

A photograph of the Florida State Capitol building in Tallahassee, Florida. The building is a large, white, neoclassical structure with a prominent dome and a portico supported by columns. The sky is a clear, bright blue. The text "Florida Comprehensive Annual Financial Report" is overlaid on the top half of the image in a large, white, sans-serif font.

Florida

Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2002

ACKNOWLEDGEMENTS

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SPECIAL APPRECIATION

Special appreciation is given to all fiscal and accounting personnel throughout the State who contributed financial information for their agencies.

Special appreciation is also given to the Department of State for providing the text for the CAFR theme, Florida Symbols, as well as all agencies for providing the photographs to be used in this report.

The photograph on the back cover of the CAFR is provided by Joe Seamone (bocajoe@comcast.net).

GRAPHIC DESIGN

Graphics of the report cover, back cover, and color divider pages were designed by Kyle Honnig, a student at Tallahassee Community College (TCC), Tallahassee, Florida, under the direction of Rick Rice of the TCC Graphic Design Technology Program.

ON THE COVER

The State Capitol building in Tallahassee, Florida.



STATE OF FLORIDA



COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year
Ended June 30, 2002



JEB BUSH
GOVERNOR

TOM GALLAGHER
CHIEF FINANCIAL OFFICER

DEPARTMENT OF FINANCIAL SERVICES

Effective January 7, 2003, the constitutional offices of Treasurer and Comptroller were merged into one Chief Financial Officer. This is a result of Florida voter approval of Constitutional Revision Eight in November 1998.



This document and related information is available via the
Department of Financial Services' homepage on the
World Wide Web: www.fdfs.com

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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Introductory Section



Florida Panther - Florida State Animal



DEPARTMENT OF FINANCIAL SERVICES

TOM GALLAGHER
CHIEF FINANCIAL OFFICER

February 26, 2003

The Honorable Jeb Bush, Governor
President of the Senate
Speaker of the House of Representatives
Citizens of the State of Florida

As required by Section 216.102(3), Florida Statutes, I am pleased to submit the State of Florida Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2002.

INTRODUCTION TO THE REPORT

This report is prepared in conformance with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). It is a comprehensive presentation of the state's financial and operating activities during the fiscal year ended June 30, 2002. The CAFR is presented in three sections: introduction, financial, and statistical and economic data.

Responsibility

In the past, the Office of the Comptroller had the responsibility to prepare and publish the CAFR. Effective January 7, 2003, the constitutional offices of the Treasurer and the Comptroller were merged into the Chief Financial Officer (CFO) under the Department of Financial Services. This was a result of Florida voter approval of Constitutional Revision Eight in November 1998. As a result, the CFO assumes the responsibility to prepare and publish the CAFR.

Basic Financial Statements

Basic financial statements presented in the CAFR include government-wide financial statements, fund financial statements, and notes to the financial statements. Notes to the financial statements disclose additional information such as the state's significant accounting policies, deposits and investments, tax revenue, capital assets, pensions and other postemployment benefits, long-term liabilities, risk management, contingencies, and litigation. Notes to the financial statements are an integral part of the basic financial statements and should be viewed as such. The Management's Discussion and Analysis (MD&A), which precedes the basic financial statements, presents financial highlights, overall financial analysis, and economic outlook of the state. The various financial statements presented in the CAFR are discussed in more detail in the MD&A and Note 1 to the financial statements.

Independent Auditor

The basic financial statements within the Financial Section of the CAFR have been audited by the Auditor General, and his opinion is included in the CAFR. The Auditor General also conducts a Statewide Federal Awards Audit as required by the U.S. Office of Management and Budget (OMB). This report is issued separately.

PROFILE OF THE STATE

Governmental Structure

Florida's constitution divides the governmental structure of the state into three separate independent branches. The Legislative Branch has exclusive law-making power for the state. The Executive Branch, with the Governor as its chief, administers the laws made by the Legislature. The Cabinet shares some executive power and responsibilities with the Governor. The Judicial Branch interprets the law and applies the Constitution. Refer to the organizational chart dated June 30, 2002 following this letter for more detail.

Financial Reporting Entity

Because accounting and financial reporting emphasize economic substance over legal form, the financial reporting entity presented in the CAFR includes organizations in addition to the state's primary government. These organizations are defined as component units. Refer to Note 1 to the financial statements for more information.

FINANCIAL INFORMATION

Accounting System

The Florida Financial Management Information System Act requires the design and implementation of a unified management information system, which contains five subsystems. One of the five subsystems designated by the Legislature is the Florida Accounting Information Resource (FLAIR) Subsystem. The Department of Financial Services is responsible for the design, implementation, and operation of FLAIR. FLAIR is a computer-based, double entry general ledger accounting system. Internal accounting controls are in place to provide reasonable assurance regarding the safeguarding of assets and reliability of financial records for the preparation of financial statements and maintaining accountability.

Budgetary Control

While the departmental component of FLAIR provides agency management with a budgetary check mechanism, the central component (also a part of FLAIR) maintains a separate accounting system on the cash basis for the control of budget by line item of the appropriations act. Florida law strictly prohibits overspending. Refer to the Other Required Supplementary Information Section within the CAFR for a detailed discussion of the state's budget process.

Cash Management and Investment

All moneys received by any state agency must be deposited in the State Treasury, unless specifically exempted. Receipts in any fund may be by direct deposit or by transfer from another fund. The Chief Financial Officer approves disbursements from the State Treasury upon request of the agency authorized to make the expenditure. Moneys being held in the State Treasury are invested in various security instruments, as discussed in Note 2 to the financial statements.

The State Board of Administration has the investing responsibility for members of the Florida Retirement System and state and local governments. Refer to Note 2 to the financial statements for more information about the state's investments.

State Funds

Section 215.32(1), Florida Statutes, created the following state funds to account for moneys received by the state. These funds differ from external reporting funds that are required to be used in the financial statements by the Governmental Accounting Standards Board (GASB).

General Revenue Fund

The General Revenue Fund consists of all moneys received by the state from every source, except moneys deposited into trust funds, the Working Capital Fund, and the Budget Stabilization Fund. About 45 percent of all taxes, licenses, fees, and other operating receipts are credited to the General Revenue Fund.

Trust Funds

Trust funds consist of receipts that are earmarked for a specific purpose, either by general law, the Constitution, or a trust agreement. Each receipt is credited to the accounts which make up the trust funds.

Working Capital Fund

The Working Capital Fund consists of funds available in the General Revenue Fund which are not needed for appropriations. The Working Capital Fund serves as a reserve fund to offset unanticipated expenditures, such as spending on emergencies. Refer to the Statistical and Economic Data Section of the CAFR for the operating history of the Working Capital Fund.

Budget Stabilization Fund

The Budget Stabilization Fund must be maintained at not less than 5 percent of the previous year's General Revenue net collections. Moneys in the fund may only be used to cover revenue shortfalls in the General Revenue Fund and for emergencies as defined by law. Expenditures from the fund must be restored in equal installments in each of the five succeeding fiscal years unless other repayment schedules are established by the Legislature. Refer to the Statistical and Economic Data Section of the CAFR for the operating history of the Budget Stabilization Fund.

Debt Administration

Florida maintains a high bond rating from Moody's Investors Services (Aa2), Standard and Poor's Corporation (AA+), and Fitch, Inc. (AA) on all state general obligation bonds. Bonds are issued to finance capital outlay for education projects of state universities, community colleges, and local school districts; environmental protection; and highway construction. Refer to the MD&A and Note 8 to the financial statements for more information about the state's outstanding bonds.

Tax Revenue

The largest revenue source for the state is taxes. Sales and use tax represents over 60 percent of all the state taxes collected. Florida's law provides that each sale, admission charge, storage, or rental is taxable unless the transaction is specifically exempt. Refer to Note 4 to the financial statements for more information about the state's tax revenue.

Tobacco Litigation Settlement

Florida's 1997 tobacco settlement is expected to total approximately \$13 billion over the initial 25-year period. As of June 30, 2002, the state has received approximately \$3.3 billion from the settlement. The settlement anticipates that the state will use the funds for children's health care coverage and other health-related services and for mandated improvements in state enforcement efforts regarding the reduction of sales of tobacco products to minors.

ACKNOWLEDGEMENTS

The preparation of the CAFR requires the cooperation of fiscal and accounting personnel throughout the state. This year, we implemented several new GASB standards, including Statement No. 34, which required additional effort. We sincerely appreciate all those that have contributed to this effort including all state agencies and the Auditor General's Office. Special appreciation goes to General Robert F. Milligan, former State Comptroller, for his leadership while head of the Department of Banking and Finance.

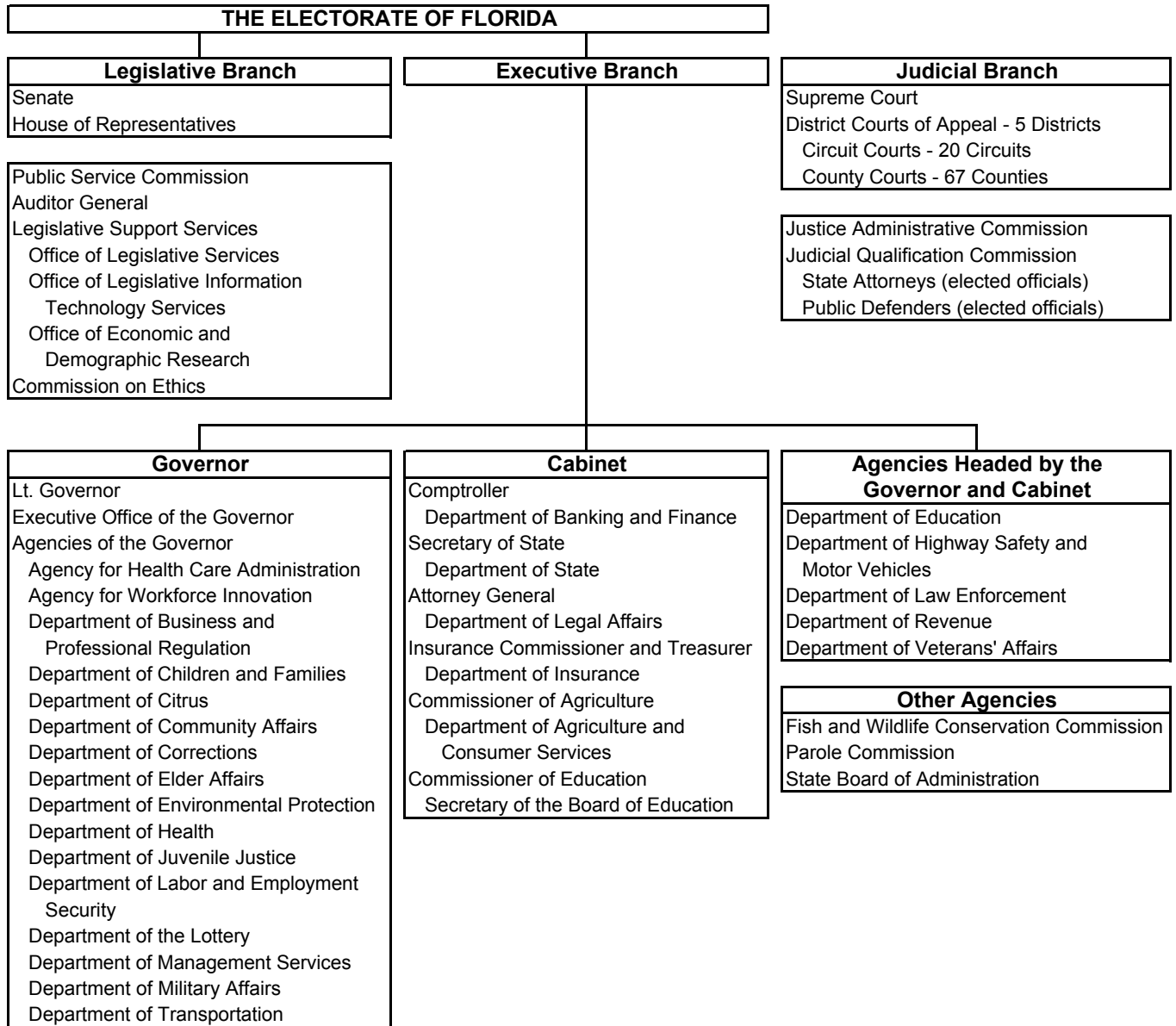
Sincerely,

//SS//

Tom Gallagher
Chief Financial Officer

TG:tw

ORGANIZATION AT JUNE 30, 2002



PRINCIPAL OFFICIALS AT JUNE 30, 2002

Legislative Branch

Senate
John M. McKay, President
House of Representatives
Tom Feeny, Speaker

Executive Branch

Jeb Bush, Governor
Frank Brogan, Lieutenant Governor
Cabinet
Robert F. Milligan, Comptroller
Katherine Harris, Secretary of State
Robert A. Butterworth, Attorney General
Tom Gallagher, Insurance Commissioner and Treasurer
Charles H. Bronson, Commissioner of Agriculture
Charlie Crist, Commissioner of Education

Judicial Branch

Charles T. Wells, Chief Justice



FINANCIAL SECTION





AUDITOR GENERAL STATE OF FLORIDA



WILLIAM O. MONROE, CPA
AUDITOR GENERAL

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida as of and for the year ended June 30, 2002, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Legislature constituting less than 1 percent of assets and revenues of the governmental activities; the Lottery Fund (Florida Department of the Lottery) also constituting approximately 25 percent and 51 percent of the assets and revenues, respectively, of the business-type activities; nor did we audit the discretely presented component units (other than the State's universities and community colleges, comprising approximately 59 percent and 80 percent of the assets and revenues, respectively, of the aggregate discretely presented component unit column) as described in Note 1 to the basic financial statements. Those financial statements were audited by other auditors whose reports thereon have been made available to us and our opinion on the basic financial statements, insofar as it relates to the amounts included for these entities, is based solely upon the reports of the other auditors.

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

Records of the Board of Trustees of the Internal Improvement Trust Fund were not adequate to document the ownership and valuation of a substantial portion of land, which is recorded at \$3.085 billion and constitutes 27.4 percent of the reported land value, and 7.4 percent of capital assets reported for governmental activities at June 30, 2002. As a result, it was not practicable in the circumstances for us to determine whether the amount reported for land within the governmental activities is fairly presented.

In our opinion, except for the effects of such adjustments, if any, of not providing adequate documentation regarding the amount reported for land within the governmental activities as described in the preceding paragraph, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated February 26, 2003, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit. That report will be included as part of our separately issued Report on the Audit of the Federal Awards Programs of the State of Florida.

As discussed in Note 1 to the financial statements, the State has implemented a new financial reporting model as required by the provisions of Government Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*; Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: and Omnibus*; Statement No. 38, *Certain Financial Statement Note Disclosures*; as of June 30, 2002.

As discussed in Note 1 H. to the financial statements, the State made accounting changes to its financial reporting entity. The changes reflected management's judgment with regard to the State's legal and financial relationship with certain entities.

The accompanying management discussion and analysis on pages 15 through 18 and the required supplementary information – budgetary information, pension trust fund information, and information on infrastructure using the modified approach on pages 92 through 106 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The supplementary information - combining statements and individual fund statements and schedules on pages 110 through 177 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section on pages 6 through 9, and the statistical and economic data section on pages 180 through 189 have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,



William O. Monroe, CPA
February 26, 2003



MANAGEMENT’S DISCUSSION AND ANALYSIS

The State of Florida (the State)’s general purpose external financial statements are presented within the financial section of this Comprehensive Annual Financial Report (CAFR). The components of the general purpose external financial statements include:

- Management’s Discussion and Analysis (MD&A)
- Basic Financial Statements
- Other Required Supplementary Information (RSI)

The MD&A, a component of RSI, introduces the basic financial statements and provides an analytical overview of the State’s financial activities. Because fiscal year ended June 30, 2002 is the first year in which the State implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, this MD&A does not provide comparisons with the previous year. Future reports will provide such comparisons.

Overview of the Financial Statements

The State’s basic financial statements comprise the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the State’s overall financial condition.

Changes in the State’s financial position may be measured over time by increases and decreases in the Statement of Net Assets. Information on how the State’s net assets changed during the fiscal year are presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the State, reporting the State’s operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental, proprietary, and fiduciary funds. Financial statements for the State’s component units are also presented.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 to the financial statements for more detailed information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

Table 1: Major Features of the Basic Financial Statements

	Government-wide	Fund Financial Statements		
	Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire State government (except fiduciary funds) and the State’s component units	Activities of the State that are not proprietary or fiduciary	Activities of the State that are operated similar to private businesses	Instances in which the State is the trustee or agent for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses, and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> • Revenues for which cash is received during or soon after the end of the year • Expenditures when goods or services have been received and payment is due during the year or soon thereafter 	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Condensed Financial Information

Condensed Statement of Net Assets

The largest component (\$41.4 billion) of the State's net assets reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The State uses these capital assets to provide services to the citizens and businesses in the State; consequently, these net assets are not available for future spending. Restricted net assets are the next largest component, totaling \$13.3 billion. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net assets is unrestricted, which can be used to finance government operations.

Table 2 below presents the State's condensed statement of net assets as of June 30, 2002, derived from the government-wide Statement of Net Assets.

	Governmental Activities	Business- type Activities	Total Primary Government
Current and other assets	\$ 17,232	\$ 11,393	\$ 28,625
Capital assets	41,834	4,619	46,453
Total assets	59,066	16,012	75,078
Other liabilities	6,744	2,920	9,664
Long-term liabilities	17,165	3,703	20,868
Total liabilities	23,909	6,623	30,532
Net assets:			
Invested in capital assets, net of related debt	38,329	3,061	41,390
Restricted	7,117	6,150	13,267
Unrestricted (a)	(10,290)	178	(10,112)
Total net assets	\$ 35,156	\$ 9,389	\$ 44,545

(a) Governmental activities reflect a negative unrestricted net asset balance of \$10.3 billion. This deficit is primarily the result of education-related bonds in which the State is responsible for the debt, but the local school districts own the capital assets. Because the State does not own these capital assets, the bonded debt is not netted on the line item "invested in capital assets, net of related debt." Instead, this bonded debt is netted with "unrestricted net assets." Education-related bonds include State Board of Education Capital Outlay Bonds, Public Education Capital Outlay (PECO) Bonds, and Lottery Education Bonds, which have a total ending balance at June 30, 2002, of \$10.1 billion. The State has an additional \$1.3 billion in bonded debt in which the State does not own the related capital assets, including some Road and Bridge Bonds and Pollution Control Bonds. The additional bonded debt also includes Inland Protection Bonds and Investment Restoration Bonds which have no related capital assets. The resources related to the payment of this debt will be provided from future revenue sources. If these bonds were removed, the adjusted unrestricted net assets for governmental activities would be \$1.1 billion.

Condensed Statement of Activities

Table 3 below presents the State's condensed statement of activities for the fiscal year ended June 30, 2002, as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the State's financial position is improving or deteriorating. During the fiscal year, the net assets of the governmental activities increased by \$967 million or 2.8 percent, and the net assets of the business-type activities increased by \$288 million or 3.2 percent.

**Table 3: Condensed Statement of Activities
For Fiscal Year Ended June 30, 2002**

	Governmental Activities	Business- type Activities	Total Primary Government
Revenues			
Program revenues			
Charges for services	\$ 4,421	\$ 4,740	\$ 9,161
Operating grants & contributions	12,159	184	12,343
Capital grants & contributions	1,326	.....	1,326
Total program revenues	17,906	4,924	22,830
General revenues			
Sales and use tax	15,601	.....	15,601
Motor fuel tax	2,101	.....	2,101
Corporate income tax	1,210	.....	1,210
Documentary stamp tax	1,591	.....	1,591
Intangible tax	738	.....	738
Communication service tax	779	.....	779
Estate tax	745	.....	745
Gross receipts utilities tax	527	.....	527
Alcoholic beverage tax	547	.....	547
Cigarette tax	444	.....	444
Other taxes	1,156	.....	1,156
Interest	419	20	439
Other revenues	114	3	117
Total general revenues	25,972	23	25,995
Total revenues	43,878	4,947	48,825
Program expenses			
General government	6,499	.....	6,499
Education	14,488	.....	14,488
Human services	14,973	.....	14,973
Criminal justice & corrections	3,066	.....	3,066
Natural resources & environment	1,738	.....	1,738
Transportation	2,071	.....	2,071
State courts	280	.....	280
Turnpike	.....	261	261
Lottery	.....	1,595	1,595
Unemployment compensation	.....	1,486	1,486
State Board of Administration	.....	41	41
Other	.....	158	158
Total program expenses	43,115	3,541	46,656
Excess (deficiency) before gain (loss) and transfers	763	1,406	2,169
Gain (loss) on sale of capital assets	.....	1	1
Transfers	1,070	(1,070)	.....
Change in net assets	1,833	337	2,170
Beginning net assets - restated	34,189	9,101	43,290
Prior period adjustments	(866)	(49)	(915)
Ending net assets	\$ 35,156	\$ 9,389	\$ 44,545

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. The net program expenses of these governmental activities were therefore supported by general revenues, mainly taxes.

**Table 4: Program Expenses and Revenues
for Governmental Activities
For the Fiscal Year Ended June 30, 2002**

State Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues) (b)
General government	\$ 6,499	\$ 3,279	\$ 3,220
Education	14,488	1,873	12,615
Human services	14,973	9,641	5,332
Criminal justice & corrections	3,066	416	2,650
Natural resources & environment	1,738	778	960
Transportation	2,071	1,904	167
State courts	280	15	265
Totals	\$ 43,115	\$ 17,906	\$ 25,209

(b) Net Program Expenses are mainly supported by taxes.

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. With the exception of unemployment compensation, program revenues generated from business-type activities were sufficient to cover program expenses. Unemployment compensation expenses not covered by program revenues are supported by fund reserves.

State Programs	Program Expenses	Program Revenues	Net Program Expenses (Revenues)
Tumpike	\$ 261	\$ 478	\$ (217)
Lottery	1,595	2,568	(973)
Unemployment compensation	1,486	924	562
State Board of Administration	41	633	(592)
Other	158	321	(163)
Totals	\$ 3,541	\$ 4,924	\$ (1,383)

Overall Analysis

Financial highlights for the State as a whole during the fiscal year ended June 30, 2002 include the following:

- The assets of the State exceeded its liabilities (net assets) at the close of the fiscal year by \$35.2 billion for governmental activities and by \$9.4 billion for business-type activities.
- The State's total net assets increased during the year by \$1.3 billion. Net assets of governmental activities increased by \$967 million, while net assets of business-type activities increased by \$288 million.

Fund Analysis

Funds that experienced significant changes during the year are as follows:

Governmental Funds

As of the close of the fiscal year, the State's governmental funds reported a combined ending fund balance of \$10.6 billion, with \$4.5 billion reported as unreserved fund balance and the remaining amount of \$6.1 billion reserved for specific purposes. See Note 1 to the financial statements for an explanation of the different types of reserve categories.

General Fund

Fund balance at June 30, 2002 totaled \$3.3 billion, a decrease of \$175 million during the fiscal year. The decrease is the result of the difference between an increase of \$370 million of revenue sources exceeding expenditures and an adjustment to decrease the beginning fund balance by \$544.7 million primarily for sales tax revenues recorded in the 2000-01 fiscal year rather than the 2001-02 fiscal year.

Transportation

Fund balance at June 30, 2002 totaled \$898 million, a decrease of \$238 million during the fiscal year. The decrease primarily relates to the recognition of expenditures incurred in the 2000-01 fiscal year but reported as an adjustment in the 2001-02 fiscal year.

Public Education

Fund balance at June 30, 2002 totaled \$253 million, a decrease of \$353 million during the fiscal year. The decrease primarily relates to a reduction in general revenue funding as a result of a special

session of the 2001 Legislature and adjustments to recognize liabilities, rather than previously reported revenues, for cash received from unclaimed property.

Employment Services

Fund balance at June 30, 2002 totaled \$219 million, an increase of \$169 million. The increase relates, in part, to the recording of revenues associated with receivables from the 2000-01 fiscal year that were not recorded until the 2001-02 fiscal year. In addition, assessments were increased for workers compensation from the previous year.

Proprietary Funds

The State's proprietary funds reported net assets of \$9.6 billion, including \$9.4 billion for enterprise funds and \$0.2 billion for internal service funds.

Lottery

Net assets at June 30, 2002 totaled \$235 million, an increase of \$46 million during the fiscal year. The increase primarily relates to an increase in ticket sales due to changes introduced in the Fantasy 5 on-line game and growth in the scratch-off ticket market.

Unemployment Compensation

Net assets at June 30, 2002 totaled \$1.6 billion, a decrease of \$593 million during the fiscal year. The decrease primarily relates to an increase in payments associated with unemployment compensation claims from the previous year.

State Board of Administration (SBA)

Net assets at June 30, 2002 totaled \$4.4 billion, an increase of \$565 million during the fiscal year. The increase primarily relates to reimbursement premium revenue received annually from participating insurers for the Florida Hurricane Catastrophe Fund. Total receipts for the year increased from the previous year due to growth exposure.

Budget Variances in the General Fund

As a result of changes during the year in the State's projected revenues, various appropriation revisions were made to the original budget. Economic slowdown resulted in final budgeted revenues lower than the original budgeted revenues. After budget amendments, the actual charges (expenditures) in the General Fund were \$237 million below the final budgeted amounts. This is mainly the result of lower than expected operating expenditures. On the other hand, resources available for appropriation were \$457 million below the final budgeted amount. This is primarily due to less sales tax revenues than anticipated. Refer to the budgetary comparison schedule for the General Fund in the Other RSI section of the CAFR.

Capital Asset and Long-term Debt Activity**Capital Asset Activity**

At June 30, 2002, the State reported \$41.8 billion in capital assets for governmental activities and \$4.6 billion in capital assets for business-type activities. Refer to Note 5 to the financial statements for additional information on capital assets and Note 7 to the financial statements for additional information on construction commitments.

Long-term Debt Activity

Section 11 of Article VII of the State Constitution authorizes the State to issue general obligation bonds and revenues bonds to finance or refinance the cost of state fixed capital outlay projects authorized by law. General obligation bonds are secured by the full faith and credit of the State and payable from the proceeds of various taxes. Revenue bonds are payable from funds that receive legally restricted revenues. The Division of Bond Finance of the State Board of Administration has the responsibility to issue all state bonds. During the past year, the State continued to maintain

a high bond rating from Moody's Investors Services (Aa2), Standard and Poor's Corporation (AA+), and Fitch, Inc. (AA) on all State general obligation bonds.

The *State of Florida Debt Affordability Study Update 2002 Report*, prepared by the Division of Bond Finance, discloses a future increase in the State's debt position as measured by the benchmark debt ratio of debt service to revenue as a result of an increase in expected borrowing. To obtain a copy of this report, contact the Division of Bond Finance, 1801 Hermitage Blvd., Suite 200, Tallahassee, Florida 32308, (850) 488-4782.

Refer to Notes 8, 9, and 10 to the financial statements and the Statistical and Economic Data section of the CAFR for additional information on the State's long-term debt and other liabilities.

Infrastructure

The State has elected to use the modified approach to account for its bridges and roadways included on the State Highway System. Under this approach, the Florida Department of Transportation (FDOT) has made the commitment to preserve and maintain these assets at levels established by the FDOT and approved by the Florida Legislature. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The FDOT maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained.

The most recent condition assessments show that the condition of the roadway and bridges included on the State Highway System are being maintained at or near FDOT standards. The recent condition assessments were also consistent with condition assessments conducted during the last two years. In addition, the FDOT makes annual estimates of the amounts that must be expended to preserve and maintain the roadway and bridges included on the State Highway System at the predetermined condition levels. There were no significant differences from the estimated annual amount to preserve and maintain these assets compared with the actual amounts spent during the current period.

For further information on the FDOT's established condition standards, recent condition assessments, or other information on infrastructure reported on the modified approach, refer to the Other Required Supplementary Information section of this report.

Economic Conditions and Outlook

As a result of decline in the economic climate in fiscal year ended June 30, 2002, the Legislature acted to reduce appropriations in various areas from the original level. For more detail on appropriations and reductions in appropriations for the fiscal year, refer to report, *The 2001 Special Session "C" Summary of Legislation Passed*, available on the Legislature's web page (<http://www.leg.state.fl.us>) and in the Senate Document Center, 304 Capitol, (850) 487-5915.

Even though the economy as a whole was weakened in the fiscal year ended June 30, 2002, housing starts spiked to a level of 175,000 units because of low interest rates. Because of this spike, total construction employment grew in the fiscal year. However, construction employment is expected to decrease in the coming year due to weakness in the commercial sector.

The economic climate of the State in fiscal year ending June 30, 2003 is expected to experience slow growth. Tourism, a cornerstone of the State's economic strength, is expected to rebound as additional efforts are put forth in advertising and travel incentives.

The State's population is also expected to grow by 299,000 (1.8%) in fiscal year ending June 30, 2003. Population growth provides stimulus to the State's economic expansion.

Florida's economy has continued to show its strength and resilience. Despite the devastation experienced during the September 11 attacks coupled with the recession, the State's economy is expected to recover. Although the possibility of a war looming in the horizon has dampened the economy from growing at a faster pace, the economic fundamentals remain strong. Such strength should provide impetus for the State's economy to achieve more sustained growth.

Contact the State's Financial Management

Questions about this report or requests for additional financial information may be addressed to:

Statewide Financial Reporting Section
Bureau of Accounting
Department of Financial Services
200 East Gaines Street
Tallahassee, Florida 32399-0354
Telephone: (850) 410-9951

Financial Section

Basic Financial Statements



Mockingbird - Florida State Bird

STATE OF FLORIDA

STATEMENT OF NET ASSETS
JUNE 30, 2002
(in thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL	BUSINESS-TYPE	TOTALS	
	ACTIVITIES	ACTIVITIES		
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 39,694	\$ 29,689	\$ 69,383	\$ 986,345
Pooled investments with State Treasury (Note 2)	10,335,918	2,507,633	12,843,551	1,334,728
Investments (Note 2)	201,324	2,347,634	2,548,958	3,226,998
Receivables, net (Note 3)	2,429,241	121,456	2,550,697	902,125
Internal balances	399,143	(399,143)	.....	.....
Due from component unit/primary	8,425	70	8,495	1,275,945
Inventories	58,829	1,125	59,954	36,551
Other	126,485	5,199	131,684	88,819
Total current assets	13,599,059	4,613,663	18,212,722	7,851,511
<u>Noncurrent assets</u>				
Restricted cash and cash equivalents	.....	33	33	66,583
Restricted pooled investments with State Treasury	.....	357,293	357,293	188,072
Restricted investments	.....	68,626	68,626	2,202,757
Long term investments	2,064,883	6,342,181	8,407,064	770,856
Due from other governmental entities	1,462,281	.....	1,462,281	.....
Other loans and notes receivable	74,834	.....	74,834	2,824,822
Capital assets (Note 5):				
Land and other nondepreciable assets	11,250,970	740,627	11,991,597	2,990,455
Nondepreciable infrastructure	23,516,148	2,806,703	26,322,851	.....
Buildings, equipment, and other depreciable assets	5,283,406	299,297	5,582,703	10,498,926
Accumulated depreciation	(2,333,844)	(114,218)	(2,448,062)	(4,154,454)
Construction work in progress	4,117,481	886,502	5,003,983	903,774
Total capital assets	41,834,161	4,618,911	46,453,072	10,238,701
Other	30,578	11,372	41,950	235,063
Total noncurrent assets	45,466,737	11,398,416	56,865,153	16,526,854
Total assets	59,065,796	16,012,079	75,077,875	24,378,365

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

STATE OF FLORIDA

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and other liabilities (Note 3)	2,825,020	172,544	2,997,564	1,259,928
Accrued prize liability	.....	230,449	230,449	.....
Due to component units/primary	887,390	100	887,490	295,723
Compensated absences (Note 10)	145,947	4,570	150,517	44,042
Installment purchases/capital leases (Note 10)	12,798	89	12,887	12,414
Claims payable	244,341	.....	244,341	.....
Bonds payable (Notes 8 and 10)	575,550	.....	575,550	91,654
Bonds payable from restricted assets (Note 8 and 10)	.....	55,355	55,355	.....
Certificates of participation payable (Note 10)	5,580	.....	5,580	.....
Deposits	92,897	13,298	106,195	481
Deferred revenue	.....	.....	.....	531,428
Obligations under security lending agreements	1,954,945	2,442,686	4,397,631	6,859
Other	.....	453	453	297,466
Total current liabilities	6,744,468	2,919,544	9,664,012	2,539,995
<u>Noncurrent liabilities</u>				
Advances from other funds	.....	.....	.....	20
Accrued prize liability	.....	1,529,112	1,529,112	.....
Due to other governments	25,336	6,341	31,677	6,406
Due to primary	.....	.....	.....	76,035
Bonds payable (Notes 8 and 10)	14,065,092	1,697,052	15,762,144	4,678,455
Certificates of participation payable (Note 10)	95,355	.....	95,355	.....
Installment purchases/capital leases (Note 10)	111,754	183	111,937	142,879
Deposits	328,307	452,044	780,351	.....
Deferred revenue	.....	.....	.....	29,023
Claims payable	1,974,317	.....	1,974,317	4,466
Compensated absences (Note 10)	565,129	18,392	583,521	408,405
Other	.....	.....	.....	724,965
Total noncurrent liabilities	17,165,290	3,703,124	20,868,414	6,070,654
Total liabilities	23,909,758	6,622,668	30,532,426	8,610,649
NET ASSETS				
Invested in capital assets, net of related debt	38,329,290	3,061,253	41,390,543	8,511,766
Restricted for:				
Environment, Recreation and Conservation	2,426,345	.....	2,426,345	.....
Health and Family Services	537,474	.....	537,474	.....
Transportation	897,742	.....	897,742	.....
Public Education	246,260	.....	246,260	.....
Tax Collection and Administration	187,855	.....	187,855	.....
Employment Services	214,204	.....	214,204	.....
Other governmental funds	770,274	.....	770,274	.....
Lottery	.....	232,248	232,248	.....
Unemployment compensation	.....	1,556,012	1,556,012	.....
Hurricane Catastrophe Fund	.....	4,362,126	4,362,126	.....
Debt service	445,994	.....	445,994	122,305
Other	94,342	.....	94,342	3,775,260
Funds held for permanent endowment				
Expendable	.....	.....	.....	742,854
Nonexpendable	1,295,901	.....	1,295,901	348,403
Unrestricted (deficit)	(10,289,643)	177,772	(10,111,871)	2,267,128
Total net assets	\$ 35,156,038	\$ 9,389,411	\$ 44,545,449	\$ 15,767,716

STATE OF FLORIDA

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government				
Government activities:				
General government	\$ 6,499,588	\$ 2,608,450	\$ 671,004	\$ 29
Education	14,488,469	160,123	1,713,463	.....
Human services	14,973,427	566,067	9,074,866	495
Criminal justice and corrections	3,065,808	227,347	187,010	1,740
Natural resources and environment	1,737,772	301,137	474,307	2,239
Transportation	2,070,684	544,175	37,475	1,321,629
State courts	279,821	13,790	1,308	3
Total governmental activities	43,115,569	4,421,089	12,159,433	1,326,135
Business-type activities:				
Turnpike	261,540	476,999	781	253
Lottery	1,595,011	2,568,469	.....	.....
Unemployment compensation	1,485,594	739,855	183,573	.....
State Board of Administration	40,876	633,436	.....	.....
Nonmajor enterprise funds	158,478	321,304	.....	3
Total business-type activities	3,541,499	4,740,063	184,354	256
Total primary government	\$ 46,657,068	\$ 9,161,152	\$ 12,343,787	\$ 1,326,391
Component units				
Florida Housing Finance Corporation	\$ 402,209	\$ 257,203	\$ 245,278	\$
South Florida Water Management District	258,670	8,592	38,985	83,532
University of Florida	2,471,729	1,236,365	778,380	40,714
Florida State University	692,834	190,678	306,614	23,764
University of South Florida	1,059,517	424,976	322,268	3,019
Florida Residential Property and Casualty JUA	116,787	135,601	.....	.....
Nonmajor component units	4,481,365	1,118,606	1,129,335	261,370
Total component units	\$ 9,483,111	\$ 3,372,021	\$ 2,820,860	\$ 412,399

General revenues
Taxes (Note 4)
Sales and use tax
Fuel taxes
Corporate income tax
Documentary stamp tax
Intangible personal property tax
Communication service tax
Estate tax
Utilities taxes
Beverage and tobacco taxes
Property taxes
Other taxes
Investment earnings
Gain (loss) on sale of capital assets
Payments from the State of Florida
Transfers
Contributions to permanent funds
Miscellaneous
Total general and other revenues, payments, and transfers
Change in net assets
Net assets - beginning, as restated
Adjustments to increase (decrease) beginning net assets
Net assets - ending

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

STATE OF FLORIDA

NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS

PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	COMPONENT UNITS	
\$ (3,220,105)	\$	\$ (3,220,105)	\$	
(12,614,883)	.....	(12,614,883)	.....
(5,331,999)	.....	(5,331,999)	.....
(2,649,711)	.....	(2,649,711)	.....
(960,089)	.....	(960,089)	.....
(167,405)	.....	(167,405)	.....
(264,720)	.....	(264,720)	.....
(25,208,912)	.....	(25,208,912)	.....
.....	216,493	216,493	.....
.....	973,458	973,458	.....
.....	(562,166)	(562,166)	.....
.....	592,560	592,560	.....
.....	162,829	162,829	.....
.....	1,383,174	1,383,174	.....
(25,208,912)	1,383,174	(23,825,738)	.....
.....	.....	.....	100,272	
.....	.....	.....	(127,561)	
.....	.....	.....	(416,270)	
.....	.....	.....	(171,778)	
.....	.....	.....	(309,254)	
.....	.....	.....	18,814	
.....	.....	.....	(1,972,054)	
.....	.....	.....	(2,877,831)	
15,601,244	.....	15,601,244	.....
2,100,946	.....	2,100,946	.....
1,210,346	.....	1,210,346	.....
1,590,981	.....	1,590,981	.....
737,776	.....	737,776	.....
779,167	.....	779,167	.....
745,080	.....	745,080	.....
526,586	.....	526,586	.....
990,271	.....	990,271	.....
.....	.....	.....	437,994	
1,156,175	.....	1,156,175	.....
418,916	20,078	438,994	71,382	
.....	950	950	(297)	
.....	.....	.....	3,213,922	
1,070,190	(1,070,190)	.....	41,376	
.....	.....	.....	958	
113,620	3,081	116,701	284,626	
27,041,298	(1,046,081)	25,995,217	4,049,961	
1,832,386	337,093	2,169,479	1,172,130	
34,189,407	9,101,474	43,290,881	14,590,588	
(865,755)	(49,156)	(914,911)	4,998	
\$ 35,156,038	\$ 9,389,411	\$ 44,545,449	\$ 15,767,716	



GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

GENERAL FUND

This fund is the State's primary operating fund. It accounts for the financial resources and transactions not accounted for in other funds.

ENVIRONMENT, RECREATION AND CONSERVATION

This fund accounts for operations of various programs such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation, etc.

HEALTH AND FAMILY SERVICES

This fund includes internal reporting funds used to operate various health and family service-related programs such as health care, elder affairs, and child support, etc.

TRANSPORTATION

This fund includes the internal reporting special revenue funds used to account for the administration of the maintenance and development of the State highway system and other transportation-related projects.

PUBLIC EDUCATION

This fund includes the internal reporting funds administered by the Department of Education to operate education-related programs.

TAX COLLECTION AND ADMINISTRATION

This fund accounts for operations of the State's tax collection and administration functions.

EMPLOYMENT SERVICES

This fund includes internal reporting funds used for employee-service related programs (i.e., workers compensation, employment security, labor market statistics, administration of the unemployment compensation program, etc.).

LAWTON CHILES ENDOWMENT FUND

This blended component unit was created to provide a perpetual source of enhanced funding for State children's health programs, child welfare programs, children's community-based health and human services initiatives, elder programs, and biomedical research activities related to tobacco use.

Nonmajor Funds

Nonmajor governmental funds are presented, by fund type, beginning on page 109.

STATE OF FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2002
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation	Public Education
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 687	\$ 849	\$ 3,321	\$ 1,547	\$ 182
Pooled investments with State Treasury	4,159,216	1,702,141	953,169	469,542	1,417,531
Investments	.....	.....	.....	.....	.....
Receivables, net (Note 3)	909,757	102,387	813,105	55,973	9,851
Due from other funds (Note 11)	253,725	36,875	72,535	453,491	80,468
Due from component units/primary	1,229	81	.....	4,902	173
Inventories	17,922	705	16,309	15,114	.....
Other	1,051	.....	.....	.....	.....
Total current assets	5,343,587	1,843,038	1,858,439	1,000,569	1,508,205
<u>Noncurrent assets</u>					
Long term investments	3,331	.....	10	.....	4,214
Advances to other funds (Note 11)	12,180	.....	345	230,225	.....
Due from other governmental entities	27,970	907,863	3,199	518,692	.....
Other loans and notes receivable, net (Note 3)	618	4,351	.....	57,418	.....
Other	24,827	.....	.....	120	.....
Total noncurrent assets	68,926	912,214	3,554	806,455	4,214
Total assets	\$ 5,412,513	\$ 2,755,252	\$ 1,861,993	\$ 1,807,024	\$ 1,512,419
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities (Note 3)	\$ 815,512	\$ 45,584	\$ 995,139	\$ 412,327	\$ 37,535
Due to other funds (Note 11)	179,481	6,894	45,562	3,362	7,645
Due to component units/primary	16,024	1,895	4,745	.....	854,779
Compensated absences	6,674	222	1,946	739	11
Claims payable	16,311	.....	.....	.....	.....
Deposits	7,342	3,059	66,726	2,029	.....
Deferred revenues	9,991	4,725	25,587	1,196	.....
Obligations under security lending agreements	1,024,845	256,661	63,633	30,183	163,795
Total current liabilities	2,076,180	319,040	1,203,338	449,836	1,063,765
<u>Noncurrent liabilities</u>					
Advances from other funds (Note 11)	.....	9,866	.....	10,000	195,976
Deposits	43	.....	3,199	123,188	.....
Deferred revenues	.....	.....	.....	326,258	.....
Total noncurrent liabilities	43	9,866	3,199	459,446	195,976
Total liabilities	2,076,223	328,906	1,206,537	909,282	1,259,741
<u>Fund balances</u>					
Reserved for encumbrances	44,038	5,093	5,004	78,290	7,414
Reserved for inventories	17,922	705	16,309	15,114	.....
Reserved for advances	681	.....	.....	224,796	.....
Reserved for long-term receivables	.....	988,093	.....	579,542	.....
Reserved for capital outlay	.....	888,134	.....	.....	.....
Reserved for debt service	.....	.....	.....	.....	.....
Reserved for permanent trust	.....	.....	.....	.....	.....
Reserved for Budget Stabilization Fund	940,890	.....	.....	.....	.....
Reserved for Working Capital Fund	304,652	.....	.....	.....	.....
Other reserved	26,588	96,925	.....	.....	.....
Unreserved, reported in:					
General fund	2,001,519	.....	.....	.....	.....
Special revenue funds	.....	447,396	634,143	.....	245,264
Capital projects funds	.....	.....	.....	.....	.....
Permanent fund	.....	.....	.....	.....	.....
Total fund balances	3,336,290	2,426,346	655,456	897,742	252,678
Total liabilities and fund balances	\$ 5,412,513	\$ 2,755,252	\$ 1,861,993	\$ 1,807,024	\$ 1,512,419

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

STATE OF FLORIDA

Tax Collection and Administration	Employment Services	Lawton Chiles Endowment Fund	Nonmajor Governmental Funds	Totals 6/30/02
\$ 198	\$ 46	\$ 104	\$ 18,604	\$ 25,538
404,834	228,024	.....	930,057	10,264,514
.....	.....	50,000	126,035	176,035
241,557	82,568	73,384	134,909	2,423,491
5,642	2,538	.....	144,760	1,050,034
.....	.....	.....	.....	6,385
84	.....	.....	8,463	58,597
.....	.....	.....	3,617	4,668
<u>652,315</u>	<u>313,176</u>	<u>123,488</u>	<u>1,366,445</u>	<u>14,009,262</u>
117,789	3,571	1,575,816	341,343	2,046,074
.....	.....	.....	17,158	259,908
.....	.....	.....	4,557	1,462,281
.....	.....	.....	12,447	74,834
.....	.....	.....	5,631	30,578
<u>117,789</u>	<u>3,571</u>	<u>1,575,816</u>	<u>381,136</u>	<u>3,873,675</u>
<u>\$ 770,104</u>	<u>\$ 316,747</u>	<u>\$ 1,699,304</u>	<u>\$ 1,747,581</u>	<u>\$ 17,882,937</u>
\$ 103,534	\$ 12,130	\$ 121,093	\$ 208,252	\$ 2,751,106
390,951	28,736	20	146,506	809,157
4,939	117	.....	4,789	887,288
4	122	.....	467	10,185
.....	29,061	.....	.....	45,372
.....	.....	.....	7,833	86,989
.....	.....	.....	1,511	43,010
.....	27,365	285,390	95,380	1,947,252
<u>499,428</u>	<u>97,531</u>	<u>406,503</u>	<u>464,738</u>	<u>6,580,359</u>
7	.....	.....	1,572	217,421
.....	640	.....	5,261	132,331
.....	.....	.....	165	326,423
<u>7</u>	<u>640</u>	<u>.....</u>	<u>6,998</u>	<u>676,175</u>
<u>499,435</u>	<u>98,171</u>	<u>406,503</u>	<u>471,736</u>	<u>7,256,534</u>
.....	1,955	.....	73,594	215,388
84	.....	.....	8,182	58,316
.....	.....	.....	16,708	242,185
.....	.....	.....	10,901	1,578,536
.....	.....	.....	.....	888,134
.....	.....	.....	445,994	445,994
.....	.....	1,292,801	.....	1,292,801
.....	.....	.....	.....	940,890
.....	.....	.....	.....	304,652
.....	.....	.....	4,346	127,859
.....	.....	.....	.....	2,001,519
270,585	216,621	.....	665,403	2,479,412
.....	.....	.....	50,713	50,713
.....	.....	.....	4	4
<u>270,669</u>	<u>218,576</u>	<u>1,292,801</u>	<u>1,275,845</u>	<u>10,626,403</u>
<u>\$ 770,104</u>	<u>\$ 316,747</u>	<u>\$ 1,699,304</u>	<u>\$ 1,747,581</u>	<u>\$ 17,882,937</u>



STATE OF FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET ASSETS**

JUNE 30, 2002

(in thousands)

Total fund balances for governmental funds \$ 10,626,403

Amounts reported for governmental activities in the Statement of Net Assets
are different because:

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

Land and other nondepreciable assets	11,250,597	
Nondepreciable infrastructure	23,516,148	
Buildings, equipment and other depreciable assets	4,348,372	
Construction work in progress	4,117,481	
Accumulated depreciation	<u>(2,063,042)</u>	
	41,169,556	41,169,556

Long-term debt is not due and payable in the current period and therefore
is not reported in the funds.

