STATE OF FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2004



TOM GALLAGHER
CHIEF FINANCIAL OFFICER

ACKNOWLEDGEMENTS

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SPECIAL APPRECIATION

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

GRAPHIC DESIGN

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STATE OF FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2004



JEB BUSH GOVERNOR

TOM GALLAGHER
CHIEF FINANCIAL OFFICER

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2004

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INTRODUCTORY SECTION



TOM GALLAGHER

January 31, 2005

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

As required by Section 216.102(3), Florida Statutes, I am pleased to submit the State of Florida Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2004.

INTRODUCTION TO THE REPORT

This report is prepared in conformance with generally accepted accounting principles (GAAP) for state and local governments. The financial statements contained within this report present the financial condition of the State at June 30, 2004 and the results of operations for the fiscal year ended June 30, 2004. The CAFR is presented in three sections: introduction, financial, and statistical and economic data.

Responsibility

As the State's Chief Financial Officer (CFO), I am responsible for preparing and publishing the CAFR. State agencies and other organizations included in the State's financial reporting entity are responsible for the financial information contained in the CAFR.

Basic Financial Statements

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

Independent Auditor

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

PROFILE OF THE STATE

Governmental Structure

Florida's constitution divides the governmental structure of the State into three separate independent branches. The Legislative Branch has exclusive law-making power for the State. The Executive Branch, with the Governor as its chief, administers the laws made by the Legislature. The Cabinet shares some executive power and responsibilities with the Governor. The Judicial Branch interprets the law and applies the Constitution. Refer to the organizational chart dated June 30, 2004 following this letter for more detail.

Financial Reporting Entity

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

FINANCIAL INFORMATION

Accounting System

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

Budgetary Control

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

Cash Management and Investment

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

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

State Funds

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

General Revenue Fund

The General Revenue Fund consists of all moneys received by the State from every source, except moneys deposited into trust funds, the Working Capital Fund, and the Budget Stabilization Fund. About 42 percent of all taxes, licenses, fees, and other operating receipts are credited to the General Revenue Fund.

Trust Funds

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

Working Capital Fund

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

Budget Stabilization Fund

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

Debt Administration

Florida maintained a high bond rating from Moody's Investors Service (Aa2), Standard and Poor's Corporation (AA+), and Fitch, Inc. (AA) on all state general obligation bonds at June 30, 2004. On January 12, 2005, Moody's Investors Service upgraded its underlying rating of all State of Florida full faith and credit bonds from Aa2 to Aa1. Bonds are issued to finance capital outlay for education projects of state universities, community colleges, and local school districts; environmental protection; and highway construction. Refer to the MD&A and Note 8 to the financial statements for more information about the State's outstanding bonds.

Tax Revenue

The largest revenue source for the State is taxes. Sales and use tax represents approximately 59 percent of all the state taxes collected. Florida's law provides that each sale, admission charge, storage, or rental is taxable unless the transaction is specifically exempt. Refer to Note 4 to the financial statements for more information about the State's tax revenue.

Tobacco Litigation Settlement

Florida's 1997 tobacco settlement is expected to total approximately \$13 billion over the initial 25-year period. As of June 30, 2004, the State has received approximately \$4.2 billion from the settlement. The settlement anticipates that the State will use the funds for children's health care coverage and other health-related services and for mandated improvements in state enforcement efforts regarding the reduction of sales of tobacco products to minors.

ACKNOWLEDGEMENTS

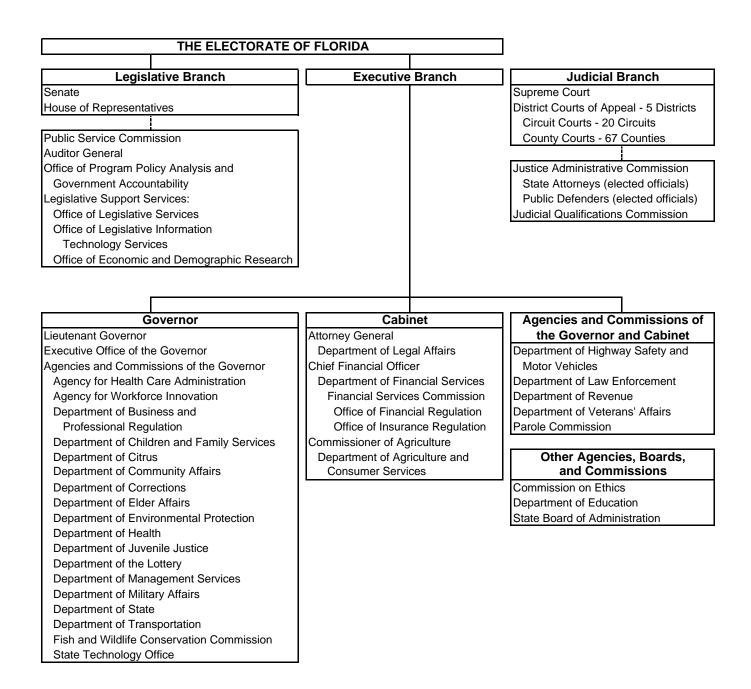
The preparation of the CAFR requires the cooperation of fiscal and accounting personnel throughout the State. We sincerely appreciate all those that have contributed to this effort including all state agencies and the Auditor General's Office.

Sincerely,

Tom Gallagher

TG:twh

ORGANIZATION AT JUNE 30, 2004



PRINCIPAL OFFICIALS AT JUNE 30, 2004

Legislative Branch

Senate

James E. "Jim" King, Jr., President House of Representatives Johnnie Byrd, Speaker

Executive Branch

Jeb Bush, Governor

Toni Jennings, Lieutenant Governor

Cabinet

Charlie Crist, Attorney General

Tom Gallagher, Chief Financial Officer

Charles H. Bronson, Commissioner of Agriculture

Judicial Branch

Harry Lee Anstead, Chief Justice

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FINANCIAL SECTION



AUDITOR GENERAL STATE OF FLORIDA



WILLIAM O. MONROE, CPA AUDITOR GENERAL 850/488-5534/SC 278-5534 Fax: 488-6975/SC 278-6975

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida as of and for the year ended June 30, 2004, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Legislature constituting less than 1 percent of assets and revenues of the general fund; nor did we audit the discretely presented component units (other than the State's universities and community colleges, comprising approximately 53 percent and 76 percent of the assets and revenues, respectively, of the aggregate discretely presented component unit column) as described in Note 1 to the basic financial statements. Those financial statements were audited by other auditors whose reports thereon have been made available to us, and our opinions, insofar as they relate to the amounts included for these entities, are based on the reports of the other auditors.

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

Records of the Board of Trustees of the Internal Improvement Trust Fund were not adequate to document the ownership and valuation of a substantial portion of land, which is recorded at \$3.458 billion and constitutes 27.4 percent of the reported land value, and 7.5 percent of capital assets reported for governmental activities at June 30, 2004. As a result, it was not practicable in the circumstances for us to determine whether the amount reported for land within the governmental activities is fairly presented.

In our opinion, except for the effects of such adjustments, if any, of not providing adequate documentation regarding the amount reported for land within the governmental activities as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated January 31, 2005, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit. That report will be included as part of our separately issued report entitled State of Florida, Compliance and Internal Controls Over Financial Reporting and Federal Awards.

As discussed in Note 1 I to the financial statements, the State has implemented the Governmental Accounting Standards Boards' Statement No. 39, Determining Whether Certain Organizations Are Component Units.

The accompanying management discussion and analysis on pages 14 through 19 and the required supplementary information – budgetary information, pension trust fund information, and information on infrastructure using the modified approach on pages 110 through 124 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The supplementary information - introductory section on pages 6 through 9, combining statements and individual fund statements and schedules on pages 128 through 195, and the statistical and economic data section on pages 198 through 207, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical and economic data section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

William O. Monroe, CPA

William O. Morroe

January 31, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

The State of Florida (the State)'s general purpose external financial statements are presented within the financial section of this Comprehensive Annual Financial Report (CAFR). The components of the general purpose external financial statements include Management's Discussion and Analysis (MD&A), Basic Financial Statements, and Other Required Supplementary Information (RSI). The MD&A, a component of RSI, introduces the basic financial statements and provides an analytical overview of the State's financial activities.

Overview of the Financial Statements

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

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the State's overall financial condition. Changes in the State's financial position may be measured over time by increases and decreases in the Statement of Net Assets. Information on how the State's net assets changed during the fiscal year is presented in the Statement of Activities. Financial information for the State's component units is also presented.

