



FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2009

ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

Florida Department of Financial Services

ACKNOWLEDGEMENTS

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GRAPHIC DESIGN

The report cover was designed by the Publications Unit, Division of Consumer Services, Department of Financial Services.

STATE OF FLORIDA

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2009



Charlie Crist
GOVERNOR

Alex Sink
CHIEF FINANCIAL OFFICER

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

This document and related information is available via the
Florida Department of Financial Services' homepage at:
www.myfloridacfo.com

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2009**

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INTRODUCTORY SECTION



CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

ALEX SINK

February 25, 2010

The Honorable Charlie Crist, Governor
The Honorable Jeff Atwater, President of the Senate
The Honorable Larry Cretul, Speaker of the House of Representatives
Citizens of the State of Florida

To Governor Crist, President Atwater, Speaker Cretul, and the Citizens of Florida:

I am pleased to submit the State of Florida's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009, in accordance with Section 216.102(3), Florida Statutes (F.S.). This report is prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The concept of reasonable assurance ensures that the costs do not exceed the benefits derived.

The Auditor General has issued an opinion on the state's financial statements for the fiscal year ended June 30, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE STATE

Florida's constitution divides the governmental structure of the state into three 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. The organizational chart following this letter provides an overview of the state's structure. Florida's government provides a full range of services to its citizens including education, health and family services, transportation, law and corrections, natural resources, environmental, and other services.

The financial reporting entity of the state includes the primary government as well as component units for which the state is either financially accountable or a relationship exists with the state such that exclusion would cause the financial statements to be misleading or incomplete. Refer to Note 1 to the financial statements for a listing of Florida's component units and the Financial Section of the report to obtain an overview of their financial positions.

Florida's budget is prepared using the guiding principles in Chapter 216, F.S. The major phases of the budget process are detailed in the Other Required Supplementary Information Section of this report. Florida law strictly prohibits overspending and requires budgetary control to be maintained at the individual appropriation account level.

The Honorable Charlie Crist, Governor
The Honorable Jeff Atwater, President of the Senate
The Honorable Larry Cretul, Speaker of the House of Representatives
Citizens of the State of Florida
February 25, 2010
Page Two

ECONOMIC CONDITION

Florida has been deeply affected by the national and global economic recessions. In a presentation dated December 22, 2009, the Florida Legislature's Office of Economic and Demographic Research (EDR) reported that Florida's economic growth is continuing to decline – albeit at a significantly slower pace than last year. EDR indicates that the state's unemployment rate had already reached a near historic level of 11.5 percent in December 2009, a level not anticipated until spring 2010. EDR also indicates that employment conditions currently mirror the 1973-1975 recession, with Florida exceeding the national unemployment rate of 10.0 percent. Negative population growth is compounding record unemployment numbers. Population growth hovered between 2.0 percent and 2.6 percent per year from the mid-1990s to 2006, and then began a slow decline before turning negative in 2008 for the first time since right after World War II. Over the forecast horizon, it is projected that population growth will rebound slightly, averaging 1.1 percent between 2025 and 2030. EDR believes the continuing housing market correction and still sluggish credit conditions will remain the predominant drags on Florida's economy. EDR projects that the economic decline in Florida is currently at its bottom and that the economy will begin a slow and protracted turning around sometime in the third quarter of fiscal year 2009-10.

Several steps have been taken by the Florida Legislature to reduce state spending in light of constrained state revenues. In a special session held in January 2009, which I recommended be called, the Florida Legislature reduced mid-year expenditures for fiscal year 2008-09 to resolve a \$2.3 billion deficit in the general revenue funds. Special Session A of 2009 also authorized a transfer in the amount of \$400 million from the Budget Stabilization Fund to support the state's general revenue funds, leaving the remaining balance of the Budget Stabilization Fund at \$274 million after the transfer. Transfers in the amount of \$700 million from the Lawton Chiles Endowment Fund and \$292 million from various trust funds were also authorized. Additional actions were taken during the 2009 legislative session to further reduce expenditures and increase the funds flowing into the state's General Revenue Fund (a recurring impact of slightly over \$1 billion in fiscal year 2009-10). Even with these measures, the constitutionally required Long-Range Financial Outlook shows that the expected budget gap in fiscal year 2010-11 could approach \$2.6 billion.

The Long-Range Financial Outlook also identified the fiscal health of the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation as a significant risk to the forecast. Refer to Note 14 to the financial statements for additional information related to the state's insurance enterprises.

Over three years, Florida expects to receive \$15 billion from the Federal American Recovery and Reinvestment Act (ARRA) of 2009. Although the federal ARRA funds will provide a short-term economic boost to Florida, state leaders must continue to identify ways to reduce expenditures, increase efficiency, and better define a path for Florida's long-term economic sustainability, focused on diversification of the state's economy.

ACKNOWLEDGEMENTS

Preparation of the CAFR requires a significant investment of time and resources of fiscal and accounting personnel throughout the state. We appreciate all the contributions made to this effort.

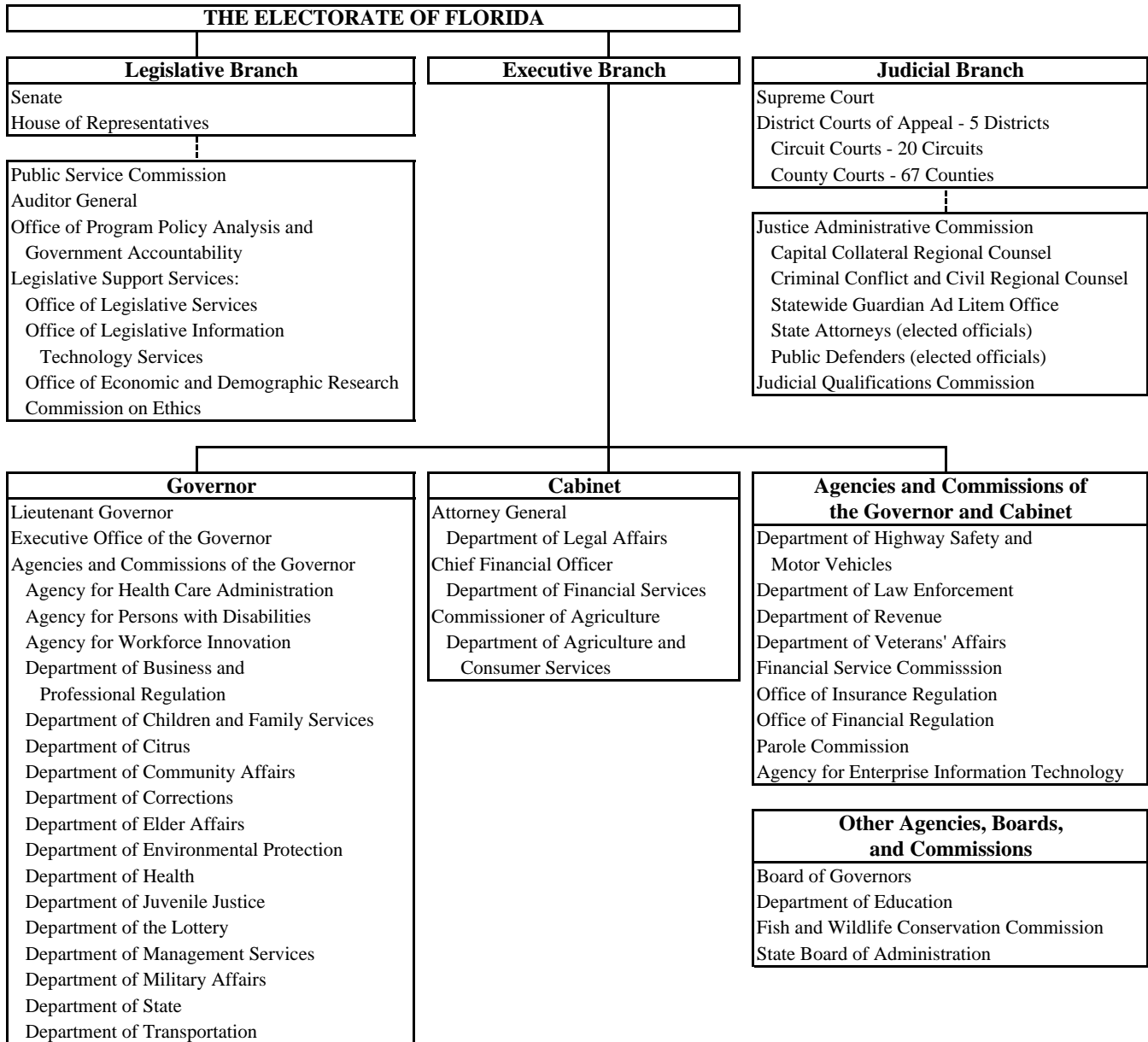
Sincerely,



Alex Sink

AS:crb

ORGANIZATION AT JUNE 30, 2009



PRINCIPAL OFFICIALS AT JUNE 30, 2009

Legislative Branch

Senate
Jeff Atwater, President
House of Representatives
Larry Cretul, Speaker

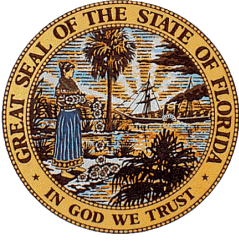
Executive Branch

Charlie Crist, Governor
Jeff Kottkamp, Lieutenant Governor
Cabinet
Bill McCollum, Attorney General
Alex Sink, Chief Financial Officer
Charles H. Bronson, Commissioner of Agriculture

Judicial Branch

Peggy A. Quince, Chief Justice

**FINANCIAL
SECTION**



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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida as of and for the year ended June 30, 2009, 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 Prepaid College Program Fund, which is a major enterprise fund and represents 37 percent and 7 percent, respectively, of the assets and revenues of the business-type activities.
- ◆ The Florida Turnpike System, which represents 93 percent and 84 percent of the assets and revenues, respectively, of the Transportation major enterprise fund.
- ◆ The Hurricane Catastrophe Fund, which is a major enterprise fund and represents 26 percent and 16 percent, respectively, of the assets and revenues of the business-type activities.
- ◆ The College Savings Plan, which represents 8 percent and 2 percent, respectively, of the assets and additions of the Private Purpose Trust Fund.
- ◆ The Florida Legislature, which represents one percent of the assets and revenues of the General Fund.
- ◆ The Florida Finance Housing Corporation, the South Florida Water Management District, Citizens Property Insurance Corporation, component units related to the State's universities and community colleges, and certain other funds and entities that, in the aggregate, represent 66 percent and 42 percent, respectively, of the assets and revenues of the discretely presented component units.

Financial statements for the above were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for these funds and entities, are based on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida, as of June 30, 2009, 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 25, 2010, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit. 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, effective July 1, 2008, the State began reporting the Lawton Chiles Endowment Trust Fund as a part of the General Fund (governmental fund type). It had been previously reported as a permanent fund (governmental fund type). Also, as discussed in Note 1 I., the Division of Universities – Capital Improvement Fee Trust Fund, previously reported within the Public Education Fund, has been reclassified as an agency fund. Note 1 I. also discloses a change in the reporting of the Florida Hurricane Catastrophe Fund.

The accompanying management discussion and analysis on pages 12 through 17 and the budgetary information, pension trust fund information, and information on infrastructure using the modified approach on pages 132 through 143 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. As a result of the limited procedures performed, we believe that the amounts reported on page 141 for the actuarial accrued liability and the unfunded actuarial accrued liability for the Retiree Health Insurance Subsidy Program were not measured in conformity with accounting principles generally accepted in the United States of America because the discount rate utilized in determining the amounts reported was not appropriately matched to current and expected investment yields and the nature and mix of related investments.

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 8, combining statements and individual fund statements and schedules on pages 147 through 227, and the statistical section on pages 231 through 259, 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, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,



David W. Martin, CPA
February 25, 2010

MANAGEMENT’S DISCUSSION AND ANALYSIS

The information contained in the Management’s Discussion and Analysis (MD&A) introduces the basic financial statements and provides an analytical overview of the State of Florida’s (the state’s) financial activities and performance for the fiscal year ended June 30, 2009 (fiscal year 2008-09). Please read the MD&A in conjunction with the state’s financial statements that are presented in the Financial Section of this Comprehensive Annual Financial Report (CAFR).

Financial Statements Overview

The state’s basic financial statements are comprised of 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 government-wide and fund financial statements. Refer to Note 1 to the financial statements for more 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		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire state government (except fiduciary funds) and the state’s component units	Activities of the state that are not proprietary or fiduciary	Activities of the state that are operated similar to private businesses	Instances in which the state is the trustee or agent for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses, and changes in net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net assets • Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> • Revenues for which cash is received during or soon after the end of the year • Expenditures when goods or services have been received and payment is due during the year or soon thereafter 	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Condensed Government-wide Financial Statements and Overall Financial Analysis

Statement of Net Assets

Table 2 below presents the state’s Condensed Statement of Net Assets as of June 30, 2009, and 2008, derived from the government-wide Statement of Net Assets. The assets of the state exceeded its liabilities (net assets) at the close of the fiscal year by \$47.1 billion for governmental activities and by \$7.7 billion for business-type activities, for a combined total of \$54.8 billion for the primary government. The three components of net assets include invested in capital assets, net of related debt; restricted; and unrestricted. The largest component, totaling \$59.5 billion as of June 30, 2009, reflects investment in capital assets, net of related debt. 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 \$10.3 billion as of June 30, 2009. 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 or deficit unrestricted net asset balance of \$15.2 billion at June 30, 2009. This deficit primarily results from education-related bonds for which the state is responsible for the liability while the related assets are owned by local school districts and are therefore not included in the state’s financial statements. Refer to Note 8 to the financial statements, Governmental Activities – Unrestricted Net Asset Deficit, for more information.

Business-type activities reflect an unrestricted net asset balance of \$279 million at June 30, 2009. The decrease in the unrestricted net asset balance over that reported in prior years is explained in the Major Fund Analysis, Proprietary Funds section that follows.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 20,863	\$ 26,559	\$ 22,261	\$ 27,225	\$ 43,124	\$ 53,784
Capital assets, net	57,977	55,689	7,476	6,930	65,453	62,619
Total assets	78,840	82,248	29,737	34,155	108,577	116,403
Other liabilities	8,941	10,436	6,094	9,802	15,035	20,238
Noncurrent liabilities	22,775	21,537	15,934	15,498	38,709	37,035
Total liabilities	31,716	31,973	22,028	25,300	53,744	57,273
Net assets:						
Invested in capital assets, net of related debt	54,585	51,938	4,930	4,361	59,515	56,299
Restricted	7,782	10,334	2,500	3,872	10,282	14,206
Unrestricted	(15,243)	(11,997)	279	622	(14,964)	(11,375)
Total net assets	\$ 47,124	\$ 50,275	\$ 7,709	\$ 8,855	\$ 54,833	\$ 59,130

Statement of Activities

Table 3 presents the state’s Condensed Statement of Activities for fiscal year 2008-09 and fiscal year 2007-08, 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. The state’s total net assets decreased during the fiscal year by \$4.6 billion. The net assets of governmental activities decreased by \$3.6 billion and the net assets of business-type activities decreased by \$.98 billion (see Note 1.J. for explanation of prior period adjustments). The majority of the increase in total program expenses for business-type activities relates to an increase in benefits paid for unemployment compensation. Refer to the Major Fund Analysis section for information regarding the overall decline in revenues from governmental activities.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues						
Charges for services	\$ 6,191	\$ 5,806	\$ 7,946	\$ 9,298	\$ 14,137	\$ 15,104
Operating grants and contributions	20,165	17,501	1,665	29	21,830	17,530
Capital grants and contributions	1,987	2,145	1	4	1,988	2,149
Total program revenues	28,343	25,452	9,612	9,331	37,955	34,783
General revenues and payments						
Sales and use tax	17,278	19,716	.....	.....	17,278	19,716
Other taxes	10,278	12,015	.....	.....	10,278	12,015
Investment earnings (loss)	(291)	579	2	11	(289)	590
Emergency assessments	.....	.....	337	357	337	357
Total general revenues and payments	27,265	32,310	339	368	27,604	32,678
Total revenues	55,608	57,762	9,951	9,699	65,559	67,461
Program expenses						
General government	6,879	7,493	.....	.....	6,879	7,493
Education	18,722	20,460	.....	.....	18,722	20,460
Human services	23,988	21,715	.....	.....	23,988	21,715
Criminal justice and corrections	4,037	4,296	.....	.....	4,037	4,296
Natural resources and environment	2,614	2,750	.....	.....	2,614	2,750
Transportation	3,851	4,098	402	446	4,253	4,544
State courts	427	464	.....	.....	427	464
Lottery	.....	.....	2,765	2,987	2,765	2,987
Hurricane Catastrophe Fund	.....	.....	677	1,045	677	1,045
Prepaid College Program	.....	.....	1,037	1,302	1,037	1,302
Unemployment Compensation	.....	.....	4,308	1,442	4,308	1,442
Nonmajor enterprise funds	.....	.....	267	212	267	212
Indirect interest on long-term debt	16	12	.....	.....	16	12
Total program expenses	60,534	61,288	9,456	7,434	69,990	68,722
Excess (deficiency) before gain (loss) and transfers	(4,926)	(3,526)	495	2,265	(4,431)	(1,261)
Gain (loss) on sale of capital assets	(127)	(108)	(2)	(6)	(129)	(114)
Transfers	1,470	1,378	(1,470)	(1,378)	.....	.....
Change in net assets	(3,583)	(2,256)	(977)	881	(4,560)	(1,375)
Beginning net assets	50,275	52,506	8,855	7,976	59,130	60,482
Prior period adjustments	432	25	(169)	(2)	263	23
Ending net assets	\$ 47,124	\$ 50,275	\$ 7,709	\$ 8,855	\$ 54,833	\$ 59,130

Major Fund Analysis

Governmental Funds

The state's governmental funds report combined ending fund balance of \$12.1 billion at June 30, 2009, a \$4.4 billion or 27.2 percent decrease from the prior year (before effects of prior period adjustments). Revenues declined by \$2.4 billion or 4.2 percent, other financing sources declined by \$477 million or 12.0 percent and expenditures declined by \$2 billion or 3.0 percent. Declines in revenue and other financing sources were primarily a result of the effects of the national and global economic recessions. Expenditure decreases resulted from spending cuts passed by the state legislature to offset expected revenue declines. Revenue declines exceeded forecast so funding of planned expenditures caused a decline in combined total assets of \$5.8 billion or 21.9 percent. The most notable was a \$4.4 billion or 28.4 percent decline in cash and short term investments pooled with the state treasury. Information is provided below regarding major funds with significant variances relative to the prior year.

General Fund – Fund balance at June 30, 2009, totaled \$3.4 billion, a decrease of \$2.9 billion or 71.8 percent (before effects of prior period adjustments – see Note 1.J. for explanation). Revenues decreased \$4.5 billion or 15.7 percent predominantly due to reduced tax collections. Tax revenue sources with the most significant declines were sales and use tax, corporate income taxes, and documentary stamp taxes. Conditions surrounding declines in tax revenues are described in the Economic Factors section that follows. Expenditures declined \$4 billion or 13.6 percent from the prior year. Significant reductions were made in the following areas: general government - \$1.1 billion, education - \$1.6 billion, and human services - \$1.2 billion. See the Economic Factors section for more information regarding actions relating to maintenance of the fund balance for this fund.

Public Education – Fund balance at June 30, 2009, totaled \$894 million, a decrease of \$567 million or 39.0 percent (before the effects of prior period adjustments – see Note 1.J. for explanation). Expenditures exceeding revenues by \$2.04 billion, offset by other financing sources of \$1.47 billion, resulted in the consumption of \$567 million of the beginning fund balance.

Environment, Recreation and Conservation – Fund balance at June 30, 2009, totaled \$2.5 billion, a decrease of \$364 million or 12.5 percent. Approximately one-third of the decrease (\$118.8 million) resulted from transfers to the State's General Revenue Fund. The remainder of the decrease resulted from the use of beginning fund balance to cover an excess of expenditures over revenues (\$560 million).

Transportation – Fund balance at June 30, 2009, totaled \$1.1 billion, a decrease of \$618 million or 39.6 percent (before the effects of prior period adjustments – see Note 1.J. for explanation). Expenditures exceeding revenues by \$886 million, offset by other financing sources of \$268 million, resulted in the \$618 million decrease in ending fund balance.

Proprietary Funds

The state's proprietary funds report combined ending net assets of \$7.7 billion at June 30, 2009, of which \$4.9 billion is invested in capital assets, net of related debt, and \$2.5 billion is restricted for specific purposes. The remaining \$279 million was unrestricted and available for purposes of the various funds. Information is provided below regarding major funds with significant variances relative to the prior year.

Hurricane Catastrophe Fund – Net assets at June 30, 2009, totaled \$1.7 billion, an increase of approximately \$892 million or 95.4 percent (before effects of prior period adjustments – see Note 1.J. for explanation). The increase in net assets remained consistent with the increase in prior year. See Note 14 to the financial statements for additional information on this fund.

Prepaid College Program – Net assets at June 30, 2009, totaled \$345 million, a decrease of \$382 million or 52.5 percent. Revenues decreased \$534 million or 44.9 percent primarily due to a \$458 million or 72.9 percent decrease in interest income. Expenses decreased \$265 million or 20.4 percent due to decreases in interest and fiscal charges of \$121 million and in contractual services of \$145 million.

Unemployment Compensation – Net assets at June 30, 2009, totaled \$63 million, a decrease of \$1.7 billion or 87.6 percent (before effects of prior period adjustments – see Note 1.J. for explanation). Expenses increased by \$2.9 billion or 199.0 percent while revenues increased by only \$1.4 billion or 126.0 percent. The increase in expense is due to a significant increase in benefit payments relative to the prior year. Revenues increased due to receipt of additional federal funds up from \$28 million in the prior year to \$1.7 billion. See the Economic Factors section for information on the state's unemployment rate and the economic situation surrounding the increase in unemployment benefits paid. See Note 18 to the financial statements for information on federal funding provided after June 30, 2009.

General Fund Budget Variances

Budgeted expenditures are based on revenues estimated by the Revenue Estimating Conference and other sources. Original expenditures are budgeted for less than total expected available resources. There was a \$3.6 billion decrease between the original and final estimated tax revenues associated with the overall economic decline experienced in the current year. Because of the lower estimated revenues, final budgeted total expenditures decreased by \$3.8 billion from the original budget. Variances between the original and final budget or between the final budgeted and actual amounts are not 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 Required Supplementary Information section of the CAFR.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2009, the state reported \$58.0 billion in net capital assets for governmental activities and \$7.5 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2007-08 to fiscal year 2008-09 by approximately four percent. The increase is consistent with prior years and primarily due to land acquisition and the capitalization of construction costs for infrastructure projects. Capitalized infrastructure projects include additions to and/or enhancements of roadways and bridges on the state's highway system. Construction commitments by the Florida Department of Transportation were approximately \$5.9 billion. Construction commitments by other state agencies not relating to transportation increased over \$101 million due to major projects including office buildings and correctional facilities. Refer to Note 5 to the financial statements for information on capital assets and Note 7 to the financial statements for information on construction commitments.

Long-term Debt Activity

Total bonded debt outstanding decreased by \$1.6 billion, or approximately five percent, from the prior fiscal year to a total of \$27.8 billion at June 30, 2009. The majority of the outstanding debt serves to finance educational facilities (\$14.6 billion), the Florida Hurricane Catastrophe Fund (\$5.2 billion) and transportation infrastructure (\$4.4 billion). New bonded debt issues for 2009 totaled \$2.6 billion. Annual debt service payments on net tax-supported debt totaled \$2.0 billion for 2009, an increase of \$160 million from the prior year. Annual debt service payments are projected to increase by 20 percent from \$2.0 billion to \$2.4 billion over the next four years.

The state maintained its credit ratings during the past year. However, there were several rating actions taken during the year, both positive and negative. Moody's Investors Services placed the state's rating on the Watchlist for possible downgrade, then removed the state from the Watchlist following the prudent actions taken by the Legislature in developing the 2010 budget. Standard & Poor's changed its rating outlook from stable to negative. The Fitch rating has not changed but the outlook was revised to negative from stable. The benchmark debt ratio of debt service to revenues available to pay debt service now exceeds a 7 percent target limit established by the Legislature. The increase of this ratio from 6.38 percent at June 30, 2008, to 7.91 percent at June 30, 2009, is due to the unprecedented reduction in revenue collections in Fiscal Year 2009. The benchmark ratio is projected to exceed a 7 percent cap through 2013 based on current revenue projections and existing borrowing plans. The expected ratios are dependent upon realization of revenue growth projections.

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 specified taxes. Revenue bonds are payable solely from specified revenues. The responsibility to issue most state bonds rests with the Division of Bond Finance of the State Board of Administration. However, certain quasi-governmental entities also incur debt and are reported as part of the primary government. See the *State of Florida 2009 Debt Affordability Report* for more detailed information about the state's debt position. The report can be found at www.sbafla.com/bond or by contacting the Division of Bond Finance, 1801 Hermitage Boulevard, Suite 200, Tallahassee, Florida 32308, (850) 488-4782. Additional information on long-term debt is also found in Notes 8, 9, and 10 to the financial statements and the Statistical Section of this report.

Infrastructure Accounted for Using the Modified Approach

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 2008-09 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. These estimates are based on the FDOT five-year plan that is changed as projects are added, deleted, adjusted, or postponed.

Refer to the Other Required Supplementary Information of the CAFR for information on FDOT's established condition standards, recent condition assessments, and other information on infrastructure reported on the modified approach.

Economic Factors

General fund tax revenues for the fiscal year ended June 30, 2009, were 14.0 percent lower than the prior fiscal year. Sales tax revenues, the state's primary source of general revenue, contracted 10.8 percent. This is primarily due to downward trends in consumer confidence, losses in employment, the credit market freeze, and feedback effects from the global and national recessions. Although Florida's housing market adjustments reflect national trends, the market has proven more vulnerable to the real estate market downturn due to the decrease in demand for second homes and the drop in speculative investment activity from the heightened levels of the "boom" years. Total collections of documentary stamp taxes, which largely result from sales of real estate, declined significantly (a decrease of 42.6 percent) compared to the prior fiscal year. Through the end of the state fiscal year, all major sources of general fund revenues (such as corporate income taxes) were negative in comparison to the previous fiscal year with the notable exceptions of Tobacco-related taxes and highway safety licenses & fees, which were nearly flat. Article V fees showed significant positive gains, but they were attributable to the enactment of Chapter 2008-111, Laws of Florida, which provided for an increase in many existing fees and the establishment of some new fees.

Population growth, the historical driver of Florida's economy, has been stunted by net migration falling below zero. State demographers do not expect net migration to turn positive again until fiscal year 2010-11. As of December 2009, the state's unemployment rate was 11.5 percent versus a national unemployment rate of 10.0 percent. Personal income growth was negative over the fiscal year, and the median price for existing single family homes fell 26.1 percent.

The most recent projections by state economists indicate that general revenue collections for the fiscal year ending June 30, 2010 will be virtually flat to last year, ending three years of declining receipts. The latest General Revenue Outlook shows that there will be \$1.05 billion in unallocated general revenue at the end of the fiscal year. The remaining balance in the Budget Stabilization Fund is \$274 million at the date of this report. Repayment of the funds previously lent to the General Revenue Fund (\$1.07 billion) is scheduled to begin in FY 2011-12.

Contact the State's Financial Management

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

Department of Financial Services
Bureau of Accounting
Statewide Financial Reporting Section
200 East Gaines Street
Tallahassee, Florida 32399-0354
(850) 413-5511

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**FINANCIAL
SECTION:
BASIC FINANCIAL
STATEMENTS**

2009 STATE OF FLORIDA CAFR

STATEMENT OF NET ASSETS

JUNE 30, 2009

(in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and cash equivalents	\$ 165,971	\$ 35,014	\$ 200,985	\$ 5,975,351
Pooled investments with State Treasury	11,656,168	1,181,226	12,837,394	2,362,070
Other investments	1,544,621	16,982,953	18,527,574	12,165,443
Receivables, net	3,979,276	876,435	4,855,711	2,138,311
Internal balances	403,441	(403,441)	.....	.....
Due from component units/primary	3,530	1,165	4,695	1,576,717
Inventories	78,756	6,057	84,813	42,770
Restricted cash and cash equivalents	.....	14	14	333,872
Restricted pooled investments with State Treasury	.....	50,590	50,590	362,220
Restricted investments	.....	2,106,685	2,106,685	1,353,333
Advances to other entities	252,577	.....	252,577	.....
Loans and notes receivable, net	2,769,580	1,384,903	4,154,483	3,616,595
Other assets	9,708	38,634	48,342	634,645
Capital assets, net	57,976,861	7,476,375	65,453,236	19,408,107
Total assets	78,840,489	29,736,610	108,577,099	49,969,434
LIABILITIES				
Accounts payable and accrued liabilities	3,609,078	1,126,712	4,735,790	3,083,599
Due to component units/primary	46,487	15	46,502	234,685
Deferred revenue	.....	.....	.....	1,977,879
Obligations under security lending agreements	2,273,082	3,319,020	5,592,102	.....
Obligations under reverse repurchase agreements	809,752	50,287	860,039	.....
Long-term liabilities				
Due within one year	2,202,989	1,598,225	3,801,214	2,238,097
Due in more than one year	22,774,808	15,933,626	38,708,434	10,374,416
Total liabilities	31,716,196	22,027,885	53,744,081	17,908,676
NET ASSETS				
Invested in capital assets, net of related debt	54,585,016	4,929,637	59,514,653	15,991,594
Restricted for				
Environment, Recreation and Conservation	2,563,254	.....	2,563,254	.....
Public Education	1,223,164	.....	1,223,164	.....
Health and Family Services	835,026	.....	835,026	.....
Transportation	1,131,641	.....	1,131,641	.....
Nonmajor governmental funds	1,886,160	.....	1,886,160	.....
Debt service	142,933	.....	142,933	57,167
Lottery	.....	120,944	120,944	.....
Prepaid College Program	.....	345,340	345,340	.....
Hurricane Catastrophe Fund	.....	1,749,163	1,749,163	.....
Unemployment Compensation	.....	63,026	63,026	.....
Other	.....	221,745	221,745	2,194,268
Funds held for permanent endowment				
Expendable	.....	.....	.....	2,024,730
Nonexpendable	.....	.....	.....	2,913,394
Unrestricted	(15,242,901)	278,870	(14,964,031)	8,879,605
Total net assets	\$ 47,124,293	\$ 7,708,725	\$ 54,833,018	\$ 32,060,758

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

2009 STATE OF FLORIDA CAFR

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 6,878,903	\$ 3,411,639	\$ 801,678	\$ 60	\$ (2,665,526)
Education	18,722,159	133,346	2,626,306	453	(15,962,054)
Human services	23,988,006	1,629,514	15,678,765	.....	(6,679,727)
Criminal justice and corrections	4,037,197	293,457	121,159	726	(3,621,855)
Natural resources and environment	2,614,491	346,240	769,139	71,395	(1,427,717)
Transportation	3,850,791	333,953	166,096	1,913,945	(1,436,797)
State courts	426,639	43,385	1,853	.....	(381,401)
Indirect interest on long-term debt	15,586	.....	.....	.....	(15,586)
Total governmental activities	<u>60,533,772</u>	<u>6,191,534</u>	<u>20,164,996</u>	<u>1,986,579</u>	<u>(32,190,663)</u>
Business-type activities:					
Transportation	402,235	747,347	722	659	346,493
Lottery	2,765,729	4,017,816	.....	.....	1,252,087
Hurricane Catastrophe Fund	676,970	1,242,072	.....	.....	565,102
Prepaid College Program	1,037,026	654,688	.....	.....	(382,338)
Unemployment Compensation	4,307,809	931,516	1,664,704	.....	(1,711,589)
Nonmajor enterprise funds	267,722	352,554	5	.....	84,837
Total business-type activities	<u>9,457,491</u>	<u>7,945,993</u>	<u>1,665,431</u>	<u>659</u>	<u>154,592</u>
Total primary government	<u>\$ 69,991,263</u>	<u>\$ 14,137,527</u>	<u>\$ 21,830,427</u>	<u>\$ 1,987,238</u>	<u>\$ (32,036,071)</u>
Component units					
Florida Housing Finance Corporation	\$ 436,479	\$ 336,189	\$	\$	\$ (100,290)
University of Florida	4,800,001	2,564,462	1,249,427	96,212	(889,900)
Citizens Property Insurance Corporation	1,630,624	2,256,628	.....	.....	626,004
Nonmajor component units	9,537,580	2,418,058	2,807,367	1,519,586	(2,792,569)
Total component units	<u>\$ 16,404,684</u>	<u>\$ 7,575,337</u>	<u>\$ 4,056,794</u>	<u>\$ 1,615,798</u>	<u>\$ (3,156,755)</u>

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net (expense) revenue	\$ (32,190,663)	\$ 154,592	\$ (32,036,071)	\$ (3,156,755)
General revenues:				
Taxes				
Sales and use tax	17,277,989	.....	17,277,989	.....
Fuel taxes	2,495,280	.....	2,495,280	.....
Corporate income tax	1,698,356	.....	1,698,356	.....
Documentary stamp tax	1,104,758	.....	1,104,758	.....
Intangible personal property tax	197,391	.....	197,391	.....
Communications service tax	1,541,548	.....	1,541,548	.....
Beverage and tobacco taxes	1,063,483	.....	1,063,483	.....
Insurance premium tax	846,851	.....	846,851	.....
Gross receipts utilities tax	662,059	.....	662,059	.....
Property taxes	.....	.....	.....	955,051
Other taxes	668,137	.....	668,137	.....
Investment earning (loss)	(290,686)	2,055	(288,631)	(723,328)
Gain (loss) on sale of capital assets	(126,527)	(1,694)	(128,221)	(8,863)
Payments from the State of Florida	.....	.....	.....	3,402,589
Emergency assessments	.....	336,963	336,963	.....
Miscellaneous	.....	.....	.....	670,054
Transfers	1,469,607	(1,469,607)	.....	.....
Contributions to permanent funds	.....	.....	.....	67,808
Total general revenues, transfers and contributions	<u>28,608,246</u>	<u>(1,132,283)</u>	<u>27,475,963</u>	<u>4,363,311</u>
Changes in net assets				
Net assets - beginning	(3,582,417)	(977,691)	(4,560,108)	1,206,556
Net assets - ending	50,274,594	8,855,290	59,129,884	30,790,608
Adjustments to increase (decrease) beginning net assets	432,116	(168,874)	263,242	63,594
Net assets - ending	<u>\$ 47,124,293</u>	<u>\$ 7,708,725</u>	<u>\$ 54,833,018</u>	<u>\$ 32,060,758</u>

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

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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.

PUBLIC EDUCATION

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

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.

Nonmajor Funds

Nonmajor governmental funds are presented, by fund type, beginning on page 147.

2009 STATE OF FLORIDA CAFR

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 22,840	\$ 14,183	\$	\$ 12,358	\$ 1,616
Pooled investments with State Treasury	3,743,559	1,733,788	1,588,175	956,674	1,438,920
Investments	841,782	.....	.....	51	.....
Receivables, net	1,195,992	142,864	65,227	1,743,004	323,087
Due from other funds	115,311	12,283	86,426	81,120	152,090
Due from component units/primary	1,969	197	.....	.....	.....
Inventories	15,422	1,269	.....	49,670	9,157
Other	582	.....	.....	.....	754
Total current assets	5,937,457	1,904,584	1,739,828	2,842,877	1,925,624
<u>Noncurrent assets</u>					
Long-term investments	.....	.....	.....	.....	.....
Advances to other funds	2,636	.....	.....	.....	229,638
Advances to other entities	61,755	144,741	.....	7,236	.....
Other loans and notes receivable, net	423	946,783	.....	12,670	727,793
Other	.....	.....	.....	.....	6,925
Total noncurrent assets	64,814	1,091,524	.....	19,906	964,356
Total assets	\$ 6,002,271	\$ 2,996,108	\$ 1,739,828	\$ 2,862,783	\$ 2,889,980
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 710,326	\$ 37,932	\$ 5,954	\$ 1,304,872	\$ 650,606
Due to other funds	200,698	23,338	4,123	28,129	43,828
Due to component units/primary	7,151	25,189	4,477	6,440	.....
Compensated absences	8,679	491	55	1,057	5,748
Claims payable	26,584	.....	.....	.....	.....
Deposits	354	4,173	.....	1,133	154,090
Installment purchases/capital leases	35	.....	.....	.....	.....
Deferred revenues	53,373	1,234	.....	190,144	4,672
Obligations under security lending agreements	1,195,426	262,890	259,528	21,913	171,685
Obligations under reverse repurchase agreements	430,552	100,693	99,405	8,393	65,759
Total current liabilities	2,633,178	455,940	373,542	1,562,081	1,096,388
<u>Noncurrent liabilities</u>					
Advances from other funds	600	.....	471,797	.....	.....
Deposits	.....	.....	.....	37,187	285,157
Deferred revenues	255	576	.....	280,893	395,643
Total noncurrent liabilities	855	576	471,797	318,080	680,800
Total liabilities	2,634,033	456,516	845,339	1,880,161	1,777,188
<u>Fund balances</u>					
Reserved for encumbrances	103,142	1,977	4,757	21,179	38,533
Reserved for inventories	15,422	1,269	.....	49,670	9,157
Reserved for advances	64,390	144,741	.....	.....	229,638
Reserved for long-term receivables	168	946,208	.....	.....	333,365
Reserved for capital outlay	102,685	1,037,688	1,211,585	7,907	205,573
Reserved for debt service	.....	.....	.....	.....	.....
Reserved for Budget Stabilization Fund	273,874	.....	.....	.....	.....
Other reserved	616,822	77,795	.....	.....	6,925
Unreserved, reported in:					
General fund	2,191,735	.....	.....	.....	.....
Special revenue funds	.....	329,914	(321,853)	903,866	289,601
Capital projects funds	.....	.....	.....	.....	.....
Permanent fund	.....	.....	.....	.....	.....
Total fund balances	3,368,238	2,539,592	894,489	982,622	1,112,792
Total liabilities and fund balances	\$ 6,002,271	\$ 2,996,108	\$ 1,739,828	\$ 2,862,783	\$ 2,889,980

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

Nonmajor Governmental Funds	Totals 6/30/09
\$ 80,422	\$ 131,419
1,635,303	11,096,419
525,283	1,367,116
417,814	3,887,988
138,566	585,796
.....	2,166
3,071	78,589
1,447	2,783
<u>2,801,906</u>	<u>17,152,276</u>
137,456	137,456
.....	232,274
38,845	252,577
1,081,911	2,769,580
.....	6,925
<u>1,258,212</u>	<u>3,398,812</u>
<u>\$ 4,060,118</u>	<u>\$ 20,551,088</u>
\$ 239,051	\$ 2,948,741
100,027	400,143
3,230	46,487
1,894	17,924
6,902	33,486
11,465	171,215
.....	35
79,363	328,786
276,128	2,187,570
72,197	776,999
<u>790,257</u>	<u>6,911,386</u>
625	473,022
38,845	361,189
20,399	697,766
<u>59,869</u>	<u>1,531,977</u>
<u>850,126</u>	<u>8,443,363</u>
50,376	219,964
3,071	78,589
.....	438,769
1,081,911	2,361,652
159,142	2,724,580
142,933	142,933
.....	273,874
160,296	861,838
.....	2,191,735
1,604,663	2,806,191
5,913	5,913
1,687	1,687
<u>3,209,992</u>	<u>12,107,725</u>
<u>\$ 4,060,118</u>	<u>\$ 20,551,088</u>

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**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET ASSETS
JUNE 30, 2009
(in thousands)**

Total fund balances for governmental funds		\$ 12,107,725
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities reported in governmental funds are not financial resources and therefore are not reported in the funds.		
Land and other nondepreciable assets	16,230,195	
Nondepreciable infrastructure	31,381,879	
Buildings, equipment and other depreciable assets	5,670,664	
Accumulated depreciation	(3,101,432)	
Construction work in progress	<u>7,054,894</u>	57,236,200
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(836,386)	
Installment purchases/capital leases	(195,643)	
Claims payable	(2,464,723)	
Due to other governments	(149)	
Bonds payable	(19,666,314)	
Other	<u>(229,884)</u>	(23,393,099)
Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Assets.		(54,508)
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.		1,026,552
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.		<u>201,423</u>
Net assets of governmental activities		<u>\$ 47,124,293</u>

2009 STATE OF FLORIDA CAFR

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
REVENUES					
Taxes	\$ 23,368,397	\$ 313,459	\$ 1,124,063	\$ 482,510	\$ 2,183,584
Licenses and permits	129,920	47,211	.....	38,870	9,596
Fees and charges	916,385	132,896	8,013	1,150,491	439,415
Grants and donations	9,834	133,189	2,493,782	15,871,868	2,039,168
Investment earnings	(374,931)	56,660	39,354	6,381	25,507
Fines, forfeits, settlements and judgments	54,651	11,009	64,950	39,893	19,347
Other	1,698	5,505	11,120	11,145	2,604
Total revenues	24,105,954	699,929	3,741,282	17,601,158	4,719,221
EXPENDITURES					
Current:					
General government	3,666,830	20,730	.....	204,498	191,406
Education	12,114,717	.....	5,783,111	.....	.....
Human services	5,009,542	.....	.....	17,666,311	.....
Criminal justice and corrections	3,380,389	.....	.....	.....	.....
Natural resources and environment	446,671	1,162,585	.....	52,809	.....
Transportation	91,457	.....	.....	.....	3,636,241
State courts	370,788	.....	.....	.....	.....
Capital outlay	143,712	76,654	1,957	106,712	1,777,285
Debt service					
Principal retirement	9,551	.....	13	1,990	.....
Interest and fiscal charges	2,769	.....	.....	691	.....
Total expenditures	25,236,426	1,259,969	5,785,081	18,033,011	5,604,932
Excess (deficiency) of revenues over expenditures	(1,130,472)	(560,040)	(2,043,799)	(431,853)	(885,711)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	1,927	150,003	1,431,433	.....	.....
Operating transfers in	1,119,404	812,204	1,519,365	894,081	969,759
Operating transfers out	(2,930,933)	(766,137)	(1,473,937)	(503,120)	(701,637)
Proceeds of financing agreements	46,821	.....	.....	69,626	.....
Total other financing sources (uses)	(1,762,781)	196,070	1,476,861	460,587	268,122
Net change in fund balances	(2,893,253)	(363,970)	(566,938)	28,734	(617,589)
Fund balances - beginning	4,030,692	2,903,562	1,453,604	953,888	1,560,586
Adjustments to increase (decrease) beginning fund balances	2,230,799	.....	7,823	.....	169,795
Fund balances - beginning, as restated	6,261,491	2,903,562	1,461,427	953,888	1,730,381
Fund balances - ending	\$ 3,368,238	\$ 2,539,592	\$ 894,489	\$ 982,622	\$ 1,112,792

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

Nonmajor Governmental Funds	Totals 6/30/09
\$ 221,499	\$ 27,693,512
1,035,769	1,261,366
874,015	3,521,215
1,527,187	22,075,028
82,735	(164,294)
574,771	764,621
26,195	58,267
<u>4,342,171</u>	<u>55,209,715</u>
2,549,568	6,633,032
150,294	18,048,122
760,404	23,436,257
568,617	3,949,006
756,407	2,418,472
74	3,727,772
32,479	403,267
417,161	2,523,481
931,939	943,493
968,292	971,752
<u>7,135,235</u>	<u>63,054,654</u>
<u>(2,793,064)</u>	<u>(7,844,939)</u>
318,333	1,901,696
4,344,687	9,659,500
(1,809,456)	(8,185,220)
1,513	117,960
<u>2,855,077</u>	<u>3,493,936</u>
62,013	(4,351,003)
5,091,982	15,994,314
<u>(1,944,003)</u>	<u>464,414</u>
<u>3,147,979</u>	<u>16,458,728</u>
<u>\$ 3,209,992</u>	<u>\$ 12,107,725</u>

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**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, 2009
(in thousands)**

Net change in fund balance - total governmental funds		\$ (4,351,003)
<p>Internal service funds are used by management to charge the costs of goods or services to other funds and agencies within the state. Therefore, the net revenue (expense) of the internal service funds is reported with governmental activities.</p>		
		(33,023)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful lives of the assets and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation in the current period.</p>		
Capital outlay expenditures	2,594,393	
Depreciation expense	<u>(296,658)</u>	
		2,297,735
<p>In the Statement of Activities, the gain or (loss) on the sale of assets is reported whereas in the governmental funds only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the assets sold.</p>		
		(48,519)
<p>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.</p>		
		(92,335)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Increase in compensated absences	(40,248)	
Increase in accrued interest	(4,971)	
Increase in claims payable	(183,320)	
Decrease in arbitrage liability	1,331	
Increase in other liabilities	<u>(118,863)</u>	
		(346,071)
<p>The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of 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 amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Bond proceeds	(1,901,696)	
Financing agreement proceeds	(117,960)	
Repayment of bonds	915,430	
Repayment of capital leases/installment purchase contracts	28,063	
Amortization of bond premium	80,222	
Amortization of deferred amount on refunding	<u>(13,260)</u>	
		<u>(1,009,201)</u>
Change in net assets of governmental activities		<u>\$ (3,582,417)</u>

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PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

TRANSPORTATION

This fund accounts for operations of the Florida Turnpike Enterprise which includes the Florida Turnpike System.

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.

FLORIDA HURRICANE CATASROPHE FUND

This fund, administered by the State Board of Administration, a blended component unit and was created to help cover insurers' losses in the event of a hurricane disaster.

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, a blended component unit. 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.

UNEMPLOYMENT COMPENSATION

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

Nonmajor Funds

Nonmajor enterprise funds are presented on page 187.

Internal Service Funds

Internal service funds are presented on page 193.

