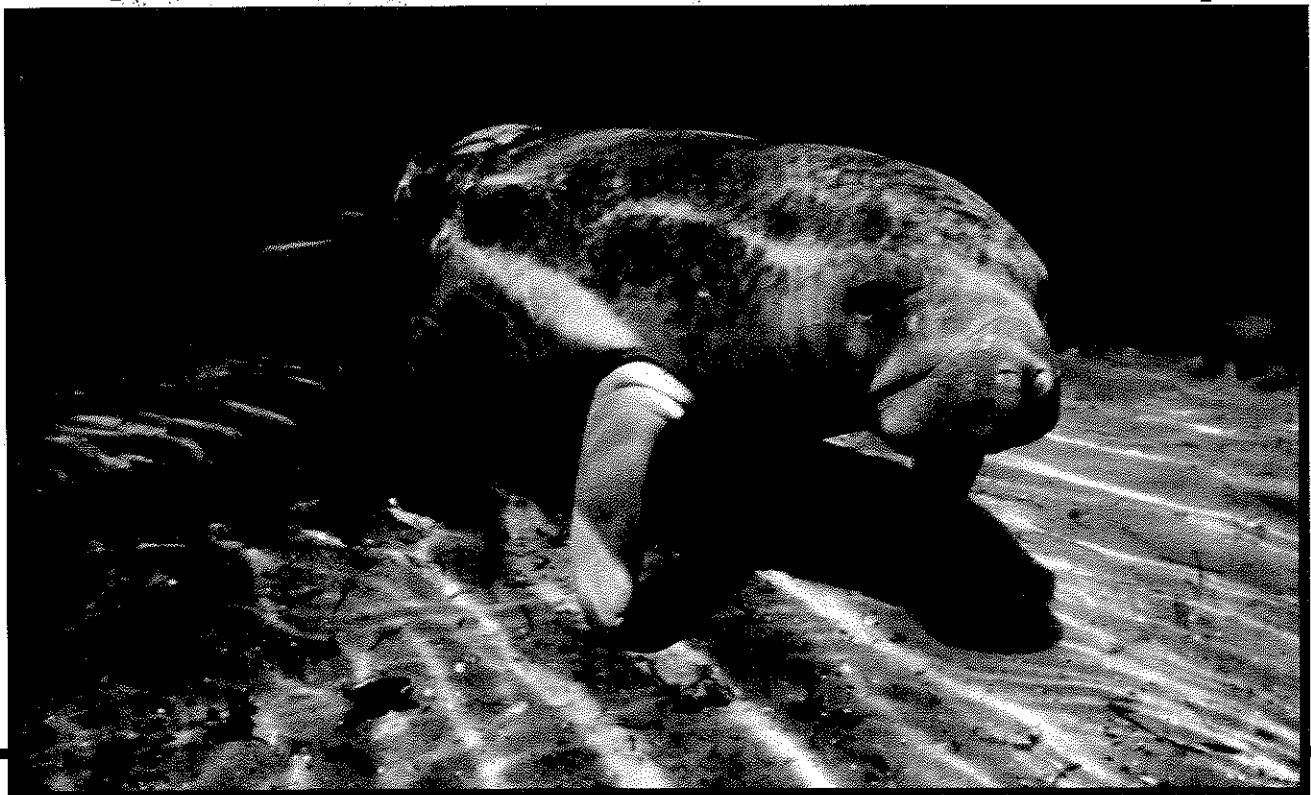


FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT

**ROBERT E. MILLIGAN
COMPTROLLER**

**FISCAL YEAR ENDED
JUNE 30, 1997**



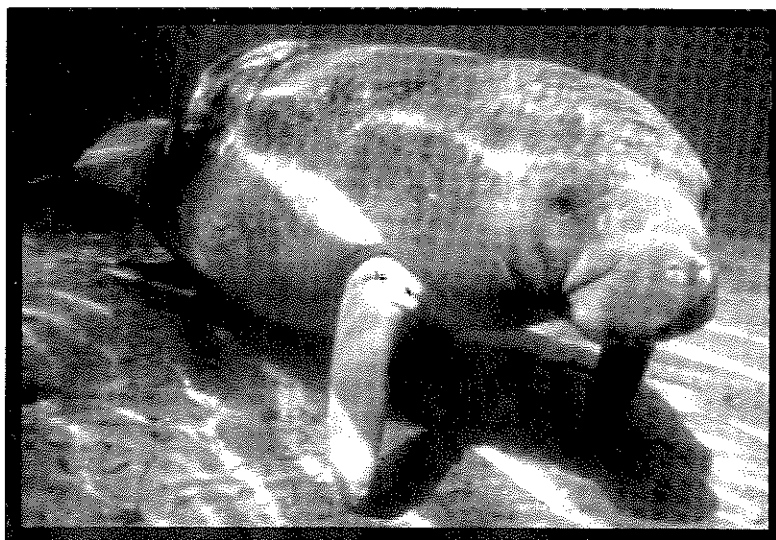
THE WEST INDIAN MANATEE IN FLORIDA

Over 60 million years ago, a curious, four footed plant-eating mammal existed on our Earth. After gradually adapting to the different environments it inhabited over many centuries, scientists have now determined that there are three descendants as the result of this evolutionary process. Studies using biochemical analysis of proteins show that the closest modern descendants are the elephant and the hyrax (a small animal resembling a woodchuck). All of these modern relatives became land dwelling animals. The third, the manatee (*Trichechus manatus*), the West Indian manatee, belongs to the animal order Sirenia. There are two subspecies of the West Indian manatee: the Florida manatee (*Trichechus manatus latirostris*) and the Antillean (*Trichechus manatus manatus*). These subspecies can be distinguished by certain cranial features and by their geographical distribution. There is also one species of dugong (an animal of the Indian Ocean). A fifth species, the Stellar's sea cow, was hunted to extinction by 1768.

The manatee (sometimes called a sea cow because of its grazing habits) can grow to 15 feet in length and it may weigh more than 2000 pounds. Its life span is nearly 50 years. Unlike most mammals and members of other animal families, the female (cow) and male (bull) grow to about the same size and are about the same color. The front flippers are shaped like a paddle and five finger-like bones can be seen on an x-ray of a flipper. Tiny "fingernails" can be seen on the tip of each flipper. Scientists believe that perhaps these remain from long ago when its ancestors roamed Earth.

All sirenians are found in warm tropical and subtropical waters. The range of the Florida manatee is primarily peninsular Florida. They inhabit rivers, bays, canals, estuaries, and coastal areas rich in seagrass and other vegetation. They can live in fresh, saline, and brackish water and can move freely between salinity extremes. The Florida manatee may be found in any waterway over 3.25 feet deep and connected to the coast, however they prefer water above 70 degrees Fahrenheit. Florida manatees rarely venture into deep ocean waters, however, there have been reports of manatees in the Dry Tortugas Islands, which are located approximately 50 miles west of Key West, Florida.

Florida manatees usually move into warmer waters when the temperature drops below 68 degrees Fahrenheit. On the Gulf coast, manatees congregate at natural warm-water springs. On the Atlantic coast, manatees head south of the Sebastian River. Today, because of the warmth of the discharge, power plant outfalls have become important winter destinations for many manatees. This has allowed manatees to remain north of their historic wintering grounds. In dry seasons the Florida manatee migrate downstream into lakes or deeper parts of a river.



STATE OF FLORIDA

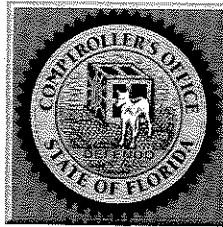


*COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 1997*

*Prepared by the Office of the
Comptroller*

*ROBERT F. MILLIGAN
COMPTROLLER*

*This document and related information is available via Office of the Comptroller's home page:
www.dbf.state.fl.us/*



ACKNOWLEDGEMENTS

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- Special appreciation is given to all fiscal and accounting personnel throughout the State whose extra efforts to contribute financial data for their agencies made this report possible.
- Graphics designed by Mr. Bill Humphries, a student at Lively Vocational Center, Tallahassee, Florida, under the direction of Mr. Rick Rice of the Lively Graphics Department.
- A special thanks to the Department of Environmental Protection, Bureau of Protected Species Management, for providing us with slides, brochures and pamphlets, and also to the Florida Game and Fresh Water Fish Commission, Office of Information Services, for additional slides that were used in our presentation.
- Information for the manatee inserts in our publication came from the following references: the Internet, the Florida Power & Light Company publication entitled "*The West Indian Manatee In Florida*" and "*Manatees Gentle Giants in Peril*" by Mary Unterbrink.

STATE OF FLORIDA COMPTROLLER'S
OFFICE

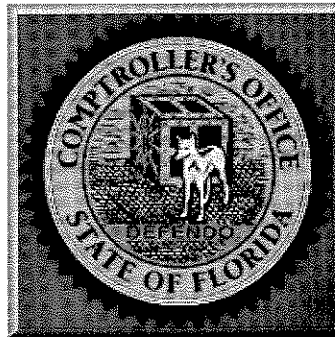
THE COMPTROLLER...HAS BEEN THOUGHT OF FIRST OF ALL AS THE "WATCHDOG OF THE PUBLIC TREASURY." THIS ROLE IS EMPHASIZED IN THE OFFICIAL SEAL OF THE OFFICE. IT SHOWS A LARGE SAFE GUARDED BY A DOG WITH THE WORD DEFENDO BENEATH. DEFENDO MEANS "I DEFEND."

*The Florida Handbook, 21st Edition,
1987-1988 by Allen Morris*

VISION

Defines our goals for the future.

- ◆ Accountability to the people of Florida is our highest priority.
- ◆ We will ensure that the State is fiscally sound and is accountable to the public through the Florida Accounting Information Resource (FLAIR) programs.
- ◆ We will deploy the use of state-of-the art information technology to accomplish our responsibilities.
- ◆ We will continuously provide the citizens of Florida with timely, factual and comprehensive information on the financial status of the State.



MISSION

States why we exist as a department and what we want to achieve for the citizens of the State of Florida.

- ◆ Better serve the citizens through effective Cabinet duties, increased public awareness of our functions, and improved protection of their financial interests.
- ◆ Provide improved and modernized accountability and reporting of State fiscal responsibilities.
- ◆ Provide professional development and financial advancement opportunities and recognition for our employees.
- ◆ Reduce the size of our operation and cost of doing business while expanding the scope and influence of our operations.
- ◆ Endeavor to reduce regulations, improve the efficiency and effectiveness of regulation and allow the industry to administer regulation where practical.

STRATEGIC ISSUES

- ◆ Accountability to and heightened concern for the people served by government and employed in government.
- ◆ Public perception that government is oversized, unresponsive, inaccessible and consumes more resources than the benefits derived by the citizens.
- ◆ Increasing demand on available resources.

STATE OF FLORIDA

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INTRODUCTORY SECTION



ROBERT F. MILLIGAN
COMPTROLLER OF FLORIDA

OFFICE OF COMPTROLLER
DEPARTMENT OF BANKING AND FINANCE
STATE OF FLORIDA
TALLAHASSEE
32399-0350

January 29, 1998

The Honorable Lawton Chiles
Governor of the State of Florida
The Capitol
Tallahassee, Florida

Dear Governor Chiles:

It is my pleasure to submit to you the Comprehensive Annual Financial Report of the State of Florida for the year ended June 30, 1997. This report has been prepared in conformance with generally accepted accounting principles as prescribed in pronouncements of the Governmental Accounting Standards Board (GASB). It is a comprehensive presentation of the State's financial and operating activities during the past fiscal year. The accuracy and completeness of the presentation are the responsibility of the State.

The Reporting Entity

The reporting entity consists of the State Legislative agencies, departments, boards and commissions of the Executive branch, offices relating to the Judicial branch, and component units of the State. Criteria for defining the reporting entity, identified and described in the GASB's Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600, were used. These criteria are used to evaluate potential component units for which the State is financially accountable, and 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. The reporting entity is described in detail in Note 1 to the financial statements.

Financial Statement Presentation

This report is presented in three sections: the introduction, the financial section and the statistical and economic data. The introductory section contains this transmittal letter, an organizational chart, a listing of principal State officials and graphs of governmental funds' revenues and expenditures. The financial section includes the auditor's report, the general purpose financial statements, and the combining statements for all funds and account groups. The statistical and economic data section includes various schedules and information regarding the finances and demography of the State.

Because of the large number of funds used by the State agencies and departments, each fund could not be displayed in the combining statements and maintain a meaningful presentation. Therefore, funds were combined by department, i.e. function, and the most significant are described individually.

Accounting System and Budgetary Control

Section 215.93, Florida Statutes, amended by the Laws of Florida, Chapter 97-286, established the Florida Financial Management Information System (FFMIS). The FFMIS Act requires the design and implementation of a unified management information system, which contains five subsystems. One of the five subsystems designated by the Legislature is the Florida Accounting Information Resource (FLAIR) Subsystem. My office is responsible for the design, implementation and operation of FLAIR.

FLAIR is a computer-based, double entry general ledger accounting system. It provides the capability to account for governmental operations on the modified accrual basis and to account for Proprietary, Nonexpendable Trust, Pension and State University System funds operations on the accrual basis. Internal accounting controls are in

place to provide reasonable assurance regarding the safeguarding of assets and reliability of financial records for the preparation of financial statements and maintaining accountability.

While the departmental component of FLAIR provides agency management with a budgetary check mechanism, the comptroller's central accounting component (also part of FLAIR) maintains a separate accounting system on the cash basis for the control of budget by line item of the appropriations act. Overspending is strictly prohibited by Florida law.

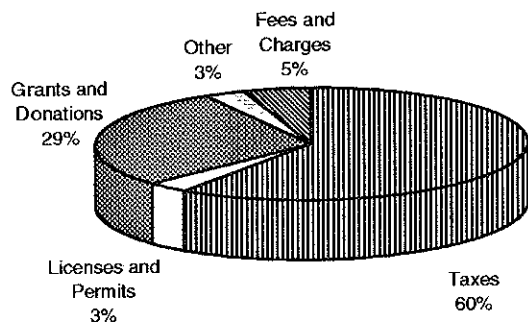
Florida certifies forward liabilities and encumbrances at June 30 and has a six-month period to liquidate these obligations. Unexpended certified forward budget reverts on December 31. Goods or services for all fund types received on or before June 30 are recorded as liabilities and expenditures or expenses, whichever is appropriate. For governmental type funds, certified forward disbursements for goods or services encumbered as of June 30 are appropriately reported as a reserve of fund balance at June 30, and not as liabilities or expenditures.

General Governmental Functions

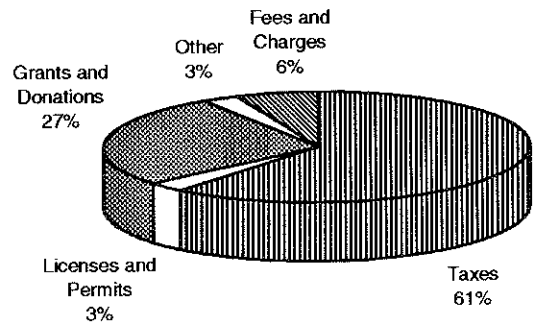
Governmental funds include general, special revenue, capital projects and debt service funds. These funds are presented on the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available to finance current expenditures. The amounts of governmental fund revenues from various sources for the fiscal years 1996 and 1997 are shown below (in thousands):

Revenue Sources	Amount		Amount of Change	Percent of Total	
	1996	1997		1996	1997
Taxes	\$ 19,477,977	\$ 20,177,324	\$ 699,347	60	61
Licenses and permits	826,009	836,415	10,406	3	3
Fees and charges	1,566,989	1,819,323	252,334	5	6
Grants and donations	9,216,221	8,935,592	(280,629)	29	27
Investment earnings	427,631	420,820	(6,811)	1	1
Fines, forfeitures and judgments	133,553	171,104	37,551	1	1
Flexible benefits contributions	.....	56,708	56,708	.....	.....
Refunds	453,455	503,094	49,639	1	1
Other revenues	875	37,335	36,460	.....	.....
Totals	\$ 32,102,710	\$ 32,957,715	\$ 855,005	100	100

Revenue Sources - 1996



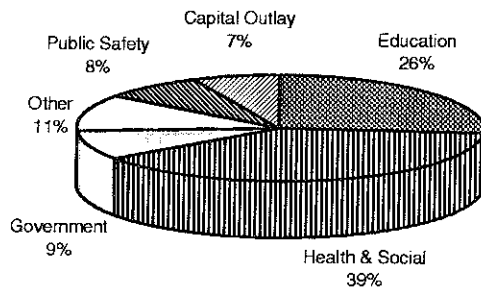
Revenue Sources - 1997



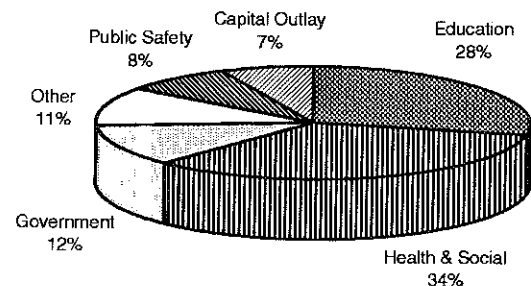
Revenues for governmental funds increased 2.7% over the previous year, while expenditures for governmental fund types totaled \$31.5 billion in fiscal year 1997, a .2% increase from the previous year. The amount of expenditures by function for fiscal years 1996 and 1997 are shown below (in thousands):

Function	Amount		Amount of Change	Percent of Total	
	1996	1997		1996	1997
Economic opportunities, agriculture and employment	\$ 953,637	\$ 861,593	\$ (92,044)	3	3
Public safety	2,515,430	2,470,513	(44,917)	8	8
Education	8,214,406	8,726,968	512,562	26	28
Health and social concerns	12,273,160	10,808,035	(1,465,125)	39	34
Housing and community development	222,890	206,695	(16,195)	1	1
Natural resources and environmental management	523,894	633,479	109,585	2	2
Recreation and cultural opportunities	138,278	169,357	31,079	.....	.....
Transportation	813,125	873,326	60,201	3	3
Governmental direction and support services	2,723,198	3,684,412	961,214	9	12
Capital outlay	2,317,256	2,262,697	(54,559)	7	7
Debt service	746,911	797,516	50,605	2	2
Totals	\$ 31,442,185	\$ 31,494,591	\$ 52,406	100	100

Expenditures by Function - 1996



Expenditures by Function - 1997



Total fund balance at June 30, 1997, for all governmental fund types was \$7.88 billion compared to \$6.83 billion at June 30, 1996. Of this total, \$4.95 billion represents unreserved fund balance which is \$400 million more than the \$4.55 billion last year.

Proprietary Funds

The Department of the Lottery is the largest enterprise fund in the State. In comparison to the year ended June 30, 1996, combined enterprise fund operating revenues remained about the same at \$2.6 billion in 1997 and operating expenses remained about the same at \$1.5 billion. In addition to the Department of Lottery, other major

enterprise funds account for the operations of the Department of Transportation's toll and turnpike facilities and the Florida Housing Finance Agency in the Department of Community Affairs.

Combined internal service fund operating revenues increased from \$891 million in 1996 to \$990 million in 1997, while operating expenses increased from \$995 million in 1996 to \$1.13 billion in 1997. The Department of Management Services has the largest internal service fund, and the principal services provided include the State Employees Health Insurance Program, facilities management, data processing, motor pool, and telephone communications. Other principal services are provided by the Department of Insurance self-insurance funds and the Department of Children and Families data processing center.

Debt Administration

Florida maintains a high bond rating from Moody's Investors Services (Aa2), Standard and Poor's Corporation (AA+) and Fitch IBCA, Inc. (AA) on all State general obligation bonds. Outstanding general obligation bonds at June 30, 1997, totaled almost \$7.9 billion and were issued to finance capital outlay for educational projects of local school districts, community colleges and state universities, environmental protection and highway construction.

State general obligation bonds issued during the fiscal year ended June 30, 1997, were as follows (in thousands):

	<u>Amount</u>	<u>Interest Rates</u>
State Board of Education		
PECO Series 1995-F	\$ 212,000	5.300 to 7.000%
PECO Series 1996-A	\$ 250,000	5.000 to 7.000%
Capital Outlay Series 1996-B	\$ 17,485	4.000 to 4.625%
Capital Outlay Series 1997-A	\$ 189,840	4.100 to 6.000%
Department of Transportation		
Right-of-Way Acquisition Series 1996	\$ 45,045	4.000 to 6.000%
Right-of-Way Acquisition Series 1996	\$ 150,000	5.000 to 6.875%
Jacksonville Transportation Authority		
Senior Lien Series 1997	\$ 161,645	4.250 to 6.250%

More detailed information about outstanding bonds can be found in the notes to the financial statements and statistical section of this report.

Retirement System

Assets available for benefits for the Florida Retirement System were \$71.8 billion at June 30, 1997. The latest actuarial update of the Florida Retirement System prepared as of July 1, 1997, indicated that the value of the assets available for benefits funded 91.25% of the actuarial accrued liability under the entry age normal cost method.

Economic Condition and Outlook

The current U. S. Economic Consensus Estimating Conference forecast, which is an important determinant of the state economic outlook, anticipates strong growth this year and slower next. Real Gross Domestic Product is expected to increase 3.2 percent in 1997-98 and 1.9 percent in 1998-99. Real investment is anticipated to expand 7.2 percent this year and 2.1 percent next year, while real consumption should increase 3.5 percent this year and 2.6 percent next year. Underlying the official national economic forecast are key assumptions regarding fiscal policy, monetary policy, and prices. On the monetary side, the Federal Reserve is expected to raise short-term interest rates slightly in November 1997. By late 1998, the Federal Reserve will reverse course and lower interest rates because of a slowing economy. Inflation, as measured by the Consumer Price Index, is expected to remain under control, averaging 2.1 percent in 1997-98 and 2.4 percent in 1998-99. The federal budget deficit is forecasted to be \$28.7 billion this year and \$57.6 billion next year.

In other areas of the U.S. economy, construction activity in 1997-98 will remain near last year's level and drop slightly in 1998-99. Housing starts should reach 1.46 million units this year and 1.42 million next year. The stock market, as measured by the Standard and Poor's Index, is expected to increase for 1997-98 and decrease slightly

The Honorable Lawton Chiles
January 29, 1998

in 1998-99. Total employment will expand 2.2 percent in 1997-98 and 1.3 percent in 1998-99. The unemployment rate is expected to average 4.7 percent this year and 5.0 percent next year.

The current Florida Economic Consensus Estimating Conference forecast shows that the Florida economy is expected to grow in a similar pattern, but will continue to outperform the U.S. as a whole. Total nonfarm employment is expected to increase 3.9 percent in 1997-98 and 2.6 percent in 1998-99. In 1998-99, nonfarm employment in the state will reach an average of 6.7 million jobs. Trade and services account for more than half of nonfarm employment. Services employment will grow by 4.8 percent in 1997-98, and 4.1 percent in 1998-99. Trade employment will grow 3.7 percent this year and 2.3 percent next year. Florida's unemployment rate is expected to be 4.6 percent in 1997-98 and 4.8 percent in 1998-99.

An important element of Florida's economic outlook is the construction sector. In Florida, single and multi-family housing starts in 1997-98 are projected to reach a combined total of 129,500 units, and 131,300 the following year. Multi-family starts have been slow to recover from the early 1990's recession, but they are showing strength with 38,200 starts in 1997-98 and 37,200 starts in 1998-99. Single family starts are expected to be 91,300 this year and 94,100 next year. Total construction expenditures will increase 13.2 percent this year and 6.5 percent next year.

Tourist arrivals are expected to increase 2.1 percent this fiscal year and 4.0 percent next year. Air tourists will increase 1.6 percent this year and 3.7 percent next year, while auto tourists will increase 2.7 percent this year and 4.2 percent next year. By the end of this fiscal year, 43.8 million domestic and international tourists are expected to visit the State. In 1998-99, tourist visits should reach 45.6 million.

Real personal income in Florida is forecasted to increase 5.2 percent in 1997-98 and 3.7 percent in 1998-99. During this time, real personal income per capita is projected to grow at 3.2 percent in 1997-98 and 1.8 percent in 1998-99. Overall, the Florida economy appears to be growing in line with, but stronger than, the U.S. economy, and is expected to experience strong growth during 1997-98 and a mild slowdown during 1998-99.

Cash Management

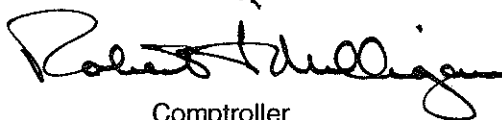
The State Treasurer is responsible for investing the General Revenue Fund and certain trust funds. Authorized investments include certificates of deposits in Florida banks and savings and loan associations, direct obligations of the United States Treasury, commercial paper and bankers' acceptances, medium term corporate notes and commingled and mutual funds. The Treasurer is also designated as the cash manager for the State and operates a statewide cash concentration account in this capacity.

The Treasurer also serves as administrator of the Florida Security for Public Deposit Program. This program encompasses all governmental entities in the State. Participating banks and savings and loan associations guarantee government deposits and pledge collateral at levels varying between 50 and 125 percent. Acceptable collateral includes obligations of the United States Government and its agencies, obligations of the State of Florida and its political subdivisions, and obligations of several states.

Independent Audit

State law requires the Auditor General to conduct financial audits of the accounts and records of all State agencies. His examination is conducted in accordance with generally accepted governmental auditing standards, and his opinion is included as a part of this report. In addition to requirements of State statutes, an audit is conducted pursuant to the requirements set forth in the Federal Single Audit Act Amendments of 1996, and the related OMB Circular A-133. This report is issued separately.

Sincerely,



Comptroller

RFM:ifs



THE ELECTORATE OF FLORIDA

Legislative Branch

Senate
House of Representatives

Public Service Commission
Auditor General
Joint Legislative Management Committee
Commission on Ethics

Executive Branch

Governor

Lt. Governor
Executive Office of the Governor
Agencies of the Governor
Agency for Health Care Administration
Department of Business and Professional Regulation
Department of Citrus
Department of Community Affairs
Department of Corrections
Department of Elderly Affairs
Department of Environmental Protection
Department of Children and Families
Department of Health
Department of Juvenile Justice
Department of Labor and Employment Security
Department of the Lottery
Department of Management Services
Department of Military Affairs
Department of Transportation

Cabinet

Comptroller
Department of Banking and Finance
Secretary of State
Department of State
Attorney General
Department of Legal Affairs
Insurance Commissioner & Treasurer
Department of Insurance
Commissioner of Agriculture
Department of Agriculture & Consumer Services
Commissioner of Education
Secretary of the Board of Education

Judicial Branch

Supreme Court
District Courts of Appeal - 5 Districts
*Circuit Courts - 20 Circuits
*County Courts - 67 Counties

Justice Administrative Commission
Judicial Qualifications Commission
*State Attorneys
*Public Defenders
*Elected Officials

Agencies headed by the Governor and Cabinet

Department of Education
Department of Highway Safety & Motor Vehicles
Department of Law Enforcement
Department of Revenue
Department of Veterans' Affairs

Other Agencies

Game & Fresh Water Fish Commission
Parole Commission
State Board of Administration

Florida's Constitution, in the traditional American pattern of "separation of power," divides the governmental structure of state into three separate independent branches.

The Legislative Branch has exclusive law-making power and determines the general policies by which the problems of society are to be met. 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.

STATE OF FLORIDA

State of Florida
Principal Officials
for the Fiscal Year Ended June 30, 1997

EXECUTIVE BRANCH

Lawton Chiles, Governor
Buddy MacKay, Lieutenant Governor

CABINET

Robert F. Milligan, Comptroller
Sandra B. Mortham, Secretary of State
Robert A. Butterworth, Attorney General
Bill Nelson, Treasurer and Insurance Commissioner
Bob Crawford, Commissioner of Agriculture
Frank T. Brogan, Commissioner of Education

LEGISLATIVE BRANCH

SENATE

Toni Jennings, President

HOUSE OF REPRESENTATIVES

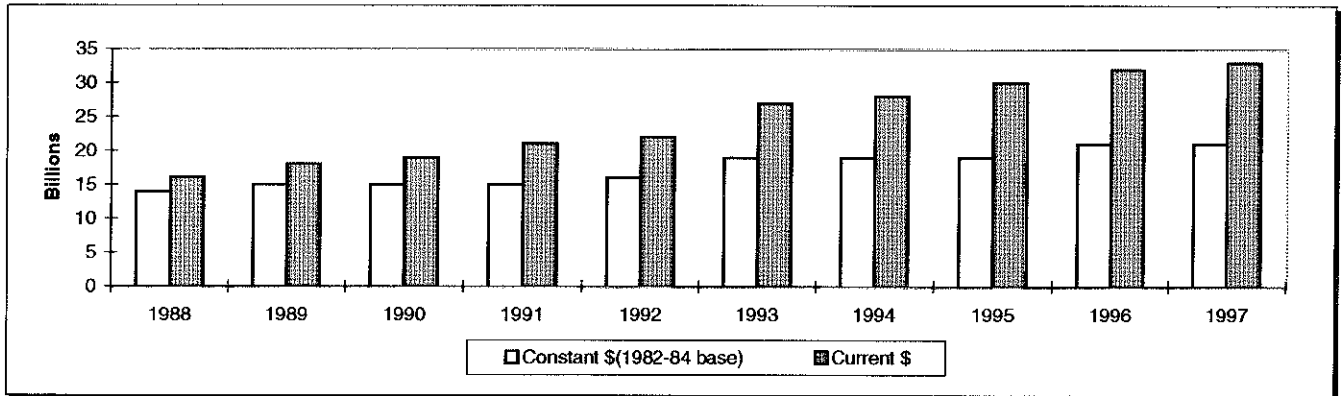
Daniel Webster, Speaker

JUDICIAL BRANCH

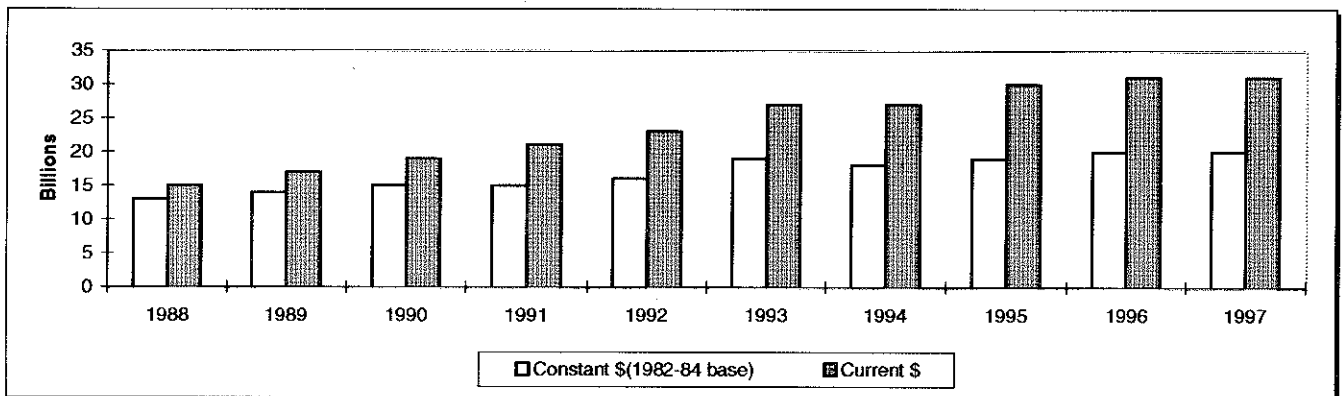
SUPREME COURT

Gerald Kogan, Chief Justice

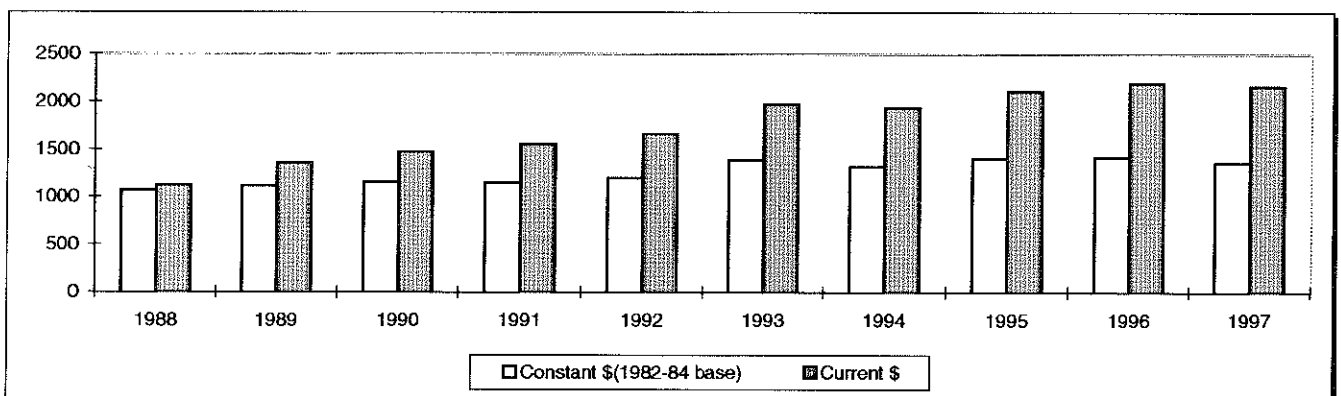
STATE OF FLORIDA
Total Revenues, All Governmental Fund Types
For Fiscal Years Ended June 30, 1988 - 1997



STATE OF FLORIDA
Total Expenditures, All Governmental Fund Types
For Fiscal Years Ended June 30, 1988 - 1997



STATE OF FLORIDA
Total Expenditures Per Capita, All Governmental Fund Types
For Fiscal Years Ended June 30, 1988 - 1997





FINANCIAL SECTION



CHARLES L. LESTER, CPA
AUDITOR GENERAL

STATE OF FLORIDA

AUDITOR GENERAL

TALLAHASSEE

January 29, 1998

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

INDEPENDENT AUDITOR'S REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS

We have audited the accompanying general purpose financial statements of the State of Florida, as of and for the fiscal year ended June 30, 1997. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Legislature constituting approximately 1 percent of assets and revenues of the General Fund; the Florida Department of the Lottery constituting approximately 34 percent and 81 percent of the assets and revenues, respectively, of the Enterprise Funds; and the Florida Housing Finance Agency constituting approximately 30 percent and approximately 3 percent of the assets and revenues, respectively, of the Enterprise Funds; nor did we audit the discretely presented component units (other than the State's community colleges) as described in note 1 to the general purpose financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for these entities, is based solely upon the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards 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 general purpose financial statements are free of material misstatement. The financial statements of a material portion of the discretely presented component units (other than the State's community

colleges) were not required to be audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

Records of the Board of Trustees of the Internal Improvement Trust Fund were not adequate to document the ownership and valuation of a substantial portion of land, which is stated at \$2.243 billion and constitutes 35 percent of the total value of general fixed assets reported in the General Fixed Assets Account Group at June 30, 1997. As a result, it was not practicable in the circumstances for us to determine whether the amount reported for land in the General Fixed Assets Account Group is fairly presented.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine adequate documentation regarding the amount reported for land in the General Fixed Assets Account Group, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Florida as of June 30, 1997, and the results of its operations, and the cash flows of its proprietary fund types, nonexpendable trust fund, and discretely presented component units for the fiscal year then ended in conformity with generally accepted accounting principles.

As discussed in note 1 to the general purpose financial statements, the State of Florida implemented GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*; GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*; and GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, in conformity with generally accepted accounting principles. As a result of the implementation of these standards, the most significant changes to the general purpose financial statements include the addition of the Statement of Changes in Plan Net Assets and reporting of Defined Benefit Pension Plan investments at fair value.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group and discretely presented component units financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Florida. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine adequate documentation regarding the amount reported for land in the General Fixed Assets Account Group, based upon our audit and reports of other auditors is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole. The information included in the introduction and the statistical and economic data listed in the table of contents was not audited by us and, accordingly, we do not express an opinion on such information.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 1998, on our consideration of the State of Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grants. This report is included as part of our separately issued Report on the Audit of the General Purpose Financial Statements of the State of Florida, audit report No. 13138, dated January 29, 1998.

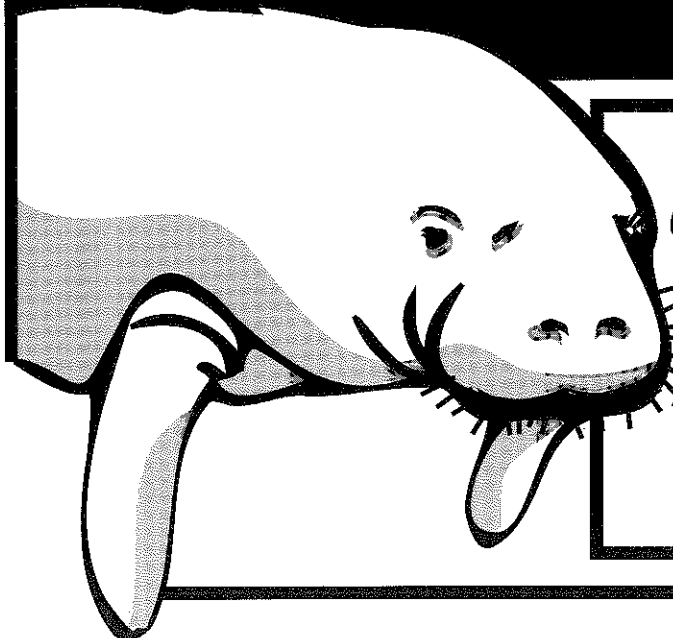
Respectfully submitted,



Charles L. Lester, CPA
Auditor General

1997

GENERAL PURPOSE FINANCIAL STATEMENTS



manatee FACT...

Their front flippers have 3 to 4 fingernails. Scientists believe this is because the manatee, a distant cousin to the elephant, was once a land-dwelling animal.

STATE OF FLORIDA

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 1997
(in thousands)**

	Governmental			Proprietary		
	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service
ASSETS AND OTHER DEBITS						
Cash and cash equivalents	\$ 5,192	\$ 8,408	\$	\$ 225	\$ 40,119	\$ 9,689
Pooled investments with State Treasury (Note 3)	2,411,241	4,577,043	12,799	.....	329,106	147,095
Cash with fiscal agents	.....	.....	.....	.....	.....	.....
Investments (Note 3)	.....	107,358	.....	268,763	2,874,587	45,808
Receivables, net (Note 4)	1,149,837	1,391,078	969	3,732	577,416	12,547
Due from other funds (Note 14)	223,918	531,536	232,705	2,489	72,253	30,143
Due from component units/primary	.....	153,898	.....	.....	886	121
Advances to other funds (Note 14)	41,394	175,158	.....	.....	67,962	.....
Inventories	20,046	495,099	.....	.....	5,289	615
Loans and notes receivable, net (Note 4)	4,394	672,322	.....	.....	1,462,255	.....
Restricted cash and cash equivalents (Note 10)	.....	.....	.....	.....	157,304	.....
Restricted investments (Note 10)	.....	.....	.....	.....	1,423,244	.....
Deferred fiscal charges and other assets	218	1,490	.....	.....	31,083	496
Land	.....	.....	.....	.....	425,659	.....
Buildings and improvements	.....	.....	.....	.....	2,158,574	535,226
Furniture and equipment	.....	.....	.....	.....	55,634	315,658
Construction in progress	.....	.....	.....	.....	535,134	13,730
Accumulated depreciation	.....	.....	.....	.....	(81,006)	(266,351)
Amount available in debt service fund	.....	.....	.....	.....	.....	.....
Amount to be provided	.....	.....	.....	.....	.....	.....
TOTAL ASSETS AND OTHER DEBITS	\$ 3,856,240	\$ 8,113,390	\$ 246,473	\$ 275,209	\$ 10,135,499	\$ 844,777
LIABILITIES, EQUITY AND OTHER CREDITS						
Liabilities:						
Accounts payable and accrued liabilities	\$ 391,353	\$ 1,228,282	\$ 14,441	\$ 467	\$ 2,054,293	\$ 659,771
Due to other funds (Note 14)	313,593	948,501	668	.....	96,737	6,780
Due to component units/primary	411	148,687	.....	.....	.....	.....
Advances from other funds (Note 14)	.....	18,271	.....	.....	260,322	2,045
Bonds payable (Note 9)	.....	.....	.....	.....	3,858,955	315,064
Certificates of participation payable	.....	.....	.....	.....	.....	53,536
Notes and leases payable (Note 11)	.....	.....	.....	.....	.....	96,140
Deferred revenues	.....	944,749	.....	.....	5,477	3,631
Payable from restricted assets (Note 10)	.....	.....	.....	.....	116,654	.....
Compensated absences	.....	.....	.....	.....	4,342	10,003
Obligations under security lending agreements	205,659	390,414	1,062	.....	1,494,238	12,546
Other liabilities	3,457	633	43	1,354	8,212	96
Total Liabilities	914,473	3,679,537	16,214	1,821	7,899,230	1,159,612
Fund Equity and Other Credits:						
Contributed capital	.....	.....	.....	.....	158,926	1,705
Investment in fixed assets	.....	.....	.....	.....	.....	.....
Retained Earnings:						
Reserved	.....	.....	.....	.....	253,328	.....
Unreserved	.....	.....	.....	.....	1,824,015	(316,540)
Fund Balances:						
Reserved (Note 26)	522,761	2,035,427	94,676	273,388	.....	.....
Unreserved	2,419,006	2,398,426	135,583	.....	.....	.....
Total Fund Equity and Other Credits	2,941,767	4,433,853	230,259	273,388	2,236,269	(314,835)
TOTAL LIABILITIES, EQUITY AND OTHER CREDIT:	\$ 3,856,240	\$ 8,113,390	\$ 246,473	\$ 275,209	\$ 10,135,499	\$ 844,777

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

STATE OF FLORIDA

Fiduciary Trust and Agency	Account Groups		State University System Fund Types	Total Primary Government (Memorandum Only)		Component Units		Total Reporting Entity (Memorandum Only) 6/30/97
	General Fixed Assets	General Long-Term Debt		6/30/97	6/30/96	Community Colleges	Other	
\$ 109,010	\$	\$	\$ 26,337	\$ 198,980	\$ 203,575	\$ 28,973	\$ 186,709	\$ 414,662
3,904,231	.....	.....	833,848	12,215,363	10,179,908	.....	.....	12,215,363
.....	.....	.....	.....	.....	.....	.....	1,165	1,165
91,791,432	.....	.....	46,402	95,134,350	70,447,805	152,377	1,811,005	97,097,732
1,342,465	.....	.....	134,853	4,612,897	4,062,652	25,529	377,411	5,015,837
74,493	.....	.....	658,486	1,826,023	1,837,451	7,769	10,032	1,843,824
.....	.....	.....	185	155,090	137,303	489,819	556,383	1,201,292
.....	.....	.....	.....	284,514	255,305	.....	.....	284,514
2	.....	.....	13,912	534,963	595,666	8,306	17,567	560,836
569,017	.....	.....	71,380	2,779,368	2,458,571	11,682	21,518	2,812,568
.....	.....	.....	.....	157,304	271,921	.....	4,926	162,230
.....	.....	.....	.....	1,423,244	1,188,889	.....	101,418	1,524,662
16,355	.....	.....	11,800	61,442	61,825	1,625	225,449	288,516
4,118	2,242,882	.....	103,004	2,775,663	2,532,520	115,562	1,201,968	4,093,193
.....	1,977,562	.....	2,469,395	7,140,757	6,482,100	1,761,056	1,539,448	10,441,261
2,824	1,789,921	.....	1,456,295	3,620,332	3,331,969	505,725	825,050	4,951,107
.....	323,003	.....	366,585	1,238,452	1,535,504	109,469	178,889	1,526,810
(1,297)	.....	.....	.....	(348,654)	(336,551)	.....	(43,571)	(392,225)
.....	.....	273,388	.....	273,388	258,691	.....	74,821	348,209
.....	.....	10,543,068	.....	10,543,068	9,566,936	.....	342,395	10,885,463
\$97,812,650	\$6,333,368	\$10,816,456	\$6,192,482	\$144,626,544	\$115,072,040	\$3,217,892	\$7,432,583	\$155,277,019
\$11,131,901	\$	\$ 15,309	\$ 166,934	\$ 15,662,751	\$ 14,190,986	\$ 145,569	\$ 481,410	\$ 16,289,730
213,635	.....	.....	246,109	1,826,023	1,837,451	7,769	10,032	1,843,824
812,506	.....	.....	11,518	973,122	882,312	53,851	290,382	1,317,355
2,324	.....	.....	1,552	284,514	255,305	.....	.....	284,514
.....	.....	9,771,945	357,416	14,303,380	13,143,228	.....	1,562,327	15,865,707
.....	.....	1,850	1,158	56,544	69,210	.....	.....	56,544
.....	.....	68,169	1,978	166,287	130,289	21,467	23,009	210,763
.....	.....	.....	20,516	974,373	656,394	3,619	180,006	1,157,998
.....	.....	.....	.....	116,654	103,169	.....	.....	116,654
1,138	.....	577,587	197,631	790,701	726,456	113,243	27,114	931,058
8,300,610	.....	.....	71,173	10,475,702	9,749,869	.....	.....	10,475,702
7,735,218	.....	381,596	27,495	8,158,104	7,675,331	14,571	304,458	8,477,133
28,197,332	.....	10,816,456	1,103,480	53,788,155	49,420,000	360,089	2,878,738	57,026,962
.....	.....	.....	.....	160,631	160,631	.....	85,777	246,408
.....	6,333,368	.....	4,114,998	10,448,366	9,635,367	2,433,277	1,904,234	14,785,877
.....	.....	.....	.....	253,328	517,214	.....	106,002	359,330
.....	.....	.....	.....	1,507,475	1,335,814	.....	156,353	1,663,828
67,378,548	.....	.....	820,174	71,124,974	47,562,730	96,765	423,014	71,644,753
2,236,770	.....	.....	153,830	7,343,615	6,440,284	327,761	1,878,465	9,549,841
69,615,318	6,333,368	.....	5,089,002	90,838,389	65,652,040	2,857,803	4,553,845	98,250,037
\$97,812,650	\$6,333,368	\$10,816,456	\$6,192,482	\$144,626,544	\$115,072,040	\$3,217,892	\$7,432,583	\$155,277,019

STATE OF FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY
PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Governmental			
	General	Special Revenue	Capital Projects	Debt Service
REVENUES				
Taxes (Note 5)	\$ 14,683,410	\$ 5,493,914	\$	\$
Licenses and permits	56,448	779,967	.....	.....
Fees and charges	195,404	1,569,818	992	53,109
Grants and donations	100	8,934,678	814	.....
Investment earnings	172,375	226,304	543	21,598
Fines, forfeits and judgments	1,135	169,969	.....	.....
Flexible benefits contributions	.....	56,708	.....	.....
Refunds	98,490	402,979	1,625	.....
Other	.....	612	.....	36,723
TOTAL REVENUES	15,207,362	17,634,949	3,974	111,430
EXPENDITURES				
Current:				
Expenditures	.....	.....	.....	.....
Economic opportunities, agriculture and employment	65,537	796,056	.....	.....
Public safety	2,052,925	417,588	.....	.....
Education	6,145,232	2,581,736	.....	.....
Health and social concerns	3,044,451	7,763,584	.....	.....
Housing and community development	8,501	198,194	.....	.....
Natural resources and environmental management	154,096	479,361	22	.....
Recreational and cultural opportunities	73,632	95,725	.....	.....
Transportation	.....	873,326	.....	.....
Governmental direction and support services	1,378,680	2,245,566	.....	60,166
Capital outlay	88,513	1,861,919	312,265	.....
Debt service:				
Principal retirement	3,582	3,647	.....	262,850
Interest and fiscal charges	250	702	8	526,477
TOTAL EXPENDITURES	13,015,399	17,317,404	312,295	849,493
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,191,963	317,545	(308,321)	(738,063)
OTHER FINANCING SOURCES (USES)				
Proceeds of bond issues	.....	1,059,140	.....	33,983
Proceeds of refunding bonds	.....	.....	.....	217,245
Operating transfers in	2,518,128	6,974,920	529,355	720,667
Operating transfers out	(2,152,384)	(7,573,764)	(218,691)	(1,890)
Transfers to State University System	(1,294,962)	.....	.....	.....
Transfers in from component units/primary	.....	1,523	.....	.....
Transfers out to component units/primary	(600,468)	(415,328)	(1,505)	.....
Proceeds of financing agreements	635	455	.....	.....
Payments to refunded bond agent	.....	.....	.....	(217,245)
TOTAL OTHER FINANCING SOURCES (USES)	(1,529,051)	46,946	309,159	752,760
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	662,912	364,491	838	14,697
Fund Balances, July 1	2,295,177	4,043,222	229,074	258,691
Adjustments to increase (decrease) beginning fund balances (Note 18)	.....	(6,860)	.....	.....
Fund Balances, July 1, as restated	2,295,177	4,036,362	229,074	258,691
Residual Equity Transfers	(15,508)	51,074	347	.....
Change in Reserve for Inventories	(814)	(18,074)	.....	.....
FUND BALANCES, JUNE 30	\$ 2,941,767	\$ 4,433,853	\$ 230,259	\$ 273,388

