



Florida

Comprehensive Annual
Financial Report

Tom Gallagher
Chief Financial Officer

Fiscal Year Ended June 30, 2005

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.

On The Cover

Palm trees, flamingos, beaches, theme parks—Florida has many claims to fame. Among them is the State's thriving horse industry. There are nearly 300,000 horses in Florida, according to its Department of Agriculture and Consumer Services. From breeding, raising and training horses, to racetracks, off-track betting parlors, polo matches, horse shows and rodeos, the equine industry adds \$6.5 billion to the State's economy. The USDA census reveals that Marion County, which includes the city of Ocala, has more horses and ponies than any other county in America, confirming its reputation as "Horse Capital of the World." We humble Floridians take it all in stride.

☞ The report cover and color divider pages were designed by Kimberly Tharpe, Publications Unit, Division of Consumer Services, Department of Financial Services.

☞ Special thanks to the Department of Agriculture and Consumer Services for the beautiful photographs of Florida's horses and the information on the horses presented in this report.

STATE OF FLORIDA

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2005



JEB BUSH
GOVERNOR

TOM GALLAGHER
CHIEF FINANCIAL OFFICER

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2005**

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Introductory
Section



CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

TOM GALLAGHER

February 8, 2006

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

Dear Governor Bush, President Lee, Speaker Bense, and Citizens of Florida:

I am pleased to submit the State of Florida Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2005, as required by Section 216.102(3), Florida Statutes.

INTRODUCTION TO THE REPORT

This report is prepared in conformance with generally accepted accounting principles (GAAP) for state and local governments. The financial statements contained within this report present the financial condition of the State at June 30, 2005, and the results of operations for the fiscal year ended June 30, 2005. The CAFR is presented in three sections: introductory, financial, and statistical and economic data.

Responsibility

As Florida's Chief Financial Officer, it is my responsibility to prepare and publish the CAFR. State agencies and other organizations included in the State's financial reporting entity are responsible for the financial information contained in the CAFR.

Basic Financial Statements

Basic financial statements presented in the financial section of 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 post-employment 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 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, 2005, 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 is responsible for management of investments on behalf of 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

The following State funds were created by Section 215.32(1), Florida Statutes, 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 42 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 that 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. Refer to the Statistical and Economic Data Section of the CAFR for the operating history of the Working Capital Fund. The Working Capital Fund was abolished effective July 1, 2005, by Chapter 2005-152, Laws of Florida, and the remaining fund balance was transferred to the General Revenue Fund.

Budget Stabilization Fund

The Budget Stabilization Fund must be maintained at no less than five 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 maintained a high bond rating from Moody's Investors Service (Aa1), Standard and Poor's Corporation (AAA), and Fitch, Inc. (AA+) on all State general obligation bonds at June 30, 2005. Bonds are issued to finance capital outlay for education projects of State universities, community colleges, 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 approximately 60 percent of all the State taxes collected. Florida law provides that each sale, admission charge and storage/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, 2005, the State has received approximately \$4.6 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.

ACKNOWLEDGEMENTS

The preparation of the CAFR requires the cooperation of fiscal and accounting personnel throughout the State. We sincerely appreciate all those that have contributed to this effort including all State agencies and the Auditor General's Office.

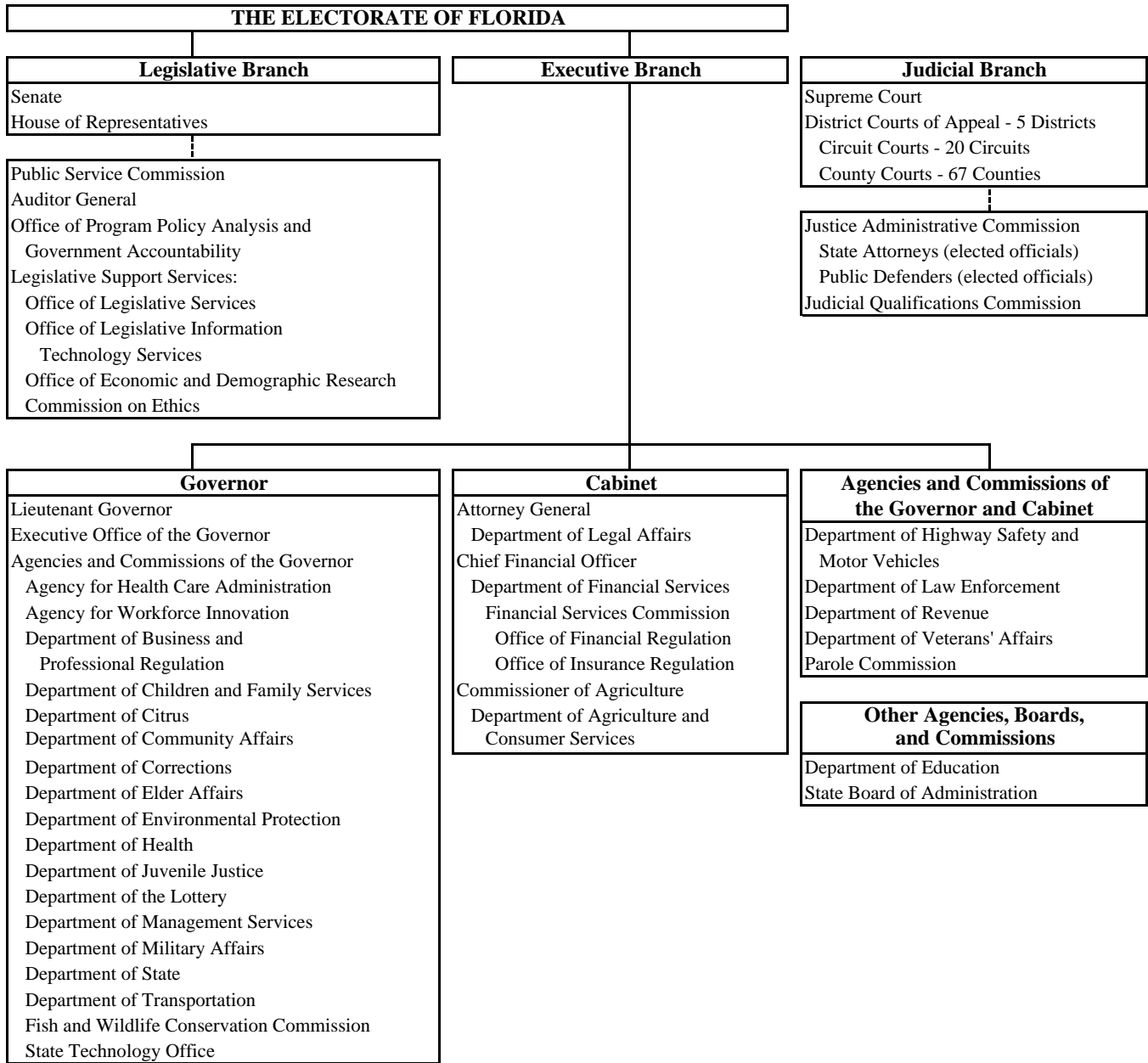
Sincerely,



Tom Gallagher

TG:twH

ORGANIZATION AT JUNE 30, 2005



PRINCIPAL OFFICIALS AT JUNE 30, 2005

Legislative Branch

Senate
Tom Lee, President
House of Representatives
Allan G. Bense, Speaker

Executive Branch

Jeb Bush, Governor
Toni Jennings, Lieutenant Governor
Cabinet
Charlie Crist, Attorney General
Tom Gallagher, Chief Financial Officer
Charles H. Bronson, Commissioner of Agriculture

Judicial Branch

Barbara J. Pariente, Chief Justice

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FINANCIAL SECTION



AUDITOR GENERAL STATE OF FLORIDA



WILLIAM O. MONROE, CPA
AUDITOR GENERAL

850/488-5534/SC 278-5534
Fax: 488-6975/SC 278-6975

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, 2005, 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 general fund; nor did we audit the discretely presented component units (other than the State's universities and community colleges, comprising approximately 54 percent and 76 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 opinions, insofar as they relate to the amounts included for these entities, are based on 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 \$3.667 billion and constitutes 27.5 percent of the reported land value, and 7.6 percent of capital assets reported for governmental activities at June 30, 2005. 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 financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of 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, 2005, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

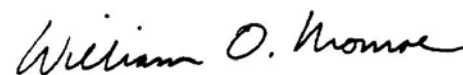
In accordance with *Government Auditing Standards*, we have also issued our report, dated February 8, 2006, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit. That report will be included as part of our separately issued report entitled *State of Florida, Compliance and Internal Controls Over Financial Reporting and Federal Awards*.

As discussed in Note 1 I to the financial statements, the State has implemented the Governmental Accounting Standards Boards' Statement No. 40, *Deposit and Investment Risk Disclosures*.

The accompanying management discussion and analysis on pages 14 through 19 and the required supplementary information – budgetary information, pension trust fund information, and information on infrastructure using the modified approach on pages 122 through 136 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 - introductory section on pages 6 through 9, combining statements and individual fund statements and schedules on pages 140 through 207, and the statistical and economic data section on pages 210 through 219, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and individual fund statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical and economic data section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,



William O. Monroe, CPA
February 8, 2006

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, and 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.

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 is presented in the Statement of Activities. Financial information for the State’s component units is also presented.

Fund Financial Statements

Fund financial statements for governmental and proprietary funds focus on individual parts of the State, reporting the State's operations in more detail than the government-wide financial statements. Fund financial statements for fiduciary funds are also included to provide financial information related to the State’s fiduciary activities.

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 Financial Statements	Fund Financial Statements		
		<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
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 (\$46.8 billion) of the State’s net assets as of June 30, 2005, reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding used 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 \$12.6 billion as of June 30, 2005. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Governmental activities reflect a negative unrestricted net asset balance of \$6.1 billion at June 30, 2005. 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, 2005, of \$12 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, Pollution Control Bonds, and Preservation 2000/Florida Forever Bonds. 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 \$7.2 billion.

Business-type activities reflect a positive unrestricted net asset balance of \$311 million at June 30, 2005.

Table 2 below presents the State’s condensed statement of net assets as of June 30, 2005, and 2004, derived from the government-wide Statement of Net Assets.

Table 2: Condensed Statement of Net Assets
As of June 30
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 28,227	\$ 22,697	\$ 10,881	\$ 12,992	\$ 39,108	\$ 35,689
Capital assets	48,012	45,938	5,398	5,112	53,410	51,050
Total assets	<u>76,239</u>	<u>68,635</u>	<u>16,279</u>	<u>18,104</u>	<u>92,518</u>	<u>86,739</u>
Other liabilities	10,863	8,498	4,266	3,399	15,129	11,897
Noncurrent liabilities	20,047	19,128	3,686	3,920	23,733	23,048
Total liabilities	<u>30,910</u>	<u>27,626</u>	<u>7,952</u>	<u>7,319</u>	<u>38,862</u>	<u>34,945</u>
Net assets:						
Invested in capital assets, net of related debt	43,469	41,780	3,331	2,890	46,800	44,670
Restricted	7,911	7,220	4,685	7,302	12,596	14,522
Unrestricted	(6,051)	(7,990)	311	592	(5,740)	(7,398)
Total net assets	<u>\$ 45,329</u>	<u>\$ 41,010</u>	<u>\$ 8,327</u>	<u>\$ 10,784</u>	<u>\$ 53,656</u>	<u>\$ 51,794</u>

Condensed Statement of Activities

Table 3 presents the State's condensed statement of activities for the fiscal year ended June 30, 2005, and 2004, 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. While net assets for the fiscal year 2004-05 increased, the amount of the increase was less than the previous year primarily due to additional expenses incurred for hurricane reinsurance claims.

Table 3: Condensed Statement of Activities
For the Fiscal Year Ended June 30
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change 2004 to 2005
	2005	2004	2005	2004	2005	2004	
Revenues							
Program revenues							
Charges for services	\$ 5,235	\$ 4,745	\$ 6,606	\$ 5,569	\$ 11,841	\$ 10,314	14.8%
Operating grants & contributions	17,493	15,874	50	258	17,543	16,132	8.7%
Capital grants & contributions	1,998	1,523	.....	9	1,998	1,532	30.4%
Total program revenues	24,726	22,142	6,656	5,836	31,382	27,978	12.2%
General revenues and payments							
Sales and use tax	19,056	17,129	.....	.....	19,056	17,129	11.2%
Fuel taxes	2,414	2,317	.....	.....	2,414	2,317	4.2%
Corporate income tax	1,785	1,441	.....	.....	1,785	1,441	23.9%
Documentary stamp tax	3,376	2,613	.....	.....	3,376	2,613	29.2%
Intangible personal property tax	999	860	.....	.....	999	860	16.2%
Communication service tax	1,344	1,250	.....	.....	1,344	1,250	7.5%
Estate tax	295	387	.....	.....	295	387	-23.8%
Utilities taxes	497	462	.....	.....	497	462	7.6%
Beverage and tobacco taxes	1,089	1,041	.....	.....	1,089	1,041	4.6%
Other taxes	1,480	1,413	.....	.....	1,480	1,413	4.7%
Investment earnings	301	(67)	29	13	330	(54)	-711.1%
Other revenues and payments	.....	.....	.....	(2)	.....	(2)	100.0%
Total general revenues and payments	32,636	28,846	29	11	32,665	28,857	13.2%
Total revenues	57,362	50,988	6,685	5,847	64,047	56,835	12.7%
Program expenses							
General government	6,902	6,638	.....	.....	6,902	6,638	4.0%
Education	17,440	16,414	.....	.....	17,440	16,414	6.3%
Human services	19,866	18,119	.....	.....	19,866	18,119	9.6%
Criminal justice & corrections	3,466	3,285	.....	.....	3,466	3,285	5.5%
Natural resources & environment	3,298	2,039	.....	.....	3,298	2,039	61.7%
Transportation	3,148	2,633	321	316	3,469	2,949	17.6%
State courts	368	273	.....	.....	368	273	34.8%
Lottery	.....	.....	2,529	2,170	2,529	2,170	16.5%
Unemployment compensation	.....	.....	982	1,331	982	1,331	-26.2%
State Board of Administration	.....	.....	3,812	36	3,812	36	10488.9% *
Nonmajor enterprise funds	.....	.....	177	159	177	159	11.3%
Indirect interest on long-term debt	20	18	.....	.....	20	18	11.1%
Total program expenses	54,508	49,419	7,821	4,012	62,329	53,431	16.7%
Excess (deficiency) before gain (loss) and transfers	2,854	1,569	(1,136)	1,835	1,718	3,404	
Gain (loss) on sale of capital assets	.....	.....	(17)	(17)	(17)	(17)	
Transfers	1,250	1,217	(1,250)	(1,217)	.....	.....
Change in net assets	4,104	2,786	(2,403)	601	1,701	3,387	
Beginning net assets	41,010	38,038	10,784	10,170	51,794	48,208	
Prior period adjustments	215	186	(54)	13	161	199	
Ending net assets	\$ 45,329	\$ 41,010	\$ 8,327	\$ 10,784	\$ 53,656	\$ 51,794	3.6%

* Related to 2005 hurricane expenses. See Fund Analysis, Proprietary Funds, State Board of Administration.

Program Expenses and Revenues for Governmental Activities

Table 4 presents the net costs of governmental activities. Program revenues were not sufficient to cover program expenses for governmental activities. General revenues, mainly taxes, are therefore required to support the net costs of governmental activities. Overall program revenues continue to contribute to program expenses, at a slightly increased rate, with the balance coming from general revenues. The Natural Resources and Environmental program reflected the largest percentage increase due to the receipt of federal grants for hurricane reconstruction and the related expenses.

**Table 4: Net Costs of Governmental Activities
for the Fiscal Year Ended June 30**
(in millions)

State Programs	Program Expenses 2005	Less Program Revenues 2005	Net Program Costs (a)		Program Revenues as a Percentage of Program Expenses	
			2005	2004	2005	2004
General government	\$ 6,902	\$ 4,398	\$ 2,504	\$ 2,381	63.7%	64.1%
Education	17,440	2,589	14,851	13,988	14.8%	14.8%
Human services	19,866	13,346	6,520	5,621	67.2%	69.0%
Criminal justice & corrections	3,466	354	3,112	2,937	10.2%	10.6%
Natural resources & environment	3,298	1,863	1,435	1,222	56.5%	40.1%
Transportation	3,148	2,162	986	848	68.7%	67.8%
State courts	368	14	354	262	3.8%	4.0%
Other	20	.....	20	18	0.0%	0.0%
Totals	<u>\$ 54,508</u>	<u>\$ 24,726</u>	<u>\$29,782</u>	<u>\$27,277</u>	<u>45.4%</u>	<u>44.8%</u>

(a) Net program costs are supported by taxes.

Program Expenses and Revenues for Business-type Activities

Table 5 presents the net income and costs of business-type activities. With the exception of the State Board of Administration, program revenues generated from business-type activities were sufficient to cover program expenses. Program expenses are generally declining in relation to program revenues. However, the State Board of Administration's spending relating to hurricane reinsurance claims from the Florida Hurricane Catastrophe Fund has increased. In addition, the Nonmajor Enterprise Funds program costs have increased due to increased regulatory activity.

**Table 5: Net Income (Costs) of Business-type Activities
for the Fiscal Year Ended June 30**
(in millions)

State Programs	Program Revenues 2005	Less Program Expenses 2005	Net Program Income (Costs) (b)		Program Expenses as a Percentage of Program Revenues	
			2005	2004	2005	2004
Transportation	\$ 667	\$ 321	\$ 346	\$ 272	48.1%	53.7%
Lottery	3,635	2,529	1,106	903	69.6%	70.6%
Unemployment compensation	1,301	982	319	(14)	75.5%	101.1%
State Board of Administration	788	3,812	(3,024)	545	483.8% *	6.2%
Nonmajor enterprise funds	265	177	88	118	66.8%	57.4%
Totals	<u>\$ 6,656</u>	<u>\$ 7,821</u>	<u>\$ (1,165)</u>	<u>\$ 1,824</u>	<u>117.5%</u>	<u>68.7%</u>

(b) Net program costs are supported by fund reserves.

* Related to 2005 hurricane expenses. See Fund Analysis, Proprietary Funds, State Board of Administration

Overall Analysis

Financial highlights for the State as a whole during the fiscal year ended June 30, 2005, include the following:

- The State's total net assets (before effects of prior period adjustments) increased during the year by \$1.7 billion. Net assets of governmental activities increased by \$4.1 billion, while net assets of business-type activities decreased by \$2.4 billion.
- The assets of the State exceeded its liabilities (net assets) at the close of the fiscal year by \$45.3 billion for governmental activities and by \$8.3 billion for business-type activities.

Fund Analysis

Governmental Funds

As of the close of the fiscal year, the State's governmental funds reported a combined ending fund balance of \$16.9 billion, with \$9 billion reported as unreserved fund balance and the remaining amount of \$7.9 billion reserved for specific purposes. See Note 1 to the financial statements for an explanation of the different types of reserve categories. Governmental funds that experienced significant changes during the fiscal year ended June 30, 2005, are as follows:

General Fund

Fund balance at June 30, 2005, totaled \$6.9 billion, an increase of \$1.8 billion from the prior year (before effects of prior period adjustments). The increase in fund balance is primarily due to tax revenues increasing 16% compared to the prior year, or almost four times the average increase for the previous five years. The increase in tax revenues is primarily due to additional sales and use tax attributable to spending for hurricane reconstruction and an increase in overall economic activity. Additionally, a change in Florida law required the accounting and reporting of certain intangible property taxes to be moved from the Tax Collection and Administration Fund to the General Fund.

Transportation

Fund balance at June 30, 2005 totaled \$1 billion, an increase of \$230 million (before effects of prior period adjustments). The increase in fund balance is mainly due to bond proceeds and federal grant funds received during the 2004-05 fiscal year.

Proprietary Funds

The State's proprietary funds reported net assets of \$8.5 billion, including \$8.3 billion for enterprise funds and \$198 million for internal service funds. Proprietary funds that experienced significant changes during the fiscal year ended June 30, 2005, are as follows:

Unemployment Compensation

Net assets at June 30, 2005, totaled \$1.7 billion, an increase of \$333 million. The change in net assets can be largely attributed to a decrease of \$354 million in payments associated with unemployment compensation claims during this fiscal year.

State Board of Administration

Net assets of the Florida Hurricane Catastrophe Fund at June 30, 2005, totaled \$2.4 billion, which includes a net decrease of \$3.1 billion (before effects of prior period adjustments). The change in net assets is attributable to reimbursements for losses associated with Hurricanes Charley, Frances, Ivan, and Jeanne in 2004.

Budget Variances in the General Fund

Budgeted expenditures are based on revenues as estimated by the Revenue Estimating Conference and other available resources. Original expenditures are budgeted for less than total expected available resources. No variances between the original and final budget or between the final and actual budget are expected to significantly affect future services or liquidity. For additional information on the budget variances, 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, 2005, the State reported \$48 billion in capital assets for governmental activities and \$5.4 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 or revenue bonds to finance or refinance fixed capital outlay projects authorized by law. General obligation bonds are secured by the full faith and credit of the State and payable from 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. The State maintained high bond ratings from Moody's Investors Service (Aa1), Standard and Poor's Corporation (AAA), and Fitch, Inc. (AA+) on all State general obligation bonds.

The *State of Florida 2005 Debt Affordability Report*, prepared by the Division of Bond Finance, showed an improvement in the State's benchmark debt ratio of debt service to revenue for net tax-supported debt from 5.94% for the fiscal year ended June 30, 2004, to 5.36% for the fiscal year ended June 30, 2005. The improvement in ratio is due to higher than expected revenues during fiscal year 2004-05. 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 elected to use the modified approach to account for roadways and bridges of the State Highway System. Under this approach, the Florida Department of Transportation (FDOT) committed to maintain these assets at levels established by FDOT and approved by the Florida Legislature. No depreciation expense is reported for these assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. FDOT maintains an inventory of these assets and performs periodic assessments to establish that predetermined condition levels are being maintained. The condition assessments performed during fiscal year 2004-05 show that the roadways and bridges of the State Highway System are being maintained at or near FDOT standards. These condition assessments were consistent with condition assessments conducted during the last two years. In addition, FDOT makes annual estimates of the amounts that must be expended to maintain the roadways 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 FDOT's established condition standards, recent condition assessments, or other information on infrastructure reported on the modified approach, refer to the Other RSI section of this report.

Economic Conditions and Outlook

Florida's economic growth accelerated in fiscal year 2004-05 and generally outperformed the domestic economy as a whole. This performance may be attributed to favorable natural, economic, and tax environments, and increasing demand for goods and services fueled by a growing population. Florida remains top ranked in the nation in total job growth and generated the fastest job growth rate among the ten most populous states. Florida's non-farm employment grew 3.5 percent in fiscal year 2004-05, adding 254,900 jobs. Increases in jobs were led by gains in professional and business services, construction, educational and health services, leisure and hospitality, wholesale and retail trade, financial services, and government. Forty two percent of the job increase in fiscal year 2004-05 came from professional and business services, and education and health services. With the strengthening economy, non-farm employment is anticipated to add 274,900 jobs in fiscal year 2005-06, resulting in a 7.6 percent increase in wages and salaries. The unemployment rate is anticipated to decline from 4.4 percent in fiscal year 2004-05 to 3.7 percent in fiscal year 2005-06.

Population growth (2.3 percent in fiscal year 2004-05) continues to be a major driver of economic activity in Florida. The State's population is expected to grow by 404,000 in fiscal year 2005-06. Over the next ten years, population is estimated to increase by 3.9 million. The projected growth in population will continue to fuel the State's economic expansion as the demand for housing, durable and non-durable goods and other services continues to increase.

In 2004, Florida was hit by four major hurricanes bringing destruction to thousands of homes and businesses. In 2005, the State was affected by another four hurricanes: Dennis, Katrina, Rita, and Wilma. Reconstruction activities that began in 2004 were extended in 2005. New home construction increased significantly in fiscal year 2004-05, adding 266,500 homes. Construction is expected to continue to increase due to reconstruction and population growth. Billions of federal, state, and insurance claim dollars have flowed into Florida's economy for reconstruction. Total construction employment added 38,000 jobs in fiscal year 2004-05 and is expected to create 34,700 jobs in fiscal year 2005-06.

Florida's economy has continued to show strength and resilience even after the hurricane damage. It has steadily expanded at a higher than expected rate, as evidenced by the strength of its labor market and the rise in personal incomes. Long-term growth is projected to be higher than previously anticipated as Florida's economic fundamentals remain strong and should provide stimulus for sustained future 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
(850) 413-5511

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*F*inancial Section

Basic Financial
Statements

STATEMENT OF NET ASSETS
JUNE 30, 2005
(in thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 125,095	\$ 18,010	\$ 143,105	\$ 1,223,171
Pooled investments with State Treasury	18,080,155	2,911,983	20,992,138	2,740,749
Investments	893,828	760,918	1,654,746	2,944,363
Receivables, net	4,604,037	438,130	5,042,167	1,337,368
Internal balances	408,013	(408,013)	.....	.....
Due from component units/primary	5,663	748	6,411	1,298,937
Inventories	68,505	1,013	69,518	34,252
Other	2,781	23,413	26,194	225,973
Total current assets	24,188,077	3,746,202	27,934,279	9,804,813
<u>Noncurrent assets</u>				
Restricted cash and cash equivalents	.....	54	54	228,295
Restricted pooled investments with State Treasury	.....	315,338	315,338	290,443
Restricted investments	.....	3,472,745	3,472,745	3,005,232
Long term investments	2,118,745	3,333,640	5,452,385	3,503,026
Other loans and notes receivable	1,887,202	.....	1,887,202	3,093,123
Other	32,516	13,204	45,720	223,963
Noncurrent assets excluding capital assets	4,038,463	7,134,981	11,173,444	10,344,082
Capital assets:				
Land and other nondepreciable assets	13,361,913	795,315	14,157,228	4,056,268
Nondepreciable infrastructure	25,749,781	3,795,489	29,545,270	.....
Buildings, equipment, and other depreciable assets	5,954,209	327,957	6,282,166	13,641,193
Accumulated depreciation	(2,847,020)	(159,899)	(3,006,919)	(5,634,291)
Construction work in progress	5,793,435	639,297	6,432,732	1,251,266
Total capital assets	48,012,318	5,398,159	53,410,477	13,314,436
Total noncurrent assets	52,050,781	12,533,140	64,583,921	23,658,518
Total assets	76,238,858	16,279,342	92,518,200	33,463,331

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

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and other liabilities	3,232,760	1,101,179	4,333,939	3,170,710
Accrued prize liability	.....	314,306	314,306	.....
Due to component units/primary	55,146	290	55,436	333,313
Compensated absences	169,265	3,975	173,240	57,122
Installment purchases/capital leases	24,131	205	24,336	18,602
Claims payable	324,012	.....	324,012	6,713
Bonds payable	709,315	.....	709,315	211,699
Bonds payable from restricted assets	.....	63,610	63,610	.....
Certificates of participation payable	5,820	.....	5,820	2,340
Deposits	170,634	14,675	185,309	38,912
Deferred revenue	.....	.....	.....	1,171,082
Obligations under security lending agreements	4,512,206	2,653,242	7,165,448	.....
Obligations under reverse repurchase agreements	1,659,908	114,913	1,774,821	.....
Other	.....	.....	.....	226,944
Total current liabilities	10,863,197	4,266,395	15,129,592	5,237,437
<u>Noncurrent liabilities</u>				
Accrued prize liability	.....	1,231,333	1,231,333	.....
Due to other governments	17,365	138	17,503	8,470
Due to primary	.....	.....	.....	99,149
Bonds payable	16,892,655	2,000,325	18,892,980	5,051,296
Certificates of participation payable	79,321	.....	79,321	317,277
Installment purchases/capital leases	149,548	.....	149,548	89,197
Deposits	284,698	438,735	723,433	28,784
Deferred revenue	.....	.....	.....	55,343
Claims payable	2,000,275	.....	2,000,275	71,570
Compensated absences	590,181	15,824	606,005	464,988
Other	33,084	.....	33,084	2,605,566
Total noncurrent liabilities	20,047,127	3,686,355	23,733,482	8,791,640
Total liabilities	30,910,324	7,952,750	38,863,074	14,029,077
NET ASSETS				
Invested in capital assets, net of related debt	43,469,131	3,331,056	46,800,187	11,210,161
Restricted for:				
Environment, Recreation and Conservation	2,251,215	.....	2,251,215	.....
Health and Family Services	682,991	.....	682,991	.....
Transportation	1,017,620	.....	1,017,620	.....
Public Education	1,037,249	.....	1,037,249	.....
Tax Collection and Administration	220,221	.....	220,221	.....
Employment Services	405,403	.....	405,403	.....
Other governmental funds	339,061	.....	339,061	.....
Lottery	.....	204,037	204,037	.....
Unemployment Compensation	.....	1,698,824	1,698,824	.....
Hurricane Catastrophe Fund	.....	2,387,054	2,387,054	.....
Debt Service	82,955	.....	82,955	94,499
Other	.....	395,216	395,216	2,138,120
Funds held for permanent endowment				
Expendable	.....	.....	.....	1,378,659
Nonexpendable	1,873,866	.....	1,873,866	2,380,960
Unrestricted (deficit)	(6,051,178)	310,405	(5,740,773)	2,231,855
Total net assets	\$ 45,328,534	\$ 8,326,592	\$ 53,655,126	\$ 19,434,254

2005 STATE OF FLORIDA CAFR

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary government				
Governmental activities:				
General government	\$ 6,902,109	\$ 3,469,736	\$ 927,239	\$ 627
Education	17,439,674	209,149	2,379,777	150
Human services	19,865,453	885,836	12,458,214	948
Criminal justice and corrections	3,466,376	192,988	156,995	4,181
Natural resources and environment	3,298,381	288,837	1,539,650	35,260
Transportation	3,147,739	174,836	30,405	1,956,967
State courts	367,941	13,517	555	.....
Indirect interest on long-term debt	20,028	.....	.....	.....
Total governmental activities	54,507,701	5,234,899	17,492,835	1,998,133
Business-type activities:				
Transportation	321,595	665,097	1,927	430
Lottery	2,528,646	3,635,052	.....	.....
Unemployment Compensation	981,954	1,253,872	46,468	.....
State Board of Administration	3,811,900	787,759	.....	.....
Nonmajor enterprise funds	176,683	264,304	756	2
Total business-type activities	7,820,778	6,606,084	49,151	432
Total primary government	\$ 62,328,479	\$ 11,840,983	\$ 17,541,986	\$ 1,998,565
Component units				
Florida Housing Finance Corporation	\$ 603,182	\$ 220,133	\$	\$ 419,741
South Florida Water Management District	373,574	10,821	41,968	157,103
University of Florida	3,703,490	2,109,563	854,362	82,086
Florida State University	817,658	264,664	254,141	9,924
University of South Florida	1,087,872	337,084	397,787	62,240
Citizens Property Insurance Corporation	3,017,818	1,022,503	.....	.....
Nonmajor component units	5,249,467	1,266,984	1,144,695	705,715
Total component units	\$ 14,853,061	\$ 5,231,752	\$ 2,692,953	\$ 1,436,809

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

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

2005 STATE OF FLORIDA CAFR

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS

PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	COMPONENT UNITS
\$ (2,504,507)	\$	\$ (2,504,507)	\$
(14,850,598)	.....	(14,850,598)	.....
(6,520,455)	.....	(6,520,455)	.....
(3,112,212)	.....	(3,112,212)	.....
(1,434,634)	.....	(1,434,634)	.....
(985,531)	.....	(985,531)	.....
(353,869)	.....	(353,869)	.....
(20,028)	.....	(20,028)	.....
(29,781,834)	.....	(29,781,834)	.....
.....	345,859	345,859	.....
.....	1,106,406	1,106,406	.....
.....	318,386	318,386	.....
.....	(3,024,141)	(3,024,141)	.....
.....	88,379	88,379	.....
.....	(1,165,111)	(1,165,111)	.....
(29,781,834)	(1,165,111)	(30,946,945)	.....
.....	.....	.....	36,692
.....	.....	.....	(163,682)
.....	.....	.....	(657,479)
.....	.....	.....	(288,929)
.....	.....	.....	(290,761)
.....	.....	.....	(1,995,315)
.....	.....	.....	(2,132,073)
.....	.....	.....	(5,491,547)
19,056,249	.....	19,056,249	.....
2,414,012	.....	2,414,012	.....
1,785,213	.....	1,785,213	.....
3,376,210	.....	3,376,210	.....
998,904	.....	998,904	.....
1,343,835	.....	1,343,835	.....
294,889	.....	294,889	.....
496,725	.....	496,725	.....
1,088,542	.....	1,088,542	.....
.....	.....	.....	582,890
1,480,476	.....	1,480,476	.....
300,620	28,872	329,492	502,795
.....	(17,018)	(17,018)	18,666
.....	.....	.....	3,409,474
1,249,753	(1,249,753)	.....	22,054
.....	.....	.....	166,733
.....	.....	.....	6,091
.....	(1,272)	(1,272)	542,103
33,885,428	(1,239,171)	32,646,257	5,250,806
4,103,594	(2,404,282)	1,699,312	(240,741)
41,009,650	10,784,440	51,794,090	19,622,122
215,290	(53,566)	161,724	52,873
\$ 45,328,534	\$ 8,326,592	\$ 53,655,126	\$ 19,434,254

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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.

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.

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, such as workers compensation, employment security, labor market statistics, and administration of the unemployment compensation program.

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 139.

2005 STATE OF FLORIDA CAFR

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation	Public Education
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 3,290	\$ 1,368	\$ 27,892	\$ 6,078	\$
Pooled investments with State Treasury	9,885,947	1,960,042	924,395	1,294,816	1,709,754
Investments	3,164	.....	79	.....	.....
Receivables, net	1,407,008	87,440	1,181,885	139,752	177,655
Due from other funds	290,073	61,864	72,449	293,386	176,357
Due from component units/primary	1,994	1,850	.....	6	.....
Inventories	16,091	1,104	30,279	14,408	.....
Other	761	.....	.....	754	.....
Total current assets	11,608,328	2,113,668	2,236,979	1,749,200	2,063,766
<u>Noncurrent assets</u>					
Long-term investments	.....	.....	.....	.....	.....
Advances to other funds	12,719	.....	326	172,921	.....
Other loans and notes receivable, net	78,820	758,733	13,705	581,391	.....
Other	.....	.....	.....	9,523	.....
Total noncurrent assets	91,539	758,733	14,031	763,835	.....
Total assets	\$ 11,699,867	\$ 2,872,401	\$ 2,251,010	\$ 2,513,035	\$ 2,063,766
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 837,315	\$ 38,410	\$ 1,115,945	\$ 384,061	\$ 13,199
Due to other funds	96,407	12,426	44,261	5,253	8,864
Due to component units/primary	11,084	1,866	11,288	.....	.....
Compensated absences	12,219	273	1,778	5,392	77
Claims payable	20,773	.....	.....	.....	.....
Deposits	755	3,605	237	147,636	.....
Deferred revenues	3,652	1,826	69,098	13,241	.....
Obligations under security lending agreements	2,731,782	394,777	22,713	245,551	328,286
Obligations under reverse repurchase agreements	1,133,835	163,854	9,427	101,917	136,256
Total current liabilities	4,847,822	617,037	1,274,747	903,051	486,682
<u>Noncurrent liabilities</u>					
Advances from other funds	600	3,798	.....	10,000	264,965
Deposits	.....	.....	25,539	255,953	.....
Deferred revenues	326	.....	1,698	326,411	.....
Total noncurrent liabilities	926	3,798	27,237	592,364	264,965
Total liabilities	4,848,748	620,835	1,301,984	1,495,415	751,647
<u>Fund balances</u>					
Reserved for encumbrances	78,253	3,197	4,416	540,195	52,452
Reserved for inventories	16,091	1,104	30,279	14,408	.....
Reserved for advances	12,719	.....	326	172,921	.....
Reserved for long-term receivables	78,494	758,733	8,582	241,739	.....
Reserved for capital outlay	93,857	852,721	13,576	.....	907,887
Reserved for debt service	.....	.....	.....	.....	.....
Reserved for permanent trust	.....	.....	.....	.....	.....
Reserved for Budget Stabilization Fund	995,805	.....	.....	.....	.....
Reserved for Working Capital Fund	316,562	.....	.....	.....	.....
Other reserved	2,067	64,238	.....	5,669	.....
Unreserved, reported in:					
General fund	5,257,271	.....	.....	.....	.....
Special revenue funds	.....	571,573	891,847	42,688	351,780
Capital projects funds	.....	.....	.....	.....	.....
Permanent fund	.....	.....	.....	.....	.....
Total fund balances	6,851,119	2,251,566	949,026	1,017,620	1,312,119
Total liabilities and fund balances	\$ 11,699,867	\$ 2,872,401	\$ 2,251,010	\$ 2,513,035	\$ 2,063,766

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

2005 STATE OF FLORIDA CAFR

Tax Collection and Administration	Employment Services	Lawton Chiles Endowment Fund	Nonmajor Governmental Funds	Totals 6/30/05
\$ 36,025	\$ 66	\$ 890	\$ 29,500	\$ 105,109
458,588	529,318	.....	1,275,870	18,038,730
171,020	2,587	329,102	350,039	855,991
263,714	131,499	18,020	945,436	4,352,409
2,056	1,567	.....	143,508	1,041,260
.....	.....	.....	.....	3,850
75	.....	.....	6,443	68,400
.....	.....	.....	1,266	2,781
<u>931,478</u>	<u>665,037</u>	<u>348,012</u>	<u>2,752,062</u>	<u>24,468,530</u>
.....	.....	1,862,219	256,526	2,118,745
.....	.....	.....	500	186,466
.....	.....	.....	454,553	1,887,202
.....	.....	.....	21,993	31,516
.....	.....	1,862,219	733,572	4,223,929
<u>\$ 931,478</u>	<u>\$ 665,037</u>	<u>\$ 2,210,231</u>	<u>\$ 3,485,634</u>	<u>\$ 28,692,459</u>
\$ 136,020	\$ 58,263	\$ 52,911	\$ 204,441	\$ 2,840,565
420,737	30,782	69	858,636	1,477,435
25,245	154	.....	5,499	55,136
8	73	.....	485	20,305
.....	24,290	.....	.....	45,063
.....	1,376	.....	13,525	167,134
.....	.....	.....	4,940	92,757
.....	102,256	283,385	397,007	4,505,757
.....	42,442	.....	69,499	1,657,230
<u>582,010</u>	<u>259,636</u>	<u>336,365</u>	<u>1,554,032</u>	<u>10,861,382</u>
7	.....	.....	1,493	280,863
.....	.....	.....	3,206	284,698
.....	.....	.....	27,136	355,571
<u>7</u>	<u>.....</u>	<u>.....</u>	<u>31,835</u>	<u>921,132</u>
<u>582,017</u>	<u>259,636</u>	<u>336,365</u>	<u>1,585,867</u>	<u>11,782,514</u>
1	6,274	.....	113,360	798,148
75	.....	.....	6,443	68,400
.....	.....	.....	.....	185,966
.....	.....	.....	451,977	1,539,525
.....	.....	.....	65,544	1,933,585
.....	.....	.....	82,955	82,955
.....	.....	1,873,866	.....	1,873,866
.....	.....	.....	.....	995,805
.....	.....	.....	.....	316,562
.....	.....	.....	37,264	109,238
.....	.....	.....	.....	5,257,271
<u>349,385</u>	<u>399,127</u>	<u>.....</u>	<u>1,098,992</u>	<u>3,705,392</u>
.....	.....	.....	41,250	41,250
.....	.....	.....	1,982	1,982
<u>349,461</u>	<u>405,401</u>	<u>1,873,866</u>	<u>1,899,767</u>	<u>16,909,945</u>
<u>\$ 931,478</u>	<u>\$ 665,037</u>	<u>\$ 2,210,231</u>	<u>\$ 3,485,634</u>	<u>\$ 28,692,459</u>

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**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET ASSETS
JUNE 30, 2005
(in thousands)**

Total fund balances for governmental funds		\$ 16,909,945
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	13,361,579	
Nondepreciable infrastructure	25,749,781	
Buildings, equipment and other depreciable assets	5,075,738	
Accumulated depreciation	(2,566,138)	
Construction work in progress	5,793,435	
	47,414,395	47,414,395
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(725,801)	
Installment purchases/capital leases	(138,148)	
Claims payable	(2,279,224)	
Due to other governments	(17,365)	
Bonds payable	(17,253,161)	
Other	(32,083)	
	(20,445,782)	(20,445,782)
Assets held in escrow (Agency Fund) for bonds not legally defeased are not fund financial resources and therefore are not reported in the funds.		161,995
Bonds sold prior to June 30, 2005, with cash received after June 30, 2005, for the purpose of defeasing a portion of the State's long-term debt.		681,743
Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Assets.		(40,104)
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.		448,328
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.		198,014
Net assets of governmental activities		\$ 45,328,534

2005 STATE OF FLORIDA CAFR

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation	Public Education
REVENUES					
Taxes	\$ 23,779,262	\$	\$ 322,992	\$	\$ 898,499
Licenses and permits	93,559	44,708	23,789	10,046	.....
Fees and charges	698,288	82,852	850,532	167,845	56,493
Grants and donations	16,100	133,863	12,558,079	1,937,016	2,248,851
Investment earnings	302,350	61,391	7,278	29,495	60,984
Fines, forfeits, settlements and judgments	64,360	11,258	34,236	16,848	137
Other revenue (Note 4)	217,873	527	3,751	4,299	328
Total revenues	25,171,792	334,599	13,800,657	2,165,549	3,265,292
EXPENDITURES					
Current:					
General government	3,678,015	.....	175,388	.....	.....
Education	11,983,388	.....	.....	.....	4,721,075
Human services	5,604,624	.....	13,810,113	.....	.....
Criminal justice and corrections	3,028,290	.....	.....	.....	.....
Natural resources and environment	347,575	1,116,033	28,998	.....	.....
Transportation	.....	.....	.....	3,021,516	.....
State courts	352,641	.....	.....	.....	.....
Capital outlay	74,215	129,090	16,442	1,524,431	32
Debt service:					
Principal retirement	5,680	.....	1,692	.....	.....
Interest and fiscal charges	1,405	.....	1,490	.....	.....
Total expenditures	25,075,833	1,245,123	14,034,123	4,545,947	4,721,107
Excess (deficiency) of revenues over expenditures	95,959	(910,524)	(233,466)	(2,380,398)	(1,455,815)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	2,902	.....	.....	371,163	840,967
Proceeds of refunding bonds	.....	.....	.....	.....	.....
Operating transfers in	3,218,776	1,728,581	857,280	2,653,958	1,498,415
Operating transfers out	(1,522,339)	(625,504)	(509,587)	(414,609)	(1,014,264)
Proceeds of financing agreements	1,582	.....	.....	.....	.....
Payments to refunded bond agent	.....	.....	.....	.....	.....
Total other financing sources (uses)	1,700,921	1,103,077	347,693	2,610,512	1,325,118
Net change in fund balances	1,796,880	192,553	114,227	230,114	(130,697)
Fund balances - beginning	5,054,239	2,059,013	834,799	804,510	1,359,199
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	(17,004)	83,617
Fund balances - beginning, as restated	5,054,239	2,059,013	834,799	787,506	1,442,816
Fund balances - ending	\$ 6,851,119	\$ 2,251,566	\$ 949,026	\$ 1,017,620	\$ 1,312,119

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

2005 STATE OF FLORIDA CAFR

Tax Collection and Administration	Employment Services	Lawton Chiles Endowment Fund	Nonmajor Governmental Funds	Totals 6/30/05
\$ 6,855,588	\$ 330,217	\$	\$ 148,362	\$ 32,334,920
19,507	18	.....	1,071,898	1,263,525
213,351	7,625	.....	411,544	2,488,530
70	665,818	.....	1,710,495	19,270,292
2,333	13,128	182,946	69,213	729,118
9,537	10,995	631	482,680	630,682
1,093	626	.....	88,693	317,190
<u>7,101,479</u>	<u>1,028,427</u>	<u>183,577</u>	<u>3,982,885</u>	<u>57,034,257</u>
968,894	1,125,000	8,625	935,458	6,891,380
.....	136,090	.....	3,815	16,844,368
.....	.....	.....	395,352	19,810,089
.....	.....	.....	356,377	3,384,667
.....	.....	.....	1,537,765	3,030,371
.....	.....	.....	18	3,021,534
.....	.....	.....	7,733	360,374
1,318	1,824	.....	401,282	2,148,634
.....	.....	.....	788,582	795,954
.....	.....	.....	822,977	825,872
<u>970,212</u>	<u>1,262,914</u>	<u>8,625</u>	<u>5,249,359</u>	<u>57,113,243</u>
<u>6,131,267</u>	<u>(234,487)</u>	<u>174,952</u>	<u>(1,266,474)</u>	<u>(78,986)</u>
.....	.....	.....	16,308	1,231,340
.....	.....	.....	2,470,805	2,470,805
25,108	378,395	.....	3,111,751	13,472,264
(6,176,678)	(97,960)	(40,124)	(1,706,610)	(12,107,675)
.....	.....	.....	43,237	44,819
.....	.....	.....	(2,470,805)	(2,470,805)
<u>(6,151,570)</u>	<u>280,435</u>	<u>(40,124)</u>	<u>1,464,686</u>	<u>2,640,748</u>
<u>(20,303)</u>	<u>45,948</u>	<u>134,828</u>	<u>198,212</u>	<u>2,561,762</u>
<u>369,764</u>	<u>354,567</u>	<u>1,739,038</u>	<u>1,703,147</u>	<u>14,278,276</u>
.....	4,886	.....	(1,592)	69,907
<u>369,764</u>	<u>359,453</u>	<u>1,739,038</u>	<u>1,701,555</u>	<u>14,348,183</u>
<u>\$ 349,461</u>	<u>\$ 405,401</u>	<u>\$ 1,873,866</u>	<u>\$ 1,899,767</u>	<u>\$ 16,909,945</u>

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2005 STATE OF FLORIDA CAFR

**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, 2005
(in thousands)**

Net change in fund balance - total governmental funds \$ 2,561,762

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 (expense) of the internal service funds is reported with governmental activities. (25,315)

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 outlay expenditures exceeded depreciation in the current period.