2009 STATE OF FLORIDA CAFR

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009
(in thousands)**

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program
ASSETS				
Cash and cash equivalents	\$ 9,923	\$ 807	\$ 191	\$ 21,623
Pooled investments with State Treasury	416,579	173,587	.....	.....
Investments	.....	.....	6,670,685	2,418,558
Receivables, net	4,526	44,365	103,959	411,508
Due from other funds	1,237	.....	.....	.....
Due from component units/primary	.....	.....	.....	.....
Inventories	5,214	843	.....	.....
Other	.....	2,756	7,728	.....
Total current assets	437,479	222,358	6,782,563	2,851,689
<u>Noncurrent assets</u>				
Restricted cash and cash equivalents	14	.....	.....	.....
Restricted pooled investments with State Treasury	.....	50,590	.....	.....
Restricted investments	234,245	1,872,440	.....	.....
Long-term investments	.....	.....	1,029,370	6,784,524
Advances to other funds	500	.....	.....	.....
Other loans and notes receivable, net	.....	.....	.....	1,384,903
<u>Capital assets</u>				
Land and other nondepreciable assets	881,194	.....	.....	.....
Nondepreciable infrastructure	5,542,756	.....	.....	.....
Buildings, equipment, and other depreciable assets	390,061	14,474	75	52
Accumulated depreciation	(192,865)	(13,239)	(72)	(49)
Construction work in progress	845,345	.....	.....	.....
Other	12,146	3,073	12,903	.....
Total noncurrent assets	7,713,396	1,927,338	1,042,276	8,169,430
Total assets	8,150,875	2,149,696	7,824,839	11,021,119
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	49,803	11,837	822,222	95,797
Accrued prize liability	.....	272,700	.....	.....
Due to other funds	86,362	83,820	82	157
Due to component units/primary	.....	.....	.....	.....
Compensated absences	.....	889	50	38
Installment purchases/capital leases	.....	.....	.....	.....
Bonds payable	.....	.....	256,655	.....
Bonds payable from restricted assets	87,230	.....	.....	.....
Deposits	12,225	.....	.....	.....
Obligations under security lending agreements	64,762	922,696	.....	2,299,979
Obligations under reverse repurchase agreements	24,805	13,385	.....	.....
Certificates of participation payable	.....	.....	.....	.....
Tuition and housing benefits payable	.....	.....	.....	528,229
Total current liabilities	325,187	1,305,327	1,079,009	2,924,200
<u>Noncurrent liabilities</u>				
Advances from other funds	228,738	.....	.....	.....
Accrued prize liability	.....	718,790	.....	.....
Bonds payable	2,407,318	.....	4,996,523	.....
Certificates of participation payable	.....	.....	.....	.....
Installment purchases/capital leases	.....	.....	.....	.....
Deposits	798	.....	.....	.....
Compensated absences	.....	2,942	141	118
Tuition and housing benefits payable	.....	.....	.....	7,751,458
Other	7,077	458	.....	.....
Total noncurrent liabilities	2,643,931	722,190	4,996,664	7,751,576
Total liabilities	2,969,118	2,027,517	6,075,673	10,675,776
NET ASSETS				
Invested in capital assets, net of related debt	4,919,753	1,235	3	3
Restricted for unemployment compensation	.....	.....	.....	.....
Restricted for lottery	.....	120,944	.....	.....
Restricted for Hurricane Catastrophe Fund	.....	.....	1,749,163	.....
Restricted for Prepaid College Program	.....	.....	.....	345,340
Restricted - other	221,745	.....	.....	.....
Unrestricted	40,259	.....	.....	.....
Total net assets	\$ 5,181,757	\$ 122,179	\$ 1,749,166	\$ 345,343

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

2009 STATE OF FLORIDA CAFR

Unemployment Compensation	Nonmajor Enterprise Funds	Totals 6/30/09	Internal Service Funds
\$ 1,338	\$ 1,132	\$ 35,014	\$ 34,552
342,070	248,990	1,181,226	559,749
.....	14,469	9,103,712	40,049
294,690	14,047	873,095	24,560
2,945	3,748	7,930	22,650
1,164	1	1,165	1,364
.....	.....	6,057	167
.....	28	10,512	.....
642,207	282,415	11,218,711	683,091
.....	.....	14	.....
.....	.....	50,590	.....
.....	.....	2,106,685	.....
.....	65,347	7,879,241	.....
.....	.....	500	.....
.....	.....	1,384,903	.....
.....	.....	881,194	360
.....	.....	5,542,756	.....
.....	30,762	435,424	1,003,629
.....	(22,321)	(228,546)	(333,352)
.....	202	845,547	70,024
.....	.....	28,122	.....
.....	73,990	18,926,430	740,661
642,207	356,405	30,145,141	1,423,752
136,558	10,309	1,126,526	76,103
.....	.....	272,700	.....
1,780	7,778	179,979	24,309
.....	15	15	.....
.....	4,155	5,132	2,771
.....	.....	.....	1,276
.....	.....	256,655	18,045
.....	.....	87,230	.....
409,109	26,945	448,279	159,149
.....	31,583	3,319,020	85,512
.....	12,097	50,287	32,753
.....	.....	.....	16,080
.....	.....	528,229	.....
547,447	92,882	6,274,052	415,998
.....	.....	228,738	2,803
.....	.....	718,790	.....
.....	.....	7,403,841	399,971
.....	.....	.....	378,673
.....	.....	.....	9,720
31,734	.....	32,532	.....
.....	13,771	16,972	11,865
.....	.....	7,751,458	.....
.....	2,498	10,033	3,299
31,734	16,269	16,162,364	806,331
579,181	109,151	22,436,416	1,222,329
.....	8,643	4,929,637	121,386
63,026	.....	63,026	.....
.....	.....	120,944	.....
.....	.....	1,749,163	.....
.....	.....	345,340	.....
.....	.....	221,745	.....
.....	238,611	278,870	80,037
\$ 63,026	\$ 247,254	\$ 7,708,725	\$ 201,423

2009 STATE OF FLORIDA CAFR

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program
OPERATING REVENUES				
Sales - nonstate	\$ 3,813	\$ 3,943,743	\$ 1,292,951	\$ 480,510
Fees	636,630	.....	.....	3,970
Sales - state	1	.....	30	.....
Rents and royalties - nonstate	10,110	238	.....	.....
Rents - state	.....	.....	.....	.....
Fines, forfeits, settlements and judgments	318	208	.....	.....
Other	.....	.....	.....	.....
Total operating revenues	650,872	3,944,189	1,292,981	484,480
OPERATING EXPENSES				
Benefit payments	.....	.....	.....	.....
Payment of lottery winnings	.....	2,340,372	.....	.....
Commissions on lottery sales	.....	220,548	.....	.....
Contractual services	271,529	96,351	254,967	1,003,052
Insurance claims expense	.....	.....	.....	.....
Personal services	21,081	26,732	983	818
Depreciation	18,244	684	2	2
Materials and supplies	4,262	1,171	21	22
Repairs and maintenance	.....	982	.....	1
Basic services	.....	4,821	206	127
Interest and fiscal charges	.....	.....	45	41
Total operating expenses	315,116	2,691,661	256,224	1,004,063
Operating income (loss)	335,756	1,252,528	1,036,757	(519,583)
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	1,381	.....	.....	.....
Investment earnings	18,141	72,148	(50,929)	170,207
Interest and fiscal charges	(87,118)	(74,063)	(420,615)	(30,941)
Property disposition gain (loss)	(1,308)	(31)	.....	.....
Grant expense and client benefits	.....	.....	.....	.....
Emergency Assessment Funds Received	.....	.....	336,963	.....
Other	.....	(4)	.....	.....
Total nonoperating revenues (expenses)	(68,904)	(1,950)	(134,581)	139,266
Income (loss) before transfers and contributions	266,852	1,250,578	902,176	(380,317)
Operating transfers in	22,471	.....	.....	.....
Operating transfers out	(15,448)	(1,288,209)	(10,000)	(2,025)
Capital contributions	78,557	.....	.....	.....
Change in net assets	352,432	(37,631)	892,176	(382,342)
Total net assets - beginning	4,816,080	159,810	935,323	727,685
Adjustments to increase (decrease) beginning net assets	13,245	.....	(78,333)	.....
Total net assets - beginning, as restated	4,829,325	159,810	856,990	727,685
Total net assets - ending	\$ 5,181,757	\$ 122,179	\$ 1,749,166	\$ 345,343

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

2009 STATE OF FLORIDA CAFR

Unemployment Compensation	Nonmajor Enterprise Funds	Totals 6/30/09	Internal Service Funds
\$	\$ 76,133	\$ 5,797,150	\$ 38,968
848,378	216,340	1,705,318	.....
.....	20,095	20,126	1,774,324
.....	3	10,351	29
.....	78	78	115,504
.....	23,832	24,358	23
.....	5	5	18,391
<u>848,378</u>	<u>336,486</u>	<u>7,557,386</u>	<u>1,947,239</u>
4,307,803	.....	4,307,803	.....
.....	.....	2,340,372	.....
.....	.....	220,548	.....
.....	59,782	1,685,681	988,913
.....	.....	.....	795,073
.....	162,192	211,806	98,439
.....	3,589	22,521	19,565
.....	7,094	12,570	15,326
.....	1,768	2,751	27,097
.....	30,587	35,741	14,117
.....	728	814	.....
<u>4,307,803</u>	<u>265,740</u>	<u>8,840,607</u>	<u>1,958,530</u>
<u>(3,459,425)</u>	<u>70,746</u>	<u>(1,283,221)</u>	<u>(11,291)</u>
1,664,704	5	1,666,090	.....
83,138	4,380	297,085	4,196
.....	(261)	(612,998)	(31,481)
.....	(355)	(1,694)	(7,552)
.....	(904)	(904)	.....
.....	.....	336,963	.....
.....	(941)	(945)	7
<u>1,747,842</u>	<u>1,924</u>	<u>1,683,597</u>	<u>(34,830)</u>
(1,711,583)	72,670	400,376	(46,121)
11,705	20,406	54,582	34,703
(29,290)	(166,995)	(1,511,967)	(21,755)
.....	761	79,318	150
<u>(1,729,168)</u>	<u>(73,158)</u>	<u>(977,691)</u>	<u>(33,023)</u>
1,974,313	242,079	8,855,290	234,446
(182,119)	78,333	(168,874)	.....
<u>1,792,194</u>	<u>320,412</u>	<u>8,686,416</u>	<u>234,446</u>
<u>\$ 63,026</u>	<u>\$ 247,254</u>	<u>\$ 7,708,725</u>	<u>\$ 201,423</u>

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 675,111	\$ 3,959,915	\$ 1,292,366
Cash paid to vendors	(319,830)	(330,147)	(5,036)
Cash paid to employees	(21,081)	(26,649)	(953)
Lottery prizes	.....	(2,340,372)	.....
Cash paid for insurance claims	.....	.....	(392,657)
Unemployment benefits	.....	.....	.....
Net cash provided (used) by operating activities	334,200	1,262,747	893,720
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	84,272	(1,317,498)	(10,000)
Advances, grants or loans (to) from or repayment from others	45,627	.....	.....
Cash received from sale of bonds	.....	.....	627,920
Payment of bonds or loans (principal and interest)	.....	.....	(3,467,597)
Cash received from noncapital grants or donations	.....	.....	.....
Emergency assessment funds received	.....	.....	338,236
Net cash provided (used) by noncapital financing activities	129,899	(1,317,498)	(2,511,441)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from the sale of bonds	.....	.....	.....
Payment of bond principal	(85,620)	.....	.....
Payment of principal on installment purchase/capital lease	(103)	.....	.....
Payment of interest on bonds/installment purchase/capital lease	(90,899)	.....	.....
Purchase or construction of capital assets	(573,068)	(671)	(1)
Net cash provided (used) by capital and related financing activities	(749,690)	(671)	(1)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	(145,848)	(18,366)	14
Proceeds from the sale or maturity of investments	1,077,721	219,980	213,543,897
Cash paid to grand prize winners upon maturity of grand prize investments	.....	(219,980)	.....
Investment earnings	17,939	5,623	150,567
Purchase of investments	(1,153,477)	.....	(212,076,903)
Net cash provided (used) by investing activities	(203,665)	(12,743)	1,617,575
Net increase (decrease) in cash and cash equivalents	(489,256)	(68,165)	(147)
Cash and cash equivalents - beginning	915,772	293,149	338
Total cash and cash equivalents - beginning	915,772	293,149	338
Cash and cash equivalents - ending	\$ 426,516	\$ 224,984	\$ 191

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

2009 STATE OF FLORIDA CAFR

Prepaid College Program	Unemployment Compensation	Nonmajor Enterprise Funds	Totals 6/30/09	Internal Service Funds
\$ 503,688	\$ 869,178	\$ 344,182	\$ 7,644,440	\$ 1,969,651
(333,481)	.....	(98,220)	(1,086,714)	(1,063,201)
(853)	.....	(161,559)	(211,095)	(97,377)
.....	.....	.....	(2,340,372)	.....
.....	.....	.....	(392,657)	(795,072)
.....	(4,234,835)	.....	(4,234,835)	.....
169,354	(3,365,657)	84,403	(621,233)	14,001
(2,025)	(17,585)	(152,882)	(1,415,718)	11,357
.....	.....	(904)	44,723	.....
.....	.....	.....	627,920	.....
.....	.....	.....	(3,467,597)	.....
.....	1,629,694	5	1,629,699	.....
.....	.....	.....	338,236	.....
(2,025)	1,612,109	(153,781)	(2,242,737)	11,357
.....	.....	.....	.....	130,971
.....	.....	.....	(85,620)	5,610
.....	.....	(32)	(135)	4,875
.....	.....	(1)	(90,900)	(30,798)
.....	.....	(2,026)	(575,766)	(73,123)
.....	.....	(2,059)	(752,421)	37,535
13,408	.....	(21,052)	(171,844)	635
12,290,794	.....	.....	227,132,392	.....
.....	.....	.....	(219,980)	.....
123,891	25,876	7,395	331,291	7,462
(12,788,284)	.....	.....	(226,018,664)	(2,161)
(360,191)	25,876	(13,657)	1,053,195	5,936
(192,862)	(1,727,672)	(85,094)	(2,563,196)	68,829
214,485	2,071,080	335,216	3,830,040	525,472
214,485	2,071,080	335,216	3,830,040	525,472
\$ 21,623	\$ 343,408	\$ 250,122	\$ 1,266,844	\$ 594,301

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)

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

	<u>Transportation</u>	<u>Lottery</u>	<u>Hurricane Catastrophe Fund</u>
Operating income (loss)	\$ 335,756	\$ 1,252,528	\$ 1,036,756
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	18,244	684	2
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,021)	(2,107)	2,541
(Increase) decrease in due from other funds	25,260	.....	.....
Increase (decrease) in allowance for uncollectibles	.....	(1,006)	.....
(Increase) decrease in inventories	(262)	(26)	.....
(Increase) decrease in other non-current assets		(3,073)	
Increase (decrease) in accounts payable	6,580	(3,380)	(145,596)
Increase (decrease) in compensated absences	.....	82	36
Increase (decrease) in due to other funds	(50,357)	1	(19)
Increase (decrease) in other non-current liability	.....	206	.....
Increase (decrease) in deposits	.....	.....	.....
Increase (decrease) in prize liability	.....	18,838	.....
Net cash provided (used) by operating activities	<u>\$ 334,200</u>	<u>\$ 1,262,747</u>	<u>\$ 893,720</u>

Noncash investing, capital, and financing activities

Change in fair value of investments	(91,099)	27,274
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The notes to the financial statements are an integral part of this statement.

2009 STATE OF FLORIDA CAFR

Prepaid College Program	Unemployment Compensation	Nonmajor Enterprise Funds	Totals 6/30/09	Internal Service Funds
\$ (519,583)	\$ (3,459,427)	\$ 70,746	\$ (1,283,224)	\$ (11,291)
2	.....	3,589	22,521	19,565
(82,486)	78,156	(1,077)	(5,994)	2,052
2	(1,322)	375	24,315	(8,523)
.....	(51,631)	551	(52,086)	.....
.....	.....	23	(265)	(88)
.....	.....	.....	(3,073)	.....
771,297	72,967	1,836	703,704	(3,196)
(34)	.....	736	820	426
156	(4,400)	(224)	(54,843)	(1,842)
.....	206
.....	7,848	7,848	16,898
.....	18,838
<u>\$ 169,354</u>	<u>\$ (3,365,657)</u>	<u>\$ 84,403</u>	<u>\$ (621,233)</u>	<u>\$ 14,001</u>

(40,285)	(104,110)
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FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS

Individual fund descriptions and financial statements begin on page 201.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

Individual fund descriptions and financial statements begin on page 207.

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 beginning on page 213.

AGENCY FUNDS

Individual fund descriptions and financial statements begin on page 217.

2009 STATE OF FLORIDA CAFR

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2009

(in thousands)

	Private- purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Agency Funds	Totals 6/30/09
ASSETS					
Cash and cash equivalents	\$ 1,737	\$ 598,638	\$ 2,862	\$ 28,276	\$ 631,513
Pooled investments with State Treasury	576,510	95,254	.....	4,986,359	5,658,123
Total cash and cash equivalents	578,247	693,892	2,862	5,014,635	6,289,636
<u>Investments</u>					
Certificates of deposit	376	777,105	1,701,043	170,340	2,648,864
U.S. government & federally guaranteed obligations	13,474	2,775,562	.....	1,094,236	3,883,272
Federal agencies	29,630	7,814,361	81,865	46,879	7,972,735
Commercial paper	11	2,706,714	1,359,683	135,624	4,202,032
Repurchase agreements	4	1,477,446	1,973,931	196,300	3,647,681
Bonds and notes	22,613	18,958,942	300,853	75,130	19,357,538
International bonds and notes	2,363	2,572,353	.....	.....	2,574,716
Real estate contracts	.....	6,506,329	.....	.....	6,506,329
Mutual fund investments	6,359	8,935,953	.....	655	8,942,967
Money market and short-term investments	18,033	870,765	235,002	24,644	1,148,444
Domestic equity	82,641	32,918,084	.....	.....	33,000,725
Limited partnerships	.....	4,658,270	.....	.....	4,658,270
Equity group trust	.....	1,928	.....	.....	1,928
International equity	398	16,576,329	.....	.....	16,576,727
Deferred compensation annuities	.....	47,223	.....	.....	47,223
Other investments	.....	.....	.....	160	160
Total investments	175,902	107,597,364	5,652,377	1,743,968	115,169,611
<u>Receivables</u>					
Accounts receivable	23,649	15,909	.....	455,571	495,129
State contributions receivable	.....	64,036	.....	.....	64,036
Nonstate contributions receivable	.....	276,103	.....	7	276,110
Interest receivable	1,542	263,806	4,219	6,015	275,582
Dividends receivable	93	121,174	.....	11	121,278
Pending investment sales	77	1,676,158	.....	.....	1,676,235
Forward contracts	.....	285,334	.....	.....	285,334
Due from state funds	433	1	.....	58,004	58,438
Due from other governments	18,703	.....	.....	.....	18,703
Total receivables	44,497	2,702,521	4,219	519,608	3,270,845
Security lending collateral	25,430	9,509,812	.....	.....	9,535,242
Advances to other funds	471,797	.....	.....	.....	471,797
Loans receivable	1,025,023	.....	.....	.....	1,025,023
Capital assets	908	1,431	.....	.....	2,339
Accumulated depreciation	(690)	(692)	.....	.....	(1,382)
Other assets	198	5,916	.....	.....	6,114
Total assets	2,321,312	120,510,244	5,659,458	7,278,211	135,769,225
LIABILITIES					
Accounts payable and accrued liabilities	13,108	77,371	136	801,012	891,627
Due to other funds	3,029	2,645	29	64,680	70,383
DROP	.....	2,467,415	.....	.....	2,467,415
Pending investment purchases	293	3,668,689	.....	.....	3,668,982
Short sell obligations	.....	615,754	.....	.....	615,754
Forward contracts payable	.....	286,371	.....	491,437	777,808
Broker rebate fees	.....	.....	.....	.....	.....
Due to other governments	3,279	.....	2,898	454,330	460,507
Due to component units/primary	.....	.....	.....	3,277,842	3,277,842
Obligations under security lending agreements	113,287	10,362,096	.....	665,729	11,141,112
Obligations under reverse repurchase agreements	33,230	1,682	.....	254,990	289,902
Claims payable	2,173	4,219	.....	14,860	21,252
Deposits payable	4,361	11,462	.....	1,253,323	1,269,146
Compensated absences	346	1,105	.....	.....	1,451
Advances from other funds	.....	.....	.....	8	8
Other liabilities	241	1,269	.....	.....	1,510
Total liabilities	173,347	17,500,078	3,063	7,278,211	24,954,699
NET ASSETS					
Held in trust for pension benefits and other purposes	\$ 2,147,965	\$ 103,010,166	\$ 5,656,395	\$	\$ 110,814,526

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

2009 STATE OF FLORIDA CAFR

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Private- purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Totals 06/30/09
ADDITIONS				
<u>Contributions and other deposits</u>				
Pension fund contributions - state	\$	\$ 883,884	\$	\$ 883,884
Pension fund contributions - nonstate	.....	2,984,505	.....	2,984,505
Employer/employee contributions	.....	138,596	.....	138,596
Purchase of time by employees	.....	89,331	.....	89,331
Fees	1,441	557	1	1,999
Grants and contributions	269,019	.....	.....	269,019
Flexible benefits contributions	.....	198,075	.....	198,075
Fines, forfeits, settlements and judgments	235	.....	.....	235
Unclaimed property remittances	298,439	.....	.....	298,439
Transfers in from state funds	7,675	541,650	105,040	654,365
Total contributions and other deposits	<u>576,809</u>	<u>4,836,598</u>	<u>105,041</u>	<u>5,518,448</u>
<u>Investment income</u>				
Interest income	13,279	2,095,260	83,402	2,191,941
Dividends	1,894	1,539,625	.....	1,541,519
Other investment income	.....	47	.....	47
Net increase (decrease) in fair market value	(20,709)	(29,003,361)	(170,324)	(29,194,394)
Total investment income	<u>(5,536)</u>	<u>(25,368,429)</u>	<u>(86,922)</u>	<u>(25,460,887)</u>
Investment activity expense	(1,143)	(278,040)	(1,918)	(281,101)
Net income (loss) from investing activity	<u>(6,679)</u>	<u>(25,646,469)</u>	<u>(88,840)</u>	<u>(25,741,988)</u>
<u>Security lending activity</u>				
Security lending income	363	221,718	8	222,089
Security lending expense	(206)	(120,420)	(6)	(120,632)
Net income from security lending	<u>157</u>	<u>101,298</u>	<u>2</u>	<u>101,457</u>
Total net investment income	<u>(6,522)</u>	<u>(25,545,171)</u>	<u>(88,838)</u>	<u>(25,640,531)</u>
Other additions	7,498	13	.....	7,511
Total additions	<u>577,785</u>	<u>(20,708,560)</u>	<u>16,203</u>	<u>(20,114,572)</u>
DEDUCTIONS				
Benefit payments	.....	6,749,415	.....	6,749,415
Insurance claims expense	102,951	.....	.....	102,951
Supplemental insurance payments	.....	58,450	.....	58,450
Flexible reimbursement payments	.....	22,841	.....	22,841
Life insurance premium payments	.....	36,118	.....	36,118
Remittances to annuity companies	.....	199,793	.....	199,793
Interest expense	743	2	.....	745
Student loan default payments	253,735	.....	.....	253,735
Payments to unclaimed property claimants	125,642	.....	.....	125,642
Distribution to State School Fund	111,993	.....	.....	111,993
Administrative expense	8,090	36,327	8	44,425
Property disposition gain (loss)	331	.....	.....	331
Transfers out to state funds	2,016	577,152	105,040	684,208
Other deductions	31,226	497	.....	31,723
Total deductions	<u>636,727</u>	<u>7,680,595</u>	<u>105,048</u>	<u>8,422,370</u>
<u>Depositor activity</u>				
Deposits	205,584	.....	8,731,031	8,936,615
Withdrawals	(30,136)	.....	(8,986,956)	(9,017,092)
Excess (deficiency) of deposits over withdrawals	<u>175,448</u>	<u>.....</u>	<u>(255,925)</u>	<u>(80,477)</u>
Change in net assets	<u>116,506</u>	<u>(28,389,155)</u>	<u>(344,770)</u>	<u>(28,617,419)</u>
Net assets - beginning	<u>2,031,459</u>	<u>131,399,321</u>	<u>6,001,165</u>	<u>139,431,945</u>
Net assets - ending	<u>\$ 2,147,965</u>	<u>\$ 103,010,166</u>	<u>\$ 5,656,395</u>	<u>\$ 110,814,526</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.

UNIVERSITY OF FLORIDA

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

CITIZENS PROPERTY INSURANCE CORPORATION

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 of Florida under specified circumstances.

Nonmajor Component Units

Nonmajor component units are presented beginning on page 223.

2009 STATE OF FLORIDA CAFR

STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2009
(in thousands)

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units
ASSETS				
Cash and cash equivalents	\$ 419,224	\$ 275,378	\$ 4,229,514	\$ 1,051,235
Pooled investments with State Treasury	405,699	728,178	.....	1,228,193
Other investments	2,717,213	1,876,872	3,302,346	4,269,012
Receivables, net	104,677	447,373	366,081	1,220,180
Due from component units/primary	.....	222,577	.....	1,354,140
Inventories	.....	6,279	.....	36,491
Restricted cash and cash equivalents	.....	2,086	24,044	307,742
Restricted pooled investments with State Treasury	.....	77,760	.....	284,460
Restricted investments	.....	210	.....	1,353,123
Other loans and notes receivable, net	2,993,073	39,166	509,434	74,922
Other assets	22,017	107,788	256,622	248,218
Capital assets, net	186	2,657,141	29,253	16,721,527
Total assets	<u>6,662,089</u>	<u>6,440,808</u>	<u>8,717,294</u>	<u>28,149,243</u>
LIABILITIES				
Accounts payable and accrued liabilities	96,125	380,801	1,047,618	1,559,055
Due to component units/primary	24,824	39,972	.....	169,889
Deferred revenues	61,672	120,532	1,224,342	571,333
Long-term liabilities				
Due within one year	148,371	61,096	1,670,262	358,368
Due in more than one year	4,366,733	1,429,453	1,076,168	3,502,062
Total liabilities	<u>4,697,725</u>	<u>2,031,854</u>	<u>5,018,390</u>	<u>6,160,707</u>
NET ASSETS				
Invested in capital assets, net of related debt	.....	1,753,330	29,253	14,209,011
Restricted for				
Debt service	.....	3,081	.....	54,086
Other	.....	937,963	24,044	1,232,261
Funds held for permanent endowment				
Expendable	.....	123,207	.....	1,901,523
Nonexpendable	.....	1,008,921	.....	1,904,473
Unrestricted	1,964,364	582,452	3,645,607	2,687,182
Total net assets	<u>\$ 1,964,364</u>	<u>\$ 4,408,954</u>	<u>\$ 3,698,904</u>	<u>\$ 21,988,536</u>

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

Totals
6/30/09

\$	5,975,351
	2,362,070
	12,165,443
	2,138,311
	1,576,717
	42,770
	333,872
	362,220
	1,353,333
	3,616,595
	634,645
	<u>19,408,107</u>
	<u>49,969,434</u>
	3,083,599
	234,685
	1,977,879
	2,238,097
	<u>10,374,416</u>
	<u>17,908,676</u>
	15,991,594
	57,167
	2,194,268
	2,024,730
	2,913,394
	8,879,605
\$	<u><u>32,060,758</u></u>

2009 STATE OF FLORIDA CAFR

**STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(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	\$ 436,479	\$ 336,189	\$	\$	\$ (100,290)
University of Florida	4,800,001	2,564,462	1,249,427	96,212	.....
Citizens Property Insurance Corporation	1,630,624	2,256,628	.....	.....	.....
Nonmajor component units	9,537,580	2,418,058	2,807,367	1,519,586	.....
Total component units	\$ 16,404,684	\$ 7,575,337	\$ 4,056,794	\$ 1,615,798	(100,290)

General revenues

Property taxes	.....
Investment earnings (loss)	.....
Gain (loss) on sale of capital assets	.....
Payments from the State of Florida	.....
Emergency assessment	.....
Miscellaneous	71,388
Contributions to permanent funds	.....
Total general revenues and contributions	71,388
Change in net assets	(28,902)
Net assets - beginning	1,993,266
Adjustments to increase (decrease) beginning net assets	.....
Net assets - ending	\$ 1,964,364

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

2009 STATE OF FLORIDA CAFR

Net (Expense) Revenue and Changes in Net Assets			
University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/09
\$	\$	\$	\$ (100,290)
(889,900)	.....	.....	(889,900)
.....	626,004	.....	626,004
.....	.....	(2,792,569)	(2,792,569)
(889,900)	626,004	(2,792,569)	(3,156,755)
.....	.....	955,051	955,051
(285,275)	11,740	(449,793)	(723,328)
(3,496)	.....	(5,367)	(8,863)
620,968	.....	2,781,621	3,402,589
.....
167,716	1,066	429,884	670,054
46,388	.....	21,420	67,808
546,301	12,806	3,732,816	4,363,311
(343,599)	638,810	940,247	1,206,556
4,727,311	3,060,094	21,009,937	30,790,608
25,242	38,352	63,594
\$ 4,408,954	\$ 3,698,904	\$ 21,988,536	\$ 32,060,758

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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 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
- Scripps Florida Funding Corporation
- Space Florida
- State Board of Education (SBE)
- Wireless Emergency Telephone System
- Workforce Florida, Inc.

Blended component units that are considered major funds are reported in separate columns in the fund financial statements. Other blended component units that are considered nonmajor funds 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 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 state's financial statements are reported for the fiscal year ended June 30, 2009. The state's component units' financial statements are reported for the most recent fiscal year for which an audit report is available. Some component units have a fiscal year other than June 30. Accordingly, amounts reported by the state as due from and to component units on the statement of net assets may not agree with amounts reported by the component units as due from and to the state. Refer to Section D of this note for more information on major fund determination and presentation. 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. The state university system is governed by the Florida Board of Governors. Each university is administered by a local board of trustees. The Florida college system is governed by the State Board of Education. All state universities and Florida colleges have a June 30 year-end. Component units included in this category are:

State Universities

Major:

- University of Florida

Nonmajor:

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

Florida Colleges

Nonmajor:

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

Florida Housing Finance Corporation (Major). Pursuant to Section 420.504, Florida Statutes (F.S.), 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, F.S., 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:

Nonmajor:

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

Citizens Property Insurance Corporation (Major). Pursuant to Section 627.351(6), F.S., this corporation was created to provide certain residential property and casualty insurance coverage to qualified risks in the state under specified circumstances. This entity has a December 31 year-end.

Other. Additional discretely presented component units of the state 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 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 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 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 \$68 million and \$90.5 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, F.S., 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, F.S., 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, F.S., 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 organizations 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, F.S., 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:

Department of Financial Services
 Bureau of Accounting
 Statewide Financial Reporting Section
 200 East Gaines Street
 Tallahassee, Florida 32399-0354
 Telephone: (850) 413-5511
 Department Website: <http://www.myfloridacfo.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 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. 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 included in program revenues are reported in 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*, the state, for business-type activities and enterprise funds, has the option to elect to apply all pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements. 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. GASB 34 further requires that the reporting government's main operating fund (the General Fund) always be reported as a major fund. 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 – a special revenue fund, accounts for the operations of various programs such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation.

Public Education – a special revenue fund, includes funds used to operate education-related programs.

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

Transportation – a special revenue fund, accounts for the maintenance and development of the state highway system and other transportation-related projects.

Major Business-type Funds

Transportation – an enterprise fund, primarily accounts for operations of the Florida Turnpike.

Lottery – an enterprise fund, accounts for state lottery operations, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Educational Enhancement Trust Fund.

Florida Hurricane Catastrophe Fund – an enterprise fund, accounts for investments for the Florida Hurricane Catastrophe Fund, which was created to help cover insurers' losses in the event of a hurricane disaster.

Prepaid College Program – an enterprise fund, accounts 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.

Unemployment Compensation – an enterprise fund, accounts for contributions, reimbursements and investments for the Unemployment Compensation Fund, which was created to pay unemployment benefits to eligible individuals.

Fund Types

Additionally, the state reports the following fund types:

Internal Service Funds

These proprietary-type funds are 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:

- ***Employee Health and Disability*** – includes funds that account for state employee's health and disability plans.
- ***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 including funds accounting for unclaimed property; federally guaranteed, higher education loans; contributions to a college savings plan; and various others.

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 the state's pension plans and other employee benefit plans.

Agency Funds - used to report resources held by the state in a purely custodial capacity. For example, these funds account for asset and liability balances related to retiree health care, taxes collected and held by the Department of Revenue for other entities, student funds held by the School for Deaf and Blind, and investments administered by the State for component units.

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 are considered cash equivalents. Details of deposits are included in Note 2.

Investments

Florida Statutes authorize the state to invest in various instruments. The state records investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

Investments with the State Treasury are reported at fair value which is obtained from independent pricing service providers. Independent pricing service providers use quoted market prices when available and employ various, sometimes proprietary, multifactor models for determining a security's fair value if it is not available from quoted market prices. Some securities including U.S. government, municipal bonds, and mortgage backed and asset backed securities are priced using evaluated bid prices. Evaluated bid prices are determined by taking bid prices and adjusting them by an evaluated adjustment factor derived from the independent pricing service's multifactor model. If values are not available using the above methods, secondary methods such as non-evaluated mid price and bid price are used. If no source of values is available, cost or last available price from any source is used, unless a price is directed by the State Treasury.

Investments managed by the State Board of Administration (SBA) are reported in various funds. Investments of the Debt Service Escrowed Fund, which meet the requirements of a legal or in-substance defeasance, are reported at cost. Investments of the Local Government Surplus Funds Trust Fund (LGIP) are reported based on amortized cost and disclosed in Note 2 at fair value. Other investments managed by the SBA, including those related to the state's defined benefit and defined contribution pension plans, are reported at fair value at the reporting date.

For SBA-managed investments, fair values are obtained or estimated in accordance with the Global Pricing Guidelines established with the SBA's custodian, BNY Mellon Bank. BNY Mellon Bank uses a variety of independent pricing vendors and designates certain vendors as the primary source based on asset type, class or issue. BNY Mellon Bank monitors prices supplied by primary sources and may use a supplemental price source or change the primary price source if any of the following occurs:

- The price of a security is not received from the primary price source.
- The primary price source no longer prices a particular asset type, class or issue.
- The SBA or its portfolio investment manager challenges a price and BNY Mellon Bank reviews the price with the vendor, who agrees that the price provided by that vendor may not be appropriate.
- The price from the primary source exceeds BNY Mellon Bank's price tolerance checkpoints and results in a vendor comparison review where another source is deemed to be more appropriate by the BNY Mellon Bank.

When a portfolio includes securities or instruments for which BNY Mellon Bank does not receive a price from its vendor price sources, BNY Mellon Bank uses a "non-vendor price source." Examples include, but are not limited to, limited partnerships or similar private investment vehicles that do not actively trade through established exchange mechanisms; other private placements where there is no or limited information in the market place; and unique fixed income and equity instruments. In such cases where the securities or instruments are in the portfolio of an investment manager, BNY Mellon Bank will obtain the non-vendor price by either contacting the manager of the investment vehicle where the security is a private vehicle, e.g., the "General Partner" of a Limited Partnership, or by contacting the investment manager which directed the purchase of the security or other instrument to obtain direction as to a price. The SBA does not provide direction regarding the substitution of prices in such instances where securities or instruments are in the portfolio of an investment manager appointed by the SBA. In such cases where the SBA directed the purchase of such securities or instruments, BNY Mellon Bank may obtain the non-vendor price by contacting the SBA only if it is not commercially reasonable to directly obtain the non-vendor price from the

broker of record, as identified by the SBA. BNY Mellon Bank performs a limited reasonableness review of non-vendor prices by comparing the current month-end price to the prior month-end price.

Investments that do not have an established market are reported at their estimated fair value. Real estate investments are based on independent appraisals or more recent appraisals provided by real estate investment advisors, adjusted by subsequent cash flows (i.e. contributions and withdrawals). Investments in mortgages are valued on the basis of expected future principal and interest payments and are discounted at prevailing interest rates for similar instruments. For the few mortgaged-backed securities that BNY Mellon Bank is unable to obtain a price source, SBA obtains broker prices for each of the underlying mortgage collateral holdings and calculates a total market value, then divides the total market value by the total current outstanding face of the investment security to get a price per unit. SBA's total units held, multiplied by the unit price, is used as the estimated fair value. If no current price source can be found for a security, the last known price from any source is used. Because of the inherent uncertainty of the valuation using pricing methodologies other than the quoted prices, the estimated fair values may differ from the values that would have been used had a ready market existed.

Investment detail is included in Note 2.

Inventories

Inventories primarily consist of expendable supplies. Inventories are recorded according to the consumption method 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.

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.

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.

Compensated Absences Liability

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 tax and pension contributions at current rates.

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." 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. At June 30, 2009, the government-wide statement of net assets report \$10.3 billion of restricted net assets, of which \$5.4 billion is restricted by enabling legislation.

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.

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. 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. The fair value of these items is reported in the governmental fund 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, F.S. 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 revenue.

H. Operating and Nonoperating Revenues

Proprietary funds distinguish operating and nonoperating revenues. Operating revenues typically derive from providing goods or services, and include all transactions involved in delivering those goods or services. These revenues are a direct result of exchange-type transactions associated with the principal activity of the fund. Cash flow resulting from capital and related financing, noncapital financing and investment activities are considered nonoperating for reporting purposes.

I. Accounting and Reporting Changes

Accounting Changes

The state implemented GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which establishes accounting and financial reporting standards for pollution remediation obligations. This statement identifies the obligating events which require a governmental entity to estimate the components of expected pollution remediation outlays and determine whether the outlays for those components should be accrued as a liability, or, if appropriate, capitalized when goods and services are acquired. Such liabilities and costs relating to these obligations were immaterial for the reporting entity for the fiscal year ended June 30, 2009.

The state implemented GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This statement improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. It also requires state and local government to disclose the methods and significant assumptions employed to determine fair value, and to provide other information that they currently present for other investments reported at fair value. The state does not have material holdings of land or other real estate held as investments by a permanent or temporary endowment.

Reporting Changes

In prior years, the Lawton Chiles Endowment Fund was reported as a permanent fund on the non-major governmental funds statement. This fund mainly accounted for tobacco settlement proceeds and investment earnings. This fund was originally set up through Section 215.5601 F.S., to provide a perpetual source of enhanced funding for various programs. In fiscal year 2008, HB 5001 Section 77 passed allowing a large amount of the corpus to be used to cover general revenue fund shortfalls. In fiscal year ending June 30, 2009, the Lawton Chiles Endowment Fund is reported in the general fund. See Note 1J.

In prior years, the Division of Universities - Capital Improvement Fee Trust Fund, administered by the Florida Department of Education, was classified as a special revenue fund type within the Public Education fund. This fund was re-classified as an agency fund. As of June 30, 2009, the Trust Fund had assets of \$84,947,909. See also note 1J.

Changes in Major/Non-Major Funds

Unemployment Compensation, an enterprise fund, is reported as a major fund for the fiscal year ended June 30, 2009. The beginning fund balance for non-major enterprise funds was reduced as a result of this change.

In prior years, the State Board of Administration, an enterprise fund, was reported as a single fund on the proprietary fund statements. The fund accounted for the Florida Hurricane Catastrophe Fund and the State Board of Administration Administrative Expense Fund. In the current year, the Florida Hurricane Catastrophe Fund will be reported as a single fund, and the SBA Administrative Expense Fund will be included in the non-major enterprise funds.

J. Prior Period Adjustments

Fund balances and net assets at July 1, 2008 have been increased (decreased) as follows in order to correct errors and recognize changes in fund classifications: (in thousands)

GOVERNMENTAL ACTIVITIES

Governmental Funds

General Fund

To recognize funds due to an understatement of net sales tax receivable.	98,595	
To increase beginning fund balance due to a reporting change for the Lawton Chiles Endowment Fund.	2,132,204	
Total General Fund	2,230,799	

Transportation

To recognize funds due to an understatement of prior year tax receivables.	48,432	
To recognize funds due to an overstatement of prior year liabilities.	121,363	
Total Transportation	169,795	

GOVERNMENTAL ACTIVITIES (CONT.)

Public Education		
To recognize funds due to an understatement of prior year tax receivables.	55,458	
To decrease beginning fund balance due to a reclassification of the Division of Universities - Capital Improvement Fee Trust Fund.	(47,635)	
Total Public Education		7,823
Nonmajor Governmental Funds		
To adjust beginning fund balance due to a reporting change to the Lawton Chiles Endowment Fund.	(2,132,204)	
To recognize funds due to an understatement of prior year operating transfers from the General Fund to the Economic Development Trust Fund.	187,159	
To adjust fund balance to close an agency grant.	(20)	
To correct an overstatement of payables in the Citrus Commission Fund.	1,010	
To correct prior period accounting errors and to close out accounts in the Military and Veterans' Affairs Fund.	52	
Total Nonmajor Governmental Funds		(1,944,003)
Total Governmental Funds		464,414
Government-wide Reconciling Items		
Children and Families		
To correct an understatement of prior year long-term claims payable liability.		(19,280)
Environmental Protection		
To recognize prior year acquisitions not previously capitalized.		9,066
Military Affairs		
To correct prior year accounting errors.		(22,084)
Total Government-wide Reconciling Items		(32,298)
TOTAL GOVERNMENTAL ACTIVITIES		432,116

BUSINESS-TYPE ACTIVITIES

Transportation		
To recognize funds due to an understatement of funds related to capital projects.		13,245
Unemployment Compensation Trust Fund		
To correct an overstatement of accounts receivable.		(182,119)
Hurricane Catastrophe Fund		
To decrease beginning net asset balance due to reclassification of the State Board of Administration Trust Fund to Non-Major Enterprise Funds.		(78,333)
Non-Major Enterprise Funds		
To increase beginning net asset balance due to reclassification of the State Board of Administration Trust Fund to Non-Major Enterprise Funds.		78,333
TOTAL BUSINESS-TYPE ACTIVITIES		(168,874)

COMPONENT UNITS

Major Component Units		
University of Florida		
To increase beginning net asset balance due to changes in accounting for moneys previously reported in the University's agency funds.	45,381	
To decrease beginning net asset balance due to changes in accounting for the Federal Perkins Loan Program.	(20,138)	
Total Major Component Units		25,243
Nonmajor Component Units		
Other State Universities		
To recognize funds due to acquisition of component units.	43,088	
To recognize funds due to correction of accounting errors.	299	
Florida Colleges		
To correct prior year accounting errors.	(5,035)	
Total Nonmajor Component Units		38,352
TOTAL COMPONENT UNITS		63,595

NOTE 2 - DEPOSITS AND INVESTMENTS**A. Deposits**

At June 30, 2009, the state's deposits in financial institutions totaled approximately \$2.1 billion for primary government and \$1.8 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 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 Section 280.04, F.S., and Chapter 69C-2, Florida Administrative Code. Collateral pledging levels include 25, 50, 125, and 200 percent of a QPD's average daily deposit balance, or, if needed, an amount as prescribed by the CFO. Section 280.13, F.S., outlines eligible types of collateral including direct obligations of the United States (U.S.) Government, federal agency obligations fully guaranteed by the U.S. Government, certain federal agency obligations, 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 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.

In accordance with section 280.08, F.S., if a QPD defaults, losses to public depositors are first satisfied with any applicable depository insurance, followed by demands of payment under any letters of credit or sale of the defaulting QPD's collateral. If necessary, any remaining losses are to be satisfied by assessments against the other participating QPDs according to a statutory based ratio.

At June 30, 2009, the following deposits were not secured pursuant to Chapter 280, F.S., and were exposed to custodial credit risk because they were uninsured and (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the state's name (in thousands).

**Custodial Credit Risk
As of June 30, 2009**

Custodial Credit Risk	Bank Statement Balance (in U.S. \$)	
	Primary Government	Component Units
(1)	\$ 293,044	\$ 260,462
(2)	97,528	447,889
(3)	.....	46,397
Total deposits subject to custodial credit risk	\$ 390,572	\$ 754,748

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 and the Lawton Chiles Endowment Fund (LCEF) that sets ranges on investments by asset class. In the FRS Trust Fund, total assets held in the foreign equities asset class (all non-U.S. investments) are limited to a range of 11-25% of total investments with a target of 20%. For the LCEF, total assets held in the foreign equities asset class are limited to a range of 6-18% of total investments with a target of 12%. Other asset classes may hold non-U.S. securities as well, depending on portfolio guidelines. In both cases, Florida law limits the exposure to foreign securities to 25% of the total fund. The FRS and LCEF investment plans were adopted December 9, 2008, and March 24, 2009; respectively, and may be modified in the future if the SBA adopts changes. This investment activity in foreign investments resulted in deposits in foreign currency as of June 30, 2009, as illustrated in the following schedule (in thousands):

Foreign Currency Deposits Held As of June 30, 2009

Currency	Bank Statement Balance (in U.S. \$)		
	FRS Pension Trust Fund	LCEF	Total
Australian dollar	\$ 5,111	\$ 1	\$ 5,112
Brazilian real	2,186	109	2,295
British pound sterling	9,987	72	10,059
Canadian dollar	1,881	240	2,121
Czech koruna	1,440	.....	1,440
Danish krone	1,041	11	1,052
Euro currency unit	43,687	119	43,806
Hong Kong dollar	4,623	49	4,672
Indian rupee	8,941	.....	8,941
Japanese yen	15,998	213	16,211
Malaysian ringgit	2,235	280	2,515
South African rand	3,211	21	3,232
Swiss franc	1,594	101	1,695
Taiwan new dollar	7,565	.....	7,565
Turkish new lira	1,893	1	1,894
Other	4,264	279	4,543
Total deposits subject to foreign currency risk	\$ 115,657	\$ 1,496	\$ 117,153

B. Investments

At June 30, 2009, the state’s investments in governmental and business-type activities and fiduciary funds totaled \$163.9 billion, consisting of pooled investments with the State Treasury in the amount of \$18.5 billion and other investments in the amount of \$145.3 billion. The State Treasury had holdings at June 30, 2009, of \$2.5 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 \$13.5 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, 2009 (including security lending collateral investments), as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Pooled Investments with State Treasury
As of June 30, 2009**

Investment type	Fair Value
Commercial paper	\$ 756,977
U.S. guaranteed obligations	3,352,692
Federal agencies	6,757,353
Domestic bonds & notes	2,858,020
International bonds & notes	526,979
Mutual funds	557,266
Repurchase agreements	700,000
Certificates of Deposit	.....
Unemployment compensation funds pooled with U.S. Treasury	445,931
Total investments excluding security lending collateral	<u>15,955,218</u>
Lending collateral investments:	
Repurchase agreements	701,264
Domestic bonds & notes	1,912,111
International bonds & notes	98,399
Certificates of deposit	22,000
Federal agencies	100,085
Mutual funds	115,700
Total lending collateral investments	<u>2,949,559</u>
Total investments	<u>18,904,777</u>
Cash on hand	300
Cash on deposit	1,253,893
Total State Treasury holdings	<u>20,158,970</u>
Adjustments:	
Outstanding warrants	(1,337,327)
Unsettled securities liability	(275,536)
Reconciled balance, June 30, 2009	<u>\$ 18,546,107</u>
Reconciliation to the basic financial statements (in thousands):	
Pooled investments with State Treasury	
Governmental activities	\$ 11,656,168
Business-type activities	1,181,226
Fiduciary funds	5,658,123
Total pooled investments with State Treasury	<u>\$ 18,495,517</u>
Restricted pooled investments with State Treasury	
Governmental activities	\$
Business-type activities	50,590
Total restricted pooled investments with State Treasury	<u>50,590</u>
Total pooled investments with State Treasury for primary government	<u>\$ 18,546,107</u>

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 76% of total other investments of the primary government at June 30, 2009. Investments in the Florida Prepaid College Trust Fund represented another 6.4% of total other investments of the primary government. Section 215.47, F.S., allows the SBA to invest funds in a range of instruments, including security lending agreements and reverse repurchase agreements.

The schedule below discloses other investments at fair value and their total carrying value at June 30, 2009, as well as a reconciliation to the basic financial statements (in thousands):

**Schedule of Other Investments
As of June 30, 2009**

Investment type	Fair value			Total
	FRS Pension Trust Fund	Managed by SBA	Not managed by SBA	
Certificates of deposit	\$ 650,019	\$ 5,812,102	\$ 986	\$ 6,463,107
Commercial paper	2,701,753	1,568,947	.....	4,270,700
Money market funds	2,407	1,924,900	9,876	1,937,183
Repurchase agreements	1,475,431	3,036,598	.....	4,512,029
U.S. guaranteed obligations	2,765,488	7,395,157	1,336	10,161,981
Federal agencies	7,813,488	1,564,785	4,475	9,382,748
Domestic bonds & notes	17,964,528	3,406,354	856,564	22,227,446
Domestic bonds & notes mutual fund	156,902	1,404,044	.....	1,560,946
International bonds & notes	2,562,371	264,350	.....	2,826,721
Domestic stocks	32,911,340	995,813	16,993	33,924,146
Domestic equity group trust	1,928	.....	.....	1,928
Domestic equity commingled funds	.....	1,250,380	.....	1,250,380
International stocks	16,575,245	73,626	1,986	16,650,857
International equity commingled funds	4,616,782	642,071	.....	5,258,853
Limited partnerships	4,460,227	.....	.....	4,460,227
Limited partnerships - international	198,043	.....	.....	198,043
Swap contracts (debt related)	(61,626)	.....	.....	(61,626)
Swap contracts (equity index)	95,777	.....	.....	95,777
Real estate investments	6,506,329	.....	1,631	6,507,960
Mutual funds	.....	.....	954,279	954,279
Deferred compensation annuities	.....	.....	47,223	47,223
Total investments excluding lending collateral	101,396,432	29,339,127	1,895,349	132,630,908
Lending collateral investments:				
Certificates of deposit	1,147,411	567,935	.....	1,715,346
Commercial paper	1,529,068	30,760	.....	1,559,828
Money market funds	597,355	4,602	.....	601,957
Short-term security lending collateral pool	.....	100,614	.....	100,614
Repurchase agreements	2,217,763	1,074,294	.....	3,292,057
U.S. guaranteed obligations	191,199	.....	.....	191,199
Domestic bonds & notes	2,789,513	1,262,313	.....	4,051,826
International bonds & notes	1,037,501	190,492	.....	1,227,993
Total lending collateral investments	9,509,810	3,231,010	.....	12,740,820
Total investments for all types - fair value	\$ 110,906,242	\$ 32,570,137	\$ 1,895,349	\$ 145,371,728
Total investments for all types - carrying value	\$ 110,906,242	\$ 32,537,398	\$ 1,895,472	\$ 145,339,112
% of total other investments for primary government	76%	23%	1%	

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

	Governmental activities	Business-type activities	Fiduciary funds	Total
Other investments	\$ 1,544,621	\$ 16,982,953	\$\$	\$ 18,527,574
Restricted investments	.....	2,106,685	.....	2,106,685
Long-term investments	.....	.....	115,169,611	115,169,611
Security lending collateral	.....	.....	9,535,242	9,535,242
Total other investments for primary government	\$ 1,544,621	\$ 19,089,638	\$ 124,704,853	\$ 145,339,112

The SBA prepared a separate report (financial statements and notes) pertaining to the LGIP within the state's Investment Trust Fund for the period ended June 30, 2009. This 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.

Component Units

The schedule below discloses other investments reported at fair value and total carrying value, as of June 30, 2009, 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, 2009, are excluded.

**Schedule of Other Investments
For Discretely Presented Component Units
As of June 30, 2009**

<u>Investment type</u>	<u>Fair value</u>
Certificates of deposit	\$ 183,336
Commercial paper	18,973
Repurchase agreements	66,199
Money market funds	1,348,179
U.S. guaranteed obligations	284,037
Federal agencies	4,042,135
Domestic bonds & notes	2,851,154
International bonds & notes	322,490
Domestic stocks	793,509
International stocks	268,821
Real estate investments	48,318
Mutual funds	1,692,526
Investment agreements	1,545,055
Total other investments for all types - fair value	<u>\$ 13,464,732</u>
Total other investments for all types - carrying value	<u>\$ 13,518,776</u>
Reconciliation of carrying value to the basic financial statements:	
Other Investments	\$ 12,165,443
Restricted investments	<u>1,353,333</u>
Total other investments for component units	<u>\$ 13,518,776</u>

At June 30, 2009, 58.41% of total other investments for discretely presented component units belonged to the following major component units: Florida Housing Finance Corporation, University of Florida, and Citizens Property Insurance Corporation.