Fund Financial Statements

Fund financial statements focus on individual parts of the State, reporting the State's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental, proprietary, and fiduciary funds.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. Refer to Note 1 to the financial statements for more detailed information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

Table 1: Major Features of the Basic Financial Statements									
	Government-wide		Fund Financial Statements						
	Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds					
Scope	Entire State government (except fiduciary funds) and the State's component units	Activities of the State that are not proprietary or fiduciary	Activities of the State that are operated similar to private businesses	Instances in which the State is the trustee or agent for someone else's resources					
Required financial statements	Statement of net assetsStatement of activities	 Balance sheet Statement of revenues, expenditures, and changes in fund balances 	 Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows 	 Statement of fiduciary net assets Statement of changes in fiduciary net assets 					
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus					
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long- term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long- term	All assets and liabilities, both short-term and long-term					
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	 Revenues for which cash is received during or soon after the end of the year Expenditures when goods or services have been received and payment is due during the year or soon thereafter 	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid					

Condensed Financial Information

Condensed Statement of Net Assets

The largest component (\$44.7 billion) of the State's net assets as of June 30, 2004, reflects its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The State uses these capital assets to provide services to the citizens and businesses in the State; consequently, these net assets are not available for future spending. Restricted net assets are the next largest component, totaling \$14.5 billion as of June 30, 2004. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Governmental activities reflect a negative unrestricted net asset balance of \$8 billion at June 30, 2004. This deficit is primarily the result of education-related bonds in which the State is responsible for the debt, but the local school districts own the capital assets. Because the State does not own these capital assets, the bonded debt is not netted on the line item "Invested in capital assets, net of related debt." Instead, this bonded debt is netted with unrestricted net assets. Education-related bonds include State Board of Education, Capital Outlay Bonds, Public Education Capital Outlay (PECO) Bonds, and Lottery Education Bonds, which have a total ending balance at June 30, 2004, of \$11.4 billion. The State has an additional \$1.5 billion in bonded debt in which the State does not own the related capital assets, including some Road and Bridge Bonds, Pollution Control Bonds, and Preservation 2000/Florida Forever Bonds. The resources related to the payment of this debt will be provided from future revenue sources. If these bonds were removed, the adjusted unrestricted net assets for governmental activities would be \$4.9 billion.

Business-type activities reflect a positive unrestricted net asset balance of \$592 million at June 30, 2004.

Table 2 below presents the State's condensed statement of net assets as of June 30, 2004, and 2003, derived from the government-wide Statement of Net Assets.

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

	Govern	nmental	Busine	ess-type	Total F	Primary	
	Activ	/ities	Activ	/ities	Gover	nment	
	2004	2003	2004	2003	2004	2003	
Current and other assets	\$ 22,697	\$ 18,711	\$ 12,992	\$ 12,371	\$ 35,689	\$ 31,082	
Capital assets	45,938	44,010	5,112	4,861	51,050	48,871	
Total assets	68,635	62,721	18,104	17,232	86,739	79,953	
Other liabilities	8,498	6,156	3,399	3,532	11,897	9,688	
Noncurrent liabilities	19,128	18,527	3,920	3,530	23,048	22,057	
Total liabilities	27,626	24,683	7,319	7,062	34,945	31,745	
Net assets:							
Invested in capital assets,							
net of related debt	41,780	40,382	2,890	3,145	44,670	43,527	
Restricted	7,220	7,763	7,302	6,797	14,522	14,560	
Unrestricted	(7,990)	(10,107)	592	228_	(7,398)	(9,879)	
Total net assets	\$ 41,010	\$ 38,038	\$ 10,784	\$ 10,170	\$ 51,794	\$ 48,208	

Condensed Statement of Activities

Table 3 presents the State's condensed statement of activities for the fiscal year ended June 30, 2004, and 2003, as derived from the government-wide Statement of Activities. Over time, increases and decreases in net assets measure whether the State's financial position is improving or deteriorating. During the fiscal year, the net assets (before the effects of prior period adjustments) of the governmental activities increased by \$2.8 billion or by 7.4 percent, and the net assets (before the effects of prior period adjustments) of the business-type activities increased by \$601 million or 5.9 percent.

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

		nmental ivities	Business - type Activities		Total I Gove	Total % Change	
	2004	2003	2004	2003	2004	2003	2003 to 2004
Revenues							
Program revenues							
Charges for services	\$ 4,745	\$ 4,279	\$ 5,569	\$ 5,481	\$ 10,314	\$ 9,760	5.7%
Operating grants & contributions	15,874	13,538	258	395	16,132	13,933	15.8%
Capital grants & contributions	1,523	1,699	9	1	1,532	1,700	-9.9%
Total program revenues	22,142	19,516	5,836	5,877	27,978	25,393	10.2%
General revenues and payments							
Sales and use tax	17,129	15,561			17,129	15,561	10.1%
Fuel taxes	2,317	2,199			2,317	2,199	5.4%
Corporate income tax	1,441	1,228			1,441	1,228	17.3%
Documentary stamp tax	2,613	2,005			2,613	2,005	30.3%
Intangible personal property tax	860	820			860	820	4.9%
Communication service tax	1,250	1,230			1,250	1,230	1.6%
Estate tax	387	559			387	559	-30.8%
Utilities taxes	462	424			462	424	9.0%
Beverage and tobacco taxes	1.041	1.002			1.041	1,002	3.9%
Other taxes	1,413	1,348			1,413	1,348	4.8%
Investment earnings	(67)	720	13	19	(54)	739	-107.3%
Other revenues and payments			(2)		(2)		0.0%
Total general revenues and			(2)		(2)		0.070
payments	28,846	27,096	11	19	28,857	27,115	6.4%
Total revenues	50.988	46,612	5.847	5.896	56.835	52.508	8.2%
Program expenses		,		- 0,000		02,000	
General government	6,638	6,273			6,638	6,273	5.8%
Education	16,414	15,120			16,414	15,120	8.6%
Human services	18,119	16,639			18,119	16,639	8.9%
Criminal justice & corrections	3,285	3,103			3,285	3,103	5.9%
Natural resources & environment	2,039	1,945			2,039	1,945	4.8%
Transportation	2,633	2,398	316	286	2,949	2,684	9.9%
State courts	2,033	2,398		200	2,949	279	-2.2%
Lottery			2,170	2,000	2,170	2,000	8.5%
Unemployment Compensation			1,331	1,486	1,331	1,486	-10.4%
State Board of Administration			36	33	36	33	9.1%
Nonmajor enterprise funds			159	157	159	157	1.3%
,	18	2			18	2	800.0%
Indirect interest on long-term debt	49,419	45,759	4,012	3,962	53,431	49,721	7.5%
Total program expenses	45,415	45,755	4,012	3,902	33,431	49,721	1.5%
Excess (deficiency) before	4.500	050	4.005	4.004	2 404	0.707	
gain (loss) and tranfers	1,569	853	1,835	1,934	3,404	2,787	
Gain (loss) on sale of capital assets	4.047		(17)	(4.050)	(17)		
Transfers	1,217	1,258	(1,217)	(1,258)	0.007	0.707	
Change in net assets	2,786	2,111	601	676	3,387	2,787	
Beginning net assets	38,038	35,156	10,170	9,389	48,208	44,545	
Prior period adjustments	186	771	13	105	199	876	
Ending net assets	\$ 41,010	\$ 38,038	\$ 10,784	\$ 10,170	\$ 51,794	\$ 48,208	7.4%

Program Expenses and Revenues for Governmental Activities

Table 4 presents the net costs of governmental activities. Overall, program revenues were not sufficient to cover program expenses for governmental activities. General revenues, mainly taxes, therefore supported the net costs of governmental activities. With the exception of Transportation, program revenues as a percentage of program expenses increased for all governmental activities from fiscal year 2002-03 to fiscal year 2003-04.

Table 4: Net Costs of Governmental Activities for the Fiscal Year Ended June 30

(in millions)

	Program Expenses	Less Program Revenues	Net Progra	m Costs (a)	Program R as a Perce Program E	ntage of
State Programs	2004	2004	2004	2003	2004	2003
General government	\$ 6,638	\$ 4,257	\$ 2,381	\$ 2,951	64.1%	53.0%
Education	16,414	2,426	13,988	12,905	14.8%	14.6%
Human services	18,119	12,498	5,621	5,699	69.0%	65.7%
Criminal justice & corrections	3,285	348	2,937	2,803	10.6%	9.7%
Natural resources & environment	2,039	817	1,222	1,202	40.1%	38.2%
Transportation	2,633	1,785	848	411	67.8%	82.9%
State courts	273	11	262	270	4.0%	3.2%
Other	18		18	2	0.0%	0.0%
Totals	\$ 49,419	\$ 22,142	\$27,277	\$26,243	44.8%	42.6%

⁽a) Net program costs are mainly supported by taxes.

Program Expenses and Revenues for Business-type Activities

Table 5 presents the net income and costs of business-type activities. With the exception of unemployment compensation, program revenues generated from business-type activities were more than sufficient to cover program expenses. The net costs of unemployment compensation were supported by fund reserves. With the exception of unemployment compensation, program expenses as a percentage of program revenues increased for all business-type programs from fiscal year 2002-03 to fiscal year 2003-04.