Capital outlay expenditures	2,371,956	
Depreciation expense	(309,944)	
	2,062,012	2,062,012

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. (127,570)

In the Statement of Activities, some revenues are recognized that do not provide current financial resources and are not recognized as revenues in the governmental funds until available, i.e., deferred revenues. 85,469

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.

Increase in compensated absences	(23,219)	
Increase in accrued interest	(809)	
Decrease in claims payable	84,816	
Decrease in arbitrage liability	133	
Increase in due to other governments	(10,328)	
Increase in other liabilities	(31,583)	
	19,010	19,010

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.

Bond proceeds	(1,231,340)	
Refunding bond proceeds	(2,470,805)	
Financing agreement proceeds	(44,819)	
Repayment of bonds	772,746	
Repayment of capital leases/installment purchase contracts	23,096	
Payment to refunded bond escrow agent	2,470,805	
Amortization of bond premium	55,718	
Amortization of deferred amount on refunding	(11,048)	
Accrued interest at refunding	(36,127)	
	(471,774)	(471,774)

Change in net assets of governmental activities \$ 4,103,594

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PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

TRANSPORTATION

This fund includes the internal reporting enterprise funds that 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 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 enterprise funds are presented on page 173.

Internal Service Funds

Internal service funds are presented on page 179.

2005 STATE OF FLORIDA CAFR

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005
(in thousands)**

	Transportation	Lottery	Unemployment Compensation	State Board of Administration
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 14,609	\$ 299	\$ 1,326	\$ 1
Pooled investments with State Treasury	613,771	295,609	1,803,851	.....
Investments	.....	.....	.....	760,918
Receivables, net	5,952	52,231	356,885	9,231
Due from other funds	1,668	.....	2,500	5,115
Due from component units/primary	.....	.....	471	.....
Inventories	.....	1,006	.....	.....
Other	170	2,241	.....	20,971
Total current assets	636,170	351,386	2,165,033	796,236
<u>Noncurrent assets</u>				
Restricted cash and cash equivalents	54	.....	.....	.....
Restricted pooled investments with State Treasury	315,338	.....	.....	.....
Restricted investments	93,780	3,378,965	.....	.....
Long-term investments	.....	.....	.....	3,333,640
Advances to other funds	500	.....	.....	.....
<u>Capital assets</u>				
Land and other nondepreciable assets	795,315	.....	.....	.....
Nondepreciable infrastructure	3,795,489	.....	.....	.....
Buildings, equipment, and other depreciable assets	277,512	18,281	.....	15,064
Accumulated depreciation	(125,275)	(16,801)	.....	(7,252)
Construction work in progress	639,297	.....	.....	.....
Other	13,204	.....	.....	.....
Total noncurrent assets	5,805,214	3,380,445	.....	3,341,452
Total assets	6,441,384	3,731,831	2,165,033	4,137,688
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	38,916	61,910	23,901	971,186
Accrued prize liability	.....	314,306	.....	.....
Due to other funds	76,570	163,306	158	16
Due to component units/primary	.....	.....	.....	.....
Compensated absences	.....	800	.....	703
Installment purchases/capital leases	205	.....	.....	.....
Bonds payable	.....	.....	.....	.....
Bonds payable from restricted assets	63,610	.....	.....	.....
Deposits	872	.....	.....	.....
Obligations under security lending agreements	186,378	1,726,922	895	709,289
Obligations under reverse repurchase agreements	77,357	24,833	372	.....
Certificates of participation payable	.....	.....	.....	.....
Total current liabilities	443,908	2,292,077	25,326	1,681,194
<u>Noncurrent liabilities</u>				
Advances from other funds	168,265	.....	.....	.....
Accrued prize liability	.....	1,231,333	.....	.....
Due to other governments	138	.....	.....	.....
Bonds payable	2,000,325	.....	.....	.....
Certificates of participation payable	.....	.....	.....	.....
Installment purchases/capital leases	.....	.....	.....	.....
Deposits	4,830	.....	433,905	.....
Compensated absences	.....	2,903	.....	2,393
Total noncurrent liabilities	2,173,558	1,234,236	433,905	2,393
Total liabilities	2,617,466	3,526,313	459,231	1,683,587
NET ASSETS				
Invested in capital assets, net of related debt	3,315,233	1,481	.....	7,812
Restricted for lottery	.....	204,037	.....	.....
Restricted for unemployment compensation	.....	.....	1,698,824	.....
Restricted for Hurricane Catastrophe Fund	.....	.....	.....	2,387,054
Restricted - other	395,216	.....	.....	.....
Unrestricted	113,469	.....	6,978	59,235
Total net assets	\$ 3,823,918	\$ 205,518	\$ 1,705,802	\$ 2,454,101

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

2005 STATE OF FLORIDA CAFR

Nonmajor Enterprise Funds	Totals 6/30/05	Internal Service Funds
\$ 1,775	\$ 18,010	\$ 19,986
198,752	2,911,983	41,425
.....	760,918	37,837
7,759	432,058	12,652
3,697	12,980	26,063
277	748	1,813
7	1,013	105
31	23,413	.....
<u>212,298</u>	<u>4,161,123</u>	<u>139,881</u>
.....	54	.....
.....	315,338	.....
.....	3,472,745	.....
.....	3,333,640	.....
.....	500	.....
.....	795,315	334
.....	3,795,489	.....
17,100	327,957	878,471
(10,571)	(159,899)	(280,882)
.....	639,297	.....
.....	13,204	.....
<u>6,529</u>	<u>12,533,640</u>	<u>597,923</u>
<u>218,827</u>	<u>16,694,763</u>	<u>737,804</u>
5,257	1,101,170	38,393
.....	314,306	.....
7,115	247,165	3,136
290	290	10
2,472	3,975	2,592
.....	205	2,342
.....	.....	13,315
.....	63,610	.....
13,803	14,675	3,500
29,758	2,653,242	6,449
12,351	114,913	2,678
.....	.....	5,820
<u>71,046</u>	<u>4,513,551</u>	<u>78,235</u>
.....	168,265	2,803
.....	1,231,333	.....
.....	138	.....
.....	2,000,325	335,494
.....	.....	79,321
.....	.....	33,189
.....	438,735	.....
<u>10,528</u>	<u>15,824</u>	<u>10,748</u>
<u>10,528</u>	<u>3,854,620</u>	<u>461,555</u>
<u>81,574</u>	<u>8,368,171</u>	<u>539,790</u>
6,530	3,331,056	128,442
.....	204,037	.....
.....	1,698,824	.....
.....	2,387,054	.....
.....	395,216	.....
<u>130,723</u>	<u>310,405</u>	<u>69,572</u>
<u>\$ 137,253</u>	<u>\$ 8,326,592</u>	<u>\$ 198,014</u>

2005 STATE OF FLORIDA CAFR

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005
 (in thousands)**

	Transportation	Lottery	Unemployment Compensation	State Board of Administration
OPERATING REVENUES				
Sales - nonstate	\$ 8,933	\$ 3,476,195	\$	\$ 620,999
Fees	625,861	.....	1,170,113	101
Sales - state	.....	.....	.....	19,829
Rents and royalties - nonstate	8,618	72	.....	8
Rents - state	8	.....	.....	.....
Fines, forfeits, settlements and judgments	532	.....	.....	.....
Other revenue	.....	22	.....	.....
Total operating revenues	<u>643,952</u>	<u>3,476,289</u>	<u>1,170,113</u>	<u>640,937</u>
OPERATING EXPENSES				
Benefit payments	.....	.....	976,566	.....
Payment of lottery winnings	.....	2,044,246	.....	.....
Commissions on lottery sales	.....	197,781	.....	.....
Contractual services	194,020	108,104	5,276	3,772,076
Personal services	33,618	24,022	.....	13,783
Depreciation	17,861	1,005	.....	1,975
Materials and supplies	5,082	1,492	102	697
Repairs and maintenance	.....	2,139	.....	964
Basic services	.....	4,558	.....	2,074
Interest and fiscal charges	2	.....	.....	319
Bad debt	79	293	.....	.....
Total operating expenses	<u>250,662</u>	<u>2,383,640</u>	<u>981,944</u>	<u>3,791,888</u>
Operating income (loss)	<u>393,290</u>	<u>1,092,649</u>	<u>188,169</u>	<u>(3,150,951)</u>
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	2,241	.....	46,459	.....
Investment earnings	30,857	158,576	96,235	131,049
Interest and fiscal charges	(70,933)	(144,934)	(8)	(20,014)
Property disposition gain (loss)	(16,439)	(45)	.....	.....
Grant expense and client benefits	.....	.....	.....	.....
Other	1,197	187	.....	.....
Total nonoperating revenues (expenses)	<u>(53,077)</u>	<u>13,784</u>	<u>142,686</u>	<u>111,035</u>
Income (loss) before transfers and contributions	340,213	1,106,433	330,855	(3,039,916)
Operating transfers in	14,050	33	8,426	18,961
Operating transfers out	(33,261)	(1,104,635)	(6,200)	(61,286)
Capital contributions	116	.....	.....	.....
Change in net assets	<u>321,118</u>	<u>1,831</u>	<u>333,081</u>	<u>(3,082,241)</u>
Total net assets - beginning	3,578,177	203,687	1,372,721	5,514,531
Adjustments to increase (decrease) beginning net assets	<u>(75,377)</u>	<u>.....</u>	<u>.....</u>	<u>21,811</u>
Total net assets - beginning, as restated	<u>3,502,800</u>	<u>203,687</u>	<u>1,372,721</u>	<u>5,536,342</u>
Total net assets - ending	<u>\$ 3,823,918</u>	<u>\$ 205,518</u>	<u>\$ 1,705,802</u>	<u>\$ 2,454,101</u>

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

Nonmajor Enterprise Funds	Totals 6/30/05	Internal Service Funds
\$ 76,164	\$ 4,182,291	\$ 43,111
171,230	1,967,305	.....
576	20,405	238,537
.....	8,698	1
32	40	89,857
14,531	15,063	.....
18	40	.....
<u>262,551</u>	<u>6,193,842</u>	<u>371,506</u>
.....	976,566	.....
.....	2,044,246	.....
.....	197,781	.....
26,711	4,106,187	200,639
112,308	183,731	96,236
1,790	22,631	19,713
5,092	12,465	13,293
329	3,432	18,231
28,367	34,999	12,755
241	562	373
.....	372	.....
<u>174,838</u>	<u>7,582,972</u>	<u>361,240</u>
<u>87,713</u>	<u>(1,389,130)</u>	<u>10,266</u>
756	49,456	14
3,915	420,632	1,866
(118)	(236,007)	(21,087)
(534)	(17,018)	(4,061)
(1,725)	(1,725)	.....
(1,136)	248	.....
<u>1,158</u>	<u>215,586</u>	<u>(23,268)</u>
88,871	(1,173,544)	(13,002)
2,513	43,983	1,636
(69,457)	(1,274,839)	(14,322)
2	118	373
<u>21,929</u>	<u>(2,404,282)</u>	<u>(25,315)</u>
115,324	10,784,440	223,329
.....	(53,566)	.....
<u>115,324</u>	<u>10,730,874</u>	<u>223,329</u>
<u>\$ 137,253</u>	<u>\$ 8,326,592</u>	<u>\$ 198,014</u>

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Transportation	Lottery	Unemployment Compensation
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 651,638	\$ 3,471,770	\$ 1,123,969
Cash paid to vendors	(210,877)	(311,882)	(5,372)
Cash paid to employees	(1,469)	(23,694)	.....
Cash paid for grants made	.....	.....	.....
Lottery prizes	.....	(2,024,858)	.....
Cash paid for insurance claims	.....	.....	.....
Unemployment benefits	.....	.....	(976,265)
Net cash provided (used) by operating activities	439,292	1,111,336	142,332
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	(30,969)	(1,063,433)	2,222
Advances, grants or loans (to) from or repayment from others	.....	.....	46,443
Cash received from non-capital grants or donations	.....	.....	.....
Net cash provided (used) by noncapital financing activities	(30,969)	(1,063,433)	48,665
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash receipts from sale of capital assets	.....	17	.....
Cash received from the sale of bonds	281,897	.....	.....
Payment of bond principal	(65,785)	.....	.....
Payment of principal installment purchase/capital lease	.....	.....	.....
Payment of interest on bonds/installment purchase/capital lease	(106,936)	.....	.....
Purchase or construction of capital assets	(347,412)	(28)	.....
Net cash provided (used) by capital and related financing activities	(238,236)	(11)	.....
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	127,198	36,177	(514)
Proceeds from the sale or maturity of investments	888,142	244,124	.....
Investment earnings	36,004	11,552	93,034
Purchase of investments	(922,174)	(244,124)	.....
Net cash provided (used) by investing activities	129,170	47,729	92,520
Net increase (decrease) in cash and cash equivalents	299,257	95,621	283,517
Cash and cash equivalents - beginning	644,515	200,287	1,521,660
Cash and cash equivalents - ending	\$ 943,772	\$ 295,908	\$ 1,805,177

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

2005 STATE OF FLORIDA CAFR

State Board of Administration	Nonmajor Enterprise Funds	Totals 6/30/05	Internal Service Funds
\$ 639,861	\$ 266,184	\$ 6,153,422	\$ 380,428
(26,028)	(59,951)	(614,110)	(247,688)
(13,928)	(111,938)	(151,029)	(91,365)
.....	(964)	(964)	.....
.....	.....	(2,024,858)	.....
(2,821,625)	(90)	(2,821,715)	.....
.....	.....	(976,265)	.....
<u>(2,221,720)</u>	<u>93,241</u>	<u>(435,519)</u>	<u>41,375</u>
(42,332)	(69,425)	(1,203,937)	(17,686)
.....	(134)	46,309	.....
.....	33	33	14
<u>(42,332)</u>	<u>(69,526)</u>	<u>(1,157,595)</u>	<u>(17,672)</u>
.....	.....	17	.....
.....	.....	281,897	.....
.....	.....	(65,785)	(12,730)
.....	(57)	(57)	(21,992)
.....	(2)	(106,938)	.....
<u>(1,511)</u>	<u>(1,186)</u>	<u>(350,137)</u>	<u>(1,651)</u>
<u>(1,511)</u>	<u>(1,245)</u>	<u>(241,003)</u>	<u>(36,373)</u>
.....	18,537	181,398	1,217
106,847,182	573	107,980,021	.....
105,330	3,109	249,029	5,440
<u>(104,721,968)</u>	<u>.....</u>	<u>(105,888,266)</u>	<u>.....</u>
<u>2,230,544</u>	<u>22,219</u>	<u>2,522,182</u>	<u>6,657</u>
(35,019)	44,689	688,065	(6,013)
35,020	155,838	2,557,320	67,424
<u>\$ 1</u>	<u>\$ 200,527</u>	<u>\$ 3,245,385</u>	<u>\$ 61,411</u>

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

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

	<u>Transportation</u>	<u>Lottery</u>	<u>Unemployment Compensation</u>
Operating income (loss)	\$ 393,290	\$ 1,092,649	\$ 188,169
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	17,861	1,005	.....
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(2,632)	(4,230)	(22,831)
(Increase) decrease in due from other funds	.....	.....	.....
Increase (decrease) in allowance for uncollectibles	.....	3	(27,643)
(Increase) decrease in inventories	(170)	(13)	.....
Increase (decrease) in accounts payable	(4,370)	2,859	4,637
Increase (decrease) in compensated absences	.....	408	.....
Increase (decrease) in due to other funds	35,264	(733)	.....
Increase (decrease) in deferred revenues	49	.....	.....
Increase (decrease) in prize liability	.....	19,388	.....
Net cash provided (used) by operating activities	<u>\$ 439,292</u>	<u>\$ 1,111,336</u>	<u>\$ 142,332</u>

Noncash investing, capital, and financing activities

Capital appreciation	\$	\$	\$
Contribution of fixed assets	\$	\$	\$

2005 STATE OF FLORIDA CAFR

State Board of Administration	Nonmajor Enterprise Funds	Totals 6/30/05	Internal Service Funds
\$ (3,150,951)	\$ 87,713	\$ (1,389,130)	\$ 10,266
1,975	1,790	22,631	19,713
(21,243)	(911)	(51,847)	3,034
89	(218)	(129)	5,322
.....	329	(27,311)	.....
.....	(4)	(187)	(9)
948,283	(316)	951,093	1,598
117	1,112	1,637	(233)
10	182	34,723	1,334
.....	3,564	3,613	350
.....	19,388
<u>\$ (2,221,720)</u>	<u>\$ 93,241</u>	<u>\$ (435,519)</u>	<u>\$ 41,375</u>

\$ 7,483	\$	\$ 7,483	\$
\$	\$	\$	\$ 27

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FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS

Individual fund descriptions and financial statements begin on page 185.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

Individual fund descriptions and financial statements begin on page 191.

AGENCY FUNDS

Individual fund descriptions and financial statements begin on page 197.

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.

2005 STATE OF FLORIDA CAFR

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2005
(in thousands)

	Private- purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Agency Funds	Investment Trust Fund	Totals 6/30/05
ASSETS					
Cash and cash equivalents	\$ 18,345	\$ 130,062	\$ 24,275	\$ 15,167	\$ 187,849
Pooled investments with State Treasury	579,503	346,245	6,181,604	.....	7,107,352
Total cash and cash equivalents	597,848	476,307	6,205,879	15,167	7,295,201
<u>Investments</u>					
Certificates of deposit	17,587	619,979	40,263	934,871	1,612,700
U.S. government & federally guaranteed obligations	3,310,511	4,722,606	1,851,061	622,847	10,507,025
Federal agencies	592,486	7,838,641	242,090	3,595,312	12,268,529
Commercial paper	35,132	4,868,415	462,809	10,800,547	16,166,903
Repurchase agreements	22,098	820,411	5,813	504,045	1,352,367
Bonds and notes	605,510	8,626,076	46,486	1,065,767	10,343,839
International bonds and notes	.....	1,150,448	.....	.....	1,150,448
Real estate contracts	.....	4,596,264	.....	.....	4,596,264
Mutual fund investments	5,701	9,789,323	.....	.....	9,795,024
Money market and short-term investments	241,291	180,386	.....	.....	421,677
Domestic equity	482,564	56,732,243	.....	.....	57,214,807
Limited partnerships	.....	2,770,530	.....	.....	2,770,530
Equity group trust	.....	10,012	.....	.....	10,012
International equity	.....	10,536,648	.....	.....	10,536,648
Deferred compensation contracts	.....	1,835,326	.....	.....	1,835,326
Other investments	.....	1,282	.....	.....	1,282
Total investments	5,312,880	115,098,590	2,648,522	17,523,389	140,583,381
<u>Receivables</u>					
Accounts receivable	25,940	12,350	338,260	.....	376,550
State contributions receivable	.....	1,128	.....	.....	1,128
Nonstate contributions receivable	.....	166,018	7	.....	166,025
Interest receivable	20,991	251,205	20,148	37,804	330,148
Dividends receivable	484	97,342	.....	.....	97,826
Pending investment sales	26,230	1,782,922	.....	4	1,809,156
Forward contracts	.....	473,037	.....	.....	473,037
Due from state funds	1	25,894	730,482	.....	756,377
Due from other governments	28,123	205	.....	.....	28,328
Total receivables	101,769	2,810,101	1,088,897	37,808	4,038,575
Security lending collateral	2,610,794	5,566,378	178,266	4,154,670	12,510,108
Advances to other funds	264,965	.....	.....	.....	264,965
Tuition and housing receivable	1,347,889	.....	.....	.....	1,347,889
Capital assets	834	4,514	.....	.....	5,348
Accumulated depreciation	(433)	(3,816)	.....	.....	(4,249)
Other assets	264,400	.....	.....	92	264,492
Total assets	10,500,946	123,952,074	10,121,564	21,731,126	166,305,710
LIABILITIES					
Accounts payable	183,012	95,423	661,184	1,770	941,389
DROP	.....	1,999,093	.....	.....	1,999,093
Pending investment purchases	98,578	4,046,673	1,344	19,995	4,166,590
Forward contracts payable	.....	471,451	12,148	.....	483,599
Broker rebate fees	6,032	12,715	7,084	6,621	32,452
Due to other funds	3,316	30,701	74,688	239	108,944
Due to other governments	7,346	.....	636,423	20,861	664,630
Due to component units	.....	.....	4,163,235	.....	4,163,235
Obligations under security lending agreements	2,731,690	5,557,613	1,274,434	4,135,836	13,699,573
Obligations under reverse repurchase agreements	50,179	17,845	455,268	.....	523,292
Claims payable	.....	60,432	.....	.....	60,432
Deposits payable	11,927	106,692	2,835,756	.....	2,954,375
Compensated absences	604	1,499	.....	.....	2,103
Tuition and housing benefits payable	5,963,819	.....	.....	.....	5,963,819
Total liabilities	9,056,503	12,400,137	10,121,564	4,185,322	35,763,526
NET ASSETS					
Held in trust for pension benefits and other purposes	\$ 1,444,443	\$ 111,551,937	\$	\$ 17,545,804	\$ 130,542,184

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

2005 STATE OF FLORIDA CAFR

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Private- purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Fund	Totals 06/30/05
ADDITIONS				
<u>Contributions and other deposits</u>				
Pension fund contributions - state	\$	\$ 685,182	\$	\$ 685,182
Pension fund contributions - nonstate	.....	1,761,158	.....	1,761,158
Employer/employee contributions	.....	1,283,128	.....	1,283,128
Tuition and housing contract sales	556,579	.....	.....	556,579
Purchase of time by employees	.....	83,970	.....	83,970
Fees	5,688	653	.....	6,341
Grants and contributions	165,727	.....	.....	165,727
Flexible benefit contributions	.....	275,087	.....	275,087
Fines, forfeits, settlements and judgments	429	.....	.....	429
Transfers in from state funds	37,850	893,794	.....	931,644
Total contributions and other deposits	<u>766,273</u>	<u>4,982,972</u>	<u>.....</u>	<u>5,749,245</u>
<u>Investment income</u>				
Interest income	93,760	1,830,083	395,907	2,319,750
Dividends	9,480	1,509,815	.....	1,519,295
Other investment income	11	.....	.....	11
Net increase (decrease) in fair market value	571,945	7,162,827	8,632	7,743,404
Total investment income	<u>675,196</u>	<u>10,502,725</u>	<u>404,539</u>	<u>11,582,460</u>
Investment activity expense	(10,900)	(234,187)	(3,008)	(248,095)
Net income from investing activity	<u>664,296</u>	<u>10,268,538</u>	<u>401,531</u>	<u>11,334,365</u>
<u>Security lending activity</u>				
Security lending income	46,758	340,107	108,811	495,676
Security lending expense	(43,849)	(301,659)	(101,822)	(447,330)
Net income from security lending	<u>2,909</u>	<u>38,448</u>	<u>6,989</u>	<u>48,346</u>
Total net investment income	<u>667,205</u>	<u>10,306,986</u>	<u>408,520</u>	<u>11,382,711</u>
Other additions	222	1	.....	223
Total additions	<u>1,433,700</u>	<u>15,289,959</u>	<u>408,520</u>	<u>17,132,179</u>
DEDUCTIONS				
Benefit payments	.....	4,937,456	.....	4,937,456
Tuition and housing payments	1,015,726	.....	.....	1,015,726
Insurance claims expense	.....	680,272	.....	680,272
HMO payments	.....	451,598	.....	451,598
Remittances to annuity companies	107	166,004	.....	166,111
Interest expense	1,323	.....	.....	1,323
Student loan default payments	138,869	.....	.....	138,869
Administrative expense	17,662	92,754	.....	110,416
Prepaid participant refunds	51,036	.....	.....	51,036
Property disposition gain (loss)	91	6	.....	97
Transfers out to state funds	138,498	914,193	.....	1,052,691
Other deductions	54,230	1,707	.....	55,937
Total deductions	<u>1,417,542</u>	<u>7,243,990</u>	<u>.....</u>	<u>8,661,532</u>
<u>Depositor activity</u>				
Deposits	607,295	.....	45,576,790	46,184,085
Withdrawals	(749,255)	.....	(47,027,444)	(47,776,699)
Excess (deficiency) of deposits over withdrawals	<u>(141,960)</u>	<u>.....</u>	<u>(1,450,654)</u>	<u>(1,592,614)</u>
Change in net assets	<u>(125,802)</u>	<u>8,045,969</u>	<u>(1,042,134)</u>	<u>6,878,033</u>
Net assets - beginning	1,275,787	103,527,779	18,587,938	123,391,504
Adjustments to increase (decrease) beginning net assets	<u>294,458</u>	<u>(21,811)</u>	<u>.....</u>	<u>272,647</u>
Net assets - beginning, as restated	<u>1,570,245</u>	<u>103,505,968</u>	<u>18,587,938</u>	<u>123,664,151</u>
Net assets - ending	<u>\$ 1,444,443</u>	<u>\$ 111,551,937</u>	<u>\$ 17,545,804</u>	<u>\$ 130,542,184</u>

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

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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 public, comprehensive, liberal arts based graduate-research university 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.

CITIZENS PROPERTY INSURANCE CORPORATION

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 203.

2005 STATE OF FLORIDA CAFR

STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2005
(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	\$ 257,735	\$ 77	\$ 121,064	\$ 35,920
Pooled investments with State Treasury	124,702	.....	471,850	298,024
Investments	1,294,779	309,007	302,463	47,015
Receivables, net	165,648	9,337	372,204	82,655
Due from component units/primary	.....	21,150	203,269	288,406
Inventories	.....	1,462	6,575	2,535
Other	38,371	5,989	53,200	3,109
Total current assets	<u>1,881,235</u>	<u>347,022</u>	<u>1,530,625</u>	<u>757,664</u>
<u>Noncurrent assets</u>				
Restricted cash and cash equivalents	.....	.....	385	3,449
Restricted investments with State Treasury	.....	.....	60,933	48,562
Restricted investments	.....	.....	1,354,906	491,617
Long term investments	.....	.....	.....	.....
Other loans and notes receivable, net	2,996,508	.....	34,000	11,009
Other	13,283	.....	89,276	92,799
Noncurrent assets excluding capital assets	<u>3,009,791</u>	<u>.....</u>	<u>1,539,500</u>	<u>647,436</u>
Capital assets:				
Land and other nondepreciable assets	.....	2,017,789	69,347	130,206
Buildings, equipment, and other depreciable assets	3,523	395,092	3,518,283	1,474,985
Accumulated depreciation	(2,907)	(140,818)	(1,833,967)	(491,412)
Construction work in progress	.....	145,037	195,471	72,632
Total capital assets	<u>616</u>	<u>2,417,100</u>	<u>1,949,134</u>	<u>1,186,411</u>
Total noncurrent assets	<u>3,010,407</u>	<u>2,417,100</u>	<u>3,488,634</u>	<u>1,833,847</u>
Total assets	<u>4,891,642</u>	<u>2,764,122</u>	<u>5,019,259</u>	<u>2,591,511</u>
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	184,656	40,877	271,969	84,928
Due to component units/primary	.....	.....	101,564	137,387
Compensated absences	.....	887	16,257	4,001
Installment purchases/capital leases	.....	1,303	1,149	3,253
Claims payable	.....	1,607	.....	.....
Bonds payable	149,018	3,465	22,366	8,140
Certificates of participation payable	.....	.....	.....	.....
Deposits	.....	.....	.....	.....
Deferred revenue	5,870	.....	65,610	68,174
Other	40,784	39,853	11,521	5,291
Total current liabilities	<u>380,328</u>	<u>87,992</u>	<u>490,436</u>	<u>311,174</u>
<u>Noncurrent liabilities</u>				
Due to other governments	.....	.....	.....	.....
Due to component units/primary	24,827	.....	.....	.....
Bonds payable	3,392,247	62,321	650,632	222,459
Certificates of participation payable	.....	.....	.....	.....
Installment purchases/capital leases	.....	2,070	10,890	24,033
Deposits	.....	.....	.....	.....
Deferred revenue	45,311	.....	.....	9,272
Claims payable	.....	4,984	56,214	.....
Compensated absences	.....	16,513	135,675	37,780
Other	136,950	116,437	96,291	27,970
Total noncurrent liabilities	<u>3,599,335</u>	<u>202,325</u>	<u>949,702</u>	<u>321,514</u>
Total liabilities	<u>3,979,663</u>	<u>290,317</u>	<u>1,440,138</u>	<u>632,688</u>
NET ASSETS				
Invested in capital assets, net of related debt	617	2,199,465	1,286,678	921,961
Restricted for:				
Debt service	.....	9,874	3,923	1,383
Other	822,349	32,524	584,377	209,964
Permanent funds:				
Expendable	.....	20,464	135,734	177,663
Nonexpendable	.....	6,946	731,511	348,909
Unrestricted (deficit)	89,013	204,532	836,898	298,943
Total net assets	<u>\$ 911,979</u>	<u>\$ 2,473,805</u>	<u>\$ 3,579,121</u>	<u>\$ 1,958,823</u>

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

2005 STATE OF FLORIDA CAFR

University of South Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/05
\$ 22,941	\$ 490,646	\$ 294,788	\$ 1,223,171
222,545	931,728	691,900	2,740,749
63,759	215,635	711,705	2,944,363
193,638	93,856	420,030	1,337,368
119,329	.....	666,783	1,298,937
342	.....	23,338	34,252
15,893	74,185	35,226	225,973
<u>638,447</u>	<u>1,806,050</u>	<u>2,843,770</u>	<u>9,804,813</u>
211	.....	224,250	228,295
35,997	.....	144,951	290,443
369,163	.....	789,546	3,005,232
.....	2,548,479	954,547	3,503,026
6,085	.....	45,521	3,093,123
13,559	.....	15,046	223,963
<u>425,015</u>	<u>2,548,479</u>	<u>2,173,861</u>	<u>10,344,082</u>
24,101	.....	1,814,825	4,056,268
1,000,987	17,916	7,230,407	13,641,193
(413,597)	(11,119)	(2,740,471)	(5,634,291)
30,175	.....	807,951	1,251,266
<u>641,666</u>	<u>6,797</u>	<u>7,112,712</u>	<u>13,314,436</u>
<u>1,066,681</u>	<u>2,555,276</u>	<u>9,286,573</u>	<u>23,658,518</u>
<u>1,705,128</u>	<u>4,361,326</u>	<u>12,130,343</u>	<u>33,463,331</u>
101,236	1,761,697	725,347	3,170,710
8,257	.....	86,105	333,313
4,311	.....	31,666	57,122
1,312	.....	11,585	18,602
2,039	.....	3,067	6,713
3,770	.....	24,940	211,699
490	.....	1,850	2,340
.....	.....	38,912	38,912
102,184	735,038	194,206	1,171,082
823	.....	128,672	226,944
<u>224,422</u>	<u>2,496,735</u>	<u>1,246,350</u>	<u>5,237,437</u>
.....	.....	8,470	8,470
.....	.....	74,322	99,149
99,708	.....	623,929	5,051,296
155,153	.....	162,124	317,277
14,200	.....	38,004	89,197
.....	.....	28,784	28,784
.....	.....	760	55,343
10,372	.....	.....	71,570
41,751	.....	233,269	464,988
1,050	2,115,624	111,244	2,605,566
<u>322,234</u>	<u>2,115,624</u>	<u>1,280,906</u>	<u>8,791,640</u>
<u>546,656</u>	<u>4,612,359</u>	<u>2,527,256</u>	<u>14,029,077</u>
431,896	6,797	6,362,747	11,210,161
3,632	.....	75,687	94,499
17,790	.....	471,116	2,138,120
113,416	.....	931,382	1,378,659
353,726	.....	939,868	2,380,960
238,012	(257,830)	822,287	2,231,855
<u>\$ 1,158,472</u>	<u>\$ (251,033)</u>	<u>\$ 9,603,087</u>	<u>\$ 19,434,254</u>

2005 STATE OF FLORIDA CAFR

**STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(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	\$ 603,182	\$ 220,133	\$	\$ 419,741	\$ 36,692
South Florida Water Management District	373,574	10,821	41,968	157,103	.....
University of Florida	3,703,490	2,109,563	854,362	82,086	.....
Florida State University	817,658	264,664	254,141	9,924	.....
University of South Florida	1,087,872	337,084	397,787	62,240	.....
Citizens Property Insurance Corporation	3,017,818	1,022,503	.....	.....	.....
Nonmajor Component Units	5,249,467	1,266,984	1,144,695	705,715	.....
Total component units	\$ 14,853,061	\$ 5,231,752	\$ 2,692,953	\$ 1,436,809	36,692

General revenues

Property taxes	.....
Investment earnings	.....
Gain (loss) on sale of capital assets	.....
Payments from the State of Florida	.....
Transfers	.....
Contributions to permanent funds	.....
Special Items	.....
Miscellaneous	18,137
Total general revenues	<u>18,137</u>
Change in net assets	54,829
Net assets - beginning	857,150
Adjustments to increase (decrease) beginning net assets	.....
Net assets - ending	<u>\$ 911,979</u>

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

2005 STATE OF FLORIDA CAFR

Net (Expense) Revenue and Changes in Net Assets

South Florida Water Management District	University of Florida	Florida State University	University of South Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/05
\$	\$	\$	\$	\$	\$	\$ 36,692
(163,682)	.....	.....	.....	.....	.....	(163,682)
.....	(657,479)	.....	.....	.....	.....	(657,479)
.....	.....	(288,929)	.....	.....	.....	(288,929)
.....	.....	.....	(290,761)	.....	.....	(290,761)
.....	.....	.....	.....	(1,995,315)	.....	(1,995,315)
.....	.....	.....	.....	.....	(2,132,073)	(2,132,073)
(163,682)	(657,479)	(288,929)	(290,761)	(1,995,315)	(2,132,073)	(5,491,547)
343,908	.....	.....	.....	.....	238,982	582,890
8,255	129,903	49,529	46,351	106,589	162,168	502,795
.....	(5,854)	(9,946)	.....	.....	34,466	18,666
.....	599,831	371,940	296,541	.....	2,141,162	3,409,474
.....	.....	.....	1,354	.....	20,700	22,054
.....	57,355	40,899	.....	.....	68,479	166,733
.....	.....	.....	.....	.....	6,091	6,091
9,452	214,703	18,660	47,372	.....	233,779	542,103
361,615	995,938	471,082	391,618	106,589	2,905,827	5,250,806
197,933	338,459	182,153	100,857	(1,888,726)	773,754	(240,741)
2,275,872	3,224,247	1,776,670	1,055,762	1,637,693	8,794,728	19,622,122
.....	16,415	1,853	34,605	52,873
\$ 2,473,805	\$ 3,579,121	\$ 1,958,823	\$ 1,158,472	\$ (251,033)	\$ 9,603,087	\$ 19,434,254

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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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* and Statement No. 39 *Determining Whether Certain Organizations are Component Units*, 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 the component unit does not provide services directly to the State.

The State's blended component units are:

- Citrus Commission (Department of Citrus)
- Corrections Foundation, Inc.
- Florida Clerks of Court Operations Corporation
- Florida Engineers Management Corporation
- Florida High Speed Rail Authority
- Florida Prepaid College Board
- Florida School for the Deaf and the Blind
- Florida State Board of Administration (SBA)
- Florida Surplus Lines Service Office
- Florida Water Pollution Control Financing Corporation
- Inland Protection Financing Corporation
- Investment Fraud Restoration (Financing) Corporation
- Scripps Florida Funding Corporation
- State Board of Education (SBE)
- Wireless Emergency Telephone System
- Workforce Florida, Inc.

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 (i.e., State Board of Administration) are reported in more than one fund type, some of which are considered major (i.e., Lawton Chiles Endowment Fund – SBA) and others that 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 are aggregated by type 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 a component unit reports on its 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 Colleges. State universities and colleges receive funding from the State and operate under the governance of the State Board of Education. These entities have a June 30 year-end. Component units included in this category are:

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 College
- Daytona Beach Community College
- Edison 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 College
- North Florida Community College
- Okaloosa Walton 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. Pursuant to Section 373.069, Florida Statutes, these districts were created to provide for the management and conservation of water and related land resources. 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 September 30 year-end. Component units included in this category are:

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

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

Other. Additional discretely presented component units of the State 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:

Nonmajor:

- Commission for Florida Law Enforcement Accreditation, Inc.*
- Enterprise Florida, Inc.
- Florida Aerospace Finance Corporation* (formerly Florida Commercial Space Financing Corporation*)
- Florida Agricultural Museum*
- Florida Agriculture Center and Horse Park Authority*
- Florida Agriculture in the Classroom Program*
- Florida Birth-Related Neurological Injury Compensation Plan
- Florida Black Business Investment Board, Inc.*
- Florida Board of Governors Foundation, Inc.*
- Florida Comprehensive Health Association
- Florida Education Foundation, Inc.*
- Florida Education Fund, Inc.
- Florida Fund for Minority Teachers, Inc.*
- Florida Healthy Kids Corporation
- Florida Mobile Home Relocation Corporation*
- Florida Patient's Compensation Fund
- Florida Space Authority
- Florida Sports Foundation, Inc.*
- Florida State Fair Authority
- Florida Telecommunications Relay, Inc.*
- Florida Tourism Industry Marketing Corporation, Inc.
- Forestry Arson Alert Association, Inc.*
- Friends of Florida State Forests, Inc.*
- Higher Educational Facilities Financing Authority*
- Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE)
- South Florida Regional Transportation Authority (formerly Tri-County Commuter Railroad Authority)
- Technological Research and Development Authority*
- The Astronauts Memorial Foundation, Inc.
- The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
- Wildlife Alert Reward Association*
- Wildlife Foundation of Florida, Inc.*

*The State's financial statements do not include amounts relating to several component units. The assets and revenues relating to these component units totaled \$43.2 million and \$40.1 million, respectively. These amounts represent less than one percent of total aggregate component unit assets and revenues.

Joint Ventures

A joint venture is an organization that results from a 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 are not included in its statements. The State's joint ventures include the following:

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. Section 1000.32, Florida Statutes, promotes 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.

Regional Planning Councils. Sections 186.501 through 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 for which the State 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) 413-5511
Department Website: <http://www.fldfs.com>

Joint ventures may be contacted 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). 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 nonfiduciary 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 collected within 60 days of the end of the current fiscal year are considered available, with the exception of certain tax revenues, which are considered available when collected within 30 days of year-end. For governmental funds, certain long-term liabilities, such as compensated absences, due within 60 days of the end of the current fiscal year are expected to be liquidated with expendable financial resources and are recognized within the applicable governmental fund. 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 funds combined) for the determination of major funds. The State elected to add certain other major funds that 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 - 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.

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.

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 Educational 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 that 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** - accounts for services provided to other State agencies such as legal services, records management, and community services (inmate work squads).

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

Florida Statutes authorize the State to invest in various instruments. Investments of the Local Government Surplus Funds Trust Fund, a Securities and Exchange Commission (SEC) 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

Restricted assets are reported when their use is limited by external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or by constraints imposed by law through constitutional provisions or enabling legislation. 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 specifically 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 Medicare, and pension contributions at current rates.

Long-term Liabilities

Refer to Note 8 for information on bonds payable and certificates of participation, Note 9 for information on capital leases and installment purchase contracts, 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 for which the corpus and the residual net earnings are non-expendable and the net earnings are reserved for endowment-approved programs.

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 not needed for appropriations and used to offset unanticipated expenditures such as spending on emergencies. Effective July 1, 2005, Section 7, Chapter 2005-152, Laws of Florida, abolished the Working Capital Fund, and the remaining fund balance was transferred to the General Revenue Fund.

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. Transfers are recorded when a fund receiving revenue provides it to the fund which expends the resources. Transfers 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 that 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 vaccines, 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 29, Florida Statutes. Some counties also provide certain facilities and services to other officers and staff of the judicial branch. The value of the facilities and services provided by the counties is not reported as a revenue.

H. Reporting Changes

Changes in Reporting Component Units

The following entities are determined to be new component units of the State for the fiscal year ended June 30, 2005:

- Florida Board of Governors Foundation, Inc.
- Florida Clerks of Court Operations Corporation
- Florida Mobile Home Relocation Corporation

I. Accounting Change

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This Statement amends Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*. Statement No. 40 revises the existing requirements of Statement No. 3 regarding disclosure of custodial credit risk, and establishes new requirements for disclosures regarding credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. This statement has been implemented this year. Required disclosures are presented in Note 2.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2005, the State's deposits in financial institutions totaled approximately \$2.2 billion for primary government and \$1.3 billion for discretely presented component units.

1. Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The State mitigates custodial credit risk by generally requiring public funds to be deposited in a bank or savings association that is designated by the Chief Financial Officer (CFO) as authorized to receive deposits in the State and that meets the collateral requirements as set forth in Chapter 280, Florida Statutes (F.S.).