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

Credit risk is the risk that 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 17.57, F.S., for reducing exposure to investment credit risk. The State Treasury's rated debt investments as of June 30, 2009, were rated by the nationally recognized statistical rating organizations (NRSRO) Standard and Poor's (S&P) and Moody's, and the ratings are presented below using the applicable rating scale (in thousands):

State Treasury Credit Quality Ratings As of June 30, 2009								
Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes	Certificates of deposit	Total*	S&P rating**	Moody's rating**	
\$	\$ 48,636	\$ 1,047,123	\$ 176,018	\$	\$ 1,271,777	AAA		
.....	.....	923,131	30,950	.....	954,081	AA	
.....	.....	1,515,942	178,518	19,000	1,713,460	A	
.....	.....	778,751	199,347	.....	978,098	BBB	
.....	.....	49,581	3,476	.....	53,057	BB	
.....	.....	13,506	.....	.....	13,506	B	
.....	.....	3,954	1,559	.....	5,513	Below B	
756,977	.....	49,636	.....	.....	806,613	A-1	
.....	.....	106,290	.....	.....	106,290		Aaa
.....	.....	112,713	.....	.....	112,713		Aa
.....	.....	127,429	5,000	.....	132,429		A
.....	.....	2,210	2,533	.....	4,743		Baa
.....	.....	4,802	.....	.....	4,802		Ba
.....	.....	20,334	.....	.....	20,334		B
.....	.....	715	.....	.....	715		Below B
.....	6,808,802	14,014	27,977	3,000	6,853,793	Not rated	Not rated	
\$ 756,977	\$ 6,857,438	\$ 4,770,131	\$ 625,378	\$ 22,000	13,031,924			
				U.S. guaranteed obligations	3,352,692	Not rated	Not rated	
				Mutual funds	672,966	Not rated	Not rated	
				Repurchase Agreements	1,401,264	Not rated	Not rated	
					\$ 18,458,846			

*The remaining \$87,261 (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool, unsettled securities liability, cash on hand and deposit, and outstanding warrants 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.

The State Treasury's investment policies allow for unlimited investments in U.S. obligations and certain Federal Agency obligations. For other investments, the 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, 2009, more than five percent of the State Treasury's investment pool is invested in the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), and the Federal Home Loan Bank System (FHLB). These investments are approximately 18 percent, 13 percent, and 8 percent of the State Treasury's investments pool, respectively.

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, 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 (GNMA), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC). 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, or FHLMC securities as underlying collateral. Exposure is limited to 10% of the portfolio. U.S. Treasury and Agency debentures are allowed but are limited to 10% of portfolio market value.

Government/Corporate portfolios – Securities should be rated investment grade by at least one of the three 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).

Core portfolios – Securities should be rated investment grade by one of the three 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).

Core Plus portfolios – The strategic portion of the portfolio is invested in investment grade securities with a tactical weighting to the 'plus' sectors which include sectors such as high yield, emerging markets, foreign governments, and preferred stock. Non-dollar obligations issued by foreign governments, foreign agencies, or supranationals must be rated investment grade by at least one nationally recognized rating service. The policies dictate no limitations on concentration of credit risk on investments for a single issuer.

High Yield portfolios – 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 portfolio manager 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 5% 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-, Moody's Aa3, or Fitch AA-, except for asset-backed securities, which should have a rating of either S&P AAA, or Moody's Aaa, or Fitch AAA. 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). For all lending programs, 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.

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The FRS Pension Trust Fund did not hold any investments with a single issuer representing 5% or more of the fund's fair market value at June 30, 2009. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2009 (in thousands).

**FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2009**

Certificates of deposit	Commercial paper	Money market & short-term bond funds	Federal agencies	Domestic bonds & notes*	International bonds & notes	Total**	S&P rating***	Moody's rating***
\$ 101,896	\$	\$ 596,380	\$ 944,816	\$ 8,122,715	\$ 1,205,533	\$ 10,971,340	AAA/AAAm	
757,961	.....	.....	16,169	1,596,005	537,856	2,907,991	AA	
287,554	.....	.....	56,040	4,319,237	675,355	5,338,186	A	
.....	.....	.....	.....	2,710,276	522,026	3,232,302	BBB	
.....	.....	.....	.....	1,130,378	187,946	1,318,324	BB	
.....	.....	.....	.....	1,298,720	171,859	1,470,579	B	
.....	.....	.....	.....	187,216	9,492	196,708	CCC	
.....	.....	.....	.....	18,317	9,963	28,280	CC	
.....	.....	.....	.....	1,614	232	1,846	C	
.....	.....	3,382	.....	71,444	.....	74,826	D	
.....	.....	.....	94,945	324,992	5,203	425,140		Aaa
.....	.....	.....	.....	1,238	16,938	18,176		Aa
.....	.....	.....	.....	102,279	44,997	147,276		A
.....	.....	.....	.....	22,152	1,176	23,328		Baa
.....	.....	.....	.....	12,531	78,299	90,830		Ba
.....	.....	.....	.....	9,363	17,469	26,832		B
.....	.....	.....	.....	16,144	208	16,352		Caa
.....	3,804,976	.....	.....	.....	.....	3,804,976	A-1	
.....	220,863	.....	.....	.....	.....	220,863		P-1
.....	204,982	.....	.....	.....	.....	204,982		P-2
650,019	.....	.....	6,701,518	801,322	115,320	8,268,179	Not rated	Not rated
\$ 1,797,430	\$ 4,230,821	\$ 599,762	\$ 7,813,488	\$ 20,745,943	\$ 3,599,872	38,787,316		
				Repurchase agreements		3,693,194	Not rated	Not rated
				U.S. guaranteed obligations		2,956,687	Not rated	Not rated
				Investment agreements		165,000	Not rated	Not rated
				Domestic stocks		32,911,340	Not rated	Not rated
				Domestic equity group trust		1,928	Not rated	Not rated
				International stocks		16,575,245	Not rated	Not rated
				International equity commingled funds		4,616,782	Not rated	Not rated
				Limited partnerships		4,460,227	Not rated	Not rated
				Limited partnerships-international		198,043	Not rated	Not rated
				Swap contracts		34,151	Not rated	Not rated
				Real estate investments		6,506,329	Not rated	Not rated
				Total investments		\$ 110,906,242		

* The column for Domestic bonds & notes includes domestic commingled funds totaling \$156,901,550 with a S&P credit rating of "B".

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

*** 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". Long-term ratings are presented except for "AAAm", "A-1", "P-1", and "P-2". The "AAAm" rating is the top S&P rating for money market funds. The "A-1", "P-1" and "P-2" ratings are short-term ratings for S&P and Moody's, respectively.

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The schedule below discloses credit quality ratings on investments held in all funds managed by the SBA (except the FRS Pension Trust Fund) at June 30, 2009 (in thousands).

All SBA Managed Funds (except Defined Benefit Pension Trust Fund)

Credit Quality Ratings

As of June 30, 2009

Certificates of deposit	Commercial paper	Money market & Short-term bond funds	Federal agencies	Domestic bonds & notes	International bonds & notes	Total*	S&P rating**	Moody's rating**
\$ 40,005	\$	\$ 930,464	\$ 649,962	\$ 1,337,704	\$ 176,984	\$ 3,135,119	AAA/AAAm	
330,781	.....	.....	.....	578,872	59,677	969,330	AA	
326,253	.....	.....	16,525	1,594,768	181,141	2,118,687	A	
.....	.....	.....	.....	354,799	9,648	364,447	BBB	
.....	.....	.....	.....	112,259	.....	112,259	BB	
.....	.....	.....	.....	913	.....	913	CC	
.....	.....	.....	.....	2,114	.....	2,114	C	
.....	.....	137,466	113,877	54,143	.....	305,486		Aaa
9,990	.....	.....	.....	6,502	.....	16,492		Aa
.....	.....	.....	.....	279,981	.....	279,981		A
35,108	1,377,066	.....	.....	.....	.....	1,412,174	A-1	
.....	117,983	.....	.....	.....	.....	117,983	A-2	
174,995	104,658	.....	.....	.....	.....	279,653		P-1
5,462,905	.....	861,572	784,421	346,612	27,392	7,482,902	Not rated	Not rated
<u>\$ 6,380,037</u>	<u>\$ 1,599,707</u>	<u>\$ 1,929,502</u>	<u>\$ 1,564,785</u>	<u>\$ 4,668,667</u>	<u>\$ 454,842</u>	<u>16,597,540</u>		
				Repurchase agreements		4,110,892	Not rated	Not rated
				Security lending collateral pool		100,614	Not rated	Not rated
				U.S. guaranteed obligations		7,395,157	Not rated	Not rated
				Domestic bonds & notes mutual fund		1,404,044	Not rated	Not rated
				Domestic stocks		995,813	Not rated	Not rated
				Domestic equity commingled funds		1,250,380	Not rated	Not rated
				International stocks		73,626	Not rated	Not rated
				International equity commingled funds		642,071	Not rated	Not rated
				Total investments		<u>\$ 32,570,137</u>		

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

** 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." Long-term ratings are presented except for "AAAm", "A-1", "A-2" and "P-1".

The "AAAm" rating is the top S&P rating for money market funds. The "A-1", "A-2" and "P-1" ratings are short-term ratings for S&P and Moody's, respectively.

The LGIP held investments with the Bank of America, N.A. (27.5 percent), Morgan Stanley (11.7 percent), State Street Bank & Trust Company (5.02 percent), Bank of Tokyo-Mitsubishi Ltd., New York (5.02 percent), and Danske Corporation (5.01 percent) in excess of 5 percent of the LGIP's fair value.

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, 2009**

Component Unit	Certificates of deposit	Federal agencies	Bonds & notes	Mutual funds	Money market funds	Total	S&P rating
Florida Housing Finance Corporation *	\$ 2,300	\$	\$	\$	\$	\$ 2,300	A-
FHFC (continued)	233,096	.....	.....	233,096	AAA-BB+
FHFC (continued)	19,777	67,188	.....	.....	86,965	AAA
FHFC (continued)	264,542	.....	.....	.....	264,542	Not rated
University of Florida (UF)	26,797	.....	7,501	34,298	AAA
UF (continued)	399	1,050	34,401	1,213	37,063	AA
UF (continued)	2,923	126	514	3,563	A
UF (continued)	566	40,820	599	41,985	Not rated
Citizens Property Insurance Corporation	1,251,310	.....	.....	.....	1,251,310	AAA
CPIC (continued)	1,734,297	.....	.....	1,734,297	AA
CPIC (continued)	258,522	.....	.....	258,522	Not rated
	<u>\$ 2,300</u>	<u>\$ 1,536,028</u>	<u>\$ 2,324,439</u>	<u>\$ 75,347</u>	<u>\$ 9,827</u>	<u>\$ 3,947,941</u>	

* Florida Housing Finance Corporation reported total investments with a fair value in the amount of 1,132.50 million subject to concentration of credit risk. These investments were issued by Trinity Funding and FannieMae.

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

The State Treasury does not have an overall policy addressing custodial credit risk. However, as required by negotiated trust and custody contracts, many of the state's investments were held in the state's name by the Treasury's custodial financial institutions at June 30, 2009. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, included the following (in thousands):

**State Treasury
Custodial Credit Risk
As of June 30, 2009**

	Fair value
Invested security lending collateral:	
Repurchase agreements	\$ 701,264
Domestic bonds & notes	1,912,111
International bonds & notes	98,399
Mutual funds	115,700
Certificates of deposit	22,000
Federal agencies	100,085
Total	<u><u>\$ 2,949,559</u></u>

Other Investments

The SBA does not have an overall policy addressing custodial credit risk. However, as required by 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, 2009. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, included the following (in thousands):

**Other Investments
Custodial Credit Risk
As of June 30, 2009**

	FRS Pension Trust Fund	Other funds
Repurchase agreements	\$ 12,438	\$
Invested security lending collateral:		
Certificates of deposit	1,097,372	567,936
Commercial paper	1,480,338	.....
Repurchase agreements	1,420,000	1,045,000
U.S. Government guaranteed obligations	191,199	.....
Domestic bonds & notes	2,004,807	1,262,313
International bonds & notes (\$ denom)	998,411	190,491
Total	\$ 7,204,565	\$ 3,065,740

Component Units

Component units manage their exposure to custodial credit risk through various investment policies. These policies may be obtained separately from component units. Presented below is the applicable custodial credit risk information for a major component unit (in thousands).

**Major Component Unit
Custodial Credit Risk
As of June 30, 2009**

Component unit / Investment type	Fair value
University of Florida	
Bonds & notes	\$ 28,495
Mutual funds	1,213
Total	\$ 29,708

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, per externally managed portfolio with various investments, is six years. In addition, the security lending portfolios manage exposure to interest rate risk by limiting the weighted average maturity. The maximum weighted average maturity for security lending portfolios is 120 days.

Presented below is the interest rate risk table for the debt investments with the State Treasury (in thousands). Investment types related to debt portfolios are presented using effective weighted duration. Investment types related to security lending collateral portfolios are presented using weighted average maturity.

Debt Investments As of June 30, 2009

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Commercial paper	\$ 756,977	0.02	\$	NA
Repurchase agreements	700,000	0.00	701,264	1
U.S. guaranteed obligations:				
U.S. Treasury bonds & notes	1,381,472	3.26	.....	NA
U.S. Treasury strips	13,089	12.10	.....	NA
U.S. Treasury bills	1,650,137	0.19	.....	NA
GNMA mortgage-backed pass-through	197,820	2.94	.....	NA
GNMA TBA pass-through	29,165	2.50	.....	NA
GNMA collateralized mortgage obligations (CMO's)	44,482	4.15	.....	NA
GNMA CMO's - interest only	6,693	1.85	.....	NA
GNMA CMO's - principal only	732	9.50	.....	NA
Corporate bonds & notes	2,742	7.44	.....	NA
SBA Asset Backed	26,360	4.67	.....	NA
Federal agencies:				
Discount notes	1,461,774	0.19	.....	NA
Unsecured bonds & notes	1,668,217	1.26	100,085	1
Mortgage-backed pass-through	1,422,397	2.71	.....	NA
TBA mortgage-backed pass-through	214,037	2.62	.....	NA
Mortgage-backed CMO's	1,946,329	2.71	.....	NA
Mortgage-backed CMO's - principal only	16,672	12.21	.....	NA
Mortgage-backed CMO's - interest only	26,776	-11.31	.....	NA
Resolution funding corporate strips	1,151	8.99	.....	NA
Domestic bonds & notes:				
Corporate	1,758,965	4.95	1,912,111	29
Non-government backed CMO's & CMBS*	902,864	1.79	.....	NA
Non-government backed CMO's & CMBS* - principal only	1,311	0.01	.....	NA
Non-government backed CMO's & CMBS* - interest only	12,119	1.77	.....	NA
Municipal/provincial	13,043	7.56	.....	NA
Corporate asset-backed	169,718	0.88	.....	NA
International bonds & notes:				
Corporate	482,789	5.53	98,399	40
Collateralized debt obligations	44,190	-1.81	.....	NA
Mutual funds	557,266	0.03	115,700	1
Certificates of deposit	.....		22,000	1
Total Portfolio Weighted Average Maturity	.....		.....	21
Total Portfolio Weighted Effective Duration	.....	2.14	.....
Total debt investments	<u>\$ 15,509,287</u>	**	<u>\$ 2,949,559</u>	

* Commercial Mortgage-Backed Securities (CMBS)

** The remaining \$87,261 (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool, cash on hand and deposit, unsettled securities liability, and outstanding warrants 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 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 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 three years. Final maturity is limited to two 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 year of index duration. The index is the Barclays Capital U.S. MBS Index component of the Barclays Capital U.S. Aggregate Index.

Government/Corporate portfolios – Portfolio duration should remain within plus or minus 0.25 years of the index duration. The indices used are the Barclays Capital U.S. Aggregate Bond Index less MBS index.

Core portfolios – Portfolio duration should remain within plus or minus 0.50 - 1.0 year of the Barclays Capital U.S. Aggregate Index duration.

Core Plus portfolios – Portfolio duration should remain within plus or minus 1.0 year of the Barclays Capital U.S. Aggregate Index duration.

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 Barclays Capital.

Security Lending portfolios – Maximum WAM for a portfolio is 60 or 90 days, depending on the lending program.

Presented in the following schedule 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, 2009

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ -	NA	\$ 1,797,430	59
Commercial paper	.....	NA	4,230,821	22
Money market funds	.....	NA	599,762	1
Repurchase agreements	.....	NA	3,693,194	3
U.S. guaranteed obligations:				
U.S. Treasury bills	8,929	0.12	191,199	153
U.S. Treasury bonds & notes	1,233,991	7.50	.....	NA
U.S. Treasury strips	63,831	10.80	.....	NA
Index linked government bonds	637,206	4.89	.....	NA
U.S. government guaranteed	241,758	4.02	.....	NA
GNMA mortgage-backed	579,566	2.95	.....	NA
GNMA interest-only collateralized mortgage obligations (CMO's)	207	-40.72	.....	NA
Federal agencies:				
Discount notes	3,795	0.10	.....	NA
Unsecured bonds & notes	1,128,186	4.41	.....	NA
Agency strips	16,261	8.93	.....	NA
Mortgage-backed	6,541,102	2.93	.....	NA
Mortgage-backed CMO's	63,132	0.64	.....	NA
Interest-only CMO's	18,967	-19.23	.....	NA
Interest-only inverse floating CMO's	4,645	-0.95	.....	NA
Inverse floating CMO's	5,634	8.56	.....	NA
Principal-only CMO's	31,766	8.21	.....	NA
Domestic bonds & notes:				
Corporate	13,739,246	2.82	1,377,567	31
Non-government asset-backed & mortgage-backed	852,539	3.27	963,897	22
Non-government backed CMO's & CMBS	3,260,817	3.11	283,049	22
Non-government backed interest-only CMO's	18,097	3.24	.....	NA
Municipal/provincial	72,717	4.29	.....	NA
Real estate mortgage loans	21,112	6.34	.....	NA
Master notes	.....	NA	65,000	1
Funding agreements	.....	NA	100,000	43
Domestic bonds & notes mutual funds	156,902	2.53	.....	NA
International bonds & notes:				
Government & regional	443,896	4.22	.....	NA
Government agency	156,218	3.44	.....	NA
Corporate	1,857,442	4.12	397,409	34
Non-government asset-backed & mortgage-backed	104,815	-1.62	51,153	34
Non-government backed CMO's & CMBS	.....	NA	588,939	33
Futures contracts - U.S. Treasury bonds, notes and 3 month LIBOR *	.....	1.60	.....	NA
Futures contracts - Foreign debt *	.....	4.99	.....	NA
Swap contracts (debt related)* **	(61,626)	0.59	.....	NA
Total debt investments	<u>\$ 31,201,151</u>		<u>\$ 14,339,420</u>	

* The futures and swap contracts' weighting on duration was calculated using notional rather than fair values.

** The notional amounts related to these swap contracts (interest rate, credit default, and total return) was \$3,416,579,838.

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, 2009 (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, 2009**

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
U.S. guaranteed obligations:								
U.S. Treasury bills	\$ 113,441	\$ 113,441	\$	\$	\$	\$	\$	\$
U.S. Treasury bonds, notes, & SLGS*	1,376,021	839,273	492,628	30,786	12,938	396	.....	.....
U.S. Treasury strips	1,029,759	201,477	325,915	221,476	178,803	47,731	37,057	17,300
Federal agencies:								
Unsecured bonds & notes	217,619	78,697	70,057	43,245	25,620	.....	.....	.....
Agency strips	70,167	17,140	29,788	23,239	.....	.....	.....	.....
Inverse floating rate CMO's	316	.....	.....	.....	.....	316	.....	.....
Total debt investments	\$ 2,807,323	\$ 1,250,028	\$ 918,388	\$ 318,746	\$ 217,361	\$ 48,443	\$ 37,057	\$ 17,300

* 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, 2009**

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$	NA	\$ 6,380,037	44
Commercial paper	.....	NA	1,599,707	80
Money market funds	861,572	0.04	1,067,930	1
Security lending collateral pools	.....	NA	100,614	39
Repurchase agreements	.....	NA	4,110,892	1
U.S. guaranteed obligations:				
U.S. Treasury bills	1,498	0.47	.....	NA
U.S. Treasury bonds & notes	366,534	8.60	522,217	6
U.S. Treasury strips	3,333,865	11.33	.....	NA
Index linked government bonds	337,112	4.35	.....	NA
U.S. government guaranteed	251,791	2.26	10,074	75
GNMA mortgage-backed	50,275	3.74	.....	NA
GNMA collateralized mortgage obligations (CMO's)	2,570	3.00	.....	NA
Federal agencies:				
Unsecured bonds & notes	204,143	6.75	358,601	259
Agency strips	345,980	10.74	.....	NA
Mortgage-backed	270,237	3.72	.....	NA
Mortgage-backed CMO's	97,722	4.71	.....	NA
Domestic bonds & notes:				
Corporate	534,939	7.11	2,740,562	43
Non-government asset-backed & mortgage-backed	451,973	5.81	508,237	21
Non-government backed CMO's & CMBS	391,974	4.63	40,982	18
Domestic bonds & notes mutual fund	1,404,044	4.47	.....	NA
International bonds & notes:				
Government & regional	53	6.16	.....	NA
Government agency	21,044	4.53	.....	NA
Corporate	88,740	7.49	200,113	49
Non-government asset-backed & mortgage-backed	.....	NA	.....	NA
Non-government backed CMO's & CMBS	.....	NA	144,892	20
Total debt investments	\$ 9,016,066		\$ 17,784,858	

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, 2009**

Component unit / Investment type	Total fair value	Investment maturities (in years)			
		Less than or equal to 1	> 1 to 5	> 6 to 10	> 10
University of Florida					
U.S. guaranteed obligations	\$ 34,320	\$ 7,432	\$ 24,146	\$ 2,742	\$
Federal agencies	399	399	.....	.....	.....
Bonds & notes	31,336	321	24,148	1,980	4,887
Mutual funds	76,560	1,255	75,112	193	.....
Total debt investments	\$ 142,615	\$ 9,407	\$ 123,406	\$ 4,915	\$ 4,887

**Major Component Units
Debt Investments
That Use Duration or Weighted Average Maturity Method
As of June 30, 2009**

Component unit / Investment type	Fair value (duration)	Modified duration (in years)	Fair value (WAM)	Weighted Average maturity (in years)
Florida Housing Finance Corporation				
Certificates of Deposit	\$ 2,300	0.09	\$	NA
U.S. guaranteed obligations	55,878	1.68	.....	NA
Federal agencies	284,319	1.02	.....	NA
Bonds & notes	300,284	0.96	.....	NA
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	.....	NA	7,884	0.00
Federal agencies	.....	NA	1,251,310	0.00
Bonds & notes	.....	NA	1,984,934	1.16
Total debt investments	\$ 642,781		\$ 3,244,128	

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, 2009. These funds are managed primarily by the use of "asset classes."

The FRS Pension Trust Fund's foreign equities asset class range limits, as adopted in the SBA's Total Fund Investment Plan, are 11-25% of total fund assets, with a target of 20%. Other asset classes may hold non-U.S. securities as well, depending on portfolio guidelines. 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. In all cases, Florida law limits the total exposure to foreign securities to 25% of the total fund. 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, 2009, listed in total, by currency (in thousands).

FRS Pension Trust Fund and Lawton Chiles Endowment Fund (LCEF)
Investments Exposed to Foreign Currency Risk
As of June 30, 2009

Currency	FRS Pension Trust Fund				LCEF
	Investment type				Investment type
	Swap Contracts *	Bonds	Equity	Total	Equity
Australian dollar	\$ (1,259)	\$	\$ 573,065	\$ 571,806	\$ 3,208
Brazilian real	278,795	278,795	3,973
British pound sterling	2,498,586	2,498,586	4,009
Canadian dollar	716,224	716,224	5,782
Danish krone	97,582	97,582	17
Euro currency unit	10,186	3,808,877	3,819,063	15,573
Hong Kong dollar	1,023,356	1,023,356	3,677
Indian rupee	257,773	257,773	29
Japanese yen	22,890	2,778,109	2,800,999	15,992
Mexican peso	133,668	133,668	1,037
Norwegian krone	72,501	72,501	1,356
Singapore dollar	273,438	273,438	1,655
South African rand	203,110	203,110	1,803
South Korean won	25	.....	377,907	377,932	4,368
Swedish krona	212,802	212,802	165
Swiss franc	688	1,090,911	1,091,599	1,219
Taiwan new dollar	339,538	339,538	4,138
Thailand baht	108,393	108,393	478
Turkish lira	144,137	144,137	935
Other	294,443	294,443	1,929
Foreign equity mutual funds, foreign equity index linked and foreign private equity limited partnerships (various currencies)	4,851,211	4,851,211	.....
Foreign Bond Index Futures**
Foreign Stock Index Futures***
Total investments subject to foreign currency risk	\$ (1,234)	\$ 33,764	\$ 20,134,426	\$ 20,166,956	\$ 71,343

* The FRS Pension Trust Fund has a variety of interest rate swap contracts with notional values totaling 241,000,000 Australian dollars, 190,000,000 Japanese yen, and 76,400,000,000 South Korean won. In these swap contracts, the fund either receives or pays a fixed rate of interest, and pays or receives a variable rate of interest that represents the respective short-term index rate in each country (i.e. The BBA LIBOR AUD 3 month, BBA LIBOR JPY 6 month, or the Korean Won CD rate 3 month).

** The FRS Pension Trust Fund held 344 short contracts on Euro-BOBL (German) bond futures (notional value -34,400,000 Euro currency units), 97 short contracts on UK Long Gilt Futures (notional value -9,700,000 British pounds sterling) and 172 short contracts on Australian 3 year bond futures (notional value -17,200,000 Australian dollars). These futures contracts have a market value of \$0 since margins are settled between counterparties daily. Margin settlements are subject to currency risk.

***The FRS Pension Trust Fund also held 21 long contracts on S&P/TSE 60 stock futures (notional value 2,633,820 Canadian dollars), 96 long contracts on FTSE 100 Index stock futures (notional value 4,049,280 British pound sterling), 335 long contracts on DJ Euro STOXX 50 stock futures (notional value 8,033,300 Euro currency units), and 95 long contracts on TOPIX Index stock futures (notional value 878,275,000 Japanese yen). These futures contracts have a market value of \$0 since margins are settled between counterparties daily.

Component Units

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

5. Security Lending

Pooled Investments with the State Treasury

Section 17.61(1), F.S. authorizes 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, 2009. 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 received \$3,002,283,079 in cash collateral for securities loaned to others. Since the State Treasury does not have the ability to pledge or sell non-cash collateral securities, any non-cash portion of the collateral is not reported on the balance sheet. Securities held with others under security lending agreements with cash collateral totaled \$2,944,073,150, while there were no securities held with others under security lending agreements with non-cash collateral. Security lending asset and liability balances are allocated at fiscal year end and reported among all participating funds of the primary government. The securities held with others under security lending agreements as of June 30, 2009, are as follows (fair value equals carrying value of investment on loan): U.S. guaranteed obligations of \$1,813,245,657, federal agencies of \$1,028,185,369, domestic bonds and notes of \$93,183,082, and international bonds and notes of \$9,459,041.

Other Investments

Through the SBA, various funds, including the FRS Pension 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 Florida Hurricane Catastrophe Fund's participation in security lending programs ended in June 2009. Initial collateral requirements for securities on loan primarily must be 102 percent or greater. The SBA had received and invested \$13,730,821,545 in cash and \$15,321,022 in U.S. government securities as collateral for the lending programs as of June 30, 2009. At June 30, 2009, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest). The SBA does not have the ability to pledge or sell the non-cash collateral securities, so the non-cash portion is not reported on the balance sheet. 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 1% to 60% 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.

The schedule below discloses the fair value and carrying value of investments on loan at June 30, 2009 (in thousands):

**Schedule of Other Investments on Loan Under Security Lending Agreements
As of June 30, 2009**

Investment type	Fair value		Total
	FRS Pension Trust Fund	Other funds Managed by SBA	
U.S. guaranteed obligations	\$ 1,607,812	\$ 3,020,423	\$ 4,628,235
Federal agencies	2,158,034	172,920	2,330,954
Domestic bonds & notes	648,668	57,989	706,657
International bonds & notes	96,724	.....	96,724
Domestic stocks	4,407,685	79,337	4,487,022
International stocks	1,028,259	12,897	1,041,156
Total securities on loan for cash collateral	\$ 9,947,182	\$ 3,343,566	\$ 13,290,748
Securities on Loan for Non-Cash Collateral,			
by Security Type			
U.S. guaranteed obligations	.....	3,739	3,739
Domestic stocks	7,844	272	8,116
Total securities on loan for non-cash collateral	7,844	4,011	11,855
Total securities on loan - fair value *	\$ 9,955,026	\$ 3,347,577	\$ 13,302,603

* The fair value equals the carrying value of investments on loan.

6. Derivatives

Pursuant to the State Treasury's established investment policy guidelines, interest rate futures are used as part of the investment strategy related to interest rate risk, duration adjustments, and yield curve strategies. Interest rate futures are the only type of derivative authorized.

As of June 30, 2009, all of the State Treasury interest rate futures were reported at fair value.

The SBA has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are only to be used as part of a prudent investment process. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets, default risk, and mortgaged-backed security prepayment risk, as well as to cost effectively manage exposure to domestic and international equities and bond and real estate markets. Derivative investment instruments used by the SBA include futures, options, forward exchange contracts, swaps (e.g. interest rate swaps, credit default swaps, and total return swaps) as standalone instruments, combinations thereof, and as components of structured notes.

The FRS Pension Trust Fund also held units in the SSGA Daily Active Emerging Markets Fund, BGI International Alpha Tilts, and BGI Index Plus Funds. 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 commingled funds.

As of June 30, 2009, all of the SBA derivatives were reported at fair value.

7. Reverse Repurchase Agreements

Section 17.57, F.S., authorizes 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 provided as collateral by State Treasury under reverse repurchase agreements totaled \$1,499,923,018; while obligations held by State Treasury under reverse repurchase agreements totaled \$1,149,944,000, the difference of \$349,979,018 represents credit risk under the State Treasury's reverse repurchase agreement program. Reverse repurchase agreement asset and liability balances are allocated at fiscal year end and reported among all participating funds of the primary government.

8. Local Government Investment Pool – Pending Matters

The SBA provided disclosure to LGIP participants on the <https://www.sbafla.com/prime> website and at a publicly noticed meeting in March 2008, that the Florida Department of Financial Services – Office of Financial Regulation, the Securities and Exchange Commission (SEC), the Financial Industry Regulation Authority and other persons were requesting documents and information from the SBA and investigating the events and occurrences relating to the purchase and sale of secured notes issued by KKR Atlantic, KKR Pacific, Ottimo, and Axon (among others) to the SBA on behalf of the LGIP and other funds by various broker-dealers.

At the request of the SBA's General Counsel, on October 17, 2008, the SEC communicated an *Order Directing Private Investigation and Designating Officers to Take Testimony* (Order) that was dated July 31, 2008. In the furtherance of its investigation, the SEC took sworn testimony of several SBA employees in late October 2008, and on April 2, 2009, subpoenaed certain documents from the SBA. In the opinion of SBA management, based upon advice of legal counsel, the ultimate disposition of these inquiries and investigations will not have a material adverse effect on the LGIP's net assets and the changes therein. The Order and subsequent subpoena have been published on the www.sbafla.com/prime website.

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	Public Education	Health and Family Services	Transportation
Accounts receivable	\$ 315,746	\$ 27,961	\$ 515	\$ 436,976	\$ 5,138
Contracts & grants receivable	.....	.....	.....	.....	504
Due from Federal government	471	27,356	4,545	1,326,511	22,650
Due from other governmental units	6	968	.....	5,076	101,380
Interest & dividends receivable	8,439	3,071	3,469	260	4,973
Loans & notes receivable	17,412	80,954	2,610	.....	3,000
Taxes receivable	2,079,354	24,484	56,594	.....	185,837
Allowance for uncollectibles	(1,225,436)	(21,930)	(2,506)	(25,819)	(395)
Receivables, net	\$ 1,195,992	\$ 142,864	\$ 65,227	\$ 1,743,004	\$ 323,087

Loans & notes receivable from other governments	.....	946,783	.....	.....	734,561
Long-term interest receivable	.....	.....	.....	.....	1,216
Other loans & notes receivable	433	.....	.....	184,077	934
Allowance for uncollectibles	(10)	.....	.....	(171,407)	(8,918)
Other loans & notes receivable, net	\$ 423	\$ 946,783	\$	\$ 12,670	\$ 727,793

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts receivable	\$ 281,415	\$ 1,067,751	\$ 18,062	\$ 66,728	\$ 1,152,541
Contracts & grants receivable	22,705	23,209	.....	.....	23,209
Due from Federal government	73,178	1,454,711	.....	.....	1,454,711
Due from other governmental units	8,645	116,075	5,542	.....	121,617
Interest & dividends receivable	8,492	28,704	956	.....	29,660
Loans & notes receivable	116,566	220,542	.....	.....	220,542
Taxes receivable	2,877	2,349,146	.....	.....	2,349,146
Allowance for uncollectibles	(96,064)	(1,372,150)	.....	.....	(1,372,150)
Receivables, net	\$ 417,814	\$ 3,887,988	\$ 24,560	\$ 66,728	\$ 3,979,276

Loans & notes receivable from other governments	793,256	2,474,600	.....	.....	2,474,600
Long-term interest receivable	.....	1,216	.....	.....	1,216
Other loans & notes receivable	465,239	650,683	.....	.....	650,683
Allowance for uncollectibles	(176,584)	(356,919)	.....	.....	(356,919)
Other loans & notes receivable, net	\$ 1,081,911	\$ 2,769,580	\$	\$	\$ 2,769,580

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Unemployment Compensation
Accounts receivable	\$ 2,672	\$ 45,085	\$ 90,349	\$ 74,203	\$ 109,162
Due from Federal government	.....	.....	.....	.....	47,337
Due from other governmental units	878	.....	.....	.....	5,486
Interest & dividends receivable	976	746	13,610	23,018	140,092
Loans & notes receivable	.....	.....	.....	314,287	.....
Taxes receivable	.....	.....	.....	.....	271,609
Allowance for uncollectibles	.....	(1,466)	.....	.....	(278,996)
Receivables, net	\$ 4,526	\$ 44,365	\$ 103,959	\$ 411,508	\$ 294,690

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts receivable	\$ 15,202	\$ 336,673	\$ 3,340	\$ 340,013
Due from Federal government	.....	47,337	.....	47,337
Due from other governmental units	34	6,398	.....	6,398
Interest & dividends receivable	528	178,970	.....	178,970
Loans & notes receivable	.....	314,287	.....	314,287
Taxes receivable	.....	271,609	.....	271,609
Allowance for uncollectibles	(1,717)	(282,179)	.....	(282,179)
Receivables, net	\$ 14,047	\$ 873,095	\$ 3,340	\$ 876,435

COMPONENT UNITS

Accounts receivable	\$ 1,570,499
Contracts & grants receivable	230,837
Due from Federal government	10,496
Due from other governmental units	608,021
Interest & dividends receivable	79,968
Loans & notes receivable	34,107
Allowance for uncollectibles	(395,617)
Receivables, net	\$ 2,138,311
Other loans & notes receivable	\$ 3,831,210
Allowance for uncollectibles	(214,615)
Other loans & notes receivable, net	\$ 3,616,595

“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	Public Education	Health and Family Services	Transportation
Accounts payable	\$ 529,198	\$ 25,625	\$ 5,932	\$ 1,279,717	\$ 189,799
Accrued interest payable	.....	.....	.....	.....	.....
Accrued salaries & wages	36,706	.....	22	15,485	5,780
Claims payable	.....	.....	.....	.....	.....
Construction contracts	.....	.....	.....	.....	444,370
Current accrued interest	.....	.....	.....	.....	.....
Deposits payable	143	330	.....	.....	3,464
Due to Federal government	.....	76	.....	2,291	.....
Due to other governmental units	136,356	11,901	.....	7,379	7,179
Other payables	.....	.....	.....	.....	.....
Vouchers payable	7,923	.....	.....	.....	14
Accounts payable and accrued liabilities	\$ 710,326	\$ 37,932	\$ 5,954	\$ 1,304,872	\$ 650,606

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts payable	\$ 185,019	\$ 2,215,290	\$ 20,752	\$ 584,234	\$ 2,820,276
Accrued interest payable	1,167	1,167	.....	.....	1,167
Accrued salaries & wages	5,699	63,692	1,065	.....	64,757
Claims payable	8	8	47,775	.....	47,783
Construction contracts	7,508	451,878	.....	.....	451,878
Current accrued interest	.....	.....	6,494	.....	6,494
Deposits payable	1,146	5,083	.....	.....	5,083
Due to Federal government	1,475	3,842	.....	.....	3,842
Due to other governmental units	23,543	186,358	17	.....	186,375
Other payables	13,111	13,111	.....	.....	13,111
Vouchers payable	375	8,312	.....	.....	8,312
Accounts payable and accrued liabilities	\$ 239,051	\$ 2,948,741	\$ 76,103	\$ 584,234	\$ 3,609,078

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Pre paid College Program	Unemployment Compensation
Accounts payable	\$ 908	\$ 9,079	\$ 777,894	\$ 95,797	\$ 123,529
Accrued interest payable	.....	.....	44,328	.....	.....
Accrued salaries & wages	.....	22	.....	.....	.....
Construction contracts	45,461	.....	.....	.....	.....
Deposits payable	3,434	2,736	.....	.....	.....
Due to other governmental units	.....	.....	.....	.....	13,029
Accounts payable and accrued liabilities	\$ 49,803	\$ 11,837	\$ 822,222	\$ 95,797	\$ 136,558

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts payable	\$ 9,127	\$ 1,016,334	\$ 186	\$ 1,016,520
Accrued interest payable	.....	44,328	.....	44,328
Accrued salaries & wages	1,119	1,141	.....	1,141
Construction contracts	.....	45,461	.....	45,461
Deposits payable	63	6,233	.....	6,233
Due to other governmental units	.....	13,029	.....	13,029
Accounts payable and accrued liabilities	\$ 10,309	\$ 1,126,526	\$ 186	\$ 1,126,712

COMPONENT UNITS

Accounts payable	\$ 1,010,096
Accrued interest payable	121,448
Accrued salaries & wages	146,203
Claims payable	1,634,082
Construction contracts	66,434
Deposits payable	90,180
Due to Federal government	4,651
Due to other governmental units	2,578
Other payables	7,927
Accounts payable and accrued liabilities	\$ 3,083,599

NOTE 4 – TAXES

Florida levies neither a personal income tax nor an ad valorem tax on real or tangible personal property. Taxes are, however, one of 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	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Sales and use tax	\$ 17,415,649	\$	\$	\$	\$	\$	\$ 17,415,649
Fuel taxes:							
Motor fuel tax	.....	.....	.....	.....	2,131,437	.....	2,131,437
Pollutant tax	.....	235,976	.....	.....	.....	.....	235,976
Aviation fuel tax	.....	.....	.....	.....	52,147	.....	52,147
Solid minerals severance tax	.....	69,710	.....	.....	.....	.....	69,710
Oil and gas production tax	6,010	.....	.....	.....	.....	.....	6,010
Total fuel taxes	6,010	305,686	.....	.....	2,183,584	.....	2,495,280
Corporate income tax	1,698,356	.....	.....	.....	.....	.....	1,698,356
Documentary stamp tax	1,104,758	.....	.....	.....	.....	.....	1,104,758
Intangible personal property tax	197,391	.....	.....	.....	.....	.....	197,391
Communications service tax	1,071,771	.....	469,777	.....	.....	.....	1,541,548
Estate tax	4,650	.....	.....	.....	.....	.....	4,650
Gross receipts utilities tax	.....	7,773	654,286	.....	.....	.....	662,059
Beverage and tobacco taxes:							
Alcoholic beverage tax	605,078	.....	.....	.....	.....	11,734	616,812
Cigarette tax	418,127	.....	.....	.....	.....	.....	418,127
Smokeless tobacco tax	28,544	.....	.....	.....	.....	.....	28,544
Total beverage and tobacco taxes	1,051,749	.....	.....	.....	.....	11,734	1,063,483
Other taxes:							
Insurance premium tax	808,820	.....	.....	.....	.....	38,031	846,851
Hospital public assistance tax	.....	.....	.....	482,510	.....	.....	482,510
Citrus excise tax	.....	.....	.....	.....	.....	49,048	49,048
Pari-mutuel wagering tax	5,086	.....	.....	.....	.....	122,686	127,772
Other	4,157	.....	.....	.....	.....	.....	4,157
Total other taxes	818,063	.....	.....	482,510	.....	209,765	1,510,338
Total	\$ 23,368,397	\$ 313,459	\$ 1,124,063	\$ 482,510	\$ 2,183,584	\$ 221,499	\$ 27,693,512

A reconciliation of balances in governmental fund statements to government-wide financial statements follows (in thousands):

	Sales and Use Tax
Governmental fund statements	\$ 17,415,649
Government-wide accruals	(137,660)
Government-wide statements	\$ 17,277,989

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
Construction work in progress	\$100,000 when work is completed	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
Property under capital lease	Threshold correlates to asset category	2 - 20
Furniture and equipment	\$1,000 and \$250 for non-circulated books	2 - 25
Works of art and historical treasures	Items capitalized as of June 30, 1999, remain capitalized; capitalize unless considered a collection	5 - 50
Library resources	\$25	5 - 50
Other capital assets	\$1,000	3 - 20

The state has elected to use the modified approach for accounting for its bridges and roadways included in the State Highway System. Under this approach, the Department of Transportation has made the commitment to preserve and maintain these assets at levels established by the Department of Transportation and approved by the Florida Legislature. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The Department of Transportation maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the Department of Transportation makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. Refer to 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, 2009, is as follows (in thousands):

General government	\$	71,205
Education		5,886
Human services		29,889
Criminal justice and corrections		96,347
Natural resources & environment		61,041
Transportation		47,645
State courts		4,210
Total depreciation expense (governmental activities)	\$	316,223

Primary government capital asset activities for the fiscal year ended June 30, 2009, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES

	Balance 7/1/2008	Increases	Decreases	Balance 6/30/2009
Capital assets, not being depreciated:				
Land and other nondepreciable assets	\$ 15,714,475	\$ 531,811	\$ 15,731	\$ 16,230,555
Infrastructure and infrastructure improvements - nondepreciable	31,659,937	.....	278,058	31,381,879
Construction work in progress	5,015,210	2,200,383	90,675	7,124,918
Total capital assets, not being depreciated	52,389,622	2,732,194	384,464	54,737,352
Capital assets, being depreciated:				
Buildings and building improvements	3,813,785	98,687	75,565	3,836,907
Infrastructure and infrastructure improvements	530,395	20,486	3,977	546,904
Leasehold improvements	268	4	4	268
Property under capital lease	274,470	147,406	1,819	420,057
Furniture and equipment	1,788,111	152,735	159,718	1,781,128
Works of art and historical treasures	1,431	26	.....	1,457
Library resources	29,589	464	54	29,999
Other	148,197	547	91,172	57,572
Total capital assets, being depreciated	6,586,246	420,355	332,309	6,674,292
Less accumulated depreciation for:				
Buildings and building improvements	1,736,228	99,273	6,324	1,829,177
Infrastructure and infrastructure improvements	231,499	23,674	135	255,038
Leasehold improvements	107	18	.....	125
Property under capital lease	46,450	4,249	(1,190)	51,889
Furniture and equipment	1,206,762	177,742	136,420	1,248,084
Works of art and historical treasures	546	67	1	612
Library resources	11,612	839	54	12,397
Other	54,148	10,361	27,048	37,461
Total accumulated depreciation	3,287,352	316,223	168,792	3,434,783
Total capital assets, being depreciated, net	3,298,894	104,132	163,517	3,239,509
Governmental activities capital assets, net	\$ 55,688,516	\$ 2,836,326	\$ 547,981	\$ 57,976,861

BUSINESS-TYPE ACTIVITIES

	Balance 7/1/2008	Increases	Decreases	Balance 6/30/2009
Capital assets, not being depreciated:				
Land and other nondepreciable assets	\$ 867,531	\$ 14,161	\$ 498	\$ 881,194
Infrastructure and infrastructure improvements - nondepreciable	5,166,374	377,052	670	5,542,756
Construction work in progress	693,974	539,940	388,367	845,547
Total capital assets, not being depreciated	6,727,879	931,153	389,535	7,269,497
Capital assets, being depreciated:				
Buildings and building improvements	249,673	7,903	14	257,562
Infrastructure and infrastructure improvements	60	.....	.....	60
Furniture and equipment	157,682	21,332	9,758	169,256
Library resources	2	.....	.....	2
Other	8,544	.....	.....	8,544
Total capital assets, being depreciated	415,961	29,235	9,772	435,424
Less accumulated depreciation for:				
Buildings and building improvements	100,319	8,330	14	108,635
Infrastructure and infrastructure improvements	39	1	.....	40
Furniture and equipment	106,622	12,922	7,888	111,656
Other	6,587	1,628	.....	8,215
Total accumulated depreciation	213,567	22,881	7,902	228,546
Total capital assets, being depreciated, net	202,394	6,354	1,870	206,878
Business-type activities capital assets, net	\$ 6,930,273	\$ 937,507	\$ 391,405	\$ 7,476,375

Component units' capital asset activities for the fiscal year ended June 30, 2009, are as follows (in thousands):

COMPONENT UNITS				
	Balance 7/1/2008	Increases	Decreases	Balance 6/30/2009
Capital assets, not being depreciated:				
Land and other non-depreciable assets	\$ 5,227,929	\$ 533,016	\$ 46,017	\$ 5,714,928
Construction work in progress	1,611,439	1,471,588	1,031,999	2,051,028
Total capital assets, not being depreciated	6,839,368	2,004,604	1,078,016	7,765,956
Capital assets, being depreciated:				
Buildings and building improvements	11,645,316	1,050,522	79,621	12,616,217
Infrastructure and infrastructure improvements	1,830,393	159,871	18,077	1,972,187
Leasehold improvements	212,501	38,798	10,350	240,949
Property under capital lease	122,919	15,575	680	137,814
Furniture and equipment	3,268,198	273,931	175,846	3,366,283
Works of art and historical treasures	1,906	1,024	45	2,885
Library resources	782,432	35,446	3,351	814,527
Other	192,609	15,776	10,970	197,415
Total capital assets, being depreciated	18,056,274	1,590,943	298,940	19,348,277
Less accumulated depreciation for:				
Buildings and building improvements	3,610,820	372,867	30,725	3,952,962
Infrastructure and infrastructure improvements	557,137	75,384	9,860	622,661
Leasehold improvements	60,462	10,836	6,969	64,329
Property under capital lease	46,943	8,101	2,023	53,021
Furniture and equipment	2,132,835	281,320	137,324	2,276,831
Works of art and historical treasures	696	213	5	904
Library resources	546,551	41,502	3,294	584,759
Other	134,438	20,888	4,667	150,659
Total accumulated depreciation	7,089,882	811,111	194,867	7,706,126
Total capital assets, being depreciated, net	10,966,392	779,832	104,073	11,642,151
Component units capital assets, net	\$ 17,805,760	\$ 2,784,436	\$ 1,182,089	\$ 19,408,107

NOTE 6 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

A. Pensions

1. The Florida Retirement System

The Florida Retirement System (FRS) was created December 1, 1970, with consolidation of the Teachers' Retirement System (Chapter 238, Florida Statutes [F.S.]), the State and County Officers' and Employees' Retirement System (Chapter 122, F.S.), and the Highway Patrol Pension Trust Fund (Chapter 321, F.S.). In 1972, the Judicial Retirement System (Section 121.046, F.S.) was also consolidated with the FRS. The FRS was created by Chapter 121, F.S., to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program and further amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is the Public Employee Optional Retirement Program (PEORP). Effective July 1, 2007, the Institute of Food and Agricultural Sciences (IFAS) Supplemental Retirement Program, as established under Section 121.40, F.S., was consolidated under the Florida Retirement System defined benefit plan as a closed retirement plan. Participation in the IFAS Supplemental Retirement Program does not constitute membership in the FRS.

Chapter 121, F.S., also provides for nonintegrated, optional retirement programs in lieu of the FRS to members of the Senior Management Service Class (SMSC) employed by the state or state elected officials who chose SMSC membership in lieu of membership in the Elected Officers' Class, as well as faculty and specified employees in the state university system and state community colleges. Provisions relating to the FRS are also contained in Chapter 112, F.S.

Except for employees who elect to withdraw from the FRS altogether, or eligible employees who participate in the non-integrated optional retirement programs in lieu of the FRS, 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. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, 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. Members of the Elected Officers' Class may elect to withdraw from the FRS or participate in the Senior Management Service Class in lieu of the Elected Officers' Class.
- *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, certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* - This class consists of former 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 and the elected officers of cities and special districts that choose to place their elected officials in this class.

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 within 20 years of normal retirement age; however, there is a 5 percent benefit reduction for each year prior to the normal retirement age.

- *Regular Class, Senior Management Service Class, and Elected Officers' Class Members* - Six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.
- *Special Risk Class and Special Risk Administrative Support Class Members* - Six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of twenty-five years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Note: Any member not employed in a regularly established position on July 1, 2001, becomes vested upon completion of one year of creditable service after July 1, 2001.

Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value by membership class. Members are also eligible for in-line-of-duty or regular disability and survivors' benefits. Pension benefits of retirees and annuitants 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 members who have reached normal retirement 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 Trust Fund and accrue interest. As of June 30, 2009, the FRS Trust Fund projected \$2,467,414,646 in accumulated benefits and interest for 32,921 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. The State Board of Administration invests the assets of the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded through earnings on investments of the FRS 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.