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

	Revenues Expenses Incom			Program N		ogra Cost	am ts) (b)	Program I as a Perc Program I	entage of
State Programs	2004	2004			2004		2003	2004	2003
Transportation	\$ 588	\$	316	\$	272	\$	255	53.7%	52.9%
Lottery	3,073		2,170		903		1,154	70.6%	63.4%
Unemployment Compensation	1,317		1,331		(14)		(268)	101.1%	122.0%
State Board of Administration	581		36		545		600	6.2%	5.2%
Nonmajor enterprise funds	 277		159		118		174	57.4%	47.4%
Totals	\$ 5,836	\$	4,012	\$	1,824	\$	1,915	68.7%	67.4%

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

Overall Analysis

Financial highlights for the State as a whole during the fiscal year ended June 30, 2004, include the following:

- The assets of the State exceeded its liabilities (net assets) at the close of the fiscal year by \$41 billion for governmental activities and by \$10.8 billion for business-type activities.
- The State's total net assets (before effects of prior period adjustments) increased during the year by \$3.4 billion. Net
 assets of governmental activities increased by \$2.8 billion, while net assets of business-type activities increased by
 \$601 million.

Fund Analysis

Funds that experienced significant changes during the fiscal year ended June 30, 2004, are as follows:

Governmental Funds

As of the close of the fiscal year, the State's governmental funds reported a combined ending fund balance of \$14.3 billion, with \$5.6 billion reported as unreserved fund balance and the remaining amount of \$8.7 billion reserved for specific purposes. See Note 1 to the financial statements for an explanation of the different types of reserve categories.

General Fund

Fund balance at June 30, 2004, totaled \$5.1 billion, which includes an increase of \$1.4 billion. The change in fund balance is primarily the result of transfers from other trust funds as mandated by the 2003 General Appropriations Act and from the federal government through the Jobs and Growth Tax Relief Reconciliation Act of 2003.

Transportation

Fund balance at June 30, 2004, totaled \$805 million, a decrease of \$176 million. The decrease is primarily the result of additional road and bridge construction and maintenance output during the fiscal year. Construction for these items is part of the Department of Transportation's 5-year plan and the output, which is based on needs, varies by year.

Employment Services

Fund balance, increased by \$62 million and totaled \$355 million as of June 30, 2004. Premium assessments for both the Workers' Compensation Administration and Special Disability Trust Funds, as well as penalty collections resulting from enforcement actions, were greater than claims paid and administrative overhead, resulting in an increase in fund balance.

Lawton Chiles

Fund balance at June 30, 2004, totaled \$1.7 billion, an increase of \$218 million. The increase relates to investment gains due to a strong market in equity securities during the fiscal year.

Proprietary Funds

The State's proprietary funds reported net assets of \$11 billion, including \$10.8 billion for enterprise funds and \$223 million for internal service funds.

Lottery

Net assets at June 30, 2004, totaled \$204 million, a decrease of \$149 million during the fiscal year. The decrease is primarily due to the decrease in fair value of fixed income investments.

Budget Variances in the General Fund

Budgeted expenditures are based on the estimated revenue receipts as estimated by the Revenue Estimating Conference and other available resources. Original expenditures are budgeted for less than total expected resources available. No variances between the original and final budget or between final and actual budget are expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the budgetary comparison schedule for the General Fund in the Other RSI section of the CAFR.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2004, the State reported \$46 billion in capital assets for governmental activities and \$5.1 billion in capital assets for business-type activities. Refer to Note 5 to the financial statements for additional information on capital assets and Note 7 to the financial statements for additional information on construction commitments.

Long-term Debt Activity

Section 11 of Article VII of the State Constitution authorizes the State to issue general obligation bonds and revenue bonds to finance or refinance the cost of state fixed capital outlay projects authorized by law. General obligation bonds are secured by the full faith and credit of the State and payable from the proceeds of various taxes. Revenue bonds are payable from funds that receive legally restricted revenues. The Division of Bond Finance of the State Board of Administration has the responsibility to issue all state bonds. During the past year, the State continued to maintain a high bond rating from Moody's Investors Service (Aa2), Standard and Poor's Corporation (AA+), and Fitch, Inc. (AA) on all State general obligation bonds. On January 12, 2005, Moody's Investors Service upgraded its underlying rating of all State of Florida full faith and credit bonds from Aa2 to Aa1.

The State of Florida 2004 Debt Affordability Report, prepared by the Division of Bond Finance, showed an improvement in the State's benchmark debt ratio of debt service to revenue for net tax-supported debt from 6.12% for the fiscal year ended June 30, 2003, to 5.94% for the fiscal year ended June 30, 2004. The improvement in the benchmark debt ratio is due to higher than expected revenues during fiscal year 2004. To obtain a copy of this report, contact the Division of Bond Finance, 1801 Hermitage Blvd., Suite 200, Tallahassee, Florida 32308, (850) 488-4782.

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

Infrastructure

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

The condition assessments performed during fiscal year 2003-04 show that the condition of the roadway and bridges included on the State Highway System are being maintained at or near FDOT standards. These condition assessments were also consistent with condition assessments conducted during the last two years. In addition, the FDOT makes annual estimates of the amounts that must be expended to preserve and maintain the roadway and bridges included on the State Highway System at the predetermined condition levels. There were no significant differences from the estimated annual amount to preserve and maintain these assets compared with the actual amounts spent during the current period.

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

Economic Conditions and Outlook

Florida's economic growth accelerated in fiscal year 2003-04 and performed moderately better than the rest of the nation. While the U.S. experienced a minimal increase in non-farm employment in fiscal year 2003-04, Florida posted a strong growth rate, had a low unemployment rate, and strong income growth rate. This performance could be attributed to favorable natural, economic, and tax environments, and a growing population that fueled increased demand for goods and services.

Florida remains top ranked in the nation in total job growth and generates the fastest job growth rate among the ten most populous states. Florida's non-farm employment grew 1.9 percent in fiscal year 2003-04, adding 139,200 jobs. Increases in jobs were led by gains in professional and business services, construction, educational and health services, leisure and hospitality, financial activities, and government. Sixty percent of the job increase in fiscal year 2003-04 came from professional and business services, and education and health services. With the strengthening economy, non-farm employment is anticipated to add 192,700 jobs in fiscal year 2004-05, resulting in a 6.3 percent increase to wages and salaries. The unemployment rate is anticipated to decline slightly from 4.8 percent in fiscal year 2003-04 to 4.6 percent in fiscal year 2004-05.

Population has been a major source of increased economic activity in Florida, which grew by 2.17 percent in fiscal year 2003-04. The state's population is expected to increase by 353,200 in fiscal year 2004-05. Over the next ten years, population growth is estimated to reach 3.1 million. Population growth has been a major driver of Florida's sustained economic expansion as the demand for housing, durable and non-durable goods, and other services continues to increase. The projected growth in population will continue to fuel the state's economic expansion.

Florida was hit by four major hurricanes in 2004. It destroyed thousands of homes and businesses. Massive reconstruction activities are underway to rebuild homes, businesses, and public infrastructures. In fiscal year 2003-04, housing starts spiked. adding 230,800 homes as a result of low mortgage rates. Even though mortgage rates are projected to increase in 2004-05, the surge in construction is expected to continue because of massive reconstruction to rebuild the devastated areas in Florida. Billions of dollars from the federal government, the state, and insurance claims are pouring into the state for reconstruction. Thus, total construction employment, which added about 21,900 jobs in fiscal year 2003-04, is anticipated to create another 17,900 jobs in fiscal year 2004-05. Residential construction expenditures, which rose 31.5 percent in fiscal year 2003-04, are expected to increase in fiscal year 2004-05. Aside from construction, other sectors of the Florida economy are anticipated to rise as well.

Florida's economy has continued to show its strength and resilience even after the hurricane devastation. Florida's economy has steadily been expanding at a much higher growth rate than expected, as evidenced by the strength of its labor market and the rise in personal income. The long-term growth is projected to be stronger than previously anticipated, as Florida's economic fundamentals remain strong. Such strength should provide stimulus for the State's economy to continue its sustained future growth.

Contact the State's Financial Management

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

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

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FINANCIAL SECTION:

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS JUNE 30, 2004 (in thousands)

	PRIMARY GOVERNMENT							
	GOVERNMENTAL		BUSINESS-TYPE					OMPONENT
		ACTIVITIES		ACTIVITIES		TOTALS	UNITS	
ASSETS		_						
Current assets								
Cash and cash equivalents	\$	169,038	\$	48,967	\$	218,005	\$	1,230,476
Pooled investments with State Treasury		13,903,656		2,325,474		16,229,130		3,275,069
Investments		912,024		978,091		1,890,115		2,921,651
Receivables, net		3,477,333		683,221		4,160,554		991,237
Internal balances		343,455		(343,455)				
Due from component units/primary		2,130		663		2,793		1,177,076
Inventories		78,553		994		79,547		30,677
Other		4,207		2,306		6,513		188,310
Total current assets		18,890,396		3,696,261		22,586,657		9,814,496
Noncurrent assets								
Restricted cash and cash equivalents				101		101		108,262
Restricted pooled investments with								
State Treasury				182,778		182,778		342,995
Restricted investments				3,616,181		3,616,181		2,671,353
Long term investments		2,047,673		5,482,106		7,529,779		3,265,152
Due from other governmental entities								75
Other loans and notes receivable		1,735,849		1,392		1,737,241		3,079,288
Capital assets:								
Land and other nondepreciable assets		12,636,178		783,396		13,419,574		3,714,546
Nondepreciable infrastructure		24,870,825		3,154,025		28,024,850		
Buildings, equipment, and other								
depreciable assets		5,679,485		311,537		5,991,022		12,666,911
Accumulated depreciation		(2,673,996)		(140,474)		(2,814,470)		(5,144,544)
Construction work in progress		5,425,833		1,003,118		6,428,951		1,033,255
Total capital assets		45,938,325		5,111,602		51,049,927		12,270,168
Other		23,084		13,308		36,392		294,116
Total noncurrent assets		49,744,931		14,407,468		64,152,399		22,031,409
Total assets		68,635,327		18,103,729		86,739,056		31,845,905

