993 between the Company and Charles Lichtigman concerning the sale of contracts and mortgages receivable. Incorporated herein by reference to Exhibit 10 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 26, 1993.
10(hh)	Agreement for Purchase and Sale of Land in St. Johns County, Florida dated March 8, 1994. Incorporated herein by reference to Exhibit 10 to the Registrant's Report on Form 8-K dated February 17, 1994.
10(ii)	Agreement of Purchase and Sale between the Company and Swan Development Corporation concerning the sale of all remaining inventory in St. Augustine Shores Subdivision dated November 13, 1997.++++

INDEX TO EXHIBITS

Exhibit Number	Exhibits	Sequentially Numbered Page
10(jj)	Agreement between the Company and Swan Development Corporation concerning the St. Augustine Shores Exchange program dated November 13, 1997.++++	

10(ll)	Lot Exchange Trust Agreement between the Company, Five Points Title Services Company, Inc and the Division of Florida Land Sales, Condominiums and Mobile Homes dated November 13, 1997.++++
10(mm)	Letter from the Division of Florida Land Sales, Condominiums and Mobile Homes dated December 30, 1997 approving the sale of St. Augustine Shores to Swan Development Corporation.++++
10(nn)	Letter from the Division of Florida Land Sales, Condominiums and Mobile Homes dated December 30, 1997 approving the material change for the sale of common stock, sale of receivables, Lot Exchange Trust Agreement and release of lien.++++
10(oo)	Joint Venture Agreement dated September 1, 2001 between Five Points Title as Trustee for Scafholding B.V. and the Company++++++
10(pp)	Purchase and Sale Agreement dated February 27, 2003 between the Company and Finova Capital Corporation for the acquisition of the remaining contracts receivable purchased in 1990 and 1992 by Oxford Finance Company.
11	Statement of computation of net income (loss) per common share.
18	Letter dated March 22, 1991 from Deloitte & Touche regarding a change in the method of applying accounting principles or practices by Company.+
21	Subsidiaries of Company.
23	Consent of James Moore & Co. , P.L.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification Under Section 906 of the Sarbanes-Oxley Act of 2002

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*	Incorporated by reference to such exhibit to Company's Annual Report on Form 10-K for the year ended December 25, 1987.
**	Incorporated by reference to such exhibit to Company's Quarterly Report on Form 10-Q for the quarter ended September 23, 1988.
***	Incorporated by reference to such exhibit to Company's Annual Report on Form 10-K for the year ended December 30, 1988.
****	Incorporated by reference to such exhibit to Company's Annual Report on Form 10-K for the year ended December 29, 1989.
+	Incorporated by reference to such exhibit to Company's

Annual Report on Form 10-K for the year ended December 28, 1990.

++	Incorporated by reference to such exhibit to Company's Annual Report on Form 10-K for the year ended December 27, 1991.
+++	Incorporated by reference to such exhibit to Company's Report on Form 8-K dated December 2, 1992.
++++	Incorporated by reference to such exhibit to Company's Annual Report on Form 10-K for the year ended December 31, 1997.
+++++	Incorporated by reference to such exhibit to Company's Annual Report on Form 10-K for the year ended December 31, 1999.
++++++	Incorporated by reference to such exhibit to Company's Annual Report on Form 10-K for the year ended December 31, 2001.