Service 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 (including the service credit represented by the transferred funds) 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. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.05 percent of payroll and by forfeited benefits of plan members. After termination, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the member may either transfer the account balance 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. Section 121.031(3), F.S., requires an annual actuarial study of the FRS, which is provided to the Legislature as guidance for funding decisions. Employer contribution rates are established in Section 121.71, F.S. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and Investment Plan rates) are recommended by the actuary but set by the Legislature. 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. Pursuant to Section 121.031(3)(f), F.S., any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. The balance of legally required reserves for all defined benefit pension plans at June 30, 2009, was \$96,632,476,044. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

FRS Retirement Contribution Rates:

Membership Class	Uniform Normal Cost Rates	
	Recommended by Actuarial Valuation as of 7/1/2007 for Fiscal Year 2008-2009*	7/1/2008 Statutory Rates* (Ch. 121, F.S.)
Regular	9.55%	8.69%
Senior Management Service	12.92%	11.96%
Special Risk	21.93%	19.76%
Special Risk Administrative Support	11.94%	11.39%
Elected Officers - Judges	20.30%	18.40%
Elected Officers - Legislators/Attorneys/Cabinet	14.20%	13.32%
Elected Officers - County	16.94%	15.37%
Deferred Retirement Option Program - applicable to members from all of the above classes or plans	10.96%	9.80%

* Rates indicated are uniform rates for all FRS members created by blending the FRS Investment Plan and FRS Pension Plan rates and do not include a 0.05% contribution for the FRS Investment Plan administration and educational program fee. The FRS Pension Plan rates for 2008-09 used in the statutory rates are offset (reduced) using surplus actuarial assets.

FRS Participating Employers:

State Agencies	55
County Agencies	396
District School Boards	67
Community Colleges	28
Cities	181 *
Special Districts	221 *
Hospitals	4 *
Other	12
Total Participating Employers	964

* These totals include the 26 cities, 3 independent hospitals, and 13 independent special districts that are closed to new FRS members as of January 1, 1996.

FRS Membership:

Member Types	Regular Class	SMSC	Special Risk	Special Risk Admin Supp	EOC	Total
Active:						
Non-vested	167,568	1,433	24,307	1	486	193,795
Vested	415,103	6,292	51,333	75	1,818	474,621
DROP Participants	29,462	567	2,667	8	217	32,921
Current Retirees and Beneficiaries	260,653	2,007	23,949	164	2,056	288,829
Vested Terminated	80,814	898	5,191	18	363	87,284
Total Members	953,600	11,197	107,447	266	4,940	1,077,450

The above counts for “Current Retirees and Beneficiaries” do not reflect the FRS Investment Plan members who retired.

Additional information about the FRS Pension Plan can be obtained from the Research and Education Section, Division of Retirement by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877) 377-1737 or (850) 488-5706; by email at rep@dms.myflorida.com; or at the Division’s website (<http://frs.myflorida.com>).

FRS Participation by the State of Florida

The State of Florida contributed to the FRS as a participating employer. State participation for the following disclosure includes the employees of state agencies and the State University System that elect to participate in the FRS. The state contributes to both the defined benefit and defined contribution plans within the FRS. For the fiscal year ended June 30, 2009, the state’s total covered payroll for its 140,280 active members and 8,248 DROP participants is \$5,836,225,399 with contributions totaling \$678,565,996, or 11.63 percent of payroll. Contributions for the fiscal years ending June 30, 2007, and June 30, 2008, were \$671,246,176 and \$672,250,883, respectively. These amounts were 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 are based. The state’s contributions represented 20.99 percent of the total contributions required of all participating employers.

Employee 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.

2. Retiree Health Insurance Subsidy Program

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, F.S. The benefit is a monthly cash payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Department of Management Services. For the fiscal year ended June 30, 2009, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are 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 as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended June 30, 2009, the contribution rate was 1.11 percent of payroll pursuant to Section 112.363, F.S. The state contributed 100 percent of its statutorily required contributions for the current and preceding two years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. In the event contributions fail to provide full subsidy benefits to all participants, the subsidy payments may be reduced or canceled.

The Other Required Supplementary Information section of this report includes actuarial and other information regarding this HIS Program. The HIS Program disclosures are also included in the FRS Annual Report prepared by the Division of Retirement. For a copy of that report or other information regarding this benefit, please contact the Division of Retirement by mail at P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at (877) 377-1737 or (850) 488-5706; or by email at rep@dms.myflorida.com. The table below provides additional information for the HIS as of June 30:

	2007	2008	2009
Recipients	232,406	244,390	256,452
Contributions	\$326,052,459	\$334,819,272	\$341,568,560
Benefits paid	\$290,655,776	\$305,682,298	\$321,742,432
Trust Fund net assets	\$238,353,353	\$275,139,201	\$294,546,936

3. Funded Status for Defined Benefit Pension Plans

The following table provides funding information for the most recent actuarial valuation dates (amounts expressed in thousands):

Pension Plan	Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial 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)
FRS	July 1, 2008	\$ 130,720,547	\$ 124,087,214	\$ (6,633,333)	105.35%	26,891,340 ⁽¹⁾	(24.67%)
HIS	July 1, 2008	\$ 275,139	\$ 5,109,683	\$ 4,834,544	5%	30,665,477 ⁽²⁾	16%

Additional information as of the latest actuarial valuation follows:

	FRS	HIS
Valuation date	July 1, 2008	July 1, 2008
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level Percentage of Pay, Open	Level Percentage of Pay, Open
Equivalent single amortization period	30 Years ⁽³⁾ , Open	30 Years ⁽³⁾ , Open
Asset valuation method	5-Year Smoothed Method	Market Value
Actuarial assumptions:		
Investment rate of return	7.75% ⁽⁴⁾	7.75% ⁽⁴⁾
Projected salary increases	6.25% ^(4,5)	6.25% ^(4,5)
Cost-of-living adjustments	3.00%	0.00%

⁽¹⁾ Includes Deferred Retirement Option Program (DROP) payroll.

⁽²⁾ Includes Deferred Retirement Option Program (DROP) and Public Employee Optional Retirement Program (PEORP) payroll.

⁽³⁾ Used for GASB Statement No. 27 reporting purposes.

⁽⁴⁾ Includes inflation at 3.00%.

⁽⁵⁾ Includes individual salary growth of 4.00% plus an age- and service-graded merit scale defined by gender and employment class.

The FRS schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to actuarial accrued liability for benefits. The Retiree HIS schedule of funding progress presents information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits as of July 1, 2008.

4. Other Defined Contribution Programs (Optional Retirement Programs)

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 statutorily required to contribute 10.43 percent of the participants' gross monthly compensation from July 2008 through June 2009. 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 2008-09. In accordance with Chapter 60U-2, Florida Administrative Code, 0.01 percent of the employer contribution rate 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		16,091	
Payroll	\$	1,341,665,517	
Contributions:			
Employee	\$	61,838,920	4.61% of payroll
Employer	\$	136,931,495	10.21% of payroll

Senior Management Service Optional Annuity Program (SMSOAP)

Section 121.055, F.S., 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 from July 2008 through June 2009. 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 2008-09. 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		41	
Payroll	\$	4,883,408	
Contributions:			
Employee	\$	631	0.01% of payroll
Employer	\$	667,237	13.66% of payroll

B. Other Postemployment Benefits (OPEB)

The following is based on a July 1, 2008 update of July 1, 2007 actuarial valuation of the State Health Insurance Program. The purpose of this update is to take into account the changes that have occurred since the original valuation date. A new valuation was not performed.

Plan Description

The state subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same group health plan offered to active employees. Although retirees pay 100% of the premium amount, the premium cost to the retiree is implicitly subsidized due to increasing health care costs with age and the commingling of the claims experience in a single risk pool with a single premium determination. Section 110.123, F.S., authorizes the offering of health insurance benefits to retired state and university employees. Section 112.0801, F.S., requires all public employers that offer benefits through a group insurance plan to allow their retirees to continue participation in the plan. The law also requires the claims experience of the retiree group to be combined with the claims experience of active employees for premium determination and the premium offered to retired

employees to be no more than the premium applicable to active employees. Retirees under age 65 pay the same premium amounts as applicable to active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because the plan is secondary payer to Medicare Parts A and B. The State Employees' Group Health Insurance Program (Program) operates as a cost-sharing multiple-employer defined benefit health plan; however, current administration of the Program is not through a formal trust and therefore disclosure requirements are those applicable to an agency multiple-employer plan. The Division of State Group Insurance within the Department of Management Services is designated by Section 110.123, F.S., to be responsible for all aspects of the purchase of healthcare for state and university employees and retirees under the Program.

There are eighteen participating employers including the primary government of the state, the eleven state universities, and other governmental entities. There was an average enrollment of 175,747 contracts including 35,238 retirees and 140,509 employees and COBRA participants for fiscal year 2008-09. Employees must make an election to participate in the plan within 31 days of the effective date of their retirement to be eligible to continue in the plan as a retiree. Four types of health plans are offered to eligible participants: a standard statewide Preferred Provider Organization (PPO) Plan, a Health Investor PPO Plan, a standard Health Maintenance Organization (HMO) Plan, and a Health Investor HMO Plan. HMO coverage is available only to those retirees who live in the HMO's service area. The four PPO and HMO options are considered managed-care plans and have specific provider networks.

The asset and liability balances relating to retiree participation in the state group health insurance program are reported in an Agency Fund on the accrual basis of accounting. Premium payments from retirees are recognized as revenue in the period in which the payments are due. Costs for providing benefits, which include premiums and direct healthcare services, are recognized as an expense when incurred.

Funding Policy

Benefit provisions are described by Section 110.123, F.S., and along with contributions, can be amended by the Florida Legislature. The state has not advance-funded OPEB costs or the net OPEB obligation. The Self-Insurance Estimating Conference develops official information for determining the budget levels needed for the state's planning and budgeting process. The Governor's recommended budget and the General Appropriations Act provide for a premium level necessary for funding the program each year on a pay-as-you-go basis. Monthly premiums, through May 2009 coverage, for active employees and retirees under the age of 65 for the standard plan were \$449 and \$1,016 for single and family contracts, respectively. Retirees over the age of 65 pay premiums for a Medicare supplement. Monthly premiums, through May 2009 coverage, for the standard Preferred Provider Organization Plan were \$239 for a single contract, \$477 for two Medicare eligible members, and \$688 when only one member is Medicare eligible.

Actuarially-Determined Annual OPEB Cost and Net OPEB Obligation as of June 30, 2009 (dollars in thousands):

Annual required contribution (ARC)	\$ 142,709
Interest on the net OPEB obligation	3,362
Adjustments to the ARC	(2,899)
Annual OPEB Cost	<u>143,172</u>
Employer contribution	<u>(80,829)</u>
Increase/Decrease in net OPEB obligation	62,343
Net OPEB obligation - July 1, 2008	<u>84,051</u>
Net OPEB obligation - June 30, 2009	<u><u>\$ 146,394</u></u>
Percent of annual OPEB cost contributed	56.46%

Funded Status

The funded status of the plan as of June 30, 2009, was as follows (dollars in thousands):

Actuarial valuation date	July 1, 2007
Actuarial accrued liability (AAL)*	\$ 2,217,598
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 2,217,598</u>
Actuarial value of assets as a percentage of the AAL	0.00%
Covered payroll	\$ 4,612,717
UAAL as a percentage of covered payroll	48.08%

*Forecasted for June 30, 2009 from the July 1, 2007 valuation

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, immediately following the notes to the financial statements, presents information about the actuarial value of plan assets relative to the actuarial accrued liability for benefits.

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The entry age actuarial cost method was used for the July 1, 2008, actuarial update. This method is designed to fund a member's total plan benefit over the course of his or her career and to produce stable employer contributions in amounts that increase at the same rate as the employer's payroll. Actuarial assumptions included a 3 percent inflation rate, a 4 percent return on invested assets, a 4 percent payroll growth rate; an initial healthcare cost trend rate of 9.6 percent, grading to 5.5 percent in half percent steps for non-Medicare benefits and 9.1 percent grading to 5.5 percent in half percent steps for Medicare benefits. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll, on an open basis, over a 30 year period beginning with July 1, 2007.

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, 2009, the Department had available approximately \$5.9 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, 2009, totaled \$498 million. Additional disclosures on construction in progress are included in the capital assets note (Note 5). Construction commitments for component units totaled \$3.6 billion.

B. Florida Ports Financing Commission Revenue Bonds

The state has enacted legislation obligating it to remit annually \$25 million to a designated trustee for the purpose of repaying the debt on certain Florida Ports Financing Commission revenue bonds. The Florida Ports Financing Commission is not part of the state's reporting entity. These revenue bonds do not create or constitute a legal obligation or debt of the state. Funding for the annual remittance comes from the State of Florida, Department of Transportation's portion of motor vehicle registration fees, which were \$490,085,704 for the fiscal year ended June 30, 2009. Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2009, amounted to \$291,965,000 including Series 1996 bonds payable of \$167,410,000 and Series 1999 bonds payable of \$124,555,000.

C. Operating Leases

Operating leases are not recorded on the balance sheets or statements of net assets; however, operating lease payments are recorded as expenditures/expenses when incurred. Total operating lease payments for the state's governmental activities, business-type activities, and component units were \$120.1 million, \$21.6 million, and \$60.4 million, respectively, for the year ended June 30, 2009. The following is a schedule of future non-cancelable operating lease payments for the primary government and component units at June 30, 2009 (in thousands):

Year Ending June 30	Primary Government		Component Units
	Governmental Activities	Business-type Activities	
2010	\$ 126,897	\$ 19,918	\$ 61,203
2011	120,075	17,332	32,804
2012	109,538	15,255	21,055
2013	98,500	12,761	14,750
2014	86,270	10,749	11,986
2015-2019	183,983	28,518	31,172
2020-2024	20,082	13,053	15,754
2025-2029	1,190	11,936	9,438
2030-2034	1,197	11,936	4,079
2035-2039	1,195	11,936	1,757
2040-2044			1,427
2045-2049			1,427
2050-2054			1,027
2055-2059			171
Total	\$ 748,927	\$ 153,394	\$ 208,050

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

Bonds payable at June 30, 2009, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
Governmental Activities:				
Road and Bridge Bonds	\$ 2,058,395	\$ 1,792,920	3.375%-6.375%	2037
SBE Capital Outlay Bonds	949,095	694,515	3.000%-5.375%	2028
Lottery Education Bonds	3,996,955	2,933,305	3.000%-5.750%	2028
Public Education Bonds	14,122,987	10,929,265	2.250%-9.125%	2038
Conservation and Recreation Lands Bonds	32,670	8,250	5.375%-5.375%	2012
Save Our Coast Bonds	149,960	20,220	3.250%-5.250%	2012
Preservation 2000 Bonds	1,787,855	672,105	4.000%-6.000%	2013
Florida Forever Bonds	2,174,480	1,712,420	4.000%-5.375%	2028
Water Pollution Control Bonds	389,775	341,310	2.000%-5.550%	2029
State Infrastructure Bank Bonds	123,615	107,115	4.250%-5.000%	2027
Everglades Restoration Bonds	198,490	188,455	0.250%-5.000%	2027
Florida Facilities Pool Bonds	524,110	412,045	3.000%-5.750%	2039
	26,508,387	19,811,925		
Unamortized premiums (discounts) on bonds payable		422,844		
Less amount deferred on refunding		(150,441)		
Total Bonds Payable	\$ 26,508,387	\$ 20,084,328		
Business-type Activities:				
Toll Facilities Bonds	\$ 2,948,780	\$ 2,483,900	3.000%-5.250%	2037
Florida Hurricane Catastrophe Fund Bonds	5,475,025	5,230,595	1.099%-5.250%	2015
	8,423,805	7,714,495		
Unamortized premiums (discounts) on bonds payable		71,620		
Less amount deferred on refunding		(38,389)		
Total Bonds Payable	\$ 8,423,805	\$ 7,747,726		

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 and a portion of the phosphate severance 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.

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.

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.

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.

Everglades Restoration Bonds are revenue bonds issued to finance or refinance the costs of acquisition and improvement of lands, water areas, and related property interests and resources for the purpose of implementing the Comprehensive Everglades Restoration Plan. The bonds mature serially and are secured by a pledge of a portion of the documentary stamp tax.

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.

Florida Hurricane Catastrophe Fund Bonds are issued by the Florida Hurricane Catastrophe Fund Finance Corporation to make payments to participating insurers for losses resulting from 2005 covered events (hurricanes). The bonds mature serially and are secured by emergency assessments and reimbursement premiums. Pre-event notes are also issued to provide a source of funds to reimburse participating insurers for losses relating to future covered events and are secured by reimbursement premiums.

3. Pledged Revenues (in thousands):

Bond Type	Revenue ⁴	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio	Final Maturity	Remaining Debt Service	Revenue Ratio
				Principal	Interest				
Florida Turnpike (Toll Facility)	604,897	190,603	414,294	81,660	121,485	2.04	2036/2037	3,895,355	68.49%
Save Our Coast ¹	91,104	.....	91,104	13,950	1,657	5.84	2011/2012	21,767	8.72%
Florida Forever/P2000/Everglades ¹	655,500	.....	655,500	272,975	140,919	1.58	2027/2028	3,422,334	63.31%
Conservation and Recreation Land ^{1,2}	51,354	.....	51,354	2,435	571	17.08	2011/2012	9,155	3.12%
Lottery Education ^{1,3}	1,287,856	.....	1,287,856	139,955	145,166	4.52	2027/2028	4,185,353	Not Available
Alligator Alley (Toll Facility)	19,384	7,292	12,092	1,395	2,051	3.51	2026/2027	62,086	62.38%
State Infrastructure Bank	48,924	.....	48,924	5,390	5,543	4.47	2026/2027	141,688	Not Available
Florida Hurricane Catastrophe ⁵	1,570,615	16,224	1,554,391	309,675	199,167	3.05	2013/2014	5,623,621	98.97%

¹ Operating Expenses are not listed for the Lottery Program and the Environmental Programs e.g. Save Our Coast, Florida Forever/Preservation 2000 and Conservation Recreation Land Programs. For these programs, either no operating expenses reduce revenues available for debt service, or, in the case of the Lottery, include expenses unrelated to the operation of the program, such as payment of lottery prizes. Instead, for these programs, the revenue shown is the amount available to pay debt service.

² Phosphate Severance Tax and Documentary Stamp Tax Revenue are combined in calculating revenue. The Phosphate Severance Tax is a fixed amount of \$10,000,000 per year. Revenues are reduced by amounts transferred to State Game Trust Fund pursuant to Section 201.15.(5), Florida Statutes.

³ Source Department of Lottery, Audited Financial Statements.

⁴ Refer to Note 8A.2. for information on the sources of pledged revenues.

⁵ The debt service principal does not reflect \$2,734,755,000 of redeemed bonds that were paid from funds on hand received from the issuance of the redeemed bonds.

4. State Debt Limitations

Section 215.98, F.S., establishes the ratio of tax-supported debt service to tax-supported revenues as the benchmark debt ratio for purposes of setting the state's legal debt margin. Under the policy, if the ratio exceeds 6%, additional tax-supported debt may be authorized only if the legislature determines the additional debt is in the best interest of the state. If the ratio exceeds 7%, additional tax-supported debt may be authorized only if the legislature determines it is necessary to address a critical state emergency. During fiscal year 2007-08, the ratio exceeded 6%, and during fiscal year 2008-09, the ratio exceeded 7%, primarily because of reductions in tax revenues. Section 50, Chapter 2008-153, Laws of Florida, provides the legislature's determination that the authorization and issuance of debt for the 2008-09 fiscal year is in the best interest of the State. Section 57, Chapter 2009-82, Laws of Florida, provides the legislature's determination that the authorization and issuance of debt for the 2009-10 fiscal year should be implemented and is in the best interest of the state and necessary to address a critical state emergency.

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5. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2009, are as follows (in thousands):

Year Ending June 30	Primary Government					
	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 1,004,505	\$ 971,677	\$ 1,976,182	\$ 343,885	\$ 236,789	\$ 580,674
2011	1,039,837	919,838	1,959,675	360,720	219,594	580,314
2012	1,097,925	867,783	1,965,708	378,370	201,384	579,754
2013	1,140,811	811,938	1,952,749	3,897,270	158,784	4,056,054
2014	902,710	753,407	1,656,117	405,470	127,747	533,217
2015-2019	4,790,843	3,074,043	7,864,886	926,770	429,606	1,356,376
2020-2024	4,716,481	1,900,021	6,616,502	562,415	274,123	836,538
2025-2029	2,839,308	918,285	3,757,593	435,760	150,443	586,203
2030-2035	1,641,505	381,000	2,022,505	306,450	66,852	373,302
2035-2039	638,000	65,199	703,199	97,385	7,722	105,107
2040-2044	.....	.....	.....
Bonds payable and interest	19,811,925	10,663,191	30,475,116	7,714,495	1,873,044	9,587,539
Unamortized premiums (discounts)	422,844	.....	422,844	71,620	.....	71,620
Less amount deferred or refunded	(150,441)	.....	(150,441)	(38,389)	.....	(38,389)
Total bonds payable and interest	\$20,084,328	\$10,663,191	\$30,747,519	\$7,747,726	\$1,873,044	\$9,620,770

Year Ending June 30	Component Units		
	Principal	Interest	Total
2010	\$ 1,835,574	\$ 307,097	\$ 2,142,671
2011	266,008	299,339	565,347
2012	550,886	291,089	841,975
2013	353,235	283,172	636,407
2014	305,961	274,349	580,310
2015-2019	721,088	533,230	1,254,318
2020-2024	1,248,119	1,155,759	2,403,878
2025-2029	852,527	898,015	1,750,542
2030-2035	1,007,046	661,313	1,668,359
2035-2039	1,104,457	381,973	1,486,430
2040-2044	882,693	152,221	1,034,914
2045-2049	316,868	45,159	362,027
2050-2054	81,252	6,176	87,428
Bonds payable and interest	9,525,714	5,288,892	14,814,606
Unamortized premiums (discounts)	(54,615)	.....	(54,615)
Less amount deferred or refunded	(8,272)	.....	(8,272)
Total bonds payable and interest	\$ 9,462,827	\$ 5,288,892	\$14,751,719

6. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2009, the state did not execute any advance or current refundings.

7. 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 6/30/2009
Governmental Activities:	
Road and Bridge Bonds	\$ 11,750
SBE Capital Outlay Bonds	46,820
Public Education Capital Outlay Bonds	493,160
Lottery Education Bonds	242,020
Florida Facilities Pool Bonds	36,430
Total	<u>\$ 830,180</u>
Business-type Activities:	
Toll Facilities	<u>\$ 201,525</u>
Component Units:	
University Revenue Certificates	\$ 2,144
Higher Education Bonds	69,900
Total	<u>\$ 72,044</u>

8. Arbitrage Regulations

The State of Florida complies with Federal arbitrage regulations.

9. 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>Interest</u>
Education:	
SBE Capital Outlay Bonds	\$ 30,342
Lottery Education Bonds	131,367
Public Education Bonds	<u>502,325</u>
Total Education	<u>664,034</u>
Natural Resources and Environment:	
Conservation and Recreation Lands Bonds	571
Everglades Restoration Bonds	5,643
Water Pollution Control Bonds	9,769
Save Our Coast Bonds	1,522
Florida Forever Bonds	76,998
Preservation 2000 Bonds	<u>44,175</u>
Total Natural Resources and Environment	<u>138,678</u>
Transportation:	
Road and Bridge Bonds (Right of Way)	79,740
State Infrastructure Bank Bonds	<u>4,670</u>
Total Transportation	<u>84,410</u>
Total Direct Interest	<u>\$ 887,122</u>

10. Governmental Activities – Unrestricted Net Asset Deficit

Governmental activities reflect a negative unrestricted net asset balance of \$15.2 billion at June 30, 2009. 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 SBE Capital Outlay Bonds, PECO Bonds, and Lottery Education Bonds, which have a total ending balance at June 30, 2009, of \$14.8 billion. The state has an additional \$2.1 billion in bonded debt in which the state does not own the related capital assets, including some Road and Bridge Bonds, Water 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 \$1.7 billion.

B. Certificates of Participation

The state has issued certificates of participation (original amount of \$460,160,000) to finance privately operated detention facilities. The certificates of participation's interest rates range 2.500% - 5.375% and the last maturity is during the fiscal year ending June 30, 2029. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2009 (in thousands):

Year Ending June 30	Principal	Interest	Total
2010	\$ 16,080	\$ 14,774	\$ 30,854
2011	21,045	17,353	38,398
2012	21,920	16,434	38,354
2013	22,975	15,400	38,375
2014	24,125	14,226	38,351
2015-2019	105,430	54,505	159,935
2020-2024	95,445	32,021	127,466
2025-2029	78,440	9,306	87,746
Total	385,460	174,019	559,479
Unamortized premiums (discounts)	9,069	.....	9,069
(Amount deferred upon refunding)	224	.....	224
Total certificates of participation payable	<u>\$ 394,753</u>	<u>\$ 174,019</u>	<u>\$ 568,772</u>

Component units (universities and a water management district) have issued certificates of participation (original amount of \$1,249,133,662) primarily to finance academic and student facilities and construction projects for Everglades restoration. The certificates of participation's interest rates range from 2.550% to 6.500% and the last maturity is during the fiscal year ending June 30, 2038. The following is a schedule of future minimum principal and interest payments for certificates of participation for component units at June 30, 2009 (in thousands):

Year Ending June 30	Principal	Interest	Total
2010	\$ 21,525	\$ 55,886	\$ 77,411
2011	24,453	55,033	79,486
2012	25,537	54,076	79,613
2013	26,537	52,977	79,514
2014	27,251	51,811	79,062
2015-2019	160,016	239,734	399,750
2020-2024	189,712	199,298	389,010
2025-2029	235,191	149,912	385,103
2030-2034	295,329	88,044	383,373
2035-2039	213,650	18,383	232,033
Total	1,219,201	965,154	2,184,355
Unamortized premiums (discounts)	30,111	.....	30,111
(Amount deferred upon refunding)	(157)	.....	(157)
Total certificates of participation payable	<u>\$ 1,249,155</u>	<u>\$ 965,154</u>	<u>\$ 2,214,309</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, 2009, 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, 2009 (in thousands):

Year Ending June 30	Primary Government	Component Units
	Government Activities	
2010	\$ 12,574	\$ 6,122
2011	7,774	3,549
2012	3,539	1,968
2013	2,150	518
2014	4,012	223
2015-2019	6,431	369
2020-2024	3,703	.....
2025-2029	956	.....
Total	41,139	12,749
Less: Interest	(6,213)	(572)
Present value of future minimum payments	\$ 34,926	\$ 12,177

B. Capital Leases

The state has a number of capital leases providing for the acquisition of land, buildings, and furniture and equipment. At June 30, 2009, 85 percent of the state's capital leases for governmental activities were for buildings, with the remainder for furniture and equipment. Capital leases for component units consisted of 78 percent for buildings, 19 percent for furniture and equipment, and 3 percent for land. The following is a schedule of future minimum capital lease payments for the primary government and component units at June 30, 2009 (in thousands):

Year Ending June 30	Primary Government	Component Units
	Governmental Activities	
2010	\$ 17,831	\$ 16,249
2011	18,352	16,188
2012	18,048	14,148
2013	17,885	10,836
2014	30,636	8,726
2015-2019	57,167	42,022
2020-2024	42,476	34,853
2025-2029	35,583	28,259
2030-2034	10,060	21,858
2035-2039	.....	5,623
Total	248,038	198,762
Less: Interest	(76,290)	(66,283)
Present value of future minimum payments	\$ 171,748	\$ 132,479

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2009, are as follows (in thousands):

	Balance 7/1/2008	Additions	Deletions	Balance 6/30/2009	Due Within One Year (Current)
Governmental Activities					
Bonds payable:					
Road and Bridge Bonds	\$ 1,854,655	\$	\$ 61,735	\$ 1,792,920	\$ 64,020
SBE Capital Outlay Bonds	753,705	.....	59,190	694,515	62,140
Lottery Education Bonds	2,573,260	500,000	139,955	2,933,305	159,330
Public Education Bonds	10,330,150	950,000	350,885	10,929,265	375,940
Conservation and Recreation Lands Bonds	10,685	.....	2,435	8,250	2,580
Save Our Coast Bonds	34,170	.....	13,950	20,220	9,450
Preservation 2000 Bonds	819,665	.....	147,560	672,105	155,215
Florida Forever Bonds	1,672,395	157,950	117,925	1,712,420	125,190
Water Pollution Control Bonds	100,225	250,000	8,915	341,310	17,745
State Infrastructure Bank Bonds	112,505	.....	5,390	107,115	7,075
Everglades Restoration Bonds	195,945	.....	7,490	188,455	7,775
Florida Facilities Pool Bonds	392,790	36,585	17,330	412,045	18,045
	18,850,150	1,894,535	932,760	19,811,925	1,004,505
Unamortized bond premiums (discounts)	459,186	43,880	80,222	422,844	.....
Amounts deferred on refunding	(163,701)	.....	(13,260)	(150,441)	.....
Total bonds payable	19,145,635	1,938,415	999,722	20,084,328	1,004,505
Certificates of participation payable	256,882	151,775	13,904	394,753	16,080
Deposits	830,558	335,252	474,254	691,556	330,364
Compensated absences	829,255	323,803	284,111	868,947	229,374
Claims payable	2,316,984	385,571	204,340	2,498,215	600,753
Installment purchases/capital leases	111,162	129,714	34,202	206,674	21,913
Due to other governments:					
Federal arbitrage liability	1,841	.....	1,700	141	.....
Other liabilities	112,906	128,315	8,038	233,183	.....
Total Governmental Activities	\$ 23,605,223	\$ 3,392,845	\$ 2,020,271	\$ 24,977,797	\$ 2,202,989

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 will liquidate the certificates of participation payable, installment purchase contracts, and capital lease 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 non-major special revenue fund 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, 2009, are as follows (in thousands):

	Balance 7/1/2008	Additions	Deletions	Balance 6/30/2009	Due Within One Year (Current)
Business-type Activities					
Bonds payable:					
Toll Facility Bonds	\$ 2,569,520	\$	\$ 85,620	\$ 2,483,900	\$ 87,230
Florida Hurricane Catastrophe Fund Bonds	7,650,025	625,000	3,044,430	5,230,595	256,655
Unamortized bond premiums (discounts)	90,516	6,116	25,012	71,620	.....
Amounts deferred on refunding	(44,830)	.....	(6,441)	(38,389)	.....
Total bonds payable	10,265,231	631,116	3,148,621	7,747,726	343,885
Accrued prize liability	1,105,322	979,809	1,093,641	991,490	272,700
Deposits	451,525	59,848	30,562	480,811	448,279
Installment purchases/capital leases	32	.....	32	.....	.....
Compensated absences	21,325	8,311	7,532	22,104	5,132
Tuition and housing benefits payable	7,517,252	1,087,485	325,050	8,279,687	528,229
Due to other governments:					
Federal arbitrage liability	25	.....	25	.....	.....
Other liabilities	1,562	8,471	.....	10,033	.....
Total Business-type Activities	\$ 19,362,274	\$ 2,775,040	\$ 4,605,463	\$ 17,531,851	\$ 1,598,225
Component Units					
Bonds payable	\$ 12,243,767	\$ 2,524,667	\$ 5,305,607	\$ 9,462,827	\$ 1,835,574
Deposits	79,377	106,507	167,152	18,732	13,139
Compensated absences	621,941	96,791	102,115	616,617	64,209
Installment purchases/capital leases	137,503	24,368	17,215	144,656	16,712
Claims payable	119,852	121,532	111,194	130,190	16,225
Certificates of participation payable	1,238,949	31,140	20,934	1,249,155	21,525
Due to other governments	3,664	.....	.....	3,664	.....
Other liabilities	792,308	371,305	176,941	986,672	270,713
Total Component Units	\$ 15,237,361	\$ 3,276,310	\$ 5,901,158	\$ 12,612,513	\$ 2,238,097

NOTE 11 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2009, 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, 2009, 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	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	\$	\$ 5,442	\$	\$ 67,118	\$ 9,434
Environment, Recreation and Conservator	11,543	.....	.....	940	9,764
Public Education	224	.....	.....	.....	.....
Health and Family Services	5,487	.....	.....	.....	9,219
Transportation	4,121	2,097	.....	13	.....
Nonmajor	35,794	4,744	10	6,627	30,589
Internal Service Funds	2,057	.....	.....	.....	21
Business-type Activities					
Transportation	126	.....	.....	.....	86,050
Lottery	.....	.....	83,766	.....	.....
State Board of Administration	.....	.....	.....	.....	.....
Prepaid College Program	.....	.....	.....	.....	.....
Unemployment Compensator	3	.....	.....	.....	.....
Nonmajor	5,079	.....	.....	242	.....
Fiduciary Funds					
Private-purpose Trust Funds	21	.....	1,146	.....	1,746
Pension and Other Employee Benefits Trust Funds	2	.....	.....	4	.....
Agency Funds	50,854	.....	1,504	6,176	5,267
Investment Trust Funds	.....	.....	.....	.....	.....
Total	\$ 115,311	\$ 12,283	\$ 86,426	\$ 81,120	\$ 152,090

(Continued below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)	
	Governmental Activities	
	Nonmajor	Internal Service Funds
Governmental Activities		
General Fund	\$ 82,416	\$ 5,690
Environment, Recreation and Conservator	979	38
Public Education	3,605	1
Health and Family Services	1,228	11,352
Transportation	25,481	2,545
Nonmajor	19,388	2,517
Internal Service Funds	1,314	267
Business-type Activities		
Transportation	.....	.....
Lottery	10	33
State Board of Administration	.....	.....
Prepaid College Program	.....	.....
Unemployment Compensator	1,777	.....
Nonmajor	2,238	178
Fiduciary Funds		
Private-purpose Trust Funds	115	.....
Pension and Other Employee Benefits Trust Funds	.....	29
Agency Funds	15	.....
Investment Trust Funds	.....	.....
Total	\$ 138,566	\$ 22,650

(Continued next page)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)		
	Business-type Activities		
	Transportation	Unemployment Compensation	Nonmajor
Governmental Activities			
General Fund	\$	\$ 1,632	\$ 927
Environment, Recreation and Conservator	.....	74	.....
Public Education	.....	17	.....
Health and Family Services	.....	666	17
Transportation	593	118	.....
Nonmajor	.....	336	22
Internal Service Funds	.....	54	.....
Business-type Activities			
Transportation	.....	.....	.....
Lottery	.....	6	5
State Board of Administration	.....	.....	82
Prepaid College Program	.....	.....	.....
Unemployment Compensator	.....	.....	.....
Nonmajor	.....	41	.....
Fiduciary Funds			
Private-purpose Trust Funds	.....	1	.....
Pension and Other Employee Benefits Trust Funds	.....	.....	2,610
Agency Funds	644	.....	56
Investment Trust Funds	.....	.....	29
Total	\$ 1,237	\$ 2,945	\$ 3,748

(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	\$	\$ 1	\$ 28,038	\$ 200,698
Environment, Recreation and Conservator	.....	.....	.....	23,338
Public Education	276	.....	.....	4,123
Health and Family Services	.....	.....	160	28,129
Transportation	.....	.....	8,860	43,828
Nonmajor	.....	.....	.....	100,027
Internal Service Funds	.....	.....	20,596	24,309
Business-type Activities				
Transportation	.....	.....	186	86,362
Lottery	.....	.....	.....	83,820
State Board of Administration	.....	.....	.....	82
Prepaid College Program	157	.....	.....	157
Unemployment Compensator	.....	.....	.....	1,780
Nonmajor	.....	.....	.....	7,778
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	.....	3,029
Pension and Other Employee Benefits Trust Funds	.....	.....	.....	2,645
Agency Funds	.....	.....	164	64,680
Investment Trust Funds	.....	.....	.....	29
Total	\$ 433	\$ 1	\$ 58,004	\$ 674,814

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)		
	Governmental Activities	Business-type Activities	
	General Fund	Transportation	Transportation
Governmental Activities			
General Fund	\$	\$ 100	\$ 500
Nonmajor	625	.....	.....
Internal Service Funds	2,003	800	.....
Business-type Activities			
Transportation	.....	228,738	.....
Fiduciary Funds			
Agency Funds	8	.....	.....
Total	\$ 2,636	\$ 229,638	\$ 500

(Continued below)

Advances from Other Funds (in thousands)	Advances to Other Funds (in thousands)	
	Fiduciary Funds	Total
	Private-purpose Trust Funds	
Governmental Activities		
General Fund	\$	\$ 600
Public Education	471,797	471,797
Nonmajor	.....	625
Internal Service Funds	.....	2,803
Business-type Activities		
Transportation	228,738
Fiduciary Funds		
Agency Funds	8
Total	\$ 471,797	\$ 704,571

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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	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	\$	\$ 746,237	\$ 588	\$ 794,885	\$ 123,196
Environment, Recreation and Conservation	290,386	.....	.....	5,388	480
Public Education	208,170	.....	.....	155	.....
Health and Family Services	38,694	66	99	.....	41,726
Transportation	59,981	20,458	.....	815	.....
Nonmajor	349,733	45,059	229,610	87,210	788,204
Internal Service Funds	11,151	384	.....	15	705
Business-type Activities					
Transportation	.....	.....	.....	.....	15,448
Lottery	332	.....	1,287,856	.....	.....
Hurricane Catastrophe Fund	.....	.....	.....	.....	.....
Prepaid College Program	.....	.....	.....	.....	.....
Unemployment Compensation	.....	.....	.....	.....	.....
Nonmajor	158,910	.....	.....	4,894	.....
Fiduciary Funds					
Private-purpose Trust Funds	14	.....	1,212	719	.....
Pension and Other Employee Benefits Trust Funds	2,033	.....	.....	.....	.....
Investment Trust Funds	.....	.....	.....	.....	.....
Total	\$ 1,119,404	\$ 812,204	\$ 1,519,365	\$ 894,081	\$ 969,759

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)	
	Governmental Activities	
	Nonmajor	Internal Service Funds
Governmental Activities		
General Fund	\$ 1,255,860	\$ 430
Environment, Recreation and Conservation	469,544	.....
Public Education	1,259,924	.....
Health and Family Services	418,431	.....
Transportation	597,741	543
Nonmajor	291,376	14,622
Internal Service Funds	9,331	1
Business-type Activities		
Transportation	.....	.....
Lottery	.....	.....
Hurricane Catastrophe Fund	10,000	.....
Prepaid College Program	.....	.....
Unemployment Compensation	29,290	.....
Nonmajor	3,004	.....
Fiduciary Funds		
Private-purpose Trust Funds	66	.....
Pension and Other Employee Benefits Trust Funds	120	19,107
Investment Trust Funds	.....	.....
Total	\$ 4,344,687	\$ 34,703

(Continued next page)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)		
	Business-type Activities		
	Transportation	Unemployment Compensation	Nonmajor
Governmental Activities			
General Fund	\$ 380	\$ 7,090	\$ 2,267
Environment, Recreation and Conservation	339	.....
Public Education	46	.....
Health and Family Services	2,736	1,368
Transportation	22,091	.....	.....
Nonmajor	1,098	2,544
Internal Service Funds	168	.....
Business-type Activities			
Transportation
Lottery	21	.....
Hurricane Catastrophe Fund
Prepaid College Program
Unemployment Compensation
Nonmajor	187	.....
Fiduciary Funds			
Private-purpose Trust Funds	5	.....
Pension and Other Employee Benefits Trust Funds	15	14,227
Investment Trust Funds
Total	\$ 22,471	\$ 11,705	\$ 20,406

(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	Investment Trust Funds	Total
Governmental Activities				
General Fund	\$	\$	\$	\$ 2,930,933
Environment, Recreation and Conservation	.....	.....	.....	766,137
Public Education	5,642	.....	.....	1,473,937
Health and Family Services	.....	.....	.....	503,120
Transportation	8	.....	.....	701,637
Nonmajor	.....	.....	.....	1,809,456
Internal Service Funds	.....	.....	.....	21,755
Business-type Activities				
Transportation	.....	.....	.....	15,448
Lottery	.....	.....	.....	1,288,209
Hurricane Catastrophe Fund	.....	.....	.....	10,000
Prepaid College Program	2,025	.....	.....	2,025
Unemployment Compensation	.....	.....	.....	29,290
Nonmajor	.....	.....	.....	166,995
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	.....	2,016
Pension and Other Employee Benefits Trust Funds	.....	541,650	.....	577,152
Investment Trust Funds	.....	.....	105,040	105,040
Total	\$ 7,675	\$ 541,650	\$ 105,040	\$ 10,403,150

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 for all perils except named windstorm and flood. The property insurance program self-insures the first \$2 million per occurrence with an annual aggregate of \$40 million for named windstorm and flood. Commercial excess insurance is purchased for losses over the self-insured retention up to \$45.25 million per occurrence for named windstorm, \$45.25 million per occurrence for flood losses, and \$200 million per occurrence 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, 2008, and June 30, 2009, 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, 2008	\$ 1,640	\$ (1,016)	\$ (139)	\$ 485
June 30, 2009	\$ 485	\$ 395	\$ (231)	\$ 649

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 workers' compensation coverage.

The estimated liability for unpaid casualty insurance claims at June 30, 2009, was \$1,046.9 million. 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, 2008, and June 30, 2009, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2008	\$ 1,077,330	\$ (55,916)	\$(129,095)	\$ 892,319
June 30, 2009	\$ 892,319	\$ 293,691	\$(139,146)	\$1,046,864

The above current year claims and changes in estimate include an adjustment for the amount discounted for workers compensation indemnity reserves. Actual current year claims and changes in reserves for casualty lines of coverage for the fiscal year ended June 30, 2009, increased by \$317.5 million. The amount of claims paid for property claims did not exceed insurance coverage for each of the last three years.

B. Employee and Retiree Health Insurance Funds

Employees and retirees 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, an internal service fund. It is the practice of the state not to purchase commercial coverage for the risks of losses covered by this program..

The program’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, 2008, and June 30, 2009, 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, 2008	\$ 65,764	\$ 756,213	\$ (760,414)	\$ 61,563
June 30, 2009	\$ 61,563	\$ 794,589	\$ (793,519)	\$ 62,633

During the year, for program operations, both employee and retiree participation in the state group health insurance program are accounted for in the State Employees Group Health Insurance Trust Fund. Retiree participation in the program is considered an Other Postemployment Benefit (OPEB) for purposes of this report. See Note 6, Section B regarding OPEB for additional information. Asset and liability balances related to retiree participation in the program as of June 30, 2009 were transferred from the State Employees Group Health Insurance Trust Fund and reported in Other Agency Funds in accordance with the requirements of Statement No. 43 of the Governmental Accounting Standards Board, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

NOTE 13 – FLORIDA PREPAID COLLEGE PROGRAM

The Florida Prepaid College Program was created in 1987 to provide a medium through which the costs of tuition 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 an enterprise fund. An actuarial study is performed to determine the Program's funding status. Additional information as of June 30, 2009, is as follows:

Actuarial present value of future contract benefits and expenses payable	\$	8,279,686,953
Net assets available	\$	8,701,994,961
Net assets as a percentage of future contract benefits and expenses obligation		105.1%

NOTE 14 –INSURANCE ENTERPRISES

The State of Florida has established multiple enterprises that provide insurance, reinsurance, and guarantee services. The primary risk exposures to the state relate to catastrophic hurricane losses, access to liquidity from credit markets, and ultimate dependence on public assessments.

A. FLORIDA HURRICANE CATASTROPHE FUND

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993 by the Florida Legislature, as a state fund administered by the State Board of Administration (SBA) to provide a source of reinsurance to most residential property insurers for catastrophic hurricane losses, thereby creating additional insurance capacity. Most admitted residential property insurers are required to purchase mandatory reinsurance coverage with the FHCF. Chapter 2007-1, Laws of Florida, was enacted in 2007 amending statutes to require the FHCF provide optional additional coverage with the Temporary Emergency Options for Additional Coverage (TEACO layer) and the Temporary Increase in Coverage Limit Options (TICL layer).

The mandatory layer covers a portion of hurricane losses in excess of the industry wide retention, up to the lesser of either the indexed statutory limit or the actual claims-paying capacity of the FHCF. For the contract year ending May 31, 2009, the industry wide retention was \$6.9 billion per hurricane for the first two hurricanes and \$2.3 billion for each subsequent hurricane in the contract year. The aggregate coverage capacity for the contract year (in excess of retention) was \$16.5 billion. The statute requires that an actuarially indicated formula developed by an independent actuary be used to calculate the reimbursement premiums collected for the mandatory layer.

The optional TEACO layer provides coverage for a portion of the losses underneath the mandatory layer with industry wide retentions ranging as low as \$3 billion. The statutory authority for TEACO will sunset effective May 31, 2010.

The optional TICL layer covers a portion of hurricane losses in excess of the mandatory layer, up to the lesser of either \$12 billion or the actual claims-paying capacity of the FHCF. The TICL coverage capacity for the contract year ending May 31, 2009, was \$12 billion. In 2009, statutes were amended to phase out the entire \$12 billion in TICL coverage at a rate of \$2 billion per year for 6 years, to completely phase out TICL coverage by 2014.

The maximum reimbursable claims for the TICL and mandatory layers (no TEACO option was selected) in the contract year ending May 31, 2009, was \$28.5 billion.

The SBA contracts with each insurer writing covered policies in the state to reimburse the insurer for a percentage of losses incurred from covered events. The obligation of the SBA with respect to all contracts covering a particular contract year shall not exceed the actual claims-paying capacity (as determined by the FHCF's bond underwriters and financial adviser). The FHCF has a fiscal year end of June 30 and its reimbursement contracts expire on May 31. As of June 30, 2009, the FHCF had net assets of \$1.75 billion.

If available resources and pre-catastrophe debenture financing are not adequate to satisfy reimbursement claims, the FHCF may issue revenue bonds secured by emergency assessments. The SBA has the sole authority to direct the Office of Insurance Regulation and the Florida Surplus Lines Service Office to levy assessments on most property and casualty insurance policy premiums on behalf of the FHCF. Aggregate assessments may not exceed 10% and assessments in relation to losses in one contract year may not exceed 6%. As of June 30, 2009, the FHCF is levying assessments of 1%. This assessment authority is neither related to nor restricted by the assessments levied by either Citizens Property Insurance Corporation (Citizens), a discretely presented component unit, or the Florida Insurance Guarantee Association (FIGA).

To build up cash resources and reduce the reliance on post-event bonding, legislation was passed in 2009 that allows for a "cash build up" factor of 5% to be included in rates for coverage in the mandatory layer. This factor increases each year by 5% until it ultimately reaches 25% in year five and thereafter. This provision was designed to address the liquidity needs of the FHCF over the long run by allowing it to accelerate the build-up of its cash balance for paying claims.

The State of Florida was not hit by any hurricanes during the 2008 season. There were no hurricane losses incurred for the year ended June 30, 2009. In July 2008, the Corporation issued post-event Series 2008A Revenue Bonds in the amount of \$625 million. These bond proceeds and their investment earnings will enhance the Fund's ability to make payments to participating insurers for losses resulting from the 2005 hurricane season. The funding for these bonds will come from the 1% emergency assessment on the direct written premium for all property and casualty lines of business in Florida including property and casualty business of surplus lines insurers, but not including workers' compensation or medical malpractice premiums. The bonds are stated to mature, without prior right of redemption, on July 1 of the following years and bear interest at rates ranging from 4.125% to 5.000% as follows (in thousands):

2013	\$ 66,865	4.125%
2013	233,135	5.000
2014	106,610	4.250
2014	<u>218,390</u>	5.000
	<u>\$ 625,000</u>	

B. CITIZENS PROPERTY INSURANCE CORPORATION

Citizens Property Insurance Corporation (Citizens) was established on August 1, 2002, pursuant to Section 627.351(6), Florida Statutes (the Act), to provide certain residential and non-residential property insurance coverage to qualified risks in the State of Florida under circumstances specified in the Act. The original intent of the legislation was that property insurance be provided through Citizens to applicants who are in good faith entitled to procure insurance through the voluntary market but are unable to do so. Citizens results from a combination of the Florida Residential Property and Casualty Joint Underwriting Association (the FRPCJUA) and the Florida Windstorm Underwriting Association (the FWUA). The FRPCJUA was renamed Citizens and the FWUA's rights, obligations, assets, liabilities and all insurance policies were transferred to Citizens. Unlike private insurers offering coverage through the admitted market, Citizens is not required to obtain or to hold a certificate of authority issued by the Florida Office of Insurance Regulation (the Office). For purposes of its tax-exempt status, Citizens is considered a political subdivision and an integral part of the State of Florida. As such, Citizens' operations may be affected by the legislative process. In 2007, the Act was amended to recognize Citizens' status as a governmental entity and the necessity of Citizens to provide insurance that was affordable.

Citizens operates pursuant to a Plan of Operation (the Plan) approved by the Financial Services Commission (the Commission) of the State of Florida. The Commission is composed of the Governor, the Chief Financial Officer, the Attorney General and the Commissioner of Agriculture of the State. Prior to October 1, 2006, the Plan was subject to the approval of the Office.

Pursuant to the Act, all revenues, expenses, assets and liabilities of Citizens shall remain divided into three separate accounts: the Personal Lines Account, the Commercial Lines Account and the High-Risk Account. A brief history of each account follows:

Personal Lines Account history - The FRPCJUA began operations on January 21, 1993, after Hurricane Andrew, pursuant to Section 627.351(6), Florida Statutes, to provide certain residential property insurance coverage to qualified risks in the State of Florida (on a statewide basis) to applicants who were in good faith entitled to procure insurance through the private market but were unable to do so. Residential property coverage consists of the types of coverage provided to homeowners, mobile homeowners, tenants, condominium unit owners, and similar policies. The policies provide coverage for all perils covered under a standard residential policy, subject to certain underwriting requirements. Such policies exclude windstorm coverage on property within eligible areas. This portion of the FRPCJUA's activities became the Personal Lines Account under Citizens.