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

	PR			
	GOVERNMENTAL	BUSINESS-TYPE		COMPONENT
	ACTIVITIES	ACTIVITIES	TOTALS	UNITS
LIABILITIES				
Current liabilities				
Accounts payable and other liabilities	2,977,450	118,037	3,095,487	1,619,845
Accrued prize liability		293,546	293,546	
Due to component units/primary	33,214	140	33,354	267,852
Compensated absences	150,957	3,592	154,549	46,690
Installment purchases/capital leases	16,063	302	16,365	19,750
Claims payable	315,219		315,219	4,696
Bonds payable	652,040		652,040	134,765
Bonds payable from restricted				
assets		63,480	63,480	
Certificates of participation payable	5,545		5,545	1,932
Deposits	25,977	11,038	37,015	35,709
Deferred revenue				1,096,199
Obligations under security lending				
agreements	3,988,706	2,890,680	6,879,386	546,141
Obligations under reverse repurchase				
agreements	332,546	18,830	351,376	7,523
Other				371,217
Total current liabilities	8,497,717	3,399,645	11,897,362	4,152,319
Noncurrent liabilities				
Accrued prize liability		1,361,562	1,361,562	
Due to other governments	7,245	1,179	8,424	
Due to primary				105,168
Bonds payable	16,034,864	2,098,750	18,133,614	5,261,429
Certificates of participation payable	85,163		85,163	129,115
Installment purchases/capital leases	164,943	212	165,155	164,117
Deposits	161,784	443,433	605,217	35,427
Deferred revenue				40,608
Claims payable	2,091,419		2,091,419	59,306
Compensated absences	581,042	14,508	595,550	438,241
Other	1,500		1,500	1,838,053
Total noncurrent liabilities	19,127,960	3,919,644	23,047,604	8,071,464
Total liabilities	27,625,677	7,319,289	34,944,966	12,223,783
NET ASSETS				
Invested in capital assets, net of related debt	41,779,939	2,890,246	44,670,185	10,217,218
Restricted for:				
Environment, Recreation and Conservation	2,058,225		2,058,225	
Health and Family Services	642,614		642,614	
Transportation	804,510		804,510	
Public Education	1,019,230		1,019,230	
Tax Collection and Administration	208,388		208,388	
Employment Services	350,380		350,380	
Other governmental funds	321,728		321,728	
Lottery		201,371	201,371	
Unemployment Compensation		1,372,721	1,372,721	
		5,476,178		******
Hurricane Catastrophe Fund	75 700	3,476,176	5,476,178	
Debt Service	75,732		75,732	20,780
Other		252,193	252,193	1,268,278
Funds held for permanent endowment				
Expendable				1,987,001
Nonexpendable	1,739,038		1,739,038	2,130,596
Unrestricted (deficit)	(7,990,134)	591,731	(7,398,403)	3,998,249
Total net assets	\$ 41,009,650	\$ 10,784,440	\$ 51,794,090	\$ 19,622,122

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

			PROGRAM REVENUES					
						OPERATING	CAPITAL	
			(CHARGES FOR		GRANTS AND		GRANTS AND
FUNCTIONS/PROGRAMS	E	EXPENSES		SERVICES	С	ONTRIBUTIONS	C	ONTRIBUTIONS
Primary government								
Governmental activities:								
General government	\$	6,637,809	\$	2,913,634	\$	1,343,097	\$	158
Education		16,413,985		266,020		2,160,445		
Human services		18,119,304		822,255		11,674,288		1,329
Criminal justice and corrections		3,285,460		210,415		131,856		5,731
Natural resources and environment		2,038,909		275,774		529,312		11,795
Transportation		2,632,638		246,640		34,731		1,503,836
State courts		273,091		10,226		641		
Indirect interest on long-term debt		17,526						
Total governmental activities		49,418,722		4,744,964		15,874,370		1,522,849
Business-type activities:								
Transportation		316,629		578,631		729		8,895
Lottery		2,170,062		3,073,191				
Unemployment Compensation		1,330,824		1,059,811		257,454		
State Board of Administration		35,844		580,514		,		
Nonmajor enterprise funds		159,046		276,832		215		364
Total business-type activities		4,012,405		5,568,979		258,398		9,259
Total primary government	\$	53,431,127	\$	10,313,943	\$	16,132,768	\$	1,532,108
Component units								
Florida Housing Finance	\$	506,816	\$	222,959	\$		\$	346,278
Corporation								
South Florida Water		299,134		15,482		71,995		144,885
Management District								
University of Florida		3,380,457		2,000,731		800,434		53,405
Florida State University		781,589		249,487		227,770		42,996
University of South Florida		984,911		316,356		346,589		57,731
Citizens Property Insurance Corporation		500,187		823,902				
Nonmajor component units		5,047,864		1,241,697		1,172,923		685,250
Total component units	\$	11,500,958	\$	4,870,614	\$	2,619,711	\$	1,330,545

General revenues

Taxes

Sales and use tax

Fuel taxes

Corporate income tax

Documentary stamp tax

Intangible personal property tax

Communication service tax

Estate tax

Utilities taxes

Beverage and tobacco taxes

Property taxes

Other taxes

Investment earnings (loss) (Note 2)

Gain (loss) on sale of capital assets

Payments from the State of Florida

Transfers

Contributions to permanent funds

Special items

Extraordinary gain (loss)

Miscellaneous

Total general and other revenues, payments, and transfers Change in net assets

Net assets - beginning

Adjustments to increase (decrease) beginning net assets

Net assets - ending

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

NET (EXPENSE)	REVENILES AND	CHANGES IN NE	T ASSETS
INL I (LAFLINGE	LICENTINUES WIND		_

			IMARY GOVERNMENT	Р
COMPONENT			BUSINESS-TYPE	GOVERNMENTAL
UNITS		TOTALS	ACTIVITIES	ACTIVITIES
\$,920)	\$ (2,380,92	\$	\$ (2,380,920)
•••••		(13,987,52		(13,987,520)
	•	(5,621,43		(5,621,432)
•••••		(2,937,45		(2,937,458)
	•	• • • •		
		(1,222,02		(1,222,028)
		(847,43		(847,431)
	,224)	(262,22		(262,224)
	,526)	(17,52		(17,526)
	,539)	(27,276,53		(27,276,539)
	626	271,62	271,626	
•••••		•		
		903,129	903,129	•••••
	•	(13,55	(13,559)	
	,670	544,67	544,670	
	,365	118,36	118,365	
	,231	1,824,23	1,824,231	
	.308)	(25,452,30	1,824,231	(27,276,539)
	,,	(==, ==,==,==	1,0=1,=01	(==,===,===)
62,421		••••		
(66,772)		••••		
, ,				
(525,887)				
, ,		••••		
(261,336)		••••		•••••
(264,235)		••••	•••••	•••••
323,715		••••		
(1,947,994)		••••		
(2,680,088)		••••		
	-4-	47 400 54		17.100.515
		17,128,51		17,128,515
		2,316,57		2,316,572
	,338	1,441,33		1,441,338
	,194	2,613,19		2,613,194
	,046	860,04		860,046
	.208	1,250,20		1,250,208
		386,76		386,767
		462,17		462,172
		·		
 504.457		1,041,04	•••••	1,041,042
524,457				
		1,412,75		1,412,756
498,054	,657)	(53,65	13,181	(66,838)
(482)	,063)	(17,06	(17,063)	
3,259,473		••••		
4,775			(1,216,769)	1,216,769
165,967				
5,753				
5,755	•••••			
			(2,544)	
108 811		(7 6.7	(2,044)	
198,811 4,656,808	,533)			30 062 552
4,656,808	,533) ,357	28,839,35	(1,223,195)	30,062,552
4,656,808 1,976,720	,533) ,357 ,049	28,839,35 3,387,04	(1,223,195) 601,036	2,786,013
4,656,808 1,976,720 17,676,180	,533) ,357 ,049 ,448	28,839,35 3,387,04 48,208,44	(1,223,195) 601,036 10,170,449	2,786,013 38,037,999
4,656,808 1,976,720	,533) ,357 ,049 ,448	28,839,35 3,387,04	(1,223,195) 601,036	2,786,013

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

GENERAL FUND

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

ENVIRONMENT, RECREATION AND CONSERVATION

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

HEALTH AND FAMILY SERVICES

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

TRANSPORTATION

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

PUBLIC EDUCATION

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

TAX COLLECTION AND ADMINISTRATION

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

EMPLOYMENT SERVICES

This fund includes internal reporting funds used for employee-service related programs, such as workers compensation, employment security, labor market statistics, and administration of the unemployment compensation program.