Compensated absences	(686,876)	
Installment purchases/capital leases	(77,911)	
Claims payable	(2,173,285)	
Due to other governments	(24,407)	
Bonds payable	<u>(14,259,968)</u>	
	(17,222,447)	(17,222,447)

Accrued interest payable on bonds that is not recognized on the fund
statements but is recognized on the Statement of Net Assets. (36,280)

Assets (receivables) not available to provide current resources are offset
with deferred revenues (liability) in the fund statements. The reduction of the
liability and recognition of revenue increases net assets in the Statement
of Net Assets. 369,433

Internal service funds are used to report activities that provide goods and
services to other funds or agencies within the State. Therefore, the excess
of assets over liabilities of the internal service funds are included as
governmental activities on the Statement of Net Assets. 249,373

Net assets of governmental activities \$ 35,156,038

STATE OF FLORIDA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

(in thousands)

	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation	Public Education
REVENUES					
Taxes (Note 4)	\$ 18,662,521	\$	\$ 269,232	\$	\$ 769,365
Licenses and permits	76,244	43,468	20,118	6,063	.....
Fees and charges	401,900	66,958	582,683	158,146	103,697
Grants and donations	9,743	156,232	9,181,145	1,359,104	1,561,309
Investment earnings	242,026	106,474	61,320	39,312	71,315
Fines, forfeits, settlements and judgments	4,959	8,316	13,114	12,838	244
Other revenue	4	.....	.....	1,613	.....
Total revenues	19,397,397	381,448	10,127,612	1,577,076	2,505,930
EXPENDITURES					
Current:					
General government	3,087,871	.....	172,298	.....	.....
Education	10,280,133	.....	.....	.....	4,036,682
Human services	4,327,963	.....	10,150,440	.....	.....
Criminal justice and corrections	2,537,762	.....	.....	.....	.....
Natural resources and environment	294,269	819,658	14,513	.....	.....
Transportation	.....	.....	.....	1,167,957	.....
State courts	240,042	.....	.....	.....	.....
Capital outlay	83,856	301,715	29,159	2,493,285	1,404
Debt service:					
Principal retirement	1,816	.....	61	.....	.....
Interest and fiscal charges	2,428	.....	4	283	12,399
Total expenditures	20,856,140	1,121,373	10,366,475	3,661,525	4,050,485
Excess (deficiency) of revenues over expenditures	(1,458,743)	(739,925)	(238,863)	(2,084,449)	(1,544,555)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	2,919	237,020	.....	150,653	989,971
Proceeds of refunding bonds	.....	.....	.....	.....	.....
Operating transfers in (Note 11)	2,642,912	1,052,455	777,492	2,272,577	1,243,764
Operating transfers out (Note 11)	(817,072)	(564,125)	(589,511)	(334,999)	(845,202)
Proceeds of financing agreements	.....	.....	.....	.....	.....
Payments to refunded bond agent	.....	.....	.....	.....	.....
Total other financing sources (uses)	1,828,759	725,350	187,981	2,088,231	1,388,533
Net change in fund balances	370,016	(14,575)	(50,882)	3,782	(156,022)
Fund balances - beginning, as restated (Note 1)	3,511,041	2,440,921	706,338	1,136,221	605,401
Adjustments to increase (decrease) beginning fund balances (Note 13)	(544,767)	.....	.....	(242,261)	(196,701)
Fund balances - beginning, as restated	2,966,274	2,440,921	706,338	893,960	408,700
Fund balances - ending	\$ 3,336,290	\$ 2,426,346	\$ 655,456	\$ 897,742	\$ 252,678

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

STATE OF FLORIDA

Tax Collection and Administration	Employment Services	Lawton Chiles Endowment Fund	Nonmajor Governmental Funds	Totals 6/30/02
\$ 5,287,909	\$ 291,301	\$	\$ 150,360	\$ 25,430,688
18,420	63	.....	954,656	1,119,032
186,657	8,219	.....	408,549	1,916,809
.....	640,604	.....	548,630	13,456,767
1,617	5,803	(100,551)	67,811	495,127
6,869	3,902	2	928,484	978,728
.....	.....	.....	844	2,461
5,501,472	949,892	(100,549)	3,059,334	43,399,612
663,748	1,139,164	8,008	654,946	5,726,035
.....	142,579	.....	3,444	14,462,838
.....	.....	.....	478,676	14,957,079
.....	.....	.....	408,262	2,946,024
.....	.....	.....	446,022	1,574,462
.....	.....	.....	.....	1,167,957
.....	.....	.....	37,190	277,232
2,694	6,588	.....	409,285	3,327,986
.....	.....	.....	555,656	557,533
.....	.....	.....	721,400	736,514
666,442	1,288,331	8,008	3,714,881	45,733,660
4,835,030	(338,439)	(108,557)	(655,547)	(2,334,048)
.....	.....	.....	34,184	1,414,747
.....	.....	.....	971,060	971,060
28,460	508,758	189,264	2,836,420	11,552,102
(4,902,351)	(89,861)	(45,007)	(2,202,310)	(10,390,438)
.....	.....	.....	1,913	1,913
.....	.....	.....	(971,060)	(971,060)
(4,873,891)	418,897	144,257	670,207	2,578,324
(38,861)	80,458	35,700	14,660	244,276
309,530	49,737	1,257,101	1,231,592	11,247,882
.....	88,381	.....	29,593	(865,755)
309,530	138,118	1,257,101	1,261,185	10,382,127
\$ 270,669	\$ 218,576	\$ 1,292,801	\$ 1,275,845	\$ 10,626,403



STATE OF FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

Net change in fund balance - total governmental funds	\$	244,276
<p>Internal service funds are used by management to charge the costs of goods or services to other funds and agencies within the State. Therefore, the net revenue (expenses) of the internal service funds is reported with governmental activities.</p>		
		(1,718)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful lives of the assets and reported as depreciation expense. This is the amount by which capital outlays expenditures exceeded depreciation in the current period.</p>		
Capital outlay expenditures	2,434,882	
Depreciation expense	<u>(251,669)</u>	
	2,183,213	2,183,213
<p>In the Statement of Activities, the gain or (loss) on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the assets sold.</p>		
		(170,154)
<p>Revenues recognized in the Statement of Activities that do not provide current financial resources and are not recognized as revenues in the governmental funds, i.e., deferred revenues.</p>		
		369,433
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Decrease in compensated absences	5,859	
Increase in accrued interest	(2,333)	
Decrease in claims payable	71,925	
Decrease in arbitrage liability	5,511	
Increase in due to other governments	<u>(5,000)</u>	
	75,962	75,962
<p>The incurrence of long-term debt (i.e., bonds and leases) provide current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and deferred amount on refundings, when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Bond proceeds	(1,413,992)	
Refunding bond proceeds	(971,060)	
Repayment of bonds	552,253	
Repayment of capital leases/installment purchase contracts	2,583	
Payment to refunded bond escrow agent	971,060	
Amortization of bond premium	6,784	
Amortization of deferred amount on refunding	(1,423)	
Accrued interest at refunding	<u>(14,831)</u>	
	(868,626)	(868,626)
Change in net assets of governmental activities	\$	<u><u>1,832,386</u></u>



PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

TRANSPORTATION

This fund includes the internal reporting enterprise funds which primarily account for operations of the Florida Turnpike.

LOTTERY

This fund accounts for lottery operations in the State, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Education Enhancement Trust Fund.

UNEMPLOYMENT COMPENSATION

This fund primarily accounts for the receipt of monies for and payment of unemployment compensation benefits.

STATE BOARD OF ADMINISTRATION

This blended component unit includes the internal reporting enterprise funds, which primarily account for investments for the Florida Hurricane Catastrophe Fund, created to help cover insurers' losses in the event of a hurricane disaster.

Nonmajor Funds

Nonmajor proprietary funds are presented, by fund type, beginning on page 143.

STATE OF FLORIDA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2002
(in thousands)

	Transportation	Lottery	Unemployment Compensation	State Board of Administration
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 13,089	\$ 12,425	\$ 347	\$ 2,612
Pooled investments with State Treasury	130,206	113,697	2,026,623	.....
Investments	.....	1,890,049	.....	457,585
Receivables, net (Note 3)	6,896	51,187	51,353	10,164
Due from other funds (Note 11)	388	.....	3,565	223
Due from component units/primary	.....	.....	.....	.....
Inventories	.....	1,125	.....	.....
Other	624	1,764	.....	.....
Total current assets	151,203	2,070,247	2,081,888	470,584
<u>Noncurrent assets</u>				
Restricted cash and cash equivalents	33	.....	.....	.....
Restricted pooled investments with State Treasury	357,293	.....	.....	.....
Restricted investments	68,626	.....	.....	.....
Long term investments	.....	1,992,100	.....	4,350,081
Advances to other funds (Note 11)	500	.....	.....	.....
<u>Capital assets</u>				
Land and other nondepreciable assets	740,627	.....	.....	.....
Nondepreciable Infrastructure	2,806,703	.....	.....	.....
Buildings, equipment, and other depreciable assets	251,737	19,216	.....	5,830
Accumulated depreciation	(77,900)	(16,332)	.....	(5,105)
Construction work in progress	886,432	.....	.....	.....
Other	11,372	.....	.....	.....
Total noncurrent assets	5,045,423	1,994,984	.....	4,350,806
Total assets	5,196,626	4,065,231	2,081,888	4,821,390
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities (Note 3)	22,020	72,261	71,373	2,082
Due to other funds (Note 11)	63,588	70,315	121	11
Due to component units/primary	.....	.....	.....	.....
Compensated absences	936	285	.....	578
Installment purchases/capital leases	.....	.....	.....	.....
Bonds payable	.....	.....	.....	.....
Deposits	537	.....	569	.....
Obligations under security lending agreements	64,570	1,924,395	1,789	421,243
Certificates of participation payable	.....	.....	.....	.....
Total current liabilities	151,651	2,067,256	73,852	423,914
<u>Noncurrent liabilities</u>				
Advances from other funds (Note 11)	236,160	.....	.....	.....
Accrued prize liability	.....	1,759,561	.....	.....
Due to other governments	6,341	.....	.....	.....
Bonds payable	1,752,407	.....	.....	.....
Certificates of participation payable	.....	.....	.....	.....
Installment purchases/capital leases	.....	.....	.....	.....
Deposits	20	.....	452,024	.....
Compensated absences	3,783	3,282	.....	2,135
Total noncurrent liabilities	1,998,711	1,762,843	452,024	2,135
Total liabilities	2,150,362	3,830,099	525,876	426,049
NET ASSETS				
Invested in capital assets, net of related debt	3,050,124	2,884	.....	725
Restricted for lottery	.....	232,248	.....	.....
Restricted for unemployment compensation	.....	.....	1,556,012	.....
Restricted for Hurricane Catastrophe Fund	.....	.....	.....	4,362,126
Unrestricted	(3,860)	.....	.....	32,490
Total net assets	\$ 3,046,264	\$ 235,132	\$ 1,556,012	\$ 4,395,341

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

STATE OF FLORIDA

Nonmajor Enterprise Funds	Totals 6/30/02	Internal Service Funds
\$ 1,216	\$ 29,689	\$ 14,155
237,107	2,507,633	71,404
.....	2,347,634	25,289
1,856	121,456	5,750
260	4,436	48,242
70	70	2,040
.....	1,125	232
2,811	5,199	1
<u>243,320</u>	<u>5,017,242</u>	<u>167,113</u>
.....	33	.....
.....	357,293	.....
.....	68,626	.....
.....	6,342,181	18,809
.....	500	.....
.....	740,627	373
.....	2,806,703	.....
22,514	299,297	935,034
(14,881)	(114,218)	(270,802)
70	886,502	.....
.....	11,372	.....
<u>7,703</u>	<u>11,398,916</u>	<u>683,414</u>
<u>251,023</u>	<u>16,416,158</u>	<u>850,527</u>
4,808	172,544	37,635
34,337	168,372	3,821
100	100	103
2,771	4,570	2,551
89	89	5,993
.....	.....	11,795
12,192	13,298	5,908
30,689	2,442,686	7,693
.....	.....	5,580
<u>84,986</u>	<u>2,801,659</u>	<u>81,079</u>
.....	236,160	2,803
.....	1,759,561	.....
.....	6,341	929
.....	1,752,407	368,878
.....	.....	95,355
183	183	40,647
.....	452,044	.....
9,192	18,392	11,463
<u>9,375</u>	<u>4,225,088</u>	<u>520,075</u>
<u>94,361</u>	<u>7,026,747</u>	<u>601,154</u>
7,520	3,061,253	136,526
.....	232,248	.....
.....	1,556,012	.....
.....	4,362,126	.....
149,142	177,772	112,847
<u>\$ 156,662</u>	<u>\$ 9,389,411</u>	<u>\$ 249,373</u>

STATE OF FLORIDA

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 (in thousands)**

	Transportation	Lottery	Unemployment Compensation	State Board of Administration
OPERATING REVENUES				
Sales - nonstate	\$ 740	\$ 2,335,232	\$	\$ 479,150
Fees	447,288	.....	616,755	100
Sales - state	.....	.....	.....	17,018
Rents and royalties - nonstate	9,198	.....	.....	2
Rents - state	.....	.....	.....	.....
Fines, forfeits and judgements	242	.....	.....	.....
Other revenue	.....	.....	.....	3
Total operating revenues	457,468	2,335,232	616,755	496,273
OPERATING EXPENSES				
Benefit payments	.....	.....	1,477,951	.....
Payment of lottery winnings	.....	1,165,843	.....	.....
Commissions on lottery sales	.....	132,351	.....	.....
Contractual Services	139,250	85,578	.....	10,786
Personal services	40,493	24,222	3,755	12,660
Depreciation	14,090	1,035	.....	490
Materials and supplies	5,196	3,071	3,888	682
Repairs and maintenance	.....	1,717	.....	669
Basic services	.....	4,758	.....	.....
Interest and fiscal charges	1,706	6	.....	292
Bad debt	.....	191	.....	.....
Total operating expenses	200,735	1,418,772	1,485,594	25,579
Operating income (loss)	256,733	916,460	(868,839)	470,694
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	1,034	.....	183,573	.....
Investment earnings	21,751	233,237	131,602	140,006
Interest and fiscal charges	(60,805)	(176,239)	.....	(15,297)
Property disposition gain (loss)	838	(96)	.....	22
Other	.....	155	2,600	.....
Total nonoperating revenues (expenses)	(37,182)	57,057	317,775	124,731
Income (loss) before transfers and contributions	219,551	973,517	(551,064)	595,425
Operating transfers in (Note 11)	58,665	32	11,518	.....
Operating transfers out (Note 11)	(12,903)	(927,466)	(4,730)	(30,000)
Capital contributions	.....	.....	.....	.....
Change in net assets	265,313	46,083	(544,276)	565,425
Total net assets - beginning, as restated (Note 1)	2,780,951	189,049	2,149,444	3,829,916
Adjustments to increase (decrease) beginning net assets (Note 13)	.....	.....	(49,156)	.....
Total net assets - beginning, as restated	2,780,951	189,049	2,100,288	3,829,916
Total net assets - ending	\$ 3,046,264	\$ 235,132	\$ 1,556,012	\$ 4,395,341

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

STATE OF FLORIDA

Nonmajor Enterprise Funds	Totals 6/30/02	Internal Service Funds
\$ 47,755	\$ 2,862,877	\$ 46,848
240,479	1,304,622	.....
560	17,578	334,001
.....	9,200	12
16	16	84,345
29,123	29,365	.....
29	32	.....
<hr/>	<hr/>	<hr/>
317,962	4,223,690	465,206
.....	1,477,951	.....
.....	1,165,843	.....
.....	132,351	.....
26,764	262,378	232,553
103,168	184,298	120,589
4,379	19,994	32,963
5,093	17,930	13,222
75	2,461	16,596
18,836	23,594	11,288
80	2,084	32
.....	191	.....
<hr/>	<hr/>	<hr/>
158,395	3,289,075	427,243
<hr/>	<hr/>	<hr/>
159,567	934,615	37,963
3	184,610	110
9,855	536,451	4,530
(22)	(252,363)	(23,082)
186	950	(11,921)
(61)	2,694	40
<hr/>	<hr/>	<hr/>
9,961	472,342	(30,323)
169,528	1,406,957	7,640
1,103	71,318	4,344
(166,500)	(1,141,599)	(15,303)
417	417	1,601
<hr/>	<hr/>	<hr/>
4,548	337,093	(1,718)
152,114	9,101,474	251,091
.....	(49,156)	.....
<hr/>	<hr/>	<hr/>
152,114	9,052,318	251,091
<hr/>	<hr/>	<hr/>
\$ 156,662	\$ 9,389,411	\$ 249,373

STATE OF FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Transportation	Lottery	Unemployment Compensation	State Board of Administration
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 458,599	\$ 2,335,596	\$ 581,994	\$ 495,536
Paid to vendors	(142,719)	(228,535)	(2,445)	(11,755)
Paid to employees	(39,716)	(24,581)	.....	(12,731)
Paid for grants made	.....	.....	.....	.....
Lottery prizes	.....	(1,159,232)	.....	.....
Unemployment benefits	.....	.....	(986,738)	.....
Net cash provided (used) by operating activities	276,164	923,248	(407,189)	471,050
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	39,285	(927,499)	9,388	(29,998)
Advances from or repayment from other funds	(188)	.....	.....	.....
Cash received non-capital grants or donations	18,500	.....	182,693	.....
Net cash provided (used) by noncapital financing activities	57,597	(927,499)	192,081	(29,998)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash receipts from sale of capital assets	1,432	59	.....	3
Cash received from the sale of bonds	17,605	.....	.....	.....
Cash received capital grants and donations	4,361	.....	.....	.....
Payment of bond principal	(72,056)	.....	.....	.....
Payment of principal installment purchase/capital lease	(3,338)	.....	.....	.....
Payment of interest on bonds/installment purchase/capital lease	(99,156)	.....	.....	(9)
Purchase or construction of capital assets	(214,611)	(1,326)	.....	(304)
Net cash (used) by capital and related financing activities	(365,763)	(1,267)	.....	(310)
CASH FLOWS FROM INVESTING ACTIVITIES				
Security lending	37,851	11,623	1,098	.....
Proceeds from the sale or maturity of investments	220,844	(94,208)	.....	101,091,124
Investment earnings	36,736	11,936	128,460	86,148
Purchase of investments	(234,295)	.....	.....	(101,641,049)
Net cash provided (used) by investing activities	61,136	(70,649)	129,558	(463,777)
Net increase (decrease) in cash and cash equivalents	29,134	(76,167)	(85,550)	(23,035)
Cash and cash equivalents - beginning, as restated	471,487	202,289	2,112,520	25,647
Cash and cash equivalents - ending	\$ 500,621	\$ 126,122	\$ 2,026,970	\$ 2,612

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

STATE OF FLORIDA

Nonmajor Enterprise Funds	Totals 6/30/02	Internal Service Funds
\$ 319,564	\$ 4,191,289	\$ 487,091
(59,991)	(445,445)	(279,290)
(96,490)	(173,518)	(110,870)
.....	.....	(100)
.....	(1,159,232)	.....
(7)	(986,745)	(4)
<u>163,076</u>	<u>1,426,349</u>	<u>96,827</u>
(164,347)	(1,073,171)	(71,410)
.....	(188)	.....
.....	201,193	.....
<u>(164,347)</u>	<u>(872,166)</u>	<u>(71,410)</u>
(12)	1,482	.....
.....	17,605	.....
3	4,364	.....
.....	(72,056)	.....
(77)	(3,415)	(15,529)
(14)	(99,179)	(22,105)
(915)	(217,156)	(16,204)
<u>(1,015)</u>	<u>(368,355)</u>	<u>(53,838)</u>
21,868	72,440	3,638
60	101,217,820	.....
10,099	273,379	496
(680)	(101,876,024)	.....
<u>31,347</u>	<u>(312,385)</u>	<u>4,134</u>
29,061	(126,557)	(24,287)
<u>209,262</u>	<u>3,021,205</u>	<u>109,846</u>
<u>\$ 238,323</u>	<u>\$ 2,894,648</u>	<u>\$ 85,559</u>

STATE OF FLORIDA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

**Reconciliation of operating income (loss) to net cash
provided (used) by operating activities**

	Transportation	Lottery	Unemployment Compensation	State Board of Administration
Operating income (loss)	\$ 256,733	\$ 916,460	\$ (868,839)	\$ 470,694
Adjustment to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	14,090	1,035	.....	490
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(1,226)	(1,017)	(19,464)	369
(Increase) in due from other funds	7,905	.....	(2,457)	(39)
Increase (decrease) in allowance for uncollectibles	.....	143	13,535	.....
(Increase) decrease in inventories	154	53	.....	.....
Increase (decrease) in accounts payable	(965)	54	29,432	(1,012)
Increase (decrease) in compensated absences	4,719	(92)	.....	578
Increase (decrease) in due to other funds	(5,249)	.....	(9,833)	(30)
(Decrease) in deferred revenues	3	.....	450,437	.....
Decrease in prize liability	.....	6,612	.....	.....
Net cash provided (used) by operating activities	<u>\$ 276,164</u>	<u>\$ 923,248</u>	<u>\$ (407,189)</u>	<u>\$ 471,050</u>

Noncash investing, capital, and financing activities

Capital appreciation	\$	\$	\$	\$ (8,687)
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STATE OF FLORIDA

Nonmajor Enterprise Funds	Totals 6/30/02	Internal Service Funds
\$ 159,567	\$ 934,615	\$ 37,963
4,379	19,994	32,963
3,412	(17,926)	2,050
(3,551)	1,858	(16,401)
(957)	12,721	.....
.....	207	55
358	27,867	41,224
2,771	7,976	(1,149)
(2,462)	(17,574)	99
(441)	449,999	23
.....	6,612	.....
<u>\$ 163,076</u>	<u>\$ 1,426,349</u>	<u>\$ 96,827</u>

\$ \$ \$

FLORIDA PANTHER

- THE FLORIDA STATE ANIMAL



This most endangered of all Florida's symbols is its State Animal, the panther (*Felis concolor coryi*), which was chosen in 1982 by a vote of students throughout the State.

The Florida Panther is a large (six feet or longer), long-tailed, pale brown cat. Its habitat is usually the same as that of the white-tailed deer, the mainstay of its diet. Much folklore surrounds these seldom-seen cats, sometimes called "catamounts" or "painters," and they have been persecuted out of fear and misunderstanding of the role these large predators play in the natural ecosystem. Human population growth, however, has been the primary threat to the

panther's range and continues to diminish the quality of existing habitats.

The panther has been protected from legal hunting in Florida since 1958. It has been on the federal endangered species list since 1967 and on the State's endangered list since 1973. The future of this large animal depends entirely on the management decisions that are made today on its behalf.



Source: <http://dhr.dos.state.fl.us/symbols>
Photos provided by: State Library of Florida

FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS

Individual fund descriptions and financial statements begin on page 155.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

Individual fund descriptions and financial statements begin on page 161.

AGENCY FUNDS

Individual fund descriptions and financial statements begin on page 167.

INVESTMENT TRUST FUND

This blended component unit includes the internal reporting funds used to account for the external portion of investment pools reported by the State.

STATE OF FLORIDA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2002
(in thousands)

	Private- purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Agency Funds	Investment Trust Fund	Totals 6/30/02
ASSETS					
Cash and cash equivalents	\$ 7,357	\$ 1,053,453	\$ 39,258	\$ 16,614	\$ 1,116,682
Pooled investments with State Treasury (Note 2)	876,797	228,738	2,789,143	.....	3,894,678
Total cash and cash equivalents	884,154	1,282,191	2,828,401	16,614	5,011,360
<u>Investments</u>					
Certificates of deposit	18	94,999	10,439	189,555	295,011
U.S. government & federally guaranteed obligations	1,827,445	5,084,978	2,781,993	3,431,307	13,125,723
Federal agencies	351,372	7,669,551	422,487	3,381,208	11,824,618
Commercial paper	34,144	2,173,189	336,144	6,079,126	8,622,603
Repurchase agreements	33,677	1,005,817	61,646	1,720,147	2,821,287
Bonds and notes	665,621	9,069,632	928	.....	9,736,181
International bonds and notes	.....	1,070,348	.....	.....	1,070,348
Real estate contracts	.....	3,261,417	.....	.....	3,261,417
Short term investments	123,248	1,003,903	.....	.....	1,127,151
Domestic equity	201,839	46,488,245	.....	.....	46,690,084
Limited partnerships	.....	2,551,660	.....	.....	2,551,660
Equity group trust	.....	11,418	.....	.....	11,418
International equity	.....	11,408,449	.....	.....	11,408,449
Deferred compensation contracts	.....	1,400,115	.....	.....	1,400,115
Other investments	.....	.....	3,706	.....	3,706
Total investments (Note 2)	3,237,364	92,293,721	3,617,343	14,801,343	113,949,771
<u>Receivables</u>					
Accounts receivable	19,466	24,286	700,582	.....	744,334
Pension contributions	.....	1,348	.....	.....	1,348
State contributions receivable	.....	187	.....	.....	187
Nonstate contributions receivable	.....	108,714	.....	.....	108,714
Interest receivable	15,723	324,370	29,771	17,497	387,361
Dividends receivable	257	106,952	.....	.....	107,209
Pending investment sales	17,844	2,661,428	.....	.....	2,679,272
Forward contracts	.....	384,805	.....	.....	384,805
Proceeds from the sale of investments	.....	10,141	.....	.....	10,141
Due from state funds (Note 11)	1,077	12,228	116,901	.....	130,206
Due from other governments	26,120	.....	.....	.....	26,120
Total receivables	80,487	3,634,459	847,254	17,497	4,579,697
Security lending collateral	1,139,610	8,010,086	236,984	4,303,360	13,690,040
Advances to other funds (Note 11)	195,976	.....	.....	.....	195,976
Tuition and housing receivable	798,979	.....	.....	.....	798,979
Capital assets	768	8,171	.....	.....	8,939
Accumulated depreciation	(404)	(4,916)	.....	.....	(5,320)
Other assets	174,783	.....	.....	71	174,854
Total assets	6,511,717	105,223,712	7,529,982	19,138,885	138,404,296
LIABILITIES					
Accounts payable	208,379	41,889	756,418	966	1,007,652
DROP	.....	1,546,095	.....	.....	1,546,095
Pending investment purchases	98,175	4,536,370	.....	.....	4,634,545
Forward contracts payable	.....	375,819	.....	.....	375,819
Broker rebate fees	1,519	5,959	181	3,283	10,942
Due to other funds (Note 11)	206,163	12,356	33,049	.....	251,568
Due to other governments	57,579	.....	541,612	9,739	608,930
Due to component units	.....	.....	2,727,339	.....	2,727,339
Obligations under security lending agreements	1,354,768	8,840,368	600,964	4,317,548	15,113,648
Claims payable	331,632	54,253	.....	.....	385,885
Deposits payable	111,099	68,679	2,870,419	.....	3,050,197
Compensated absences liability	360	1,502	.....	.....	1,862
Unclaimed property payable	137,533	.....	.....	.....	137,533
Tuition and housing benefits payable	3,556,093	.....	.....	.....	3,556,093
Total liabilities	6,063,300	15,483,290	7,529,982	4,331,536	33,408,108
NET ASSETS					
Held in trust for pension benefits and other purposes	\$ 448,417	\$ 89,740,422	\$	\$ 14,807,349	\$ 104,996,188

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

STATE OF FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)

	Private- purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Fund	Totals 06/30/02
ADDITIONS				
<u>Contributions and other deposits</u>				
Pension fund contributions - state	\$	\$ 584,496	\$	\$ 584,496
Pension fund contributions - nonstate	.....	1,512,119	.....	1,512,119
Employer/employee contributions	.....	890,361	.....	890,361
Tuition and housing contract sales	431,706	.....	.....	431,706
Purchase of time by employees	.....	74,978	.....	74,978
Fees	85,502	.....	.....	85,502
Grants and contributions	128,281	103	.....	128,384
Flexible benefit contributions	.....	122,082	.....	122,082
Transfers in from state funds (Note 11)	14,259	32,407	.....	46,666
Deposits required by law	.....	1	.....	1
Total contributions and other deposits	659,748	3,216,547	.....	3,876,295
<u>Investment income</u>				
Interest income	72,654	1,779,180	363,142	2,214,976
Dividends	3,231	716,484	.....	719,715
Net increase/(decrease) in fair market value	153,891	(10,234,718)	3,821	(10,077,006)
Total investment income	229,776	(7,739,054)	366,963	(7,142,315)
Investment activity expense	(1,935)	(451,578)	(2,226)	(455,739)
Net income from investing activity	227,841	(8,190,632)	364,737	(7,598,054)
<u>Security lending activity</u>				
Security lending income	26,500	262,340	97,891	386,731
Security lending expense	(23,782)	.....	(88,185)	(111,967)
Net income from security lending	2,718	262,340	9,706	274,764
Total net investment income	230,559	(7,928,292)	374,443	(7,323,290)
Other additions	946	.....	.....	946
Total additions	891,253	(4,711,745)	374,443	(3,446,049)
DEDUCTIONS				
Benefit payments	.....	3,287,468	.....	3,287,468
Tuition and housing payments	636,777	.....	.....	636,777
Insurance claims expense	.....	492,817	.....	492,817
HMO payments	.....	323,386	.....	323,386
Remittances to annuity companies	.....	121,411	.....	121,411
Student loan default payments	181,416	.....	.....	181,416
Administrative expense	13,986	96,930	336	111,252
Prepaid participant refunds	38,494	.....	.....	38,494
Program contribution refunds	.....	3,890	.....	3,890
Property disposition gain (loss)	15	161	.....	176
Transfers out to state funds (Note 11)	101,127	25,963	.....	127,090
Other deductions	1,077	1,278	.....	2,355
Total deductions	972,892	4,353,304	336	5,326,532
<u>Depositor activity</u>				
Deposits	.....	.....	61,812,791	61,812,791
Withdrawals	.....	.....	(62,011,389)	(62,011,389)
Excess of deposits over withdrawals	.....	.....	(198,598)	(198,598)
Change in net assets	(81,639)	(9,065,049)	175,509	(8,971,179)
Net assets - beginning, as restated (Note 1)	531,211	98,805,471	14,631,840	113,968,522
Adjustments to increase (decrease) beginning net asset	(1,155)	.....	.....	(1,155)
Net assets - beginning, as restated	530,056	98,805,471	14,631,840	113,967,367
Net assets - ending	\$ 448,417	\$ 89,740,422	\$ 14,807,349	\$ 104,996,188

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

ORANGE JUICE

- THE FLORIDA STATE BEVERAGE



Seldom does the mere mention of a beverage bring to mind a state. However, whenever “orange juice” is seen, written, or spoken, the universal connection is Florida. Technically, the State Beverage is

“the juice obtained from mature oranges of the species *Citrus sinensis* and hybrids thereof,” but the world knows it as just plain orange juice.

During the Second World War, concentrated juice was developed, followed by a frozen concentrate that transformed orange juice production into a multi-billion dollar industry. Small wonder that the Florida Legislature of 1967 proclaimed orange juice as the official State Beverage.

Source: <http://dhr.dos.state.fl.us/symbols>
Photo provided by: State Library of Florida

COMPONENT UNIT FINANCIAL STATEMENTS

Major Component Units

FLORIDA HOUSING FINANCE CORPORATION

Pursuant to Section 420.504, Florida Statutes, this corporation was created as an entrepreneurial public corporation organized to provide and promote public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida.

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Pursuant to Chapter 373, Florida Statutes, this district was created as a public corporation to promote the natural systems protection and restoration, development and proper utilization of surface and ground water within district boundaries and to prevent damage from floods, soil erosion and excessive drainage.

UNIVERSITY OF FLORIDA

University of Florida is a major, public, comprehensive, land-grant, research university with a main campus location in Gainesville, Florida.

FLORIDA STATE UNIVERSITY

Florida State University is a comprehensive, residential and coeducational institution with a main campus location in Tallahassee, Florida.

UNIVERSITY OF SOUTH FLORIDA

University of South Florida is a multi-campus national research university with a main campus location in Tampa, Florida.

FLORIDA RESIDENTIAL PROPERTY AND CASUALTY JOINT UNDERWRITING ASSOCIATION

Pursuant to Section 627.351(6), Florida Statutes, this association was created to provide certain residential property and casualty insurance coverage to qualified risks in the State of Florida under specified circumstances.

Nonmajor Component Units

Nonmajor component units are presented beginning on page 173.

STATE OF FLORIDA

STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2002
(in thousands)

	Florida Housing Finance Corporation	South Florida Water Management District	University of Florida	Florida State University
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 275,934	\$ 7,187	\$ 205,109	\$ 66,655
Pooled investments with State Treasury	11,839	.....	281,529	154,995
Investments (Note 2)	1,185,440	293,533	219,710	118,712
Receivables, net (Note 3)	78,737	6,161	286,326	54,214
Due from component units/primary	.....	11,191	177,002	213,189
Inventories	.....	814	4,747	2,197
Other	1,570	1,366	22,268	3,976
Total current assets	<u>1,553,520</u>	<u>320,252</u>	<u>1,196,691</u>	<u>613,938</u>
<u>Noncurrent assets</u>				
Restricted cash and cash equivalents	.....	.....	20,584	8,088
Restricted investments with State Treasury	.....	.....	78,993	48,322
Restricted investments (Note 2)	.....	.....	1,034,249	334,943
Long term investments (Note 2)	.....	.....	.....	.....
Other loans and notes receivable, net (Note 3)	2,694,675	.....	34,803	12,434
Capital assets:				
Land and other nondepreciable assets	.....	1,279,017	42,859	131,076
Buildings, equipment, and other depreciable assets	2,850	300,123	2,460,686	1,056,419
Accumulated depreciation	(2,136)	(104,763)	(1,197,727)	(382,024)
Construction work in progress	.....	136,549	109,937	97,762
Total capital assets (Note 5)	<u>714</u>	<u>1,610,926</u>	<u>1,415,755</u>	<u>903,233</u>
Other	15,287	.....	83,404	64,079
Total noncurrent assets	<u>2,710,676</u>	<u>1,610,926</u>	<u>2,667,788</u>	<u>1,371,099</u>
Total assets	<u>4,264,196</u>	<u>1,931,178</u>	<u>3,864,479</u>	<u>1,985,037</u>
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	104,072	29,483	221,782	50,371
Due to component units/primary	24,827	.....	81,512	144,438
Compensated absences (Note 10)	.....	762	7,581	2,124
Installment purchases/capital leases (Note 9 and 10)	.....	1,967	1,918	177
Bonds payable (Notes 8 and 10)	30,621	4,160	15,623	5,445
Deposits	.....	.....	.....	.....
Deferred revenue	6,193	25,564	102,737	33,312
Obligations under security lending agreements	.....	.....	.....	.....
Other	59,987	3,637	12,220	830
Total current liabilities	<u>225,700</u>	<u>65,573</u>	<u>443,373</u>	<u>236,697</u>
<u>Noncurrent liabilities</u>				
Advances from other funds	.....	.....	.....	.....
Due to other governments	.....	.....	.....	.....
Due to primary	.....	.....	.....	.....
Bonds payable (Notes 8 and 10)	3,265,002	67,915	433,340	184,669
Installment purchases/capital leases (Notes 9 and 10)	.....	4,307	13,969	3,321
Deferred revenue	28,560	.....	.....	.....
Claims payable	.....	4,466	.....	.....
Compensated absences (Note 10)	.....	13,923	110,190	34,806
Other	70,960	21,174	101,002	15,023
Total noncurrent liabilities	<u>3,364,522</u>	<u>111,785</u>	<u>658,501</u>	<u>237,819</u>
Total liabilities	<u>3,590,222</u>	<u>177,358</u>	<u>1,101,874</u>	<u>474,516</u>
NET ASSETS				
Invested in capital assets, net of related debt	714	1,510,106	950,077	706,203
Restricted for:				
Debt service	.....	6,047	3,563	553
Other	604,843	.....	1,186,671	584,073
Permanent funds:				
Expendable	.....	10,726	.....	.....
Nonexpendable	.....	5,570	.....	.....
Unrestricted (deficit)	68,417	221,371	622,294	219,692
Total net assets	<u>\$ 673,974</u>	<u>\$ 1,753,820</u>	<u>\$ 2,762,605</u>	<u>\$ 1,510,521</u>

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

STATE OF FLORIDA

University of South Florida	Florida Residential Property and Casualty JUA	Nonmajor Component Units	Totals 6/30/02
\$ 66,751	\$ 1,670	\$ 363,039	\$ 986,345
73,430	340,090	472,845	1,334,728
85,150	501,329	823,124	3,226,998
143,016	32,467	301,204	902,125
65,431	.....	809,132	1,275,945
4,451	.....	24,342	36,551
12,259	17,513	29,867	88,819
<u>450,488</u>	<u>893,069</u>	<u>2,823,553</u>	<u>7,851,511</u>
2,839	.....	35,072	66,583
11,823	.....	48,934	188,072
371,476	.....	462,089	2,202,757
.....	87,747	683,109	770,856
6,997	.....	75,913	2,824,822
17,067	.....	1,520,436	2,990,455
914,769	3,488	5,760,591	10,498,926
(371,473)	(1,927)	(2,094,404)	(4,154,454)
125,944	.....	433,582	903,774
<u>686,307</u>	<u>1,561</u>	<u>5,620,205</u>	<u>10,238,701</u>
23,180	.....	49,113	235,063
<u>1,102,622</u>	<u>89,308</u>	<u>6,974,435</u>	<u>16,526,854</u>
<u>1,553,110</u>	<u>982,377</u>	<u>9,797,988</u>	<u>24,378,365</u>
101,549	91,624	661,047	1,259,928
14,781	.....	30,165	295,723
3,005	.....	30,570	44,042
891	.....	7,461	12,414
9,915	.....	25,890	91,654
.....	.....	481	481
76,624	83,173	203,825	531,428
.....	6,859	.....	6,859
.....	150,000	70,792	297,466
<u>206,765</u>	<u>331,656</u>	<u>1,030,231</u>	<u>2,539,995</u>
.....	.....	20	20
.....	.....	6,406	6,406
.....	.....	76,035	76,035
203,792	.....	523,737	4,678,455
47,536	.....	73,746	142,879
.....	.....	463	29,023
.....	.....	.....	4,466
39,177	.....	210,309	408,405
7,813	358,283	150,710	724,965
<u>298,318</u>	<u>358,283</u>	<u>1,041,426</u>	<u>6,070,654</u>
<u>505,083</u>	<u>689,939</u>	<u>2,071,657</u>	<u>8,610,649</u>
446,277	.....	4,898,389	8,511,766
7,866	.....	104,276	122,305
438,984	.....	960,689	3,775,260
.....	.....	732,128	742,854
.....	.....	342,833	348,403
154,900	292,438	688,016	2,267,128
<u>\$ 1,048,027</u>	<u>\$ 292,438</u>	<u>\$ 7,726,331</u>	<u>\$ 15,767,716</u>

STATE OF FLORIDA

STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)

Functions/Programs	Expenses	Program Revenues			Florida Housing Finance Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Florida Housing Finance Corporation	\$ 402,209	\$ 257,203	\$ 245,278	\$	\$ 100,272
South Florida Water Management District	258,670	8,592	38,985	83,532	.....
University of Florida	2,471,729	1,236,365	778,380	40,714	.....
Florida State University	692,834	190,678	306,614	23,764	.....
University of South Florida	1,059,517	424,976	322,268	3,019	.....
Florida Residential Property and Casualty JUA	116,787	135,601	.....	.....	.....
Nonmajor Component Units	4,481,365	1,118,606	1,129,335	261,370	.....
Total component units	\$ 9,483,111	\$ 3,372,021	\$ 2,820,860	\$ 412,399	100,272

General revenues	
Property taxes	.....
Investment earnings	.....
Gain (loss) on sale of capital assets	.....
Payments from the State of Florida	.....
Transfers	.....
Contributions to permanent funds	.....
Miscellaneous	.....
Total general revenues	.....
Change in net assets	100,272
Net assets - beginning, as restated (Note 1)	573,702
Adjustments to increase (decrease) beginning net assets	.....
Net assets - ending	\$ 673,974

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

STATE OF FLORIDA

Net (Expense) Revenue and Changes in Net Assets

South Florida Water Management District	University of Florida	Florida State University	University of South Florida	Florida Residential Property and Casualty JUA	Nonmajor Component Units	Totals 6/30/02
\$	\$	\$	\$	\$	\$	\$ 100,272
(127,561)	.....	.....	.....	.....	.....	(127,561)
.....	(416,270)	.....	.....	.....	.....	(416,270)
.....	.....	(171,778)	.....	.....	.....	(171,778)
.....	.....	.....	(309,254)	.....	.....	(309,254)
.....	.....	.....	.....	18,814	.....	18,814
.....	.....	.....	.....	.....	(1,972,054)	(1,972,054)
(127,561)	(416,270)	(171,778)	(309,254)	18,814	(1,972,054)	(2,877,831)
256,150	.....	.....	.....	.....	181,844	437,994
18,292	(7,091)	13,234	16,825	.....	30,122	71,382
.....	.....	.....	.....	.....	(297)	(297)
.....	544,522	314,994	287,456	.....	2,066,950	3,213,922
.....	19,942	1,247	1,509	.....	18,678	41,376
676	.....	.....	.....	.....	282	958
11,166	.....	.....	.....	.....	273,460	284,626
286,284	557,373	329,475	305,790	.....	2,571,039	4,049,961
158,723	141,103	157,697	(3,464)	18,814	598,985	1,172,130
1,595,097	2,649,229	1,351,827	1,105,862	273,624	7,041,247	14,590,588
.....	(27,727)	997	(54,371)	.....	86,099	4,998
\$ 1,753,820	\$ 2,762,605	\$ 1,510,521	\$ 1,048,027	\$ 292,438	\$ 7,726,331	\$ 15,767,716

MOCKINGBIRD

- THE FLORIDA STATE BIRD



The common mockingbird (*Mimus polyglottos*) is a superb songbird and mimic. Its own song has a pleasant lilt, varied and repetitive. Often it will sing all night long, especially in bright springtime moonlight.

All ten species of mockingbirds are virtually alike in form: about 10" in length, with a 15" wingspan, grayish upper portions, white undersides, and white patches on the tail and wings. The female has slightly less whiteness.

The nest, a joint male/female project, is a bulky, open cup of grass, twigs, and rootlets carelessly arranged in a dense tree or bush. The 3-6 eggs per nest are a pale blue-greenish with brown spots. This year-round Florida resident is known for its fierce defense of the family nest.

Senate Concurrent Resolution No. 3 of the 1927 legislative session designated the mockingbird as the State Bird. Not only a Florida favorite, it is the State Bird of Arkansas, Mississippi, Tennessee, and Texas.

Source: <http://dhr.dos.state.fl.us/symbols>

Photo provided by: Tallahassee Museum of History and Natural Science

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

For financial reporting purposes, the State of Florida's (the State's) financial reporting entity includes the primary government (i.e., legislative agencies, the Governor and Cabinet, departments and agencies, commissions, boards of the Executive Branch, and various offices relating to the Judicial Branch) and its component units.

Component units, as defined in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, are legally separate organizations for which the elected officials of the State are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete.

Blended Component Units

A component unit is reported as blended when either (1) the component unit's governing body is substantively the same as the governing body of the State or (2) the component unit provides services entirely, or almost entirely, to the State or otherwise exclusively, or almost exclusively, benefits the State even though it does not provide services directly to it.

The State's blended component units are (in alphabetical order):

- Citrus Commission (Department of Citrus)
- Florida Engineers Management Corporation
- Florida Prepaid College Program
- Florida School for the Deaf and the Blind
- Surplus Lines (Florida Surplus Lines Service Office)
- Florida Water Pollution Control Financing Corporation
- Partnership in Correctional Excellence (Foundation)
- Inland Protection Financing Corporation
- Investment Fraud Restoration (Financing) Corporation
- State Board of Administration
- Wireless Emergency Telephone System (Wireless 911 Board)
- Workforce Florida

Blended component units that are considered major are reported in separate columns in the fund financial statements. Other blended component units that are considered nonmajor are reported with other funds in the appropriate columns in the fund financial statements. In addition, the financial data for some blended component units (e.g. State Board of Administration (SBA)) are reported in more than one fund type, some of which are considered major (e.g. Lawton Chiles Endowment Fund – SBA) and others are considered nonmajor. Refer to Section D of this note for more information on the determination criteria for major funds and a list of major funds and fund types.

Discretely Presented Component Units

Component units that are not blended are discretely presented. In the government-wide financial statements, discrete presentation entails reporting component unit financial data in a column separate from the financial data of the State.

In addition, financial data for discretely presented component units that are considered major are reported in separate columns in the basic financial statements for component units. Discretely presented component units that are considered nonmajor are combined and reported in one column in the component unit financial statements and detailed in the combining statements. The determination of whether a component unit is major or nonmajor is based on the amount of assets, liabilities, revenues, and expenditures/expenses the component units report on their financial statements. Refer to Section D of this note for more

information on major funds.

The State's discretely presented component units are grouped into the following categories:

State Universities and Community Colleges. State universities and community colleges receive funding from the State and operate under the supervision of the State Board of Education. Component units included in this category are (in alphabetical order):

State Universities**Major:**

- Florida State University
- University of Florida
- University of South Florida

Nonmajor:

- Florida Agricultural and Mechanical University
- Florida Atlantic University
- Florida Gulf Coast University
- Florida International University
- New College of Florida
- University of Central Florida
- University of North Florida
- University of West Florida

Community Colleges**Nonmajor:**

- Brevard Community College
- Broward Community College
- Central Florida Community College
- Chipola Junior College
- Daytona Beach Community College
- Edison Community College
- Florida Community College at Jacksonville
- Florida Keys Community College
- Gulf Coast Community College
- Hillsborough Community College
- Indian River Community College
- Lake City Community College
- Lake-Sumter Community College
- Manatee Community College
- Miami-Dade Community College
- North Florida Community College
- Okaloosa-Walton Community College
- Palm Beach Community College
- Pasco-Hernando Community College
- Pensacola Junior College
- Polk Community College
- St. Johns River Community College
- St. Petersburg College
- Santa Fe Community College
- Seminole Community College
- South Florida Community College
- Tallahassee Community College
- Valencia Community College

Florida Housing Finance Corporation (Major). Pursuant to Section 420.504, Florida Statutes, this corporation was created as an entrepreneurial public corporation organized to provide and promote public welfare by administering the governmental function of financing or refinancing housing and related facilities in Florida. This entity has a December 31 year end.

Water Management Districts. These districts were created in accordance with Section 373.069, Florida Statutes, to provide for the management and conservation of water and related land resources. The Governor appoints members of the governing boards of the districts, subject to confirmation by the Senate. In addition, the general regulatory and administrative functions of the

districts are either fully or in part financed by general appropriations. Water management districts have a fiscal year end of September 30. Component units included in this category are (in alphabetical order):

Major:

- South Florida Water Management District

Nonmajor:

- Northwest Florida Water Management District
- St. Johns River Water Management District
- Southwest Florida Water Management District
- Suwannee River Water Management District

Florida Residential Property and Casualty Joint Underwriting Association (Major). Pursuant to Section 627.351(6), Florida Statutes, this association was created to provide certain residential property and casualty insurance coverage to qualified risks in the State under specified circumstances. This entity has a December 31 year end.

Other. Additional discretely presented component units of the State also include various foundations and not-for-profit organizations. The fiscal year ends of these component units may vary. Component units included in this category are (in alphabetical order):

Nonmajor:

- Astronauts Memorial Foundation
- Commission for Florida Law Enforcement Accreditation
- Enterprise Florida
- Florida Agriculture Center and Horse Park Authority
- Florida Agriculture in the Classroom Program
- Florida Agricultural Museum
- Florida Birth-Related Neurological Injury Compensation Plan
- Florida Commercial Space Financing Corporation
- Florida Comprehensive Health Association
- Florida Education Foundation
- Florida Education Fund
- Florida Endowment Foundation for Vocational Rehabilitation
- Florida First Capital Finance Corporation
- Florida Fund for Minority Teachers
- Florida Healthy Kids Corporation
- Florida Patient's Compensation Fund
- Florida Space Authority
- Florida Sports Foundation
- Florida State Fair Authority
- Florida Telecommunications Relay
- Florida Tourism Industry Marketing Corporation
- Forestry Arson Alert Program
- Friends of Florida State Forests
- Prison Rehabilitative Industries and Diversified Enterprises (PRIDE)
- Technological Research and Development Authority
- Tri-County Commuter Railroad Authority
- Wildlife Alert Reward Association
- Wildlife Foundation of Florida

Joint Ventures

A joint venture is an organization that results from contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (1) an ongoing financial interest or (2) an ongoing financial responsibility. Financial data for the State's joint ventures is not included in its statements. The State's joint ventures include the following (in alphabetical order):

Apalachicola-Chattahoochee-Flint River Basin (ACFRB) Commission. Section 373.71, Florida Statutes, provided for the creation of an interstate administrative agency to promote interstate comity, remove causes of present and future

controversies, equitably apportion the surface waters of the ACFRB, and engage in water planning. Operational funding required by the commission is equally shared among the party states.