The CFO determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Chapter 69C-2, Florida Administrative Code, and Section 280.04, F.S. Eligible collateral includes Federal, federally guaranteed, state and local government obligations, corporate bonds, and letters of credit issued by a Federal Home Loan Bank. Also, with the CFO's permission, eligible collateral includes 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. However, the portfolio of the investment company must be 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 the investment company must take delivery of such collateral either directly or through an authorized custodian.

At June 30, 2005, primary government deposits totaling \$107.2 million were exposed to custodial credit risk because they were uninsured and uncollateralized. Discretely presented component units' deposits totaling \$80.2 million, \$304.1 million, and \$20.3 million were exposed to custodial credit risk because, respectively, they were uninsured and uncollateralized, collateralized with securities held by the pledging financial institution, and collateralized with securities held by the pledging financial institution's trust department or agency but not in the State's name.

2. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Under Section 215.47, F.S., and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investments by the State Board of Administration (SBA) may be invested in fixed income obligations or stocks denominated in foreign currency. The SBA has developed a total fund investment plan for the investment of assets in the Florida Retirement System (FRS) Pension Trust Fund that sets ranges on investments by asset class. In the FRS Trust Fund, total assets held in the global equity (a mixture of U.S. and non-U.S. investments) and foreign equity (all non-U.S. investments) asset classes are limited to ranges of 1-8% and 10-18% of total investments with targets of 4% and 14%, respectively. The investment plan was adopted July 1, 2003, and may be modified in the future if the SBA adopts changes. This investment activity in international investments resulted in deposits in foreign currency as of June 30, 2005, as illustrated in the following schedule (in thousands):

**FRS Pension Trust Fund
Foreign Currency Deposits Held
As of June 30, 2005**

Currency	Bank statement balance (in U.S. \$)
Australian dollar	\$ 1,078
Canadian dollar	1,134
Danish krone	1,285
Euro	48,596
Hong Kong dollar	2,997
Japanese yen	7,858
New Taiwan dollar	11,147
New Zealand dollar	11,176
Pound sterling	4,085
Singapore dollar	3,738
Swedish krona	3,083
Other	3,551
Total deposits subject to foreign currency risk	\$ 99,728

B. Investments

At June 30, 2005, the State's investments in governmental and business-type activities and fiduciary funds totaled \$192.1 billion, consisting of pooled investments with the State Treasury in the amount of \$28.4 billion and other investments in the amount of \$163.7 billion. The State Treasury had holdings at June 30, 2005, of \$3.3 billion for discretely presented component units in total. These investments are not reported as part of the primary government and may be different from the amounts reported by some component units due to different reporting periods. Other investments for discretely presented component units totaled \$9.5 billion.

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 17.57, F.S.

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.

The schedule below discloses the detail of the State Treasury holdings and the fair value of each type of investment at June 30, 2005 (including security lending collateral investments), as well as a reconciliation to the basic financial statements (in thousands):

**Schedule of Pooled Investments with State Treasury
As of June 30, 2005**

Investment type	Fair value
Commercial paper	\$ 4,268,088
Repurchase agreements	225,700
U.S. and federally guaranteed obligations	12,277,507
Bonds and notes - domestic	3,879,997
Bonds and notes - international	94,304
Bankers' acceptances	348,232
Unemployment compensation funds pooled with U. S. Treasury	1,790,516
Mutual funds	1,286,416
Total investments excluding security lending collateral	24,170,760
Lending collateral investments:	
U.S. and federally guaranteed obligations	133,088
Commercial paper	174,900
Repurchase agreements	308,645
Bonds and notes - domestic	4,526,069
Certificates of deposit	126,972
Mutual funds	267,235
Total lending collateral investments	5,536,909
Total investments	29,707,669
Cash on hand	300
Cash on deposit	1,600,120
Total State Treasury holdings	31,308,089
Adjustments:	
Outstanding warrants	(783,900)
Unsettled securities liability	(2,109,361)
Reconciled balance, June 30, 2005	\$ 28,414,828
Reconciliation to the basic financial statements (in thousands):	
Pooled investments with State Treasury	
Governmental activities	\$ 18,080,155
Business-type activities	2,911,983
Fiduciary funds	7,107,352
Total pooled investments with State Treasury	28,099,490
Restricted pooled investments with State Treasury (Business-type activities)	315,338
Total pooled investments with State Treasury for primary government	\$ 28,414,828

Other Investments

Other investments in various funds of the State are primarily managed by the SBA. The largest of these funds managed by the SBA is the FRS Pension Trust Fund (Defined Benefit Pension Fund), whose total investments represented 72% of total other investments of the primary government at June 30, 2005. Investments in the Local Government Surplus Funds Investment Pool (LGSF Pool) represented another 13% of total other investments of the primary government. Section 215.47, F.S., allows the SBA to invest funds in a range of instruments.

The schedule below discloses other investments at fair value and their total carrying value at June 30, 2005, as well as a reconciliation to the basic financial statements (in thousands):

**Schedule of Other Investments
As of June 30, 2005**

Investment type	Fair value			Total
	FRS Pension Trust Fund	Managed by SBA	Not managed by SBA	
Certificates of deposit	\$ 612,686	\$ 1,091,671	\$ 15,807	\$ 1,720,164
Commercial paper	4,857,613	13,113,162	.....	17,970,775
Money market funds	.....	427,616	.....	427,616
Repurchase agreements	816,749	707,704	.....	1,524,453
U.S. guaranteed obligations	4,722,577	7,855,757	1,831	12,580,165
Federal agencies	7,785,264	5,580,019	.....	13,365,283
Domestic bonds & notes	8,705,670	2,723,558	6,600	11,435,828
Domestic bonds & notes mutual fund	.....	338,989	.....	338,989
International bonds & notes	1,084,426	17,838	.....	1,102,264
Domestic stocks	56,732,243	1,658,824	8,646	58,399,713
Domestic equity group trust	10,012	.....	.....	10,012
Domestic equity commingled funds	289,823	694,074	.....	983,897
International stocks	10,536,648	245,600	.....	10,782,248
International equity commingled funds	8,254,408	212,029	.....	8,466,437
Limited partnerships	2,770,530	.....	.....	2,770,530
Options	1,282	.....	.....	1,282
Swap contracts	(79,714)	.....	.....	(79,714)
Real estate investments	4,596,264	.....	.....	4,596,264
Mutual funds	.....	.....	5,901	5,901
Deferred compensation investments	.....	.....	1,835,326	1,835,326
Total investments excluding lending collateral	111,696,481	34,666,841	1,874,111	148,237,433
Lending collateral investments:				
Certificates of deposit	268,861	120,069	.....	388,930
Commercial paper	3,838	70,638	.....	74,476
Money market funds	125,236	2,626,657	.....	2,751,893
Repurchase agreements	1,602,895	1,575,246	.....	3,178,141
Federal agencies	.....	9,395	.....	9,395
Domestic bonds & notes	3,036,511	5,008,343	.....	8,044,854
International bonds & notes	331,050	489,970	.....	821,020
Investment agreements	197,987	.....	.....	197,987
Total lending collateral investments	5,566,378	9,900,318	.....	15,466,696
Total investments for all types - fair value	\$ 117,262,859	\$ 44,567,159	\$ 1,874,111	\$ 163,704,129
Total investments for all types - carrying value	\$ 117,262,859	\$ 44,536,395	\$ 1,874,111	\$ 163,673,365
% of total other investments for primary government	72%	27%	1%	

Reconciliation of carrying value to the basic financial statements (in thousands):

	Governmental activities	Business-type activities	Fiduciary funds	Total
Investments - current	\$ 893,828	\$ 760,918	\$	\$ 1,654,746
Restricted investments	.....	3,472,745	.....	3,472,745
Long-term investments	2,118,745	3,333,640	140,583,381	146,035,766
Security lending collateral	.....	.....	12,510,108	12,510,108
Total other investments for primary government	\$ 3,012,573	\$ 7,567,303	\$ 153,093,489	\$ 163,673,365

Component Units

The schedule below discloses other investments reported at fair value and total carrying value, as of June 30, 2005, for discretely presented component units and a reconciliation to the basic financial statements (in thousands). Those investments held with the State Treasury as of June 30, 2005, are excluded.

**Schedule of Other Investments
For Discretely Presented Component Units
As of June 30, 2005**

<u>Investment type</u>	<u>Fair value</u>
Certificates of deposit	\$ 10,777
Commercial paper	98,855
Money market funds	319,340
U.S. guaranteed obligations	1,919,899
Federal agencies	787,411
Domestic bonds & notes	2,436,941
International bonds & notes	7,183
Domestic stocks	1,340,774
International stocks	129,220
Real estate investments	52,774
Mutual funds	1,348,955
Investment agreements	1,000,829
Total other investments for all types - fair value	<u>\$ 9,452,958</u>
Total other investments for all types - carrying value	<u>\$ 9,452,621</u>
Reconciliation of carrying value to the basic financial statements:	
Investments - current	\$ 2,944,363
Restricted investments - noncurrent	3,005,232
Long-term investments	3,503,026
Total other investments for component units	<u>\$ 9,452,621</u>

At June 30, 2005, 74% of total other investments for discretely presented component units belonged to the following major component units: Florida Housing Finance Corporation, South Florida Water Management District, University of Florida, Florida State University, University of South Florida, and Citizens Property Insurance Corporation.

1. Credit Risk and Concentration of Credit Risk of Debt Securities

Credit risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of the State's investment in a single issuer.

Pooled Investments with the State Treasury

The State Treasury follows the investment guidelines set forth in Section 17.51, F.S., for reducing exposure to investment credit risk. The State Treasury's rated debt investments as of June 30, 2005, were rated by Standard and Poor's (S&P) and/or an equivalent nationally recognized statistical rating organization (NRSRO), and the ratings are presented below using the S&P rating scale (in thousands).

**State Treasury
Credit Quality Ratings
As of June 30, 2005**

Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes	Bankers' Acceptance	Total*	S&P rating**
\$	\$ 7,400,967	\$ 1,386,710	\$ 4,259	\$	\$ 8,791,936	AAA
.....	.....	459,675	2,035	.....	461,710	AA
.....	.....	1,003,853	46,992	.....	1,050,845	A
.....	.....	928,359	41,018	.....	969,377	BBB
.....	.....	127,334	.....	.....	127,334	BB
.....	.....	5	.....	.....	5	B
.....	.....	304	.....	.....	304	CCC & Below
4,268,088	895,660	.....	.....	348,232	5,511,980	A-1
\$ 4,268,088	\$ 8,296,627	\$ 3,906,240	\$ 94,304	\$ 348,232	16,913,491	
			Repurchase agreements		225,711	Not rated
			U.S. guaranteed obligations		3,117,077	Not rated
			Mutual funds		1,286,416	Not rated
					<u>\$ 21,542,695</u>	

* The remaining \$6,872,133 (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool, investments purchased with cash collateral, and unsettled securities liability as presented in the Schedule of Pooled Investments with State Treasury.

** Long-term ratings are presented except for "A-1," which is a short-term rating for S&P.

State Treasury investment policies address concentration of credit risk by placing limits on amounts invested per issuer (taking into account the maturity date of the investment). In addition, the policies also address limits on certain investments by credit ratings. Limits on amounts invested are expressed in dollar amounts per issuer and also in total amounts per investment type as a percentage of the investment pool's market value. As of June 30, 2005, the State Treasury did not have more than 5% of total investments in a single issuer.

Other Investments

The SBA, in compliance with Section 215.47, F.S., has adopted certain investment policies with regard to credit risk of debt securities. Investment policies vary by fund or portfolio. Below are the investment policies and credit risk disclosures for the FRS Pension Trust Fund and the LGSF Pool, which constitute the primary portion of other investments.

FRS Pension Trust Fund – Investments are generally managed through individual portfolios within various asset classes, as listed below. Some of the individual portfolios have slightly different restrictions on credit quality.

Short-term portfolios – Securities must be investment grade at the time of purchase. Minimum short-term ratings are at least S&P A-1, Moody's P-1, or Fitch F-1; and long-term ratings are at least S&P BBB-, Moody's Baa3, or Fitch BBB-. Securities of a single issuer should not represent more than 5% of portfolio amortized cost (excluding U.S. Treasuries and Agencies).

Mortgage portfolios – Securities are generally limited to those issued by the Government National Mortgage Association (GNMAs), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMCs). No specific credit rating criteria are listed. The State may own notes secured by first mortgages on Florida real property, insured or guaranteed by the Federal Housing Administration or the U.S. Department of Veterans Affairs, but exposure is limited to 10% of portfolio market value. All collateralized mortgage obligations (CMOs) should have publicly traded GNMA, FNMA, FHLMC securities as underlying collateral. Exposure is limited to 10%-35% of the portfolio. U.S. Treasury and Agency debentures are allowed but are limited to 10% of portfolio market value. Whole loan securities, collateralized by nonconforming residential mortgages (jumbos), are limited to 10% of portfolio market value and must be rated AAA by one of the NRSROs.

Government/Corporate portfolios – Securities should be rated investment grade by one of the NRSROs at the time of purchase. Minimum ratings include S&P BBB-, Moody's Baa3, and Fitch BBB-. Securities of a single issuer are generally limited to 5% of the market value of the portfolio (excluding U.S. Treasuries and Agencies).

High Yield portfolios – Emerging market securities are not permitted, with the exception of securities issued in the Yankee market that meet the criteria for inclusion in the Merrill Lynch BB or B-rated indices. All securities should be rated at least single B or double B by one of the NRSROs at the time of purchase. If a security is no longer rated at least the equivalent of single B- by any of the NRSROs, the State must provide written notification and justify retaining such investment beyond 90 days. Also, no more than 5% of market value shall be invested in investment grade securities (BBB- or higher). Securities of a single issuer should not exceed 10% of portfolio market value. No more than 35% of market value may be in any one industry.

Lending portfolios – Short-term rating requirements are similar to short-term portfolio rating requirements. Investments with original maturity of greater than two years, at the time of purchase, should carry ratings of at least S&P AA or Moody’s Aa, except for asset backed securities, which should have a rating of either Aaa by Moody’s or AAA by S&P. There are no rating requirements for U.S. Government-guaranteed securities, federal agencies or instrumentalities, repurchase agreements (repos) or shares of mutual funds. Repos should be fully collateralized. The State may hold up to the greater of \$5 million or 5% of its assets in securities by a single issuer and its affiliates (excluding U.S. Government guaranteed investments, its agencies or instrumentalities). Up to an additional 5% of the book value of the portfolio may be invested in the obligations of any single issuer, guarantor or repo counterparty that will mature on the next business day, that are redeemable upon demand, or that contain an unconditional put feature.

Listed below are the credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2005. The FRS Pension Trust Fund did not hold any investments with a single issuer that met or exceeded 5% of the fund’s fair market value at June 30, 2005 (in thousands).

**FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2005**

Certificates of deposit	Commercial paper	Money market funds	Federal agencies	Domestic bonds & notes	International bonds & notes	Total***	S&P rating**	Moody's rating**
\$ \$ \$ 27,294 \$ 7,675,686 \$ 2,845,240 \$ 533,748 \$ 11,081,968							AAA	
269,410	.....	.....	10,431	1,316,943	120,860	1,717,644	AA	
535,192	.....	.....	.....	3,398,407	411,763	4,345,362	A	
.....	.....	.....	.....	1,375,251	213,316	1,588,567	BBB	
.....	.....	.....	.....	582,461	30,739	613,200	BB	
.....	.....	.....	.....	647,923	30,487	678,410	B	
.....	.....	.....	.....	53,502	.....	53,502	CCC	
.....	.....	.....	.....	3,056	.....	3,056	C	
.....	.....	.....	.....	227	.....	227	D	
.....	.....	97,942	50,795	572,600	5,840	727,177		Aaa
49,982	.....	.....	.....	17,066	14,422	81,470		Aa
.....	.....	.....	.....	2,794	.....	2,794		A
.....	.....	.....	.....	24,064	.....	24,064		Baa
.....	.....	.....	.....	1,613	.....	1,613		Ba
.....	.....	.....	.....	3,765	.....	3,765		B
.....	.....	.....	.....	1,041	.....	1,041		Ca
.....	.....	.....	.....	182	.....	182		C
26,963	4,375,487	.....	.....	171,287	.....	4,573,737	A-1*	
.....	485,964	.....	.....	.....	.....	485,964		P-1*
.....	.....	.....	48,352	922,746	54,301	1,025,399	Not rated	Not rated
\$ 881,547	\$ 4,861,451	\$ 125,236	\$ 7,785,264	\$ 11,940,168	\$ 1,415,476	27,009,142		
				Repurchase agreements		2,419,644	Not rated	Not rated
				U.S. guaranteed obligations		4,722,577	Not rated	Not rated
				Domestic stocks		56,732,243	Not rated	Not rated
				Domestic equity group trust		10,012	Not rated	Not rated
				Domestic equity commingled funds		289,823	Not rated	Not rated
				International stocks		10,536,648	Not rated	Not rated
				International equity commingled funds		8,254,408	Not rated	Not rated
				Limited partnerships		2,770,530	Not rated	Not rated
				Option contracts		1,282	Not rated	Not rated
				Swaps contracts		(79,714)	Not rated	Not rated
				Real estate investments		4,596,264	Not rated	Not rated
				Total investments		\$ 117,262,859		

* Long-term ratings are presented except for "A-1" and "P-1," which are short-term ratings for S&P and Moody's, respectively.
 ** S&P ratings were primarily used. If S&P did not rate a security, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated."
 *** All FRS investments are included in this schedule, including security lending collateral investments.

Local Government Surplus Funds Investment Pool – The LGSF Pool is operated similar to a SEC 2a7 money market fund. Investments must be first tier at the time of purchase. The 2a7 first tier definition includes (1) a rated security that has received a short-term rating from the NRSROs in the highest short-term rating category for debt obligations; or (2) is an unrated security that is of comparable quality to a security meeting the requirements for a rated security in (1), as determined by the fund’s board of directors; or (3) is a security issued by a registered investment company that is a money market fund; or (4) is a U.S. Government security. For investments with remaining maturities of 397 days or less at the time of purchase, short-term ratings should be at least S&P A-1, Moody’s P-1, or Fitch F-1. For securities without short-term ratings, long-term minimum ratings by at least one NRSRO are required consisting of S&P A-, Moody’s A3, or Fitch A-. The LGSF Pool’s exposure to a single issuer is limited to 5% of portfolio amortized cost (excluding U.S. Treasuries and Agencies). Maximum exposure to second tier issuers is limited to no more than 1% of portfolio amortized cost. The LGSF Pool also participates in several security lending programs.

Listed below are the credit quality ratings on investments held in all funds managed by the SBA (except the FRS Pension Trust Fund) at June 30, 2005 (in thousands). At June 30, 2005, the LGSF Pool had investments totaling \$2.6 billion issued by the Federal Home Loan Bank System, representing 11.8% of total investments in the pool held by one issuer.

All SBA Managed Funds (except FRS Pension Trust Fund)
Credit Quality Ratings
As of June 30, 2005

Certificates of deposit	Commercial paper	Money market funds	Federal agencies	Domestic bonds & notes	International bonds & notes	Total***	S&P rating**	Moody's rating**
\$ 49,800	\$	\$ 15,738	\$ 4,783,266	\$ 2,657,760	\$ 490,124	\$ 7,996,688	AAA	
.....	.....	.....	37,392	923,922	6,387	967,701	AA	
1,161,940	.....	.....	.....	3,317,902	7,912	4,487,754	A	
.....	.....	.....	.....	170,748	3,385	174,133	BBB	
.....	.....	.....	.....	1,031	.....	1,031	BB	
.....	.....	125	17,593	51,344	.....	69,062		Aaa
.....	11,527,016	.....	110,613	160,607	.....	11,798,236	A-1*	
.....	1,656,784	.....	.....	3	.....	1,656,787		P-1*
.....	.....	3,038,410	640,550	448,584	.....	4,127,544	Not rated	Not rated
\$ 1,211,740	\$ 13,183,800	\$ 3,054,273	\$ 5,589,414	\$ 7,731,901	\$ 507,808	31,278,936		
				Repurchase agreements		2,282,950	Not rated	Not rated
				U.S. guaranteed obligations		7,855,757	Not rated	Not rated
				Domestic bond & notes mutual fund		338,989	Not rated	Not rated
				Domestic stocks		1,658,824	Not rated	Not rated
				Domestic equity commingled funds		694,074	Not rated	Not rated
				International stocks		245,600	Not rated	Not rated
				International equity commingled funds		212,029	Not rated	Not rated
				Total investments		\$ 44,567,159		

* Long-term ratings are presented except for "A-1" and "P-1," which are short-term ratings for S&P and Moody's, respectively.

** S&P ratings were primarily used. If S&P did not rate a security, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated."

*** All investments are included in this schedule, including security lending collateral investments.

Component Units

Investment policies with regard to credit risk of debt securities vary from component unit to component unit. In addition, investment policies vary among Universities' direct support organizations. Investment policies may be obtained separately from component units. Presented below are reported credit quality ratings for debt securities of major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

**Major Component Units
Credit Quality Ratings
As of June 30, 2005**

Component Unit	Federal agencies	Bonds & notes	Mutual funds	Other	Total	S&P rating
Florida Housing Finance Corporation (FHFC)	\$ 81,631	\$	\$	\$	\$ 81,631	AAA
FHFC (continued)	.....	201,973	.....	.....	201,973	A, AAA
South Florida Water Management District (1)	272,846	.....	.....	.....	272,846	AAA
University of Florida (UF)	.....	.....	125,520	.....	125,520	AAA, Not rated
UF (continued)	.....	.....	.....	16,960	16,960	Not rated
Florida State University (FSU)	.....	166,448	.....	.....	166,448	AA+, AAA, BBB,
FSU (continued)	.....	.....	7,138	.....	7,138	AA, AAA
University of South Florida	.....	2,664	.....	.....	2,664	A, AA, AAA
Citizens Property Insurance Corporation	1,051,518	1,629,773	.....	82,823	2,764,114	(2)
	<u>\$ 1,405,995</u>	<u>\$ 2,000,858</u>	<u>\$ 132,658</u>	<u>\$ 99,783</u>	<u>\$ 3,639,294</u>	

(1) South Florida Water Management District reported total investments with a fair value in the amount of \$272.8 million subject to concentration of credit risk. These investments were issued by the Federal National Mortgage Association and the Federal Home Loan Bank system.

(2) Information relative to the investments of Citizens Property Insurance Corporation is available in regulatory reports filed with the Office of Insurance Regulation.

2. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the State will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Pooled Investments with the State Treasury

Based on negotiated trust and custody contracts, all State Treasury investments were held in the State's name by the State Treasury's custodial financial institutions at June 30, 2005.

Other Investments

The SBA does not have an overall policy addressing custodial credit risk. However, based on negotiated trust and custody contracts, many of the State's investments were held in the State's name by the SBA's custodial financial institutions at June 30, 2005. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, included the following (in thousands):

	FRS Pension Trust Fund	Other funds
Repurchase agreements	\$ 175,592	\$
<u>Invested security lending collateral:</u>		
Certificates of deposit	268,861	.....
Commercial paper	3,838	16,088
Federal agencies	.....	9,395
Domestic bonds & notes	2,592,512	2,972,702
International bonds & notes (\$ denom)	322,275	444,172
Total	<u>\$ 3,363,078</u>	<u>\$ 3,442,357</u>

Component Units

Component unit information regarding custodial credit risk was not readily available.

3. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of debt investments.

Pooled Investments with the State Treasury

Through its investment policy, the State Treasury manages its exposure to interest rate risk by limiting either the maturities or durations of the various investment strategies used for the investment pool. The maximum effective weighted duration allowed is six years. As of June 30, 2005, the State Treasury had the following investments and effective weighted durations (in thousands):

State Treasury Debt Investments As of June 30, 2005		
<u>Investment type</u>	<u>Fair value</u>	<u>Effective weighted duration</u>
Commercial paper	\$ 4,268,088	0.08
Repurchase agreements	225,711	NA
U.S. guaranteed obligations:		
U.S. Treasury bonds and notes	2,232,737	4.27
U.S. Treasury strips	115,624	12.79
U.S. Treasury bills	433,197	0.28
GNMA mortgage-backed pass-through	320,618	3.73
GNMA collateralized mortgage obligations (CMO's)	13,815	1.41
GNMA CMO's - interest only	1,086	1.00
Federal agencies		
Discount notes	895,659	0.14
Unsecured bonds & notes	2,026,564	1.73
Mortgage-backed pass-through	4,433,593	2.19
Mortgage-backed CMO's	927,538	1.53
Mortgage-backed CMO's - principal only	1,901	4.26
Mortgage-backed CMO's - interest only	11,372	0.26
Domestic bonds & notes:		
Corporate	2,173,288	4.55
Non-government backed CMO's & CMBS*	893,061	1.69
Non-government backed CMO's & CMBS* - principal only	1,190	6.38
Non-government backed CMO's & CMBS* - interest only	29,435	0.50
Municipal/provincial	74,488	3.94
Convertible bonds	210,560	1.69
Corporate asset-backed	508,929	2.06
Private placements	15,289	1.37
International bonds & notes:		
Government & regional	94,304	5.65
Bankers' acceptances	348,232	0.25
Mutual funds	1,286,416	NA
Total debt investments	<u>\$ 21,542,695</u> **	

* Commercial Mortgage-Backed Securities (CMBS)

** The remaining \$6,872,133 (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool, investments purchased with cash collateral, and unsettled securities liability as presented in the Schedule of Pooled Investments with State Treasury.

Other Investments

The SBA manages its exposure to interest rate risk through various investment policies. Policies and interest rate risk disclosures for debt investments within the FRS Pension Trust Fund and LGSF Pool, the largest portion of the SBA managed funds, are presented below.

Investments authorized by Section 215.47, F.S., are managed through individual portfolios within various asset classes. The individual portfolios may have different policies regarding interest rate risk. Major types of debt portfolios are listed below.

Short-term portfolios – Weighted average maturity (WAM) is limited to 120 days in the Cash and Central Custody portfolio and 180 days in the internally managed FRS Short-term Investment Pool (STIPFRS) portfolio. In the STIPFRS, no individual security shall have a final maturity date longer than 3 years. Final maturity is limited to 2 years in the Cash and Central Custody portfolio. For securities without a fixed interest rate, the next interest rate reset date is used as the maturity date for the WAM calculation.

Mortgage portfolios – Portfolio duration should be similar to the duration of the mortgage-related fixed income market and should remain within plus or minus 1 to 1.5 years of Index duration. The Index is the MBS Fixed Rate Index component of the Lehman Brothers Aggregate Index.

Government/Corporate portfolios – Portfolio duration should remain within plus or minus 0.25-0.50 years of the Index duration. A wide range of indices are used among the individual portfolios.

High Yield portfolios – Portfolio duration should remain within 2.5 years of the high yield Index duration. Index duration for high yield securities is the effective duration as reported by Merrill Lynch. A wide range of indices are used among the individual portfolios.

Security Lending portfolios – Maximum WAM for a portfolio is 45, 60, or 120 days, depending on the lending program.

Presented below is the interest rate risk table for FRS Pension Trust Fund (in thousands). Investment types related to debt portfolios are presented using effective weighted duration. Investment types related to short-term and security lending collateral portfolios are presented using weighted average maturity.

**FRS Pension Trust Fund
Debt Investments
As of June 30, 2005**

<u>Investment type</u>	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit *	\$ 477,702	0.28	\$ 403,845	19
Commercial paper *	.....	NA	4,861,451	13
Money market funds *	.....	NA	125,236	46
Repurchase agreements *	.....	NA	2,419,644	1
U.S. guaranteed obligations:				
U.S. Treasury bills	.....	NA	526	77
U.S. Treasury bonds and notes	3,646,100	7.58	.....	NA
Index linked government bonds	297,693	6.21	.....	NA
U.S. government guaranteed	19,054	6.62	.....	NA
GNMA mortgage-backed	711,640	3.30	.....	NA
GNMA collateralized mortgage obligations (CMO's)	40,855	1.72	.....	NA
GNMA Inverse Floating CMO's	6,708	-17.35	.....	NA
Federal Agencies				
Unsecured bonds & notes *	1,728,407	3.84	137,588	236
Unsecured bonds & notes, stepped coupon *			264,281	433
Mortgage-backed	5,176,000	2.70	.....	NA
Mortgage-backed CMO's	264,164	2.27	.....	NA
Interest-only CMO's	24,015	-14.94	.....	NA
Principal-only CMO's	33,908	21.40	.....	NA
Inverse floating CMO's	156,901	6.30	.....	NA
Domestic bonds & notes:				
Corporate *	6,750,622	4.59	3,939,811	42
Non-government backed CMO's	1,013,512	4.14	.....	NA
Municipal/provincial	15,232	14.71	.....	NA
Real estate mortgage loans	23,004	7.16	.....	NA
Master notes *	.....	NA	171,287	1
Funding agreements *	.....	NA	26,700	64
International bonds & notes:				
Government & regional	395,516	6.04	.....	NA
Government agency	134,760	6.85	.....	NA
Corporate *	554,150	5.03	8,774	74
Non-government backed CMO's *			322,276	50
Options **	1,282	-0.16	.....	NA
Total debt investments	<u>\$ 21,471,225</u>		<u>\$ 12,681,419</u>	

* Invested security lending collateral represents investments totaling \$5.6 billion in the weighted average days to maturity values.

** Options weighting on duration was performed using notional values instead of fair values.

Local Government Surplus Funds Investment Pool – The LGSF Pool weighted average maturity (WAM) is not allowed to exceed 90 days. Maturities of money market securities are not allowed to exceed 397 days, and maturities of government securities are not allowed to exceed 762 days. The LGSF Pool also participates in three security lending programs. SEC 2a7 regulations limit the amount of securities that may be on loan at any one time to no more than one-third of the portfolio.

Presented below are interest rate risk schedules for all debt-related investments managed by the SBA (excluding the FRS Pension Trust Fund), as of June 30, 2005 (in thousands). Certain investment types may be presented using two or more interest rate risk methods, if the investment types are managed using different techniques. For example, if investments are purchased to match scheduled debt payments, to coincide with Lottery prize payouts, or are entirely client directed investments, the investments are presented using the segmented time distribution method. If investments are in a portfolio that contains weighted average maturity restrictions, the investments are presented using this method. If investments are subject to certain restrictions on duration, then that method is used. Individual investments are only included in one of the following three methods scheduled below.

**Debt Investments Managed by SBA (except FRS Pension Trust Fund)
That Use Segmented Time Distribution Method
As of June 30, 2005**

Investment type	Total fair value	Investment maturities (in years)						
		Less than or equal to 1	> 1 to 3	> 3 to 5	> 5 to 10	>10 to 15	> 15 to 20	> 20
Commercial paper	\$ 80,066	\$ 80,066	\$	\$	\$	\$	\$	\$
Repurchase agreements	583,537	583,537	.....	.....	.....	.....	.....	.....
U.S. guaranteed obligations:								
U.S. Treasury bills	15,675	15,675	.....	.....	.....	.....	.....	.....
U.S. Treasury bonds, notes, & SLUGS*	1,741,037	1,035,894	261,978	179,200	262,938	821	206	.....
U.S. Treasury strips	1,878,261	449,109	454,433	358,275	482,668	81,799	27,430	24,547
Federal agencies:								
Unsecured bonds & notes	224,039	63,030	86,251	74,758	.....	.....	.....	.....
Agency strips	128,572	21,371	34,203	29,579	43,419	.....	.....	.....
Inverse floating rate CMO's	814	.....	.....	.....	.....	.....	814	.....
Domestic bonds & notes:								
Municipal/provincial	274	.....	.....	.....	274	.....	.....	.....
Total debt investments	\$ 4,652,275	\$ 2,248,682	\$ 836,865	\$ 641,812	\$ 789,299	\$ 82,620	\$ 28,450	\$ 24,547

* Special U.S. Treasury securities for State and Local Governments.

**Debt Investments Managed by SBA (except FRS Pension Trust Fund)
That Use Weighted Average Maturity Method or Duration Method
As of June 30, 2005**

<u>Investment type</u>	Fair value	Effective	Fair value	Weighted
Certificates of deposit *	\$	NA	\$ 1,211,740	31
Commercial paper *	.....	NA	13,103,735	15
Money market funds *	180,387	0.50	2,867,948	29
Repurchase agreements *	.....	NA	1,699,413	1
U.S. guaranteed obligations:				
U.S. Treasury bonds, notes, & SLUGS	126,466	3.46	653,131	113
U.S. Treasury strips	2,968,442	12.75	.....	NA
Index linked government bonds	385,353	4.25	.....	NA
GNMA mortgage-backed	84,889	3.91	.....	NA
GNMA collateralized mortgage obligations (CMO's)	2,503	5.14	.....	NA
Federal agencies:				
Discount notes	.....	NA	110,613	1
Unsecured bonds & notes *	271,285	8.79	2,755,731	57
Unsecured bonds & notes, stepped coupon *	.....	NA	1,668,203	405
Agency strips	33,483	9.91	.....	NA
Mortgage-backed	289,207	2.53	.....	NA
Mortgage-backed CMO's	107,467	4.90	.....	NA
Domestic bonds & notes:				
Corporate *	431,551	5.87	6,432,551	37
Non-government backed CMO's *	220,971	3.51	182,258	13
Municipal/provincial	283	15.08	.....	NA
Master notes *	.....	NA	340,713	1
Funding agreements *	.....	NA	123,300	29
Domestic bonds & notes mutual fund	338,989	4.58	5,938	562
International bonds & notes:				
Government & regional	6,928	4.70	.....	NA
Government agency	2,159	5.55	.....	NA
Corporate *	8,751	4.17	3,000	29
Non-government backed CMO's *	.....	NA	486,970	51
Total debt investments	<u>\$ 5,459,114</u>		<u>\$ 31,645,244</u>	

* Invested security lending collateral represents investments totaling approximately \$9.9 billion in the weighted average days to maturity values.

Component Units

Component units manage their exposure to interest rate risk through various investment policies. These policies may be obtained separately from component units. Presented below is the applicable interest rate risk information for major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

**Major Component Units
Debt Investments
That Use Segmented Time Distribution Method
As of June 30, 2005**

Component unit/ Investment type	Total fair value	Investment maturities (in years)							
		Less than or equal to 1	> 1 to 3	> 3 to 5	> 5 to 10	>10 to 15	> 15 to 20	> 20	
Univestiy of Florida									
U.S. guaranteed obligations	\$ 17,697	\$	\$ 17,089	\$	\$ 390	\$ 218	\$	\$	\$
Domestic bonds and notes	5,007	.....	.....	.....	.....	.....	.....	.....	5,007
Total debt investments	\$ 22,704	\$	\$ 17,089	\$	\$ 390	\$ 218	\$	\$	\$ 5,007

**Major Component Units
Debt Investments
That Use Duration and Weighted Average Maturities
As of June 30, 2005**

<u>Component unit / Investment type</u>	Fair value (duration)	Modified duration (in years)	Fair value (WAM)	Weighted average maturity (in years)
Florida Housing Finance Corporation				
Federal agencies	\$ 81,631	1.16	NA	NA
Bonds and notes	201,973	1.38	NA	NA
U.S. guaranteed obligations	44,937	2.92	NA	NA
South Florida Water Management District				
Federal agencies	272,846	2.04	NA	NA
University of Florida				
Mutual funds	112,198	3.96	121,346	NA 5.73
Florida State University				
Bonds and notes	173,585	3.34	NA	NA
University of South Florida				
Federal agencies	2,135	2.38	NA	NA
Bonds and notes	4,011	2.88	NA	NA
U.S. guaranteed obligations	5,580	4.38	NA	NA
Citizens Property Insurance Corporation	2,764,114	(1)		(1)
Total Debt Investments	\$ 3,663,010		\$ 121,346	

(1) Information relative to the investments of Citizens Property Insurance Corporation is available in regulatory reports filed with the Office of Insurance Regulation.

4. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment.

Pooled Investments with the State Treasury

The State Treasury does not have any investments in foreign currency. State law and investment policy do not authorize investments in foreign currency related to State Treasury investment operations.

Other Investments

The FRS Pension Trust Fund and the Lawton Chiles Endowment Fund had exposure to foreign currency risk at June 30, 2005. These funds are managed primarily by the use of "asset classes." In addition to securities denominated in foreign currency, the SBA purchases many investments that are issued in other countries, but that are denominated in U.S. dollars. These securities are, in many cases, traded on U.S. exchanges and function similar to U.S. securities. They do contain foreign country risk exposure, even if they do not contain foreign currency exposure.

The FRS Pension Trust Fund's International Equity and Global Equity asset class range limits, as adopted in the SBA's Total Fund Investment Plan, are 10-18% of total fund assets, with a target of 14%, and 1-8%, with a target of 4%, respectively. The Lawton Chiles Endowment Fund's Foreign Equities asset class range limits, as adopted in the fund's investment plan, are 6-18% of total fund assets, with a target of 12%. A limited amount of exposure occurs in certain Fixed Income portfolios. There is no requirement that this exposure to foreign currency be hedged through forward currency contracts, although the managers use them in many cases.

Presented below in U.S. dollars are the FRS Pension Trust Fund and Lawton Chiles Endowment Fund investments exposed to foreign currency risk as of June 30, 2005, listed in total, by currency (in thousands). International securities that are denominated in U.S. dollars are also included.

FRS Pension Trust Fund and Lawton Chiles Endowment Fund (LCEF)
Investments Exposed to Foreign Currency Risk
As of June 30, 2005

Currency	FRS Pension Fund				LCEF
	Investment type			Total	Investment type
	Debt	Equity	Options		Equity
Australian dollar	\$	\$ 236,026	\$	\$ 236,026	\$ 20,062
Canadian dollar	.....	271,125	.....	271,125	17,799
Danish krone	.....	.....	.....	.....	667
Euro	21,380	2,903,819	315	2,925,514	77,927
Hong Kong dollar	.....	395,922	.....	395,922	12,225
Japanese yen	1,760	1,743,171	.....	1,744,931	37,266
Mexican peso	10,351	44,704	.....	55,055	.....
New Taiwan dollar	.....	129,428	.....	129,428	.....
Norwegian krone	.....	.....	.....	.....	3,715
Philippine peso	.....	.....	.....	.....	232
Pound sterling	.....	1,971,976	.....	1,971,976	41,248
Singapore dollar	.....	114,561	.....	114,561	1,119
South African rand	.....	.....	.....	.....	493
South Korean won	.....	234,066	.....	234,066	.....
Swedish krona	.....	239,141	.....	239,141	3,347
Swiss franc	1,410	793,439	.....	794,849	10,234
Other	.....	506,863	.....	506,863	.....
International equity mutual fund (various currencies)	.....	8,254,408	.....	8,254,408	65
Total investments subject to foreign currency risk	\$ 34,901	\$ 17,838,649	\$ 315	\$ 17,873,865	\$ 226,399

Component Units

Component unit information regarding foreign currency risk was not readily available.

5. Security Lending

Pooled Investments with the State Treasury

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 17.57, 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, 2005. 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 that might occur. The State Treasury does not have the ability to pledge or sell the non-cash collateral securities, so the non-cash portion of the collateral held (U.S. Government and federally guaranteed obligations valued at \$557,671,896) is not reported on the balance sheet. Securities held with others under security lending agreements, the cash portion of collateral held, totaled \$5,398,369,852.58. Security lending asset and liability balances are allocated at fiscal year end and reported among all participating funds of the primary government.

Other Investments

Through the SBA, various funds, including the FRS Pension Trust Fund, the Local Government Surplus Funds Trust Fund, the Florida Lottery Trust Fund, the Florida Hurricane Catastrophe Fund, and the Florida Prepaid College Trust Fund participate in security lending programs. The SBA had received and invested \$15,328,508,321 in cash and \$552,701,429 in U.S. government securities as collateral for the lending programs as of June 30, 2005. At June 30, 2005, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest). All security 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, because security loan agreements are generally 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 26 percent to 92 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 Fund for the period ended June 30, 2005, as required by GASB Statement No. 31. Additional information pertaining to the Investment Trust Fund 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.

6. 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, and interest rate swaps.

The FRS Pension Trust Fund 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 FRS Pension Trust Fund does not directly hold positions in these derivatives; it only holds units of the emerging markets funds.

As of June 30, 2005, all of the SBA derivatives were reported at fair value.

7. Reverse Repurchase Agreements

State statutes authorize the State Treasury to enter into reverse repurchase agreements. The maturities of the reverse repurchase agreements are monthly. The maturities of the reverse repurchase agreements are not matched to the underlying collateral securities; however, the collateral securities are comprised primarily of floating rate securities that reset monthly. Securities held with others under reverse repurchase agreements include U.S. and federally guaranteed obligations totaling \$2,736,761. Reverse repurchase agreement asset and liability balances are allocated at fiscal year end and reported among all participating funds of the primary government.