LAWTON CHILES ENDOWMENT FUND

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

Nonmajor Funds

Nonmajor governmental funds are presented, by fund type, beginning on page 127.

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2004 (in thousands)

(in thousands)			_							
				nvironment,		Joolth and				
	General			Recreation and	r	Health and Family				Public
		Fund	С	onservation		Services	Tra	ansportation		Education
			_							
ASSETS										
Current assets										
Cash and cash equivalents	\$	5,238	\$	1,362	\$	47,462	\$	1,297	\$	5
Pooled investments with State Treasury		6,790,262		1,701,718		935,885		731,861		1,844,198
Investments		3,009				50				
Receivables, net		1,147,347		96,674		1,027,511		162,672		7,661
Due from other funds		253,941		49,941		70,903		252,845		130,405
Due from component units/primary		389		189				4		
Inventories		26,024		1,166		32,279		13,767		31
Other		2,661						754		1
Total current assets		8,228,871		1,851,050		2,114,090		1,163,200		1,982,301
Noncurrent assets										
Long term investments										
Advances to other funds		12,719				326		150,002		
Other loans and notes receivable, net		40,784		674,123		11,825		526,554		
Other								8,089		
Total noncurrent assets		53,503		674,123		12,151		684,645		
Total assets	\$	8,282,374	\$	2,525,173	\$	2,126,241	\$	1,847,845	\$	1,982,301
LIABILITIES AND FUND BALANCES										
Current liabilities										
Accounts payable and accrued liabilities	\$	646,896	\$	33,163	\$	1,135,386	\$	477,223	\$	15,155
Due to other funds		126,307		9,907		31,458		2,394		13,064
Due to component units/primary		3,101		730		7,438		132		
Compensated absences		6,145		322		2,542		6,852		
Claims payable		19,828								
Deposits		1,922		2,300		8,330		633		
Deferred revenues		398		2,111				11,667		
Obligations under security lending agreements		2,203,438		375,164		73,347		77,689		396,428
Obligations under reverse repurchase agreements		216,611		36,881		7,210		7,637		38,971
Total current liabilities		3,224,646		460,578		1,265,711		584,227		463,618
Noncurrent liabilities										
Advances from other funds		600		5,582				10,000		159,484
Deposits						17,219		136,659		
Deferred revenues		2,889				8,512		312,449		
Total noncurrent liabilities		3,489		5,582		25,731		459,108		159,484
Total liabilities		3,228,135		466,160		1,291,442		1,043,335		623,102
Fund balances										
Reserved for encumbrances		43,172		84		6,182		3,188		18,630
Reserved for inventories		26,024		1,166		32,279		13,767		31
Reserved for advances		16,748				326		150,002		
Reserved for long-term receivables		37,895		674,123		249		526,554		
Reserved for capital outlay		62,855		848,556		25,173		102,910		1,119,319
Reserved for debt service										
Reserved for permanent trust										
Reserved for Budget Stabilization Fund		966,390								
Reserved for Working Capital Fund		1,473,221								
Other reserved		1,437		57,995				8,089		
Unreserved, reported in:		0.465 :								
General fund		2,426,497				770 500				
Special revenue funds		•••••		477,089		770,590				221,219
Capital projects funds Permanent fund										
Total fund balances		5,054,239		2,059,013		834,799		804,510		1,359,199
Total liabilities and fund balances	\$	8,282,374	\$	2,525,173	\$	2,126,241	\$	1,847,845	\$	1,982,301
	<u> </u>	•	_	•		•	-	•	_	

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

	Tax Collection and Administration		nployment Services		Lawton Chiles Endowment Fund		Nonmajor overnmental Funds		Totals 6/30/04
\$	68,753 410,410 153,802 285,025 5,120	\$	56 432,067 3,127 123,181 1,532	\$	3,146 359,122 19,148 	\$	27,532 1,004,018 351,337 115,114 106,637	\$	154,851 13,850,419 870,447 2,984,333 871,324
	 50						5,134		582 78,451
	923,164		559,963		381,416		788 1,610,560		4,208 18,814,615
					1,735,118		312,555		2,047,673
							3,758 482,563 13,493		166,805 1,735,849 21,582
					1,735,118		812,369		3,971,909
\$	923,164	\$	559,963	\$	2,116,534	\$	2,422,929	\$	22,786,524
•		•		•		•		•	
\$	143,207 394,028	\$	45,838 29,878	\$	56,843 69	\$	153,054 63,789	\$	2,706,765 670,894
	16,135		1,052				4,626		33,214
	23		109				807		16,800
			22,770						42,598
			5,719				3,923		22,827
							12,698		26,874
			91,133		320,584		443,720		3,981,503
-	553,393		8,897 205,396		377,496		15,631 698,248		331,838 7,833,313
	000,000		200,000		377,430		030,240		7,000,010
	7						1,493		177,166
							7,906		161,784
							12,135		335,985
	7						21,534		674,935
	553,400		205,396		377,496		719,782		8,508,248
			0.000				00.015		0= 100
	73 50		3,050				23,043 5,133		97,422 78,450
					•••••		3,274		170,350
							479,976		1,718,797
							82,519		2,241,332
							75,732		75,732
					1,739,038				1,739,038 966,390
									1,473,221
							25,158		92,679
									2 426 407
	369,641		 351,517				983,931		2,426,497 3,173,987
							21,741		21,741
							2,640		2,640
	369,764		354,567		1,739,038		1,703,147		14,278,276
\$	923,164	\$	559,963	\$	2,116,534	\$	2,422,929	\$	22,786,524

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RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS JUNE 30, 2004 (in thousands)

Total fund balances for governmental funds		\$ 14,278,276
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Land and other nondepreciable assets Nondepreciable infrastructure Buildings, equipment and other depreciable assets Accumulated depreciation Construction work in progress	12,635,805 24,870,825 4,789,073 (2,403,452) 5,425,833 45,318,084	45,318,084
Long-term debt is not due and payable in the current period and therefore is not reported in the funds.		
Compensated absences Installment purchases/capital leases Claims payable Due to other governments Bonds payable	(702,581) (143,229) (2,364,040) (7,170) (16,324,405) (19,541,425)	(19,541,425)
Assets held in escrow (Agency Fund) for bonds not legally defeased are not fund financial resources and therefore are not reported in the funds.		408,019
Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Assets.		(39,492)
Assets (receivables) not available to provide current resources are offset with deferred revenues (liability) in the fund statements. The reduction of the liability and recognition of revenue increases net assets in the Statement of Net Assets.		362,859
Internal service funds are used to report activities that provide goods and services to other funds or agencies within the State. Therefore, the excess of assets over liabilities of the internal service funds are included as governmental activities on the Statement of Net Assets.		223,329
Net assets of governmental activities		\$ 41,009,650

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

(incucaniae)		Environment,			
		Recreation	Health and		
	General	and	Family		Public
	Fund	Conservation	Services	Transportation	Education
REVENUES					
Taxes	\$ 20,515,750	\$	\$ 301,054	\$	\$ 842,647
Licenses and permits	68,918	45,563	26,782	9,191	
Fees and charges	587,550	87,792	804,820	209,633	61,698
Grants and donations	554,769	136,279	11,820,736	1,486,754	2,039,051
Investment earnings (Note 2)	(78,773)	(11,139)	1,392	10,007	1,076
Fines, forfeits, settlements and judgments	60,419	10,959	36,545	17,470	154
Other revenue (Note 4)	121,299	3	305	2,452	41,521
Total revenues	21,829,932	269,457	12,991,634	1,735,507	2,986,147
EXPENDITURES					
Current:					
General government	3,643,961		165,076		
Education	11,437,051				4,256,123
Human services	4,587,515		13,139,945		
Criminal justice and corrections	2,769,459				
Natural resources and environment	304,698	977,751	21,157		
Transportation				2,520,347	
State courts	259,644	400.007		4 000 050	4.000
Capital outlay	51,974	180,327	30,071	1,609,256	1,000
Debt service:	4.050		1.010		450
Principal retirement	4,056		1,919 1,393		150 14
Interest and fiscal charges	1,185		1,393		14
Total expenditures	23,059,543	1,158,078	13,359,561	4,129,603	4,257,287
Excess (deficiency) of revenues					
over expenditures	(1,229,611)	(888,621)	(367,927)	(2,394,096)	(1,271,140)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	1,344	150,003		308,915	865,176
Proceeds of refunding bonds					
Operating transfers in	3,797,147	1,231,475	793,586	2,412,577	1,391,888
Operating transfers out	(1,144,660)	(668,544)	(489,068)	(503,249)	(958,395)
Proceeds of financing agreements	511				771
Payments to refunded bond agent					
Total other financing sources (uses)	2,654,342	712,934	304,518	2,218,243	1,299,440
Net change in fund balances	1,424,731	(175,687)	(63,409)	(175,853)	28,300
Fund balances - beginning	3,629,508	2,234,700	898,208	973,160	1,286,267
Adjustments to increase (decrease) beginning fund balances				7,203	44,632
		0.004.700			
Fund balances - beginning, as restated	3,629,508	2,234,700	898,208	980,363	1,330,899
Fund balances - ending	\$ 5,054,239	\$ 2,059,013	\$ 834,799	\$ 804,510	\$ 1,359,199