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

STATE OF FLORIDA

<u>Fiduciary</u> <u>Expendable</u> <u>Trust</u>	<u>Total</u> <u>Primary Government</u> <u>(Memorandum Only)</u>		<u>Component</u> <u>Units</u>	<u>Total</u> <u>Reporting Entity</u> <u>(Memorandum Only)</u>
	<u>6/30/97</u>	<u>6/30/96</u>		<u>6/30/97</u>
\$ 801,654	\$ 20,978,978	\$ 20,352,955	\$ 319,592	\$ 21,298,570
.....	836,415	826,009	7,582	843,997
695,501	2,514,824	2,230,024	977,307	3,492,131
24,880	8,960,472	9,246,985	275,736	9,236,208
315,622	736,442	726,524	190,500	926,942
132,274	303,378	214,526	33	303,411
.....	56,708	.....	.....	56,708
18,814	521,908	468,731	8	521,916
1,702	39,037	881	79,218	118,255
1,990,447	34,948,162	34,066,635	1,849,976	36,798,138
.....	.....	.....	1,386,931	1,386,931
1,033,017	1,894,610	1,942,502	.....	1,894,610
793	2,470,513	2,515,430	.....	2,470,513
22	8,727,761	8,215,301	.....	8,727,761
.....	10,808,057	12,273,168	.....	10,808,057
.....	206,695	222,890	.....	206,695
.....	633,479	523,894	.....	633,479
.....	169,357	138,279	.....	169,357
2,137	875,463	813,394	.....	875,463
341,591	4,026,003	2,998,832	.....	4,026,003
63	2,262,760	2,317,418	207,557	2,470,317
.....	270,079	260,444	5,615	275,694
2	527,439	486,470	18,643	546,082
1,377,625	32,872,216	32,708,022	1,618,746	34,490,962
612,822	2,075,946	1,358,613	231,230	2,307,176
.....	1,093,123	996,588	39,080	1,132,203
.....	217,245	598,957	84,273	301,518
31,100	10,774,170	10,080,037	26,262	10,800,432
(128,652)	(10,075,381)	(9,392,462)	(26,262)	(10,101,643)
.....	(1,294,962)	(744,522)	.....	(1,294,962)
.....	1,523	.....	236,644	238,167
(2,838)	(1,020,139)	(1,165,325)	(242,497)	(1,262,636)
.....	1,090	3,864	822	1,912
.....	(217,245)	(598,957)	(49,305)	(266,550)
(100,390)	(520,576)	(221,820)	69,017	(451,559)
512,432	1,555,370	1,136,793	300,247	1,855,617
1,726,787	8,552,951	8,864,489	1,915,945	10,468,896
.....	(6,860)	(1,457,704)	85,287	78,427
1,726,787	8,546,091	7,406,785	2,001,232	10,547,323
.....	35,913	40	.....	35,913
1	(18,887)	9,333	.....	(18,887)
\$ 2,239,220	\$ 10,118,487	\$ 8,552,951	\$ 2,301,479	\$ 12,419,966

STATE OF FLORIDA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETARY FUND TYPES FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	General Revenue			Trust		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
Fund balances, July 1, 1996	\$ 494,759	\$ 494,759	\$	\$ 6,740,356	\$ 6,740,356	\$
Reversions	228,130	228,130	.....	340,872	340,872	.....
Fund balances, July 1, 1996, restated	722,889	722,889	.....	7,081,228	7,081,228	.....
REVENUES						
Direct:						
Fees and charges	168,500	188,342	19,842	3,690,164	3,653,515	(36,649)
Licenses	49,600	54,889	5,289	865,874	809,980	(55,894)
Taxes	14,595,137	14,632,231	37,094	6,664,912	6,026,353	(638,559)
Miscellaneous	.....	545	545	280,573	242,032	(38,541)
Interest	137,100	155,379	18,279	376,337	407,856	31,519
Grants	.....	.....	.....	8,616,182	7,134,819	(1,481,363)
Refunds	.....	172,316	172,316	797,773	468,619	(329,154)
Bond proceeds	.....	.....	.....	1,090,949	1,161,170	70,221
Other	.....	1,338	1,338	448,689	726,047	277,358
Total Direct Revenues	14,950,337	15,205,040	254,703	22,831,453	20,630,391	(2,201,062)
Indirect:						
Employee/employer contributions	.....	.....	.....	5,669,784	6,212,037	542,253
Transfers and distributions	1,738,266	2,041,597	303,331	7,434,282	7,220,264	(214,018)
Sale of investments	.....	.....	.....	1,855,110	1,855,110	.....
Other	119,800	6,890	(112,910)	9,481,735	9,209,956	(271,779)
Total Indirect Revenues	1,858,066	2,048,487	190,421	24,440,911	24,497,367	56,456
TOTAL REVENUES	16,808,403	17,253,527	445,124	47,272,364	45,127,758	(2,144,606)
TOTAL AVAILABLE RESOURCES	17,531,292	17,976,416	445,124	54,353,592	52,208,986	(2,144,606)
EXPENDITURES						
Operating:						
Salaries and benefits	3,265,202	3,235,643	29,559	2,815,608	2,675,372	140,236
Other personal services	157,347	151,599	5,748	428,158	366,200	61,958
Expenses	776,302	756,327	19,975	1,072,631	944,631	128,000
Grants and aids	6,817,797	6,793,323	24,474	3,936,555	3,795,019	141,536
Operating capital outlay	72,646	66,025	6,621	169,060	75,930	93,130
Food products	59,542	59,358	184	4,451	3,454	997
Fixed capital outlay	21,446	21,446	.....	2,254,767	2,254,767	.....
Lump sum	100	.....	100	582	5	577
Special categories	3,797,663	3,760,655	37,008	6,685,378	6,127,096	558,282
Financial assistance payments	287,872	287,139	733	2,654,458	1,644,917	1,009,541
Debt service	.....	.....	.....	16,066	16,066	.....
Grants/aids to local govts./NFProfit	34,695	34,695	.....	197,727	197,727	.....
Payments to U.S. Treasury	.....	.....	.....	13,510	13,510	.....
Data processing services	100,161	99,136	1,025	146,714	143,185	3,529
Pensions and benefits	6,182	5,717	465	1,719,702	1,675,780	43,922
Claim bills and relief acts	1,000	1,000	.....	521	521	.....
Special expenses	.....	.....	.....	996	996	.....
Total Operating Expenditures	15,397,955	15,272,063	125,892	22,116,884	19,935,176	2,181,708
Nonoperating:						
Transfers	481,740	481,740	.....	6,255,051	6,255,051	.....
Purchase of investments	.....	.....	.....	3,372,070	3,372,070	.....
Refunds	232,913	232,913	.....	215,155	215,155	.....
Other nonoperating	1,077,548	1,077,548	.....	15,367,665	15,367,665	.....
Reissues	5,205	5,205	.....	3,644	3,644	.....
Total Nonoperating Expenditures	1,797,406	1,797,406	.....	25,213,585	25,213,585	.....
TOTAL EXPENDITURES	17,195,361	17,069,469	125,892	47,330,469	45,148,761	2,181,708
FUND BALANCES, JUNE 30, 1997	\$ 335,931	\$ 906,947	\$ 571,016	\$ 7,023,123	\$ 7,060,225	\$ 37,102

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

STATE OF FLORIDA

Budget Stabilization			Working Capital			Totals (Memorandum Only)		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 260,790	\$ 260,790	\$	\$ 149,818	\$ 149,818	\$	\$ 7,645,723	\$ 7,645,723	\$
.....	569,002	569,002	.....
260,790	260,790	.....	149,818	149,818	.....	8,214,725	8,214,725	.....
.....	3,858,664	3,841,857	(16,807)
.....	915,474	864,869	(50,605)
.....	21,260,049	20,658,584	(601,465)
.....	280,573	242,577	(37,996)
.....	3,100	9,569	6,469	516,537	572,804	56,267
.....	8,616,182	7,134,819	(1,481,363)
.....	797,773	640,935	(156,838)
.....	1,090,949	1,161,170	70,221
.....	448,689	727,385	278,696
.....	3,100	9,569	6,469	37,784,890	35,845,000	(1,939,890)
.....	5,669,784	6,212,037	542,253
148,600	148,600	.....	42,412	42,412	.....	9,363,560	9,452,873	89,313
.....	1,855,110	1,855,110	.....
.....	9,601,535	9,216,846	(384,689)
148,600	148,600	.....	42,412	42,412	.....	26,489,989	26,736,866	246,877
148,600	148,600	.....	45,512	51,981	6,469	64,274,879	62,581,866	(1,693,013)
409,390	409,390	.....	195,330	201,799	6,469	72,489,604	70,796,591	(1,693,013)
.....	6,080,810	5,911,015	169,795
.....	585,505	517,799	67,706
.....	1,848,933	1,700,958	147,975
.....	10,754,352	10,588,342	166,010
.....	241,706	141,955	99,751
.....	63,993	62,812	1,181
.....	397	397	.....	2,276,610	2,276,610	.....
.....	682	5	677
.....	625	625	.....	10,483,666	9,888,376	595,290
.....	2,942,330	1,932,056	1,010,274
.....	16,066	16,066	.....
.....	232,422	232,422	.....
.....	13,510	13,510	.....
.....	246,875	242,321	4,554
.....	1,725,884	1,681,497	44,387
.....	1,521	1,521	.....
.....	996	996	.....
.....	1,022	1,022	.....	37,515,861	35,208,261	2,307,600
.....	1,250	1,250	.....	6,738,041	6,738,041	.....
.....	3,372,070	3,372,070	.....
.....	5,979	5,979	.....	454,047	454,047	.....
.....	16,445,213	16,445,213	.....
.....	8,849	8,849	.....
.....	7,229	7,229	.....	27,018,220	27,018,220	.....
.....	8,251	8,251	.....	64,534,081	62,226,481	2,307,600
\$ 409,390	\$ 409,390	\$	\$ 187,079	\$ 193,548	\$ 6,469	\$ 7,955,523	\$ 8,570,110	\$ 614,587

STATE OF FLORIDA

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES
ALL PROPRIETARY FUND TYPES, SIMILAR TRUST FUNDS,
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Proprietary		Fiduciary	
	Enterprise	Internal Service	Nonexpendable	Pension
OPERATING REVENUES				
Sales -- state	\$ 442	\$ 889,012	\$	\$
Sales -- nonstate	2,464,107	32,940	.....	1
Rents -- state	9	66,001	.....	.....
Rents and royalties -- nonstate	7,182	86	.....	.....
Investment earnings	.....	.....	.....	88
Program interest	81,457	.....	.....	.....
Gain/(loss) on sale of investments	.....	.....	.....	.....
Pension fund contributions	.....	.....	.....	99,040
Other	6,513	1,702	.....	.....
TOTAL OPERATING REVENUES	2,559,710	989,741	.....	99,129
OPERATING EXPENSES				
Personal services	76,312	77,595	.....	47
Contractual services	271,532	399,059	.....	73,092
Materials and supplies	34,429	13,846	.....	14
Bad debt	8,818	.....	.....	.....
Depreciation	9,097	34,215	.....	.....
Interest and fiscal charges	327	.....	.....	.....
Insurance claims	.....	569,574	.....	.....
Repairs and maintenance	14	33,926	.....	.....
Cost of goods sold	42,547	.....	.....	.....
Payment of lottery winnings	1,026,985	.....	.....	.....
TOTAL OPERATING EXPENSES	1,470,061	1,128,215	.....	73,153
OPERATING INCOME/(LOSS)	1,089,649	(138,474)	.....	25,976
NONOPERATING REVENUES (EXPENSES)				
Grants and contributions	30,902	126	.....	.....
Investment earnings	178,615	13,229	97	.....
Interest and fiscal charges	(273,158)	(18,028)	.....	.....
Amortization	(1,057)	.....	.....	.....
Property disposition gain/(loss)	(91,297)	(12,240)	.....	.....
Escrow distribution	(17,898)	.....	.....	.....
Grant expense and client benefits	(109,215)	.....	.....	.....
Other	757	503	.....	.....
TOTAL NONOPERATING REVENUES (EXPENSES)	(282,351)	(16,410)	97	.....
INCOME/(LOSS) BEFORE OPERATING TRANSFERS	807,298	(154,884)	97	25,976
Operating transfers in	353,425	15,088	.....	.....
Operating transfers out	(1,055,368)	(17,284)	(97)	(25,933)
Transfers in from component units/primary	.....	.....	.....	.....
Transfers out to component units/primary	(39,478)	.....	.....	.....
NET INCOME/(LOSS)	65,877	(157,080)	.....	43
Retained Earnings/Fund Balances, July 1	2,012,488	(159,460)	1,209	317
Adjustments to increase (decrease) beginning retained earnings/fund balances (Note 18)	(1,022)	.....	.....	.....
Retained Earnings/Fund Balances, July 1, as restated	2,011,466	(159,460)	1,209	317
Residual Equity Transfers	.....	.....	.....	.....
RETAINED EARNINGS/FUND BALANCES, JUNE 30	\$ 2,077,343	\$ (316,540)	\$ 1,209	\$ 360

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

STATE OF FLORIDA

Total Primary Government (Memorandum Only)		Component Units	Total Reporting Entity (Memorandum Only)	
6/30/97	6/30/96		6/30/97	
\$ 889,454	\$ 792,819	\$	\$ 889,454	
2,497,048	2,477,861	193,615	2,690,663	
66,010	64,620	.....	66,010	
7,268	10,859	.....	7,268	
88	68	.....	88	
81,457	79,996	.....	81,457	
.....	(1)	.....	.....
99,040	89,378	.....	99,040	
8,215	70	5,297	13,512	
3,648,580		198,912	3,847,492	
153,954	146,498	41,561	195,515	
743,683	717,401	2,385	746,068	
48,289	60,259	6,174	54,463	
8,818	3,395	.....	8,818	
43,312	50,320	14,812	58,124	
327	825	88	415	
569,574	470,916	36,297	605,871	
33,940	22,304	4,227	38,167	
42,547	47,436	65,960	108,507	
1,026,985	1,023,064	.....	1,026,985	
2,671,429		171,504	2,842,933	
977,151		27,408	1,004,559	
31,028	30,528	11,880	42,908	
191,941	122,051	23,233	215,174	
(291,186)	(218,768)	(55,775)	(346,961)	
(1,057)	(2,205)	.....	(1,057)	
(103,537)	(13,906)	.....	(103,537)	
(17,898)	(17,635)	.....	(17,898)	
(109,215)	(100,797)	(759)	(109,974)	
1,260	12,282	(1,695)	(435)	
(298,664)		(23,116)	(321,780)	
678,487	784,802	4,292	682,779	
368,513	575,915	.....	368,513	
(1,098,682)	(1,286,902)	.....	(1,098,682)	
.....	.....	4,078	4,078	
(39,478)	(236)	(969)	(40,447)	
(91,160)		7,401	(83,759)	
1,854,554	1,777,733	79,523	1,934,077	
(1,022)	3,282	175,431	174,409	
1,853,532	1,781,015	254,954	2,108,486	
.....	(40)	.....	.....
\$ 1,762,372		\$ 262,355	\$ 2,024,727	

STATE OF FLORIDA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUND,
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)

	<u>Proprietary</u>		<u>Fiduciary</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers and users	\$ 2,674,590	\$ 1,036,687	\$
Cash paid to suppliers and vendors	(509,086)	(260,451)	.....
Cash paid to employees	(88,417)	(75,772)	.....
Cash paid for insurance claims	.....	(316,631)	.....
Cash paid for lottery prizes	(1,053,955)	.....	.....
Cash used for housing loans issued	(244,404)	.....	.....
Cash used for client benefits	(11,946)	.....	.....
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	766,782	383,833	.....
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in from other funds	483,202	12,786	.....
Advances from other funds	60,710	.....	.....
Transfers out to other funds	(1,134,808)	(437,510)	.....
Advances to other funds	(50,443)	.....	.....
Payment of bonds and loans	(302,041)	.....	.....
Bond proceeds from loan program	527,920	.....	.....
Donations	548	.....	.....
NET CASH PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES	(414,912)	(424,724)	.....
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from sale of fixed assets	456	.....	.....
Proceeds from sale of bonds	.....	22,303	.....
Payment of bonds and loans	(112,176)	(7,896)	.....
Principal on installment purchases/leases	.....	(7,700)	.....
Payment of interest	(86,450)	(17,241)	.....
Purchase or construction of fixed assets	(213,931)	(60,814)	.....
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(412,101)	(71,348)	.....
CASH FLOWS FROM INVESTING ACTIVITIES:			
Sale or maturity of investments	953,896	13,376	172
Interest received	121,913	10,814	94
Purchase of investments	(1,123,698)	.....	.....
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	(47,889)	24,190	266
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(108,120)	(88,049)	266
Cash and cash equivalents, July 1	634,649	244,833	1,750
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 526,529	\$ 156,784	\$ 2,016
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED BALANCE SHEET			
Cash and cash equivalents	\$ 40,119	\$ 9,689	\$
Pooled investments with State Treasury	329,106	147,095	2,016
Restricted cash and cash equivalents	157,304	.....	.....
TOTAL CASH AND CASH EQUIVALENTS	\$ 526,529	\$ 156,784	\$ 2,016

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

STATE OF FLORIDA

Total Primary Government (Memorandum Only)		Component Units	Total Reporting Entity (Memorandum Only)	
6/30/97	6/30/96		6/30/97	
\$ 3,711,277	\$ 3,578,470	\$ 216,662	\$ 3,927,939	
(769,537)	(580,350)	(103,596)	(873,133)	
(164,189)	(170,580)	(26,517)	(190,706)	
(316,631)	(311,512)	(1,426)	(318,057)	
(1,053,955)	(1,022,184)	.....	(1,053,955)	
(244,404)	(172,134)	.....	(244,404)	
(11,946)	(79,074)	(1,728)	(13,674)	
<hr/>				
1,150,615	1,242,636	83,395	1,234,010	
<hr/>				
495,988	231,476	45,957	541,945	
60,710	22,567	7,462	68,172	
(1,572,318)	(1,246,943)	(4,110)	(1,576,428)	
(50,443)	(47,272)	.....	(50,443)	
(302,041)	(325,953)	(4,901)	(306,942)	
527,920	218,059	.....	527,920	
548	1,150	.....	548	
<hr/>				
(839,636)	(1,146,916)	44,408	(795,228)	
<hr/>				
456	2,815	56	512	
22,303	423,844	2,140	24,443	
(120,072)	(31,006)	(3,725)	(123,797)	
(7,700)	(1,481)	(2,321)	(10,021)	
(103,691)	(97,559)	(51,020)	(154,711)	
(274,745)	(320,763)	(82,760)	(357,505)	
<hr/>				
(483,449)	(24,150)	(137,630)	(621,079)	
<hr/>				
967,444	1,872,471	42,695	1,010,139	
132,821	138,951	24,118	156,939	
(1,123,698)	(1,808,590)	(59,131)	(1,182,829)	
<hr/>				
(23,433)	202,832	7,682	(15,751)	
<hr/>				
(195,903)	274,402	(2,145)	(198,048)	
<hr/>				
881,232	606,830	17,912	899,144	
<hr/>				
\$ 685,329	\$ 881,232	\$ 15,767	\$ 701,096	
<hr/>				
\$ 49,808	\$ 94,453	\$ 10,841	\$ 60,649	
478,217	514,858	.....	478,217	
157,304	271,921	4,926	162,230	
<hr/>				
\$ 685,329	\$ 881,232	\$ 15,767	\$ 701,096	

STATE OF FLORIDA

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUND,
AND DISCRETELY PRESENTED COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)

RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES

	<u>Proprietary</u>		<u>Fiduciary</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable</u>
OPERATING INCOME/(LOSS)	\$ 1,089,649	\$ (138,474)	\$
Adjustment to reconcile operating income to net cash provided/(used) by operating activities:			
Depreciation and amortization expense	9,095	34,215	.....
(Increase)/decrease in accounts receivable	(264,970)	3,935	.....
(Increase)/decrease in due from other funds	(13,826)	684	.....
Increase/(decrease) in allowance for uncollectibles	8,719	.....	.....
(Increase)/decrease in inventories	2,632	48	.....
Increase/(decrease) in accounts payable	(34,631)	482,331	.....
Increase/(decrease) in compensated absences	694	114	.....
Increase/(decrease) in due to other funds	(310)	(13)	.....
Increase/(decrease) in deferred revenues	1,871	993	.....
Collection of the loan program	(184)	.....	.....
Loan program interest	76,331	.....	.....
Cash used for client benefits	(108,288)	.....	.....
Decrease in prize liability	.....	.....	.....
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	\$ 766,782	\$ 383,833	\$

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Capital appreciation	\$ 130,600	\$	\$
Borrowing under capital lease or installment purchase	\$	\$	\$
Contributions/transfers in of fixed assets	\$	\$	\$

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

STATE OF FLORIDA

Total Primary Government (Memorandum Only)		Component Units	Total Reporting Entity (Memorandum Only)	
<u>6/30/97</u>	<u>6/30/96</u>		<u>6/30/97</u>	
\$ 951,175	\$ 949,742	\$ 27,408	\$ 978,583	
43,310	50,320	14,812	58,122	
(261,035)	(67,618)	22,481	(238,554)	
(13,142)	126	.....	(13,142)	
8,719	1,891	.....	8,719	
2,680	1,812	(586)	2,094	
447,700	368,056	16,413	464,113	
808	1,137	16	824	
(323)	(6,918)	.....	(323)	
2,864	(1,319)	43	2,907	
(184)	.....	.....	(184)	
76,331	62,354	.....	76,331	
(108,288)	(107,266)	2,808	(105,480)	
.....	(9,681)	.....	.....
<hr/>				
\$ 1,150,615	\$ 1,242,636	\$ 83,395	\$ 1,234,010	
<hr/>				
\$ 130,600	\$ 125,875	\$	\$ 130,600	
\$	\$ 53,890	\$	\$	
\$	\$ 15,255	\$	\$	

STATE OF FLORIDA

STATEMENT OF CHANGES IN PLAN NET ASSETS DEFINED BENEFIT PENSION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

ADDITIONS

Contributions:	
Pension fund contributions - State	\$ 779,664
Pension fund contributions - Non-State	2,257,839
Purchase of time by employees	25,773
Transfers in from other state funds	46,180
Deposits required by law	174
Total Contributions	<u>3,109,630</u>
Investment Income:	
Interest income	1,256,000
Dividends	687,084
Real estate operating income, net	129,286
Other investment income	4,857
Net appreciation in fair market value	9,565,127
	<u>11,642,354</u>
Investment activity expense	(103,429)
Net income from investing activity	<u>11,538,925</u>
From security lending activities:	
Security lending income	285,702
Security lending expense	(265,205)
Net income from security lending	<u>20,497</u>
Total net investment income	<u>11,559,422</u>
TOTAL ADDITIONS	<u>14,669,052</u>

DEDUCTIONS

Transfers out to state funds	14,800
Benefit payments	1,580,389
Property disposition loss	446
Refund of contributions	1,762
Administrative expense	11,221
TOTAL DEDUCTIONS	<u>1,608,618</u>
NET INCREASE	<u>13,060,434</u>

FUND BALANCE RESERVED FOR EMPLOYEES' PENSION BENEFITS:

Fund Balance, July 1	44,439,327
Adjustments to increase (decrease) beginning fund balance (Note 18)	9,910,681
Fund Balance, July 1, as restated	54,350,008
Residual Equity Transfers	(35,913)
FUND BALANCE, JUNE 30	<u>\$ 67,374,529</u>

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

STATE OF FLORIDA

COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES - STATE UNIVERSITY SYSTEM/COMMUNITY COLLEGES FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Primary Government		Component Unit
	State University System		Community
	Unrestricted	Restricted	Colleges
REVENUES			
Educational and general:			
Student tuition and fees	\$ 416,780	\$	\$ 289,340
Governmental appropriations - state	1,417,779	88	646,707
Governmental appropriations - federal	.....	5,332	.....
Grants, contracts, and gifts - governmental	37,500	603,810	298,789
Grants, contracts, and gifts - private	35,391	152,325	16,388
Sales and services of educational activities	34,916	13,514	5,910
Investment income	11,844	136	.....
Endowment income	.....	.....	27
Other sources	10,289	2,222	21,690
Total educational and general	1,964,499	777,427	1,278,851
Auxiliary enterprises:			
Sales and services - operations	220,860	.....	55,434
Student fees	66,418	.....	.....
Investment income	7,778	.....	.....
Total auxiliary enterprises	295,056	.....	55,434
TOTAL REVENUES	2,259,555	777,427	1,334,285
EXPENDITURES AND MANDATORY TRANSFERS			
Educational and general:			
Instruction	837,891	88,813	520,987
Research	202,103	297,799	210
Public service	78,951	64,675	15,539
Academic support	270,663	28,535	111,137
Student services	97,823	6,784	124,873
Institutional support	291,383	12,389	189,206
Operations and maintenance of plant	157,781	358	121,259
Scholarships and fellowships	70,980	278,074	171,228
Educational and general expenditures	2,007,575	777,427	1,254,439
Mandatory transfers:			
Principal and interest	15,305	118	7,376
Loan fund matching grants	107	.....	.....
Other	899	(840)	.....
Total educational and general	2,023,886	776,705	1,261,815
Auxiliary enterprises:			
Expenditures	270,568	.....	45,606
Mandatory transfers:			
Principal and interest	9,582	.....	.....
Renewals and replacements	1,743	.....	.....
Total auxiliary enterprises	281,893	.....	45,606
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	2,305,779	776,705	1,307,421
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)			
Excess of restricted receipts over transfers to revenue	.....	37,750	2,680
Nonmandatory transfers	(25,204)	(25,627)	1,673
Component unit transfers	76,995	6,591	.....
Refunded to grantors	(5)	(282)	(399)
Reversions	(782)	.....	.....
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	51,004	18,432	3,954
NET INCREASES (DECREASES) IN FUND BALANCES	\$ 4,780	\$ 19,154	\$ 30,818

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

STATE OF FLORIDA

COMBINED STATEMENT OF CHANGES IN FUND BALANCES - STATE UNIVERSITY SYSTEM/COMMUNITY COLLEGES FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Primary Government			
	Current Funds			Endowment Funds
	Unrestricted	Restricted	Loan Funds	
REVENUES AND OTHER ADDITIONS				
Unrestricted current fund revenues	\$ 1,964,499	\$	\$	\$
Auxiliary enterprises revenues	295,056	.....	.....	.....
State appropriations - restricted	.....	90	.....	.....
Federal appropriations - restricted	.....	5,332	.....	.....
Governmental grants and contracts - restricted	.....	634,090	386	.....
Private gifts, grants and contracts - restricted	.....	156,218	384	.....
Investment income - restricted	.....	4,055	912	53
Realized gains on investments - restricted	.....	.....	.....	.....
Federal government advances	.....	.....	406	.....
Interest on loans receivable	.....	.....	2,203	.....
Expended for plant facilities	.....	.....	.....	.....
Retirement of indebtedness	.....	.....	.....	.....
Other revenues and additions	.....	15,818	533	.....
TOTAL REVENUES AND OTHER ADDITIONS	2,259,555	815,603	4,824	53
EXPENDITURES AND OTHER DEDUCTIONS				
Educational and general expenditures	2,007,575	777,427	.....	.....
Auxiliary enterprises expenditures	270,568	.....	.....	.....
Indirect costs recovered	.....	426	.....	.....
Refunded to grantors	5	282	13	.....
Loan cancellations and write-offs	.....	.....	2,015	.....
Administrative and collection costs	.....	.....	460	.....
Expended for plant facilities	.....	.....	.....	.....
Retirement of indebtedness	.....	.....	.....	.....
Interest on indebtedness	.....	.....	.....	.....
Disposal of plant facilities	.....	.....	.....	.....
Other expenditures and deductions	.....	.....	272	47
Reversions	782	.....	.....	.....
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	2,278,930	778,135	2,760	47
TRANSFERS AMONG FUNDS- ADDITIONS (DEDUCTIONS)				
Mandatory:				
Principal and interest	(24,887)	(118)	.....	.....
Renewals and replacements	(1,743)	.....	.....	.....
Loan fund matching grants	(107)	.....	107	.....
Other mandatory transfers	(899)	840	.....	.....
Nonmandatory:				
Interfund	(25,204)	(25,627)	(757)	(50)
Component units	76,995	6,591	.....	.....
TOTAL TRANSFERS AMONG FUNDS	24,155	(18,314)	(650)	(50)
NET INCREASE (DECREASE) FOR THE YEAR	4,780	19,154	1,414	(44)
Fund balances, July 1	246,086	140,890	91,520	386
Adjustments to beginning fund balances (Note 18)	.....	.....	.....	.....
Fund balances, July 1, as restated	246,086	140,890	91,520	386
FUND BALANCES, JUNE 30	\$ 250,866	\$ 160,044	\$ 92,934	\$ 342

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

STATE OF FLORIDA

Primary Government				Component Unit
Plant Fund Group				
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Community Colleges
\$	\$	\$	\$	\$ 1,049,995
.....	.....	.....	.....	29,810
172,345	.....	.....	.....	145,605
.....
403	18	49	.....	256,689
7,094	.....	.....	.....	9,963
10,365	471	1,025	.....	9,633
.....	.....	.....	.....	8,045
.....
.....	.....	.....	.....	2
.....	.....	.....	423,831	153,441
965	.....	.....	14,334	13,296
873	8	2,914	13	12,671
192,045	497	3,988	438,178	1,689,150
.....	.....	.....	.....	1,254,486
.....	.....	.....	.....	45,606
.....	.....	.....	.....	2,477
.....
.....	.....	.....	.....	944
.....	.....	30	.....	6
289,892	1,192	.....	.....	143,948
.....	.....	12,953	.....	13,793
.....	.....	17,064	.....	3,456
.....	.....	.....	88,185	37,094
14,442	52	1,343	425	393
.....
304,334	1,244	31,390	88,610	1,502,203
(366)	.....	25,371	.....	.....
.....	877	866	.....	.....
.....
59	.....	.....	.....	.....
47,998	525	3,115	.....	.....
1,483	.....	.....	.....	.....
49,174	1,402	29,352	.....	.....
(63,115)	655	1,950	349,568	186,947
502,461	10,143	17,724	3,765,430	2,664,079
.....	.....	.....	.....	6,777
502,461	10,143	17,724	3,765,430	2,670,856
\$ 439,346	\$ 10,798	\$ 19,674	\$ 4,114,998	\$ 2,857,803

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1997**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summary of Florida's significant accounting policies is presented to assist the reader in interpreting the financial statements. These policies should be viewed as an integral part of the accompanying financial statements.

A. Reporting Entity

The State of Florida reporting entity consists of the State's legislative agencies, the Governor and Cabinet, the State departments, commissions, and boards of the executive branch, and the various offices relating to the judicial branch of State government. Component units, legally separate organizations for which the State is financially accountable, are also included in the State's reporting entity.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, Sections 2100 and 2600. These criteria were used to evaluate potential component units for which the State is financially accountable and 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. GASB has set forth criteria to be considered in determining financial accountability. These criteria include: (1) appointing a voting majority of an organization's governing body and (2) the ability of the State to impose its will on that organization or (3) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the State. Additional information pertaining to the individual component units can be obtained from:

**The Bureau of Accounting
Room 414, The Fletcher Building
Tallahassee, Florida 32399
(850) 488-3221
Suncom 994-3221**

B. Basis of Presentation

The State's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and present the financial data of the State of Florida (the primary government) and its component units. The component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State.

The financial position of the State University System is presented in a separate column on the Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units in recognition that the accounting principles applied to the State University System fund types differ materially from those applied to the State's other fund types and account groups. The Combined Statement of Changes in Fund Balances and the Combined Statement of Current Funds Revenues, Expenditures and Other Changes follow a form recommended by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants (AICPA). The Combined Statement of Current Funds Revenues, Expenditures and Other Changes is a statement of financial activities of current funds related to the current reporting period. This statement does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

Total columns on the accompanying combined financial statements are captioned "Memorandum Only" because they are presented only to facilitate financial analyses. Inasmuch as the total columns include fund types, account groups and discretely presented component units that use different bases of accounting, include

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both restricted and unrestricted amounts, and include interfund transactions that have not been eliminated, data in the total columns are not intended to present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Additionally, the State has restated the June 30, 1996 "Memorandum Only" column for the impact of implementing GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.

BLENDED COMPONENT UNITS

Pursuant to Section 240.213, Florida Statutes (F.S.), the State University System's Board of Regents provides medical professional liability insurance through self-insurance programs at the University of Florida and the University of South Florida. As part of these self-insurance programs the Board of Regents has created Captive Insurance Companies. Although legally separate from the State University System, the Captive Insurance Companies are reported as if they are part of the primary government because they are wholly owned by the Board of Regents and their sole purpose is to assist in providing liability protection for the universities, the Board of Regents, and affiliated individuals and entities.

DISCRETELY PRESENTED COMPONENT UNITS

The following is a description of the State's discretely presented component units:

Community Colleges

Chapter 240, F.S., provides for twenty-eight community colleges located throughout the State. Section 240.305, F.S., establishes the State Board of Community Colleges of the Department of Education. The Board is comprised of the Commissioner of Education, one student and eleven lay citizens appointed by the Governor and approved by four members of the State Board of Education. The community colleges follow the same accounting principles as the State University System. Due to the significance of community colleges, they are displayed in a separate column from the remaining component units on the combined financial statements.

Other Component Units

Financial data of discretely presented component units other than community colleges is included in the "other" column of the combined statements. Additional condensed financial statement disclosures for "other" component units are included in Note 28 under the following categories:

Environmental

Water Management Districts - Chapter 373, F.S., created five water management districts in the State. These special districts have a fiscal year-end of September 30. The purpose of these districts is to protect property and the inhabitants in the districts against the effects of water, either from its surplus or deficiency. The Governor, subject to confirmation by the Senate, appoints members of the governing boards. Section 373.503(1), F.S., states that "the general regulatory and administrative functions of the districts...should fully or in part be financed by general appropriations."

Educational

Community College and University Direct-Support Organizations - Section 240.331, F.S., and Section 240.299, F.S., define a direct-support organization as an organization which is a Florida corporation, not-for-profit, incorporated under the provisions of Chapter 617, F.S., and approved by the Department of State. Fiscal years are not dictated by State statute. They are organized and operated exclusively to receive, hold, invest and administer property and to make expenditures to, or for the benefit of, the community colleges and the State University System in the State of Florida. The State Board of Community Colleges or the Board of Regents must certify that these organizations are operating in a manner consistent with goals of the college or university and in the best interest of the State. Any organization that is denied certification cannot use the name of the community college or university that it seeks to serve.

Transportation

Transportation/Expressway Authorities - Any county, or two or more contiguous counties located within a single district of the Department of Transportation (DOT) may, by resolution adopted by the board of county commissioners, form an expressway authority which shall be an agency of the State, pursuant to the Florida Expressway Authority Act.

Other

Additional Discretely Presented Component Units - Component units of the State also include various foundations, not-for-profit corporations and historic preservation boards' direct-support organizations. The fiscal years of these component units may vary.

JOINT VENTURES

A joint venture is a legal entity or other 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. The purpose of a joint venture is to pool resources and share the costs, risks, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specific service recipients. Financial data for the joint ventures in which the State participates is not included in these statements. To obtain additional information pertaining to these joint ventures, please refer to Note 1(A). The following are descriptions of the State's joint ventures:

Regional Planning Councils - Sections 186.501-.513, F.S., the "Florida Regional Planning Council Act", create regional planning agencies to assist local governments in resolving their common problems. The regional planning councils are designated as the primary organization to address problems and plan solutions that are of greater-than-local concern or scope. The State has eleven (11) regional planning councils. Participants in these councils have no equity interest but are required by statutes to contribute to the support of these programs.

Board of Control for Southern Regional Education - Sections 244.01-.03, F.S., promote the development and maintenance of regional education services and facilities in the southern states to provide greater educational advantages and facilities for the citizens in the region. The states established a joint agency called the Board of Control for Southern Regional Education to submit plans and recommendations to the states from time to time for their approval and adoption by appropriate legislative action for the development, establishment, acquisition, operation and maintenance of educational facilities in the region. There is no equity interest in this joint venture. Support for the Board is appropriated each year.

Southern Growth Policies Agreement - This agreement is intended to assist southern states in meeting their own problems by enhancing their abilities to recognize and analyze regional opportunities and take account of regional influences in planning and implementing their public policies. Appropriation requests under any budget are apportioned among the party states to support operations of the agreement, indicating an ongoing financial responsibility by the party states.

Southern Interstate Nuclear Compact - Section 377.711, F.S., enacted this compact into law joining the State of Florida and other states to recognize that proper employment of nuclear energy, facilities, materials and products can assist substantially in the industrialization of the South and the development of a balanced economy in the region. Funds are appropriated by the Legislature to support Florida's participation in the compact.

Dade County Expressway Authority - Chapter 348, Part 1, F.S. - The Dade County Expressway Authority was created and established pursuant to the Florida Expressway Authority Act. It has the powers to acquire, hold, construct, improve, maintain, operate, own, and lease an expressway system. Its governing body consists of appointments by the State and county and the State has an indirect ongoing financial interest in the Authority.

Apalachicola-Chattahoochee-Flint River Basin (ACFRB) Commission - Chapter 97-25, Laws of Florida, created the ACFRB Commission pursuant to the ACFRB Compact. The Commission was created as an interstate administrative agency to promote interstate comity, remove causes of present and future controversies, equitably

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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. There is no equity interest in this joint venture.

RELATED ORGANIZATIONS

Organizations for which a primary government is accountable because that government appoints a voting majority of the board but is not financially accountable are related organizations. Examples of such organizations include selected hospital districts, port authorities and aviation authorities. Since the State is not financially accountable for any of these organizations, applicable financial data is not shown. To obtain additional information pertaining to these related organizations, please refer to Note 1(A).

C. Fund Accounting

The State of Florida's accounting systems are organized on the basis of funds and account groups. A fund is a fiscal and accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, either expenditures or expenses depending on the fund type, and other financing sources and uses.

Governmental fund types, proprietary fund types, fiduciary fund types and account groups are used to record transactions relating to all State activities, except those pertaining to the State University System. State University System transactions are recorded in fund types as described in the AICPA College Guide model which is an acceptable alternative provided by GASB Statement No. 15, *Governmental College and University Accounting and Financial Reporting Models*. The aforementioned funds and account groups are described below.

GOVERNMENTAL FUND TYPES

General Fund - The general fund is the principal fund used to account for general governmental activities of the State. All financial transactions not required to be accounted for in other funds are accounted for in the general fund.

Special Revenue Funds - Special revenue funds are used to account for revenues which are legally restricted to expenditures for specific purposes. Principal sources of legally restricted revenues are motor fuel taxes and Federal grants.

Capital Projects Funds - Capital project funds are used to account for resources used for the acquisition or construction of major capital facilities other than those financed by enterprise funds, internal service funds or trust funds.

Debt Service Fund - The debt service fund is used to account for resources earmarked to pay principal, interest and service charges on general long-term debt.

PROPRIETARY FUND TYPES

Enterprise Funds - Enterprise funds are used to account for activities: (1) that are financed and operated in a manner similar to private business enterprises where the costs of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges or (2) where the periodic determination of revenues earned, expenses incurred and/or net income is appropriate. Certain segment information relative to enterprise funds is presented in Note 20.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by one department to other departments or other governmental units on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Fiduciary funds consist of expendable, nonexpendable, pension trust funds and agency funds which are used to account for financial resources held or administered by the State in a trustee capacity or as an agent for

individuals, private organizations, other governmental units or other funds. Each trust fund is classified for accounting measurement purposes as either a governmental-type fund or a proprietary-type fund. Accordingly, expendable trust funds are accounted for in the same manner as governmental funds, whereas the nonexpendable trust fund and the pension trust fund are accounted for in the same manner as proprietary funds. Agency funds are purely custodial in nature; that is, all assets are held for others. Therefore, assets equal liabilities. Accounting for an agency fund does not involve measuring results of operations.

ACCOUNT GROUPS

The general fixed assets account group is used to establish accounting control for general fixed assets. General fixed assets are usually acquired with resources of governmental fund types and used in association with governmental fund activities. Fixed assets of the proprietary funds are reported within those funds.

The general long-term debt account group is used to establish accounting control for unmatured long-term debt and other obligations of governmental fund types not paid with current resources. Obligations of funds using proprietary fund accounting are reported as liabilities in those funds rather than in the general long-term debt account group.

The account groups are not funds. They consist of self-balancing sets of accounts and are used only to establish accounting control over general fixed assets and general long-term obligations. Account groups are not used to account for available resources, the acquisition of fixed assets or payment of liabilities.

STATE UNIVERSITY SYSTEM FUND TYPES

Current Funds - Current funds are used to account for those economic resources which are expendable for operational purposes in performing the primary objectives of the State University System. Resources restricted by donors or other outside agencies for specific current operating purposes are reported as restricted current funds; resources not so restricted are reported as unrestricted current funds.

Loan Funds - Loan funds are used to account for loans to students and the resources available for such loans. The terms of the loan agreements with donors usually specify that the money be used on a revolving basis; that is, repayments of principal and interest by a student borrower are restored to the fund and loaned to other students.

Endowment Funds - Endowment funds are used to account for gifts which the donors or outside agencies have stipulated, as a condition of the gift, that the principal is to be maintained inviolate in perpetuity and invested for the purpose of producing income. The income from these investments is reported in the fund in which it is to be used.

Unexpended Plant Funds - Unexpended plant funds are used to account for unexpended resources received from various sources to finance the acquisition of long-lasting plant assets and liabilities associated with those resources.

Renewals and Replacements Plant Funds - Renewals and replacements plant funds are used to account for resources to be used to provide for the renewal and replacement of plant fund assets as distinguished from resources used for additions and improvements to plant.

Retirement of Indebtedness Funds - Retirement of indebtedness funds are used to account for the accumulation of resources to be used for payment of principal and interest and other debt service charges, including contributions for sinking funds, relating to plant fund indebtedness.

Investment in Plant Fund - The investment in plant fund is used to account for all long-lasting assets and their associated liabilities used in activities of the State University System, except for the assets accounted for as investments in endowment funds. This fund includes all construction in progress at June 30.

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Agency Funds - The agency funds are used to account for and report funds held by the institutions of the State University System as custodian or fiscal agent for others.

D. Basis of Accounting

Basis of accounting refers to when revenues, expenditures or expenses, transfers and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the nature of the measurement. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All governmental fund types, expendable trust funds and agency funds are accounted for using the modified accrual basis of accounting. Revenues, except for certain grant revenues, are recognized when they become measurable and available to finance expenditures of the current period. When grant terms provide that the expenditure of funds is the primary factor for determining eligibility for grant funds, revenue is recognized at the time the expenditure is made.

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) expenditures for insurance and similar services extending over more than one accounting period generally are not allocated between or among accounting periods but usually are accounted for as expenditures of the period of acquisition and (2) principal and interest on general long-term debt are recognized when due.

The measurement focus of the governmental fund types and expendable trust funds is the current financial resources method which emphasizes the determination of financial position and changes in financial position, rather than net income determination. Only current assets and current liabilities generally are accounted for in these funds.

All proprietary fund types, State University System fund types, the nonexpendable trust fund and the pension trust fund are accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses or expenditures, as applicable, are recognized when incurred. An exception to this general rule for revenue recognition may occur in State University System restricted current funds when expenditures are made for current operating purposes. The measurement focus of the State University System fund types is on the status of funds and on the flow of resources through the fund entities. The primary obligation of accounting and reporting in the State University System fund types is accounting for resources received and used rather than a determination of net income.

The measurement focus of the proprietary fund types, nonexpendable trust fund and the pension trust fund is on a flow of economic resources method which emphasizes the determination of net income, financial position and cash flows. All fund assets and liabilities, current and noncurrent, are accounted for on the balance sheet. Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The State of Florida has elected to not apply FASBs issued after the applicable date.

To the extent that State University System current funds are used to finance plant asset acquisitions, the amount so provided is accounted for as: (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization, interest and equipment renewal and replacement; and (3) transfers of a nonmandatory nature for all other cases. Transfers are recognized by all funds affected in the accounting period in which the interfund receivable and payable arise.

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general, special revenue, capital projects, expendable trust

and State University System funds. Encumbrances outstanding at fiscal year-end are reported as reservations of fund balances.

F. Reserves of Fund Balance

Reserves are established to indicate that a portion of fund balance is not appropriable or is legally segregated for specific future use. The types of reserves of the State's fund balances are described as follows:

Reserve for encumbrances - represents outstanding purchase orders, contracts and other commitments recorded in order to reserve that portion of fund balance.

Reserve for inventory, advances and long-term receivables - represents fund assets that are not expendable financial resources.

Reserve for debt service - represents fund assets restricted for payment of debt service.

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

Reserve for pensions - represents cumulative assets available and restricted for the payment of obligations of the pension plans. The reserve captures the difference between total pension assets and liabilities at the reporting date.

Other reserves - represents fund assets restricted for various reasons including donor-imposed restrictions and statute guidelines.

G. Cash and Cash Equivalents

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

H. Investments

Investments, other than investments of the Deferred Compensation Plan and the Defined Benefit Pension Plan, are valued at average cost or amortized cost. The Deferred Compensation Plan investments are valued at either fair value or contract value. Beginning with the fiscal year ended June 30, 1997, the State of Florida was required to implement GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*. Implementation of this statement required that the investments of the Defined Benefit Pension Plan be reported at their fair value at the reporting date. The State Treasury is responsible for the investment activities of several different funds. Both the State Treasury and the State Board of Administration invest moneys in various authorized investment vehicles including derivatives. Details of these investments are included in Note 3.

I. Inventories

With the exception of the State University System and food stamp inventories as discussed below, most inventories consist of expendable supplies although the inventories in some funds include small quantities of goods purchased for resale.

Methods of recording expenditures for inventories include both the consumption method and the purchases method, depending on the type of inventory and individual department accounting policy. Under the consumption method, inventories are recorded as expenditures when used or consumed. Under the purchases method, inventories are recorded as expenditures when purchased rather than when subsequently used. Inventories accounted for using the purchases method are included on the combined balance sheet by recording an offsetting reservation of fund balance for the value of such inventories reported.

STATE OF FLORIDA

Accounting methods, including valuation, vary for different inventories. The most common are described below:

General Fund and Special Revenue Funds - Inventories of the general fund and special revenue funds utilize either the purchases or consumption method and are valued using various methods of determining cost. Food stamps are recorded at face value in the Special Revenue Fund.

Proprietary Fund Types - Inventories of proprietary fund types are accounted for using either the consumption or purchases method and are valued using various methods of determining cost.

State University System Funds - Inventories reported by the State University System consist of expendable supplies and goods for resale. Both categories of inventories are expended when consumed or sold. Most of the inventories are valued at cost using the last-invoice-price method of determining cost.

J. Fixed Assets and Depreciation

Expenditures for fixed assets acquired or constructed for general governmental purposes are reported in the governmental fund types and expendable trust funds that financed the acquisition or construction. The fixed assets so acquired are capitalized (recorded) at cost in the general fixed assets account group, except for public domain (infrastructure) general fixed assets which are not capitalized. General fixed assets are not depreciated and interest expenditures during construction are not capitalized.

Fixed assets acquired or constructed by proprietary fund types, the nonexpendable trust fund and the pension trust fund are capitalized in the fund financing the acquisition or construction. The fixed assets are recorded at cost and depreciated principally on a straight-line basis over useful lives ranging from 15 to 50 years for buildings and improvements and 3 to 20 years for machinery, equipment and library resources. Net interest costs are capitalized during the construction period. Revenue-producing toll facilities (roads and bridges) are recorded as "improvements other than buildings". State University System fixed assets are generally stated at cost and are not depreciated.

Not included in reported fixed assets are the collections at various historic sites and museums throughout the State. For example, the Florida Museum of Natural History at the University of Florida contains collections of biological, archaeological, geologic and ethnographic items. 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. Although these collections are considered irreplaceable and quite valuable, no attempt has been made to place a dollar value on them.

K. Long-Term Debt

Long-term obligations that will be financed from resources to be received in the future by governmental fund types and most expendable trust funds are reported in the general long-term debt account group, not in individual funds. Long-term obligations to be financed from proprietary fund types, the nonexpendable trust fund, the pension trust fund, the State University System funds and the Prepaid Postsecondary Education Expense Trust Fund and the Special Disability Trust Fund (expendable trust funds) are recorded in the applicable funds rather than in the general long-term debt account group.

L. Compensated Absences

Employees earn the right to be compensated during absences for vacation and illness as well as for unused special compensatory leave earned for hours worked on legal holidays and other specially authorized overtime. Compensated absences for annual leave are recorded as a liability when the benefits are earned. Compensated absences for sick leave are calculated based on the vesting method. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from State service.

In governmental fund types and expendable trust funds, the expenditure for leave benefits is recognized when payments are made to employees; however, a long-term liability for unused vacation and calculated sick

leave benefits is recorded in the general long-term debt account group.

In proprietary fund types, the nonexpendable trust fund and the pension trust fund, the cost of vacation and calculated sick leave benefits is recognized (accrued) in the period they are earned and the corresponding liability for payment of such obligations is recorded in the applicable fund rather than in the general long-term debt account group.

The compensated absences liability of the State University System is recorded in the unrestricted funds. Although the State University System liability is expected to be funded primarily from future appropriations, generally accepted accounting principles for universities following the AICPA College Guide model do not permit the recording of a receivable in the unrestricted current funds in anticipation of future appropriations.

In all funds and the general long-term debt account group, the compensated absences amounts are based on June 30, 1997, salary rates and include employer social security and pension contributions at current rates.

M. Nonmonetary Transactions

Florida participates in various activities which are, in part, represented by nonmonetary transactions. The majority of these nonmonetary transactions are reported within the receiving governmental funds of the State's reporting entity. Examples include nonmonetary assistance in the form of Federal grants, such as food stamps 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 reporting entity. Transactions relating to this activity are not reported in the accompanying financial statements.