Commercial Lines Account history – The Florida Property and Casualty Joint Underwriting Association (FPCJUA) was activated in early 1994 to provide commercial residential coverage, i.e., coverage for condominium associations, apartment buildings and homeowner associations, to organizations unable to obtain such coverage from a private insurer. During 1995, legislation was enacted to transfer all obligations, rights, assets, and liabilities related to commercial residential coverage from the FPCJUA to the FRPCJUA. The legislation required that the premiums, losses, assets and liabilities be accounted for separately from the FRPCJUA's personal residential business. These policies excluded windstorm coverage on properties within eligible areas. This portion of the FRPCJUA's activities became the Commercial Lines Account under Citizens. In 2006, the FPCJUA was re-activated to provide commercial non-residential wind only

coverage. In 2007, legislation was enacted which resulted in the transfer and assumption of the FPCJUA's commercial non-residential policies by Citizens. These policies were added to the Commercial Lines Account.

High-Risk Account history – The FWUA, which was a residual market mechanism for windstorm and hail coverage in selected areas of the State, was created by an act of the Florida Legislature in 1970 pursuant to Section 627.351(2), Florida Statutes. FWUA was a Florida unincorporated association, the members of which were all property insurance companies holding a certificate of authority to provide property insurance coverage in the State. FWUA provided policies of windstorm insurance for property owners within the eligible areas who were unable to obtain such coverage from private insurers. Insured properties include personal residential, commercial residential and commercial non-residential properties. This portion of the FWUA's activities became the High Risk Account under Citizens. In 2007, Citizens received authority to issue multi-peril policies in the High-Risk Account.

Section 627.351(6)(n), Florida Statutes, requires Citizens to charge actuarially sound rates; however, legislation in 2007 and 2008 froze Citizens rates to amounts established in 2006 with no rate increases to be made until January 1, 2010 at the earliest.

Citizens' enabling legislation and Plan of operations established a process by which Citizens may levy assessments to recover any deficits incurred in a given year. Citizens' determination of the amount of assessment is subject to the verification of the mathematical calculation by the Office of Insurance Regulation. Citizens' ability to assess provides some assurance of its financial stability.

ASSESSMENTS

Citizens' enabling legislation and the Plan establish a process by which Citizens is required to levy assessments to recover deficits incurred in a given plan year for any of its three accounts. Deficits are calculated separately, and assessments are accordingly levied separately, for each of the three accounts. The Plan provides for deficits to be determined in accordance with accounting principles generally accepted in the United States adjusted for certain items.

In the event of a Plan Year Deficit in an Account, Citizens must first levy an assessment against the premium of each Citizens policyholder (the "Citizens Policyholder Surcharge") in each of Citizens' Accounts, as a uniform percentage of the premium of the policy of up to 15% of such premium. Citizens Policyholder Surcharges are not subject to commissions, fees, or premium taxes; however, failure to pay a Citizens Policyholder Surcharge will be treated as failure to pay premiums. If the Citizens Policyholder Surcharge is insufficient to eliminate the deficit in an Account, Citizens would then levy a Regular Assessment on Assessable Insurers and Assessable Insureds, each as defined herein. The Regular Assessment is applied as a uniform percentage of the premium of the policy up to 6% of such premium per account.

Regular Assessments are levied on Assessable Insurers, as defined in Section 627.351(6), Florida Statutes, based upon each Assessable Insurer's share of direct written premium for the subject lines of business in the State of Florida for the calendar year preceding the year in which the deficit occurred. Regular Assessments on Assessable Insureds, collectively, are based on the ratio of the amount being assessed for an Account to the aggregate statewide direct written premiums for the subject lines of business for the preceding year.

If the deficit in any year in any Account is greater than the amount that may be recovered through Citizens' Policyholder Surcharges and Regular Assessments, Citizens is required to levy any remaining Plan Year Deficit as an Emergency Assessment. An Emergency Assessment is to be collected by all Assessable Insurers, Surplus Lines Agents and Citizens from policyholders upon the issuance or renewal of policies for Subject Lines of Business for as many years as necessary to cover the Plan Year Deficit in the Account. The primary difference between the assessment base for Regular Assessments and Emergency Assessments is the inclusion of Citizens' direct written premium in the assessment base for Emergency Assessments.

For purposes of Regular Assessments and Emergency Assessments, the "Subject Lines of Business" are all lines of property and casualty insurance, including automobile lines, but excluding accident and health, workers' compensation, and medical malpractice insurance, and also excluding insurance under the National Flood and Federal Crop insurance programs. The Regular Assessment base excludes Citizens policies (while the Emergency Assessment base includes Citizens policies). Prior to the enactment of the 2007 Legislation, the Regular Assessment base for each Account was only the property lines of business.

C. FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.

The Florida Insurance Guaranty Association, Inc. (the Association), a not-for-profit corporation, was established by the Florida Legislature through the Florida Insurance Guaranty Act of 1970 (the Act). The Association was created to provide a mechanism for the payment of covered claims of insolvent insurers and to assist in the detection and prevention of insurers' insolvencies. The Association operates under the supervision and approval of a board of directors, comprised of eight persons, recommended by member insurers pursuant to Chapter 631.56, Florida Statutes, and subsequently appointed by the Florida Department of Financial Services.

The members of the Association are all insurers that provide property and casualty coverages in the State of Florida.

The funding of the Association's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and, as considered necessary, levied against member insurers on the basis of net direct written premiums in the state of Florida in the classes protected by the Act. The Association obtains the amount of the net direct written premiums, by company and by class of protection, to use as the basis for assessment calculations. The maximum regular assessment rate is 2%. In addition to the regular assessment, during 2006, the Florida Legislature granted the Association the authority to levy an emergency assessment up to an additional 2% of net direct written premiums for the account specified in Section 631.55(2)(c). Also in 2006, the Association was granted the authority to work with an affected municipality, county, or financing conduit organization under Chapter 163, Florida Statutes, to issue tax-exempt bonds should the funding need arise for the account specified in Section 631.55(2)(c). As of December 31, 2009, the Association has not issued any tax-exempt bonds.

NOTE 15 – CONTINGENCIES**A. Federal Family Education Loans Program**

The Florida Department of Education (FDOE) administers the Federal Family Education Loans Program (FFELP), under which the FDOE guarantees loans made to eligible students and their parents by financial institutions. At June 30, 2009, approximately \$4.3 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 2008-2009 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.

C. Peak Oil Superfund Site Remediation

The U.S. Environmental Protection Agency identified the Florida Department of Transportation (FDOT) as a Potentially Responsible Party for past and future response costs at the Peak Oil Superfund Site. The FDOT made payments under a consent decree in 1998, as entered in the case of *United States of America v. Bill Currie Ford, et al.*, Case No. 8:97-cv-01566-RAL, United States District Court, Middle District of Florida, Tampa Division. Implementation of remedial design is in process and the evaluation of the need for remedy in wetlands and deep aquifer is ongoing. Based on the remediation performed to date pursuant to the consent decree, FDOT has determined that its share of the potential future cost of remediation is not expected to exceed \$25 million.

NOTE 16 – LITIGATION

Due to its size and broad range of activities, the state is involved in various, though sometimes routine, legal actions. The following are the significant loss contingencies associated with legal proceedings:

A. Kindred Pharmacy Services East, LLC, et al. v. Florida Agency for Health Care Administration, Case No. 04-CA-1291, (2nd Cir.)

Eight pharmacies brought a breach of contract and declaratory judgment action alleging that the Agency did not properly reimburse providers for prescription drugs provided under the Medicaid program. The estimated exposure of the claim was up to \$50 million. On November 7, 2007, Defendant's Cross-Motion for Summary Judgment was granted. The Court held that the Agency was authorized by law to reimburse Medicaid prescribed drug service providers using the wholesaler acquisition cost plus 7% for the period of April 30, 2002, through June 30, 2004. Plaintiffs' appealed to the First District Court of Appeal (1st DCA), which affirmed the lower court's decision in *Kindred Hospitals East, LLC, et al v. Agency for Health Care Administration*, 1 So. 3d 180 (Table), Fla. App. 1 Dist. (Feb. 6, 2009).

B. Rine v. Dickinson, Case No. 3-07-MD-2-J-32 TEM (U.S. District Court, Middle District, Jacksonville)

Imagitas, Inc. was under contract with the Florida Department of Highway Safety and Motor Vehicles to mail annual registration renewals for tax collectors pursuant to Section 320.02, Florida Statutes. Section 283.58, Florida Statutes, permits an agency to enter into agreements to secure the private publication of public information materials for distribution without charge to the public by authorizing the vendor to include advertising approved by the agency. Plaintiffs alleged Federal Driver's Privacy Protection Act (DPPA) violations against state officials for permitting Imagitas' use of personal information to contact motorists. The case against Department officials is associated with the main class action suit against Imagitas (*Rine v. Imagitas*) since it contains similar DPPA violation allegations pertaining to the registration renewals. The parties agreed to a settlement involving no payment by the Department. On December 21, 2009, the Eleventh Circuit Court of Appeals affirmed the summary judgment in favor of Imagitas. *Rine v. Imagitas*, 590 F.3d 1215 (11th Cir.(Fla.) Dec. 21 2009).

C. Welch v. Theodorides-Bustle, et al., Case No. 4:09cv302-RH/WCS, (U.S. District Court, N.D. Florida, Tallahassee Division)

A Florida driver brought putative class action against officials of the Florida Department of Highway Safety and Motor Vehicles, alleging violations of the Driver's Privacy Protection Act for disclosure of information to a private corporation and another entity. The Defendants filed a motion to dismiss that was denied on January 5, 2010. Should the plaintiff prevail in this case, the potential outcome could be in excess of \$25 million.

D. DirecTV and Echostar Satellite LLC n/k/a Dish Network, LLC v. Department of Revenue, Case No. 05-CA-1037 (2nd Cir.) and Ogborn v. Department of Revenue, Case No. 05-CA-1354 (2nd Cir.) (Now Consolidated Case No. 05-CA-1037)

These consolidated cases challenge the statutory distinction made in the application of the Communication Services Tax of Chapter 202, Florida Statutes, to cable and satellite TV providers. DirecTV challenges the statute as a provider, while Ogborn challenges on behalf of a class of subscribers. The Plaintiffs argue that applying a different statutory rate of tax on the sale of these competing services violates the Commerce Clause and the Equal Protection Clause. The amount of tax refund at issue is \$40 million annually. These two cases were consolidated on September 30, 2008. The Florida Cable Telecommunications Association (FCTA) filed a motion to intervene in the consolidated cases, which was heard and granted on January 6, 2009. DirecTV filed an amended complaint on October 31, 2008. The Department filed a motion to strike allegations in the amended complaint and a motion to dismiss on January 9, 2009. The Ogborns then filed a second amended class action complaint on March 27, 2009, and the Department filed a motion to dismiss the second amended complaint on April 27, 2009. The FCTA also filed a motion to dismiss DirecTV's amended complaint. These motions to dismiss are currently pending.

E. General Motors Corporation v. Florida Department of Revenue, Case No. 04-CA-2739 (2nd Cir.)

General Motors repairs vehicles that fall outside the contractual terms of new or extended vehicle warranties under programs known as Special Policy or Goodwill Policy Adjustments. General Motors alleges the State illegally imposed a use tax on the

tangible personal property that is incorporated into repairs made under these programs. The total tax, penalty, and interest at stake in this case exceeds \$30 million. In 2009, General Motors entered, and subsequently exited, bankruptcy. Although the Department timely filed a Proof of Claim, legal issues are currently being litigated as to whether the sales tax assessment survived the bankruptcy.

F. Home Depot USA, Inc. v. Florida Department of Revenue, Case No. 07-CA-4335 (13th Cir.)

Home Depot is challenging four sales tax refund denials. Customers purchased merchandise at Home Depot using private label credit cards. These private label credit cards were issued by a separate entity bank that reimbursed Home Depot for the sales price, including sales tax, less a discount. The issue in this case is whether the “discount” (the difference between the sales price, plus tax charged to a customer and the amount reimbursed by the separate entity to Home Depot), is an unpaid balance due on worthless accounts for the purposes of Section 212.17(3), Florida Statutes, thus authorizing Home Depot certain tax credits.

The Department filed its answer and affirmative defenses on April 30, 2007. Home Depot filed a reply to the Department’s affirmative defenses and filed a motion to strike the Department’s second affirmative defense on May 14, 2007. The potential refund to Home Depot is approximately \$17.5 million and there could be a substantial recurring financial impact, exceeding \$25 million annually.

G. Bank of America, N.A. v. Florida Department of Revenue, Case No. 05-CA-7427 (13th Cir.)

In an action for refund pursuant to Chapter 86, Florida Statutes, Plaintiff challenges whether certain notes secured by mortgages are exempt from Documentary Stamp Tax (DST) pursuant to Sections 201.08 and 201.09, Florida Statutes, as a renewal, and from Nonrecurring Intangible Personal Property Tax (IPPT) pursuant to Sections 199.133 and 199.145(4), Florida Statutes, as a refinancing, when they replace prior notes and mortgages between the same lender and borrowers and a satisfaction of the prior note and mortgage was recorded. Should the Plaintiff prevail in this action, the potential impact may exceed \$10 million per year and could be in excess of \$50 million. The parties have pursued settlement discussions and the Defendant’s Motion for Summary Judgment, which was filed on November 2, 2009, is pending.

H. Robert C. Bruner, et al v. Hartsfield, et al., Case No. 07-003247/1D08 5524 (2nd Cir./1st DCA); Jerome K. Lanning et. al. v. Pilcher, et. al., Case No. 07-582/D07-6564/SC09-1796 (2nd Cir./1st DCA); Deluccio, et. al. v. Havill, et. al., Case No. 08-001412/1D08-5529 (2nd Cir./1st DCA)

These three cases are separate class action refund cases against various Defendants including the Florida Department of Revenue concerning a constitutional challenge to the Save Our Homes (SOH) provisions in Article VII, section 4(c) of the Florida Constitution, and as implemented by Section 193.155, Florida Statutes. The essence of these claims is that the SOH provisions violate equal protection under the Florida and U. S. Constitutions by discriminating against new homeowners by creating an ad valorem tax system that favored long-term homeowners thus infringing upon homeowners’ constitutional right to travel. Although the cases are still active, the Plaintiffs have thus far failed to obtain a significant beneficial ruling.

In *Bruner*, the trial court ruled the SOH taxation system did not violate either the State or Federal constitutions, but found it had jurisdiction to hear the matter. Both sides appealed the ruling to the 1st DCA, which affirmed both holdings. The Plaintiffs are presently seeking discretionary review of this holding in the Florida Supreme Court. In *Lanning*, the Plaintiffs had the entirety of their claim dismissed by the trial court, which ruling the Plaintiffs appealed to the 1st DCA. The 1st DCA affirmed and the Plaintiffs seek also to invoke discretionary review by the Florida Supreme Court. As of this writing, the Court has not yet decided to take jurisdiction of the matter. In *Deluccio*, the trial court dismissed all of the Plaintiff’s claims on three separate grounds. The Plaintiffs appealed to the 1st DCA, which remanded the case to the trial court as that court had erroneously ruled it lacked jurisdiction to hear the claim as one of the grounds for dismissal. Both sides moved the 1st DCA for either a rehearing or clarification of its opinion, which the 1st DCA denied, and remanded the case to trial court with instructions to render a ruling on the merits consistent with *Bruner*.

In these matters, the Department cannot currently estimate the amount of damages that would result from an unfavorable ruling. However, it is clear that retroactive application of damages would be well in excess of \$25 million.

I. Florida Gas Transmission Company v. Florida Department of Transportation, Case No. CACE07001922 (17th Cir.)

Plaintiff's claim is based on a breach of easement and seeks injunctive relief and reimbursement of natural gas pipeline relocation costs. Plaintiff seeks damages in excess of \$90,000,000 for relocating the pipelines and damages for the loss of an easement valued in excess of \$160,000,000. The Florida Department of Transportation filed a Motion for Partial Summary Judgment on October 6, 2008, an Amended Motion for Partial Summary Judgment on March 12, 2009, a Third Amended and Supplemental Counterclaim on April 3, 2009, and a Second Amended Motion for Partial Summary Judgment on December 30, 2009. A hearing on all motions for summary judgment is set for February 10, 2010.

J. AMEC Civil LLC v. Florida Department of Transportation, Case No. 16-2008-CA-001722-XXXX-MA (4th Cir.)

The Florida Department of Transportation contracted with AMEC for reconstruction of an intersection. AMEC commenced this action on February 7, 2008, claiming additional money damages arising from this contract of approximately \$37 million. On February 20, 2009, the Court entered final summary judgment in favor of the Department. AMEC appealed the decision to the 1st DCA, where the matter is currently pending (Case No. 1D09-1211).

K. In re Citrus Canker Litigation, Case No. 00-18394 (17th Cir.); Mendez v. Florida Department of Agriculture and Consumer Services, Case No. 02-13717(15th Cir.); Castin v. Florida Department of Agriculture and Consumer Services, Case No. 02-13717(15th Cir.); Ayers v. Florida Department of Agriculture and Consumer Services, Case No. 05-CA-4120#37 (9th Cir.); In re Citrus Canker Litigation, Case No. 03-8255 CA 13 (11th Cir.); Martinez v. Florida Department of Agriculture and Consumer Services, Case No. 03-30110 CA (11th Cir.); and Dellaselva v. Florida Department of Agriculture and Consumer Services, Case No. 03-1947(20th Cir.).

In re Citrus Canker Litigation concerns a group of Broward County homeowners who sought damages for the removal of their trees that had been exposed to citrus canker after January 1, 2000. Plaintiff class received summary judgment of liability for damages under Section 581.1845, Florida Statutes, and a liability trial for inverse condemnation was concluded in December, 2007. Plaintiffs were awarded approximately \$4.3 million in damages. Plaintiffs are also seeking interest, costs, and attorneys' fees. The Department has appealed the final judgment. Related but separate class action lawsuits have been started in Palm Beach, Orange, Miami-Dade, and Lee Counties. In the Palm Beach County case, *Mendez*, the class has prevailed on liability for damages under Section 581.1845, Florida Statutes, and liability on the class' claim for inverse condemnation, but the case has been stayed and no compensation trial is scheduled. In the other Palm Beach County Case, *Castin*, certification of the class was denied and the denial was affirmed at the appellate level. No other trials are currently scheduled in these cases. Plaintiffs are expected to claim damages, interest, costs, and attorneys' fees in excess of \$25 million.

NOTE 17 – DEFICIT FUND EQUITY**A. Governmental Funds**

The *State School Trust Fund* has a deficit fund balance of approximately \$470.3 million. The deficit is primarily the 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.

The *State Risk Management Trust Fund* has a deficit fund balance of approximately \$7.5 million. The deficit is predominantly a result of casualty insurance claims exceeding the assessed casualty insurance premiums in fiscal year 2008-2009. The State Division of Risk Management has met with the Office of Policy and Budget and the Senate and House Legislative Budget Analysts to resolve the deficit. Additional appropriations are anticipated to be placed in the 2010 General Appropriations Act to offset any deficits from the 2009-2010 fiscal year. For the 2010-2011 fiscal year, the 2010 General Appropriations Act is expected to include increased casualty premiums totaling \$165.4 million to offset the anticipated rise in casualty insurance claims.

B. Proprietary Funds

The *Correctional Work Program Trust Fund* has a net asset deficit of approximately \$1.2 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 Corrections plans to continue operating the program and liquidate the liability on a pay-as-you-go basis.

The *Beachline East Expressway Toll Trust Fund* (formerly known as the *Beeline East Expressway Toll Trust Fund*) has a net asset deficit of approximately \$35.8 million. The deficit is a result of committing Beachline 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 Beachline to repay. Future toll revenues continue to be used to pay additional SR 520 costs and the associated liability.

The *State Employee Health Insurance Trust Fund* reported an overall deficit of approximately \$16.8 million. The most significant factor is an \$11.3 million operational loss due to claims expense exceeding premium revenue. The operational loss combined with \$5.5 million attributable to market value declines in pooled investments with the State Treasury and unfunded costs for Other Postemployment Benefits (OPEB) produced the overall deficit. For the coverage period beginning June 1, 2010, the state share of premiums will increase to mitigate the operational loss. In addition, the Division of State Group Insurance will present options during the 2010 Legislative Session to address the operational component of the deficit. Market values for pooled investments with the State Treasury are expected to increase as the overall economic and financial market recovery continues. Due to the long-term and implicit nature of the OPEB, the state currently funds it on a pay-as-you-go basis.

The *Legal Service Trust Fund* has a net asset deficit of approximately \$1 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 *Florida Engineers Management Corporation* has a net asset deficit of approximately \$87 thousand. The deficit was primarily due to over-expenditures in legal to reduce caseloads and unexpected increase in health costs. As a corrective course of action, FEMC left positions vacant as they occurred during the year, travel expenses were reduced and all capital expenditures were postponed until the budget became aligned, which has now happened.

NOTE 18 – SUBSEQUENT EVENTS

A. Bonds and Certificates of Participation

The following bond and certificates of participation for governmental and business-type activities of the primary government were issued subsequent to June 30, 2009:

Agency/Bond	Series	Amount	Matures	Interest Rate
Governmental Activities:				
Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds	2009A	\$200,000,000	7/1/2010-7/1/2039	3.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds	2009A	\$146,790,000	6/1/2010-6/1/2022	2.500% - 5.000%
Full Faith and Credit, State Board of Education Capital Outlay Bonds	2009A	\$52,915,000	1/1/2010-1/1/2029	2.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds	2009B	\$165,760,000	6/1/2010-6/1/2024	2.000% - 5.000%
Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds	2009B	\$206,695,000	7/1/2010-7/1/2028	2.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds	2009C	\$156,380,000	6/1/2010-6/1/2023	2.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds	2009D	\$300,775,000	6/1/2010-6/1/2024	2.500% - 5.500%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds	2009E	\$15,025,000	6/1/2010-6/1/2014	2.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds	2006F	\$42,080,000	6/1/2010-6/1/2019	2.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds (Taxable Build America Bonds)	2009F	\$140,075,000	6/1/2015-6/1/2039	3.600% - 5.800%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds (Taxable Build America Bonds)	2006G	\$144,520,000	6/1/2020-6/1/2039	4.350% - 5.750%
Department of Management Services, Florida Correctional Finance Corporation, Certificates of Participation	2009B	\$62,460,000	8/1/2010-8/1/2014	1.250% - 5.000%

A. Bonds and Certificates of Participation (continued)

Agency/Bond	Series	Amount	Matures	Interest Rate
Governmental Activities:				
Department of Management Services, Florida Correctional Finance Corporation, Certificates of Participation (Taxable Build America Bonds)	2009C	\$274,525,000	8/1/2015 - 8/1/2029	4.277% - 6.825%
Department of Environmental Protection Florida Forever Revenue Bonds	2010A	\$87,365,000	7/1/2010-7/1/2025	2.000% - 5.000%
Department of Environmental Protection Florida Forever Revenue Bonds (Taxable Build America Bonds)	2010B	\$174,590,000	7/1/2018-7/1/2029	5.306% - 7.045%
Department of Environmental Protection Florida Forever Revenue Refunding Bonds	2010C	\$87,910,000	7/1/2010-7/1/2013	2.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds	2007F	\$45,855,000	6/1/2010-6/1/2018	2.000% - 5.000%
Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds (Taxable Build America Bonds)	2007G	\$204,145,000	6/1/2019-6/1/2039	4.550% - 5.900%
Business-type Activities:				
Department of Transportation Turnpike Revenue Bonds	2009A	\$68,445,000	7/1/2010-7/1/2020	2.000% - 5.000%
Department of Transportation Turnpike Revenue Bonds (Taxable Build America Bonds)	2009B	\$255,000,000	7/1/2020-7/1/2039	6.140% - 6.800%

B. Unemployment Compensation Fund

Continuing high levels of unemployment benefit claims payments resulted in the depletion of available fund balances in the State of Florida account in the Unemployment Trust Fund during August 2009. Section 1201 of the Social Security Act provides for temporary Title XII advances from the Federal Unemployment Fund to those states whose trust funds are depleted to ensure the continuation of benefit payments to eligible claimants. Advances are repayable from future employer contributions. Interest accruing on outstanding balances is payable from general revenues each September 30. The American Recovery and Reinvestment Act of 2009 temporarily suspended interest on these advances through December 31, 2010. Borrowing is expected to be necessary through 2013. As of December 31, 2009, \$951.7 million has been advanced to the State of Florida for payment of UC state benefits.

The Florida Office of Economic and Demographic Research forecasted the following based on current Florida law:

Federal Advance Balances at 6/30

2010	\$1,051,300,000
2011	\$1,651,800,000
2012	\$1,246,200,000
2013	\$ 55,100,000

Interest Payable on 9/30

2011	\$75,300,000
2012	\$90,600,000
2013	\$39,100,000

C. Financial Markets

Subsequent to the close of the reporting period, publicly traded securities markets improved, but remained volatile compared to long-term averages due to ongoing global financial and economic stress. The values of real estate investments have declined further due to slow job growth, weak retail spending, poor rental prospects, and debt service and debt maturities. Private equity investments have continued to underperform public markets, while conversely, the values of private debt funds have increased since June 30, 2009.

D. Florida Hurricane Catastrophe Fund (Fund)

Hurricane losses represent the estimated ultimate cost of all reported and unreported claims incurred during the year that exceed the participating insurers' individual company retention levels. The reserves for unpaid claims are estimated primarily by management's review of reported loss information obtained from the participating insurers. The estimates are continually reviewed and adjusted as experience develops or new information becomes known, and such adjustments are included in current operations. In January 2010, the Fund's reserve for prior years' unpaid hurricane losses as of December 31, 2009, was increased by \$250 million as a result of ongoing loss development and actuarial analyses.

**OTHER REQUIRED
SUPPLEMENTARY
INFORMATION**

2009 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	General Fund			Variance with Final Budget Over / (Under)
	Original Budget	Final Budget	Actual	
Fund Balances, July 1, 2008	\$ 2,565,632	\$ 2,565,632	\$ 2,565,632	\$
Reversions	165,421	165,421	165,421	.....
Fund Balances, July 1, 2008, restated	<u>2,731,053</u>	<u>2,731,053</u>	<u>2,731,053</u>	<u>.....</u>
REVENUES				
Fees and charges	926,470	905,770	820,413	(85,357)
Licenses	118,459	118,459	122,884	4,425
Taxes	26,702,139	23,128,239	23,411,283	283,044
Miscellaneous	3,846	3,846	4,394	548
Interest	283,531	113,131	167,490	54,359
Grants	9,091	9,091	9,383	292
Refunds	15,614	15,614	269,578	253,964
Transfers and distributions	5,178,679	4,924,479	4,939,408	14,929
Other	149,722	149,722	977,053	827,331
Total Revenues	<u>33,387,551</u>	<u>29,368,351</u>	<u>30,721,886</u>	<u>1,353,535</u>
Total Available Resources	<u>36,118,604</u>	<u>32,099,404</u>	<u>33,452,939</u>	<u>1,353,535</u>
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	3,916,981	3,974,605	3,949,887	24,718
Other personal services	60,307	79,123	73,713	5,410
Expenses	434,825	477,262	461,753	15,509
Grants and aids	12,486,372	11,862,903	11,858,777	4,126
Operating capital outlay	15,162	15,815	13,998	1,817
Food products	82,288	87,107	86,941	166
Fixed capital outlay	160,500	160,500	160,500	.....
Lump sum	498,910	192	192	.....
Special categories	8,332,696	7,396,947	7,344,073	52,874
Financial assistance payments	233,499	230,804	228,642	2,162
Grants/aids to local governments	125,497	125,497	125,497	.....
Data processing services	38,953	42,305	41,273	1,032
Pensions and benefits	14,177	14,435	13,220	1,215
Claim bills and relief acts	.....	1,200	1,200	.....
Total Operating Expenditures	<u>26,400,167</u>	<u>24,468,695</u>	<u>24,359,666</u>	<u>109,029</u>
Nonoperating expenditures:				
Continuing Appropriations	.....	88,189	88,189	.....
Transfers	4,834,638	5,113,738	5,113,738	.....
Qualified expenditures	.....	.....	.....	.....
Refunds	659,220	613,322	613,322	.....
Other	3,891,433	1,688,856	1,688,856	.....
Total Nonoperating Expenditures	<u>9,385,291</u>	<u>7,504,105</u>	<u>7,504,105</u>	<u>.....</u>
Total Expenditures	<u>35,785,458</u>	<u>31,972,800</u>	<u>31,863,771</u>	<u>109,029</u>
Fund Balances, June 30, 2009	<u>\$ 333,146</u>	<u>\$ 126,604</u>	<u>\$ 1,589,168</u>	<u>\$ 1,462,564</u>

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

2009 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Environment, Recreation and Conservation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 1,921,303	\$ 1,921,303	\$ 1,921,303	\$
Reversions	1,753	1,753	1,753	.....
Fund Balances, July 1, 2008, restated	1,923,056	1,923,056	1,923,056	.....
REVENUES				
Fees and charges	100,564	123,164	121,001	(2,163)
Licenses	38,231	48,588	47,062	(1,526)
Taxes	134,332	313,584	317,803	4,219
Miscellaneous	3,988	425	464	39
Interest	75,823	64,222	45,468	(18,754)
Grants	158,777	124,172	123,488	(684)
Refunds	776	6,461	5,682	(779)
Bond proceeds	400,003	150,003	150,003	.....
Transfers and distributions	1,263,112	1,430,235	1,355,148	(75,087)
Other	61,652	10,122	89,846	79,724
Total Revenues	2,237,258	2,270,976	2,255,965	(15,011)
Total Available Resources	4,160,314	4,194,032	4,179,021	(15,011)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	219,298	221,107	215,993	5,114
Other personal services	28,312	29,136	24,153	4,983
Expenses	52,383	49,541	44,065	5,476
Grants and aids	3,173	3,173	2,866	307
Operating capital outlay	3,377	3,588	2,955	633
Fixed capital outlay	801,619	801,619	801,619	.....
Special categories	294,864	256,783	216,476	40,307
Grants/aids to local governments	625,297	625,297	625,297	.....
Data processing services	2	.....	.....	.....
Total Operating Expenditures	2,028,325	1,990,244	1,933,424	56,820
Nonoperating expenditures:				
Transfers	188,540	483,258	483,258	.....
Qualified expenditures	3,388	.....	.....	.....
Refunds	28,606	19,380	19,380	.....
Other	438,431	344,909	344,909	.....
Total Nonoperating Expenditures	658,965	847,547	847,547	.....
Total Expenditures	2,687,290	2,837,791	2,780,971	56,820
Fund Balances, June 30, 2009	\$ 1,473,024	\$ 1,356,241	\$ 1,398,050	\$ 41,809

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

2009 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 1,757,164	\$ 1,757,164	\$ 1,757,164	\$
Reversions	717	717	717	.....
Fund Balances, July 1, 2008, restated	1,757,881	1,757,881	1,757,881	.....
REVENUES				
Fees and charges	1,058,141	8,006	42,938	34,932
Licenses	3,164	.....	.....	.....
Taxes	662,760	653,151	653,151	.....
Miscellaneous	20,219	7	7	.....
Interest	127,550	47,011	48,756	1,745
Grants	2,525,220	2,468,536	2,481,608	13,072
Refunds	25,686	11,110	11,027	(83)
Bond proceeds	1,140,555	1,431,433	1,485,724	54,291
Transfers and distributions	2,255,544	2,428,888	2,320,903	(107,985)
Other	185,225	128,618	178,319	49,701
Total Revenues	8,004,064	7,176,760	7,222,433	45,673
Total Available Resources	9,761,945	8,934,641	8,980,314	45,673
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	39,684	40,069	38,915	1,154
Other personal services	1,827	1,827	590	1,237
Expenses	16,975	16,325	7,493	8,832
Grants and aids	4,158,997	4,235,464	3,126,045	1,109,419
Operating capital outlay	1,586	1,586	186	1,400
Fixed capital outlay	2,648,326	2,648,326	2,648,326	.....
Special categories	705,590	724,572	724,572	.....
Financial assistance payments	58,509	58,509	56,943	1,566
Grants/aids to local governments	550,598	550,598	550,598	.....
Payments to U.S. Treasury	2,000	391	391	.....
Data processing services	4,826	4,830	4,364	466
Total Operating Expenditures	8,188,918	8,282,497	7,158,423	1,124,074
Nonoperating expenditures:				
Transfers	178,059	629,189	629,189	.....
Refunds	3,779	2,505	2,505	.....
Other	105,000	10,204	10,204	.....
Total Nonoperating Expenditures	286,838	641,898	641,898	.....
Total Expenditures	8,475,756	8,924,395	7,800,321	1,124,074
Fund Balances, June 30, 2009	\$ 1,286,189	\$ 10,246	\$ 1,179,993	\$ 1,169,747

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

2009 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 1,213,070	\$ 1,213,070	\$ 1,213,070	\$
Reversions	607,611	607,611	607,611	.....
Fund Balances, July 1, 2008, restated	<u>1,820,681</u>	<u>1,820,681</u>	<u>1,820,681</u>	<u>.....</u>
REVENUES				
Fees and charges	1,362,477	1,625,093	1,065,467	(559,626)
Licenses	22,672	25,681	24,820	(861)
Taxes	259,943	343,140	312,253	(30,887)
Miscellaneous	6	7	7	.....
Interest	10,225	7,201	7,135	(66)
Grants	11,606,742	14,286,643	13,215,897	(1,070,746)
Refunds	833,154	19,320	896,628	877,308
Transfers and distributions	929,317	1,133,214	1,071,841	(61,373)
Other	41,495	41,254	41,659	405
Total Revenues	<u>15,066,031</u>	<u>17,481,553</u>	<u>16,635,707</u>	<u>(845,846)</u>
Total Available Resources	<u>16,886,712</u>	<u>19,302,234</u>	<u>18,456,388</u>	<u>(845,846)</u>
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,290,084	1,283,949	1,256,221	27,728
Other personal services	95,122	106,379	91,109	15,270
Expenses	274,362	271,930	250,101	21,829
Grants and aids	78,791	84,582	65,520	19,062
Operating capital outlay	15,379	17,343	12,805	4,538
Food products	1,470	1,529	1,471	58
Fixed capital outlay	29,198	29,198	29,198	.....
Lump sum	7,500	.....	.....	.....
Special categories	13,564,671	15,538,770	14,772,205	766,565
Financial assistance payments	61,468	74,287	64,901	9,386
Grants/aids to local governments	17,057	17,057	17,057	.....
Data processing services	34,363	54,550	48,400	6,150
Claim bills and relief acts	760	760	760	.....
Total Operating Expenditures	<u>15,470,225</u>	<u>17,480,334</u>	<u>16,609,748</u>	<u>870,586</u>
Nonoperating expenditures:				
Continuing appropriations	.....	17,000	17,000	.....
Transfers	850,939	859,769	859,769	.....
Qualified expenditures	6,871	.....	.....	.....
Refunds	16,873	15,492	15,492	.....
Other	11,624	28,403	28,403	.....
Special expenses	100	.....	.....	.....
Total Nonoperating Expenditures	<u>886,407</u>	<u>920,664</u>	<u>920,664</u>	<u>.....</u>
Total Expenditures	<u>16,356,632</u>	<u>18,400,998</u>	<u>17,530,412</u>	<u>870,586</u>
Fund Balances, June 30, 2009	\$ 530,080	\$ 901,236	\$ 925,976	\$ 24,740

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

2009 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Transportation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 254,137	\$ 254,137	\$ 254,137	\$
Reversions	4,644	4,644	4,644	.....
Fund Balances, July 1, 2008, restated	258,781	258,781	258,781	.....
REVENUES				
Fees and charges	120,477	130,250	120,477	(9,773)
Taxes	2,226,488	2,172,975	2,226,488	53,513
Miscellaneous	200	.....	.....	.....
Interest	4,050	2,749	2,009	(740)
Refunds	13,750	.....	13,751	13,751
Transfers and distributions	106,111	104,057	102,059	(1,998)
Other	44,311	39,327	40,021	694
Total Revenues	2,515,387	2,449,358	2,504,805	55,447
Total Available Resources	2,774,168	2,708,139	2,763,586	55,447
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	4,166	3,876	3,292	584
Other personal services	347	52	25	27
Expenses	1,715	1,099	842	257
Operating capital outlay	828	40	28	12
Fixed capital outlay	296	296	296	.....
Special categories	115,557	113,732	107,171	6,561
Total Operating Expenditures	122,909	119,095	111,654	7,441
Nonoperating expenditures:				
Transfers	.....	16,555	16,555	.....
Refunds	61,700	60,671	60,671	.....
Other	2,577,220	2,323,914	2,323,914	.....
Total Nonoperating Expenditures	2,638,920	2,401,140	2,401,140	.....
Total Expenditures	2,761,829	2,520,235	2,512,794	7,441
Fund Balances, June 30, 2009	\$ 12,339	\$ 187,904	\$ 250,792	\$ 62,888

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

2009 STATE OF FLORIDA CAFR

**BUDGET TO GAAP RECONCILIATION
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	\$ 1,589,168	\$ 1,398,050	\$ 1,179,993	\$ 925,976	\$ 250,792
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	1,554,642	363,582	358,934	30,306	237,445
Fair value adjustments to investments within the State Treasury	(123,434)	(28,867)	(26,711)	(2,406)	(18,852)
Special investments within the State Treasury	27,393	.....	.....	8,183	.....
Non-State Treasury cash and investments	864,622	14,183	.....	12,409	1,616
Other GAAP basis fund balances not included in budgetary basis fund balances	(19,511)	(9,291)	3	(419,317)	896,776
Adjusted budgetary basis fund balances	3,892,880	1,737,657	1,512,219	555,151	1,367,777
Adjustments (basis differences):					
Net receivables (payables) not certified forward	(643,788)	798,689	(622,487)	356,622	(310,354)
Inventories, prepaid items and deferred charges	16,004	1,269	.....	49,670	16,836
Encumbrances	103,142	1,977	4,757	21,179	38,533
GAAP basis fund balances	<u>\$ 3,368,238</u>	<u>\$ 2,539,592</u>	<u>\$ 894,489</u>	<u>\$ 982,622</u>	<u>\$ 1,112,792</u>

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

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 and selected trust funds are made by the Revenue Estimating Conference. This group includes members of the Executive and Legislative branches with forecasting experience who develop official information regarding anticipated state and local government revenues as needed for the state budgeting process. Revenue estimates for trust funds not projected by the Revenue Estimating Conference (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 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 and subject to the review and objection procedures set forth in Section 216.177, Florida Statutes, establish appropriations and corresponding releases for amounts not appropriated by the Legislature to agencies and the Judicial Branch, respectively. These appropriations are made primarily for non-operating 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 or within certain programs and between identical funding sources and specific appropriation categories. Transfers of general revenue appropriations in excess of 5 percent or \$250,000, whichever is greater, or for fixed capital outlay, or for transfers of general revenue appropriations not allowed within the departments' program flexibility may be approved by the Legislative Budget Commission. The Governor and the Chief Justice of the Supreme Court may approve changes of expenditure authority within any trust fund for agencies and the Judicial Branch, respectively, if the changes are less than \$1 million. The Legislative Budget Commission may approve trust fund changes 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 carried forward into the next fiscal year.

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) and fund 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, and the Budget Stabilization Fund. 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 presents 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 non-major special revenue funds which have legally adopted annual budgets are presented with other combining and individual fund statements and schedules.

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 carry/certified forwards, plus current year payables and encumbrances which are carried/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 carried/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 budgetary comparison information for the major governmental fund for transportation excludes the State Transportation Trust Fund within the Department of Transportation because it accounts for projects of a multi-year nature, and comparison of actual annual expenditures to a multi-year appropriated amount is not meaningful. Appropriations are made in total the first year of a project even though they are released and expended over the period of construction for a project.

Budget to GAAP Reconciliation

The budgetary comparison schedules for the General Fund and the major special revenue funds present comparisons of the original budget and final budget with actual revenues and expenditures on a budgetary basis. A budget to GAAP reconciliation is presented following the budgetary comparison schedules because accounting principles for budgetary basis differ significantly from those used to present financial statements in conformity with GAAP.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

FLORIDA RETIREMENT SYSTEM 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 ⁽¹⁾ (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2003	101,906,724	89,251,331	(12,655,393)	114.18%	22,270,807	(56.83%)
July 1, 2004	106,707,426	95,185,433	(11,521,993)	112.10%	23,115,581	(49.85%)
July 1, 2005	111,539,878	103,925,498	(7,614,380)	107.33%	24,185,983	(31.48%)
July 1, 2006	117,159,615	110,977,831	(6,181,784)	105.57%	25,327,922	(24.41%)
July 1, 2007	125,584,704	118,870,513	(6,714,191)	105.65%	26,385,768	(25.45%)
July 1, 2008	130,720,547	124,087,214	(6,633,333)	105.35%	26,891,340	(24.67%)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(in thousands)

Year Ended 6/30	Annual Required Contributions	Percent Contributed
2003	1,844,203	98%
2004	2,044,540	92%
2005	2,141,862	102%
2006	2,193,928	96%
2007	2,455,255	111%
2008	2,612,672	107%

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

OTHER REQUIRED SUPPLEMENTARY INFORMATION

RETIREE HEALTH INSURANCE SUBSIDY PROGRAM 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, 2006	\$ 192,808	\$ 4,667,058	\$ 4,474,250	4.13%	\$ 27,712,320	16.15%
July 1, 2008	\$ 275,139	\$ 5,109,683	\$ 4,834,544	5.38%	\$ 30,665,477	15.77%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(in thousands)

Year Ended 6/30	Annual Required Contribution	Percent Contributed
2006	N/A ⁽¹⁾	N/A
2007	\$ 363,175	90%
2008	\$ 391,847	85%

⁽¹⁾ First valuation completed July 1, 2006, which determined ARC for FY 06-07.

OTHER POSTEMPLOYMENT BENEFITS 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, 2007	\$	\$ 3,081,834	\$ 3,081,834	0.00%	\$ 6,542,945	47.10%
July 1, 2008 ⁽²⁾	2,848,428	2,848,428	0.00%	6,492,858	43.87%

SCHEDULE OF EMPLOYER CONTRIBUTIONS*

(in thousands)

Year Ended 6/30	Annual Required Contribution	Percent Contributed
2008	\$ 200,973	43.70%
2009	186,644	54.36%

⁽²⁾ Update of the July, 1 2007 actuarial valuation. A new valuation was not performed.

* This information relates to the cost-sharing plan as a whole, of which the State of Florida is one participating employer. The State of Florida's participation in both the actuarial accrued liability and the annual required contribution is approximately 78 percent.

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 12,093 centerline miles of roads and 6,575 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. In low-speed urban areas, the ride rating must drop to five or less before a pavement segment is considered deficient due to ride.

The FDOT standard is to ensure that 80% of the pavement on the State Highway System remains non-deficient.

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>2009</u>	<u>2008</u>	<u>2007</u>
86%	84%	84%

Percentage of bridges meeting FDOT standards

<u>2009</u>	<u>2008</u>	<u>2007</u>
95%	94%	94%

Maintenance Rating

<u>2009</u>	<u>2008</u>	<u>2007</u>
87	86	83

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

Resurfacing Program

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Needed	\$871.5	\$718.0	\$898.1	\$670.3	\$604.1
Actual	575.3	584.5	851.1	786.7	575.3

Bridge Repair/Replacement Program

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Needed	\$230.4	\$250.3	\$273.4	\$102.7	\$346.6
Actual	207.3	250.3	121.7	88.4	348.5

Routine Maintenance Program

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Needed	\$508.2	\$492.6	\$463.7	\$442.5	\$427.0
Actual	571.5	507.1	479.2	456.2	435.6

The FDOT determines its program needs based on a five-year plan. The needed amounts provided above are for estimated expenses and commitments relating to 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.

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**FINANCIAL
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 151.

CAPITAL PROJECTS FUNDS

Individual fund descriptions and financial statements begin on page 179.

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.

PERMANENT FUNDS

Individual fund descriptions and financial statements begin on page 183.

2009 STATE OF FLORIDA CAFR

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Funds	Totals 6/30/09
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 80,035	\$	\$ 235	\$ 152	\$ 80,422
Pooled investments with State Treasury	1,551,279	74,829	.....	9,195	1,635,303
Investments	513,183	.....	10,407	1,693	525,283
Receivables, net	417,465	220	73	56	417,814
Due from other funds	95,034	43,532	.....	.....	138,566
Inventories	3,071	.....	.....	.....	3,071
Other	1,447	.....	.....	.....	1,447
Total current assets	2,661,514	118,581	10,715	11,096	2,801,906
<u>Noncurrent assets</u>					
Long-term investments	3,653	.....	133,803	.....	137,456
Advances to other entities	38,845	.....	.....	.....	38,845
Other loans and notes receivable, net	1,081,911	.....	.....	.....	1,081,911
Total noncurrent assets	1,124,409	.....	133,803	.....	1,258,212
Total assets	\$ 3,785,923	\$ 118,581	\$ 144,518	\$ 11,096	\$ 4,060,118
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 228,971	\$ 8,913	\$ 1,167	\$	\$ 239,051
Due to other funds	99,582	12	418	15	100,027
Due to component units/primary	3,230	.....	.....	.....	3,230
Compensated absences	1,894	.....	.....	.....	1,894
Claims payable	6,902	.....	.....	.....	6,902
Deposits	11,465	.....	.....	.....	11,465
Deferred revenues	79,363	.....	.....	.....	79,363
Obligations under security lending agreements	263,802	10,898	.....	1,428	276,128
Obligations under reverse repurchase agreements	67,475	4,175	.....	547	72,197
Total current liabilities	762,684	23,998	1,585	1,990	790,257
<u>Noncurrent liabilities</u>					
Advances from other funds	625	.....	.....	.....	625
Deposits	38,845	.....	.....	.....	38,845
Deferred revenues	20,399	.....	.....	.....	20,399
Total noncurrent liabilities	59,869	.....	.....	.....	59,869
Total liabilities	822,553	23,998	1,585	1,990	850,126
<u>Fund balances</u>					
Reserved for encumbrances	50,054	322	.....	.....	50,376
Reserved for inventories	3,071	.....	.....	.....	3,071
Reserved for long-term receivables	1,081,911	.....	.....	.....	1,081,911
Reserved for capital outlay	70,794	88,348	.....	.....	159,142
Reserved for debt service	.....	.....	142,933	.....	142,933
Reserved for permanent trust	.....	.....	.....	.....	.....
Other reserved	152,877	.....	.....	7,419	160,296
Unreserved, reported in:					
Special revenue funds	1,604,663	.....	.....	.....	1,604,663
Capital projects funds	.....	5,913	.....	.....	5,913
Permanent fund	.....	.....	.....	1,687	1,687
Total fund balances	2,963,370	94,583	142,933	9,106	3,209,992
Total liabilities and fund balances	\$ 3,785,923	\$ 118,581	\$ 144,518	\$ 11,096	\$ 4,060,118

2009 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Funds	Totals 6/30/09
REVENUES					
Taxes	\$ 221,499	\$	\$	\$	\$ 221,499
Licenses and permits	1,034,880	.....	.....	889	1,035,769
Fees and charges	805,817	424	67,774	.....	874,015
Grants and donations	1,527,187	.....	.....	.....	1,527,187
Investment earnings	77,158	1,137	4,783	(343)	82,735
Fines, forfeits, settlements and judgments	574,771	.....	.....	.....	574,771
Other	25,528	667	.....	.....	26,195
Total revenues	4,266,840	2,228	72,557	546	4,342,171
EXPENDITURES					
Current:					
General government	2,487,179	11,580	50,809	.....	2,549,568
Education	142,260	7,950	.....	84	150,294
Human services	743,463	16,941	.....	.....	760,404
Criminal justice and corrections	502,827	65,790	.....	.....	568,617
Natural resources and environment	756,347	60	.....	.....	756,407
Transportation	.....	74	.....	.....	74
State courts	32,479	.....	.....	.....	32,479
Capital outlay	43,880	373,281	.....	.....	417,161
Debt service					
Principal retirement	13,879	2,630	915,430	.....	931,939
Interest and fiscal charges	534	13,015	954,743	.....	968,292
Total expenditures	4,722,848	491,321	1,920,982	84	7,135,235
Excess (deficiency) of revenues over expenditures	(456,008)	(489,093)	(1,848,425)	462	(2,793,064)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	234,915	.....	83,418	.....	318,333
Operating transfers in	1,900,680	590,106	1,853,901	.....	4,344,687
Operating transfers out	(1,632,832)	(146,286)	(30,182)	(156)	(1,809,456)
Proceeds of financing agreements	1,513	.....	.....	.....	1,513
Total other financing sources (uses)	504,276	443,820	1,907,137	(156)	2,855,077
Net change in fund balances	48,268	(45,273)	58,712	306	62,013
Fund balances - beginning	2,726,901	139,856	84,221	2,141,004	5,091,982
Adjustments to increase (decrease) beginning fund balances	188,201	.....	.....	(2,132,204)	(1,944,003)
Fund balances - beginning, as restated	2,915,102	139,856	84,221	8,800	3,147,979
Fund balances - ending	\$ 2,963,370	\$ 94,583	\$ 142,933	\$ 9,106	\$ 3,209,992

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NONMAJOR SPECIAL REVENUE FUNDS

EMPLOYMENT SERVICES

This fund includes internal reporting funds used for employee-service related programs of an administrative nature (non risk-related), such as workers' compensation, employment security, and labor market statistics.