Board of Control for Southern Regional Education. Sections 244.01 - 244.03, Florida Statutes, promote the development and maintenance of regional education services and facilities in the southern states to provide greater educational advantages and facilities for the citizens in the region. The states established a joint agency called the Board of Control for Southern Regional Education to submit plans and recommendations to the states from time to time for their approval and adoption by appropriate legislative action for the development, establishment, acquisition, operation, and maintenance of educational facilities in the region. The statute establishing this joint venture will be repealed January 7, 2003, in accordance with Chapter 2000-321, Laws of Florida.

Regional Planning Councils. Sections 186.501 - 186.513, Florida Statutes, the "Florida Regional Planning Council Act", provide for the creation of regional planning agencies to assist local governments in resolving their common problems. The regional planning councils are designated as the primary organization to address problems and plan solutions that are of greater-than-local concern or scope. Participants in these councils are required by statutes to contribute to the support of these programs.

Southern States Energy Compact. Section 377.711, Florida Statutes, enacted this compact into law joining the State of Florida and other states to recognize that proper employment and conservation of energy and employment of energy-related facilities, materials, and products can assist substantially in the industrialization of the South and the development of a balanced economy in the region. The State of Florida appropriates funds to support Florida's participation in the compact.

Related Organizations

Organizations for which the State is accountable because the State appoints a voting majority of the board but is not financially accountable are related organizations. The State's related organizations include certain transportation authorities, hospital districts, port authorities, and aviation authorities. Since the State is not financially accountable for any of these organizations, applicable financial data is not included in the State's financial statements.

Contact

Financial statements of the component units that issue separate statements and other financial statement related information may be obtained from:

Statewide Financial Reporting Section
Bureau of Accounting
Department of Financial Services
200 East Gaines Street
Tallahassee, Florida 32399-0354
Telephone: (850) 410-9951
Department Website: <http://www.fldfs.com>

Contact the joint ventures directly for their financial statements.

B. Basic Financial Statements

The State's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). As a result of the implementation of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 37, the State has reformatted its financial statements and restated beginning balances as appropriate. The basic financial statements of the State, including its component units, are presented in the required format discussed below.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its discretely presented component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function. Some functions may include administrative overhead that is essentially indirect expenses of other functions. The State currently does not allocate those indirect expenses to other functions. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues are considered available when they are collected within 30 days of the end of the current fiscal year. The major revenue that meets this availability criterion is tax revenue. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures for insurance and similar services extending over more than one fiscal year generally are accounted for as expenditures of the fiscal year of acquisition. Further, principal and interest on general long-term debt are recognized when due.

Under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, proprietary funds have the option to elect to apply all pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, unless FASB conflicts with GASB. The State has elected not to apply FASB pronouncements issued after the applicable date.

D. Basis of Presentation

Major Funds

GASB Statement No. 34, as amended by GASB Statement No. 37, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses for either fund category or the governmental and enterprise combined) for the determination of

major funds. The State elected to add certain other major funds which had specific public interest. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements. The State reports the following major funds:

~Major Governmental Funds~

General Fund – this fund accounts for the financial resources of the State, except those required to be accounted for in another fund. This is the State's primary operating fund.

Environment, Recreation, and Conservation - accounts for the operations of various programs such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation, etc.

Health and Family Services - includes funds used to operate various health and family service-related programs such as health care, elder affairs, and child support, etc.

Transportation - accounts for the maintenance and development of the State highway system and other transportation-related projects.

Public Education - includes funds to operate education-related programs.

Tax Collection and Administration - accounts for operations of the State's tax collection and administration functions. Refer to Note 4 for additional information on tax revenues.

Employment Services - accounts for funds used for employee-service related programs other than unemployment compensation (i.e., workers' compensation, employment security, labor market statistics, administration of the unemployment compensation program, etc.).

Lawton Chiles Endowment Fund - provides a perpetual source of enhanced funding for the future of State children's health programs, child welfare programs, children's community-based health and human services initiatives, elder programs, and biomedical research activities related to tobacco use.

~Major Business-type Funds~

Transportation - primarily accounts for operations of the Florida Turnpike.

Lottery - accounts for lottery operations in the State, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Education Enhancement Trust Fund.

Unemployment Compensation - accounts for receipt of monies for and payment of unemployment compensation benefits.

State Board of Administration - primarily accounts for investments for the Florida Hurricane Catastrophe Fund, which was created to help cover insurers' losses in the event of a hurricane disaster.

Fund Types

Additionally, the State reports the following fund types:

~Governmental Fund Types~

Special Revenue Funds - used to account for revenues which are legally restricted to expenditures for specific purposes.

Capital Projects Funds - used to account for resources used for the acquisition or construction of major capital facilities other than those financed by other funds.

Debt Service Fund - used to account for resources earmarked to pay principal, interest, and service charges on long-term debt of governmental funds.

Permanent Funds - used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the State's programs.

~Proprietary Fund Types~

Proprietary fund revenues earned in the normal course of business where goods or services are generally provided in exchange are considered operating revenues. Examples of operating revenues include sales, fees, and rents. On the other hand, subsidies and grants to proprietary funds or other sources of revenues which finance either capital or current operations are recorded as nonoperating revenues when earned.

Enterprise Funds - used to report activities for which a fee is charged to external users for goods or services.

Internal Service Funds - primarily used to report activities that provide goods or services to other funds or agencies within the State, rather than to the general public. Internal service funds are classified into the following categories:

- **Data Centers** - accounts for services provided by data processing centers operated by various agencies.
- **Communications and Facilities** - primarily accounts for services provided by the Department of Management Services such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the Suncom (state communication) Network.
- **Other** - account for services provided to other State agencies such as legal services, records management, and community services (inmate work squads), etc.

~Fiduciary Fund Types~

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the State's own programs.

Private-Purpose Trust Funds - used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Pension and Other Employee Benefits Trust Funds - used to report resources that are required to be held in trust for the members and beneficiaries of pension plans and other employee benefit plans.

Agency Funds - used to report resources held by the State in a purely custodial capacity.

Investment Trust Funds - used to report the external portion of investment pools reported by the State.

E. Assets, Liabilities, and Net Assets or Fund Balance

Cash and Cash Equivalents

The State's cash includes cash on hand and on deposit in banks, including demand deposits, certificates of deposit, and time deposits. Most deposits are held by financial institutions qualified as public depositories under Florida law. Cash equivalents are short-term, highly liquid investments. For the purposes of GASB Codification Section 2450, *Cash Flow Statements*, pooled investments with the State Treasury include cash equivalents. Details of deposits are included in Note 2.

Investments

Section 18.10, Florida Statutes, authorizes the State to invest in various instruments. Investments of the Local Government Surplus Funds Trust Fund, a Securities and Exchange Commission Rule 2a7-like external investment pool, are reported at amortized cost. Investments of the Debt Service Escrowed Fund, which meet the requirements of a legal or in-substance defeasance, are reported at cost. Other investments are reported at fair value at the reporting date. Details of investments are included in Note 2.

Inventories

Inventories primarily consist of expendable supplies. Inventories are recorded as expenditures when consumed. At the end of the fiscal year, inventory is reported as an asset and a fund balance reservation. The method used to determine the cost of inventories varies by agency responsible for the inventories.

Restricted Assets

When both restricted and unrestricted resources are to be used for the same purpose, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources.

Capital Assets

Capital assets are real and personal property that have a cost equal to or greater than an established capitalization threshold and have an estimated useful life extending beyond one year. For additional information, refer to Note 5.

Compensated Absences

Employees earn the right to be compensated during absences for vacation and illness as well as for unused special compensatory leave earned for hours worked on legal holidays and other specially authorized overtime. Compensated absences for annual leave are recorded as a liability when the benefits are earned. Compensated absences for sick leave are calculated based on the vesting method. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from State service. The amounts reported for compensated absences are based on current year-end salary rates and include employer social security and pension contributions at current rates.

Long-term Liabilities

Refer to Note 8 for information on bonds payable, Note 9 for information on capital leases, installment purchase contracts, and certificates of participation, and Note 10 for changes in long-term liabilities.

Net Assets

The government-wide statement of net assets classifies net assets into the following categories: (1) invested in capital assets, net of related debt, (2) restricted, and (3) unrestricted. The "invested in capital assets, net of related debt" component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Net assets are reported as "restricted" when constraints placed on net asset use are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. "Unrestricted" net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Reserves of Fund Balance

In the fund financial statements, governmental funds report reserves of fund balance for amounts that are not available for appropriation or are legally reserved by outside parties for use for a specific purpose. The State has the following types of reserves of fund balance:

Reserve for encumbrances represents outstanding purchase orders, contracts, and other commitments.

Reserves for inventories, advances, and long-term receivables represent fund assets that are not expendable financial resources.

Reserve for capital outlay represents funds reserved for capital projects.

Reserve for debt service represents fund assets reserved for payment of debt service.

Reserve for permanent trust represents trust fund assets that must be held in perpetuity by the donee.

Reserve for Budget Stabilization Fund represents funds available to cover revenue shortfalls in the General Revenue Fund and for emergencies defined by law.

Reserve for Working Capital Fund represents funds available in the General Revenue Fund used to offset unanticipated expenditures such as spending on emergencies.

Other reserves represent fund assets reserved for various reasons, including donor-imposed restrictions and statutory guidelines.

F. Interfund Activity and Balances

The effect of interfund activities, except those between funds reported as governmental activities and funds reported as business-type activities, has been eliminated from the government-wide statements. In the fund financial statements, transfers represent flows of assets without equivalent flows of assets in return or a requirement for repayment. In addition, transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers and balances between funds are made to accomplish various provisions of law.

Interfund receivables and payables have been eliminated from the statement of net assets, except for the residual amounts due between governmental and business-type activities.

For additional information, refer to Note 11.

G. Nonmonetary Transactions

The State participates in various activities which are, in part, represented by nonmonetary transactions. The majority of these nonmonetary transactions are reported within the receiving governmental funds of the State's reporting entity. Examples include nonmonetary assistance in the form of Federal grants, such as Electronic Benefit Transfer (EBT) cards for food assistance and donated food commodities. The State also acts as an agent for the United States Department of Agriculture in the distribution of donated food commodities to qualifying organizations outside the State's reporting entity. Transactions related to this activity are not reported in the accompanying financial statements.

State Attorneys and Public Defenders of the State of Florida are furnished certain office space and other services by counties under the provisions of Chapter 27, Florida Statutes. Some counties also provide certain facilities and services to other officers and staff of the judicial branch. The value of these services provided by the counties is not reported as a revenue.

H. Reporting Changes

Changes in Reporting State Universities

Effective July 1, 2001, the State's universities became legally separate from the State, requiring that they be reported as discretely presented component units rather than part of the primary government. Due to this change, the financial activity and account balances of over 50 discretely presented component units associated with the state universities, which were previously reported as discretely presented component units of the State, are now reported as part of state universities' financial activity and account balances.

Changes in Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 35, *Basic Financial Statements – Management's Discussion and Analysis – for Colleges and Universities*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus – An Amendment of Statements No. 21 and No. 34*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements have been implemented this year. The new accounting and reporting standards impacted the State's revenue and expenditure recognition and assets, liabilities, and fund equity/net asset reporting. The State has reformatted its financial statements and restated beginning equity/net asset balances as appropriate to comply with these standards. The following schedule summarizes changes to fund equities/net assets as previously reported on the Combined Balance Sheet. The changes are primarily due to fund reclassifications as a result of GASB Statement No. 34. Reporting entity changes include changes in the law, changes in organizational structure, and effects of management's judgment with regard to the State's legal and financial relationship with certain entities.

Entities affected by changes in the law and/or changes in organizational structure were as follows (in alphabetical order):

Entities changing status within the reporting entity:

- Historic Pensacola Preservation Board (now a component unit of the University of West Florida)

Entities removed from the reporting entity:

- Center for Systematic Entomology, Inc. (DSO)
- Florida Endowment Foundation for Florida's Graduates
- Seminole County Expressway Authority
- St. Lucie County Expressway and Bridge Authority

Entities affected by management's judgment with regard to the State's legal and financial relationship with certain entities (in alphabetical order):

Entities changing status within the reporting entity:

- Florida Prepaid College Foundation (now a component unit of the Florida Prepaid College Board)

Entities removed from the reporting entity:

- Mid-Bay Bridge Authority
- Orlando-Orange County Expressway Authority
- Tampa-Hillsborough County Expressway Authority

Entities added to the reporting entity:

- Florida Residential Property and Casualty Joint Underwriters Association

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The following is a reconciliation prior year ending equity balances to the current year restated beginning balances (in thousands):

	June 30, 2001 As Previously Reported	Fund and Other Reclassifications	June 30, 2001 As Restated
GOVERNMENTAL FUNDS AND ACTIVITIES			
<u>General Fund</u>	\$ 3,425,713	\$ 85,328	\$ 3,511,041
<u>Special Revenue Funds</u>	6,254,934	(6,254,934)	.....
Environment, Recreation, & Conservation	.....	2,440,921	2,440,921
Health & Family Services	.....	706,338	706,338
Transportation	.....	1,136,221	1,136,221
Public Education	.....	605,401	605,401
Tax Collection & Administration	.....	309,530	309,530
Employment Services	.....	49,737	49,737
Nonmajor Special Revenue Funds	.....	752,167	752,167
Total Special Revenue Funds	6,254,934	(254,619)	6,000,315
Capital Projects Funds	109,924	(1,013)	108,911
<u>Debt Service Fund</u>	368,911	(2)	368,909
<u>Permanent Funds</u>	.....	.....	.....
Lawton Chiles Endowment Fund	.....	1,257,101	1,257,101
Other Permanent Fund	.....	1,605	1,605
Total Permanent Funds	.....	1,258,706	1,258,706
Adoption of GASB Statements No. 33 & 34 (to include the following)			
Capital assets, net of depreciation	.....	39,146,711	39,146,711
Long-term debt and notes payable	.....	(16,456,277)	(16,456,277)
Internal service fund conversion	.....	251,091	251,091
Total Adoption of GASB Statements No. 33 & 34	.....	22,941,525	22,941,525
TOTAL GOVERNMENTAL FUNDS AND ACTIVITIES	\$ 10,159,482	\$ 24,029,925	\$ 34,189,407
PROPRIETARY FUNDS AND BUSINESS-TYPE ACTIVITIES			
<u>Enterprise Funds</u>	\$ 2,802,793	\$ (2,802,793)	\$
Transportation	.....	2,780,951	2,780,951
Lottery	.....	189,049	189,049
Unemployment Compensation	.....	2,149,444	2,149,444
State Board of Administration	.....	3,829,916	3,829,916
Nonmajor Enterprise Funds	.....	152,114	152,114
Total Enterprise Funds	2,802,793	6,298,681	9,101,474
<u>Internal Service Funds</u>	283,266	(283,266)	.....
TOTAL PROPRIETARY FUNDS AND BUSINESS-TYPE ACTIVITIES	\$ 3,086,059	\$ 6,015,415	\$ 9,101,474
FIDUCIARY FUNDS			
<u>Fiduciary Funds</u>			
Expendable Trust Fund	\$ 6,364,338	\$ (6,364,338)	\$
Non-Expendable Trust Fund	1,257,101	(1,257,101)	.....
Private Purpose Trust Funds	.....	531,211	531,211
Pension & Other Employment Benefits	97,301,194	1,504,277	98,805,471
Agency Funds	.....	.....	.....
Investment Trust Fund SBA	14,631,836	4	14,631,840
TOTAL FIDUCIARY FUNDS	\$ 119,554,469	\$ (5,585,947)	\$ 113,968,522
ACCOUNT GROUPS			
General Fixed Assets	\$ 7,773,299	\$ (7,773,299)	\$
TOTAL ACCOUNT GROUPS	\$ 7,773,299	\$ (7,773,299)	\$
State University System	\$ 6,830,889	\$ (6,830,889)	\$
TOTAL PRIMARY GOVERNMENT	\$ 147,404,198	\$ 9,855,205	\$ 157,259,403
DISCRETELY PRESENTED COMPONENT UNITS			
Component Units	\$ 12,069,031	\$	\$ 14,590,588
State University System - New Component Units	.....	6,830,889	.....
Florida Residential Property & Casualty Joint Underwriting Association - New Component Unit	.....	273,624	.....
Other changes in the reporting entity	.....	(488,511)	.....
State University System - effects of GASB 34 and 35 implementation and elimination of the Board of Regents	.....	(2,279,384)	.....
Community Colleges - effects of GABS 34 and 35 implementation and inclusion of a new component unit	.....	(1,396,156)	.....
Water Management Districts - effects of GASB 34 implementation	.....	(418,905)	.....
TOTAL DISCRETELY PRESENTED COMPONENT UNITS	\$ 12,069,031	\$ 2,521,557	\$ 14,590,588

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2002, the carrying amount of deposits totaled \$2,418,894,354, which consisted of the following: \$210,357,715 cash and cash equivalents in financial institutions; \$33,026 restricted cash in financial institutions; and \$2,208,503,613 pooled investments with the State Treasury. The reported carrying amount of component unit deposits totaled \$712,589,640, which consisted of cash and cash equivalents in financial institutions.

Chapter 280, Florida Statutes (F.S.), generally requires public funds to be deposited in a bank or savings association that is designated by the State Treasurer as authorized to receive deposits in the State and that meets the collateral requirements. The Treasurer determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Chapter 4C-2, Florida Administrative Code (FAC) and Section 280.04, Florida Statutes. The Treasurer is directed by FAC to review the "Public Depository Monthly Reports" and continually monitor the collateral pledging level(s) and required collateral of each QPD. If the Treasurer determines that a QPD has violated the law and rule and has not pledged adequate collateral and/or has not used the proper collateral pledging level or levels, the QPD is immediately notified of the fact and directed to immediately comply with the Treasurer's collateral requirements. Eligible collateral includes Federal, Federally-guaranteed, state and local government obligations, and corporate bonds, letters of credit issued by a Federal Home Loan Bank, and with the Treasurer's permission, collateralized mortgage obligations, real estate mortgage investment conduits and securities or other interests in any open-end management investment company registered under the Investment Company Act of 1940 provided the portfolio of such investment company is limited to direct obligations of the United States (U.S.) Government and to repurchase agreements fully collateralized by such direct obligations of the U.S. Government and provided such investment company takes delivery of such collateral either directly or through an authorized custodian.

Statutes provide that if a loss to public depositors is not covered by deposit insurance, demanding payment under letters of credit, and the proceeds from the sale of collateral pledged or deposited by the defaulting depository, the difference will be provided by an assessment levied against other QPD's.

Deposits held in trust that are fully secured under trust business laws, deposits that are fully secured under Federal regulations, and/or deposits that are outside the country are exempted from being placed with a QPD. Also exempt are deposits of the System Trust Fund, which is used to administer the Florida Retirement System, and wire transfers and transfers of funds solely for the purpose of paying registrars and paying agents. A number of these deposits, however, are insured or collateralized.

The deposit balances reported by the State's banks totaled \$3,320,641,930. Of this amount, \$2,215,261,515 was covered by Federal and other depository insurance, letters of credit, or the collateral pool described above and \$1,015,380,415 was uncollateralized. The deposit balances reported by component unit banks totaled \$731,484,935. Of this amount, \$429,204,723 was covered by Federal and other depository insurance or the collateral pool described above, \$278,804,566 was collateralized with securities held by the pledging financial institution's trust department in the component unit's name, and \$23,475,646 was uncollateralized.

B. Investments

The schedules below disclose the carrying value and fair value of each type of investment classified in categories of credit risk. These categories are as follows:

- A. Insured or registered, or securities held by the State or its agent in the State's name.
- B. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the State's name.
- C. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the State's name.

Certain investments, such as mutual funds, cannot be categorized because they are not evidenced by securities that exist in physical or book entry form. Securities held by the other parties underlying securities lending agreements also are not categorized.

1. Pooled Investments with the State Treasury

Unless specifically exempted by statute, all cash of the State must be deposited in the State Treasury. Certain component units are allowed by statute to deposit cash with the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize interest earnings. Authorized investment types are set forth in Section 18.10, F.S., and include certificates of deposit, direct obligations of the United States Treasury, obligations of Federal agencies, asset-backed or mortgage-backed securities, commercial paper, bankers' acceptances, medium term corporate obligations, repurchase agreements, commingled and mutual funds, derivatives, negotiable certificates of deposit; and, subject to certain rating conditions, foreign bonds denominated in U.S. dollars and registered with the Securities and Exchange Commission (SEC) for sale in the U.S. and convertible debt obligations of any corporation domiciled within the U.S.

The State Treasury had holdings at June 30, 2002, of \$2,276,639,816 for component units in total. These investments are reported as part of the primary government and may be different from the amounts reported by some component units due to different reporting periods.

The State Treasury records, as an investment, funds credited to the State's account in the Federal Unemployment Compensation Trust Fund pursuant to Section 903 of the Social Security Act. The fund is drawn upon primarily to pay unemployment compensation benefits. This money is pooled with deposits from other states and is managed by the Federal Government. No disclosures can be made of specific securities owned.

Security Lending. State statutes authorize the State Treasury to participate in a security lending program. Agents of the State Treasury loan securities, including U.S. Government and federally-guaranteed obligations, bonds and notes to broker/dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral for loaned securities cannot be less than 100 percent of the fair value of the underlying security plus accrued interest. Such collateral may consist of cash; government securities; unconditional, irrevocable standby letters of credit; or other assets specifically agreed to in writing. Cash collateral is invested by the agent in investments authorized by Section 18.10, F.S. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned because security loan agreements are generally open-ended with no fixed expiration date. Since the collateral under security lending agreements (including accrued interest) exceeded the fair value of the securities underlying those agreements (including accrued interest), the Treasury had no credit risk exposure at June 30, 2002. If a situation occurs where an agent does not receive collateral sufficient to offset the fair value of any securities lent, or the borrowers fail to return the securities or fail to pay the State Treasury for income distributions by the securities' issuers while the securities are on loan, the agent is required to indemnify the State Treasury for any losses which might occur. The State Treasury does not have the ability to pledge or sell the

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non-cash collateral securities so the non-cash portion of the collateral held (U.S. Government and federally-guaranteed obligations valued at \$430,630,026) is not reported in the balance sheet.

Derivatives. The State invests in derivatives of asset-backed and mortgage-backed securities to improve yield. Investments in derivatives of mortgage-backed securities include various classes such as "Interest Only" and "Principal Only". These derivatives are based on cash flows from interest and principal payments on underlying mortgages. Therefore, prices of mortgage derivatives are highly sensitive to pre-payments by mortgagees caused by changing market conditions. The State utilized option contracts

during the year but none were in force at June 30, 2002. In the following Schedule of Pooled Investments, the fair value of derivatives, \$2,623,996,598, is included in the pooled investments categorized as U.S. Government obligations and Federal agencies and bonds and notes.

Detail of the holdings and the credit risk of investments held, as well as the reconciliations to the Government-wide Statement of Net Assets and the Statement of Fiduciary Net Assets, are as follows (in thousands):

Schedule of Pooled Investments

	Risk Category		Fair Value
	A	B	
U. S. Government and federally guaranteed obligations	\$ 4,582,415	\$	\$ 4,582,415
Bankers' acceptances	170,753	.....	170,753
Commercial paper	1,694,029	127,073	1,821,102
Repurchase agreements	166,639	275,583	442,222
Bonds and notes	2,973,490	1,488,566	4,462,056
Total classifiable investments	\$ 9,587,326	\$ 1,891,222	11,478,548
Unemployment compensation funds pooled with U. S. Treasury			2,059,743
Mutual funds			877,547
Securities held with others under security lending agreements			1,919,150
Securities held with others under reverse repurchase agreements			431,881
Total nonclassifiable investments			5,288,321
Total investments			16,766,869
Cash on hand			300
Cash on deposit			2,208,504
Total State Treasury holdings			18,975,673
Adjustments:			
Outstanding warrants			(1,080,417)
Unsettled securities liability			(799,734)
Reconciled balance, June 30, 2002			\$ 17,095,522
Reconciliation to basic financial statements (in thousands):			
Pooled investments with State Treasury			
Governmental Activities			\$ 10,335,918
Business-type Activities			2,507,633
Fiduciary Funds			3,894,678
Total pooled investments with State Treasury			16,738,229
Restricted pooled investments with State Treasury (Business-Type Activities)			357,293
Total			\$ 17,095,522

2. Other Investments

State Statutes allow investment of funds in a range of instruments, including federally-guaranteed obligations, other Federal agency obligations, certain State bonds, commercial paper, obligations of a Florida political subdivision as permitted by law, common stock, repurchase and reverse repurchase agreements, and real estate. Securities identified above may be loaned to securities dealers, provided the loan is collateralized by cash or U.S. Government securities having a fair value of at least 100 percent of the fair value of the securities loaned. If bond proceeds are invested, investments must be made in accordance with bond covenants. These covenants usually require investment in federally-guaranteed obligations.

Security Lending. Through the State Board of Administration (SBA), various funds, including the Defined Benefit Pension Plan, the Investment Trust Funds, the Florida Lottery Trust Fund, the

Florida Hurricane Catastrophe Fund, the Florida Prepaid College Trust Fund, and the Lawton Chiles Endowment Fund, participate in security lending programs. The SBA had received and invested \$17,122,555,800 in cash and \$292,884,346 in U.S. Government securities as collateral for the lending programs as of June 30, 2002. At June 30, 2002, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest) except for total credit risk of \$2,290,033 in three of the security lending programs. All securities lending programs have indemnity clauses requiring the lending agent to assume borrower's risk from default. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned, due to securities loan agreements being open-ended with no fixed expiration date. As such, investments made with cash collateral are primarily in short-term investments. However, investments purchased for some security lending programs included investments with final maturities of six

months or more representing a range of approximately 7 percent to 78 percent of total collateral invested. There are no restrictions on the amount of securities that can be loaned at one time to one borrower for most funds. For the Local Government Surplus Funds Trust Fund, the SBA has adopted industry practice for SEC 2a7-like pools, which generally restricts lending activity to no more than one-third of the portfolio.

The SBA issued a separate report (financial statements and notes) pertaining to the State's Investment Trust Funds for the period ended June 30, 2002, as required by GASB Statement No. 31. Additional information pertaining to the Investment Trust Funds or a copy of the report may be obtained from the Senior Operating Officer-Finance and Accounting, State Board of Administration of Florida, 1801 Hermitage Boulevard, Suite 101, Tallahassee, Florida 32308, (850) 488-4406.

Derivatives. The SBA has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are not to be used to speculate in the expectation of earning extremely high returns. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets, and mortgaged-backed security prepayment risk, as well as for yield-curve strategy purposes, diversification, and the management of equity market exposure. Derivative investment instruments include futures, options, forward exchange contracts, floating rate notes, interest rate swaps, inflation-indexed securities, mortgage-backed security derivative instruments such as collateralized mortgage obligations, exchange traded funds on the Europe, Australasia, and the Far East (EAFE) Index, OPALs (Optimized Portfolios as Listed Securities) on certain indices, and international participatory notes (to gain broad exposure to equity markets in India and South Korea).

The Defined Benefit Pension Plan also held units in the State Street Global Advisors, Inc. (SSGA) Emerging Markets Fund and the SSGA Daily Active Emerging Markets Fund. These funds use equity return swaps and equity futures to gain exposure to certain international equity markets. The Defined Benefit Pension Plan does not directly hold positions in these derivatives; it holds only units of the emerging markets funds.

As of June 30, 2002, investments reported at fair value in various derivative products for various Plans and Funds are as follows

Defined Benefit Pension Plan:

- 494 long and 2,903 short futures contracts on U.S. Treasury obligations;
- 224 short call options on ten-year treasury futures.
- Forward exchange contracts with a receivable balance of \$384,558,099 and discount of \$246,688 and a payable balance of \$374,946,227 with a premium of \$872,948;
- Interest rate swaps, mortgage index swaps, and mortgage index linked certificates with notional principal values of \$1,446,943,998. The underlying securities have a fair value of \$1,056,650,539 and a cost of \$1,088,152,434;
- Treasury inflation-indexed securities with a fair value of \$368,248,848 and a cost of \$344,088,114;
- Mortgage-backed security derivative instruments with a fair value of \$856,256,568 and a cost of \$818,978,977;
- Floating rate securities (including certificates of deposit, bonds and notes) with a fair value of \$4,197,976,003 and a cost of \$4,193,531,286. The majority of these investments were in one of the security lending cash collateral reinvestment programs.
- S & P Depository Receipts (SPDRs) with a fair value of \$69,272,000 and a cost of \$78,825,332;
- Exchange traded fund on the EAFE Index with a fair value of \$196,365,035 and a cost of \$192,664,594;
- Morgan Stanley Capital International (MSCI) Canada OPAL with a fair value of \$14,310,531 and a cost of \$16,627,938;

- India and South Korea participatory notes with a fair value of \$7,963,365 and a cost of \$7,790,226; and a
- Matched agreement involving a repurchase agreement (Lehman Mortgage Backed Securities (MBS) Index + 10 basis points) and a reverse repurchase agreement (6 month London International Bank Offered Rate (LIBOR) + 6 basis points) with the same underlying securities and counterparties. Maturity dates are the same in both agreements. In Fiscal Year 2001-02, the interest income was \$16,109,762 and the interest expense was \$5,802,444.

Lawton Chiles Endowment Fund:

- Forward exchange contracts with a receivable balance of \$10,937,493 and discount of \$8,694 and a payable balance of \$10,718,177 with a premium of \$28,243;
- Treasury inflation-indexed securities with a fair value of \$147,420,540 and a cost of \$136,766,871;
- Mortgage-backed security derivative instruments with a fair value of \$5,530,195 and cost of \$5,368,482;
- Floating rate notes with a fair value of \$143,820,468 and a cost of \$143,887,570; and
- Russell 3000 Index Receipts with a fair value of \$14,248,520 and a cost of \$14,192,348.

Florida McKnight Education Fund:

- Mortgage-backed security derivative investments with a fair value of \$2,126,947 and a cost of \$1,990,073.

Blind Services Endowment Fund:

- Mortgage-backed security derivative investments with a fair value of \$54,971 and a cost of \$53,864; and
- Floating rate notes with a fair value of \$188,202 and a cost of \$188,322.

SBA Administrative Trust Fund:

- Mortgage-backed security derivative investments with a fair value of \$851,976 and a cost of \$834,816; and
- Floating rate notes with a fair value of \$1,028,588 and a cost of \$1,027,807.

Florida Prepaid College Trust Fund:

- Mortgage-backed security derivative investments with a fair value of \$192,633,938 and a cost of \$180,211,816;
- Treasury inflation-indexed securities with a fair value of \$50,059,844 and a cost of \$48,891,094; and
- S & P Depository Receipts (SPDRs) with a fair value of \$148,440 and a cost of \$162,272.

In addition to the derivative investments described above, the SBA had the following derivative investments (all floating rate securities) at June 30, 2002:

	Original Cost	Fair Value
Florida Hurricane Catastrophe Fund	\$ 972,355,408	\$ 971,217,529
Local Government Surplus Funds Investment Pool Trust Funds	1,623,153,274	1,627,821,469
Florida Lottery	846,370,543	853,825,639
Total	\$3,441,879,225	\$3,452,864,637

The carrying values (securities reported at cost, amortized cost, or fair value) reported in the Other Investments Schedules for the primary government and component units are categorized as follows (in thousands):

STATE OF FLORIDA

**Other Investments Schedule
Primary Government**

	<u>Risk Category</u>			<u>Carrying Value</u>	<u>Fair Value</u>
	<u>A</u>	<u>B</u>	<u>C</u>		
Certificates of Deposit	\$ 605,217	\$ 18	\$ 2,679,961	\$ 3,285,196	\$ 3,285,192
U. S. Government and Federally Guaranteed Obligations	6,138,577	406,928	.....	6,545,505	6,616,931
Federal Agencies	8,003,698	306,310	15	8,310,023	8,317,339
Bankers Acceptances	.....	.....	.....	.....	12,009,449
Commercial Paper	11,122,122	217,292	671,131	12,010,545	7,003,576
Repurchase Agreements	5,462,287	858,606	682,683	7,003,576	18,381,137
Bonds and Notes	12,576,406	152,557	5,652,173	18,381,136	
Stocks	42,437,626	52	6	42,437,684	42,437,684
Total classifiable investments	\$ 86,345,933	\$ 1,941,763	\$ 9,685,969	97,973,665	98,051,308
Investments Held by Others Under Reverse Repurchase Agreements					
U. S. obligations				9,428,058	9,436,685
Federal agencies				3,931,716	3,931,054
Bonds and notes				626,629	626,629
Stocks				2,821,763	2,821,763
Investment Agreements				2,845,157	2,845,157
Real Estate Contracts				3,261,417	3,261,417
Deferred Compensation (Mutual Funds and Annuities)				1,400,115	1,400,115
Money Market and Mutual Funds				16,375,939	16,375,939
Total nonclassifiable investments				40,690,794	40,698,759
Total investments				\$ 138,664,459	\$ 138,750,067

Reconciliation to the basic financial statements:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Investments - current	\$ 201,324	\$ 2,347,634	\$	\$ 2,548,958
Restricted investments	.....	68,626	.....	68,626
Long-term investments	2,064,883	6,342,181	113,949,771	122,356,835
Security lending collateral	.....	.....	13,690,040	13,690,040
Total investments	\$ 2,266,207	\$ 8,758,441	\$ 127,639,811	\$ 138,664,459

**Other Investments Schedule
Component Units**

	<u>Risk Category</u>			<u>Carrying Value</u>	<u>Fair Value</u>
	<u>A</u>	<u>B</u>	<u>C</u>		
Certificates of Deposit	\$ 7,789	\$ 250	\$ 3,748	\$ 11,787	\$ 11,787
U. S. Government and Federally Guaranteed Obligations	540,032	496,026	85,204	1,121,262	1,121,262
Federal Agencies Obligations	67,551	144,073	3,316	214,940	214,940
Repurchase Agreements	9,603	.....	.....	9,603	9,603
Bonds and notes	890,757	69,075	88,588	1,048,420	1,048,420
Stocks	1,047,288	30,168	68,950	1,146,406	1,146,406
Total classifiable investments	\$ 2,563,020	\$ 739,592	\$ 249,806	3,552,418	3,552,418
Investment agreements				620,524	620,524
Real estate agreements				33,586	33,586
Deferred compensation investments				220	220
Money market and mutual funds				1,993,863	1,993,863
Total nonclassifiable investments				2,648,193	2,648,193
Total investments				\$ 6,200,611	\$ 6,200,611
Reconciliation to the basic financial statements:					
Investments - current				\$ 3,226,998	
Restricted investments - noncurrent				2,202,757	
Long-term investments				770,856	
Total investments				\$ 6,200,611	

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NOTE 3 - RECEIVABLES AND PAYABLES

The lines "Receivables, net" and "Other loans and notes receivables, net" as presented on the Government-wide Statement of Net Assets and the applicable balance sheets and statements of

net assets in the fund financial statements, consist of the following (in thousands):

GOVERNMENTAL ACTIVITIES

	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation	Public Education	Tax Collection and Administration
Accounts receivable	\$ 109,956	\$ 21,452	\$ 374,678	\$ 1,512	\$	\$ 25
Taxes receivable	916,374	.....	.....	.....	.....	241,480
Interest & dividends receivable	20,664	4,973	1,265	4,649	3,318	9
Loans & notes receivable	4,835	80,230	.....	.....	6,206	.....
Due from Federal government	674	9,651	700,330	40,836	1,974	.....
Other receivables	1,196	2,113	6,376	9,195	.....	43
Allowance for uncollectibles	(143,942)	(16,032)	(269,544)	(219)	(1,647)	.....
Receivables, net	\$ 909,757	\$ 102,387	\$ 813,105	\$ 55,973	\$ 9,851	\$ 241,557
Other loans and notes receivable	\$ 618	\$ 4,351	\$	\$ 56,224	\$	\$
Long term interest receivable	.....	.....	.....	1,194	.....	.....
Other loans and notes receivable	\$ 618	\$ 4,351	\$	\$ 57,418	\$	\$

Continued below

	Employment Services	Lawton Chiles Endowment Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Total Governmental Activities
Accounts receivable	\$ 76	\$ 67,499	\$ 47,839	\$ 623,037	\$ 1,755	\$ 624,792
Taxes receivable	74,696	.....	894	1,233,444	.....	1,233,444
Interest & dividends receivable	340	5,885	10,426	51,529	111	51,640
Loans & notes receivable	844	.....	21,830	113,945	.....	113,945
Due from Federal government	6,612	.....	37,563	797,640	.....	797,640
Other receivables	.....	.....	47,564	66,487	3,884	70,371
Allowance for uncollectibles	.....	.....	(31,207)	(462,591)	.....	(462,591)
Receivables, net	\$ 82,568	\$ 73,384	\$ 134,909	\$ 2,423,491	\$ 5,750	\$ 2,429,241
Other loans and notes receivable	\$	\$	\$ 12,447	\$ 73,640	\$	\$ 73,640
Long term interest receivable	.....	.....	.....	1,194	.....	1,194
Other loans and notes receivable	\$	\$	\$ 12,447	\$ 74,834	\$	\$ 74,834

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Unemployment Compensation	State Board of Administration	Nonmajor Enterprise Funds	TOTAL
Accounts receivable	\$ 5,032	\$ 46,332	\$ 72,356	\$ 198	\$ 12,252	\$ 136,170
Taxes receivable	.....	.....	26,663	.....	.....	26,663
Interest & dividends receivable	1,712	5,693	44,030	9,966	592	61,993
Other receivables	152	.....	4,311	.....	9	4,472
Allowance for uncollectibles	.....	(838)	(96,007)	.....	(10,997)	(107,842)
Receivables, net	\$ 6,896	\$ 51,187	\$ 51,353	\$ 10,164	\$ 1,856	\$ 121,456

COMPONENT UNITS

Accounts receivable	\$ 749,241		
Other receivables	189,049	Other loans and notes receivable	\$ 2,916,651
Allowance for uncollectibles	(36,165)	Allowance for uncollectibles	(91,829)
Receivables, net	\$ 902,125	Other loans and notes receivable, net	\$ 2,824,822

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The lines "Accounts payable and other liabilities" and "Accounts payable and accrued liabilities" as presented on the government-wide Statement of Net Assets and the applicable balance sheets

and statements of net assets in the fund financial statements, consist of the following (in thousands):

GOVERNMENTAL ACTIVITIES

	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation	Public Education	Tax Collection and Administration	Employment Services
Accounts payable	\$ 754,203	\$ 37,250	\$ 971,078	\$ 245,567	\$ 23,879	\$ 14,257	\$ 12,106
Construction contracts	62	.....	.....	155,058	.....	.....	.....
Claims payable	2,683	.....	.....	.....	.....	.....	.....
Accrued salaries & wages	49,454	.....	22,706	10,129	133	12	24
Deposits payable	6	404	.....	1,573	13,523	.....	.....
Due to Federal government	17	246	219	.....	.....	.....	.....
Due to other governmental units	3,771	7,684	1,136	.....	.....	89,164	.....
Accrued Interest	.....	.....	.....	.....	.....	.....	.....
Other payables	5,316	.....	.....	.....	.....	101	.....
Accounts payable and accrued liabilities	\$ 815,512	\$ 45,584	\$ 995,139	\$ 412,327	\$ 37,535	\$ 103,534	\$ 12,130

Continued Below

	Lawton Chiles Endowment Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts payable	\$ 121,093	\$ 134,128	\$ 2,313,561	\$ 27,529	\$	\$ 2,341,090
Construction contracts	6,351	161,471	.....	.....	161,471
Claims payable	2,683	.....	.....	2,683
Accrued salaries & wages	5,824	88,282	2,248	.....	90,530
Deposits payable	178	15,684	.....	.....	15,684
Due to Federal government	50	532	.....	.....	532
Due to other governmental units	20,030	121,785	19	.....	121,804
Accrued Interest	36,279	36,279
Other payables	41,691	47,108	7,839	.....	54,947
Accounts payable and accrued liabilities	\$ 121,093	\$ 208,252	\$ 2,751,106	\$ 37,635	\$ 36,279	\$ 2,825,020

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Unemployment Compensation	State Board of Administration	Nonmajor Enterprise Funds	TOTAL
Accounts payable	\$ 37	\$ 9,978	\$ 70,534	\$ 2,082	\$ 3,534	\$ 86,165
Construction contracts	21,458	.....	.....	.....	.....	21,458
Accrued salaries & wages	.....	.....	.....	.....	1,204	1,204
Accrued prize liability	.....	52,031	.....	.....	.....	52,031
Deposits payable	525	1,764	.....	.....	.....	2,289
Due to other governmental units	.....	.....	839	.....	.....	839
Other payables	.....	8,488	.....	.....	70	8,558
Accounts payable and accrued liabilities	\$ 22,020	\$ 72,261	\$ 71,373	\$ 2,082	\$ 4,808	\$ 172,544

STATE OF FLORIDA

NOTE 4 - TAX REVENUES

Florida levies neither a personal income tax nor an ad valorem tax on real or tangible personal property. Taxes are, however, the principal sources of financing State operations. A schedule of tax

revenues by major tax type for each applicable major governmental fund and nonmajor governmental funds in the aggregate is presented below (in thousands):

	General Fund	Health and Family Services	Public Education	Tax Collection and Administration	Employment Services	Nonmajor Governmental Funds	Total
Sales and use tax	\$ 15,594,659	\$	\$	\$	\$	\$	\$ 15,594,659
Fuel taxes							
Motor fuel tax	.....	.....	.....	1,769,257	.....	.....	1,769,257
Pollutant tax	.....	.....	.....	234,474	.....	.....	234,474
Aviation fuel tax	.....	.....	.....	48,690	.....	.....	48,690
Solid minerals severance tax	.....	.....	.....	43,468	.....	.....	43,468
Oil and gas production tax	.....	.....	.....	5,057	.....	.....	5,057
Total fuel taxes	.....	.....	.....	2,100,946	.....	.....	2,100,946
Corporate income tax	1,210,346	.....	.....	.....	.....	.....	1,210,346
Documentary stamp tax	.....	.....	.....	1,590,981	.....	.....	1,590,981
Intangible personal property tax	.....	.....	.....	737,776	.....	.....	737,776
Communications service tax	528,034	.....	251,133	.....	.....	.....	779,167
Estate tax	745,080	.....	.....	.....	.....	.....	745,080
Gross receipts utilities tax	.....	.....	518,232	8,354	.....	.....	526,586
Beverage and tobacco taxes							
Alcoholic beverage tax	525,527	.....	.....	.....	.....	21,052	546,579
Cigarette tax	.....	.....	.....	420,093	.....	.....	420,093
Smokeless tobacco tax	23,599	.....	.....	.....	.....	.....	23,599
Total beverage and tobacco taxes	549,126	.....	.....	420,093	.....	21,052	990,271
Other taxes							
Insurance premium tax	35,134	.....	.....	426,163	.....	43,125	504,422
Workers' compensation special disability tax	.....	.....	.....	.....	291,301	.....	291,301
Hospital public assistance tax	.....	269,232	.....	.....	.....	.....	269,232
Citrus excise tax	.....	.....	.....	.....	.....	54,133	54,133
Pari-Mutuel wagering tax	142	.....	.....	.....	.....	31,611	31,753
Other	.....	.....	.....	3,596	.....	439	4,035
Total other taxes	35,276	269,232	.....	429,759	291,301	129,308	1,154,876
Total	\$ 18,662,521	\$ 269,232	\$ 769,365	\$ 5,287,909	\$ 291,301	\$ 150,360	\$ 25,430,688

Reconciliation of balances in governmental fund statements to government-wide financial statements:

	Sales and use tax	Other taxes
Governmental fund statements	\$ 15,594,659	\$ 1,154,876
Government-wide accruals	6,585	1,299
Government-wide statements	\$ 15,601,244	\$ 1,156,175

NOTE 5 - CAPITAL ASSETS

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets' lives are not capitalized.

For financial statement purposes, the State reports capital assets under the following categories and has established a reporting capitalization threshold for each category. Applicable capital assets are depreciated over the appropriate estimated useful lives using the straight-line method.

Capital Asset Category	Reporting Capitalization Threshold	Estimated Useful Life (in Years)
Land and land improvements	Capitalize all.	Not depreciable.
Buildings and building improvements	\$100,000	5 – 50
Infrastructure and infrastructure improvements (depreciable)	\$100,000	3 – 50
Leasehold improvements	\$100,000	2 – 15
Property under capital lease	Threshold correlates to specific asset category.	2 – 20
Construction work in progress	\$100,000 when work is completed.	Not depreciable.
Furniture and equipment	\$1,000 and \$250 for non-circulated books.	2 – 25
Works of art and historical treasures	Capitalize all unless considered a collection. Also, capitalize if already capitalized as of June 30, 1999.	5 – 50
Library resources	\$25	5 – 50
Other fixed assets	\$1,000	3 – 20

The State has elected to use the modified approach for accounting for its bridges and roadways included in the State Highway System. Under this approach, the Department of Transportation has made the commitment to preserve and maintain these assets at levels established by the Department of Transportation and approved by the Florida Legislature. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The Department of Transportation maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the Department of Transportation makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition

levels. Refer to RSI for additional information on infrastructure using the modified approach.

Not included in the reported capital assets are the irreplaceable collections at various historic sites and museums throughout the State. For example, the Museum of Florida History, located in Tallahassee, currently has artifacts illustrating the history of Florida since the arrival of human beings on the peninsula. It also has access to collections that include Florida upland and underwater archaeology, Florida archives, and Florida and Spanish colonial numismatics.