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

NOTE 2 - BUDGETARY PROCESS, REPORTING AND GAAP RECONCILIATION

A. Budget Process

Chapter 216, Florida Statutes, promulgates the process used to develop the budget for the State of Florida. By September 1 of each year, the head of each State agency and the Chief Justice of the Supreme Court for the Judicial Branch submit a final annual legislative budget request to the Governor and Legislature. Then, at least 45 days before the scheduled annual legislative session in each year, the Governor, as chief budget officer, submits his recommended budget to each legislator.

The Governor also provides estimates of revenues sufficient to fund the recommended appropriations. Estimates for the General Revenue Fund, Budget Stabilization Fund and Working Capital Fund are made by the Revenue Estimating Conference (see the description of the budgetary basis fund types in the next section). 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. In addition to the Revenue Estimating Conference, other consensus estimating conferences cover national and state economics, national and state demographics, the state public education system, criminal justice system, social services system, transportation planning and budgeting, the child welfare system, the juvenile justice system and the career education planning process.

Trust fund revenue estimates are generally made by the agency that administers the fund. These estimates are reviewed by the Governor and then incorporated into his recommended budget.

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),

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this bill becomes the General Appropriations Act.

The Governor and the Chief Justice of the Supreme Court may, under certain conditions, establish releases for amounts not appropriated by the Legislature to agencies and the judicial branch, respectively. These releases, called additional appropriations, are made primarily for nonoperating disbursements such as the purchase of investments and the transfer of money between State funds.

The Comptroller, as chief fiscal officer, approves disbursements in accordance with legislative authorizations, which are set forth in its Statement of Intent. The budget is controlled at the account code level which is defined as an appropriation category (e.g., salaries) within a budget entity. The Governor and the Comptroller are responsible for detecting conditions which could lead to a deficit in any agency's funds and reporting that fact to the Administration 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 year."

The Legislature is responsible for annually providing direction in the General Appropriations Act regarding the use of the Working Capital Fund to offset General Revenue Fund deficits. Absent any specific direction to the contrary, the Governor and the Chief Justice of the Supreme Court shall comply with guidelines provided in Section 216.221(5), F.S., for reductions in the approved operating budgets of the executive branch and the judicial branch.

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 five percent of the original appropriation or \$25,000, whichever is greater. Transfers of general revenue appropriations in excess of five percent or \$25,000, whichever is greater, or for fixed capital outlay, must be approved by the Administration Commission or the Chief Justice of the Supreme Court. The Governor and the Chief Justice of the Supreme Court may approve transfers of expenditure authority within any trust fund for agencies and the judicial branch, respectively.

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-type funds) may be certified forward into the next fiscal year. Certifications forward for agencies and the judicial branch are subject to the approval of the Governor and the Chief Justice of the Supreme Court, respectively. Any undisbursed operating appropriation not certified forward reverts to the fund from which it was appropriated as of June 30. Any certified forward operating appropriation remaining after December 31 reverts and is available for reappropriation. Any unexpended appropriation balance for fixed capital outlay subject to but not under the terms of a binding contract or a general construction contract prior to February 1 of the second fiscal year, or the third fiscal year if it is for educational facilities as defined in Chapter 235, F.S., or a construction project of the Board of Regents, shall revert on February 1 of such year to the fund from which appropriated and shall be available for reappropriation. Universities may carry forward certain unexpended appropriations up to five percent of their total operating budget, which are not subject to reversion.

The State of Florida is progressing toward full implementation of a performance-based budgeting system. Chapter 216, F.S., designates when each department will be phased into this new budgeting method. Some agencies are already subject to the performance-based budgeting standards and all agencies will be under this new system by the fiscal year ended June 30, 2002. With performance-based budgeting, a department receives a lump-sum appropriation from the Legislature for each designated program at the beginning of the year. The Governor for State agencies or the Chief Justice for the judicial branch is responsible for allocating the amounts among the traditional appropriation categories so that specified performance standards can be met. At any time during the year, the agency head or Chief Justice may transfer appropriations between categories within the performance-based program with no limit on the amount of the transfer in order for the designated program to accomplish its objectives. However, no transfer from any other budget entity may be made into the performance-based program, nor may any funds be transferred from the performance-based program to another budget entity, except pursuant to Section 216.77, F.S.

B. Budgetary Basis of Accounting

The budgetary basis of accounting required by State law differs materially from the basis used to report revenues and expenditures in accordance with generally accepted accounting principles (GAAP). Appropriations are made from funds that are prescribed by law. These legal basis fund types (known as State funds) are the General Revenue Fund, numerous trust funds, the Budget Stabilization Fund and the Working Capital Fund.

Certain moneys, known as local funds, available to agencies for their operations are maintained outside the State Treasury. Because the funds are located in banks outside of the State Treasury, budgetary authority and the disbursement of these funds are not controlled by the State Comptroller. For example, the State Board of Administration operates from such funds.

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

The presentation of the budgetary data excludes most fixed capital outlay projects. Many fixed capital outlay projects are funded on a multi-year basis since major construction projects require several years to complete. These are accounted for as capital projects funds. Appropriations are made in total the first year even though they are released and expended over a period of years as required by the projects. Although the State Transportation Trust Fund within the Department of Transportation is reported as a special revenue fund, the projects within the fund are primarily of a multi-year nature, generally requiring several years to complete and are accounted and appropriated for accordingly. Because of the multi-year nature of such projects, these multi-year fixed capital outlay projects and the State Transportation Trust Fund are not presented on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Budgetary Fund Types. The total expenditures for these fixed capital outlay projects for the fiscal year ended June 30, 1997, were \$106 million for general revenue and \$5 billion for trust funds.

State agencies maintain the accounting records used in financial statement preparation in accordance with GAAP. However, the State's accounting system has the capability of also accumulating financial data on the budgetary basis. Therefore, the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Budgetary Fund Types is presented using the following statutorily prescribed fund types: General Revenue, Trust, Budget Stabilization and Working Capital Funds. Expenditures are presented by appropriation category and are divided between operating and nonoperating categories. This presentation reflects the actual appropriation process as adopted by the State.

Additional disclosures of budgetary basis financial information may be obtained from the State Comptroller's Office. Refer to Note 1(A) for correspondence information.

C. GAAP Reporting Reconciliation

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budgetary Basis) - All Budgetary Fund Types presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for the purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of fund balances for the fiscal year ended June 30, 1997 is presented in the following schedule (in thousands):

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	GAAP BASIS FUND TYPES	
	General	Special Revenue
Budgetary basis fund balances:		
General Revenue	\$ 906,947	\$
Trust	.....	7,060,225
Budget Stabilization	409,390	.....
Working Capital	193,548	.....
	1,509,885	7,060,225
Trust funds budgetary fund balances other than special revenue funds:		
Included in the general fund	4,187	(4,187)
Security lending investments within the Treasury	205,659	390,414
Included in the proprietary fund types	.....	(453,401)
Included in the trust and agency fund types	.....	(2,735,673)
Included in the State University System funds	.....	(640,867)
Budgetary basis fund balances within the GAAP basis fund types*	1,719,731	3,616,511
Non-treasury cash and investments	1,253	96,047
Receivables not certified forward (only certain expenditure refunds are certified forward)	1,413,533	2,346,316
Inventories and prepaid items	20,266	473,724
Liabilities not certified forward (accrual items not recognized in the certified forward process)	(289,052)	(3,762,709)
Encumbrances	76,036	938,697
GAAP basis fund balances of budgetary funds within the GAAP basis fund types	\$ 2,941,767	\$ 3,708,586
GAAP basis fund balances not included in the trust funds budgetary fund balances	.....	704,580
GAAP basis fund balances of local (nonbudgetary) funds **	.....	20,687
GAAP basis fund balances	\$ 2,941,767	\$ 4,433,853
Treasury cash and investments	2,411,241	4,218,302
Certified forward receivables	5,904	2,106
Certified forward operations and fixed capital outlay	(697,414)	(603,897)
*Budgetary basis fund balances within GAAP basis funds	\$ 1,719,731	\$ 3,616,511
Cash and investments	3,939	18,362
Receivables	106	15,704
Inventories and prepaids	.....	324
Liabilities	(4,045)	(13,703)
**Balances of local (nonbudgetary) funds	\$	\$ 20,687

NOTE 3 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 1997, the carrying amount of deposits totaled \$1,371,585,499 which consisted of the following: \$198,980,180 cash and cash equivalents in financial institutions; \$157,303,504 restricted cash and cash equivalents in financial institutions; and \$1,015,301,815 pooled investments with the State Treasury. The reported carrying amount of component unit deposits totaled \$215,682,094 which consisted of cash and cash equivalents in financial institutions.

Chapter 280, F.S., generally requires public funds to be deposited in a bank or savings association that is designated by the State Treasurer as authorized to receive deposits in the State and that meets the collateral requirements. Collateral in the amount of the greater of the average daily balance of public deposits multiplied by the depository's minimum collateral pledging level, established by the State Treasurer, or 25 percent of the average monthly balance of public deposits or 125 percent of the average daily balance of public deposits greater than capital, is required to be deposited with the State Treasurer as security for public deposits. Collateral may be held by another custodian with approval of the Treasurer if conditions are met which protect the State's interests. The amount of collateral may be increased to 125 percent of the average daily balance of public deposits if specified conditions exist. Eligible collateral includes federal, federally-guaranteed, state and local government obligations and corporate bonds.

Statutes provide that if a loss to public depositors is not covered by deposit insurance and the proceeds from the sale of securities pledged by the defaulting depository, the difference will be provided by an assessment levied against other qualified public depositories of the same type as the depository in default.

Deposits held in trust, or in escrow pursuant to provisions of any trust indenture or escrow agreement, or outside the country are exempted from being placed with a qualified public depository. Also exempt are deposits of the Florida Retirement System. A number of these deposits, however, are with a qualified public depository or otherwise insured or collateralized.

The deposit balances reported by the State's banks totaled \$865,299,596. Of this amount, \$863,941,810 was covered by Federal and other depository insurance or the collateral pool described above and \$1,357,786 was uncollateralized. The deposit balances reported by component unit banks totaled \$249,331,604. Of this amount, \$237,864,145 was covered by Federal and other depository insurance or the collateral pool described above, \$11,383,619 was collateralized with securities held by the pledging financial institution's trust department in the State's name, and \$83,840 was uncollateralized.

B. Investments

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

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

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

1. Pooled Investments with the State Treasury

Unless specifically exempted by statute, all cash of the State must be deposited in the State Treasury. Certain component units are allowed by statute to deposit cash with the State Treasury. The State Treasury, in

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turn, keeps the funds fully invested to maximize interest earnings. Authorized investment types are set forth in Section 18.10, F.S., and include certificates of deposit, direct obligations of the United States Treasury, obligations of Federal agencies, asset-backed or mortgage-backed securities, commercial paper, bankers' acceptances, medium term corporate obligations, repurchase agreements, commingled and mutual funds and derivatives. The State Treasury is also responsible for safekeeping and servicing funds and securities required to be deposited by insurers and agents as a prerequisite to doing business in the State. Securities held solely in a custodial capacity for non-State entities are not reported on the State's combined balance sheet.

State Treasury holdings at June 30 include \$200,619,942 held for component units. Deposits held by the State Treasury for component units are reported by the component units as "Due from primary" and may differ in amount due to different component unit reporting periods.

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

State statutes authorize the State Treasury to participate in a security lending program. Agents of the State Treasury loan securities to broker/dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral requirements for all lending transactions are 102 percent of the fair value of the underlying security plus accrued interest. Such collateral may consist of cash, government securities, or unconditional, irrevocable standby letters of credit. Cash collateral is invested, by the agent, in short-term investments authorized by Section 18.10, F.S. At June 30, 1997 the maturities of investments made with cash collateral generally matched the maturities of their securities loans. 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, 1997. If a situation occurs where an agent does not receive collateral sufficient to offset the fair value of any securities lent, or the borrowers fail to return the securities or fail to pay the State Treasury for income distributions by the securities' issuers while the securities are on loan, the agent is required to indemnify the State Treasury for any losses which might occur. During the fiscal year, the securities lending program generated \$61,364,261 in revenues for the State Treasury while incurring \$58,430,405 in expenses and \$992,240 in agent fees. Securities on loan at June 30, 1997 are presented as nonclassifiable investments in the following schedule of custodial credit risk.

Beginning with the fiscal year ended June 30, 1997 the State of Florida was required to implement GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*. Implementation of this statement required that security lending collateral, if it has the potential for risk or reward, be recorded in the balance sheet as assets and liabilities. As a result, the collateral held at June 30, 1997 (\$1,041,870,703) is included in the balance sheet as "Pooled investments with State Treasury" and "Obligations under security lending agreements."

The State invests in derivatives of asset-backed and mortgage-backed securities to improve yield. Investments in derivatives of mortgage-backed securities include various classes such as "Interest Only" and "Principal Only". These derivatives are based on cash flows from interest and principal payments on underlying mortgages. Therefore, prices of mortgage derivatives are highly sensitive to pre-payments by mortgagees caused by changing market conditions. The carrying value of pooled investments, including derivative instruments, is reported on the balance sheet as Pooled Investments with State Treasury. As shown in the following Schedule of Pooled Investments, derivatives are included in the pooled investments categorized as U.S. obligations and other Federal agencies and bond and notes.

The State Treasury's pooled investments earned \$504,386,007 for the 1996-97 fiscal year. The State Treasury's investment in derivative instruments, primarily asset-backed securities and collateralized mortgage obligations totaled \$877,873,957, at market, which was less than its cost of \$890,252,976 for an unrealized loss of \$12,379,019. The State recognizes gains and losses on derivatives when the derivative instruments are sold. Investment earnings, including gains and losses, are reported on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances, All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units.

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Detail of the holdings and a reconciliation to the memorandum total of the combined balance sheet, as well as the credit risk of investments held, is as follows (expressed in thousands):

Schedule of Pooled Investments

	Risk Category		Carrying Value	Market Value
	A	B		
U. S. Government and federally-guaranteed obligations	\$ 3,795,280	\$	\$ 3,795,280	\$ 3,786,997
Bankers' acceptances	1,328,012	.....	1,328,012	1,347,040
Commercial paper	1,552,619	458,519	2,011,138	2,018,206
Repurchase agreements	222,550	170,289	392,839	396,174
Bonds and Notes	1,250,214	415,525	1,665,739	1,660,305
Classifiable investments	\$ 8,148,675	\$ 1,044,333	\$ 9,193,008	\$ 9,208,722
Unemployment compensation funds pooled with U. S. Treasury			2,110,414	2,110,414
Mutual funds			369,220	369,220
Securities held by others under security lending agreements			1,006,120	1,018,061
Nonclassifiable investments			3,485,754	3,497,695
Total investments			12,678,762	12,706,417
Cash on hand			300	300
Cash on deposit			1,015,302	1,015,302
Total State Treasury holdings			13,694,364	13,722,019
Adjustments:				
Outstanding warrants			(871,688)	(871,688)
Interest payable			(45,444)	(19,987)
Unsettled securities liability			(414,203)	(410,424)
Reconciled balance, June 30, 1997			12,363,029	12,419,920
Combined balance sheet presentation:				
Pooled investments with State Treasury (all fund types)			\$ 12,215,363	
Restricted assets (see Note 10)			147,666	
Total			\$ 12,363,029	

2. Other Investments

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

The State actively invests its funds primarily through the State Board of Administration (pension funds, debt service funds, lottery grand prize funds, local government funds, Florida Hurricane Catastrophe Fund and the Florida Prepaid Postsecondary Education Expense Trust Fund), Department of Banking and Finance (Consolidated Equipment Financing Program) and the Department of Community Affairs (Florida Housing Finance Agency funds).

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The State also invests funds on behalf of component units primarily through the State Board of Administration's Local Government Surplus Funds Trust Fund. Component unit investments administered by the State Board of Administration totaled \$608,371,128 at June 30, 1997. Investments held by the State for component units are reported by component units as "Due from primary" and may differ in amount due to different component unit reporting periods.

The Department of Insurance administers a deferred compensation plan for State employees more fully described in Note 17. The Plan is structured such that participants decide how their contributions are to be invested. The Department is also responsible for the safekeeping and accountability of assets (including investments) of financially troubled insurance companies.

Through the State Board of Administration, various funds (primarily the Pension Trust Fund, the Local Government Surplus Funds Trust Fund, the Florida Lottery Trust Fund and the Florida Prepaid Postsecondary Education Expense Trust Fund) participate in a securities lending program. In general, the collateral held for the security lending transactions exceeded the market value of the securities underlying the agreements (including accrued interest). Maturities of investments made with cash collateral generally are not matched to maturities of the securities loans, due to securities loan agreements generally being open-ended with no fixed expiration date. As such, investments made with cash collateral are primarily in short-term investment. The lending program was fully collateralized at June 30, 1997. Total security lending program revenue earned during the 1996-97 fiscal year was \$410,446,135 while total costs incurred were \$388,467,993.

The State's Defined Benefit Pension Plan investments are valued as of June 30, 1997, at \$73,869,422,000. The State Board of Administration has established investment policy guidelines for each portfolio within the Defined Benefit Pension Plan. Pursuant to these guidelines, investment derivative instruments are not to be used to speculate in the expectation of earning extremely high returns. Various investment derivative instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets and mortgage-backed security prepayment risk, as well as for yield-curve strategy purposes, diversification, and management of equity market exposure. Investment derivative instruments include futures, options, forward exchange contracts and mortgage-backed security derivative instruments such as collateralized mortgage obligations.

In compliance with GASB Statement Nos. 25 and 27, all investments in the Defined Benefit Pension Plan, including futures contracts, have been reported at fair value. The net gain on futures contracts during the fiscal year was \$10,632,866. The Defined Benefit Pension Plan had 6,747 long and 1,377 short futures contracts open at June 30, 1997. The margin payable on these open contracts as of June 30, 1997 was \$2,186,219. This payable is included in the "Accounts payable & accrued liabilities" total on the balance sheet. Gains and losses on futures contracts are not deferred until the contracts are closed; they are recognized on a daily basis as fair value changes.

The market value of option contracts is reported as an investment on the balance sheet. The notional (principal) balance of the option contracts are not reported on the balance sheet nor in the disclosure of custodial risk. The Defined Benefit Pension Plan's investment in call options on U.S. Treasury bond futures contracts included 1,000 long and 2,000 short call option contracts. The Defined Benefit Pension Plan also had a long position in 40,277 ten-year call options on stock. The notional amounts, if the call options were exercised, would represent a net short position in 1,000 U.S. Treasury bond futures contracts, with the futures contracts expiring September 30, 1997, and a long position in 40,277 shares of stock.

Since the call options typically are expected to expire without being exercised or are traded prior to expiration date, the potential gain (loss) is generally the premium amount or some small multiple thereof, not the notional value. The premium amounts paid/received for the options on U.S. Treasury bond futures contracts outstanding (long and short option contracts) were \$880,520 and \$1,082,720, respectively.

Forward exchange contracts are reported as accounts payable and accounts receivable on the balance sheet. The State recognizes the gains and losses on the forward exchange contracts on the settlement date. The Defined Benefit Pension Plan's forward exchange contracts for the purchase and sale of foreign currencies, based on the exchange rate in effect as of the date of the forward exchange contracts, had a receivable balance of \$118,659,155 with a discount of \$194,104 and a payable balance of \$117,568,245 with a premium of

\$1,285,014. Upon settlement of the contracts, the receivable and payable balances are reversed and any changes in the foreign currency exchange rates will affect the amount to be paid or received and gains and losses are realized for such difference.

Mortgage-backed security derivative instruments are reported at fair value on the balance sheet and are primarily classified as Federal agencies in the disclosure of custodial risk. The Defined Benefit Pension Plan's investment in mortgage-backed security derivative instruments totaled \$461,268,057, at fair value, which was greater than the cost of \$452,967,950 for a net unrealized gain of \$8,300,107 at June 30, 1997.

The Defined Benefit Pension Plan for the 1996-97 fiscal year had investment income, including net gains and losses on the sale of investments, totaling \$11,928,055,000. Net gains and losses (realized and unrealized) on the Defined Benefit Pension Plan's investments are reported as "Net appreciation in fair value" in the investment income portion of the Statement of Changes in Plan Net Assets – Defined Benefit Pension Plan.

The investments of the Florida Prepaid Postsecondary Education Expense Program (an expendable trust fund) were held by the custodian which is also the counterparty. Additionally, the cost of the other investments for the primary government and component units are categorized in the following schedules (expressed in thousands):

**Other Investments Schedule
Primary Government**

	Risk Category			Carrying Value	Market Value
	A	B	C		
Certificates of deposit	\$ 675,383	\$	\$	\$ 675,383	\$ 675,566
U. S. Government and federally-guaranteed obligations	7,797,844	819,961	921,246	9,539,051	9,643,552
Federal agencies	5,088,803	3,482	159,771	5,252,056	5,228,537
Bankers' acceptances	24,934	.....	.....	24,934	24,934
Commercial paper	6,085,961	.....	.....	6,085,961	6,091,264
Canadian bills	194,062	.....	.....	194,062	194,580
Repurchase agreements	4,830,889	17,360	61,470	4,909,719	4,909,719
Bonds and notes	6,596,546	7,909	124,020	6,728,475	6,727,095
Stocks	29,565,813	4,425	350	29,570,588	29,599,032
Total classifiable investments	\$ 60,860,235	\$ 853,137	\$ 1,266,857	\$ 62,980,229	\$ 63,094,279
Investments held by others under security lending agreements:					
U. S. obligations				6,399,231	6,847,667
Federal agencies				4,491	4,491
Bonds and notes				239,032	239,032
Stocks				2,224,923	2,224,923
Investment agreements				569,840	569,840
Real estate contracts				1,792,592	1,792,592
Deferred compensation investments (mutual funds and annuities)				830,392	830,392
Money market and mutual funds				21,516,864	21,516,866
Total nonclassifiable investments				33,577,365	34,025,803
Total investments				\$ 96,557,594	\$ 97,120,082
Combined balance sheet presentations:					
Investments				\$ 95,134,350	
Restricted assets - investments				1,423,244	
Total investments				\$ 96,557,594	

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Other Investments Schedule Component Units

	Risk Category			Carrying Value	Market Value
	A	B	C		
Certificates of deposit	\$ 1,672	\$	\$	\$ 1,672	\$ 1,672
U. S. Government and federally-guaranteed obligations	275,427	25,396	232,808	533,631	542,013
Federal agencies obligations	10,258	17,469	135,458	163,185	163,405
Repurchase agreements	19,280	2,548	5,425	27,253	28,412
Bonds and notes	267,669	.....	41,403	309,072	307,680
Stocks	148,846	2,066	210,640	361,552	366,163
Total classifiable investments	\$723,152	\$47,479	\$625,734	\$ 1,396,365	\$ 1,409,345
Investment agreements				182,051	206,827
Real estate agreements				42,870	42,886
Deferred compensation investments (mutual funds and annuities)				27,206	27,206
Money market and mutual funds				416,308	420,621
Total nonclassifiable investments				668,435	697,540
Total investments				\$2,064,800	\$2,106,885
Combined balance sheet presentations:					
Investments				\$ 1,963,382	
Restricted assets - investments				101,418	
Total investments				\$2,064,800	

NOTE 4 - RECEIVABLES

Receivables are presented on the combined balance sheet net of allowances for uncollectibles. Information regarding gross receivables and related allowances is presented below (in thousands):

	Fund Types								Total
	Governmental				Proprietary		Fiduciary	State University System	
	General	Special Revenue	Capital Projects	Debt Service	Enterprise	Internal Service	Trust and Agency		
Accounts receivable	\$ 128,973	\$ 270,481	\$ 126	\$	\$ 24,893	\$10,869	\$ 2,992,026	\$ 101,037	\$ 3,528,405
Less allowances for uncollectibles	86,608	132,114	.....	.....	3,210	9	2,394,576	10,878	2,627,395
Net accounts receivable	42,365	138,367	126	.....	21,683	10,860	597,450	90,159	901,010
Taxes receivable	1,085,509	291,831	.....	.....	.....	.....	23,431	.....	1,400,771
Pension contributions rec.	.....	.....	.....	.....	.....	.....	301,097	.....	301,097
Due from Federal gov't	1	907,364	.....	.....	.....	.....	.....	.....	907,365
Interest receivable	21,516	28,202	47	3,732	554,652	1,241	416,901	6,485	1,032,776
Other receivables	446	25,314	796	.....	1,081	446	3,586	38,209	69,878
Net receivables	\$ 1,149,837	\$1,391,078	\$ 969	\$3,732	\$ 577,416	\$12,547	\$ 1,342,465	\$ 134,853	\$ 4,612,897
Loans/notes receivable	\$ 4,394	\$ 673,337	\$	\$	\$1,484,730	\$	\$ 569,017	\$ 81,117	\$ 2,812,595
Less allowances for uncollectibles	.....	1,015	.....	.....	22,475	.....	.....	9,737	33,227
Net loans and notes receivable	\$ 4,394	\$ 672,322	\$	\$	\$1,462,255	\$	\$ 569,017	\$ 71,380	\$ 2,779,368

NOTE 5 - TAX REVENUE

Florida levies neither a personal income tax nor an ad valorem tax on real or tangible personal property. Taxes are, however, the principal means of financing State operations. A schedule of tax revenues by tax type is presented below (in thousands):

	Fund Types			
	Total	General	Special Revenue	Expendable Trust
Sales and use tax	\$ 12,113,145	\$ 12,113,145	\$	\$
Motor fuel tax	1,438,264	.....	1,438,264	.....
Corporate income tax	1,358,387	1,358,387	.....	.....
Intangible personal property tax	980,914	4,989	975,925	.....
Documentary stamp tax	864,216	19,656	844,560	.....
Unemployment compensation tax	664,887	.....	.....	664,887
Alcoholic beverage tax	553,919	534,374	19,545	.....
Gross receipts utilities tax	585,466	.....	585,466	.....
Cigarette tax	431,221	152	431,069	.....
Estate tax	568,875	568,875	.....	.....
Insurance premium tax	417,775	18,630	399,145	.....
Hospital public assistance tax	253,725	.....	253,725	.....
Workers' compensation special disability tax	222,574	.....	85,807	136,767
Pollutant tax	213,843	.....	213,843	.....
Pari-mutuel wagering tax	64,835	45,663	19,172	.....
Citrus excise tax	68,379	.....	68,379	.....
Solid minerals severance tax	64,680	.....	64,680	.....
Aviation fuel tax	55,766	.....	55,766	.....
Utility regulatory tax	27,173	.....	27,173	.....
Smokeless tobacco tax	19,287	19,287	.....	.....
Oil and gas production tax	10,472	252	10,220	.....
Other taxes	1,175	.....	1,175	.....
Total	\$ 20,978,978	\$ 14,683,410	\$ 5,493,914	\$ 801,654

NOTE 6 - CHANGES IN GENERAL FIXED ASSETS

Changes during the fiscal year in general fixed assets are summarized below (in thousands):

	Balances 7/1/96	Adjustments	Additions	Deletions	Balances 6/30/97
Land	\$2,067,617	\$ 382	\$175,472	\$ 589	\$2,242,882
Buildings	1,442,882	10,267	364,198	35,843	1,781,504
Improvements other than buildings	190,358	(39)	6,852	1,113	196,058
Furniture and equipment	1,322,692	35,828	372,082	237,873	1,492,729
Construction in progress	549,842	(8,542)	45,041	263,338	323,003
Library resources	18,820	.....	874	286	19,408
Other fixed assets	277,726	5	118	65	277,784
Total	\$5,869,937	\$ 37,901	\$964,637	\$539,107	\$6,333,368

NOTE 7 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The Florida Retirement System (FRS) was created December 1, 1970, with consolidation of the Teachers' Retirement System (Chapter 238, F.S.), the State and County Officers and Employees' Retirement System (Chapter 122, F.S.) and the Highway Patrol Pension Fund (Chapter 321, F.S.). In 1972, the Judicial Retirement System (Chapter 123, 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. Provisions relating to the FRS are also contained in Chapter 112, F.S.

Except for elected State and county officers and members of the optional retirement programs, FRS membership is compulsory for all employees filling a regularly established position in a State agency, county agency, or district school board. Membership by elected State and county officers is optional. Participation by cities, municipalities and special districts, although optional, is generally irrevocable after election to participate is made.

There are five general classes of membership as follows:

Regular Class - This class consists of members of the FRS who do not qualify for membership in the other classes.

Senior Management Service Class (SMSC) - This class consists of members in senior management level positions in State and local governments.

Special Risk Class - This class consists of members who are employed as law enforcement officers, firefighters, or correctional officers and meet the criteria to qualify for this class.

Special Risk Administrative Support Class - This class consists of Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, or correctional administrative support positions within an FRS special risk employing agency.

Elected State and County Officers' Class (ESCOC) - This class consists of elected State and county officers.

The FRS provides vesting of benefits after ten years (eight years for ESCOC members, seven years for SMSC members) of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting; however, there is a 5% benefit reduction for each year prior to normal retirement age.

Regular Members - Ten or more years of creditable service and age 62. Thirty years of creditable service regardless of age.

Senior Management - Seven years of SMSC service and age 62. Ten or more years of any creditable service and age 62. Thirty years of any creditable service regardless of age.

Special Risk (Including Administrative Support Class) - Ten or more years of Special Risk Class service and age 55. Twenty-five total years special risk service regardless of age. Thirty years of any creditable service regardless of age.

Elected State and County Officers - Eight years of ESCOC service and age 62. Ten years of any creditable service and age 62. Thirty years of any creditable service regardless of age.

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

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The FRS is a cost-sharing multiple-employer public-employee defined benefit pension plan administered by the Division of Retirement. Costs of administering the FRS are funded through interest earned on investments made for the pension trust fund. Reporting of the FRS is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

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

All participating employers must comply with statutory contribution requirements. Except in those instances where employees have elected to remain in pre-existing plans, employees make no contributions. Statutes require that the unfunded actuarial liability (UAL) be amortized within a 30 fiscal year period. The balance of legally required reserves for all defined benefit pension plans at June 30, 1997 is \$67,374,528,657. Of this amount, \$67,363,539,187 is attributable to the FRS and is reserved to provide for total current and future benefits, refunds, and administration of the FRS. Section 121.031(3), F.S., requires an actuarial review of the FRS biennially and the report is provided to the State Legislature as guidance in funding decisions. The conclusions of the review are included in the annual report of the FRS.

FRS Retirement Contribution Rates:

Membership Class	1993 Actuarial Rates Recommended for Calendar Year 1996	1995 Actuarial Rates Recommended for Calendar Year 1997	7/1/96 Statutory Rates (Ch. 121, F.S.)
Regular	16.92%	16.77%	16.77%
Senior Management	23.62%	21.58%	21.58%
Special Risk	26.67%	26.44%	26.44%
Special Risk Administration	17.57%	17.20%	17.20%
Judges	29.98%	29.55%	29.55%
Legislators/Attorneys/Cabinet	22.77%	23.07%	23.07%
Elected County Officers	27.43%	27.33%	27.33%

FRS Participating Employers:

Employer Types	6/30/97
State Agencies	52
County Agencies	394
District School Boards	67
Community Colleges	28
Cities	109*
Special Districts	122*
Hospitals	5*
Other	14
Total Participating Employers	791

*These totals include the 60 cities, 3 independent hospitals and 26 independent special districts that are closed to new FRS members as of January 1, 1996.

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FRS Membership:		Elected State and County Officers					Total 6/30/97
Member Types	Regular	Senior Management	Special Risk	Special Risk Administrative			
Active							
Non-Vested	294,058	250	31,446	38		952	326,744
Vested	237,049	1,031	23,756	193		1,018	263,047
Current Retirees and Beneficiaries	146,085	256	8,107	65		1,189	155,702
Vested Terminated	33,114	92	1,925	10		435	35,576
Total Members	710,306	1,629	65,234	306		3,594	781,069

Schedules of Funding Progress and Employer Contributions are presented on page 172. Additional information about the FRS is contained in the various publications available from the Division of Retirement within the Department of Management Services.

A. Other Postemployment Benefits

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

The Retiree Health Insurance Subsidy (HIS) established by Section 112.363, F.S., is to assist retirees of most State-administered retirement systems in paying health insurance costs. For the fiscal year ended June 30, 1997, eligible retirees and beneficiaries received a monthly retiree health insurance subsidy payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$3. The payments were at least \$30 but not more than \$90 per month. To be eligible to receive the HIS, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS program is funded by required contributions from FRS participating employers. Employer contributions, currently .66% of payroll for all active FRS employees, are added to the amount submitted for retirement contributions and are deposited in a separate trust fund from which HIS payments are authorized. In the event contributions fail to provide subsidy benefits to all participants, the subsidy payments may be reduced or canceled. Additional information pertaining to the HIS is as follows:

	1995	1996	1997
HIS recipients as of 6/30	120,257	127,335	134,871
HIS contributions for FY ending 6/30	\$95,594,880	\$107,292,909	\$111,966,826
HIS payments for FY ending 6/30	\$88,833,490	\$94,267,313	\$100,511,133
HIS trust fund assets at 6/30	\$21,838,314	\$35,913,093	\$49,065,272
HIS contribution rate as of 1/1	0.66%	0.66%	0.66%

B. State of Florida Participation

The State of Florida contributed as required to the FRS as part of a cost-sharing multiple-employer defined benefit pension plan. For the fiscal year ended June 30, 1997, the State's total covered payroll for its 151,849 State employee members amounted to \$4,097,683,851 with actual and required employer contributions totaling \$779,139,574 or 19.01%. The State's contributions to the FRS for the years ending June 30, 1995 and 1996 were \$720,710,093 and \$756,966,561, respectively. These amounts were also equal to the required contributions for each year. Covered payroll refers to all compensation paid by the State to active employees covered by the FRS on which contributions to the defined benefit pension plan are based. The State's contributions represented 25.66% of the total contributions required of all participating employers.

Employees' eligibility and benefits are as previously described. Contributions are by class based on Chapter 121, F.S., as previously described. Employees not filling regular established positions but working under other personal services (OPS) status are not covered by the FRS.

As of the July 1, 1996 transition date to GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, the State was determined to not have any net pension obligation (NPO). Under GASB No. 27, the NPO is considered to be statutorily required contributions due and payable to the plan and pension related debt, if applicable.

C. Optional Retirement Program (ORP)

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

The employing university contributes the same percentage of the participant's salary as would have been contributed to the FRS for Regular Class membership plus the HIS contribution, totaling 17.43% of covered payroll for July 1996 through June 1997. A portion (5.78%) of the total contribution is transferred to the FRS Trust Fund to help amortize the unfunded actuarial liability, .01% is for the administration of the program, and the remainder (11.64%) is paid to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the university for purchase of his (her) annuity. Additional information pertaining to the ORP is as follows:

Members	8,623	
Payroll	\$439,308,191	
Contributions:		
Employee	\$ 21,032,246	4.79% of payroll
Employer	\$ 76,579,770	17.43% of payroll

D. Senior Management Service Optional Annuity Program (SMSOAP)

An optional retirement program for members of the Senior Management Service Class was created by Section 121.055, F.S. The SMSOAP is a defined contribution plan which provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to purchase contracts for retirement and death benefits. Employees in eligible positions may make an irrevocable election to participate in the SMSOAP in lieu of the Senior Management Service Class. Employers contribute the same percentage of the participant's salary as would have been contributed to the FRS for Senior Management Service Class membership plus the HIS contribution, totaling 22.24% of covered payroll for July 1996 through June 1997. A portion (8.73%) of the total contribution is transferred to the FRS Trust Fund to help amortize the unfunded actuarial liability and the remainder (13.51%) is 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 for purchase of his (her) annuity. Additional information pertaining to the SMSOAP is as follows:

Members	77	
Payroll	\$ 6,469,381	
Contributions:		
Employee	\$ 26,492	.41% of payroll
Employer	\$ 1,401,990	21.67% of payroll

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NOTE 8 - OTHER COMMITMENTS

A. Construction

Road and bridge construction projects supervised by the Department of Transportation are administered by the Department of Transportation work program which is updated during each budget cycle. As of June 30, 1997, the Department has available approximately \$2.8 billion in budget authority arising from both current and prior year projects which represents amounts committed on executed contracts. Other major construction commitments of the State of Florida at June 30, 1997 are as follows (in thousands):

	Total Estimated Cost at <u>6/30/97</u>	Amount Expended Through <u>6/30/97</u>	Estimated Amount Committed <u>at 6/30/97</u>
<u>Agency Commitments</u>			
Department of Highway Safety and Motor Vehicles	\$ 1,887	\$ 1,398	\$ 489
Department of Veterans' Affairs	11,058	197	10,861
Department of Children and Families	55,490	46,585	8,905
Department of Corrections	660,617	552,842	107,775
Department of Management Services	70,648	55,916	14,732
Department of Agriculture and Consumer Services	75,841	43,517	32,324
Department of State	31,418	17,896	13,522
Game and Fresh Water Fish Commission	1,125	273	852
Department of Environmental Protection	31,659	27,090	4,569
Office of the State Courts Administrator	5,120	204	4,916
Florida School for the Deaf and Blind	7,879	2,516	5,363
John and Mable Ringling Museum of Art	21,051	18,519	2,532
Department of Military Affairs	2,089	378	1,711
Department of Juvenile Justice	105,244	27,605	77,639
State University System	1,144,243	673,978	470,265
	<u>\$ 2,225,369</u>	<u>\$ 1,468,914</u>	<u>\$ 756,455</u>
Totals			

B. Other

State Government Information Technology - The State of Florida currently has initiatives underway to address the potential impact the Year 2000 Problem will have on the information technology of the State. This problem is referred to by various names including "Y2K", "Turn of the Century Problem", "The Millennium Bug", and "Year 2000 Problem". This is the result of many of the State's existing information technology applications having a two-digit indicator but not a century indicator. Unless corrected before January 1, 2000, many computer applications will either stop working or, worse, begin producing erroneous results on that date. State agencies are currently working with the State's Year 2000 Task Force to develop methods to correct this problem by January 1, 1999. Although cost estimates vary from agency to agency, it is clear that substantial resources, in terms of millions of dollars and manpower, has been and will continue to be needed to resolve this issue over the next two years. A consulting firm has reported preliminary estimates of Year 2000 Problem costs and related issues ranging from \$75 to \$90 million.

NOTE 9 - BONDS PAYABLE

A. Bonds Payable

Bonds payable at June 30, 1997, are as follows (in thousands):

Bond Type	Amount Outstanding	Interest Rates	Annual Maturity To
GENERAL LONG-TERM DEBT ACCOUNT GROUP:			
Road and Bridge Bonds	\$ 749,850	4.000-7.000	2026
SBE Capital Outlay Bonds	626,095	4.000-9.750	2017
Public Education Bonds	6,081,655	4.200-9.125	2026
Conservation Act Bonds	31,590	4.500-5.750	2012
Save Our Coast Bonds	232,260	4.300-7.000	2012
Preservation 2000 Bonds	1,905,610	4.300-6.750	2013
Pollution Control Bonds	144,885	4.500-7.500	2017
	<u>9,771,945</u>		
ENTERPRISE FUNDS:			
Toll Facilities Bonds	1,394,734	4.200-10.000	2025
Florida Housing Finance Agency Bonds	2,510,995	3.750-14.000 (Some floating/ variable rates)	2037
	<u>46,774</u>		
Less Payable from Restricted Assets	<u>3,858,955</u>		
INTERNAL SERVICE FUND:			
Florida Facilities Pool Bonds	315,064	4.150-7.100	2026
STATE UNIVERSITY SYSTEM:			
State University System Bonds	357,416	3.000-7.000	2027
TOTAL BONDS PAYABLE	<u><u>\$ 14,303,380</u></u>		

Road and Bridge serial and term bonds are secured by a pledge of a portion of the State-assessed gasoline tax revenues, a 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 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.

Public Education Bonds are issued to finance capital outlay projects of local school districts, community colleges, vocational technical schools and the State University System. 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 Act Bonds including Outdoor Recreation are issued to acquire lands, water areas and related resources. The bonds mature serially and are primarily secured by a pledge of the documentary stamp tax.

Save Our Coast Bonds are used to finance the purchase of environmentally significant coastal property. The bonds mature serially and are secured by a pledge of State Land Acquisition Trust Fund collections (primarily documentary stamp taxes).

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

Pollution Control Bonds are issued to make funds available for local government acquisition and construction of

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pollution control facilities. The bonds are to be serviced by revenues pledged by the local governments and the full faith and credit of the State is pledged as additional security. The bonds mature serially. This amount includes \$55,780,000 that has been escrowed by local governments.

Toll Facilities Bonds are issued to provide construction funds for roads and bridges. The bonds are secured by a pledge of toll facility revenues and a portion of the State-assessed gasoline taxes. In addition, the full faith and credit of the State is pledged to service \$289,655,000 of the bonds outstanding. The bonds outstanding at June 30, 1997 consist of \$903,610,000 of serial bonds, and \$525,895,000 of term bonds. The amount reported is net of \$34,771,029 unamortized discount.

The Florida Housing Finance Agency purchases single-family mortgage loans originated on behalf of the agency by lending institutions; provides mortgage loans for the construction of multi-family dwellings for low, moderate and middle income families; and provides loans to and makes deposits with lending institutions for the purpose of making such loans. Bonds and other obligations issued by the agency are payable, both as to principal and interest, solely from the assets of the various programs which are pledged under the resolutions authorizing the particular issues. These issues do not constitute an obligation, either general or special, of the State of Florida or any local government therein. Neither the faith, credit and revenues nor the taxing power of the State of Florida or any local government therein shall be pledged to the payment of the principal or interest on the obligations. The amount reported is net of \$4,335,457 unamortized discount. Bonds outstanding at June 30, 1997, consist of \$163,975,000 of serial bonds; \$2,314,826,446 of term bonds; and capital appreciation bonds accreted to a value of \$36,528,574.

Florida Facilities Pool revenue bonds are issued to provide funds for the acquisition and construction of facilities to be leased to State agencies. The bonds are secured by a pledge of the revenues derived from the leasing and operations of these facilities. The amount reported is net of \$ 3,427,661 unamortized discount and \$4,408,459 of unamortized amount deferred on refunding.

State University System Bonds and revenues certificates are issued to construct university facilities, including parking garages and student housing. Bonds and revenue certificates outstanding, which include both term and serial bonds, are secured by a pledge of rental revenues, traffic and parking revenues and student fee assessments. The amount reported is net of \$3,916,037 unamortized discount.

B. Advanced Refundings and Defeased

During the fiscal year ended June 30, 1997, the State of Florida took advantage of favorable conditions and issued bonds for the purpose of advance refunding previously issued bonds. The advance refunding of these bond series was made in order to obtain lower interest rates and the resulting savings in debt service payments over the life of the bond. The economic gains obtained by these advance refundings are the differences between the present value of old debt service requirements and the new debt service.

The proceeds of the refundings, and in some cases additional funds, were deposited into irrevocable trusts and invested in direct obligations of the Federal government and/or obligations guaranteed by the Federal government. The funds deposited along with the interest to be earned will be sufficient to meet the future principal and interest payments on the refunded bonds as they come due.

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

General Long-Term Debt Account Group:

The Full Faith and Credit, Jacksonville Transportation Authority, Senior Lien Refunding Bonds, Series 1997, in the amount of \$161,645,000, along with other available funds were used to advance refund \$77,770,000 of the outstanding bonds of the originally issued \$194,155,000 Full Faith and Credit, Jacksonville Transportation Authority, Senior Lien Bonds, Series 1989, and \$68,000,000 of the outstanding bonds of the originally issued \$92,900,000 Full Faith and Credit Jacksonville Transportation Authority,

Senior Lien Bonds, Series 1992. This refunding resulted in debt service savings of \$16,122,097 and an economic gain of \$8,727,539.

The Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 1996, in the amount of \$45,045,000, along with other available funds were used to advance refund \$41,840,000 of the outstanding bonds of the originally issued \$50,000,000 Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds, Series 1991. This refunding resulted in debt service savings of \$4,525,941 and an economic gain of \$2,551,671.

The Full Faith and Credit, State Board of Education (SBE) Capital Outlay Refunding Bonds, Series 1996 B in the amount of \$17,485,000 were used to advance refund \$4,575,000 of the originally issued \$13,000,000 Full Faith and Credit, SBE Capital Outlay Bonds, Series 1980 – A; \$3,190,000 of the originally issued \$4,300,000 Full Faith and Credit, SBE Capital Outlay Bonds, Series 1986 – A; \$5,140,000 of the originally issued \$7,735,000 Full Faith and Credit, SBE Capital Outlay Bonds, Series 1988 – A; and \$3,895,000 of the originally issued \$5,670,000 Full Faith and Credit, SBE Capital Outlay Bonds, Series 1990 – A. This refunding resulted in debt service savings of \$1,577,227 and an economic gain of \$1,269,965.

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

General Long-Term Debt Account Group:

Pollution Control Bonds, Series J	\$ 43,230,000
Polk County Road Refunding Bonds, Series 1990	10,225,000
Liberty County Road Bonds, Series 1979	1,390,000

Enterprise Fund:

Dade County Road Refunding Bonds, Series 1993	\$ 91,300,000
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Funds sufficient to meet the debt service requirements of these issues were deposited into irrevocable escrow accounts. These bonds were not considered to be advance refunded since no debt was issued to provide the escrowed funds.

C. 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 6/30/97
<i>General Long-Term Debt:</i>	
SBE Higher Education Bonds	\$ 130,285
Pollution Control Bonds	233,945
Public Education Capital Outlay Bonds	1,714,545
Road and Bridge Bonds	45,165
Save Our Coast Bonds	20,500
Conservation Act Bonds	28,470
 <i>Enterprise Funds:</i>	
Toll Facilities Bonds	\$ 658,505
 <i>Internal Service Funds:</i>	
Florida Facilities Pool Bonds	\$ 98,950
 <i>State University System Bonds</i>	 \$ 60,965

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D. Annual Requirements for Debt Service

The annual requirements to amortize bonds and certificates of participation payable at June 30, 1997 are as follows (in thousands):

Fiscal Year Ending 6/30	General Long-Term Debt	Enterprise Funds	Internal Service Funds	State University System	Component Units	Certificates of Participation
1998	\$ 810,756	\$ 275,698	\$ 23,612	\$ 30,544	\$ 101,635	\$ 10,752
1999	808,182	276,569	23,914	30,500	109,733	4,172
2000	807,198	284,180	24,225	30,691	107,020	3,881
2001	803,511	283,522	24,159	30,670	108,760	3,842
2002	799,924	282,662	24,147	30,340	110,195	3,844
Later years	13,619,375	7,046,782	447,883	467,147	2,274,587	60,183
Less restricted	.....	46,774	.....	.....	.....	.....
Total Debt	17,648,946	8,402,639	567,940	619,892	2,811,930	86,674
Less unamortized	.....	39,106	7,836	3,916	101,862	.....
Less interest	7,877,001	4,504,578	245,040	258,560	1,147,741	30,130
Principal	\$ 9,771,945	\$ 3,858,955	\$ 315,064	\$ 357,416	\$ 1,562,327	\$ 56,544

NOTE 10 - RESTRICTED ASSETS AND LIABILITIES PAYABLE FROM RESTRICTED ASSETS

Mandatory asset segregation required by bond indentures is presented in various enterprise funds as restricted assets. Restricted assets are composed of cash and investments in those funds with outstanding bonds. Current bonds payable and accrued interest payable in these funds are classified as payable from restricted assets. The amounts are as follows (in thousands):

RESTRICTED ASSETS:

Cash	\$ 9,638
Pooled investments with the State Treasury	147,666
Investments	1,423,244
Total	<u>\$ 1,580,548</u>

LIABILITIES PAYABLE FROM RESTRICTED ASSETS:

Current bonds payable	\$ 46,774
Accrued interest payable	69,880
Total	<u>\$ 116,654</u>

NOTE 11 - INSTALLMENT PURCHASE CONTRACTS AND CAPITAL LEASES PAYABLE

Florida has a number of installment purchase contracts and capital leases providing for the acquisition of machinery, equipment, and buildings. The following is a schedule of future minimum payments remaining under the contracts at June 30, 1997 (in thousands):

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Fiscal Year Ended 6/30	General Long-Term Debt	Proprietary Fund Types	State University System	Component Units	Total
1998	\$ 9,806	\$ 7,318	\$ 769	\$ 6,586	\$ 24,479
1999	6,439	7,120	122	6,045	19,726
2000	6,731	8,117	122	5,191	20,161
2001	6,034	8,117	122	3,318	17,591
2002	5,933	8,091	111	2,579	16,714
Later Years	75,432	114,249	2,200	47,641	239,522
Total minimum payments	110,375	153,012	3,446	71,360	338,193
Less interest	42,206	56,872	1,468	26,884	127,430
Present value of payments	\$ 68,169	\$ 96,140	\$ 1,978	\$ 44,476	\$ 210,763
Installment purchases	\$ 3,813	\$ 1,090	\$ 714	\$ 10,805	\$ 16,422
Capital leases	64,356	95,050	1,264	33,671	194,341
Total	\$ 68,169	\$ 96,140	\$ 1,978	\$ 44,476	\$ 210,763

NOTE 12 - CHANGES IN GENERAL LONG-TERM DEBT AND COMPONENT UNIT LONG-TERM DEBT

Changes during the fiscal year in general long-term debt and component unit long-term debt are summarized below (in thousands):

	Balance 7/1/96	Adjustments	Additions	Deletions	Balance 6/30/97
PRIMARY GOVERNMENT					
Bonds payable:					
Road and Bridge	\$ 611,875	\$	\$ 356,690	\$ 218,715	\$ 749,850
State School	455,400	.....	207,325	36,630	626,095
Public Education	5,732,395	.....	462,000	112,740	6,081,655
Conservation Act	34,210	.....	.....	2,620	31,590
Preservation 2000	1,668,600	.....	300,000	62,990	1,905,610
Save Our Coast	244,520	.....	.....	12,260	232,260
Pollution Control	197,105	.....	.....	52,220	144,885
Compensated absences	530,495	.....	47,092	.....	577,587
Certificates of participation	4,210	(5)	93	2,448	1,850
Installment-purchase contracts and capital leases payable	72,531	130	2,678	7,170	68,169
Due to other governments:					
Florida Canal Authority	19,783	.....	.....	10,695	9,088
Federal arbitrage liability	4,365	.....	1,237	551	5,051
Other long-term liabilities:					
Petroleum Clean-Up liability	248,809	.....	228,451	96,781	380,479
Other	1,329	.....	1,206	248	2,287
Total Primary Government	\$ 9,825,627	\$ 125	\$ 1,606,772	\$ 616,068	\$ 10,816,456
COMPONENT UNITS					
Bonds Payable	\$ 1,460,958	\$	\$ 203,310	\$ 101,941	\$ 1,562,327
Compensated Absences	137,734	.....	4,149	1,526	140,357
Other	176,327	5,796	176,834	76,539	282,418
Total Component Units	\$ 1,775,019	\$ 5,796	\$ 384,293	\$ 180,006	\$ 1,985,102

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NOTE 13 - OPERATING LEASES

Florida has long-term commitments for assets leased under operating leases. These assets are not recorded on the combined balance sheet and operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred. Future minimum lease commitments for noncancelable operating leases as of June 30, 1997 are as follows (in thousands):

<u>Fiscal Year Ending 6/30</u>	<u>Primary Government Operating Lease Commitments</u>	<u>Component Units Operating Lease Commitments</u>	<u>Entity Total</u>
1998	\$ 136,374	\$ 14,153	\$ 150,527
1999	130,601	11,910	142,511
2000	105,939	10,515	116,454
2001	87,364	4,245	91,609
2002	66,654	3,288	69,942
Later Years	241,362	11,831	253,193
Total	<u>\$ 768,294</u>	<u>\$ 55,942</u>	<u>\$ 824,236</u>

Total primary operating lease commitments consisted of \$8,035,358 for machinery and equipment and \$760,258,826 for land and buildings. Total operating lease commitments for component units consisted of \$2,663,541 for machinery and equipment and \$53,277,987 for land and buildings.