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

Tax Collection and Administration		nployment Services	Lawton Chiles Endowment Fund		Nonmajor overnmental Funds	Totals 6/30/04
\$ 6,800,107 19,344 187,680 163	\$	321,011 8,152 644,202 (2,506)	\$ 262,901	\$	132,041 996,130 403,808 572,354 27,670	\$ 28,912,610 1,165,928 2,351,133 17,254,145 210,791
 7,875 33		9,005 1,890	52 		452,488 47,337	594,967 214,840
 7,015,202		981,754	262,953		2,631,828	50,704,414
884,948		1,076,836	4,433		835,601	6,610,855
		129,823			5,612	15,828,609
					356,401	18,083,861
					402,898	3,172,357
					443,839	1,747,445
		•••••			31	2,520,378
2.070		 507			10,328	269,972
2,978		587			233,744	2,109,937
					668,572	674,697
					835,571	838,163
887,926		1,207,246	4,433		3,792,597	51,856,274
 6,127,276		(225,492)	258,520		(1,160,769)	(1,151,860)
					7,720	1,333,158
					166,383	166,383
39,530 (6,144,630)		377,999	(41 000)		2,887,109 (1,512,661)	12,931,311 (11,552,231)
, , ,		(90,024)	(41,000)		56,101	57,383
					(166,383)	(166,383)
(6,105,100)		287,975	(41,000)		1,438,269	2,769,621
22,176		62,483	217,520		277,500	1,617,761
347,588		292,084	1,521,518		1,414,236	12,597,269
					11,411	63,246
347,588		292,084	1,521,518		1,425,647	12,660,515
\$ 369,764	\$	354,567	\$ 1,739,038	\$	1,703,147	\$ 14,278,276

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RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

Net change in fund balance - total governmental funds		\$ 1,617,761
Internal service funds are used by management to charge the costs of goods or services to other funds and agencies within the State. Therefore, the net revenue (expense) of the internal service funds is reported with governmental activities.		(15,429)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful lives of the assets and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation in the current period.		
Capital outlay expenditures Depreciation expense	2,185,168 (317,205) 1,867,963	1,867,963
In the Statement of Activities, the gain or (loss) on the sale of assets is reported, whereas in the governmental funds, only the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in		(25, 200)
fund balances by the cost of the assets sold.		(35,290)
In the Statement of Activities, some revenues are recognized that do not provide current financial resources and are not recognized as revenues in the governmental funds until available, i.e., deferred revenues.		8,066
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences Increase in accrued interest Decrease in claims payable Decrease in arbitrage liability Increase in due to other governments	(22,918) (3,897) 48,636 331 (311) 21,841	21,841
The incurrence of long-term debt (i.e., bonds and leases) provide current financial resources to governmental funds, while the repayment of the principal long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and deferred amount on refundings, when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Bond proceeds Refunding bond proceeds Financing agreement proceeds Repayment of bonds Repayment of capital leases/installment purchase contracts Payment to refunded bond escrow agent Amortization of bond premium Amortization of deferred amount on refunding Accrued interest at refunding	(1,333,158) (166,383) (57,383) 661,835 12,862 166,383 43,919 (4,713) (2,261)	
	(678,899)	 (678,899)
Change in net assets of governmental activities		\$ 2,786,013

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PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

TRANSPORTATION

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

LOTTERY

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

UNEMPLOYMENT COMPENSATION

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

STATE BOARD OF ADMINISTRATION

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

Nonmajor Funds

Nonmajor enterprise funds are presented on page 161.

Internal Service Funds

Internal service funds are presented on page 167.

STATEMENT OF NET ASSETS PROPRIETARY FUNDS JUNE 30, 2004 (in thousands)

(iii tiiousaiius)				State Board
	Transportation	Lottery	Unemployment Compensation	of Administration
ASSETS				
Current assets				
Cash and cash equivalents	\$ 11,069	\$ 316	\$ 339	\$ 35,020
Pooled investments with State Treasury Investments	450,567	199,971	1,521,321	 978,091
Receivables, net	3,017	44,601	303,146	10,177
Due from other funds	311,195	•	2,473	3,235
Due from component units/primary			536	5,255
Inventories		993		
Other		2,284		
Total current assets	775,848	248,165	1,827,815	1,026,523
Noncurrent assets		-,	,- ,-	,,-
Restricted cash and cash equivalents	101			
Restricted pooled investments with State Treasury	182,778			
Restricted investments	74,278	3,541,903		
Long term investments	,			5,482,106
Advances to other funds	500			
Other loans and notes receivable, net	1,392			
Capital assets				
Land and other nondepreciable assets	783,396			
Nondepreciable Infrastructure	3,154,025			
Buildings, equipment, and other depreciable assets	268,035	18,631		5,905
Accumulated depreciation	(107,888)	(16,316)		(4,669)
Construction work in progress	996,239			6,879
Other	13,308			
Total noncurrent assets	5,366,164	3,544,218		5,490,221
Total assets	6,142,012	3,792,383	1,827,815	6,516,744
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	33,065	19,575	19,263	39,973
Accrued prize liability		293,546		
Due to other funds	73,461	122,535	138	7
Due to component units/primary		1		
Compensated absences		673		685
Installment purchases/capital leases	212			
Bonds payable				
Bonds payable from restricted assets	63,480		•••••	•••••
Deposits Obligations under acquirity landing agreements	599	1 702 042	1 621	959,438
Obligations under security lending agreements Obligations under reverse repurchase agreements	124,316 12,221	1,783,843 4,340	1,621 159	,
Certificates of participation payable		•		•••••
Total current liabilities	307,354	2,224,513	21,181	1,000,103
	307,334	2,224,313	21,101	1,000,103
Noncurrent liabilities	4.40.000			
Advances from other funds	146,820	1 261 562		
Accrued prize liability	1 170	1,361,562	•••••	•••••
Due to other governments	1,179			•••••
Bonds payable Certificates of participation payable	2,098,750		•••••	•••••
Installment purchases/capital leases	212			
Deposits	9,520		433,913	
Compensated absences		2,621		2,110
Total noncurrent liabilities	2,256,481	1,364,183	433,913	2,110
Total liabilities	2,563,835	3,588,696	455,094	1,002,213
NET ASSETS				
Invested in capital assets, net of related debt	2,872,499	2,316		8,115
Restricted for lottery		201,371		
Restricted for unemployment compensation			1,372,721	
Restricted for Hurricane Catastrophe Fund				5,476,178
Restricted - other	252,193	•••••		20.220
Unrestricted	453,485			30,238
Total net assets	\$ 3,578,177	\$ 203,687	\$ 1,372,721	\$ 5,514,531

	lonmajor interprise Funds	Totals 6/30/04	Internal Service Funds		
r.	0.000	¢ 40.007	r.	44407	
\$	2,223	\$ 48,967 2,325,474	\$	14,187	
	153,615	2,325,474 978,091		53,237 41,577	
	8,017	368,958		12,062	
	3,398	320,301		36,048	
	127	663		1,548	
	1	994		102	
	22	2,306			
	167,403	4,045,754		158,761	
	,	.,,		,	
		101			
		182,778			
		3,616,181			
		5,482,106			
		500			
		1,392			
		783,396		373	
		3,154,025			
	18,966	311,537		890,412	
	(11,601)	(140,474)		(270,544)	
		1,003,118			
	7.005	13,308			
	7,365	14,407,968		620,241	
	174,768	18,453,722		779,002	
	6,156	118,032		36,893	
		293,546			
	7,038	203,179		1,239	
	139	140			
	2,234	3,592		2,351	
	90	302		2,245	
				12,730	
		63,480			
	10,438	11,037		3,150	
	21,462	2,890,680		7,203	
	2,110	18,830		708	
				5,545	
	49,667	3,602,818		72,064	
		4.40.000		0.000	
		146,820		2,803	
		1,361,562			
		1,179 2,098,750		75 349,769	
	•••••	2,098,750		349,769 85,163	
		212		35,532	
		443,433			
	9,777	14,508		10,267	
	9,777	4,066,464		483,609	
	59,444	7,669,282		555,673	
	7,316	2,890,246		130,420	
		201,371			
		1,372,721			
		5,476,178			
		252,193			
	108,008	591,731		92,909	
\$	115,324	\$ 10,784,440	\$	223,329	