Primary government capital asset activities for the year ended June 30, 2002, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES

	Balance 7/1/2001	Adjustments & Restatements	Increases	Decreases	Balance 6/30/2002
Capital assets, not being depreciated:					
Land and other nondepreciable assets	\$ 3,034,812	\$ 7,538,512	\$ 688,997	\$ 11,351	\$ 11,250,970
Infrastructure and infrastructure improvements - nondepreciable		23,566,442	.....	50,294	23,516,148
Construction work in progress	244,810	2,447,959	1,459,435	34,723	4,117,481
Total capital assets, not being depreciated	3,279,622	33,552,913	2,148,432	96,368	38,884,599
Capital assets, being depreciated:					
Buildings and building improvements	2,385,662	678,126	186,746	119,945	3,130,589
Infrastructure and infrastructure improvements	196,683	31,863	19,345	3,890	244,001
Leasehold improvements	.....	.....	268	.....	268
Property under capital lease	.....	182,220	2,820	.....	185,040
Furniture and equipment	1,556,278	158,365	207,868	263,857	1,658,654
Works of art and historical treasures	.....	1,459	8	75	1,392
Library resources	22,586	(1,373)	2,381	193	23,401
Other	332,468	(291,099)	630	1,938	40,061
Total capital assets, being depreciated	4,493,677	759,561	420,066	389,898	5,283,406
Less accumulated depreciation for:					
Buildings and building improvements	.....	1,081,938	99,667	53,298	1,128,307
Infrastructure and infrastructure improvements	.....	98,447	9,581	1,801	106,227
Property under capital lease	.....	13,652	4,321	1,762	16,211
Furniture and equipment	.....	1,115,790	168,145	233,159	1,050,776
Works of art and historical treasures	.....	343	43	.....	386
Library resources	.....	6,003	805	77	6,731
Other	.....	23,841	2,070	705	25,206
Total accumulated depreciation	.....	2,340,014	284,632	290,802	2,333,844
Total capital assets, being depreciated, net	4,493,677	(1,580,453)	135,434	99,096	2,949,562
Governmental activities capital assets, net	\$ 7,773,299	\$ 31,972,460	\$ 2,283,866	\$ 195,464	\$ 41,834,161

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BUSINESS-TYPE ACTIVITIES

	Balance 7/1/01	Adjustments	Increases	Decreases	Balance 6/30/02
Capital assets, not being depreciated:					
Land and other nondepreciable assets	\$ 681,665	\$ 15,819	\$ 43,143	\$	\$ 740,627
Infrastructure and infrastructure improvements - nondepreciable	.....	2,729,019	77,684	.....	2,806,703
Construction work in progress	823,984	(82,279)	144,797	.....	886,502
Total capital assets, not being depreciated	1,505,649	2,662,559	265,624	.....	4,433,832
Capital assets, being depreciated:					
Buildings and building improvements	2,843,831	(2,656,073)	9,564	158	197,164
Infrastructure and infrastructure improvements	.....	33	8	.....	41
Furniture and equipment	66,385	28,037	10,222	2,575	102,069
Library resources	.....	3	.....	.....	3
Other	.....	18	2	.....	20
Total capital assets, being depreciated	2,910,216	(2,627,982)	19,796	2,733	299,297
Less accumulated depreciation for:					
Buildings and building improvements	53,529	550	6,628	34	60,673
Infrastructure and infrastructure improvements	.....	33	.....	.....	33
Furniture and equipment	26,805	15,211	13,360	1,873	53,503
Library resources	3	.....	.....	.....	3
Other	.....	.....	6	.....	6
Total accumulated depreciation	80,337	15,794	19,994	1,907	114,218
Total capital assets, being depreciated, net	2,829,879	(2,643,776)	(198)	826	185,079
Business-type activities capital assets, net	\$ 4,335,528	\$ 18,783	\$ 265,426	\$ 826	\$ 4,618,911

Depreciation expense charged to functions/programs of governmental activities is as follows (in thousands):

General government	\$ 59,979
Education	5,674
Human services	38,306
Criminal justice and corrections	94,054
Natural resources & environment	38,907
Transportation	45,111
State courts	2,601
Total depreciation expense (governmental activities)	\$ 284,632

In addition, component units' capital asset activities for the year ended June 30, 2002 are as follows (in thousands):

COMPONENT UNITS

	Balance 7/1/2001	Adjustments	Increases	Decreases	Balance 6/30/2002
Capital assets, not being depreciated:					
Land and other non-depreciable assets	\$ 2,151,145	\$ 583,717	\$ 270,659	\$ 15,066	\$ 2,990,455
Construction work in progress	600,469	(1,637)	608,408	303,466	903,774
Total capital assets, not being depreciated	2,751,614	582,080	879,067	318,532	3,894,229
Capital assets, being depreciated:					
Buildings and building improvements	2,881,792	3,387,329	421,947	16,571	6,674,497
Infrastructure and infrastructure improvements	1,593,367	(839,670)	60,063	1,738	812,022
Leasehold improvements	.....	77,575	10,614	1,955	86,234
Property under capital lease	28,419	49,112	47,580	3,922	121,189
Furniture and equipment	917,662	1,218,403	277,118	227,022	2,186,161
Works of art and historical treasures	.....	166	151	.....	317
Library resources	79,513	423,955	51,730	8,923	546,275
Other	608,397	(552,527)	20,434	4,073	72,231
Total capital assets, being depreciated	6,109,150	3,764,343	889,637	264,204	10,498,926
Less accumulated depreciation for:					
Buildings and building improvements	19,352	1,911,407	145,310	5,748	2,070,321
Infrastructure and infrastructure improvements	3,795	293,423	26,560	114	323,664
Leasehold improvements	.....	22,910	3,560	1,197	25,273
Property under capital lease	.....	6,271	3,121	1,330	8,062
Furniture and equipment	110,361	1,177,556	203,641	143,907	1,347,651
Works of art and historical treasures	.....	85	20	.....	105
Library resources	.....	312,136	27,431	781	338,786
Other	1,054	30,014	10,923	1,399	40,592
Total accumulated depreciation	134,562	3,753,802	420,566	154,476	4,154,454
Total capital assets, being depreciated, net	5,974,588	10,541	469,071	109,728	6,344,472
Component units capital assets, net	\$ 8,726,202	\$ 592,621	\$ 1,348,138	\$ 428,260	\$ 10,238,701

NOTE 6 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

The Florida Retirement System (FRS) was created December 1, 1970, with consolidation of the Teachers' Retirement System (Chapter 238, Florida Statutes (F.S.)), the State and County Officers and Employees' Retirement System (Chapter 122, F.S.), and the Highway Patrol Pension Trust Fund (Chapter 321, F.S.). In 1972, the Judicial Retirement System (Section 121.046, F.S.) was also consolidated with the FRS. The FRS was created by Chapter 121, F.S., to provide a defined benefit pension plan for participating public employees. The FRS also provides optional retirement programs in lieu of the defined benefit pension plan to members of the Senior Management Service Class as well as faculty and specified employees in the state university system and state community colleges. In June 2002, the Public Employee Optional Retirement Program (PEORP) was implemented as a defined contribution plan alternative available to all FRS members in lieu of the defined benefit plan. The earliest possible enrollment in the PEORP will be effective July 1, 2002. Provisions relating to the FRS are also contained in Chapter 112, F.S.

Except for elected officers and members of the optional retirement programs, FRS membership is compulsory for all employees filling a regularly established position in a state agency, county agency, state university, state community college, or district school board. Members of the Elected Officers' Class may elect to withdraw from the FRS altogether or to participate in the Senior Management Service Class in lieu of the Elected Officers' Class. Participation by cities, municipalities, and special districts, although optional, is generally irrevocable after election to participate is made.

There are five general classes of membership as follows:

- *Regular Class* - This class consists of members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class (SMSC)* - This class consists of members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, and assistant capital collateral representatives.
- *Special Risk Class* - This class consists of members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, correctional probation officers, or certain health-care related positions within state forensic or correctional facilities, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* - This class consists of Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, or correctional administrative support positions within an FRS special risk employing agency.
- *Elected Officers' Class (EOC)* - This class consists of elected state and county officers in addition to the elected officers of some city and special districts.

The FRS defined benefit plan provides vesting of benefits after six years of service for all membership classes. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting; however, there is a 5 percent benefit reduction for each year prior to the normal retirement date.

- *Regular Class, Senior Management Service Class, and Elected Officers' Class Members* - Six or more years of

creditable service and age 62. Thirty years of creditable service regardless of age.

- *Special Risk (Including Administrative Support Class)* - Six or more years of Special Risk Class service and age 55. Twenty-five total years special risk service and age 52.

Note: Members who terminated employment before July 1, 2001, or who did not return to work on July 1, 2001, or their first regularly scheduled day thereafter and who were not on an approved leave of absence, must return to work for one work year before being covered by 6-year vesting.

Benefits under the defined benefit plan are computed on the basis of age, average final compensation, and service credit. Members are also eligible for in-line-of-duty or regular disability and survivors' benefits. Pension benefits are increased each July 1 by a 3 percent cost-of-living adjustment.

The Deferred Retirement Option Program (DROP) was established, effective July 1, 1998, subject to provisions of Section 121.091(13), Florida Statutes. It permits eligible defined benefit plan employees who have reached their normal retirement date to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a maximum of 60 months after becoming eligible to participate. During the period of DROP participation, deferred monthly benefits remain in the FRS pension trust fund and accrue interest. As of June 30, 2002, the FRS Pension Trust Fund projected \$1,546,094,627 accumulated benefits and interest for 28,576 current and prior participants in the DROP.

The FRS is primarily a cost-sharing multiple-employer public-employee defined benefit pension plan administered by the Department of Management Services, Division of Retirement. Optional retirement programs are available to targeted employee groups such as senior managers and faculty of the state university and community college systems. Costs of administering the FRS are funded through investment earnings on investments made for the pension trust fund. Reporting of the FRS is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

Investments are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of expected future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value. No investment in any one organization represents 5 percent or more of the net assets available for pension benefits.

All participating employers must comply with statutory contribution requirements. Except in those instances where employees have elected to remain in pre-existing plans, employees make no required contributions. Statutes require that any unfunded actuarial liability (UAL) be amortized within a 30-fiscal year period. The balance of legally required reserves for all defined benefit pension plans at June 30, 2002, was \$88,156,410,000. Of this amount, \$88,141,999,276 was attributable to the FRS and was reserved to provide for total current and future benefits, refunds, and administration of the FRS. Section 121.031(3), F.S., requires an annual actuarial review of the FRS, which is provided to the Legislature as guidance for funding decisions. The conclusions of the review are included in the annual report of the FRS.

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FRS Retirement Contribution Rates:

Membership Class	Normal Cost Rates Recommended by Actuarial Review as of 7/1/00 for Fiscal Year		7/1/01 Statutory Rates*
	2001-2002	(Ch. 121, F.S.)	
Regular	9.91%	6.19%	
Senior Management	11.73%	8.17%	
Special Risk	22.07%	17.33%	
Special Risk Administrative Support	12.55%	8.72%	
Judges	20.61%	17.45%	
Legislators/Attorneys/Cabinet	15.14%	11.29%	
Elected County, City, and Special District Officers	17.61%	14.03%	
Deferred Retirement Option Program - applicable to members from all of the above classes or plans	11.56%	11.56%	

FRS Participating Employers:

Employer Types	06/30/02
State Agencies	54
County Agencies	397
District School Boards	67
Community Colleges	28
Cities	127 *
Special Districts	148 *
Hospitals	4 *
Other	<u>12</u>
Total Participating Employers	<u>837</u>

* All rates, except for DROP, are reduced by a variable offset by class for rate increases due to actuarial experience, a reduction of employer contribution rates, and an 0.10% offset of the PEORP administration fee.

* These totals include the 51 cities, 3 independent hospitals, and 22 independent special districts that are closed to new FRS members as of January 1, 1996.

FRS Membership:

Member Types	Regular	Senior Management	Special Risk	Special Risk Administrative	Elected Officers	Total 6/30/02
Active:						
Non-Vested	208,503	2,043	20,191	-	585	231,322
Vested	333,416	3,754	41,402	97	1,464	380,133
DROP Participants	24,616	244	3,335	33	161	28,389
Current Retirees and Beneficiaries	183,166	636	13,057	112	1,473	198,444
Vested Terminated	<u>52,330</u>	<u>401</u>	<u>3,596</u>	<u>23</u>	<u>285</u>	<u>56,635</u>
Total Members	<u>802,031</u>	<u>7,078</u>	<u>81,581</u>	<u>265</u>	<u>3,968</u>	<u>894,923</u>

Additional information about the FRS defined benefit plan is contained in the various publications available from the Division of Retirement within the Department of Management Services.

A. Other Postemployment Benefits

Section 112.0801, F.S., provides that retirees may participate in their former employers' group health insurance programs. In general, premiums are paid by the retiree.

The Retiree Health Insurance Subsidy (HIS) established by Section 112.363, F.S., is to assist retirees of any state-administered retirement systems in paying health insurance costs. For the fiscal year ended June 30, 2002, eligible retirees and beneficiaries received a monthly retiree health insurance subsidy payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The

payments were at least \$30 but not more than \$150 per month pursuant to Section 112.363, F.S. To be eligible to receive the HIS, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS program is funded by required contributions from FRS participating employers. Employer contributions are a percentage of payroll for all active FRS employees and are added to the amount submitted for retirement contributions. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. For the fiscal year ended June 30, 2002, the contribution rate was 1.11 percent of payroll pursuant to Section 112.363, F.S. In the event contributions fail to provide subsidy benefits to all participants, the subsidy payments may be reduced or canceled. Additional information pertaining to the HIS is as follows:

	2000	2001	2002
HIS recipients as of 6/30	157,777	166,111	174,971
HIS contributions for FY ending 6/30	\$187,962,156	\$196,699,884	\$240,112,109
HIS payments for FY ending 6/30	\$197,463,561	\$207,366,190	\$217,326,138
HIS trust fund net assets at 6/30	\$83,856,299	\$76,929,351	\$101,282,614
HIS contribution rate	0.94%	0.94%	1.11%

B. State of Florida Participation

The State of Florida contributed as required to the FRS as part of a cost-sharing multiple-employer public-employee defined benefit pension plan. For the fiscal year ended June 30, 2002, the State's total covered payroll for its 139,576 state employee members plus 8,186 state DROP participants amounted to \$5,205,427,920 with

actual and required employer contributions totaling \$442,717,029, or 8.50 percent. The State's contributions to the FRS for the fiscal years ending June 30, 2000, and June 30, 2001, were \$606,297,516 and \$540,341,275, respectively. These amounts were also equal to the required contributions for each year. Covered payroll refers to all compensation paid by the state to active employees covered by the FRS on which contributions to

the defined benefit pension plan are based. The state's contributions represented 24.77 percent of the total contributions required of all participating employers.

Employees' eligibility, benefits, and contributions by class are as previously described. Employees not filling regular established positions but are working under the other personal services (OPS) status are not covered by the FRS.

C. State University System Optional Retirement Program (SUSORP)

Section 121.35, F.S., created the SUSORP for eligible State University System faculty, administrators, and administrative and professional staff. This program was designed to aid universities in recruiting employees who may not remain in the FRS long enough to vest. The SUSORP is a defined contribution plan that provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed to provide retirement and death benefits. Employees in eligible positions are compulsory participants in the SUSORP unless they elect membership in the FRS.

The employing university contributed 10.43 percent of covered payroll for July 2001 through June 2002. When applicable, a portion of the total contribution is transferred to the FRS Trust Fund to help amortize any unfunded actuarial liability (UAL). There was no UAL this fiscal year. The required 0.01 percent was applied to the administration of the SUSORP program, 0.10 percent was applied to the administrative expense to establish the Public Employee Optional Retirement Program, and the remainder (10.32 percent) was paid to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the university. Additional information pertaining to the SUSORP is as follows:

Members	13,527	
Payroll	\$ 771,816,000	
Contributions:		
Employee	\$ 38,815,096	5.03% of payroll
Employer	\$ 81,122,119	10.51% of payroll

D. Senior Management Service Optional Annuity Program (SMSOAP)

Section 121.055, Florida Statutes, created the SMSOAP as an optional retirement program for state members of the Senior Management Service Class. The SMSOAP is a defined contribution plan that provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed to provide retirement and death benefits. Employees in eligible state positions may make an irrevocable election to participate in the SMSOAP in lieu of the Senior Management Service Class. Employers contributed 12.49 percent of covered payroll for July 2001 through June 2002. When applicable, a portion of the total contribution is transferred to the FRS Trust Fund to help amortize the unfunded actuarial liability (UAL). There was no UAL this fiscal year. The required 0.10 percent was used for the administrative expense to establish the Public Employee Optional Retirement Program, and 12.39 percent was paid to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the employer. Additional information pertaining to the SMSOAP is as follows:

Members	116	
Payroll	\$ 9,744,000	
Contributions:		
Employee	\$ 57,280	0.59% of payroll
Employer	\$ 1,285,661	13.19% of payroll

NOTE 7 - COMMITMENTS AND OPERATING LEASES

A. Construction Commitments

Road and bridge construction projects, supervised by the Department of Transportation, are included in the Department of Transportation work program, which is updated during each budget cycle. As of June 30, 2002, the Department had available approximately \$1.5 billion in budget authority arising from both current and prior year projects which represents amounts committed on executed contracts. Other major construction commitments of the State of Florida at June 30, 2002, totaled \$601.1 million. Additional disclosures on construction in progress are included in the capital assets note (Note 5). Construction commitments for component units totaled \$1.1 billion.

B. Florida Ports Financing Commission Revenue Bonds

The State has enacted legislation obligating it to remit annually \$25 million to a designated trustee for the purpose of repaying the debt on certain Florida Ports Financing Commission revenue bonds. The Florida Ports Financing Commission is not part of the State's reporting entity. These revenue bonds do not create or constitute a legal obligation or debt of the State. Funding for the annual remittance comes from the State of Florida, Department of Transportation's portion of motor vehicle registration fees, which were in excess of \$421.3 million for the fiscal year ended June 30, 2002. Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2002, amounted to \$337,743,748, including Series 1996 bonds payable of \$198,242,655, and Series 1999 bonds payable of \$139,501,093.

C. Operating Leases

Operating leases are not recorded on the statements of net assets; however, operating lease payments are recorded as expenses when incurred. Total lease payments for the State's governmental activities, business-type activities, and component units were \$298 million, \$16 million, and \$34 million, respectively for the year ended June 30, 2002. The following is a schedule of future non-cancelable operating lease payments for the primary government and component units at June 30, 2002 (in thousands):

Year Ending June 30	Primary Government		Component Units
	Governmental Activities	Business-type Activities	
2003	\$ 170,698	\$ 18,944	\$ 40,030
2004	150,914	17,668	21,495
2005	119,478	15,204	17,082
2006	94,609	13,302	11,768
2007	82,005	10,640	7,154
2008-2012	149,453	24,370	22,030
2013-2017	83,875	12,147	15,481
2018-2022	77,530	12,147	15,685
2023-2027	13,458	12,147	6,786
2028-2032	13,612	12,147	5,080
2033-2037	.....	.....	1,135
2038-2042	.....	.....	1,135
2043-2047	.....	.....	1,108
2048-2052	.....	.....	1,000
Total	\$ 955,632	\$ 148,716	\$ 166,969

NOTE 8 - BONDS PAYABLE

A. Outstanding Bonds

Bonds payable at June 30, 2002, are as follows (in thousands):

<u>Bond Type</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Annual Maturity To</u>
Governmental Activities				
Road and Bridge Bonds	\$ 1,570,955	\$ 1,278,695	3.500-6.500	2031
SBE Capital Outlay Bonds	1,109,225	942,970	3.000-6.000	2022
Inland Protection Bonds	253,335	35,150	5.000-5.000	2003
Lottery Education Bonds	1,665,390	1,527,465	4.000-6.250	2021
Public Education Bonds	11,172,432	7,677,700	3.500-9.125	2032
Conservation and Recreation Lands Bonds	32,670	22,710	4.750-5.375	2012
Save Our Coast Bonds	217,470	158,140	4.000-5.250	2012
Preservation 2000 Bonds	2,987,855	2,039,295	4.000-6.000	2013
Florida Forever Bonds	468,640	460,595	3.375-5.375	2021
Pollution Control Bonds	60,000	21,445	5.600-5.600	2009
Investment Restoration Bonds	8,935	5,905	3.750-4.125	2007
Water Pollution Control Bonds	50,000	48,060	3.500-5.550	2017
Florida Facilities Pool Bonds	457,470	390,700	4.000-6.750	2029
	<u>20,054,377</u>	<u>14,608,830</u>		
Unamortized premiums(discounts) on bonds payable		63,431		
Amount deferred on refunding		(31,619)		
Total bonds payable	<u>\$ 20,054,377</u>	<u>\$ 14,640,642</u>		
Statement of Net Assets Presentation:				
Bonds payable (current)		\$ 575,550		
Bonds payable (non-current)		14,065,092		
Total bonds payable		<u>\$ 14,640,642</u>		
Business-type Activities				
Toll Facilities Bonds	\$ 2,125,975	\$ 1,799,415	3.750-6.500	2030
Less payable from restricted assets		(55,355)		
Unamortized premiums(discounts) on bonds payable		(34,616)		
Amount deferred on refunding		(12,392)		
	<u>\$ 2,125,975</u>	<u>\$ 1,697,052</u>		
Statement of Net Assets Presentation:				
Bonds payable (current)		\$ 55,355		
Bonds payable (non-current)		1,697,052		
Total bonds payable		<u>\$ 1,752,407</u>		

B. Types of Bonds

Road and Bridge (serial and term) Bonds are secured by a pledge of a portion of the State-assessed motor fuel tax revenues, discretionary sales tax levied by the City of Jacksonville, and by a pledge of the full faith and credit of the State.

State Board of Education (SBE) Capital Outlay Bonds are issued to finance capital outlay projects of school districts and community colleges. The bonds mature serially and are secured by a pledge of a portion of the State-assessed motor vehicle license tax and by a pledge of the full faith and credit of the State.

Inland Protection Bonds are issued by the Inland Protection Financing Corporation (a blended component unit) to finance the payment and settlement of reimbursement obligations of the Department of Environmental Protection for the cleanup of contamination from leaking petroleum storage tanks. The bonds mature serially and are secured by a pledge of revenues under a service contract with the Department of Environmental Protection.

Lottery Education Bonds are issued to finance all or a portion of the costs of various local school district educational facilities. The bonds mature serially and are secured by a pledge of a portion of the lottery revenues transferred to the Educational Enhancement Trust Fund.

Public Education Bonds are issued to finance capital outlay projects of local school districts, community colleges, vocational technical schools and state universities. The bonds, serial and term, are secured by a pledge of the State's gross receipts tax revenues and by a pledge of the full faith and credit of the State.

Conservation and Recreation Lands Bonds are issued to acquire lands, water areas, and related resources. The bonds mature serially and are primarily secured by a pledge of the documentary stamp tax.

Save Our Coast Bonds are used to finance the purchase of environmentally significant coastal property. The bonds mature serially and are secured by a pledge of State Land Acquisition

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Trust Fund collections (primarily documentary stamp taxes).

Preservation 2000 Bonds are issued to pay the cost of acquiring lands and related resources in furtherance of outdoor recreation and natural resources conservation. The bonds mature serially and are secured by a pledge of a portion of the documentary stamp tax.

Florida Forever Bonds are issued to finance the cost of acquisition and improvements of lands, water areas, and related property interests and resources in the State of Florida for the purposes of restoration, conservation, recreation, water resource development, or historical preservation. The bonds mature serially and are secured by a pledge of a portion of the documentary stamp tax.

Pollution Control Bonds are issued to make funds available for local government acquisition and construction of pollution control facilities. The bonds are to be serviced by revenues pledged by the local governments, and the full faith and credit of the State is pledged as additional security. The bonds mature serially. This amount includes \$21,310,000 that has been escrowed by local governments.

Investment Restoration Bonds are issued by the Investment Fraud Restoration Financing Corporation (a blended component unit) to finance the simultaneous payment of approved claims made pursuant to Section 517.1203, F.S., by persons who suffered

monetary losses as a result of fraudulent securities activities committed by GIC Government Securities, Inc. The bonds mature serially and are secured by a pledge of revenues under a Funding Agreement with the Department of Banking and Finance.

Water Pollution Control Bonds are issued by the Water Pollution Control Financing Corporation (a blended component unit) to fund loans to local governments to finance or refinance the cost of wastewater treatment and storm water management projects. The bonds mature serially and are secured by a pledge of the loan payments from local governments.

Florida Facilities Pool Bonds are issued to provide funds for the acquisition and construction of facilities to be leased to State agencies. The bonds, serial and term, are secured by a pledge of the revenues, derived from the leasing and operations of these facilities.

Toll Facilities Bonds are issued to provide construction funds for roads and bridges. The bonds are secured by a pledge of toll facility revenues and a portion of the State-assessed gasoline taxes. The bonds outstanding at June 30, 2002, consist of \$1,103,695,000 of serial bonds and \$695,720,000 of term bonds.

C. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2002, are as follows (in thousands):

Year Ending June 30	Primary Government					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2003	\$ 575,550	\$ 755,310	\$ 1,330,860	\$ 55,355	\$ 93,273	\$ 148,628
2004	565,930	725,273	1,291,203	58,150	90,436	148,586
2005	589,995	696,736	1,286,731	60,470	87,379	147,849
2006	619,345	665,848	1,285,193	55,460	84,167	139,627
2007	653,505	633,165	1,286,670	58,385	81,263	139,648
2008-2012	3,671,160	2,634,144	6,305,304	333,100	357,244	690,344
2013-2017	3,177,585	1,684,147	4,861,732	415,785	262,568	678,353
2018-2022	2,728,570	927,178	3,655,748	445,725	148,095	593,820
2023-2027	1,674,155	301,823	1,975,978	287,660	49,559	337,219
2028-2032	353,035	39,278	392,313	29,325	2,496	31,821
Bonds Payable and Interest	\$ 14,608,830	\$ 9,062,902	\$ 23,671,732	\$ 1,799,415	\$ 1,256,480	\$ 3,055,895
Unamortized Premiums/(Discounts) (Amount Deferred or Refunded)	63,431 (31,619)	..... .....	63,431 (31,619)	(34,615) (12,393)	..... .....	(34,615) (12,393)
Total Bonds Payable and Interest	\$ 14,640,642	\$ 9,062,902	\$ 23,703,544	\$ 1,752,407	\$ 1,256,480	\$ 3,008,887

Year Ending June 30	Component Units		
	Principal	Interest	Total
2003	\$ 91,654	\$ 258,705	\$ 345,288
2004	96,900	239,361	341,332
2005	128,376	243,075	371,451
2006	170,328	237,561	407,889
2007	128,934	239,396	368,870
2008-2012	906,676	420,450	1,327,120
2013-2017	753,063	324,573	1,077,636
2018-2022	655,108	227,337	882,445
2023-2027	778,625	149,279	927,904
2028-2032	578,159	65,699	643,858
2033-2037	329,456	10,102	339,558
2038-2042	166,536	1,530	168,066
Bonds Payable and Interest	\$ 4,783,815	\$ 2,417,068	\$ 7,201,417
Unamortized Premiums	86	.....	86
Unamortized (Discounts)	(13,792)	.....	(13,792)
Total Bonds Payable and Interest	\$ 4,770,109	\$ 2,417,068	\$ 7,187,711

D. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2002, the State of Florida took advantage of favorable conditions and issued bonds for the purpose of current or advance refunding (refunding) previously issued bonds. The refundings of these bond series were made in order to obtain lower interest rates and the resulting savings in debt service payments over the life of the bonds. The economic gains obtained by these refundings are the differences between the present value of old debt service and new debt service requirements.

The proceeds of the current refundings are used to immediately call the refunded bonds. The proceeds of the advance refundings were deposited into irrevocable trusts and invested in direct obligations of the Federal government and/or obligations guaranteed by the Federal government. The funds deposited along with the interest to be earned will be sufficient to meet the future principal and interest payments on the refunded bonds as they become due.

Bonds defeased through the consummation of refunding transactions are not included in Florida's outstanding debt. Irrevocable escrow accounts held by the State Board of Administration to service the refunded bonds are reported as agency funds. The following refundings occurred during the fiscal year:

Advance Refundings**Governmental Activities**

State of Florida, Department of Environmental Protection, Florida Forever Revenue Bonds, Series 2001B in the amount of \$268,640,000 along with additional funds of \$1,341,105 were used to advance refund \$169,700,000 of the State of Florida, Department of Environmental Protection, Preservation 2000 Revenue Bonds, Series 1995A maturing in the years 2006 through 2013. The refunding resulted in debt savings of \$14,528,636, an economic gain of \$11,358,882, and a deferred loss on refunding of \$10,819,531.

State of Florida, Department of Environmental Protection, Preservation 2000 Revenue Refunding Bonds, Series 2001A in the amount of \$185,240,000 were used to advance refund \$187,700,000 of the State of Florida Department of Natural Resources, Preservation 2000 Revenues Bonds, Series 1993A maturing in the years 2004 through 2013. The refunding resulted in debt savings of \$14,232,079, an economic gain of \$11,277,651, and a deferred loss on refunding of \$7,630,591.

Current Refundings**Governmental Activities**

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2001 Series D in the amount of \$269,315,000 along with additional funds of \$4,298,519 were used to refund \$275,710,000 of the State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds Series 1992-A maturing in the years 2003 through 2019. The refunding resulted in debt savings of \$47,829,620, an economic gain of \$33,586,145, and a deferred loss on refunding of \$6,864,573.

State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2001 Series E in the amount of \$209,785,000 along with additional funds of \$3,999,900 were used to refund \$199,995,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, Series 1989-A (Refunding Bonds) maturing in the years 2024 through 2025. The refunding resulted in debt savings of \$30,834,449, an economic gain of \$17,871,552, and a deferred loss on refunding of \$1,978,132.

State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2001 Series G in the amount of \$223,210,000 were used to refund \$104,130,000 of the State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, Series 1986-B (Refunding Bonds) maturing in the years 2011 through 2013. The refunding resulted in debt savings of \$8,042,973 and an economic gain of \$5,515,655.

Business-type Activities

State of Florida, Sunshine Skyway Revenue Refunding Bonds, Series 2001 in the amount of \$17,555,000 along with additional funds of \$1,946,335 were used to refund \$19,125,000 of the State of Florida, Sunshine Skyway Revenue Refunding Bonds, Series 1991 maturing in the years 2002 through 2009. The refunding resulted in debt savings of \$2,492,992, an economic gain of \$1,908,408, and a deferred loss on refunding of \$247,412.

E. In-substance Defeasance

During the fiscal year ended June 30, 2002, the State of Florida or other local governments used available resources to complete the following in-substance defeasance. An in-substance defeasance occurs when funds other than bond proceeds are used to establish irrevocable escrow accounts to satisfy scheduled principal and interest payments on the bonds considered defeased.

Governmental Activities

The following bond was considered to have been defeased during the fiscal year:

State of Florida, Full Faith and Credit, Pollution Control Bonds, Series E in the amount of \$5,790,000, maturing in the years 2003 through 2006.

F. Prior-year Defeased Bonds

In prior years, the State has deposited with escrow agents in irrevocable trusts amounts sufficient to meet the debt service requirements of certain bonds. These defeased bonds are not reported as outstanding debt. Irrevocable trusts established with the State Board of Administration are reported in an agency fund. Debt considered defeased consists of the following (in thousands):

	Principal at 6/30/02
Governmental Activities	
Road and Bridge Bonds	\$ 133,150
SBE Higher Education Bonds	41,070
Public Education Capital Outlay Bonds	1,375,565
Inland Protection Bonds	34,695
Pollution Control Bonds	48,940
Florida Facilities Pool Bonds	11,010
Total	<u>\$ 1,644,430</u>
Business-type Activities	
Toll Facilities	\$ 228,940
Component Units	
University Certificates	\$ 3,555

G. Arbitrage Regulations

The State of Florida complies with Federal arbitrage regulations.

**NOTE 9 - CAPITAL LEASES, INSTALLMENT
PURCHASE CONTRACTS, AND
CERTIFICATES OF PARTICIPATION**

A. Capital Leases

The State has a number of capital leases provide for the acquisition of buildings. All of the State's capital leases were reported within governmental activities and consisted of \$107.2 million for buildings at June 30, 2002. Capital leases for component units at June 30, 2002 consisted of \$82.7 million for buildings and \$23.1 million for furniture and equipment. The following is a schedule of future minimum capital lease payments for the primary government and component units at June 30, 2002 (in thousands):

Year Ending June 30	Governmental Activities	Component Units
2003	\$ 10,722	\$ 10,008
2004	10,725	10,273
2005	10,721	8,407
2006	10,720	7,307
2007	10,714	8,914
2008-2012	53,523	29,547
2013-2017	44,835	24,068
2018-2022	4,263	25,314
2023-2027	.....	25,294
2028-2032	.....	23,790
Total	156,223	172,922
Interest	(48,983)	(67,128)
Present value of future minimum payments	\$ 107,240	\$ 105,794

C. Certificates of Participation

The State has issued certificates of participation to finance privately operated detention facilities. The following is a schedule of future minimum certificates of participation payments at June 30, 2002 (in thousands):

Year Ending June 30	Governmental Activities
2003	\$ 10,337
2004	9,880
2005	9,875
2006	9,902
2007	9,870
2008-2012	49,270
2013-2017	38,391
2018	3,777
Total	141,302
Interest	40,367
Principal	\$ 100,935

B. Installment Purchase Contracts

The State has a number of installment purchase contracts providing for the acquisition of buildings, furniture, and equipment. At June 30, 2002, installment purchase contracts for governmental activities consisted of \$17.3 million for furniture and equipment. For business-type activities, installment purchase contracts consisted of \$272,000 for buildings. Installment purchase contracts for component units at June 30, 2002 consisted of \$36.5 million for buildings and \$13 million for furniture and equipment. The following is a schedule of future minimum installment purchase contract payments for the primary government and component units at June 30, 2002 (in thousands):

Year Ending June 30	Governmental Activities	Business-type Activities	Component Units
2003	\$ 8,323	\$ 100	\$ 8,542
2004	5,124	100	6,539
2005	3,467	92	5,643
2006	1,527	.....	4,115
2007	64	.....	2,694
2008-2012	.....	.....	13,776
2013-2017	.....	.....	14,571
2018-2022	.....	.....	4,626
Total	18,505	292	60,506
Interest	(1,193)	(20)	(11,007)
Present value of future minimum payments	\$ 17,312	\$ 272	\$ 49,499

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes during the fiscal year in long-term liabilities are summarized below (in thousands):

	Balance 7/1/2001	Restatements and Adjustments	Additions	Deletions	Balance 6/30/2002	Due Within One Year (Current)
GOVERNMENTAL ACTIVITIES						
Bonds payable:						
Road and Bridge Bonds	\$ 1,158,710	\$	\$ 150,000	\$ 30,015	\$ 1,278,695	\$ 30,845
SBE Capital Outlay Bonds	958,500	.....	26,070	41,600	942,970	44,300
Inland Protection Bonds	78,920	.....	.....	43,770	35,150	35,150
Lottery Education Bonds	1,205,305	.....	375,000	52,840	1,527,465	58,905
Public Education Bonds	7,283,740	.....	1,155,610	761,650	7,677,700	199,490
Conservation & Recreation Lands Bonds	24,365	.....	.....	1,655	22,710	1,740
Save Our Coast Bonds	175,235	.....	.....	17,095	158,140	18,095
Preservation 2000 Bonds	2,362,595	.....	185,240	508,540	2,039,295	155,985
Florida Forever Bonds	50,000	.....	418,640	8,045	460,595	10,230
Pollution Control Bonds	34,430	.....	.....	12,985	21,445	3,370
Investment Restoration Bonds	6,960	.....	.....	1,055	5,905	1,095
Water Pollution Control Bonds	50,000	.....	.....	1,940	48,060	4,550
Florida Facilities Pool Bonds	.....	402,010	.....	11,310	390,700	11,795
	13,388,760	402,010	2,310,560	1,492,500	14,608,830	575,550
Unamortized bond premiums/(discounts)	.....	(4,249)	74,492	6,812	63,431	.....
Amounts deferred on refunding	.....	(4,630)	(28,928)	(1,939)	(31,619)	.....
Total bonds payable	13,388,760	393,131	2,356,124	1,497,373	14,640,642	575,550
Certificates of participation	.....	43,675	58,975	1,715	100,935	5,580
Deposits	.....	.....	421,204	.....	421,204	92,897
Compensated absences	704,854	31,433	128,530	153,741	711,076	145,947
Claims payable	820,000	1,425,210	320,623	347,175	2,218,658	244,341
Installment purchase contracts and capital leases payable	97,419	99,746	15,719	88,332	124,552	12,798
Due to other governments:						
Federal arbitrage liability	24,917	1,296	.....	5,877	20,336	.....
Due to other governments	.....	.....	5,000	.....	5,000	.....
Total Governmental Activities	\$15,035,950	\$ 1,994,491	\$3,306,175	\$2,094,213	\$18,242,403	\$1,077,113

The following discloses which funds will liquidate the above long-term liabilities other than bonds. The compensated absences liabilities will be liquidated by the applicable governmental and internal service funds that account for the salaries and wages of the related employees. The claims payable will be liquidated by the General Fund and the employment services related special revenue fund. The due to other governments liability will be liquidated by the special revenue fund, the debt service fund, and the internal service fund. Deposits will be liquidated by the special

revenue fund and the internal service fund when such monies become earned. The special revenue fund, capital projects fund, and the internal service fund, in which the leases and installment purchase contracts are recorded, will liquidate the capital lease and installment purchase contract obligations.

Changes in long-term liabilities is continued on the following page.

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Changes in long-term liabilities (continued):

	Balance 7/1/2001	Restatements and Adjustments	Additions	Deletions	Balance 6/30/2002	Due Within One Year (Current)
BUSINESS-TYPE ACTIVITIES						
Bonds payable	\$1,853,490.00	\$	\$ 17,555	\$ 71,630	\$ 1,799,415	\$ 55,355
Unamortized bond premiums/(discounts)	(34,259)	.....	(194)	163	(34,616)	.....
Amounts deferred on refunding	(14,052)	.....	(247)	(1,907)	(12,392)	.....
Total bonds payable	1,805,179	.....	17,114	69,886	1,752,407	55,355
Lottery grand prizes payable	.....	1,846,267	150,802	237,508	1,759,561	230,449
Deposits	.....	.....	465,342	.....	465,342	13,298
Compensated absences	3,690	8,296	11,776	800	22,962	4,570
Installment purchase contracts and capital leases payable	.....	357	.....	85	272	89
Due to other governments:						
Federal arbitrage liability	.....	321	.....	.....	321	.....
Due to other governments	.....	7,109	.....	1,089	6,020	.....
Total Business-type Activities	\$ 1,808,869	\$ 1,862,350	\$ 645,034	\$ 309,368	\$ 4,006,885	\$ 303,761
COMPONENT UNITS						
Bonds payable	\$ 5,318,918	\$ (654,148)	\$ 254,865	\$ 149,526	\$ 4,770,109	\$ 91,654
Compensated absences	164,027	266,502	61,041	39,123	452,447	44,042
Installment purchase contracts and capital leases payable	61,934	68,099	53,218	27,958	155,293	12,414
Other long-term liabilities	356,897	524,765	202,278	61,509	1,022,431	297,466
Total Component Units	\$ 5,901,776	\$ 205,218	\$ 571,402	\$ 278,116	\$ 6,400,280	\$ 445,576

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NOTE 11 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2002, amounts to be received or paid with current available resources are reported as due from or due to other funds, whereas the noncurrent portion is reported as advances to or

advances from other funds. Interfund balances at June 30, 2002, consist of the following (in thousands):

Due to Other Funds	Due from Other Funds								
	Governmental Activities								
	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation	Public Education	Tax Collection and Administration	Employment Services	Nonmajor Governmental Funds	Internal Service Fund
Governmental Activities									
General Fund	\$	\$ 3,275	\$ 23,759	\$ 81	\$	\$ 15	\$ 180	\$ 55,626	\$ 8,607
Environment, Recreation and	5,303	.....	542	21	.....	.....	.....	841	154
Health and Family Services	2,258	56	.....	1	.....	2,560	487	7,395	31,769
Transportation	632	167	124	.....	.....	.....	.....	402	1,495
Public Education	324	.....	.....	.....	.....	.....	3	4,471	1,770
Tax Collection and Administration	156,651	29,610	3,633	135,786	.....	.....	.....	42,894	178
Employment Services	23,291	.....	4,451	.....	50	.....	.....	25	819
Lawton Chiles Endowment Fund	.....	.....	.....	.....	.....	.....	.....	.....	.....
Nonmajor	19,435	3,630	28,407	75,956	17	12	.....	8,109	2,463
Internal Service Funds	814	.....	10	.....	.....	59	1,866	437	613
Business-type Activities									
Transportation	32	.....	.....	56,204	.....	.....	.....	6,682	23
Lottery	8	.....	.....	13	70,247	.....	.....	5	32
Unemployment Compensation	121	.....	.....	.....	.....	.....	.....	.....	.....
State Board of Administration	.....	.....	.....	.....	.....	.....	.....	.....	11
Nonmajor	24,441	.....	4,489	.....	.....	1,327	2	3,864	157
Fiduciary Funds									
Private-purpose Trust Funds	13	.....	.....	185,428	10,154	.....	.....	10,563	5
Pension and Other Employee Benefits Trust Fund	24	.....	2	.....	.....	.....	.....	.....	146
Agency Funds	20,378	137	7,118	1	.....	1,669	.....	3,446	.....
Total	\$ 253,725	\$ 36,875	\$ 72,535	\$ 453,491	\$ 80,468	\$ 5,642	\$ 2,538	\$ 144,760	\$ 48,242

Continued below

Due to Other Funds	Due from Other Funds							
	Business-type Activities				Fiduciary Funds			
	Transportation	Unemployment Compensation	State Board of Administration	Nonmajor	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Fund	Agency Funds	Total
Governmental Activities								
General Fund	\$	\$ 2,488	\$	\$ 2	\$	\$ 39	\$ 85,409	\$ 179,481
Environment, Recreation & Conservation	.....	33	.....	.....	.....	.....	.....	6,894
Health and Family Services	.....	475	.....	56	.....	1	504	45,562
Transportation	388	154	.....	.....	.....	.....	.....	3,362
Public Education	.....	.....	.....	.....	1,077	.....	.....	7,645
Tax Collection & Administration	.....	12	.....	.....	.....	.....	22,187	390,951
Employment Services	.....	91	1	.....	.....	8	.....	28,736
Lawton Chiles Endowment Fund	.....	.....	20	.....	.....	.....	.....	20
Nonmajor	.....	222	10	201	.....	.....	8,044	146,506
Internal Service Funds	.....	21	.....	1	.....	.....	.....	3,821
Business-type Activities								
Transportation	.....	.....	.....	.....	.....	.....	647	63,588
Lottery	.....	9	.....	.....	.....	1	.....	70,315
Unemployment Compensation	.....	.....	.....	.....	.....	.....	.....	121
State Board of Administration	.....	.....	.....	.....	.....	.....	.....	11
Nonmajor	.....	57	.....	.....	.....	.....	.....	34,337
Fiduciary Funds								
Private-purpose Trust Funds	.....	.....	.....	.....	.....	.....	.....	206,163
Pension & Other Employee Benefits Trust Funds	.....	3	2	.....	.....	12,179	.....	12,356
Agency Funds	190	110	33,049
Total	\$ 388	\$ 3,565	\$ 223	\$ 260	\$ 1,077	\$ 12,228	\$ 116,901	\$ 1,232,918

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Advances from Other Funds	Advances to Other Funds							Total
	Governmental Activities				Business-type Activities	Fiduciary Funds		
	General Fund	Health and Family Services	Transportation	Nonmajor	Transportation	Trust Funds	Private-purpose	
Governmental Activities								
Environment, Recreation & Conservation	\$ 45	\$	\$ 9,821	\$	\$	\$	\$ 9,866	
Transportation	10,000	.....	.....	.....	.....	.....	10,000
Public Education	.....	.....	.....	.....	.....	195,976	195,976
Tax Collection & Administration	7	.....	.....	.....	.....	.....	7
Nonmajor	725	345	2	.....	500	.....	1,572
Internal Service Funds	1,403	.....	900	500	.....	.....	2,803
Business-type Activities								
Transportation	219,502	16,658	236,160	
Total	\$ 12,180	\$ 345	\$ 230,225	\$ 17,158	\$ 500	\$ 195,976	\$ 456,384	

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During the course of operations, there are numerous transactions between funds within the State. Interfund transfers during the year are as follows (in millions):

Transfers to Other Funds (in millions)	Transfers from Other Funds (in millions)									
	Governmental Activities									
	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation	Public Education	Tax Collection and Administration	Employment Services	Lawton Chiles Endowment Fund	Nonmajor Governmental Funds	Internal Service Fund
Governmental Activities										
General Fund	\$	\$ 100	\$ 510	\$ 25	\$ 101	\$	\$ 1	\$	\$ 64	\$ 1
Environment, Recreation and Conservation	113	.....	4	1	.....	.....	.....	.....	446	.....
Health and Family Services	12	.....	.....	.....	1	8	492	.....	75	.....
Transportation	14	1	1	.....	.....	.....	.....	.....	277	.....
Public Education	9	.....	4	.....	.....	.....	10	.....	808	.....
Tax Collection and Administration	2,150	871	113	1,500	.....	.....	.....	.....	268	.....
Employment Services	37	.....	12	.....	7	18	.....	.....	16	.....
Lawton Chiles Endowment Fund	.....	.....	.....	.....	.....	.....	.....	.....	45	.....
Nonmajor	181	60	114	732	108	.....	.....	189	794	2
Internal Service Funds	10	.....	.....	2	.....	.....	1	.....	2	.....
Business-type Activities										
Transportation	.....	.....	.....	13	.....	.....	.....	.....	.....	.....
Lottery	.....	.....	.....	.....	927	.....	.....	.....	.....	.....
Unemployment Compensation	1	.....	.....	.....	.....	.....	4	.....	.....	.....
State Board of Administration	.....	20	.....	.....	.....	.....	.....	.....	10	.....
Nonmajor	112	.....	20	.....	1	2	1	.....	30	1
Fiduciary Funds										
Private-purpose Trust Funds	1	.....	.....	.....	99	.....	.....	.....	1	.....
Pension and Other Employee Benefits Trust Funds	3	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total	\$ 2,643	\$ 1,052	\$ 778	\$ 2,273	\$ 1,244	\$ 28	\$ 509	\$ 189	\$ 2,836	\$ 4

Continued below

Transfers to Other Funds (in millions)	Transfers from Other Funds (in millions)						Total
	Business-type Activities			Fiduciary Funds			
	Transportation	Unemployment Compensation	Nonmajor	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Fund		
Governmental Activities							
General Fund	\$	\$ 5	\$ 1	\$	\$ 9	\$ 817	
Environment, Recreation & Conservation	.....	.....	.....	.....	.....	564
Health and Family Services	.....	2	.....	.....	.....	590
Transportation	41	1	.....	.....	.....	335
Public Education	.....	.....	.....	14	.....	845
Tax Collection and Administration	.....	.....	.....	.....	.....	4,902
Employment Services	.....	.....	.....	.....	.....	90
Lawton Chiles Endowment Fund	.....	.....	.....	.....	.....	45
Nonmajor	18	4	.....	.....	.....	2,202
Internal Service Funds	.....	.....	.....	.....	.....	15
Business-type Activities							
Transportation	.....	.....	.....	.....	.....	13
Lottery	.....	.....	.....	.....	.....	927
Unemployment Compensation	.....	.....	.....	.....	.....	5
State Board of Administration	.....	.....	.....	.....	.....	30
Nonmajor	.....	.....	.....	.....	.....	167
Fiduciary Funds							
Private-purpose Trust Funds	.....	.....	.....	.....	.....	101
Pension and Other Employee Benefits Trust	.....	.....	.....	.....	23	26
Total	\$ 59	\$ 12	\$ 1	\$ 14	\$ 32	\$ 11,674	

NOTE 12 - RISK MANAGEMENT

A. State Risk Management Trust Fund

The State Risk Management Trust Fund provides property insurance coverage for State buildings and contents against loss from fire, lightning, sinkholes, flood, and other hazards customarily insured by extended coverage and loss from the removal of personal property from such properties when endangered by covered perils. The property insurance program self-insures the first \$2 million per occurrence with an annual aggregate of \$5 million for all perils except windstorm. The property insurance program self-insures the first \$4 million per occurrence with an annual aggregate of \$8 million for windstorm. Commercial excess insurance is purchased for losses over the self-insured retention up to \$70 million for windstorm losses and \$200 million for fire losses.

The Fund's estimated liability for unpaid property insurance claims at the fiscal year-end is determined by management analyses. Changes in the Fund's property insurance claims liability amount for the fiscal years ended June 30, 2001, and June 30, 2002, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year End
June 30, 2001	\$ 5,024	\$ (126)	\$ (717)	\$ 4,181
June 30, 2002	4,181	292	(753)	3,720

The State Risk Management Trust Fund also provides casualty insurance coverage for the risks of loss related to Federal civil rights actions, workers' compensation, court-awarded attorney fees, automobile liability, and general liability. The State is self-insured for all claims associated with liability risks and is self-insured for the first \$15 million of workers' compensation coverage. The State has excess life insurance policies for the remaining risk associated with workers' compensation coverage. Prior to February 10, 2002, the workers' compensation policy deductible was \$2 million.

The estimated liability for unpaid casualty insurance claims at June 30, 2002, was \$1 billion. This amount was determined through an actuarial method based on historical paid and incurred losses and includes an amount for losses incurred but not yet reported. In addition, this amount includes the present value of workers' compensation indemnity reserves discounted using a 4 percent annual percentage rate.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2001, and June 30, 2002, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year End
June 30, 2001	\$ 622,821	\$ 296,386	\$ (103,388)	\$ 815,819
June 30, 2002	815,819	279,686	(93,505)	1,002,000

B. Employees Health Insurance Fund

Employees may obtain health care services through participation in the State's group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State

group health insurance, such as the risks of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund, a Pension and Employee Benefits Trust Fund. It is the practice of the State not to purchase commercial coverage for the risks of losses covered by this Fund.

The Fund's estimated fiscal year-end liability includes an amount for claims that have been incurred but not reported, which is based on analyses of historical data performed by both the State and its contractors. Changes in claims liability amounts for the fiscal years ended June 30, 2001, and June 30, 2002, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year End
June 30, 2001	\$ 46,367	\$ 472,909	\$ (476,880)	\$ 42,396
June 30, 2002	42,396	492,435	(480,578)	54,253

The amount of settlements for property or workers' compensation claims did not exceed insurance coverage for each of the last three years.