NOTE 14 - INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, there are numerous transactions between funds. At June 30, 1997, 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. Receivable and payable balances of various state agencies at June 30, 1997 are as follows (in thousands):

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	Interfund Receivables		Interfund Payables	
	Due From Other Funds	Advances To Other Funds	Due To Other Funds	Advances From Other Funds
General Fund	\$ 223,918	\$ 41,394	\$ 313,593	\$
Special Revenue Funds				
Department of Revenue	89,899	.....	375,914	7
Department of Environmental Protection	68,226	3,200	114,537	3,200
Department of Transportation	188,747	168,933	5,753	10,000
Department of Education	59,836	.....	302,615	.....
Other	124,828	3,025	149,682	5,064
Total Special Revenue Funds	531,536	175,158	948,501	18,271
Capital Project Funds				
Department of Environmental Protection	79,386	.....	56	.....
Department of Corrections	101,041	.....	1	.....
Other	52,278	.....	611	.....
Total Capital Projects Funds	232,705	.....	668	.....
Debt Service Fund	2,489	.....	.....	.....
Enterprise Funds				
Department of Transportation	58,375	67,962	31,400	235,495
Other	13,878	.....	65,337	24,827
Total Enterprise Funds	72,253	67,962	96,737	260,322
Internal Service Funds				
Department of Children and Families	16,504	.....	555	.....
Other	13,639	.....	6,225	2,045
Total Internal Service Funds	30,143	.....	6,780	2,045
Trust and Agency Funds				
Expendable Trust Funds				
Department of Labor and Employment Security	21,368	.....	30,838	.....
Other	695	.....	1,953	.....
Nonexpendable Trust Fund				
Ringling Museum Investment Fund	.....	.....	645	.....
Pension Trust Fund	1,063	.....	3,486	.....
Agency Funds				
Department of Insurance	.....	.....	107,623	.....
Department of Revenue	48,065	.....	58,742	.....
Other	3,302	.....	10,348	2,324
Total Trust and Agency Funds	74,493	.....	213,635	2,324
State University System Funds	658,486	.....	246,109	1,552
Total Interfunds Receivables and Payables	1,826,023	284,514	1,826,023	284,514
Total for Component Units	\$ 17,801	\$	\$ 17,801	\$

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NOTE 15 - RISK MANAGEMENT

A. Property Self-Insurance Fund

The State Property Insurance Trust Fund, an internal service fund, insures 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 Fund provides coverage up to \$2 million per loss occurrence subject to an annual aggregate of \$5 million, except for losses due to flood. Commercial insurance for losses in excess of coverage provided by the Fund is purchased up to \$200 million per loss event, except losses due to flood. The Fund self-insures up to \$250,000 coverage per State-owned single family residence and \$500,000 coverage per State-owned building for loss or damage due to flood and up to \$100,000 and \$500,000, respectively, for contents thereof.

The Fund's estimated liability for unpaid claims at fiscal year-end is determined by management analyses. Changes in the Fund's claims liability amount in fiscal years ended June 30, 1996 and June 30, 1997, were as follows (in thousands):

<u>Fiscal Year-Ended</u>	<u>Beginning-of-Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Other</u>	<u>Balance at Fiscal Year-End</u>
June 30, 1996	\$ 2,274	\$ 2,439	\$ (234)	\$	\$ 4,479
June 30, 1997	\$ 4,479	\$ 261	\$ (980)	\$	\$ 3,760

B. Casualty Self-Insurance Fund

The Florida Casualty Insurance Risk Management Trust Fund, an internal service fund, provides insurance for the risks of loss related to Federal civil rights actions, workers' compensation, court awarded attorney fees, automobile liability and general liability. It is the policy of the State to retain these risks of losses rather than purchasing commercial insurance.

The estimated liability for unpaid claims at June 30, 1997, was \$550 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 four percent annual percentage rate.

Changes in the Florida Casualty Insurance Risk Management Trust Fund's balances of claims liabilities for all risks of losses covered during the fiscal years ended June 30, 1996 and June 30, 1997, were as follows (in thousands):

<u>Fiscal Year-Ended</u>	<u>Beginning-of-Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Other</u>	<u>Balance at Fiscal Year-End</u>
June 30, 1996	\$ 421,988	\$ 113,809	\$ (84,764)	\$	\$ 451,033
June 30, 1997	\$ 451,033	\$ 182,058	\$ (83,101)	\$	\$ 549,990

C. Medical Professional Liability Self-Insurance Program

The Medical Professional Liability Self-Insurance Program provides dental, medical, and veterinary medical professional liability, comprehensive general liability, hospital professional liability and patient's property liability covering faculty, staff and students engaged in dental, medical, and veterinary medical programs at the University of Florida, J. Hillis Miller Health Center (JHMHC), the JHMHC at Jacksonville and the University of South Florida. The funds are reported with the State University System current funds.

The Program's retained risks range from payments on tort claims limited to \$100,000 per claim and \$200,000 per occurrence to \$2 million per occurrence for professional liability up to an aggregate of \$6 million for all payments made on claims arising during the fiscal year for the University of Florida JHMHC, up to \$3 million for the University of South Florida and up to \$6 million for the JHMHC at Jacksonville. Losses in excess of these individual and aggregate amounts, up to \$50 million, are insured commercially. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The Medical Professional Liability Self-Insurance Program's estimated liability for unpaid claims at fiscal year-end is the result of both management and actuarial analyses and includes an amount for claims that have been incurred but not reported. The Program purchases annuity contracts from commercial insurers to satisfy certain liabilities; accordingly, no liability is reported for those claims. At June 30, 1997, none of those covered liabilities were still outstanding. Changes in the Program's claim liability amount in fiscal years ended June 30, 1996 and June 30, 1997, were as follows (in thousands):

<u>Fiscal Year- Ended</u>	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Other</u>	<u>Balance at Fiscal Year- End</u>
June 30, 1996	\$ 33,374	\$ 6,478	\$ (5,451)	\$	\$ 34,401
June 30, 1997	\$ 34,401	\$ 6,239	\$ (6,386)	\$	\$ 34,254

D. Employees Health Insurance Fund

Employees may obtain health care services through participation in the State's group health insurance plan or through membership in a health maintenance organization plan under contract with the State. The State's risk financing activities associated with State group health insurance, such as the risks of loss related to medical and prescription drug claims, are administered through the State Employees Group Health Insurance Trust Fund, an internal service fund. It is the practice of the State not to purchase commercial coverage for the risks of losses covered by this Fund.

The Fund's estimated fiscal year-end liability which includes an amount for claims that have been incurred but not reported, is determined by actuarial analyses. Changes in claim liability amounts in the fiscal years ended June 30, 1996 and June 30, 1997, were as follows (in thousands):

<u>Fiscal Year- Ended</u>	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Other</u>	<u>Balance at Fiscal Year- End</u>
June 30, 1996	\$ 41,058	\$ 354,668	\$ (330,726)	\$	\$ 65,000
June 30, 1997	\$ 65,000	\$ 387,255	\$ (383,755)	\$	\$ 68,500

NOTE 16 - SPECIAL DISABILITY TRUST FUND

The Special Disability Trust Fund, as authorized by Section 440.49, F.S., is used to reimburse insurers whenever an employee with a physical disability sustains a subsequent work-related injury that, when combined with a pre-existing permanent impairment causes a greater permanent disability than would have resulted from the injury alone. The Department of Labor and Employment Security is responsible for administering the Special Disability Trust Fund.

The Special Disability Trust Fund is funded through annual assessments made upon the insurance companies writing compensation insurance in the State, the commercial self-insurers under Chapter 624, F.S., the assessable mutuals under Chapter 628, F.S., and self-insured employers authorized under Chapter 440, F.S. An actuarial study estimated unfunded reserves at June 30, 1997, at \$1.7 billion which includes claims incurred but not reported. This fund is accounted for as an expendable trust fund; therefore, the corresponding liability is recorded in the fund.

NOTE 17 - DEFERRED COMPENSATION PLAN

The State offers its employees a deferred compensation plan created in accordance with Section 457, Internal Revenue Code. The plan (refer to Section 112.215, F.S.), available to all State employees, permits them to defer a portion of their salary until future years. To become eligible to receive benefits from the plan, the employee must terminate employment, retire, die, or suffer an unforeseen financial emergency. During the 1997 fiscal year Chapter 97-8 of the Laws of Florida amended Section 112.215, F.S., by creating the Deferred Compensation Trust Fund in the State Treasury.

All moneys, pensions, annuities, or other benefits accrued or accruing under and pursuant to Section 457, Internal Revenue Code and the deferred compensation plan provided for therein and adopted by this state; and all amounts of compensation deferred thereunder; all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights, shall be held in trust for the exclusive benefit of participants and their beneficiaries. The State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary and prudent investor.

NOTE 18 - PRIOR PERIOD ADJUSTMENTS

Fund balances and retained earnings at July 1, 1996 have been adjusted as follows (in thousands):

SPECIAL REVENUE FUNDS

To correct amount of interest receivable that was recorded in the prior year as revenue and that should have been recorded as deferred revenue. *Department of Transportation* (\$3,660)

To record an advance that was incorrectly recorded in the General Long-Term Debt Account Group. *Department of Environmental Protection* (\$3,200)

ENTERPRISE FUNDS

To record the liability associated with Turnpike right-of-way lands previously recorded as transfers-in from non-Turnpike funds. *Department of Transportation* (\$1,022)

PENSION FUNDS

To restate investments at fair value due to the implementation of GASB Statement Nos. 25 and 27. *Division of Retirement* \$9,910,681

COMPONENT UNITS

Governmental Fund Types

To record the cumulative effect of the adoption of SFAS Nos. 116, 117 and 124, renegotiation of the terms of a note payable, adjustment of an overstatement of a receivable, a payable not previously recorded and to correct various beginning cash balances and write-off various prepaid expenses. *State University System's Direct Support Organizations* \$63,627

To record the cumulative effect of the adoption of SFAS Nos. 116, 117 and 124, a contribution payable not previously recorded, a correction in the recording of a lease obligation, restitution of receivable previously not recorded, and correction in the value of collectibles. *Community Colleges' Direct Support Organizations* \$13,321

To record uncollected assessments for which reporting was previously not allowed, the effect of the adoption of SFAS No. 116, and an error correction related to not recording loan proceeds. *Departments of Insurance, Transportation, and others* \$8,339

Proprietary Fund Types

To record the effect of a change in depreciation method, correction of an error related to the calculation of unamortized deferred amount of refunding of bonds, change in method of accounting for bond related costs and correction of an error related to accounting for receipt of a capital grant. *Departments of Insurance and Transportation* \$175,431

NOTE 19 - GUARANTEES OF INDEBTEDNESS OF OTHERS

The Federal Family Education Loans Program administered by the Florida Department of Education (FDOE) guarantees loans made to eligible students and their parents by financial institutions. At June 30, 1997, \$4,405,482,205 of loans were guaranteed 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. During the 1996-97 fiscal year, the actual rates were 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.

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NOTE 20 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Segment information for the enterprise funds for the fiscal year ended June 30, 1997, is as follows (in thousands):

	Department of Lottery	Florida Housing Finance Agency	Department of Transportation	Other	Total
Operating revenue	\$ 2,082,609	\$ 85,526	\$ 326,522	\$ 65,053	\$ 2,559,710
Depreciation	3,358	16	4,285	1,438	9,097
Operating income (loss)	815,023	58,899	196,077	19,650	1,089,649
Transfers in	88	247,695	92,020	13,622	353,425
Transfers out	818,507	129,401	133,082	13,856	1,094,846
Net income (loss)	(860)	57,885	(491)	9,343	65,877
Property plant and equipment					
Additions	2,658	64	401,113	6,056	409,891
Deletions	794	.....	391,134	676	392,604
Net working capital	3,966	116,405	153,311	23,251	296,933
Total assets	3,455,152	2,999,052	3,643,176	38,119	10,135,499
Long-term debt	1,878,038	2,607,663	1,682,005	35	6,167,741
Total equity	6,124	334,393	1,860,837	34,915	2,236,269

1. The Department of Lottery accounts for the operation of Florida's lottery.
2. The Florida Housing Finance Agency, a part of the Department of Community Affairs, provides financing for housing to low, moderate and middle income individuals through the sale of bonds.
3. The Department of Transportation accounts for the construction, operations and maintenance of toll and turnpike facilities. Transfers include \$16,371,397 of gas tax collected by the Department of Revenue.
4. Other includes the Departments of Children and Families, Corrections, Juvenile Justice, Labor and Employment Security, Health, Military Affairs and State.

NOTE 21 - PREPAID POSTSECONDARY EDUCATION EXPENSE PROGRAM

The Prepaid Postsecondary Education Expense Program was created in 1987 by Section 240.551, F.S., to provide a medium through which the cost of registration and dormitory residence may be paid in advance of enrollment in a State postsecondary institution at a rate lower than the projected corresponding costs at the time of actual enrollment. The Program is administered by the Florida Prepaid Postsecondary Education Expense Board and the State of Florida guarantees to meet the obligations of the program to qualified beneficiaries if moneys in the Program are insufficient. The Program is accounted for in an expendable trust fund. The Program has an actuarial study to determine its funding status. Additional information is as follows:

Actuarial present value of future benefits payable	\$1,754,947,856
Net assets available (Market Value)	\$2,007,322,129
Net assets as a percentage of tuition and housing benefits obligation	114 percent

NOTE 22 - FLORIDA HURRICANE CATASTROPHE FUND

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993, by Section 215.555, F.S., as a State trust fund to provide reimbursement to qualified insurers for a portion of their catastrophic hurricane losses; thereby creating additional insurance capacity to ensure that covered structures (and their contents) damaged or destroyed in a hurricane may be repaired or reconstructed as soon as possible. The Fund is administered by the State Board of Administration which contracts with each insurer writing covered policies in the State to reimburse the insurer for a percentage of losses incurred from covered events from reimbursement premiums collected. However, payments made to insurers shall not exceed the moneys in the Fund, together with the maximum amount of revenue bonds that may be issued by a county or municipality. The Fund is accounted for as an expendable trust fund. An actuarially determined formula is used to calculate the reimbursement premium collected. Additional information as of June 30, 1997, follows:

Net assets available to meet future catastrophic losses	\$ 1,619,338,518
Catastrophic losses incurred during the fiscal year	\$ 2,315,828
Catastrophic losses paid during the fiscal year	\$ 8,660,405

Subsequent to fiscal year-end, there were no reported residential property losses by qualified insurers within the State of Florida for the 1997 hurricane season. The FHCF incurred no liability to reimburse insurers.

NOTE 23 - OTHER LOSS CONTINGENCIES

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

NOTE 24 - LITIGATION

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

A. Coastal Petroleum v. State of Florida

Case No. 90-3195, 2nd Judicial Circuit. This is an inverse condemnation case claiming that the action of the Trustees and Legislature constitute a taking of Coastal's leases for which compensation is due. The Circuit judge granted the State's motion for summary judgment, finding that as a matter of law, the State had not deprived Coastal of any royalty rights. Coastal appealed to the First District Court of Appeals, but the case was remanded to Circuit Court for trial. On August 6, 1996, final judgment was made in favor of the State. Coastal has filed for a review by the Florida Supreme Court. The State is awaiting a decision by the Court.

B. Florida Department of Transportation v. 745 Property Investments, CSX Transportation, Inc. and Continental Equities

Case No. 94-17739 CA 27, Dade County Circuit Court. This case involves the Florida Department of Transportation (FDOT) and CSX Transportation, Inc. FDOT has filed an action against the adjoining property owners seeking a declaratory judgment from the Dade County Circuit Court that the Department is not the owner of the property that is subject to a claim by the U.S. Environmental Protection Agency (EPA). The case was dismissed and FDOT's appeal of the order of dismissal is pending in the Third District Court of Appeal.

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The EPA is seeking clean-up costs, pursuant to the Comprehensive Environmental Response Compensation and Liability Act, regarding property which the EPA alleges is owned by the FDOT (and formerly owned by CSX Transportation, Inc.). The EPA has agreed to await the outcome of the Department's declaratory action before proceeding further. If the Department is unsuccessful in its actions, the possible clean-up costs could exceed \$25 million.

C. Jenkins v. Florida Department of Health and Rehabilitative Services

Case No. 79-102-CIV-J-16, United States District Court. This is a class action suit on behalf of clients of residential placement for the developmentally disabled seeking refunds for services where children were entitled to free education under the Education for Handicapped Act. The district court held that the State could not charge maintenance fees for children between the ages of 5 and 17 based on the Education for Handicapped Act. All appeals have been exhausted. The State's potential cost of refunding these charges could exceed \$42 million. However, attorneys are in the process of negotiating a settlement amount.

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

Case No. 95-5936, Leon County Circuit Court. The plaintiffs challenge the constitutionality of the Public Medical Assistance Trust Fund (PMATF) annual assessment on net operating revenue of free-standing out-patient facilities offering sophisticated radiology services. A trial has not been scheduled. If the State is unsuccessful in its actions, the potential refund liability could amount to approximately \$70 million.

E. Walden v. Department of Corrections

Case No. 95-40357-WS (USDC N.D. Fla.) This action is brought by one captain and one lieutenant in the Department of Corrections seeking declaratory judgment that they (and potentially 700 similarly situated others) are not exempt employees under the Fair Labor Standards Act (FLSA) and, therefore, are entitled to overtime compensation at a rate of not less than one and one-half times their regular rate of pay for overtime hours worked since April 1, 1992, forward and including liquidated damages. The U. S. District Court for the Northern District of Florida entered an order dismissing the case for lack of jurisdiction on June 24, 1996. Plaintiffs filed a lawsuit against the Department (Case No. 96-3955) in July 1996 at the State level (Circuit Court, Second Judicial Circuit), making the same allegations at that level which plaintiffs previously made before the U.S. District Court for the Northern District of Florida. On December 20, 1996, that Court determined that it has jurisdiction over the FLSA claim. On December 10, 1997 the Court entered final summary judgment. The Plaintiffs were not awarded overtime pay at time and one-half nor liquidated damages; however, they were awarded attorneys fees and costs.

F. Barnett Bank v. Department of Revenue

Case No. 97-02375, 4th Judicial Circuit, involves the issue of whether Florida's refund statute for dealer repossessions authorizes the Department to grant a refund to a financial institution as the assignee of numerous security agreements governing the sale of automobiles and other property sold by dealers. The question turns on whether the Legislature intended the statute only to provide a refund or credit to the dealer who actually sold the tangible personal property and collected and remitted the tax or intended that right to be assignable. Several banks have applied for refunds; the potential refund to financial institutions exceeds \$30,000,000.

NOTE 25 - DEFICIT FUND EQUITY

Internal Service Fund - Department of Insurance

The Florida Casualty Insurance Risk Management Trust Fund has deficit retained earnings of approximately \$544 million. The liabilities reported in the Fund represent long-term liabilities of the State of Florida as a whole rather than Department of Insurance only. These liabilities include claims pertaining to State Employee Workers' Compensation, Federal civil rights, and general and automotive liability.

Internal Service Fund – Department of Management Services

The State Employees' Group Health Self-Insurance Trust Fund has deficit retained earnings of approximately \$39 million. This results from increased claims expense, including an actuarially estimated liability of approximately \$69 million for claims incurred but not reported for payment by the third-party claims administrator.

Expendable Trust Fund - Department of Labor and Employment Security

The Special Disability Trust Fund has a deficit fund balance of approximately \$1.8 billion. This deficit is the cumulative result of claims expense over net assessment revenue.

Component Units - Department of Insurance

The Florida Workers' Compensation Joint Underwriting Association, Inc., has a deficit fund balance of approximately \$23 million. This deficit is the cumulative result of claims expense over premium income.

NOTE 26 - RESERVES OF FUND BALANCE

The amounts reported in the combined balance sheet identified as reserved fund balance as of June 30, 1997, are comprised of the following (in thousands):

General Fund:	
Reserved for encumbrances	\$ 76,036
Reserved for inventories	6,242
Other reserved	440,483
Reserved - General Fund	<u>\$ 522,761</u>
Special Revenue Fund:	
Reserved for encumbrances	\$ 967,511
Reserved for inventories	27,598
Reserved for advances	196,740
Reserved for long-term receivables	800,578
Other reserved	43,000
Reserved - Special Revenue Fund	<u>\$ 2,035,427</u>
Capital Projects Fund:	
Reserved for encumbrances	\$ 94,676
Debt Service Fund:	
Reserved for debt service	\$ 273,388
Trust and Agency Funds:	
Reserved for encumbrances	\$ 2,448
Reserved for inventories	2
Reserved for endowment principal	1,209
Reserved for retirement system	67,374,889
Reserved - Trust and Agency Funds	<u>\$ 67,378,548</u>
State University System Fund Types:	
Reserved for encumbrances	\$ 315,602
Other reserved	504,572
Reserved - State University System Fund Types	<u>\$ 820,174</u>
Component Units - Community Colleges:	
Reserved for encumbrances	\$ 80,938
Other reserved	15,827
Reserved - Component Units - Community Colleges	<u>\$ 96,765</u>
Component Units - Other:	
Reserved for encumbrances	\$ 196,079
Reserved for debt service	84,920
Other reserved	142,015
Reserved - Component Units - Other	<u>\$ 423,014</u>

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NOTE 27 - SUBSEQUENT EVENTS

A. State Board of Education Public Education Capital Outlay Bonds:

Series	Amount	Matures	Interest Rate
1997A	\$250,000,000	June 1, 1998 - June 1, 2027	4.875% to 6.500%
1996B	200,000,000	June 1, 1998 - June 1, 2027	4.500% to 6.500%

B. Board of Regents, University of Central Florida Bookstore Revenue Bonds:

Series	Amount	Matures	Interest Rate
1997	\$3,570,000	July 1, 1999 - July 1, 2017	3.900% to 5.125%

C. Board of Regents, University of Central Florida Parking Facility Revenue Bonds:

Series	Amount	Matures	Interest Rate
1997	\$7,960,000	July 1, 1999 - July 1, 2018	4.000% to 5.375%

D. Board of Regents, Florida Agricultural and Mechanical University Parking Facility Revenue Bonds:

Series	Amount	Matures	Interest Rate
1997	\$2,880,000	July 1, 1999 - July 1, 2018	3.900% to 5.300%

E. Board of Regents, University System Improvement Revenue Refunding Bonds:

Series	Amount	Matures	Interest Rate
1997A	\$45,685,000	July 1, 1998 - July 1, 2016	3.700% to 5.000%

F. Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds:

Series	Amount	Matures	Interest Rate
1997A	\$200,000,000	July 1, 1998 - July 1, 2027	4.400% to 6.400%
1997B	150,000,000	July 1, 1998 - July 1, 2027	4.500% to 5.750%

G. Department of Transportation, Alligator Alley Revenue Bonds:

Series	Amount	Matures	Interest Rate
1997	\$55,230,000	July 1, 1998 - July 1, 2027	4.900% to 6.250%

H. Department of Environmental Protection, Preservation 2000 Revenue Refunding Bonds:

Series	Amount	Matures	Interest Rate
1997B	\$202,595,000	July 1, 1998 - July 1, 2013	4.000% to 6.000%

I. Jacksonville Transportation Authority Senior Lien Bonds:

Series	Amount	Matures	Interest Rate
1997A	\$95,690,000	July 1, 1998 - July 1, 2027	5.000% to 6.500%

J. Tampa-Hillsborough County Expressway Authority Revenue Bonds:

Series	Amount	Matures	Interest Rate
1997	\$143,490,000	July 1, 1998 - July 1, 2027	4.500% to 6.500%

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K. Department of Transportation, Turnpike Revenue Refunding Bonds:

Series	Amount	Matures	Interest Rate
1997A	\$199,690,000	July 1, 1999 – July 1, 2021	4.500% to 5.500%

L. Department of Management Services, Florida Facilities Pool Revenue Bonds:

Series	Amount	Matures	Interest Rate
1998A	\$11,675,000	September 1, 2000 – September 1, 2027	4.000% to 5.125%

M. Inland Protection Financing Corporation Special Obligation Bonds:

Series	Amount	Matures	Interest Rate
1997	\$253,335,000	July 1, 1998 – January 1, 2004	4.000% to 5.000%

N. Florida Housing Finance Agency, Housing Revenue Bonds:

Series	Amount	Matures	Interest Rate
1997G	\$14,380,000	July 1, 1999 – July 1, 2037	4.150% to 5.700%
1997H	9,350,000	May 1, 1999 – May 1, 2037	4.150% to 5.700%
1997K-1	15,500,000	December 1, 2006 – December 1, 2037	4.550% to 5.450%
1997I-1	11,550,000	October 1, 2009 – October 1, 2037	4.800% to 5.450%
1997J-1	18,750,000	July 1, 2010 – January 1, 2038	4.900% to 5.450%
1997L	14,380,000	November 1, 2000 – November 1, 2037	4.150% to 5.450%

O. The Tampa-Hillsborough County Expressway Authority Revenue Bonds Series 1997 were issued on October 15, 1997. A portion of the proceeds derived from the sale of the 1997 Bonds was issued to refund all of the outstanding State of Florida, Full Faith and Credit, Hillsborough County Expressway Bond Series 1971 and Series 1978 in the principal amount of \$107,070,000.

P. Section 420.504, F.S. created within the Department of Community Affairs a public corporation named "Florida Housing Finance Corporation" (formerly Florida Housing Finance Agency). The Florida Housing Finance Corporation constitutes a public corporation organized to administer the governmental function of financing or refinancing housing and related facilities. The corporation is not a department of state government but is functionally related to the Department of Community Affairs in which it is placed. Section 45 of Chapter 97-167, Laws of Florida, provided that as of July 1, 1997 a transitional period would occur prior to the transfer of all assets and liabilities from the Florida Housing Finance Agency to the corporation. Effective January 1, 1998 the agency assets and liabilities were transferred to the Florida Housing Finance Corporation.

Q. On August 25, 1997 a settlement agreement in the case of State of Florida v. American Tobacco Co et. al. was approved and adopted in the Circuit Court, 15th Judicial Circuit. The settlement agreement provided that the State of Florida was to receive approximately \$11 billion dollars over the next 25 years. The settlement agreement also provided that the State of Florida's private counsel were to be paid reasonable attorneys' fees directly from the settling defendants, subject to a panel of independent arbitrators. The amount, methodology, and source for payment of fees are currently in dispute.

NOTE 28 - COMPONENT UNITS

Component units, as described in Note 1, are legally separate organizations for which the State is financially accountable, and 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. These legally separate organizations are managed independently, outside the State's budgeting process, and their powers generally are vested in a governing board pursuant to various State statutes.

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The State's component units are generally supported by revenues derived from their activities, although the State has provided financial assistance, in some cases of a recurring nature, to certain organizations for operating and other expenses. For example, financial assistance, in the form of State appropriations, was provided to the State's community colleges and assistance is expected to continue in future years. Also, the State has issued full faith and credit bonds on behalf of its community colleges.

The State of Florida has over 170 component units. The largest category, educational direct-support organizations (DSO's), encompasses over 90 direct-support organizations associated with the State University System, community colleges and the Department of Education. Major component units for the State consist of over 130 organizations classified in the following four categories: educational DSO's, transportation, environmental and community colleges. These four categories contain 96 and 94 percent of the total component unit assets and revenues, respectively. The community colleges are excluded from the condensed presentation because they are presented in separate columns on the combined statements. Substantially all financial data was derived from the latest audited annual financial statements and summarized into the accompanying format. Refer to Note 1 for additional discussion pertaining to discretely presented component unit categories and how to obtain further information on individual component units.

STATE OF FLORIDA

**CONDENSED BALANCE SHEET
OTHER COMPONENT UNITS
(in thousands)**

	<u>Environmental</u>	<u>Transportation</u>	<u>Educational</u>	<u>Other</u>	<u>Total</u>
ASSETS					
Current assets	\$ 308,198	\$ 273,274	\$ 1,874,159	\$ 193,645	\$ 2,649,276
Due from component units/primary	275,678	21,443	83,810	175,452	556,383
Property, plant and equipment	1,864,585	1,049,608	724,634	62,957	3,701,784
Amount available in debt service fund	13,702	61,119	.....	.....	74,821
Amount to be provided	229,621	112,761	.....	13	342,395
Other assets	.....	104,677	.....	3,247	107,924
TOTAL ASSETS	\$ 2,691,784	\$ 1,622,882	\$ 2,682,603	\$ 435,314	\$ 7,432,583
LIABILITIES AND FUND EQUITY					
Liabilities:					
Current liabilities	\$ 91,471	\$ 123,210	\$ 192,306	\$ 311,952	\$ 718,939
Due to component units/primary	578	143,424	135,755	10,625	290,382
Bonds payable	201,765	959,282	401,280	.....	1,562,327
Other long-term liabilities	41,675	4,469	229,062	31,884	307,090
Total Liabilities	335,489	1,230,385	958,403	354,461	2,878,738
Fund Equity:					
Contributed capital	.....	81,486	.....	4,291	85,777
Investments in general fixed assets	1,864,585	10,983	27,688	978	1,904,234
Retained earnings	537	213,167	.....	48,651	262,355
Fund balance	491,173	86,861	1,696,512	26,933	2,301,479
Total Fund Equity	2,356,295	392,497	1,724,200	80,853	4,553,845
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,691,784	\$ 1,622,882	\$ 2,682,603	\$ 435,314	\$ 7,432,583

**CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUNDS
OTHER COMPONENT UNITS
(in thousands)**

	<u>Environmental</u>	<u>Transportation</u>	<u>Other</u>	<u>Total</u>
OPERATING REVENUES	\$ 2,714	\$ 99,176	\$ 97,022	198,912
OPERATING EXPENSES				
Operating expenses - depreciation	.....	14,756	56	14,812
Other operating	2,798	44,876	109,018	156,692
TOTAL OPERATING EXPENSES	2,798	59,632	109,074	171,504
OPERATING INCOME/(LOSS)	(84)	39,544	(12,052)	27,408
Grants and contributions	17	11,863	.....	11,880
Nonoperating revenues/(expenses)	311	(45,552)	10,245	(34,996)
INCOME/(LOSS) BEFORE TRANSFERS	244	5,855	(1,807)	4,292
Transfers in/(out) component units/primary	.....	4,078	(969)	3,109
NET INCOME/(LOSS)	244	9,933	(2,776)	7,401
RETAINED EARNINGS - BEGINNING	293	47,457	31,773	79,523
Adjustments to beginning retained earnings	.....	155,777	19,654	175,431
RETAINED EARNINGS - ENDING	\$ 537	\$ 213,167	\$ 48,651	\$ 262,355

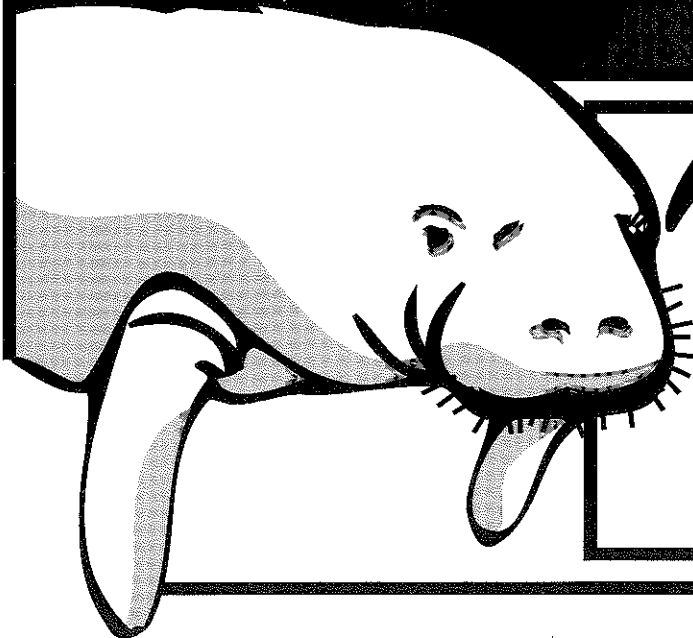
STATE OF FLORIDA

CONDENSED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
OTHER COMPONENT UNITS
(in thousands)

	<u>Environmental</u>	<u>Transportation</u>	<u>Educational</u>	<u>Other</u>	<u>Total</u>
REVENUES	\$ 512,802	\$ 16,948	\$ 1,350,075	\$ 120,588	\$ 2,000,413
EXPENDITURES					
Current and other	322,928	9,766	944,998	135,501	1,413,193
Capital outlay	205,938	1,543	.....	76	207,557
Debt service	63,241	10,322	.....	.....	73,563
TOTAL EXPENDITURES	592,107	21,631	944,998	135,577	1,694,313
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (79,305)	\$ (4,683)	\$ 405,077	\$ (14,989)	\$ 306,100
Transfers in/(out) component units/primary	154,155	6,831	(197,962)	31,123	(5,853)
NET CHANGE IN FUND BALANCES	74,850	2,148	207,115	16,134	300,247
FUND BALANCES - BEGINNING	416,323	83,595	1,412,450	3,577	1,915,945
Adjustments to beginning fund balances	1,118	76,947	7,222	85,287
FUND BALANCES - ENDING	\$ 491,173	\$ 86,861	\$ 1,696,512	\$ 26,933	\$ 2,301,479

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COMBINING FINANCIAL STATEMENTS



manatee FACT...

Manatees are gentle mammals that are actually attracted to human activity.



BIRTH AND CARE OF YOUNG

West Indian (Florida) manatees breed year-round. They are usually 7 to 9 years old when breeding takes place. The manatee gestation period is about 12 months. Most calves seem to be born during the spring and summer. A cow will give birth once every three years. Florida manatee calves measure about 4 to 4.5 feet and weight approximately 60 to 70 pounds at birth. They are born in the water either head or tail first. The birth of twins can happen, but it is a rare occurrence. Until 1983 only single births had been documented. During April 1983, a pregnant female manatee was killed by a boat collision. The body was retrieved in time to save twin female fetuses weighing 87 pounds each. This was the first time twin births were documented.

As soon as the calf is born, the mother raises it to the surface for its first breath of air. She continues this process until the baby learns to move its flippers and to surface for air. Manatees are devoted mothers and will bodily shield their young ones from harm. They are often called "Water-Mama." Calves begin nursing within a few hours after birth from milk glands under the mother's flippers. A few weeks after birth, the calf will begin to nibble on plants. However, it will not be weaned until the end of its first year. Even after weaning, the calf remains close to its mother for approximately two years. The calves not only depend on their mother for nutrition but also learn about feeding, resting areas and warm-water refuges. While resting on the water bottom, the calf usually lies on the mother's back or tail. The cow is very affectionate to the calf swimming next to her.

On May 3, 1975, history was made when two captive manatees became parents of a 70-pound baby girl. She was the first manatee to have been conceived in captivity. The same mother had three more babies after this birth. This was once thought to be the ideal way to increase the manatee population and guarantee their survival. However, captive breeding efforts have since been abandoned. Manatees born in captivity lacked the survival skills that were needed to live in the wild, with native populations. The manatees were doomed to a life in a tank or to a dangerous, uncertain fate in the wild. Researchers are now developing new techniques that hopefully will allow more manatees born in captivity, to be released into a natural environment.

General Fund

The general fund is maintained to account for all financial resources except those required to be accounted for in another fund.

STATE OF FLORIDA

BALANCE SHEET - GENERAL FUND JUNE 30, 1997 (in thousands)

	Totals	
	<u>6/30/97</u>	<u>6/30/96</u>
ASSETS		
Cash and cash equivalents	\$ 5,192	\$ 7,952
Pooled investments with State Treasury	2,411,241	1,733,988
Receivables, net	1,149,837	1,126,089
Due from other funds	223,918	182,397
Advances to other funds	41,394	5,447
Inventories	20,046	20,178
Loans and notes receivable, net	4,394	22,271
Deferred fiscal charges and other assets	218	373
TOTAL ASSETS	<u>\$ 3,856,240</u>	<u>\$ 3,098,695</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 391,353	\$ 477,234
Due to other funds	313,593	322,473
Due to component units/primary	411	350
Obligations under security lending agreements	205,659	.....
Other liabilities	3,457	3,461
Total Liabilities	<u>914,473</u>	<u>803,518</u>
Fund Balances:		
Reserved	522,761	109,088
Unreserved	2,419,006	2,186,089
Total Fund Balances	<u>2,941,767</u>	<u>2,295,177</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,856,240</u>	<u>\$ 3,098,695</u>

STATE OF FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Totals	
	6/30/97	6/30/96
REVENUES		
Taxes	\$ 14,683,410	\$ 14,245,249
Licenses and permits	56,448	52,154
Fees and charges	195,404	141,101
Grants and donations	100	733
Investment earnings	172,375	157,381
Fines, forfeits and judgments	1,135	782
Refunds	98,490	8,958
	15,207,362	14,606,358
EXPENDITURES		
Current:		
Economic opportunities, agriculture and employment	65,537	73,820
Public safety	2,052,925	2,017,138
Education	6,145,232	5,689,402
Health and social concerns	3,044,451	4,381,599
Housing and community development	8,501	15,199
Natural resources and environmental management	154,096	138,978
Recreational and cultural opportunities	73,632	59,694
Governmental direction and support services	1,378,680	639,463
Capital outlay	88,513	60,546
Debt service:		
Principal retirement	3,582	2,765
Interest and fiscal charges	250	549
	13,015,399	13,079,153
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,191,963	1,527,205
OTHER FINANCING SOURCES (USES)		
Operating transfers in	2,518,128	2,078,736
Operating transfers out	(2,152,384)	(1,790,733)
Transfers to State University System	(1,294,962)	(744,522)
Transfers out to component units/primary	(600,468)	(543,775)
Proceeds of financing agreements	635	3,421
	(1,529,051)	(996,873)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	662,912	530,332
Fund Balances, July 1	2,295,177	1,761,857
Residual Equity Transfers	(15,508)	.....
Change in Reserve for Inventories	(814)	2,988
	2,278,855	1,764,845
FUND BALANCES, JUNE 30	\$ 2,941,767	\$ 2,295,177



MANATEE DIET AND EATING HABITS

All sirenians are herbivores. They feed on a wide variety of submerged, emergent, floating and shoreline vegetation. Florida manatees feed on over 60 species of plants including turtle grass, manatee grass, mangrove leaves, various algae and water hyacinth.

Manatees consume about 4% to 9% of their body weight in wet vegetation daily and spend about five hours a day feeding. They feed off the bottom and at the surface of the water. They have been noted cropping overhanging branches, acorns and sometimes they have been observed hauling themselves out of the water to eat bank vegetation. As previously mentioned, manatees use their front flippers to manipulate vegetation. Horny, ridged pads on the roof of their mouth and lower jaw break the vegetation into small pieces and the molars are used to grind the food before swallowing.

Manatees need large amounts of food in winter because more energy is required to maintain body temperature in cooler water and winter food has a lower calorie value. They sometimes fast during cold weather and have been observed going without food for over a week. Irregular feeding of manatees occurs at 64-66 degrees and feeding may cease completely when the temperature approaches 50 degrees.

Florida manatees require a source of fresh water for drinking. Most scientists agree that manatees must periodically have access to fresh water and they have been seen drinking from hoses, sewage outfalls, culverts and also congregating at the mouth of rivers.

Special Revenue Funds

The special revenue funds are maintained to account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes.

Department of Education

Educational Aids Trust Fund - This fund accounts for federal grants to the Division of Public Schools. Disbursements to school districts are for the operation of federal programs.

Food and Nutrition Services Trust Fund - This is also federal moneys to reimburse school districts participating in federal programs.

Public Education Capital Outlay and Debt Service Trust Fund - Revenues to this fund consist of bond proceeds, interest, gross receipts tax and student building fees. Distributions include school districts, community colleges and state universities for capital outlay projects, investments and debt service payments.

Educational Enhancement Trust Fund - This fund was established to account for the revenues and expenditures related to moneys transferred from the Department of Lottery for public educational programs.

Department of Business and Professional Regulation

Cigarette Tax Collection Trust Fund - This tax revenue is distributed to qualified municipalities, counties and the general fund.

Department of Labor and Employment Security

Employment Security Administration Trust Fund - This fund was established to account for the revenues and expenditures related to employment training and placement activities.

Department of Transportation

State Transportation Trust Fund - This fund is maintained to account for the majority of the operations of this department. In addition to federal grants, it is funded by transfers from motor fuel taxes and motor vehicle and mobile home licenses.

Department of Children and Families *

Economic Services Direct Assistance Trust Fund - Moneys for this fund are from the Federal Title IV-A TANF program. The fund is used to make TANF payments.

Department of Revenue

This department is the collection agency for most State taxes and maintains trust funds to account for the resources and distribution of these funds.

Documentary Stamp Tax Trust Fund - The General Fund receives 76.21% of this tax; the remainder is used for land and water management.

Gas Tax Collection Trust Fund - The major distribution of this tax is among the counties, municipalities and the Department of Transportation.

Intangible Tax Trust Fund - Counties receive 41.3% of this tax; the remainder is transferred to the general fund.

Local Government ½ Cent Sales Tax Fund - This fund collects and distributes a part of sales tax to eligible local governments.

Insurance Premium Tax Trust Fund - This fund distributes its revenue between the General Fund and the Insurance Regulatory Trust Fund as directed by the Department of Insurance.

Department of Highway Safety and Motor Vehicles

Motor Vehicle License Clearing Trust Fund - This fund was established to collect the revenue from the sale of motor vehicle tags and decals. Distribution of this revenue is allocated to projects in education, transportation and air pollution control.

Agency for Health Care Administration

Medical Care Trust Fund - Revenues of this fund are derived from federal Title XIX grant moneys. The fund is used to make medical assistance payments to Medicaid service providers.

Public Medical Assistance Trust Fund - This fund was established to account for health care services provided to indigent persons (Medicaid Services).

**Formerly the Department of Health and Rehabilitative Services; as of January 1, 1997 the agency was split pursuant to Chapter 96-403, Laws of Florida into two departments—the Department of Children and Families and the Department of Health.*

Note: As of July 1, 1996, pursuant to Chapter 96-320, Laws of Florida, The Department of Commerce was privatized and its duties assumed by Enterprise Florida which is a component unit of the State.