NOTE 3 - RECEIVABLES AND PAYABLES

“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
Accounts receivable	\$ 75,594	\$ 28,446	\$ 341,486	\$ 3,274	\$ 171,081
Taxes receivable	1,303,270	.....	.....	.....	.....
Interest & dividends receivable	35,887	4,724	624	4,890	4,353
Loans & notes receivable	21,540	39,000	.....	.....	3,403
Due from Federal government	4,139	35,219	929,349	17,503	777
Other receivables	285	1,088	5,744	114,336	.....
Allowance for uncollectibles	(33,707)	(21,037)	(95,318)	(251)	(1,959)
Receivables, net	\$ 1,407,008	\$ 87,440	\$ 1,181,885	\$ 139,752	\$ 177,655
Loans & notes receivable					
from other governments	\$	\$ 669,743	\$	\$ 579,632	\$
Other loans & notes receivable	13,141	937	178,824	1,152	.....
Advances to other governments	5,950	6,705	3,425	.....	.....
Advances to component units	66,067	81,348	.....	.....	.....
Long-term interest receivable	.....	.....	.....	1,255	.....
Allowance for uncollectibles	(6,338)	.....	(168,544)	(648)	.....
Other loans & notes receivable, net	\$ 78,820	\$ 758,733	\$ 13,705	\$ 581,391	\$

(Continued below)

	Tax Collection and Administration	Employment Services	Lawton Chiles Endowment Fund	Nonmajor Governmental Funds	Total Governmental Funds
Accounts receivable	\$ 244	\$ 161	\$ 10,977	\$ 793,753	\$ 1,425,016
Taxes receivable	263,337	73,857	.....	477	1,640,941
Interest & dividends receivable	108	1,242	7,043	9,452	68,323
Loans & notes receivable	.....	.....	.....	72,035	135,978
Due from Federal government	.....	56,239	.....	104,927	1,148,153
Other receivables	25	.....	.....	11,066	132,544
Allowance for uncollectibles	.....	.....	.....	(46,274)	(198,546)
Receivables, net	\$ 263,714	\$ 131,499	\$ 18,020	\$ 945,436	\$ 4,352,409
Loans & notes receivable					
from other governments	\$	\$	\$	\$ 446,948	\$ 1,696,323
Other loans & notes receivable	.....	.....	.....	4,399	198,453
Advances to other governments	.....	.....	.....	3,206	19,286
Advances to component units	.....	.....	.....	.....	147,415
Long-term interest receivable	.....	.....	.....	.....	1,255
Allowance for uncollectibles	.....	.....	.....	.....	(175,530)
Other loans & notes receivable, net	\$	\$	\$	\$ 454,553	\$ 1,887,202

(Continued below)

	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts receivable	\$ 9,724	\$ 238,976	\$ 1,673,716
Taxes receivable	.....	.....	1,640,941
Interest & dividends receivable	86	.....	68,409
Loans & notes receivable	.....	.....	135,978
Due from Federal government	.....	.....	1,148,153
Other receivables	2,842	.....	135,386
Allowance for uncollectibles	.....	.....	(198,546)
Receivables, net	\$ 12,652	\$ 238,976	\$ 4,604,037
Loans & notes receivable			
from other governments	\$	\$	\$ 1,696,323
Other loans & notes receivable	.....	.....	198,453
Advances to other governments	.....	.....	19,286
Advances to component units	.....	.....	147,415
Long-term interest receivable	.....	.....	1,255
Allowance for uncollectibles	.....	.....	(175,530)
Other loans & notes receivable, net	\$	\$	\$ 1,887,202

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Unemployment Compensation	State Board of Administration	Nonmajor Enterprise Funds
Accounts receivable	\$ 3,102	\$ 47,688	\$ 93,830	\$ 88	\$ 8,171
Taxes receivable	.....	.....	303,052	.....	.....
Interest & dividends receivable	2,760	6,053	17,978	9,143	385
Other receivables	90	.....	2,638	.....	55
Allowance for uncollectibles	.....	(1,510)	(60,613)	.....	(852)
Receivables, net	\$ 5,952	\$ 52,231	\$ 356,885	\$ 9,231	\$ 7,759

(Continued below)

	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts receivable	\$ 152,879	\$ 6,072	\$ 158,951
Taxes receivable	303,052	.....	303,052
Interest & dividends receivable	36,319	.....	36,319
Other receivables	2,783	.....	2,783
Allowance for uncollectibles	(62,975)	.....	(62,975)
Receivables, net	\$ 432,058	\$ 6,072	\$ 438,130

COMPONENT UNITS

Accounts receivable	\$ 1,022,402
Other receivables	532,977
Allowance for uncollectibles	(218,011)
Receivables, net	\$ 1,337,368
Other loans & notes receivable	\$ 3,229,753
Allowance for uncollectibles	(136,630)
Other loans & notes receivable, net	\$ 3,093,123

“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
Accounts payable	\$ 745,286	\$ 28,632	\$ 1,097,041	\$ 139,579	\$ 13,183
Construction contracts	.....	.....	.....	220,250	.....
Claims payable	3,490	.....	.....	.....	.....
Accrued salaries & wages	78,681	.....	15,681	17,004	16
Deposits payable	40	324	.....	2,154	.....
Due to Federal government	2	116	411	.....	.....
Due to other governmental units	2,951	9,338	2,812	5,074	.....
Accrued interest	.....	.....	.....	.....	.....
Other payables	6,865	.....	.....	.....	.....
Accounts payable and other liabilities	\$ 837,315	\$ 38,410	\$ 1,115,945	\$ 384,061	\$ 13,199

(Continued below)

	Tax Collection and Administration	Employment Services	Lawton Chiles Endowment Fund	Nonmajor Governmental Funds	Total Governmental Funds
Accounts payable	\$ 11,303	\$ 57,797	\$ 52,911	\$ 145,820	\$ 2,291,552
Construction contracts	.....	.....	.....	3,757	224,007
Claims payable	.....	.....	.....	.....	3,490
Accrued salaries & wages	21	466	.....	8,353	120,222
Deposits payable	.....	.....	.....	177	2,695
Due to Federal government	.....	.....	.....	12,421	12,950
Due to other governmental units	124,676	.....	.....	24,696	169,547
Accrued Interest	.....	.....	.....	4,296	4,296
Other payables	20	.....	.....	4,921	11,806
Accounts payable and other liabilities	\$ 136,020	\$ 58,263	\$ 52,911	\$ 204,441	\$ 2,840,565

(Continued below)

	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts payable	\$ 29,385	\$ 353,802	\$ 2,674,739
Construction contracts	.....	.....	224,007
Claims payable	.....	.....	3,490
Accrued salaries & wages	3,195	.....	123,417
Deposits payable	.....	.....	2,695
Due to Federal government	.....	.....	12,950
Due to other governmental units	39	.....	169,586
Accrued Interest	5,774	.....	10,070
Other payables	.....	.....	11,806
Accounts payable and other liabilities	\$ 38,393	\$ 353,802	\$ 3,232,760

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Unemployment Compensation	State Board of Administration	Nonmajor Enterprise Funds
Accounts payable	\$ 894	\$ 59,615	\$ 22,749	\$ 971,186	\$ 4,169
Construction contracts	37,447	.....	.....	.....	.....
Accrued salaries & wages	.....	54	.....	.....	1,088
Deposits payable	575	2,241	.....	.....	.....
Due to other governmental units	.....	.....	1,152	.....	.....
Accounts payable and other liabilities	\$ 38,916	\$ 61,910	\$ 23,901	\$ 971,186	\$ 5,257

(Continued below)

	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts payable	\$ 1,058,613	\$ 9	\$ 1,058,622
Construction contracts	37,447	.....	37,447
Accrued salaries & wages	1,142	.....	1,142
Deposits payable	2,816	.....	2,816
Due to other governmental units	1,152	.....	1,152
Accounts payable and other liabilities	\$ 1,101,170	\$ 9	\$ 1,101,179

NOTE 4 – TAXES AND OTHER REVENUE

A. Taxes

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 for 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	\$ 19,056,249	\$	\$	\$	\$	\$	\$ 19,056,249
Fuel taxes:							
Motor fuel tax	.....	.....	.....	2,036,389	.....	.....	2,036,389
Pollutant tax	.....	.....	.....	260,991	.....	.....	260,991
Aviation fuel tax	.....	.....	.....	57,511	.....	.....	57,511
Solid minerals severance tax	.....	.....	.....	50,864	.....	.....	50,864
Oil and gas production tax	.....	.....	.....	8,257	.....	.....	8,257
Total fuel taxes	.....	.....	.....	2,414,012	.....	.....	2,414,012
Corporate income tax	1,785,213	.....	.....	.....	.....	.....	1,785,213
Documentary stamp tax	.....	.....	.....	3,376,210	.....	.....	3,376,210
Intangible personal property tax	998,904	.....	.....	.....	.....	.....	998,904
Communications service tax	933,772	.....	410,063	.....	.....	.....	1,343,835
Estate tax	294,889	.....	.....	.....	.....	.....	294,889
Gross receipts utilities tax	.....	.....	488,436	8,289	.....	.....	496,725
Beverage and tobacco taxes:							
Alcoholic beverage tax	568,676	.....	.....	.....	.....	53,959	622,635
Cigarette tax	.....	.....	.....	436,727	.....	.....	436,727
Smokeless tobacco tax	29,045	.....	.....	.....	.....	.....	29,045
Total beverage and tobacco taxes	597,721	.....	.....	436,727	.....	53,959	1,088,407
Other taxes:							
Insurance premium tax	110,676	.....	.....	616,754	.....	37,129	764,559
Workers' compensation special disability tax	.....	.....	.....	.....	330,217	.....	330,217
Hospital public assistance tax	.....	322,992	.....	.....	.....	.....	322,992
Citrus excise tax	.....	.....	.....	.....	.....	30,461	30,461
Pari-mutuel wagering tax	1,838	.....	.....	.....	.....	26,497	28,335
Other	.....	.....	.....	3,596	.....	316	3,912
Total other taxes	112,514	322,992	.....	620,350	330,217	94,403	1,480,476
Total	\$ 23,779,262	\$ 322,992	\$ 898,499	\$ 6,855,588	\$ 330,217	\$ 148,362	\$ 32,334,920

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

	Beverage and Tobacco Taxes
Governmental fund statements	\$ 1,088,407
Government-wide accruals	135
Government-wide statements	\$ 1,088,542

B. Other Revenue

Other revenue recorded in governmental funds includes revenue not classified as taxes, licenses and permits, fees and charges, grants and donations, investment earnings, or fines, forfeits, settlements and judgments. During the fiscal year ended June 30, 2005, other revenue recorded in the General Fund includes transfers from the Florida Housing Finance Corporation, a discretely presented component unit, in the amount of \$220.8 million. The transfers were mandated by the 2004 General Appropriations Act.

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	Financial Statement Capitalizing Threshold	Estimated Useful Life (in Years)
Land and other nondepreciable assets	Capitalize all	Not depreciable
Nondepreciable infrastructure	Capitalize all	Not depreciable
Buildings, equipment, and other depreciable assets		
Buildings and building improvements	\$100,000	5 - 50
Infrastructure and infrastructure improvements (depreciable)	\$100,000	3 - 50
Leasehold improvements	\$100,000	2 - 15
Furniture and equipment	\$1,000 and \$250 for non-circulated books	2 - 25
Library resources	\$25	5 - 50
Property under capital lease	Threshold correlates to asset category	2 - 20
Works of art and historical treasures	Items capitalized as of June 30, 1999, remain capitalized; capitalize unless considered a collection	5 - 50
Other capital assets	\$1,000	3 - 20
Construction work in progress	\$100,000 when work is completed	Not depreciable

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 the Required Supplementary Information 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.

Depreciation expense charged to functions of governmental activities for the year ended June 30, 2005, is as follows (in thousands):

General government	\$ 61,014
Education	6,853
Human services	30,941
Criminal justice and corrections	133,289
Natural resources & environment	49,562
Transportation	45,871
State courts	2,125
Total depreciation expense (governmental activities)	\$ 329,655

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Primary government capital asset activities for the fiscal year ended June 30, 2005, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES

	Balance 7/1/2004	Adjustments	Increases	Decreases	Balance 6/30/2005
Capital assets, not being depreciated:					
Land and other nondepreciable assets	\$ 12,636,178	\$ 186,509	\$ 591,827	\$ 52,601	\$ 13,361,913
Infrastructure and infrastructure improvements - nondepreciable	24,870,825	(382,089)	1,321,529	60,484	25,749,781
Construction work in progress	5,425,833	240,851	126,642	(109)	5,793,435
Total capital assets, not being depreciated	42,932,836	45,271	2,039,998	112,976	44,905,129
Capital assets, being depreciated:					
Buildings and building improvements	3,383,112	67,623	200,035	114,840	3,535,930
Infrastructure and infrastructure improvements	324,322	33,074	5,915	791	362,520
Leasehold improvements	269	.....	.....	1	268
Property under capital lease	210,199	.....	17	4	210,212
Furniture and equipment	1,689,355	41,037	185,491	149,395	1,766,488
Works of art and historical treasures	1,371	(1)	2	4	1,368
Library resources	25,950	24	1,292	72	27,194
Other	44,907	5,342	849	869	50,229
Total capital assets, being depreciated	5,679,485	147,099	393,601	265,976	5,954,209
Less accumulated depreciation for:					
Buildings and building improvements	1,340,265	29,059	138,740	53,459	1,454,605
Infrastructure and infrastructure improvements	128,919	(25)	12,638	510	141,022
Property under capital lease	34,368	14,047	7,867	14,047	42,235
Furniture and equipment	1,133,997	(25,893)	167,159	105,096	1,170,167
Works of art and historical treasures	449	.....	28	4	473
Library resources	8,251	23	565	31	8,808
Other	27,748	19	2,658	715	29,710
Total accumulated depreciation	2,673,997	17,230	329,655	173,862	2,847,020
Total capital assets, being depreciated, net	3,005,488	129,869	63,946	92,114	3,107,189
Governmental activities capital assets, net	\$ 45,938,324	\$ 175,140	\$ 2,103,944	\$ 205,090	\$ 48,012,318

BUSINESS-TYPE ACTIVITIES

	Balance 7/1/2004	Adjustments	Increases	Decreases	Balance 6/30/2005
Capital assets, not being depreciated:					
Land and other nondepreciable assets	\$ 783,396	\$ (42)	\$ 11,961	\$	\$ 795,315
Infrastructure and infrastructure improvements - nondepreciable	3,154,025	596,471	44,993	.....	3,795,489
Construction work in progress	1,003,118	(651,355)	287,534	.....	639,297
Total capital assets, not being depreciated	4,940,539	(54,926)	344,488	.....	5,230,101
Capital assets, being depreciated:					
Buildings and building improvements	201,546	(35)	5,414	4	206,921
Infrastructure and infrastructure improvements	41	.....	10	.....	51
Furniture and equipment	109,078	201	6,977	4,066	112,190
Library resources	4	.....	.....	1	3
Other	868	7,254	670	.....	8,792
Total capital assets, being depreciated	311,537	7,420	13,071	4,071	327,957
Less accumulated depreciation for:					
Buildings and building improvements	72,243	81	6,326	1	78,649
Infrastructure and infrastructure improvements	34	.....	1	.....	35
Furniture and equipment	68,064	(610)	14,936	2,964	79,426
Library resources	3	(1)	.....	1	1
Other	128	291	1,369	.....	1,788
Total accumulated depreciation	140,472	(239)	22,632	2,966	159,899
Total capital assets, being depreciated, net	171,065	7,659	(9,561)	1,105	168,058
Business-type activities capital assets, net	\$ 5,111,604	\$ (47,267)	\$ 334,927	\$ 1,105	\$ 5,398,159

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Component units' capital asset activities for the fiscal year ended June 30, 2005, are as follows (in thousands):

COMPONENT UNITS

	Balance 7/1/2004	Adjustments	Increases	Decreases	Balance 6/30/2005
Capital assets, not being depreciated:					
Land and other non-depreciable assets	\$ 3,714,546	\$ 33,611	\$ 318,697	\$ 10,586	\$ 4,056,268
Construction work in progress	1,033,255	(312,317)	751,907	221,579	1,251,266
Total capital assets, not being depreciated	4,747,801	(278,706)	1,070,604	232,165	5,307,534
Capital assets, being depreciated:					
Buildings and building improvements	8,065,463	250,253	474,361	48,317	8,741,760
Infrastructure and infrastructure improvements	945,187	140,804	41,092	201	1,126,882
Leasehold improvements	164,478	(3,533)	4,981	109	165,817
Property under capital lease	209,446	(71,375)	3,176	376	140,871
Furniture and equipment	2,534,449	10,705	257,261	148,221	2,654,194
Works of art and historical treasures	761	1,819	312	12	2,880
Library resources	624,873	1,632	38,457	2,690	662,272
Other	122,254	5,407	19,983	1,127	146,517
Total capital assets, being depreciated	12,666,911	335,712	839,623	201,053	13,641,193
Less accumulated depreciation for:					
Buildings and building improvements	2,585,439	16,055	254,917	22,143	2,834,268
Infrastructure and infrastructure improvements	374,170	11,655	40,982	121	426,686
Leasehold improvements	34,748	(48)	6,559	61	41,198
Property under capital lease	27,797	(4,112)	11,242	376	34,551
Furniture and equipment	1,674,805	7,384	230,126	107,286	1,805,029
Works of art and historical treasures	180	.....	72	.....	252
Library resources	402,342	(26)	29,849	2,639	429,526
Other	45,063	1,258	17,134	674	62,781
Total accumulated depreciation	5,144,544	32,166	590,881	133,300	5,634,291
Total capital assets, being depreciated, net	7,522,367	303,546	248,742	67,753	8,006,902
Component units capital assets, net	\$ 12,270,168	\$ 24,840	\$ 1,319,346	\$ 299,918	\$ 13,314,436

NOTE 6 - PENSIONS 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 (and can be amended by) Chapter 121, F.S., to provide a defined benefit pension plan for participating public employees. The FRS also provides nonintegrated, 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 an integrated defined contribution plan alternative available to all FRS members in lieu of the defined benefit plan. The earliest enrollment in the PEORP became 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 officers, State fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody 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, emergency medical care, 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 cities and special districts.

The FRS defined benefit plan (the FRS Pension 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 years of special risk service regardless of age. Twenty-five total years of special risk service and age 52.

Note: Any member not employed in a regularly established position on July 1, 2001, shall be deemed vested upon completion of creditable service, provided that such member is employed in a covered position for at least one work year after July 1, 2001.

Benefits under the FRS Pension 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), F.S. 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. Additionally, authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. During the period of DROP participation, deferred monthly benefits remain in the FRS Pension Trust Fund and accrue interest. As of June

30, 2005, the FRS Pension Trust Fund projected \$1,999,093,219 accumulated benefits and interest for 31,457 current and prior participants in the DROP.

The FRS Pension Plan is primarily a cost-sharing multiple-employer public-employee defined benefit pension plan administered by the Department of Management Services, Division of Retirement. Nonintegrated, 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 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.

Normal retirement benefits under the Public Employee Optional Retirement Program (FRS Investment Plan) are based upon the value of the member's account upon retirement. The FRS Investment Plan provides vesting after one year of service for all Investment Plan contributions regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, six years of service is required to be vested for these funds and the earnings on the funds. The employer pays a contribution as a percentage of salary that is deposited into the individual member's account. The investment of this account is directed by the member from investment options offered under the plan. After termination, the member may rollover invested funds to another qualified plan, structure a periodic payment under the Investment Plan, take a lump-sum payment, or leave the funds invested for future distribution. Disability coverage is provided; the member may either transfer the account value to the FRS Pension Plan when approved for disability retirement in order to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or choose to remain in the FRS Investment Plan and rely upon that account balance for retirement income.

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 30 plan years. The balance of legally required reserves for all defined benefit pension plans at June 30, 2005, was \$108,100,164,000. Of this amount, \$108,084,882,985 was attributable to the FRS and was reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan. 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.

FRS Retirement Contribution Rates:

Membership Class	Normal Cost Rates Recommended	
	by Actuarial Review as of 7/1/03 for Fiscal Year 2004-2005	7/1/04 Statutory Rates* (Ch. 121, F.S.)
Regular	9.98%	6.28%
Senior Management Service	11.64%	8.26%
Special Risk	22.16%	17.42%
Special Risk Administrative Support	12.55%	8.81%
Judges	20.78%	17.54%
Legislators/Attorneys/Cabinet	15.82%	11.38%
Elected Officers	17.73%	14.12%
Deferred Retirement Option Program - applicable to members from all of the above classes or plans	11.56%	8.00%

* Rates indicated are uniform rates for all FRS members created by blending the FRS Investment Plan and FRS Pension Plan rates and an 0.08% contribution for the FRS Investment Plan administration and education fee. The FRS Pension Plan rates for 2004-05 are offset (reduced) using surplus actuarial assets.

FRS Participating Employers:

Employer Types	06/30/05
State Agencies	52
County Agencies	397
District School Boards	67
Community Colleges	28
Cities	151 *
Special Districts	186 *
Hospitals	4 *
Other	11
Total Participating Employers	<u>896</u>

* These totals include the 42 cities, 3 independent hospitals, and 15 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 6/30/2005
Active:						
Non-Vested	199,826	1,652	23,444	1	514	225,437
Vested	371,062	5,171	45,022	79	1,608	422,942
DROP Participants	27,955	395	2,917	22	168	31,457
Current Retirees and Beneficiaries	215,903	1,104	18,073	142	1,752	236,974
Vested Terminated	68,862	642	5,084	23	336	74,947
Total Members	<u>883,608</u>	<u>8,964</u>	<u>94,540</u>	<u>267</u>	<u>4,378</u>	<u>991,757</u>

Additional information about the FRS Pension Plan can be obtained from the Research and Education Section, Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, (850) 488-5706 or at the FRS Web site (<http://www.frs.state.fl.us>). The above counts do not reflect 3,244 FRS Investment Plan members who received a distribution from their accounts during fiscal year 2004-05.

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, 2005, 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, 2005, 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:

	2003	2004	2005
HIS recipients as of 6/30	184,519	199,107	209,722
HIS contributions for FY ending 6/30	\$259,651,153	\$264,411,895	\$266,229,756
HIS payments for FY ending 6/30	\$228,813,187	\$248,291,392	\$261,326,835
HIS Trust Fund net assets at 6/30	\$134,039,453	\$151,391,522	\$159,423,440
HIS contribution rate	1.11%	1.11%	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, 2005, the State's total covered payroll for its 140,203 State employee members plus 8,219 State DROP participants amounted to \$5,330,218,256 with actual and required employer contributions totaling \$518,487,899, or 9.73 percent. The State's contributions to the FRS for the fiscal years ending June 30, 2003, and June 30, 2004, were \$371,649,565 and \$436,290,894, 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 24.65 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 and 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 universities were required to contribute 10.43 percent of covered payroll for July 2004 through June 2005. 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 for fiscal year 2004-05. In accordance with Chapter 6OU-2 Optional Retirement Program Contributions, Florida Administrative Code, 0.01 percent was used for the administration of the SUSORP program and the remainder was distributed 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	15,505		
Payroll	\$1,070,852,559		
Contributions:			
Employee	\$ 53,326,048	4.98%	of payroll
Employer	\$ 113,495,085	10.60%	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 were required to contribute 12.49 percent of covered payroll for July 2004 through June 2005. 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 for fiscal year 2004-05. The employers' contributions were 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	69		
Payroll	\$ 6,829,309		
Contributions:			
Employee	\$ 87,753	1.28%	of payroll
Employer	\$ 893,187	13.08%	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, 2005, the Department had available approximately \$7.4 billion in budget authority committed on executed contracts arising from both current and prior year projects. Other major construction commitments of the State of Florida at June 30, 2005, totaled \$186.7 million. Additional disclosures on construction in progress are included in the capital assets note (Note 5). Construction commitments for component units totaled \$1.3 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 was \$487,994,969 for the fiscal year ended June 30, 2005. Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2005, amounted to \$318,469,140, including Series 1996 bonds payable of \$185,738,307, and Series 1999 bonds payable of \$132,730,833.

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 operating lease payments for the State's governmental activities, business-type activities, and component units were \$149 million, \$38.9 million, and \$42.8 million, respectively, for the year ended June 30, 2005. The following is a schedule of future noncancelable operating lease payments for the primary government and component units at June 30, 2005 (in thousands):

Year Ending June 30	Primary Government		Component Units
	Governmental Activities	Business-type Activities	
2006	\$ 130,605	\$ 21,526	\$ 35,971
2007	116,583	16,936	28,037
2008	103,121	14,390	21,562
2009	89,885	11,955	14,091
2010	71,024	13,146	12,619
2011-2015	147,727	22,009	9,821
2016-2020	88,521	19,435	5,257
2021-2025	857	11,848	5,139
2026-2030	861	11,848	4,901
2031-2035	864	11,848	1,921
2036-2040	.....	.....	1,135
2041-2045	.....	.....	1,135
2046-2050	.....	.....	1,027
2051-2055	.....	.....	400
Total	<u>\$ 750,048</u>	<u>\$ 154,941</u>	<u>\$ 143,016</u>

NOTE 8 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION**A. Bonds Payable****1. Outstanding Bonds**

Bonds payable at June 30, 2005, 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	\$ 2,706,080	\$ 2,138,575	3.000%-6.500%	2034
SBE Capital Outlay Bonds	1,496,525	869,275	3.000%-6.000%	2025
Lottery Education Bonds	2,540,370	2,086,015	2.250%-6.000%	2024
Public Education Bonds	13,241,007	9,016,270	2.000%-9.125%	2035
Conservation and Recreation Lands Bonds	32,670	17,205	5.000%-5.375%	2012
Save Our Coast Bonds	149,960	96,175	3.250%-5.250%	2012
Preservation 2000 Bonds	2,387,855	1,393,635	4.000%-6.000%	2013
Florida Forever Bonds	1,205,760	1,121,535	3.250%-5.375%	2023
Pollution Control Bonds	60,000	10,635	5.600%-5.600%	2009
Water Pollution Control Bonds	139,775	122,970	2.000%-5.500%	2023
State Infrastructure Bank Bonds	62,340	62,340	4.000%-5.000%	2026
Florida Facilities Pool Bonds	393,505	345,340	2.625%-6.750%	2029
	<u>24,415,847</u>	<u>17,279,970</u>		
Unamortized premiums (discounts) on bonds payable		448,648		
Less amount deferred on refunding		<u>(126,648)</u>		
Total Bonds Payable	<u>\$ 24,415,847</u>	<u>\$ 17,601,970</u>		
Statement of Net Assets Presentation:				
Bonds payable (current)		\$ 709,315		
Bonds payable (noncurrent)		<u>16,892,655</u>		
Total bonds payable		<u>\$ 17,601,970</u>		
Business-type Activities				
Road and Bridge Bonds	\$ 2,701,120	\$ 2,071,285	2.375%-6.500%	2034
Unamortized premiums (discounts) on bonds payable		42,425		
Less amount deferred on refunding		<u>(49,775)</u>		
Total Bonds Payable	<u>\$ 2,701,120</u>	<u>\$ 2,063,935</u>		
Statement of Net Assets Presentation:				
Bonds payable from restricted assets		\$ 63,610		
Bonds payable (noncurrent)		<u>2,000,325</u>		
Total bonds payable		<u>\$ 2,063,935</u>		

2. 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.

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 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 \$10,575,000 that has been escrowed by local governments.

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. Toll bonds, serial and term, are secured by a pledge of toll facility revenues.

State Infrastructure Bank Bonds are issued primarily to finance loans made for the purpose of financing qualified transportation projects. The bonds mature serially and are secured by a pledge of repayments on pledged loans and moneys and investments held in reserve accounts.

3. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2005, are as follows (in thousands):

Year Ending June 30	Primary Government					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2006	\$ 709,315	\$ 869,054	\$ 1,578,369	\$ 63,610	\$ 101,379	\$ 164,989
2007	766,890	828,890	1,595,780	66,840	98,165	165,005
2008	809,955	789,995	1,599,950	70,320	94,709	165,029
2009	844,700	749,602	1,594,302	73,890	91,156	165,046
2010	876,630	707,535	1,584,165	74,990	87,514	162,504
2011-2015	4,320,565	2,831,099	7,151,664	431,205	377,998	809,203
2016-2020	3,781,185	1,812,112	5,593,297	522,615	260,862	783,477
2021-2025	3,245,930	911,625	4,157,555	436,480	139,956	576,436
2026-2030	1,399,830	314,770	1,714,600	233,510	51,133	284,643
2031-2035	524,970	55,300	580,270	97,825	10,819	108,644
Bonds payable and interest	17,279,970	9,869,982	27,149,952	2,071,285	1,313,691	3,384,976
Unamortized premiums (discounts)	448,648	.....	448,648	42,425	.....	42,425
Less amount deferred or refunded	(126,648)	.....	(126,648)	(49,775)	.....	(49,775)
Total bonds payable and interest	\$ 17,601,970	\$ 9,869,982	\$ 27,471,952	\$ 2,063,935	\$ 1,313,691	\$ 3,377,626

Year Ending June 30	Component Units		
	Principal	Interest	Total
2006	\$ 211,699	\$ 232,259	\$ 443,958
2007	192,497	222,156	414,653
2008	212,703	215,001	427,704
2009	213,785	209,584	423,369
2010	157,815	201,504	359,319
2011-2015	745,269	388,002	1,133,271
2016-2020	715,307	286,107	1,001,414
2021-2025	684,270	203,640	887,910
2026-2030	714,228	183,193	897,421
2031-2035	745,766	34,725	780,491
2036-2040	540,933	6,113	547,046
2041-2045	113,770	573	114,343
2046-2050	16,957	31	16,988
Bonds payable and interest	5,264,999	2,182,888	7,447,887
Unamortized premiums (discounts)	2,358	.....	2,358
Less amount deferred or refunded	(4,362)	.....	(4,362)
Total bonds payable and interest	\$ 5,262,995	\$ 2,182,888	\$ 7,445,883

4. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2005, the State took advantage of favorable conditions and issued bonds for the purpose of 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 are 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 legally 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, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2004 Series B in the amount of \$171,695,000 along with additional funds of \$4,818,222 were used to advance refund \$174,160,000 of the State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, 1995 Series F maturing in the years 2007 through 2026. The refunding resulted in debt savings of \$23,449,100, an economic gain of \$15,443,400, and a deferred loss on refunding of \$9,783,236.

State of Florida, State Board of Education, Lottery Revenue Bonds, Series 2005 A in the amount of \$291,425,000 were used in part, along with additional funds of \$902,948 to advance refund \$91,060,000 of the State of Florida, State Board of Education, Lottery Bonds, Series 2000 B maturing in the years 2011 through 2019. The refunding resulted in debt savings of \$9,352,874, an economic gain of \$7,189,631, and a deferred loss on refunding of \$9,653,888.

State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2005 Series C in the amount of \$361,890,000 along with additional funds of \$6,837,169 were used to advance refund \$204,235,000 of the State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, 1996 Series A maturing in the years 2007 through 2026, and \$161,205,000 of the State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, 1999 Series C maturing in the years 2011 through 2029. The refunding resulted in debt savings of \$50,237,906, an economic gain of \$31,843,040, and a deferred loss on refunding of \$22,708,602.

State of Florida, Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2005 A in the amount of \$119,070,000 along with additional funds of \$1,649,372 were used to advance refund \$122,485,000 of the State of Florida, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds, Series 1996 maturing in the years 2007 through 2026. The refunding resulted in debt savings of \$14,678,849, an economic gain of \$9,552,140, and a deferred loss on refunding of \$3,901,525.

State of Florida, Full Faith and Credit, State Board of Education, Capital Outlay Bonds, 2005 Series A in the amount of \$290,055,000 were used in part, along with \$5,872,925 to advance refund \$167,000,000 State of Florida, Full Faith and Credit, State Board of Education, Capital Outlay Bonds, 1996 Series A maturing in the years 2007 through 2016, and \$118,090,000 State of Florida, Full Faith and Credit, State Board of Education, Capital Outlay Bonds, 1997 Series A maturing in the years 2008 through 2017. The refunding resulted in debt savings of \$22,023,825, an economic gain of \$17,752,407, and a deferred loss on refunding of \$6,902,745.

State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, 2001 Series I in the amount of \$315,525,000 were used in part to advance refund \$208,600,000 of the State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, 1994 Series C maturing in the years 2006 through 2025. The refunding resulted in debt service savings of \$41,216,640, an economic gain of \$28,066,388, and a deferred loss on refunding of \$2,093,500.

Business-type Activities

State of Florida, Department of Transportation, Turnpike Revenue Refunding Bonds, Series 2005A in the amount of \$93,560,000 along with additional funds of \$2,154,164 were used to advance refund \$89,625,000 of the State of Florida, Department of Transportation, Turnpike Revenue Bonds, Series 2000A maturing in the years 2011 through 2029. The refunding resulted in debt savings of \$13,684,167, an economic gain of \$8,462,440, and a deferred loss on refunding of \$8,363,885.

State of Florida, Department of Transportation, Turnpike Revenue Refunding Bonds, Series 2003B in the amount of \$303,945,000 were used in part to advance refund \$304,800,000 of the State of Florida, Department of Transportation, Turnpike Revenue Bonds, Series 1995A maturing in the years 2006 through 2025. The refunding resulted in debt savings of \$37,040,853, an economic gain of \$24,508,678, and a deferred loss on refunding of \$12,329,402.

Current Refundings

Governmental Activities

State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2005 Series A in the amount of \$294,790,000 along with additional funds of \$4,244,142 were used to refund \$156,615,000 of the State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, 1995 Series A maturing in the years 2006 through 2019, and \$156,365,000 of the State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, 1995 Series C maturing in the years 2006 through 2021. The refunding resulted in debt savings of \$46,065,579, an economic gain of \$34,667,155, and a deferred loss on refunding of \$7,279,628.

State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2005 Series B in the amount of \$344,405,000 along with additional funds of \$4,526,122 were used to refund \$205,375,000 of the State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, 1995 Series D maturing in the years 2006 through 2022, and \$163,680,000 of the State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, 1995 Series E maturing in the years 2006 through 2022. The refunding resulted in debt savings of \$41,805,116, an economic gain of \$31,360,504, and a deferred loss on refunding of \$7,864,640.

5. In-substance Defeasance

During the fiscal year ended June 30, 2005, the City of Jacksonville used available resources to complete the following in-substance defeasance. Funds other than the State of Florida 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 bonds were considered to have been defeased during the fiscal year:

State of Florida, Full Faith and Credit, Jacksonville Transportation Authority Senior Lien Refunding Bonds, Series 1997A in the amount of \$77,145,000, maturing July 2008 through July 2027.

6. 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 6/30/2005
<u>Governmental Activities</u>	
Road and Bridge Bonds	\$ 11,750
Public Education Capital Outlay Bonds	133,055
Investment Fraud Restoration Bonds	2,500
Pollution Control Bonds	15,165
Total	<u>\$ 162,470</u>
<u>Business-type Activities</u>	
Toll Facilities	<u>\$ 147,900</u>
<u>Component Units</u>	
University Revenue Certificates	<u>\$ 2,899</u>

7. Arbitrage Regulations

The State of Florida complies with Federal arbitrage regulations.

8. Direct Interest

The State's bonds are issued for the creation or continuing existence of various programs. Interest is reported in the following governmental activities as direct expenses on the Statement of Activities (in thousands):

<u>Governmental Activities</u>	<u>Bond Type</u>	<u>Interest</u>
Education	SBE Capital Outlay Bonds	\$ 42,464
Education	Lottery Education Bonds	97,425
Education	Public Education Bonds	435,586
Total Education		<u>575,475</u>
Natural Resources and Environment	Conservation and Recreation Lands Bonds	1,003
Natural Resources and Environment	Pollution Control Bonds	811
Natural Resources and Environment	Water Pollution Control Bonds	4,730
Natural Resources and Environment	Save Our Coast Bonds	4,127
Natural Resources and Environment	Florida Forever Bonds	45,088
Natural Resources and Environment	Preservation 2000 Bonds	83,445
Total Natural Resources and Environment		<u>139,204</u>
Transportation	Road and Bridge Bonds (Right of Way)	83,197
Transportation	State Infrastructure Bank Bonds	233
Total Transportation		<u>83,430</u>
Total Direct Interest		<u>\$ 798,109</u>

B. Certificates of Participation

The State has issued certificates of participation (original amount of \$107,385,000) to finance privately operated detention facilities. The certificates of participation's interest rates range from 4.000% to 5.375% and the last maturity is during the fiscal year ending June 30, 2018. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2005 (in thousands):

Year Ending June 30	Principal	Interest	Total
2006	\$ 5,820	\$ 4,082	\$ 9,902
2007	6,065	3,805	9,870
2008	6,375	3,488	9,863
2009	6,705	3,147	9,852
2010	7,045	2,814	9,859
2011-2015	39,585	8,508	48,093
2016-2018	12,900	1,173	14,073
Total	84,495	27,017	111,512
Unamortized premiums (discounts)	1,887	.....	1,887
(Amount deferred upon refunding)	(1,241)	.....	(1,241)
Total certificates of participation payable	<u>\$ 85,141</u>	<u>\$ 27,017</u>	<u>\$ 112,158</u>

Component units (universities) have issued certificates of participation (original amount of \$313,262,056) primarily to finance academic and student facilities. The certificates of participation's interest rates range from 2.50% to 5.63% and the last maturity is during the fiscal year ending June 30, 2040. The following is a schedule of future minimum principal and interest payments for certificates of participation for component units at June 30, 2005 (in thousands):

Year Ending June 30	Principal	Interest	Total
2006	\$ 2,340	\$ 4,980	\$ 7,320
2007	4,153	7,121	11,274
2008	5,913	6,965	12,878
2009	7,139	6,802	13,941
2010	7,396	8,928	16,324
2011-2015	40,422	28,997	69,419
2016-2020	45,808	23,415	69,223
2021-2025	53,194	16,939	70,133
2026-2030	59,333	11,331	70,664
2031-2035	73,860	5,102	78,962
2036-2040	12,354	155	12,509
Total	311,912	120,735	432,647
Unamortized premiums (discounts)	7,705	.....	7,705
Total certificates of participation payable	<u>\$ 319,617</u>	<u>\$ 120,735</u>	<u>\$ 440,352</u>

NOTE 9 - INSTALLMENT PURCHASES AND CAPITAL LEASES

A. Installment Purchases

The State has a number of installment purchase contracts providing for the acquisition of buildings, furniture, and equipment. At June 30, 2005, installment purchase contracts for governmental activities and component units were primarily 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, 2005 (in thousands):

Year Ending June 30	Primary Government	
	Governmental Activities	Component Units
2006	\$ 18,578	\$ 5,626
2007	16,929	1,824
2008	16,399	875
2009	11,545	500
2010	3,360	278
2011-2015	96	3,727
2016-2020	11	.....
Total	66,918	12,830
Less: Interest	(3,733)	(1,889)
Present value of future minimum payments	\$ 63,185	\$ 10,941

B. Capital Leases

The State has a number of capital leases providing for the acquisition of buildings, furniture, and equipment. At June 30, 2005, 96 percent of the State's capital leases for governmental activities were for buildings, with the remainder for furniture and equipment. Capital leases for business-type activities were primarily for furniture and equipment. Capital leases for component units consisted of 52 percent for furniture and equipment and the remainder primarily for buildings. The following is a schedule of future minimum capital lease payments for the primary government and component units at June 30, 2005 (in thousands):

Year Ending June 30	Primary Government		Component Units
	Governmental Activities	Business-type Activities	
2006	\$ 10,996	\$ 214	\$ 21,205
2007	11,105	.....	15,093
2008	11,204	.....	9,860
2009	11,322	.....	7,178
2010	11,438	.....	7,017
2011-2015	59,276	.....	26,484
2016-2020	28,720	.....	23,687
2021-2025	.....	.....	19,994
2026-2030	.....	.....	14,944
2031-2035	.....	.....	2,124
Total	144,061	214	147,586
Less: Interest	(33,567)	(9)	(50,728)
Present value of future minimum payments	\$ 110,494	\$ 205	\$ 96,858

C. Reconciliation to the Statement of Net Assets

The following reconciles installment purchase contracts and capital lease payments for the primary government and component units to the statement of net assets at June 30, 2005 (in thousands):

	Primary Government		Component Units
	Governmental Activities	Business-type Activities	
Present value of future minimum payments (per note):			
Installment purchase contracts	\$ 63,185	\$	\$ 10,941
Capital leases	110,494	205	96,858
Total present value of future minimum payments (per note)	\$ 173,679	\$ 205	\$ 107,799
Amounts reported on Statement of Net Assets:			
Installment purchases/capital leases - current	\$ 24,131	\$ 205	\$ 18,602
Installment purchases/capital leases - noncurrent	149,548	.....	89,197
Total amounts reported on Statement of Net Assets	\$ 173,679	\$ 205	\$ 107,799

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2005, are as follows (in thousands):

	Balance 7/1/2004	Adjustments	Additions	Deletions	Balance 6/30/2005	Due Within One Year (Current)
GOVERNMENTAL ACTIVITIES						
Bonds payable:						
Road and Bridge Bonds	\$ 1,661,800	\$	\$ 720,480	\$ 243,705	\$ 2,138,575	\$ 47,560
SBE Capital Outlay Bonds	893,675	.....	311,550	335,950	869,275	53,925
Lottery Education Bonds	1,969,905	.....	291,425	175,315	2,086,015	94,385
Public Education Bonds	8,599,785	.....	2,091,315	1,674,830	9,016,270	263,000
Conservation and Recreation Lands Bonds	19,145	.....	.....	1,940	17,205	2,060
Save Our Coast Bonds	115,770	.....	.....	19,595	96,175	20,490
Preservation 2000 Bonds	1,548,390	.....	.....	154,755	1,393,635	145,220
Florida Forever Bonds	1,161,420	.....	.....	39,885	1,121,535	58,790
Pollution Control Bonds	14,475	.....	.....	3,840	10,635	4,100
Water Pollution Control Bonds	128,285	.....	.....	5,315	122,970	6,470
State Infrastructure Bank Bonds	.....	.....	62,340	.....	62,340	.....
Florida Facilities Pool Bonds	358,070	.....	.....	12,730	345,340	13,315
	<u>16,470,720</u>	<u>.....</u>	<u>3,477,110</u>	<u>2,667,860</u>	<u>17,279,970</u>	<u>709,315</u>
Unamortized bond premiums (discounts)	281,187	.....	225,036	57,575	448,648	.....
Amounts deferred on refunding	(65,003)	.....	(73,574)	(11,929)	(126,648)	.....
Total bonds payable	<u>16,686,904</u>	<u>.....</u>	<u>3,628,572</u>	<u>2,713,506</u>	<u>17,601,970</u>	<u>709,315</u>
Certificates of participation payable	90,708	.....	.....	5,567	85,141	5,820
Deposits	187,754	226,652	87,745	46,819	455,332	170,634
Compensated absences	731,999	(4,114)	207,296	175,735	759,446	169,265
Claims payable	2,406,638	.....	275,052	357,403	2,324,287	324,012
Installment purchases/capital leases	181,006	.....	44,818	52,145	173,679	24,131
Due to other governments:						
Federal arbitrage liability	1,743	.....	.....	208	1,535	.....
Other	5,502	.....	10,328	.....	15,830	.....
Other liabilities	1,500	.....	32,084	500	33,084	.....
Total Governmental Activities	<u>\$ 20,293,754</u>	<u>\$ 222,538</u>	<u>\$ 4,285,895</u>	<u>\$ 3,351,883</u>	<u>\$ 21,450,304</u>	<u>\$ 1,403,177</u>

Long-term liabilities for governmental activities are generally liquidated by the applicable governmental funds and/or internal service funds. Specifically, the special revenue funds, capital projects funds, and/or internal service funds in which the certificates of participation payable, installment purchase contracts, and capital leases are recorded will liquidate those obligations. The applicable special revenue funds and internal service funds will reduce deposits when such monies are earned. The governmental and internal services funds that account for employees' salaries and wages will liquidate the compensated absences liabilities. The General Fund and the special revenue funds related to Employment Services will generally liquidate claims payable. The applicable special revenue funds and internal service funds, as well as the debt service fund, will liquidate obligations to other governments. The nonmajor special revenue funds will generally liquidate other liabilities.