NOTE 13 - PRIOR PERIOD ADJUSTMENTS

Fund balances and net assets at July 1, 2001, have been increased (decreased) as follows (in thousands):

GOVERNMENTAL ACTIVITIES		
MAJOR FUNDS		
General Fund		
To reduce prior year fund balance to correct sales taxes receivable.	\$ (543,503)	
To record a receivable relating to an inter-agency agreement between the Department of Education and the State Technology Office.	980	
To correct revenues and expenditures due to allocation among funds at the Department of Business and Professional Regulation.	<u>(2,244)</u>	
Total General Fund		(544,767)
Transportation		
To correct revenues and expenses related to work performed by the Department of Transportation on behalf of transportation authorities.		(242,261)
Public Education		
To correct the due to and due from balances of the Student Loan Operating Trust Fund that were not previously adjusted for prior year transactions.	\$ (3,532)	
To establish the liability for future claims on unclaimed property.	<u>(193,169)</u>	
Total Public Education		(196,701)
Employment Services		
To record prior year taxes receivable for the Workers' Compensation Administrative Trust Fund.	\$ 18,084	
To record prior year taxes receivable for the Special Disability Trust Fund.	71,679	
To correct the overstatement of prior year accounts receivable for vending facilities.	<u>(1,382)</u>	
Total Employment Services		88,381
NONMAJOR FUNDS		
Special Revenue Funds - Regulation and Licensing		
To record prior year receivables relating to motor vehicle licenses.	\$ 34,547	
To correct revenues and expenditures due to allocation among funds at the Department of Business and Professional Regulation.	<u>2,339</u>	
Total Special Revenue Funds - Regulation and Licensing		36,886
Special Revenue Funds - Public Safety		
To record an allowance for uncollectible accounts on court ordered restitutions for the Forfeiture and Investigative Support Trust Fund at the Department of Law Enforcement.		(1,448)
Special Revenue Funds - Citrus Commission		
To correct the overstatement of payables and receivables and record the receivable for a developmental loan to others for the Citrus Advertising Trust Fund.		2,007
Capital Projects Funds - School for the Deaf and the Blind Construction Trust Fund		
To correct an error in recording receivables.		<u>(7,852)</u>
Total Governmental Activities		<u><u>\$ (865,755)</u></u>
BUSINESS-TYPE ACTIVITIES		
Proprietary Funds - Unemployment Compensation		
To correct the reported allowance account for the Unemployment Compensation Benefit Trust Fund.		<u><u>\$ (49,156)</u></u>

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FIDUCIARY FUNDS

Private-Purpose Trust Fund - Unclaimed Property		\$ (5,243)	
To record cash advanced to the Principal State School Trust Fund and to establish a liability for future claims on unclaimed property.			
Private-Purpose Trust Fund - Student Loan Guaranty Reserve			
To correct due to and due from balances of the Student Loan Guaranty Reserve Trust Fund that were not previously adjusted for prior year transactions.		2,733	
Private-Purpose Trust Fund - FL Prepaid College Program			
To include the fund equity of the Florida Prepaid College Foundation in the Florida Prepaid College Program.		1,355	
Total Fiduciary Funds			<u><u>\$ (1,155)</u></u>

COMPONENT UNITS

MAJOR COMPONENT UNITS

University of Florida		\$ (27,727)	
To record changes to component units of the university.			
Florida State University			
To record library materials transferred to Developmental Research School and Panama Canal operations.		997	
University of South Florida			
To record transfer of assets to New College of Florida, to remove USF Charter School, and to add fixed assets.		<u>(54,371)</u>	
Total Major Component Units			(81,101)

NONMAJOR COMPONENT UNITS

Florida Sports Foundation, Inc.		\$ 146	
To properly reflect prior year's ending equity based on the final audit which was not available as of last year's Comprehensive Annual financial Report (CAFR).			
Florida Commercial Space Financing Corporation			
To properly reflect prior year's ending equity based on final audit which was not available as of last year's CAFR.		(76)	
Florida Comprehensive Health Association			
To properly reflect prior year's ending equity based on final audit which was not available as of last year's CAFR.		189	
The Florida Endowment Foundation for Vocational Rehabilitation, Inc. d/b/a The Able Trust			
To properly reflect prior year's ending equity based on final audit which was not available as of last year's CAFR.		826	
Florida Healthy Kids Corporation			
To correlate the reporting period with that of the State.		36,941	
Technological Research Development Authority			
To record changes due to GASB 34 and void a check that was disbursed in the prior year.		64	
Tri-County Commuter Railroad Authority			
To properly reflect prior year's ending equity based on final audit which was not available as of last year's CAFR.		680	
Florida A&M University			
To record changes to component units of the university.		14	
New College of Florida			
To record beginning balances transferred from the University of South Florida.		53,898	
University of West Florida			
To record a policy change for Auxiliary Housing Revenue and to record beginning balances for component units.		3,291	
Florida International University			
To properly reflect furniture and equipment balances.		(9,801)	
Community Colleges			
To record due to/froms and transfers between community colleges and their component units.		<u>(73)</u>	
Total Nonmajor Component Units			86,099
Total Component Units			<u><u>\$ 4,998</u></u>

NOTE 14 – FLORIDA PREPAID COLLEGE PROGRAM

The Florida Prepaid College Program was created in 1987, to provide a medium through which the costs of registration and dormitory residence may be paid in advance of enrollment in a State postsecondary institution at a rate lower than the projected corresponding cost at the time of actual enrollment. The Program is administered by the Florida Prepaid College Board and the State of Florida guarantees to meet the obligations of the Board to qualified beneficiaries if moneys in the Program are insufficient. The Program is accounted for in a private-purpose trust fund. An actuarial study is performed to determine the Program's funding status. Additional information as of June 30, 2002, is as follows:

Actuarial present value of future benefits payable	\$3,556,093,283
Net assets available (Fair Value)	\$3,934,691,501
Net assets as a percentage of tuition and housing benefits obligation	111%

NOTE 15 – FLORIDA HURRICANE CATASTROPHE FUND

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993 by Section 215.555, Florida Statutes, as a State fund to provide a stable and ongoing source of reimbursement to qualified insurers for a portion of their catastrophic hurricane losses, thereby creating additional insurance capacity to ensure that covered structures (and their contents) damaged or destroyed in a hurricane may be repaired or reconstructed as soon as possible. The Fund is administered by the State Board of Administration, which contracts with each insurer writing covered policies in the State to reimburse the insurer for a percentage of losses incurred from covered events from reimbursement premiums collected. However, payments made to insurers shall not exceed the moneys in the Fund, together with the maximum amount of revenue bonds that may be issued by a county or municipality, or FHCF Finance Corporation. Beginning June 1, 1999, payments made to insurers shall not exceed the actual claims-paying capacity of the fund up to a limit of \$11 billion for that contract year, unless the Board determines that there is sufficient estimated claims-paying capacity to provide \$11 billion of capacity for the current contract year and an additional \$11 billion of capacity for subsequent contract years. Upon such determination being made, the estimated claims-paying capacity for the current contract year shall be determined by adding to the \$11 billion limit one half of the funds estimated claims-paying capacity in excess of \$22 billion. The Fund is accounted for as an enterprise fund administered by the State Board of Administration. An actuarially determined formula is used to calculate the reimbursement premium collected. Additional information as of June 30, 2002, follows:

Net assets available to meet future catastrophic losses (Fair Value)	\$ 4,362,103,000
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No catastrophic losses were incurred during the fiscal year related to prior years' hurricane seasons. Subsequent to the fiscal year-end, there were no reported residential property losses by qualified insurers within the State of Florida for the 2002 hurricane season ending on November 30, 2002.

NOTE 16 – CONTINGENCIES**A. Federal Family Education Loans Program**

The Florida Department of Education (FDOE) administers the Federal Family Education Loans Program (FFELP), under which the FDOE guarantees loans made to eligible students and their parents by financial institutions. At June 30, 2002, approximately \$4.1 billion of loans were outstanding under this Program. The United States Department of Education (USDOE) participates in the Program as a reinsurer and reimburses the FDOE for defaulted loans at various rates based on the incidence of default. For loans made prior to October 1, 1993, the reimbursement rate for defaulted loans can be 80, 90, or 100 percent. For loans made on or after October 1, 1993, the reimbursement rate for defaulted loans can be 78, 88, or 98 percent. For loans made on or after October 1, 1998, the reimbursement rate for defaulted loans can be 75, 85 or 95 percent. During the 2001-2002 fiscal year, the actual rates were 95, 98 and 100 percent. A potential liability exists for loans defaulted in excess of the Federal reimbursement. The specific amount of this potential liability is indeterminable.

B. Federally-assisted Grant Programs

Florida participates in a number of federally-assisted grant programs. These programs are subject to audits by the grantors or their representatives. Any disallowance as a result of these audits may become a liability of the State. Any foreseeable disallowances will not have a material adverse effect on the State of Florida's financial position.

NOTE 17 – LITIGATION

Due to its size and broad range of activities, the State is involved in numerous routine legal actions. The departments involved believe that the results of such litigation pending or anticipated will not materially affect the State of Florida's financial position.

A. Nathan M. Hameroff, M.D., et. al. v. Agency for Health Care Administration, et. al.

Case No. 95-5931, Leon County Circuit Court, 2nd Judicial Circuit. This is a class action suit, among other similar suits, wherein the plaintiffs challenge the constitutionality of the Public Medical Assistance Trust Fund (PMATF) annual assessment on net operating revenue of free-standing out-patient facilities offering sophisticated radiology services. The case went to trial October 2, 2000. On February 5, 2001, the trial court ruled that Section 395.7015, Florida Statutes, was unconstitutional and disallowed further assessments. Judgment was entered against the Agency on February 15, 2001. The Agency successfully appealed that order to the First District of Appeal, and the Florida Supreme Court denied certiorari of the appellate courts decision. However, during the pending appeal, the plaintiffs returned to the Circuit Court with a new theory of the PMATF being an unconstitutional income tax and prevailed in an order dated December 20, 2002. Additionally, the Circuit Court entered an order on January 7, 2003, finding a subclass of plaintiffs to which the PMATF should have never applied. The Agency has appealed both orders. The potential refund liability for all such suits could total approximately \$144 million

B. Savona, et. al. v. Agency for Health Care Administration

Case No. 96-6323, Leon County Circuit Court, 2nd Judicial Circuit. In this case, Raintiffs seek retroactive and prospective relief on behalf of a class of Medicaid providers (doctors), demanding reimbursement of differential between Medicare and Medicaid rates for dual-enrolled eligibles. This case was settled on October 6, 2000. A total of \$98 million, inclusive of interest, fees, and costs, would be paid by the Agency for Health Care Administration over three years subject to legislative approval. The State's share (within the Medicaid Program) would be 45 percent of the \$98 million. Final judgment on settlement was entered on June 18, 2001. The Florida Legislature appropriated \$32 million in the 2001-2002 Budget for the first installment of the settlement, which was paid on July 27, 2001. The second of three settlement installments was paid on July 25, 2002.

C. State Contracting and Engineering Corp. v. Florida Department of Transportation, et. al.

Case No. 98006566(11), 17th Circuit Court, Broward County. The Florida Department of Transportation used a Value Engineering Change Proposal (VECP) design submitted by State Contracting and Engineering Corp. (SCEC) for the construction of a barrier sound wall in Broward County and several subsequent Department projects. Subsequent to the initial use of the VECP design, SCEC patented the design. SCEC claims that the Department owes SCEC royalties and compensation for other damages involving the Department's use of the VECP design on the subsequent projects. The case went to trial on January 28, 2002. After a verdict in favor of Plaintiff, a judgment in the amount of \$9,111,217 was issued. The Department transferred \$10,230,000 to the court registry to cover the judgment and post-judgment interest. The case is on appeal.

D. Riscorp Insurance Company, et. al. v. Florida Department of Labor and Employment Security and Mary B. Hooks, consolidated with Florida Hospitality Mutual Insurance Company v. Department of Labor and Employment Security

Case No. 99-5027, Leon County Circuit Court, 2nd Judicial Circuit, consolidated with Case No. 00-602, Leon County Circuit Court, 2nd Judicial Circuit. Pursuant to Section 440.51, F.S., the Department

collects assessments on "net premiums collected" and "net premiums written" from carriers of workers' compensation insurance and by self-insurers in the State. Claimants allege that there is no statutory definition of "net premiums" and the Department does not currently have a rule providing guidance as to how "net premiums" are calculated. Claimants allege that industry standards would allow them to deduct various costs of doing business in calculating "net premiums." In 2000, the Florida Legislature clarified in the existing law the phrase "net premiums written" and "net assessments collected." The Claimants seek refunds of assessments paid during 1995 – 1998 of approximately \$35 million. On December 27, 2001, the Circuit Court granted plaintiffs' motion for a partial final summary judgment, ruling that the plaintiffs were entitled to deduct ceded premiums from their premium base in calculating assessments paid for years 1995 – 1998. A stipulated Final Judgment was entered on August 15, 2002, in favor of RISCORP in the amount of \$22,475,886. The Department has appealed that Final Order to the First District Court of Appeal. On July 25, 2002, a stipulated Final Judgment was entered in favor of the Florida Hospitality Mutual Insurance Company in the amount of \$1,620,869. The Department has appealed that Final Order to the First District Court of Appeal, and the appeal has been consolidated with the RISCORP appeal.

E. U.S. Environmental Protection Agency v. Florida Department of Transportation

This issue constitutes an environmental claim. Title to contaminated land is in dispute. The Department maintains that it is not the owner of the contaminated land. The U.S. Environmental Protection Agency (EPA) is conducting additional tests at the site for pollution and has asserted a cost recovery claim against the Department of approximately \$25.6 million. The Department's Motion for Declaratory Judgment on the Department's ownership of the property was denied and upheld on appeal. The EPA is preparing an Amended Record of Decision. On November 14, 2002, a tolling agreement was signed, which extended the time to sue until December 1, 2003.

F. Sarnoff v. Department of Highway Safety and Motor Vehicles

Case No. SC01-351 Florida Supreme Court. This suit alleges the improper setting of the fee for the motor vehicle inspection program. Plaintiffs challenge the constitutionality of Section 325.214(2), Florida Statutes, which imposes a \$10.00 fee on the emissions inspection of automobiles in 7 of Florida's 67 counties, and seek class action certification, declaratory judgment, and refund claims. On December 29, 2000, the First District Court of Appeal reversed the trial court's class certification order, and a rehearing was denied on February 2, 2001. Plaintiffs have invoked the discretionary review of the Florida Supreme Court on this issue. Oral Argument was held on November 7, 2001. The amount of potential loss to the State is estimated to be \$96-106 million. The decision of the Florida Supreme Court has been rendered. The Court has limited the issue in Sarnoff to a constitutional challenge to former Section 325.214, Florida Statutes, as amended by Section 2 of Chapter 98-254, Laws of Florida, which sets the \$10.00 emissions inspection fee. Potential liability has therefore been significantly reduced.

G. Paul K. Mateo, et al., v. Florida Department of Revenue, et al.

Case No. 1D01-4836, First District Court of Appeal. This is a class action suit seeking declaratory relief and a tax refund of sales taxes paid on the lease of motor vehicles where the concerned price included a \$2.00 surcharge imposed by Section 212.0606, Florida Statutes. The Department was successful in moving to dismiss Plaintiff's Complaint in the trial court. A trial court dismissed an Amended Complaint challenging the constitutionality of the statute with prejudice. The trial court found that the Plaintiff had not complied with the requirements of Section 215.26, Florida Statutes,

thereby making the plaintiff's non-compliance with the statute fatal to his refund request. The Plaintiff timely appealed the trial court's order of dismissal. The appeal was set for oral argument on September 18, 2002. The plaintiff lost the appeal, and the case was settled in favor of the Department.

H. Transitions Optical, Inc. v. Florida Department of Revenue, et al.

Case No. 2D00-4208, Second District Court of Appeal. In this case, Transitions Optical and co-Plaintiff, Pepperidge Farm, brought a class action suit (Case No. 99-8574-CI-20, 6th Judicial Circuit) on behalf of themselves and all other similarly situated businesses, challenging the imposition of ad valorem county taxes on the computer software owned and operated by them in their places of business and seeking a refund of all ad valorem taxes previously paid. The Transitions Optical, Inc., case is currently on appeal in the Second District Court of Appeal. The trial court denied a motion to dismiss and certified a class of taxpayers. The Department of Revenue filed a notice of appeal of the order on class certification. The Pepperidge Farm Polk County case is currently on appeal in the Second District Court of Appeal. This case pertains to ad valorem taxes that relate to county funds and not the State of Florida. The estimated loss to the counties of the State may be in excess of \$25 million.

I. Rendon v. Florida Department of Transportation, et al.

Case No. 017716-CA-25 Eleventh Judicial Circuit. The Plaintiffs (persons covered by the Americans with Disabilities Act or ADA) in this certified class action suit, seek a declaratory judgment that Sections 320.0848 (2) and (3), Florida Statutes, violate the Americans with Disabilities Act of 1990 in that the surtax charged for a disabled parking permit is illegal. Issues include the right to proceed with refund claims when no one has applied for a refund claim. On November 14, 2001, the trial court granted Plaintiffs' motion for summary judgment. On February 25, 2002, the State appealed the decision to the Third District Court of Appeal (Case No. 3D02-61). On October 30, 2002, the Third District Court of Appeal reversed the Trial Court's decision and granted Summary Judgment in favor of the State. The State was found not to violate the ADA and no refund was required. Rendon has petitioned the Florida Supreme Court seeking jurisdiction (Case No. SC03-42). The Attorney General is representing FDOT and the Department of Highway Safety and Motor Vehicles. Estimated loss to the State could be in excess of \$25 million.

J. Pharmaceutical Research and Manufacturers of America v. Rhonda M. Medows & Bob Sharpe (in their official capacities) Agency for Health Care Administration, 4:01 CV356-WS (Stafford, W.)

U.S. District Court (N.D. Fla.). "Pharma" is challenging the recent Medicaid preferred drug list on constitutional and civil rights grounds. Pharma alleges that the statute is preempted by federal law under the Supremacy Clause of the United States Constitution and deprives Pharma members of federally protected rights. Complaint was filed August 7, 2001. A decision finding for the Agency on all counts was rendered on December 28, 2001. Pharma appealed this case to the U.S. Eleventh Circuit Court of Appeals. The appellate court upheld the decision in favor of the defendants on September 6, 2002. Pharma filed a petition for a writ of certiorari in the U.S. Supreme Court on December 5, 2002, to which the Agency responded on January 8, 2003. Although this lawsuit does not claim money damages, the fiscal impact to Medicaid could be as high as \$300 million annually on anticipated savings to the pharmacy program if an injunction is rendered against the Agency.

K. St. Paul Surety v. Florida Department of Transportation

This is a pre-suit claim arising out of Case No. CI 00-6996, 9th Judicial Circuit, Orange County, Florida (Cone Constructors, Inc., v. FL Dept of Transportation). In that case, the Florida Department of

Transportation terminated Cone Constructors, Inc., on a construction contract involving a portion of the Suncoast Parkway. Cone Constructors, Inc., sued claiming breach of contract and wrongful termination. Subsequent to the initial court filings, the contractor filed for bankruptcy and the Department was able to settle the dispute with the bankruptcy trustee for a payment of \$575,000. However, once Cone Constructors, Inc., was terminated, St. Paul was required to finish the project and did so. It now alleges that it has incurred losses on the project, for which it is seeking damages from the Department. Estimated loss to the State could be in excess of \$25 million.

L. Traylor Brothers, Inc. v. Department of Transportation

Case No. 02-856, 17th Judicial Circuit, Broward County. The Department of Transportation contracted with Traylor Brothers to construct a 'signature' bascule bridge over the Intercoastal Waterway in Fort Lauderdale, Florida. Traylor Brothers has sued the Department for breach of contract alleging, among other things, that the contract documents contained errors, defects, and omissions and failed to disclose the complexity of the project, that the Department failed to properly administer and coordinate the construction activities under the contract, and that there were differing site conditions. Discovery has been undertaken by both parties. Traylor Brothers has not filed its Qualified Acceptance Letter setting forth its claims. Potential loss to the State is estimated at \$30 million.

M. Graves Brothers v. Florida Citrus Commission

Case No. 02-CA-004686, Tenth Judicial Circuit Court. Five citrus blenders filed a challenge to the "box tax" of the Florida Citrus Commission, Section 601.15, Florida Statutes. The complaint states that the tax is an illegal imposition upon compelled speech. The case has been transferred to Polk County. The final hearing in this case is set for June 2003. Potential loss to the State is estimated at \$100 million.

NOTE 18 – DEFICIT FUND EQUITY

Governmental Activities

Special Revenue Fund - Department of Education

The *Principal State School Trust Fund* has a deficit fund balance of approximately \$150 million. The deficit is a result of establishing an advance (liability) for potential future claims on a portion of cash transfers received from the Unclaimed Property Trust Fund. Currently, the projected collections continue to exceed the projected claim payments. Due to the long-term nature of the ultimate liability that causes the deficit, the Department plans to continue utilizing the underlying cash for educational programs.

Business-type Activities

Enterprise Fund - Department of Business and Professional Regulation

The *Hotel and Restaurant Trust Fund* has a deficit fund equity of approximately \$3.7 million. Fee revenues have not been sufficient to cover the costs of the fund. The Department has implemented cost-cutting measures and is proposing rule changes to increase fees. These changes are intended to eliminate the deficit.

Fiduciary Funds

Employee Benefits Trust Fund - Department of Management Services

The *State Employees Health Insurance Trust Fund* has a deficit of approximately \$43 million. The deficit is a result of insurance claims exceeding insurance premiums. Amounts were appropriated for the 2002-2003 fiscal year to address the deficit.

STATE OF FLORIDA

NOTE 19 – SUBSEQUENT EVENTS

The following bond series for the primary government were issued subsequent to June 30, 2002:

<u>Agency/Bond</u>	<u>Series</u>	<u>Amount</u>	<u>Matures</u>	<u>Interest Rate</u>
GOVERNMENTAL ACTIVITIES				
State Board of Education, Lottery Revenue Bonds	2002B	\$150,000,000	7/1/2003 - 7/1/2022	4.000% - 5.250%
State Board of Education, Capital Outlay Refunding Bonds	2002B	\$94,740,000	1/1/2003 - 1/1/2015	3.375% - 5.375%
Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2002A	\$250,955,000	7/1/2003 - 7/1/2032	3.250% - 5.250%
State Board of Education, Public Education Capital Outlay Refunding Bonds	2002B	\$264,470,000	6/1/2003 - 6/1/2023	4.000% - 5.375%
State Board of Education, Public Education Capital Outlay Bonds	2000C	\$100,000,000	6/1/2003 - 6/1/2032	3.250% - 5.250%
State Board of Education, Public Education Capital Outlay Refunding Bonds	2002C	\$326,000,000	6/1/2003 - 6/1/2023	3.250% - 5.250%
State Board of Education, Public Education Capital Outlay Bonds	2002A	\$250,000,000	6/1/2003 - 6/1/2032	3.125% - 5.000%
Department of Environmental Protection, Florida Forever Revenue Bonds	2002B	\$150,000,000	7/1/2003 - 7/1/2022	3.500% - 5.250%
State Board of Education, Lottery Revenue Bonds	2002C	\$233,555,000	1/1/2004-1/1/2022	4.000% - 5.250%
Department of Management Services, Florida Facilities Pool Revenue Refunding Bonds	2002A	\$46,910,000	9/1/2003-9/1/2023	2.625% - 4.625%
COMPONENT UNITS				
Florida Board of Education, Florida Atlantic University Parking Facility Revenue Bonds	2002	\$8,995,000	7/1/2004 - 7/1/2023	2.500% - 4.350%
Florida Board of Education, University of Central Florida Florida Housing Revenue Bonds	2002	\$14,055,000	10/1/2003 - 10/1/2020	2.500% - 4.500%
Florida Board of Education, University of South Florida Parking Facility Revenue Bonds	2002	\$12,700,000	7/1/2004 - 7/1/2023	3.000% - 4.750%
Florida Board of Education, Florida International University Parking Facility Revenue Bonds	2002	\$22,915,000	7/1/2004 - 7/1/2022	2.600% - 4.600%

THE FLORIDA STATE DAY



April 2 was designated by the 1953 Legislature as State Day because Ponce de Leon first sighted Florida about that date in 1513. The

designation by lawmakers was at the suggestion of Mary A. Harrell, a teacher of Social Studies in the John Gorrie Junior High School of Jacksonville.

The Legislature also authorized the Governor to annually proclaim March 27 – April 2 as “Pascua Week” and to call upon schools and the citizenry for observance of this period as a patriotic occasion. Whenever April 2 falls on Saturday or Sunday, the Governor may declare either the preceding Friday or the following Monday as the State Day.

Source: <http://dhr.dos.state.fl.us/symbols>

**OTHER REQUIRED
SUPPLEMENTARY
INFORMATION**



STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	General Fund			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Fund Balances, July 1, 2001	\$ 2,014,137	\$ 2,014,137	\$ 2,014,137	\$
Reversions	127,904	127,904	127,904	.....
Fund Balances, July 1, 2001, restated	2,142,041	2,142,041	2,142,041	.....
REVENUES				
Direct revenues:				
Fees and charges	510,937	507,859	503,288	(4,571)
Licenses	74,724	75,124	75,564	440
Taxes	19,874,394	18,769,194	18,294,852	(474,342)
Miscellaneous	1,118	1,108	1,236	128
Interest	265,185	230,010	238,645	8,635
Grants	12,416	12,431	12,432	1
Refunds	1,215	1,215	184,121	182,906
Other	302	302	4,250	3,948
Total Direct Revenues	20,740,291	19,597,243	19,314,388	(282,855)
Indirect revenues:				
Employee/employer contributions	30	30	30	.....
Transfers and distributions	3,402,549	3,933,002	3,757,097	(175,905)
Other	900	900	2,193	1,293
Total Indirect Revenues	3,403,479	3,933,932	3,759,320	(174,612)
TOTAL REVENUES	24,143,770	23,531,175	23,073,708	(457,467)
TOTAL AVAILABLE RESOURCES	26,285,811	25,673,216	25,215,749	(457,467)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	2,998,117	4,035,724	3,983,608	52,116
Other personal services	44,627	262,191	246,238	15,953
Expenses	461,747	833,687	788,942	44,745
Grants and aids	8,313,699	8,318,689	8,313,752	4,937
Operating capital outlay	16,390	68,130	55,972	12,158
Food products	66,748	64,473	63,755	718
Fixed capital outlay	64,116	154,550	130,458	24,092
Lump sum	1,922,856	7,611	.....	7,611
Special categories	5,146,226	5,500,140	5,432,416	67,724
Financial assistance payments	239,317	244,421	242,952	1,469
Grants/aids to local governments	65,779	113,919	113,919	.....
Data processing services	76,551	91,938	86,824	5,114
Pensions and benefits	9,235	9,235	8,588	647
Claim bills and relief acts	.....	400	400	.....
Total Operating Expenditures	19,425,408	19,705,108	19,467,824	237,284
Nonoperating expenditures:				
Transfers	2,386,705	2,386,705	2,386,705	.....
Purchase of investments	137,998	137,998	137,998	.....
Refunds	397,453	397,453	397,453	.....
Other	208,256	332,048	332,048	.....
Total Nonoperating Expenditures	3,130,412	3,254,204	3,254,204	.....
TOTAL EXPENDITURES	22,555,820	22,959,312	22,722,028	237,284
FUND BALANCES, JUNE 30, 2002	\$ 3,729,991	\$ 2,713,904	\$ 2,493,721	\$ (220,183)

The notes to required supplementary information are an integral part of this schedule.

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Environment, Recreation and Conservation			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 1,521,336	\$ 1,521,336	\$ 1,521,336	\$
Reversions	2,296	2,296	2,296	.....
Fund Balances, July 1, 2001, restated	1,523,632	1,523,632	1,523,632	.....
REVENUES				
Direct revenues:				
Fees and charges	148,664	52,614	64,726	12,112
Licenses	17,398	43,789	44,849	1,060
Taxes	.....	.....	.....	.....
Miscellaneous	24,474	496	650	154
Interest	73,968	77,374	84,835	7,461
Grants	69,183	181,179	179,482	(1,697)
Refunds	9,715	2,868	7,149	4,281
Bond proceeds	.....	237,020	237,020	.....
Other	5,881	76,939	88,305	11,366
Total Direct Revenues	349,283	672,279	707,016	34,737
Indirect revenues:				
Transfers and distributions	1,922,861	1,514,023	1,295,575	(218,448)
Other	13,612	2,490	2,745	255
Total Indirect Revenues	1,936,473	1,516,513	1,298,320	(218,193)
TOTAL REVENUES	2,285,756	2,188,792	2,005,336	(183,456)
TOTAL AVAILABLE RESOURCES	3,809,388	3,712,424	3,528,968	(183,456)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	148,201	151,492	147,076	4,416
Other personal services	33,327	33,923	28,552	5,371
Expenses	45,152	47,064	41,455	5,609
Grants and aids	4,751	4,751	2,992	1,759
Operating capital outlay	4,207	4,796	4,243	553
Fixed capital outlay	692,163	935,140	935,140	.....
Lump sum	3,890	.....	.....	.....
Special categories	354,263	383,881	356,636	27,245
Grants/aids to local governments	542,084	293,576	293,576	.....
Data processing services	7,873	7,918	7,917	1
Total Operating Expenditures	1,835,911	1,862,541	1,817,587	44,954
Nonoperating expenditures:				
Transfers	236,181	236,181	236,181	.....
Refunds	35,434	35,434	35,434	.....
Other	16,035	16,024	16,024	.....
Total Nonoperating Expenditures	287,650	287,639	287,639	.....
TOTAL EXPENDITURES	2,123,561	2,150,180	2,105,226	44,954
FUND BALANCES, JUNE 30, 2002	\$ 1,685,827	\$ 1,562,244	\$ 1,423,742	\$ (138,502)

The notes to required supplementary information are an integral part of this schedule.

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 458,763	\$ 458,763	\$ 458,763	\$
Reversions	14,876	14,876	14,876	.....
Fund Balances, July 1, 2001, restated	473,639	473,639	473,639	.....
REVENUES				
Direct revenues:				
Fees and charges	701,273	868,805	771,696	(97,109)
Licenses	76,873	21,585	20,131	(1,454)
Miscellaneous	2,183	1,160	10	(1,150)
Interest	19,439	19,616	10	(19,606)
Grants	8,716,339	8,020,242	8,312,213	291,971
Refunds	455,835	803,530	691,700	(111,830)
Other	378,025	85,453	4,596	(80,857)
Total Direct Revenues	10,349,967	9,820,391	9,800,356	(20,035)
Indirect revenues:				
Transfers and distributions	1,154,874	1,280,558	871,866	(408,692)
Other	20,544	(213)	2,538	2,751
Total Indirect Revenues	1,175,418	1,280,345	874,404	(405,941)
TOTAL REVENUES	11,525,385	11,100,736	10,674,760	(425,976)
TOTAL AVAILABLE RESOURCES	11,999,024	11,574,375	11,148,399	(425,976)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,085,399	1,103,372	1,060,926	42,446
Other personal services	69,181	72,060	63,261	8,799
Expenses	355,600	383,596	338,358	45,238
Grants and aids	159,353	184,315	162,003	22,312
Operating capital outlay	18,295	16,450	13,684	2,766
Food products	846	746	521	225
Fixed capital outlay	10,366	7,457	7,457	.....
Lump sum	148,216	.....	.....	.....
Special categories	8,460,186	8,391,960	7,749,000	642,960
Financial assistance payments	29,990	35,647	33,614	2,033
Grants/aids to local governments	4,500	6,163	6,163	.....
Data processing services	79,929	74,014	64,933	9,081
Special expenses	.....	4	4	.....
Total Operating Expenditures	10,421,861	10,275,784	9,499,924	775,860
Nonoperating expenditures:				
Transfers	857,786	862,143	862,143	.....
Refunds	10,141	10,141	10,141	.....
Other	10,369	10,392	10,392	.....
Total Nonoperating Expenditures	878,296	882,676	882,676	.....
TOTAL EXPENDITURES	11,300,157	11,158,460	10,382,600	775,860
FUND BALANCES, JUNE 30, 2002	\$ 698,867	\$ 415,915	\$ 765,799	\$ 349,884

The notes to required supplementary information are an integral part of this schedule.

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Transportation			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Fund Balances, July 1, 2001	\$ 21,002	\$ 21,002	\$ 21,002	\$
REVENUES				
Direct revenues:				
Interest	1,507	1,507	1,487	(20)
Grants	31,778	19,312	15	(19,297)
Refunds	.....	.....	.....	.....
Bond proceeds	150,660	150,660	150,653	(7)
Other	3	3	11,858	11,855
Total Direct Revenues	183,948	171,482	164,013	(7,469)
Indirect revenues:				
Transfers and distributions	27,200	27,142	27,689	547
Total Indirect Revenues	27,200	27,142	27,689	547
TOTAL REVENUES	211,148	198,624	191,702	(6,922)
TOTAL AVAILABLE RESOURCES	232,150	219,626	212,704	(6,922)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	722	734	673	61
Other personal services	10	10	9	1
Expenses	141	141	141	.....
Fixed capital outlay	41,040	34,207	34,207	.....
Total Operating Expenditures	41,913	35,092	35,030	62
Nonoperating expenditures:				
Transfers	150,654	150,654	150,654	.....
Total Nonoperating Expenditures	150,654	150,654	150,654	.....
TOTAL EXPENDITURES	192,567	185,746	185,684	62
FUND BALANCES, JUNE 30, 2002	\$ 39,583	\$ 33,880	\$ 27,020	\$ (6,860)

The notes to required supplementary information are an integral part of this schedule.

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Public Education			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Fund Balances, July 1, 2001	\$ 1,003,083	\$ 1,003,083	\$ 1,003,083	\$
Reversions	144	144	144	.....
Fund Balances, July 1, 2001, restated	<u>1,003,227</u>	<u>1,003,227</u>	<u>1,003,227</u>	<u>.....</u>
REVENUES				
Direct revenues:				
Fees and charges	13,711	1,453	1,431	(22)
Licenses	1,505	.....	.....	.....
Taxes	519,000	519,000	518,626	(374)
Miscellaneous	80	59	59	.....
Interest	4,262	57,442	48,111	(9,331)
Grants	1,414,686	1,592,302	1,590,350	(1,952)
Refunds	810	.....	11,034	11,034
Bond proceeds	990,583	990,583	989,971	(612)
Other	6,109	16,300	12,743	(3,557)
Total Direct Revenues	<u>2,950,746</u>	<u>3,177,139</u>	<u>3,172,325</u>	<u>(4,814)</u>
Indirect revenues:				
Transfers and distributions	1,771,090	1,771,090	1,680,514	(90,576)
Other	.....	2,550	2,049	(501)
Total Indirect Revenues	<u>1,771,090</u>	<u>1,773,640</u>	<u>1,682,563</u>	<u>(91,077)</u>
TOTAL REVENUES	<u>4,721,836</u>	<u>4,950,779</u>	<u>4,854,888</u>	<u>(95,891)</u>
TOTAL AVAILABLE RESOURCES	<u>5,725,063</u>	<u>5,954,006</u>	<u>5,858,115</u>	<u>(95,891)</u>
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	10,210	27,634	26,930	704
Other personal services	1,202	4,037	2,766	1,271
Expenses	7,481	21,924	16,701	5,223
Grants and aids	1,896,123	2,218,367	2,150,943	67,424
Operating capital outlay	1,224	1,886	1,038	848
Fixed capital outlay	2,088,049	1,605,651	1,605,651	.....
Lump sum	100	.....	.....	.....
Special categories	267,833	268,796	249,631	19,165
Financial assistance payments	77,294	77,967	76,004	1,963
Grants/aids to local governments	.....	84,008	84,008	.....
Payments to U.S. Treasury	.....	519	519	.....
Data processing services	428	431	419	12
Total Operating Expenditures	<u>4,349,944</u>	<u>4,311,220</u>	<u>4,214,610</u>	<u>96,610</u>
Nonoperating expenditures:				
Transfers	330,369	330,369	330,369	.....
Refunds	698	698	698	.....
Other	364,380	364,380	364,380	.....
Total Nonoperating Expenditures	<u>695,447</u>	<u>695,447</u>	<u>695,447</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>5,045,391</u>	<u>5,006,667</u>	<u>4,910,057</u>	<u>96,610</u>
FUND BALANCES, JUNE 30, 2002	<u>\$ 679,672</u>	<u>\$ 947,339</u>	<u>\$ 948,058</u>	<u>\$ 719</u>

The notes to required supplementary information are an integral part of this schedule.

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Tax Collection and Administration			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Fund Balances, July 1, 2001	\$ 375,667	\$ 375,667	\$ 375,667	\$
Reversions	77	77	77	.....
Fund Balances, July 1, 2001, restated	375,744	375,744	375,744	.....
REVENUES				
Direct revenues:				
Fees and charges	170,017	170,017	149,545	(20,472)
Licenses	21,750	19,864	18,550	(1,314)
Taxes	5,299,644	5,299,644	5,359,873	60,229
Miscellaneous	21	.....	23	23
Interest	3,933	1,363	255	(1,108)
Refunds	.....	.....	23,451	23,451
Other	.....	.....	15,095	15,095
Total Direct Revenues	5,495,365	5,490,888	5,566,792	75,904
Indirect revenues:				
Transfers and distributions	370,255	360,276	455,577	95,301
Sale of investments	.....	.....	89,391	89,391
Other	33,709	36,160	44,022	7,862
Total Indirect Revenues	403,964	396,436	588,990	192,554
TOTAL REVENUES	5,899,329	5,887,324	6,155,782	268,458
TOTAL AVAILABLE RESOURCES	6,275,073	6,263,068	6,531,526	268,458
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	66,202	67,072	65,944	1,128
Other personal services	2,739	2,298	1,660	638
Expenses	29,162	30,869	29,575	1,294
Grants and aids	22,838	22,838	19,452	3,386
Operating capital outlay	3,550	2,777	2,655	122
Special categories	2,701	2,520	2,282	238
Data processing services	8,966	8,741	6,879	1,862
Total Operating Expenditures	136,158	137,115	128,447	8,668
Nonoperating expenditures:				
Transfers	1,968,985	1,979,006	1,979,006	.....
Refunds	90,681	90,681	90,681	.....
Other	3,932,968	3,932,968	3,932,968	.....
Total Nonoperating Expenditures	5,992,634	6,002,655	6,002,655	.....
TOTAL EXPENDITURES	6,128,792	6,139,770	6,131,102	8,668
FUND BALANCES, JUNE 30, 2002	\$ 146,281	\$ 123,298	\$ 400,424	\$ 277,126

The notes to required supplementary information are an integral part of this schedule.

STATE OF FLORIDA

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)

	Employment Services			Variance with Final Budget - Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
Fund Balances, July 1, 2001	\$ 54,068	\$ 54,068	\$ 54,068	\$
Reversions	16,347	16,347	16,347	.....
Fund Balances, July 1, 2001, restated	70,415	70,415	70,415	.....
REVENUES				
Direct revenues:				
Fees and charges	10,114	3,707	7,563	3,856
Licenses	16	14	1	(13)
Taxes	242,426	308,140	306,875	(1,265)
Miscellaneous	411	717	42	(675)
Interest	665	1,995	5,224	3,229
Grants	460,324	682,280	614,115	(68,165)
Refunds	19,406	1,171	11,700	10,529
Other	2,321	3,458	3,399	(59)
Total Direct Revenues	735,683	1,001,482	948,919	(52,563)
Indirect revenues:				
Transfers and distributions	283,871	343,412	506,570	163,158
Other	172	.....	763	763
Total Indirect Revenues	284,043	343,412	507,333	163,921
TOTAL REVENUES	1,019,726	1,344,894	1,456,252	111,358
TOTAL AVAILABLE RESOURCES	1,090,141	1,415,309	1,526,667	111,358
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	135,142	127,437	116,216	11,221
Other personal services	20,345	24,126	17,746	6,380
Expenses	57,665	51,689	44,008	7,681
Grants and aids	5,741	22,446	16,616	5,830
Operating capital outlay	4,432	5,285	4,610	675
Food products	80	80	80	.....
Fixed capital outlay	400	1,721	1,721	.....
Special categories	454,169	984,589	926,115	58,474
Data processing services	13,456	15,793	15,269	524
Total Operating Expenditures	691,430	1,233,166	1,142,381	90,785
Nonoperating expenditures:				
Transfers	40,411	40,411	40,411	.....
Refunds	2,243	2,243	2,243	.....
Other	211,427	211,427	211,427	.....
Total Nonoperating Expenditures	254,081	254,081	254,081	.....
TOTAL EXPENDITURES	945,511	1,487,247	1,396,462	90,785
FUND BALANCES, JUNE 30, 2002	\$ 144,630	\$ (71,938)	\$ 130,205	\$ 202,143

The notes to required supplementary information are an integral part of this schedule.



STATE OF FLORIDA

**BUDGET TO GAAP RECONCILIATION
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation
Budgetary basis fund balances	\$ 2,493,721	\$ 1,423,742	\$ 765,799	\$ 27,020
Items not included in budgetary basis fund balances:				
Security lending investments within the State Treasury	1,024,845	256,661	63,633	30,183
Fair value adjustments to investments within the State Treasury	22,008	5,507	1,365	648
Special investments within the State Treasury	13,174	.....	7,827	.....
Non-State Treasury cash and investments	4,018	849	3,331	1,547
Other GAAP basis fund balances not included in budgetary basis fund balances	(10,847)	(3,137)	(68,505)	263,887
Adjusted budgetary basis fund balances	3,546,919	1,683,622	773,450	323,285
Adjustments (basis differences):				
Receivables not certified forward (only certain expenditure refunds are certified forward)	1,225,146	1,051,556	889,184	1,320,821
Inventories and prepaid items	18,973	705	16,309	15,114
Liabilities not certified forward (accrual items not recognized in the certified forward process)	(1,498,786)	(314,630)	(1,028,491)	(839,767)
Encumbrances	44,038	5,093	5,004	78,289
GAAP basis fund balances	\$ 3,336,290	\$ 2,426,346	\$ 655,456	\$ 897,742

The notes to required supplementary information are an integral part of this schedule.

STATE OF FLORIDA

Public Education	Tax Collection and Administration	Employment Services
\$ 948,058	\$ 400,424	\$ 130,205
163,795	.....	27,365
3,511	.....	587
796	.....	.....
4,396	117,987	3,617
298,085	2,809	(29,606)
1,418,641	521,220	132,168
90,491	247,199	85,106
.....	84	.....
(1,263,868)	(497,834)	(653)
7,414	.....	1,955
\$ 252,678	\$ 270,669	\$ 218,576

OTHER REQUIRED SUPPLEMENTARY INFORMATION**NOTE A****- BUDGETARY BEGINNING FUND BALANCE RESTATEMENTS**

In the past, the State's Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – All Budgetary Fund Types, included as part of the General Purpose Financial Statements, was presented by the following budgetary fund types: General Revenue Fund, Trust Funds, Budget Stabilization Fund, and Working Capital Fund. These budgetary fund types are different from the fund types for financial reporting purposes. Statement No. 34 of the Governmental Accounting Standards Board (GASB) requires that budgetary information be presented for the general fund and for each major special revenue fund that has a legally adopted annual budget. The following schedule shows the beginning fund balance restatements from the budgetary fund types to the financial reporting fund types under the new reporting model:

	June 30, 2001 As Previously Reported	Fund Reclassifications	Budget Conversion Reclassifications and Adjustments	June 30, 2001 As Restated
<u>BUDGETARY FUND TYPES</u>				
General Revenue Fund	\$ 537,516	\$ (537,516)	\$	\$
Trust Fund	9,429,874	(4,451,319)	(4,978,555)	.....
<u>FINANCIAL REPORTING FUND TYPES</u>				
General Fund	1,791,242	222,895	2,014,137
Special Revenue Funds				
Major Special Revenue Funds				
Environment, Recreation and Conservation	1,521,336	.....	1,521,336
Health and Family Services	(269,697)	728,460	458,763
Transportation	21,002	.....	21,002
Public Education	1,003,083	.....	1,003,083
Tax Collection and Administration	375,667	.....	375,667
Employment Services	54,068	.....	54,068
Nonmajor Special Revenue Funds				
Government Administration	51,077	.....	51,077
Business and Community Development	(67,319)	207,597	140,278
Regulation and Licensing	164,037	.....	164,037
Tobacco Settlement	24,695	226,596	251,291
Public Safety	49,822	.....	49,822
Corrections	51,120	11,421	62,541
Consumer Protection and Safety	56,811	.....	56,811
Agriculture	35,517	.....	35,517
Juvenile Justice	19,295	2,123	21,418
Judicial Services	30,164	.....	30,164
Military & Veterans' Affairs	26,489	.....	26,489
Citrus Commission	16,156	.....	16,156
School for the Deaf and the Blind	193	.....	193
Wireless Emergency Telephone System	34,077	.....	34,077
Total Special Revenue Funds	3,197,593	1,176,197	4,373,790
TOTAL	\$ 9,967,390	\$	\$ (3,579,463)	\$ 6,387,927

In order for budgetary information to be presented for financial reporting as required by GASB, adjustments were made to convert information from the budgetary fund structure to the financial reporting fund structure.

The State elected to present its budgetary comparison schedules for the general fund and major special revenue funds as part of the other required supplementary information. In addition, budgetary comparison schedules for nonmajor special revenue funds which have legally adopted annual budgets are presented with other combining and individual fund statements and schedules. The operating history of the Budget Stabilization Fund and the Working Capital Fund is presented in the Statistical and Economic Data section of the CAFR.

NOTE B**- LUMP SUM EXPENDITURE CATEGORY**

The Lump Sum expenditure category presented in the budgetary comparison schedules is used as a budgetary tool to track moneys appropriated to a particular fund until subsequent allocations are made to other expenditure categories.

OTHER REQUIRED SUPPLEMENTARY INFORMATION**NOTE C
- BUDGETARY REPORTING**Budget Process

Chapter 216, Florida Statutes (F.S.), promulgates the process used to develop the budget for the State of Florida. By September 15 of each year, the head of each state agency and the Chief Justice of the Supreme Court for the Judicial Branch submit a final annual legislative budget request to the Governor and Legislature. Then, at least 45 days before the scheduled annual legislative session in each year, the Governor, as Chief Budget Officer, submits his recommended budget to each legislator.

The Governor also provides estimates of revenues sufficient to fund the recommended appropriations. Revenue estimates for the General Fund are made by the Revenue Estimating Conference. This group includes members of the Executive and Legislative branches with forecasting experience who develop official information regarding anticipated state and local government revenues as needed for the state budgeting process. Revenue estimates for trust fund (consist mainly of special revenue funds) are provided by state agencies. These estimates may be revised during the course of the Legislature's consideration and adoption of a final budget. These estimates, together with known available cash balances, are further considered by the Executive Office of the Governor and the Chief Justice of the Florida Supreme Court during the preparation of annual release (spending) plans. Further adjustments to the original budget's trust fund revenue estimates may be made to conform the agency revenue estimates to actual and projected revenue streams.

The Governor's recommended budget forms the basis of the appropriations bill. As amended and approved by the Legislature (subject to the line-item veto power of the Governor and override authority of the Legislature), this bill becomes the General Appropriations Act. The Governor and the Chief Justice of the Supreme Court may, under certain conditions, establish releases for amounts not appropriated by the Legislature to agencies and the Judicial Branch, respectively. These releases, called additional appropriations, are made primarily for nonoperating disbursements, such as the purchase of investments and the transfer of money between State funds.

The State Comptroller, as Chief Fiscal Officer, approves disbursements in accordance with legislative authorizations. The budget is controlled at the account code level, which is defined as an appropriation category (e.g., salaries) within a budget entity. The Governor and the Comptroller are responsible for detecting conditions which could lead to a deficit in any agency's funds and reporting that fact to the Legislative Budget Commission and the Chief Justice of the Supreme Court. The Constitution of the State, Article VII, Section 1(d), states, "Provision shall be made by law for raising sufficient revenue to defray the expenses of the State for each fiscal period."