STATE OF FLORIDA

COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS JUNE 30, 1997 (in thousands)

	Departments of				
	Environmental Protection	Education	Community Affairs	Labor and Employment Security	Transportation
ASSETS					
Cash and cash equivalents	\$ 599	\$ 905	\$ 10	\$ 170	\$ 1,357
Pooled investments with State Treasury	1,263,225	639,775	138,250	75,726	465,673
Investments	.....	2,026	2,128	.....	.....
Receivables, net	28,320	28,384	22,659	335	64,289
Due from other funds	68,226	59,836	3,489	11,941	188,747
Due from component units/primary	.....	.....	.....	.....	153,898
Advances to other funds	3,200	.....	.....	1,607	168,933
Inventories	1,037	3	5	.....	22,542
Loans and notes receivable, net	584,891	17,794	5,280	.....	57,116
Deferred fiscal charges and other assets	.....	.....	.....	.....	.....
TOTAL ASSETS	\$ 1,949,498	\$ 748,723	\$ 171,821	\$ 89,779	\$ 1,122,555
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 51,639	\$ 44,210	\$ 8,911	\$ 2,912	\$ 279,150
Due to other funds	114,537	302,615	9,430	11,326	5,753
Due to component units/primary	3,608	144,565	.....	.....	485
Advances from other funds	3,200	.....	332	1,555	10,000
Deferred revenues	.....	29,496	12,449	.....	33,365
Obligations under security lending agreements	.....	.....	.....	.....	.....
Other liabilities	51	.....	.....	.....	.....
Total Liabilities	173,035	520,886	31,122	15,793	328,753
Fund Balances:					
Reserved	1,377,552	4,001	83,729	9,972	456,413
Unreserved	398,911	223,836	56,970	64,014	337,389
Total Fund Balances	1,776,463	227,837	140,699	73,986	793,802
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,949,498	\$ 748,723	\$ 171,821	\$ 89,779	\$ 1,122,555

STATE OF FLORIDA

<u>Departments of</u>					<u>Totals</u>	
<u>Children and Families</u>	<u>Revenue</u>	<u>Agency for Health Care Administration</u>	<u>State Board Of Administration</u>	<u>Other</u>	<u>6/30/97</u>	<u>6/30/96</u>
\$ 2	\$ 7	\$	\$ 18	\$ 5,340	\$ 8,408	\$ 8,435
118,185	581,897	218,620	.....	1,075,692	4,577,043	4,035,935
.....	.....	.....	17,215	85,989	107,358	59,746
295,673	256,488	470,800	47	224,083	1,391,078	1,191,760
22,744	89,899	18,527	15,611	52,516	531,536	600,619
.....	.....	.....	.....	.....	153,898	135,141
.....	.....	20	.....	1,398	175,158	183,671
451,915	78	.....	.....	19,519	495,099	554,483
6	.....	.....	.....	7,235	672,322	566,440
.....	.....	.....	321	1,169	1,490	1,258
\$ 888,525	\$ 928,369	\$ 707,967	\$ 33,212	\$ 1,472,941	\$ 8,113,390	\$ 7,337,488
\$ 76,161	\$ 212,695	\$ 475,872	\$ 8,284	\$ 68,448	\$ 1,228,282	\$ 1,506,431
26,773	375,914	9,377	5,056	87,720	948,501	1,012,824
.....	.....	.....	.....	29	148,687	133,548
301	7	.....	.....	2,876	18,271	8,254
709,157	13,103	.....	.....	147,179	944,749	632,729
.....	.....	.....	.....	390,414	390,414	.....
.....	.....	.....	.....	582	633	480
812,392	601,719	485,249	13,340	697,248	3,679,537	3,294,266
1,877	9,403	3,356	.....	89,124	2,035,427	1,823,892
74,256	317,247	219,362	19,872	686,569	2,398,426	2,219,330
76,133	326,650	222,718	19,872	775,693	4,433,853	4,043,222
\$ 888,525	\$ 928,369	\$ 707,967	\$ 33,212	\$ 1,472,941	\$ 8,113,390	\$ 7,337,488

STATE OF FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Departments of				
	Environmental Protection	Education	Community Affairs	Labor and Employment Security	Transportation
REVENUES					
Taxes	\$	\$ 578,699	\$	\$ 85,807	\$ 506
Licenses and permits	37,674	1,275	.....	21	5,902
Fees and charges	52,394	7,799	5,209	47,367	55,927
Grants and donations	94,482	1,060,769	190,053	390,230	806,858
Investment earnings	78,507	51,103	9,167	3,285	25,582
Fines, forfeits and judgments	9,808	7	.....	5,264	13,303
Flexible benefits contributions	.....	.....	.....	.....	.....
Refunds	11,302	16,782	3,087	4,524	2,040
Other	.....	24	317	.....	.....
TOTAL REVENUES	284,167	1,716,458	207,833	536,498	910,118
EXPENDITURES					
Current:					
Economic opportunities, agriculture and employment	.....	.....	.....	353,828	.....
Public safety	.....	.....	111,376	.....	.....
Education	.....	2,581,736	.....	.....	.....
Health and social concerns	.....	.....	6,844	159,937	.....
Housing and community development	.....	.....	123,245	.....	.....
Natural resources and environmental management	414,878	.....	3,563	.....	.....
Recreational and cultural opportunities	69,454	.....	.....	74	.....
Transportation	.....	.....	.....	.....	873,326
Governmental direction and support services	.....	.....	.....	.....	20,446
Capital outlay	153,229	887	17,803	15,514	1,577,042
Debt service:					
Principal retirement	123	.....	.....	.....	.....
Interest and fiscal charges	34	.....	.....	.....	432
TOTAL EXPENDITURES	637,718	2,582,623	262,831	529,353	2,471,246
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(353,551)	(866,165)	(54,998)	7,145	(1,561,128)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	267,929	642,951	.....	.....	148,260
Operating transfers in	829,475	1,159,378	48,983	79,814	1,839,715
Operating transfers out	(497,781)	(571,526)	(48,870)	(73,076)	(392,672)
Transfers in from component units/primary	.....	.....	.....	.....	771
Transfers out to component units/primary	(105,873)	(309,455)	.....	.....	.....
Proceeds of financing agreements	.....	.....	.....	.....	.....
TOTAL OTHER FINANCING SOURCES (USES)	493,750	921,348	113	6,738	1,596,074
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	140,199	55,183	(54,885)	13,883	34,946
Fund Balances, July 1	1,639,298	157,143	195,577	60,103	763,753
Adjustments to increase (decrease) beginning fund balances	(3,200)	.....	.....	.....	(3,660)
Fund Balances, July 1, as restated	1,636,098	157,143	195,577	60,103	760,093
Residual Equity Transfers	.....	15,508	.....	.....	.....
Change in Reserve for Inventories	166	3	7	.....	(1,237)
FUND BALANCES, JUNE 30	\$ 1,776,463	\$ 227,837	\$ 140,699	\$ 73,986	\$ 793,802

STATE OF FLORIDA

Departments of		Agency for Health Care Administration	State Board Of Administration	Other	Totals	
Children and Families	Revenue				6/30/97	6/30/96
\$	\$ 3,985,344	\$ 253,725	\$	\$ 589,833	\$ 5,493,914	\$ 5,232,728
5,802	.....	26,975	.....	702,318	779,967	773,855
273,078	232,571	113,844	17,993	763,636	1,569,818	1,374,961
2,933,514	80,652	3,214,222	.....	163,898	8,934,678	9,215,132
5,515	12,527	12,426	1,546	26,646	226,304	249,398
3,100	1	6,630	.....	131,856	169,969	132,771
.....	.....	.....	.....	56,708	56,708	.....
16,225	416	336,533	126	11,944	402,979	442,675
1	.....	.....	14	256	612	875
3,237,235	4,311,511	3,964,355	19,679	2,447,095	17,634,949	17,422,395
1,779	.....	20,183	.....	420,266	796,056	879,817
.....	.....	.....	.....	306,212	417,588	498,292
.....	.....	.....	.....	.....	2,581,736	2,525,004
3,467,605	104,510	3,918,171	.....	106,517	7,763,584	7,891,561
.....	8,092	.....	.....	66,857	198,194	207,691
.....	.....	.....	.....	60,920	479,361	384,916
.....	.....	.....	.....	26,197	95,725	78,584
.....	.....	.....	.....	.....	873,326	813,125
.....	1,760,359	.....	149,673	315,088	2,245,566	2,065,027
17,090	3,475	1,127	944	74,808	1,861,919	1,990,860
44	152	.....	.....	3,328	3,647	6,444
6	9	.....	.....	221	702	1,084
3,486,524	1,876,597	3,939,481	150,617	1,380,414	17,317,404	17,342,405
(249,289)	2,434,914	24,874	(130,938)	1,066,681	317,545	79,990
.....	.....	.....	.....	.....	1,059,140	964,789
427,424	1,668,230	176,545	159,728	585,628	6,974,920	6,850,028
(201,795)	(4,047,710)	(130,614)	(22,556)	(1,587,164)	(7,573,764)	(7,339,476)
.....	.....	.....	.....	752	1,523	.....
.....	.....	.....	.....	.....	(415,328)	(605,652)
.....	.....	.....	.....	455	455	443
225,629	(2,379,480)	45,931	137,172	(1,000,329)	46,946	(129,868)
(23,660)	55,434	70,805	6,234	66,352	364,491	(49,878)
201,299	271,264	151,913	13,638	589,234	4,043,222	4,240,706
.....	.....	.....	.....	.....	(6,860)	87,415
201,299	271,264	151,913	13,638	589,234	4,036,362	4,328,121
(84,131)	.....	.....	.....	119,697	51,074	(241,366)
(17,375)	(48)	.....	.....	410	(18,074)	6,345
\$ 76,133	\$ 326,650	\$ 222,718	\$ 19,872	\$ 775,693	\$ 4,433,853	\$ 4,043,222

STATE OF FLORIDA

COMBINING BALANCE SHEET - ALL OTHER SPECIAL REVENUE FUNDS
JUNE 30, 1997
(in thousands)

	Departments of				
	<u>Legal Affairs</u>	<u>Agriculture</u>	<u>State</u>	<u>Insurance</u>	<u>Citrus</u>
ASSETS					
Cash and cash equivalents	\$ 25	\$ 81	\$ 170	\$ 158	\$ 1,869
Pooled investments with State Treasury	17,122	33,749	42,031	64,545	29,174
Investments	.....	.....	.....	.....	.....
Receivables, net	3,952	3,683	329	540	2,169
Due from other funds	1,373	789	163	12,832	.....
Advances to other funds	37	.....	.....	1	39
Inventories	.....	1,363	20	145	1,168
Loans and notes receivable, net	1,375	.....	.....	.....	.....
Deferred fiscal charges and other assets	.....	.....	.....	.....	26
TOTAL ASSETS	\$ 23,884	\$ 39,665	\$ 42,713	\$ 78,221	\$ 34,445
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,375	\$ 1,632	\$ 1,573	\$ 2,653	\$ 11,060
Due to other funds	1,804	1,437	12,636	3,422	794
Due to component units/primary	.....	.....	27	.....	.....
Advances from other funds	37	.....	.....	126	39
Deferred revenues	547	181	7,194	.....	.....
Obligations under security lending agreements	.....	.....	.....	.....	.....
Other liabilities	453	19	.....	.....	11
Total Liabilities	6,216	3,269	21,430	6,201	11,904
Fund Balances:					
Reserved	350	4,353	3,598	6,033	1,206
Unreserved	17,318	32,043	17,685	65,987	21,335
Total Fund Balances	17,668	36,396	21,283	72,020	22,541
TOTAL LIABILITIES AND FUND BALANCES	\$ 23,884	\$ 39,665	\$ 42,713	\$ 78,221	\$ 34,445

STATE OF FLORIDA

Departments of					
<u>Law Enforcement</u>	<u>Management Services</u>	<u>Highway Safety and Motor Vehicles</u>	<u>Business and Professional Regulation</u>	<u>Other</u>	<u>Total 6/30/97</u>
\$	\$ 94	\$ 715	\$ 917	\$ 1,311	\$ 5,340
19,762	69,539	49,397	70,405	679,968	1,075,692
.....	85,989	.....	.....	.....	85,989
788	12,630	2,518	37,261	160,213	224,083
3,231	836	10,183	6,026	17,083	52,516
.....	.....	950	.....	371	1,398
.....	.....	2,458	326	14,039	19,519
.....	.....	.....	.....	5,860	7,235
.....	.....	952	.....	191	1,169
\$ 23,781	\$ 169,088	\$ 67,173	\$ 114,935	\$ 879,036	\$ 1,472,941
\$ 2,235	\$ 3,246	\$ 5,250	\$ 6,061	\$ 31,363	\$ 68,448
3,896	15,432	23,827	6,887	17,585	87,720
.....	.....	.....	.....	2	29
.....	.....	1,825	.....	849	2,876
600	84	1,126	217	137,230	147,179
.....	.....	.....	.....	390,414	390,414
4	17	56	.....	22	582
6,735	18,779	32,084	13,165	577,465	697,248
6,538	811	8,802	1,607	55,826	89,124
10,508	149,498	26,287	100,163	245,745	686,569
17,046	150,309	35,089	101,770	301,571	775,693
\$ 23,781	\$ 169,088	\$ 67,173	\$ 114,935	\$ 879,036	\$ 1,472,941

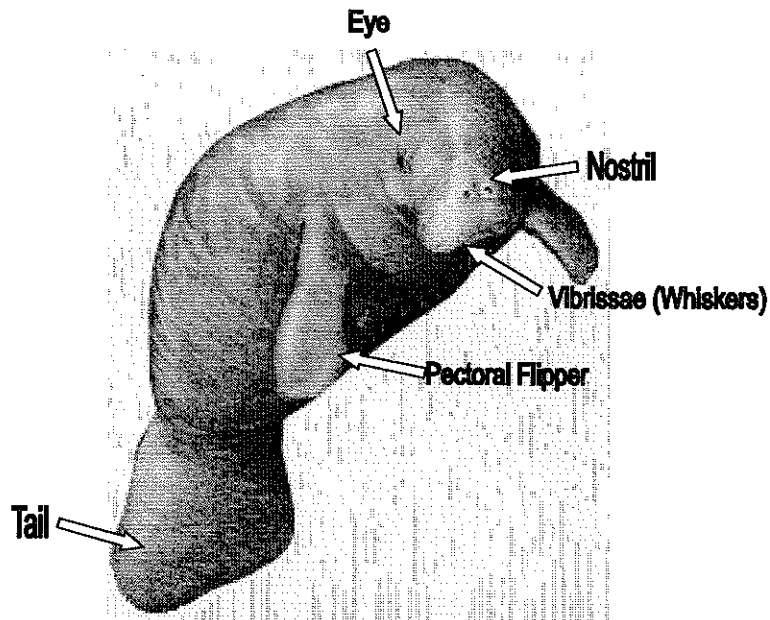
STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL OTHER SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Departments of				
	<u>Legal Affairs</u>	<u>Agriculture</u>	<u>State</u>	<u>Insurance</u>	<u>Citrus</u>
REVENUES					
Taxes	\$	\$	\$	\$ 22,934	\$ 68,379
Licenses and permits	.....	9,944	7,845	40,456	.....
Fees and charges	11,605	70,319	79,345	23,108	117
Grants and donations	14,752	13,140	7,696	.....	4,187
Investment earnings	626	655	887	3,301	1,009
Fines, forfeits and judgments	25,803	18,789	11,000	4,269	.....
Flexible benefits contributions	.....	.....	.....	.....	.....
Refunds	249	165	1,264	50	104
Other	135	.....	.....	8	24
TOTAL REVENUES	53,170	113,012	108,037	94,126	73,820
EXPENDITURES					
Current:					
Economic opportunities, agriculture and employment	.....	70,970	16,844	42,445	73,233
Public safety	383	1,477	.....	16,022	.....
Health and social concerns	.....	.....	.....	.....	.....
Housing and community development	.....	.....	.....	.....	.....
Natural resources and environmental management	.....	24,328	.....	.....	.....
Recreational and cultural opportunities	.....	.....	26,197	.....	.....
Governmental direction and support services	47,403	3	2,606	23,365	.....
Capital outlay	1,282	14,338	1,637	2,396	662
Debt service:					
Principal retirement	.....	.....	9	.....	.....
Interest and fiscal charges	.....	.....	11	.....	.....
TOTAL EXPENDITURES	49,068	111,116	47,304	84,228	73,895
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,102	1,896	60,733	9,898	(75)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	5,843	24,119	27,194	21,843	6,287
Operating transfers out	(5,252)	(9,801)	(84,182)	(49,987)	(8,558)
Transfers in from component units/primary	.....	.....	.....	.....	.....
Proceeds of financing agreements	.....	.....	.....	.....	.....
TOTAL OTHER FINANCING SOURCES (USES)	591	14,318	(56,988)	(28,144)	(2,271)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	4,693	16,214	3,745	(18,246)	(2,346)
Fund Balances, July 1	12,975	20,182	17,539	90,266	24,531
Residual Equity Transfers	.....	.....	.....	.....	.....
Change in Reserve for Inventories	.....	.....	(1)	.....	356
FUND BALANCES, JUNE 30	\$ 17,668	\$ 36,396	\$ 21,283	\$ 72,020	\$ 22,541

STATE OF FLORIDA

Departments of					
Law Enforcement	Management Services	Highway Safety and Motor Vehicles	Business and Professional Regulation	Other	Total 6/30/97
\$	\$	\$ 893	\$ 470,454	\$ 27,173	\$ 589,833
.....	.....	541,628	80,189	22,256	702,318
23,598	132,699	325,515	32,382	64,948	763,636
924	837	2,658	.....	119,704	163,898
1,096	7,953	1,217	3,129	6,773	26,646
2,979	.....	61,031	3,077	4,908	131,856
.....	56,708	.....	.....	.....	56,708
75	310	403	279	9,045	11,944
.....	.....	.....	.....	89	256
28,672	198,507	933,345	589,510	254,896	2,447,095
.....	567	.....	134,091	82,116	420,266
41,011	.....	176,470	.....	70,849	306,212
.....	.....	.....	.....	106,517	106,517
.....	65,289	1,568	.....	.....	66,857
.....	.....	.....	.....	36,592	60,920
.....	.....	.....	.....	.....	26,197
3,425	184,470	.....	7,961	45,855	315,088
6,147	6,321	3,942	2,303	35,780	74,808
.....	141	.....	.....	3,178	3,328
.....	21	.....	.....	189	221
50,583	256,809	181,980	144,355	381,076	1,380,414
(21,911)	(58,302)	751,365	445,155	(126,180)	1,066,681
29,338	103,654	6,515	49,949	310,886	585,628
(15,352)	(26,625)	(759,348)	(475,319)	(152,740)	(1,587,164)
.....	.....	.....	.....	752	752
.....	.....	.....	.....	455	455
13,986	77,029	(752,833)	(425,370)	159,353	(1,000,329)
(7,925)	18,727	(1,468)	19,785	33,173	66,352
24,971	95,669	36,448	81,985	184,668	589,234
.....	35,913	.....	.....	83,784	119,697
.....	.....	109	.....	(54)	410
\$ 17,046	\$ 150,309	\$ 35,089	\$ 101,770	\$ 301,571	\$ 775,693



PHYSICAL CHARACTERISTICS



Adult West Indian Manatees average about 10 feet in length, but larger manatees may reach lengths of up to 15 feet. The average adult manatee weighs approximately 800 to 1200 pounds. However, larger manatees have been known to weigh up to 3500 pounds. The manatee's body is streamlined-full around the middle and narrowing to a paddle-shaped tail. It is covered with skin that is rubber-like, uniformly dark gray, wrinkled, and sparsely haired.



The two pectoral flippers are used for steering and guiding the manatee's movement along the bottom of waterways. The pectoral flippers may also be used like "hands" for bringing food to the manatee's mouth. The West Indian and West African manatees have three or four fingernails similar to the toenails on an elephant's foot. However, the fingernails are not found on the Amazonian manatees.



Manatees have no discernible neck. There are two nostrils located on the top of the head at the end of the snout. Manatees have large, flexible upper lips, which are covered with vibrissae (whiskers). They have only 24 to 32 molars which are located in the back of the mouth. The molars are continually being worn down by the abrasive plants eaten by the manatees. The molars are replaced by new molars as the teeth wear down. The new molars are grown in the back of the mouth and move forward as needed. This process continues throughout the manatee's life. Due to this process, the method of using teeth to determine the age of a manatee is not feasible.



Manatees are excellent swimmers, but not deep divers. A manatee swims by moving its large paddle-like tail in an up-and-down motion. It is very agile and can maneuver quite well underwater. The Florida manatees have been clocked up to 15 mph, but the manatees usually cruise at speeds of 2 to 6 mph or less. They normally feed no deeper than 10 feet.



The manatee's eyesight is well developed. In clear water it can detect objects from many yards away. Indication is that the manatee can see both in bright and dim light. It is not known whether or not the manatee can distinguish colors. A transparent membrane acts as an extra eyelid to protect the eye.



Touch is very important for manatees. This is apparent between the mother manatee (cow) and the baby manatee (calf). The cow is very affectionate to her calf. Manatees have also been observed initiating body contact with divers. Divers have been nuzzled with the manatee's snout and have been allowed to pat or rub the manatee's tummy. Some of the manatees even chewed on clip boards and divers flippers as if "researching" the researcher.

Manatees do not have external ear flaps. The opening to the ear canal is very small. Manatees emit sound underwater. Sound is emitted when the manatees are frightened or when interacting with other manatees. Vocalizations are an important part of the cow-calf relationship. Cows respond to the squeals of their calves from more than 200 feet away.

Capital Projects Funds

The capital projects funds are maintained to account for financial resources to be used for the acquisition or construction of major capital facilities.

STATE OF FLORIDA

COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS JUNE 30, 1997 (in thousands)

	Departments of				
	<u>Environmental Protection</u>	<u>Agriculture</u>	<u>Education</u>	<u>Transportation</u>	<u>Children and Families</u>
ASSETS					
Pooled investments with State Treasury	\$ 736	\$ 1,503	\$ 1,009	\$ 6,417	\$ 71
Receivables, net	797	1	.....	41	.....
Due from other funds	79,386	2,287	4,354	3,675	1,650
TOTAL ASSETS	\$ 80,919	\$ 3,791	\$ 5,363	\$ 10,133	\$ 1,721
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 4,918	\$	\$ 50	\$ 4,924	\$ 34
Due to other funds	56	.....	.....	41	.....
Deferred revenues	.....	.....	.....	.....	.....
Obligations under security lending agreements	.....	.....	.....	.....	.....
Other liabilities	43	.....	.....	.....	.....
Total Liabilities	5,017	.....	50	4,965	34
Fund Balances:					
Reserved	75,902	.....	.....	.....	.....
Unreserved	.....	3,791	5,313	5,168	1,687
Total Fund Balances	75,902	3,791	5,313	5,168	1,687
TOTAL LIABILITIES AND FUND BALANCES	\$ 80,919	\$ 3,791	\$ 5,363	\$ 10,133	\$ 1,721

STATE OF FLORIDA

Departments of						
Military Affairs	Corrections	Management Services	Juvenile Justice	Other	Totals	
					6/30/97	6/30/96
\$	\$	\$ 377	\$ 1,217	\$ 1,469	\$ 12,799	\$ 18,025
.....	126	2	.....	2	969	2,013
1,568	101,041	12,346	24,862	1,536	232,705	226,816
\$ 1,568	\$ 101,167	\$ 12,725	\$ 26,079	\$ 3,007	\$ 246,473	\$ 246,854
\$	\$ 616	\$ 146	\$ 3,415	\$ 338	\$ 14,441	\$ 15,744
.....	1	2	501	67	668	1,978
.....	.....	.....	.....	.....	.....	15
.....	.....	.....	.....	1,062	1,062	.....
.....	.....	.....	.....	.....	43	43
.....	617	148	3,916	1,467	16,214	17,780
.....	300	744	17,686	44	94,676	81,852
1,568	100,250	11,833	4,477	1,496	135,583	147,222
1,568	100,550	12,577	22,163	1,540	230,259	229,074
\$ 1,568	\$ 101,167	\$ 12,725	\$ 26,079	\$ 3,007	\$ 246,473	\$ 246,854

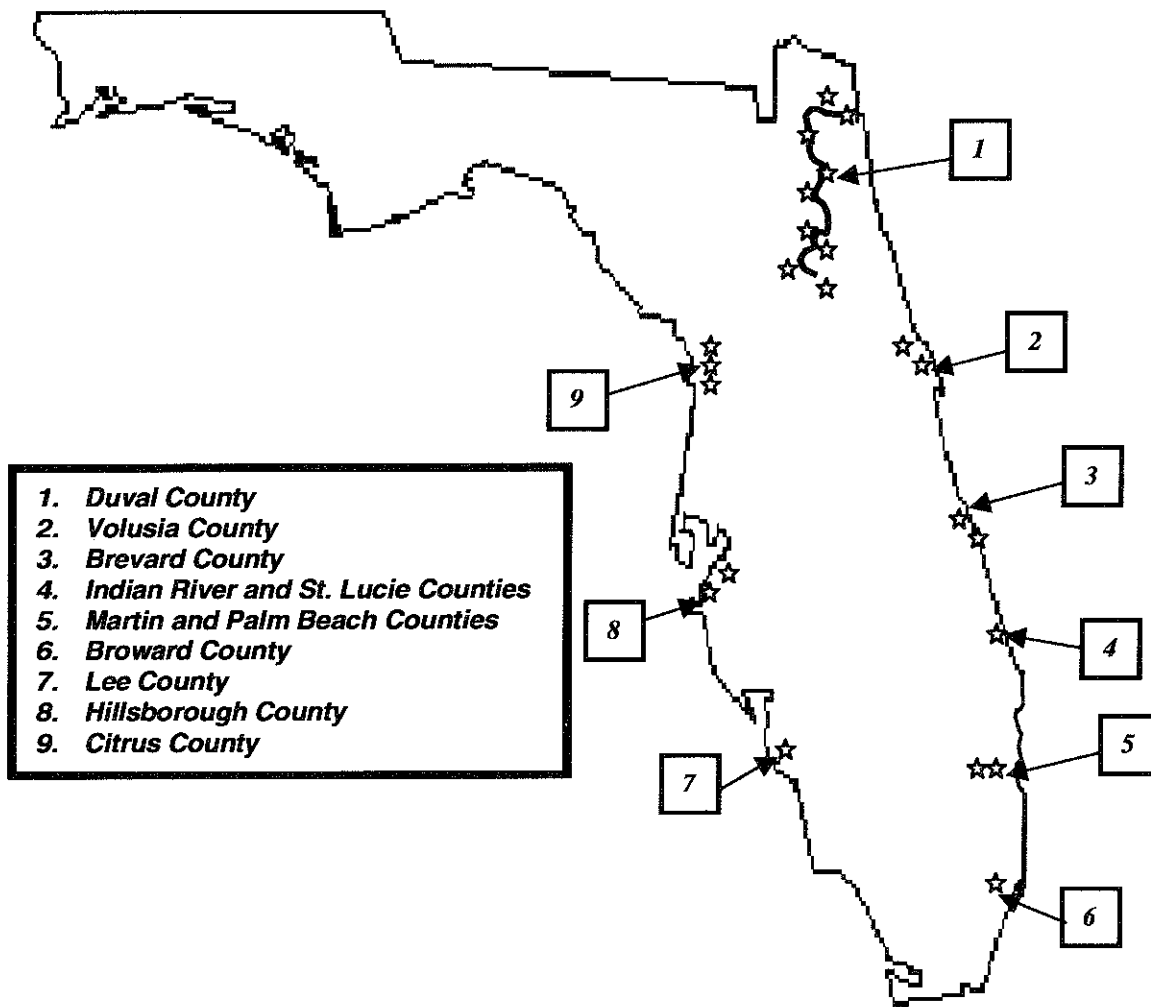
STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Departments of				
	<u>Environmental Protection</u>	<u>Agriculture</u>	<u>Education</u>	<u>Transportation</u>	<u>Children and Families</u>
REVENUES					
Fees and charges	\$	\$ 992	\$	\$	\$
Grants and donations	.....	.....	.....	.....	.....
Investment earnings	11	24	.....	375	.....
Refunds	71	355	.....	1,199	.....
TOTAL REVENUES	82	1,371	.....	1,574	.....
EXPENDITURES					
Natural resources and environmental management	22	.....	.....	.....	.....
Capital outlay	38,052	4,489	2,889	154,678	12,184
Debt service:					
Interest and fiscal charges	.....	.....	.....	8	.....
TOTAL EXPENDITURES	38,074	4,489	2,889	154,686	12,184
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(37,992)	(3,118)	(2,889)	(153,112)	(12,184)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	245,723	3,222	6,246	184,672	7,355
Operating transfers out	(177,481)	.....	.....	(30,501)	.....
Transfers out to component units/primary	(1,505)	.....	.....	.....	.....
TOTAL OTHER FINANCING SOURCES (USES)	66,737	3,222	6,246	154,171	7,355
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	28,745	104	3,357	1,059	(4,829)
Fund Balances, July 1	47,157	3,687	1,956	4,109	7,084
Residual Equity Transfers	.....	.....	.....	.....	(568)
FUND BALANCES, JUNE 30	\$ 75,902	\$ 3,791	\$ 5,313	\$ 5,168	\$ 1,687

STATE OF FLORIDA

Departments of					Totals	
Military Affairs	Corrections	Management Services	Juvenile Justice	Other	6/30/97	6/30/96
\$	\$	\$	\$	\$	\$ 992	\$ 35
.....	.....	.....	814	.....	814	356
.....	.....	96	.....	37	543	513
.....	.....	.....	.....	.....	1,625	1,822
.....	.....	96	814	37	3,974	2,726
.....	.....	.....	.....	.....	22	.....
533	45,799	18,459	23,999	11,183	312,265	265,850
.....	.....	.....	.....	.....	8	405
533	45,799	18,459	23,999	11,183	312,295	266,255
(533)	(45,799)	(18,363)	(23,185)	(11,146)	(308,321)	(263,529)
673	42,437	19,032	8,503	11,492	529,355	441,078
.....	(1)	(8,378)	(1,638)	(692)	(218,691)	(185,255)
.....	.....	.....	.....	.....	(1,505)	(14,290)
673	42,436	10,654	6,865	10,800	309,159	241,533
140	(3,363)	(7,709)	(16,320)	(346)	838	(21,996)
1,428	103,913	20,286	38,483	971	229,074	608,118
.....	.....	.....	.....	915	347	(357,048)
\$ 1,568	\$ 100,550	\$ 12,577	\$ 22,163	\$ 1,540	\$ 230,259	\$ 229,074



THE PRINCIPAL MANATEE SANCTUARIES IN FLORIDA

- ❖ The headwaters of Crystal River and Homosassa River, **Citrus County**.
- ❖ Blue Spring Run and connecting waters of the St. Johns River, **Volusia County** and **Duval County**.
- ❖ The Alafia River, from Tampa Bay to U.S. Highway 41, **Hillsborough County**.
- ❖ The Delespine and Frontenac power plants effluents along the **Indian River**, **Brevard County**.
- ❖ The discharge canals for the Vero Beach power plant and connecting waters, **Indian River County**.
- ❖ The discharge of the Henry D. King Municipal Electric Station and connection waters, **St. Lucie County**.
- ❖ The discharge canals of the Port Everglades and Ft. Lauderdale power plants, **Broward County**.
- ❖ The Orange River, including the discharge canal from the Tice power plant and adjoining waters of the Caloosahatchee River, **Lee County**.
- ❖ The Indian River from St. Lucie Inlet to Jupiter Inlet (excluding the main channel of the Intracoastal Waterway), **Martin** and **Palm Beach Counties**.

Source: *Manatees Gentle Giants in Peril* by Mary Unterbrink

Debt Service Fund

The debt service fund is maintained to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

STATE OF FLORIDA

BALANCE SHEET - DEBT SERVICE FUND
JUNE 30, 1997
(in thousands)

	Totals	
	<u>6/30/97</u>	<u>6/30/96</u>
ASSETS		
Cash and cash equivalents	\$ 225	\$ 35
Investments	268,763	252,810
Receivables, net	3,732	4,917
Due from other funds	2,489	7,853
TOTAL ASSETS	\$ 275,209	\$ 265,615
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 467	\$
Other liabilities	1,354	6,924
Total Liabilities	1,821	6,924
Fund Balances:		
Reserved	273,388	258,691
TOTAL LIABILITIES AND FUND BALANCES	\$ 275,209	\$ 265,615

STATE OF FLORIDA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Totals	
	6/30/97	6/30/96
REVENUES		
Fees and charges	\$ 53,109	\$ 50,892
Investment earnings	21,598	20,339
Other	36,723	.....
TOTAL REVENUES	111,430	71,231
EXPENDITURES		
Current:		
Governmental direction and support services	60,166	18,708
Debt service:		
Principal retirement	262,850	251,235
Interest and fiscal charges	526,477	484,429
TOTAL EXPENDITURES	849,493	754,372
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(738,063)	(683,141)
OTHER FINANCING SOURCES (USES)		
Proceeds of bond issues	33,983	31,799
Proceeds of refunding bonds	217,245	598,957
Operating transfers in	720,667	684,444
Operating transfers out	(1,890)	(1,712)
Payments to refunded bond agent	(217,245)	(598,957)
TOTAL OTHER FINANCING SOURCES (USES)	752,760	714,531
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	14,697	31,390
Fund Balance, July 1	258,691	227,301
FUND BALANCE, JUNE 30	\$ 273,388	\$ 258,691



Enterprise Funds

The enterprise funds are used to account for operations that provide goods or services to the general public on a user charge basis, similar to private business enterprises.

Department of the Lottery

Administrative Trust Fund - This fund accounts for the operations of the State lottery as authorized by s. 15, Article X of the State Constitution.

Department of State

Publications Revolving Trust Fund - The Department publishes The Florida Administrative Weekly and The Florida Administrative Code and accounts for these activities in this fund.

Department of Community Affairs

Florida Housing and Finance Agency Trust Funds - These funds were established to provide management and accounting controls over the issuance of revenue notes and bonds which provide loans to achieve the low-income and/or housing rehabilitation purpose of Chapter 420, Florida Statutes.

Department of Transportation

Department of Transportation Turnpike, Expressway and Bridge Toll Funds - Revenues from the various toll roads, bridges and expressways fund the operations of these facilities and provide for the debt service payment requirements.

Department of Labor and Employment Security

Business Enterprises Vending Facilities - This fund accounts for the vending machine and canteen operations of the Division of Blind Services.

Department of Children and Families, Department of Corrections and Department of Juvenile Justice

The Welfare Trust Funds of these departments are canteen-type operations.

STATE OF FLORIDA

COMBINING BALANCE SHEET - ALL ENTERPRISE FUNDS JUNE 30, 1997 (in thousands)

	Departments of				
	<u>Lottery</u>	<u>State</u>	<u>Community Affairs</u>	<u>Labor and Employment Security</u>	<u>Transportation</u>
ASSETS					
Cash and cash equivalents	\$ 22,336	\$	\$ 9,082	\$ 512	\$ 3,822
Pooled investments with State Treasury	61,569	174	68,329	.....	185,426
Investments	2,854,720	.....	19,866	.....	.....
Receivables, net	505,607	7	64,568	339	4,547
Due from other funds	.....	33	11,494	1,031	58,375
Due from component units/primary	.....	.....	.....	.....	886
Advances to other funds	.....	.....	.....	.....	67,962
Inventories	2,619	.....	.....	874	.....
Loans and notes receivable, net	.....	.....	1,462,247	.....	.....
Restricted cash and cash equivalents	.....	.....	9,623	.....	147,681
Restricted investments	.....	.....	1,338,441	.....	84,803
Deferred fiscal charges and other assets	2,178	.....	15,341	.....	13,564
Land	.....	.....	.....	.....	425,659
Buildings and improvements	.....	.....	.....	3,734	2,152,545
Furniture and equipment	29,808	310	64	14,496	4,815
Construction in progress	.....	.....	.....	156	534,967
Accumulated depreciation	(23,685)	(141)	(3)	(10,469)	(41,876)
TOTAL ASSETS	\$ 3,455,152	\$ 383	\$ 2,999,052	\$ 10,673	\$ 3,643,176
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,915,139	\$ 2	\$ 52,531	\$	\$ 85,607
Due to other funds	59,133	38	4,051	1,031	31,400
Advances from other funds	.....	.....	24,827	.....	235,495
Bonds payable	.....	.....	2,495,141	.....	1,363,814
Deferred revenues	.....	.....	3,686	.....	1,791
Payable from restricted assets	.....	.....	84,082	.....	32,572
Compensated absences	3,966	35	341	.....	.....
Obligations under security lending agreements	1,466,168	.....	.....	.....	28,070
Other liabilities	4,622	.....	.....	.....	3,590
Total Liabilities	3,449,028	75	2,664,659	1,031	1,782,339
Fund Equity:					
Contributed capital	.....	.....	.....	.....	158,925
Retained Earnings:					
Reserved	.....	.....	50,603	.....	202,255
Unreserved	6,124	308	283,790	9,642	1,499,657
Total Fund Equity	6,124	308	334,393	9,642	1,860,837
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,455,152	\$ 383	\$ 2,999,052	\$ 10,673	\$ 3,643,176

STATE OF FLORIDA

Departments of						
Children and Families	Military Affairs	Health	Corrections	Juvenile Justice	Totals	
					6/30/97	6/30/96
\$ 1,322	\$ 159	\$ 6	\$ 2,793	\$ 87	\$ 40,119	\$ 46,462
1,439	.....	19	12,150	.....	329,106	316,266
.....	.....	.....	1	.....	2,874,587	1,354,673
12	.....	.....	2,336	.....	577,416	467,760
.....	.....	.....	1,320	.....	72,253	58,408
.....	.....	.....	.....	.....	886	1,254
.....	.....	.....	.....	.....	67,962	66,187
122	.....	.....	1,671	3	5,289	6,861
.....	.....	.....	8	.....	1,462,255	1,254,798
.....	.....	.....	.....	.....	157,304	271,921
.....	.....	.....	.....	.....	1,423,244	1,188,889
.....	.....	.....	.....	.....	31,083	30,835
.....	.....	.....	.....	.....	425,659	375,231
39	.....	.....	2,256	.....	2,158,574	2,103,904
1,241	.....	7	4,893	.....	55,634	47,532
.....	.....	.....	11	.....	535,134	631,043
(807)	.....	(5)	(4,020)	.....	(81,006)	(73,549)
\$ 3,368	\$ 159	\$ 27	\$ 23,419	\$ 90	\$ 10,135,499	\$ 8,148,475
\$ 2	\$ 1	\$	\$ 1,011	\$	\$ 2,054,293	\$ 1,909,458
5	.....	.....	1,079	.....	96,737	80,409
.....	.....	.....	.....	.....	260,322	243,140
.....	.....	.....	.....	.....	3,858,955	3,616,779
.....	.....	.....	.....	.....	5,477	2,014
.....	.....	.....	.....	.....	116,654	103,169
.....	.....	.....	.....	.....	4,342	3,654
.....	.....	.....	.....	.....	1,494,238	.....
.....	.....	.....	.....	.....	8,212	18,438
7	1	.....	2,090	.....	7,899,230	5,977,061
.....	.....	.....	1	.....	158,926	158,926
.....	.....	.....	470	.....	253,328	517,214
3,361	158	27	20,858	90	1,824,015	1,495,274
3,361	158	27	21,329	90	2,236,269	2,171,414
\$ 3,368	\$ 159	\$ 27	\$ 23,419	\$ 90	\$ 10,135,499	\$ 8,148,475

STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Departments of				
	<u>Lottery</u>	<u>State</u>	<u>Community Affairs</u>	<u>Labor and Employment Security</u>	<u>Transportation</u>
OPERATING REVENUES					
Sales -- state	\$	\$ 442	\$	\$	\$
Sales -- nonstate	2,077,484	255	2,907	11,503	319,423
Rents -- state	.....	.....	.....	.....	.....
Rents and royalties -- nonstate	.....	.....	.....	.....	6,873
Program interest	5,125	.....	76,332	.....	.....
Other	.....	.....	6,287	.....	226
TOTAL OPERATING REVENUES	2,082,609	697	85,526	11,503	326,522
OPERATING EXPENSES					
Personal services	29,602	280	3,383	4,483	32,263
Contractual services	185,740	2	2,244	.....	83,110
Materials and supplies	9,320	148	12,504	272	10,776
Bad debt	599	.....	8,208	.....	11
Depreciation	3,358	38	16	402	4,285
Interest and fiscal charges	.....	.....	272	.....	.....
Repairs and maintenance	.....	7	.....	.....	.....
Cost of goods sold	11,982	.....	.....	4,652	.....
Payment of lottery winnings	1,026,985	.....	.....	.....	.....
TOTAL OPERATING EXPENSES	1,267,586	475	26,627	9,809	130,445
OPERATING INCOME/(LOSS)	815,023	222	58,899	1,694	196,077
NONOPERATING REVENUES (EXPENSES)					
Grants and contributions	.....	.....	29,482	.....	.....
Investment earnings	69,437	4	91,746	2	16,892
Interest and fiscal charges	(67,244)	.....	(143,389)	.....	(62,525)
Amortization	.....	.....	(180)	.....	(877)
Property disposition gain/(loss)	138	(2)	(32)	1,051	(91,740)
Escrow distribution	.....	.....	.....	.....	(17,898)
Grant expense and client benefits	.....	.....	(96,935)	.....	.....
Other	205	.....	.....	.....	642
TOTAL NONOPERATING REVENUES (EXPENSES)	2,536	2	(119,308)	1,053	(155,506)
INCOME/(LOSS) BEFORE OPERATING TRANSFERS	817,559	224	(60,409)	2,747	40,571
Operating transfers in	88	.....	247,695	156	92,020
Operating transfers out	(818,507)	(20)	(129,401)	(1,793)	(93,604)
Transfers out to component units/primary	.....	.....	.....	.....	(39,478)
NET INCOME/(LOSS)	(860)	204	57,885	1,110	(491)
Retained Earnings, July 1	6,984	104	276,508	8,532	1,703,425
Adjustments to increase (decrease) beginning retained earnings	.....	.....	.....	.....	(1,022)
Retained Earnings, July 1, as restated	6,984	104	276,508	8,532	1,702,403
Residual Equity Transfers	.....	.....	.....	.....	.....
RETAINED EARNINGS, JUNE 30	\$ 6,124	\$ 308	\$ 334,393	\$ 9,642	\$ 1,701,912

STATE OF FLORIDA

Departments of							Totals	
Children and Families	Military Affairs	Health	Corrections	Juvenile Justice	6/30/97	6/30/96		
\$		\$		\$		\$	\$	
2,787	9		49,603	145	442	485	2,464,107	2,448,844
	309				9	6,381		
					7,182	79,836		
					81,457	9		
					6,513			
2,787	318		49,603	145	2,559,710	2,535,555		
821			5,480		76,312	82,902		
347	70		18	1	271,532	267,061		
369	29		988	23	34,429	48,085		
					8,818	3,395		
106			892		9,097	8,300		
	55				327	825		
	7				14	40		
1,589			24,324		42,547	47,436		
					1,026,985	1,023,064		
3,232	161		31,702	24	1,470,061	1,481,108		
(445)	157		17,901	121	1,089,649	1,054,447		
1,317			86	17	30,902	29,699		
97	1		435	1	178,615	107,720		
					(273,158)	(192,789)		
					(1,057)	(2,205)		
(8)			(704)		(91,297)	(5,924)		
					(17,898)	(17,635)		
(928)			(11,270)	(82)	(109,215)	(100,797)		
(90)					757	3,160		
388	1		(11,453)	(64)	(282,351)	(178,771)		
(57)	158		6,448	57	807,298	875,676		
9			13,457		353,425	555,185		
(9)			(12,034)		(1,055,368)	(1,251,139)		
					(39,478)	(236)		
(57)	158		7,871	57	65,877	179,486		
3,445			13,457	33	2,012,488	1,829,760		
					(1,022)	3,282		
3,445			13,457	33	2,011,466	1,833,042		
(27)		27				(40)		
\$ 3,361	\$ 158	\$ 27	\$ 21,328	\$ 90	\$ 2,077,343	\$ 2,012,488		

STATE OF FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Departments of				
	Lottery	State	Community Affairs	Labor and Employment Security	Transportation
CASH FLOWS FROM OPERATING ACTIVITIES:					
Adjustment to reconcile operating income to net cash provided/(used) by operating activities:					
Cash received from customers and users	\$ 2,075,654	\$ 526	\$ 205,828	\$ 10,174	\$ 329,019
Cash paid to suppliers and vendors	(206,170)	(159)	(168,792)	(5,758)	(100,613)
Cash paid to employees	(28,892)	(294)	(6,132)	(4,497)	(30,691)
Cash paid for lottery prizes	(1,053,955)	.....	.....	.....	.....
Cash used for housing loans issued	.....	.....	(244,404)	.....	.....
Cash used for client benefits	.....	.....	(10,378)	.....	.....
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	786,637	73	(223,878)	(81)	197,715
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in from other funds	.....	.....	274,701	.....	195,868
Advances from other funds	.....	.....	124	.....	60,385
Transfers out to other funds	(819,852)	(102)	(159,850)	(737)	(151,741)
Advances to other funds	.....	.....	(124)	.....	(50,319)
Payment of bonds and loans	.....	.....	(299,587)	.....	(2,454)
Bond proceeds from loan program	.....	.....	527,920	.....	.....
Donations	.....	.....	.....	.....	.....
NET CASH PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES	(819,852)	(102)	343,184	(737)	51,739
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of fixed assets	138	.....	.....	.....	294
Proceeds from sale of bonds	.....	.....	.....	.....	.....
Payment of bonds and loans	.....	.....	.....	.....	(112,166)
Payment of interest	.....	.....	.....	.....	(86,450)
Purchase or construction of fixed assets	(2,497)	.....	.....	.....	(210,121)
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,359)	.....	.....	.....	(408,443)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale or maturity of investments	197,719	.....	694,043	.....	62,132
Interest received	1,989	5	92,470	2	27,114
Purchase of investments	(187,828)	.....	(900,965)	.....	(25,971)
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	11,880	5	(114,452)	2	63,275
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(23,694)	(24)	4,854	(816)	(95,714)
Cash and cash equivalents, July 1	107,599	198	82,180	1,328	432,643
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 83,905	\$ 174	\$ 87,034	\$ 512	\$ 336,929

STATE OF FLORIDA

Departments of						
Children and Families	Military Affairs	Health	Corrections	Juvenile Justice	Totals	
					6/30/97	6/30/96
\$ 3,074	\$ 532	\$	\$ 49,639	\$ 144	\$ 2,674,590	\$ 2,623,032
(1,993)	(375)	.....	(25,202)	(24)	(509,086)	(384,047)
(471)	.....	.....	(17,440)	.....	(88,417)	(97,644)
.....	.....	.....	.....	.....	(1,053,955)	(1,022,184)
.....	.....	.....	.....	.....	(244,404)	(172,134)
(1,486)	.....	.....	.....	(82)	(11,946)	(79,074)
(876)	157	.....	6,997	38	766,782	867,949
345	.....	25	12,263	.....	483,202	231,476
2	.....	.....	199	.....	60,710	6,343
(59)	.....	.....	(2,467)	.....	(1,134,808)	(864,509)
.....	.....	.....	.....	.....	(50,443)	(47,272)
.....	.....	.....	.....	.....	(302,041)	(325,953)
.....	.....	.....	.....	.....	527,920	218,059
532	.....	.....	.....	16	548	1,150
820	.....	25	9,995	16	(414,912)	(780,706)
.....	.....	.....	24	.....	456	2,815
.....	.....	.....	.....	.....	.....	344,648
.....	.....	.....	(10)	.....	(112,176)	(29,625)
.....	.....	.....	.....	.....	(86,450)	(97,113)
(36)	.....	.....	(1,277)	.....	(213,931)	(273,789)
(36)	.....	.....	(1,263)	.....	(412,101)	(53,064)
2	.....	.....	.....	.....	953,896	1,749,936
87	2	.....	242	2	121,913	126,293
.....	.....	.....	(8,934)	.....	(1,123,698)	(1,681,802)
89	2	.....	(8,692)	2	(47,889)	194,427
(3)	159	25	7,037	56	(108,120)	228,606
2,764	.....	.....	7,906	31	634,649	406,043
\$ 2,761	\$ 159	\$ 25	\$ 14,943	\$ 87	\$ 526,529	\$ 634,649

STATE OF FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES

	Departments of				
	Lottery	State	Community Affairs	Labor and Employment Security	Transportation
OPERATING INCOME/(LOSS)	\$ 815,023	\$ 222	\$ 58,899	\$ 1,694	\$ 196,077
Adjustment to reconcile operating income to net cash provided/(used) by operating activities:					
Depreciation and amortization expense	3,358	38	16	401	4,285
(Increase)/decrease in accounts receivable	(8,535)	5	(254,162)	(1,030)	(858)
(Increase)/decrease in due from other funds	.....	.....	(5,603)	.....	(7,901)
Increase/(decrease) in allowance for uncollectibles	443	.....	10,307	(318)	(1,604)
(Increase)/decrease in inventories	1,666	.....	.....	.....	966
Increase/(decrease) in accounts payable	(15,569)	.....	(13,226)	(676)	(5,103)
Increase/(decrease) in compensated absences	709	(15)	.....	.....	.....
Increase/(decrease) in due to other funds	(10,458)	.....	.....	.....	10,148
Increase/(decrease) in deferred revenues	.....	(177)	495	(152)	1,705
Collection of the loan program	.....	.....	.....	.....	.....
Loan program interest	.....	.....	76,331	.....	.....
Cash used for client benefits	.....	.....	(96,935)	.....	.....
Decrease in prize liability	.....	.....	.....	.....	.....
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	\$ 786,637	\$ 73	\$ (223,878)	\$ (81)	\$ 197,715

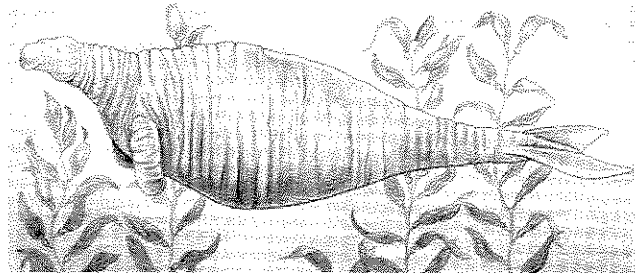
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Capital appreciation	\$ 130,600	\$	\$	\$	\$
Contributions/transfers in of fixed assets	\$	\$	\$	\$	\$

STATE OF FLORIDA

Departments of							
Children And Families	Military Affairs	Health	Corrections	Juvenile Justice	Totals		
					6/30/97	6/30/96	
\$	(445)	\$ 157	\$	\$ 17,901	\$ 121	\$ 1,089,649	\$ 1,054,447
	105	.....	.....	892	.....	9,095	8,300
	21	.....	.....	(411)	.....	(264,970)	(73,479)
	.....	.....	.....	(322)	.....	(13,826)	(6,326)
	.....	.....	.....	(109)	.....	8,719	1,891
	.....	.....	.....	.....	.....	2,632	1,698
	(9)	.....	.....	(48)	.....	(34,631)	(51,733)
	.....	.....	.....	.....	.....	694	203
	.....	.....	.....	.....	.....	(310)	(11,984)
	.....	.....	.....	.....	.....	1,871	(475)
	(548)	.....	.....	364	.....	(184)	.....
	.....	.....	.....	.....	.....	76,331	62,354
	.....	.....	.....	(11,270)	(83)	(108,288)	(107,266)
	.....	.....	.....	.....	.....	.....	(9,681)
\$	(876)	\$ 157	\$	\$ 6,997	\$ 38	\$ 766,782	\$ 867,949

\$	.....	\$	.....	\$	.....	\$	.....	\$	130,600	\$	125,875
\$	.....	\$	.....	\$	.....	\$	.....	\$	.....	\$	15,255



EXTINCTION IS FOREVER!
Steller's Seacow
Discovered 1714
Extinct 1741

MANATEES IN PERIL

As early as the eighteenth century the English established Florida as a manatee sanctuary. In 1893, a law was passed to protect manatees in Florida. In 1907, a fine of \$500 was initiated for any person caught killing or molesting a manatee. In July 1978, the State of Florida passed the "Florida Manatee Sanctuary Act." This significantly increased protection for the manatees. With the passing of this law the entire state was declared as a refuge and sanctuary for the manatees. The law also allowed for enforcement of boat speed regulations in designated areas. Responsibility for the protection of the manatee is vested in the Florida Department of Environmental Protection and the Florida Game and Fresh Water Fish Commission. Manatees are also protected at the Federal level by both the Marine Mammal Protection Act of 1972 and the Endangered Species Act of 1973, which makes it illegal to harass, hunt, capture or kill any marine mammal. Anyone convicted of violating the state law faces a possible maximum fine of \$500 and/or imprisonment for up to 60 days. Conviction on the federal level is punishable by fine of up to \$50,000 and/or one year in prison. The State of Florida can pursue prosecution under federal law in circumstances of extreme harassment, resulting in the death or injury of a manatee.

Over the past centuries, the principal sources of manatee mortality were hunting by man and deaths associated with unusually cold winters. Today poaching is rare, however, human-related sources are still causing a high mortality rate and the future of the species is threatened with the possibility of extinction.

Over 30% of the deaths have been attributed to human activities such as the following (in decreasing level of importance):

1. ***The largest single mortality factor is collision with boats and barges.***
2. ***Flood-control structures such as flood gates and canal locks.***
3. ***Entanglement or ingestion of fishing gear.***
4. ***Poaching and vandalism contribute to a few deaths each year.***
5. ***As with all Florida wildlife, loss of habitat is one of the most serious threats to the manatee.***
6. ***Pollution such as pesticides, herbicides and industrial chemicals.***
7. ***Disturbing or harassment of manatees by divers, boaters and fishermen.***

Natural factors for manatee deaths include the following:

1. ***Cold weather - it is believed that manatees cannot produce enough metabolic heat to make up for the heat loss to the environment.***
2. ***Red tide due to the ingestion of small marine animals that may have accumulated toxins from the red-tide organisms. Manatees are also exposed to airborne toxins from red tide as they breathe at the water's surface.***

Internal Service Funds

The internal service funds are used to account for the financing of goods or services by one department to other departments of the government on a cost-reimbursement basis.

Department of Insurance

The Florida Casualty Insurance Risk Management Trust Fund and the Florida Fire Insurance Trust Fund - These funds account for the self-insurance programs of the State.

Department of Banking and Finance

The Consolidated Payment Trust Fund - This fund accounts for the certificates of participation sold to finance the purchase of eligible equipment used by State agencies.

Department of Children and Families

Working Capital Trust Fund - This fund accounts for the Department of Children and Families' data center.