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Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2005, are as follows (in thousands):

	Balance 7/1/2004	Adjustments	Additions	Deletions	Balance 6/30/2005	Due Within One Year (Current)
BUSINESS-TYPE ACTIVITIES						
Bonds payable	\$ 2,158,755	\$	\$ 372,740	\$ 460,210	\$ 2,071,285	\$ 63,610
Unamortized bond premiums (discounts)	37,587	.....	10,545	5,707	42,425	.....
Amounts deferred on refunding	(34,112)	(402)	(20,065)	(4,804)	(49,775)	.....
Total bonds payable	2,162,230	(402)	363,220	461,113	2,063,935	63,610
Accrued prize liability	1,655,108	.....	389,250	498,719	1,545,639	314,306
Deposits	454,471	224	11,295	12,580	453,410	14,675
Compensated absences	18,100	1,859	3,534	3,694	19,799	3,975
Installment purchases/capital leases	514	.....	.....	309	205	205
Due to other governments:						
Federal arbitrage liability	858	.....	49	769	138	.....
Other	321	.....	.....	321	.....	.....
Total Business-type Activities	\$ 4,291,602	\$ 1,681	\$ 767,348	\$ 977,505	\$ 4,083,126	\$ 396,771
COMPONENT UNITS						
Bonds payable	\$ 5,396,194	\$	\$ 486,808	\$ 620,007	\$ 5,262,995	\$ 211,699
Deposits	71,136	.....	3,681	7,121	67,696	38,912
Compensated absences	484,931	54	83,528	46,403	522,110	57,122
Installment purchases/capital leases	183,867	360	14,176	90,604	107,799	18,602
Claims payable	64,002	(100,992)	123,765	8,492	78,283	6,713
Certificates of participation payable	131,047	.....	305,205	116,635	319,617	2,340
Due to other governments	.....	.....	8,470	.....	8,470	.....
Other liabilities	2,209,270	1,643	1,040,436	418,839	2,832,510	226,944
Total Component Units	\$ 8,540,447	\$ (98,935)	\$ 2,066,069	\$ 1,308,101	\$ 9,199,480	\$ 562,332

NOTE 11 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2005, 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, 2005, consist of the following (in thousands):

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)				
	Governmental Activities				
	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation	Public Education
Governmental Activities					
General Fund	\$	\$ 256	\$ 31,121	\$ 1,307	\$ 287
Environment, Recreation and Conservation	11,765	.....	268	22	.....
Health and Family Services	30,374	.....	.....	1,550	.....
Transportation	1,863	2	8	.....	.....
Public Education	53	.....	656	.....	.....
Tax Collection and Administration	132,112	59,686	288	164,206	.....
Employment Services	21,678	.....	8,211	4	41
Lawton Chiles Endowment Fund	.....	.....	.....	.....	.....
Nonmajor	29,784	1,918	29,432	51,741	.....
Internal Service Funds	1,694	.....	.....	.....	7
Business-type Activities					
Transportation	61	.....	.....	73,245	.....
Lottery	.....	.....	1	22	163,227
Unemployment Compensation	158	.....	.....	.....	.....
State Board of Administration	.....	.....	.....	.....	.....
Nonmajor	4,932	.....	917	.....	2
Fiduciary Funds					
Private-purpose Trust Funds	57	.....	.....	.....	3,258
Pension and Other Employee Benefits Trust Funds	11	.....	.....	.....	.....
Agency Funds	55,531	2	1,547	1,289	9,535
Investment Trust Fund	.....	.....	.....	.....	.....
Total	\$ 290,073	\$ 61,864	\$ 72,449	\$ 293,386	\$ 176,357

(Continued below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)			
	Governmental Activities			
	Tax Collection and Administration	Employment Services	Nonmajor	Internal Service Funds
Governmental Activities				
General Fund	\$ 1	\$ 1,547	\$ 24,549	\$ 6,712
Environment, Recreation and Conservation	.....	.....	221	120
Health and Family Services	157	20	388	11,233
Transportation	.....	.....	.....	2,717
Public Education	.....	.....	8,135	20
Tax Collection and Administration	.....	.....	43,190	1
Employment Services	473	.....	142	189
Lawton Chiles Endowment Fund	.....	.....	.....	.....
Nonmajor	.....	.....	56,953	4,675
Internal Service Funds	.....	.....	1,172	253
Business-type Activities				
Transportation	.....	.....	3,258	.....
Lottery	.....	.....	8	44
Unemployment Compensation	.....	.....	.....	.....
State Board of Administration	.....	.....	.....	16
Nonmajor	.....	.....	1,205	45
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	.....	.....
Pension and Other Employee Benefits Trust Funds	.....	.....	69	38
Agency Funds	1,425	.....	4,218	.....
Investment Trust Fund	.....	.....	.....	.....
Total	\$ 2,056	\$ 1,567	\$ 143,508	\$ 26,063

(Continued next page)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)			
	Business-type Activities			
	Transportation	Unemployment Compensation	State Board of Administration	Nonmajor
Governmental Activities				
General Fund	\$	\$ 1,836	\$	\$ 3,605
Environment, Recreation and Conservation	.....	27	.....	3
Health and Family Services	.....	469	.....	46
Transportation	633	30	.....	.....
Public Education	.....	.....	.....	.....
Tax Collection and Administration	.....	.....	.....	.....
Employment Services	.....	44	.....	.....
Lawton Chiles Endowment Fund	.....	.....	69	.....
Nonmajor	.....	68	9	43
Internal Service Funds	.....	10	.....	.....
Business-type Activities				
Transportation	.....	.....	.....	.....
Lottery	.....	2	.....	.....
Unemployment Compensation	.....	.....	.....	.....
State Board of Administration	.....	.....	.....	.....
Nonmajor	.....	14	.....	.....
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	1	.....
Pension and Other Employee Benefits Trust Funds	.....	.....	4,691	.....
Agency Funds	1,035	.....	106	.....
Investment Trust Fund	.....	.....	239	.....
Total	\$ 1,668	\$ 2,500	\$ 5,115	\$ 3,697

(Continued below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)			
	Fiduciary Funds			
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Agency Funds	Total
Governmental Activities				
General Fund	\$	\$	\$ 25,186	\$ 96,407
Environment, Recreation and Conservation	.....	.....	.....	12,426
Health and Family Services	.....	1	23	44,261
Transportation	.....	.....	.....	5,253
Public Education	.....	.....	.....	8,864
Tax Collection and Administration	.....	.....	21,254	420,737
Employment Services	.....	.....	.....	30,782
Lawton Chiles Endowment Fund	.....	.....	.....	69
Nonmajor	.....	.....	684,013	858,636
Internal Service Funds	.....	.....	.....	3,136
Business-type Activities				
Transportation	.....	.....	6	76,570
Lottery	1	1	.....	163,306
Unemployment Compensation	.....	.....	.....	158
State Board of Administration	.....	.....	.....	16
Nonmajor	.....	.....	.....	7,115
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	.....	3,316
Pension and Other Employee Benefits Trust Funds	.....	25,892	.....	30,701
Agency Funds	.....	.....	.....	74,688
Investment Trust Fund	.....	.....	.....	239
Total	\$ 1	\$ 25,894	\$ 730,482	\$ 1,836,680

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)				
	Governmental Activities				Business-type Activities
	General Fund	Health and Family Services	Transportation	Nonmajor	Transportation
Governmental Activities					
General Fund	\$	\$	\$ 100	\$ 500	\$
Environment, Recreation and Conservation	45	.....	3,753	.....	.....
Transportation	10,000	.....	.....	.....	.....
Public Education	.....	.....	.....	.....	.....
Tax Collection and Administration	7	.....	.....	.....	.....
Nonmajor	664	326	3	.....	500
Internal Service Funds	2,003	.....	800	.....	.....
Business-type Activities					
Transportation	.....	.....	168,265	.....	.....
Total	\$ 12,719	\$ 326	\$ 172,921	\$ 500	\$ 500

(Continued below)

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)	
	Fiduciary Funds	
	Private-purpose Trust Funds	Total
Governmental Activities		
General Fund	\$	\$ 600
Environment, Recreation and Conservation	.....	3,798
Transportation	.....	10,000
Public Education	264,965	264,965
Tax Collection and Administration	.....	7
Nonmajor	.....	1,493
Internal Service Funds	2,803
Business-type Activities		
Transportation	168,265
Total	\$ 264,965	\$ 451,931

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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 thousands):

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)				
	Governmental Activities				
	General Fund	Environment, Recreation and Conservation	Health and Family Services	Transportation	Public Education
Governmental Activities					
General Fund	\$	\$ 394,899	\$ 590,052	\$ 59,440	\$ 138,598
Environment, Recreation and Conservation	236,427	.....	3,246	1,496	.....
Health and Family Services	17,444	.....	.....	34,380	290
Transportation	13,272	.....	208	.....	.....
Public Education	1,195	.....	69	.....	.....
Tax Collection and Administration	2,722,037	1,296,159	118,291	1,742,258	.....
Employment Services	39,422	.....	10,391	.....	4,450
Lawton Chiles Endowment Fund	.....	.....	.....	.....	.....
Nonmajor	127,112	37,523	125,857	782,609	115,556
Internal Service Funds	5,574	.....	.....	514	.....
Business-type Activities					
Transportation	.....	.....	.....	33,261	.....
Lottery	374	.....	265	.....	1,103,633
Unemployment Compensation	671	.....	.....	.....	.....
State Board of Administration	.....	.....	.....	.....	.....
Nonmajor	53,758	.....	7,107	.....	278
Fiduciary Funds					
Private-purpose Trust Funds	12	.....	1,794	.....	135,610
Pension and Other Employee Benefits Trust Funds	1,478	.....	.....	.....	.....
Total	\$ 3,218,776	\$ 1,728,581	\$ 857,280	\$ 2,653,958	\$ 1,498,415

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)			
	Governmental Activities			
	Tax Collection and Administration	Employment Services	Nonmajor	Internal Service Fund
Governmental Activities				
General Fund	\$ 34	\$ 2,929	\$ 329,138	\$ 926
Environment, Recreation and Conservation	231	.....	383,945	.....
Health and Family Services	3,432	369,501	82,967	.....
Transportation	96	.....	387,667	.....
Public Education	.....	436	974,417	.....
Tax Collection and Administration	.....	.....	297,901	.....
Employment Services	21,315	.....	20,175	.....
Lawton Chiles Endowment Fund	.....	.....	40,124	.....
Nonmajor	.....	.....	516,492	702
Internal Service Funds	.....	.....	8,165	8
Business-type Activities				
Transportation	.....	.....	.....	.....
Lottery	.....	.....	89	.....
Unemployment Compensation	.....	5,529	.....	.....
State Board of Administration	.....	.....	61,275	.....
Nonmajor	.....	.....	8,210	.....
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	1,079	.....
Pension and Other Employee Benefits Trust Funds	.....	.....	107	.....
Total	\$ 25,108	\$ 378,395	\$ 3,111,751	\$ 1,636

(Continued next page)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)				
	Business-type Activities				
	Transportation	Lottery	Unemployment Compensation	State Board of Administration	Nonmajor
Governmental Activities					
General Fund	\$ 879	\$	\$ 5,078	\$	\$ 214
Environment, Recreation and Conservation	.....	.....	159	.....	.....
Health and Family Services	.....	.....	1,568	.....	.....
Transportation	13,171	.....	195	.....	.....
Public Education	.....	.....	24	.....	350
Tax Collection and Administration	.....	.....	32	.....	.....
Employment Services	.....	.....	347	.....	1,860
Lawton Chiles Endowment Fund	.....	.....	.....	.....	.....
Nonmajor	.....	16	654	.....	89
Internal Service Funds	.....	17	44	.....	.....
Business-type Activities					
Transportation	.....	.....	.....	.....	.....
Lottery	.....	.....	202	.....	.....
Unemployment Compensation	.....	.....	.....	.....	.....
State Board of Administration	.....	.....	11	.....	.....
Nonmajor	.....	.....	104	.....	.....
Fiduciary Funds					
Private-purpose Trust Funds	.....	.....	3	.....	.....
Pension and Other Employee Benefits Trust Funds	.....	.....	5	18,961	.....
Total	\$ 14,050	\$ 33	\$ 8,426	\$ 18,961	\$ 2,513

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)		
	Fiduciary Funds		
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Total
Governmental Activities			
General Fund	\$	\$ 152	\$ 1,522,339
Environment, Recreation and Conservation	.....	.....	625,504
Health and Family Services	5	.....	509,587
Transportation	.....	.....	414,609
Public Education	37,773	.....	1,014,264
Tax Collection and Administration	.....	.....	6,176,678
Employment Services	.....	.....	97,960
Lawton Chiles Endowment Fund	.....	.....	40,124
Nonmajor	.....	.....	1,706,610
Internal Service Funds	.....	.....	14,322
Business-type Activities			
Transportation	.....	.....	33,261
Lottery	72	.....	1,104,635
Unemployment Compensation	.....	.....	6,200
State Board of Administration	.....	.....	61,286
Nonmajor	.....	.....	69,457
Fiduciary Funds			
Private-purpose Trust Funds	.....	.....	138,498
Pension and Other Employee Benefits Trust Funds	.....	893,642	914,193
Total	\$ 37,850	\$ 893,794	\$ 14,449,527

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 and flood. The property insurance program self-insures the first \$2 million per occurrence with an annual aggregate of \$40 million for windstorm and flood. Commercial excess insurance is purchased for losses over the self-insured retention up to \$85 million for windstorm, \$50 million for flood losses, and \$200 million for fire, lightning, and sinkhole losses.

The Fund's estimated liability for unpaid property insurance claims at the fiscal year-end is determined by an actuarial method and includes an amount for losses incurred but not yet reported. Changes in the Fund's property insurance claims liability amount for the fiscal years ended June 30, 2004, and June 30, 2005, 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, 2004	\$ 2,500	\$ 939	\$ (1,639)	\$ 1,800
June 30, 2005	1,800	6,524	(5,973)	2,351

During the 2004 legislative session, Chapter 216.222, Florida Statutes, was amended to allow the transfer of funds to the State Risk Management Trust Fund ("Fund") from the Budget Stabilization Fund whenever more than \$5 million of catastrophic loss payments are made within a year. Due to the four hurricanes that struck Florida during 2004, the Fund incurred catastrophic losses of \$26,605,564 (reserve values as of October 20, 2005), of which \$5,353,235 was paid from the Fund through June 30, 2005, and is included in the payments listed above, and of which \$3,290,613 was paid through June 30, 2005, using funds transferred from the Budget Stabilization Fund, leaving a catastrophic claims liability reported in the Fund as of June 30, 2005, of \$17,961,716. The total property claims liability for both catastrophic and non-catastrophic claims as of June 30, 2005, is \$20,312,716.

The State Risk Management Trust Fund also provides casualty insurance coverage for the risks of loss related to Federal civil rights and employment 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 the first \$15 million of workers' compensation coverage.

The estimated liability for unpaid casualty insurance claims at June 30, 2005, was \$1.1 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, 2004, and June 30, 2005, 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, 2004	\$ 1,067,300	\$ 95,352	\$ (114,252)	\$ 1,048,400
June 30, 2005	1,048,400	201,966	(126,511)	\$ 1,123,855

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

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, 2004, and June 30, 2005, 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, 2004	\$ 62,031	\$ 665,242	\$ (671,605)	\$ 55,668
June 30, 2005	55,668	679,562	(678,833)	56,397

NOTE 13 - PRIOR PERIOD ADJUSTMENTS

Fund balances and net assets at July 1, 2004, have been increased (decreased) as follows in relation to the activities of prior years (in thousands):

GOVERNMENTAL ACTIVITIES**Governmental Funds****Transportation**

To reclassify funds advanced to the Department of Transportation for road projects recorded as revenue instead of accounts payable. \$ (17,004)

Public Education

To reclassify refunds at the Department of Education related to a prior year grant and capital outlay grant payments. \$ 8,258

To recognize receipt of an asset by the Department of Education held previously by a component unit. 75,359

Total Public Education 83,617

Employment Services

To reclassify refunds at the Department of Education related to prior year grant payments. 4,886

Nonmajor Governmental Funds*Special Revenue Funds - Juvenile Justice*

To adjust cash for an error in fund consolidation in a prior year. (1,592)

Total Governmental Funds \$ 69,907

Government-wide Reconciling Items*Financial Services*

To capitalize assets acquired under installment purchase agreement in the prior year. \$ 27,037

Environmental Protection

To capitalize assets previously expended. 108,847

Transportation

To capitalize a project that was expended in the prior year. \$ 42,144

To reclassify funds advanced to the Department of Transportation for road projects recorded as revenue instead of other payables. (9,146)

Total Transportation 32,998

Workforce Innovation

To adjust life-to-date depreciation of furniture and equipment. 2,435

Juvenile Justice

To adjust life-to-date depreciation for buildings. (25,934)

Total Government-wide Reconciling Items 145,383

TOTAL GOVERNMENTAL ACTIVITIES \$ 215,290

BUSINESS-TYPE ACTIVITIES**Transportation**

To adjust net assets for excess interest capitalized on construction project costs in prior years. \$ (75,377)

State Board of Administration

To record accumulated collections made by employers for administrative expenses related to the public employee optional retirement program not previously reported in the Administrative Trust Fund. 21,811

TOTAL BUSINESS-TYPE ACTIVITIES \$ (53,566)

FIDUCIARY FUNDS**Private-purpose Trust Funds***Trust Escrow Administration*

To reclassify deposits payable to net assets.	\$ 130,674	
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Unclaimed Property

To reclassify unclaimed property payable to net assets.	163,248	
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Other

To reclassify deposits payable to net assets.	536	
---	-----	--

Total Private-purpose Trust Funds

	\$ 294,458
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Pension and Other Employee Benefits Trust Funds*Defined Contribution Pension Plan*

To eliminate accumulated collections made by employers for administrative expenses related to the public employee optional retirement program.	(21,811)	
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TOTAL FIDUCIARY FUNDS

	\$ 272,647
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COMPONENT UNITS**Major Component Units***University of Florida*

To record a change in accounting principle by Shands Teaching Hospital.	\$16,415	
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University of South Florida

To increase the beginning net asset balance for the University Medical Service Association, Inc. (a component unit of USF) to account for receivables not recognized in the prior year.	1,853	
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Total Major Component Units

	\$18,268
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Nonmajor Component Units*Other Water Management Districts - St. Johns River Water Management District*

To restate the capital asset beginning balances.	\$33,496	
--	----------	--

Other State Universities*Florida Agricultural & Mechanical University*

To correct the accounts of the University's Direct Service Organizations.	\$ (38)	
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University of Central Florida

To correct the net assets for University Arena assets disposed of in the prior year.	196	
--	-----	--

University of West Florida

To record receivables and royalties recoverable not recorded in the prior year.	(4)	
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Total Other State Universities

	154
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Community Colleges*Daytona Beach Community College*

To record transactions related to the investment in a joint venture acquired in a prior year.	\$ 13,468	
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Seminole Community College

To record the purchase of the Sanford/Lake Mary campus in the prior year.	7,617	
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Total Community Colleges

	21,085
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Other Nonmajor Component Units*South Florida Regional Transportation Authority*

To adjust prior year's ending net assets based on final audit, which was not available as of last year's CAFR.	\$ 5,271	
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To correct receivables and the defined benefit plan obligation, and reclassify capitalized costs that should have been expensed in the prior year.	(6,401)	
--	---------	--

Florida Birth-Related Neurological Injury Compensation Plan

To adjust prior year's ending net assets based on final audit, which was not available as of last year's CAFR.	(19,000)	
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Total Other Nonmajor Component Units

	(20,130)
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Total Nonmajor Component Units

	34,605
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TOTAL COMPONENT UNITS

	\$ 52,873
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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 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, 2005, is as follows:

Actuarial present value of future benefits payable	\$5,963,818,620
Net assets available	\$6,493,961,481
Net assets as a percentage of tuition and housing benefits obligation	109%

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 (SBA), 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 the FHCF Finance Corporation. The contract shall also provide that the obligation of the SBA with respect to all contracts covering a particular contract year shall not exceed the actual claims-paying capacity of the fund up to a limit of \$15 billion for that contract year adjusted for growth in exposure for covered policies since 2003, although the annual increase is limited by prior year cash collections. The Fund is accounted for as an enterprise fund administered by the SBA. An actuarially determined formula is used to calculate the reimbursement premium collected. Additional information as of June 30, 2005, follows (in thousands):

Net assets available to meet future catastrophic losses (fair value)	\$	2,288,307
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Hurricane losses incurred for the year ended June 30, 2005, were \$3.75 billion. Hurricane losses paid during the year ended June 30, 2005, were \$2.82 billion, resulting in remaining reimbursable losses of \$926 million at June 30, 2005.

The State of Florida was hit by four hurricanes during July through October 2005. These hurricanes were category 3 Hurricane Dennis on July 10, category 1 Hurricane Katrina on August 25, category 1 Hurricane Rita on September 20, and category 3 Hurricane Wilma on October 24. The participating insurers are required to submit a Proof of Loss Report for each storm by December 31, 2005, which will be used to determine the Fund's liability for losses. Preliminary modeling results indicate that the Fund should have sufficient unrestricted net assets to cover this liability.

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

The Florida Department of Education (FDOE) administers the Federal Family Education Loans Program (Program), under which the FDOE guarantees loans made to eligible students and their parents by financial institutions. At June 30, 2005, approximately \$4.9 billion of loans were outstanding under this Program. The United States Department of Education 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, and 95 percent. During the 2004-2005 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. **Rendon, et al. v. Florida Department of Highway Safety and Motor Vehicles, etc., et al.**

Case No. 3D2-611 Third District Court of Appeal. Various handicapped drivers sued challenging the imposition and collection of a fee for placards for handicapped parking spaces. The trial court granted class certification and held that requiring the payment for a fee for a disabled parking permit under Section 320.0848, Florida Statutes, violates the Americans with Disabilities Act (ADA). The State appealed the decision to the Third District Court of Appeal and the Court reversed the trial court's decision and remanded with the directions to grant the Department's cross motion for summary judgment. The Court held that sovereign immunity affords the State an absolute defense to claims for declaratory relief and money damages. 832 So. 2d 141 (3rd DCA 2002) Plaintiffs petitioned the Florida Supreme Court seeking jurisdiction and the Court denied review. 851 So. 2d 729 (2003). The Petitioners then petitioned the U.S. Supreme Court for a writ of certiorari, which was granted. The Court vacated the lower court judgment and remanded the case back to the Florida Third District Court of Appeal for further consideration in light of *Tennessee v. Lane*, 541 U.S. 509 (2004). 124 S. Ct. 2384 (2004). The Attorney General is representing the Florida Department of Highway Safety and Motor Vehicles. Oral argument was held in the Third District Court of Appeal on January 3, 2005. The Department is awaiting decision after filing its fourth Notice of Supplemental Authorities on August 5, 2005. Estimated potential loss to the State could be in excess of \$35 million.

B. **Collier v. State of Florida**

Case No. 03-02011264, Seventeenth Judicial Circuit, Broward County. This is a challenge to Florida's former practice of releasing driver's license information to bulk mailers. Until October 2004, this information was public record. The Plaintiffs contend that Federal law prohibited the disclosure of such information even though State law required its disclosure. The Plaintiffs ask for class certification and class damages. A motion to dismiss was argued in October 2004 and was recently granted for the inverse condemnation, declaratory judgment, and injunctive relief claims. Plaintiff was allowed to file an amended complaint on the privacy claim. On September 19, 2005, the defendant's motion to dismiss was granted and the Plaintiff's Amended Complaint was dismissed with Prejudice. Plaintiffs have filed an appeal with the Fourth District Court of Appeal, 4D05-4068. Plaintiffs seek damages in excess of \$25 million.

C. **Collier v. Dickinson**

Case No. 04-21351-Civ-Graham, U.S. District Court, Southern District of Florida, Miami. This is the federal companion to the *Collier v. State of Florida* case, identified above. The Plaintiffs proceed here under Federal causes of action rather than State law claims. They contend that the Federal Driver Privacy Protection Act overrode State constitutional and statutory law requiring the release of driver information as public record. They seek damages from several State officials and employees involved in managing State driver license information and its release to bulk mailers. A motion to dismiss was filed, which the court dismissed without prejudice to refile in April after limited discovery takes place on the defendants' claim of qualified immunity from damages. Another motion to dismiss was filed recently and the case is still pending. Plaintiffs seek damages in excess of \$25 million.

D. **ContractPoint Florida Parks, LLC, v. Florida Department of Environmental Protection**

Case No. 03-CA-1005, Second Judicial Circuit, Leon County. This is a suit for breach of contract with the Department that would have allowed the Plaintiffs to build, manage, and receive income from cabins in eight State parks for thirty years. The trial was held the last two weeks of August 2005. The jury found that the Department breached the contract and owed the Plaintiff \$628,543 for out-of-pocket expenses, but that the Department was not entitled to \$61 million it claimed at trial for lost profits. The Department has informed the plaintiff that it has no appropriation to pay the judgment and that the Department must pursue a claims bill under Section 11.066, Florida Statutes. The court awarded Plaintiff \$16,000 in court costs, which the Department has paid.

E. **Gulf Services, Inc., and Nature Quest, Inc., v. Florida Department of Environmental Protection**

Case No. 2004-CA-2573, Second Judicial Circuit, Leon County. This case, filed in 2004, was originally for breach of contract, wrongful termination, and civil conspiracy against the Department and ten of its employees. In 2005, the Court dismissed the complaint, including the count of civil conspiracy against all ten employees, and the employees seek attorney's fees and costs as prevailing parties. The Plaintiffs filed an amended complaint for breach of contract against the Department which was

dismissed on January 19, 2006. A second amended complaint was filed on January 30, 2006. In deposition, the plaintiff Nature Quest asserted that its damages are \$80 million.

F. Kevin Rabin, Ruth Sinreich, and Michael Roberts v. Florida Department of Revenue

Case No. 02-22977-09, Broward County Circuit Court. The case was initially filed by Citrix Systems, Inc., challenging a notice of proposed tax assessment. Subsequently, an amended complaint was filed in which Rabin, Sinreich, and Roberts joined Citrix as Plaintiffs. Plaintiffs asked that a class be certified and asserted that Florida sales and use taxes are facially unconstitutional when attempting to impose tax liabilities on transactions involving communication of information or on businesses and individuals who are recipients of information as an infringement on free speech. Citrix has voluntarily dismissed its action. The Circuit Court granted the Florida Department of Revenue's motion to transfer venue to Leon County. The District Court of Appeal affirmed the transfer. 884 So. 2d 983. Plaintiffs have sought discretionary review of this decision in the Florida Supreme Court which was denied on April 13, 2005. The potential loss to the State could be in excess of \$25 million. On March 20, 2006, a hearing on the Department's Renewed Motion to Dismiss Amended Complaint, Motion to Strike and Restated Motion for Sanctions is set.

G. General Motors Corporation v. Department of Revenue

Case No. 04-CA-2739, Second Judicial Circuit, Leon County. The issue in this case is whether use tax should be imposed on the tangible personal property used in repairs made under Special Policy Adjustments and Goodwill Policy Adjustments. The total tax, penalty, and interest at stake exceed \$30 million.

H. DirecTV, Inc., v. Florida Department of Revenue and Ogborn v. Florida Department of Revenue

Case No. 05-CA-1037, Second Judicial Circuit, Leon County, and Case No. 05-1354, Second Judicial Circuit, Leon County. These related complaints seek to determine whether the difference between the State tax imposed on cable TV and the higher state rate on satellite TV violates the Commerce Clause and the Equal Protection Clause. DirecTV seeks a refund and injunction and Ogborn seeks class certification for customers. The amount of the refund claim exceeds \$107 million.

I. SunTrust Bank v. Florida Department of Revenue, Chrysler Financial Co., LLC v. Florida Department of Revenue, Wells Fargo Financial Acceptance Florida, Inc., v. Florida Department of Revenue, Arcadia Financial Ltd. v. Florida Department of Revenue, Wells Fargo Financial America, Inc., v. Florida Department of Revenue, WFS Financial, Inc., v. Florida Department of Revenue

Case Nos. C10-01-3902, C10-01-3929, C10-01-4327, C10-01-3903, 01-CA-1545-16-W, 01-03894 respectively. These banks applied for refunds of sales tax paid on balances due the banks for loans made on repossessed vehicles. The Department denied the refund requests on grounds that Florida's refund statute for dealer repossessions does not authorize a refund to a financial institution as the assignee of numerous security agreements because they are not dealers. The potential refund exceeds \$30 million. On December 6, 2005, the Ninth Judicial Circuit Court issued an order of final summary judgment in favor of the Department against SunTrust. The Department received SunTrust's notice of appeal on December 28, 2005.

J. American Habilitation Services, Inc., et al. v. Florida Agency for Health Care Administration and Florida Department of Children and Families

Case No. 04-CA-326, Second Judicial Circuit, Leon County. Twenty-eight providers of services for developmentally disabled Medicaid recipients under the Home and Community Based Waiver seek declaratory and injunctive relief concerning unilaterally imposed rate reductions. Discovery is being conducted. Trial is set for January 30, 2006. The potential exposure of the claim is estimated to be \$30 million in Medicaid funds.

K. Kindred Pharmacy Services East, LLC, et al. v. Florida Agency for Health Care Administration

Case No. 04-CA-1291, Second Judicial Circuit, Leon County. Breach of contract and declaratory judgment action brought by eight pharmacies alleging that the Agency did not properly reimburse providers for prescription drugs provided under the Medicaid program. Plaintiffs seek compensatory damages, declaratory relief, and attorney's fees. The lawsuit was served on June 2, 2004, and the Complaint has been amended twice. The Agency answered the Second Amended Complaint, and both parties are conducting discovery. The estimated exposure of the claim is up to \$50 million if an unfavorable outcome is reached. The Agency for Health Care Administration is exploring a potential counterclaim. A final value of the counterclaim has not been computed, but an early estimate indicates it may be as much as \$60 million.

L. AT&T Corporation v. Florida Department of Transportation

Case No. 05-CA-3711, Ninth Judicial Circuit Court, Orange County. This is an inverse condemnation suit regarding an easement granted to AT&T Corporation by the Department. The case is set for trial in October 2006. The potential liability to the State is \$26 million.

M. Florida Gas Transmission Company v. Florida Department of Transportation

Case No. 05-CA-3032, Ninth Circuit Court, Orange County. This is a suit for breach of contract for alleged failure and refusal to reimburse Florida Gas Transmission Company for the relocation of its natural gas pipelines at the site of the Thomas B. Manual Bridge in Martin County. Discovery is ongoing. Trial is set for June 13, 2006. Plaintiff to designate experts by February 1, 2006. The Department is to designate experts by March 1, 2006. The Plaintiff seeks recovery of \$160 million.

N. Modern, Inc. and First Omni Service Corporation v. Florida Department of Transportation, U.S. Fish and Wildlife Services, and St. Johns River Water Management District

Case No. 6:03-CV-718-ORL-31DAB, U.S. District Court, Middle District of Florida, Orlando Division. This is a suit for inverse condemnation by flooding. A mediation date is being coordinated. The Court has reset trial for August 14, 2006, with pretrial for July 20, 2006. The Plaintiffs seek damages of \$34 million.

O. Smith & Company, Inc., v. Florida Department of Transportation

Case No. H27-CA-2002-938-DM, Fifth Judicial Circuit, Hernando County. This case for breach of contract has been dismissed. However, the Department filed suit on January 21, 2004 for liquidating damages of \$1.6 million. (Case No. H27-CA2004-52-DM). Smith & Company, Inc., filed a counterclaim for \$50 million raising the same issues as those in the dismissed case. Mediation was held on December 22, 2005, without resolution. The case is now on trial docket for May 2006.

P. Traylor Brothers v. Florida Department of Transportation

Case No. 2-000856, Seventeenth Circuit Court, Broward County. This was a suit for breach of contract for design errors, construction delays and liquidating damages. Mediation was held March 8 - 9, 2005. During mediation, the Department negotiated a settlement of all outstanding claims for \$11.5 million.

Q. Sarnoff v. Florida Department of Highway Safety and Motor Vehicles

Plaintiff automobile owners brought action against the Department seeking declaratory judgment that Section 325.214(2), Florida Statutes, was unconstitutional as written and implemented by the Department. Section 325.214(2), Florida Statutes, imposes a \$10 fee on emissions inspection automobiles in 7 of Florida's 67 counties. The Plaintiffs moved for class certification, which was granted by the Circuit Court. The District Court of Appeal reversed the Certification Order. 776 So. 2d 967 (1st DCA 2001). The Supreme Court affirmed the Court's decision holding Petitioners should have first sought relief from the Chief Financial Officer pursuant to Section 215. 26, Florida Statutes. 825 So. 2d 351 (2002). The Circuit Court then granted Final Summary Judgment for the Defendants. The Plaintiff appealed to the District Court of Appeal, which affirmed the lower court and later denied the Plaintiffs motion for Clarification and Request for Written Opinion. 894 So. 2d 250 (2005). The State prevailed on all of the issues in the case.

R. Boccia, et al. v. UB Vehicle Leasing Inc., Florida Department of Revenue, et al., and Penzer, et al. v. Ford Motor Credit Company, Florida Department of Revenue, et al.

Case No. 05-3003 and No. 05-3006, Second Judicial Circuit. Both cases are class action refund cases that involve substantially similar issues. The issues pertain to whether charges by automobile leasing companies for 1) excess mileage; 2) wear and tear; and 3) disposition are properly taxable. This case has recently been transferred from the Eleventh Judicial Circuit upon the Department Revenue's Motion to Transfer Venue. The size of the potential class is uncertain but the potential loss to the State could be in excess of \$25 million.

NOTE 18 – DEFICIT FUND EQUITY**A. Governmental Activities****Public Education**

The *State School Trust Fund* has a deficit fund balance of approximately \$195.6 million. The deficit is a result of establishing an advance (long-term liability) for potential future claims on a portion of the cash advanced by the Unclaimed Property Trust Fund. Due to the long-term nature of the liability, the Department of Education plans to pay claims as they are made rather than funding the full amounts which may be ultimately payable.

Internal Service Funds – Other

The *Legal Services Trust Fund* has a net asset deficit of approximately \$3.4 million. The deficit is a result of revenues being insufficient to cover long-term obligations, consisting mainly of a compensated absences liability. Due to the long-term nature of the liability, the Department of Legal Affairs plans to continue providing legal services and liquidate the liability on a pay-as-you-go basis.

The *Correctional Work Program Trust Fund* has a net asset deficit of approximately \$989,000. The deficit is a result of revenues being insufficient to cover long-term obligations, consisting mainly of a compensated absences liability. Due to the long-term nature of the liability, the Department of Corrections plans to continue operating the program and liquidate the liability on a pay-as-you-go basis.

B. Business-type Activities**Transportation**

The *BeeLine East Expressway Toll Fund* has a net asset deficit of approximately \$11.2 million. The deficit is a result of committing BeeLine toll revenues to pay a portion of the construction costs of SR 520, an adjoining non-tolled road. Expenses incurred to date are greater than toll revenues. The Department of Transportation has agreed to fund certain costs in advance thereby creating a liability for Beeline to repay. Future toll revenues continue to be used to pay additional SR 520 costs and the associated liability.

C. Fiduciary Funds**Pension and Other Employee Benefits Trust Funds - Employee Health, Life and Disability Plans**

The *State Employees' Health Insurance Trust Fund* has a deficit of approximately \$44.5 million. The deficit is a result of insurance claims exceeding insurance premiums prior to fiscal year 2003-2004. Amounts were appropriated for the 2003-2004 and 2004-2005 fiscal years to address the deficit. The deficit decreased by \$49.5 million from the prior year. Section 6, Chapter 2005-70, Laws of Florida, provided funding for increased premiums to help address the deficit in the 2005-2006 fiscal year. Additionally, Section 8 provides for the creation of High Deductible Plans in conjunction with Health Savings Accounts, and restructuring of premiums accordingly, effective January 1, 2006.

D. Component Units**Citizen's Property Insurance Corporation**

The *Citizen's Property Insurance Corporation* at December 31, 2004, reported on a consolidated basis, has a deficit of approximately \$251 million. The deficit can be largely attributed to losses incurred related to four hurricanes in 2004, Charley, Frances, Ivan and Jeanne. On August 26, 2005, the Office of Insurance Regulation issued an order verifying and approving Citizen's statutory assessment to insurers and insureds to eliminate a deficit of \$515 million for one of Citizen's three insurance accounts (the High Risk Account).

NOTE 19 – SUBSEQUENT EVENTS**A. Bonds**

The following bond series for governmental activities of the primary government were issued or sold subsequent to June 30, 2005:

Agency/Bond	Series	Amount	Matures	Interest Rate
GOVERNMENTAL ACTIVITIES				
Department of Environmental Protection, Florida Forever Revenue Bonds	2005A	\$95,460,000	7/1/2006 - 7/1/2025	3.000% - 5.000%
Department of Management Services, Florida Facilities Pool Revenue Refunding Bonds	2005A	\$113,520,000	9/1/2006 - 9/1/2029	3.500% - 5.000%
State Board of Education, Capital Outlay Bonds	2005B	\$231,955,000	1/1/2006 - 1/1/2020	3.500% - 5.000%
State Board of Education, Public Education Capital Outlay Bonds	2005E	\$200,000,000	6/1/2006 - 6/1/2035	4.350% - 5.000%
Department of Environmental Protection, Florida Revenue Bonds	2005B	\$142,420,000	7/1/2006 - 7/1/2025	3.200% - 5.000%
Department of Environmental Protection, Everglades Restoration Revenue Bonds	2006A-B	\$100,000,000	7/1/2006 - 7/1/2025	Variable
State Board of Education, Public Education Capital Outlay Bonds	2003D	\$116,300,000	6/1/2006-6/1/2035	4.500%-5.000%
State Board of Education, Public Education Capital Outlay Bonds	2004C	\$300,135,000	6/1/2006-6/1/2035	3.500%-5.250%

B. Hurricanes**Primary Government**

Four hurricanes (Dennis, Katrina, Rita and Wilma) impacted the State of Florida from July to October 2005. Due to damage from Hurricane Wilma, 13 Florida counties received a Major Disaster declaration from the Federal Emergency Management Agency (FEMA) for Individual Assistance and another 20 counties were made eligible for Public Assistance Programs to restore governmental infrastructure. Combined insured losses are estimated to top \$14 billion while public infrastructure damages are in excess of \$1.6 billion. With the end of the busiest hurricane season on record, over 170 thousand Floridians have received \$238 million in federal disaster benefits while local governments have received \$256 million in reimbursements from FEMA.

Component Units

The Citizens Property Insurance Corporation at December 31, 2004, reported on a consolidated basis a deficit of approximately \$251 million. Based on information included in a report dated February 1, 2006, by Citizens' Board of Governors, the Corporation's consolidated deficit as of December 31, 2005, was estimated to have increased to approximately \$1.4 billion. Contributing to the increased deficit were estimates of losses associated with 2005 hurricanes and increases in 2004 loss reserves. Pursuant to Section 627.351(6)(b), Florida Statutes, assessments may be levied to recover deficits. The amount of the estimated deficit is subject to revision following the completion of an actuarial review and the Corporation's annual audit.