GOVERNMENT ADMINISTRATION

This fund includes 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 internal reporting special revenue funds primarily administered by the Executive Office of the Governor and the Department of Community Affairs.

REGULATION AND LICENSING

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

CONSUMER PROTECTION AND SAFETY

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

JUVENILE JUSTICE

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

JUDICIAL SERVICES

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

MILITARY AND VETERANS' AFFAIRS

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

BLENDED COMPONENT UNITS

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION

Pursuant to Section 28.35, Florida Statutes (F.S.), this entity was created to establish 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 entity was established to primarily promote the general welfare of the Florida citrus industry.

STATE BOARD OF ADMINISTRATION

This entity includes the following internal reporting special revenue funds administered by the State Board of Administration: Gas Tax Clearing Accounts, Insurance Capital Build-up Program and the Inland Protection Financing Corporation.

SCHOOL FOR THE DEAF AND THE BLIND

As authorized in Section 1002.36, F.S., this entity 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 entity 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.

WORKFORCE FLORIDA INC

This not-for-profit entity 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 entity was created to finance 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 entity was created to finance 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 Department of Environmental Protection pursuant to Section 376.3071(12), F.S.

SURPLUS LINES

Pursuant to Section 626.921, F.S., this entity was created to establish a system that would permit better access by consumers to approved unauthorized insurers.

CORRECTIONS FOUNDATION INC

This entity 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 entity 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.

SPACE FLORIDA

Pursuant to Chapter 2006-60, Laws of Florida, this entity was created to be the single point of contact for aerospace-related activities within the State.

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 732	\$	\$ 20	\$ 89
Pooled investments with State Treasury	406,306	107,790	59,923	179,095
Investments	2,048	.....	304,166	.....
Receivables, net	126,332	324	76,523	44,995
Due from other funds	3,129	195	7,932	36,655
Inventories	.....	.....	.....	104
Other	.....	.....	.....	306
Total current assets	538,547	108,309	448,564	261,244
<u>Noncurrent assets</u>				
Long-term investments	.....	.....	100	.....
Advances to other entities	.....	.....	31,410	.....
Other loans and notes receivable, net	43,932	.....	3,333	.....
Total noncurrent assets	43,932	.....	34,843	.....
Total assets	\$ 582,479	\$ 108,309	\$ 483,407	\$ 261,244
LIABILITIES AND FUND BALANCES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ 47,606	\$ 5,472	\$ 24,164	\$ 14,499
Due to other funds	12,578	758	4,357	52,085
Due to component units/primary	183	.....	.....	.....
Compensated absences	166	153	24	304
Claims payable	6,902	.....	.....	.....
Deposits	100	218	5,139	.....
Deferred revenues	.....	.....	21,299	46,831
Obligations under security lending agreements	59,817	14,631	2,682	16,946
Obligations under reverse repurchase agreements	22,911	5,604	1,027	6,491
Total current liabilities	150,263	26,836	58,692	137,156
<u>Noncurrent liabilities</u>				
Advances from other funds	.....	.....	.....	.....
Deposits	.....	.....	31,410	.....
Deferred revenues	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	31,410	.....
Total liabilities	150,263	26,836	90,102	137,156
<u>Fund balances</u>				
Reserved for encumbrances	7,168	902	7,159	1,008
Reserved for inventories	.....	.....	.....	104
Reserved for long-term receivables	43,932	.....	3,333	.....
Reserved for capital outlay	.....	3,938	52,444	.....
Other reserved	.....	.....	.....	24,261
Unreserved	381,116	76,633	330,369	98,715
Total fund balances	432,216	81,473	393,305	124,088
Total liabilities and fund balances	\$ 582,479	\$ 108,309	\$ 483,407	\$ 261,244

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Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ 101,810 171 1,028 103,009	\$ 53 74,016 6,843 11,383 872 93,167	\$ 12,117 541 597 13,255	\$ 120 72,538 23,799 12,620 109,077	\$ 165 82,625 6,248 3,519 1,406 93,963	\$ 109 27,528 6,515 399 1 34,552
..... ..... ..... .....	..... ..... ..... .....	..... ..... ..... .....	..... 7,435 7,435	....................	....................
<u>\$ 103,009</u>	<u>\$ 93,167</u>	<u>\$ 13,255</u>	<u>\$ 116,512</u>	<u>\$ 93,963</u>	<u>\$ 34,552</u>
\$ 14,067 434 489 7,605 2,913 25,508	\$ 23,167 9,680 105 1,317 4,294 1,645 40,208	\$ 1,838 481 1 10 2,330	\$ 7,059 8,953 20 8,543 2,957 1,132 28,664	\$ 6,045 7,898 545 98 5,909 11,807 4,522 36,824	\$ 9,371 219 1,257 1,653 633 13,133
.....	625 1,529 2,154	..... ..... ..... .....	..... 7,435 6,334 13,769	....................	....................
<u>25,508</u>	<u>42,362</u>	<u>2,330</u>	<u>42,433</u>	<u>36,824</u>	<u>13,133</u>
124 1,028 9,497 66,852 77,501	2,191 195 48,419 50,805	..... ..... ..... 109 10,816 10,925	22,283 51,796 74,079	6,958 1,406 4,611 44,164 57,139	..... 1 21,418 21,419
<u>\$ 103,009</u>	<u>\$ 93,167</u>	<u>\$ 13,255</u>	<u>\$ 116,512</u>	<u>\$ 93,963</u>	<u>\$ 34,552</u>

2009 STATE OF FLORIDA CAFR

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009
(in thousands)**

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Citrus Commission
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 19	\$ 1,502	\$ 298	\$ 936
Pooled investments with State Treasury	59,965	34,643	.....	42,580
Investments	.....	.....	.....	.....
Receivables, net	7,469	3,315	31	2,443
Due from other funds	516	323	.....	1
Inventories	.....	.....	.....	530
Other	.....	.....	.....	1
Total current assets	67,969	39,783	329	46,491
<u>Noncurrent assets</u>				
Long-term investments	.....	.....	.....	.....
Advances to other entities	.....	.....	.....	.....
Other loans and notes receivable, net	.....	.....	.....	.....
Total noncurrent assets	.....	.....	.....	.....
Total assets	\$ 67,969	\$ 39,783	\$ 329	\$ 46,491
LIABILITIES AND FUND BALANCES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ 1,816	\$ 2,816	\$ 64	\$ 8,581
Due to other funds	1,042	290	.....	758
Due to component units/primary	.....	.....	.....	2,012
Compensated absences	77	895	.....	.....
Claims payable	.....	.....	.....	.....
Deposits	99	.....	.....	.....
Deferred revenues	.....	.....	.....	.....
Obligations under security lending agreements	.....	2,526	.....	6,570
Obligations under reverse repurchase agreements	.....	967	.....	2,516
Total current liabilities	3,034	7,494	64	20,437
<u>Noncurrent liabilities</u>				
Advances from other funds	.....	.....	.....	.....
Deposits	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	.....	.....
Total liabilities	3,034	7,494	64	20,437
<u>Fund balances</u>				
Reserved for encumbrances	235	1,965	.....	.....
Reserved for inventories	.....	.....	.....	530
Reserved for long-term receivables	.....	.....	.....	.....
Reserved for capital outlay	.....	.....	.....	.....
Other reserved	.....	.....	.....	.....
Unreserved	64,700	30,324	265	25,524
Total fund balances	64,935	32,289	265	26,054
Total liabilities and fund balances	\$ 67,969	\$ 39,783	\$ 329	\$ 46,491

2009 STATE OF FLORIDA CAFR

Blended Component Units

State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
\$ 359	\$ 102	\$	\$ 13,142	\$ 1,336	\$
.....	536	41,839	.....	247,968	.....
3,664	9,652	.....	.....	470	1
7,808	41	12,013	925	85,714	.....
17,039	.....	.....	.....	726	.....
.....
.....	.....	.....	75	.....	.....
28,870	10,331	53,852	14,142	336,214	1
.....
.....
241,390	.....	.....	.....	793,256	.....
241,390	.....	.....	.....	793,256	.....
\$ 270,260	\$ 10,331	\$ 53,852	\$ 14,142	\$ 1,129,470	\$ 1
\$ 17,044	\$ 374	\$ 28,926	\$ 909	\$ 21	\$
3	.....	45	.....	1	.....
.....
.....	2	.....	.....	.....	.....
.....
.....
.....
.....	.....	6,014	.....	38,670	.....
.....	.....	2,303	.....	14,811	.....
17,047	376	37,288	909	53,503	.....
.....
.....
.....	.....	.....	12,536	.....	.....
.....	.....	.....	12,536	.....	.....
17,047	376	37,288	13,445	53,503	.....
.....	36	25	.....	.....	.....
.....
241,390	.....	.....	.....	793,256	.....
.....
.....
11,823	9,919	16,539	697	282,711	1
253,213	9,955	16,564	697	1,075,967	1
\$ 270,260	\$ 10,331	\$ 53,852	\$ 14,142	\$ 1,129,470	\$ 1

2009 STATE OF FLORIDA CAFR

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009
(in thousands)**

	Blended Component Units				
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Space Florida	Totals 6/30/09
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 22,107	\$ 409	\$ 34,734	\$ 3,803	\$ 80,035
Pooled investments with State Treasury	.....	.....	.....	.....	1,551,279
Investments	570	.....	192,612	.....	513,183
Receivables, net	95	24	1,993	3,303	417,465
Due from other funds	.....	.....	.....	.....	95,034
Inventories	.....	2	.....	.....	3,071
Other	12	.....	13	168	1,447
Total current assets	22,784	435	229,352	7,274	2,661,514
<u>Noncurrent assets</u>					
Long-term investments	3,553	.....	.....	.....	3,653
Advances to other entities	.....	.....	.....	.....	38,845
Other loans and notes receivable, net	.....	.....	.....	.....	1,081,911
Total noncurrent assets	3,553	.....	.....	.....	1,124,409
Total assets	\$ 26,337	\$ 435	\$ 229,352	\$ 7,274	\$ 3,785,923
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 324	\$ 3	\$ 13,113	\$ 1,692	\$ 228,971
Due to other funds	.....	.....	.....	.....	99,582
Due to component units/primary	.....	.....	.....	.....	3,230
Compensated absences	.....	.....	.....	40	1,894
Claims payable	.....	.....	.....	.....	6,902
Deposits	.....	.....	.....	.....	11,465
Deferred revenues	.....	.....	.....	116	79,363
Obligations under security lending agreements	.....	.....	87,630	.....	263,802
Obligations under reverse repurchase agreements	.....	.....	.....	.....	67,475
Total current liabilities	324	3	100,743	1,848	762,684
<u>Noncurrent liabilities</u>					
Advances from other funds	.....	.....	.....	.....	625
Deposits	.....	.....	.....	.....	38,845
Deferred revenues	.....	.....	.....	.....	20,399
Total noncurrent liabilities	.....	.....	.....	.....	59,869
Total liabilities	324	3	100,743	1,848	822,553
<u>Fund balances</u>					
Reserved for encumbrances	.....	.....	.....	.....	50,054
Reserved for inventories	.....	2	.....	.....	3,071
Reserved for long-term receivables	.....	.....	.....	.....	1,081,911
Reserved for capital outlay	.....	.....	.....	.....	70,794
Other reserved	.....	35	128,581	.....	152,877
Unreserved	26,013	395	28	5,426	1,604,663
Total fund balances	26,013	432	128,609	5,426	2,963,370
Total liabilities and fund balances	\$ 26,337	\$ 435	\$ 229,352	\$ 7,274	\$ 3,785,923

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2009 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, 2009
(in thousands)**

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
REVENUES				
Taxes	\$	\$	\$	\$ 172,451
Licenses and permits	.....	.....	.....	979,924
Fees and charges	208,052	29,816	5,886	91,544
Grants and donations	647,505	12,015	430,889	5
Investment earnings	6,134	1,842	18,762	3,028
Fines, forfeits, settlements and judgments	55,927	1	.....	17,170
Other	7,887	1	2,923	1,065
Total revenues	<u>925,505</u>	<u>43,675</u>	<u>458,460</u>	<u>1,265,187</u>
EXPENDITURES				
Current:				
General government	1,360,834	134,609	127,552	265,739
Education	136,255	.....	.....	.....
Human services	.....	.....	.....	.....
Criminal justice and corrections	.....	.....	.....	.....
Natural resources and environment	.....	.....	408,525	.....
State courts	.....	.....	.....	.....
Capital outlay	2,350	1,024	122	5,409
Debt service				
Principal retirement	10	.....	.....	12,448
Interest and fiscal charges	.....	.....	.....	444
Total expenditures	<u>1,499,449</u>	<u>135,633</u>	<u>536,199</u>	<u>284,040</u>
Excess (deficiency) of revenues over expenditures	<u>(573,944)</u>	<u>(91,958)</u>	<u>(77,739)</u>	<u>981,147</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of bond issues	.....	.....	.....	.....
Operating transfers in	717,932	84,407	97,791	124,800
Operating transfers out	(136,157)	(7,514)	(48,182)	(1,160,731)
Proceeds of financing agreements	.....	.....	.....	1,513
Total other financing sources (uses)	<u>581,775</u>	<u>76,893</u>	<u>49,609</u>	<u>(1,034,418)</u>
Net change in fund balances	7,831	(15,065)	(28,130)	(53,271)
Fund balances - beginning	424,405	96,538	234,276	177,359
Adjustments to increase (decrease) beginning fund balances	(20)	.....	187,159	.....
Fund balances - beginning, as restated	<u>424,385</u>	<u>96,538</u>	<u>421,435</u>	<u>177,359</u>
Fund balances - ending	<u>\$ 432,216</u>	<u>\$ 81,473</u>	<u>\$ 393,305</u>	<u>\$ 124,088</u>

2009 STATE OF FLORIDA CAFR

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$	\$	\$	\$	\$	\$
.....	33,982	.....	.....	20,526	.....
.....	74,898	6,712	6,166	67,158	95,099
.....	39,149	19,956	144,591	111,843	9,749
3,284	401	67	364	1,270	151
389,251	52,199	1	26,088	4,426	2,299
69	2,100	.....	644	4,369	45
<u>392,604</u>	<u>202,729</u>	<u>26,736</u>	<u>177,853</u>	<u>209,592</u>	<u>107,343</u>
1,930	34,636	.....	3,138	.....	.....
.....
696,463	.....	.....	.....	.....	.....
.....	173,095	19,799	60,286	.....	192,179
.....	.....	.....	78,531	269,291	.....
.....
11,428	7,128	1,372	329	10,178	88
.....	1,421	.....	.....	.....	.....
.....	90	.....	.....	.....	.....
<u>709,821</u>	<u>216,370</u>	<u>21,171</u>	<u>142,284</u>	<u>279,469</u>	<u>192,267</u>
<u>(317,217)</u>	<u>(13,641)</u>	<u>5,565</u>	<u>35,569</u>	<u>(69,877)</u>	<u>(84,924)</u>
.....
409,008	49,594	7,747	46,365	68,292	65,609
(70,702)	(64,526)	(18,458)	(51,297)	(12,722)	(5,420)
.....
<u>338,306</u>	<u>(14,932)</u>	<u>(10,711)</u>	<u>(4,932)</u>	<u>55,570</u>	<u>60,189</u>
21,089	(28,573)	(5,146)	30,637	(14,307)	(24,735)
56,412	79,378	16,071	43,442	71,446	46,154
.....
<u>56,412</u>	<u>79,378</u>	<u>16,071</u>	<u>43,442</u>	<u>71,446</u>	<u>46,154</u>
<u>\$ 77,501</u>	<u>\$ 50,805</u>	<u>\$ 10,925</u>	<u>\$ 74,079</u>	<u>\$ 57,139</u>	<u>\$ 21,419</u>

2009 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, 2009
(in thousands)**

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Citrus Commission
REVENUES				
Taxes	\$	\$	\$	\$ 49,048
Licenses and permits	448	.....	.....	.....
Fees and charges	49,789	36,005	1,166	21
Grants and donations	11,695	79,947	.....	5,980
Investment earnings	.....	81	.....	200
Fines, forfeits, settlements and judgments	27,408	1	.....	.....
Other	6,054	182	.....	11
Total revenues	95,394	116,216	1,166	55,260
EXPENDITURES				
Current:				
General government	.....	70,982	1,442	51,167
Education	.....	.....	.....	.....
Human services	.....	47,000	.....	.....
Criminal justice and corrections	56,703	.....	.....	.....
Natural resources and environment	.....	.....	.....	.....
State courts	32,479	.....	.....	.....
Capital outlay	608	3,685	.....	102
Debt service	.....	.....	.....	.....
Principal retirement	.....	.....	.....	.....
Interest and fiscal charges	.....	.....	.....	.....
Total expenditures	89,790	121,667	1,442	51,269
Excess (deficiency) of revenues over expenditures	5,604	(5,451)	(276)	3,991
OTHER FINANCING SOURCES (USES)				
Proceeds of bond issues	.....	.....	.....	.....
Operating transfers in	27,164	7,343	.....	.....
Operating transfers out	(6,644)	(453)	.....	(1,835)
Proceeds of financing agreements	.....	.....	.....	.....
Total other financing sources (uses)	20,520	6,890	.....	(1,835)
Net change in fund balances	26,124	1,439	(276)	2,156
Fund balances - beginning	38,811	30,798	541	22,888
Adjustments to increase (decrease) beginning fund balances	.....	52	.....	1,010
Fund balances - beginning, as restated	38,811	30,850	541	23,898
Fund balances - ending	\$ 64,935	\$ 32,289	\$ 265	\$ 26,054

2009 STATE OF FLORIDA CAFR

Blended Component Units					
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	Workforce Florida Inc	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
\$	\$	\$	\$	\$	\$
.....
.....	1,291	128,199	.....	.....	.....
.....	2,636	.....	10,417	.....	.....
10,645	334	1,164	.....	15,476	.....
.....
.....
10,645	4,261	129,363	10,417	15,476	.....
194,094	.....	150,904	10,078	187	.....
.....	6,005	.....	.....	.....	.....
.....
.....
.....
.....	54	3	.....	.....	.....
.....
.....
194,094	6,059	150,907	10,078	187	.....
(183,449)	(1,798)	(21,544)	339	15,289	.....
.....	.....	.....	.....	234,915	.....
194,238	375	.....	.....	15	.....
(37,099)	(3)	(69)	.....	(11,020)	.....
.....
157,139	372	(69)	.....	223,910	.....
(26,310)	(1,426)	(21,613)	339	239,199	.....
279,523	11,381	38,177	358	836,768	1
.....
279,523	11,381	38,177	358	836,768	1
\$ 253,213	\$ 9,955	\$ 16,564	\$ 697	\$ 1,075,967	\$ 1

2009 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, 2009
(in thousands)**

Blended Component Units

	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Space Florida	Totals 6/30/09
REVENUES					
Taxes	\$	\$	\$	\$	\$ 221,499
Licenses and permits	.....	.....	.....	.....	1,034,880
Fees and charges	4,015	.....	.....	.....	805,817
Grants and donations	.....	796	14	.....	1,527,187
Investment earnings	630	10	13,315	.....	77,158
Fines, forfeits, settlements and judgments	.....	.....	.....	.....	574,771
Other	178	.....	.....	.....	25,528
Total revenues	4,823	806	13,329	.....	4,266,840
EXPENDITURES					
Current:					
General government	4,712	.....	64,209	10,966	2,487,179
Education	.....	.....	.....	.....	142,260
Human services	.....	.....	.....	.....	743,463
Criminal justice and corrections	.....	765	.....	.....	502,827
Natural resources and environment	.....	.....	.....	.....	756,347
State courts	.....	.....	.....	.....	32,479
Capital outlay	.....	.....	.....	.....	43,880
Debt service	.....	.....	.....	.....	.....
Principal retirement	.....	.....	.....	.....	13,879
Interest and fiscal charges	.....	.....	.....	.....	534
Total expenditures	4,712	765	64,209	10,966	4,722,848
Excess (deficiency) of revenues over expenditures	111	41	(50,880)	(10,966)	(456,008)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	.....	.....	.....	.....	234,915
Operating transfers in	.....	.....	.....	.....	1,900,680
Operating transfers out	.....	.....	.....	.....	(1,632,832)
Proceeds of financing agreements	.....	.....	.....	.....	1,513
Total other financing sources (uses)	.....	.....	.....	.....	504,276
Net change in fund balances	111	41	(50,880)	(10,966)	48,268
Fund balances - beginning	25,902	391	179,489	16,392	2,726,901
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	.....	188,201
Fund balances - beginning, as restated	25,902	391	179,489	16,392	2,915,102
Fund balances - ending	\$ 26,013	\$ 432	\$ 128,609	\$ 5,426	\$ 2,963,370

2009 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Employment Services		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 239,330	\$ 239,330	\$
Reversions	60,435	60,435	.....
Fund Balances, July 1, 2008, restated	299,765	299,765	.....
REVENUES			
Fees and charges	196,136	159,882	(36,254)
Licenses	998	988	(10)
Taxes	.....	2,505	2,505
Miscellaneous	631	631	.....
Interest	523	9,016	8,493
Grants	677,908	648,162	(29,746)
Refunds	7,371	12,934	5,563
Transfers and distributions	740,137	731,404	(8,733)
Other	6,452	17,667	11,215
Total Revenues	1,630,156	1,583,189	(46,967)
Total Available Resources	1,929,921	1,882,954	(46,967)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	135,313	124,046	11,267
Other personal services	14,163	10,589	3,574
Expenses	41,442	36,464	4,978
Grants and aids	5,522	4,415	1,107
Operating capital outlay	1,984	1,787	197
Food products	200	91	109
Fixed capital outlay	316	316	.....
Special categories	1,447,434	1,292,044	155,390
Data processing services	7,182	3,822	3,360
Total Operating Expenditures	1,653,556	1,473,574	179,982
Nonoperating expenditures:			
Transfers	112,791	112,791	.....
Refunds	1,558	1,558	.....
Other	107,505	107,505	.....
Total Nonoperating Expenditures	221,854	221,854	.....
Total Expenditures	1,875,410	1,695,428	179,982
Fund Balances, June 30, 2009	\$ 54,511	\$ 187,526	\$ 133,015

2009 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Government Administration		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 95,168	\$ 95,168	\$
Reversions	575	575	.....
Fund Balances, July 1, 2008, restated	95,743	95,743	.....
REVENUES			
Fees and charges	101,058	73,806	(27,252)
Interest	2,176	2,152	(24)
Grants	12,153	12,447	294
Refunds	75	469	394
Transfers and distributions	13,355	41,005	27,650
Other	3	15	12
Total Revenues	128,820	129,894	1,074
Total Available Resources	224,563	225,637	1,074
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	35,012	34,178	834
Other personal services	3,451	3,000	451
Expenses	8,061	7,600	461
Grants and aids	3,540	3,540	.....
Operating capital outlay	299	252	47
Fixed capital outlay	6,384	6,384	.....
Special categories	87,752	82,742	5,010
Grants/aids to local governments	28	28	.....
Data processing services	1,495	911	584
Total Operating Expenditures	146,022	138,635	7,387
Nonoperating expenditures:			
Transfers	7,259	7,259	.....
Refunds	194	194	.....
Other	1,570	1,570	.....
Total Nonoperating Expenditures	9,023	9,023	.....
Total Expenditures	155,045	147,658	7,387
Fund Balances, June 30, 2009	\$ 69,518	\$ 77,979	\$ 8,461

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Business and Community Development		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 45,795	\$ 45,795	\$
Reversions	387,428	387,428	.....
Fund Balances, July 1, 2008, restated	433,223	433,223	.....
REVENUES			
Fees and charges	3,269	4,549	1,280
Miscellaneous	.....	16	16
Interest	2,288	801	(1,487)
Grants	778,932	326,458	(452,474)
Refunds	3,027	3,029	2
Transfers and distributions	121,693	91,541	(30,152)
Other	1,945	2,455	510
Total Revenues	911,154	428,849	(482,305)
Total Available Resources	1,344,377	862,072	(482,305)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	11,578	9,936	1,642
Other personal services	4,238	2,723	1,515
Expenses	4,675	3,415	1,260
Grants and aids	4,327	4,102	225
Operating capital outlay	792	525	267
Fixed capital outlay	58	58	.....
Special categories	824,555	685,476	139,079
Grants/aids to local governments	96,343	96,343	.....
Total Operating Expenditures	946,566	802,578	143,988
Nonoperating expenditures:			
Transfers	12,304	12,304	.....
Refunds	709	709	.....
Other	525	525	.....
Total Nonoperating Expenditures	13,538	13,538	.....
Total Expenditures	960,104	816,116	143,988
Fund Balances, June 30, 2009	\$ 384,273	\$ 45,956	\$ (338,317)

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Regulation and Licensing		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 196,666	\$ 196,666	\$
Reversions	2,012	2,012	.....
Fund Balances, July 1, 2008, restated	198,678	198,678	.....
REVENUES			
Fees and charges	119,839	121,434	1,595
Licenses	1,051,698	1,046,170	(5,528)
Taxes	174,200	173,280	(920)
Miscellaneous	274	2,531	2,257
Interest	3,533	3,427	(106)
Grants	.....	5	5
Refunds	87	1,048	961
Transfers and distributions	12,471	97,632	85,161
Other	18,550	16,042	(2,508)
Total Revenues	1,380,652	1,461,569	80,917
Total Available Resources	1,579,330	1,660,247	80,917
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	115,084	110,862	4,222
Other personal services	3,233	2,399	834
Expenses	22,898	20,802	2,096
Operating capital outlay	2,113	1,932	181
Special categories	63,089	51,434	11,655
Total Operating Expenditures	206,417	187,429	18,988
Nonoperating expenditures:			
Continuing Appropriations	122,842	122,842	.....
Transfers	1,126,171	1,126,171	.....
Refunds	5,311	5,311	.....
Other	69,129	69,129	.....
Total Nonoperating Expenditures	1,323,453	1,323,453	.....
Total Expenditures	1,529,870	1,510,882	18,988
Fund Balances, June 30, 2009	\$ 49,460	\$ 149,365	\$ 99,905

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Tobacco Settlement		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 54,523	\$ 54,523	\$
Reversions	2,389	2,389	.....
Fund Balances, July 1, 2008, restated	56,912	56,912	.....
REVENUES			
Interest	3,501	3,538	37
Refunds	63	157	94
Transfers and distributions	847,781	847,781	.....
Other	797,871	797,871	.....
Total Revenues	1,649,216	1,649,347	131
Total Available Resources	1,706,128	1,706,259	131
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	176	149	27
Expenses	1	1	.....
Grants and aids	16,425	16,423	2
Fixed capital outlay	12,509	12,509	.....
Special categories	743,633	742,387	1,246
Grants/aids to local governments	4,677	4,677	.....
Total Operating Expenditures	777,421	776,146	1,275
Nonoperating expenditures:			
Transfers	841,610	841,610	.....
Other	10,177	10,177	.....
Total Nonoperating Expenditures	851,787	851,787	.....
Total Expenditures	1,629,208	1,627,933	1,275
Fund Balances, June 30, 2009	\$ 76,920	\$ 78,326	\$ 1,406

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Public Safety		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 69,495	\$ 69,495	\$
Reversions	4,098	4,098	.....
Fund Balances, July 1, 2008, restated	<u>73,593</u>	<u>73,593</u>	<u>.....</u>
REVENUES			
Fees and charges	68,132	66,682	(1,450)
Licenses	48,758	26,933	(21,825)
Miscellaneous	92	91	(1)
Interest	617	596	(21)
Grants	40,192	36,509	(3,683)
Refunds	421	1,437	1,016
Transfers and distributions	54,701	65,742	11,041
Other	58,929	58,548	(381)
Total Revenues	<u>271,842</u>	<u>256,538</u>	<u>(15,304)</u>
Total Available Resources	<u>345,435</u>	<u>330,131</u>	<u>(15,304)</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	60,742	54,088	6,654
Other personal services	4,698	2,377	2,321
Expenses	28,742	18,800	9,942
Grants and aids	28,535	14,233	14,302
Operating capital outlay	9,671	6,763	2,908
Fixed capital outlay	417	417	.....
Special categories	98,344	98,344	.....
Data processing services	159	17	142
Total Operating Expenditures	<u>231,308</u>	<u>195,039</u>	<u>36,269</u>
Nonoperating expenditures:			
Transfers	54,053	54,053	.....
Refunds	2,279	2,279	.....
Other	32,368	32,368	.....
Total Nonoperating Expenditures	<u>88,700</u>	<u>88,700</u>	<u>.....</u>
Total Expenditures	<u>320,008</u>	<u>283,739</u>	<u>36,269</u>
Fund Balances, June 30, 2009	<u>\$ 25,427</u>	<u>\$ 46,392</u>	<u>\$ 20,965</u>

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)

	Corrections		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 14,805	\$ 14,805	\$
Reversions	359	359	.....
Fund Balances, July 1, 2008, restated	<u>15,164</u>	<u>15,164</u>	<u>.....</u>
REVENUES			
Fees and charges	6,036	6,018	(18)
Grants	19,970	19,966	(4)
Refunds	100	22	(78)
Transfers and distributions	14,253	14,481	228
Other	148	245	97
Total Revenues	<u>40,507</u>	<u>40,732</u>	<u>225</u>
Total Available Resources	<u>55,671</u>	<u>55,896</u>	<u>225</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	11,238	4,844	6,394
Other personal services	1,117	757	360
Expenses	3,080	3,080	.....
Operating capital outlay	1,947	417	1,530
Food products	589	573	16
Fixed capital outlay	710	710	.....
Special categories	25,902	25,902	.....
Total Operating Expenditures	<u>44,583</u>	<u>36,283</u>	<u>8,300</u>
Nonoperating expenditures:			
Transfers	9,225	9,225	.....
Refunds	73	73	.....
Other	414	414	.....
Special expenses	39	39	.....
Total Nonoperating Expenditures	<u>9,751</u>	<u>9,751</u>	<u>.....</u>
Total Expenditures	<u>54,334</u>	<u>46,034</u>	<u>8,300</u>
Fund Balances, June 30, 2009	<u>\$ 1,337</u>	<u>\$ 9,862</u>	<u>\$ 8,525</u>

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Consumer Protection and Safety		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 44,935	\$ 44,935	\$
Reversions	52,328	52,328	.....
Fund Balances, July 1, 2008, restated	97,263	97,263	.....
REVENUES			
Fees and charges	4,061	6,141	2,080
Interest	447	399	(48)
Grants	335,904	99,311	(236,593)
Refunds	381	662	281
Transfers and distributions	55,019	58,738	3,719
Other	23,372	25,122	1,750
Total Revenues	419,184	190,373	(228,811)
Total Available Resources	516,447	287,636	(228,811)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	27,163	24,725	2,438
Other personal services	511	71	440
Expenses	3,346	2,538	808
Operating capital outlay	421	92	329
Special categories	277,918	129,045	148,873
Grants/aids to local governments	3,684	3,684	.....
Data processing services	42	.....	42
Total Operating Expenditures	313,085	160,155	152,930
Nonoperating expenditures:			
Transfers	58,067	58,067	.....
Refunds	875	875	.....
Other	3,205	3,205	.....
Total Nonoperating Expenditures	62,147	62,147	.....
Total Expenditures	375,232	222,302	152,930
Fund Balances, June 30, 2009	\$ 141,215	\$ 65,334	\$ (75,881)

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Agriculture		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 57,898	\$ 57,898	\$
Reversions	3,024	3,024	.....
Fund Balances, July 1, 2008, restated	60,922	60,922	.....
REVENUES			
Fees and charges	73,240	73,364	124
Licenses	20,218	20,329	111
Taxes	407	416	9
Miscellaneous	4,918	4,988	70
Interest	1,946	1,891	(55)
Grants	31,134	31,771	637
Refunds	3,651	3,659	8
Transfers and distributions	83,086	82,164	(922)
Other	5,075	5,055	(20)
Total Revenues	223,675	223,637	(38)
Total Available Resources	284,597	284,559	(38)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	91,381	83,166	8,215
Other personal services	6,518	4,139	2,379
Expenses	34,318	29,302	5,016
Grants and aids	5,858	5,093	765
Operating capital outlay	3,291	2,460	831
Fixed capital outlay	8,080	8,080	.....
Special categories	70,284	60,410	9,874
Total Operating Expenditures	219,730	192,650	27,080
Nonoperating expenditures:			
Payments to U.S. Treasury	7,356	7,356	.....
Transfers	20,047	20,047	.....
Refunds	2,222	2,222	.....
Other	10,161	10,161	.....
Total Nonoperating Expenditures	39,786	39,786	.....
Total Expenditures	259,516	232,436	27,080
Fund Balances, June 30, 2009	\$ 25,081	\$ 52,123	\$ 27,042

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)

	Juvenile Justice		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 17,461	\$ 17,461	\$
Reversions	1,816	1,816	.....
Fund Balances, July 1, 2008, restated	19,277	19,277	.....
REVENUES			
Fees and charges	101,775	95,983	(5,792)
Interest	.....	184	184
Grants	9,714	12,708	2,994
Refunds	.....	41	41
Transfers and distributions	65,303	65,553	250
Other	2,299	2,325	26
Total Revenues	179,091	176,794	(2,297)
Total Available Resources	198,368	196,071	(2,297)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	90,185	85,903	4,282
Other personal services	3,873	2,858	1,015
Expenses	9,548	8,302	1,246
Grants and aids	519	370	149
Operating capital outlay	257	88	169
Food products	196	196	.....
Fixed capital outlay	1,178	1,178	.....
Special categories	71,785	71,785	.....
Total Operating Expenditures	177,541	170,680	6,861
Nonoperating expenditures:			
Refunds	63	63	.....
Other	788	788	.....
Total Nonoperating Expenditures	851	851	.....
Total Expenditures	178,392	171,531	6,861
Fund Balances, June 30, 2009	\$ 19,976	\$ 24,540	\$ 4,564

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)

	Judicial Services		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 37,763	\$ 37,763	\$
Reversions	280	280	.....
Fund Balances, July 1, 2008, restated	38,043	38,043	.....
REVENUES			
Fees and charges	49,200	42,231	(6,969)
Licenses	450	448	(2)
Miscellaneous	.....	2	2
Grants	11,296	11,463	167
Refunds	969	1,161	192
Transfers and distributions	37,792	34,065	(3,727)
Other	19,820	27,289	7,469
Total Revenues	119,527	116,659	(2,868)
Total Available Resources	157,570	154,702	(2,868)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	106,395	73,577	32,818
Other personal services	5,602	2,586	3,016
Expenses	4,015	2,539	1,476
Operating capital outlay	160	29	131
Special categories	11,169	11,169	.....
Data processing services	418	263	155
Total Operating Expenditures	127,759	90,163	37,596
Nonoperating expenditures:			
Transfers	3,621	3,621	.....
Refunds	804	804	.....
Other	2,386	2,386	.....
Total Nonoperating Expenditures	6,811	6,811	.....
Total Expenditures	134,570	96,974	37,596
Fund Balances, June 30, 2009	\$ 23,000	\$ 57,728	\$ 34,728

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Military and Veterans' Affairs		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 25,070	\$ 25,070	\$
Reversions	182	182	.....
Fund Balances, July 1, 2008, restated	<u>25,252</u>	<u>25,252</u>	<u>.....</u>
REVENUES			
Fees and charges	16,238	16,384	146
Miscellaneous	3	10	7
Interest	280	233	(47)
Grants	80,352	78,320	(2,032)
Refunds	18,346	19,794	1,448
Transfers and distributions	12,724	10,189	(2,535)
Other	10	18	8
Total Revenues	<u>127,953</u>	<u>124,948</u>	<u>(3,005)</u>
Total Available Resources	<u>153,205</u>	<u>150,200</u>	<u>(3,005)</u>
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	35,411	33,552	1,859
Other personal services	1,550	1,548	2
Expenses	19,611	19,371	240
Operating capital outlay	610	552	58
Food products	3,057	2,645	412
Fixed capital outlay	30,882	30,882	.....
Special categories	35,033	31,162	3,871
Total Operating Expenditures	<u>126,154</u>	<u>119,712</u>	<u>6,442</u>
Nonoperating expenditures:			
Transfers	2,802	2,802	.....
Refunds	141	141	.....
Other	156	156	.....
Total Nonoperating Expenditures	<u>3,099</u>	<u>3,099</u>	<u>.....</u>
Total Expenditures	<u>129,253</u>	<u>122,811</u>	<u>6,442</u>
Fund Balances, June 30, 2009	<u>\$ 23,952</u>	<u>\$ 27,389</u>	<u>\$ 3,437</u>

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Citrus Commission		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 18,746	\$ 18,746	\$
Reversions	2,454	2,454	.....
Fund Balances, July 1, 2008, restated	21,200	21,200	.....
REVENUES			
Taxes	48,190	49,048	858
Miscellaneous	43	19	(24)
Interest	440	616	176
Grants	6,141	5,978	(163)
Refunds	5	62	57
Other	.....	43	43
Total Revenues	54,819	55,766	947
Total Available Resources	76,019	76,966	947
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	6,497	4,569	1,928
Other personal services	233	108	125
Expenses	2,935	760	2,175
Operating capital outlay	317	102	215
Special categories	57,247	45,965	11,282
Data processing services	8	.....	8
Total Operating Expenditures	67,237	51,504	15,733
Nonoperating expenditures:			
Refunds	8	8	.....
Other	1,810	1,810	.....
Total Nonoperating Expenditures	1,818	1,818	.....
Total Expenditures	69,055	53,322	15,733
Fund Balances, June 30, 2009	\$ 6,964	\$ 23,644	\$ 16,680

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	School for the Deaf and the Blind		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 452	\$ 452	\$
Fund Balances, July 1, 2008, restated	452	452	.....
REVENUES			
Grants	1,261	1,293	32
Transfers and distributions	5,688	5,766	78
Total Revenues	6,949	7,059	110
Total Available Resources	7,401	7,511	110
EXPENDITURES			
Operating expenditures:			
Special categories	2,752	2,752	.....
Total Operating Expenditures	2,752	2,752	.....
Nonoperating expenditures:			
Continuing appropriations	4,223	4,223	.....
Total Nonoperating Expenditures	4,223	4,223
Total Expenditures	6,975	6,975
Fund Balances, June 30, 2009	\$ 426	\$ 536	\$ 110

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**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Wireless Emergency Telephone System		
	Budget	Actual	Variance with Final Budget Over / (Under)
Fund Balances, July 1, 2008	\$ 23,796	\$ 23,796	\$
Reversions	194	194	.....
Fund Balances, July 1, 2008, restated	23,990	23,990	.....
REVENUES			
Interest	1,300	1,269	(31)
Refunds	.....	735	735
Other	131,011	131,011	.....
Total Revenues	132,311	133,015	704
Total Available Resources	156,301	157,005	704
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	443	374	69
Expenses	697	263	434
Grants and aids	150,722	150,722	.....
Special categories	284	284	.....
Data processing services	5	5	.....
Total Operating Expenditures	152,151	151,648	503
Nonoperating expenditures:			
Transfers	67	67	.....
Refunds	100	100	.....
Total Nonoperating Expenditures	167	167	.....
Total Expenditures	152,318	151,815	503
Fund Balances, June 30, 2009	\$ 3,983	\$ 5,190	\$ 1,207

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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.

OTHER

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

SCHOOL FOR THE DEAF AND THE BLIND

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

**COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2009
(in thousands)**

	General Government	Right-of-Way and Bridge Construction	Other	School for the Deaf and the Blind	Totals 6/30/09
ASSETS					
<u>Current assets</u>					
Pooled investments with State Treasury	\$ 297	\$ 63,216	\$ 8,309	\$ 3,007	\$ 74,829
Receivables, net	130	76	14	.....	220
Due from other funds	39,946	.....	.....	3,586	43,532
Total current assets	40,373	63,292	8,323	6,593	118,581
Total assets	\$ 40,373	\$ 63,292	\$ 8,323	\$ 6,593	\$ 118,581
LIABILITIES AND FUND BALANCES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	\$ 221	\$ 7,509	\$ 32	\$ 1,151	\$ 8,913
Due to other funds	.....	4	4	4	12
Obligations under security lending agreement:	.....	9,690	1,208	.....	10,898
Obligations under reverse repurchase agreement:	.....	3,712	463	.....	4,175
Total current liabilities	221	20,915	1,707	1,155	23,998
Total liabilities	221	20,915	1,707	1,155	23,998
<u>Fund balances</u>					
Reserved for encumbrances	.....	.....	322	.....	322
Reserved for capital outlay	40,151	42,377	382	5,438	88,348
Unreserved	1	.....	5,912	.....	5,913
Total fund balances	40,152	42,377	6,616	5,438	94,583
Total liabilities and fund balances	\$ 40,373	\$ 63,292	\$ 8,323	\$ 6,593	\$ 118,581

2009 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	General Government	Right-of-Way and Bridge Construction	Other	School for the Deaf and the Blind	Totals 6/30/09
REVENUES					
Fees and charges	\$	\$	\$ 424	\$	\$ 424
Investment earnings	.....	1,067	70	.....	1,137
Other	.....	667	.....	.....	667
Total revenues	.....	1,734	494	.....	2,228
EXPENDITURES					
Current:					
General government	9,954	.....	1,626	.....	11,580
Education	.....	.....	.....	7,950	7,950
Human services	16,941	.....	.....	.....	16,941
Criminal justice and corrections	65,790	.....	.....	.....	65,790
Natural resources and environment	60	.....	.....	.....	60
Transportation	.....	74	.....	.....	74
Capital outlay	200,811	165,358	106	7,006	373,281
Debt service:					
Principal retirement	2,630	.....	.....	.....	2,630
Interest and fiscal charges	13,015	.....	.....	.....	13,015
Total expenditures	309,201	165,432	1,732	14,956	491,321
Excess (deficiency) of revenues over expenditures	(309,201)	(163,698)	(1,238)	(14,956)	(489,093)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	296,066	287,000	286	6,754	590,106
Operating transfers out	(15,240)	(129,032)	(2,014)	.....	(146,286)
Total other financing sources (uses)	280,826	157,968	(1,728)	6,754	443,820
Net change in fund balances	(28,375)	(5,730)	(2,966)	(8,202)	(45,273)
Fund balances - beginning	68,527	48,107	9,582	13,640	139,856
Fund balances - ending	\$ 40,152	\$ 42,377	\$ 6,616	\$ 5,438	\$ 94,583

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PERMANENT FUNDS

PRIVATE GRANTS

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, 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.

LAWTON CHILES ENDOWMENT FUND

This fund is administered by the State Board of Administration, a blended component unit of the State, in accordance with Section 215.5601, Florida Statutes. Its purpose is 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. Effective July 1, 2008 the fund was moved to the General Fund as described in Note II.

**COMBINING BALANCE SHEET
PERMANENT FUNDS
JUNE 30, 2009
(in thousands)**

	<u>Private Grants</u>	<u>Lawton Chiles Endowment Fund</u>	<u>Totals 6/30/09</u>
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	\$ 152	\$	\$ 152
Pooled investments with State Treasury	9,195	.....	9,195
Investments	1,693	.....	1,693
Receivables, net	56	.....	56
Total current assets	<u>11,096</u>	<u>.....</u>	<u>11,096</u>
Total assets	<u>\$ 11,096</u>	<u>\$</u>	<u>\$ 11,096</u>
LIABILITIES AND FUND BALANCES			
<u>Current liabilities</u>			
Due to other funds	\$ 15	\$	\$ 15
Obligations under security lending agreements	1,428	.....	1,428
Obligations under reverse repurchase agreements	547	.....	547
Total liabilities	<u>1,990</u>	<u>.....</u>	<u>1,990</u>
<u>Fund balances</u>			
Other reserved	7,419	.....	7,419
Unreserved	1,687	.....	1,687
Total fund balances	<u>9,106</u>	<u>.....</u>	<u>9,106</u>
Total liabilities and fund balances	<u>\$ 11,096</u>	<u>\$</u>	<u>\$ 11,096</u>

2009 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PERMANENT FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Private Grants	Lawton Chiles Endowment Fund	Totals 6/30/09
REVENUES			
Licenses and permits	\$ 889	\$	\$ 889
Investment earnings	(343)	.....	(343)
Total revenues	546	.....	546
EXPENDITURES			
Current:			
Education	84	.....	84
Total expenditures	84	.....	84
Excess (deficiency) of revenues over expenditures	462	.....	462
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(156)	.....	(156)
Total other financing sources (uses)	(156)	.....	(156)
Net change in fund balances	306	.....	306
Fund balances - beginning	8,800	2,132,204	2,141,004
Adjustments to increase (decrease) beginning fund balances	.....	(2,132,204)	(2,132,204)
Fund balances - beginning, as restated	8,800	8,800
Fund balances - ending	\$ 9,106	\$	\$ 9,106

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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, F.S.

**COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2009
(in thousands)**

	Other	FL Engineers Management Corp	Totals 6/30/09
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	\$ 1,132	\$	\$ 1,132
Pooled investments with State Treasury	248,990	.....	248,990
Investments	14,469	.....	14,469
Receivables, net	14,047	.....	14,047
Due from other funds	3,748	.....	3,748
Due from component units/primary	1	.....	1
Other	.....	28	28
Total current assets	282,387	28	282,415
<u>Noncurrent assets</u>			
Long-term investments	65,347	.....	65,347
Capital assets			
Buildings, equipment, and other depreciable assets	30,509	253	30,762
Accumulated depreciation	(22,145)	(176)	(22,321)
Construction work in progress	202	.....	202
Total noncurrent assets	73,913	77	73,990
Total assets	356,300	105	356,405
LIABILITIES			
<u>Current liabilities</u>			
Accounts payable and accrued liabilities	10,117	192	10,309
Due to other funds	7,778	.....	7,778
Due to component units/primary	15	.....	15
Compensated absences	4,155	.....	4,155
Deposits	26,945	.....	26,945
Obligations under security lending agreements	31,583	.....	31,583
Obligations under reverse repurchase agreements	12,097	.....	12,097
Total current liabilities	92,690	192	92,882
<u>Noncurrent liabilities</u>			
Compensated absences	13,771	.....	13,771
Other noncurrent liabilities	2,498	.....	2,498
Total noncurrent liabilities	16,269	.....	16,269
Total liabilities	108,959	192	109,151
NET ASSETS			
Invested in capital assets, net of related debt	8,566	77	8,643
Unrestricted	238,775	(164)	238,611
Total net assets	\$ 247,341	\$ (87)	\$ 247,254

2009 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, 2009
(in thousands)**

	Other	FL Engineers Management Corp	Totals 6/30/09
OPERATING REVENUES			
Sales - nonstate	\$ 76,133	\$	\$ 76,133
Fees	214,249	2,091	216,340
Sales - state	20,095	.....	20,095
Rents and royalties - nonstate	3	.....	3
Rents - state	78	.....	78
Fines, forfeits, settlements and judgments	23,832	.....	23,832
Other	5	.....	5
Total operating revenues	334,395	2,091	336,486
OPERATING EXPENSES			
Contractual services	59,551	231	59,782
Personal services	160,707	1,485	162,192
Depreciation	3,570	19	3,589
Materials and supplies	7,070	24	7,094
Repairs and maintenance	1,768	.....	1,768
Basic services	30,082	505	30,587
Interest and fiscal charges	728	.....	728
Total operating expenses	263,476	2,264	265,740
Operating income (loss)	70,919	(173)	70,746
NONOPERATING REVENUES (EXPENSES)			
Grants and donations	5	.....	5
Investment earnings	4,380	.....	4,380
Interest and fiscal charges	(261)	.....	(261)
Property disposition gain (loss)	(355)	.....	(355)
Grant expense and client benefits	(904)	.....	(904)
Other	(941)	.....	(941)
Total nonoperating revenues (expenses)	1,924	.....	1,924
Income (loss) before transfers and contributions	72,843	(173)	72,670
Operating transfers in	20,406	.....	20,406
Operating transfers out	(166,995)	.....	(166,995)
Capital contributions	761	.....	761
Change in net assets	(72,985)	(173)	(73,158)
Total net assets - beginning	241,993	86	242,079
Adjustments to increase (decrease) beginning net assets	78,333	.....	78,333
Total net assets - ending	\$ 247,341	\$ (87)	\$ 247,254

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Other	FL Engineers Management Corporation	Totals 6/30/09
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 342,091	\$ 2,091	\$ 344,182
Cash paid to vendors	(97,549)	(671)	(98,220)
Cash paid to employees	(159,839)	(1,720)	(161,559)
Net cash provided (used) by operating activities:	84,703	(300)	84,403
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	(152,882)	.....	(152,882)
Advances, grants or loans (to) from or repayment from other:	(904)	.....	(904)
Cash received from noncapital grants or donations:	5	.....	5
Net cash provided (used) by noncapital financing activities:	(153,781)	.....	(153,781)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payment of principal on installment purchase/capital lease	(32)	.....	(32)
Payment of interest on bonds/installment purchase/capital lease	(1)	.....	(1)
Purchase or construction of capital assets	(2,021)	(5)	(2,026)
Net cash provided (used) by capital and related financing activities:	(2,054)	(5)	(2,059)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	(21,052)	.....	(21,052)
Investment earnings	7,395	.....	7,395
Net cash provided (used) by investing activities:	(13,657)	.....	(13,657)
Net increase (decrease) in cash and cash equivalent:	(84,789)	(305)	(85,094)
Cash and cash equivalents - beginning	334,911	305	335,216
Cash and cash equivalents - ending	\$ 250,122	\$	\$ 250,122

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

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

	<u>Other</u>	<u>FL Engineers Management Corporation</u>	<u>Totals 6/30/09</u>
Operating income (loss)	\$ 70,919	\$ (173)	\$ 70,746
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	3,570	19	3,589
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,077)	.....	(1,077)
(Increase) decrease in due from other funds	375	.....	375
Increase (decrease) in allowance for uncollectibles	551	.....	551
(Increase) decrease in inventories	6	17	23
Increase (decrease) in accounts payable	1,763	73	1,836
Increase (decrease) in compensated absences	736	.....	736
Increase (decrease) in due to other funds	12	(236)	(224)
Increase (decrease) in deposits	7,848	7,848
Net cash provided (used) by operating activities	<u>\$ 84,703</u>	<u>\$ (300)</u>	<u>\$ 84,403</u>

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INTERNAL SERVICE FUNDS

EMPLOYEE HEALTH AND DISABILITY

These funds are administered by the Department of Management Services and are used primarily to account for health and disability plans for employees of the state.