Department of Management Services

State Employees Health Insurance Trust Fund - Both employee and employer contributions are recorded in this fund for the various health plans available to State employees. Disbursements are payments to the providers of these plans.

Services such as motor pools, telephones, communications and building supervision are also accounted for in the funds of the Department of Management Services.

Most of the other internal service funds record the activities of various departmental data centers.

STATE OF FLORIDA

COMBINING BALANCE SHEET - ALL INTERNAL SERVICE FUNDS JUNE 30, 1997 (in thousands)

	Departments of				
	<u>Environmental Protection</u>	<u>Banking and Finance</u>	<u>State</u>	<u>Insurance</u>	<u>Education</u>
ASSETS					
Cash and cash equivalents	\$	\$ 88	\$	\$ 8	\$
Pooled investments with State Treasury	973	950	287	10,151	417
Investments	.....	1,699	.....	.....	.....
Receivables, net	4	12	60	434	3
Due from other funds	2	.....	112	3,119	94
Due from component units/primary	.....	.....	3	.....	.....
Inventories	.....	.....	12	.....	51
Deferred fiscal charges and other assets	.....	.....	.....	.....	.....
Buildings and improvements	.....	.....	.....	.....	.....
Furniture and equipment	2,590	.....	707	589	2,146
Construction in progress	.....	.....	.....	.....	.....
Accumulated depreciation	(1,389)	.....	(519)	(375)	(1,139)
TOTAL ASSETS	\$ 2,180	\$ 2,749	\$ 662	\$ 13,926	\$ 1,572
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable and accrued liabilities	\$ 195	\$ 15	\$ 6	\$ 555,171	\$ 6
Due to other funds	63	.....	29	2,974	1
Advances from other funds	.....	.....	.....	.....	.....
Bonds payable	.....	.....	.....	.....	.....
Certificates of participation payable	.....	295	35	.....	.....
Notes and leases payable	.....	.....	.....	.....	.....
Deferred revenues	.....	.....	.....	.....	.....
Compensated absences	322	.....	49	731	215
Obligations under security lending agreements	.....	.....	.....	.....	.....
Other liabilities	.....	.....	.....	.....	.....
Total Liabilities	580	310	119	558,876	222
Fund Equity:					
Contributed capital	1,066	.....	.....	.....	162
Retained Earnings:					
Unreserved	534	2,439	543	(544,950)	1,188
Total Fund Equity	1,600	2,439	543	(544,950)	1,350
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,180	\$ 2,749	\$ 662	\$ 13,926	\$ 1,572

STATE OF FLORIDA

Departments of						
<u>Labor and Employment Security</u>	<u>Children and Families</u>	<u>Management Services</u>	<u>Revenue</u>	<u>Highway Safety and Motor Vehicles</u>	<u>Totals</u>	
					<u>6/30/97</u>	<u>6/30/96</u>
\$	\$	\$ 9,581	\$	\$ 12	\$ 9,689	\$ 47,991
2,011	231	123,423	3,571	5,081	147,095	196,842
.....	.....	44,109	.....	.....	45,808	45,584
.....	.....	11,968	.....	66	12,547	13,663
218	16,504	10,094	.....	.....	30,143	30,404
.....	.....	118	.....	.....	121	844
239	.....	313	.....	.....	615	1,027
.....	.....	.....	.....	496	496	211
.....	.....	534,899	.....	327	535,226	497,569
19,422	121,033	124,633	7,824	36,714	315,658	293,520
.....	.....	13,730	.....	.....	13,730	19,661
(15,662)	(91,804)	(123,711)	(4,499)	(27,253)	(266,351)	(263,002)
\$ 6,228	\$ 45,964	\$ 749,157	\$ 6,896	\$ 15,443	\$ 844,777	\$ 884,314
\$ 357	\$ 17,278	\$ 85,780	\$ 41	\$ 922	\$ 659,771	\$ 601,561
995	555	2,119	40	4	6,780	7,590
42	.....	2,003	.....	.....	2,045	2,128
.....	.....	315,064	.....	.....	315,064	298,473
.....	4,617	48,468	121	.....	53,536	62,050
.....	838	95,109	.....	193	96,140	55,849
.....	.....	3,631	.....	.....	3,631	4,608
704	2,230	4,554	130	1,068	10,003	9,307
.....	.....	12,546	.....	.....	12,546	.....
.....	.....	96	.....	.....	96	503
2,098	25,518	569,370	332	2,187	1,159,612	1,042,069
250	.....	.....	.....	227	1,705	1,705
3,880	20,446	179,787	6,564	13,029	(316,540)	(159,460)
4,130	20,446	179,787	6,564	13,256	(314,835)	(157,755)
\$ 6,228	\$ 45,964	\$ 749,157	\$ 6,896	\$ 15,443	\$ 844,777	\$ 884,314

STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Departments of				
	<u>Environmental Protection</u>	<u>Banking and Finance</u>	<u>State</u>	<u>Insurance</u>	<u>Education</u>
OPERATING REVENUES					
Sales -- state	\$ 6,941	\$	\$ 1,249	\$ 109,456	\$ 2,813
Sales -- nonstate	26	.....	245	1	.....
Rents -- state	.....	.....	.....	.....	.....
Rents and royalties -- nonstate	.....	.....	.....	.....	.....
Program interest	.....	.....	.....	.....	.....
Gain/(loss) on sale of investments	.....	.....	.....	.....	.....
Other	.....	626	.....	1,064	.....
TOTAL OPERATING REVENUES	6,967	626	1,494	110,521	2,813
OPERATING EXPENSES					
Personal services	2,141	127	932	4,931	2,361
Contractual services	4,294	23	8	18,226	.....
Materials and supplies	1	3	281	433	584
Depreciation	201	.....	44	286	122
Insurance claims	.....	.....	.....	182,319	.....
Repairs and maintenance	.....	.....	63	212	.....
TOTAL OPERATING EXPENSES	6,637	153	1,328	206,407	3,067
OPERATING INCOME/(LOSS)	330	473	166	(95,886)	(254)
NONOPERATING REVENUES (EXPENSES)					
Grants and contributions	.....	.....	.....	.....	.....
Investment earnings	.....	303	5	2,684	18
Interest and fiscal charges	.....	(71)	(4)	.....	.....
Property disposition gain/(loss)	(143)	.....	(2)	(2,812)	(50)
Other	4	.....	.....	(2)	.....
TOTAL NONOPERATING REVENUES (EXPENSES)	(139)	232	(1)	(130)	(32)
INCOME/(LOSS) BEFORE OPERATING TRANSFERS	191	705	165	(96,016)	(286)
Operating transfers in	.....	.....	.....	5	26
Operating transfers out	(2)	.....	(111)	(1,478)	.....
NET INCOME/(LOSS)	189	705	54	(97,489)	(260)
Retained Earnings, July 1	345	1,734	489	(447,461)	1,448
RETAINED EARNINGS, JUNE 30	\$ 534	\$ 2,439	\$ 543	\$ (544,950)	\$ 1,188

STATE OF FLORIDA

Departments of						
<u>Labor and Employment Security</u>	<u>Children and Families</u>	<u>Management Services</u>	<u>Revenue</u>	<u>Highway Safety and Motor Vehicles</u>	<u>Totals</u>	
					<u>6/30/97</u>	<u>6/30/96</u>
\$ 12,187	\$ 120,446	\$ 610,520	\$ 6,398	\$ 19,002	\$ 889,012	\$ 792,334
4	.....	32,664	.....	.....	32,940	29,017
2,416	.....	63,585	.....	.....	66,001	64,620
35	.....	51	.....	.....	86	4,478
.....	.....	.....	.....	.....	.....	160
.....	.....	.....	.....	.....	.....	(1)
4	.....	8	.....	.....	1,702	61
14,646	120,446	706,828	6,398	19,002	989,741	890,669
6,464	15,995	34,565	1,126	8,953	77,595	63,551
5,796	36,561	327,047	1,175	5,929	399,059	384,455
1,593	6,641	3,323	706	281	13,846	12,168
1,730	15,367	12,967	1,684	1,814	34,215	42,020
.....	.....	387,255	.....	.....	569,574	470,916
.....	12,294	19,062	39	2,256	33,926	22,264
15,583	86,858	784,219	4,730	19,233	1,128,215	995,374
(937)	33,588	(77,391)	1,668	(231)	(138,474)	(104,705)
126	.....	.....	.....	.....	126	829
.....	.....	10,219	.....	.....	13,229	14,235
.....	(417)	(17,343)	(190)	(3)	(18,028)	(25,979)
(44)	(2,068)	(6,365)	(916)	160	(12,240)	(7,982)
1	2	494	1	3	503	9,120
83	(2,483)	(12,995)	(1,105)	160	(16,410)	(9,777)
(854)	31,105	(90,386)	563	(71)	(154,884)	(114,482)
28	51	14,907	.....	71	15,088	20,730
(33)	(3,412)	(11,021)	(3)	(1,224)	(17,284)	(12,191)
(859)	27,744	(86,500)	560	(1,224)	(157,080)	(105,943)
4,739	(7,298)	266,287	6,004	14,253	(159,460)	(53,517)
\$ 3,880	\$ 20,446	\$ 179,787	\$ 6,564	\$ 13,029	\$ (316,540)	\$ (159,460)

STATE OF FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Departments of				
	<u>Environmental Protection</u>	<u>Banking and Finance</u>	<u>State</u>	<u>Insurance</u>	<u>Education</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 7,009	\$ 218	\$ 1,546	\$ 110,741	\$ 2,974
Cash paid to suppliers and vendors	(4,153)	(25)	(442)	(7,445)	(627)
Cash paid to employees	(2,266)	(127)	(883)	(3,672)	(2,371)
Cash paid for insurance claims	.....	.....	.....	(103,099)	.....
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	590	66	221	(3,475)	(24)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in from other funds	.....	.....	.....	.....	26
Advances from other funds	.....	.....	.....	.....	.....
Transfers out to other funds	(2)	.....	(113)	(1,374)	.....
NET CASH PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES	(2)	.....	(113)	(1,374)	26
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of bonds	.....	.....	.....	.....	.....
Payment of bonds and loans	.....	(1,356)	.....	.....	.....
Principal on installment purchases/leases	.....	.....	.....	.....	.....
Payment of interest	.....	(324)	.....	.....	.....
Purchase or construction of fixed assets	(866)	.....	(49)	(542)	.....
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(866)	(1,680)	(49)	(542)	.....
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale or maturity of investments	.....	830	.....	.....	.....
Interest received	.....	307	3	2,680	18
Purchase of investments	.....	.....	.....	.....	.....
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	.....	1,137	3	2,680	18
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(278)	(477)	62	(2,711)	20
Cash and cash equivalents, July 1	1,251	1,515	225	12,870	397
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 973	\$ 1,038	\$ 287	\$ 10,159	\$ 417

STATE OF FLORIDA

Departments of						
<u>Labor and Employment Security</u>	<u>Children and Families</u>	<u>Management Services</u>	<u>Revenue</u>	<u>Highway Safety and Motor Vehicles</u>	<u>Totals</u>	
					<u>6/30/97</u>	<u>6/30/96</u>
\$ 15,389	\$ 118,915	\$ 754,420	\$ 6,399	\$ 19,076	\$ 1,036,687	\$ 955,438
(6,553)	(84,118)	(146,815)	(1,088)	(9,185)	(260,451)	(196,303)
(6,930)	(16,329)	(32,407)	(2,593)	(8,194)	(75,772)	(72,936)
.....	.....	(213,532)	.....	.....	(316,631)	(311,512)
1,906	18,468	361,666	2,718	1,697	383,833	374,687
.....	5	12,684	.....	71	12,786	.....
.....	.....	.....	.....	.....	.....	16,224
(116)	(3,412)	(431,270)	(2)	(1,221)	(437,510)	(382,426)
(116)	(3,407)	(418,586)	(2)	(1,150)	(424,724)	(366,202)
.....	.....	22,303	.....	.....	22,303	79,196
.....	.....	(6,540)	.....	.....	(7,896)	(1,381)
.....	(6,336)	.....	(1,342)	(22)	(7,700)	(1,481)
.....	(585)	(16,270)	(60)	(2)	(17,241)	(446)
(687)	(13,161)	(41,855)	.....	(3,654)	(60,814)	(46,974)
(687)	(20,082)	(42,362)	(1,402)	(3,678)	(71,348)	28,914
.....	.....	12,546	.....	.....	13,376	122,535
.....	.....	7,806	.....	.....	10,814	12,559
.....	.....	.....	.....	.....	.....	(126,788)
.....	.....	20,352	.....	.....	24,190	8,306
1,103	(5,021)	(78,930)	1,314	(3,131)	(88,049)	45,705
908	5,252	211,934	2,257	8,224	244,833	199,128
\$ 2,011	\$ 231	\$ 133,004	\$ 3,571	\$ 5,093	\$ 156,784	\$ 244,833

STATE OF FLORIDA

COMBINING STATEMENT OF CASH FLOWS ALL INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Departments of				
	<u>Environmental Protection</u>	<u>Banking and Finance</u>	<u>State</u>	<u>Insurance</u>	<u>Education</u>
OPERATING INCOME/(LOSS)	\$ 330	\$ 473	\$ 166	\$ (95,886)	\$ (254)
Adjustment to reconcile operating income to net cash provided/(used) by operating activities:					
Depreciation and amortization expense	201	.....	44	286	122
(Increase)/decrease in accounts receivable	(2)	.....	(27)	.....	(1)
(Increase)/decrease in due from other funds	41	.....	62	.....	127
(Increase)/decrease in inventories	.....	.....	.....	.....	(7)
Increase/(decrease) in accounts payable	(8)	(407)	(20)	92,106	3
Increase/(decrease) in compensated absences	28	.....	(4)	19	.....
Increase/(decrease) in due to other funds	.....	.....	.....	.....	(13)
Increase/(decrease) in deferred revenues	.....	.....	.....	.....	(1)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	\$ 590	\$ 66	\$ 221	\$ (3,475)	\$ (24)

NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Borrowing under capital lease or installment purchase	\$	\$	\$	\$	\$
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STATE OF FLORIDA

Departments of						
Labor and Employment Security	Children And Families	Management Services	Revenue	Highway Safety and Motor Vehicles	Totals	
					6/30/97	6/30/96
\$ (937)	\$ 33,588	\$ (77,391)	\$ 1,668	\$ (231)	\$ (138,474)	\$ (104,705)
1,730	15,367	12,967	1,684	1,814	34,215	42,020
.....	.....	3,965	.....	.....	3,935	5,861
709	(2,808)	2,473	.....	80	684	6,452
55	.....	.....	.....	.....	48	114
(682)	(27,679)	419,652	(634)	.....	482,331	419,789
37	.....	.....	.....	34	114	934
.....	.....	.....	.....	.....	(13)	5,066
994	.....	.....	.....	.....	993	(844)
\$ 1,906	\$ 18,468	\$ 361,666	\$ 2,718	\$ 1,697	\$ 383,833	\$ 374,687

\$ \$ \$ \$ \$ \$ \$ 53,890

Trust and Agency Funds

The trust and agency funds account for the assets held by the government unit in a trustee capacity and/or as an agent for individuals, private organizations, other government units and/or other funds. These funds include expendable trust funds, the nonexpendable trust fund, pension trust fund and agency funds.

TRUST FUNDS

Expendable:

State Board of Administration

Florida Prepaid Postsecondary Education Expenses Trust Fund - This fund provides for the prepayment of postsecondary education expenses for the residents of the State.

Department of Labor and Employment Security

Unemployment Compensation Benefit Trust Fund - This fund accounts for the collection of unemployment compensation contributions and the benefit payments.

Department of Banking and Finance

Abandoned Property Trust Fund - A fund used to administer property that has been escheated to the State.

Nonexpendable:

Department of State

Ringling Museum Investment Trust Fund - This fund accounts for the endowment principal for the John and Mable Ringling Museum of Art.

Pension:

Division of Retirement

Florida Retirement System Trust Fund - See Note 7 for a complete description of the pension fund.

AGENCY FUNDS

State Board of Administration

Local Government Surplus Funds Trust Funds -

These funds allow local governments to maximize their interest earnings on the surplus funds on both a pooled and non-pooled basis.

Department of Banking and Finance

Social Security Contribution Trust Fund - Social security contributions from participating state employees and employer contributions pass through this fund to the Federal Government.

Department of Insurance

Deferred Compensation Trust Fund - The state employees' deferred compensation investments and corresponding liabilities are recorded in this fund.

Department of Revenue

Local Option Gas Tax Trust Fund - This fund accounts for the distribution of local option gas tax collections to counties and municipalities.

STATE OF FLORIDA

COMBINING BALANCE SHEET - ALL TRUST AND AGENCY FUNDS
JUNE 30, 1997
(in thousands)

	Trust			Totals		
	Expendable	Non-Expendable	Pension(1)	Agency	6/30/97	6/30/96
ASSETS						
Cash and cash equivalents	\$ 1,845	\$	\$ 48,283	\$ 58,882	\$ 109,010	\$ 70,711
Pooled investments with State Treasury	2,302,668	2,016	6,158	1,593,389	3,904,231	3,161,832
Investments	3,135,247	.....	73,869,422	14,786,763	91,791,432	68,690,708
Receivables, net	101,901	10	944,054	296,500	1,342,465	1,144,254
Due from other funds	22,063	.....	1,063	51,367	74,493	31,746
Inventories	2	.....	.....	.....	2	1
Loans and notes receivable, net	564,575	.....	.....	4,442	569,017	543,938
Deferred fiscal charges and other assets	.....	.....	1,675	14,680	16,355	16,698
Land	.....	.....	.....	4,118	4,118	1,414
Furniture and equipment	.....	.....	2,608	216	2,824	2,423
Accumulated depreciation	.....	.....	(1,297)	.....	(1,297)	.....
TOTAL ASSETS	\$ 6,128,301	\$ 2,026	\$ 74,871,966	\$ 16,810,357	\$ 97,812,650	\$ 73,663,725
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 97,745	\$	\$ 977,176	\$ 10,056,980	\$ 11,131,901	\$ 9,437,282
Due to other funds	32,791	645	3,486	176,713	213,635	195,721
Due to component units/primary	3,865	.....	2	808,639	812,506	744,004
Advances from other funds	.....	.....	.....	2,324	2,324	90
Compensated absences	.....	.....	1,138	.....	1,138	1,057
Obligations under security lending agreements	257,869	172	6,515,275	1,527,294	8,300,610	9,749,869
Other liabilities	3,496,811	.....	.....	4,238,407	7,735,218	7,368,062
Total Liabilities	3,889,081	817	7,497,077	16,810,357	28,197,332	27,496,085
Fund Balances:						
Reserved	2,450	1,209	67,374,889	.....	67,378,548	44,441,757
Unreserved	2,236,770	.....	.....	.....	2,236,770	1,725,883
Total Fund Balances	2,239,220	1,209	67,374,889	.....	69,615,318	46,167,640
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,128,301	\$ 2,026	\$ 74,871,966	\$ 16,810,357	\$ 97,812,650	\$ 73,663,725

(1) Investments for the Defined Benefit Pension Plan within the Pension column are reported at fair value in accordance with Governmental Accounting Standard Board's Statement No. 25, which was implemented during this fiscal year. Refer to Note 3B(2) and Note 7 for further explanation.

STATE OF FLORIDA

COMBINING BALANCE SHEET - ALL EXPENDABLE TRUST FUNDS JUNE 30, 1997 (in thousands)

	Departments of					Totals	
	Banking and Finance	Education	Labor and Employment Security	State Board of Administration	Other	6/30/97	6/30/96
ASSETS							
Cash and cash equivalents	\$	\$ 164	\$ 629	\$ 692	\$ 360	\$ 1,845	\$ 1,145
Pooled investments with State Treasury	4,563	.....	2,099,746	.....	198,359	2,302,668	2,021,217
Investments	.....	3,445	.....	3,131,802	.....	3,135,247	2,452,313
Receivables, net	.....	42	81,188	20,660	11	101,901	90,102
Due from other funds	.....	50	21,368	.....	645	22,063	20,559
Inventories	.....	2	.....	.....	.....	2	1
Loans and notes receivable, net	.....	.....	.....	564,575	.....	564,575	531,240
TOTAL ASSETS	\$ 4,563	\$ 3,703	\$ 2,202,931	\$ 3,717,729	\$ 199,375	\$ 6,128,301	\$ 5,116,577
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$	\$ 16	\$ 59,830	\$ 36,002	\$ 1,897	\$ 97,745	\$ 215,347
Due to other funds	1,865	10	30,838	78	.....	32,791	31,118
Due to component units/primary	.....	.....	.....	3,865	.....	3,865	2,723
Obligations under security lending agreements	.....	.....	.....	61,470	196,399	257,869	113,023
Other liabilities	97	.....	1,741,766	1,754,948	.....	3,496,811	3,027,579
Total Liabilities	1,962	26	1,832,434	1,856,363	198,296	3,889,081	3,389,790
Fund Balances:							
Reserved	.....	40	2,410	.....	.....	2,450	904
Unreserved	2,601	3,637	368,087	1,861,366	1,079	2,236,770	1,725,883
Total Fund Balances	2,601	3,677	370,497	1,861,366	1,079	2,239,220	1,726,787
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,563	\$ 3,703	\$ 2,202,931	\$ 3,717,729	\$ 199,375	\$ 6,128,301	\$ 5,116,577

STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Departments of					Totals	
	Banking and Finance	Education	Labor and Employment Security	State Board of Administration	Other	6/30/97	6/30/96
REVENUES							
Taxes	\$	\$	\$ 801,654	\$	\$	\$ 801,654	\$ 874,978
Fees and charges	.....	32	243	695,226	.....	695,501	663,035
Grants and donations	.....	496	24,006	.....	378	24,880	30,764
Investment earnings	.....	423	140,483	174,593	123	315,622	298,893
Fines, forfeits and judgments	132,274	.....	.....	.....	.....	132,274	80,973
Refunds	206	.....	18,600	7	1	18,814	15,276
Other	.....	.....	.....	1,702	.....	1,702	6
TOTAL REVENUES	132,480	951	984,986	871,528	502	1,990,447	1,963,925
EXPENDITURES							
Current:							
Economic opportunities, agriculture and employment	26,751	.....	1,006,266	.....	.....	1,033,017	988,865
Education	.....	793	.....	.....	.....	793	895
Health and social concerns	.....	.....	.....	.....	22	22	8
Recreational and cultural opportunities	.....	.....	.....	.....	.....	.....	1
Transportation	.....	.....	.....	.....	2,137	2,137	269
Governmental direction and support services	.....	.....	.....	341,591	.....	341,591	275,634
Capital outlay	.....	.....	7	28	28	63	162
Debt service:							
Interest and fiscal charges	.....	.....	.....	.....	2	2	3
TOTAL EXPENDITURES	26,751	793	1,006,273	341,619	2,189	1,377,625	1,265,837
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	105,729	158	(21,287)	529,909	(1,687)	612,822	698,088
OTHER FINANCING SOURCES (USES)							
Operating transfers in	4,750	18	57	26,160	115	31,100	25,751
Operating transfers out	(111,514)	(689)	(15,518)	(911)	(20)	(128,652)	(75,286)
Transfers out to component units/primary	.....	.....	.....	(2,838)	.....	(2,838)	(1,608)
TOTAL OTHER FINANCING SOURCES (USES)	(106,764)	(671)	(15,461)	22,411	95	(100,390)	(51,143)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1,035)	(513)	(36,748)	552,320	(1,592)	512,432	646,945
Fund Balances, July 1	3,636	4,189	407,245	1,309,046	2,671	1,726,787	2,026,507
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	.....	.....	.....	(1,545,119)
Fund Balances, July 1, as restated	3,636	4,189	407,245	1,309,046	2,671	1,726,787	481,388
Residual Equity Transfers	.....	.....	.....	.....	.....	.....	598,454
Change in Reserve for Inventories	.....	1	.....	.....	.....	1	.....
FUND BALANCES, JUNE 30	\$ 2,601	\$ 3,677	\$ 370,497	\$ 1,861,366	\$ 1,079	\$ 2,239,220	\$ 1,726,787

STATE OF FLORIDA

BALANCE SHEET - NONEXPENDABLE TRUST FUND
JUNE 30, 1997
(in thousands)

	Totals	
	<u>6/30/97</u>	<u>6/30/96</u>
ASSETS		
Pooled investments with State Treasury	\$ 2,016	\$ 1,750
Receivables, net	10	7
TOTAL ASSETS	\$ 2,026	\$ 1,757
LIABILITIES AND FUND BALANCES		
Liabilities:		
Due to other funds	\$ 645	\$ 548
Obligations under security lending agreements	172	.....
Total Liabilities	817	548
Fund Balances:		
Reserved	1,209	1,209
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,026	\$ 1,757

STATE OF FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Totals	
	<u>6/30/97</u>	<u>6/30/96</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	\$ 97	\$ 96
INCOME/(LOSS) BEFORE OPERATING TRANSFERS	97	96
Operating transfers out	(97)	(96)
Fund Balances, July 1	1,209	1,209
FUND BALANCE, JUNE 30	\$ 1,209	\$ 1,209

**STATEMENT OF CASH FLOWS
NONEXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Totals	
	<u>6/30/97</u>	<u>6/30/96</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers out to other funds	\$	\$ (8)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale or maturity of investments	172	.....
Interest received	94	99
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	266	99
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	266	91
Cash and cash equivalents, July 1	1,750	1,659
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 2,016	\$ 1,750

STATE OF FLORIDA

COMBINING BALANCE SHEET - DEFINED CONTRIBUTION PENSION PLANS
JUNE 30, 1997
(in thousands)

	<u>Senior Management Service Optional Annuity Program</u>	<u>Optional Retirement Program</u>	<u>Totals</u>	
			<u>6/30/97</u>	<u>6/30/96</u>
ASSETS				
Pooled investments with State Treasury	\$ 94	\$ 4,939	\$ 5,033	\$ 1,511
Receivables, net	5	644	649	3,244
TOTAL ASSETS	\$ 99	\$ 5,583	\$ 5,682	\$ 4,755
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 62	\$ 4,228	\$ 4,290	\$ 3,585
Due to other funds	37	995	1,032	853
Total Liabilities	99	5,223	5,322	4,438
Fund Balances:				
Reserved	.....	360	360	317
TOTAL LIABILITIES AND FUND BALANCES	\$ 99	\$ 5,583	\$ 5,682	\$ 4,755

STATE OF FLORIDA

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
DEFINED CONTRIBUTION PENSION PLANS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Senior Management Service Optional Annuity Program	Optional Retirement Program	Totals	
			6/30/97	6/30/96
OPERATING REVENUES				
Sales -- nonstate	\$	\$ 1	\$ 1	\$
Investment earnings	.....	88	88	68
Pension fund contributions	1,428	97,612	99,040	89,378
TOTAL OPERATING REVENUES	1,428	97,701	99,129	89,446
OPERATING EXPENSES				
Personal services	.....	47	47	45
Contractual services	905	72,187	73,092	65,885
Materials and supplies	.....	14	14	6
TOTAL OPERATING EXPENSES	905	72,248	73,153	65,936
OPERATING INCOME/(LOSS)	523	25,453	25,976	23,510
NONOPERATING REVENUES (EXPENSES)				
Other	.....	.....	.....	2
TOTAL NONOPERATING REVENUES (EXPENSES)	.....	.....	.....	2
INCOME/(LOSS) BEFORE OPERATING TRANSFERS	523	25,453	25,976	23,512
Operating transfers out	(523)	(25,410)	(25,933)	(23,476)
NET INCOME/(LOSS)	.....	43	43	36
Fund Balances, July 1	.....	317	317	281
FUND BALANCES, JUNE 30	\$	\$ 360	\$ 360	\$ 317

STATE OF FLORIDA

**STATEMENT OF PLAN NET ASSETS
DEFINED BENEFIT PENSION PLAN
JUNE 30, 1997
(in thousands)**

Assets

Cash and cash equivalents	\$ 48,283
Pooled investments with State Treasury	1,125
	<u>49,408</u>

Investments:

Certificates of deposit	225,975
U.S. government & federally guaranteed obligations	6,490,159
Federal agencies	3,941,421
Bankers acceptances	24,934
Commercial paper	1,923,804
Repurchase agreements	896,090
Bonds and notes	6,422,087
Real estate contracts	1,792,592
Money market and mutual fund investment agreements	686,336
Domestic equity/domestic equity commingled	39,158,424
Limited partnerships	95,178
Equity group trust	1,774
International equity/International equity commingled	5,620,525
Canadian bills/foreign currency	74,849
Total Investments	<u>67,354,148</u>

Receivables:

State contributions receivable	63,337
Non-State contributions receivable	236,864
Installment contributions receivable	257
Interest receivable	229,328
Dividends receivable	43,270
Pending investment sales	225,266
Forward contract receivable/discount	118,853
Proceeds from the sale of investments	26,229
Due from state funds	1,063
Total Receivables	<u>944,467</u>

Security lending collateral	6,515,275
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Fixed assets	2,608
Accumulated depreciation	(1,297)
Total fixed assets	<u>1,311</u>

Other assets	<u>1,675</u>
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TOTAL ASSETS	<u>\$ 74,866,284</u>
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LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$ 22,474
Pending investment purchases	806,705
Forward contract payable	118,853
Broker rebate fees	24,854
Due to other funds	2,454
Due to component unit/primary	2
Obligations under security lending agreements	6,515,275
Compensated absences liability	1,138
	<u>7,491,755</u>

Total Liabilities	<u>7,491,755</u>
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FUND BALANCE

RESERVED FOR EMPLOYEES' PENSION BENEFITS	<u>67,374,529</u>
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(A schedule of funding progress is presented on page 172)

TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 74,866,284</u>
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**STATEMENT OF CHANGES IN PLAN NET ASSETS
DEFINED BENEFIT PENSION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(In thousands)**

ADDITIONS

Contributions:	
Pension fund contributions - State	\$ 779,664
Pension fund contributions - Non-State	2,257,839
Purchase of time by employees	25,773
Transfers in from other state funds	46,180
Deposits required by law	174
Total Contributions	3,109,630
Investment Income:	
Interest income	1,256,000
Dividends	687,084
Real estate operating income, net	129,286
Other investment income	4,857
Net appreciation in fair market value	9,565,127
	11,642,354
Investment activity expense	(103,429)
Net income from investing activity	11,538,925
From security lending activities:	
Security lending income	285,702
Security lending expense	(265,205)
Net income from security lending	20,497
Total net investment income	11,559,422
TOTAL ADDITIONS	14,669,052

DEDUCTIONS

Transfers out to state funds	14,800
Benefit payments	1,580,389
Property disposition loss	446
Refund of contributions	1,762
Administrative expense	11,221
TOTAL DEDUCTIONS	1,608,618

NET INCREASE **13,060,434**

**FUND BALANCE RESERVED FOR
EMPLOYEES' PENSION BENEFITS:**

Fund Balance, July 1	44,439,327
Adjustments to increase (decrease) beginning fund balance (Note 18)	9,910,681
Fund Balance, July 1, as restated	54,350,008
Residual Equity Transfers	(35,913)
FUND BALANCE, JUNE 30	\$ 67,374,529

STATE OF FLORIDA

COMBINING BALANCE SHEET - ALL AGENCY FUNDS JUNE 30, 1997 (in thousands)

	Departments of				
	<u>Legal Affairs</u>	<u>Banking and Finance</u>	<u>Insurance</u>	<u>Children and Families</u>	<u>Management Services</u>
ASSETS					
Cash and cash equivalents	\$	\$	\$ 38,548	\$ 5,047	\$
Pooled investments with State Treasury	13,823	94,870	1,286,207	2,993	7,298
Investments	.....	38,056	860,779	.....	39,299
Receivables, net	867	78	5,828	16	200
Due from other funds	.....	76	.....	147	28
Loans and notes receivable, net	442	.....	3,993	.....	.....
Deferred fiscal charges and other assets	.....	.....	14,562	.....	.....
Land	.....	.....	4,118	.....	.....
Furniture and equipment	.....	.....	216	.....	.....
TOTAL ASSETS	\$ 15,132	\$ 133,080	\$ 2,214,251	\$ 8,203	\$ 46,825
LIABILITIES					
Accounts payable and accrued liabilities	\$	\$ 125,818	\$ 900,919	\$ 5,724	\$ 3,554
Due to other funds	.....	50	107,623	978	32
Due to component units/primary	.....	.....	204,113	.....	.....
Advances from other funds	.....	.....	.....	1,500	.....
Obligations under security lending agreements	.....	.....	135,850	.....	.....
Other liabilities	15,132	7,212	865,746	1	43,239
TOTAL LIABILITIES	\$ 15,132	\$ 133,080	\$ 2,214,251	\$ 8,203	\$ 46,825

STATE OF FLORIDA

Departments of					
<u>Revenue</u>	<u>Highway Safety and Motor Vehicles</u>	<u>State Board of Administration</u>	<u>Other</u>	<u>Totals</u>	
				<u>6/30/97</u>	<u>6/30/96</u>
\$	\$ 61	\$ 11,911	\$ 3,315	\$ 58,882	\$ 66,745
163,366	22,529	.....	2,303	1,593,389	1,135,573
.....	.....	13,848,558	71	14,786,763	15,908,009
204,589	259	84,453	210	296,500	154,454
48,065	.....	2,416	635	51,367	10,309
.....	.....	.....	7	4,442	12,698
.....	.....	118	.....	14,680	16,698
.....	.....	.....	.....	4,118	1,414
.....	.....	.....	.....	216	312
\$ 416,020	\$ 22,849	\$ 13,947,456	\$ 6,541	\$ 16,810,357	\$ 17,306,212
\$ 357,278	\$ 16,417	\$ 8,642,921	\$ 4,349	\$ 10,056,980	\$ 8,626,426
58,742	6,399	1,521	1,368	176,713	162,111
.....	.....	604,526	.....	808,639	741,281
.....	.....	.....	824	2,324	90
.....	.....	1,391,444	.....	1,527,294	3,436,249
.....	33	3,307,044	.....	4,238,407	4,340,055
\$ 416,020	\$ 22,849	\$ 13,947,456	\$ 6,541	\$ 16,810,357	\$ 17,306,212

STATE OF FLORIDA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

<u>Department of Legal Affairs</u>	<u>Balance 7/1/96</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/97</u>
ASSETS				
Cash and cash equivalents	\$ 40	\$ 2,499	\$ 2,539	\$
Pooled investments with State Treasury	12,249	5,893	4,319	13,823
Receivables, net	(1,664)	3,215	684	867
Loans and notes receivable, net	2,249	913	2,720	442
TOTAL ASSETS	\$ 12,874	\$ 12,520	\$ 10,262	\$ 15,132
LIABILITIES				
Other liabilities	\$ 12,874	\$ 3,953	\$ 1,695	\$ 15,132
TOTAL LIABILITIES	\$ 12,874	\$ 3,953	\$ 1,695	\$ 15,132
Department of Banking and Finance				
ASSETS				
Cash and cash equivalents	\$	\$ 3,693,529	\$ 3,693,529	\$
Pooled investments with State Treasury	63,106	5,945,224	5,913,460	94,870
Investments	25,051	13,005	.....	38,056
Receivables, net	153	33	108	78
Due from other funds	85	57	66	76
TOTAL ASSETS	\$ 88,395	\$ 9,651,848	\$ 9,607,163	\$ 133,080
LIABILITIES				
Accounts payable and accrued liabilities	\$ 87,965	\$ 2,258,086	\$ 2,220,233	\$ 125,818
Due to other funds	76	246	272	50
Other liabilities	354	3,700,611	3,693,753	7,212
TOTAL LIABILITIES	\$ 88,395	\$ 5,958,943	\$ 5,914,258	\$ 133,080
Department of Insurance				
ASSETS				
Cash and cash equivalents	\$ 40,833	\$ 4,829	\$ 7,114	\$ 38,548
Pooled investments with State Treasury	810,467	876,183	400,443	1,286,207
Investments	707,524	183,111	29,856	860,779
Receivables, net	1,415	4,887	474	5,828
Due from other funds	1	.....	1	.....
Loans and notes receivable, net	3,764	229	.....	3,993
Deferred fiscal charges and other assets	16,452	.....	1,890	14,562
Land	1,414	2,704	.....	4,118
Furniture and equipment	312	.....	96	216
TOTAL ASSETS	\$ 1,582,182	\$ 1,071,943	\$ 439,874	\$ 2,214,251
LIABILITIES				
Accounts payable and accrued liabilities	\$ 621,956	\$ 305,694	\$ 26,731	\$ 900,919
Due to other funds	54,060	53,710	147	107,623
Due to component units/primary	172,955	31,158	.....	204,113
Obligations under security lending agreements	.....	135,850	.....	135,850
Other liabilities	733,211	167,773	35,238	865,746
TOTAL LIABILITIES	\$ 1,582,182	\$ 694,185	\$ 62,116	\$ 2,214,251

STATE OF FLORIDA

**Department of
Children and Families**

	Balance 7/1/96	Additions	Deletions	Balance 6/30/97
ASSETS				
Cash and cash equivalents	\$ 2,800	\$ 80,281	\$ 78,034	\$ 5,047
Pooled investments with State Treasury	3,528	278	813	2,993
Receivables, net	16	32	32	16
Due from other funds	.....	147	.....	147
TOTAL ASSETS	\$ 6,344	\$ 80,738	\$ 78,879	\$ 8,203
LIABILITIES				
Accounts payable and accrued liabilities	\$ 6,056	\$ 16,812	\$ 17,144	\$ 5,724
Due to other funds	.....	55,121	54,143	978
Advances from other funds	70	2,672	1,242	1,500
Other liabilities	218	.....	217	1
TOTAL LIABILITIES	\$ 6,344	\$ 74,605	\$ 72,746	\$ 8,203

Department of Management Services

ASSETS				
Pooled investments with State Treasury	\$ 6,484	\$ 8,397	\$ 7,583	\$ 7,298
Investments	25,244	14,055	.....	39,299
Receivables, net	216	48	64	200
Due from other funds	29	.....	1	28
TOTAL ASSETS	\$ 31,973	\$ 22,500	\$ 7,648	\$ 46,825
LIABILITIES				
Accounts payable and accrued liabilities	\$ 3,424	\$ 131	\$ 1	\$ 3,554
Due to other funds	26	29	23	32
Other liabilities	28,523	14,722	6	43,239
TOTAL LIABILITIES	\$ 31,973	\$ 14,882	\$ 30	\$ 46,825

Department of Revenue

ASSETS				
Pooled investments with State Treasury	\$ 224,696	\$ 1,845,091	\$ 1,906,421	\$ 163,366
Receivables, net	58,843	3,338,767	3,193,021	204,589
Due from other funds	7,852	48,065	7,852	48,065
TOTAL ASSETS	\$ 291,391	\$ 5,231,923	\$ 5,107,294	\$ 416,020
LIABILITIES				
Accounts payable and accrued liabilities	\$ 219,393	\$ 357,271	\$ 219,386	\$ 357,278
Due to other funds	71,998	58,742	71,998	58,742
TOTAL LIABILITIES	\$ 291,391	\$ 416,013	\$ 291,384	\$ 416,020

**Department of
Highway Safety and Motor Vehicles**

ASSETS				
Cash and cash equivalents	\$ 4	\$ 61	\$ 4	\$ 61
Pooled investments with State Treasury	12,682	53,362	43,515	22,529
Receivables, net	186	259	186	259
TOTAL ASSETS	\$ 12,872	\$ 53,682	\$ 43,705	\$ 22,849
LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,018	\$ 33,142	\$ 17,743	\$ 16,417
Due to other funds	11,821	20,260	25,682	6,399
Other liabilities	33	.....	.....	33
TOTAL LIABILITIES	\$ 12,872	\$ 53,402	\$ 43,425	\$ 22,849

STATE OF FLORIDA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

<u>State Board of Administration</u>	<u>Balance 7/1/96</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/97</u>
ASSETS				
Cash and cash equivalents	\$ 19,931	\$ 218,684,647	\$ 218,692,667	\$ 11,911
Investments	15,150,190	182,570,718	183,872,350	13,848,558
Receivables, net	95,156	84,453	95,156	84,453
Due from other funds	2,338	2,416	2,338	2,416
Loans and notes receivable, net	6,679	.....	6,679	.....
Deferred fiscal charges and other assets	246	118	246	118
TOTAL ASSETS	\$ 15,274,540	\$ 401,342,352	\$ 402,669,436	\$ 13,947,456
LIABILITIES				
Accounts payable and accrued liabilities	\$ 7,681,796	\$ 36,845,816	\$ 35,884,691	\$ 8,642,921
Due to other funds	23,327	1,521	23,327	1,521
Due to component units/primary	568,326	43,941	7,741	604,526
Obligations under security lending agreements	3,436,249	1,391,444	3,436,249	1,391,444
Other liabilities	3,564,842	.....	257,798	3,307,044
TOTAL LIABILITIES	\$ 15,274,540	\$ 38,282,722	\$ 39,609,806	\$ 13,947,456
Other Departments				
ASSETS				
Cash and cash equivalents	\$ 3,137	\$ 61,411	\$ 61,233	\$ 3,315
Pooled investments with State Treasury	2,361	407	465	2,303
Investments	.....	71	.....	71
Receivables, net	133	311	234	210
Due from other funds	4	634	3	635
Loans and notes receivable, net	6	12	11	7
TOTAL ASSETS	\$ 5,641	\$ 62,846	\$ 61,946	\$ 6,541
LIABILITIES				
Accounts payable and accrued liabilities	\$ 4,818	\$ 66,275	\$ 66,744	\$ 4,349
Due to other funds	803	30,137	29,572	1,368
Advances from other funds	20	804	.....	824
TOTAL LIABILITIES	\$ 5,641	\$ 97,216	\$ 96,316	\$ 6,541
Total All Agency Funds				
ASSETS				
Cash and cash equivalents	\$ 66,745	\$ 222,527,257	\$ 222,535,120	\$ 58,882
Pooled investments with State Treasury	1,135,573	8,734,835	8,277,019	1,593,389
Investments	15,908,009	182,780,960	183,902,206	14,786,763
Receivables, net	154,454	3,432,005	3,289,959	296,500
Due from other funds	10,309	51,319	10,261	51,367
Loans and notes receivable, net	12,698	1,154	9,410	4,442
Deferred fiscal charges and other assets	16,698	118	2,136	14,680
Land	1,414	2,704	.....	4,118
Furniture and equipment	312	.....	96	216
TOTAL ASSETS	\$ 17,306,212	\$ 417,530,352	\$ 418,026,207	\$ 16,810,357
LIABILITIES				
Accounts payable and accrued liabilities	\$ 8,626,426	\$ 39,883,227	\$ 38,452,673	\$ 10,056,980
Due to other funds	162,111	219,766	205,164	176,713
Due to component units/primary	741,281	75,099	7,741	808,639
Advances from other funds	90	3,476	1,242	2,324
Obligations under security lending agreements	3,436,249	1,527,294	3,436,249	1,527,294
Other liabilities	4,340,055	3,887,059	3,988,707	4,238,407
TOTAL LIABILITIES	\$ 17,306,212	\$ 45,595,921	\$ 46,091,776	\$ 16,810,357

*General Fixed Assets Account
Group*

The general fixed assets account group is maintained to account for all fixed assets acquired for general governmental use.

STATE OF FLORIDA

BALANCE SHEET - GENERAL FIXED ASSETS ACCOUNT GROUP JUNE 30, 1997 (in thousands)

	Totals	
	<u>6/30/97</u>	<u>6/30/96</u>
ASSETS		
Land	\$ 2,242,882	\$ 2,067,617
Buildings and improvements	1,977,562	1,633,240
Furniture and equipment	1,789,921	1,619,238
Construction in progress	323,003	549,842
TOTAL ASSETS	\$ 6,333,368	\$ 5,869,937
EQUITY		
Investment in fixed assets	\$ 6,333,368	\$ 5,869,937
TOTAL EQUITY	\$ 6,333,368	\$ 5,869,937

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION JUNE 30, 1997 (in thousands)

Function	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
Public Safety	\$ 24,487	\$ 1,064,557	\$ 365,127	\$ 183,134	\$ 1,637,305
Education	705	57,309	56,869	2,516	117,399
General government	39,780	247,672	679,588	21,453	988,493
Health and social concerns	.....	272,178	230,875	46,584	549,637
Natural resources and environmental management	2,173,048	147,632	151,678	28,602	2,500,960
Transportation	4,862	188,214	305,784	40,714	539,574
Totals	\$ 2,242,882	\$ 1,977,562	\$ 1,789,921	\$ 323,003	\$ 6,333,368

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

Function	<u>Balance 7/1/96</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/97</u>
Public Safety	\$ 1,577,811	\$ (2,411)	\$ 205,142	\$ 143,237	\$ 1,637,305
Education	116,835	(449)	9,145	8,132	117,399
General government	959,764	10,467	86,270	68,008	988,493
Health and social concerns	428,863	24,540	133,715	37,481	549,637
Natural resources and environmental management	2,309,002	(287)	203,032	10,787	2,500,960
Transportation	477,662	5,274	110,813	54,175	539,574
Totals	\$ 5,869,937	\$ 37,134	\$ 748,117	\$ 321,820	\$ 6,333,368

*General Long-Term Debt Account
Group*

The general long-term debt account group is maintained to account for the unmatured principal of bonds, notes or other forms of noncurrent or long-term general obligation indebtedness that is not a specific liability of any proprietary fund or trust fund. General long-term debt is not limited to liabilities arising from debt issuance but may also include noncurrent liabilities on lease purchase agreements, compensated absences and other commitments that are not current liabilities properly recorded in governmental funds.

STATE OF FLORIDA

BALANCE SHEET - GENERAL LONG-TERM DEBT ACCOUNT GROUP
JUNE 30, 1997
(in thousands)

	Totals	
	<u>6/30/97</u>	<u>6/30/96</u>
AMOUNT TO BE PROVIDED		
Amount available in debt service fund	\$ 273,388	\$ 258,691
Amount to be provided	10,543,068	9,566,936
TOTAL AMOUNT TO BE PROVIDED	<u>\$ 10,816,456</u>	<u>\$ 9,825,627</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 15,309	\$ 25,175
Bonds payable	9,771,945	8,944,105
Certificates of participation payable	1,850	4,210
Notes and leases payable	68,169	72,531
Compensated absences	577,587	530,495
Other liabilities	381,596	249,111
TOTAL LIABILITIES	<u>\$ 10,816,456</u>	<u>\$ 9,825,627</u>

State University System Funds

The State University System funds are used to account for all transactions relating to the ten state universities and the Board of Regents. These funds do not report on a governmental basis, but follow the form recommended by the National Association of College and University Business Officers and the American Institute of Certified Public Accountants.