**OTHER REQUIRED
SUPPLEMENTARY
INFORMATION**

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	General Fund			Variance with Final Budget Over / (Under)
	Original Budget	Final Budget	Actual	
Fund Balances, July 1, 2004	\$ 3,554,494	\$ 3,554,494	\$ 3,554,494	\$
Reversions	72,432	72,432	72,432	.....
Fund Balances, July 1, 2004, restated	<u>3,626,926</u>	<u>3,626,926</u>	<u>3,626,926</u>	<u>.....</u>
REVENUES				
Direct revenues:				
Fees and charges	634,219	645,819	638,653	(7,166)
Licenses	83,786	83,786	91,062	7,276
Taxes	22,577,706	23,285,506	23,524,068	238,562
Miscellaneous	1,772	1,772	2,071	299
Interest	265,833	243,433	250,325	6,892
Grants	20,334	20,334	13,982	(6,352)
Refunds	1,036	1,036	275,302	274,266
Other	166,590	166,590	226,457	59,867
Total Direct Revenues	<u>23,751,276</u>	<u>24,448,276</u>	<u>25,021,920</u>	<u>573,644</u>
Indirect revenues:				
Transfers and distributions	3,592,208	3,876,908	3,490,470	(386,438)
Other	.....	.....	24,899	24,899
Total Indirect Revenues	<u>3,592,208</u>	<u>3,876,908</u>	<u>3,515,369</u>	<u>(361,539)</u>
TOTAL REVENUES	<u>27,343,484</u>	<u>28,325,184</u>	<u>28,537,289</u>	<u>212,105</u>
TOTAL AVAILABLE RESOURCES	<u>30,970,410</u>	<u>31,952,110</u>	<u>32,164,215</u>	<u>212,105</u>
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	3,392,898	3,610,631	3,581,510	29,121
Other personal services	52,764	68,867	63,979	4,888
Expenses	544,687	611,349	596,667	14,682
Grants and aids	11,894,840	11,932,837	11,850,590	82,247
Operating capital outlay	16,672	24,388	22,825	1,563
Food products	79,074	77,955	77,682	273
Fixed capital outlay	74,072	74,072	74,072	.....
Lump sum	592,698	4,762	.....	4,762
Special categories	7,161,063	7,910,290	7,800,407	109,883
Financial assistance payments	280,309	280,309	275,991	4,318
Grants/aids to local governments	109,823	109,823	109,823	.....
Data processing services	42,623	40,221	39,055	1,166
Pensions and benefits	12,678	12,678	10,807	1,871
Total Operating Expenditures	<u>24,254,201</u>	<u>24,758,182</u>	<u>24,503,408</u>	<u>254,774</u>
Nonoperating expenditures:				
Transfers	2,203,113	2,203,113	2,203,113	.....
Refunds	297,111	297,111	297,111	.....
Other	251,325	251,325	251,325	.....
Total Nonoperating Expenditures	<u>2,751,549</u>	<u>2,751,549</u>	<u>2,751,549</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>27,005,750</u>	<u>27,509,731</u>	<u>27,254,957</u>	<u>254,774</u>
FUND BALANCES, JUNE 30, 2005	<u>\$ 3,964,660</u>	<u>\$ 4,442,379</u>	<u>\$ 4,909,258</u>	<u>\$ 466,879</u>

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

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Environment, Recreation and Conservation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 1,283,535	\$ 1,283,535	\$ 1,283,535	\$
Reversions	354	354	354	.....
Fund Balances, July 1, 2004, restated	<u>1,283,889</u>	<u>1,283,889</u>	<u>1,283,889</u>	<u>.....</u>
REVENUES				
Direct revenues:				
Fees and charges	71,452	72,831	83,255	10,424
Licenses	33,647	44,343	44,156	(187)
Miscellaneous	2,362	400	373	(27)
Interest	35,903	44,110	42,370	(1,740)
Grants	185,418	128,883	134,711	5,828
Refunds	387	1,613	2,213	600
Bond proceeds	108,289	.....	.....	.....
Other	6,089	11,168	61,007	49,839
Total Direct Revenues	<u>443,547</u>	<u>303,348</u>	<u>368,085</u>	<u>64,737</u>
Indirect revenues:				
Transfers and distributions	1,708,532	1,975,920	1,913,852	(62,068)
Other	974	.....	3,276	3,276
Total Indirect Revenues	<u>1,709,506</u>	<u>1,975,920</u>	<u>1,917,128</u>	<u>(58,792)</u>
TOTAL REVENUES	<u>2,153,053</u>	<u>2,279,268</u>	<u>2,285,213</u>	<u>5,945</u>
TOTAL AVAILABLE RESOURCES	<u>3,436,942</u>	<u>3,563,157</u>	<u>3,569,102</u>	<u>5,945</u>
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	167,919	172,741	169,533	3,208
Other personal services	32,052	33,436	29,329	4,107
Expenses	48,483	49,795	45,340	4,455
Grants and aids	6,326	6,326	5,771	555
Operating capital outlay	3,852	4,227	3,148	1,079
Fixed capital outlay	757,080	757,080	757,080	.....
Special categories	287,081	292,189	265,978	26,211
Grants/aids to local governments	544,334	544,334	544,334	.....
Total Operating Expenditures	<u>1,847,127</u>	<u>1,860,128</u>	<u>1,820,513</u>	<u>39,615</u>
Nonoperating expenditures:				
Transfers	355,474	355,474	355,474	.....
Refunds	838	838	838	.....
Other	16,533	16,533	16,533	.....
Total Nonoperating Expenditures	<u>372,845</u>	<u>372,845</u>	<u>372,845</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>2,219,972</u>	<u>2,232,973</u>	<u>2,193,358</u>	<u>39,615</u>
FUND BALANCES, JUNE 30, 2005	<u>\$ 1,216,970</u>	<u>\$ 1,330,184</u>	<u>\$ 1,375,744</u>	<u>\$ 45,560</u>

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

2005 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 858,213	\$ 858,213	\$ 858,213	\$
Reversions	69,525	69,525	69,525	.....
Fund Balances, July 1, 2004, restated	<u>927,738</u>	<u>927,738</u>	<u>927,738</u>	<u>.....</u>
REVENUES				
Direct revenues:				
Fees and charges	977,988	1,093,869	1,160,270	66,401
Licenses	26,663	25,787	23,481	(2,306)
Miscellaneous	.....	4	5	1
Interest	4,710	3,062	5,145	2,083
Grants	11,108,816	12,126,541	11,959,732	(166,809)
Refunds	898,351	1,040,486	1,061,836	21,350
Other	36,184	34,680	32,656	(2,024)
Total Direct Revenues	<u>13,052,712</u>	<u>14,324,429</u>	<u>14,243,125</u>	<u>(81,304)</u>
Indirect revenues:				
Transfers and distributions	1,307,164	1,248,763	702,514	(546,249)
Other	.....	.....	1,396	1,396
Total Indirect Revenues	<u>1,307,164</u>	<u>1,248,763</u>	<u>703,910</u>	<u>(544,853)</u>
TOTAL REVENUES	<u>14,359,876</u>	<u>15,573,192</u>	<u>14,947,035</u>	<u>(626,157)</u>
TOTAL AVAILABLE RESOURCES	<u>15,287,614</u>	<u>16,500,930</u>	<u>15,874,773</u>	<u>(626,157)</u>
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,146,103	1,174,611	1,139,292	35,319
Other personal services	82,367	79,301	70,671	8,630
Expenses	431,389	438,425	396,260	42,165
Grants and aids	198,996	213,529	192,945	20,584
Operating capital outlay	15,576	19,596	16,050	3,546
Food products	893	893	506	387
Fixed capital outlay	3,236	3,236	3,236	.....
Lump sum	106,044	.....	.....	.....
Special categories	12,291,063	12,883,464	12,173,781	709,683
Financial assistance payments	41,561	23,117	22,212	905
Grants/aids to local governments	3,646	3,646	3,646	.....
Data processing services	55,199	55,293	40,372	14,921
Claim bills and relief acts	760	760	760	.....
Special expenses	.....	23	23	.....
Total Operating Expenditures	<u>14,376,833</u>	<u>14,895,894</u>	<u>14,059,754</u>	<u>836,140</u>
Nonoperating expenditures:				
Transfers	806,778	806,778	806,778	.....
Refunds	7,022	7,022	7,022	.....
Other	7,905	7,905	7,905	.....
Total Nonoperating Expenditures	<u>821,705</u>	<u>821,705</u>	<u>821,705</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>15,198,538</u>	<u>15,717,599</u>	<u>14,881,459</u>	<u>836,140</u>
FUND BALANCES, JUNE 30, 2005	<u>\$ 89,076</u>	<u>\$ 783,331</u>	<u>\$ 993,314</u>	<u>\$ 209,983</u>

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

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Transportation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 42,386	\$ 42,386	\$ 42,386	\$
Reversions	.....	.....	.....	.....
Fund Balances, July 1, 2004, restated	42,386	42,386	42,386	.....
REVENUES				
Direct revenues:				
Interest	1,687	2,157	2,329	172
Bond proceeds	299,998	309,998	310,165	167
Other	.....	.....	7,147	7,147
Total Direct Revenues	301,685	312,155	319,641	7,486
Indirect revenues:				
Transfers and distributions	90,940	69,600	69,918	318
Other	.....	4	.....	(4)
Total Indirect Revenues	90,940	69,604	69,918	314
TOTAL REVENUES	392,625	381,759	389,559	7,800
TOTAL AVAILABLE RESOURCES	435,011	424,145	431,945	7,800
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	791	806	780	26
Other personal services	40	40	20	20
Expenses	644	644	361	283
Operating capital outlay	10	10	.....	10
Fixed capital outlay	62,295	62,925	62,925	.....
Special categories	238	239	237	2
Total Operating Expenditures	64,018	64,664	64,323	341
Nonoperating expenditures:				
Transfers	310,718	310,718	310,718	.....
Total Nonoperating Expenditures	310,718	310,718	310,718	.....
TOTAL EXPENDITURES	374,736	375,382	375,041	341
FUND BALANCES, JUNE 30, 2005	\$ 60,275	\$ 48,763	\$ 56,904	\$ 8,141

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

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 1,307,335	\$ 1,307,335	\$ 1,307,335	\$
Reversions	89,619	89,619	89,619	.....
Fund Balances, July 1, 2004, restated	1,396,954	1,396,954	1,396,954	.....
REVENUES				
Direct revenues:				
Fees and charges	16,712	33,399	30,481	(2,918)
Taxes	449,000	476,000	475,856	(144)
Miscellaneous	8,325	1,346	1,345	(1)
Interest	63,102	59,245	119,834	60,589
Grants	2,503,487	2,232,764	2,233,565	801
Refunds	5,003	.....	9,989	9,989
Bond proceeds	1,012,270	732,400	672,717	(59,683)
Other	2	137	17,091	16,954
Total Direct Revenues	4,057,901	3,535,291	3,560,878	25,587
Indirect revenues:				
Transfers and distributions	2,245,957	2,146,345	2,083,364	(62,981)
Other	.....	.....	4	4
Total Indirect Revenues	2,245,957	2,146,345	2,083,368	(62,977)
TOTAL REVENUES	6,303,858	5,681,636	5,644,246	(37,390)
TOTAL AVAILABLE RESOURCES	7,700,812	7,078,590	7,041,200	(37,390)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	33,684	34,354	32,851	1,503
Other personal services	2,694	2,734	2,029	705
Expenses	22,721	22,831	17,144	5,687
Grants and aids	2,781,317	2,781,572	2,683,340	98,232
Operating capital outlay	1,842	1,842	554	1,288
Fixed capital outlay	1,866,504	1,866,504	1,866,504	.....
Special categories	676,905	687,196	659,328	27,868
Financial assistance payments	42,265	42,819	42,368	451
Grants/aids to local governments	228,948	228,948	228,948	.....
Payments to U.S. Treasury	.....	247	247	.....
Data processing services	432	391	41	350
Total Operating Expenditures	5,657,312	5,669,438	5,533,354	136,084
Nonoperating expenditures:				
Transfers	232,203	232,203	232,203	.....
Refunds	7,668	7,668	7,668	.....
Other	67,603	67,603	67,603	.....
Total Nonoperating Expenditures	307,474	307,474	307,474	.....
TOTAL EXPENDITURES	5,964,786	5,976,912	5,840,828	136,084
FUND BALANCES, JUNE 30, 2005	\$ 1,736,026	\$ 1,101,678	\$ 1,200,372	\$ 98,694

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

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Tax Collection and Administration			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 476,438	\$ 476,438	\$ 476,438	\$
Reversions	265	265	265	.....
Fund Balances, July 1, 2004, restated	<u>476,703</u>	<u>476,703</u>	<u>476,703</u>	<u>.....</u>
REVENUES				
Direct revenues:				
Fees and charges	188,495	188,495	167,486	(21,009)
Licenses	21,500	19,370	19,443	73
Taxes	6,872,402	6,878,100	6,886,522	8,422
Miscellaneous	.....	3	23	20
Interest	875	2,182	.....	(2,182)
Refunds	.....	.....	19,319	19,319
Other	.....	.....	18,229	18,229
Total Direct Revenues	<u>7,083,272</u>	<u>7,088,150</u>	<u>7,111,022</u>	<u>22,872</u>
Indirect revenues:				
Transfers and distributions	72,698	201,374	201,747	373
Other	49,067	20,578	78,090	57,512
Total Indirect Revenues	<u>121,765</u>	<u>221,952</u>	<u>279,837</u>	<u>57,885</u>
TOTAL REVENUES	<u>7,205,037</u>	<u>7,310,102</u>	<u>7,390,859</u>	<u>80,757</u>
TOTAL AVAILABLE RESOURCES	<u>7,681,740</u>	<u>7,786,805</u>	<u>7,867,562</u>	<u>80,757</u>
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	43,003	42,935	42,703	232
Other personal services	1,267	1,653	1,636	17
Expenses	18,732	22,324	21,933	391
Grants and aids	21,500	21,500	19,594	1,906
Operating capital outlay	2,380	1,707	1,301	406
Special categories	2,089	2,106	1,664	442
Data processing services	2,295	429	334	95
Total Operating Expenditures	<u>91,266</u>	<u>92,654</u>	<u>89,165</u>	<u>3,489</u>
Nonoperating expenditures:				
Transfers	2,437,688	2,437,688	2,437,688	.....
Refunds	79,346	79,346	79,346	.....
Other	4,770,056	4,770,056	4,770,056	.....
Total Nonoperating Expenditures	<u>7,287,090</u>	<u>7,287,090</u>	<u>7,287,090</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>7,378,356</u>	<u>7,379,744</u>	<u>7,376,255</u>	<u>3,489</u>
FUND BALANCES, JUNE 30, 2005	<u>\$ 303,384</u>	<u>\$ 407,061</u>	<u>\$ 491,307</u>	<u>\$ 84,246</u>

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

2005 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Employment Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 280,590	\$ 280,590	\$ 280,590	\$
Reversions	4,907	4,907	4,907	.....
Fund Balances, July 1, 2004, restated	<u>285,497</u>	<u>285,497</u>	<u>285,497</u>	<u>.....</u>
REVENUES				
Direct revenues:				
Fees and charges	5,878	6,913	5,908	(1,005)
Licenses	.....	18	1,053	1,035
Taxes	277,000	326,360	333,034	6,674
Miscellaneous	621	658	657	(1)
Interest	8,584	11,736	10,004	(1,732)
Grants	764,245	738,363	650,743	(87,620)
Refunds	5,781	226	8,501	8,275
Other	16,128	11,945	10,989	(956)
Total Direct Revenues	<u>1,078,237</u>	<u>1,096,219</u>	<u>1,020,889</u>	<u>(75,330)</u>
Indirect revenues:				
Transfers and distributions	363,428	366,751	394,450	27,699
Other	.....	.....	530	530
Total Indirect Revenues	<u>363,428</u>	<u>366,751</u>	<u>394,980</u>	<u>28,229</u>
TOTAL REVENUES	<u>1,441,665</u>	<u>1,462,970</u>	<u>1,415,869</u>	<u>(47,101)</u>
TOTAL AVAILABLE RESOURCES	<u>1,727,162</u>	<u>1,748,467</u>	<u>1,701,366</u>	<u>(47,101)</u>
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	128,673	131,459	110,938	20,521
Other personal services	14,104	14,150	9,727	4,423
Expenses	39,658	41,239	30,977	10,262
Grants and aids	5,522	5,522	3,909	1,613
Operating capital outlay	2,087	2,295	1,605	690
Food products	200	165	35	130
Lump sum	11,800	.....	.....	.....
Special categories	935,975	1,003,953	933,691	70,262
Data processing services	13,320	14,161	11,524	2,637
Total Operating Expenditures	<u>1,151,339</u>	<u>1,212,944</u>	<u>1,102,406</u>	<u>110,538</u>
Nonoperating expenditures:				
Transfers	56,955	56,955	56,955	.....
Refunds	5,532	5,532	5,532	.....
Other	236,415	236,415	236,415	.....
Total Nonoperating Expenditures	<u>298,902</u>	<u>298,902</u>	<u>298,902</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>1,450,241</u>	<u>1,511,846</u>	<u>1,401,308</u>	<u>110,538</u>
FUND BALANCES, JUNE 30, 2005	<u>\$ 276,921</u>	<u>\$ 236,621</u>	<u>\$ 300,058</u>	<u>\$ 63,437</u>

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

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**BUDGET TO GAAP RECONCILIATION
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Health and Family Services
Budgetary basis fund balances	\$ 4,909,258	\$ 1,375,744	\$ 993,314
Items not included in budgetary basis fund balances:			
Security lending investments within the State Treasury	3,865,618	558,631	32,139
Fair value adjustments to investments within the State Treasury	38,198	5,520	318
Special investments within the State Treasury	12,009	.....	8,645
Non-State Treasury cash and investments	6,454	1,368	27,972
Other GAAP basis fund balances not included in budgetary basis fund balances	(13,549)	(1)	12,562
Adjusted budgetary basis fund balances	8,817,988	1,941,262	1,074,950
Adjustments (basis differences):			
Net receivables (payables) not certified forward	(2,061,973)	306,003	(160,619)
Inventories, prepaid items and deferred charges	16,852	1,104	30,279
Encumbrances	78,252	3,197	4,416
GAAP basis fund balances	<u>\$ 6,851,119</u>	<u>\$ 2,251,566</u>	<u>\$ 949,026</u>

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

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Transportation	Public Education	Tax Collection and Administration	Employment Services
\$ 56,904	\$ 1,200,372	\$ 491,307	\$ 300,058
347,467	464,542	.....	144,698
3,433	4,590	.....	1,430
.....
6,078	.....	207,044	2,653
859,955	(112,474)	(34,930)	19,566
1,273,837	1,557,030	663,421	468,405
(455,083)	(297,363)	(314,036)	(69,278)
24,684	.....	75	.....
174,182	52,452	1	6,274
\$ 1,017,620	\$ 1,312,119	\$ 349,461	\$ 405,401

OTHER REQUIRED SUPPLEMENTARY INFORMATION**BUDGETARY REPORTING****Budget Process**

Chapter 216, Florida Statutes (F.S.), promulgates the process used to develop the budget for the State of Florida. By October 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 30 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 that develop official information regarding anticipated state and local government revenues as needed for the state budgeting process. Revenue estimates for trust funds (consisting 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 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.

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 \$250,000, whichever is greater. Transfers of general revenue appropriations in excess of 5 percent or \$250,000, whichever is greater, or for fixed capital outlay, may be approved by the Governor or 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 \$1 million. The Legislative Budget Commission may approve trust fund transfers in excess of \$1 million. 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. Effective July 1, 2006, Chapter 2005-152, Laws of Florida, limits the use of certifications forward and revises the related approval process.

The Chief Financial 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 and benefits) within a budget entity. The Governor and the Chief Financial Officer 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 Working Capital Trust Fund, and the Budget Stabilization Fund. However, the Working Capital Fund was abolished effective 7/1/2005 (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 Chief Financial Officer. For example, the State Board of Administration operates from such funds.

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.

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 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.

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, 2000	\$ 88,503,838	\$ 74,948,950	\$ (13,554,888)	118.09%	\$ 20,463,403	⁽¹⁾ (66.24%)
July 1, 2001	95,517,948	80,993,718	(14,524,230)	117.93%	21,360,862	⁽¹⁾ (67.99%)
July 1, 2002	99,405,677	86,469,774	(12,935,903)	114.96%	22,195,184	⁽¹⁾ (58.28%)
July 1, 2003	101,906,724	89,251,331	(12,655,393)	114.18%	22,270,807	⁽¹⁾ (56.83%)
July 1, 2004	106,707,426	95,185,433	(11,521,993)	112.10%	23,115,581	⁽¹⁾ (49.85%)
July 1, 2005	111,539,878	103,925,498	(7,614,380)	107.33%	24,185,983	⁽¹⁾ (31.48%)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(in thousands)

Year Ended 6/30	Annual Required Contributions	Percent Contributed
2000	\$ 1,969,057	111% ⁽²⁾
2001	1,869,731	110%
2002	1,825,485	97% ⁽⁵⁾
2003	1,844,203	98%
2004	2,044,540	92% ⁽⁵⁾
2005	2,141,862	102%

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, 2005
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay, Open
Equivalent single amortization period	30 Years ⁽³⁾
Asset valuation method	5-Year Smoothed Method
Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	6.25% ⁽⁴⁾
*Includes inflation at	3.00%
Cost-of-Living Adjustments	3.00%

- (1) Includes Deferred Retirement Option Program (DROP) payroll.
- (2) The 2000 required annual contributions 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) Used for GASB Statement #27 reporting purposes.
- (4) Includes individual salary growth of 4.00% plus an age- and service-graded merit scale defined by gender and employment class. See Table A-2 of the July 1, 2005 actuarial valuation report for merit scale.
- (5) Restated to correspond to actuarial valuation.

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 expends certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 12,043 centerline miles of roads and 6,294 bridges that the State is responsible for maintaining.

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 rutting refers to 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. In general, bridges that have a rating below 5 need major repairs or replacement. However, in isolated cases, bridges with a rating of 5 or greater can judgmentally be determined to need major repairs.

The FDOT standard is to ensure that 90% 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

<u>2005</u>	<u>2004</u>	<u>2003</u>
80%	80%	80%

Percentage of bridges meeting FDOT standards

<u>2005</u>	<u>2004</u>	<u>2003</u>
93%	94%	93%

Maintenance Rating

<u>2005</u>	<u>2004</u>	<u>2003</u>
83	84	85

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

Resurfacing Program

	<u>2005</u>	<u>2004*</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Needed	\$604.1	\$562.2	\$611.0	\$416.9	\$467.0
Actual	575.3	504.2	420.4	367.4	421.2

Bridge Repair/Replacement Program

	<u>2005</u>	<u>2004*</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Needed	\$346.6	\$320.0	\$256.8	\$236.1	\$344.6
Actual	348.5	312.9	142.8	250.0	379.5

Routine Maintenance Program

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Needed	\$427.0	\$405.2	\$419.8	\$388.2	\$374.3
Actual	435.6	416.5	418.1	392.9	371.7

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 differences between the needed and actual amounts above reflect these changes.

*Beginning with restatement of 2004, the reporting of needed funding for the Resurfacing and Bridge Repair/Replacement Programs has been changed to delete amounts for contingencies on prior year projects. This is a more accurate presentation of the anticipated needs for the year presented.



*F*inancial Section

Combining and Individual Fund
Statements and Schedules-
Nonmajor Funds

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Individual fund descriptions and financial statements begin on page 143.

CAPITAL PROJECTS FUNDS

Individual fund descriptions and financial statements begin on page 167.

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.

OTHER PERMANENT FUNDS

Funds in this category include those administered by the Fish and Wildlife Conservation Commission, 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 funds includes proceeds of gifts, grants, and contributions, and the sale of lifetime licenses. Also included in this category are various private scholarship funds administered by the Department of Education and used to pay scholarship awards as specified by the contributors. Only the interest income received and accrued from the investments of these funds can be used. No disbursement is made from the principal of the funds.

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Other Permanent Funds	Totals 6/30/05
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 29,048	\$	\$ 303	\$ 149	\$ 29,500
Pooled investments with State Treasury	1,186,872	70,046	12,483	6,469	1,275,870
Investments	312,481	.....	35,743	1,815	350,039
Receivables, net	270,779	118	674,507	32	945,436
Due from other funds	109,038	30,252	4,218	.....	143,508
Inventories	6,443	.....	.....	.....	6,443
Other	1,266	.....	.....	.....	1,266
Total current assets	1,915,927	100,416	727,254	8,465	2,752,062
<u>Noncurrent assets</u>					
Long-term investments	209,226	.....	47,300	.....	256,526
Advances to other funds	500	.....	.....	.....	500
Other loans and notes receivable, net	454,553	.....	.....	.....	454,553
Other	12,993	9,000	.....	.....	21,993
Total noncurrent assets	677,272	9,000	47,300	.....	733,572
Total assets	\$ 2,593,199	\$ 109,416	\$ 774,554	\$ 8,465	\$ 3,485,634
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 190,571	\$ 3,991	\$ 9,856	\$ 23	\$ 204,441
Due to other funds	176,889	4	681,743	.....	858,636
Due to component units/primary	5,499	.....	.....	.....	5,499
Compensated absences	485	.....	.....	.....	485
Deposits	13,525	.....	.....	.....	13,525
Deferred revenues	4,940	.....	.....	.....	4,940
Obligations under security lending agreements	385,141	10,556	.....	1,310	397,007
Obligations under reverse repurchase agreements	64,573	4,382	.....	544	69,499
Total current liabilities	841,623	18,933	691,599	1,877	1,554,032
<u>Noncurrent liabilities</u>					
Advances from other funds	1,493	.....	.....	.....	1,493
Deposits	3,206	.....	.....	.....	3,206
Deferred revenues	27,136	.....	.....	.....	27,136
Total noncurrent liabilities	31,835	.....	.....	.....	31,835
Total liabilities	873,458	18,933	691,599	1,877	1,585,867
<u>Fund balances</u>					
Reserved for encumbrances	73,283	40,077	.....	.....	113,360
Reserved for inventories	6,443	.....	.....	.....	6,443
Reserved for long-term receivables	451,977	.....	.....	.....	451,977
Reserved for capital outlay	65,126	418	.....	.....	65,544
Reserved for debt service	.....	.....	82,955	.....	82,955
Other reserved	23,920	8,738	.....	4,606	37,264
Unreserved, reported in:					
Special revenue funds	1,098,992	.....	.....	.....	1,098,992
Capital projects funds	.....	41,250	.....	.....	41,250
Permanent fund	.....	.....	.....	1,982	1,982
Total fund balances	1,719,741	90,483	82,955	6,588	1,899,767
Total liabilities and fund balances	\$ 2,593,199	\$ 109,416	\$ 774,554	\$ 8,465	\$ 3,485,634

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Other Permanent Funds	Totals 6/30/05
REVENUES					
Taxes	\$ 148,362	\$	\$	\$	\$ 148,362
Licenses and permits	1,071,374	.....	.....	524	1,071,898
Fees and charges	318,232	9,151	84,161	.....	411,544
Grants and donations	1,710,495	.....	.....	.....	1,710,495
Investment earnings	44,171	751	24,032	259	69,213
Fines, forfeits, settlements and judgments	482,680	.....	.....	.....	482,680
Other revenue	9,426	34	79,233	.....	88,693
Total revenues	3,784,740	9,936	187,426	783	3,982,885
EXPENDITURES					
Current:					
General government	880,445	3,193	51,820	.....	935,458
Education	3,038	12	.....	765	3,815
Human services	391,323	4,029	.....	.....	395,352
Criminal justice and corrections	354,387	1,990	.....	.....	356,377
Natural resources and environment	1,533,676	4,089	.....	.....	1,537,765
Transportation	.....	18	.....	.....	18
State courts	7,733	.....	.....	.....	7,733
Capital outlay	131,231	270,051	.....	.....	401,282
Debt service:					
Principal retirement	10,129	5,707	772,746	.....	788,582
Interest and fiscal charges	1,036	5,074	816,867	.....	822,977
Total expenditures	3,312,998	294,163	1,641,433	765	5,249,359
Excess (deficiency) of revenues over expenditures	471,742	(284,227)	(1,454,007)	18	(1,266,474)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	.....	.....	16,308	.....	16,308
Proceeds of refunding bonds	.....	.....	2,470,805	.....	2,470,805
Operating transfers in	1,249,415	413,622	1,448,714	.....	3,111,751
Operating transfers out	(1,582,143)	(120,555)	(3,792)	(120)	(1,706,610)
Proceeds of financing agreements	43,237	.....	.....	.....	43,237
Payments to refunded bond agent	.....	.....	(2,470,805)	.....	(2,470,805)
Total other financing sources (uses)	(289,491)	293,067	1,461,230	(120)	1,464,686
Net change in fund balances	182,251	8,840	7,223	(102)	198,212
Fund balances - beginning	1,539,082	81,643	75,732	6,690	1,703,147
Adjustments to increase (decrease) beginning fund balances	(1,592)	.....	.....	.....	(1,592)
Fund balances - beginning, as restated	1,537,490	81,643	75,732	6,690	1,701,555
Fund balances - ending	\$ 1,719,741	\$ 90,483	\$ 82,955	\$ 6,588	\$ 1,899,767

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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 Financial Services.

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 Financial Services.

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, and Department of Financial Services.

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.

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION

Pursuant to Section 28.35, Florida Statutes (F.S.), this blended component unit was created for the purpose of establishing a process for reviewing and certification of proposed court-related budgets submitted by the clerks of court and establishing a system of uniform performance measures and standards for the clerks.

CITRUS COMMISSION

As authorized in Chapter 601, F.S., 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, F.S., 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, F.S., 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, F.S., 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, F.S., 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, F.S.

INLAND PROTECTION FINANCING CORPORATION

Pursuant to Section 376.3075, F.S., this blended component unit was created for the purpose of financing the rehabilitation of petroleum contamination sites pursuant to Sections 376.30-376.319, F.S., 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, F.S., 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, F.S.

SURPLUS LINES

Pursuant to Section 626.921, F.S., 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, F.S.

SCRIPPS FLORIDA FUNDING CORPORATION

Pursuant to Section 288.955, F.S., this blended component unit was created to facilitate the establishment and operation of a biomedical research institution for the purposes of enhancing education and research and promoting economic development and diversity.

2005 STATE OF FLORIDA CAFR

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005
(in thousands)**

	Government Administration	Business and Community Development	Regulation and Licensing	Tobacco Settlement	Public Safety
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$	\$	\$ 373	\$	\$ 96
Pooled investments with State Treasury	224,627	71,206	145,621	70,530	96,884
Investments	.....	244	.....	.....	.....
Receivables, net	1,319	120,924	27,292	184	12,364
Due from other funds	8,511	11,425	29,279	4	5,370
Inventories	.....	.....	151	4,000	.....
Other	.....	.....	118	.....	573
Total current assets	234,457	203,799	202,834	74,718	115,287
<u>Noncurrent assets</u>					
Long-term investments	.....	200	.....	.....	.....
Advances to other funds	.....	.....	.....	.....	500
Other loans and notes receivable, net	.....	7,417	.....	.....	.....
Other	.....	.....	.....	.....	12,993
Total noncurrent assets	.....	7,617	.....	.....	13,493
Total assets	\$ 234,457	\$ 211,416	\$ 202,834	\$ 74,718	\$ 128,780
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 18,641	\$ 21,470	\$ 15,511	\$ 29,866	\$ 41,957
Due to other funds	745	65,936	52,270	10,095	13,464
Due to component units/primary	.....	4,356	431	204	.....
Compensated absences	151	16	65	3	23
Deposits	270	12,561	.....	.....	336
Deferred revenues	.....	2,094	148	.....	1,582
Obligations under security lending agreements	40,250	3,008	20,599	4,798	3,383
Obligations under reverse repurchase agreements	16,706	1,248	8,550	1,991	1,404
Total current liabilities	76,763	110,689	97,574	46,957	62,149
<u>Noncurrent liabilities</u>					
Advances from other funds	.....	.....	.....	.....	1,132
Deposits	.....	3,018	.....	.....	.....
Deferred revenues	.....	.....	.....	.....	2,706
Total noncurrent liabilities	.....	3,018	.....	.....	3,838
Total liabilities	76,763	113,707	97,574	46,957	65,987
<u>Fund balances</u>					
Reserved for encumbrances	4,380	5,908	16,462	.....	1,004
Reserved for inventories	.....	.....	151	4,000	.....
Reserved for long-term receivables	.....	4,841	.....	.....	.....
Reserved for capital outlay	649	54,916	.....	324	.....
Other reserved	.....	.....	23,914	.....	.....
Unreserved	152,665	32,044	64,733	23,437	61,789
Total fund balances	157,694	97,709	105,260	27,761	62,793
Total liabilities and fund balances	\$ 234,457	\$ 211,416	\$ 202,834	\$ 74,718	\$ 128,780

2005 STATE OF FLORIDA CAFR

Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp
\$	\$ 13	\$ 119	\$ 211	\$	\$ 362	\$ 125
11,362	86,214	68,693	21,851	36,792	28,951	.....
.....
285	31,042	7,111	3,923	827	6,208	.....
418	1,878	20,933	582	211	11,793	.....
.....	.....	1,519	2	.....	191	.....
.....
12,065	119,147	98,375	26,569	37,830	47,505	125
.....
.....
.....	188	.....	.....	.....	.....	.....
.....
.....	188	.....	.....	.....	.....	.....
\$ 12,065	\$ 119,335	\$ 98,375	\$ 26,569	\$ 37,830	\$ 47,505	\$ 125
\$ 1,411	\$ 6,119	\$ 5,506	\$ 9,466	\$ 1,308	\$ 4,731	\$ 9
1,360	20,471	10,975	216	337	111	.....
.....	.....	.....	1	.....	.....	.....
23	22	62	.....	15	103	.....
.....	.....	.....	.....	358	.....	.....
.....	1,116	.....	.....	.....	.....	.....
.....	2,514	11,967	1,510	.....	476	.....
.....	1,044	4,967	627	.....	197	.....
2,794	31,286	33,477	11,820	2,018	5,618	9
.....	35	.....	.....	326	.....	.....
.....	188	.....	.....	.....	.....	.....
.....	11,998	.....	.....	.....	.....	.....
.....	12,221	.....	.....	326	.....	.....
2,794	43,507	33,477	11,820	2,344	5,618	9
.....	33,253	8,033	.....	252	3,991	.....
.....	.....	1,519	2	.....	190	.....
.....	188	.....	.....	.....	.....	.....
.....	.....	1,137	6,271	.....	1,829	.....
.....
9,271	42,387	54,209	8,476	35,234	35,877	116
9,271	75,828	64,898	14,749	35,486	41,887	116
\$ 12,065	\$ 119,335	\$ 98,375	\$ 26,569	\$ 37,830	\$ 47,505	\$ 125

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005
(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	\$ 866	\$	\$ 695	\$	\$ 12,930
Pooled investments with State Treasury	21,464	.....	584	84,225	.....
Investments	.....	.....	7,864	.....	.....
Receivables, net	3,667	2	515	199	406
Due from other funds	.....	18,634	.....	.....	.....
Inventories	580	.....	.....	.....	.....
Other	512	.....	.....	.....	28
Total current assets	<u>27,089</u>	<u>18,636</u>	<u>9,658</u>	<u>84,424</u>	<u>13,364</u>
<u>Noncurrent assets</u>					
Long-term investments	.....	.....	.....	.....	.....
Advances to other funds	.....	.....	.....	.....	.....
Other loans and notes receivable, net	.....	.....	.....	.....	.....
Other	.....	.....	.....	.....	.....
Total noncurrent assets	.....	.....	.....	.....	.....
Total assets	<u>\$ 27,089</u>	<u>\$ 18,636</u>	<u>\$ 9,658</u>	<u>\$ 84,424</u>	<u>\$ 13,364</u>
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 6,424	\$ 18,634	\$ 238	\$ 7,421	\$ 311
Due to other funds	443	2	.....	.....	.....
Due to component units/primary	507	.....	.....	.....	.....
Compensated absences	.....	.....	2	.....	.....
Deposits	.....	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....	.....
Obligations under security lending agreements	4,334	.....	.....	16,106	.....
Obligations under reverse repurchase agreements	1,799	.....	.....	6,685	.....
Total current liabilities	<u>13,507</u>	<u>18,636</u>	<u>240</u>	<u>30,212</u>	<u>311</u>
<u>Noncurrent liabilities</u>					
Advances from other funds	.....	.....	.....	.....	.....
Deposits	.....	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....	12,432
Total noncurrent liabilities	.....	.....	.....	.....	<u>12,432</u>
Total liabilities	<u>13,507</u>	<u>18,636</u>	<u>240</u>	<u>30,212</u>	<u>12,743</u>
<u>Fund balances</u>					
Reserved for encumbrances	.....	.....	.....	.....	.....
Reserved for inventories	581	.....	.....	.....	.....
Reserved for long-term receivables	.....	.....	.....	.....	.....
Reserved for capital outlay	.....	.....	.....	.....	.....
Other reserved	.....	.....	.....	.....	.....
Unreserved	13,001	.....	9,418	54,212	621
Total fund balances	<u>13,582</u>	<u>.....</u>	<u>9,418</u>	<u>54,212</u>	<u>621</u>
Total liabilities and fund balances	<u>\$ 27,089</u>	<u>\$ 18,636</u>	<u>\$ 9,658</u>	<u>\$ 84,424</u>	<u>\$ 13,364</u>

2005 STATE OF FLORIDA CAFR

FL Water Pollution Control Financing Corp	Inland Protection Financing Corp	Investment Fraud Restoration Corp	Surplus Lines	Partnership in Correctional Excellence	Scripps Florida Funding Corp	Totals 6/30/05
\$ 1,289	\$ 2	\$	\$ 11,425	\$ 357	\$ 185	\$ 29,048
217,867	.....	.....	1	.....	.....	1,186,872
5,938	10,619	1,007	.....	.....	286,809	312,481
50,546	.....	1	65	82	3,817	270,779
.....	.....	.....	.....	.....	.....	109,038
.....	.....	.....	.....	.....	.....	6,443
.....	.....	.....	12	.....	23	1,266
275,640	10,621	1,008	11,503	439	290,834	1,915,927
.....	.....	.....	.....	.....	209,026	209,226
.....	.....	.....	.....	.....	.....	500
446,948	.....	.....	.....	.....	.....	454,553
.....	.....	.....	.....	.....	.....	12,993
446,948	.....	.....	.....	.....	209,026	677,272
\$ 722,588	\$ 10,621	\$ 1,008	\$ 11,503	\$ 439	\$ 499,860	\$ 2,593,199
\$ 1,267	\$	\$	\$ 276	\$ 2	\$ 3	\$ 190,571
457	5	2	.....	.....	.....	176,889
.....	.....	.....	.....	.....	.....	5,499
.....	.....	.....	.....	.....	.....	485
.....	.....	.....	.....	.....	.....	13,525
.....	.....	.....	.....	.....	.....	4,940
46,632	.....	.....	1	.....	229,563	385,141
19,355	.....	.....	.....	.....	.....	64,573
67,711	5	2	277	2	229,566	841,623
.....	.....	.....	.....	.....	.....	1,493
.....	.....	.....	.....	.....	.....	3,206
.....	.....	.....	.....	.....	.....	27,136
.....	.....	.....	.....	.....	.....	31,835
67,711	5	2	277	2	229,566	873,458
.....	.....	.....	.....	.....	.....	73,283
.....	.....	.....	.....	.....	.....	6,443
446,948	.....	.....	.....	.....	.....	451,977
.....	.....	.....	.....	.....	.....	65,126
.....	.....	.....	.....	6	.....	23,920
207,929	10,616	1,006	11,226	431	270,294	1,098,992
654,877	10,616	1,006	11,226	437	270,294	1,719,741
\$ 722,588	\$ 10,621	\$ 1,008	\$ 11,503	\$ 439	\$ 499,860	\$ 2,593,199

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Government Administration	Business and Community Development	Regulation and Licensing	Tobacco Settlement	Public Safety
REVENUES					
Taxes	\$	\$	\$ 117,585	\$	\$
Licenses and permits	.....	.....	1,002,142	.....	52,583
Fees and charges	14,043	6,594	23,608	.....	63,143
Grants and donations	96,763	1,248,575	404	.....	109,058
Investment earnings	4,863	660	3,539	1,969	597
Fines, forfeits, settlements and judgments	7	.....	3,788	378,280	53,979
Other revenue	11	20	174	.....	822
Total revenues	115,687	1,255,849	1,151,240	380,249	280,182
EXPENDITURES					
Current:					
General government	120,354	42,380	248,120	64	45,223
Education	.....	.....	.....	.....	.....
Human services	.....	.....	.....	356,646	.....
Criminal justice and corrections	.....	.....	.....	.....	168,241
Natural resources and environment	.....	1,112,437	.....	.....	.....
State courts	.....	.....	.....	.....	.....
Capital outlay	2,274	217	4,784	3,656	15,964
Debt service:					
Principal retirement	.....	.....	7,305	.....	2,824
Interest and fiscal charges	.....	.....	847	.....	189
Total expenditures	122,628	1,155,034	261,056	360,366	232,441
Excess (deficiency) of revenues over expenditures	(6,941)	100,815	890,184	19,883	47,741
OTHER FINANCING SOURCES (USES)					
Operating transfers in	223,763	58,300	154,905	41,230	52,737
Operating transfers out	(143,186)	(113,092)	(1,042,852)	(67,099)	(122,126)
Proceeds of financing agreements	.....	.....	.....	.....	10,804
Total other financing sources (uses)	80,577	(54,792)	(887,947)	(25,869)	(58,585)
Net change in fund balances	73,636	46,023	2,237	(5,986)	(10,844)
Fund balances - beginning	84,058	51,686	103,023	33,747	73,637
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	.....	.....
Fund balances - beginning, as restated	84,058	51,686	103,023	33,747	73,637
Fund balances - ending	\$ 157,694	\$ 97,709	\$ 105,260	\$ 27,761	\$ 62,793

2005 STATE OF FLORIDA CAFR

Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp
\$	\$	\$ 299	\$ 17	\$	\$	\$
.....	.....	16,373	.....	276	.....	.....
6,168	1,837	75,356	7,561	22,175	26,221	1,104
13,953	74,634	39,416	15,421	8,352	82,656	.....
32	1,009	1,805	302	.....	80	.....
1	35,930	2,516	2,453	5,724	1	.....
.....	88	298	88	65	711	.....
20,154	113,498	136,063	25,842	36,592	109,669	1,104
.....	3,281	.....	.....	.....	70,216	988
.....
.....	.....	.....	.....	.....	34,677	.....
16,827	45,357	.....	87,838	35,223	.....	.....
.....	244,289	176,950	.....	.....	.....	.....
.....	.....	.....	.....	7,733	.....	.....
52,612	20,950	7,390	3,674	1,781	17,528	.....
.....
.....
69,439	313,877	184,340	91,512	44,737	122,421	988
(49,285)	(200,379)	(48,277)	(65,670)	(8,145)	(12,752)	116
59,369	243,459	82,434	61,639	22,398	39,036	.....
(16,582)	(38,408)	(20,443)	(751)	(2,059)	(1,064)	.....
.....	32,433	.....	.....	.....	.....	.....
42,787	237,484	61,991	60,888	20,339	37,972	.....
(6,498)	37,105	13,714	(4,782)	12,194	25,220	116
15,769	38,723	51,184	21,123	23,292	16,667	.....
.....	.....	.....	(1,592)	.....	.....	.....
15,769	38,723	51,184	19,531	23,292	16,667	.....
\$ 9,271	\$ 75,828	\$ 64,898	\$ 14,749	\$ 35,486	\$ 41,887	\$ 116

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Citrus Commission	State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc
REVENUES					
Taxes	\$ 30,461	\$	\$	\$	\$
Licenses and permits	.....	.....	.....	.....	.....
Fees and charges	32	.....	.....	62,652	.....
Grants and donations	9,050	.....	920	.....	10,601
Investment earnings	370	135	285	2,284	.....
Fines, forfeits, settlements and judgments	1	.....	.....	.....	.....
Other revenue	385	.....	.....	.....	.....
Total revenues	40,299	135	1,205	64,936	10,601
EXPENDITURES					
Current:					
General government	39,778	205,009	.....	50,838	11,039
Education	.....	.....	3,038	.....	.....
Human services	.....	.....	.....	.....	.....
Criminal justice and corrections	.....	.....	.....	.....	.....
Natural resources and environment	.....	.....	.....	.....	.....
State courts	.....	.....	.....	.....	.....
Capital outlay	67	.....	334	.....	.....
Debt service:					
Principal retirement	.....	.....	.....	.....	.....
Interest and fiscal charges	.....	.....	.....	.....	.....
Total expenditures	39,845	205,009	3,372	50,838	11,039
Excess (deficiency) of revenues over expenditures	454	(204,874)	(2,167)	14,098	(438)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	.....	207,899	2,246	.....	.....
Operating transfers out	(1,189)	(3,025)	.....	(19)	.....
Proceeds of financing agreements	.....	.....	.....	.....	.....
Total other financing sources (uses)	(1,189)	204,874	2,246	(19)	.....
Net change in fund balances	(735)	.....	79	14,079	(438)
Fund balances - beginning	14,317	.....	9,339	40,133	1,059
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	.....	.....
Fund balances - beginning, as restated	14,317	.....	9,339	40,133	1,059
Fund balances - ending	\$ 13,582	\$	\$ 9,418	\$ 54,212	\$ 621

2005 STATE OF FLORIDA CAFR

FL Water Pollution Control Financing Corp	Inland Protection Financing Corp	Investment Fraud Restoration Corp	Surplus Lines	Partnership in Correctional Excellence	Scripps Florida Funding Corp	Totals 6/30/05
\$	\$	\$	\$	\$	\$	\$ 148,362
.....	.....	.....	.....	.....	.....	1,071,374
.....	.....	.....	7,317	421	.....	318,232
.....	.....	.....	.....	492	200	1,710,495
18,977	227	22	56	.....	6,959	44,171
.....	.....	.....	.....	.....	.....	482,680
.....	1	.....	.....	.....	6,763	9,426
18,977	228	22	7,373	913	13,922	3,784,740
152	.....	1	2,969	.....	40,033	880,445
.....	.....	.....	.....	.....	.....	3,038
.....	.....	.....	.....	.....	.....	391,323
.....	.....	.....	.....	901	.....	354,387
.....	.....	.....	.....	.....	.....	1,533,676
.....	.....	.....	.....	.....	.....	7,733
.....	.....	.....	.....	.....	.....	131,231
.....	.....	.....	.....	.....	.....	10,129
.....	.....	.....	.....	.....	.....	1,036
152	.....	1	2,969	901	40,033	3,312,998
18,825	228	21	4,404	12	(26,111)	471,742
.....	.....	.....	.....	.....	.....	1,249,415
(10,248)	.....	.....	.....	.....	.....	(1,582,143)
.....	.....	.....	.....	.....	.....	43,237
(10,248)	.....	.....	.....	.....	.....	(289,491)
8,577	228	21	4,404	12	(26,111)	182,251
646,300	10,388	985	6,822	425	296,405	1,539,082
.....	.....	.....	.....	.....	.....	(1,592)
646,300	10,388	985	6,822	425	296,405	1,537,490
\$ 654,877	\$ 10,616	\$ 1,006	\$ 11,226	\$ 437	\$ 270,294	\$ 1,719,741

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Government Administration		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 82,530	\$ 82,530	\$
Reversions	748	748	.....
Fund Balances, July 1, 2004, restated	<u>83,278</u>	<u>83,278</u>	<u>.....</u>
REVENUES			
Direct revenues:			
Fees and charges	35,548	61,463	25,915
Interest	3,578	3,761	183
Grants	97,154	101,464	4,310
Refunds	52	126	74
Other	17	17	.....
Total Direct Revenues	<u>136,349</u>	<u>166,831</u>	<u>30,482</u>
Indirect revenues:			
Transfers and distributions	79,382	42,132	(37,250)
Other	1,474	1	(1,473)
Total Indirect Revenues	<u>80,856</u>	<u>42,133</u>	<u>(38,723)</u>
TOTAL REVENUES	<u>217,205</u>	<u>208,964</u>	<u>(8,241)</u>
TOTAL AVAILABLE RESOURCES	<u>300,483</u>	<u>292,242</u>	<u>(8,241)</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	30,440	29,676	764
Other personal services	5,236	4,528	708
Expenses	10,812	9,636	1,176
Grants and aids	3,877	3,853	24
Operating capital outlay	305	250	55
Fixed capital outlay	120	120	.....
Special categories	103,952	88,637	15,315
Grants/aids to local governments	125	125	.....
Data processing services	4,847	4,639	208
Total Operating Expenditures	<u>159,714</u>	<u>141,464</u>	<u>18,250</u>
Nonoperating expenditures:			
Transfers	5,590	5,590	.....
Refunds	382	382	.....
Other	1,492	1,492	.....
Total Nonoperating Expenditures	<u>7,464</u>	<u>7,464</u>	<u>.....</u>
TOTAL EXPENDITURES	<u>167,178</u>	<u>148,928</u>	<u>18,250</u>
FUND BALANCES, JUNE 30, 2005	<u>\$ 133,305</u>	<u>\$ 143,314</u>	<u>\$ 10,009</u>