DATA CENTERS

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

COMMUNICATIONS AND FACILITIES

These funds are administered by the Department of Management Services primarily to 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 are administered by various agencies primarily to account for services provided to other state agencies such as legal services, records management, and community services (inmate work squads).

2009 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2009
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/09
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 8,706	\$	\$ 25,846	\$	\$ 34,552
Pooled investments with State Treasury	239,668	6,706	309,950	3,425	559,749
Investments	.....	.....	40,049	.....	40,049
Receivables, net	12,559	173	10,793	1,035	24,560
Due from other funds	2	9,581	8,283	4,784	22,650
Due from component units/primary	.....	3	1,352	9	1,364
Inventories	.....	.....	163	4	167
Total current assets	260,935	16,463	396,436	9,257	683,091
<u>Noncurrent assets</u>					
Capital assets					
Land and other nondepreciable assets	.....	.....	360	.....	360
Buildings, equipment, and other depreciable assets	175	33,356	954,143	15,955	1,003,629
Accumulated depreciation	(161)	(27,276)	(296,368)	(9,547)	(333,352)
Construction work in progress	.....	.....	70,024	.....	70,024
Total noncurrent assets	14	6,080	728,159	6,408	740,661
Total assets	260,949	22,543	1,124,595	15,665	1,423,752
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	49,524	3,901	21,515	1,163	76,103
Due to other funds	20,609	1,457	1,473	770	24,309
Compensated absences	.....	840	686	1,245	2,771
Installment purchases/capital leases	.....	559	717	.....	1,276
Bonds payable	.....	.....	18,045	.....	18,045
Deposits	151,413	4,113	3,543	80	159,149
Obligations under security lending agreements	37,196	540	47,668	108	85,512
Obligations under reverse repurchase agreements	14,247	207	18,258	41	32,753
Certificates of participation payable	.....	.....	16,080	.....	16,080
Total current liabilities	272,989	11,617	127,985	3,407	415,998
<u>Noncurrent liabilities</u>					
Advances from other funds	.....	1,478	525	800	2,803
Bonds payable	.....	.....	399,971	.....	399,971
Certificates of participation payable	.....	.....	378,673	.....	378,673
Installment purchases/capital leases	.....	683	9,037	.....	9,720
Compensated absences	205	2,283	2,449	6,928	11,865
Other noncurrent liabilities	1,484	370	456	989	3,299
Total noncurrent liabilities	1,689	4,814	791,111	8,717	806,331
Total liabilities	274,678	16,431	919,096	12,124	1,222,329
NET ASSETS					
Invested in capital assets, net of related debt	14	5,567	109,397	6,408	121,386
Unrestricted	(13,743)	545	96,102	(2,867)	80,037
Total net assets	\$ (13,729)	\$ 6,112	\$ 205,499	\$ 3,541	\$ 201,423

2009 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, 2009
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/09
OPERATING REVENUES					
Sales - nonstate	\$	\$ 127	\$ 38,449	\$ 392	\$ 38,968
Sales - state	1,525,548	78,117	106,395	64,264	1,774,324
Rents and royalties - nonstate	.....	.....	29	.....	29
Rents - state	.....	.....	115,504	.....	115,504
Fines, forfeits, settlements and judgments	.....	.....	.....	23	23
Other	18,386	.....	.....	5	18,391
Total operating revenues	1,543,934	78,244	260,377	64,684	1,947,239
OPERATING EXPENSES					
Contractual services	808,636	38,938	135,856	5,483	988,913
Insurance claims expense	795,073	.....	.....	.....	795,073
Personal services	2,288	24,181	23,535	48,435	98,439
Depreciation	6	3,540	14,630	1,389	19,565
Materials and supplies	51	12,559	928	1,788	15,326
Repairs and maintenance	.....	3,094	22,911	1,092	27,097
Basic services	146	5,751	4,872	3,348	14,117
Total operating expenses	1,606,200	88,063	202,732	61,535	1,958,530
Operating income (loss)	(62,266)	(9,819)	57,645	3,149	(11,291)
NONOPERATING REVENUES/(EXPENSES)					
Investment earnings	2,245	60	1,836	55	4,196
Interest and fiscal charges	(184)	(38)	(31,256)	(3)	(31,481)
Property disposition gain (loss)	(1)	(989)	(6,133)	(429)	(7,552)
Other	.....	.....	.....	7	7
Total nonoperating revenues (expenses)	2,060	(967)	(35,553)	(370)	(34,830)
Income (loss) before transfers and contributions	(60,206)	(10,786)	22,092	2,779	(46,121)
Operating transfers in	19,107	183	14,413	1,000	34,703
Operating transfers out	(594)	(630)	(17,401)	(3,130)	(21,755)
Capital contributions	.....	100	4	46	150
Change in net assets	(41,693)	(11,133)	19,108	695	(33,023)
Total net assets - beginning	27,964	17,245	186,391	2,846	234,446
Total net assets - ending	\$ (13,729)	\$ 6,112	\$ 205,499	\$ 3,541	\$ 201,423

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,564,985	\$ 83,027	\$ 259,078
Cash paid to vendors	(810,065)	(65,585)	(174,733)
Cash paid to employees	(1,665)	(24,213)	(23,554)
Cash paid for insurance claims	(795,072)	.....	.....
Net cash provided (used) by operating activities	(41,817)	(6,771)	60,791
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	18,388	(448)	(4,454)
Net cash provided (used) by noncapital financing activities	18,388	(448)	(4,454)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from the sale of bonds	.....	.....	130,971
Payment of bond principal	.....	.....	5,610
Payment of principal on installment purchase/capital lease	.....	(284)	5,159
Payment of interest on bonds/installment purchase/capital lease	.....	.....	(30,798)
Purchase or construction of capital assets	.....	(695)	(71,952)
Net cash provided (used) by capital and related financing activities	.....	(979)	38,990
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	(12,011)	(372)	13,066
Investment earnings	4,249	57	3,085
Purchase of investments	(2,066)	(95)	.....
Net cash provided (used) by investing activities	(9,828)	(410)	16,151
Net increase (decrease) in cash and cash equivalents	(33,257)	(8,608)	111,478
Cash and cash equivalents - beginning	281,631	15,314	224,318
Total cash and cash equivalents - beginning	281,631	15,314	224,318
Cash and cash equivalents - ending	\$ 248,374	\$ 6,706	\$ 335,796

Other	Totals 6/30/09
\$ 62,561	\$ 1,969,651
(12,818)	(1,063,201)
(47,945)	(97,377)
.....	(795,072)
<u>1,798</u>	<u>14,001</u>
<u>(2,129)</u>	<u>11,357</u>
<u>(2,129)</u>	<u>11,357</u>
.....	130,971
.....	5,610
.....	4,875
.....	(30,798)
<u>(476)</u>	<u>(73,123)</u>
<u>(476)</u>	<u>37,535</u>
(48)	635
71	7,462
.....	(2,161)
<u>23</u>	<u>5,936</u>
(784)	68,829
4,209	525,472
<u>4,209</u>	<u>525,472</u>
<u>\$ 3,425</u>	<u>\$ 594,301</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

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

	Employee Health and Disability	Data Centers	Communications and Facilities
Operating income (loss)	\$ (62,266)	\$ (9,819)	\$ 57,645
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	6	3,540	14,630
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	736	670	133
(Increase) decrease in due from other funds	1,893	(4,122)	(3,870)
(Increase) decrease in inventories	.....	.....	(15)
Increase (decrease) in accounts payable	1,481	1,645	(6,551)
Increase (decrease) in compensated absences	(12)	(32)	(19)
Increase (decrease) in due to other funds	(2,198)	1,347	270
Increase (decrease) in deposits	18,543	.....	(1,432)
Net cash provided (used) by operating activities	<u>\$ (41,817)</u>	<u>\$ (6,771)</u>	<u>\$ 60,791</u>

<u>Other</u>	<u>Totals 6/30/08</u>
\$ 3,149	\$ (11,291)
1,389	19,565
513	2,052
(2,424)	(8,523)
(73)	(88)
229	(3,196)
489	426
(1,261)	(1,842)
(213)	16,898
<u>\$ 1,798</u>	<u>\$ 14,001</u>

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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.

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.

COLLEGE SAVINGS PLAN

This fund, administered by the State Board of Administration, is used to account for contributions from participants of the College Savings Plan as authorized by Chapter 1009.981, Florida Statutes. Participant contributions are collected and invested in accordance with the Plan provisions and participant direction.

2009 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

PRIVATE-PURPOSE TRUST FUNDS

JUNE 30, 2009

(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ASSETS				
Cash and cash equivalents	\$ 736	\$ 587	\$	\$
Pooled investments with State Treasury	541,956	13,072	20,672	810
Total cash and cash equivalents	542,692	13,659	20,672	810
<u>Investments</u>				
Certificates of deposit	.....	.....	.....	.....
U.S. government & federally guaranteed obligations	.....	.....	.....	.....
Federal agencies	.....	.....	.....	.....
Commercial paper	.....	.....	.....	.....
Repurchase agreements	.....	.....	.....	.....
Bonds and notes	1,631	.....	.....	.....
International bonds and notes	.....	.....	.....	.....
Mutual fund investments	.....	6,359	.....	.....
Money market and short-term investments	3,081	.....	.....	.....
Domestic equity	.....	4,155	.....	.....
International equity	.....	.....	.....	.....
Total investments	4,712	10,514	.....	.....
<u>Receivables</u>				
Accounts receivable	23,598	.....	40	.....
Interest receivable	949	6	30	.....
Dividends receivable	.....	.....	.....	.....
Pending investment sales	.....	.....	.....	.....
Due from state funds	.....	.....	276	.....
Due from other governments	.....	.....	18,703	.....
Total receivables	24,547	6	19,049	.....
Security lending collateral	.....	.....	.....	.....
Advances to other funds	.....	471,797	.....	.....
Loans receivable	1,025,023	.....	.....	.....
Capital assets	7	870	25	.....
Accumulated depreciation	.....	(659)	(25)	.....
Other assets	198	.....	.....	.....
Total assets	1,597,179	496,187	39,721	810
LIABILITIES				
Accounts payable and accrued liabilities	.....	10,664	.....	.....
Due to other funds	1,866	16	1,147	.....
Pending investment purchases	.....	.....	.....	.....
Due to other governments	.....	.....	3,279	.....
Obligations under security lending agreements	84,305	475	1,977	.....
Obligations under reverse repurchase agreements	32,291	182	757	.....
Claims payable	.....	.....	2,173	.....
Deposits payable	10	.....	.....	.....
Compensated absences	.....	342	.....	.....
Other liabilities	.....	241	.....	.....
Total liabilities	118,472	11,920	9,333	.....
NET ASSETS				
Held in trust for individuals, organizations, and other governments	\$ 1,478,707	\$ 484,267	\$ 30,388	\$ 810

College Savings Plan	Totals 6/30/09
\$ 414	\$ 1,737
.....	576,510
<u>414</u>	<u>578,247</u>
376	376
13,474	13,474
29,630	29,630
11	11
4	4
20,982	22,613
2,363	2,363
.....	6,359
14,952	18,033
78,486	82,641
398	398
<u>160,676</u>	<u>175,902</u>
11	23,649
557	1,542
93	93
77	77
157	433
.....	18,703
<u>895</u>	<u>44,497</u>
25,430	25,430
.....	471,797
.....	1,025,023
6	908
(6)	(690)
.....	198
<u>187,415</u>	<u>2,321,312</u>
2,444	13,108
.....	3,029
293	293
.....	3,279
26,530	113,287
.....	33,230
.....	2,173
4,351	4,361
4	346
.....	241
<u>33,622</u>	<u>173,347</u>
<u>\$ 153,793</u>	<u>\$ 2,147,965</u>

2009 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ADDITIONS				
<u>Contributions and other deposits</u>				
Fees	\$	\$	\$ 108	\$
Grants and contributions	.....	.....	244,627	.....
Fines, forfeits, settlements and judgments	.....	235	.....	.....
Unclaimed property remittances	.....	298,439	.....	.....
Transfers in from state funds	8	.....	5,642	.....
Total contributions and other deposits	8	298,674	250,377	.....
<u>Investment income</u>				
Interest income	9,845	37	453	.....
Dividends	.....	.....	.....	.....
Net increase (decrease) in fair market value	.....	.....	.....	.....
Total investment income	9,845	37	453	.....
Investment activity expense	(717)	(169)	.....	.....
Net income (loss) from investing activity	9,128	(132)	453	.....
<u>Security lending activity</u>				
Security lending income	.....	.....	.....	.....
Security lending expense	.....	.....	.....	.....
Net income from security lending	.....	.....	.....	.....
Total net investment income (loss)	9,128	(132)	453	.....
Other additions	.....	404	7,094	.....
Total additions	9,136	298,946	257,924	.....
DEDUCTIONS				
Insurance claims expense	102,951	.....	.....	.....
Interest expense	713	6	24	.....
Student loan default payments	.....	.....	253,735	.....
Payments to unclaimed property claimants	.....	125,642	.....	.....
Distribution to State School Fund	.....	111,993	.....	.....
Administrative expense	.....	4,137	.....	.....
Property disposition gain (loss)	.....	.....	.....	331
Transfers out to state funds	1	779	1,212	24
Other deductions	17,640	935	5,053	.....
Total deductions	121,305	243,492	260,024	355
<u>Depositor activity</u>				
Deposits	205,419	.....	.....	165
Withdrawals	(30,136)	.....	.....	.....
Excess (deficiency) of deposits over withdrawals	175,283	.....	.....	165
Change in net assets	63,114	55,454	(2,100)	(190)
Net assets - beginning	1,415,593	428,813	32,488	1,000
Net assets - ending	\$ 1,478,707	\$ 484,267	\$ 30,388	\$ 810

College Savings Plan	Totals 6/30/09
\$ 1,333	\$ 1,441
24,392	269,019
.....	235
.....	298,439
2,025	7,675
<u>27,750</u>	<u>576,809</u>
2,944	13,279
1,894	1,894
(20,709)	(20,709)
<u>(15,871)</u>	<u>(5,536)</u>
(257)	(1,143)
<u>(16,128)</u>	<u>(6,679)</u>
363	363
(206)	(206)
<u>157</u>	<u>157</u>
(15,971)	(6,522)
.....	7,498
<u>11,779</u>	<u>577,785</u>
.....	102,951
.....	743
.....	253,735
.....	125,642
.....	111,993
3,953	8,090
.....	331
.....	2,016
7,598	31,226
<u>11,551</u>	<u>636,727</u>
.....	205,584
.....	(30,136)
.....	175,448
228	116,506
<u>153,565</u>	<u>2,031,459</u>
<u>\$ 153,793</u>	<u>\$ 2,147,965</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 Florida Retirement System'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 Florida Retirement System's defined contribution pension plan.

OTHER DEFINED CONTRIBUTION PLANS

This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, to account for operations of the state's other defined contribution plans.

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.

LIFE AND OTHER BENEFITS

This category includes those internal reporting funds primarily administered by the Department of Management Services to account for state employee's life and other 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.

2009 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**
JUNE 30, 2009
(in thousands)

	Florida Retirement System			
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan
ASSETS				
Cash and cash equivalents	\$ 500,555	\$ 546	\$	\$ 97,528
Pooled investments with State Treasury	66,642	242	3,219	3,231
Total cash and cash equivalents	567,197	788	3,219	100,759
<u>Investments</u>				
Certificates of deposit	650,019	.....	.....	.....
U.S. government & federally guaranteed obligations	2,765,488	.....	.....	.....
Federal agencies	7,813,488	.....	.....	.....
Commercial paper	2,701,752	.....	.....	.....
Repurchase agreements	1,475,431	.....	.....	.....
Bonds and notes	17,998,680	.....	.....	854,715
International bonds and notes	2,562,371	.....	.....	.....
Real estate contracts	6,506,329	.....	.....	.....
Mutual fund investments	4,773,684	3,213,242	.....	947,913
Money market and short-term investments	2,407	861,572	.....	6,786
Domestic equity	32,911,340	.....	.....	6,744
Limited partnerships	4,658,270	.....	.....	.....
Equity group trust	1,928	.....	.....	.....
International equity	16,575,245	.....	.....	1,084
Deferred compensation annuities	.....	.....	.....	47,223
Total investments	101,396,432	4,074,814	.....	1,864,465
<u>Receivables</u>				
Accounts receivable	15,639	227	.....	43
State contributions receivable	43,777	8,584	6,586	.....
Nonstate contributions receivable	216,885	32,192	.....	.....
Interest receivable	263,150	1	6	3
Dividends receivable	119,432	1,742	.....	.....
Pending investment sales	1,676,158	.....	.....	.....
Forward contracts	285,334	.....	.....	.....
Due from state funds	.....	1	.....	.....
Total receivables	2,620,375	42,747	6,592	46
Security lending collateral	9,509,812	.....	.....	.....
Capital assets	1,430	.....	.....	.....
Accumulated depreciation	(692)	.....	.....	.....
Other assets	5,916	.....	.....	.....
Total assets	114,100,470	4,118,349	9,811	1,965,270
LIABILITIES				
Accounts payable and accrued liabilities	69,357	1,375	6,633	.....
Due to other funds	1,260	1,374	.....	.....
DROP	2,467,415	.....	.....	.....
Pending investment purchases	3,668,689	.....	.....	.....
Short sell obligations	615,754	.....	.....	.....
Forward contracts payable	286,371	.....	.....	.....
Obligations under security lending agreements	10,357,897	.....	495	498
Obligations under reverse repurchase agreements	73	.....	190	191
Claims payable	.....	.....	.....	.....
Deposits payable	.....	.....	.....	.....
Compensated absences	990	.....	31	.....
Other liabilities	188	.....	2	.....
Total liabilities	17,467,994	2,749	7,351	689
NET ASSETS				
Held in trust for pension benefits and other purposes	\$ 96,632,476	\$ 4,115,600	\$ 2,460	\$ 1,964,581

2009 STATE OF FLORIDA CAFR

Life and Other Benefits	Retiree Health Insurance Subsidy	Totals 6/30/09
\$	\$ 9	\$ 598,638
21,749	171	95,254
21,749	180	693,892
.....	127,086	777,105
.....	10,074	2,775,562
.....	873	7,814,361
.....	4,962	2,706,714
.....	2,015	1,477,446
.....	105,547	18,958,942
.....	9,982	2,572,353
.....	.....	6,506,329
.....	1,114	8,935,953
.....	.....	870,765
.....	.....	32,918,084
.....	.....	4,658,270
.....	.....	1,928
.....	.....	16,576,329
.....	.....	47,223
.....	261,653	107,597,364
.....	.....	15,909
.....	5,089	64,036
.....	27,026	276,103
37	609	263,806
.....	.....	121,174
.....	.....	1,676,158
.....	.....	285,334
.....	.....	1
37	32,724	2,702,521
.....	.....	9,509,812
1	.....	1,431
.....	.....	(692)
.....	.....	5,916
21,787	294,557	120,510,244
5	1	77,371
2	9	2,645
.....	.....	2,467,415
.....	.....	3,668,689
.....	.....	615,754
.....	.....	286,371
3,206	.....	10,362,096
1,228	.....	1,682
4,219	.....	4,219
11,462	.....	11,462
84	.....	1,105
1,079	.....	1,269
21,285	10	17,500,078
\$ 502	\$ 294,547	\$ 103,010,166

2009 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, 2009
(in thousands)**

	Florida Retirement System			
	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan
ADDITIONS				
<u>Contributions and other deposits</u>				
Pension fund contributions - state	\$ 574,823	\$ 103,743	\$ 137,599	\$
Pension fund contributions - nonstate	2,333,035	377,462	158	.....
Employer/employee contributions	82	.....	.....	.....
Purchase of time by employees	27,491	.....	61,840	.....
Fees	.....	.....	.....	557
Flexible benefits contributions	.....	.....	.....	198,075
Fines, forfeits, settlements and judgments	.....	.....	.....	.....
Transfers in from state funds	18,513	523,137	.....	.....
Total contributions and other deposits	2,953,944	1,004,342	199,597	198,632
<u>Investment income</u>				
Interest income	2,088,860	50	49	14
Dividends	1,498,007	41,618	.....	.....
Other investment income	.....	47	.....	.....
Net increase (decrease) in fair market value	(28,042,855)	(701,112)	.....	(253,217)
Total investment income (loss)	(24,455,988)	(659,397)	49	(253,203)
Investment activity expense	(276,195)	(1,758)	(3)	.....
Net income (loss) from investing activity	(24,732,183)	(661,155)	46	(253,203)
<u>Security lending activity</u>				
Security lending income	221,718	.....	.....	.....
Security lending expense	(120,420)	.....	.....	.....
Net income from security lending	101,298	.....	.....	.....
Total net investment income (loss)	(24,630,885)	(661,155)	46	(253,203)
Other additions	.....	.....	.....	12
Total additions	(21,676,941)	343,187	199,643	(54,559)
DEDUCTIONS				
Benefit payments	5,669,782	595,644	.....	162,247
Supplemental insurance payments	.....	.....	.....	.....
Flexible reimbursement payments	.....	.....	.....	.....
Life insurance premium payments	.....	.....	.....	.....
Remittances to annuity companies	.....	.....	199,793	.....
Interest expense	.....	.....	.....	2
Administrative expense	27,334	7,617	141	84
Property disposition gain (loss)	.....	.....	.....	.....
Transfers out to state funds	524,370	32,740	1	790
Other deductions	494	.....	3	.....
Total deductions	6,221,980	636,001	199,938	163,123
Change in net assets	(27,898,921)	(292,814)	(295)	(217,682)
Net assets - beginning	124,531,397	4,408,414	2,755	2,182,263
Adjustments to increase (decrease) beginning net assets	.....	.....	.....	.....
Net assets - beginning, as restated	124,531,397	4,408,414	2,755	2,182,263
Net assets - ending	\$ 96,632,476	\$ 4,115,600	\$ 2,460	\$ 1,964,581

2009 STATE OF FLORIDA CAFR

Life and Other Benefits	Retiree Health Insurance Subsidy	Totals 6/30/09
\$	\$ 67,719	\$ 883,884
.....	273,850	2,984,505
138,514	.....	138,596
.....	.....	89,331
.....	.....	557
.....	.....	198,075
.....
.....	.....	541,650
<u>138,514</u>	<u>341,569</u>	<u>4,836,598</u>
400	5,887	2,095,260
.....	.....	1,539,625
.....	.....	47
.....	(6,177)	(29,003,361)
<u>400</u>	<u>(290)</u>	<u>(25,368,429)</u>
(52)	(32)	(278,040)
<u>348</u>	<u>(322)</u>	<u>(25,646,469)</u>
.....	.....	221,718
.....	.....	(120,420)
.....	.....	101,298
<u>348</u>	<u>(322)</u>	<u>(25,545,171)</u>
1	.....	13
<u>138,863</u>	<u>341,247</u>	<u>(20,708,560)</u>
.....	321,742	6,749,415
58,450	.....	58,450
22,841	.....	22,841
36,118	.....	36,118
.....	.....	199,793
.....	.....	2
1,054	97	36,327
.....
19,251	.....	577,152
.....	.....	497
<u>137,714</u>	<u>321,839</u>	<u>7,680,595</u>
1,149	19,408	(28,389,155)
(647)	275,139	131,399,321
.....
<u>(647)</u>	<u>275,139</u>	<u>131,399,321</u>
\$ 502	\$ 294,547	\$ 103,010,166

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INVESTMENT TRUST FUNDS

INVESTMENT POOL A

This fund, administered by the State Board of Administration, is used to account for the external portion of the Local Government Surplus Funds Trust Fund (an investment pool) reported by the state.

INVESTMENT POOL B

As authorized in Section 218.417, F.S., this fund, administered by the State Board of Administration, is used to account for the external portion of the Fund B Surplus Funds Trust Fund (an investment pool) reported by the state.

OTHER INVESTMENT TRUST FUNDS

This fund, administered by the State Board of Administration, is used to account for the external portion of the Commingled Asset Management Program Fixed Income Investment Pool.

2009 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
INVESTMENT TRUST FUNDS
JUNE 30, 2009
(in thousands)

	Investment Pool A	Investment Pool B	Other Investment Trust Funds	Total Investment Trust Funds
ASSETS				
Cash and cash equivalents	\$ 2,862	\$	\$	\$ 2,862
Total cash and cash equivalents	2,862	.....	.....	2,862
<u>Investments</u>				
Certificates of deposit	1,701,043	.....	.....	1,701,043
Federal agencies	81,865	.....	.....	81,865
Commercial paper	1,359,683	.....	.....	1,359,683
Repurchase agreements	1,973,931	.....	.....	1,973,931
Bonds and notes	93,469	207,343	41	300,853
Money market and short-term investments	229,568	5,433	1	235,002
Total investments	5,439,559	212,776	42	5,652,377
<u>Receivables</u>				
Interest receivable	4,212	7	.....	4,219
Total receivables	4,212	7	.....	4,219
Total assets	5,446,633	212,783	42	5,659,458
LIABILITIES				
Accounts payable and accrued liabilities	121	15	.....	136
Due to other funds	28	1	.....	29
Due to other governments	2,898	.....	.....	2,898
Total liabilities	3,047	16	.....	3,063
NET ASSETS				
Held in trust for pool participants	\$ 5,443,586	\$ 212,767	\$ 42	\$ 5,656,395

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

INVESTMENT TRUST FUNDS

JUNE 30, 2009

(in thousands)

	Investment Pool A	Investment Pool B	Other Investment Trust Funds	Total Investment Trust Funds
ADDITIONS				
<u>Contributions and other deposits</u>				
Fees	\$ 1	\$	\$	\$ 1
Transfers in from state funds	105,040	.....	.....	105,040
Total contributions and other deposits	105,041	.....	.....	105,041
<u>Investment income</u>				
Interest income	74,155	9,020	227	83,402
Net increase (decrease) in fair market value	.....	(170,392)	68	(170,324)
Total investment income (loss)	74,155	(161,372)	295	(86,922)
Investment activity expense	(1,706)	(210)	(2)	(1,918)
Net income (loss) from investing activity	72,449	(161,582)	293	(88,840)
<u>Security lending activity</u>				
Security lending income	.....	.....	8	8
Security lending expense	.....	.....	(6)	(6)
Net income from security lending	.....	.....	2	2
Total net investment income (loss)	72,449	(161,582)	295	(88,838)
Total additions	177,490	(161,582)	295	16,203
DEDUCTIONS				
Administrative expense	8	.....	.....	8
Transfers out to state funds	.....	105,040	.....	105,040
Total deductions	8	105,040	.....	105,048
<u>Depositor activity</u>				
Deposits	8,730,976	.....	55	8,731,031
Withdrawals	(8,980,270)	.....	(6,686)	(8,986,956)
Excess (deficiency) of deposits over withdrawals	(249,294)	.....	(6,631)	(255,925)
Change in net assets	(71,812)	(266,622)	(6,336)	(344,770)
Net assets, beginning	5,515,398	479,389	6,378	6,001,165
Net assets, ending	\$ 5,443,586	\$ 212,767	\$ 42	\$ 5,656,395

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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.

OTHER

These agency funds administered by various agencies are used to account for resources held in trust for entities outside of the State government and for the asset and liability balance related to retiree health care.

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 investments of Component Units and escrowed bond funds.

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2009 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AGENCY FUNDS

JUNE 30, 2009

(in thousands)

	Treasury Investment Administration	Tax Distribution and Administration	Other	School for the Deaf and the Blind	State Board of Administration	Totals 6/30/09
ASSETS						
Cash and cash equivalents	\$	\$ 3,106	\$ 12,277	\$ 55	\$ 12,838	\$ 28,276
Pooled investments with State Treasury	4,089,315	590,285	306,759	.....	.....	4,986,359
Total cash and cash equivalents	4,089,315	593,391	319,036	55	12,838	5,014,635
<u>Investments</u>						
Certificates of deposit	.....	.....	.....	.....	170,340	170,340
U.S. government & federally guaranteed obligations	.....	.....	.....	.....	1,094,236	1,094,236
Federal agencies	.....	.....	.....	.....	46,879	46,879
Commercial paper	.....	.....	.....	.....	135,624	135,624
Repurchase agreements	.....	.....	.....	.....	196,300	196,300
Bonds and notes	.....	.....	.....	.....	75,130	75,130
Mutual fund investments	.....	.....	.....	.....	655	655
Money market and short-term investments	.....	.....	.....	.....	24,644	24,644
Other investments	.....	.....	160	.....	.....	160
Total investments	.....	.....	160	.....	1,743,808	1,743,968
<u>Receivables</u>						
Accounts receivable	.....	436,912	18,659	.....	.....	455,571
Nonstate contributions receivable	.....	.....	7	.....	.....	7
Interest receivable	135	.....	1,029	.....	4,851	6,015
Dividends receivable	.....	.....	.....	.....	11	11
Due from state funds	.....	36,951	20,889	.....	164	58,004
Total receivables	135	473,863	40,584	.....	5,026	519,608
Total assets	\$ 4,089,450	\$ 1,067,254	\$ 359,780	\$ 55	\$ 1,761,672	\$ 7,278,211
LIABILITIES						
Accounts payable and accrued liabilities	\$ 667,712	\$ 97,304	\$ 35,924	\$ 55	\$ 17	\$ 801,012
Due to other funds	29	63,700	895	.....	56	64,680
Forward contracts payable	.....	491,436	1	.....	.....	491,437
Due to other governments	.....	413,529	34,319	.....	6,482	454,330
Due to component units/primary	2,539,732	1,285	107,501	.....	629,324	3,277,842
Obligations under security lending agreements	637,716	.....	28,013	.....	.....	665,729
Obligations under reverse repurchase agreements	244,260	.....	10,730	.....	.....	254,990
Claims payable	1	.....	14,859	.....	.....	14,860
Deposits payable	.....	.....	127,530	.....	1,125,793	1,253,323
Advances from other funds	.....	.....	8	.....	.....	8
Total liabilities	\$ 4,089,450	\$ 1,067,254	\$ 359,780	\$ 55	\$ 1,761,672	\$ 7,278,211

2009 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(in thousands)

	Balance 6/30/08	Additions	Deductions	Balance 6/30/09
<u>Treasury Investment Administration</u>				
ASSETS				
Pooled investments with State Treasury	\$ 4,584,781	\$ 1,586,561	\$ 2,082,027	\$ 4,089,315
Interest receivable	1,143	25,923	26,931	135
Total assets	<u>\$ 4,585,924</u>	<u>\$ 1,612,484</u>	<u>\$ 2,108,958</u>	<u>\$ 4,089,450</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 526,443	\$ 201,114	\$ 59,845	\$ 667,712
Due to other funds	289	1,750	2,010	29
Due to component units	2,900,085	512,685	873,038	2,539,732
Obligations under security lending agreements	813,545	637,716	813,545	637,716
Obligations under reverse repurchase agreements	345,562	244,260	345,562	244,260
Claims Payable	.....	1	.....	1
Total liabilities	<u>\$ 4,585,924</u>	<u>\$ 1,597,526</u>	<u>\$ 2,094,000</u>	<u>\$ 4,089,450</u>
<u>Tax Distribution and Administration</u>				
ASSETS				
Cash and cash equivalents	\$ 3,005	\$ 3,106	\$ 3,005	\$ 3,106
Pooled investments with State Treasury	671,597	9,972,036	10,053,348	590,285
Accounts receivable	398,996	436,912	398,996	436,912
Due from state funds	44,410	55,586	63,045	36,951
Total assets	<u>\$ 1,118,008</u>	<u>\$ 10,467,640</u>	<u>\$ 10,518,394</u>	<u>\$ 1,067,254</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 87,473	\$ 545,533	\$ 535,702	\$ 97,304
Due to other funds	97,987	82,104	116,391	63,700
Forward contracts payable	448,227	43,209	.....	491,436
Due to other governments	484,321	413,529	484,321	413,529
Due to component units	.....	1,285	.....	1,285
Total liabilities	<u>\$ 1,118,008</u>	<u>\$ 1,085,660</u>	<u>\$ 1,136,414</u>	<u>\$ 1,067,254</u>
<u>Other</u>				
ASSETS				
Cash and cash equivalents	\$ 48,896	\$ 213,480	\$ 250,099	\$ 12,277
Pooled investments with State Treasury	274,399	316,851	284,491	306,759
Investments	160	160	160	160
Accounts receivable	16,630	4,690	2,661	18,659
Nonstate contributions receivable	7	1,044	1,044	7
Interest receivable	1,032	2,647	2,650	1,029
Due from state funds	23,777	401	3,289	20,889
Total assets	<u>\$ 364,901</u>	<u>\$ 539,273</u>	<u>\$ 544,394</u>	<u>\$ 359,780</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 38,090	\$ 283,259	\$ 285,425	\$ 35,924
Due to other funds	983	806	894	895
Forward contracts payable	2	.....	1	1
Due to other governments	35,334	3,595	4,610	34,319
Due to component units	102,047	59,866	54,412	107,501
Obligations under security lending agreements	32,351	.....	4,338	28,013
Obligations under reverse repurchase agreements	13,742	.....	3,012	10,730
Claims Payable	14,865	.....	6	14,859
Deposits payable	127,487	4,639	4,596	127,530
Advances from other funds	.....	8	.....	8
Total liabilities	<u>\$ 364,901</u>	<u>\$ 352,173</u>	<u>\$ 357,294</u>	<u>\$ 359,780</u>
<u>School for the Deaf and the Blind</u>				
ASSETS				
Cash and cash equivalents	\$ 52	\$ 89	\$ 86	\$ 55
Total assets	<u>\$ 52</u>	<u>\$ 89</u>	<u>\$ 86</u>	<u>\$ 55</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 52	\$ 27	\$ 24	\$ 55
Total liabilities	<u>\$ 52</u>	<u>\$ 27</u>	<u>\$ 24</u>	<u>\$ 55</u>

2009 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(in thousands)

<u>State Board of Administration</u>	Balance 6/30/08	Additions	Deductions	Balance 6/30/09
ASSETS				
Cash and cash equivalents	\$ 166	\$ 122,243,041	\$ 122,230,369	\$ 12,838
Investments	3,126,725	120,287,175	121,670,092	1,743,808
Interest receivable	18,244	4,862	18,255	4,851
Dividends receivable	44	.....	33	11
Pending investment sales	844	.....	844	.....
Futures trade equity	4	.....	4	.....
Due from state funds	232	164	232	164
Security lending collateral	4,845	.....	4,845	.....
Total assets	<u>\$ 3,151,104</u>	<u>\$ 242,535,242</u>	<u>\$ 243,924,674</u>	<u>\$ 1,761,672</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 42	\$ 17	\$ 42	\$ 17
Due to other funds	68	56	68	56
Pending investment purchases	5,593	.....	5,593	.....
Broker rebate fees	13	.....	13	.....
Due to other governments	7,680	41,101	42,299	6,482
Due to component units	1,784,386	788,052	1,943,114	629,324
Obligations under security lending agreements	4,849	.....	4,849	.....
Deposits payable	1,348,473	43,489	266,169	1,125,793
Total liabilities	<u>\$ 3,151,104</u>	<u>\$ 872,715</u>	<u>\$ 2,262,147</u>	<u>\$ 1,761,672</u>
<u>Totals - All Agency Funds</u>				
ASSETS				
Cash and cash equivalents	\$ 52,119	\$ 122,459,716	\$ 122,483,559	\$ 28,276
Pooled investments with State Treasury	5,530,777	11,875,448	12,419,866	4,986,359
Investments	3,126,885	120,287,335	121,670,252	1,743,968
Accounts receivable	415,626	441,602	401,657	455,571
Nonstate contributions receivable	7	.....	.....	7
Interest receivable	20,419	33,432	47,836	6,015
Dividends receivable	44	.....	33	11
Pending investment sales	844	.....	844	.....
Futures trade equity	4	.....	4	.....
Due from state funds	68,419	56,151	66,566	58,004
Security lending collateral	4,845	.....	4,845	.....
Total assets	<u>\$ 9,219,989</u>	<u>\$ 255,153,684</u>	<u>\$ 257,095,462</u>	<u>\$ 7,278,211</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 652,100	\$ 1,029,950	\$ 881,038	\$ 801,012
Due to other funds	99,327	84,716	119,363	64,680
Pending investment purchases	5,593	-	5,593	.....
Forward contracts payable	448,229	43,209	1	491,437
Broker rebate fees	13	-	13	.....
Due to other governments	527,335	458,225	531,230	454,330
Due to component units	4,786,518	1,361,888	2,870,564	3,277,842
Obligations under security lending agreements	850,745	637,716	822,732	665,729
Obligations under reverse repurchase agreements	359,304	244,260	348,574	254,990
Claims Payable	14,865	1	6	14,860
Deposits payable	1,475,960	48,128	270,765	1,253,323
Advances from Other Funds	8	8
Total liabilities	<u>\$ 9,219,989</u>	<u>\$ 3,908,101</u>	<u>\$ 5,849,879</u>	<u>\$ 7,278,211</u>

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NONMAJOR COMPONENT UNITS

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 10 state universities. Refer to Note 1 for additional information.

FLORIDA 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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2009 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF NET ASSETS
NONMAJOR COMPONENT UNITS
JUNE 30, 2009
(in thousands)**

	Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/09
ASSETS					
Current assets					
Cash and cash equivalents	\$ 339,131	\$ 334,413	\$ 268,267	\$ 109,424	\$ 1,051,235
Pooled investments with State Treasury	.....	937,048	220,630	70,515	1,228,193
Other investments	1,211,504	1,648,356	784,267	624,885	4,269,012
Receivables, net	47,909	406,544	613,445	152,282	1,220,180
Due from component units/primary	82,646	1,103,403	164,366	3,725	1,354,140
Inventories	5,356	7,027	12,671	11,437	36,491
Restricted cash and cash equivalents	.....	136,569	124,295	46,878	307,742
Restricted pooled investments with State Treasury	.....	71,068	213,392	.....	284,460
Restricted investments	277,893	780,581	294,649	.....	1,353,123
Other loans and notes receivable, net	.....	55,044	18,349	1,529	74,922
Other assets	7,217	203,398	35,507	2,096	248,218
Capital assets, net	6,202,234	6,636,964	3,290,041	592,288	16,721,527
Total assets	8,173,890	12,320,415	6,039,879	1,615,059	28,149,243
LIABILITIES					
Accounts payable and accrued liabilities	232,488	355,417	252,740	718,410	1,559,055
Due to component units/primary	328	137,347	13,167	19,047	169,889
Deferred revenues	62,707	464,663	23,038	20,925	571,333
Long-term liabilities					
Due within one year	65,056	132,867	53,441	107,004	358,368
Due in more than one year	714,084	2,419,895	357,081	11,002	3,502,062
Total liabilities	1,074,663	3,510,189	699,467	876,388	6,160,707
NET ASSETS					
Invested in capital assets, net of related debt	5,792,193	4,749,839	3,113,732	553,247	14,209,011
Restricted for					
Debt service	34,152	19,927	7	.....	54,086
Other	463,796	752,561	7,453	8,451	1,232,261
Funds held for permanent endowment					
Expendable	13,791	441,743	1,445,989	.....	1,901,523
Nonexpendable	7,687	1,444,469	449,149	3,168	1,904,473
Unrestricted	787,608	1,401,687	324,082	173,805	2,687,182
Total net assets	\$ 7,099,227	\$ 8,810,226	\$ 5,340,412	\$ 738,671	\$ 21,988,536

2009 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(in thousands)**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Water Management Districts	\$ 1,020,994	\$ 22,048	\$ 211,131	\$ 446,834
Other State Universities	5,135,613	1,521,568	1,428,728	486,975
Florida Colleges	2,801,678	719,678	810,964	564,567
Other Nonmajor Component Units	579,295	154,764	356,544	21,210
Total component units	\$ 9,537,580	\$ 2,418,058	\$ 2,807,367	\$ 1,519,586

General revenues

Property taxes

Investment earnings

Gain (loss) on sale of capital assets

Payments from the State of Florida

Miscellaneous

Contributions to permanent funds

Total general revenues and contributions

Change in net assets

Net assets - beginning

Adjustments to increase (decrease) beginning net assets

Net assets - ending

2009 STATE OF FLORIDA CAFR

Net (Expense) Revenue and Changes in Net Assets

Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/09
\$ (340,981)	\$	\$	\$	\$ (340,981)
.....	(1,698,342)	.....	.....	(1,698,342)
.....	.....	(706,469)	.....	(706,469)
.....	.....	.....	(46,777)	(46,777)
(340,981)	(1,698,342)	(706,469)	(46,777)	(2,792,569)
955,051	.....	.....	.....	955,051
24,710	(192,862)	(170,260)	(111,381)	(449,793)
7,743	(8,297)	.....	(4,813)	(5,367)
.....	1,718,955	1,062,666	.....	2,781,621
56,725	304,104	14,161	54,894	429,884
.....	6,627	14,793	.....	21,420
1,044,229	1,828,527	921,360	(61,300)	3,732,816
703,248	130,185	214,891	(108,077)	940,247
6,395,979	8,636,654	5,130,556	846,748	21,009,937
.....	43,387	(5,035)	38,352
\$ 7,099,227	\$ 8,810,226	\$ 5,340,412	\$ 738,671	\$ 21,988,536

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**STATISTICAL
SECTION**

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STATISTICAL SECTION

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**Net Assets by Component
For the Last Eight Fiscal Years
(in thousands)**

(Accrual Basis of Accounting)

	Fiscal Year			
	2002	2003	2004	2005
Governmental Activities				
Invested in capital assets, net of related debt	\$ 38,329,290	\$ 40,382,471	\$ 41,779,939	\$ 43,469,131
Restricted				
Environment, Recreation and Conservation	2,426,345	2,234,858	2,058,225	2,251,215
Public Education ^{(1), (2)}	246,260	1,098,987	1,019,230	1,037,249
Health and Family Services	537,474	701,820	642,614	682,991
Transportation	897,742	975,640	804,510	1,017,620
Tax Collection and Administration ⁽¹⁾	187,855	200,005	208,388	220,221
Employment Services ⁽¹⁾	214,204	288,006	350,380	405,403
Nonmajor governmental funds	864,616	655,501	321,728	339,061
Debt Service	445,994	79,921	75,732	82,955
Funds held for permanent endowment				
Expendable	.....	.....	.....	.....
Nonexpendable	1,295,901	1,528,134	1,739,038	1,873,866
Unrestricted	(10,289,643)	(10,107,344)	(7,990,134)	(6,051,178)
Total governmental activities net assets	\$ 35,156,038	\$ 38,037,999	\$ 41,009,650	\$ 45,328,534
Percent change from prior year	N/A	8.20%	7.81%	10.53%
Business-type Activities				
Invested in capital assets, net of related debt	\$ 3,061,253	\$ 3,145,435	\$ 2,890,246	\$ 3,331,056
Restricted				
Transportation	.....	.....	.....	.....
Lottery	232,248	350,440	201,371	204,037
Prepaid College Program ⁽³⁾
Hurricane Catastrophe Fund	4,362,126	4,942,992	5,476,178	2,387,054
Unemployment compensation	1,556,012	1,382,235	1,372,721	1,698,824
Other	.....	121,088	252,193	395,216
Unrestricted	177,772	228,259	591,731	310,405
Total business-type activities net assets	\$ 9,389,411	\$ 10,170,449	\$ 10,784,440	\$ 8,326,592
Percent change from prior year	N/A	8.32%	6.04%	-22.79%
Total Primary Government				
Invested in capital assets, net of related debt	\$ 41,390,543	\$ 43,527,906	\$ 44,670,185	\$ 46,800,187
Restricted				
Environment, Recreation and Conservation	2,426,345	2,234,858	2,058,225	2,251,215
Public Education ^{(1), (2)}	246,260	1,098,987	1,019,230	1,037,249
Health and Family Services	537,474	701,820	642,614	682,991
Transportation ⁽³⁾	897,742	975,640	804,510	1,017,620
Tax Collection and Administration ⁽¹⁾	187,855	200,005	208,388	220,221
Employment Services ⁽¹⁾	214,204	288,006	350,380	405,403
Nonmajor governmental funds ⁽¹⁾	770,274	653,567	321,728	339,061
Debt Service	445,994	79,921	75,732	82,955
Lottery	232,248	350,440	201,371	204,037
Prepaid College Program ⁽⁴⁾
Hurricane Catastrophe Fund	4,362,126	4,942,992	5,476,178	2,387,054
Unemployment Compensation	1,556,012	1,382,235	1,372,721	1,698,824
Other ⁽³⁾	94,342	123,022	252,193	395,216
Funds held for permanent endowment				
Expendable	.....	.....	.....	.....
Nonexpendable	1,295,901	1,528,134	1,739,038	1,873,866
Unrestricted	(10,111,871)	(9,879,085)	(7,398,403)	(5,740,773)
Total primary government net assets	\$ 44,545,449	\$ 48,208,448	\$ 51,794,090	\$ 53,655,126
Percent change from prior year	N/A	8.22%	7.44%	3.59%

Notes: Reporting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. See Schedule A-2 for changes on net assets from year to year.

⁽¹⁾ Tax Collection and Administration, Public Education, and Employment Services were reclassified as nonmajor as of July 1, 2005.

⁽²⁾ Public Education was reclassified as major as of July 1, 2007.

⁽³⁾ Restricted Net Assets that were currently classified as "Other" are now being reported as "Transportation."

⁽⁴⁾ Florida Prepaid College Program was reclassified as major business-type fund as of July 1, 2005.