STATE OF FLORIDA

COMBINING BALANCE SHEET - ALL STATE UNIVERSITY SYSTEM FUND TYPES JUNE 30, 1997 (in thousands)

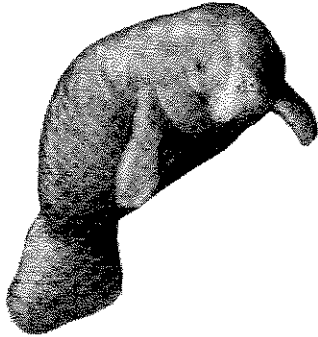
	Current Funds			Endowment Funds
	Unrestricted	Restricted	Loan Funds	
ASSETS				
Cash and cash equivalents	\$ 16,541	\$ 2,037	\$ 3,529	\$ 115
Pooled investments with State Treasury	353,461	99,200	15,145	86
Investments	40,030	.....	.....	124
Receivables, net	37,580	86,890	2,233	17
Due from other funds	151,725	8,933	1,341	.....
Due from component units/primary	185	.....	.....	.....
Inventories	13,877	35	.....	.....
Loans and notes receivable, net	.....	.....	71,380	.....
Deferred fiscal charges and other assets	1,961	49	32	.....
Land	.....	.....	.....	.....
Buildings and improvements	.....	.....	.....	.....
Furniture and equipment	.....	.....	.....	.....
Construction in progress	.....	.....	.....	.....
TOTAL ASSETS	\$ 615,360	\$ 197,144	\$ 93,660	\$ 342
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable and accrued liabilities	\$ 71,379	\$ 13,851	\$ 175	\$
Due to other funds	69,909	23,248	435	.....
Due to component units/primary	4,677	.....	96	.....
Advances from other funds	320	.....	.....	.....
Bonds payable	.....	.....	.....	.....
Certificates of participation payable	.....	.....	.....	.....
Notes and leases payable	.....	.....	.....	.....
Deferred revenues	20,516	.....	.....	.....
Compensated absences	197,631	.....	.....	.....
Obligations under security lending agreements	.....	.....	.....	.....
Other liabilities	62	1	20	.....
Total Liabilities	364,494	37,100	726	.....
Fund Equity:				
Investment in fixed assets	.....	.....	.....	.....
Fund Balances:				
Reserved	97,036	160,044	92,934	342
Unreserved	153,830	.....	.....	.....
Total Fund Equity	250,866	160,044	92,934	342
TOTAL LIABILITIES AND FUND EQUITY	\$ 615,360	\$ 197,144	\$ 93,660	\$ 342

STATE OF FLORIDA

Plant Fund Group				Totals		
Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Agency	6/30/97	6/30/96
\$	\$	\$ 38	\$	\$ 4,077	\$ 26,337	\$ 21,989
253,351	7,825	5,513	.....	99,267	833,848	717,020
.....	.....	6,248	.....	.....	46,402	44,284
3,923	41	101	.....	4,068	134,853	112,196
483,918	2,944	2,970	.....	6,655	658,486	699,208
.....	.....	.....	.....	.....	185	64
.....	.....	.....	.....	.....	13,912	13,116
.....	.....	.....	.....	.....	71,380	71,124
788	.....	7,171	1,799	.....	11,800	12,450
.....	.....	.....	103,004	.....	103,004	88,258
.....	.....	.....	2,469,395	.....	2,469,395	2,247,387
.....	.....	.....	1,456,295	.....	1,456,295	1,369,256
.....	.....	.....	366,585	.....	366,585	334,958
\$ 741,980	\$ 10,810	\$ 22,041	\$ 4,397,078	\$ 114,067	\$ 6,192,482	\$ 5,731,310
\$ 52,786	\$ 7	\$ 25	\$ 2,439	\$ 26,272	\$ 166,934	\$ 218,101
141,206	5	1,429	.....	9,877	246,109	216,456
.....	.....	.....	.....	6,745	11,518	4,410
.....	.....	.....	1,232	.....	1,552	1,693
108,642	.....	913	247,861	.....	357,416	283,871
.....	.....	.....	1,158	.....	1,158	2,950
.....	.....	.....	1,978	.....	1,978	1,909
.....	.....	.....	.....	.....	20,516	17,028
.....	.....	.....	.....	.....	197,631	181,943
.....	.....	.....	.....	71,173	71,173	.....
.....	.....	.....	27,412	.....	27,495	28,309
302,634	12	2,367	282,080	114,067	1,103,480	956,670
.....	.....	.....	4,114,998	.....	4,114,998	3,765,430
439,346	10,798	19,674	.....	.....	820,174	847,450
.....	.....	.....	.....	.....	153,830	161,760
439,346	10,798	19,674	4,114,998	.....	5,089,002	4,774,640
\$ 741,980	\$ 10,810	\$ 22,041	\$ 4,397,078	\$ 114,067	\$ 6,192,482	\$ 5,731,310



ENDANGERED MEANS THERE IS STILL TIME



Even though manatees are in danger of extinction there is still time for mankind to step forward and do everything in its power to assure this does not happen. The passing of the Florida Manatee Sanctuary Act in 1978, establishing the entire State of Florida as a refuge and sanctuary for the manatee, was a giant step forward. Manatees are now getting help through such measures as caution signs which remind boaters to watch out for the hard-to-see, slow moving creatures. Private companies such as Florida Power & Light have decided to take a stand and do their part to preserve this gentle-natured mammal. Florida Power & Light sponsors annual manatee workshops, and in 1989 they published a book entitled *"The West Indian Manatee in Florida."* They also print and distribute a bumper sticker "Save the Manatee", and in conjunction with the Port Everglades Authority fund aerial tracking of manatees. Sea World, a marine life park near Orlando, has rescued more than 50 injured or sick manatees since it opened in 1973. The Sea World Education Department maintains an extensive web site on the Internet. Other organizations such as the following are also contributing to this effort:

- ◆ Homosassa Springs Nature World and Miami's Seaquarium provide both temporary and permanent homes to a large population of wild manatees. These locations endeavor to be "halfway houses" for manatees until they can return to their natural habitat.
- ◆ Private organizations like the "Save the Manatee Club" work diligently providing education, funding awareness projects, and printing informational brochures to aid the effort to save the manatee.
- ◆ State agencies like the Department of Environmental Protection spearhead efforts such as publishing brochures in an effort to educate the public about the manatees' plight. The Game and Fresh Water Fish Commission also comes to the manatees assistance through educational efforts.
- ◆ At the federal level the United States Fish and Wildlife Service tracks manatees through electronic monitoring, which involves placing a rubber collar around the narrow part of its tail. This agency contributes in efforts to save manatees not only in Florida but elsewhere.

Researchers also are trying to piece the extinction puzzle together. Their search for knowledge is ongoing and is crucial to the manatees' survival. The more knowledge gained about the species, increases the opportunities of creating an environment that will allow the manatee and mankind to thrive. Only recently has mankind, manatee's greatest enemy, come to its aid. The manatee has adapted to its environment over millions of years in an attempt to preserve itself. Now, mankind must be willing to adapt its behavior, as the manatee had done, so that this unique species can be preserved for future generations.

The manatee death rate increases each year and continues to outnumber its birth rate. Simple mathematics alone tells us that if this trend continues, the manatee could become extinct within years. Fewer than 2,000 manatees remain in Florida and the numbers are dwindling elsewhere. Can we move fast enough to save this unique creature? Time is running out, and remember.....**EXTINCTION IS FOREVER!!!**

Budgetary Statements
Budgetary Fund Types

The legal basis fund types are the General Revenue Fund, numerous trust funds, the Budget Stabilization Fund, and the Working Capital Fund (also known as the "*Rainy Day Fund*"). See notes to the financial statements for a complete description of the budgetary process in the State of Florida.

STATE OF FLORIDA

COMBINING STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETARY GENERAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Florida Legislature			Justice Administrative Commission		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
GENERAL REVENUE						
Operating expenditures:						
Salaries and benefits	\$ 107,127	\$ 100,994	\$ 6,133	\$ 290,828	\$ 290,625	\$ 203
Other personal services	5,568	4,399	1,169	2,417	2,402	15
Expenses	31,616	26,594	5,022	17,035	16,972	63
Grants and aids	.....	.....	.....	.....	.....	.....
Operating capital outlay	4,892	3,851	1,041	4,045	4,039	6
Food products	.....	.....	.....	.....	.....	.....
Fixed capital outlay	.....	.....	.....	.....	.....	.....
Lump sum	100	.....	100	.....	.....	.....
Special categories	4,916	4,910	6	1,880	1,842	38
Financial assistance payments	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	.....	.....	.....
Data processing services	790	433	357	1,121	1,102	19
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	155,009	141,181	13,828	317,326	316,982	344
Nonoperating:						
Transfers to trust funds	.....	.....	.....	.....	.....	.....
Refunds	.....	.....	.....	.....	.....	.....
Other nonoperating	.....	.....	.....	.....	.....	.....
Reissues	8	8	.....	5	5	.....
Total Nonoperating Expenditures	8	8	.....	5	5	.....
TOTAL EXPENDITURES	\$ 155,017	\$ 141,189	\$ 13,828	\$ 317,331	\$ 316,987	\$ 344

STATE OF FLORIDA

State Courts			Department of Environmental Protection		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 179,872	\$ 179,229	\$ 643	\$ 43,289	\$ 43,199	\$ 90
1,050	920	130	986	970	16
5,098	5,074	24	7,335	7,107	228
200	200	.....	11,859	11,624	235
660	644	16	126	125	1
.....
627	627	.....	.....	.....	.....
.....
9,716	9,558	158	1,845	1,749	96
.....
.....	.....	.....	631	631	.....
517	517	.....	1,615	1,615	.....
.....
.....
197,740	196,769	971	67,686	67,020	666
.....
.....
.....
5	5	.....	1	1	.....
.....
5	5	.....	1	1	.....
\$ 197,745	\$ 196,774	\$ 971	\$ 67,687	\$ 67,021	\$ 666

STATE OF FLORIDA

COMBINING STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETARY GENERAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Department of Agriculture and Consumer Services			Department of Banking and Finance		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
GENERAL REVENUE						
Operating expenditures:						
Salaries and benefits	\$ 72,111	\$ 72,103	\$ 8	\$ 13,213	\$ 12,657	\$ 556
Other personal services	650	640	10	179	142	37
Expenses	11,891	11,885	6	2,882	2,852	30
Grants and aids	500	500	.....	.....	.....	.....
Operating capital outlay	518	517	1	364	352	12
Food products	.....	.....	.....	.....	.....	.....
Fixed capital outlay	114	114	.....	.....	.....	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	7,093	7,004	89	250	250	.....
Financial assistance payments	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	.....	.....	.....
Data processing services	2,490	2,490	.....	314	299	15
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	95,367	95,253	114	17,202	16,552	650
Nonoperating:						
Transfers to trust funds	.....	.....	.....	463,290	463,290	.....
Refunds	.....	.....	.....	229,447	229,447	.....
Other nonoperating	.....	.....	.....	510	510	.....
Reissues	24	24	.....	1,191	1,191	.....
Total Nonoperating Expenditures	24	24	.....	694,438	694,438	.....
TOTAL EXPENDITURES	\$ 95,391	\$ 95,277	\$ 114	\$ 711,640	\$ 710,990	\$ 650

STATE OF FLORIDA

Department of Education			State University System		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 20,176	\$ 20,074	\$ 102	\$ 712,884	\$ 701,110	\$ 11,774
941	937	4	127,856	124,476	3,380
7,611	7,605	6	236,076	224,652	11,424
6,569,041	6,545,641	23,400	.....	.....	.....
461	456	5	49,195	43,930	5,265
.....
.....	.....	.....	3,573	3,573	.....
.....
214,113	213,353	760	128,612	128,031	581
29,688	29,648	40	6,858	6,165	693
.....
3,053	2,922	131	19,476	19,163	313
.....
.....
6,845,084	6,820,636	24,448	1,284,530	1,251,100	33,430
.....
.....
.....	.....	.....	21,714	21,714	.....
3	3	.....	99	99	.....
.....
3	3	.....	21,813	21,813	.....
\$ 6,845,087	\$ 6,820,639	\$ 24,448	\$ 1,306,343	\$ 1,272,913	\$ 33,430

STATE OF FLORIDA

COMBINING STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETARY GENERAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Department of Children and Families			Agency for Health Care Administration		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
GENERAL REVENUE						
Operating expenditures:						
Salaries and benefits	\$ 405,707	\$ 404,391	\$ 1,316	\$ 13,419	\$ 13,230	\$ 189
Other personal services	9,366	8,997	369	893	865	28
Expenses	131,369	131,230	139	4,155	2,599	1,556
Grants and aids	201,223	200,500	723	.....	.....	.....
Operating capital outlay	3,492	3,419	73	36	36	.....
Food products	6,496	6,481	15	.....	.....	.....
Fixed capital outlay	15,183	15,183	.....	.....	.....	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	674,477	671,405	3,072	2,173,512	2,168,636	4,876
Financial assistance payments	249,312	249,312	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	3,393	3,393	.....	.....	.....	.....
Data processing services	59,682	59,682	.....	101	101	.....
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	1,759,700	1,753,993	5,707	2,192,116	2,185,467	6,649
Nonoperating:						
Transfers to trust funds	.....	.....	.....	.....	.....	.....
Refunds	.....	.....	.....	28	28	.....
Other nonoperating	.....	.....	.....	.....	.....	.....
Reissues	373	373	.....	.....	.....	.....
Total Nonoperating Expenditures	373	373	.....	28	28	.....
TOTAL EXPENDITURES	\$ 1,760,073	\$ 1,754,366	\$ 5,707	\$ 2,192,144	\$ 2,185,495	\$ 6,649

STATE OF FLORIDA

Department of Corrections			Department of Law Enforcement		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 935,191	\$ 932,084	\$ 3,107	\$ 56,848	\$ 56,687	\$ 161
2,360	2,146	214	1,139	1,061	78
232,998	232,824	174	12,834	12,135	699
.....
3,947	3,947	.....	862	823	39
50,444	50,296	148	.....	.....	.....
.....
.....
135,969	131,607	4,362	2,437	2,343	94
2,014	2,014	.....	.....	.....	.....
.....
6,903	6,789	114	74	74	.....
.....
.....
1,369,826	1,361,707	8,119	74,194	73,123	1,071
.....
.....
.....
78	78	.....	1	1	.....
.....
78	78	.....	1	1	.....
\$ 1,369,904	\$ 1,361,785	\$ 8,119	\$ 74,195	\$ 73,124	\$ 1,071

STATE OF FLORIDA

COMBINING STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETARY GENERAL REVENUE FUND FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Department of Revenue			Department of Highway Safety and Motor Vehicles		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
GENERAL REVENUE						
Operating expenditures:						
Salaries and benefits	\$ 83,576	\$ 81,976	\$ 1,600	\$ 84,275	\$ 84,275	\$
Other personal services	.....	.....	.....	681	681	.....
Expenses	13,655	13,655	.....	4,627	4,627	.....
Grants and aids	.....	.....	.....	.....	.....	.....
Operating capital outlay	623	623	.....	956	956	.....
Food products	.....	.....	.....	.....	.....	.....
Fixed capital outlay	.....	.....	.....	.....	.....	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	6,822	6,822	.....	34,159	32,669	1,490
Financial assistance payments	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	.....	.....	.....
Data processing services	522	450	72	591	591	.....
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	105,198	103,526	1,672	125,289	123,799	1,490
Nonoperating:						
Transfers to trust funds	.....	.....	.....	.....	.....	.....
Refunds	.....	.....	.....	3,438	3,438	.....
Other nonoperating	1,055,324	1,055,324	.....	.....	.....	.....
Reissues	2	2	.....	3,332	3,332	.....
Total Nonoperating Expenditures	1,055,326	1,055,326	.....	6,770	6,770	.....
TOTAL EXPENDITURES	\$ 1,160,524	\$ 1,158,852	\$ 1,672	\$ 132,059	\$ 130,569	\$ 1,490

STATE OF FLORIDA

Other Departments			Totals		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 246,686	\$ 243,009	\$ 3,677	\$ 3,265,202	\$ 3,235,643	\$ 29,559
3,261	2,963	298	157,347	151,599	5,748
57,120	56,516	604	776,302	756,327	19,975
34,974	34,858	116	6,817,797	6,793,323	24,474
2,469	2,307	162	72,646	66,025	6,621
2,602	2,581	21	59,542	59,358	184
1,949	1,949	.....	21,446	21,446	.....
.....	.....	.....	100	.....	100
401,862	380,476	21,386	3,797,663	3,760,655	37,008
.....	.....	.....	287,872	287,139	733
30,671	30,671	.....	34,695	34,695	.....
2,912	2,908	4	100,161	99,136	1,025
6,182	5,717	465	6,182	5,717	465
1,000	1,000	.....	1,000	1,000	.....
791,688	764,955	26,733	15,397,955	15,272,063	125,892
18,450	18,450	.....	481,740	481,740	.....
.....	.....	.....	232,913	232,913	.....
.....	.....	.....	1,077,548	1,077,548	.....
83	83	.....	5,205	5,205	.....
18,533	18,533	.....	1,797,406	1,797,406	.....
\$ 810,221	\$ 783,488	\$ 26,733	\$ 17,195,361	\$ 17,069,469	\$ 125,892

STATE OF FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETARY TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Department of the Lottery			Department of Environmental Protection		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
Fund balances, July 1, 1996	\$ 47,332	\$ 47,332	\$	\$ 1,102,624	\$ 1,102,624	\$
Reversions	931	931	.....	16,295	16,295	.....
Fund balances, July 1, 1996, restated	48,263	48,263	.....	1,118,919	1,118,919	.....
REVENUES						
Direct:						
Fees and charges	937,620	920,872	(16,748)	38,885	43,455	4,570
Licenses	.....	.....	.....	41,145	35,494	(5,651)
Taxes	.....	.....	.....	.....	.....	.....
Miscellaneous	1,354	1,823	469	550	535	(15)
Interest	4,126	4,096	(30)	57,533	59,790	2,257
Grants	.....	.....	.....	117,832	95,118	(22,714)
Refunds	69	20	(49)	1,983	11,888	9,905
Bond proceeds	.....	.....	.....	300,000	267,929	(32,071)
Other	.....	.....	.....	55,556	58,954	3,398
Total Direct Revenues	943,169	926,811	(16,358)	613,484	573,163	(40,321)
Indirect:						
Employee/employer contributions	.....	.....	.....	.....	.....	.....
Transfers and distributions	.....	.....	.....	781,964	800,280	18,316
Sale of investments	.....	.....	.....	.....	.....	.....
Other	8	5	(3)	1,873	2,381	508
Total Indirect Revenues	8	5	(3)	783,837	802,661	18,824
TOTAL REVENUES	943,177	926,816	(16,361)	1,397,321	1,375,824	(21,497)
TOTAL AVAILABLE RESOURCES	991,440	975,079	(16,361)	2,516,240	2,494,743	(21,497)
EXPENDITURES						
Operating:						
Salaries and benefits	28,090	27,608	482	125,847	123,610	2,237
Other personal services	1,231	1,050	181	30,095	26,104	3,991
Expenses	15,174	13,843	1,331	42,627	39,385	3,242
Grants and aids	.....	.....	.....	51,055	44,529	6,526
Operating capital outlay	3,350	2,624	726	7,743	7,169	574
Food products	.....	.....	.....	.....	.....	.....
Fixed capital outlay	.....	.....	.....	392,601	392,601	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	98,264	95,110	3,154	215,097	196,009	19,088
Financial assistance payments	.....	.....	.....	.....	.....	.....
Debt service	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	15,169	15,169	.....
Payments to U.S. Treasury	.....	.....	.....	.....	.....	.....
Data processing services	84	82	2	7,800	7,546	254
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	271	271	.....
Special expenses	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	146,193	140,317	5,876	888,305	852,393	35,912
Nonoperating:						
Transfers to trust funds	805,396	805,396	.....	186,241	186,241	.....
Purchase of investments	.....	.....	.....	.....	.....	.....
Refunds	12	12	.....	978	978	.....
Other nonoperating	.....	.....	.....	267,795	267,795	.....
Reissues	1	1	.....	87	87	.....
Total Nonoperating Expenditures	805,409	805,409	.....	455,101	455,101	.....
TOTAL EXPENDITURES	951,602	945,726	5,876	1,343,406	1,307,494	35,912
FUND BALANCES, JUNE 30, 1997	\$ 39,838	\$ 29,353	\$ (10,485)	\$ 1,172,834	\$ 1,187,249	\$ 14,415

STATE OF FLORIDA

Department of Banking and Finance			Department of Insurance		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 81,420	\$ 81,420	\$	\$ 319,265	\$ 319,265	\$
483	483	.....	342	342	.....
81,903	81,903	.....	319,607	319,607	.....
44,472	47,028	2,556	25,132	133,055	107,923
4,894	6,020	1,126	35,237	40,412	5,175
.....	.....	.....	21,430	22,934	1,504
.....
581	944	363	4,674	19,317	14,643
2,800	1,459	(1,341)	.....	.....	.....
363	1,057	694	3,060	1,146	(1,914)
.....
140,236	138,367	(1,869)	108,846	195,527	86,681
193,346	194,875	1,529	198,379	412,391	214,012
2,293,156	2,226,365	(66,791)	.....	85,956	85,956
164,278	600,556	436,278	21,450	13,188	(8,262)
.....
7,627,351	7,333,954	(293,397)	.....	6,529	6,529
10,084,785	10,160,875	76,090	21,450	105,673	84,223
10,278,131	10,355,750	77,619	219,829	518,064	298,235
10,360,034	10,437,653	77,619	539,436	837,671	298,235
25,008	23,476	1,532	54,757	53,465	1,292
4,126	4,085	41	6,207	5,593	614
12,506	11,031	1,475	20,323	19,258	1,065
3,047	1,288	1,759	3,600	3,566	34
4,590	4,459	131	2,811	2,788	23
.....
.....
2,340	1,556	784	37,410	34,879	2,531
.....
.....
.....
1,107	838	269	318	316	2
.....
.....
52,724	46,733	5,991	125,426	119,865	5,561
600,942	600,942	.....	29,601	29,601	.....
.....
28,990	28,990	.....	551	551	.....
9,644,289	9,644,289	.....	287,498	287,498	.....
163	163	.....	43	43	.....
10,274,384	10,274,384	.....	317,693	317,693	.....
10,327,108	10,321,117	5,991	443,119	437,558	5,561
\$ 32,926	\$ 116,536	\$ 83,610	\$ 96,317	\$ 400,113	\$ 303,796

STATE OF FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETARY TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Department of Education			State University System		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
Fund balances, July 1, 1996	\$ 578,168	\$ 578,168	\$	\$ 570,953	\$ 570,953	\$
Reversions	351	351	.....	39,175	39,175	.....
Fund balances, July 1, 1996, restated	578,519	578,519	.....	610,128	610,128	.....
REVENUES						
Direct:						
Fees and charges	7,236	10,746	3,510	723,490	676,224	(47,266)
Licenses	1,276	1,275	(1)	.....	.....	.....
Taxes	579,000	575,701	(3,299)	.....	223	223
Miscellaneous	15	105,150	105,135	146,192	106,654	(39,538)
Interest	45,689	50,292	4,603	18,789	33,124	14,335
Grants	998,415	1,000,009	1,594	678,760	574,500	(104,260)
Refunds	15,047	16,002	955	.....	2,599	2,599
Bond proceeds	642,949	642,949	.....	.....	79,729	79,729
Other	7	21,727	21,720	.....	4,923	4,923
Total Direct Revenues	2,289,634	2,423,851	134,217	1,567,231	1,477,976	(89,255)
Indirect:						
Employee/employer contributions	.....	.....	.....	.....	.....	.....
Transfers and distributions	1,059,992	1,112,166	52,174	140,451	757,234	616,783
Sale of investments	.....	.....	.....	.....	.....	.....
Other	.....	2,655	2,655	.....	3,462	3,462
Total Indirect Revenues	1,059,992	1,114,821	54,829	140,451	760,696	620,245
TOTAL REVENUES	3,349,626	3,538,672	189,046	1,707,682	2,238,672	530,990
TOTAL AVAILABLE RESOURCES	3,928,145	4,117,191	189,046	2,317,810	2,848,800	530,990
EXPENDITURES						
Operating:						
Salaries and benefits	21,080	20,690	390	867,292	827,259	40,033
Other personal services	1,842	1,398	444	232,745	206,354	26,391
Expenses	10,541	8,930	1,611	403,010	343,421	59,589
Grants and aids	1,723,834	1,623,371	100,463	.....	49,837	(49,837)
Operating capital outlay	1,028	655	373	79,013	.....	79,013
Food products	.....	.....	.....	.....	.....	.....
Fixed capital outlay	1,165,518	1,165,518	.....	319,364	319,364	.....
Lump sum	.....	.....	.....	5	5	.....
Special categories	226,664	221,930	4,734	106,403	95,548	10,855
Financial assistance payments	96,879	91,793	5,086	.....	.....	.....
Debt service	.....	.....	.....	16,066	16,066	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	.....	.....	.....
Payments to U.S. Treasury	1,089	1,089	.....	.....	.....	.....
Data processing services	1,126	352	774	968	519	449
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Special expenses	.....	.....	.....	756	756	.....
Total Operating Expenditures	3,249,601	3,135,726	113,875	2,025,622	1,859,129	166,493
Nonoperating:						
Transfers to trust funds	170,552	170,552	.....	342,688	342,688	.....
Purchase of investments	.....	.....	.....	.....	.....	.....
Refunds	4,743	4,743	.....	804	804	.....
Other nonoperating	206,964	206,964	.....	4,970	4,970	.....
Reissues	40	40	.....	342	342	.....
Total Nonoperating Expenditures	382,299	382,299	.....	348,804	348,804	.....
TOTAL EXPENDITURES	3,631,900	3,518,025	113,875	2,374,426	2,207,933	166,493
FUND BALANCES, JUNE 30, 1997	\$ 296,245	\$ 599,166	\$ 302,921	\$ (56,616)	\$ 640,867	\$ 697,483

STATE OF FLORIDA

Department of Labor and Employment			Department of Transportation		
Security					
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 2,032,812	\$ 2,032,812	\$	\$ 541,866	\$ 541,866	\$,
17,940	17,940	.....	1	1	.....
<u>2,050,752</u>	<u>2,050,752</u>	<u>.....</u>	<u>541,867</u>	<u>541,867</u>	<u>.....</u>
18,650	59,531	40,881	254,527	7,035	(247,492)
18	21	3	.....	.....	.....
981,131	891,049	(90,082)	.....	.....	.....
.....	.....	.....	11	11	.....
138,216	141,369	3,153	25,108	26,302	1,194
593,354	414,478	(178,876)	.....	.....	.....
22,456	22,786	330	7,137	5,408	(1,729)
.....	.....	.....	148,000	148,260	260
9,230	6,014	(3,216)	2	95,585	95,583
<u>1,763,055</u>	<u>1,535,248</u>	<u>(227,807)</u>	<u>434,785</u>	<u>282,601</u>	<u>(152,184)</u>
.....
795,729	729,598	(66,131)	248,182	66,111	(182,071)
.....	.....	.....	293	293	.....
971	1,844	873	1,210	60	(1,150)
<u>796,700</u>	<u>731,442</u>	<u>(65,258)</u>	<u>249,685</u>	<u>66,464</u>	<u>(183,221)</u>
<u>2,559,755</u>	<u>2,266,690</u>	<u>(293,065)</u>	<u>684,470</u>	<u>349,065</u>	<u>(335,405)</u>
<u>4,610,507</u>	<u>4,317,442</u>	<u>(293,065)</u>	<u>1,226,337</u>	<u>890,932</u>	<u>(335,405)</u>
234,848	214,452	20,396	641	617	24
31,933	25,207	6,726	13	13	.....
94,928	87,927	7,001	144	427	(283)
37,792	30,351	7,441	.....	.....	.....
10,535	8,875	1,660	.....	.....	.....
2	1	1	.....	.....	.....
3,158	3,158	.....	266,137	266,137	.....
.....
428,489	355,070	73,419	.....	.....	.....
1,630,529	716,300	914,229	.....	.....	.....
.....
.....
14,463	14,264	199	.....	.....	.....
.....
.....
<u>2,486,677</u>	<u>1,455,605</u>	<u>1,031,072</u>	<u>266,935</u>	<u>267,194</u>	<u>(259)</u>
696,982	696,982	.....	178,510	178,510	.....
.....
21,071	21,071	.....	31,438	31,438	.....
19,433	19,433	.....	.....	.....	.....
392	392	.....	.....	.....	.....
<u>737,878</u>	<u>737,878</u>	<u>.....</u>	<u>209,948</u>	<u>209,948</u>	<u>.....</u>
<u>3,224,555</u>	<u>2,193,483</u>	<u>1,031,072</u>	<u>476,863</u>	<u>477,142</u>	<u>(259)</u>
<u>\$ 1,385,952</u>	<u>\$ 2,123,959</u>	<u>\$ 738,007</u>	<u>\$ 749,454</u>	<u>\$ 413,790</u>	<u>\$ (335,664)</u>

STATE OF FLORIDA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETARY TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Department of Children and Families			Agency for Health Care Administration		
	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
Fund balances, July 1, 1996	\$ 132,593	\$ 132,593	\$	\$ 135,891	\$ 135,891	\$
Reversions	6,369	6,369	.....	41,239	41,239	.....
Fund balances, July 1, 1996, restated	138,962	138,962	.....	177,130	177,130	.....
REVENUES						
Direct:						
Fees and charges	231,074	380,973	149,899	343,412	383,175	39,763
Licenses	5,433	5,864	431	35,370	26,765	(8,605)
Taxes	.....	.....	.....	.....	.....	.....
Miscellaneous	106,109	549	(105,560)	58	23	(35)
Interest	266	5,483	5,217	9,693	12,246	2,553
Grants	1,766,520	1,747,905	(18,615)	3,587,198	2,843,072	(744,126)
Refunds	1,060	7,180	6,120	737,484	317,278	(420,206)
Bond proceeds	.....	.....	.....	.....	.....	.....
Other	517	3,241	2,724	6,302	6,686	384
Total Direct Revenues	2,110,979	2,151,195	40,216	4,719,517	3,589,245	(1,130,272)
Indirect:						
Employee/employer contributions	.....	.....	.....	.....	.....	.....
Transfers and distributions	631,980	381,753	(250,227)	308,727	187,419	(121,308)
Sale of investments	.....	.....	.....	.....	.....	.....
Other	1,392	3,856	2,464	5	22	17
Total Indirect Revenues	633,372	385,609	(247,763)	308,732	187,441	(121,291)
TOTAL REVENUES	2,744,351	2,536,804	(207,547)	5,028,249	3,776,686	(1,251,563)
TOTAL AVAILABLE RESOURCES	2,883,313	2,675,766	(207,547)	5,205,379	3,953,816	(1,251,563)
EXPENDITURES						
Operating:						
Salaries and benefits	839,770	798,935	40,835	59,707	55,641	4,066
Other personal services	50,596	38,101	12,495	16,430	14,962	1,468
Expenses	198,702	171,447	27,255	25,873	22,673	3,200
Grants and aids	96,315	61,622	34,693	1,294	1,294	.....
Operating capital outlay	14,911	8,877	6,034	400	400	.....
Food products	1,145	725	420	.....	.....	.....
Fixed capital outlay	4,151	4,151	.....	.....	.....	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	996,525	834,112	162,413	3,603,970	3,596,022	7,948
Financial assistance payments	425,780	368,736	57,044	.....	.....	.....
Debt service	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	14	14	.....	.....	.....	.....
Payments to U.S. Treasury	.....	.....	.....	.....	.....	.....
Data processing services	57,153	57,150	3	146	146	.....
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Special expenses	14	14	.....	.....	.....	.....
Total Operating Expenditures	2,685,076	2,343,884	341,192	3,707,820	3,691,138	16,682
Nonoperating:						
Transfers to trust funds	192,279	192,279	.....	90,288	90,288	.....
Purchase of investments	.....	.....	.....	.....	.....	.....
Refunds	1,737	1,737	.....	4,279	4,279	.....
Other nonoperating	2,543	2,543	.....	4,384	4,384	.....
Reissues	60	60	.....	7	7	.....
Total Nonoperating Expenditures	196,619	196,619	.....	98,958	98,958	.....
TOTAL EXPENDITURES	2,881,695	2,540,503	341,192	3,806,778	3,790,096	16,682
FUND BALANCES, JUNE 30, 1997	\$ 1,618	\$ 135,263	\$ 133,645	\$ 1,398,601	\$ 163,720	\$ (1,234,881)

STATE OF FLORIDA

Department of Management Services			Department of Revenue		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 216,730	\$ 216,730	\$	\$ 632,871	\$ 632,871	\$
3,307	3,307	.....	6,755	6,755	.....
220,037	220,037	.....	639,626	639,626	.....
193,414	187,700	(5,714)	224,693	179,723	(44,970)
.....
.....	.....	.....	4,048,276	3,977,919	(70,357)
.....	.....	.....	15,095	14,735	(360)
16,476	12,009	(4,467)	.....	12,498	12,498
860	902	42	103,878	82,584	(21,294)
407	8,087	7,680	8	64,028	64,020
.....	22,303	22,303	.....	.....	.....
37	49,310	49,273	807	8,220	7,413
211,194	280,311	69,117	4,392,757	4,339,707	(53,050)
3,376,628	3,899,716	523,088	.....	.....	.....
667,955	162,628	(505,327)	1,838,160	1,869,700	31,540
1,854,154	1,854,154	.....	.....	.....	.....
400	699	299	1,847,843	1,822,107	(25,736)
5,899,137	5,917,197	18,060	3,686,003	3,691,807	5,804
6,110,331	6,197,508	87,177	8,078,760	8,031,514	(47,246)
6,330,368	6,417,545	87,177	8,718,386	8,671,140	(47,246)
58,769	56,207	2,562	88,377	87,717	660
3,740	3,073	667	1,530	1,333	197
31,074	26,936	4,138	32,801	32,070	731
.....	.....	.....	1,794,930	1,770,850	24,080
4,374	3,695	679	5,494	5,348	146
.....
54,972	54,972	.....	.....	.....	.....
.....
115,465	107,580	7,885	46,850	44,171	2,679
.....	.....	.....	500,650	467,700	32,950
.....
.....
8,550	8,113	437	22,464	21,781	683
1,719,702	1,675,780	43,922	.....	.....	.....
.....
.....
1,996,646	1,936,356	60,290	2,493,096	2,430,970	62,126
61,706	61,706	.....	1,677,071	1,677,071	.....
3,372,070	3,372,070	.....	.....	.....	.....
3,725	3,725	.....	134,803	134,803	.....
863,762	863,762	.....	3,722,212	3,722,212	.....
406	406	.....	1,883	1,883	.....
4,301,669	4,301,669	.....	5,535,969	5,535,969	.....
6,298,315	6,238,025	60,290	8,029,065	7,966,939	62,126
\$ 32,053	\$ 179,520	\$ 147,467	\$ 689,321	\$ 704,201	\$ 14,880

STATE OF FLORIDA

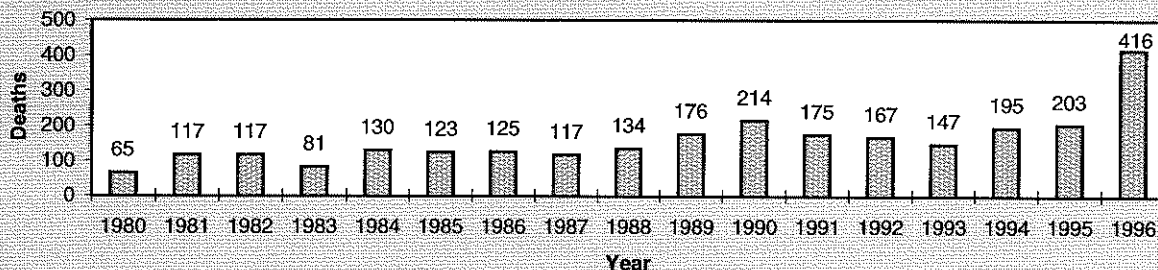
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) - ALL BUDGETARY TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 1997 (in thousands)

	Department of Highway Safety and Motor Vehicles			Department of Business and Professional Regulation		
	Budget	Actual	Variance -	Budget	Actual	Variance -
		(Budget Basis)	Favorable (Unfavorable)		(Budget Basis)	Favorable (Unfavorable)
Fund balances, July 1, 1996	\$ 59,214	\$ 59,214	\$	\$ 50,904	\$ 50,904	\$
Reversions	793	793	.....	1,304	1,304	.....
Fund balances, July 1, 1996, restated	60,007	60,007	.....	52,208	52,208	.....
REVENUES						
Direct:						
Fees and charges	313,361	320,332	6,971	67,168	33,066	(34,102)
Licenses	542,306	578,348	36,042	166,463	81,079	(85,384)
Taxes	25,400	883	(24,517)	914,405	461,969	(452,436)
Miscellaneous	82	132	50	1,683	195	(1,488)
Interest	524	1,273	749	9,831	3,010	(6,821)
Grants	1,604	2,310	706	.....	.....	.....
Refunds	18	877	859	979	342	(637)
Bond proceeds	.....	.....	.....	.....	.....	.....
Other	53,920	65,040	11,120	8,419	3,085	(5,334)
Total Direct Revenues	937,215	969,195	31,980	1,168,948	582,746	(586,202)
Indirect:						
Employee/employer contributions	.....	.....	.....	.....	.....	.....
Transfers and distributions	18,610	31,039	12,429	79,731	47,255	(32,476)
Sale of investments	.....	.....	.....	.....	.....	.....
Other	4	31,471	31,467	348	62	(286)
Total Indirect Revenues	18,614	62,510	43,896	80,079	47,317	(32,762)
TOTAL REVENUES	955,829	1,031,705	75,876	1,249,027	630,063	(618,964)
TOTAL AVAILABLE RESOURCES	1,015,836	1,091,712	75,876	1,301,235	682,271	(618,964)
EXPENDITURES						
Operating:						
Salaries and benefits	94,440	93,556	884	65,342	61,377	3,965
Other personal services	6,091	5,080	1,011	8,851	7,963	888
Expenses	30,955	30,135	820	21,039	19,455	1,584
Grants and aids	21,500	19,206	2,294	39,616	39,616	.....
Operating capital outlay	3,295	3,018	277	2,722	2,643	79
Food products	.....	.....	.....	.....	.....	.....
Fixed capital outlay	525	525	.....	.....	.....	.....
Lump sum	.....	.....	.....	.....	.....	.....
Special categories	21,970	19,987	1,983	11,320	8,174	3,146
Financial assistance payments	.....	.....	.....	620	388	232
Debt service	.....	.....	.....	.....	.....	.....
Grants/aids to local govts./NFProfit	.....	.....	.....	.....	.....	.....
Payments to U.S. Treasury	.....	.....	.....	.....	.....	.....
Data processing services	19,086	19,086	.....	3,443	3,359	84
Pensions and benefits	.....	.....	.....	.....	.....	.....
Claim bills and relief acts	.....	.....	.....	.....	.....	.....
Special expenses	.....	.....	.....	.....	.....	.....
Total Operating Expenditures	197,862	190,593	7,269	152,953	142,975	9,978
Nonoperating:						
Transfers to trust funds	742,261	742,261	.....	293,384	293,384	.....
Purchase of investments	.....	.....	.....	.....	.....	.....
Refunds	6,207	6,207	.....	2,304	2,304	.....
Other nonoperating	88,960	88,960	.....	181,832	181,832	.....
Reissues	11	11	.....	36	36	.....
Total Nonoperating Expenditures	837,439	837,439	.....	477,556	477,556	.....
TOTAL EXPENDITURES	1,035,301	1,028,032	7,269	630,509	620,531	9,978
FUND BALANCES, JUNE 30, 1997	\$ (19,465)	\$ 63,680	\$ 83,145	\$ 670,726	\$ 61,740	\$ (608,986)

STATE OF FLORIDA

Other Departments			Totals		
Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budget Basis)	Variance - Favorable (Unfavorable)
\$ 237,713	\$ 237,713	\$	\$ 6,740,356	\$ 6,740,356	\$
205,587	205,587	.....	340,872	340,872	.....
443,300	443,300	.....	7,081,228	7,081,228	.....
267,030	270,600	3,570	3,690,164	3,653,515	(36,649)
33,732	34,702	970	865,874	809,980	(55,894)
95,270	95,675	405	6,664,912	6,026,353	(638,559)
9,424	12,225	2,801	280,573	242,032	(38,541)
44,831	26,103	(18,728)	376,337	407,856	31,519
764,961	372,482	(392,479)	8,616,182	7,134,819	(1,481,363)
7,702	9,921	2,219	797,773	468,619	(329,154)
.....	.....	.....	1,090,949	1,161,170	70,221
64,810	69,368	4,558	448,689	726,047	277,358
1,287,760	891,076	(396,684)	22,831,453	20,630,391	(2,201,062)
.....	.....	.....	5,669,784	6,212,037	542,253
677,073	461,337	(215,736)	7,434,282	7,220,264	(214,018)
663	663	.....	1,855,110	1,855,110	.....
330	849	519	9,481,735	9,209,956	(271,779)
678,066	462,849	(215,217)	24,440,911	24,497,367	56,456
1,965,826	1,353,925	(611,901)	47,272,364	45,127,758	(2,144,606)
2,409,126	1,797,225	(611,901)	54,353,592	52,208,986	(2,144,606)
251,640	230,762	20,878	2,815,608	2,675,372	140,236
32,728	25,884	6,844	428,158	366,200	61,958
132,934	117,693	15,241	1,072,631	944,631	128,000
163,572	149,489	14,083	3,936,555	3,795,019	141,536
28,794	25,379	3,415	169,060	75,930	93,130
3,304	2,728	576	4,451	3,454	997
48,341	48,341	.....	2,254,767	2,254,767	.....
577	.....	577	582	5	577
774,611	516,948	257,663	6,685,378	6,127,096	558,282
.....	.....	.....	2,654,458	1,644,917	1,009,541
.....	.....	.....	16,066	16,066	.....
182,544	182,544	.....	197,727	197,727	.....
12,421	12,421	.....	13,510	13,510	.....
10,006	9,633	373	146,714	143,185	3,529
.....	.....	.....	1,719,702	1,675,780	43,922
250	250	.....	521	521	.....
226	226	.....	996	996	.....
1,641,948	1,322,298	319,650	22,116,884	19,935,176	2,181,708
187,150	187,150	.....	6,255,051	6,255,051	.....
.....	.....	.....	3,372,070	3,372,070	.....
4,951	4,951	.....	215,155	215,155	.....
41,585	41,585	.....	15,367,665	15,367,665	.....
173	173	.....	3,644	3,644	.....
233,859	233,859	.....	25,213,585	25,213,585	.....
1,875,807	1,556,157	319,650	47,330,469	45,148,761	2,181,708
\$ 533,319	\$ 241,068	\$ (292,251)	\$ 7,023,123	\$ 7,060,225	\$ 37,102

Manatee Deaths By Year



Florida Marine Research Institute

In 1996, red tide was suspected in the deaths of at least 151 manatees on Florida's southwest coast, or about 12% of the entire west coast population. In 1982, another outbreak of red tide occurred in southwest Florida and was believed to have caused the deaths of 37 manatees.

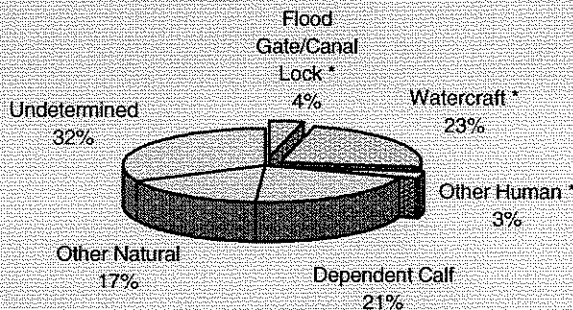
In the winter of 1989-90, at least 45 manatee deaths occurred from cold stress because of a prolonged cold front in December. During that time, temperatures in Florida's coastal waters dipped into the 40 and 50 degree Fahrenheit range.



Scientists break down the causes of manatee deaths into six different categories:

- Watercraft collisions
- Flood gate or canal lock (crushed and/or drowned)
- Other human-related (deaths caused from monofilament line, litter, poaching, vandalism, culverts or other human-made structures)
- Perinatal (dependent calves under 4.9 feet [150 cm])
- Other natural (mortalities caused by natural circumstances such as cold stress or disease)
- Undetermined (the manatee is too badly decomposed to determine cause of death, the necropsy finding is inclusive, or the manatee carcass was reported and verified, but not recovered)

Florida Manatee Deaths By Category 1976-1996

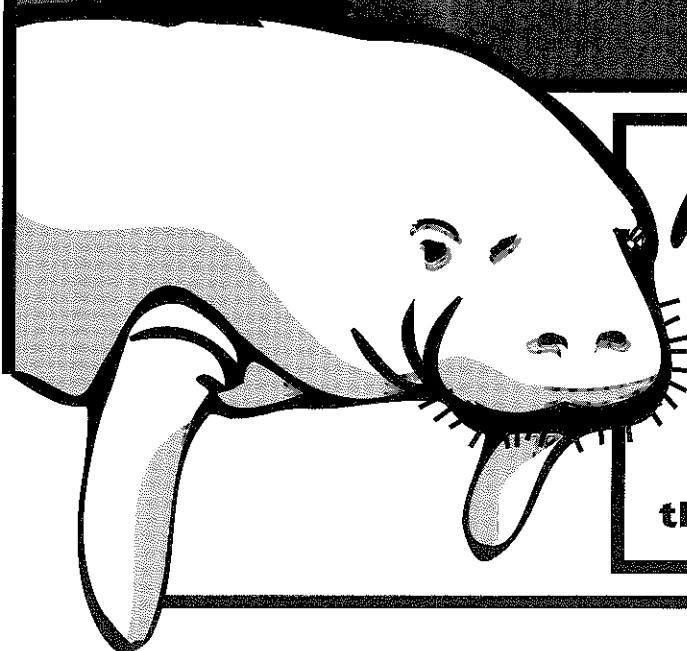


Florida Marine Research Institute

* Total human-related manatee mortalities average 30 percent per year.

1997

COMPONENT UNIT
COMBINING
FINANCIAL
STATEMENTS



manatee
FACT... ♦♦♦

Manatees continually slough off an outer layer of skin, helping to remove any algae that might be growing on them.

Other Component Units

Component units are organizations which are legally separate from the State, and for which the State is financially accountable, or whose relationships with the State are such that inclusion would cause the State's financial statements to be misleading or incomplete. These legally separate organizations are managed independently, outside the State's budgeting process, and their powers generally are vested in a governing board pursuant to various State statutes. The following combining statements exclude the state community colleges, which are shown separately on the combined financial statements.

Due to the large number of State Component units, the accompanying financial statements present combining financial data for other component units aggregated in two levels as follows:

(1) governmental fund types and not-for-profit organizations; proprietary fund types; agency fund types; and account groups; and (2) the State agency with which they are associated.

Governmental Fund Types and Not-For-Profit Organizations - This category accounts for the acquisition, use and balances of other component units' expendable financial resources and related current liabilities, except those accounted for in proprietary funds. This group of other component units includes water management districts; transportation authorities and direct support organizations of community colleges, State University System and historic preservation boards.

Proprietary Fund Types - This category accounts for other component units' activities that are similar to those often found in the private sector. This group of other component units includes: a water management district, two transportation authorities, three insurance funds and the Prison Rehabilitative Industries and Diversified Enterprises, Inc.

Agency Fund Types - Agency fund types are custodial in nature. Other component units in this group include water management districts and transportation authorities and primarily consist of their deferred compensation plans.

Account Groups - The account groups provide accountability for and control of other component units' general fixed assets and general long-term debt. Other component units in this group include water management districts and transportation authorities.