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Business and Community Development		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 34,292	\$ 34,292	\$
Reversions	247,811	247,811	.....
Fund Balances, July 1, 2004, restated	282,103	282,103	.....
REVENUES			
Direct revenues:			
Fees and charges	7,066	6,597	(469)
Interest	1,308	1,049	(259)
Grants	1,868,070	1,221,864	(646,206)
Refunds	464	1,325	861
Other	23	30,206	30,183
Total Direct Revenues	1,876,931	1,261,041	(615,890)
Indirect revenues:			
Transfers and distributions	98,859	62,491	(36,368)
Other	.....	56	56
Total Indirect Revenues	98,859	62,547	(36,312)
TOTAL REVENUES	1,975,790	1,323,588	(652,202)
TOTAL AVAILABLE RESOURCES	2,257,893	1,605,691	(652,202)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	8,214	7,100	1,114
Other personal services	3,726	3,110	616
Expenses	2,946	2,179	767
Grants and aids	2,390	2,390	.....
Operating capital outlay	93	62	31
Special categories	2,113,911	1,450,240	663,671
Grants/aids to local governments	50,035	50,035	.....
Total Operating Expenditures	2,181,315	1,515,116	666,199
Nonoperating expenditures:			
Transfers	35,970	35,970	.....
Refunds	416	416	.....
Other	649	649	.....
Total Nonoperating Expenditures	37,035	37,035	.....
TOTAL EXPENDITURES	2,218,350	1,552,151	666,199
FUND BALANCES, JUNE 30, 2005	\$ 39,543	\$ 53,540	\$ 13,997

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Regulation and Licensing		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 111,136	\$ 111,136	\$
Reversions	477	477	.....
Fund Balances, July 1, 2004, restated	111,613	111,613	.....
REVENUES			
Direct revenues:			
Fees and charges	23,659	23,633	(26)
Licenses	1,034,646	1,008,269	(26,377)
Taxes	120,800	116,417	(4,383)
Miscellaneous	194	187	(7)
Interest	3,323	3,091	(232)
Grants	415	290	(125)
Refunds	284	284	.....
Other	3,946	3,956	10
Total Direct Revenues	1,187,267	1,156,127	(31,140)
Indirect revenues:			
Transfers and distributions	152,361	144,660	(7,701)
Other	.....	17	17
Total Indirect Revenues	152,361	144,677	(7,684)
TOTAL REVENUES	1,339,628	1,300,804	(38,824)
TOTAL AVAILABLE RESOURCES	1,451,241	1,412,417	(38,824)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	98,849	96,279	2,570
Other personal services	12,392	11,435	957
Expenses	25,823	25,005	818
Grants and aids	12,731	12,731	.....
Operating capital outlay	2,720	2,554	166
Special categories	205,396	92,813	112,583
Data processing services	28	13	15
Total Operating Expenditures	357,939	240,830	117,109
Nonoperating expenditures:			
Transfers	1,016,280	1,016,280	.....
Refunds	8,140	8,140	.....
Other	51,508	51,508	.....
Total Nonoperating Expenditures	1,075,928	1,075,928	.....
TOTAL EXPENDITURES	1,433,867	1,316,758	117,109
FUND BALANCES, JUNE 30, 2005	\$ 17,374	\$ 95,659	\$ 78,285

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Tobacco Settlement		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 14,583	\$ 14,583	\$
Reversions	3,169	3,169	.....
Fund Balances, July 1, 2004, restated	17,752	17,752	.....
REVENUES			
Direct revenues:			
Interest	2,002	1,738	(264)
Refunds	30	155	125
Other	403,434	378,280	(25,154)
Total Direct Revenues	405,466	380,173	(25,293)
Indirect revenues:			
Transfers and distributions	624,649	660,450	35,801
Other	.....	2	2
Total Indirect Revenues	624,649	660,452	35,803
TOTAL REVENUES	1,030,115	1,040,625	10,510
TOTAL AVAILABLE RESOURCES	1,047,867	1,058,377	10,510
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	12,991	12,714	277
Other personal services	1,565	1,190	375
Expenses	6,960	6,510	450
Grants and aids	16,894	16,892	2
Operating capital outlay	88	35	53
Fixed capital outlay	3,626	3,626	.....
Special categories	368,521	360,075	8,446
Data processing services	4,482	4,482	.....
Total Operating Expenditures	415,127	405,524	9,603
Nonoperating expenditures:			
Transfers	619,290	619,290	.....
Other	3,429	3,429	.....
Total Nonoperating Expenditures	622,719	622,719	.....
TOTAL EXPENDITURES	1,037,846	1,028,243	9,603
FUND BALANCES, JUNE 30, 2005	\$ 10,021	\$ 30,134	\$ 20,113

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Public Safety		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 59,828	\$ 59,828	\$
Reversions	1,716	1,716	.....
Fund Balances, July 1, 2004, restated	61,544	61,544	.....
REVENUES			
Direct revenues:			
Fees and charges	57,585	59,130	1,545
Licenses	55,076	57,563	2,487
Miscellaneous	23	22	(1)
Interest	275	484	209
Grants	125,523	123,916	(1,607)
Refunds	458	3,163	2,705
Other	52,383	54,669	2,286
Total Direct Revenues	291,323	298,947	7,624
Indirect revenues:			
Transfers and distributions	62,561	63,332	771
Other	.....	27	27
Total Indirect Revenues	62,561	63,359	798
TOTAL REVENUES	353,884	362,306	8,422
TOTAL AVAILABLE RESOURCES	415,428	423,850	8,422
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	43,198	41,426	1,772
Other personal services	9,834	6,995	2,839
Expenses	27,152	24,053	3,099
Grants and aids	27,553	21,604	5,949
Operating capital outlay	11,227	8,316	2,911
Special categories	213,723	192,191	21,532
Data processing services	143	19	124
Total Operating Expenditures	332,830	294,604	38,226
Nonoperating expenditures:			
Transfers	45,129	45,129	.....
Refunds	959	959	.....
Other	35,013	35,013	.....
Total Nonoperating Expenditures	81,101	81,101	.....
TOTAL EXPENDITURES	413,931	375,705	38,226
FUND BALANCES, JUNE 30, 2005	\$ 1,497	\$ 48,145	\$ 46,648

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Corrections		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 14,689	\$ 14,689	\$
Reversions	369	369	.....
Fund Balances, July 1, 2004, restated	15,058	15,058	.....
REVENUES			
Direct revenues:			
Fees and charges	2,075	3,404	1,329
Grants	13,953	13,953	.....
Refunds	16	16	.....
Other	1,390	1,388	(2)
Total Direct Revenues	17,434	18,761	1,327
Indirect revenues:			
Transfers and distributions	70,549	61,510	(9,039)
Other	33	21	(12)
Total Indirect Revenues	70,582	61,531	(9,051)
TOTAL REVENUES	88,016	80,292	(7,724)
TOTAL AVAILABLE RESOURCES	103,074	95,350	(7,724)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	11,400	5,101	6,299
Other personal services	1,331	578	753
Expenses	7,662	5,024	2,638
Operating capital outlay	3,480	658	2,822
Food products	615	222	393
Fixed capital outlay	51,683	51,683	.....
Special categories	19,894	18,068	1,826
Special expenses	907	907	.....
Total Operating Expenditures	96,972	82,241	14,731
Nonoperating expenditures:			
Transfers	2,500	2,500	.....
Refunds	216	216	.....
Other	640	640	.....
Total Nonoperating Expenditures	3,356	3,356	.....
TOTAL EXPENDITURES	100,328	85,597	14,731
FUND BALANCES, JUNE 30, 2005	\$ 2,746	\$ 9,753	\$ 7,007

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Consumer Protection and Safety		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 35,416	\$ 35,416	\$
Reversions	24,108	24,108	.....
Fund Balances, July 1, 2004, restated	59,524	59,524	.....
REVENUES			
Direct revenues:			
Fees and charges	310	1,847	1,537
Interest	373	934	561
Grants	60,975	60,326	(649)
Refunds	688	724	36
Other	12,438	39,185	26,747
Total Direct Revenues	74,784	103,016	28,232
Indirect revenues:			
Transfers and distributions	252,130	241,522	(10,608)
Total Indirect Revenues	252,130	241,522	(10,608)
TOTAL REVENUES	326,914	344,538	17,624
TOTAL AVAILABLE RESOURCES	386,438	404,062	17,624
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	18,405	17,319	1,086
Other personal services	390	216	174
Expenses	3,102	2,626	476
Operating capital outlay	575	218	357
Special categories	312,526	312,526	.....
Data processing services	42	35	7
Total Operating Expenditures	335,040	332,940	2,100
Nonoperating expenditures:			
Transfers	22,331	22,331	.....
Refunds	16	16	.....
Other	2,926	2,926	.....
Total Nonoperating Expenditures	25,273	25,273	.....
TOTAL EXPENDITURES	360,313	358,213	2,100
FUND BALANCES, JUNE 30, 2005	\$ 26,125	\$ 45,849	\$ 19,724

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Agriculture		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 32,704	\$ 32,704	\$
Reversions	10,952	10,952	.....
Fund Balances, July 1, 2004, restated	43,656	43,656	.....
REVENUES			
Direct revenues:			
Fees and charges	61,478	71,513	10,035
Licenses	16,260	16,210	(50)
Taxes	251	268	17
Miscellaneous	5,713	5,017	(696)
Interest	851	1,535	684
Grants	98,525	38,368	(60,157)
Refunds	378	607	229
Other	2,532	4,875	2,343
Total Direct Revenues	185,988	138,393	(47,595)
Indirect revenues:			
Transfers and distributions	68,322	81,571	13,249
Other	.....	325	325
Total Indirect Revenues	68,322	81,896	13,574
TOTAL REVENUES	254,310	220,289	(34,021)
TOTAL AVAILABLE RESOURCES	297,966	263,945	(34,021)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	74,649	63,471	11,178
Other personal services	6,434	4,205	2,229
Expenses	42,085	33,763	8,322
Grants and aids	5,753	4,039	1,714
Operating capital outlay	4,390	2,944	1,446
Fixed capital outlay	3,638	3,638	.....
Special categories	111,179	85,356	25,823
Payments to U.S. Treasury	9,010	9,010	.....
Total Operating Expenditures	257,138	206,426	50,712
Nonoperating expenditures:			
Transfers	12,422	12,422	.....
Refunds	1,752	1,752	.....
Other	9,328	9,328	.....
Total Nonoperating Expenditures	23,502	23,502	.....
TOTAL EXPENDITURES	280,640	229,928	50,712
FUND BALANCES, JUNE 30, 2005	\$ 17,326	\$ 34,017	\$ 16,691

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Juvenile Justice		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 14,134	\$ 14,134	\$
Reversions	1,282	1,282	.....
Fund Balances, July 1, 2004, restated	15,416	15,416	.....
REVENUES			
Direct revenues:			
Fees and charges	5,249	5,259	10
Interest	268	274	6
Grants	18,401	12,080	(6,321)
Refunds	488	489	1
Other	2,589	2,555	(34)
Total Direct Revenues	26,995	20,657	(6,338)
Indirect revenues:			
Transfers and distributions	92,169	64,385	(27,784)
Other	.....	17	17
Total Indirect Revenues	92,169	64,402	(27,767)
TOTAL REVENUES	119,164	85,059	(34,105)
TOTAL AVAILABLE RESOURCES	134,580	100,475	(34,105)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	51,343	14,819	36,524
Other personal services	2,425	633	1,792
Expenses	8,083	4,943	3,140
Grants and aids	1,802	804	998
Operating capital outlay	253	30	223
Food products	196	136	60
Fixed capital outlay	2,912	2,912	.....
Special categories	65,432	65,432	.....
Total Operating Expenditures	132,446	89,709	42,737
Nonoperating expenditures:			
Transfers	4	4	.....
Refunds	1,099	1,099	.....
Other	762	762	.....
Total Nonoperating Expenditures	1,865	1,865	.....
TOTAL EXPENDITURES	134,311	91,574	42,737
FUND BALANCES, JUNE 30, 2005	\$ 269	\$ 8,901	\$ 8,632

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Judicial Services		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 22,301	\$ 22,301	\$
Reversions	232	232	.....
Fund Balances, July 1, 2004, restated	22,533	22,533	.....
REVENUES			
Direct revenues:			
Fees and charges	19,712	18,884	(828)
Licenses	275	276	1
Grants	3,706	5,317	1,611
Refunds	17	102	85
Other	2,309	5,191	2,882
Total Direct Revenues	26,019	29,770	3,751
Indirect revenues:			
Transfers and distributions	26,706	35,118	8,412
Other	.....	12	12
Total Indirect Revenues	26,706	35,130	8,424
TOTAL REVENUES	52,725	64,900	12,175
TOTAL AVAILABLE RESOURCES	75,258	87,433	12,175
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	50,349	33,743	16,606
Other personal services	3,043	2,785	258
Expenses	2,508	1,604	904
Operating capital outlay	99	89	10
Special categories	11,490	11,490	.....
Data processing services	231	231	.....
Total Operating Expenditures	67,720	49,942	17,778
Nonoperating expenditures:			
Transfers	1,043	1,043	.....
Refunds	83	83	.....
Other	1,120	1,120	.....
Total Nonoperating Expenditures	2,246	2,246	.....
TOTAL EXPENDITURES	69,966	52,188	17,778
FUND BALANCES, JUNE 30, 2005	\$ 5,292	\$ 35,245	\$ 29,953

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Military and Veterans' Affairs		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 12,568	\$ 12,568	\$
Reversions	453	453	.....
Fund Balances, July 1, 2004, restated	13,021	13,021	.....
REVENUES			
Direct revenues:			
Fees and charges	15,303	14,040	(1,263)
Miscellaneous	87	75	(12)
Interest	18	69	51
Grants	43,921	51,965	8,044
Refunds	38,546	37,335	(1,211)
Other	20	21	1
Total Direct Revenues	97,895	103,505	5,610
Indirect revenues:			
Transfers and distributions	30,028	31,295	1,267
Other	.....	8	8
Total Indirect Revenues	30,028	31,303	1,275
TOTAL REVENUES	127,923	134,808	6,885
TOTAL AVAILABLE RESOURCES	140,944	147,829	6,885
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	26,322	23,065	3,257
Other personal services	2,935	2,356	579
Expenses	38,313	37,266	1,047
Operating capital outlay	788	543	245
Food products	3,057	1,882	1,175
Fixed capital outlay	19,230	19,230	.....
Special categories	40,005	40,005	.....
Total Operating Expenditures	130,650	124,347	6,303
Nonoperating expenditures:			
Transfers	3,841	3,841	.....
Refunds	104	104	.....
Other	65	65	.....
Total Nonoperating Expenditures	4,010	4,010	.....
TOTAL EXPENDITURES	134,660	128,357	6,303
FUND BALANCES, JUNE 30, 2005	\$ 6,284	\$ 19,472	\$ 13,188

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Citrus Commission		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 9,577	\$ 9,577	\$
Reversions	1,931	1,931	.....
Fund Balances, July 1, 2004, restated	11,508	11,508	.....
REVENUES			
Direct revenues:			
Fees and charges	.....	49	49
Taxes	29,709	30,469	760
Miscellaneous	222	33	(189)
Interest	198	276	78
Grants	12,466	9,079	(3,387)
Refunds	317	348	31
Other	.....	30	30
Total Direct Revenues	42,912	40,284	(2,628)
TOTAL REVENUES	42,912	40,284	(2,628)
TOTAL AVAILABLE RESOURCES	54,420	51,792	(2,628)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	7,837	5,752	2,085
Other personal services	428	346	82
Expenses	7,560	4,421	3,139
Operating capital outlay	505	95	410
Fixed capital outlay	29	29	.....
Special categories	31,050	31,050	.....
Data processing services	30	10	20
Total Operating Expenditures	47,439	41,703	5,736
Nonoperating expenditures:			
Refunds	2	2	.....
Other	1,237	1,237	.....
Total Nonoperating Expenditures	1,239	1,239	.....
TOTAL EXPENDITURES	48,678	42,942	5,736
FUND BALANCES, JUNE 30, 2005	\$ 5,742	\$ 8,850	\$ 3,108

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

School for the Deaf and the Blind			
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 391	\$ 391	\$
Reversions	38	38	.....
Fund Balances, July 1, 2004, restated	429	429	.....
REVENUES			
Direct revenues:			
Grants	4,031	3,598	(433)
Total Direct Revenues	4,031	3,598	(433)
TOTAL REVENUES	4,031	3,598	(433)
TOTAL AVAILABLE RESOURCES	4,460	4,027	(433)
EXPENDITURES			
Operating expenditures:			
Special categories	4,096	3,443	653
Total Operating Expenditures	4,096	3,443	653
TOTAL EXPENDITURES	4,096	3,443	653
FUND BALANCES, JUNE 30, 2005	\$ 364	\$ 584	\$ 220

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

Wireless Emergency Telephone System

	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2004	\$ 21,608	\$ 21,608	\$
Reversions	20,154	20,154	.....
Fund Balances, July 1, 2004, restated	41,762	41,762	.....
REVENUES			
Direct revenues:			
Interest	2,081	1,941	(140)
Refunds	.....	968	968
Other	62,653	62,653	.....
Total Direct Revenues	64,734	65,562	828
TOTAL REVENUES	64,734	65,562	828
TOTAL AVAILABLE RESOURCES	106,496	107,324	828
EXPENDITURES			
Operating expenditures:			
Expenses	639	365	274
Grants and aids	59,006	53,147	5,859
Total Operating Expenditures	59,645	53,512	6,133
Nonoperating expenditures:			
Transfers	19	19	.....
Total Nonoperating Expenditures	19	19	.....
TOTAL EXPENDITURES	59,664	53,531	6,133
FUND BALANCES, JUNE 30, 2005	\$ 46,832	\$ 53,793	\$ 6,961

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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.

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.

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2005
(in thousands)

	General Government	Right-of-Way and Bridge Construction	Health Services	Agriculture	Veterans' Affairs
ASSETS					
<u>Current assets</u>					
Pooled investments with State Treasury	\$	\$ 54,972	\$ 364	\$ 102	\$
Receivables, net	.....	117	.....	.....	.....
Due from other funds	19,441	3,258	.....	.....	.....
Total current assets	<u>19,441</u>	<u>58,347</u>	<u>364</u>	<u>102</u>	<u>.....</u>
<u>Noncurrent assets</u>					
Other	.....	9,000	.....	.....	.....
Total noncurrent assets	.....	9,000	.....	.....	.....
Total assets	<u>\$ 19,441</u>	<u>\$ 67,347</u>	<u>\$ 364</u>	<u>\$ 102</u>	<u>\$</u>
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 230	\$ 3,560	\$	\$	\$
Due to other funds	.....	4	.....	.....	.....
Obligations under security lending agreements	.....	10,509	.....	.....	.....
Obligations under reverse repurchase agreements	.....	4,362	.....	.....	.....
Total current liabilities	<u>230</u>	<u>18,435</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
Total liabilities	<u>230</u>	<u>18,435</u>	<u>.....</u>	<u>.....</u>	<u>.....</u>
<u>Fund balances</u>					
Reserved for encumbrances	50	40,027	.....	.....	.....
Reserved for capital outlay	54	.....	364	.....	.....
Other reserved	.....	8,738	.....	.....	.....
Unreserved	19,107	147	.....	102	.....
Total fund balances	<u>19,211</u>	<u>48,912</u>	<u>364</u>	<u>102</u>	<u>.....</u>
Total liabilities and fund balances	<u>\$ 19,441</u>	<u>\$ 67,347</u>	<u>\$ 364</u>	<u>\$ 102</u>	<u>\$</u>

School for the Deaf and the Blind	Other	Totals 6/30/05
\$ 5,222	\$ 9,386	\$ 70,046
.....	1	118
7,553	.....	30,252
<u>12,775</u>	<u>9,387</u>	<u>100,416</u>
.....	.....	9,000
.....	.....	9,000
<u>\$ 12,775</u>	<u>\$ 9,387</u>	<u>\$ 109,416</u>

\$ 201	\$	\$ 3,991
.....	.....	4
.....	47	10,556
.....	20	4,382
<u>201</u>	<u>67</u>	<u>18,933</u>
<u>201</u>	<u>67</u>	<u>18,933</u>
.....	.....	40,077
.....	.....	418
.....	.....	8,738
<u>12,574</u>	<u>9,320</u>	<u>41,250</u>
<u>12,574</u>	<u>9,320</u>	<u>90,483</u>
<u>\$ 12,775</u>	<u>\$ 9,387</u>	<u>\$ 109,416</u>

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	General Government	Right-of-Way and Bridge Construction	Health Services	Agriculture	Veterans' Affairs
REVENUES					
Fees and charges	\$	\$	\$	\$	\$
Investment earnings	(13)	758	.....	.....	.....
Other revenue	.....	.....	34	.....	.....
Total revenues	(13)	758	34	.....	.....
EXPENDITURES					
Current:					
General government	3,193	.....	.....	.....	.....
Education	.....	.....	.....	.....	.....
Human services	3,725	.....	304	.....	.....
Criminal justice and corrections	1,990	.....	.....	.....	.....
Natural resources and environment	4,085	.....	.....	4	.....
Transportation	.....	18	.....	.....	.....
Capital outlay	31,055	229,010	.....	4	.....
Debt service:					
Principal retirement	5,707	.....	.....	.....	.....
Interest and fiscal charges	5,074	.....	.....	.....	.....
Total expenditures	54,829	229,028	304	8	.....
Excess (deficiency) of revenues over expenditures	(54,842)	(228,270)	(270)	(8)	.....
OTHER FINANCING SOURCES (USES)					
Operating transfers in	42,161	360,000	632	8	.....
Operating transfers out	.....	(120,453)	.....	.....	(102)
Total other financing sources (uses)	42,161	239,547	632	8	(102)
Net change in fund balances	(12,681)	11,277	362	.....	(102)
Fund balances - beginning	31,892	37,635	2	102	102
Fund balances - ending	\$ 19,211	\$ 48,912	\$ 364	\$ 102	\$

School for the Deaf and the Blind	Other	Totals 6/30/05
\$	\$ 9,151	\$ 9,151
.....	6	751
.....	.....	34
.....	9,157	9,936
.....	.....	3,193
12	.....	12
.....	.....	4,029
.....	.....	1,990
.....	.....	4,089
.....	.....	18
9,982	.....	270,051
.....	.....	5,707
.....	.....	5,074
9,994	.....	294,163
(9,994)	9,157	(284,227)
10,821	413,622
.....	(120,555)
10,821	293,067
827	9,157	8,840
11,747	163	81,643
\$ 12,574	\$ 9,320	\$ 90,483

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NONMAJOR ENTERPRISE FUNDS

OTHER

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

FLORIDA ENGINEERS MANAGEMENT CORPORATION

This blended component unit was created for the benefit of the Department of Business and Professional Regulation and the Board of Professional Engineers for the purpose of providing administrative, investigative, and prosecutorial services as provided in Section 471.038, Florida Statutes.

**COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2005
(in thousands)**

	Other	FL Engineers Management Corp	Totals 6/30/05
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	\$ 1,437	\$ 338	\$ 1,775
Pooled investments with State Treasury	198,752	.....	198,752
Receivables, net	7,759	.....	7,759
Due from other funds	3,697	.....	3,697
Due from component units/primary	277	.....	277
Inventories	7	.....	7
Other	.....	31	31
Total current assets	<u>211,929</u>	<u>369</u>	<u>212,298</u>
<u>Noncurrent assets</u>			
Capital assets			
Buildings, equipment, and other depreciable assets	16,651	449	17,100
Accumulated depreciation	(10,153)	(418)	(10,571)
Total noncurrent assets	<u>6,498</u>	<u>31</u>	<u>6,529</u>
Total assets	<u>218,427</u>	<u>400</u>	<u>218,827</u>
LIABILITIES			
<u>Current liabilities</u>			
Accounts payable and accrued liabilities	5,171	86	5,257
Due to other funds	7,115	.....	7,115
Due to component units/primary	17	273	290
Compensated absences	2,472	.....	2,472
Deposits	13,781	22	13,803
Obligations under security lending agreements	29,758	.....	29,758
Obligations under reverse repurchase agreements	12,351	.....	12,351
Total current liabilities	<u>70,665</u>	<u>381</u>	<u>71,046</u>
<u>Noncurrent liabilities</u>			
Compensated absences	10,528	.....	10,528
Total noncurrent liabilities	<u>10,528</u>	<u>.....</u>	<u>10,528</u>
Total liabilities	<u>81,193</u>	<u>381</u>	<u>81,574</u>
NET ASSETS			
Invested in capital assets, net of related debt	6,499	31	6,530
Unrestricted	130,735	(12)	130,723
Total net assets	<u>\$ 137,234</u>	<u>\$ 19</u>	<u>\$ 137,253</u>

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Other	FL Engineers Management Corp	Totals 6/30/05
OPERATING REVENUES			
Sales - nonstate	\$ 76,164	\$	\$ 76,164
Fees	169,446	1,784	171,230
Sales - state	576	.....	576
Rents - state	32	.....	32
Fines, forfeits, settlements and judgments	14,531	.....	14,531
Other revenue	18	.....	18
Total operating revenues	<u>260,767</u>	<u>1,784</u>	<u>262,551</u>
OPERATING EXPENSES			
Contractual services	26,520	191	26,711
Personal services	111,168	1,140	112,308
Depreciation	1,750	40	1,790
Materials and supplies	5,092	.....	5,092
Repairs and maintenance	329	.....	329
Basic services	27,931	436	28,367
Interest and fiscal charges	241	.....	241
Total operating expenses	<u>173,031</u>	<u>1,807</u>	<u>174,838</u>
Operating income (loss)	<u>87,736</u>	<u>(23)</u>	<u>87,713</u>
NONOPERATING REVENUES (EXPENSES)			
Grants and donations	756	.....	756
Investment earnings	3,915	.....	3,915
Interest and fiscal charges	(118)	.....	(118)
Property disposition gain (loss)	(533)	(1)	(534)
Grant expense and client benefits	(1,725)	.....	(1,725)
Other	(1,136)	.....	(1,136)
Total nonoperating revenues (expenses)	<u>1,159</u>	<u>(1)</u>	<u>1,158</u>
Income (loss) before transfers and contributions	88,895	(24)	88,871
Operating transfers in	2,513	.....	2,513
Operating transfers out	(69,457)	.....	(69,457)
Capital contributions	2	.....	2
Change in net assets	21,953	(24)	21,929
Total net assets - beginning	<u>115,281</u>	<u>43</u>	<u>115,324</u>
Total net assets - ending	<u>\$ 137,234</u>	<u>\$ 19</u>	<u>\$ 137,253</u>

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Other	FL Engineers Management Corp	Totals 6/30/05
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 264,126	\$ 2,058	\$ 266,184
Cash paid to vendors	(59,189)	(762)	(59,951)
Cash paid to employees	(110,819)	(1,119)	(111,938)
Cash paid for grants made	(964)	.....	(964)
Cash paid for insurance claims	(90)	.....	(90)
Net cash provided (used) by operating activities	93,064	177	93,241
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	(69,425)	.....	(69,425)
Advances, grants or loans (to) from or repayment from others	(134)	.....	(134)
Cash received from non-capital grants or donations	33	.....	33
Net cash provided (used) by noncapital financing activities	(69,526)	.....	(69,526)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payment of principal installment purchase/capital lease	(57)	.....	(57)
Payment of interest on bonds/installment purchase/capital lease	(2)	.....	(2)
Purchase or construction of capital assets	(1,164)	(22)	(1,186)
Net cash provided (used) by capital and related financing activities	(1,223)	(22)	(1,245)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	18,537	.....	18,537
Proceeds from the sale or maturity of investments	573	.....	573
Investment earnings	3,109	.....	3,109
Net cash provided (used) by investing activities	22,219	.....	22,219
Net increase (decrease) in cash and cash equivalents	44,534	155	44,689
Cash and cash equivalents - beginning	155,655	183	155,838
Cash and cash equivalents - ending	\$ 200,189	\$ 338	\$ 200,527

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

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

	<u>Other</u>	<u>FL Engineers Management Corp</u>	<u>Totals 6/30/05</u>
Operating income (loss)	\$ 87,736	\$ (23)	\$ 87,713
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	1,750	40	1,790
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(901)	(10)	(911)
(Increase) decrease in due from other funds	(218)	.....	(218)
Increase (decrease) in allowance for uncollectibles	329	.....	329
(Increase) decrease in inventories	(5)	1	(4)
Increase (decrease) in accounts payable	(338)	22	(316)
Increase (decrease) in compensated absences	1,112	.....	1,112
Increase (decrease) in due to other funds	35	147	182
Increase (decrease) in deferred revenues	3,564	3,564
Net cash provided (used) by operating activities	<u>\$ 93,064</u>	<u>\$ 177</u>	<u>\$ 93,241</u>

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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).

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2005
(in thousands)**

	Data Centers	Communications and Facilities	Other	Totals 6/30/05
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$	\$ 19,986	\$	\$ 19,986
Pooled investments with State Treasury	6,077	30,642	4,706	41,425
Investments	.....	37,837	.....	37,837
Receivables, net	3,286	7,660	1,706	12,652
Due from other funds	13,002	9,791	3,270	26,063
Due from component units/primary	74	1,577	162	1,813
Inventories	.....	100	5	105
Total current assets	<u>22,439</u>	<u>107,593</u>	<u>9,849</u>	<u>139,881</u>
<u>Noncurrent assets</u>				
Capital assets				
Land and other nondepreciable assets	.....	334	.....	334
Buildings, equipment, and other depreciable assets	52,168	819,843	6,460	878,471
Accumulated depreciation	(40,462)	(236,481)	(3,939)	(280,882)
Total noncurrent assets	<u>11,706</u>	<u>583,696</u>	<u>2,521</u>	<u>597,923</u>
Total assets	<u>34,145</u>	<u>691,289</u>	<u>12,370</u>	<u>737,804</u>
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	11,327	24,546	2,520	38,393
Due to other funds	169	134	2,833	3,136
Due to component units/primary	.....	.....	10	10
Compensated absences	750	452	1,390	2,592
Installment purchases/capital leases	285	2,057	.....	2,342
Bonds payable	.....	13,315	.....	13,315
Deposits	.....	2,986	514	3,500
Obligations under security lending agreements	560	5,586	303	6,449
Obligations under reverse repurchase agreements	233	2,319	126	2,678
Certificates of participation payable	.....	5,820	.....	5,820
Total current liabilities	<u>13,324</u>	<u>57,215</u>	<u>7,696</u>	<u>78,235</u>
<u>Noncurrent liabilities</u>				
Advances from other funds	1,478	525	800	2,803
Bonds payable	.....	335,494	.....	335,494
Certificates of participation payable	.....	79,321	.....	79,321
Installment purchases/capital leases	679	32,510	.....	33,189
Compensated absences	2,725	2,358	5,665	10,748
Total noncurrent liabilities	<u>4,882</u>	<u>450,208</u>	<u>6,465</u>	<u>461,555</u>
Total liabilities	<u>18,206</u>	<u>507,423</u>	<u>14,161</u>	<u>539,790</u>
NET ASSETS				
Invested in capital assets, net of related debt	10,743	115,178	2,521	128,442
Unrestricted	5,196	68,688	(4,312)	69,572
Total net assets	<u>\$ 15,939</u>	<u>\$ 183,866</u>	<u>\$ (1,791)</u>	<u>\$ 198,014</u>

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

	Data Centers	Communications and Facilities	Other	Totals 6/30/05
OPERATING REVENUES				
Sales - nonstate	\$	\$ 42,494	\$ 617	\$ 43,111
Sales - state	79,730	100,327	58,480	238,537
Rents and royalties - nonstate	.....	1	.....	1
Rents - state	.....	89,857	.....	89,857
Total operating revenues	79,730	232,679	59,097	371,506
OPERATING EXPENSES				
Contractual services	48,290	146,155	6,194	200,639
Personal services	28,209	24,360	43,667	96,236
Depreciation	5,001	14,152	560	19,713
Materials and supplies	9,173	1,087	3,033	13,293
Repairs and maintenance	911	16,286	1,034	18,231
Basic services	5,953	3,712	3,090	12,755
Interest and fiscal charges	33	340	.....	373
Total operating expenses	97,570	206,092	57,578	361,240
Operating income (loss)	(17,840)	26,587	1,519	10,266
NONOPERATING REVENUES/(EXPENSES)				
Grants and donations	.....	.....	14	14
Investment earnings	64	1,716	86	1,866
Interest and fiscal charges	(54)	(21,030)	(3)	(21,087)
Property disposition gain (loss)	(3,162)	(591)	(308)	(4,061)
Total nonoperating revenues (expenses)	(3,152)	(19,905)	(211)	(23,268)
Income (loss) before transfers and contributions	(20,992)	6,682	1,308	(13,002)
Operating transfers in	1,086	542	8	1,636
Operating transfers out	(3,248)	(9,328)	(1,746)	(14,322)
Capital contributions	208	142	23	373
Change in net assets	(22,946)	(1,962)	(407)	(25,315)
Total net assets - beginning	38,885	185,828	(1,384)	223,329
Total net assets - ending	\$ 15,939	\$ 183,866	\$ (1,791)	\$ 198,014

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)

	Data Centers	Communications and Facilities	Other	Totals 6/30/05
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 93,055	\$ 228,311	\$ 59,062	\$ 380,428
Cash paid to vendors	(69,201)	(166,560)	(11,927)	(247,688)
Cash paid to employees	(26,902)	(20,868)	(43,595)	(91,365)
Net cash provided (used) by operating activities	(3,048)	40,883	3,540	41,375
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	(2,023)	(14,212)	(1,451)	(17,686)
Cash received from non-capital grants or donations	.....	.....	14	14
Net cash provided (used) by noncapital financing activities	(2,023)	(14,212)	(1,437)	(17,672)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payment of bond principal	.....	(12,730)	.....	(12,730)
Payment of principal installment purchase/capital lease	(277)	(21,715)	.....	(21,992)
Purchase or construction of capital assets	(812)	(5)	(834)	(1,651)
Net cash provided (used) by capital and related financing activities	(1,089)	(34,450)	(834)	(36,373)
CASH FLOWS FROM INVESTING ACTIVITIES				
Security lending	582	540	95	1,217
Investment earnings	(27)	5,386	81	5,440
Net cash provided (used) by investing activities	555	5,926	176	6,657
Net increase (decrease) in cash and cash equivalents	(5,605)	(1,853)	1,445	(6,013)
Cash and cash equivalents - beginning	11,682	52,481	3,261	67,424
Cash and cash equivalents - ending	\$ 6,077	\$ 50,628	\$ 4,706	\$ 61,411

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

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

	Data Centers	Communications and Facilities	Other	Totals 6/30/05
Operating income (loss)	\$ (17,840)	\$ 26,587	\$ 1,519	\$ 10,266
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	5,001	14,152	560	19,713
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(219)	4,093	(840)	3,034
(Increase) decrease in due from other funds	12,631	(6,727)	(582)	5,322
(Increase) decrease in inventories	.....	4	(13)	(9)
Increase (decrease) in accounts payable	(1,450)	2,206	842	1,598
Increase (decrease) in compensated absences	(1,176)	180	763	(233)
Increase (decrease) in due to other funds	5	(117)	1,446	1,334
Increase (decrease) in deferred revenues	.....	505	(155)	350
Net cash provided (used) by operating activities	<u>\$ (3,048)</u>	<u>\$ 40,883</u>	<u>\$ 3,540</u>	<u>\$ 41,375</u>

Noncash investing, capital, and financing activities

Contribution of fixed assets	\$	\$	\$ 27	\$ 27
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PRIVATE-PURPOSE TRUST FUNDS

TRUST ESCROW ADMINISTRATION

These funds administered by the Department of Financial Services 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 Financial Services 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.

2005 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

PRIVATE-PURPOSE TRUST FUNDS

JUNE 30, 2005

(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	FL Prepaid College Program
ASSETS				
Cash and cash equivalents	\$ 16,908	\$	\$	\$ 1,437
Pooled investments with State Treasury	526,037	6,332	46,321	.....
Total cash and cash equivalents	542,945	6,332	46,321	1,437
<u>Investments</u>				
Certificates of deposit	15,807	.....	.....	1,780
U.S. government & federally guaranteed obligations	1,671	.....	.....	3,308,840
Federal agencies	.....	.....	.....	592,486
Commercial paper	.....	.....	.....	35,132
Repurchase agreements	.....	.....	.....	22,098
Bonds and notes	3,232	.....	.....	602,278
Mutual fund investments	.....	5,701	.....	.....
Money market and short-term investments	.....	.....	.....	241,291
Domestic equity	24	2,231	.....	480,309
Total investments	20,734	7,932	.....	5,284,214
<u>Receivables</u>				
Accounts receivable	20,141	.....	273	5,526
Interest receivable	2,864	6	130	17,991
Dividends receivable	.....	.....	.....	484
Pending investment sales	.....	.....	.....	26,230
Due from state funds	.....	.....	1	.....
Due from other governments	.....	.....	28,123	.....
Total receivables	23,005	6	28,527	50,231
Security lending collateral	.....	.....	.....	2,610,794
Advances to other funds	.....	264,965	.....	.....
Tuition and housing receivable	.....	.....	.....	1,347,889
Capital assets	68	448	47	86
Accumulated depreciation	.....	(314)	(45)	(74)
Other assets	264,400	.....	.....	.....
Total assets	851,152	279,369	74,850	9,294,577
LIABILITIES				
Accounts payable	163,014	7,994	2,647	9,322
Pending investment purchases	.....	.....	.....	98,578
Broker rebate fees	.....	.....	.....	6,032
Due to other funds	57	.....	3,258	1
Due to other governments	.....	.....	7,346	.....
Obligations under security lending agreements	111,154	485	9,257	2,610,794
Obligations under reverse repurchase agreements	46,136	201	3,842	.....
Deposits payable	.....	.....	.....	11,927
Compensated absences	.....	393	.....	211
Tuition and housing benefits payable	.....	.....	.....	5,963,819
Total liabilities	320,361	9,073	26,350	8,700,684
NET ASSETS				
Held in trust for individuals, organizations, and other governments	\$ 530,791	\$ 270,296	\$ 48,500	\$ 593,893

Other	Totals 6/30/05
\$	\$ 18,345
813	579,503
<u>813</u>	<u>597,848</u>
.....	17,587
.....	3,310,511
.....	592,486
.....	35,132
.....	22,098
.....	605,510
.....	5,701
.....	241,291
.....	482,564
<u>.....</u>	<u>5,312,880</u>
.....	25,940
.....	20,991
.....	484
.....	26,230
.....	1
<u>.....</u>	<u>28,123</u>
<u>.....</u>	<u>101,769</u>
.....	2,610,794
.....	264,965
.....	1,347,889
185	834
.....	(433)
.....	264,400
<u>998</u>	<u>10,500,946</u>
35	183,012
.....	98,578
.....	6,032
.....	3,316
.....	7,346
.....	2,731,690
.....	50,179
.....	11,927
.....	604
<u>.....</u>	<u>5,963,819</u>
<u>35</u>	<u>9,056,503</u>
<u>\$ 963</u>	<u>\$ 1,444,443</u>

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(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	\$	\$	\$	\$ 556,579
Fees	90	.....	.....	5,598
Grants and contributions	.....	.....	135,772	29,493
Fines, forfeits, settlements and judgments	.....	429	.....	.....
Transfers in from state funds	.....	37,751	93	.....
Total contributions and other deposits	90	38,180	135,865	591,670
<u>Investment income</u>				
Interest income	29,616	33	1,585	62,526
Dividends	.....	.....	.....	9,480
Other investment income	.....	.....	.....	11
Net increase (decrease) in fair market value	.....	.....	.....	571,945
Total investment income	29,616	33	1,585	643,962
Investment activity expense	(7,857)	(396)	(4)	(2,643)
Net income (loss) from investing activity	21,759	(363)	1,581	641,319
<u>Security lending activity</u>				
Security lending income	.....	.....	.....	46,758
Security lending expense	.....	.....	.....	(43,849)
Net income from security lending	.....	.....	.....	2,909
Total net investment income (loss)	21,759	(363)	1,581	644,228
Other additions	.....	222	.....	.....
Total additions	21,849	38,039	137,446	1,235,898
DEDUCTIONS				
Tuition and housing payments	.....	.....	.....	1,015,726
Remittances to annuity companies	.....	.....	.....	.....
Interest expense	1,273	1	49	.....
Student loan default payments	.....	.....	138,869	.....
Administrative expense	10	3,988	2	13,662
Prepaid participant refunds	.....	.....	.....	51,036
Property disposition gain (loss)	.....	91	.....	.....
Transfers out to state funds	3	133,399	5,079	.....
Other deductions	51,525	589	33	2,055
Total deductions	52,811	138,068	144,032	1,082,479
<u>Depositor activity</u>				
Deposits	397,308	209,935	.....	.....
Withdrawals	(746,440)	(2,815)	.....	.....
Excess (deficiency) of deposits over withdrawals	(349,132)	207,120	.....	.....
Change in net assets	(380,094)	107,091	(6,586)	153,419
Net assets - beginning	780,211	(43)	55,086	440,474
Adjustments to increase (decrease) beginning net assets	130,674	163,248	.....	.....
Net assets - beginning, as restated	910,885	163,205	55,086	440,474
Net assets - ending	\$ 530,791	\$ 270,296	\$ 48,500	\$ 593,893

Other	Totals 6/30/05
\$	\$ 556,579
.....	5,688
462	165,727
.....	429
6	37,850
<u>468</u>	<u>766,273</u>
.....	93,760
.....	9,480
.....	11
.....	571,945
.....	675,196
.....	(10,900)
.....	664,296
.....	46,758
.....	(43,849)
.....	2,909
.....	667,205
.....	222
<u>468</u>	<u>1,433,700</u>
.....	1,015,726
107	107
.....	1,323
.....	138,869
.....	17,662
.....	51,036
.....	91
17	138,498
28	54,230
<u>152</u>	<u>1,417,542</u>
52	607,295
.....	(749,255)
<u>52</u>	<u>(141,960)</u>
368	(125,802)
59	1,275,787
<u>536</u>	<u>294,458</u>
<u>595</u>	<u>1,570,245</u>
<u>\$ 963</u>	<u>\$ 1,444,443</u>

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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, 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 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 Financial Services 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 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, 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.