Budgetary Basis of Accounting

The budgetary basis of accounting required by State law differs materially from the basis used to report revenues and expenditures in accordance with generally accepted accounting principles (GAAP). Appropriations are made from funds that are prescribed by law. These legal basis fund types (known as State funds) are the General Revenue Fund, numerous trust funds, the Budget Stabilization Fund, and the Working Capital Fund. (See the Letter of Transmittal within the CAFR for more detail.) Certain moneys, known as local funds, available to agencies for their operations are maintained outside the State Treasury. Because the funds are located in banks outside of the State Treasury, budgetary authority and the disbursement of these funds are not controlled by the State Comptroller. For example, the State Board of Administration operates from such funds.

If circumstances warrant, the head of a department or the Chief Justice of the Supreme Court may transfer appropriations (other than fixed capital outlay appropriations) but only to the extent of 5 percent of the original appropriation or \$150,000, whichever is greater. Transfers of general revenue appropriations in excess of 5 percent or \$150,000, whichever is greater, or for fixed capital outlay, may be approved by the Legislative Budget Commission or the Chief Justice of the Supreme Court. The Governor and the Chief Justice of the Supreme Court may approve transfers of expenditure authority within any trust fund for agencies and the Judicial Branch, respectively, if the transfers are less than 5 percent of the original approved budget or \$1 million, whichever is greater. The Legislative Budget Commission may approve trust fund transfers in excess of 5 percent or \$1,000,000. At the end of the fiscal year, any balance of an operating appropriation which has not been disbursed but is expended (recorded as a payable) or contracted to be expended (recorded as a reserve for encumbrances in governmental fund types), may be certified forward into the next fiscal year. Certifications forward for agencies and the judicial branch are subject to the approval of the Governor and the Chief Justice of the Supreme Court, respectively.

Budgetary basis revenues are essentially reported on the cash basis and include amounts classified by GAAP as other financing sources. Budgetary basis expenditures include disbursements, except those for prior year certified forwards, plus current year payables and encumbrances which are certified forward into the next fiscal year. They also include amounts classified by GAAP as other financing uses. State law requires prior year payables and encumbrances not certified forward to be paid from the current year budget.

The presentation of the budgetary data excludes most fixed capital outlay projects. Many fixed capital outlay projects are funded on a multi-year basis since major construction projects require several years to complete. These are accounted for as capital projects funds. Appropriations are made in total the first year even though they are released and expended over a period of years as required by the projects. Although the State Transportation Trust Fund within the Department of Transportation is reported as a special revenue fund, the projects within the fund are primarily of a multi-year nature, generally requiring several years to complete and are accounted and appropriated for accordingly. Because of the multi-year nature of such projects, these multi-year fixed capital outlay projects and the State Transportation Trust Fund are not presented on the budgetary comparison schedules.

Budget to GAAP Reconciliation

The budgetary comparison schedules for the General Fund and the major special revenue funds present comparisons of the original estimated budget and legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for the purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a budget to GAAP reconciliation is presented following the budgetary comparison schedules.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

PENSION TRUST FUND SCHEDULE OF FUNDING PROGRESS
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Annualized Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 1997	\$ 56,220,804	\$ 61,610,883	\$ 5,390,079	91.25%	\$ 17,257,738	31.23%
July 1, 1998	66,997,227	63,205,829	(3,791,398)	106.00%	18,010,189	(21.05%)
July 1, 1999	77,795,313	68,575,249	(9,220,064)	113.45%	18,998,086	(48.53%)
July 1, 2000	88,503,838	74,948,950	(13,554,888)	118.09%	20,463,403	(66.24%)
July 1, 2001	95,517,948	80,993,718	(14,524,230)	117.93%	21,360,862	(68.00%)
July 1, 2002	99,405,677	86,469,774	(12,935,903)	114.96%	22,195,184	(58.28%)

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(in thousands)

Year Ended 6/30	Annual Required Contributions	Percent Contributed
1997	\$ 3,036,978	100%
1998	3,206,516	100%
1999	3,096,290	100%
2000	1,969,057	111% ⁽²⁾
2001	1,869,731	110%
2002	1,825,485	98%

ADDITIONAL INFORMATION

The information presented in the above schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2002
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar of Pay, Open
Equivalent single amortization period	Not Applicable ⁽³⁾
Asset valuation method	5-Year Smoothed Method
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	6.25% ⁽⁴⁾
Includes inflation at	3.50%
Cost-of-Living Adjustments	3.00%

(1) Includes Deferred Retirement Option Program (DROP) Payroll

(2) The 2000 required annual contribution and the corresponding percent contributed were restated to reflect a change in the annual required contribution through the use of the actuarial determined surplus.

(3) The UAAL surplus for the July 1, 2002 valuation precludes the need for an amortization period.

(4) Includes individual salary growth of 5.00%, plus an age-graded merit scale from 5.00% at age 20, to 1.50% at age 40, to 0.25% at age 60.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT INFRASTRUCTURE ASSETS
REPORTED USING THE MODIFIED APPROACH

Pursuant to GASB Statement 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, the State has adopted an alternative process to recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 12,000 centerline miles of roads and 6,260 bridges that the State is responsible to maintain.

In order to utilize the modified approach, the State is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the State.
- Document that the assets are being preserved approximately at, or above, the established condition level.

Condition and Maintenance Programs

Resurfacing Program: Road pavements require periodic resurfacing. The frequency of resurfacing depends on the volume of traffic, type of traffic, pavement material variability and weather conditions. Resurfacing preserves the structural integrity of highway pavements and includes pavement resurfacing, pavement rehabilitation and minor reconstruction.

The Florida Department of Transportation (FDOT) conducts an annual Pavement Condition Survey. Pavements are rated on a scale of 0 to 10 (with 10 being the best) in each of three criteria: ride smoothness, pavement cracking, and wheel path rutting. Ride smoothness is what the motorist experiences. It directly affects motor vehicle operation costs. Pavement cracking refers to the structural deterioration of the pavement, which leads to loss of smoothness and deterioration of the road base by water seepage if not corrected. Wheel path ruts are depressions in pavement caused by heavy use. Ride smoothness and wheel path rutting are measured mechanically using lasers. Pavement cracking is determined through visual observation by experienced survey crews.

The condition rating scales were set by a statewide committee of pavement engineers so that a pavement segment receiving a rating of six or less in any of the three rating criteria is designated a deficient pavement segment.

The FDOT standard is to ensure that 80% of the pavement on the State Highway System has a score greater than six in all three criteria.

Bridge Repair/Replacement Program: The FDOT Bridge Repair Program places primary emphasis on periodic maintenance and specified rehabilitation work activities on State Highway System bridge structures. The FDOT Bridge Replacement Program’s primary focus is on the replacement of structurally deficient or weight restricted bridges on the State Highway System. In addition, this program addresses bridges that require structural repair but which are more cost effective to replace.

The FDOT conducts bridge condition surveys using the National Bridge Inspection (NBI) Standards to determine condition ratings. Each bridge is inspected at least once every two years. During the inspection process, the major components, such as deck,

superstructure, and substructure, are assigned a condition rating. The condition rating ranges from 0 to 9. A rating of 8 to 9 is very good to excellent, which indicates that no repairs are necessary. A rating of 5 to 7 is fair to good, which indicates that minor repairs are required. A rating below 5 identifies bridges needing major repairs or replacement. A rating of 4 or less indicates a condition of poor to failing and requires urgency in making repairs. A rating of 2 requires closure of the bridge and a rating of 1 is used for a bridge that is closed but with corrective action may be put back into light service. A rating of 0 indicates that the bridge is out of service and beyond corrective action.

The FDOT standard is to ensure that 90 percent of all Department maintained bridges do not need major repairs or replacement.

Routine Maintenance Program: The FDOT is responsible for managing and performing routine maintenance on the State Highway System to help preserve the condition of the highway system. Routine maintenance includes many activities, such as: highway repair, roadside upkeep, emergency response, maintaining signs, roadway striping, and keeping storm drains clear and structurally sound.

The quality and effectiveness of the routine maintenance program is monitored by quarterly surveys, using the Maintenance Rating Program (MRP), which result in an annual assessment. The MRP has been used since 1985 to evaluate routine maintenance of the transportation system in five broad categories, or elements. The five rating elements are roadway, roadside, vegetation/aesthetics, traffic services, and drainage. The MRP provides a maintenance rating of 1 to 100 for each category and overall.

The FDOT standard is to achieve and maintain an overall maintenance rating of 80.

Condition Rating for the State Highway System

Percentage of pavement meeting FDOT standards

2002	2001	2000
79%	79%	79%

Percentage of bridges meeting FDOT standards

2002	2001	2000
93%	93%	92%

Maintenance Rating

2002	2001	2000
85	84	82

**Comparison of Needed-to-Actual Maintenance/Preservation
(in millions)****Resurfacing Program**

	2002	2001	2000	1999	1998
Needed	\$416.9	\$467.0	\$416.4	\$385.7	\$306.5
Actual	367.4	421.2	342.4	360.0	295.9

Bridge Repair/Replacement Program

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Needed	\$236.1	\$344.6	\$200.5	\$259.4	\$210.5
Actual	250.0	379.5	196.7	292.2	234.8

Routine Maintenance Program

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Needed	\$388.2	\$374.3	\$348.2	\$342.9	\$317.3
Actual	392.9	371.7	357.9	338.4	307.4

The Florida Department of Transportation determines its program needs based on a five-year plan (plan). The needed amounts provided above are for estimated expenses and commitments relating to appropriate projects within the plan at the time of the budget request. The nature of a long-term plan is that it is continually changing. Projects are added, deleted, adjusted, or postponed. The difference between the needed and the actual amounts above reflects these changes.

Financial Section

Combining & Individual Fund
Statements & Schedules -
Nonmajor Funds



Zebra Longwing - Florida State Butterfly

ORANGE BLOSSOM

- THE FLORIDA STATE FLOWER



The orange blossom was designated as the State Flower by Concurrent Resolution No. 15, 1909 Legislature. It is one of the most fragrant flowers in Florida. Millions of these white flowers perfume the atmosphere throughout central and south Florida during orange blossom time.



COREOPSIS

- THE FLORIDA STATE WILDFLOWER

In 1991, the flower of the genus *Coreopsis* was designated as Florida's official State Wildflower. The State Legislature made this designation after the colorful flowers were used extensively in Florida's roadside plantings and highway beautification programs. The coreopsis is found in a variety of colors, ranging from golden to pink.



Source: <http://dhr.dos.state.fl.us/symbols>
Photos provided by: State Library of Florida

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Individual fund descriptions and financial statements begin on page 113.

CAPITAL PROJECTS FUNDS

Individual fund descriptions and financial statements begin on page 137.

DEBT SERVICE FUND

This fund, administered by the State Board of Administration, a blended component unit, is used to account for resources earmarked to pay principal, interest, and service charges on general long-term debt of the State.

FISH AND WILDLIFE PERMANENT FUND

This fund, administered by the Fish and Wildlife Conservation Commission, is used to support fish and wildlife conservation programs of the State, in accordance with Section 372.105, Florida Statutes. The primary source of the principal of the fund includes proceeds of gifts, grants, and contributions, and the sale of lifetime licenses. Only the interest income received and accrued from the investments of the fund can be used. No disbursement is made from the principal of the fund.

STATE OF FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2002
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Fish and Wildlife Permanent Fund	Totals 6/30/02
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 17,796	\$	\$ 808	\$	\$ 18,604
Pooled investments with State Treasury	901,118	20,067	5,243	3,629	930,057
Investments	.....	.....	126,035	.....	126,035
Receivables, net	125,694	2,084	7,124	7	134,909
Due from other funds	83,060	54,229	7,454	17	144,760
Inventories	8,463	.....	.....	.....	8,463
Other	3,617	.....	.....	.....	3,617
Total current assets	1,139,748	76,380	146,664	3,653	1,366,445
<u>Noncurrent assets</u>					
Long term investments	33,937	.....	307,406	.....	341,343
Advances to other funds	500	16,658	.....	.....	17,158
Due from other governmental entities	4,557	.....	.....	.....	4,557
Other loans and notes receivable, net	12,447	.....	.....	.....	12,447
Other	5,631	.....	.....	.....	5,631
Total noncurrent assets	57,072	16,658	307,406	.....	381,136
Total assets	\$ 1,196,820	\$ 93,038	\$ 454,070	\$ 3,653	\$ 1,747,581
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities (Note 3)	\$ 192,353	\$ 7,823	\$ 8,076	\$	\$ 208,252
Due to other funds (Note 11)	146,450	48	.....	8	146,506
Due to component units/primary	4,749	40	.....	.....	4,789
Compensated absences	467	.....	.....	.....	467
Deposits	7,833	.....	.....	.....	7,833
Deferred revenues	1,511	.....	.....	.....	1,511
Obligations under security lending agreements	93,068	1,767	.....	545	95,380
Total current liabilities	446,431	9,678	8,076	553	464,738
<u>Noncurrent liabilities</u>					
Advances from other funds (Note 11)	1,572	.....	.....	.....	1,572
Deposits	5,261	.....	.....	.....	5,261
Deferred revenues	165	.....	.....	.....	165
Total noncurrent liabilities	6,998	.....	.....	.....	6,998
Total liabilities	453,429	9,678	8,076	553	471,736
<u>Fund balances</u>					
Reserved for encumbrances	57,605	15,989	.....	.....	73,594
Reserved for inventories	8,182	.....	.....	.....	8,182
Reserved for advances	50	16,658	.....	.....	16,708
Reserved for long-term receivables	10,901	.....	.....	.....	10,901
Reserved for debt service	.....	.....	445,994	.....	445,994
Other reserved	1,250	.....	.....	3,096	4,346
Unreserved, reported in:					
Special revenue funds	665,403	.....	.....	.....	665,403
Capital projects funds	.....	50,713	.....	.....	50,713
Permanent fund	.....	.....	.....	4	4
Total fund balances	743,391	83,360	445,994	3,100	1,275,845
Total liabilities and fund balances	\$ 1,196,820	\$ 93,038	\$ 454,070	\$ 3,653	\$ 1,747,581

STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 (in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Fish and Wildlife Permanent Fund	Totals 6/30/02
REVENUES					
Taxes	\$ 150,360	\$	\$	\$	\$ 150,360
Licenses and permits	954,290	.....	.....	366	954,656
Fees and charges	336,897	.....	71,652	.....	408,549
Grants and donations	548,140	490	.....	.....	548,630
Investment earnings	39,236	1,841	26,633	101	67,811
Fines, forfeits, settlements and judgments	928,484	.....	.....	.....	928,484
Other revenue	383	461	.....	.....	844
Total revenues	2,957,790	2,792	98,285	467	3,059,334
EXPENDITURES					
Current:					
General government	611,255	.....	43,691	.....	654,946
Education	3,444	.....	.....	.....	3,444
Human services	478,676	.....	.....	.....	478,676
Criminal justice and corrections	408,262	.....	.....	.....	408,262
Natural resources and environment	446,022	.....	.....	.....	446,022
State courts	37,190	.....	.....	.....	37,190
Capital outlay	169,370	239,915	.....	.....	409,285
Debt service:					
Principal retirement	.....	3,473	552,183	.....	555,656
Interest and fiscal charges	43	7,953	713,404	.....	721,400
Total expenditures	2,154,262	251,341	1,309,278	.....	3,714,881
Excess (deficiency) of revenues over expenditures	803,528	(248,549)	(1,210,993)	467	(655,547)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	.....	.....	34,184	.....	34,184
Proceeds of refunding bonds	.....	.....	971,060	.....	971,060
Operating transfers in	1,242,474	323,140	1,269,714	1,092	2,836,420
Operating transfers out	(2,094,136)	(92,290)	(15,820)	(64)	(2,202,310)
Proceeds of financing agreements	1,913	.....	.....	.....	1,913
Payments to refunded bond agent	.....	.....	(971,060)	.....	(971,060)
Total other financing sources (uses)	(849,749)	230,850	1,288,078	1,028	670,207
Net change in fund balances	(46,221)	(17,699)	77,085	1,495	14,660
Fund balances - beginning, as restated	752,167	108,911	368,909	1,605	1,231,592
Adjustments to increase (decrease) beginning fund balances	37,445	(7,852)	.....	.....	29,593
Fund balances - beginning, as restated	789,612	101,059	368,909	1,605	1,261,185
Fund balances - ending	\$ 743,391	\$ 83,360	\$ 445,994	\$ 3,100	\$ 1,275,845

LARGEMOUTH BASS

- THE FLORIDA STATE FRESHWATER FISH



One of America's prized gamefish, the largemouth bass, seems to grow to unusually large size in Florida waters. This black bass is an elongated sunfish, whose distinguishing feature, aside from the exceptionally large mouth, is a deep notch in the dorsal fin. In most northern states, the species seems to reach a maximum of ten pounds; in Florida, 20-pound catches are not uncommon. The habitat is a quiet water containing bountiful vegetation.

Each spring, males dig nests by brushing clear a circular area over a gravel bottom. Then females lay up to 25,000 eggs! The eggs become fingerlings in three to six days, and remain in schools as they grow. Once mature, however, the largemouth bass tends to be a loner.

The 1975 Florida Legislature adopted a bill that became Chapter 15.036, Florida Statutes, designating the Florida Bass (*Micropterus salmoides floridanus*) as the official State Freshwater Fish.

Source: <http://dhr.dos.state.fl.us/symbols>

Photo provided by: Fish and Wildlife Conservation Commission

NONMAJOR SPECIAL REVENUE FUNDS

GOVERNMENT ADMINISTRATION

This fund includes various internal reporting special revenue funds primarily administered by the Department of State, Department of Management Services, and Department of Banking and Finance.

BUSINESS AND COMMUNITY DEVELOPMENT

This fund includes various internal reporting special revenue funds primarily administered by the Executive Office of the Governor and the Department of Community Affairs. It also includes the Hurricane Andrew Disaster Relief Trust Funds administered by various other agencies.

REGULATION AND LICENSING

This fund includes various internal reporting special revenue funds primarily administered by the Department of Business and Professional Regulation, Department of Highway Safety and Motor Vehicles, and Department of Insurance.

TOBACCO SETTLEMENT

This fund includes various internal reporting special revenue funds established to account for the settlement of *State of Florida, et al., v. American Tobacco Company, et al.*, Case No. 95-1466 AH, filed in the Fifteenth Judicial Circuit, in and for Palm Beach County Florida.

PUBLIC SAFETY

This fund includes various internal reporting special revenue funds primarily administered by the Department of Law Enforcement, Department of Highway Safety and Motor Vehicles, Department of Legal Affairs, and Department of Military Affairs.

CORRECTIONS

This fund includes various internal reporting special revenue funds administered by the Department of Corrections.

CONSUMER PROTECTION AND SAFETY

This fund includes various internal reporting special revenue funds primarily administered by the Department of Community Affairs, Department of Legal Affairs, Department of Insurance, and Department of Banking and Finance.

AGRICULTURE

This fund includes various internal reporting special revenue funds administered by the Department of Agriculture and Consumer Services.

JUVENILE JUSTICE

This fund includes various internal reporting special revenue funds administered by the Department of Juvenile Justice.

JUDICIAL SERVICES

This fund includes various internal reporting special revenue funds primarily administered by the Justice Administrative Commission and the State Courts System.

MILITARY AND VETERANS' AFFAIRS

This fund includes various internal reporting special revenue funds administered by the Department of Military Affairs and Department of Veterans' Affairs.

CITRUS COMMISSION

As authorized in Chapter 601, Florida Statutes, this blended component unit was established to primarily promote the general welfare of the Florida citrus industry.

STATE BOARD OF ADMINISTRATION

This blended component unit includes the following internal reporting special revenue funds administered by the State Board of Administration: Tobacco Clearing Trust Fund and Gas Tax Clearing Accounts.

SCHOOL FOR THE DEAF AND THE BLIND

As authorized in Section 1002.36, Florida Statutes, this blended component unit is a State-supported residential school for hearing-impaired and visually impaired students in preschool through 12th grade.

WIRELESS EMERGENCY TELEPHONE SYSTEM

As authorized in Section 365.172, Florida Statutes, this blended component unit was established to promote a comprehensive statewide emergency telephone number system that will provide wireless telephone users with rapid direct access to public safety agencies by dialing the telephone number "911."

WORKFORCE FLORIDA INC

This not-for-profit blended component unit was created pursuant to Chapter 445, Florida Statutes, as the principal workforce policy organization for the State and the regional workforce boards.

FLORIDA WATER POLLUTION CONTROL FINANCING CORPORATION

Pursuant to Section 403.1837, Florida Statutes, this blended component unit was created as a nonprofit public benefit corporation for the purpose of financing or refinancing the costs of water pollution control projects and activities described in Section 403.1835, Florida Statutes.

INLAND PROTECTION FINANCING CORPORATION

Pursuant to Section 376.3075, Florida Statutes, this blended component unit was created for the purpose of financing the rehabilitation of petroleum contamination sites pursuant to Sections 376.30-376.319, Florida Statutes, and the payment, purchase and settlement of reimbursement obligations of the State of Florida Department of Environmental Protection pursuant to Section 376.3071(12) existing as of December 31, 1996.

INVESTMENT FRAUD RESTORATION CORPORATION

Pursuant to Section 517.1204, Florida Statutes, this blended component unit was created as a nonprofit public benefit corporation for the purpose of financing the remedial measures instituted by the Legislature with respect to the victims of GIC Government Securities, Inc., and the payment of approved claims pursuant to Section 517.1203, Florida Statutes.

SURPLUS LINES

Pursuant to Section 626.921, Florida Statutes, this blended component unit was created to establish a system that would permit better access by consumers to approved unauthorized insurers.

PARTNERSHIP IN CORRECTIONAL EXCELLENCE

This blended component unit was organized to serve as a catalyst to identify and address critical issues that impact public safety by building public/private partnerships and collaborations to acquire resources necessary to create a safer environment as authorized by Section 944.802, Florida Statutes.

STATE OF FLORIDA

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2002
(in thousands)**

	Government Administration	Business and Community Development	Regulation and Licensing	Tobacco Settlement	Public Safety
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 36	\$	\$ 295	\$	\$ 98
Pooled investments with State Treasury	38,437	118,192	120,597	117,786	69,307
Receivables, net	124	10,351	43,169	385	21,090
Due from other funds	3,107	4,103	28,502	623	5,017
Inventories	.....	.....	194	4,210	.....
Other	.....	.....	3,476	.....	.....
Total current assets	41,704	132,646	196,233	123,004	95,512
<u>Noncurrent assets</u>					
Long term investments	.....	447	.....	.....	.....
Advances to other funds	.....	.....	.....	.....	500
Due from other governmental entities	.....	4,405	.....	.....	.....
Other loans and notes receivable, net	.....	12,447	.....	.....	.....
Other	.....	.....	.....	.....	5,631
Total noncurrent assets	.....	17,299	.....	.....	6,131
Total assets	\$ 41,704	\$ 149,945	\$ 196,233	\$ 123,004	\$ 101,643
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 3,092	\$ 12,652	\$ 4,887	\$ 23,911	\$ 17,111
Due to other funds	960	2,835	90,674	18,697	14,966
Due to component units/primary	58	3,284	249	596	1
Compensated absences	84	46	129	23	45
Deposits	3,376	3,239	.....	.....	981
Deferred revenues	.....	.....	352	.....	956
Obligations under security lending agreements	4,233	14,921	11,803	5,390	5,261
Total current liabilities	11,803	36,977	108,094	48,617	39,321
<u>Noncurrent liabilities</u>					
Advances from other funds	.....	.....	.....	.....	1,132
Deposits	.....	4,360	.....	.....	749
Deferred revenues	.....	.....	.....	.....	.....
Total noncurrent liabilities	.....	4,360	.....	.....	1,881
Total liabilities	11,803	41,337	108,094	48,617	41,202
<u>Fund balances</u>					
Reserved for encumbrances	1,099	17,603	1,192	848	1,675
Reserved for inventories	.....	.....	194	4,210	.....
Reserved for advances	.....	.....	.....	.....	50
Reserved for long-term receivables	.....	10,901	.....	.....	.....
Other reserved	.....	.....	556	.....	.....
Unreserved	28,802	80,104	86,197	69,329	58,716
Total fund balances	29,901	108,608	88,139	74,387	60,441
Total liabilities and fund balances	\$ 41,704	\$ 149,945	\$ 196,233	\$ 123,004	\$ 101,643

STATE OF FLORIDA

Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice	Judicial Services	Military and Veterans' Affairs
\$ 825	\$ 20	\$ 101	\$ 277	\$	\$ 424
94,756	48,392	63,582	33,073	30,048	12,111
2,392	17,655	11,522	5,995	1,347	2,203
4,801	10,575	3,340	4,074	1,221	61
1,871	.....	1,338	2	.....	157
.....
104,645	76,642	79,883	43,421	32,616	14,956
6	.....	.....	.....	.....	.....
.....
.....	152	.....	.....	.....	.....
.....
.....
6	152	.....	.....	.....	.....
\$ 104,651	\$ 76,794	\$ 79,883	\$ 43,421	\$ 32,616	\$ 14,956
\$ 2,559	\$ 40,255	\$ 19,172	\$ 10,361	\$ 3,320	\$ 3,422
2,101	8,480	2,441	686	1,806	484
2	4	27	111	46	.....
19	8	81	12	6	4
.....	83	.....	.....	154	.....
.....	.....	203	.....	.....	.....
12,537	1,579	6,982	3,489	2,819	201
17,218	50,409	28,906	14,659	8,151	4,111
.....	37	.....	.....	403	.....
.....	152	.....	.....	.....	.....
.....
.....	189	.....	.....	403	.....
17,218	50,598	28,906	14,659	8,554	4,111
.....	7,147	27,017	.....	169	855
1,590	.....	1,338	2	.....	157
.....
.....
.....
85,843	19,049	22,622	28,760	23,893	9,833
87,433	26,196	50,977	28,762	24,062	10,845
\$ 104,651	\$ 76,794	\$ 79,883	\$ 43,421	\$ 32,616	\$ 14,956

STATE OF FLORIDA

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2002
(in thousands)

	Citrus Commission	State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 1,567	\$	\$ 543	\$	\$ 10,914
Pooled investments with State Treasury	30,895	.....	234	65,554	.....
Receivables, net	1,642	.....	556	5,441	1,519
Due from other funds	1,180	16,454	.....	.....	.....
Inventories	691	.....	.....	.....	.....
Other	3	.....	.....	.....	11
Total current assets	35,978	16,454	1,333	70,995	12,444
<u>Noncurrent assets</u>					
Long term investments	.....	12,802	8,281	.....	.....
Advances to other funds	.....	.....	.....	.....	.....
Due from other governmental entities	.....	.....	.....	.....	.....
Other loans and notes receivable, net	.....	.....	.....	.....	.....
Other	.....	.....	.....	.....	.....
Total noncurrent assets	.....	12,802	8,281	.....	.....
Total assets	\$ 35,978	\$ 29,256	\$ 9,614	\$ 70,995	\$ 12,444
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 6,656	\$ 16,454	\$ 166	\$ 6,076	\$ 12,296
Due to other funds	672	.....	.....	.....	.....
Due to component units/primary	371	.....	.....	.....	.....
Compensated absences	3	.....	7	.....	.....
Deposits	.....	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....	.....
Obligations under security lending agreements	4,642	.....	.....	9,598	.....
Total current liabilities	12,344	16,454	173	15,674	12,296
<u>Noncurrent liabilities</u>					
Advances from other funds	.....	.....	.....	.....	.....
Deposits	.....	.....	.....	.....	.....
Deferred revenues	.....	.....	165	.....	.....
Total noncurrent liabilities	.....	.....	165	.....	.....
Total liabilities	12,344	16,454	338	15,674	12,296
<u>Fund balances</u>					
Reserved for encumbrances	.....	.....	.....	.....	.....
Reserved for inventories	691	.....	.....	.....	.....
Reserved for advances	.....	.....	.....	.....	.....
Reserved for long-term receivables	.....	.....	.....	.....	.....
Other reserved	.....	.....	.....	.....	.....
Unreserved	22,943	12,802	9,276	55,321	148
Total fund balances	23,634	12,802	9,276	55,321	148
Total liabilities and fund balances	\$ 35,978	\$ 29,256	\$ 9,614	\$ 70,995	\$ 12,444

STATE OF FLORIDA

FL Water Pollution Control Financing Corp	Inland Protection Financing Corp	Investment Fraud Restoration Corp	Surplus Lines	Partnership in Correctional Excellence	Totals 6/30/02
\$	\$	\$ 1	\$ 2,553	\$ 142	\$ 17,796
58,151	.....	.....	3	.....	901,118
155	.....	.....	86	62	125,694
.....	.....	2	.....	.....	83,060
.....	.....	.....	.....	.....	8,463
.....	.....	.....	127	.....	3,617
58,306	.....	3	2,769	204	1,139,748
300	11,412	689	.....	.....	33,937
.....	.....	.....	.....	.....	500
.....	.....	.....	.....	.....	4,557
.....	.....	.....	.....	.....	12,447
.....	.....	.....	.....	.....	5,631
300	11,412	689	.....	.....	57,072
\$ 58,606	\$ 11,412	\$ 692	\$ 2,769	\$ 204	\$ 1,196,820
\$	\$ 9,862	\$ 2	\$ 99	\$	\$ 192,353
100	1,548	.....	.....	.....	146,450
.....	.....	.....	.....	.....	4,749
.....	.....	.....	.....	.....	467
.....	.....	.....	.....	.....	7,833
.....	.....	.....	.....	.....	1,511
9,613	.....	.....	.....	.....	93,068
9,713	11,410	2	99	.....	446,431
.....	.....	.....	.....	.....	1,572
.....	.....	.....	.....	.....	5,261
.....	.....	.....	.....	.....	165
.....	.....	.....	.....	.....	6,998
9,713	11,410	2	99	.....	453,429
.....	.....	.....	.....	.....	57,605
.....	.....	.....	.....	.....	8,182
.....	.....	.....	.....	.....	50
.....	.....	.....	.....	.....	10,901
.....	.....	688	.....	6	1,250
48,893	2	2	2,670	198	665,403
48,893	2	690	2,670	204	743,391
\$ 58,606	\$ 11,412	\$ 692	\$ 2,769	\$ 204	\$ 1,196,820

STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 (in thousands)**

	Government Administration	Business and Community Development	Regulation and Licensing	Tobacco Settlement	Public Safety
REVENUES					
Taxes	\$	\$	\$ 95,788	\$	\$
Licenses and permits	.....	.....	864,426	.....	74,866
Fees and charges	9,373	4,486	21,790	.....	57,068
Grants and donations	9,695	240,690	228	.....	113,517
Investment earnings	1,433	5,926	4,623	8,653	1,686
Fines, forfeits, settlements and judgments	22	.....	6,978	765,678	79,513
Other revenue	.....	.....	.....	.....	32
Total revenues	20,523	251,102	993,833	774,331	326,682
EXPENDITURES					
Current:					
General government	80,706	35,067	151,220	.....	33,200
Education	.....	.....	.....	.....	.....
Human services	.....	.....	.....	460,097	.....
Criminal justice and corrections	.....	.....	.....	.....	130,092
Natural resources and environment	.....	218,713	.....	.....	530
State courts	.....	.....	.....	.....	.....
Capital outlay	1,714	40,146	3,096	20,851	27,044
Debt service:					
Interest and fiscal charges	.....	.....	.....	.....	.....
Total expenditures	82,420	293,926	154,316	480,948	190,866
Excess (deficiency) of revenues over expenditures	(61,897)	(42,824)	839,517	293,383	135,816
OTHER FINANCING SOURCES (USES)					
Operating transfers in	195,918	59,397	83,160	164,405	41,065
Operating transfers out	(143,430)	(49,147)	(1,047,034)	(407,695)	(129,968)
Proceeds of financing agreements	.....	1,913	.....	.....	.....
Total other financing sources (uses)	52,488	12,163	(963,874)	(243,290)	(88,903)
Net change in fund balances	(9,409)	(30,661)	(124,357)	50,093	46,913
Fund balances - beginning, as restated	39,310	139,269	175,610	24,294	14,976
Adjustments to increase (decrease) beginning fund balances	.....	.....	36,886	.....	(1,448)
Fund balances - beginning, as restated	39,310	139,269	212,496	24,294	13,528
Fund balances - ending	\$ 29,901	\$ 108,608	\$ 88,139	\$ 74,387	\$ 60,441

STATE OF FLORIDA

Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice	Judicial Services	Military and Veterans' Affairs
\$	\$	\$ 435	\$ 3	\$	\$
.....	.....	14,796	.....	202	.....
69,765	2,280	75,153	2,334	34,295	12,401
46,451	3,460	56,714	20,421	5,636	34,352
3,633	1,968	1,843	1,002	1,482	107
112	63,458	2,398	508	9,811	5
311	.....	34	.....	.....	.....
<u>120,272</u>	<u>71,166</u>	<u>151,373</u>	<u>24,268</u>	<u>51,426</u>	<u>46,865</u>
.....	1,534	.....	.....	.....	36,699
.....
.....	.....	.....	.....	.....	18,579
84,225	71,809	.....	80,756	40,747	.....
.....	35,677	191,102	.....	.....	.....
.....	.....	.....	.....	37,190	.....
19,110	596	8,316	41,408	1,819	4,373
.....
<u>103,335</u>	<u>109,616</u>	<u>199,418</u>	<u>122,164</u>	<u>79,756</u>	<u>59,651</u>
<u>16,937</u>	<u>(38,450)</u>	<u>(48,045)</u>	<u>(97,896)</u>	<u>(28,330)</u>	<u>(12,786)</u>
25,397	28,955	57,522	103,835	33,511	16,054
(29,586)	(18,849)	(9,566)	(996)	(15,982)	(1,636)
.....
<u>(4,189)</u>	<u>10,106</u>	<u>47,956</u>	<u>102,839</u>	<u>17,529</u>	<u>14,418</u>
12,748	(28,344)	(89)	4,943	(10,801)	1,632
74,685	54,540	51,066	23,819	34,863	9,213
.....
<u>74,685</u>	<u>54,540</u>	<u>51,066</u>	<u>23,819</u>	<u>34,863</u>	<u>9,213</u>
<u>\$ 87,433</u>	<u>\$ 26,196</u>	<u>\$ 50,977</u>	<u>\$ 28,762</u>	<u>\$ 24,062</u>	<u>\$ 10,845</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)

	Citrus Commission	State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc
REVENUES					
Taxes	\$ 54,134	\$	\$	\$	\$
Licenses and permits	.....	.....	.....	.....	.....
Fees and charges	56	.....	899	42,944	.....
Grants and donations	3,584	.....	1,792	.....	10,966
Investment earnings	1,131	369	11	2,365	.....
Fines, forfeits, settlements and judgments	1	.....	.....	.....	.....
Other revenue	3	.....	.....	.....	3
Total revenues	58,909	369	2,702	45,309	10,969
EXPENDITURES					
Current:					
General government	54,461	180,131	.....	24,234	11,153
Education	.....	.....	3,444	.....	.....
Human services	.....	.....	.....	.....	.....
Criminal justice and corrections	.....	.....	.....	.....	.....
Natural resources and environment	.....	.....	.....	.....	.....
State courts	.....	.....	.....	.....	.....
Capital outlay	255	.....	642	.....	.....
Debt service:					
Interest and fiscal charges	.....	.....	.....	.....	.....
Total expenditures	54,716	180,131	4,086	24,234	11,153
Excess (deficiency) of revenues over expenditures	4,193	(179,762)	(1,384)	21,075	(184)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,180	429,981	1,636	.....	.....
Operating transfers out	(2,024)	(237,963)	.....	(14)	.....
Proceeds of financing agreements	.....	.....	.....	.....	.....
Total other financing sources (uses)	(844)	192,018	1,636	(14)	.....
Net change in fund balances	3,349	12,256	252	21,061	(184)
Fund balances - beginning, as restated	18,278	546	9,024	34,260	332
Adjustments to increase (decrease) beginning fund balances	2,007	.....	.....	.....	.....
Fund balances - beginning, as restated	20,285	546	9,024	34,260	332
Fund balances - ending	\$ 23,634	\$ 12,802	\$ 9,276	\$ 55,321	\$ 148

STATE OF FLORIDA

FL Water Pollution Control Financing Corp	Inland Protection Financing Corp	Investment Fraud Restoration Corp	Surplus Lines	Partnership in Correctional Excellence	Totals 6/30/02
\$	\$	\$	\$	\$	\$ 150,360
.....	.....	.....	.....	.....	954,290
.....	.....	.....	3,875	178	336,897
.....	.....	.....	.....	634	548,140
2,651	279	18	56	.....	39,236
.....	.....	.....	.....	.....	928,484
.....	.....	.....	.....	.....	383
2,651	279	18	3,931	812	2,957,790
.....
15	312	129	2,394	.....	611,255
.....	.....	.....	.....	.....	3,444
.....	.....	.....	.....	.....	478,676
.....	.....	.....	.....	633	408,262
.....	.....	.....	.....	.....	446,022
.....	.....	.....	.....	.....	37,190
.....	.....	.....	.....	.....	169,370
43	.....	.....	.....	.....	43
58	312	129	2,394	633	2,154,262
.....
2,593	(33)	(111)	1,537	179	803,528
.....
446	.....	12	.....	.....	1,242,474
(246)	.....	.....	.....	.....	(2,094,136)
.....	.....	.....	.....	.....	1,913
200	.....	12	.....	.....	(849,749)
2,793	(33)	(99)	1,537	179	(46,221)
46,100	35	789	1,133	25	752,167
.....	.....	.....	.....	.....	37,445
46,100	35	789	1,133	25	789,612
\$ 48,893	\$ 2	\$ 690	\$ 2,670	\$ 204	\$ 743,391

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Government Administration		
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 51,077	\$ 51,077	\$
Reversions	1,097	1,097	.....
Fund Balances, July 1, 2001, restated	52,174	52,174	.....
REVENUES			
Direct revenues:			
Fees and charges	16,224	16,654	430
Interest	.....	1,684	1,684
Grants	9,836	9,966	130
Refunds	.....	299	299
Other	150	149	(1)
Total Direct Revenues	26,210	28,752	2,542
Indirect revenues:			
Transfers and distributions	128,920	143,211	14,291
Other	.....	1	1
Total Indirect Revenues	128,920	143,212	14,292
TOTAL REVENUES	155,130	171,964	16,834
TOTAL AVAILABLE RESOURCES	207,304	224,138	16,834
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	25,634	24,202	1,432
Other personal services	5,206	4,458	748
Expenses	17,377	12,369	5,008
Grants and aids	10,670	10,668	2
Operating capital outlay	901	686	215
Fixed capital outlay	481	481	.....
Special categories	21,293	20,083	1,210
Data processing services	4,456	4,121	335
Total Operating Expenditures	86,018	77,068	8,950
Nonoperating expenditures:			
Transfers	7,021	7,021	.....
Purchase of investments	84,000	84,000	.....
Refunds	395	395	.....
Other	1,445	1,445	.....
Total Nonoperating Expenditures	92,861	92,861	.....
TOTAL EXPENDITURES	178,879	169,929	8,950
FUND BALANCES, JUNE 30, 2002	\$ 28,425	\$ 54,209	\$ 25,784

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Business and Community Development		
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 140,278	\$ 140,278	\$
Reversions	17,426	17,426	.....
Fund Balances, July 1, 2001, restated	157,704	157,704	.....
REVENUES			
Direct revenues:			
Fees and charges	9,887	4,450	(5,437)
Interest	7,845	12,494	4,649
Grants	430,823	203,327	(227,496)
Refunds	38	2,517	2,479
Other	367	834	467
Total Direct Revenues	448,960	223,622	(225,338)
Indirect revenues:			
Transfers and distributions	87,786	30,086	(57,700)
Other	4	39	35
Total Indirect Revenues	87,790	30,125	(57,665)
TOTAL REVENUES	536,750	253,747	(283,003)
TOTAL AVAILABLE RESOURCES	694,454	411,451	(283,003)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	8,257	7,479	778
Other personal services	5,502	3,392	2,110
Expenses	4,093	2,817	1,276
Grants and aids	11,069	10,727	342
Operating capital outlay	207	174	33
Fixed capital outlay	3,597	3,597	.....
Special categories	296,396	247,596	48,800
Grants/aids to local governments	38,143	38,143	.....
Total Operating Expenditures	367,264	313,925	53,339
Nonoperating expenditures:			
Transfers	8,289	8,289	.....
Refunds	2,054	2,054	.....
Other	614	614	.....
Total Nonoperating Expenditures	10,957	10,957	.....
TOTAL EXPENDITURES	378,221	324,882	53,339
FUND BALANCES, JUNE 30, 2002	\$ 316,233	\$ 86,569	\$ (229,664)

STATE OF FLORIDA

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)

	Regulation and Licensing		
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 164,037	\$ 164,037	\$
Reversions	160	160	.....
Fund Balances, July 1, 2001, restated	164,197	164,197	.....
REVENUES			
Direct revenues:			
Fees and charges	20,723	22,385	1,662
Licenses	906,560	843,588	(62,972)
Taxes	184,140	122,742	(61,398)
Miscellaneous	203	194	(9)
Interest	4,142	4,692	550
Grants	.....	105	105
Refunds	84	265	181
Other	3,694	7,155	3,461
Total Direct Revenues	<u>1,119,546</u>	<u>1,001,126</u>	<u>(118,420)</u>
Indirect revenues:			
Transfers and distributions	81,497	81,266	(231)
Other	.....	10	10
Total Indirect Revenues	<u>81,497</u>	<u>81,276</u>	<u>(221)</u>
TOTAL REVENUES	<u>1,201,043</u>	<u>1,082,402</u>	<u>(118,641)</u>
TOTAL AVAILABLE RESOURCES	<u>1,365,240</u>	<u>1,246,599</u>	<u>(118,641)</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	87,959	84,810	3,149
Other personal services	16,244	14,060	2,184
Expenses	23,563	21,854	1,709
Grants and aids	11,319	11,284	35
Operating capital outlay	1,684	1,445	239
Fixed capital outlay	104	104	.....
Special categories	17,326	15,772	1,554
Data processing services	1,613	1,431	182
Total Operating Expenditures	<u>159,812</u>	<u>150,760</u>	<u>9,052</u>
Nonoperating expenditures:			
Transfers	884,759	884,759	.....
Refunds	4,774	4,774	.....
Other	43,459	43,459	.....
Total Nonoperating Expenditures	<u>932,992</u>	<u>932,992</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>1,092,804</u>	<u>1,083,752</u>	<u>9,052</u>
FUND BALANCES, JUNE 30, 2002	<u>\$ 272,436</u>	<u>\$ 162,847</u>	<u>\$ (109,589)</u>

STATE OF FLORIDA

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)

	Tobacco Settlement		
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 251,291	\$ 251,291	\$
Reversions	2,878	2,878	.....
Fund Balances, July 1, 2001, restated	254,169	254,169	.....
REVENUES			
Direct revenues:			
Interest	3,369	9,339	5,970
Refunds	.....	48	48
Other	765,678	544,082	(221,596)
Total Direct Revenues	769,047	553,469	(215,578)
Indirect revenues:			
Transfers and distributions	880,395	939,682	59,287
Other	.....	10	10
Total Indirect Revenues	880,395	939,692	59,297
TOTAL REVENUES	1,649,442	1,493,161	(156,281)
TOTAL AVAILABLE RESOURCES	1,903,611	1,747,330	(156,281)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	19,230	18,032	1,198
Other personal services	388	168	220
Expenses	236,225	8,297	227,928
Grants and aids	17,044	17,044	.....
Operating capital outlay	356	350	6
Fixed capital outlay	21,865	21,865	.....
Special categories	493,589	482,728	10,861
Grants/aids to local governments	5,322	5,322	.....
Data processing services	5,760	5,153	607
Total Operating Expenditures	799,779	558,959	240,820
Nonoperating expenditures:			
Transfers	1,104,148	1,104,148	.....
Refunds	611	611	.....
Other	8,528	8,528	.....
Total Nonoperating Expenditures	1,113,287	1,113,287	.....
TOTAL EXPENDITURES	1,913,066	1,672,246	240,820
FUND BALANCES, JUNE 30, 2002	\$ (9,455)	\$ 75,084	\$ 84,539

STATE OF FLORIDA

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)

	Public Safety		
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 49,822	\$ 49,822	\$
Reversions	748	748	.....
Fund Balances, July 1, 2001, restated	50,570	50,570	.....
REVENUES			
Direct revenues:			
Fees and charges	41,317	35,267	(6,050)
Licenses	67,930	76,813	8,883
Interest	752	637	(115)
Grants	108,626	106,634	(1,992)
Refunds	1	6,223	6,222
Other	99,392	96,375	(3,017)
Total Direct Revenues	318,018	321,949	3,931
Indirect revenues:			
Transfers and distributions	55,531	54,599	(932)
Other	154	41	(113)
Total Indirect Revenues	55,685	54,640	(1,045)
TOTAL REVENUES	373,703	376,589	2,886
TOTAL AVAILABLE RESOURCES	424,273	427,159	2,886
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	29,065	25,558	3,507
Other personal services	7,724	6,516	1,208
Expenses	22,919	17,873	5,046
Grants and aids	34,055	30,853	3,202
Operating capital outlay	7,344	6,592	752
Fixed capital outlay	523	523	.....
Special categories	142,872	131,099	11,773
Data processing services	173	163	10
Total Operating Expenditures	244,675	219,177	25,498
Nonoperating expenditures:			
Transfers	117,309	117,309	.....
Refunds	1,730	1,730	.....
Other	41,901	41,901	.....
Total Nonoperating Expenditures	160,940	160,940	.....
TOTAL EXPENDITURES	405,615	380,117	25,498
FUND BALANCES, JUNE 30, 2002	\$ 18,658	\$ 47,042	\$ 28,384

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	<u>Corrections</u>		<u>Variance with Budget - Favorable (Unfavorable)</u>
	<u>Budget</u>	<u>Actual</u>	
Fund Balances, July 1, 2001	\$ 62,541	\$ 62,541	\$
Reversions	108	108	.....
Fund Balances, July 1, 2001, restated	<u>62,649</u>	<u>62,649</u>	<u>.....</u>
REVENUES			
Direct revenues:			
Fees and charges	32,782	29,239	(3,543)
Miscellaneous	.....	1	1
Interest	1,736	4,826	3,090
Grants	26,884	46,465	19,581
Refunds	1,107	2,138	1,031
Other	.....	201	201
Total Direct Revenues	<u>62,509</u>	<u>82,870</u>	<u>20,361</u>
Indirect revenues:			
Transfers and distributions	58,737	41,264	(17,473)
Other	.....	131	131
Total Indirect Revenues	<u>58,737</u>	<u>41,395</u>	<u>(17,342)</u>
TOTAL REVENUES	<u>121,246</u>	<u>124,265</u>	<u>3,019</u>
TOTAL AVAILABLE RESOURCES	<u>183,895</u>	<u>186,914</u>	<u>3,019</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	36,489	32,226	4,263
Other personal services	3,416	2,749	667
Expenses	22,300	15,722	6,578
Operating capital outlay	4,665	1,110	3,555
Food products	615	26	589
Fixed capital outlay	38,818	18,904	19,914
Special categories	33,429	30,953	2,476
Data processing services	636	584	52
Special expenses	176	176	.....
Total Operating Expenditures	<u>140,544</u>	<u>102,450</u>	<u>38,094</u>
Nonoperating expenditures:			
Transfers	685	685	.....
Refunds	418	418	.....
Other	3,425	3,425	.....
Total Nonoperating Expenditures	<u>4,528</u>	<u>4,528</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>145,072</u>	<u>106,978</u>	<u>38,094</u>
FUND BALANCES, JUNE 30, 2002	<u>\$ 38,823</u>	<u>\$ 79,936</u>	<u>\$ 41,113</u>