STATE OF FLORIDA

**COMBINING BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
DISCRETELY PRESENTED OTHER COMPONENT UNITS
JUNE 30, 1997
(in thousands)**

	<u>Governmental Fund Types and Not for Profits</u>	<u>Proprietary Fund Types</u>	<u>Agency Fund Types</u>	<u>Account Groups</u>	<u>Total 6/30/97</u>
ASSETS					
Cash and cash equivalents	\$ 175,868	\$ 10,841	\$	\$	\$ 186,709
Cash with fiscal agents	1,165	.....	.....	.....	1,165
Investments	1,670,163	106,901	33,941	.....	1,811,005
Receivables, net	349,391	28,020	.....	.....	377,411
Due from other funds	10,032	.....	.....	.....	10,032
Due from component units/primary	371,194	185,189	.....	.....	556,383
Inventories	5,379	12,188	.....	.....	17,567
Loans and notes receivable, net	21,518	.....	.....	.....	21,518
Restricted cash and cash equivalents	.....	4,926	.....	.....	4,926
Restricted investments	.....	101,418	.....	.....	101,418
Deferred fiscal charges and other assets	209,244	16,205	.....	.....	225,449
Land	57,606	12,056	.....	1,132,306	1,201,968
Buildings and improvements	451,354	968,127	.....	119,967	1,539,448
Furniture and equipment	227,412	57,312	.....	540,326	825,050
Construction in progress	27,763	67,968	.....	83,158	178,889
Accumulated depreciation	(2,087)	(41,484)	.....	.....	(43,571)
Amount available in debt service fund	.....	.....	.....	74,821	74,821
Amount to be provided	.....	.....	.....	342,395	342,395
TOTAL ASSETS	\$ 3,576,002	\$ 1,529,667	\$ 33,941	\$ 2,292,973	\$ 7,432,583
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable and accrued liabilities	\$ 238,146	\$ 225,625	\$ 7,869	\$ 9,770	\$ 481,410
Due to other funds	10,032	.....	.....	.....	10,032
Due to component units/primary	147,456	120,981	.....	21,945	290,382
Bonds payable	401,280	817,142	.....	343,905	1,562,327
Notes and leases payable	14,966	7,188	.....	855	23,009
Deferred revenues	176,978	3,028	.....	.....	180,006
Compensated absences	10,740	118	.....	16,256	27,114
Other liabilities	246,448	7,453	26,072	24,485	304,458
Total Liabilities	1,246,046	1,181,535	33,941	417,216	2,878,738
Fund Equity:					
Contributed capital	.....	85,777	.....	.....	85,777
Investment in fixed assets	28,477	.....	.....	1,875,757	1,904,234
Retained Earnings:					
Reserved	.....	106,002	.....	.....	106,002
Unreserved	.....	156,353	.....	.....	156,353
Fund Balances:					
Reserved	423,014	.....	.....	.....	423,014
Unreserved	1,878,465	.....	.....	.....	1,878,465
Total Fund Equity	2,329,956	348,132	.....	1,875,757	4,553,845
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,576,002	\$ 1,529,667	\$ 33,941	\$ 2,292,973	\$ 7,432,583



*Governmental Fund Types
and Not-For-Profit
Organizations*

STATE OF FLORIDA

**COMBINING BALANCE SHEET
ALL GOVERNMENTAL FUND TYPES AND NOT-FOR-PROFIT ORGANIZATIONS
DISCRETELY PRESENTED OTHER COMPONENT UNITS
JUNE 30, 1997
(in thousands)**

	Departments of					
	Executive Office of the Governor	Environmental Protection	State	Insurance	Education	
					Community College & SUS DSO's	Education DSO
ASSETS						
Cash and cash equivalents	\$ 15,681	\$ 3,701	\$ 2,869	\$ 86	\$ 144,494	\$ 44
Cash with fiscal agents	.....	.....	.....	.....	.....	.....
Investments	5,298	232,142	1,601	55,998	1,290,074	11,684
Receivables, net	5,136	22,122	876	12,585	296,434	213
Due from other funds	.....	9,848	.....	.....	184	.....
Due from component units/primary	.....	275,678	.....	.....	83,810	.....
Inventories	218	1,365	380	.....	3,304	108
Loans and notes receivable, net	15,369	.....	.....	.....	6,149	.....
Deferred fiscal charges and other assets	154	990	103	.....	121,326	144
Land	750	.....	102	.....	54,184	152
Buildings and improvements	12,877	.....	690	.....	422,710	684
Furniture and equipment	981	.....	1,649	61	221,323	2,090
Construction in progress	4,043	.....	12	.....	23,685	.....
Accumulated depreciation	(509)	.....	(1,384)	.....	.....	(194)
TOTAL ASSETS	\$ 59,998	\$ 545,846	\$ 6,898	\$ 68,730	\$ 2,667,677	\$ 14,925
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable and accrued liabilities	\$ 5,803	\$ 26,853	\$ 628	\$ 80,322	\$ 121,528	\$ 220
Due to other funds	.....	9,848	.....	.....	184	.....
Due to component units/primary	10,628	578	.....	.....	135,755	.....
Bonds payable	.....	.....	.....	.....	401,280	.....
Notes and leases payable	11	.....	.....	.....	14,955	.....
Deferred revenues	836	17,395	196	11,478	59,719	.....
Compensated absences	70	.....	.....	.....	10,670	.....
Other liabilities	32,121	.....	7	.....	211,990	2,100
Total Liabilities	49,469	54,674	831	91,800	956,081	2,320
Fund Equity:						
Investment in fixed assets	.....	.....	789	.....	27,688	.....
Fund Balances:						
Reserved	.....	243,212	3,045	.....	96,638	.....
Unreserved	10,529	247,960	2,233	(23,070)	1,587,270	12,605
Total Fund Equity	10,529	491,172	6,067	(23,070)	1,711,596	12,605
TOTAL LIABILITIES AND FUND EQUITY	\$ 59,998	\$ 545,846	\$ 6,898	\$ 68,730	\$ 2,667,677	\$ 14,925

STATE OF FLORIDA

<u>Transportation</u>	<u>Public Service Commission</u>	<u>Agency for Health Care Administration</u>	<u>Other</u>	<u>Total 6/30/97</u>
\$ 1,501	\$ 1,415	\$ 1,061	\$ 5,016	\$ 175,868
1,165	.....	.....	.....	1,165
66,532	.....	.....	6,834	1,670,163
10,450	879	446	250	349,391
.....	.....	.....	.....	10,032
8,368	.....	.....	3,338	371,194
.....	.....	.....	4	5,379
.....	.....	.....	.....	21,518
86,253	4	9	261	209,244
.....	.....	.....	2,418	57,606
.....	.....	.....	14,393	451,354
.....	23	83	1,202	227,412
.....	.....	.....	23	27,763
.....	.....	.....	.....	(2,087)
\$ 174,269	\$ 2,321	\$ 1,599	\$ 33,739	\$ 3,576,002

\$ 660	\$ 1,088	\$ 112	\$ 932	\$ 238,146
.....	.....	.....	.....	10,032
495	.....	.....	.....	147,456
.....	.....	.....	.....	401,280
.....	.....	.....	.....	14,966
86,250	.....	480	624	176,978
.....	.....	.....	.....	10,740
.....	.....	.....	230	246,448
87,405	1,088	592	1,786	1,246,046
.....	.....	.....	.....	28,477
79,689	.....	.....	430	423,014
7,175	1,233	1,007	31,523	1,878,465
86,864	1,233	1,007	31,953	2,329,956
\$ 174,269	\$ 2,321	\$ 1,599	\$ 33,739	\$ 3,576,002

STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND NOT-FOR-PROFIT ORGANIZATIONS
DISCRETELY PRESENTED OTHER COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Departments of					
	Executive Office of The Governor				Education	
		Environmental Protection	State	Insurance	Community College & SUS DSO's	Education DSO
REVENUES						
Taxes	\$	\$ 319,592	\$	\$	\$	\$
Licenses and permits	.....	7,582	.....	.....	.....	.....
Fees and charges	23,512	1,210	4,600	35,171	890,581	286
Grants and donations	3,708	4,587	2,287	.....	244,333	3,011
Investment earnings	1,287	28,041	158	3,833	146,701	775
Fines, forfeits and judgments	.....	16	.....	.....	.....	.....
Refunds	8	.....	.....	.....	.....	.....
Other	3,207	7,689	.....	69	64,389	.....
TOTAL REVENUES	31,722	368,717	7,045	39,073	1,346,004	4,072
EXPENDITURES						
Current:						
Expenditures	54,288	303,019	6,788	34,387	940,088	4,910
Capital outlay	.....	205,938	.....	.....	.....	.....
Debt service:						
Principal retirement	.....	5,551	.....	.....	.....	.....
Interest and fiscal charges	.....	8,386	.....	.....	.....	.....
TOTAL EXPENDITURES	54,288	522,894	6,788	34,387	940,088	4,910
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(22,566)	(154,177)	257	4,686	405,916	(838)
OTHER FINANCING SOURCES (USES)						
Proceeds of bond issues	.....	39,080	.....	.....	.....	.....
Proceeds of refunding bonds	.....	84,273	.....	.....	.....	.....
Operating transfers in	.....	19,908	.....	.....	.....	.....
Operating transfers out	.....	(19,908)	.....	.....	.....	.....
Transfers in from component units/primary	25,104	154,156	.....	.....	44,534	.....
Transfers out to component units/primary	.....	.....	.....	.....	(242,497)	.....
Proceeds of financing agreements	.....	822	.....	.....	.....	.....
Payments to refunded bond agent	.....	(49,305)	.....	.....	.....	.....
TOTAL OTHER FINANCING SOURCES (USES)	25,104	229,026	.....	.....	(197,963)	.....
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	2,538	74,849	257	4,686	207,953	(838)
Fund Balances, July 1	7,991	416,323	5,021	(32,882)	1,399,007	13,443
Adjustments to increase (decrease) beginning fund balances	.....	.....	.....	5,126	76,948	.....
Fund Balances, July 1, as restated	7,991	416,323	5,021	(27,756)	1,475,955	13,443
FUND BALANCES, JUNE 30	\$ 10,529	\$ 491,172	\$ 5,278	\$ (23,070)	\$ 1,683,908	\$ 12,605

STATE OF FLORIDA

<u>Transportation</u>	<u>Public Service Commission</u>	<u>Agency for Health Care Administration</u>	<u>Other</u>	<u>Total 6/30/97</u>
\$	\$	\$	\$	\$ 319,592
.....	.....	.....	.....	7,582
35	10,386	.....	11,526	977,307
1,191	.....	1,994	14,625	275,736
9,368	148	8	181	190,500
.....	.....	.....	17	33
.....	.....	.....	.....	8
.....	.....	3,209	655	79,218
10,594	10,534	5,211	27,004	1,849,976
3,410	12,563	10,396	17,082	1,386,931
1,543	.....	.....	76	207,557
64	.....	.....	.....	5,615
10,257	.....	.....	.....	18,643
15,274	12,563	10,396	17,158	1,618,746
(4,680)	(2,029)	(5,185)	9,846	231,230
.....	.....	.....	.....	39,080
.....	.....	.....	.....	84,273
6,354	.....	.....	.....	26,262
(6,354)	.....	.....	.....	(26,262)
6,831	.....	6,019	.....	236,644
.....	.....	.....	.....	(242,497)
.....	.....	.....	.....	822
.....	.....	.....	.....	(49,305)
6,831	.....	6,019	.....	69,017
2,151	(2,029)	834	9,846	300,247
83,595	3,262	173	20,012	1,915,945
1,118	.....	.....	2,095	85,287
84,713	3,262	173	22,107	2,001,232
\$ 86,864	\$ 1,233	\$ 1,007	\$ 31,953	\$ 2,301,479

Proprietary Fund Types

STATE OF FLORIDA

**COMBINING BALANCE SHEET
ALL PROPRIETARY FUND TYPES
DISCRETELY PRESENTED OTHER COMPONENT UNITS
JUNE 30, 1997
(in thousands)**

	Departments of				Total 6/30/97
	Environmental Protection	Insurance	Transportation	Corrections	
ASSETS					
Cash and cash equivalents	\$ 4,003	\$ 400	\$ 6,052	\$ 386	\$ 10,841
Investments	.....	30,264	73,988	2,649	106,901
Receivables, net	40	9,370	9,669	8,941	28,020
Due from component units/primary	.....	172,114	13,075	.....	185,189
Inventories	.....	.....	2,431	9,757	12,188
Restricted cash and cash equivalents	.....	.....	3,258	1,668	4,926
Restricted investments	.....	.....	101,418	.....	101,418
Deferred fiscal charges and other assets	171	668	15,107	259	16,205
Land	.....	.....	10,557	1,499	12,056
Buildings and improvements	.....	.....	948,112	20,015	968,127
Furniture and equipment	.....	180	31,442	25,690	57,312
Construction in progress	.....	.....	67,968	.....	67,968
Accumulated depreciation	.....	.....	(19,454)	(22,030)	(41,484)
TOTAL ASSETS	\$ 4,214	\$ 212,996	\$ 1,263,623	\$ 48,834	\$ 1,529,667
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable and accrued liabilities	\$ 3,558	\$ 194,831	\$ 23,752	\$ 3,484	\$ 225,625
Due to component units/primary	.....	.....	120,981	.....	120,981
Bonds payable	.....	.....	817,142	.....	817,142
Notes and leases payable	.....	.....	6,242	946	7,188
Deferred revenues	.....	2,900	128	.....	3,028
Compensated absences	118	.....	.....	.....	118
Other liabilities	.....	1,757	724	4,972	7,453
Total Liabilities	3,676	199,488	968,969	9,402	1,181,535
Fund Equity:					
Contributed capital	.....	4,291	81,486	.....	85,777
Retained Earnings:					
Reserved	.....	9,558	96,444	.....	106,002
Unreserved	538	(341)	116,724	39,432	156,353
Total Fund Equity	538	13,508	294,654	39,432	348,132
TOTAL LIABILITIES AND FUND EQUITY	\$ 4,214	\$ 212,996	\$ 1,263,623	\$ 48,834	\$ 1,529,667

STATE OF FLORIDA

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
DISCRETELY PRESENTED OTHER COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Departments of				Total 6/30/97
	Environmental Protection	Insurance	Transportation	Corrections	
OPERATING REVENUES					
Sales -- nonstate	\$ 2,712	\$ 18,880	\$ 99,176	\$ 72,847	\$ 193,615
Other	2	5,295	.....	.....	5,297
TOTAL OPERATING REVENUES	2,714	24,175	99,176	72,847	198,912
OPERATING EXPENSES					
Personal services	742	171	40,648	.....	41,561
Contractual services	733	1,652	.....	.....	2,385
Materials and supplies	52	216	.....	5,906	6,174
Depreciation	.....	56	14,756	.....	14,812
Interest and fiscal charges	.....	88	.....	.....	88
Insurance claims	1,270	35,027	.....	.....	36,297
Repairs and maintenance	.....	.....	4,227	.....	4,227
Cost of goods sold	.....	.....	.....	65,960	65,960
TOTAL OPERATING EXPENSES	2,797	37,210	59,631	71,866	171,504
OPERATING INCOME/(LOSS)	(83)	(13,035)	39,545	981	27,408
NONOPERATING REVENUES (EXPENSES)					
Grants and contributions	17	.....	11,863	.....	11,880
Investment earnings	311	10,921	11,723	278	23,233
Interest and fiscal charges	.....	.....	(55,775)	.....	(55,775)
Grant expense and client benefits	.....	.....	.....	(759)	(759)
Other	.....	(195)	(1,500)	.....	(1,695)
TOTAL NONOPERATING REVENUES (EXPENSES)	328	10,726	(33,689)	(481)	(23,116)
INCOME/(LOSS) BEFORE OPERATING TRANSFERS	245	(2,309)	5,856	500	4,292
Transfers in from component units/primary	.....	.....	4,078	.....	4,078
Transfers out to component units/primary	.....	.....	.....	(969)	(969)
NET INCOME/(LOSS)	245	(2,309)	9,934	(469)	7,401
Retained Earnings, July 1	293	(8,128)	47,457	39,901	79,523
Adjustments to increase (decrease) beginning retained earnings	.....	19,654	155,777	.....	175,431
Retained Earnings, July 1, as restated	293	11,526	203,234	39,901	254,954
RETAINED EARNINGS, JUNE 30	\$ 538	\$ 9,217	\$ 213,168	\$ 39,432	\$ 262,355

STATE OF FLORIDA

**COMBINING STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
DISCRETELY PRESENTED OTHER COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 1997
(in thousands)**

	Departments of				Total 6/30/97
	Environmental Protection	Insurance	Transportation	Corrections	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 2,714	\$ 44,505	\$ 95,642	\$ 73,801	\$ 216,662
Cash paid to suppliers and vendors	(2,130)	(19,244)	(11,631)	(70,591)	(103,596)
Cash paid to employees	(726)	(25,712)	(79)	.....	(26,517)
Cash paid for insurance claims	.....	(1,426)	.....	.....	(1,426)
Cash used for client benefits	.....	.....	.....	(1,728)	(1,728)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	(142)	(1,877)	83,932	1,482	83,395
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in from other funds	17	.....	45,940	.....	45,957
Advances from other funds	.....	.....	7,462	.....	7,462
Transfers out to other funds	.....	(3,170)	(699)	(241)	(4,110)
Payment of bonds and loans	.....	.....	(4,901)	.....	(4,901)
NET CASH PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES	17	(3,170)	47,802	(241)	44,408
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from sale of fixed assets	.....	.....	.....	56	56
Proceeds from sale of bonds	.....	.....	.....	2,140	2,140
Payment of bonds and loans	.....	.....	(3,725)	.....	(3,725)
Principal on installment purchases/leases	.....	.....	(1,833)	(488)	(2,321)
Payment of interest	.....	.....	(51,020)	.....	(51,020)
Purchase or construction of fixed assets	.....	.....	(77,111)	(5,649)	(82,760)
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	.....	.....	(133,689)	(3,941)	(137,630)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Sale or maturity of investments	.....	.....	42,695	.....	42,695
Interest received	312	10,857	12,672	277	24,118
Purchase of investments	.....	(7,368)	(51,763)	.....	(59,131)
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	312	3,489	3,604	277	7,682
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	187	(1,558)	1,649	(2,423)	(2,145)
Cash and cash equivalents, July 1	3,816	1,958	7,661	4,477	17,912
CASH AND CASH EQUIVALENTS, JUNE 30	\$ 4,003	\$ 400	\$ 9,310	\$ 2,054	\$ 15,767
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
OPERATING INCOME/(LOSS)	\$ (83)	\$ (13,035)	\$ 39,545	\$ 981	\$ 27,408
Depreciation and amortization expense	.....	56	14,756	.....	14,812
(Increase)/decrease in accounts receivable	(8)	707	20,583	1,199	22,481
(Increase)/decrease in inventories	.....	.....	.....	(586)	(586)
Increase/(decrease) in accounts payable	(67)	7,587	9,005	(112)	16,413
Increase/(decrease) in compensated absences	16	.....	.....	.....	16
Increase/(decrease) in deferred revenues	.....	.....	43	.....	43
Cash used for client benefits	.....	2,808	.....	.....	2,808
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	\$ (142)	\$ (1,877)	\$ 83,932	\$ 1,482	\$ 83,395

Agency Fund Types

STATE OF FLORIDA

**COMBINING BALANCE SHEET
ALL AGENCY FUND TYPES
DISCRETELY PRESENTED OTHER COMPONENT UNITS
JUNE 30, 1997
(in thousands)**

	Departments of		Total 6/30/97
	<u>Environmental Protection</u>	<u>Transportation</u>	
ASSETS			
Investments	\$ 33,814	\$ 127	\$ 33,941
TOTAL ASSETS	\$ 33,814	\$ 127	\$ 33,941
LIABILITIES			
Accounts payable and accrued liabilities	\$ 7,742	\$ 127	\$ 7,869
Other liabilities	26,072	.....	26,072
TOTAL LIABILITIES	\$ 33,814	\$ 127	\$ 33,941

Account Groups

**COMBINING BALANCE SHEET
GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT ACCOUNT GROUPS
DISCRETELY PRESENTED OTHER COMPONENT UNITS
JUNE 30, 1997
(in thousands)**

ASSETS

Land	\$ 1,132,306
Buildings and improvements	119,967
Furniture and equipment	540,326
Construction in progress	83,158
Amount available in debt service fund	74,821
Amount to be provided	<u>342,395</u>

TOTAL ASSETS **\$ 2,292,973**

LIABILITIES AND EQUITY

Liabilities:	
Accounts payable and accrued liabilities	\$ 9,770
Due to component units/primary	21,945
Bonds payable	343,905
Notes and leases payable	855
Compensated absences	16,256
Other liabilities	<u>24,485</u>

Total Liabilities **417,216**

Equity:	
Investment in fixed assets	<u>1,875,757</u>

TOTAL LIABILITIES AND EQUITY **\$ 2,292,973**

*CONSERVATION EFFORT - PURCHASING A
MANATEE LICENSE PLATE*



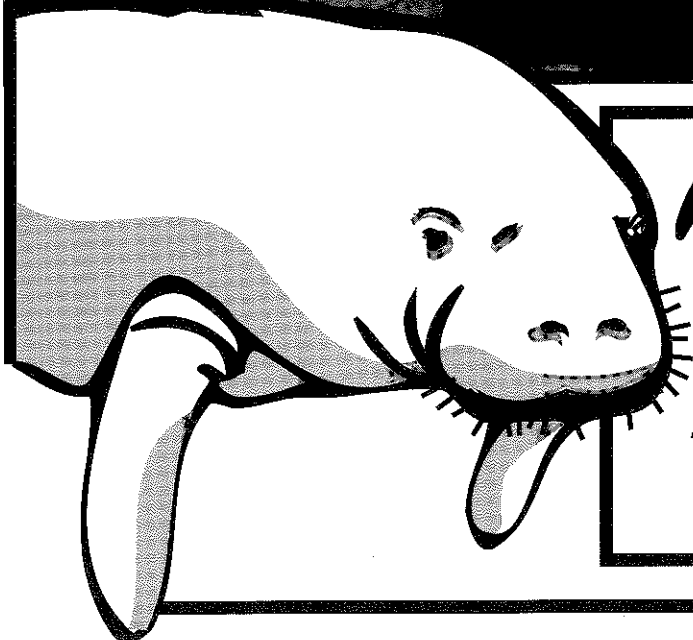
STATUTORY AUTHORITY:	320.08058 F.S.
ADDITIONAL SPECIAL FEE:	\$15.00
CUMULATIVE NUMBER ISSUED:	398,494
CUMULATIVE AMOUNT GENERATED:	\$19,041,132.33
AMOUNT GENERATED IN 1997:	\$2,301,558.78
AMOUNT GENERATED IN 1996:	\$2,396,440.62
AMOUNT GENERATED IN 1995:	\$2,622,344.50

DISTRIBUTION OF SPECIAL FEE:
25% Save the Manatee Trust Fund
Remaining 75% distributed pursuant to law

If anyone is interested in what they can do to help save the manatee from extinction, one of the ways is by purchasing a manatee license plate. These can be bought at your local tax collectors office. For more information contact the tax collector's office in your area.

1997

STATISTICAL
AND
ECONOMIC
DATA



manatee
FACT ♦♦♦

Manatees can grow up
to 15 feet long and weigh up
to 3500 pounds.

STATE OF FLORIDA

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

Source	1988	1989	1990	1991
Taxes	\$ 11,246,972	\$ 12,068,156	\$ 12,829,532	\$ 13,339,913
Licenses and Permits	509,518	547,618	605,873	661,538
Fees and Charges	581,789	876,395	773,895	1,251,259
Grants and Donations	3,042,328	3,411,329	3,990,957	4,618,014
Investment earnings	270,283	339,542	367,749	340,522
Fines, forfeits and judgments	84,036	114,889	110,177	130,612
Flexible benefits contributions	.....	.....	.....	5,552
Refunds	166,072	219,998	222,202	190,143
Other revenues	20,654	11,657	105,910	44,205
Total	\$ 15,921,652	\$ 17,589,584	\$ 19,006,295	\$ 20,581,758

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

Function	1988	1989	1990	1991
Economic opportunities, agriculture & employment	\$ 575,123	\$ 628,473	\$ 620,240	\$ 721,467
Public safety	998,021	1,129,638	1,298,654	1,433,316
Education	5,238,629	5,843,532	6,754,376	7,078,390
Health & social concerns	3,946,457	4,849,706	5,678,086	6,544,315
Housing & community development	83,678	85,215	90,000	92,507
Natural resources & environmental management	330,975	388,346	426,175	511,641
Recreational & cultural opportunities	97,271	102,874	113,564	118,600
Transportation	507,115	382,653	430,014	500,892
Governmental direction & support services	1,746,683	1,902,115	2,045,579	2,017,608
Capital outlay	1,293,540	1,420,312	1,184,616	1,117,348
Debt service	371,365	409,473	395,137	516,742
Total	\$ 15,188,857	\$ 17,142,337	\$ 19,036,441	\$ 20,652,826

STATE OF FLORIDA

1992	1993	1994	1995	1996	1997
\$ 13,972,062	\$ 15,795,969	\$ 16,950,102	\$ 18,189,386	\$ 19,477,977	\$ 20,177,324
678,858	698,173	755,732	785,524	826,009	836,415
1,661,926	2,488,688	2,222,442	2,228,621	1,566,989	1,819,323
5,241,538	7,205,005	6,878,455	7,560,806	9,216,221	8,935,592
318,887	336,179	288,997	376,864	427,631	420,820
154,029	179,873	181,103	137,715	133,553	171,104
14,375	42,932	47,955	.....	.....	56,708
238,335	346,477	407,672	573,595	453,455	503,094
39,993	48,064	567	76	875	37,335
\$ 22,320,003	\$ 27,141,360	\$ 27,733,025	\$ 29,852,587	\$ 32,102,710	\$ 32,957,715

1992	1993	1994	1995	1996	1997
\$ 790,926	\$ 962,363	\$ 1,024,250	\$ 1,124,440	\$ 953,637	\$ 861,593
1,515,939	1,934,059	2,022,303	2,125,187	2,515,430	2,470,513
7,101,763	7,488,800	7,533,547	8,062,058	8,214,406	8,726,968
7,847,174	9,737,168	9,204,564	10,748,961	12,273,160	10,808,035
119,088	146,991	108,578	92,962	222,890	206,695
523,520	588,045	616,178	643,128	523,894	633,479
104,137	100,865	124,429	144,241	138,278	169,357
572,052	604,807	679,424	632,880	813,125	873,326
2,147,577	3,032,895	2,943,663	3,019,473	2,723,198	3,684,412
1,334,310	1,550,935	1,936,916	2,431,916	2,317,256	2,262,697
534,935	645,670	638,288	660,570	746,911	797,516
\$ 22,591,421	\$ 26,792,598	\$ 26,832,140	\$ 29,685,816	\$ 31,442,185	\$ 31,494,591

STATE OF FLORIDA

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

<u>Tax Source</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Sales and use tax	\$ 6,907,804	\$ 7,616,398	\$ 8,245,664	\$ 8,206,205
Motor fuel tax	702,299	669,122	714,715	871,596
Corporate income tax	818,392	884,431	805,703	698,365
Intangible personal property tax	370,357	227,644	418,172	522,035
Documentary stamp tax	450,381	447,745	429,597	470,274
Alcoholic beverage tax	442,007	445,660	450,566	528,792
Gross receipts utilities tax	217,659	403,627	300,106	336,915
Cigarette tax	346,112	343,876	337,114	466,394
Estate tax	183,593	197,882	257,820	300,962
Insurance premium tax	309,720	255,178	294,183	285,743
Hospital public assistance tax	96,901	161,151	141,874	159,921
Workers' compensation special disability tax	65,036	63,296	88,094	115,464
Pollutant tax	26,326	54,363	58,634	68,171
Pari-mutuel wagering tax	121,848	110,145	106,599	101,980
Citrus excise tax	46,069	57,971	47,188	62,540
Solid minerals severance tax	66,916	53,929	56,449	62,836
Aviation fuel tax	43,776	42,714	43,419	49,781
Utility regulatory tax	14,177	14,982	18,885	22,168
Smokeless tobacco tax	.....	.....	.....	.....
Oil and gas production tax	9,275	8,888	9,524	9,335
Corporate excise tax	.....	.....	.....	.....
Corporate charter tax	.....	.....	.....	.....
Special fuel and motor fuel use tax	6,214	2,040	.....	.....
Other	2,110	7,114	5,226	436
Total	\$ 11,246,972	\$ 12,068,156	\$ 12,829,532	\$ 13,339,913

STATE OF FLORIDA

1992	1993	1994	1995	1996	1997
\$ 8,410,871	\$ 9,521,564	\$ 10,073,654	\$ 11,102,171	\$ 12,016,938	\$ 12,113,145
1,069,211	1,152,430	1,235,256	1,267,392	1,376,303	1,438,264
810,764	853,405	1,047,680	1,055,437	1,087,145	1,358,387
588,165	788,205	835,121	795,182	983,613	980,914
503,921	639,240	775,662	699,745	791,342	864,216
521,453	528,126	551,654	525,692	542,207	553,919
392,027	442,416	449,107	511,858	546,856	585,466
444,377	460,833	432,868	469,779	429,193	431,221
291,425	307,472	359,321	436,902	450,500	568,875
282,584	290,673	322,023	352,940	402,561	417,775
154,291	192,511	214,512	239,651	248,433	253,725
110,097	129,981	173,624	228,878	105,064	85,807
88,981	193,025	196,268	197,202	200,052	213,843
96,519	86,796	98,669	90,594	85,097	64,835
66,808	65,769	53,189	56,578	48,865	68,379
60,178	56,041	48,270	55,571	45,695	64,680
50,830	55,293	50,527	51,104	63,106	55,766
22,156	22,835	23,813	24,144	25,400	27,173
.....	.....	.....	18,566	19,498	19,287
7,092	8,406	6,557	8,470	9,076	10,472
.....
.....
.....
312	948	2,327	1,530	1,033	1,175
\$ 13,972,062	\$ 15,795,969	\$ 16,950,102	\$ 18,189,386	\$ 19,477,977	\$ 20,177,324

**Pension Trust Fund
Required Supplementary Information**

**Schedule of Funding Progress
(Dollar amounts in thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (JAAL) (b-a)	Funded Ratio (a/b)	Annualized Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 1991	\$ 23,484,330 (1)	\$ 39,258,990	\$ 15,774,660	59.82%	\$ 13,898,283	113.50%
July 1, 1993	31,692,778	45,655,929	13,963,151	69.42%	14,562,056	95.89%
July 1, 1995	41,585,509	54,027,447	12,441,938	76.97%	16,280,775	76.42%
July 1, 1997	56,220,804	61,610,883 (2)	5,390,079	91.25%	17,257,738	31.23%

**Schedule of Employer Contributions
(Dollar amounts in thousands)**

Year Ended June 30	Annual Required Contributions	Percent Contributed
1992	\$ 2,347,671	100%
1993	2,529,042	100%
1994	2,734,628	100%
1995	2,880,128	100%
1996	2,967,448	100%
1997	3,036,978	100%

Notes to Required Supplementary Information

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

Valuation date	July 1, 1997
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay, Closed
Equivalent single amortization period	7 Years
Asset valuation method	5-Year Smoothed Method
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	7.25%
Includes inflation at	5.50%
Cost-of-Living Adjustments	3.00%

(1) Reflects restatement of 1991 actuarial value of assets.

(2) For the July 1, 1997 Actuarial Valuation, two assumptions were changed. The active member growth assumption changed from 1.50% to 0.00% to comply with GASB 25, and the projected salary increases was changed from 7.50% to 7.25%.

**State of Florida
Population by Age**

Age Group	1990 Census	Percent	2010 Projection	Percent
0 - 14	2,485,736	19.21	3,149,165	17.67
15 - 24	1,656,658	12.80	2,252,980	12.64
25 - 44	3,898,652	30.13	4,042,971	22.68
45 - 64	2,540,555	19.64	4,970,261	27.88
65 and Over	2,356,325	18.22	3,409,362	19.13
Total	12,937,926	100.00	17,824,739	100.00

Source: U.S. Department of Commerce, Bureau of Census, 1990 Census of Population: General Population Characteristics, Florida, and University of Florida Bureau of Economic and Business Research Population Program, unpublished data.

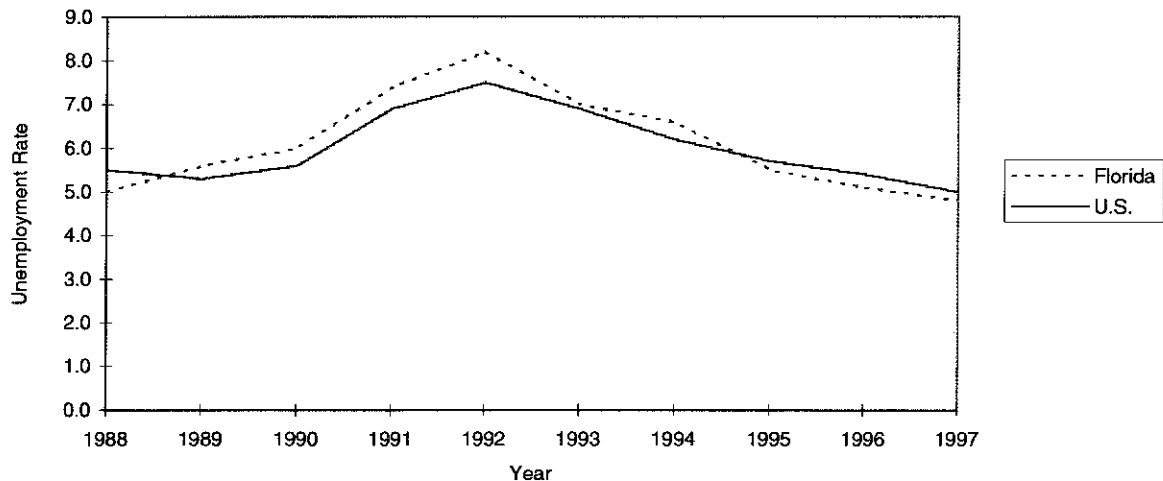
**Economic Indicators
For the Calendar Years 1988 through 1997**

Year	Unemployment Rate		Personal Income (in millions)		Florida Population	Florida Tourist Arrivals
	Florida	U.S.	Florida	U.S.		
1988	5.0	5.5	210,889	4,184,632	12,307,135	36,688,000
1989	5.6	5.3	233,041	4,500,963	12,643,540	38,706,000
1990	6.0	5.6	249,766	4,804,208	13,009,970	41,249,000
1991	7.4	6.9	260,004	4,981,596	13,249,027	39,509,000
1992	8.2	7.5	270,834	5,277,213	13,453,188	40,700,000
1993	7.0	6.9	292,534	5,519,213	13,674,233	41,176,000
1994	6.6	6.2	306,658	5,791,772	13,947,982	40,079,000
1995	5.5	5.7	328,067	6,150,786	14,213,992	40,610,000
1996	5.1	5.4	348,849	6,495,248	14,483,236	42,877,000
1997 *	4.8	5.0	370,477	6,872,200	14,772,429	43,201,000

*Forecast

Source: Division of Economic and Demographic Research, Joint Legislative Management Committee, Florida Legislature.

**Unemployment Rate - Florida and the U.S.
For the Calendar Years 1988 through 1997**



STATE OF FLORIDA

Per Capita State Full Faith and Credit Debt For the Last Ten Fiscal Years

Year	Population	(1)(2)	Per Capita
		Primarily Payable From Pledged Revenues	
1988	12,307,135	\$ 3,886,847,000	315.82
1989	12,643,540	3,921,571,000	310.16
1990	13,009,970	4,132,977,000	317.68
1991*	13,249,027	4,401,683,000	332.23
1992*	13,453,188	5,179,775,000	385.02
1993*	13,674,233	5,594,855,000	409.15
1994*	13,947,982	6,074,395,000	435.50
1995*	14,213,992	6,823,860,000	480.08
1996*	14,483,236	7,390,695,000	510.29
1997*	14,772,429	7,892,140,000	534.25

(1) Additionally secured by the full faith and credit of the state.

(2) Excludes refunded debt.

* Population estimate by the Division of Economic and Demographic Research, Joint Legislative Management Committee, Florida Legislature.

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

Year	Governmental Debt Service Payments(1)	Governmental Fund Type Expenditures(2)	Ratio
1988	\$ 321,853	\$ 15,188,857	2.12%
1989	349,548	17,142,337	2.04%
1990	488,905	19,036,441	2.57%
1991	439,962	20,652,826	2.13%
1992	460,341	22,591,421	2.04%
1993	461,801	26,792,598	1.72%
1994	462,525	27,894,730	1.66%
1995	547,931	29,486,122	1.86%
1996	706,886	32,912,183	2.15%
1997	750,135	31,494,591	2.38%

(1) Source: State Board of Administration Annual Report.

(2) Governmental fund types include the general, special revenue, capital projects and debt service funds

**Schedule of Revenue Bond Coverage
Transportation Authorities and Toll Facilities
For the Fiscal Years Ended
(in thousands)**

Fiscal Year Ended June 30	Gas Tax	Toll Revenues	Interest Revenue	(1) Expenses	Net Available for Debt Service	(2) Debt Service Payments	Coverage Ratio
Tampa South Crosstown							
1988	\$4,546	\$8,973	\$993	\$2,327	\$12,185	\$12,091	1.01
1989	5,006	11,138	1,844	3,997	13,991	12,102	1.16
1990	6,112	11,891	1,417	3,616	15,804	12,107	1.31
1991	6,053	12,036	1,511	2,944	16,656	12,120	1.37
1992	6,021	11,840	1,071	3,586	15,346	12,134	1.26
1993	6,352	12,184	710	4,375	14,871	12,919	1.15
1994	6,452	12,325	711	4,497	14,991	12,938	1.16
1995	6,679	13,264	1,031	4,237	16,737	12,959	1.29
1996	6,711	14,247	1,088	6,761	15,285	12,981	1.18
1997	6,783	14,838	1,071	10,893	11,799	12,998	0.91
Sunshine Skyway Bridge							
1988	.....	8,073	806	6,099	2,780	3,545	0.78 (3)
1989	.....	8,693	1,261	1,876	8,078	3,452	2.34 (3)
1990	.....	9,209	1,401	1,741	8,869	3,463	2.56 (3)
1991	.....	9,189	1,692	1,744	9,137	3,512	2.60
1992	.....	9,381	892	2,041	8,232	2,788	2.95
1993	.....	9,858	457	2,158	8,157	3,137	2.60
1994	.....	10,580	419	1,897	9,102	3,135	2.90
1995	.....	11,457	519	2,642	9,334	3,133	2.98
1996	.....	11,859	342	4,367	7,834	3,133	2.50
1997	.....	12,752	334	2,648	10,438	3,138	3.33
Florida Turnpike							
1990	.....	123,005	6,790	76,886	52,909	18,565	2.85
1991	8,356	134,646	9,253	98,314	53,941	51,114	1.06
1992	8,209	151,095	8,930	83,122	85,112	63,646	1.34
1993	.....	167,386	7,732	78,920	96,198	45,420	2.12
1994	.....	195,324	8,042	79,924	123,442	75,948	1.63
1995	.....	213,797	2,697	106,318	113,429	44,085	2.57
1996	.....	243,724	15,695	104,297	155,122	78,005	1.99
1997	.....	266,481	12,141	101,186	177,436	78,053	2.27

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

(2) Source: State Board of Administration Annual Report.

(3) These debt service payments do not include additional payments made for future redemption.

STATE OF FLORIDA

Schedules of Revenue Bond Coverages

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

Fiscal Year Ended June 30	Available (1) Documentary Stamp Tax	Interest Revenue	Net Available for Debt Service	Debt (2) Service Payments	Coverage Ratio
1988	\$ 64,675	\$ 1,872	\$ 66,547	\$ 25,203	2.64
1989	64,292	2,122	66,414	26,606	2.50
1990	58,425	1,841	60,266	26,613	2.26
1991	46,066	2,511	48,577	26,610	1.83
1992	49,374	1,943	51,317	26,026	1.97
1993	53,330	1,978	55,308	26,042	2.12
1994	67,669	1,808	69,477	25,081	2.77
1995	60,094	1,600	61,694	25,068	2.46
1996	66,995	1,387	68,382	25,085	2.73
1997	216,244	1,715	217,959	25,199	8.65

(1) Refer to Section 201.15, Florida Statutes.

(2) Source: State Board of Administration Annual Report.

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

Fiscal Year Ended June 30	Available (1) Documentary Stamp Tax	Phosphate (2) Severance	Interest Revenue	Net Available for Debt Service	Debt (3) Service Payments	Coverage Ratio
1988(4)	\$ 37,982	\$	\$ 7	\$ 37,989	\$ 915	41.52
1989	41,193	.....	214	41,407	3,372	12.28
1990	39,523	10,000	317	49,840	3,239	15.39
1991	32,441	10,000	309	42,750	3,229	13.24
1992	33,057	10,000	304	43,361	3,234	13.41
1993	35,700	10,000	295	45,995	3,191	14.41
1994	45,299	10,000	299	55,598	3,190	17.43
1995	43,261	10,000	342	53,603	1,165	46.01
1996	48,199	10,000	203	58,402	2,923	19.98
1997	216,244	10,000	205	226,449	2,895	78.22

(1) Refer to Section 201.15, Florida Statutes.

(2) Refer to Section 211.3103, Florida Statutes.

(3) Source: State Board of Administration Annual Report.

(4) This series of bonds was issued in 1988. Revenue approximate for the portion of year the law was in effect.

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

Fiscal Year Ended June 30	Revenue	Interest Revenue	Net Available for Debt Service	Debt (1) Service Payments	Coverage Ratio
1988	\$ 45,033	\$ 1,189	\$ 46,222	\$ 6,710	6.89
1989	33,791	1,795	35,586	11,944	2.98
1990	47,813	2,093	49,906	13,014	3.83
1991	50,015	2,713	52,728	16,694	3.16
1992	62,750	2,497	65,247	16,942	3.85
1993	50,105	776	50,881	17,431	2.92
1994	60,913	1,169	62,082	15,836	3.92
1995	63,623	1,482	65,105	19,455	3.35
1996	58,746	1,905	60,651	21,453	2.83
1997	57,247	1,649	58,896	22,749	2.59

(1) Source: State Board of Administration Annual Report.

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

Year	Citrus	Vegetables & Melons	Field Crops	Other Crops*	Total Crops	Milk & Cattle	Poultry & Eggs	Other Livestock	Total Livestock & Prods	Total Farm Receipts
1987	\$ 1,312,791	\$ 1,286,872	\$ 532,974	\$ 1,074,725	\$ 4,207,362	\$ 731,083	\$ 223,811	\$ 145,960	\$ 1,100,854	\$ 5,308,216
1988	1,820,489	1,186,913	585,450	1,095,977	4,688,829	746,851	254,036	149,972	1,150,859	5,839,688
1989	1,765,466	1,543,965	598,201	1,115,310	5,022,942	744,628	308,652	162,107	1,215,387	6,238,329
1990	1,509,596	1,238,950	595,195	1,139,744	4,483,485	811,568	288,758	160,347	1,260,673	5,744,158
1991	1,590,726	1,557,849	662,613	1,158,149	4,969,337	736,298	277,068	158,287	1,171,653	6,140,990
1992	1,480,585	1,658,050	656,858	1,189,420	4,984,913	744,868	259,678	155,049	1,159,595	6,144,508
1993	1,238,422	1,630,065	621,381	1,058,476	4,548,344	747,996	298,831	154,756	1,201,585	5,749,929
1994	1,465,419	1,397,380	656,537	1,267,010	4,786,346	744,245	291,605	155,774	1,191,624	5,977,970
1995	1,484,703	1,267,464	661,390	1,305,540	4,719,097	653,330	315,237	161,243	1,129,810	5,848,907
1996	1,605,686	1,303,167	679,326	1,354,286	4,942,465	648,288	353,469	186,436	1,188,193	6,130,658

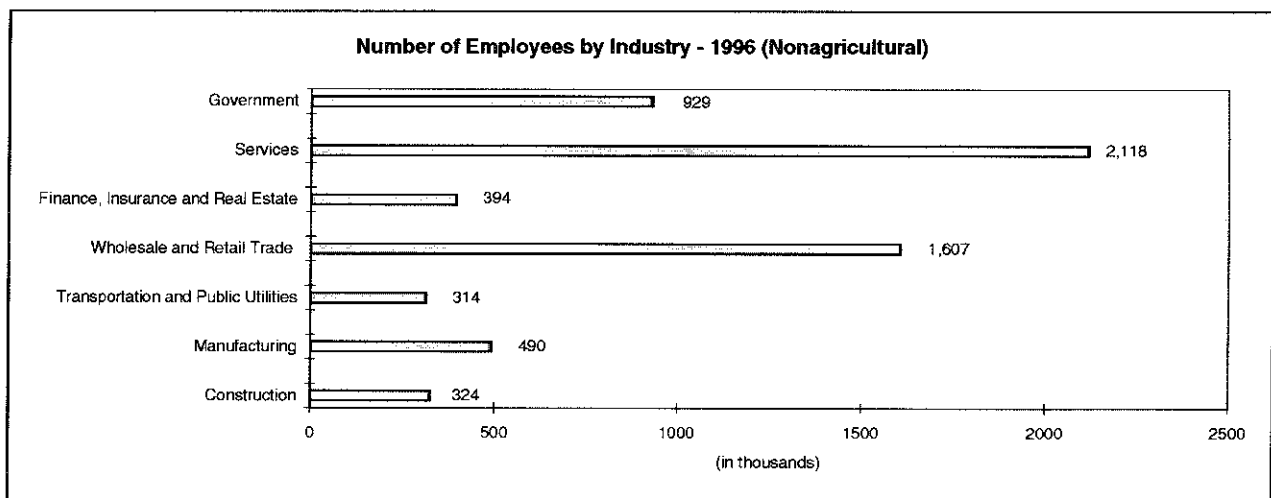
*From 1986, forestry products excluded.

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

Nonagricultural Employment by Industry For Ten Years (in thousands)

Year	Mining	Construction	Manufacturing	Transportation and Public Utilities	Wholesale and Retail Trade	Finance, Insurance and Real Estate	Services	Government	Total
1987	8.7	340.8	529.9	255.9	1,317.7	360.1	1,305.3	734.1	4,852.5
1988	9.1	348.6	540.8	260.4	1,384.7	365.1	1,397.4	774.2	5,080.3
1989	9.4	349.8	543.5	260.5	1,424.9	370.4	1,450.2	797.9	5,206.6
1990	8.7	324.1	522.3	276.6	1,457.5	370.6	1,599.0	844.3	5,403.1
1991	8.0	276.4	493.5	273.5	1,391.0	357.0	1,615.2	865.7	5,280.3
1992	7.0	262.8	480.7	272.8	1,409.2	352.0	1,685.0	869.2	5,338.7
1993	6.3	286.7	484.2	285.6	1,452.2	356.6	1,814.3	881.5	5,567.4
1994	7.0	297.5	483.9	295.2	1,506.4	376.0	1,923.9	906.6	5,796.5
1995	6.9	303.6	482.4	303.4	1,547.9	376.4	2,056.1	923.6	6,000.3
1996	6.9	323.5	490.4	314.1	1,607.0	393.8	2,117.6	929.2	6,182.5

Source: Florida Department of Labor and Employment Security, Bureau of Labor Market Information. Current Employment Statistics Program, in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.



STATE OF FLORIDA

Statistics Regarding State Commercial Banks and Trust Companies (in thousands of dollars)

Year	Number of Banks	Total Assets	Total Capital	Total Loans	Total Deposits
1895	21	\$ 1,692	\$ 666	\$ 943	\$ 974
1900	22	4,510	1,006	2,637	3,408
1905	41	14,338	3,222	9,332	10,291
1910	113	27,599	5,607	17,711	20,884
1915	192	42,656	9,811	26,280	30,527
1920	212	114,374	13,272	71,347	95,349
1925	271	539,101	33,427	309,492	501,553
1930	151	92,928	16,422	38,534	70,235
1935	102	64,276	9,768	13,662	53,552
1940	114	116,169	14,233	31,285	101,545
1945	112	450,838	20,135	36,851	430,256
1950	130	619,824	37,603	128,517	580,607
1955	146	1,138,114	67,726	329,340	1,064,763
1960	181	1,781,837	139,368	711,387	1,620,185
1965	243	2,571,685	216,444	1,139,398	2,541,195
1970	282	5,603,445	425,945	2,668,971	4,996,082
1975	449	11,757,147	989,185	5,860,781	10,346,695
1980	358	22,416,088	1,679,111	10,380,658	17,942,643
1981	321	21,303,799	1,609,024	10,423,906	17,991,930
1982	297	20,912,278	1,570,467	9,978,160	18,175,117
1983	274	22,940,431	1,678,551	11,152,310	20,212,039
1984	256	23,186,313	1,636,747	12,568,673	20,319,366
1985	251	24,160,155	1,627,920	13,372,532	21,321,726
1986	241	28,055,385	1,896,402	16,174,559	24,948,817
1987	246	30,362,358	2,136,083	18,647,857	26,683,250
1988	251	31,658,397	2,264,319	19,950,857	27,831,065
1989	258	32,801,720	2,402,253	21,338,510	29,128,762
1990	261	37,247,099	2,587,920	23,452,081	33,324,544
1991	260	39,051,128	2,852,114	23,705,240	35,021,312
1992	256	41,551,323	3,196,327	25,095,945	37,137,219
1993	248	51,271,342	4,265,301	32,194,235	44,490,477
1994	238	58,803,093	4,783,598	38,780,991	50,081,893
1995	224	58,344,123	5,143,296	38,962,040	49,393,436
1996*	238	58,803,093	4,783,598	38,780,991	50,081,893

Does not include nondeposit trust companies or industrial savings banks.

Source: *Annual Report of the Division of Banking*, 1995, Office of the Comptroller.

* 1996 information obtained from the Comptroller's Web Page; Address: <http://www.dbf.state.fl.us>

STATE OF FLORIDA

History of Headcount Enrollments State University System Fall 1987 through 1996

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Educational & General:										
University of Florida	31,151	31,370	31,481	31,569	32,159	31,922	32,576	32,827	33,394	32,314
Florida State University	23,485	25,555	27,582	28,054	28,093	27,810	27,951	28,794	29,390	29,345
Florida A & M University	5,743	6,247	7,182	8,030	8,801	9,049	9,378	9,650	9,784	10,206
University of South Florida	28,392	28,621	30,255	30,691	31,771	32,467	32,773	33,614	33,829	34,024
Florida Atlantic University	11,082	11,361	11,629	13,004	14,264	14,822	15,760	17,367	17,671	18,350
University of West Florida	6,645	7,017	7,631	7,842	7,943	7,386	7,564	7,716	8,087	7,882
University of Central Florida	17,398	18,158	20,084	21,376	21,267	21,682	23,531	25,363	26,325	27,411
Florida International University	16,313	17,703	19,767	22,122	23,275	22,597	23,832	26,040	27,542	29,098
University of North Florida	6,758	7,061	7,544	7,860	8,504	9,027	9,212	9,777	10,224	10,708
Total	146,967	153,093	163,155	170,548	176,077	176,762	182,579	191,148	196,246	199,338
Special Units: (1)										
UF-Institute of Food and Agricultural Sciences	1,349	1,354	1,453	1,620	1,748	1,971	2,141	2,403	2,772	3,513
UF-Health Center and Veterinary Medicine	2,599	2,642	2,747	2,759	2,932	2,961	2,965	3,087	3,174	3,845
USF-Medical Center	880	930	956	1,033	1,132	1,202	1,243	1,293	1,286	1,337
Total Special Units	4,828	4,926	5,156	5,412	5,812	6,134	6,349	6,783	7,232	8,695

(1) Includes medical professionals.

Source: Student data course file enrollment reports, Board of Regents.

Schedule of Revenue Bond Coverage State University System For the Last Ten Fiscal Years (in thousands)

Year	Beginning Fund Balance	Operating Revenue	Expenditures and Transfers	Net Available for Debt Service	Debt Service Payments	Coverage Ratio
1988	\$ 150,842	\$ 1,348,588	\$ 1,295,190	\$ 204,240	\$ 8,970	22.77
1989	204,240	1,510,024	1,469,122	245,142	13,938	17.59
1990	245,142	1,682,551	1,655,717	271,976	13,267	20.50
1991	271,976	1,715,628	1,683,797	303,807	13,809	22.00
1992	*168,771	1,722,176	1,724,160	166,787	19,815	8.41
1993	*166,731	1,801,888	1,773,890	194,729	18,644	10.45
1994	*175,085	1,858,262	1,856,779	176,568	20,456	8.63
1995	176,568	1,947,750	1,911,881	212,437	21,456	9.90
1996	212,437	2,170,327	2,137,055	245,709	28,829	8.52
1997	*246,086	2,336,550	2,331,770	250,866	30,017	8.36

*Adjusted beginning fund balance due to prior period adjustments.

Florida Facts

Date Florida Became Part of the United States	1821
Inception as a State (27th State)	March 3, 1845
First Permanent European Settlement	1565, St. Augustine, by Spain
Form of Government	Legislative-Executive-Judicial
Capitol	Tallahassee

State Symbols

Flower	Orange Blossom
Tree	Sabal Palm
State Marine Mammal	Manatee
Animal	Florida Panther
Freshwater Fish	Largemouth Bass
Saltwater Fish	Sailfish
Bird	Mockingbird

Total Area	58,560 square miles
Land Area	54,252 square miles
Water Area	4,308 square miles
Miles of State Highways	over 12,000 miles
Coastline	1,197 statute miles
Number of Lakes (greater than 10 acres)	about 7,700
Number of Islands (greater than 10 acres)	about 4,500
Highest Natural Point	345 feet above sea level

Recreation

Number of State Parks	150
Area of State Parks	432,444 Acres
Florida's National Parks	Big Cypress, Biscayne, Dry Tortugas, & Everglades
Florida's National Forests	Apalachicola, Ocala, & Osceola
Number of National Wildlife Refuge and National Marine Sanctuaries	13

Source: Florida Departments of State, Agriculture, and Transportation



**FLORIDA
COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**



FACT...

Scientific names
Trichechus manatus
Scientific orders
Sirenia



1997