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

	Tra	ansportation	Lottery	nemployment ompensation	tate Board of ministration
OPERATING REVENUES Sales - nonstate Fees	\$	1,147 561,365	\$ 3,076,052	\$ 973,414	\$ 491,903 75
Sales - state				973,414	20,300
Rents and royalties - nonstate		8,513			1
Rents - state		10			
Fines, forfeits and judgements		606	•••••		
Total operating revenues		571,641	3,076,052	973,414	512,279
OPERATING EXPENSES Benefit payments				1,330,824	
Payment of lottery winnings			1,724,488		
Commissions on lottery sales			174,389		
Contractual Services		185,726	102,867		8,109
Personal services Depreciation		36,236 16,601	23,036 1,144		13,144 607
Materials and supplies		6,338	1,035		845
Repairs and maintenance			1,881		621
Basic services			4,926		2,423
Interest and fiscal charges		1		1	296
Bad debt		20	298		
Total operating expenses		244,922	2,034,064	1,330,825	26,045
Operating income (loss)		326,719	1,041,988	(357,411)	486,234
NONOPERATING REVENUES (EXPENSES) Grants and donations Investment earnings (Note 2) Interest and fiscal charges Property disposition gain (loss) Grant expense and client benefits		9,476 10,753 (71,707) (15,355)	(2,861) (135,912) (81)	257,454 96,921 (1)	68,309 (9,797) (1)
Other				(1,975)	
Total nonoperating revenues (expenses)		(66,833)	(138,854)	352,399	58,511
Income (loss) before transfers and contributions		259,886	903,134	(5,012)	544,745
Operating transfers in Operating transfers out Capital contributions		19,950 (22,727) 148	56 (1,052,566) 	7,748 (12,250) 	(10,006)
Change in net assets		257,257	(149,376)	(9,514)	534,739
Total net assets - beginning		3,309,244	353,063	1,382,235	4,979,792
Adjustments to increase/(decrease) beginning net assets		11,676		 	
Total net assets - beginning, as restated		3,320,920	353,063	1,382,235	4,979,792
Total net assets - ending	\$	3,578,177	\$ 203,687	\$ 1,372,721	\$ 5,514,531

Nonmajor Enterprise	Totals	Internal Service
Funds	6/30/04	Funds
	0,00,01	
\$ 59,093 186,172	\$ 3,628,195 1,721,026	\$ 51,170
386	20,686	 277,473
	8,514	16
30	40	84,811
32,830	33,436	
278,511	5,411,897	413,470
	1,330,824	
	1,724,488	
 25,170	174,389 321,872	221 160
104,269	176,685	221,160 96,661
1,922	20,274	25,087
4,448	12,666	13,360
227	2,729	21,636
21,754	29,103	17,427
252	550	216
	318	
158,042	3,793,898	395,547
120,469	1,617,999	17,923
215	267,145	1
(2,876)	170,246	2,769
(95)	(217,512)	(21,612)
(1,626) (909)	(17,063) (909)	(5,388)
(570)	(2,545)	3
(5,861)	199,362	(24,227)
, , ,		,
114,608	1,817,361	(6,304)
488	28,242	5,827
(147,530)	(1,245,079)	(15,564)
364	512	612
(32,070)	601,036	(15,429)
146,115	10,170,449	238,758
1,279	12,955	
147,394		238 759
	10,183,404	238,758
\$ 115,324	\$ 10,784,440	\$ 223,329

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

	Trai	nsportation	 Lottery	employment mpensation
CASH FLOWS FROM OPERATING ACTIVITIES Cash received from customers Cash paid to vendors Cash paid to employees Lottery prizes Unemployment benefits	\$	630,606 (200,914) (3,200) 	\$ 3,090,723 (285,630) (23,293) (1,734,022)	\$ 900,945 (67) (1,364,626)
Net cash provided (used) by operating activities		426,492	1,047,778	(463,748)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers in (out) Advances, grants or loans (to) from or repayment from others		(182,083)	(1,018,166)	(4,600) 252,736
Net cash provided (used) by noncapital financing activities		(182,083)	(1,018,166)	248,136
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Cash receipts from sale of capital assets Cash received from the sale of bonds Cash received from capital grants and donations Payment of bond principal Payment of principal installment purchase/capital lease Payment of interest on bonds/installment purchase/capital lease Purchase or construction of capital assets		204,010 (61,785) (109,924) (200,380)	56 (918)	
Net cash provided (used) by capital and related financing activities		(168,079)	(862)	
CASH FLOWS FROM INVESTING ACTIVITIES Security lending Proceeds from the sale or maturity of investments Investment earnings Purchase of investments		71,918 866,091 11,654 (855,174)	26,392 241,066 8,030 (241,066)	(112) 94,599
Net cash provided (used) by investing activities		94,489	34,422	94,487
Net increase (decrease) in cash and cash equivalents	-	170,819	63,172	(121,125)
Cash and cash equivalents - beginning		473,696	137,115	 1,642,785
Cash and cash equivalents - ending	\$	644,515	\$ 200,287	\$ 1,521,660

	ate Board of ninistration	Nonmajor Enterprise Funds		Totals 6/30/04		Internal Service Funds
\$	512,042 (12,278) (13,484) 	\$	269,538 (56,398) (99,039) (211)	\$ 5,403,854 (555,287) (139,016) (1,734,022) (1,364,837)	\$	403,588 (270,199) (92,829)
	486,280		113,890	1,610,692		40,560
	(10,000)		(176,021)	(1,390,870) 252,736		(16,241)
	(10,000)		(176,021)	(1,138,134)		(16,241)
				56		
				204,010		 5
				(61,785)		
			(85)	(85)		(15,075)
	(4.540)		(6)	(109,930)		(22,383)
	(4,512)		(715)	(206,525)		(6,886)
	(4,512)		(806)	(174,259)		(44,339)
G	 35,959,519		1,022	99,220 67,066,676		(78)
	86,110		(2,570)	197,823		9,376
(6	66,482,397)			(67,578,637)		
	(436,768)		(1,548)	(214,918)		9,298
	35,000		(64,485)	 83,381		(10,722)
	20		220,323	 2,473,939		78,146
\$	35,020	\$	155,838	\$ 2,557,320	\$	67,424

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

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

provided (deed, b) operating delivring					Unemployment	
	Tra	Transportation Lottery		Lottery	Coi	mpensation
Operating income (loss)	\$	326,719	\$	1,041,988	\$	(357,411)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities: Depreciation and amortization expense		16,601		1,144		
Change in assets and liabilities:		·		•		
(Increase) decrease in accounts receivable (Increase) decrease in due from other funds		7,184 56,743		15,193		(103,768)
Increase) decrease in due from other fands Increase (decrease) in allowance for uncollectibles				220		24,595
(Increase) decrease in inventories				312		
Increase (decrease) in accounts payable		8,620		(1,287)		(27,163)
Increase (decrease) in compensated absences				(258)		
Increase (decrease) in due to other funds		10,614				(1)
Increase (decrease) in deferred revenues		11				
Increase (decrease) in prize liability				(9,534)		
Net cash provided (used) by operating activities	\$	426,492	\$	1,047,778	\$	(463,748)
Name of the section o						
Noncash investing, capital, and financing activities						
Capital appreciation	\$		\$	(153,703)	\$	

ate Board of ministration	lonmajor nterprise Funds	Totals 6/30/04		5	nternal Service Funds
\$ 486,234	\$ 120,469	\$	1,617,999	\$	17,923
607	1,922		20,274		25,087
118	3,497		(77,776)		(7,277)
(142)	(43)		56,558		(2,398)
	(10,512)		14,303		
	(147)		165		(119)
(445)	858		(19,417)		6,812
(98)	1,529		1,173		1,386
6	(987)		9,632		(1,692)
	(2,696)		(2,685)		838
			(9,534)		
\$ 486,280	\$ 113,890	\$	1,610,692	\$	40,560
\$ (24.700)	\$	\$	(178.403)	\$	

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FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS

Individual fund descriptions and financial statements begin on page 173.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

Individual fund descriptions and financial statements begin on page 179.

AGENCY FUNDS

Individual fund descriptions and financial statements begin on page 185.

INVESTMENT TRUST FUND

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

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS JUNE 30, 2004 (in thousands)