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Consumer Protection and Safety		
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 56,811	\$ 56,811	\$
Reversions	23,466	23,466	.....
Fund Balances, July 1, 2001, restated	<u>80,277</u>	<u>80,277</u>	<u>.....</u>
REVENUES			
Direct revenues:			
Fees and charges	4,806	2,308	(2,498)
Interest	1,985	5,455	3,470
Grants	9,311	8,614	(697)
Refunds	9	508	499
Other	19,086	66,121	47,035
Total Direct Revenues	<u>35,197</u>	<u>83,006</u>	<u>47,809</u>
Indirect revenues:			
Transfers and distributions	99,957	19,658	(80,299)
Other	15	117	102
Total Indirect Revenues	<u>99,972</u>	<u>19,775</u>	<u>(80,197)</u>
TOTAL REVENUES	<u>135,169</u>	<u>102,781</u>	<u>(32,388)</u>
TOTAL AVAILABLE RESOURCES	<u>215,446</u>	<u>183,058</u>	<u>(32,388)</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	17,466	17,099	367
Other personal services	718	570	148
Expenses	1,439	1,066	373
Operating capital outlay	472	290	182
Special categories	101,597	81,442	20,155
Data processing services	37	6	31
Total Operating Expenditures	<u>121,729</u>	<u>100,473</u>	<u>21,256</u>
Nonoperating expenditures:			
Transfers	3,099	3,099	.....
Refunds	4	4	.....
Other	55,094	55,094	.....
Total Nonoperating Expenditures	<u>58,197</u>	<u>58,197</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>179,926</u>	<u>158,670</u>	<u>21,256</u>
FUND BALANCES, JUNE 30, 2002	<u>\$ 35,520</u>	<u>\$ 24,388</u>	<u>\$ (11,132)</u>

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Agriculture		Variance with Budget - Favorable (Unfavorable)
	Budget	Actual	
Fund Balances, July 1, 2001	\$ 35,517	\$ 35,517	\$
Reversions	3,197	3,197	.....
Fund Balances, July 1, 2001, restated	38,714	38,714	.....
REVENUES			
Direct revenues:			
Fees and charges	73,831	72,647	(1,184)
Licenses	14,710	14,780	70
Taxes	165	179	14
Miscellaneous	6,021	5,818	(203)
Interest	1,127	4,090	2,963
Grants	104,871	50,720	(54,151)
Refunds	136	518	382
Other	1,781	2,314	533
Total Direct Revenues	<u>202,642</u>	<u>151,066</u>	<u>(51,576)</u>
Indirect revenues:			
Transfers and distributions	75,326	63,435	(11,891)
Other	251	288	37
Total Indirect Revenues	<u>75,577</u>	<u>63,723</u>	<u>(11,854)</u>
TOTAL REVENUES	<u>278,219</u>	<u>214,789</u>	<u>(63,430)</u>
TOTAL AVAILABLE RESOURCES	<u>316,933</u>	<u>253,503</u>	<u>(63,430)</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	62,180	57,243	4,937
Other personal services	4,958	4,117	841
Expenses	36,125	30,695	5,430
Grants and aids	5,259	4,061	1,198
Operating capital outlay	4,275	3,642	633
Fixed capital outlay	482	482	.....
Special categories	116,791	97,617	19,174
Payments to U.S. Treasury	15,430	15,430	.....
Data processing services	21	.....	21
Special expenses	218	218	.....
Total Operating Expenditures	<u>245,739</u>	<u>213,505</u>	<u>32,234</u>
Nonoperating expenditures:			
Transfers	8,358	8,358	.....
Refunds	629	629	.....
Other	8,231	8,231	.....
Total Nonoperating Expenditures	<u>17,218</u>	<u>17,218</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>262,957</u>	<u>230,723</u>	<u>32,234</u>
FUND BALANCES, JUNE 30, 2002	<u>\$ 53,976</u>	<u>\$ 22,780</u>	<u>\$ (31,196)</u>

STATE OF FLORIDA

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)

	Juvenile Justice		Variance with Budget - Favorable (Unfavorable)
	Budget	Actual	
Fund Balances, July 1, 2001	\$ 21,418	\$ 21,418	\$
Reversions	3,668	3,668	.....
Fund Balances, July 1, 2001, restated	25,086	25,086	.....
REVENUES			
Direct revenues:			
Fees and charges	1,061	1,088	27
Interest	60	906	846
Grants	23,824	21,338	(2,486)
Refunds	61	61	.....
Other	55	205	150
Total Direct Revenues	<u>25,061</u>	<u>23,598</u>	<u>(1,463)</u>
Indirect revenues:			
Transfers and distributions	108,131	106,088	(2,043)
Other	2	11	9
Total Indirect Revenues	<u>108,133</u>	<u>106,099</u>	<u>(2,034)</u>
TOTAL REVENUES	<u>133,194</u>	<u>129,697</u>	<u>(3,497)</u>
TOTAL AVAILABLE RESOURCES	<u>158,280</u>	<u>154,783</u>	<u>(3,497)</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	13,851	13,804	47
Other personal services	662	600	62
Expenses	5,506	4,855	651
Grants and aids	1,802	969	833
Operating capital outlay	32	20	12
Food products	1,138	1,116	22
Fixed capital outlay	73,818	45,004	28,814
Special categories	69,883	63,474	6,409
Special expenses	8	8	.....
Total Operating Expenditures	<u>166,700</u>	<u>129,850</u>	<u>36,850</u>
Nonoperating expenditures:			
Refunds	25	25	.....
Other	5,091	5,091	.....
Total Nonoperating Expenditures	<u>5,116</u>	<u>5,116</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>171,816</u>	<u>134,966</u>	<u>36,850</u>
FUND BALANCES, JUNE 30, 2002	<u>\$ (13,536)</u>	<u>\$ 19,817</u>	<u>\$ 33,353</u>

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Judicial Services		
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 30,164	\$ 30,164	\$
Reversions	2,847	2,847	.....
Fund Balances, July 1, 2001, restated	33,011	33,011	.....
REVENUES			
Direct revenues:			
Fees and charges	29,894	18,297	(11,597)
Licenses	200	202	2
Interest	863	1,486	623
Grants	5,662	5,930	268
Refunds	164	172	8
Other	1,370	1,373	3
Total Direct Revenues	38,153	27,460	(10,693)
Indirect revenues:			
Transfers and distributions	50,441	92,674	42,233
Total Indirect Revenues	50,441	92,674	42,233
TOTAL REVENUES	88,594	120,134	31,540
TOTAL AVAILABLE RESOURCES	121,605	153,145	31,540
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	72,657	59,584	13,073
Other personal services	5,478	3,620	1,858
Expenses	2,998	2,090	908
Grants and aids	3,338	3,338	.....
Operating capital outlay	45	25	20
Special categories	26,848	20,371	6,477
Total Operating Expenditures	111,364	89,028	22,336
Nonoperating expenditures:			
Transfers	25,658	25,658	.....
Refunds	621	621	.....
Other	16,303	16,303	.....
Total Nonoperating Expenditures	42,582	42,582	.....
TOTAL EXPENDITURES	153,946	131,610	22,336
FUND BALANCES, JUNE 30, 2002	\$ (32,341)	\$ 21,535	\$ 53,876

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Military and Veterans' Affairs		
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 26,489	\$ 26,489	\$
Reversions	282	282	.....
Fund Balances, July 1, 2001, restated	26,771	26,771	.....
REVENUES			
Direct revenues:			
Fees and charges	8,289	8,231	(58)
Miscellaneous	.....	1	1
Interest	120	225	105
Grants	18,557	33,795	15,238
Refunds	4,347	4,034	(313)
Other	.....	21	21
Total Direct Revenues	<u>31,313</u>	<u>46,307</u>	<u>14,994</u>
Indirect revenues:			
Transfers and distributions	58	13,337	13,279
Other	1	4	3
Total Indirect Revenues	<u>59</u>	<u>13,341</u>	<u>13,282</u>
TOTAL REVENUES	<u>31,372</u>	<u>59,648</u>	<u>28,276</u>
TOTAL AVAILABLE RESOURCES	<u>58,143</u>	<u>86,419</u>	<u>28,276</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	18,582	15,141	3,441
Other personal services	659	579	80
Expenses	31,984	30,065	1,919
Operating capital outlay	327	298	29
Food products	1,090	1,033	57
Fixed capital outlay	3,878	3,878	.....
Special categories	7,208	7,202	6
Total Operating Expenditures	<u>63,728</u>	<u>58,196</u>	<u>5,532</u>
Nonoperating expenditures:			
Transfers	1,000	1,000	.....
Refunds	39	39	.....
Other	41	41	.....
Total Nonoperating Expenditures	<u>1,080</u>	<u>1,080</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>64,808</u>	<u>59,276</u>	<u>5,532</u>
FUND BALANCES, JUNE 30, 2002	<u>\$ (6,665)</u>	<u>\$ 27,143</u>	<u>\$ 33,808</u>

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Citrus Commission		
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 16,156	\$ 16,156	\$
Reversions	1,955	1,955	.....
Fund Balances, July 1, 2001, restated	18,111	18,111	.....
REVENUES			
Direct revenues:			
Fees and charges	.....	3	3
Taxes	53,230	54,156	926
Miscellaneous	120	78	(42)
Interest	806	1,026	220
Grants	4,934	3,579	(1,355)
Refunds	200	203	3
Other	.....	169	169
Total Direct Revenues	<u>59,290</u>	<u>59,214</u>	<u>(76)</u>
Indirect revenues:			
Other	.....	3	3
Total Indirect Revenues	<u>.....</u>	<u>3</u>	<u>3</u>
TOTAL REVENUES	<u>59,290</u>	<u>59,217</u>	<u>(73)</u>
TOTAL AVAILABLE RESOURCES	<u>77,401</u>	<u>77,328</u>	<u>(73)</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	8,549	6,710	1,839
Other personal services	178	143	35
Expenses	7,467	5,441	2,026
Operating capital outlay	412	255	157
Special categories	63,743	43,622	20,121
Data processing services	40	13	27
Total Operating Expenditures	<u>80,389</u>	<u>56,184</u>	<u>24,205</u>
Nonoperating expenditures:			
Refunds	22	22	.....
Other	1,974	1,974	.....
Total Nonoperating Expenditures	<u>1,996</u>	<u>1,996</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>82,385</u>	<u>58,180</u>	<u>24,205</u>
FUND BALANCES, JUNE 30, 2002	<u>\$ (4,984)</u>	<u>\$ 19,148</u>	<u>\$ 24,132</u>

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	School for the Deaf and the Blind		
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2001	\$ 193	\$ 193	\$
REVENUES			
Direct revenues:			
Grants	1,916	2,447	531
Total Direct Revenues	1,916	2,447	531
TOTAL REVENUES	1,916	2,447	531
TOTAL AVAILABLE RESOURCES	2,109	2,640	531
EXPENDITURES			
Special categories	2,568	2,461	107
Total Operating Expenditures	2,568	2,461	107
TOTAL EXPENDITURES	2,568	2,461	107
FUND BALANCES, JUNE 30, 2002	\$ (459)	\$ 179	\$ 638

STATE OF FLORIDA

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	<u>Wireless Emergency Telephone System</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget - Favorable (Unfavorable)</u>
Fund Balances, July 1, 2001	\$ 34,077	\$ 34,077	\$
REVENUES			
Direct revenues:			
Interest	2,172	2,167	(5)
Other	43,297	43,311	14
Total Direct Revenues	45,469	45,478	9
Indirect revenues:			
Other	.....	10	10
Total Indirect Revenues	.....	10	10
TOTAL REVENUES	45,469	45,488	19
TOTAL AVAILABLE RESOURCES	79,546	79,565	19
EXPENDITURES			
Operating expenditures:			
Expenses	519	213	306
Grants and aids	46,951	33,680	13,271
Total Operating Expenditures	47,470	33,893	13,577
Nonoperating expenditures:			
Transfers	14	14	.....
Refunds	24	24	.....
Total Nonoperating Expenditures	38	38	.....
TOTAL EXPENDITURES	47,508	33,931	13,577
FUND BALANCES, JUNE 30, 2002	\$ 32,038	\$ 45,634	\$ 13,596

MOONSTONE

- THE FLORIDA STATE GEM



United States astronauts Neil Armstrong and “Buzz” Aldrin landed on the moon July 20, 1969, preparing for man’s first personal inspection of the lunar surface. Since the Apollo 11 and all other manned space flights had blasted off

from the Kennedy Space Center in Brevard County, it came as no coincidence that the State Legislature sought to memorialize America’s unprecedented international, scientific, and technological triumph.

Therefore, ten months later, May 20, 1970, Florida lawmakers passed and sent to the Governor a bill adopting the moonstone as the official State Gem. Ironically, the moonstone is not found naturally in Florida, nor was it found on the moon.

Source: <http://dhr.dos.state.fl.us/symbols>

Photo provided by: Department of Geological Sciences (Florida State University)

CAPITAL PROJECTS FUNDS

GENERAL GOVERNMENT

This fund includes various internal reporting capital projects funds administered by various agencies to account for resources used for the acquisition or construction of major capital facilities other than those financed by other funds.

RIGHT-OF-WAY AND BRIDGE CONSTRUCTION

This fund includes the internal reporting capital projects funds administered by the Department of Transportation for right-of-way acquisition and bridge construction.

JUVENILE JUSTICE

This fund includes various internal reporting capital projects funds administered by the Department of Juvenile Justice.

HEALTH SERVICES

This fund includes various internal reporting capital projects funds administered by the Department of Health.

AGRICULTURE

This fund includes various internal reporting capital projects funds administered by the Department of Agriculture.

VETERANS' AFFAIRS

This capital projects fund is administered by the Department of Veterans' Affairs.

SCHOOL FOR THE DEAF AND THE BLIND

This capital projects fund is administered by the School for the Deaf and the Blind.

OTHER

This fund includes various internal reporting capital projects funds administered by other agencies.

STATE OF FLORIDA

**COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2002
(in thousands)**

	General Government	Right-of-Way and Bridge Construction	Juvenile Justice	Health Services	Agriculture
ASSETS					
<u>Current assets</u>					
Pooled investments with State Treasury	\$	\$ 16,598	\$ 80	\$ 1,243	\$ 429
Receivables, net	.....	47	2,037	.....	.....
Due from other funds	42,968	6,964	.....	.....	.....
Total current assets	42,968	23,609	2,117	1,243	429
<u>Noncurrent Assets</u>					
Advances to other funds	.....	16,658	.....	.....	.....
Total noncurrent assets	.....	16,658	.....	.....	.....
Total assets	\$ 42,968	\$ 40,267	\$ 2,117	\$ 1,243	\$ 429
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 1,445	\$ 6,024	\$	\$ 20	\$
Due to other funds	.....	47	.....	.....	.....
Due to component units/primary	40	.....	.....	.....	.....
Obligations under security lending agreements	.....	1,737	.....	26	.....
Total Current Liabilities	1,485	7,808	.....	46	.....
Total liabilities	1,485	7,808	.....	46	.....
<u>Fund balances</u>					
Reserved for encumbrances	.....	15,764	139	.....	31
Reserved for advances	.....	16,658	.....	.....	.....
Unreserved	41,483	37	1,978	1,197	398
Total fund balances	41,483	32,459	2,117	1,197	429
Total liabilities and fund balances	\$ 42,968	\$ 40,267	\$ 2,117	\$ 1,243	\$ 429

STATE OF FLORIDA

Veterans' Affairs	School for the Deaf and the Blind	Other	Totals 6/30/02
\$ 231	\$ 1,321	\$ 165	\$ 20,067
.....	.....	.....	2,084
.....	4,297	.....	54,229
<u>231</u>	<u>5,618</u>	<u>165</u>	<u>76,380</u>
.....	.....	.....	16,658
.....	.....	.....	16,658
<u>\$ 231</u>	<u>\$ 5,618</u>	<u>\$ 165</u>	<u>\$ 93,038</u>
\$	\$ 334	\$	\$ 7,823
.....	1	.....	48
.....	.....	.....	40
.....	.....	4	1,767
.....	335	4	9,678
.....	335	4	9,678
55	.....	.....	15,989
.....	.....	.....	16,658
<u>176</u>	<u>5,283</u>	<u>161</u>	<u>50,713</u>
231	5,283	161	83,360
<u>\$ 231</u>	<u>\$ 5,618</u>	<u>\$ 165</u>	<u>\$ 93,038</u>

STATE OF FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)

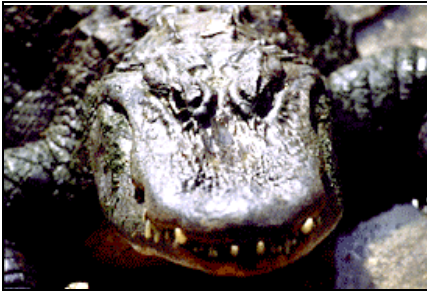
	General Government	Right-of-Way and Bridge Construction	Juvenile Justice	Health Services	Agriculture
REVENUES					
Grants and donations	\$	\$	\$	\$	\$
Investment earnings	.....	883	956	.....	.....
Other revenue	.....	.....	461	.....	.....
Total revenues	.....	883	1,417	.....	.....
EXPENDITURES					
Capital outlay	43,289	182,601	711	562	916
Debt service:					
Principal retirement	3,473	.....	.....	.....	.....
Interest and fiscal charges	7,934	19	.....	.....	.....
Total expenditures	54,696	182,620	711	562	916
Excess (deficiency) of revenues over expenditures	(54,696)	(181,737)	706	(562)	(916)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	37,597	267,000	878	317	872
Operating transfers out	(2,920)	(81,853)	(7,256)	(206)	(44)
Total other financing sources (uses)	34,677	185,147	(6,378)	111	828
Net change in fund balances	(20,019)	3,410	(5,672)	(451)	(88)
Fund balances - beginning, as restated	61,502	29,049	7,789	1,648	517
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	.....	.....
Fund balances - beginning, as restated	61,502	29,049	7,789	1,648	517
Fund balances - ending	\$ 41,483	\$ 32,459	\$ 2,117	\$ 1,197	\$ 429

STATE OF FLORIDA

Veterans' Affairs	School for the Deaf and the Blind	Other	Totals 6/30/02
\$ 490	\$	\$	\$ 490
.....	.....	2	1,841
.....	.....	.....	461
490	.....	2	2,792
326	5,583	5,927	239,915
.....	.....	.....	3,473
.....	.....	.....	7,953
326	5,583	5,927	251,341
164	(5,583)	(5,925)	(248,549)
.....	10,310	6,166	323,140
.....	.....	(11)	(92,290)
.....	10,310	6,155	230,850
164	4,727	230	(17,699)
67	8,408	(69)	108,911
.....	(7,852)	.....	(7,852)
67	556	(69)	101,059
\$ 231	\$ 5,283	\$ 161	\$ 83,360

ALLIGATOR

- THE FLORIDA STATE REPTILE



In 1987, the Florida Legislature designated the American Alligator (*Alligator mississippiensis*) as the official State Reptile. Long an unofficial symbol of the State, the alligator originally symbolized Florida's extensive untamed wilderness and swamps.

Alligators are found throughout Florida and in parts of other southeastern states. They prefer lakes, swamps, canals, and other wetland habitats. They eat fish, turtles, and a variety of other animals. In late June and early July, female alligators usually lay thirty to

fifty eggs in mound-shaped nests made of reeds and other vegetation. Baby alligators hatch after an incubation period of about two months. When hatched, alligators are already fully developed and about eight inches long. Mature alligators usually range from six to twelve feet in length, with females rarely exceeding nine feet.

Because alligators are cold-blooded, we often see them sunning on logs or on banks near water. Gators can move surprisingly fast over short distances, and their powerful jaws and swinging tails make them dangerous to approach. Female alligators are particularly aggressive when guarding their nests. Today, the alligator is no longer on the endangered-species list because the reptile has successfully repopulated itself after having been over-exploited by illegal hide hunters.

Source: <http://dhr.dos.state.fl.us/symbols>

Photo provided by: Tallahassee Museum of History and Natural Science

NONMAJOR ENTERPRISE FUNDS

OTHER

This category includes various internal reporting enterprise funds administered by various agencies.

Board of Professional Engineers for the purpose of providing administrative, investigative, and prosecutorial services as provided in Section 471.038, Florida Statutes.

FLORIDA ENGINEERS MANAGEMENT CORPORATION

This blended component unit was created for the benefit of the Department of Business and Professional Regulation and the

STATE OF FLORIDA

**COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2002
(in thousands)**

	Other	FL Engineers Management Corp	Totals 6/30/02
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	\$ 1,115	\$ 101	\$ 1,216
Pooled investments with State Treasury	237,107	.....	237,107
Receivables, net	1,856	.....	1,856
Due from other funds	260	.....	260
Due from component units/primary	70	.....	70
Other	2,775	36	2,811
Total current assets	243,183	137	243,320
<u>Noncurrent assets</u>			
Capital assets			
Buildings, equipment, and other depreciable assets	22,072	442	22,514
Accumulated depreciation	(14,601)	(280)	(14,881)
Construction work in progress	70	.....	70
Total noncurrent assets	7,541	162	7,703
Total assets	250,724	299	251,023
LIABILITIES			
<u>Current liabilities</u>			
Accounts payable and accrued liabilities	4,748	60	4,808
Due to other funds	34,337	.....	34,337
Due to component units/primary	28	72	100
Compensated absences	2,771	.....	2,771
Installment purchases/capital leases	89	.....	89
Deposits	12,192	.....	12,192
Obligations under security lending agreements	30,689	.....	30,689
Total current liabilities	84,854	132	84,986
<u>Noncurrent liabilities</u>			
Installment purchases/capital leases	183	.....	183
Compensated absences	9,192	.....	9,192
Total noncurrent liabilities	9,375	.....	9,375
Total liabilities	94,229	132	94,361
NET ASSETS			
Invested in capital assets, net of related debt	7,358	162	7,520
Unrestricted	149,137	5	149,142
Total net assets	\$ 156,495	\$ 167	\$ 156,662

STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Other	FL Engineers Management Corp	Totals 6/30/02
OPERATING REVENUES			
Sales - nonstate	\$ 47,755	\$	\$ 47,755
Fees	240,479	.....	240,479
Sales - state	560	.....	560
Rents - state	16	.....	16
Fines, forfeits and judgements	29,123	.....	29,123
Other revenue	29	.....	29
Total operating revenues	<u>317,962</u>	<u>.....</u>	<u>317,962</u>
OPERATING EXPENSES			
Contractual Services	26,333	431	26,764
Personal services	102,449	719	103,168
Depreciation	4,299	80	4,379
Materials and supplies	4,994	99	5,093
Repairs and maintenance	75	.....	75
Basic services	18,545	291	18,836
Interest and fiscal charges	80	.....	80
Total operating expenses	<u>156,775</u>	<u>1,620</u>	<u>158,395</u>
Operating income (loss)	<u>161,187</u>	<u>(1,620)</u>	<u>159,567</u>
NONOPERATING REVENUES (EXPENSES)			
Grants and donations	3	.....	3
Investment earnings	9,855	.....	9,855
Interest and fiscal charges	(22)	.....	(22)
Property disposition gain (loss)	189	(3)	186
Other	(1,586)	1,525	(61)
Total nonoperating revenues (expenses)	<u>8,439</u>	<u>1,522</u>	<u>9,961</u>
Income (loss) before transfers and contributions	169,626	(98)	169,528
Operating transfers in	1,103	.....	1,103
Operating transfers out	(166,500)	.....	(166,500)
Capital contributions	417	.....	417
Change in net assets	4,646	(98)	4,548
Total net assets - beginning, as restated	<u>151,849</u>	<u>265</u>	<u>152,114</u>
Total net assets - ending	<u>\$ 156,495</u>	<u>\$ 167</u>	<u>\$ 156,662</u>

STATE OF FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002
 (in thousands)**

	Other	FL Engineers Management Corp	Totals 6/30/02
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ 317,899	\$ 1,665	\$ 319,564
Paid to vendors	(59,056)	(935)	(59,991)
Paid to employees	(95,769)	(721)	(96,490)
Unemployment benefits	(7)	.....	(7)
Net cash provided by operating activities	163,067	9	163,076
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (out)	(164,347)	.....	(164,347)
Net cash (used) by noncapital financing activities	(164,347)	.....	(164,347)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash receipts from sale of capital assets	(12)	.....	(12)
Cash received capital grants and donations	3	.....	3
Payment of principal installment purchase/capital lease	(77)	.....	(77)
Payment of interest on bonds/installment purchase/capital lease	(14)	.....	(14)
Purchase or construction of capital assets	(910)	(5)	(915)
Net cash (used) by capital and related financing activities	(1,010)	(5)	(1,015)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	21,868	.....	21,868
Proceeds from the sale or maturity of investments	60	.....	60
Investment earnings	10,099	.....	10,099
Purchase of investments	(680)	.....	(680)
Net cash provided by investing activities	31,347	.....	31,347
Net increase in cash and cash equivalents	29,057	4	29,061
Cash and cash equivalents - beginning, as restated	209,165	97	209,262
Cash and cash equivalents - ending	\$ 238,222	\$ 101	\$ 238,323

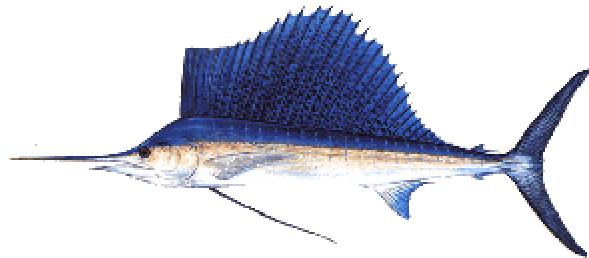
**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

**Reconciliation of operating income (loss) to net cash
provided by operating activities**

	<u>Other</u>	<u>FL Engineers Management Corp</u>	<u>Totals 6/30/02</u>
Operating income (loss)	\$ 161,187	\$ (1,620)	\$ 159,567
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	4,299	80	4,379
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	1,828	1,584	3,412
(Increase) decrease in due from other funds	(1,955)	(1,596)	(3,551)
(Decrease) in allowance for uncollectibles	(957)	.....	(957)
Increase (decrease) in accounts payable	(1,133)	1,491	358
Increase in compensated absences	2,771	.....	2,771
Increase (decrease) in due to other funds	(2,532)	70	(2,462)
(Increase) in deferred revenues	(441)	.....	(441)
Net cash provided by operating activities	<u>\$ 163,067</u>	<u>\$ 9</u>	<u>\$ 163,076</u>

SAILFISH

- THE FLORIDA STATE SALTWATER FISH



Sailfish are not peculiar to Florida; they are found nearly everywhere there is warm ocean water. However, Florida sailfishing is legendary, especially in the Ft. Pierce, Miami, and Keys areas during colder months. Sailfish migrate southward as the weather chills in the north. The sailfish (*Istiophorus platypterus*) resembles a torpedo when swimming, and can reach speeds of 60 mph. Average size and weight taken from Florida waters is 7' and 27 pounds. Author Ernest Hemingway landed a 9'1" sailfish in 1934 off Key West. Naturally, with its colorful and characteristic sail, the specimen frequently ends up on a den wall. Sailfish-mania in Florida is evidenced by the increasing number of sailfish tournaments each year in this state.

A female sailfish releases several million eggs each year. Growth of the fish is rapid; a fertilized egg hatches within a day and a half, and by the end of the first year of life, a fish may have attained 6' in length. Experts believe the fish has a life span of up to ten years, but most are thought to live only three or four years.

The 1975 Florida Legislature adopted the sailfish as the official State Saltwater Fish.

Source: <http://dhr.dos.state.fl.us/symbols>

Photo provided by: Fish and Wildlife Conservation Commission

INTERNAL SERVICE FUNDS

DATA CENTERS

These funds account for services provided by data processing centers operated by various agencies.

COMMUNICATIONS AND FACILITIES

These funds administered by the Department of Management Services primarily account for services provided to other State agencies such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the Suncom (state communication) Network.

OTHER

These funds administered by various agencies primarily account for services provided to other State agencies such as legal services, records management, and community services (inmate work squads), etc.

STATE OF FLORIDA

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2002
(in thousands)

	Data Centers	Communications and Facilities	Other	Totals 6/30/02
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$	\$ 14,155	\$	\$ 14,155
Pooled investments with State Treasury	17,217	49,521	4,666	71,404
Investments	.....	25,289	.....	25,289
Receivables, net	98	5,260	392	5,750
Due from other funds	34,990	10,671	2,581	48,242
Due from component units/primary	1	1,857	182	2,040
Inventories	23	190	19	232
Other	1	.....	.....	1
Total current assets	52,330	106,943	7,840	167,113
<u>Noncurrent assets</u>				
Long term investments	.....	18,809	.....	18,809
Capital assets				
Land and other nondepreciable assets	.....	373	.....	373
Buildings, equipment, and other depreciable assets	113,029	814,833	7,172	935,034
Accumulated depreciation	(77,105)	(189,298)	(4,399)	(270,802)
Total noncurrent assets	35,924	644,717	2,773	683,414
Total assets	88,254	751,660	10,613	850,527
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	13,864	22,775	996	37,635
Due to other funds	2,333	235	1,253	3,821
Due to component units/primary	2	.....	101	103
Compensated absences	1,001	.....	1,550	2,551
Installment purchases/capital leases	4,413	1,580	.....	5,993
Bonds payable	.....	11,795	.....	11,795
Certificates of participation payable	.....	5,580	.....	5,580
Deposits	500	4,555	853	5,908
Obligations under security lending agreements	717	6,826	150	7,693
Total current liabilities	22,830	53,346	4,903	81,079
<u>Noncurrent liabilities</u>				
Advances from other funds	1,478	525	800	2,803
Due to other governments	.....	929	.....	929
Bonds payable	.....	368,878	.....	368,878
Certificates of participation payable	.....	95,355	.....	95,355
Installment purchases/capital leases	7,677	32,970	.....	40,647
Compensated absences	4,733	2,955	3,775	11,463
Total noncurrent liabilities	13,888	501,612	4,575	520,075
Total liabilities	36,718	554,958	9,478	601,154
NET ASSETS				
Invested in capital assets, net of related debt	23,834	109,918	2,774	136,526
Unrestricted	27,702	86,784	(1,639)	112,847
Total net assets	\$ 51,536	\$ 196,702	\$ 1,135	\$ 249,373

STATE OF FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)

	Data Centers	Communications and Facilities	Other	Totals 6/30/02
OPERATING REVENUES				
Sales - nonstate	\$ 15	\$ 46,143	\$ 690	\$ 46,848
Sales - state	173,574	103,399	57,028	334,001
Rents and royalties - nonstate	.....	12	.....	12
Rents - state	.....	84,345	.....	84,345
Total operating revenues	173,589	233,899	57,718	465,206
OPERATING EXPENSES				
Contractual Services	80,243	144,492	7,818	232,553
Personal services	47,610	25,255	47,724	120,589
Depreciation	16,760	13,977	2,226	32,963
Materials and supplies	10,888	344	1,990	13,222
Repairs and maintenance	3,709	12,003	884	16,596
Basic services	7,926	.....	3,362	11,288
Interest and fiscal charges	32	.....	.....	32
Total operating expenses	167,168	196,071	64,004	427,243
Operating income (loss)	6,421	37,828	(6,286)	37,963
NONOPERATING REVENUES/(EXPENSES)				
Grants and donations	.....	.....	110	110
Investment earnings	159	4,289	82	4,530
Interest and fiscal charges	(654)	(22,428)	.....	(23,082)
Property disposition gain (loss)	(10,520)	(1,203)	(198)	(11,921)
Other	12	.....	28	40
Total nonoperating revenues (expenses)	(11,003)	(19,342)	22	(30,323)
Income (loss) before transfers and contributions	(4,582)	18,486	(6,264)	7,640
Operating transfers in	2,180	2,164	.....	4,344
Operating transfers out	(2,352)	(12,455)	(496)	(15,303)
Capital contributions	352	1,235	14	1,601
Change in net assets	(4,402)	9,430	(6,746)	(1,718)
Total net assets - beginning, as restated	55,938	187,272	7,881	251,091
Total net assets - ending	\$ 51,536	\$ 196,702	\$ 1,135	\$ 249,373

STATE OF FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Data Centers	Communications and Facilities	Other	Totals 6/30/02
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 162,375	\$ 273,753	\$ 50,963	\$ 487,091
Paid to vendors	(108,187)	(160,013)	(11,090)	(279,290)
Paid to employees	(48,067)	(25,183)	(37,620)	(110,870)
Paid for grants made	.....	.....	(100)	(100)
Unemployment benefits	(4)	.....	.....	(4)
Net cash provided by operating activities	6,117	88,557	2,153	96,827
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	478	(71,017)	(871)	(71,410)
Net cash provided (used) by noncapital financing activities	478	(71,017)	(871)	(71,410)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payment of principal installment purchase/capital lease	(4,219)	(11,310)	.....	(15,529)
Payment of interest on bonds/installment purchase/capital lease	(632)	(21,473)	.....	(22,105)
Purchase or construction of capital assets	(2,415)	(13,439)	(350)	(16,204)
Net cash (used) by capital and related financing activities	(7,266)	(46,222)	(350)	(53,838)
CASH FLOWS FROM INVESTING ACTIVITIES				
Security lending	465	3,124	49	3,638
Investment earnings	160	254	82	496
Net cash provided by investing activities	625	3,378	131	4,134
Net increase (decrease) in cash and cash equivalents	(46)	(25,304)	1,063	(24,287)
Cash and cash equivalents, beginning, as restated	17,263	88,980	3,603	109,846
Cash and cash equivalents, ending	\$ 17,217	\$ 63,676	\$ 4,666	\$ 85,559

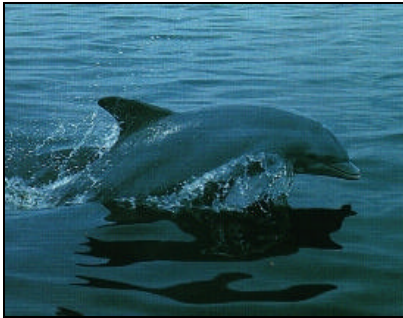
**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

**Reconciliation of operating income (loss) to net cash
provided by operating activities**

	Data Centers	Communications and Facilities	Other	Totals 6/30/02
Operating income (loss)	\$ 6,421	\$ 37,828	\$ (6,286)	\$ 37,963
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	16,760	13,977	2,226	32,963
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	188	2,024	(162)	2,050
(Increase) decrease in due from other funds	(14,707)	(2,408)	714	(16,401)
(Increase) in inventories	.....	.....	55	55
Increase (decrease) in accounts payable	(1,724)	37,675	5,273	41,224
Increase (decrease) in compensated absences	(1,058)	(98)	7	(1,149)
Increase (decrease) in due to other funds	(263)	(256)	618	99
Increase (decrease) in deferred revenues	500	(185)	(292)	23
Net cash provided by operating activities	<u>\$ 6,117</u>	<u>\$ 88,557</u>	<u>\$ 2,153</u>	<u>\$ 96,827</u>

PORPOISE

- THE FLORIDA STATE SALTWATER MAMMAL



Is it a porpoise or a dolphin? The age-old question always sparks controversy. Even the 1975 Legislature, adopting the species as the official State Saltwater Mammal, left the issue open, designating the “porpoise, also commonly known as the dolphin.”

The porpoise, along with dolphin and the whale, all belong to the mammalian order Cetacea. Porpoise and dolphin are members of different families, but there is no sharp scientific distinction between them. The porpoise is generally smaller and does not possess the characteristic 3” bottle-nose of the

dolphin. The playful porpoise is gray or black with a slightly lighter underside. It can live to the age of 30, occasionally attaining a length of 12’, although most are in the 6’-8’ range.

A system of echolocation – much like sonar – directs them in their travels. Porpoises have no sense of smell. Keen eyesight, remarkable hearing, and a wide variety of sounds (barks, clicks, and whistles) make the porpoise an especially interesting subject to study. Tests have determined the intelligence level of porpoises to be between that of a dog and that of the highest-known intellect in the nonhuman animal world, the chimpanzee. Some even place the porpoise above the chimp!

Historically, sailors have taken the presence of porpoises near their boats as a sign of good luck.

Source: <http://dhr.dos.state.fl.us/symbols>

Photo provided by: Fish and Wildlife Conservation Commission

PRIVATE-PURPOSE TRUST FUNDS

TRUST ESCROW ADMINISTRATION

These funds administered by the Department of Insurance are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

UNCLAIMED PROPERTY

This fund includes the internal reporting funds administered by the Department of Banking and Finance that are used to account for unclaimed property pursuant to Chapter 717, Florida Statutes.

STUDENT LOAN GUARANTY RESERVE

This fund administered by the Department of Education is used to account for federally guaranteed loans to Florida citizens to pay for higher education.

FLORIDA PREPAID COLLEGE PROGRAM

This fund administered by the State Board of Administration is used to account for payments from purchasers of the Florida Prepaid College Program. This program was created to provide a medium through which the cost of State post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

OTHER

This category includes other internal reporting funds administered by various agencies that are used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

STATE OF FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

PRIVATE-PURPOSE TRUST FUNDS

JUNE 30, 2002

(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	FL Prepaid College Program
ASSETS				
Cash and cash equivalents	\$ 6,221	\$	\$	\$ 1,136
Pooled investments with State Treasury	743,553	8,704	123,981	.....
Total cash and cash equivalents	749,774	8,704	123,981	1,136
<u>Investments</u>				
Certificates of deposit	18	.....	.....	.....
U.S. government & federally guaranteed obligations	2,897	.....	.....	1,824,548
Federal agencies	.....	.....	.....	351,372
Commercial paper	.....	.....	.....	34,144
Repurchase agreements	.....	.....	.....	33,677
Bonds and notes	3,195	.....	.....	662,426
Short term investments	2,689	11,664	.....	108,895
Domestic equity	82	5,275	.....	196,482
Total investments	8,881	16,939	.....	3,211,544
<u>Receivables</u>				
Accounts receivable	15,057	19	265	4,125
Interest receivable	2,692	.....	336	12,695
Dividends receivable	.....	.....	.....	257
Pending investment sales	.....	.....	.....	17,844
Due from state funds	.....	.....	1,077	.....
Due from other governments	.....	.....	26,120	.....
Total receivables	17,749	19	27,798	34,921
Security lending collateral	.....	.....	.....	1,139,610
Advances to other funds	.....	195,976	.....	.....
Tuition and housing receivable	.....	.....	.....	798,979
Capital assets	.....	615	74	79
Accumulated depreciation	.....	(288)	(51)	(65)
Other assets	174,783	.....	.....	.....
Total assets	951,187	221,965	151,802	5,186,204
LIABILITIES				
Accounts payable	117,104	83,853	2,371	5,051
Pending investment purchases	833	.....	.....	97,342
Broker rebate fees	.....	.....	.....	1,519
Due to other funds	195,953	5	10,164	1
Due to other governments	.....	.....	57,579	.....
Obligations under security lending agreements	196,544	.....	18,615	1,139,609
Claims payable	331,632	.....	.....	.....
Deposits payable	103,970	.....	.....	6,611
Compensated absences liability	.....	217	.....	143
Unclaimed property payable	.....	137,533	.....	.....
Tuition and housing benefits payable	.....	.....	.....	3,556,093
Total liabilities	946,036	221,608	88,729	4,806,369
NET ASSETS				
Held in trust for individuals, organizations, and other governments	\$ 5,151	\$ 357	\$ 63,073	\$ 379,835

STATE OF FLORIDA

Other	Totals 6/30/02
\$	\$ 7,357
559	876,797
559	884,154
.....	18
.....	1,827,445
.....	351,372
.....	34,144
.....	33,677
.....	665,621
.....	123,248
.....	201,839
.....	3,237,364
.....	19,466
.....	15,723
.....	257
.....	17,844
.....	1,077
.....	26,120
.....	80,487
.....	1,139,610
.....	195,976
.....	798,979
.....	768
.....	(404)
.....	174,783
559	6,511,717
.....	208,379
.....	98,175
.....	1,519
40	206,163
.....	57,579
.....	1,354,768
.....	331,632
518	111,099
.....	360
.....	137,533
.....	3,556,093
558	6,063,300
\$ 1	\$ 448,417

STATE OF FLORIDA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	FL Prepaid College Program
ADDITIONS				
<u>Contributions and other deposits</u>				
Tuition and housing contract sales	\$	\$	\$	\$ 431,706
Fees	.....	81,080	.....	4,422
Grants and contributions	.....	.....	128,200	.....
Transfers in from state funds	.....	14,157	101	.....
Total contributions and other deposits	.....	95,237	128,301	436,128
<u>Investment income</u>				
Interest income	3,798	.....	5,953	62,903
Dividends	.....	.....	.....	3,231
Net increase/(decrease) in fair market value	.....	.....	.....	153,891
Total investment income	3,798	.....	5,953	220,025
Investment activity expense	.....	.....	.....	(1,935)
Net income from investing activity	3,798	.....	5,953	218,090
Security lending activity				
Security lending income	.....	.....	.....	26,500
Security lending expense	.....	.....	.....	(23,782)
Net income from security lending	.....	.....	.....	2,718
Total net investment income	3,798	.....	5,953	220,808
Other additions	785	161	.....	.....
Total additions	4,583	95,398	134,254	656,936
DEDUCTIONS				
Tuition and housing payments	.....	.....	.....	636,777
Student loan default payments	.....	.....	181,416	.....
Administrative expense	787	4,626	7	8,472
Prepaid participant refunds	.....	.....	.....	38,494
Property disposition gain (loss)	.....	2	13	.....
Transfers out to state funds	6	90,768	10,313	.....
Other deductions	.....	280	186	611
Total deductions	793	95,676	191,935	684,354
Change in net assets	3,790	(278)	(57,681)	(27,418)
Net assets - beginning, as restated	1,361	5,878	118,021	405,898
Adjustments to increase (decrease) beginning net assets	.....	(5,243)	2,733	1,355
Net assets - beginning, as restated	1,361	635	120,754	407,253
Net assets - ending	\$ 5,151	\$ 357	\$ 63,073	\$ 379,835

STATE OF FLORIDA

Other	Totals 6/30/02
\$	\$ 431,706
.....	85,502
81	128,281
1	14,259
82	659,748
.....	72,654
.....	3,231
.....	153,891
.....	229,776
.....	(1,935)
.....	227,841
.....	26,500
.....	(23,782)
.....	2,718
.....	230,559
.....	946
82	891,253
.....	636,777
.....	181,416
94	13,986
.....	38,494
.....	15
40	101,127
.....	1,077
134	972,892
(52)	(81,639)
53	531,211
.....	(1,155)
53	530,056
\$ 1	\$ 448,417

HORSE CONCH

- THE FLORIDA STATE SHELL



Pleuroploca gigantea, the horse conch, also known as the giant band shell, has been Florida's official State Shell since 1969. This shell is native to the marine waters around Florida and can grow to a length of

24". Young shells have orange color; adult shells have orange apertures. The shell is the external skeleton of a soft-bodied animal that inhabits it.

At least 535 million years ago, mollusks acquired the habit of secreting a carbonate of lime solution that immediately forms a protective shell with the consistency of marble. The word "conch" comes from the Greek word meaning "shell."

Source: <http://dhr.dos.state.fl.us/symbols>
Photo provided by: Florida State Archives

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

DEFINED BENEFIT PENSION PLAN

This category includes those internal reporting funds primarily administered by the Department of Management Services, Division of Retirement used to account for operations of the State's defined benefit pension plan.

DEFINED CONTRIBUTION PENSION PLAN

This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, and State Board of Administration used to account for operations of the State's defined contribution pension plan.

DEFERRED COMPENSATION PLAN

This category includes those internal reporting funds administered by the Department of Insurance used to account for operations of government employee's deferred compensation plan.

EMPLOYEE HEALTH, LIFE, AND DISABILITY PLANS

This category includes those internal reporting funds primarily administered by the Department of Management Services used to account for State employee's health, life, and disability plans.

RETIREE HEALTH INSURANCE SUBSIDY

This category includes internal reporting funds administered by the Department of Management Services, Division of Retirement used to hold and invest the contributions paid by employers on behalf of their employees who are members of a State-administered retirement plan, and to pay benefits to which such employees or their beneficiaries may become entitled.

STATE OF FLORIDA

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2002
(in thousands)**

	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Deferred Compensation Plan	Employee Health, Life and Disability Plans
ASSETS				
Cash and cash equivalents	\$ 1,015,234	\$	\$ 33,752	\$ 2,805
Pooled investments with State Treasury	46,801	1,199	137	180,423
Total cash and cash equivalents	1,062,035	1,199	33,889	183,228
<u>Investments</u>				
Certificates of deposit	84,999	.....	.....	.....
U.S. government & federally guaranteed obligations	5,074,463	601	.....	.....
Federal agencies	7,665,351	.....	.....	.....
Commercial paper	2,123,388	4,494	.....	.....
Repurchase agreements	991,398	4,432	.....	.....
Bonds and notes	9,069,632	.....	.....	.....
International bonds and notes	1,070,348	.....	.....	.....
Real estate contracts	3,261,417	.....	.....	.....
Short term investments	1,003,903	.....	.....	.....
Domestic equity	46,488,245	.....	.....	.....
Limited partnerships	2,551,660	.....	.....	.....
Equity group trust	11,418	.....	.....	.....
International equity	11,408,449	.....	.....	.....
Deferred compensation contracts	.....	.....	1,400,115	.....
Total investments	90,804,671	9,527	1,400,115	.....
<u>Receivables</u>				
Accounts receivable	70	2,433	.....	6,311
Pension contributions	1,311	.....	.....	.....
State contributions receivable	187	.....	.....	.....
Nonstate contributions receivable	108,714	.....	.....	.....
Interest receivable	323,843	5	.....	501
Dividends receivable	106,952	.....	.....	.....
Pending investment sales	2,661,428	.....	.....	.....
Forward contracts	384,805	.....	.....	.....
Proceeds from the sale of investments	10,141	.....	.....	.....
Due from state funds	90	1,889	.....	5,739
Total receivables	3,597,541	4,327	.....	12,551
Security lending collateral	8,010,086	.....	.....	.....
Capital assets	6,308	864	.....	999
Accumulated depreciation	(4,045)	(133)	.....	(738)
Total assets	103,476,596	15,784	1,434,004	196,040
LIABILITIES				
Accounts payable	29,704	4,971	.....	7,209
DROP	1,546,095	.....	.....	.....
Pending investment purchases	4,536,370	.....	.....	.....
Forward contracts payable	375,819	.....	.....	.....
Broker rebate fees	5,959	.....	.....	.....
Due to other funds	12,153	68	.....	135
Obligations under security lending agreements	8,813,065	181	22	27,100
Claims payable	.....	.....	.....	54,253
Deposits payable	.....	.....	.....	68,679
Compensated absences liability	1,021	108	.....	373
Total liabilities	15,320,186	5,328	22	157,749
NET ASSETS				
Held in trust for pension benefits and other purposes	\$ 88,156,410	\$ 10,456	\$ 1,433,982	\$ 38,291

STATE OF FLORIDA

Retiree Health Insurance Subsidy	Totals 6/30/02
\$ 1,662	\$ 1,053,453
178	228,738
<u>1,840</u>	<u>1,282,191</u>
10,000	94,999
9,914	5,084,978
4,200	7,669,551
45,307	2,173,189
9,987	1,005,817
.....	9,069,632
.....	1,070,348
.....	3,261,417
.....	1,003,903
.....	46,488,245
.....	2,551,660
.....	11,418
.....	11,408,449
.....	1,400,115
<u>79,408</u>	<u>92,293,721</u>
15,472	24,286
37	1,348
.....	187
.....	108,714
21	324,370
.....	106,952
.....	2,661,428
.....	384,805
.....	10,141
4,510	12,228
<u>20,040</u>	<u>3,634,459</u>
.....	8,010,086
.....	8,171
.....	(4,916)
<u>101,288</u>	<u>105,223,712</u>
5	41,889
.....	1,546,095
.....	4,536,370
.....	375,819
.....	5,959
.....	12,356
.....	8,840,368
.....	54,253
.....	68,679
.....	1,502
<u>5</u>	<u>15,483,290</u>
<u>\$ 101,283</u>	<u>\$ 89,740,422</u>

STATE OF FLORIDA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Deferred Compensation Plan	Employee Health, Life and Disability Plans
ADDITIONS				
<u>Contributions and other deposits</u>				
Pension fund contributions - state	\$ 449,394	\$ 82,185	\$	\$
Pension fund contributions - nonstate	1,324,700	224	.....	.....
Employer/employee contributions	.....	.....	.....	890,361
Purchase of time by employees	36,106	38,872	.....	.....
Grants and contributions	37	.....	.....	66
Flexible benefit contributions	.....	.....	122,082	.....
Transfers in from state funds	8,588	23,667	.....	152
Deposits required by law	1	.....	.....	.....
Total contributions and other deposits	1,818,826	144,948	122,082	890,579
<u>Investment income</u>				
Interest income	1,767,426	403	22	9,683
Dividends	716,484	.....	.....	.....
Net increase/(decrease) in fair market value	(10,234,695)	.....	.....	.....
Total investment income	(7,750,785)	403	22	9,683
Investment activity expense	(358,055)	.....	.....	(93,523)
Net income from investing activity	(8,108,840)	403	22	(83,840)
Security lending activity				
Security lending income	262,340	.....	.....	.....
Net income from security lending	262,340	.....	.....	.....
Total net investment income	(7,846,500)	403	22	(83,840)
Total additions	(6,027,674)	145,351	122,104	806,739
DEDUCTIONS				
Benefit payments	3,053,588	.....	16,554	.....
Insurance claims expense	.....	.....	.....	492,817
HMO payments	.....	.....	.....	323,386
Remittances to annuity companies	.....	121,411	.....	.....
Administrative expense	19,826	27,792	.....	49,258
Program contribution refunds	3,890	.....	.....	.....
Property disposition gain (loss)	93	.....	.....	68
Transfers out to state funds	24,182	3	.....	1,777
Other deductions	1,083	122	.....	73
Total deductions	3,102,662	149,328	16,554	867,379
Change in net assets	(9,130,336)	(3,977)	105,550	(60,640)
Net assets - beginning, as restated	97,286,746	14,433	1,328,432	98,931
Net assets - ending	\$ 88,156,410	\$ 10,456	\$ 1,433,982	\$ 38,291

Retiree Health Insurance Subsidy	Totals 6/30/02
\$ 52,917	\$ 584,496
187,195	1,512,119
.....	890,361
.....	74,978
.....	103
.....	122,082
.....	32,407
.....	1
<u>240,112</u>	<u>3,216,547</u>
1,646	1,779,180
.....	716,484
(23)	(10,234,718)
<u>1,623</u>	<u>(7,739,054)</u>
.....	(451,578)
<u>1,623</u>	<u>(8,190,632)</u>
.....	262,340
.....	262,340
<u>1,623</u>	<u>(7,928,292)</u>
<u>241,735</u>	<u>(4,711,745)</u>
217,326	3,287,468
.....	492,817
.....	323,386
.....	121,411
54	96,930
.....	3,890
.....	161
1	25,963
.....	1,278
<u>217,381</u>	<u>4,353,304</u>
24,354	(9,065,049)
<u>76,929</u>	<u>98,805,471</u>
<u>\$ 101,283</u>	<u>\$ 89,740,422</u>

AGATIZED CORAL

- THE FLORIDA STATE STONE



Coral is the outside skeleton of tiny ocean animals called polyps, which live in colonies attached to hard underwater surfaces.