Fiscal Year			
2006	2007	2008	2009
\$ 46,546,117	\$ 49,603,845	\$ 51,937,584	\$ 54,585,016
2,974,802	2,861,436	2,910,269	2,563,254
.....	.....	1,438,845	1,223,164
800,337	843,301	760,644	835,026
1,624,834	1,680,338	1,564,767	1,131,641
.....
.....
2,056,047	2,664,650	1,852,966	1,886,160
75,671	72,890	84,221	142,933
.....	44,830	409,958	.....
2,023,738	2,287,402	1,312,289	.....
(5,844,743)	(7,552,727)	(11,996,949)	(15,242,901)
<u>\$ 50,256,803</u>	<u>\$ 52,505,965</u>	<u>\$ 50,274,594</u>	<u>\$ 47,124,293</u>
10.87%	4.48%	-4.25%	-6.27%
\$ 3,829,792	\$ 4,164,740	\$ 4,360,753	\$ 4,929,637
.....	.....	154,853	.....
98,472	90,869	158,532	120,944
583,816	842,793	727,678	345,340
.....	.....	856,986	1,749,163
2,185,249	2,286,489	1,974,312	63,026
211,257	198,010	.....	221,745
(1,103,433)	393,589	622,176	278,870
<u>\$ 5,805,153</u>	<u>\$ 7,976,490</u>	<u>\$ 8,855,290</u>	<u>\$ 7,708,725</u>
-30.28%	37.40%	11.02%	-12.95%
\$ 50,375,909	\$ 53,768,585	\$ 56,298,337	\$ 59,514,653
2,974,802	2,861,436	2,910,269	2,563,254
.....	.....	1,438,845	1,223,164
800,337	843,301	760,644	835,026
1,624,834	1,680,338	1,719,620	1,131,641
.....
.....
2,056,047	2,664,650	1,852,966	1,886,160
75,671	72,890	84,221	142,933
98,472	90,869	158,532	120,944
583,816	842,793	727,678	345,340
.....	.....	856,986	1,749,163
2,185,249	2,286,489	1,974,312	63,026
211,257	198,010	.....	221,745
.....	44,830	409,958	.....
2,023,738	2,287,402	1,312,289	.....
(6,948,176)	(7,159,138)	(11,374,773)	(14,964,031)
<u>\$ 56,061,956</u>	<u>\$ 60,482,455</u>	<u>\$ 59,129,884</u>	<u>\$ 54,833,018</u>
4.49%	7.89%	-2.24%	-7.27%

Changes in Net Assets
For the Last Eight Fiscal Years
(in thousands)
 (Accrual Basis of Accounting)

	Fiscal Year			
	2002	2003	2004	2005
Expenses				
Governmental activities:				
General government	\$ 6,499,588	\$ 6,273,119	\$ 6,637,809	\$ 6,902,109
Education	14,488,469	15,120,426	16,413,985	17,439,674
Human services	14,973,427	16,638,643	18,119,304	19,865,453
Criminal justice and corrections	3,065,808	3,103,379	3,285,460	3,466,376
Natural resources and environment	1,737,772	1,945,496	2,038,909	3,298,381
Transportation	2,070,684	2,397,921	2,632,638	3,147,739
State courts	279,821	278,589	273,091	367,941
Indirect interest on long-term debt	.....	1,832	17,526	20,028
Total governmental activities expenses	43,115,569	45,759,405	49,418,722	54,507,701
Business-type activities:				
Transportation	261,540	286,254	316,629	321,595
Lottery	1,595,011	2,000,291	2,170,062	2,528,646
Hurricane Catastrophe Fund	40,876	32,924	35,844	3,811,900
Prepaid College Program	.....	.....	.....	.....
Unemployment Compensation	1,485,594	1,485,479	1,330,824	981,954
Nonmajor enterprise funds	158,478	156,979	159,046	176,683
Total business-type activities expenses	3,541,499	3,961,927	4,012,405	7,820,778
Total primary government expenses	\$ 46,657,068	\$ 49,721,332	\$ 53,431,127	\$ 62,328,479
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 2,608,450	\$ 2,515,133	\$ 2,913,634	\$ 3,469,736
Education	160,123	292,036	266,020	209,149
Human services	566,067	692,270	822,255	885,836
Criminal justice and corrections	227,347	176,606	210,415	192,988
Natural resources and environment	301,137	330,364	275,774	288,837
Transportation	544,175	263,274	246,640	174,836
State courts	13,790	8,775	10,226	13,517
Operating grants and contributions	12,159,433	13,538,407	15,874,370	17,492,835
Capital grants and contributions	1,326,135	1,699,464	1,522,849	1,998,133
Total governmental activities program revenues	17,906,657	19,516,329	22,142,183	24,725,867
Business-type activities:				
Charges for services				
Transportation	476,999	539,808	578,631	665,097
Lottery	2,568,469	3,154,034	3,073,191	3,635,052
Hurricane Catastrophe Fund	633,436	632,563	580,514	787,759
Prepaid College Program	.....	.....	.....	.....
Unemployment Compensation	739,855	823,410	1,059,811	1,253,872
Nonmajor enterprise funds	321,304	330,922	276,832	264,304
Operating grants and contributions	184,354	394,770	258,398	49,151
Capital grants and contributions	256	911	9,259	432
Total business-type activities program revenues	4,924,673	5,876,418	5,836,636	6,655,667
Total primary government program revenues	\$ 22,831,330	\$ 25,392,747	\$ 27,978,819	\$ 31,381,534
Net (Expense) Revenue ⁽¹⁾				
Governmental activities	\$ (25,208,912)	\$ (26,243,076)	\$ (27,276,539)	\$ (29,781,834)
Business-type activities	1,383,174	1,914,491	1,824,231	(1,165,111)
Total primary government net (expense)	\$ (23,825,738)	\$ (24,328,585)	\$ (25,452,308)	\$ (30,946,945)

Fiscal Year			
2006	2007	2008	2009
\$ 7,410,799	\$ 8,410,918	\$ 7,492,475	\$ 6,878,903
18,210,639	19,739,622	20,459,549	18,722,159
19,765,378	20,634,220	21,715,055	23,988,006
3,811,677	3,992,990	4,296,298	4,037,197
4,284,896	2,767,852	2,749,924	2,614,491
3,308,209	3,545,752	4,098,203	3,850,791
414,044	436,825	464,190	426,639
7,062	11,731	12,314	15,586
57,212,704	59,539,910	61,288,008	60,533,772
329,966	403,982	446,489	402,235
2,874,533	3,029,103	2,987,265	2,765,729
4,758,156	241,568	1,044,927	676,970
459,404	855,997	1,302,094	1,037,026
.....	.....	.....	4,307,809
994,182	1,146,532	1,654,422	267,722
9,416,241	5,677,182	7,435,197	9,457,491
\$ 66,628,945	\$ 65,217,092	\$ 68,723,205	\$ 69,991,263
\$ 3,485,512	\$ 3,765,988	\$ 3,167,668	\$ 3,411,639
211,352	250,023	291,975	133,346
954,495	1,302,926	1,020,441	1,629,514
267,248	307,550	340,143	293,457
346,037	368,511	451,363	346,240
651,776	371,726	514,737	333,953
17,187	18,512	19,479	43,385
18,057,457	17,105,209	17,500,769	20,164,996
1,374,611	2,163,715	2,144,946	1,986,579
25,365,675	25,654,160	25,451,521	28,343,109
698,409	766,190	738,450	747,347
3,993,788	4,286,152	4,338,303	4,017,816
891,506	1,476,660	1,188,703	1,242,072
502,579	1,114,978	1,619,334	654,688
.....	.....	.....	931,516
1,552,136	1,324,114	1,413,825	352,554
45,214	39,258	29,476	1,665,431
307	2,287	3,589	659
7,683,939	9,009,639	9,331,680	9,612,083
\$ 33,049,614	\$ 34,663,799	\$ 34,783,201	\$ 37,955,192
\$ (31,847,029)	\$ (33,885,750)	\$ (35,836,487)	(32,190,663)
(1,732,302)	3,332,457	1,896,483	154,592
\$ (33,579,331)	\$ (30,553,293)	\$ (33,940,004)	\$ (32,036,071)

Continues

Changes in Net Assets
For the Last Eight Fiscal Years
(in thousands)
 (Accrual Basis of Accounting)

General Revenues and Other Changes in
Net Assets

	Fiscal Year			
	2002	2003	2004	2005
Governmental activities:				
Taxes				
Sales and use tax	\$ 15,601,244	\$ 15,561,382	\$ 17,128,515	\$ 19,056,249
Fuel taxes	2,100,946	2,199,375	2,316,572	2,414,012
Corporate income tax	1,210,346	1,228,130	1,441,338	1,785,213
Documentary stamp tax	1,590,981	2,005,168	2,613,194	3,376,210
Intangible personal property tax	737,776	820,212	860,046	998,904
Communication service tax	779,167	1,230,132	1,250,208	1,343,835
Beverage and tobacco taxes	990,271	1,001,636	1,041,042	1,088,542
Insurance premium tax	504,422	624,369	711,145	764,559
Gross receipts utilities tax	526,586	424,146	462,172	496,725
Other taxes	1,396,833	1,281,391	1,088,378	1,010,806
Investment earnings (loss)	418,916	720,280	(66,838)	300,620
Gain (loss) on sale of capital assets	.....	.....	.....	.....
Miscellaneous	113,620	.....	11	.....
Transfers	1,070,190	1,257,679	1,216,769	1,249,753
Total governmental activities	27,041,298	28,353,900	30,062,552	33,885,428
Business-type activities:				
Investment earnings	20,078	19,197	13,181	28,872
Gain (loss) on sale of capital assets	950	.....	(17,063)	(17,018)
Emergency assessments	.....	.....	.....	.....
Miscellaneous	3,081	171	(2,544)	(1,272)
Transfers	(1,070,190)	(1,257,679)	(1,216,769)	(1,249,753)
Total business-type activities	(1,046,081)	(1,238,311)	(1,223,195)	(1,239,171)
Total primary government	\$ 25,995,217	\$ 27,115,589	\$ 28,839,357	\$ 32,646,257
Change in Net Assets				
Governmental activities	\$ 1,832,386	\$ 2,110,824	\$ 2,786,013	\$ 4,103,594
Business-type activities ⁽²⁾	337,093	676,180	601,036	(2,404,282)
Total primary government ⁽³⁾	\$ 2,169,479	\$ 2,787,004	\$ 3,387,049	\$ 1,699,312

⁽¹⁾ Net (expense) Revenue is the difference between the expenses and program revenues. It indicates the degree to which a function or program is supported with its own fees and program-specific grants and its reliance upon funding from general revenues.

⁽²⁾ In 2005 and 2006, the business-type activities expenses increased primarily as a result of an increase in hurricane reinsurance claims.

⁽³⁾ See Schedule A-1 for ending net asset balances for reported years.

Fiscal Year			
2006	2007	2008	2009
\$ 20,729,364	\$ 20,684,191	\$ 19,716,442	\$ 17,277,989
2,591,946	2,575,303	2,548,254	2,495,280
2,363,056	2,450,357	2,253,781	1,698,356
4,051,479	3,022,536	1,924,526	1,104,758
1,104,008	757,163	428,804	197,391
1,433,092	1,484,954	1,546,853	1,541,548
1,102,408	1,112,580	1,043,526	1,063,483
879,079	995,340	940,534	846,851
585,520	615,280	670,442	662,059
477,156	518,536	657,981	668,137
174,039	812,617	578,770	(290,686)
(75,501)	(250,925)	(107,535)	(126,527)
.....
1,321,420	1,356,980	1,377,500	1,469,607
36,737,066	36,134,912	33,579,878	28,608,246
15,877	10,640	11,270	2,055
(10,341)	(10,006)	(6,425)	(1,694)
.....	195,226	356,697	336,963
(808)	.....	.....	.....
(1,321,420)	(1,356,980)	(1,377,500)	(1,469,607)
(1,316,692)	(1,161,120)	(1,015,958)	(1,132,283)
\$ 35,420,374	\$ 34,973,792	\$ 32,563,920	\$ 27,475,963
\$ 4,890,035	\$ 2,249,162	\$ (2,256,609)	\$ (3,582,417)
(3,048,994)	2,171,337	880,525	(977,691)
\$ 1,841,041	\$ 4,420,499	\$ (1,376,084)	\$ (4,560,108)

Fund Balances
Governmental Funds
Last Eight Fiscal Years
(in thousands)
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2002	2003	2004	2005
General Fund:				
Reserved for:				
Encumbrances	\$ 44,038	\$ 75,511	\$ 43,172	\$ 78,253
Inventories	17,922	20,159	26,024	16,091
Advances	681	2,722	16,748	12,719
Long-term receivables	.....	18,389	37,895	78,494
Capital outlay	.....	170,645	62,855	93,857
Budget Stabilization Fund	940,890	958,890	966,390	995,805
Working Capital Fund	304,652	416,146	1,473,221	316,562
Other	26,588	2,546	1,437	2,067
Unreserved	2,001,519	1,964,500	2,426,497	5,257,271
Total general fund ⁽²⁾	3,336,290	3,629,508	5,054,239	6,851,119
Percent change from prior year	N/A	8.79%	39.25%	35.55%
Other Governmental Funds:				
Reserved for:				
Encumbrances	171,350	66,499	54,250	719,895
Inventories	40,394	42,556	52,426	52,309
Advances	241,504	154,178	153,602	173,247
Long-term receivables	1,578,536	1,730,875	1,680,902	1,461,031
Capital outlay	888,134	2,507,156	2,178,477	1,839,728
Debt service	445,994	79,921	75,732	82,955
Permanent trust	1,292,801	1,521,518	1,739,038	1,873,866
Working Capital Fund	.....	.....	.....	107,171
Other	101,271	104,639	91,242	.....
Unreserved, reported in:				
Special revenue funds	2,479,412	2,750,357	3,173,987	3,705,392
Capital projects funds	50,713	6,963	21,741	41,250
Permanent funds	4	3,099	2,640	1,982
Total other governmental funds	7,290,113	8,967,761	9,224,037	10,058,826
Total Governmental Funds ⁽¹⁾	\$ 10,626,403	\$ 12,597,269	\$ 14,278,276	\$ 16,909,945
Percent change from prior year	N/A	18.55%	13.34%	18.43%

⁽¹⁾ See Schedule A-4 for changes in fund balances from year to year.

⁽²⁾ The decrease in fund balance from fiscal year 2008 to 2009 for the General Fund is attributable to a decrease in revenues. Refer to the Economic Factors and Fund Analysis sections of the MD&A for additional information.

Fiscal Year			
2006	2007	2008	2009
\$ 51,988	\$ 106,922	\$ 104,614	\$ 103,142
19,040	25,272	14,628	15,422
2,712	2,628	2,631	64,390
65,974	61,373	50,686	168
243,947	207,807	177,049	102,685
1,092,081	1,248,490	1,353,690	273,874
.....
2,031	2,597	2,806	616,822
6,572,190	5,574,678	2,324,588	2,191,735
8,049,963	7,229,767	4,030,692	3,368,238
17.50%	-10.19%	-44.25%	-16.44%
1,214,792	135,249	81,220	116,822
57,319	64,374	75,957	63,167
187,722	211,340	222,848	374,379
1,586,949	2,047,689	2,341,669	2,361,484
2,294,027	3,503,486	3,568,444	2,621,895
75,671	72,890	84,221	142,933
2,023,738	2,332,232	1,722,247	.....
.....
158,088	155,275	113,439	245,016
4,093,227	3,631,599	3,323,598	2,806,191
28,779	45,703	17,733	5,913
2,649	3,005	412,246	1,687
11,722,961	12,202,842	11,963,622	8,739,487
\$ 19,772,924	\$ 19,432,609	\$ 15,994,314	\$ 12,107,725
16.93%	-1.72%	-17.69%	-24.30%

Changes in Fund Balances
Governmental Funds
Last Eight Fiscal Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2002	2003	2004	2005
Revenues				
Taxes	\$ 25,430,688	\$ 26,383,810	\$ 28,912,610	\$ 32,334,920
Licenses and permits	1,119,032	1,150,823	1,165,928	1,263,525
Fees and charges	1,916,809	1,938,438	2,351,133	2,488,530
Grants and donations	13,456,767	15,246,839	17,254,145	19,270,292
Investment earnings	495,127	1,052,603	210,791	729,118
Fines, forfeits, settlements and judgments	978,728	721,984	594,967	630,682
Other revenue	2,461	2,435	214,840	317,190
Total revenues	43,399,612	46,496,932	50,704,414	57,034,257
Expenditures				
Current:				
General government	5,726,035	5,967,332	6,610,855	6,891,380
Education	14,462,838	14,556,332	15,828,609	16,844,368
Human services	14,957,079	16,616,067	18,083,861	19,810,089
Criminal justice and corrections	2,946,024	2,977,748	3,172,357	3,384,667
Natural resources and environment	1,574,462	1,764,731	1,747,445	3,030,371
Transportation	1,167,957	2,280,017	2,520,378	3,021,534
State courts	277,232	274,951	269,972	360,374
Capital outlay	3,327,986	2,515,501	2,109,937	2,148,634
Gain/(loss) on disposal of general fixed assets	.....	.....	.....	.....
Debt service:				
Principal retirement	557,533	612,272	674,697	795,954
Interest and fiscal charges	736,514	768,136	838,163	825,872
Total expenditures	45,733,660	48,333,087	51,856,274	57,113,243
Excess (deficiency) of revenues over expenditures	(2,334,048)	(1,836,155)	(1,151,860)	(78,986)
Other Financing Sources (Uses)				
Proceeds of bond issues	1,414,747	1,635,797	1,333,158	1,231,340
Proceeds of refunding bonds	971,060	1,865,860	166,383	2,470,805
Operating transfers in	11,552,102	13,668,486	12,931,311	13,472,264
Operating transfers out	(10,390,438)	(12,319,538)	(11,552,231)	(12,107,675)
Proceeds of financing agreements	1,913	19,043	57,383	44,819
Payments to refunded bond agent	(971,060)	(1,865,860)	(166,383)	(2,470,805)
Total other financing sources (uses)	2,578,324	3,003,788	2,769,621	2,640,748
Net change in fund balances	\$ 244,276	\$ 1,167,633	\$ 1,617,761	\$ 2,561,762
Debt Service as a Percentage of Noncapital Expenditures	3.1%	3.0%	3.0%	3.0%

Fiscal Year			
2006	2007	2008	2009
\$ 35,317,243	\$ 34,216,240	\$ 31,544,362	\$ 27,693,512
1,318,920	1,349,929	1,300,154	1,261,366
3,141,434	3,366,361	3,517,982	3,521,215
19,567,321	19,204,113	19,610,900	22,075,028
455,205	1,418,723	772,331	(164,294)
804,869	830,178	818,804	764,621
17,881	73,878	44,062	58,267
60,622,873	60,459,422	57,608,595	55,209,715
7,428,922	8,351,906	7,684,863	6,633,032
17,643,897	19,168,847	19,842,205	18,048,122
19,755,015	20,586,256	21,768,923	23,436,257
3,673,967	3,912,691	4,173,403	3,949,006
4,030,076	2,733,006	2,721,304	2,418,472
3,188,602	3,456,266	3,971,868	3,727,772
412,793	435,531	457,883	403,267
2,639,161	3,005,688	2,636,135	2,523,481
.....	768	.....	.....
736,331	810,726	860,289	943,493
835,993	842,558	903,637	971,752
60,344,757	63,304,243	65,020,510	63,054,654
278,116	(2,844,821)	(7,411,915)	(7,844,939)
1,152,268	1,110,197	2,571,311	1,901,696
426,107	401,977	94,760	.....
10,901,916	9,982,178	9,847,759	9,659,500
(9,559,920)	(8,606,547)	(8,456,830)	(8,185,220)
23,751	18,678	8,984	117,960
(426,107)	(401,977)	(94,760)	.....
2,518,015	2,504,506	3,971,224	3,493,936
\$ 2,796,131	\$ (340,315)	\$ (3,440,691)	\$ (4,351,003)
2.7%	2.7%	2.8%	3.2%

**Revenue Base/Rate
Taxable Sales by Industry
Last Ten Calendar Years
(in thousands)**

	Calendar Year				
	1999	2000	2001	2002	2003
Agriculture	\$ 679,383	\$ 723,723	\$ 628,505	\$ 1,523,823	\$ 2,113,243
Mining	462,446	453,275	467,097	475,976	487,506
Construction	4,029,836	4,250,093	4,143,642	4,339,103	3,896,686
Manufacturing	8,187,878	9,392,811	8,437,418	9,973,528	13,314,291
Transportation	14,874,760	16,781,408	14,730,089	7,297,988	7,585,459
Communications ⁽¹⁾	750,000	12,044,981	12,185,447
Wholesale	10,666,116	10,682,707	10,608,768	8,946,443	12,559,558
Retail trade	140,181,237	147,909,435	152,163,684	155,667,230	171,423,008
Finance and insurance	15,922,843	17,625,485	18,198,371	19,188,005	20,805,219
Services	37,204,697	38,750,858	37,507,089	37,431,731	36,410,711
Government	232,525	323,263	221,225	195,930	264,591
Other	2,170,824	2,170,054	2,036,553	1,202,541	1,995,127
Total	\$ 234,612,545	\$ 249,063,112	\$ 249,892,441	\$ 258,287,279	\$ 283,040,846
State direct sales tax rate	6.0%	6.0%	6.0%	6.0%	6.0%

Notes: The sales tax rate on non-residential electricity is 7.0%. The sales tax rate on communication services (non-residential phone and all cable) has been 6.8% since October 1, 2001. The sales tax rate on amusement machines is 4.0%. As of July 1, 2005, the sales tax requirement for farm equipment changed from a 2.5% tax rate to become exempt from sales tax.

Taxable sales information is available for reporting on a calendar-year basis only.

⁽¹⁾ Taxable sales associated with communications services tax.

Taxable sales for the years 2002-2006 have been increased to reflect additional taxable sales not reported on previous CAFR schedule B-1.

Source: Florida Department of Revenue

Calendar Year				
2004	2005	2006	2007	2008
\$ 2,227,668	\$ 2,242,702	\$ 2,076,127	\$ 1,652,121	\$ 1,369,553
570,630	751,037	849,709	663,193	469,944
4,186,326	4,881,040	5,220,010	3,990,215	3,343,767
14,619,140	17,726,833	18,880,215	16,277,337	14,056,016
8,735,773	9,548,276	10,823,084	10,852,559	10,965,637
13,165,323	14,253,972	15,042,938	15,677,020	15,924,520
17,282,512	22,480,523	25,890,934	21,307,898	19,899,564
178,084,155	198,092,426	192,829,254	182,161,612	164,058,988
21,102,170	23,697,839	18,872,894	20,875,323	21,022,328
39,880,201	44,364,948	45,374,785	46,330,585	46,799,729
147,522	102,172	211,732	274,053	354,338
1,942,456	1,470,912	1,235,108	1,708,341	817,777
<u>\$ 301,943,876</u>	<u>\$ 339,612,680</u>	<u>\$ 337,306,790</u>	<u>\$ 321,770,258</u>	<u>\$ 299,082,161</u>
6.0%	6.0%	6.0%	6.0%	6.0%

Principal Sales Tax Payers By Industry
Calendar Years 2008 and 1999
(dollars are in thousands)

SCHEDULE B-2

Industry	Calendar Year 2008			Calendar Year 1999		
	Number of filers	Sales Tax Liability	Percentage of Total	Number of filers	Sales Tax Liability	Percentage of Total
Agriculture	8,360	\$ 95,798	0.45%	4,467	\$ 42,950	0.28%
Mining	841	31,505	0.15%	1,004	29,577	0.20%
Construction	7,866	236,044	1.10%	12,588	250,056	1.65%
Manufacturing	30,427	953,750	4.44%	24,430	512,606	3.39%
Transportation, communications, electric, gas, and sanitation	7,469	1,875,538	8.73%	8,353	1,022,585	6.76%
Wholesale	47,358	1,339,392	6.24%	40,305	670,742	4.44%
Retail trade	251,188	11,485,310	53.49%	299,041	8,909,632	58.92%
Finance and insurance	151,781	1,922,454	8.95%	124,226	1,016,131	6.72%
Services	101,927	3,258,638	15.18%	113,754	2,340,881	15.48%
Government	265	218,480	1.02%	251	185,730	1.23%
Other	3,543	56,163	0.26%	3,948	141,002	0.93%
Total	611,025	\$ 21,473,072	100.00%	632,367	\$ 15,121,892	100.00%

Notes: Due to confidentiality issues, the names of the ten largest revenue payers are not available for reporting.

The categories presented are intended to provide alternative information regarding the sources of the state's revenue. In addition, some of the categories from the revenue base/rate schedule have been combined in preparing this schedule.

Taxable sales information is available for reporting on a calendar-year basis only.

Source: Florida Department of Revenue

Ratios of Outstanding Debt by Type
Last Eight Fiscal Years
(dollars in millions, except per capita)

SCHEDULE C-1

Fiscal Year	Governmental Activities					Pledged Revenue	Business-type Activities	Total Primary Government	Debt as a Percentage of Tax-supported Revenues ⁽¹⁾	Debt Per Capita ⁽²⁾
	Full Faith and Credit	Pledged Revenue	Installment Purchases and Capital Leases	Certificates of Participation	Total Governmental					
2002	\$ 9,921	\$ 4,688	\$ 125	\$ 101	\$ 14,835	\$ 1,799	\$ 16,634	71.39%	\$ 992.05	
2003	10,586	5,286	132	96	16,100	1,716	17,816	73.70%	\$ 1,036.92	
2004	11,170	5,301	182	91	16,744	2,159	18,903	72.41%	\$ 1,072.83	
2005	12,035	5,245	174	85	17,539	2,071	19,610	66.37%	\$ 1,087.99	
2006	11,476	5,379	144	279	17,278	3,358	20,636	62.56%	\$ 1,118.75	
2007	12,004	5,227	135	267	17,633	6,361	23,994	74.28%	\$ 1,280.89	
2008	12,939	5,912	111	256	19,218	10,220	29,438	98.97%	\$ 1,564.84	
2009	13,417	6,395	207	395	20,414	7,714	28,128	108.18%	\$ 1,494.66	

Notes: Details regarding the state's outstanding debt can be found in Notes 8 and 9 to the Financial Statements.

⁽¹⁾ Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.

⁽²⁾ Population data used in calculation of this ratio can be found in Schedule D-1.

Ratios of Net General Bonded Debt Outstanding
Last Eight Fiscal Years
(dollars in millions, except per capita)

SCHEDULE C-2

Fiscal Year	General Bonded Debt Outstanding				Restricted Resources	Net General Bonded Debt Outstanding	Debt as a Percentage of Tax-supported Revenue ⁽¹⁾	Per Capita ⁽²⁾
	Full Faith and Credit	Installment Purchases and Capital Leases	Certificates of Participation	Total				
2002	\$ 9,921	\$ 125	\$ 101	\$10,147	\$ 446	\$ 9,701	41.63%	\$ 578.56
2003	10,586	132	96	10,814	80	10,734	44.40%	\$ 624.74
2004	11,170	182	91	11,443	76	11,367	43.54%	\$ 645.13
2005	12,035	174	85	12,294	83	12,211	41.33%	\$ 677.48
2006	11,476	144	279	11,899	76	11,823	35.84%	\$ 640.97
2007	12,004	135	267	12,406	73	12,333	38.18%	\$ 658.38
2008	12,939	111	256	13,306	84	13,222	44.45%	\$ 702.84
2009	13,417	207	395	14,019	143	13,876	53.37%	\$ 737.34

Notes: Details regarding the State's outstanding debt can be found in Notes 8 and 9 to the Financial Statements.

⁽¹⁾ Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.

⁽²⁾ Population data used in calculation of this ratio can be found in Schedule D-1.

**Legal Debt Margin
Last Ten Fiscal Years
(dollars in millions)**

SCHEDULE C-3

Legal debt margin calculated for fiscal year 2009

Tax-supported revenues ⁽¹⁾	\$26,002
Debt limit ⁽²⁾	1,560
Debt applicable to limit:	
Aggregate debt service on tax-supported debt	<u>2,058</u>
Legal debt margin	<u>\$ (498)</u>

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 ⁽³⁾
Debt limit ⁽²⁾	\$ 1,339	\$ 1,373	\$ 1,398	\$ 1,450	\$ 1,566	\$ 1,773	\$ 1,979	\$ 1,938	\$ 1,785	\$ 1,560
Total debt applicable to limit	<u>1,166</u>	<u>1,303</u>	<u>1,357</u>	<u>1,460</u>	<u>1,552</u>	<u>1,596</u>	<u>1,681</u>	<u>1,772</u>	<u>1,898</u>	<u>2,058</u>
Legal debt margin	<u>\$ 173</u>	<u>\$ 70</u>	<u>\$ 41</u>	<u>\$ (10)</u>	<u>\$ 14</u>	<u>\$ 177</u>	<u>\$ 298</u>	<u>\$ 166</u>	<u>\$ (113)</u>	<u>\$ (498)</u>
Total net debt applicable to the limit as a percentage of debt limit.	87.08%	94.90%	97.07%	100.69%	99.11%	90.02%	84.94%	91.43%	106.33%	131.91%

⁽¹⁾ For purposes of this Schedule C-3, tax-supported revenues are comprised of the general revenues of the state, including primarily sales and use tax receipts, and the specific state tax revenues pledged for payment of debt service. Tax-supported debt is debt secured by the full faith and credit of the state or payable from general revenue or specified state tax sources. As of June 30, 2009, the total outstanding balance of tax-supported debt was approximately \$22,372,900,000.

⁽²⁾ The state debt fiscal responsibility policy, Section 215.98, Florida Statutes, establishes the ratio of tax-supported debt service to tax-supported revenues as the benchmark debt ratio for purposes of setting the state's legal debt margin. Under the present policy, if the ratio exceeds 6%, additional tax-supported debt may be authorized only if the legislature determines the additional debt is in the best interest of the state. If the ratio exceeds 7%, additional tax-supported debt may be authorized only if the legislature determines it is necessary to address a critical state emergency. The 6% ratio has been used to determine the debt limit in this schedule.

⁽³⁾ In fiscal year 2009, tax-supported debt service exceeded 7% of tax-supported revenues

Source: Florida State Board of Administration, Division of Bond Finance

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

SCHEDULE C-4

Year Ended 6/30	Revenue ⁽⁴⁾	Less Operating Expenses	Net Available for Debt Service ⁽⁴⁾	Debt Service		Coverage Ratio
				Principal	Interest	
<i>Sunshine Skyway Bridge</i>						
2000	14,926	3,491	11,435	1,675	1,450	3.66
2001	15,380	3,140	12,240	1,780	1,348	3.91
2002	15,933	4,482	11,451	1,595	627	5.15
2003	16,251	3,869	12,382	2,015	624	4.69
2004	17,230	5,123	12,107	2,100	544	4.58
2005	17,053	5,033	12,020	2,180	462	4.55
2006	17,798	4,721	13,077	2,270	380	4.93
2007	17,758	7,027	10,731	2,365	290	4.04
2008	17,025	6,768	10,257	2,465	195	3.86
2009	16,212	8,933	7,279	2,565	103	2.73
<i>Florida Turnpike</i>						
2000	320,623	99,850	220,773	28,735	87,859	1.89
2001	384,214	115,778	268,436	38,415	92,602	2.05
2002	421,897	121,021	300,876	49,955	92,655	2.11
2003	462,001	130,984	331,017	52,330	86,137	2.39
2004	534,755	153,485	381,270	58,615	106,783	2.31
2005	598,762	157,570	441,192	70,910	103,940	2.52
2006	647,959	155,357	492,602	60,135	98,536	3.10
2007	681,615	175,386	506,229	65,610	102,844	3.01
2008	650,743	184,218	466,525	72,665	118,657	2.44
2009	604,897	190,603	414,294	81,660	121,485	2.04
<i>Save Our Coast</i>⁽¹⁾						
2000	99,300	.....	99,300	15,440	9,776	3.94
2001	106,500	.....	106,500	16,235	9,036	4.21
2002	127,600	.....	127,600	17,095	8,255	5.03
2003	162,400	.....	162,400	19,025	6,623	6.33
2004	213,600	.....	213,600	18,735	6,099	8.60
2005	273,000	.....	273,000	19,595	5,370	10.94
2006	329,300	.....	329,300	20,490	4,680	13.08
2007	246,100	.....	246,100	21,720	3,655	9.70
2008	158,607	.....	158,607	19,795	2,646	7.07
2009	91,104	.....	91,104	13,950	1,657	5.84
<i>Florida Forever/Preservation 2000/Everglades</i>^(1, 3)						
2000	712,600	.....	712,600	119,560	127,484	2.88
2001	764,900	.....	764,900	142,275	133,102	2.78
2002	915,900	.....	915,900	159,185	129,697	3.17
2003	1,165,800	.....	1,165,800	169,255	135,310	3.83
2004	1,533,100	.....	1,533,100	186,045	148,929	4.58
2005	1,960,100	.....	1,960,100	194,640	140,275	5.85
2006	2,363,800	.....	2,363,800	213,378	135,020	6.78
2007	1,776,500	.....	1,776,500	230,120	137,480	4.83
2008	1,138,600	.....	1,138,600	246,045	135,064	2.99
2009	655,500	.....	655,500	272,975	140,919	1.58

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

Year Ended 6/30	Revenue ⁽⁴⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Principal	Interest	
Conservation and Recreation Land ^(1,2)						
2000	75,076	.....	75,076	1,485	1,391	26.10
2001	80,292	.....	80,292	1,570	1,324	27.74
2002	64,448	.....	64,448	1,655	1,252	22.17
2003	80,235	.....	80,235	1,740	1,174	27.53
2004	102,098	.....	102,098	1,825	1,092	35.00
2005	127,975	.....	127,975	1,940	1,003	43.48
2006	152,502	.....	152,502	2,060	906	51.42
2007	136,705	.....	136,705	2,170	803	45.98
2008	81,995	.....	81,995	2,290	692	27.50
2009	91,104	.....	91,104	13,950	1,657	5.84
Lottery Education ⁽¹⁾						
2000	908,353	.....	908,353	25,885	30,484	16.11
2001	907,157	.....	907,157	40,275	59,466	9.10
2002	926,488	.....	926,488	52,840	74,691	7.26
2003	1,035,178	.....	1,035,178	63,140	92,920	6.63
2004	1,051,658	.....	1,051,658	77,975	100,797	5.88
2005	1,103,633	.....	1,103,633	84,255	102,638	5.91
2006	1,224,651	.....	1,224,651	95,430	106,922	6.05
2007	1,263,272	.....	1,263,272	103,920	105,579	6.03
2008	1,283,414	.....	1,283,414	119,030	119,451	5.38
2009	1,287,856	.....	1,287,856	139,955	145,166	4.52
Alligator Alley						
2000	11,364	3,486	7,878	860	2,808	2.15
2001	12,060	5,068	6,992	905	2,760	1.91
2002	12,468	4,663	7,805	955	2,711	2.13
2003	13,023	5,147	7,876	1,010	2,658	2.15
2004	14,118	5,297	8,821	1,070	2,597	2.41
2005	14,437	5,114	9,323	1,135	2,533	2.54
2006	18,968	6,016	12,952	1,205	2,462	3.53
2007	23,538	6,673	16,865	1,335	1,854	5.29
2008	21,962	5,547	16,415	1,345	2,105	4.76
2009	19,384	7,292	12,092	1,395	2,051	3.51
State Infrastructure Bank ⁽³⁾						
2007	39,602	.....	39,602	5,195	3,000	4.83
2008	43,550	.....	43,550	5,915	5,785	3.72
2009	48,924	.....	48,924	5,390	5,543	4.47
Florida Hurricane Catastrophe Fund Finance Corporation ⁽³⁾						
2007	1,580,008	15,108	1,564,900	.....	113,300	13.81
2008	1,886,868	15,639	1,871,229	.....	311,397	6.01
2009	1,570,615	16,224	1,554,391	309,673	199,167	3.05

Notes: Prior year data has been restated to match the corresponding Official Statement, when necessary.

- (1) Operating Expenses are not listed for the Lottery Program and the Environmental Programs, e.g. Save Our Coast, Florida Forever/Preservation 2000/Everglades and Conservation and Recreation Land Programs. For these programs, either no operating expenses reduce revenues available for debt service, or, in the case of the Lottery, include expenses unrelated to the operation of the program, such as payment of lottery prizes. Instead, for these programs, the revenue shown is the amount available to pay debt service.
- (2) Phosphate Severance Tax and Documentary Stamp Tax Revenue are combined in calculating revenue source. Beginning in 2002, revenues are reduced by amounts transferred to State Game Trust Fund pursuant to Section 201.15(5), Florida Statutes.
- (3) Everglades Restoration Bonds, State Infrastructure Bank Bonds, and Florida Hurricane Catastrophe Fund Finance Corporation Bonds were issued in 2006 with debt service information beginning in fiscal year 2007.
- (4) Refer to Note 8 A.2. for information on the sources of pledged revenues.

Source: Florida State Board of Administration, Division of Bond Finance

**Demographic and Economic Statistics
For the Last Ten Calendar Years**

SCHEDULE D-1

Year	Population			Personal Income (in millions)		
	Florida	Percent Change from Prior Year	U.S.	Percent Change from Prior Year	Florida	U.S.
2000	16,072,926	2.51%	282,171,936	1.12%	457,540	8,429,675
2001	16,414,726	2.13%	285,039,803	1.02%	478,637	8,724,125
2002	16,767,369	2.15%	287,726,647	0.94%	495,489	8,881,900
2003	17,181,586	2.47%	290,210,914	0.86%	514,378	9,163,600
2004	17,619,818	2.55%	292,892,127	0.92%	565,681	9,727,200
2005	18,024,024	2.29%	295,560,549	0.91%	614,433	10,269,750
2006	18,445,592	2.34%	298,362,973	0.95%	668,484	10,993,900
2007	18,732,358	1.55%	301,290,332	0.98%	699,176	11,663,250
2008	18,812,155	0.43%	304,059,724	0.92%	713,726	12,100,650
2009	18,818,998	0.04%	307,037,462	0.98%	700,299	12,091,009

⁽¹⁾ Unemployment rates are annualized (average of monthly rates).

⁽²⁾ School enrollment is by state fiscal year and other data is by calendar year.

Note: Data from 2000-2008 was derived from the US Department of Commerce, Bureau of Economic Analysis, University of Florida, and the US Department of Labor Bureau of Labor Statistics. Data for 2009 was derived from the February 2009 Florida Demographic Estimating Conference, July 2009 Florida Economic Estimating Conference, and National Economic Estimating Conference.

Sources: Florida Legislature, Florida Department of Education

**State of Florida
Population by Age**

Age Group	2000 Census	Percent	2010 Projection	Percent	2020 Projection	Percent
0 - 14	3,034,565	18.99	3,412,184	18.07	3,757,893	17.55
15 - 24	1,942,399	12.15	2,414,998	12.79	2,479,227	11.58
25 - 44	4,569,259	28.59	4,685,949	24.82	5,120,843	23.91
45 - 64	3,628,544	22.70	5,028,432	26.63	5,464,450	25.51
65 and Over	2,807,611	17.57	3,339,880	17.69	4,595,037	21.45
Total	15,982,378	100.00	18,881,443	100.00	21,417,450	100.00

Source: Forecast from February 2009 Demographic Estimating Conference and the University of Florida, Bureau of Economic and Business Research. Year 2000 Census data incorporates adjustments for age misreporting prepared by the University of Florida, Bureau of Economic and Business Research.

Per Capita Personal Income		Unemployment Rate ⁽¹⁾		Median Age	Public School Enrollment ⁽²⁾
Florida	U.S.	Florida	U.S.	Florida	Florida
28,467	29,874	3.8%	4.0%	38.7	2,376,128
29,159	30,607	4.7%	4.7%	38.9	2,434,403
29,551	30,869	5.7%	5.8%	39.4	2,500,161
29,938	31,576	5.3%	6.0%	39.4	2,539,932
32,105	33,211	4.7%	5.5%	39.6	2,596,524
34,090	34,747	3.8%	5.1%	39.7	2,634,223
36,241	36,847	3.4%	4.6%	39.9	2,668,337
37,325	38,711	4.1%	4.6%	39.9	2,662,701
37,940	39,797	6.2%	5.8%	40.1	2,652,684
37,212	39,380	10.3%	9.4%	40.1	2,628,754

**Industry Sector Employment
For Calendar Years 2008 and 2001
(in thousands)**

SCHEDULE D-2

Industry	2008		2001 ⁽¹⁾	
	Employment	Percentage of Total Employment ⁽²⁾	Employment	Percentage of Total Employment ⁽²⁾
Retail trade	988	12.58%	942	12.62%
Health care and social assistance	910	11.58%	766	10.26%
Local government	785	9.99%	690	9.24%
Accommodation and food services	758	9.65%	671	8.99%
Administrative and waste services	611	7.78%	562	7.53%
Construction	513	6.53%	495	6.63%
Professional and technical services	456	5.81%	373	5.00%
Manufacturing	373	4.75%	455	6.10%
Finance and insurance	354	4.51%	324	4.34%
Wholesale trade	349	4.44%	316	4.23%
Total	6,097	77.62%	5,594	74.94%

Notes: Privacy requirements prevent the state from obtaining and reporting specific information about the largest employers in the state's jurisdiction. Reporting by industry reveals the degree of concentration in the state's total employment base.

Florida's economy began to slow in late 2006 and the state started losing jobs in August 2007. The downturn started with construction jobs, but has now spread to almost all other major industries. In 2008, Florida lost 254,600 jobs (-3.2 percent) over the year. The 2008 annual rate of job decline at -3.2 percent was the steepest since 1975. The industries losing the most jobs in 2008 over the year were: construction (-105,600 jobs) and administrative and waste services (-60,300 jobs).

- ⁽¹⁾ In 2001, the industrial coding structure changed from the Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS). As a result, comparability of data prior to 2001 is not reasonable. This schedule presents calendar years 2008 and 2001. Both periods utilize the North American Industry Classification System, which provides comparability.
- ⁽²⁾ "Employment" is being calculated based on average total employment by industry for each calendar year. Ratios of "Total" employment are based on the following:

	2008	2001
Total non-agricultural employment (in thousands)	7,764	7,160
Total agricultural employment (in thousands)	91	305
Total employment	7,855	7,465

Sources: Florida Agency for Workforce Innovation, University of Florida

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2009 STATE OF FLORIDA CAFR

**Full-time Equivalent (FTE) State Employees by Function
Last Ten Fiscal Years**

SCHEDULE E-1

Function	Fiscal Year						
	2000	2001	2002	2003	2004	2005 ⁽³⁾	2006 ⁽³⁾
Financial administration	13,392	13,585	13,175	15,385	15,453	15,498	15,416
Streets and highways	9,744	9,022	8,467	7,606	7,356	7,173	7,074
Public welfare	24,153	23,922	22,463	21,647	19,369	17,194	12,673
Police protection	4,207	4,225	4,226	4,328	5,270	5,314	5,342
Natural resources	8,322	8,391	8,418	8,489	7,711	7,691	7,698
Health	14,255	14,473	14,566	15,014	15,197	15,583	15,959
Housing ⁽¹⁾	29	27	28
Community development	372	335	337	295	291	277	292
Criminal justice and corrections	38,452	38,168	36,430	37,471	37,710	38,870	39,555
Utility and transportation	382	370	370	369	346	317	315
Employee security ⁽²⁾	1,398	1,539	1,445	1,307	1,345	1,315
Education	1,817	2,165	2,205	2,386	2,367	2,386	2,461
State courts	2,767	2,921	1,792	1,953	2,735	3,869	4,137
Other	2,173	2,117	2,042	1,980	2,024	2,007	2,154
Total	120,036	121,092	116,030	118,368	117,165	117,551	114,419

Note: FTE's are calculated based on a 40 hour work week. A numerical designator is based on 100% for a full-time employee (i.e. 1.00 point or FTE). All others are pro-rated accordingly.

- ⁽¹⁾ New function added in fiscal year 2004 for reporting purposes.
- ⁽²⁾ Agency formed and FTE determination required in fiscal year 2001.
- ⁽³⁾ The FTE counts for fiscal years 2005 and 2006 have been restated.

Sources: Florida Legislature, Florida State Courts System, Florida State Board of Administration, Florida Justice Administration Commission, Florida Department of Management Services

Fiscal Year		
2007	2008	2009
15,551	15,409	15,510
7,030	7,156	7,229
12,458	12,507	12,528
5,355	5,248	5,137
7,791	7,761	7,773
16,434	16,388	17,105
29	28	27
303	284	289
40,756	40,558	40,555
296	323	321
1,272	1,243	1,269
2,481	2,499	2,359
4,457	4,401	4,113
2,140	2,059	1,908
<u>116,353</u>	<u>115,864</u>	<u>116,123</u>

**Operating Indicators by Function
Last Ten Fiscal Years**

SCHEDULE E-2

	Fiscal Year				
	2000	2001	2002	2003	2004
<u>General government</u>					
Department of Revenue					
Total administered taxes (<i>in millions</i>)	23,863	25,066	26,369	27,811	30,756
Department of Management Services ⁽¹⁾					
Number of retired members covered	181,026	188,770	198,303	208,680	224,813
<u>Education</u>					
Universities					
University enrollments	232,794	240,753	251,984	262,354	271,337
Degrees awarded	47,825	48,956	52,306	54,863	58,554
<u>Human services</u>					
Department of Health ⁽²⁾					
Number of live births	204,030	205,800	205,580	212,243	218,045
Number of deaths	162,839	167,181	167,702	168,459	168,364
Department of Children and Families					
Food stamp recipients	902,084	881,808	983,511	1,042,418	1,238,517
Food stamp households	419,744	422,251	466,894	505,452	602,323
<u>Criminal justice and corrections</u>					
Department of Corrections					
Inmate admissions	25,743	25,731	26,049	28,882	31,896
Community supervision admissions	96,887	96,223	97,284	99,123	100,557
Facility population	71,233	72,007	73,553	77,316	81,974
<u>Natural resources and environment</u>					
Department of Environmental Protection					
State park visitations	16,760,822	18,075,329	17,722,275	18,240,624	19,106,966
Department of Fish and Wildlife Conservation					
Fishing and hunting licenses holders	1,357,447	1,284,197	1,272,549	1,221,884	1,471,395
<u>Transportation</u>					
Department of Transportation					
Vehicles registered	13,869,980	15,506,616	15,798,757	17,249,305	17,948,464
Titles issued	5,152,272	5,122,220	5,244,493	5,127,520	6,477,928
Traffic crashes ⁽²⁾	246,541	256,169	250,470	243,294	252,902
Daily vehicle miles traveled (<i>in thousands</i>)	254,114	258,528	267,229	273,744	280,754
<u>State courts</u>					
State Courts System					
Number of cases filed/added:					
Circuit criminal defendants	184,229	182,581	179,757	182,893	193,870
County criminal	502,476	513,101	499,339	489,437	489,422
County civil	359,628	407,142	444,703	459,959	473,660
Traffic	447,561	446,039	454,696	487,413	523,072
Family court	344,507	362,185	371,961	369,652	378,429
Circuit civil	162,446	171,775	186,218	184,858	178,970
Probate	94,054	95,020	96,712	101,736	108,183

Note: Items denoted as unavailable have not been calculated for reporting as of the date of this CAFR.

⁽¹⁾ The Florida Retirement System includes retirees from six major employers.
(The State of Florida, State University System, Counties, School Boards, Community Colleges,
and Cities & Special Districts)

⁽²⁾ Information for this agency and/or item is only reported by calendar year. Information
reported in each column represents calendar year ended December 31.

Sources: Florida Department of Revenue, Florida Retirement System, Florida Board of Governors,
Florida Department of Health, Florida Department of Children and Families, Florida Department of Corrections,
Florida Department of Environmental Protection, U.S. Fish & Wildlife Service, Florida Department of Transportation,
Florida State Courts

Fiscal Year				
2005	2006	2007	2008	2009
34,742	38,736	37,477	34,152	30,140
236,974	250,496	263,198	274,842	Unavailable
277,583	287,375	294,016	301,135	302,513
59,771	61,215	64,778	68,423	70,616
226,219	237,166	239,120	231,417	Unavailable
170,300	169,365	167,708	170,473	Unavailable
1,286,530	1,248,359	1,266,308	1,523,273	2,109,289
629,685	623,270	650,277	783,282	1,084,754
32,204	35,098	37,864	41,054	39,354
99,616	103,387	107,203	107,861	100,619
84,901	88,576	92,844	98,192	100,894
17,296,273	18,174,879	19,516,852	20,737,052	21,458,588
1,538,965	1,588,227	1,605,617	1,576,518	Unavailable
18,762,439	21,773,396	22,126,592	22,125,361	20,918,645
6,829,690	7,181,742	6,668,861	5,920,326	4,901,295
268,605	256,200	256,206	243,342	Unavailable
292,398	300,010	303,603	305,253	293,858
199,009	219,157	230,417	235,451	209,593
485,864	509,525	523,274	515,552	464,090
425,012	479,514	541,823	615,290	503,314
510,513	571,858	604,054	618,506	538,406
365,990	365,468	356,485	350,477	335,854
162,116	164,245	226,288	418,579	547,194
109,505	111,583	105,486	102,532	98,345

Capital Assets by Function
Last Ten Fiscal Years

SCHEDULE E-3

	Fiscal Year				
	2000	2001	2002	2003	2004
<u>General government</u>					
Department of Management Services:					
Buildings	82	211	90	90	90
<u>Education</u>					
Universities and colleges: ⁽¹⁾					
Assignable square feet (in thousands)	33,750	35,847	37,186	39,666	40,114
<u>Human services</u>					
Department of Health					
Buildings ⁽³⁾	38	39	42	42	45
Vehicles	112	122	129	136	179
Department of Children and Families					
Buildings	548	551	491	507	514
<u>Criminal justice and corrections</u>					
Department of Corrections					
Correctional institutions	57	57	56	56	58
Work camps, forestry camps	37	36	36	36	35
Work release centers	29	26	24	24	23
Other facilities	5	6	5	7	7
<u>Natural resources and environment</u>					
Division of Recreation and Parks					
Number of state parks	151	153	155	156	157
Acres of state parks	513,425	555,814	570,576	593,459	603,953
Department of Environmental Protection					
Acres of land owned ⁽²⁾	3,341,600	3,559,115	3,836,193	4,035,686	4,143,860
Fish and Wildlife Commission					
Vehicles	836	1,371	1,494	1,637	1,591
<u>Transportation</u>					
Department of Transportation					
Highway lane miles	39,730	40,042	40,451	40,696	40,970
Vehicles	6,116	5,942	5,868	5,679	4,872
Buildings	1,575	1,607	1,662	1,624	1,619
<u>State courts</u>					
State Courts System					
Machinery and equipment	Unavailable	Unavailable	Unavailable	4,646	4,496

Note: Items noted as Unavailable have not been determined as of the publication date.

- ⁽¹⁾ Universities and colleges are presented in the CAFR as discretely presented component units of the state.
- ⁽²⁾ Acreage information includes a cumulative total of acres acquired through programs such as Preservation 2000, Florida Forever, Environmentally Endangered Lands, Conservation and Recreation Lands, Land Acquisition Trust Fund, Save Our Coast Trust Fund, Farm Bill and by donations and exchanges. The Water Management Districts have acquired and hold title to lands through other programs that are not included in this schedule.
- ⁽³⁾ The building count for this agency has been revised to reflect only those structures that allow occupancy.

Sources: Florida Department of Management Services, Florida Department of Education, Florida Department of Health, Florida Department of Corrections, Florida Division of Recreation and Parks, Florida Department of Transportation, Florida Department of Financial Services, Division of Risk Management, Florida State Courts System, Florida Fish & Wildlife Conservation

Fiscal Year				
2005	2006	2007	2008	2009
90	85	85	85	85
40,495	41,779	45,460	49,990	50,702
48	49	49	53	51
212	209	235	319	300
515	227	211	211	211
59	59	60	60	78
37	40	41	42	42
26	30	30	32	34
6	6	6	5	5
158	159	159	161	161
730,573	723,852	724,629	698,648	700,296
4,257,103	4,316,161	4,429,484	4,500,719	4,521,508
1,562	1,514	1,519	1,549	1,520
41,295	41,613	42,022	42,181	42,542
5,709	5,841	5,445	5,313	5,125
1,584	1,578	1,622	1,691	1,719
4,800	7,825	8,608	9,335	9,400

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ALEX SINK
CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

Florida Department of Financial Services