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2005
(in thousands)**

	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Deferred Compensation Plan	Employee Health, Life and Disability Plans
ASSETS				
Cash and cash equivalents	\$ 104,927	\$ 5	\$ 25,130	\$
Pooled investments with State Treasury	121,849	2,439	1,108	220,771
Total cash and cash equivalents	226,776	2,444	26,238	220,771
<u>Investments</u>				
Certificates of deposit	614,922	.....	.....	.....
U.S. government & federally guaranteed obligations	4,722,577	.....	.....	.....
Federal agencies	7,788,654	.....	.....	.....
Commercial paper	4,862,292	.....	.....	.....
Repurchase agreements	819,692	.....	.....	.....
Bonds and notes	8,626,076	.....	.....	.....
International bonds and notes	1,085,256	.....	.....	.....
Real estate contracts	4,596,264	.....	.....	.....
Mutual fund investments	8,544,231	1,245,092	.....	.....
Money market and short-term investments	.....	180,386	.....	.....
Domestic equity	56,732,243	.....	.....	.....
Limited partnerships	2,770,530	.....	.....	.....
Equity group trust	10,012	.....	.....	.....
International equity	10,536,648	.....	.....	.....
Deferred compensation contracts	.....	.....	1,835,326	.....
Other investments	1,282	.....	.....	.....
Total investments	111,710,679	1,425,478	1,835,326	.....
<u>Receivables</u>				
Accounts receivable	6,639	5,592	.....	.....
State contributions receivable	529	.....	.....	.....
Nonstate contributions receivable	146,048	.....	.....	.....
Interest receivable	250,215	10	3	445
Dividends receivable	96,607	735	.....	.....
Pending investment sales	1,782,922	.....	.....	.....
Forward contracts	473,037	.....	.....	.....
Due from state funds	.....	15,071	.....	2
Due from other governments	.....	.....	.....	.....
Total receivables	2,755,997	21,408	3	447
Security lending collateral	5,566,378	.....	.....	.....
Capital assets	3,734	.....	.....	780
Accumulated depreciation	(3,044)	.....	.....	(772)
Total assets	120,260,520	1,449,330	1,861,567	221,226
LIABILITIES				
Accounts payable	84,345	6,617	.....	4,458
DROP	1,999,093	.....	.....	.....
Pending investment purchases	4,046,673	.....	.....	.....
Forward contracts payable	471,451	.....	.....	.....
Broker rebate fees	12,715	.....	.....	.....
Due to other funds	30,252	354	.....	90
Obligations under security lending agreements	5,514,725	275	212	42,401
Obligations under reverse repurchase agreements	46	114	88	17,597
Claims payable	.....	.....	.....	60,432
Deposits payable	.....	.....	.....	106,692
Compensated absences	1,056	26	.....	417
Total liabilities	12,160,356	7,386	300	232,087
NET ASSETS				
Held in trust for pension benefits and other purposes	\$108,100,164	\$ 1,441,944	\$ 1,861,267	\$ (10,861)

Retiree Health Insurance Subsidy	Totals 6/30/05
\$ \$	130,062
78	346,245
<u>78</u>	<u>476,307</u>
5,057	619,979
29	4,722,606
49,987	7,838,641
6,123	4,868,415
719	820,411
.....	8,626,076
65,192	1,150,448
.....	4,596,264
.....	9,789,323
.....	180,386
.....	56,732,243
.....	2,770,530
.....	10,012
.....	10,536,648
.....	1,835,326
.....	1,282
<u>127,107</u>	<u>115,098,590</u>
119	12,350
599	1,128
19,970	166,018
532	251,205
.....	97,342
.....	1,782,922
.....	473,037
10,821	25,894
205	205
<u>32,246</u>	<u>2,810,101</u>
.....	5,566,378
.....	4,514
.....	(3,816)
<u>159,431</u>	<u>123,952,074</u>
3	95,423
.....	1,999,093
.....	4,046,673
.....	471,451
.....	12,715
5	30,701
.....	5,557,613
.....	17,845
.....	60,432
.....	106,692
.....	1,499
<u>8</u>	<u>12,400,137</u>
<u>\$ 159,423</u>	<u>\$ 111,551,937</u>

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(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	\$ 519,583	\$ 108,786	\$	\$
Pension fund contributions - nonstate	1,545,628	6,114	.....	.....
Employer/employee contributions	37	.....	.....	1,283,091
Purchase of time by employees	30,556	53,414	.....	.....
Fees	.....	.....	653	.....
Flexible benefit contributions	.....	.....	275,087	.....
Transfers in from state funds	8,967	884,675	.....	152
Total contributions and other deposits	2,104,771	1,052,989	275,740	1,283,243
<u>Investment income</u>				
Interest income	1,821,375	99	18	5,633
Dividends	1,494,741	15,074	.....	.....
Net increase (decrease) in fair market value	7,095,164	67,424	.....	.....
Total investment income	10,411,280	82,597	18	5,633
Investment activity expense	(174,930)	(1,415)	.....	(57,842)
Net income (loss) from investing activity	10,236,350	81,182	18	(52,209)
<u>Security lending activity</u>				
Security lending income	340,105	2	.....	.....
Security lending expense	(301,658)	(1)	.....	.....
Net income from security lending	38,447	1	.....	.....
Total net investment income (loss)	10,274,797	81,183	18	(52,209)
Other additions	.....	1	.....	.....
Total additions	12,379,568	1,134,173	275,758	1,231,034
DEDUCTIONS				
Benefit payments	4,296,023	233,577	146,529	.....
Insurance claims expense	.....	.....	.....	680,272
HMO payments	.....	.....	.....	451,598
Remittances to annuity companies	.....	166,004	.....	.....
Administrative expense	28,244	1,001	68	63,373
Property disposition gain (loss)	6	.....	.....	.....
Transfers out to state funds	904,549	8,968	.....	676
Other deductions	1,296	12	.....	399
Total deductions	5,230,118	409,562	146,597	1,196,318
Change in net assets	7,149,450	724,611	129,161	34,716
Net assets - beginning	100,950,714	739,144	1,732,106	(45,577)
Adjustments to increase (decrease) beginning net assets	.....	(21,811)	.....	.....
Net assets - beginning, as restated	100,950,714	717,333	1,732,106	(45,577)
Net assets - ending	\$108,100,164	\$ 1,441,944	\$ 1,861,267	\$ (10,861)

Retiree Health Insurance Subsidy	Totals 6/30/05
\$ 56,813	\$ 685,182
209,416	1,761,158
.....	1,283,128
.....	83,970
.....	653
.....	275,087
.....	893,794
<u>266,229</u>	<u>4,982,972</u>
2,958	1,830,083
.....	1,509,815
239	7,162,827
<u>3,197</u>	<u>10,502,725</u>
.....	(234,187)
<u>3,197</u>	<u>10,268,538</u>
.....	340,107
.....	(301,659)
.....	38,448
<u>3,197</u>	<u>10,306,986</u>
.....	1
<u>269,426</u>	<u>15,289,959</u>
261,327	4,937,456
.....	680,272
.....	451,598
.....	166,004
68	92,754
.....	6
.....	914,193
.....	1,707
<u>261,395</u>	<u>7,243,990</u>
8,031	8,045,969
151,392	103,527,779
.....	(21,811)
<u>151,392</u>	<u>103,505,968</u>
<u>\$ 159,423</u>	<u>\$ 111,551,937</u>

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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.

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2005 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

JUNE 30, 2005

(in thousands)

	Treasury Investment Administration	Tax Distribution and Administration	School for the Deaf and the Blind	State Board of Administration	Other	Totals 6/30/05
ASSETS						
Cash and cash equivalents	\$	\$ 5,138	\$ 61	\$ 9,806	\$ 9,270	\$ 24,275
Pooled investments with State Treasury	5,095,102	623,299	.....	227,139	236,064	6,181,604
Total cash and cash equivalents	5,095,102	628,437	61	236,945	245,334	6,205,879
<u>Investments</u>						
Certificates of deposit	.....	.....	.....	40,263	.....	40,263
U.S. government & federally guaranteed obligations	.....	.....	.....	1,850,901	160	1,851,061
Federal agencies	.....	.....	.....	242,090	.....	242,090
Commercial paper	.....	.....	.....	462,809	.....	462,809
Repurchase agreements	.....	.....	.....	5,813	.....	5,813
Bonds and notes	.....	.....	.....	46,486	.....	46,486
Total investments	.....	.....	.....	2,648,362	160	2,648,522
<u>Receivables</u>						
Accounts receivable	.....	332,618	.....	214	5,428	338,260
Nonstate contributions receivable	.....	.....	.....	.....	7	7
Interest receivable	565	.....	.....	15,819	3,764	20,148
Due from state funds	.....	48,678	.....	681,743	61	730,482
Total receivables	565	381,296	.....	697,776	9,260	1,088,897
Security lending collateral	.....	.....	.....	178,266	.....	178,266
Total assets	\$ 5,095,667	\$ 1,009,733	\$ 61	\$ 3,761,349	\$254,754	\$10,121,564
LIABILITIES						
Accounts payable	\$ 294,273	\$ 353,632	\$ 61	\$ 980	\$ 12,238	\$ 661,184
Pending investment purchases	.....	.....	.....	858	486	1,344
Forward contracts payable	.....	12,146	.....	.....	2	12,148
Broker rebate fees	.....	.....	.....	284	6,800	7,084
Due to other funds	103	66,729	.....	5,406	2,450	74,688
Due to other governments	.....	576,209	.....	3,116	57,098	636,423
Due to component units	3,345,855	1,016	.....	737,650	78,714	4,163,235
Obligations under security lending agreements	1,028,538	.....	.....	223,523	22,373	1,274,434
Obligations under reverse repurchase agreements	426,898	.....	.....	19,085	9,285	455,268
Deposits payable	.....	1	.....	2,770,447	65,308	2,835,756
Total liabilities	\$ 5,095,667	\$ 1,009,733	\$ 61	\$ 3,761,349	\$254,754	\$10,121,564

2005 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(in thousands)

	Balance 6/30/04	Additions	Deductions	Balance 6/30/05
<u>Treasury Investment Administration</u>				
ASSETS				
Pooled investments with State Treasury	\$ 4,957,738	\$ 695,697	\$ 558,333	\$ 5,095,102
Interest receivable	128	3,155	2,718	565
Total assets	<u>\$ 4,957,866</u>	<u>\$ 698,852</u>	<u>\$ 561,051</u>	<u>\$ 5,095,667</u>
LIABILITIES				
Accounts payable	\$ 214,191	\$ 80,082	\$	\$ 294,273
Due to other funds	.....	235	132	103
Due to component units	3,569,812	476,803	700,760	3,345,855
Obligations under security lending agreements	1,068,794	.....	40,256	1,028,538
Obligations under reverse repurchase agreements	105,069	321,829	.....	426,898
Total liabilities	<u>\$ 4,957,866</u>	<u>\$ 878,949</u>	<u>\$ 741,148</u>	<u>\$ 5,095,667</u>
<u>Tax Distribution and Administration</u>				
ASSETS				
Cash and cash equivalents	\$ 4,712	\$ 5,139	\$ 4,713	\$ 5,138
Pooled investments with State Treasury	569,204	7,223,733	7,169,638	623,299
Accounts receivable	324,640	4,703,334	4,695,356	332,618
Due from state funds	33,394	50,824	35,540	48,678
Total assets	<u>\$ 931,950</u>	<u>\$ 11,983,030</u>	<u>\$ 11,905,247</u>	<u>\$ 1,009,733</u>
LIABILITIES				
Accounts payable	\$ 315,772	\$ 37,860	\$	\$ 353,632
Pending investment purchases	234	.....	234	.....
Forward contracts payable	17,932	.....	5,786	12,146
Due to other funds	64,902	68,875	67,048	66,729
Due to other governments	531,544	576,209	531,544	576,209
Due to component units	1,059	1,016	1,059	1,016
Deposits payable	507	.....	506	1
Total liabilities	<u>\$ 931,950</u>	<u>\$ 683,960</u>	<u>\$ 606,177</u>	<u>\$ 1,009,733</u>
<u>School for the Deaf and the Blind</u>				
ASSETS				
Cash and cash equivalents	\$ 52	\$ 9	\$	\$ 61
Total assets	<u>\$ 52</u>	<u>\$ 9</u>	<u>\$</u>	<u>\$ 61</u>
LIABILITIES				
Accounts payable	\$ 52	\$ 9	\$	\$ 61
Total liabilities	<u>\$ 52</u>	<u>\$ 9</u>	<u>\$</u>	<u>\$ 61</u>
<u>State Board of Administration</u>				
ASSETS				
Cash and cash equivalents	\$ 7,744	\$ 13,265,431	\$ 13,263,369	\$ 9,806
Pooled investments with State Treasury	909,607	23,438	705,906	227,139
Investments	1,853,971	794,391	.....	2,648,362
Accounts receivable	203	11	.....	214
Interest receivable	14,773	15,821	14,775	15,819
Pending investment sales	1,523	.....	1,523	.....
Due from state funds	.....	681,743	.....	681,743
Security lending collateral	146,024	32,242	.....	178,266
Total assets	<u>\$ 2,933,845</u>	<u>\$ 14,813,077</u>	<u>\$ 13,985,573</u>	<u>\$ 3,761,349</u>
LIABILITIES				
Accounts payable	\$ 2,188	\$	\$ 1,208	\$ 980
Pending investment purchases	77	781	.....	858
Broker rebate fees	135	149	.....	284
Due to other funds	315,248	5,406	315,248	5,406
Due to other governments	1,330	27,831	26,045	3,116
Due to component units	565,526	2,027,136	1,855,012	737,650
Obligations under security lending agreements	346,821	177,541	300,839	223,523
Obligations under reverse repurchase agreements	19,746	.....	661	19,085
Deposits payable	1,682,774	3,485,384	2,397,711	2,770,447
Total liabilities	<u>\$ 2,933,845</u>	<u>\$ 5,724,228</u>	<u>\$ 4,896,724</u>	<u>\$ 3,761,349</u>

2005 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(in thousands)

<u>Other</u>	<u>Balance 6/30/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/05</u>
ASSETS				
Cash and cash equivalents	\$ 29,850	\$ 110,747	\$ 131,327	\$ 9,270
Pooled investments with State Treasury	228,178	2,006,687	1,998,801	236,064
Investments	185	.....	25	160
Accounts receivable	6,952	.....	1,524	5,428
Nonstate contributions receivable	7	.....	.....	7
Interest receivable	3,087	1,124	447	3,764
Due from state funds	186	55	180	61
Total assets	<u>\$ 268,445</u>	<u>\$ 2,118,613</u>	<u>\$ 2,132,304</u>	<u>\$ 254,754</u>
LIABILITIES				
Accounts payable	\$ 11,462	\$ 776	\$	\$ 12,238
Pending investment purchases	307	179	.....	486
Forward contracts payable	2	.....	.....	2
Broker rebate fees	6,490	310	.....	6,800
Due to other funds	874	3,301	1,725	2,450
Due to other governments	78,492	1,408,791	1,430,185	57,098
Due to component units	8,159	73,948	3,393	78,714
Obligations under security lending agreements	40,451	423	18,501	22,373
Obligations under reverse repurchase agreements	3,976	5,549	240	9,285
Deposits payable	118,232	.....	52,924	65,308
Total liabilities	<u>\$ 268,445</u>	<u>\$ 1,493,277</u>	<u>\$ 1,506,968</u>	<u>\$ 254,754</u>
Totals - All Agency Funds				
ASSETS				
Cash and cash equivalents	\$ 42,358	\$ 13,381,326	\$ 13,399,409	\$ 24,275
Pooled investments with State Treasury	6,664,727	9,949,555	10,432,678	6,181,604
Investments	1,854,156	794,391	25	2,648,522
Accounts receivable	331,795	4,703,345	4,696,880	338,260
Nonstate contributions receivable	7	.....	.....	7
Interest receivable	17,988	20,100	17,940	20,148
Pending investment sales	1,523	.....	1,523	.....
Due from state funds	33,580	732,622	35,720	730,482
Security lending collateral	146,024	32,242	.....	178,266
Total assets	<u>\$ 9,092,158</u>	<u>\$ 29,613,581</u>	<u>\$ 28,584,175</u>	<u>\$ 10,121,564</u>
LIABILITIES				
Accounts payable	\$ 543,665	\$ 118,727	\$ 1,208	\$ 661,184
Pending investment purchases	618	960	234	1,344
Forward contracts payable	17,934	.....	5,786	12,148
Broker rebate fees	6,625	459	.....	7,084
Due to other funds	381,024	77,817	384,153	74,688
Due to other governments	611,366	2,012,831	1,987,774	636,423
Due to component units	4,144,556	2,578,903	2,560,224	4,163,235
Obligations under security lending agreements	1,456,066	177,964	359,596	1,274,434
Obligations under reverse repurchase agreements	128,791	327,378	901	455,268
Deposits payable	1,801,513	3,485,384	2,451,141	2,835,756
Total liabilities	<u>\$ 9,092,158</u>	<u>\$ 8,780,423</u>	<u>\$ 7,751,017</u>	<u>\$ 10,121,564</u>

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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.

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2005 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF NET ASSETS

NONMAJOR COMPONENT UNITS

JUNE 30, 2005

(in thousands)

	Other Water Management Districts	Other State Universities	Community Colleges	Other Nonmajor Component Units	Totals 6/30/05
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 19,634	\$ 50,611	\$ 194,612	\$ 29,931	\$ 294,788
Pooled investments with State Treasury	56,680	448,666	140,429	46,125	691,900
Investments	362,692	44,284	281,409	23,320	711,705
Receivables, net	7,205	205,726	85,746	121,353	420,030
Due from component units/primary	24,202	282,625	340,307	19,649	666,783
Inventories	644	3,729	9,707	9,258	23,338
Other	368	17,102	16,684	1,072	35,226
Total current assets	<u>471,425</u>	<u>1,052,743</u>	<u>1,068,894</u>	<u>250,708</u>	<u>2,843,770</u>
<u>Noncurrent assets</u>					
Restricted cash and cash equivalents	.....	150,141	66,005	8,104	224,250
Restricted investments with State Treasury	.....	72,769	72,182	.....	144,951
Restricted investments	85,842	573,838	110,658	19,208	789,546
Long term investments	.....	1,075	436,134	517,338	954,547
Other loans and notes receivable, net	.....	34,376	10,439	706	45,521
Other	.....	13,955	.....	1,091	15,046
Noncurrent assets excluding capital assets	<u>85,842</u>	<u>846,154</u>	<u>695,418</u>	<u>546,447</u>	<u>2,173,861</u>
Capital assets:					
Land and other non-depreciable assets	1,379,696	155,024	245,718	34,387	1,814,825
Buildings, equipment, and other depreciable assets	324,374	3,282,569	3,308,073	315,391	7,230,407
Accumulated depreciation	(118,000)	(1,168,145)	(1,314,174)	(140,152)	(2,740,471)
Construction work in progress	14,919	250,415	180,801	361,816	807,951
Total capital assets	<u>1,600,989</u>	<u>2,519,863</u>	<u>2,420,418</u>	<u>571,442</u>	<u>7,112,712</u>
Total noncurrent assets	<u>1,686,831</u>	<u>3,366,017</u>	<u>3,115,836</u>	<u>1,117,889</u>	<u>9,286,573</u>
Total assets	<u>2,158,256</u>	<u>4,418,760</u>	<u>4,184,730</u>	<u>1,368,597</u>	<u>12,130,343</u>
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	46,217	129,465	120,070	429,595	725,347
Due to component units/primary	267	37,574	19,149	29,115	86,105
Compensated absences	1,523	6,795	23,001	347	31,666
Installment purchases/capital leases	.....	5,113	3,836	2,636	11,585
Claims payable	2,500	.....	.....	567	3,067
Bonds payable	6,360	17,739	841	.....	24,940
Certificates of participation payable	.....	1,850	.....	.....	1,850
Deposits	.....	56	38,716	140	38,912
Deferred revenue	50,651	89,037	24,596	29,922	194,206
Other	695	28,205	.....	99,772	128,672
Total current liabilities	<u>108,213</u>	<u>315,834</u>	<u>230,209</u>	<u>592,094</u>	<u>1,246,350</u>
<u>Noncurrent liabilities</u>					
Due to other governments	.....	.....	.....	8,470	8,470
Due to component units/primary	.....	.....	74,322	.....	74,322
Bonds payable	57,739	543,095	23,095	.....	623,929
Certificates of participation payable	.....	162,124	.....	.....	162,124
Installment purchases/capital leases	.....	16,563	16,560	4,881	38,004
Deposits	.....	26	28,758	.....	28,784
Deferred revenue	.....	.....	.....	760	760
Compensated absences	9,912	99,785	123,427	145	233,269
Other	19,810	63,697	.....	27,737	111,244
Total noncurrent liabilities	<u>87,461</u>	<u>885,290</u>	<u>266,162</u>	<u>41,993</u>	<u>1,280,906</u>
Total liabilities	<u>195,674</u>	<u>1,201,124</u>	<u>496,371</u>	<u>634,087</u>	<u>2,527,256</u>
NET ASSETS					
Invested in capital assets, net of related debt	1,536,885	1,980,786	2,291,516	553,560	6,362,747
Restricted for:					
Debt service	8,789	3,131	63,767	.....	75,687
Other	139,892	214,082	2,694	114,448	471,116
Permanent funds:					
Expendable	.....	196,105	731,699	3,578	931,382
Nonexpendable	.....	524,821	415,047	.....	939,868
Unrestricted (deficit)	277,016	298,711	183,636	62,924	822,287
Total net assets	<u>\$ 1,962,582</u>	<u>\$ 3,217,636</u>	<u>\$ 3,688,359</u>	<u>\$ 734,510</u>	<u>\$ 9,603,087</u>

2005 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(in thousands)**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Other Water Management Districts	\$ 299,590	\$ 10,005	\$ 57,679	\$ 73,494
Other State Universities	2,161,327	600,286	498,685	122,982
Community Colleges	2,194,978	511,690	223,976	394,202
Other Nonmajor Component Units	593,572	145,003	364,355	115,037
Total component units	\$ 5,249,467	\$ 1,266,984	\$ 1,144,695	\$ 705,715

General revenues

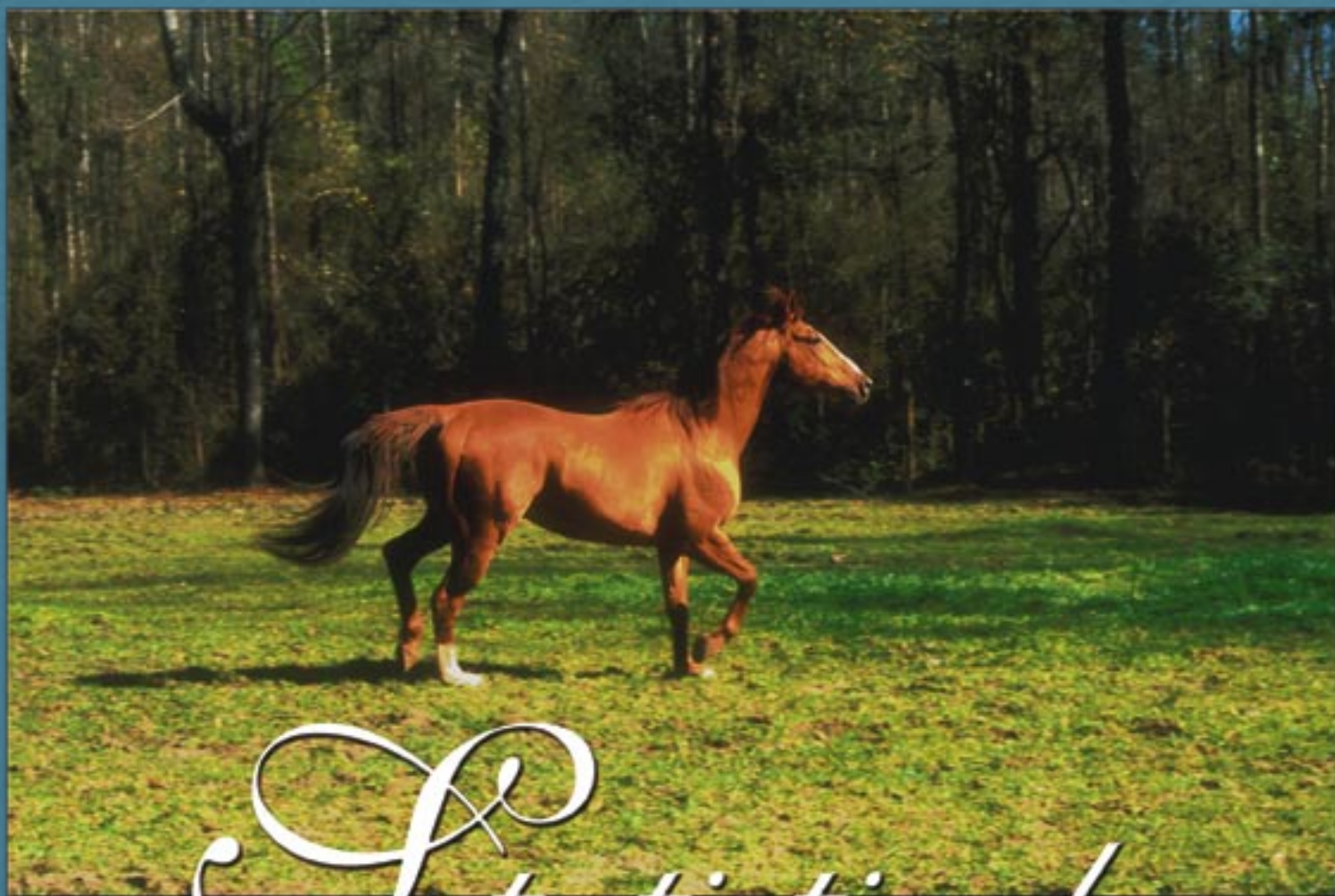
Property taxes
Investment earnings
Gain (loss) on sale of capital assets
Payments from the State of Florida
Transfers
Contributions to permanent funds
Special Item
Miscellaneous
 Total general revenues
 Change in net assets
Net assets - beginning
 Adjustments to increase (decrease) beginning net assets
Net assets - ending

2005 STATE OF FLORIDA CAFR

Net (Expense) Revenue and Changes in Net Assets

Other Water Management Districts	Other State Universities	Community Colleges	Other Nonmajor Component Units	Totals 6/30/05
\$ (158,412)	\$	\$	\$	\$ (158,412)
.....	(939,374)	.....	.....	(939,374)
.....	.....	(1,065,110)	.....	(1,065,110)
.....	.....	.....	30,823	30,823
(158,412)	(939,374)	(1,065,110)	30,823	(2,132,073)
238,982	.....	.....	.....	238,982
6,074	69,173	42,783	44,138	162,168
389	34,182	.....	(105)	34,466
.....	906,695	1,234,467	.....	2,141,162
.....	15,831	4,869	.....	20,700
.....	29,216	38,335	928	68,479
.....	.....	6,091	.....	6,091
3,058	153,699	35,569	41,453	233,779
248,503	1,208,796	1,362,114	86,414	2,905,827
90,091	269,422	297,004	117,237	773,754
1,838,995	2,948,060	3,370,270	637,403	8,794,728
33,496	154	21,085	(20,130)	34,605
\$ 1,962,582	\$ 3,217,636	\$ 3,688,359	\$ 734,510	\$ 9,603,087

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*S*tatistical
& *E*conomic
Data

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

<u>Source</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Taxes	\$ 19,477,977	\$ 20,177,324	\$ 21,895,836	\$ 23,023,672
Licenses and permits	826,009	836,415	908,028	892,812
Fees and charges	1,566,989	1,819,323	2,582,493	2,278,355
Grants and donations	9,216,221	8,935,592	8,933,147	9,827,951
Investment earnings	427,631	420,820	589,347	351,026
Fines, forfeits, settlements and judgments	133,553	171,104	338,908	182,965
Flexible benefits contributions	.....	56,708	56,505	58,630
Refunds	453,455	503,094	537,394	459,341
Other	875	37,335	7,860	5,921
Total	\$ 32,102,710	\$ 32,957,715	\$ 35,849,518	\$ 37,080,673

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

<u>Function</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
General government	\$ 4,316,136	\$ 4,847,734	\$ 5,025,083	\$ 5,403,482
Education	8,216,522	8,147,709	8,796,753	9,754,933
Human services	11,473,863	11,037,467	11,338,746	11,912,576
Criminal justice and corrections	2,294,100	2,269,209	2,455,275	2,560,501
Natural resources and environment	1,055,370	1,055,428	1,053,812	1,064,071
Transportation	829,578	893,772	892,787	818,548
State courts	192,449	183,059	211,054	228,585
Capital outlay	2,317,256	2,262,697	2,694,903	2,320,142
Debt service	746,911	797,516	904,607	1,032,219
Total	\$ 31,442,185	\$ 31,494,591	\$ 33,373,020	\$ 35,095,057

* Note: Fiscal years 1996 - 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)

<u>Tax Source</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Sales and use tax	\$ 12,016,938	\$ 12,113,145	\$ 13,349,272	\$ 13,980,931
Documentary stamp tax	791,342	864,216	1,005,378	1,212,421
Motor fuel tax (3)	1,376,303	1,438,264	1,484,631	1,517,873
Communications service tax (1)	.....	.....	.....	.....
Corporate income tax	1,087,145	1,358,387	1,395,566	1,466,550
Intangible personal property tax	983,613	980,914	1,164,297	1,225,302
Insurance premium tax	402,561	417,775	426,511	403,881
Alcoholic beverage tax	542,207	553,919	566,277	576,629
Estate tax	450,500	568,875	563,665	689,771
Cigarette tax	429,193	431,221	444,838	428,733
Workers' compensation special disability tax	105,064	85,807	71,716	76,695
Hospital public assistance tax	248,433	253,725	272,722	269,400
Pollutant tax	200,052	213,843	215,992	228,528
Aviation fuel tax (3)	63,106	55,766	50,278	71,695
Citrus excise tax	48,865	68,379	65,026	54,114
Solid minerals severance tax	45,695	64,680	61,269	64,517
Gross receipts utilities tax	546,856	585,466	638,077	647,015
Pari-mutuel wagering tax	85,097	64,835	63,526	54,727
Smokeless tobacco tax	19,498	19,287	21,001	20,632
Oil and gas production tax	9,076	10,472	6,539	3,974
Utility regulatory tax (2)	25,400	27,173	27,890	29,053
Other	1,033	1,175	1,365	1,230
Total	\$ 19,477,977	\$ 20,177,324	\$ 21,895,836	\$ 23,023,671

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

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

(3) 1998 Restated allocation of aviation fuel tax.

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<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 24,111,360	\$ 24,672,588	\$ 25,430,688	\$ 26,383,810	\$ 28,912,610	\$ 32,334,920
964,842	1,072,897	1,119,032	1,150,823	1,165,928	1,263,525
2,092,697	2,051,850	1,916,809	1,938,438	2,351,133	2,488,530
10,492,022	12,056,577	13,456,767	15,246,839	17,254,145	19,270,292
559,638	849,832	495,127	1,052,603	210,791	729,118
826,426	923,570	978,728	721,984	594,967	630,682
62,230	62,881	.....	.....	.....	.....
560,451	648,819	.....	.....	.....	.....
369	93,292	2,461	2,435	214,840	317,190
\$ 39,670,035	\$ 42,432,306	\$ 43,399,612	\$ 46,496,932	\$ 50,704,414	\$ 57,034,257

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 5,329,404	4,960,492	\$ 5,726,035	\$ 5,967,332	\$ 6,610,855	\$ 6,891,380
10,450,798	11,398,475	14,462,838	14,556,332	15,828,609	16,844,368
13,062,077	14,904,923	14,957,079	16,616,067	18,083,861	19,810,089
2,704,713	2,866,308	2,946,024	2,977,748	3,172,357	3,384,667
1,001,294	1,215,071	1,574,462	1,764,731	1,747,445	3,030,371
904,117	994,832	1,167,957	2,280,017	2,520,378	3,021,534
238,893	278,505	277,232	274,951	269,972	360,374
2,855,857	2,988,018	3,327,986	2,515,501	2,109,937	2,148,634
1,128,248	1,298,710	1,294,047	1,380,408	1,512,860	1,621,826
\$ 37,675,401	\$ 40,905,334	\$ 45,733,660	\$ 48,333,087	\$ 51,856,274	\$ 57,113,243

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 15,157,048	\$ 15,780,333	\$ 15,594,659	\$ 15,567,953	\$ 17,128,515	\$ 19,056,249
1,181,198	1,327,349	1,590,981	2,005,168	2,613,194	3,376,210
1,627,777	1,719,239	1,769,257	1,854,207	1,966,203	2,036,389
.....	.....	779,167	1,230,132	1,250,208	1,343,835
1,396,150	1,360,833	1,210,346	1,228,130	1,441,338	1,785,213
993,949	729,514	737,776	820,212	860,046	998,904
420,000	445,119	504,422	624,369	711,145	764,559
574,969	545,826	546,579	560,174	591,682	622,635
765,227	785,083	745,080	558,419	386,767	294,889
419,117	419,260	420,093	416,309	421,665	436,727
96,533	110,574	291,301	335,908	321,011	330,217
277,309	209,084	269,232	306,727	301,054	322,992
231,065	235,889	234,474	243,178	246,244	260,991
69,110	75,342	48,690	55,299	55,474	57,511
64,831	60,246	54,133	48,300	48,641	30,461
53,017	40,406	43,468	41,365	42,978	50,864
674,966	735,332	526,586	424,146	462,172	496,725
51,135	31,286	31,753	29,234	26,747	28,335
21,864	23,529	23,599	25,153	27,695	29,045
6,705	8,179	5,057	5,326	5,673	8,257
28,239	29,599	.....	.....	.....	.....
1,151	566	4,035	4,101	4,158	3,912
\$ 24,111,360	\$ 24,672,588	\$ 25,430,688	\$ 26,383,810	\$ 28,912,610	\$ 32,334,920

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Operating History of Budget Stabilization Fund

- Actual (Budgetary Basis)

For the Last Ten Fiscal Years

(in thousands)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Fund balance, beginning	\$ 120,590	\$ 260,790	\$ 409,390	\$ 685,990	\$ 786,890	\$ 846,990	\$ 893,990	\$ 940,890	\$ 958,890	\$ 966,390
Total revenues	140,200	148,600	276,600	100,900	60,100	47,000	46,900	18,000	7,500	32,800
Total expenditures	.....	.....	.....	.....	.....	.....	.....	.....	.....	11,032
Fund balance, ending	\$ 260,790	\$ 409,390	\$ 685,990	\$ 786,890	\$ 846,990	\$ 893,990	\$ 940,890	\$ 958,890	\$ 966,390	\$ 988,158

Operating History of Working Capital Fund

- Actual (Budgetary Basis)

For the Last Ten Fiscal Years

(in thousands)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Fund balance, beginning	\$ 161,336	\$ 149,818	\$ 193,548	\$ 355,944	\$ 541,331	\$ 819,346	\$ 292,247	\$ 303,952	\$ 415,446	\$ 1,452,359
Reversions	.....	.....	.....	.....	51	204	.....	.....	.....	.....
Fund balance, beginning, restated	161,336	149,818	193,548	355,944	541,382	819,550	292,247	303,952	415,446	1,452,359
Total revenues	10,117	51,981	168,590	245,119	362,243	11,500	132,916	143,330	1,473,221	453,500
Total expenditures*	21,635	8,251	6,194	59,732	84,279	538,803	121,211	31,836	436,308	1,589,297
Fund balance, ending	\$ 149,818	\$ 193,548	\$ 355,944	\$ 541,331	\$ 819,346	\$ 292,247	\$ 303,952	\$ 415,446	\$ 1,452,359	\$ 316,562

2004 Revenues and Expenditures restated from prior year.

*Section 7, Chapter 2005-152, Laws of Florida, abolished the Working Capital Fund, effective July 1, 2005. The fund balance of the Working Capital Fund was transferred to the General Revenue Fund.

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**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	3,034,656	18.99	3,499,430	17.80	3,939,040	17.21
15 - 24	1,942,430	12.15	2,512,566	12.78	2,654,950	11.60
25 - 44	4,569,515	28.59	4,880,806	24.83	5,480,269	23.94
45 - 64	3,628,573	22.70	5,264,681	26.79	5,924,951	25.88
65 and Over	2,807,650	17.57	3,497,580	17.79	4,894,930	21.38
Total	15,982,824	100.00	19,655,063	100.00	22,894,140	100.00

Source: Demographic Estimating Conference Database, updated July 2005. Year 2000 Census data incorporates adjustments for age misreporting prepared by the University of Florida, Bureau of Economic and Business Research.

**Economic Indicators
For the Calendar Years 1996 through 2005**

<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>	
1996	5.3	5.4	\$ 351,355	\$ 6,512,485	14,623,421
1997	5.0	4.9	372,094	6,907,332	14,938,314
1998	4.5	4.5	402,454	7,415,709	15,230,421
1999	4.0	4.2	423,834	7,796,137	15,580,244
2000	3.8	4.0	457,539	8,422,074	15,982,824
2001	4.6	4.7	478,637	8,716,992	16,330,224
2002	5.7	5.8	495,429	8,872,521	16,674,608
2003	5.3	6.0	511,951	9,156,108	17,071,508
2004	4.8	5.5	547,312	9,702,525	17,516,732
2005 (1)	4.4	5.2	574,491	10,146,744	17,912,715

1996-2004 data reflect revisions to match actual data from February 2005 National and Florida Estimating Conferences.

(1) Forecast from February 2005 National and Florida Estimating Conferences.

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>Per Capita</u>
		<u>Pledged Revenues</u>	
1996	14,623,421	\$ 7,390,695,000	505.40
1997	14,938,314	7,892,140,000	528.32
1998	15,230,421	8,703,155,000	571.43
1999	15,580,244	9,260,205,000	594.36
2000	15,982,824	9,516,040,000	595.39
2001	16,330,224	9,435,310,000	577.78
2002	16,674,608	9,920,810,000	594.97
2003	17,071,508	10,585,110,000	620.05
2004 (3)	17,516,732	11,169,735,000	637.66
2005 (4)	17,912,715	12,034,755,000	671.86

- (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	Governmental Fund Type	<u>Ratio</u>
	<u>Payments(1)</u>	<u>Expenditures(2)</u>	
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%
2003	817,305	48,333,087	1.69%
2004	887,337	51,856,274	1.71%
2005	907,348	57,113,243	1.59%

- (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 <u>6/30</u>	Toll <u>Revenues</u>	Interest <u>Revenue</u>	(1) <u>Expenses</u>	Net Available for Debt <u>Service</u>	Debt (2) Service <u>Payments</u>	Coverage <u>Ratio</u>
<i>Sunshine Skyway Bridge</i>						
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
2003	16,452	151	13,914 (3)	2,689	2,639	1.02
2004	17,176	131	14,782 (3)	2,525	2,644	0.95
2005	17,002	199	10,888 (3)	6,313	2,642	2.39
<i>Florida Turnpike</i>						
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	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
2003	450,461	19,703	170,760	299,404	138,467	2.16
2004	521,223	20,161	201,959	339,425	165,398	2.05
2005	586,264	24,730	163,936	447,058	166,411	2.69

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

(2) Source: State Board of Administration.

(3) Expenses include nonrecurring replacement and renewal costs.

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
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
2003	465,439	1,949	467,388	25,648	18.22
2004	542,768	903	543,671	24,834	21.89
2005	613,423	657	614,080	24,965	24.60

(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	(2) Phosphate (2) Severance	(3) Interest Revenue	Net Available for Debt Service	Debt (3) Service Payments	Coverage Ratio
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
2003	465,439	10,000	153	475,592	2,914	163.21
2004	542,768	10,000	63	552,831	2,917	189.52
2005	613,423	10,000	79	623,502	2,943	211.86

(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	Interest Revenue	Net Available for Debt Service	Debt (1) Service Payments	Coverage Ratio	
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
2003	74,571	511	75,082	30,584	2.45
2004	74,106	1,254	75,360	32,992	2.28
2005	71,582	552	72,134	30,379	2.37

(1) Source: State Board of Administration.

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**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
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
2002	1,464,927	1,569,848	632,524	1,941,728	5,609,027	689,597	306,315	243,313	1,239,225	6,848,252
2003	1,225,567	1,409,087	714,190	1,894,922	5,243,766	678,233	325,493	202,090	1,205,816	6,449,582
2004	1,242,029	1,446,654	704,711	1,966,201	5,359,595	874,761	399,018	210,357	1,484,136	6,843,731

*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 & Public Utilities	Wholesale & Retail Trade	Finance, Insurance & Real Estate	Services	Government	Total
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
2002*	5.4	427.8	407.8	238.6	1,475.4	474.0	1,222.6	1042.1	5,293.7
2003	4.9	445.9	388.8	228.8	1,462.4	484.3	1,257.5	1055.5	5,328.1
2004	4.9	490.6	387.6	229.3	1,498.2	501.0	1,290.0	1069.0	5,470.6

* The Current Employment Statistics State and area Nonfarm Payroll Series underwent a series of changes with the release of the January 2003 data. The basis for industry classification changed from the 1987 Standard Industry Classification System (SIC) to the 2002 North American Industry Classification System (NAICS). The changes will improve data comparability between states and/or metropolitan areas.

Source: Agency for Workforce Innovation, formerly 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.

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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>
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	57,750,441	4,690,622	37,914,098	49,211,597
1995	224	58,344,123	5,143,296	38,962,040	49,393,436
1996	194	40,904,042	3,693,747	26,214,925	33,128,637
1997	180	35,464,125	3,266,522	23,194,221	28,937,982
1998	166	37,565,723	3,194,845	24,301,914	30,948,982
1999	182	41,547,418	3,527,556	27,790,873	33,141,500
2000	183	32,747,606	2,898,730	21,587,117	27,017,949
2001	185	34,522,545	3,054,353	22,710,763	28,848,026
2002	188	41,053,816	3,706,098	27,108,241	33,993,565
2003	194	45,857,980	4,215,925	31,037,365	37,629,271
2004	191	52,132,297	5,272,936	35,848,122	42,109,479

Does not include nondeposit trust companies or industrial savings banks.

Source: Information obtained from the Division of Banking, Office of the Chief Financial Officer.

Web Address: <http://www.dbf.state.fl.us>

2005 STATE OF FLORIDA CAFR

**History of Headcount Enrollments
State Universities
Fall 1995 through 2004**

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Educational & General:										
University of Florida	33,394	32,314	33,524	41,652	42,612	44,480	45,521	46,850	47,280	47,401
Florida State University	29,390	29,345	29,629	30,389	32,405	33,587	35,442	36,651	37,072	38,316
Florida A & M University	9,784	10,206	10,477	11,324	11,639	11,723	12,347	12,467	12,907	12,940
University of South Florida	33,829	34,024	31,906	31,555	32,887	33,924	35,716	37,764	39,563	40,425
Florida Atlantic University	17,671	18,350	19,107	19,153	20,032	20,944	23,643	23,996	25,139	25,474
University of West Florida	8,087	7,882	7,855	7,790	7,924	8,218	9,063	9,206	9,412	9,485
University of Central Florida	26,325	27,411	28,302	30,009	31,472	33,453	36,013	38,795	41,185	42,391
Florida International University	27,542	29,098	29,357	30,096	30,979	30,725	32,614	33,799	33,601	34,817
University of North Florida	10,224	10,708	11,116	11,360	11,897	12,417	13,007	13,460	13,837	14,446
Florida Gulf Coast University	.....	.....	2,446	2,893	3,134	3,496	4,216	5,236	5,776	6,167
New College of Florida	.....	.....	.....	.....	.....	.....	634	650	671	691
Total	196,246	199,338	203,719	216,221	224,981	232,967	248,216	258,874	266,443	272,553
Special Units: (1)										
UF-Institute of Food and Agricultural Sciences (2)	2,772	3,513	3,981	.....	.....	.....	.....	.....	.....	.....
UF-Health Center and Veterinary Medicine	3,174	3,845	3,924	1,072	1,074	1,081	1,105	1,113	1,115	1,130
FSU-Medical Center	.....	.....	.....	.....	.....	.....	30	69	115	172
USF-Medical Center	1,286	1,337	1,442	1,477	1,554	1,549	1,590	1,611	1,633	1,745
Total Special Units	7,232	8,695	9,347	2,549	2,628	2,630	2,725	2,793	2,863	3,047

(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, Florida Department of Education - Division of Colleges and Universities.

**Schedule of Revenue Bond Coverages
State Universities
For the Last Ten Fiscal Years
(in thousands)**

<u>Year</u>	<u>Beginning Fund Balance</u>	<u>Operating Revenue</u>	<u>Expenditures and Transfers</u>	<u>Net Available for Debt Service</u>	<u>Debt Service Payments</u>	<u>Coverage Ratio</u>
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
2003	989,254	7,091,750	6,657,128	1,423,876	54,041	26.35
** 2004	1,423,876	7,367,864	7,159,104	1,632,636	61,592	26.51
2005	1,632,636	7,786,615	7,770,969	1,648,282	65,455	25.18

*Adjusted beginning fund balance due to prior period adjustments.

**Operating Revenue and Expenditures restated to actual.

(1) Increase in fiscal year ended June 30, 2002 due to inclusion of component units.

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