When alive, polyps combine their own carbon dioxide with the lime in warm seawater to form a limestone-like hard surface, or coral.

Agatized coral occurs when silica in the ocean water hardens, replacing the limy corals with a form of quartz mineral known as chalcedony. This long fossilization process (20 – 30 million years) results in the formation of a “pseudomorph,” meaning that one mineral has replaced another without having lost its original form. In 1979, agatized coral was designated the official State Stone.

Agatized coral is found in three main Florida locations: Tampa Bay, the Econfinia River, and the Withlacoochee/Suwanee River beds.

Source: <http://dhr.dos.state.fl.us/symbols>

Photo provided by: Department of Geological Sciences (Florida State University)

AGENCY FUNDS

TREASURY INVESTMENT ADMINISTRATION

This agency fund accounts for cash and investments of the State's component units being held at the State Treasury. Because of differences in fiscal year end between the State and some component units, amounts reported in this fund are different from those reported in those component units' separately issued financial statements.

TAX DISTRIBUTION AND ADMINISTRATION

These agency funds administered by the Department of Revenue are primarily used to account for taxes collected by the Department that are held for other municipalities, local governments, or outside entities.

SCHOOL FOR THE DEAF AND THE BLIND

These agency funds administered by the School for the Deaf and the Blind are used to account for resources held for students.

STATE BOARD OF ADMINISTRATION

These agency funds administered by the State Board of Administration are primarily used to account for investment of monies held in trust for various municipalities, local governments, or outside entities.

OTHER

These agency funds administered by various agencies are used to account for resources held in trust for entities outside of the State government.



STATE OF FLORIDA

COMBINING STATEMENT OF FIDUCIARY NET ASSETS**AGENCY FUNDS****JUNE 30, 2002****(in thousands)**

	Treasury Investment Administration	Tax Distribution and Administration	School for the Deaf and the Blind	State Board of Administration	Other	Totals 6/30/02
ASSETS						
Cash and cash equivalents	\$	\$	\$ 51	\$ 14,037	\$ 25,170	\$ 39,258
Pooled investments with State Treasury	2,276,638	365,834	.....	.....	146,671	2,789,143
Certificates of deposit	.....	.....	.....	10,439	.....	10,439
U.S. government & federally guaranteed obligations	.....	.....	.....	2,781,993	.....	2,781,993
Federal agencies	.....	.....	.....	422,487	.....	422,487
Commercial paper	.....	.....	.....	336,144	.....	336,144
Repurchase agreements	.....	.....	.....	61,646	.....	61,646
Bonds and notes	.....	.....	.....	928	.....	928
Other investments	.....	.....	.....	3,706	.....	3,706
Accounts receivable	.....	699,365	.....	.....	1,217	700,582
Interest receivable	82	.....	.....	29,301	388	29,771
Due from state funds	.....	116,144	.....	110	647	116,901
Security lending collateral	.....	.....	.....	236,984	.....	236,984
Total assets	<u>\$ 2,276,720</u>	<u>\$ 1,181,343</u>	<u>\$ 51</u>	<u>\$ 3,897,775</u>	<u>\$ 174,093</u>	<u>\$ 7,529,982</u>
LIABILITIES						
Accounts payable	\$	\$ 725,896	\$ 51	\$ 11,675	\$ 18,796	\$ 756,418
Broker rebate fees	.....	.....	.....	181	.....	181
Due to other funds	7	23,501	.....	7,602	1,939	33,049
Due to other governments	.....	430,467	.....	3,244	107,901	541,612
Due to component units	1,936,466	972	.....	789,901	.....	2,727,339
Obligations under security lending agreements	340,247	.....	.....	237,765	22,952	600,964
Deposits payable	.....	507	.....	2,847,407	22,505	2,870,419
Total liabilities	<u>\$ 2,276,720</u>	<u>\$ 1,181,343</u>	<u>\$ 51</u>	<u>\$ 3,897,775</u>	<u>\$ 174,093</u>	<u>\$ 7,529,982</u>

STATE OF FLORIDA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**AGENCY FUNDS****FOR THE FISCAL YEAR ENDED JUNE 30, 2002****(in thousands)**

	Balance, as restated 6/30/01	Additions	Deductions	Balance 6/30/02
<u>Treasury Investment Administration</u>				
ASSETS				
Pooled investments with State Treasury	\$ 477,961	\$ 1,798,677	\$	\$ 2,276,638
Interest receivable	114	82	114	82
Total assets	<u>\$ 478,075</u>	<u>\$ 1,798,759</u>	<u>\$ 114</u>	<u>\$ 2,276,720</u>
LIABILITIES				
Accounts payable	\$ 173	\$	\$ 173	\$
Due to other funds	10	7	10	7
Due to component units	35,805	1,900,661	.....	1,936,466
Obligations under security lending agreements	442,087	.....	101,840	340,247
Total liabilities	<u>\$ 478,075</u>	<u>\$ 1,900,668</u>	<u>\$ 102,023</u>	<u>\$ 2,276,720</u>
<u>Tax Distribution and Administration</u>				
ASSETS				
Pooled investments with State Treasury	\$ 410,708	\$ 5,431,649	\$ 5,476,523	\$ 365,834
Accounts receivable	233,699	699,870	234,204	699,365
Due from state funds	16,421	116,677	16,954	116,144
Total assets	<u>\$ 660,828</u>	<u>\$ 6,248,196</u>	<u>\$ 5,727,681</u>	<u>\$ 1,181,343</u>
LIABILITIES				
Accounts payable	\$ 268,956	\$ 727,074	\$ 270,134	\$ 725,896
Due to other funds	16,582	40,778	33,859	23,501
Due to other governments	351,389	250,855	171,777	430,467
Due to component units	.....	972	.....	972
Obligations under security lending agreements	23,394	.....	23,394	.....
Deposits payable	507	.....	.....	507
Total liabilities	<u>\$ 660,828</u>	<u>\$ 1,019,679</u>	<u>\$ 499,164</u>	<u>\$ 1,181,343</u>
<u>School for the Deaf and the Blind</u>				
ASSETS				
Cash and cash equivalents	\$ 233	\$ 1,424	\$ 1,606	\$ 51
Other investments	522	.....	522	.....
Total assets	<u>\$ 755</u>	<u>\$ 1,424</u>	<u>\$ 2,128</u>	<u>\$ 51</u>
LIABILITIES				
Accounts payable	\$ 755	\$ 1,424	\$ 2,128	\$ 51
Total liabilities	<u>\$ 755</u>	<u>\$ 1,424</u>	<u>\$ 2,128</u>	<u>\$ 51</u>
<u>State Board of Administration</u>				
ASSETS				
Cash and cash equivalents	\$ 6,393	\$ 4,262,289	\$ 4,254,645	\$ 14,037
Certificates of deposit	.....	10,439	.....	10,439
U.S. government & federally guaranteed obligations	.....	2,781,993	.....	2,781,993
Federal agencies	.....	422,487	.....	422,487
Commercial paper	.....	336,144	.....	336,144
Repurchase agreements	.....	61,646	.....	61,646
Bonds and notes	3,596,334	928	3,596,334	928
Other investments	1,457,098	3,332,613	4,786,005	3,706
Accounts receivable	5	.....	5	.....
Interest receivable	42,293	29,436	42,428	29,301
Due from state funds	308	110	308	110
Security lending collateral	.....	236,984	.....	236,984
Total assets	<u>\$ 5,102,431</u>	<u>\$ 11,475,069</u>	<u>\$ 12,679,725</u>	<u>\$ 3,897,775</u>
LIABILITIES				
Accounts payable	\$ 1,027	\$ 255,756	\$ 245,108	\$ 11,675
Broker rebate fees	.....	181	.....	181
Due to other funds	7,361	7,602	7,361	7,602
Due to other governments	.....	121,042	117,798	3,244
Due to component units	1,127,976	789,901	1,127,976	789,901
Obligations under security lending agreements	332,396	237,765	332,396	237,765
Deposits payable	3,633,671	2,857,266	3,643,530	2,847,407
Total liabilities	<u>\$ 5,102,431</u>	<u>\$ 4,269,513</u>	<u>\$ 5,474,169</u>	<u>\$ 3,897,775</u>

STATE OF FLORIDA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**AGENCY FUNDS****FOR THE FISCAL YEAR ENDED JUNE 30, 2002****(in thousands)**

<u>Other</u>	Balance, as restated 6/30/01	Additions	Deductions	Balance 6/30/02
ASSETS				
Cash and cash equivalents	\$ 18,107	\$ 111,061	\$ 103,998	\$ 25,170
Pooled investments with State Treasury	145,986	2,209,871	2,209,186	146,671
Accounts receivable	720	3,519	3,022	1,217
Interest receivable	644	385	641	388
Due from state funds	445	648	446	647
Total assets	<u>\$ 165,902</u>	<u>\$ 2,325,484</u>	<u>\$ 2,317,293</u>	<u>\$ 174,093</u>
LIABILITIES				
Accounts payable	\$ 19,421	\$ 119,353	\$ 119,978	\$ 18,796
Due to other funds	1,781	304,442	304,284	1,939
Due to other governments	110,471	1,895,811	1,898,381	107,901
Obligations under security lending agreements	19,147	19,534	15,729	22,952
Deposits payable	15,082	8,774	1,351	22,505
Total liabilities	<u>\$ 165,902</u>	<u>\$ 2,347,914</u>	<u>\$ 2,339,723</u>	<u>\$ 174,093</u>
Totals - All Agency Funds				
ASSETS				
Cash and cash equivalents	\$ 24,733	\$ 4,374,774	\$ 4,360,249	\$ 39,258
Pooled investments with State Treasury	1,034,655	9,440,197	7,685,709	2,789,143
Certificates of deposit	.....	10,439	.....	10,439
U.S. government & federally guaranteed obligations	.....	2,781,993	.....	2,781,993
Federal agencies	.....	422,487	.....	422,487
Commercial paper	.....	336,144	.....	336,144
Repurchase agreements	.....	61,646	.....	61,646
Bonds and notes	3,596,334	928	3,596,334	928
Other investments	1,457,620	3,332,613	4,786,527	3,706
Accounts receivable	234,424	703,389	237,231	700,582
Interest receivable	43,051	29,903	43,183	29,771
Due from state funds	17,174	117,435	17,708	116,901
Security lending collateral	.....	236,984	.....	236,984
Total assets	<u>\$ 6,407,991</u>	<u>\$ 21,848,932</u>	<u>\$ 20,726,941</u>	<u>\$ 7,529,982</u>
LIABILITIES				
Accounts payable	\$ 290,332	\$ 1,103,607	\$ 637,521	\$ 756,418
Broker rebate fees	.....	181	.....	181
Due to other funds	25,734	352,829	345,514	33,049
Due to other governments	461,860	2,267,708	2,187,956	541,612
Due to component units	1,163,781	2,691,534	1,127,976	2,727,339
Obligations under security lending agreements	817,024	257,299	473,359	600,964
Deposits payable	3,649,260	2,866,040	3,644,881	2,870,419
Total liabilities	<u>\$ 6,407,991</u>	<u>\$ 9,539,198</u>	<u>\$ 8,417,207</u>	<u>\$ 7,529,982</u>

SABAL PALM

- THE FLORIDA STATE TREE



The 1953 Legislature designated the sabal palm as the State Tree. This palm is the most widely distributed in the State and possesses a majority that sets it apart from other trees. It grows in

almost any soil and has many uses including food and medicine. It is also used widely for landscaping because of its universal popularity. In addition, the 1970 Florida Legislature mandated that the sabal palm should replace the cocoa palm on the State Seal.

Source: <http://dhr.dos.state.fl.us/symbols>
Photography by: Joe Seamone

NONMAJOR COMPONENT UNITS

OTHER WATER MANAGEMENT DISTRICTS

These districts were created in accordance with Section 373.069, Florida Statutes, to provide for the management and conservation of water and related land resources. Refer to Note 1 for additional information.

OTHER STATE UNIVERSITIES

This category includes 8 state universities. Refer to Note 1 for additional information.

COMMUNITY COLLEGES

This category includes 28 community colleges. Refer to Note 1 for additional information.

OTHER NONMAJOR COMPONENT UNITS

Other nonmajor component units include various foundations and not-for-profit organizations. Refer to Note 1 for additional information.



STATE OF FLORIDA

**COMBINING STATEMENT OF NET ASSETS
NONMAJOR COMPONENT UNITS
JUNE 30, 2002
(in thousands)**

	Other Water Management Districts	Other State Universities	Community Colleges	Other Nonmajor Component Units	Totals 6/30/02
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 785	\$ 167,561	\$ 116,941	\$ 77,752	\$ 363,039
Pooled investments with State Treasury	.....	225,195	219,176	28,474	472,845
Investments	273,540	135,490	398,272	15,822	823,124
Receivables, net	17,575	123,239	66,937	93,453	301,204
Due from component units/primary	9,102	389,352	405,318	5,360	809,132
Inventories	694	4,213	8,684	10,751	24,342
Other	456	3,343	21,213	4,855	29,867
Total current assets	302,152	1,048,393	1,236,541	236,467	2,823,553
<u>Noncurrent assets</u>					
Restricted cash and cash equivalents	.....	22,746	10,578	1,748	35,072
Restricted investments with State Treasury	.....	48,934	.....	.....	48,934
Restricted investments	124,622	299,294	35,247	2,926	462,089
Long term investments	2,590	.....	308,376	372,143	683,109
Other loans and notes receivable, net	.....	15,151	5,993	54,769	75,913
<u>Capital assets:</u>					
Land and other non-depreciable assets	1,188,635	139,365	167,041	25,395	1,520,436
Buildings, equipment, and other depreciable assets	232,453	2,504,622	2,764,175	259,341	5,760,591
Accumulated depreciation	(85,175)	(857,028)	(1,039,483)	(112,718)	(2,094,404)
Construction work in progress	14,641	199,417	134,200	85,324	433,582
Total capital assets	1,350,554	1,986,376	2,025,933	257,342	5,620,205
Other	.....	43,341	5,772	.....	49,113
Total noncurrent assets	1,477,766	2,415,842	2,391,899	688,928	6,974,435
Total assets	1,779,918	3,464,235	3,628,440	925,395	9,797,988
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	31,855	82,635	108,608	437,949	661,047
Due to component units/primary	.....	15,582	9,274	5,309	30,165
Compensated absences	1,362	4,207	24,683	318	30,570
Installment purchases/capital leases	14	2,812	4,629	6	7,461
Bonds payable	6,535	10,959	8,396	.....	25,890
Deposits	.....	.....	.....	481	481
Deferred revenue	43,803	85,250	64,056	10,716	203,825
Other	.....	2,506	58,914	9,372	70,792
Total current liabilities	83,569	203,951	278,560	464,151	1,030,231
<u>Noncurrent liabilities</u>					
Advances from other funds	.....	20	.....	.....	20
Due to other governments	6,406	.....	.....	.....	6,406
Due to primary	.....	.....	76,035	.....	76,035
Bonds payable	78,189	431,794	13,754	.....	523,737
Installment purchases/capital leases	5	59,940	13,782	19	73,746
Deferred revenue	.....	.....	.....	463	463
Compensated absences	9,124	82,178	118,976	31	210,309
Other	.....	47,614	47,103	55,993	150,710
Total noncurrent liabilities	93,724	621,546	269,650	56,506	1,041,426
Total liabilities	177,293	825,497	548,210	520,657	2,071,657
NET ASSETS					
Invested in capital assets, net of related debt	1,265,810	1,544,751	1,896,534	191,294	4,898,389
<u>Restricted for:</u>					
Debt service	100,327	3,949	.....	.....	104,276
Other	34,323	864,982	.....	61,384	960,689
<u>Permanent funds:</u>					
Expendable	.....	.....	732,128	.....	732,128
Nonexpendable	.....	.....	340,196	2,637	342,833
Unrestricted (deficit)	202,165	225,056	111,372	149,423	688,016
Total net assets	\$ 1,602,625	\$ 2,638,738	\$ 3,080,230	\$ 404,738	\$ 7,726,331

STATE OF FLORIDA

**COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
(in thousands)**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Other Water Management Districts	\$ 236,641	\$ 7,057	\$ 74,438	\$ 123,057
Other State Universities	1,661,589	411,136	546,659	49,147
Community Colleges	1,923,638	391,903	249,392	26,514
Other Nonmajor Component Units	659,497	308,510	258,846	62,652
Total component units	\$ 4,481,365	\$ 1,118,606	\$ 1,129,335	\$ 261,370

General revenues

Property taxes

Investment earnings

Gain (loss) on sale of capital assets

Payments from the State of Florida

Transfers

Contributions to permanent funds

Miscellaneous

Total general revenues

Change in net assets

Net assets - beginning, as restated

Adjustments to increase (decrease) beginning net assets

Net assets - ending

STATE OF FLORIDA

Net (Expense) Revenue and Changes in Net Assets

Other Water Management Districts	Other State Universities	Community Colleges	Other Nonmajor Component Units	Totals 6/30/02
\$ (32,089)	\$	\$	\$	\$ (32,089)
.....	(654,647)	.....	.....	(654,647)
.....	.....	(1,255,829)	.....	(1,255,829)
.....	.....	.....	(29,489)	(29,489)
(32,089)	(654,647)	(1,255,829)	(29,489)	(1,972,054)
181,844	.....	.....	.....	181,844
19,910	2,136	5,333	2,743	30,122
168	.....	.....	(465)	(297)
1,993	823,108	1,219,410	22,439	2,066,950
.....	4,497	.....	14,181	18,678
.....	.....	44	238	282
1,679	.....	272,964	(1,183)	273,460
205,594	829,741	1,497,751	37,953	2,571,039
173,505	175,094	241,922	8,464	598,985
1,429,120	2,416,242	2,838,381	357,504	7,041,247
.....	47,402	(73)	38,770	86,099
\$ 1,602,625	\$ 2,638,738	\$ 3,080,230	\$ 404,738	\$ 7,726,331



Statistical & Economic Data



Coreopsis - Florida State Wildflower

Revenues by Source - All Governmental Fund Types
For the Last Ten Fiscal Years
(in thousands)

Source	1993	1994	1995	1996
Taxes	\$ 15,795,969	\$ 16,950,102	\$ 18,189,386	\$ 19,477,977
Licenses and permits	698,173	755,732	785,524	826,009
Fees and charges	2,488,688	2,222,442	2,228,621	1,566,989
Grants and donations	7,205,005	6,878,455	7,560,806	9,216,221
Investment earnings	336,179	288,997	376,864	427,631
Fines, forfeits, settlements and judgments	179,873	181,103	137,715	133,553
Flexible benefits contributions	42,932	47,955	.....	.....
Refunds	346,477	407,672	573,595	453,455
Other	48,064	567	76	875
Total	\$ 27,141,360	\$ 27,733,025	\$ 29,852,587	\$ 32,102,710

Expenditures by Function - All Governmental Fund Types
For the Last Ten Fiscal Years
(in thousands)

Function	1993	1994	1995	1996
General government	\$ 4,403,035	\$ 4,302,219	\$ 4,310,881	\$ 4,316,136
Education	7,512,100	7,557,352	8,086,313	8,216,522
Human services	9,445,091	8,991,154	10,305,558	11,473,863
Criminal justice and corrections	1,332,396	1,470,203	1,973,136	2,294,100
Natural resources and environment	1,138,246	1,097,543	1,099,101	1,055,370
Transportation	604,807	675,432	647,437	829,578
State courts	160,318	163,033	170,904	192,449
Capital outlay	1,550,935	1,936,916	2,431,916	2,317,256
Debt service	645,670	638,288	660,570	746,911
Total	\$ 26,792,598	\$ 26,832,140	\$ 29,685,816	\$ 31,442,185

* Note: Fiscal years 1993 - 2000 have been restated from prior years due to a change in functional classification for governmental expenditures.

Tax Revenues by Source - All Governmental Fund Types
For the Last Ten Fiscal Years
(in thousands)

Tax Source	1993	1994	1995	1996
Sales and use tax	\$ 9,521,564	\$ 10,073,654	\$ 11,102,171	\$ 12,016,938
Motor fuel tax	1,152,430	1,235,256	1,267,392	1,376,303
Corporate income tax	853,405	1,047,680	1,055,437	1,087,145
Intangible personal property tax	788,205	835,121	795,182	983,613
Documentary stamp tax	639,240	775,662	699,745	791,342
Alcoholic beverage tax	528,126	551,654	525,692	542,207
Gross receipts utilities tax	442,416	449,107	511,858	546,856
Cigarette tax	460,833	432,868	469,779	429,193
Estate tax	307,472	359,321	436,902	450,500
Communications service tax (1)	.....	.....	.....	.....
Insurance premium tax	290,673	322,023	352,940	402,561
Hospital public assistance tax	192,511	214,512	239,651	248,433
Workers' compensation special disability tax	129,981	173,624	228,878	105,064
Pollutant tax	193,025	196,268	197,202	200,052
Pari-mutuel wagering tax	86,796	98,669	90,594	85,097
Citrus excise tax	65,769	53,189	56,578	48,865
Solid minerals severance tax	56,041	48,270	55,571	45,695
Aviation fuel tax	55,293	50,527	51,104	63,106
Utility regulatory tax (2)	22,835	23,813	24,144	25,400
Smokeless tobacco tax	.....	.....	18,566	19,498
Oil and gas production tax	8,406	6,557	8,470	9,076
Other	948	2,327	1,530	1,033
Total	\$ 15,795,969	\$ 16,950,102	\$ 18,189,386	\$ 19,477,977

(1) Effective in fiscal year ended June 30, 2002.

(2) No longer collected in governmental fund as of fiscal year ended June 30, 2002.

STATE OF FLORIDA

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$ 20,177,324	\$ 21,895,836	\$ 23,023,672	\$ 24,111,360	\$ 24,672,588	\$ 25,430,688
836,415	908,028	892,812	964,842	1,072,897	1,119,032
1,819,323	2,582,493	2,278,355	2,092,697	2,051,850	1,916,809
8,935,592	8,933,147	9,827,951	10,492,022	12,056,577	13,456,767
420,820	589,347	351,026	559,638	849,832	495,127
171,104	338,908	182,965	826,426	923,570	978,728
56,708	56,505	58,630	62,230	62,881	.....
503,094	537,394	459,341	560,451	648,819	.....
37,335	7,860	5,921	369	93,292	2,461
\$ 32,957,715	\$ 35,849,518	\$ 37,080,673	\$ 39,670,035	\$ 42,432,306	\$ 43,399,612

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$ 4,847,734	\$ 5,025,083	\$ 5,403,482	\$ 5,329,404	4,960,492	\$ 5,726,035
8,147,709	8,796,753	9,754,933	10,450,798	11,398,475	14,462,838
11,037,467	11,338,746	11,912,576	13,062,077	14,904,923	14,957,079
2,269,209	2,455,275	2,560,501	2,704,713	2,866,308	2,946,024
1,055,428	1,053,812	1,064,071	1,001,294	1,215,071	1,574,462
893,772	892,787	818,548	904,117	994,832	1,167,957
183,059	211,054	228,585	238,893	278,505	277,232
2,262,697	2,694,903	2,320,142	2,855,857	2,988,018	3,327,986
797,516	904,607	1,032,219	1,128,248	1,298,710	1,294,047
\$ 31,494,591	\$ 33,373,020	\$ 35,095,057	\$ 37,675,401	\$ 40,905,334	\$ 45,733,660

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
\$ 12,113,145	\$ 13,349,272	\$ 13,980,931	\$ 15,157,048	\$ 15,780,333	\$ 15,594,659
1,438,264	1,484,631 (3)	1,517,873	1,627,777	1,719,239	1,769,257
1,358,387	1,395,566	1,466,550	1,396,150	1,360,833	1,210,346
980,914	1,164,297	1,225,302	993,949	729,514	737,776
864,216	1,005,378	1,212,421	1,181,198	1,327,349	1,590,981
553,919	566,277	576,629	574,969	545,826	546,579
585,466	638,077	647,015	674,966	735,332	526,586
431,221	444,838	428,733	419,117	419,260	420,093
568,875	563,665	689,771	765,227	785,083	745,080
.....	.....	.....	.....	.....	779,167
417,775	426,511	403,881	420,000	445,119	504,422
253,725	272,722	269,400	277,309	209,084	269,232
85,807	71,716	76,695	96,533	110,574	291,301
213,843	215,992	228,528	231,065	235,889	234,474
64,835	63,526	54,727	51,135	31,286	31,753
68,379	65,026	54,114	64,831	60,246	54,133
64,680	61,269	64,517	53,017	40,406	43,468
55,766	50,278 (3)	71,695	69,110	75,342	48,690
27,173	27,890	29,053	28,239	29,599	.....
19,287	21,001	20,632	21,864	23,529	23,599
10,472	6,539	3,974	6,705	8,179	5,057
1,175	1,365	1,230	1,151	566	4,035
\$ 20,177,324	\$ 21,895,836	\$ 23,023,671	\$ 24,111,360	\$ 24,672,588	\$ 25,430,688

(3) Restated allocation of aviation fuel tax.

STATE OF FLORIDA

**Operating History of Budget Stabilization Fund
- Actual (Budgetary Basis)**

**For the Last Ten Fiscal Years
(in thousands)**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Fund balance, beginning	\$	\$	\$	\$ 120,590	\$ 260,790	\$ 409,390	\$ 685,990	\$ 786,890	\$ 846,990	\$ 893,990
Total revenues	120,590	140,200	148,600	276,600	100,900	60,100	47,000	46,900
Total expenditures
Fund balance, ending	\$	\$	\$ 120,590	\$ 260,790	\$ 409,390	\$ 685,990	\$ 786,890	\$ 846,990	\$ 893,990	\$ 940,890

**Operating History of Working Capital Fund
- Actual (Budgetary Basis)**

**For the Last Ten Fiscal Years
(in thousands)**

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Fund balance, beginning	\$ 60,991	\$ 161,758	\$ 295,314	\$ 161,336	\$ 149,818	\$ 193,548	\$ 355,944	\$ 541,331	\$ 819,346	\$ 292,247
Reversions	.....	.....	.....	.....	.....	.....	.....	51	204	.....
Fund balance, beginning, restated	60,991	161,758	295,314	161,336	149,818	193,548	355,944	541,382	819,550	292,247
Total revenues	110,767	133,556	15,246	10,117	51,981	168,590	245,119	362,243	11,500	132,916
Total expenditures	10,000	.....	149,224	21,635	8,251	6,194	59,732	84,279	538,803	121,211
Fund balance, ending	\$ 161,758	\$ 295,314	\$ 161,336	\$ 149,818	\$ 193,548	\$ 355,944	\$ 541,331	\$ 819,346	\$ 292,247	\$ 303,952

STATE OF FLORIDA

**State of Florida
Population by Age**

<u>Age Group</u>	<u>2000 Census</u>	<u>Percent</u>	<u>2010 Projection</u>	<u>Percent</u>	<u>2020 Projection</u>	<u>Percent</u>
0 - 14	3,048,560	19.07	3,330,028	17.65	3,744,189	17.18
15 - 24	1,953,978	12.23	2,425,608	12.86	2,532,037	11.62
25 - 44	4,565,761	28.57	4,478,773	23.74	4,982,649	22.86
45 - 64	3,619,912	22.65	5,217,234	27.65	5,713,686	26.22
65 and Over	2,794,167	17.48	3,415,060	18.10	4,820,040	22.12
Total	15,982,378	100.00	18,866,703	100.00	21,792,601	100.00

Source: Demographic Estimating Conference Database, updated June 2002. Year 2000 Census data incorporates adjustments for age misreporting provided by the U.S. Bureau of the Census.

**Economic Indicators
For the Calendar Years 1993 through 2002**

<u>Year</u>	<u>Unemployment Rate</u>		<u>Personal Income</u> (in millions)		<u>Florida Population</u>
	<u>Florida</u>	<u>U.S.</u>	<u>Florida</u>	<u>U.S.</u>	
1993	7.0	6.9	\$ 292,534	\$ 5,519,213	13,674,233
1994	6.6	6.2	306,658	5,791,772	13,947,982
1995	5.5	5.7	328,067	6,150,786	14,213,992
1996	5.1	5.4	348,849	6,495,248	14,483,236
1997	4.8	4.9	369,729	6,784,000	14,790,750
1998	4.3	4.5	386,653	7,126,127	15,079,174
1999	3.9	4.2	422,576	7,789,655	15,392,503
2000	3.6	4.0	447,012	8,319,200	16,073,172
2001 (1)	4.8	4.8	466,130	8,685,400	16,408,662
2002 (2)	5.8	6.0	488,745	8,946,100	16,683,876

(1) Restated to actual

(2) Forecast

Source: Office of Economic and Demographic Research, Florida Legislature.

Per Capita State Full Faith and Credit Debt
For the Last Ten Fiscal Years
(in dollars)

<u>Year</u>	<u>Population</u>	(1)(2) Primarily Payable From <u>Pledged Revenues</u>	<u>Per Capita</u>
1993	13,674,233	\$ 5,594,855,000	\$ 409.15
1994	13,947,982	6,074,395,000	435.50
1995	14,213,992	6,823,860,000	480.08
1996	14,483,236	7,390,695,000	510.29
1997	14,790,750	7,892,140,000	533.59
1998	15,079,174	8,703,155,000	577.16
1999	15,392,503	9,260,205,000	601.60
2000	16,073,172	9,516,040,000	592.04
2001 (3)	16,408,662	9,435,310,000	575.02
2002 (4)	16,683,876	9,920,810,000	594.63

- (1) Additionally secured by the full faith and credit of the state.
(2) Excludes refunded debt.
(3) Restated from prior year.
(4) Population estimate by the Office of Economic and Demographic Research,
Florida Legislature.

Ratio of Annual Debt Service Payments for General Bonded Debt
to Total Expenditures - All Governmental Fund Types
For the Last Ten Fiscal Years
(in thousands)

<u>Year</u>	Governmental Debt Service <u>Payments(1)</u>	Governmental Fund Type <u>Expenditures(2)</u>	<u>Ratio</u>
1993	\$ 461,801	\$ 26,792,598	1.72%
1994	462,525	26,832,140	1.72%
1995	547,931	29,685,816	1.85%
1996	706,886	31,442,185	2.25%
1997	750,135	31,494,591	2.38%
1998	668,435	33,373,020	2.00%
1999	696,642	35,095,057	1.99%
2000	717,456	37,675,401	1.90%
2001	737,058	40,905,334	1.80%
2002	755,350	45,733,660	1.65%

- (1) Source: State Board of Administration.
(2) Effective fiscal year ended June 30, 2002, in addition to the general fund,
special revenue funds, capital projects funds, and debt service fund,
governmental funds also include permanent funds.

Schedules of Revenue Bond Coverages

Transportation Authorities and Toll Facilities
For the Last Ten Fiscal Years
(in thousands)

Year Ended 6/30	Toll Revenues	Interest Revenue	(1) Expenses	Net Available for Debt Service	Debt (2) Service Payments	Coverage Ratio
Sunshine Skyway Bridge						
1993	\$ 9,858	\$ 457	\$ 2,158	\$ 8,157	\$ 3,137	2.60
1994	10,580	419	1,897	9,102	3,135	2.90
1995	11,457	519	2,642	9,334	3,133	2.98
1996	11,859	342	4,367	7,834	3,133	2.50
1997	12,752	334	2,648	10,438	3,138	3.33
1998	13,312	371	2,810	10,873	3,128	3.48
1999	13,926	383	3,822	10,487	3,126	3.35
2000	14,582	418	3,812	11,188	3,125	3.58
2001	15,300	270	3,243	12,327	3,128	3.94
2002	15,894	256	4,400	11,750	2,222	5.29
Florida Turnpike						
1993	\$ 167,386	\$ 7,732	\$ 78,920	\$ 96,198	\$ 45,420	2.12
1994	195,324	8,042	79,924	123,442	75,948	1.63
1995	213,797	2,697	106,318	110,176	44,085	2.50
1996	243,724	15,695	104,297	155,122	78,005	1.99
1997	266,481	12,141	101,186	177,436	78,053	2.27
1998	289,732	15,372	99,821	205,283	97,956	2.10
1999	310,572	15,409	114,984	210,997	123,698	1.71
2000	340,380	16,489	123,535	233,334	137,746	1.69
2001 (3)	373,304	17,098	136,741	253,661	131,616	1.93
2002	410,937	16,432	161,767	265,602	142,610	1.86

(1) Direct operating expenses excluding depreciation, amortization, and interest expense.

(2) Source: State Board of Administration.

(3) Restated from prior year.

Schedules of Revenue Bond Coverages

Save Our Coast Bonds
For the Last Ten Fiscal Years
(in thousands)

Year Ended 6/30	Available (1) Documentary Stamp Tax	(2) Interest Revenue	Net Available for Debt Service	Debt (2) Service Payments	Coverage Ratio
1993	\$ 53,330	\$ 1,978	\$ 55,308	\$ 26,042	2.12
1994	67,669	1,808	69,477	25,081	2.77
1995	60,094	1,600	61,694	25,068	2.46
1996	66,995	1,387	68,382	25,085	2.73
1997	216,244	1,715	217,959	25,199	8.65
1998	260,610	1,557	262,167	25,223	10.39
1999	302,064	1,688	303,752	25,137	12.08
2000	337,734	1,731	339,465	25,216	13.46
2001	367,360	906	368,266	25,271	14.57
2002	410,565	1,279	411,844	25,350	16.25

(1) Refer to Section 201.15, Florida Statutes.

(2) Source: State Board of Administration.

Conservation and Recreation Land
For the Last Ten Fiscal Years
(in thousands)

Year Ended 6/30	Available (1) Documentary Stamp Tax	Phosphate (2) Severance	(3) Interest Revenue	Net Available for Debt Service	Debt (3) Service Payments	Coverage Ratio
1993	\$ 35,700	\$ 10,000	\$ 295	\$ 45,995	\$ 3,191	14.41
1994	45,299	10,000	299	55,598	3,190	17.43
1995	43,261	10,000	342	53,603	1,165	46.01
1996	48,199	10,000	203	58,402	2,923	19.98
1997	216,244	10,000	205	226,449	2,895	78.22
1998	260,610	10,000	213	270,823	2,871	94.33
1999	302,064	10,000	210	312,274	2,870	108.81
2000	337,734	10,000	219	347,953	2,876	120.99
2001	367,360	10,000	102	377,462	2,894	130.43
2002	410,565	10,000	153	420,718	2,907	144.73

(1) Refer to Section 201.15, Florida Statutes.

(2) Refer to Section 211.3103, Florida Statutes.

(3) Source: State Board of Administration.

Facilities Management Pool Bonds
For the Last Ten Fiscal Years
(in thousands)

Year Ended 6/30	Revenue	Interest Revenue	Net Available for Debt Service	Debt (1) Service Payments	Coverage Ratio
1993	\$ 50,105	\$ 776	\$ 50,881	\$ 17,431	2.92
1994	60,913	1,169	62,082	15,836	3.92
1995	63,623	1,482	65,105	19,455	3.35
1996	58,746	1,905	60,651	21,453	2.83
1997	57,247	1,649	58,896	22,749	2.59
1998	61,780	2,326	64,106	23,879	2.68
1999	67,299	1,691	68,990	25,938	2.66
2000	70,147	1,554	71,701	28,546	2.51
2001	76,081	1,751	77,832	31,063	2.51
2002	76,130	1,079	77,209	31,816	2.43

(1) Source: State Board of Administration.

STATE OF FLORIDA

**Cash Receipts from Farm Marketing
For Ten Years
(in thousands)**

Year	Citrus	Vegetables & Melons	Field Crops	Other Crops*	Total Crops	Milk & Cattle	Poultry & Eggs	Other Livestock	Total Livestock & Prods	Total Farm Receipts
1992	\$ 1,480,585	\$ 1,658,050	\$ 656,858	\$ 1,189,420	\$ 4,984,913	\$ 744,868	\$ 259,678	\$ 155,049	\$ 1,159,595	\$ 6,144,508
1993	1,238,422	1,630,065	621,381	1,058,476	4,548,344	747,998	298,831	154,756	1,201,585	5,749,929
1994	1,465,419	1,397,380	656,537	1,267,010	4,786,346	744,245	291,605	155,774	1,191,624	5,977,970
1995	1,484,703	1,267,464	661,390	1,305,540	4,719,097	653,330	315,237	161,243	1,129,810	5,848,907
1996	1,605,686	1,303,167	679,326	1,354,286	4,942,465	648,288	353,469	186,436	1,188,193	6,130,658
1997	1,376,228	1,565,723	649,387	1,400,218	4,991,556	720,708	353,838	190,295	1,264,841	6,256,397
1998	1,607,610	1,536,371	644,953	1,565,682	5,354,616	717,205	367,313	247,222	1,331,740	6,686,356
1999	1,916,767	1,401,267	684,507	1,472,824	5,475,365	721,448	354,870	287,113	1,363,431	6,838,796
2000	1,665,291	1,455,738	594,310	1,857,754	5,573,093	754,318	336,476	287,209	1,378,003	6,951,096
2001	1,068,909	1,498,288	626,079	1,832,126	5,025,402	789,318	377,096	291,572	1,457,986	6,483,388

*Forestry products excluded.

Source: Florida Agriculture, U.S. Department of Agriculture, Statistical Reporting Service: Florida Department of Agriculture, Division of Marketing, and University of Florida Agriculture Experiment Station.

**Nonagricultural Employment by Industry
For Ten Years
(in thousands)**

Year	Mining	Construction	Manufacturing	Transportation and Public Utilities	Wholesale and Retail Trade	Finance, Insurance and Real Estate	Services	Government	Total
1992	7.0	262.8	480.7	272.8	1,409.2	352.0	1,685.0	869.2	5,338.7
1993	6.3	286.7	484.2	285.6	1,452.2	356.6	1,814.3	881.5	5,567.4
1994	7.0	297.5	483.9	295.2	1,506.4	376.0	1,923.9	906.6	5,796.5
1995	6.9	303.6	482.4	303.4	1,547.9	376.4	2,056.1	923.6	6,000.3
1996	6.9	323.5	490.4	314.1	1,607.0	393.8	2,117.6	929.2	6,182.5
1997	6.6	333.1	491.0	327.0	1,651.8	410.0	2,265.3	942.8	6,427.6
1998	6.7	351.3	496.4	336.3	1,683.8	430.3	2,415.2	957.3	6,677.3
1999	6.1	364.9	487.8	349.9	1,721.0	449.1	2,531.1	967.0	6,876.9
2000	6.5	389.2	486.6	357.6	1,757.2	443.5	2,641.8	994.0	7,076.4
2001	6.3	403.0	468.9	365.9	1,781.8	457.8	2,685.5	1028.5	7,197.7

Source: Florida Department of Labor and Employment Security, Bureau of Labor Market Information. Current Employment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

STATE OF FLORIDA

Statistics Regarding State Commercial Banks and Trust Companies

(in thousands)

<u>Year</u>	<u>Number of Banks</u>	<u>Total Assets</u>	<u>Total Capital</u>	<u>Total Loans</u>	<u>Total Deposits</u>
1895	21	\$ 1,692	\$ 666	\$ 943	\$ 974
1900	22	4,510	1,006	2,637	3,408
1905	41	14,338	3,222	9,332	10,291
1910	113	27,599	5,607	17,711	20,884
1915	192	42,656	9,811	26,280	30,527
1920	212	114,374	13,272	71,347	95,349
1925	271	539,101	33,427	309,492	501,553
1930	151	92,928	16,422	38,534	70,235
1935	102	64,276	9,768	13,662	53,552
1940	114	116,169	14,233	31,285	101,545
1945	112	450,838	20,135	36,851	430,256
1950	130	619,824	37,603	128,517	580,607
1955	146	1,138,114	67,726	329,340	1,064,763
1960	181	1,781,837	139,368	711,387	1,620,185
1965	243	2,571,685	216,444	1,139,398	2,541,195
1970	282	5,603,445	425,945	2,668,971	4,996,082
1975	449	11,757,147	989,185	5,860,781	10,346,695
1980	358	22,416,088	1,679,111	10,380,658	17,942,643
1981	321	21,303,799	1,609,024	10,423,906	17,991,930
1982	297	20,912,278	1,570,467	9,978,160	18,175,117
1983	274	22,940,431	1,678,551	11,152,310	20,212,039
1984	256	23,186,313	1,636,747	12,568,673	20,319,366
1985	251	24,160,155	1,627,920	13,372,532	21,321,726
1986	241	28,055,385	1,896,402	16,174,559	24,948,817
1987	246	30,362,358	2,136,083	18,647,857	26,683,250
1988	251	31,658,397	2,264,319	19,950,857	27,831,065
1989	258	32,801,720	2,402,253	21,338,510	29,128,762
1990	261	37,247,099	2,587,920	23,452,081	33,324,544
1991	260	39,051,128	2,852,114	23,705,240	35,021,312
1992	256	41,551,323	3,196,327	25,095,945	37,137,219
1993	248	51,271,342	4,265,301	32,194,235	44,490,477
1994	238	58,803,093	4,783,598	38,780,991	50,081,893
1995	224	58,344,123	5,143,296	38,962,040	49,393,436
1996	(1) 238	58,803,093	4,783,598	38,780,991	50,081,893
1997	(1) 180	35,464,125	3,266,522	23,194,221	28,937,982
1998	(2) 166	37,565,723	3,194,845	24,301,914	30,948,982
1999	(2) 182	41,547,418	3,527,556	27,790,873	33,141,500
2000	(2) 183	32,747,606	2,898,730	21,587,117	27,017,949
2001	(2) 185	34,522,545	3,054,353	22,710,763	28,848,026

Does not include nondeposit trust companies or industrial savings banks.

Source: Annual Report of the Division of Banking, 1995, Office of the Comptroller.

(1) Information obtained from the Office of the Comptroller's Web Page (Address: <http://www.dbf.state.fl.us>).

(2) Information obtained from the Division of Banking, Office of the Comptroller.

STATE OF FLORIDA

**History of Headcount Enrollments
State University System
Fall 1992 through 2001**

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Educational & General:										
University of Florida	31,922	32,578	32,827	33,394	32,314	33,524	41,652	42,612	44,480	45,521
Florida State University	27,810	27,951	28,794	29,390	29,345	29,629	30,389	32,405	33,587	35,442
Florida A & M University	9,049	9,378	9,650	9,784	10,206	10,477	11,324	11,639	11,723	12,347
University of South Florida	32,467	32,773	33,614	33,829	34,024	31,906	31,555	32,887	33,924	35,716
Florida Atlantic University	14,822	15,760	17,367	17,671	18,350	19,107	19,153	20,032	20,944	23,643
University of West Florida	7,386	7,564	7,716	8,087	7,882	7,855	7,790	7,924	8,218	9,063
University of Central Florida	21,682	23,531	25,363	26,325	27,411	28,302	30,009	31,472	33,453	36,013
Florida International University	22,597	23,832	26,040	27,542	29,098	29,357	30,096	30,979	30,725	32,614
University of North Florida	9,027	9,212	9,777	10,224	10,708	11,116	11,360	11,897	12,417	13,007
Florida Gulf Coast University	.....	.....	.....	.....	.....	2,446	2,893	3,134	3,496	4,216
New College of Florida	.....	.....	.....	.....	.....	.....	.....	.....	.....	634
Total	176,762	182,579	191,148	196,246	199,338	203,719	216,221	224,981	232,967	248,216
Special Units: (1)										
UF-Institute of Food and Agricultural Sciences (2)	1,971	2,141	2,403	2,772	3,513	3,981	.....	.....	.....	.....
UF-Health Center and Veterinary Medicine	2,961	2,965	3,087	3,174	3,845	3,924	1,072	1,074	1,081	1,105
FSU-Medical Center	.....	.....	.....	.....	.....	.....	.....	.....	.....	30
USF-Medical Center	1,202	1,243	1,293	1,286	1,337	1,442	1,477	1,554	1,549	1,590
Total Special Units	6,134	6,349	6,783	7,232	8,695	9,347	2,549	2,628	2,630	2,725

(1) Includes medical professionals.

(2) Beginning in Fall 1998, the enrollment for the University of Florida Institute of Food and Agricultural Sciences (IFAS) and non medical professional students at the University of Florida Medical Center were reported in the University of Florida Educational and General enrollment.

Note: Does not include students using an employee or senior citizen fee waiver.

Source: Student data course file enrollment reports, Board of Regents.

**Schedule of Revenue Bond Coverages
State University System
For the Last Ten Fiscal Years
(in thousands)**

Year	Beginning Fund Balance	Operating Revenue	Expenditures and Transfers	Net	Debt Service Payments	Coverage Ratio
				Available for Debt Service		
1993	\$ *166,731	\$ 1,801,888	\$ 1,773,890	\$ 194,729	\$ 18,644	10.45
1994	*175,085	1,858,262	1,856,779	176,568	20,456	8.63
1995	176,568	1,947,750	1,911,881	212,437	21,456	9.90
1996	212,437	2,170,327	2,137,055	245,709	28,829	8.52
1997	*246,086	2,336,550	2,331,770	250,866	30,017	8.36
1998	250,866	2,554,670	2,472,759	332,777	34,185	9.73
1999	332,777	2,728,414	2,662,151	399,040	39,698	10.05
2000	399,040	2,900,149	2,822,060	477,129	42,434	11.24
2001	477,129	3,212,366	3,116,909	572,586	48,948	11.70
(1) 2002	572,586	6,330,027	5,913,359	989,254	54,747	18.07

*Adjusted beginning fund balance due to prior period adjustments.

(1) Increase in fiscal year ended June 30, 2002 due to inclusion of component units.