t corre	Private- purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Agency Funds	Investment Trust Fund	Totals 6/30/04
ASSETS Cash and cash equivalents	\$ 9,978	\$ 1,114,770	\$ 42,358	\$ 7,367	\$ 1,174,473
Pooled investments with State Treasury	1,045,681	193,208	6,664,727	Ψ 7,507	7,903,616
Total cash and cash equivalents	1,055,659	1,307,978	6,707,085	7,367	9,078,089
Investments	1,000,000	1,007,070	0,7 07,000	1,001	0,070,000
Certificates of deposit	1,716	206,985	76,698	2,447,955	2,733,354
U.S. government & federally guaranteed obligations	2,897,250	4,757,931	1,241,667	1,344,308	10,241,156
Federal agencies	176,966	6,314,357	206,748	3,556,120	10,254,191
Commercial paper	200,136	1,427,542	259,466	8,281,205	10,168,349
Repurchase agreements	3,459	502,195	16,792	1,262,610	1,785,056
Bonds and notes	668,079	8,545,894	52,785	1,673,074	10,939,832
International bonds and notes		1,486,629			1,486,629
Real estate contracts		3,928,014			3,928,014
Mutual fund investments	173,094	6,429,099			6,602,193
Money market and short-term investments		1,164,877			1,164,877
Domestic equity	442,188	56,455,319			56,897,507
Limited partnerships		2,927,140			2,927,140
Equity group trust		10,872			10,872
International equity Deferred compensation contracts		10,756,684 1,705,458			10,756,684 1,705,458
	4.500.000		4.054.450	40 505 070	
Total investments	4,562,888	106,618,996	1,854,156	18,565,272	131,601,312
Receivables Accounts receivable	12.250	0.722	224 705		252 777
State contributions receivable	12,250	8,732 368	331,795		352,777 368
Nonstate contributions receivable		148,484	 7		148,491
Interest receivable	14,968	292,765	17,988	 28,655	354,376
Dividends receivable	310	93,591		20,000	93,901
Pending investment sales	231,186	651,657	1,523	48,615	932,981
Forward contracts		371,749			371,749
Due from state funds	1,237	17,572	33,580		52,389
Due from other governments	23,698				23,698
Total receivables	283,649	1,584,918	384,893	77,270	2,330,730
Security lending collateral	1,160,880	10,715,624	146,024	4,660,602	16,683,130
Advances to other funds	159,484				159,484
Tuition and housing receivable	1,261,863				1,261,863
Capital assets	780	5,891			6,671
Accumulated depreciation	(510)	(4,746)			(5,256)
Other assets	253,910			81	253,991
Total assets	8,738,603	120,228,661	9,092,158	23,310,592	161,370,014
LIABILITIES					
Accounts payable	126,307	90,987	543,665	49,781	810,740
DROP		1,605,006			1,605,006
Pending investment purchases	535,189	2,721,360	618	2,469	3,259,636
Forward contracts payable		371,818	17,934		389,752
Broker rebate fees	810	6,142	6,625	4,318	17,895
Due to other funds	2,590	20,838	381,024	298	404,750
Due to other governments	7,013		611,366	7,179	625,558
Due to component units			4,144,556		4,144,556
Obligations under security lending agreements	1,392,359	11,723,361	1,456,066	4,658,609	19,230,395
Obligations under reverse repurchase agreements	22,756	2,727	128,791		154,274
Claims payable	420.242	60,590	1 001 512		60,590
Deposits payable	138,343	96,666	1,801,513		2,036,522
Compensated absences liability	479	1,387			1,866
Unclaimed property payable	163,248				163,248
Tuition and housing benefits payable	5,073,722	40.700.000	0.000.450	4 700 054	5,073,722
Total liabilities	7,462,816	16,700,882	9,092,158	4,722,654	37,978,510
NET ASSETS	A	.	•		
Held in trust for pension benefits and other purpose	s \$ 1,275,787	\$ 103,527,779	\$	\$ 18,587,938	\$123,391,504
-					

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

,	Private- purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Fund	Totals 06/30/04
ADDITIONS	114501 41145	Trader ando	Truot i una	00/00/04
Contributions and other deposits				
Pension fund contributions - state Pension fund contributions - nonstate Employer/employee contributions	\$ 	\$ 595,405 1,664,625 1,132,283	\$ 	\$ 595,405 1,664,625 1,132,283
Tuition and housing contract sales	420,337			420,337
Purchase of time by employees		99,992		99,992
Fees	514,863			514,863
Grants and contributions	146,277			146,277
Flexible benefit contributions Transfers in from state funds	 86	352,846 481,665		352,846 481,751
	•	•		
Total contributions and other deposits	1,081,563	4,326,816		5,408,379
Investment income Interest income	86,402	1,351,373	98,130	1,535,905
Dividends	4,176	1,221,928		1,226,104
Other investment income		12,110		12,110
Net increase/(decrease) in fair market value	(119,885)	12,382,563	138,502	12,401,180
Total investment income	(29,307)	14,967,974	236,632	15,175,299
Investment activity expense	(14,292)	(219,605)	(3,647)	(237,544)
Net income from investing activity	(43,599)	14,748,369	232,985	14,937,755
Security lending activity				
Security lending income	12,823	148,724	71,754	233,301
Security lending expense	(10,587)	(114,153)	(61,668)	(186,408)
Net income from security lending	2,236	34,571	10,086	46,893
Total net investment income	(41,363)	14,782,940	243,071	14,984,648
Other additions	53	29		82
Total additions	1,040,253	19,109,785	243,071	20,393,109
DEDUCTIONS				
Benefit payments		4,107,875		4,107,875
Tuition and housing payments	79,007			79,007
Insurance claims expense		646,224		646,224
HMO payments		400,846		400,846
Remittances to annuity companies	1 002	148,045		148,045
Interest expense Student loan default payments	1,092 125,705	•••••	•••••	1,092 125,705
Administrative expense	20,166	102,780		122,946
Prepaid participant refunds	47,024			47,024
Property disposition gain (loss)		4		4
Transfers out to state funds	160,964	473,293		634,257
Other deductions	144,201	1,348		145,549
Total deductions	578,159	5,880,415		6,458,574
Depositor activity				
Deposits			93,108,443	93,108,443
Withdrawals			(92,683,411)	(92,683,411)
Excess of deposits over withdrawals			425,032	425,032
Change in net assets	462,094	13,229,370	668,103	14,359,567
Net assets - beginning	306,624	90,298,409	17,919,835	108,524,868
Adjustments to increase (decrease) beginning net assets	507,069			507,069
Net assets - beginning, as restated	813,693	90,298,409	17,919,835	109,031,937
Net assets - ending	\$ 1,275,787	\$ 103,527,779	\$ 18,587,938	\$ 123,391,504
	,	,,	,,	,,

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COMPONENT UNIT FINANCIAL STATEMENTS

Major Component Units

FLORIDA HOUSING FINANCE CORPORATION

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

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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

UNIVERSITY OF FLORIDA

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

FLORIDA STATE UNIVERSITY

Florida State University is a public, comprehensive, liberal arts based graduate-research university with a main campus location in Tallahassee, Florida.

UNIVERSITY OF SOUTH FLORIDA

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

CITIZENS PROPERTY INSURANCE CORPORATION

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

Nonmajor Component Units

Nonmajor component units are presented beginning on page 191.

STATEMENT OF NET ASSETS COMPONENT UNITS JUNE 30, 2004 (in thousands)

(in thousands)	Florida South Florida Housing Water Finance Management		University of	Florida State
	Corporation	District	Florida	University
ASSETS				
Current assets		•		
Cash and cash equivalents	\$ 361,389	\$ 621	\$ 224,818	\$ 108,787
Pooled investments with State Treasury	160,693		523,790	279,691
Investments	1,188,267	357,173	203,631	43,853
Receivables, net	109,608	9,101	299,806	66,355
Due from component units/primary Inventories	•••••	8,253 986	206,571 6,589	247,992 2,505
Other	32,149	5,795	39,182	2,505 4,595
Total current assets	1,852,106	381,929	1,504,387	753,778
	1,002,100	301,323	1,504,507	733,770
Noncurrent assets Postricted each and each equivalents			0 2 4 4	9 106
Restricted cash and cash equivalents Restricted investments with State Treasury	•••••		8,341 97,790	8,196 92,093
Restricted investments	•••••	•••••	1,296,930	452,543
Long term investments				
Due from other governmental entities				
Other loans and notes receivable, net	2,995,557		36,367	9,716
Capital assets:	2,000,00.		33,337	٥, ٥
Land and other nondepreciable assets		1,782,988	61,997	126,584
Buildings, equipment, and other		, - ,	, , , , , , , , , , , , , , , , , , , ,	-,
depreciable assets	3,232	368,688	3,273,159	1,353,315
Accumulated depreciation	(2,781)	(132,611)	(1,697,384)	(450,997)
Construction work in progress		151,837	178,574	80,432
Total capital assets	451	2,170,902	1,816,346	1,109,334
Other	15,368		96,740	78,954
Total noncurrent assets	3,011,376	2,170,902	3,352,514	1,750,836
Total assets	4,863,482	2,552,831	4,856,901	2,504,614
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	113,603	37,113	280,671	89,604
Due to component units/primary			91,592	130,376
Compensated absences		845	9,798	3,597
Installment purchases/capital leases		1,406	3,679	3,254
Claims payable		1,613		·
Bonds payable	75,743	2,025	21,555	8,385
Certificates of participation payable				
Deposits				
Deferred revenue	7,878	135	102,134	66,712
Obligations under security lending agreements			129,893	90,043
Obligations under reverse purchase agreements				
Other	6,311	26,829	12,457	4,813
Total current liabilities	203,535	69,966	651,779	396,784
Noncurrent liabilities				
Due to component units/primary	24,827			
Bonds payable	3,629,752	65,991	680,562	236,483
Certificates of participation payable				
Installment purchases/capital leases		1,973	13,529	26,790
Deposits				
Deferred revenue	39,535			•••••
Claims payable	•••••	4,953	45,142	
Compensated absences	400 600	15,247	118,892	36,902
Other Total papeurrent liabilities	108,683	118,829	122,750	30,985
Total noncurrent liabilities	3,802,797 4,006,332	206,993	980,875	331,160
Total liabilities	4,006,332	276,959	1,632,654	727,944
NET ASSETS				
Invested in capital assets, net of related debt	451	1,962,939	1,113,383	864,004
Restricted for:				
Debt service		6,510		
Other	764,058	69,154		
Permanent funds:		40.400	040.070	050 440
Expendable Nepaypondable	•••••	19,199	649,370	350,149
Nonexpendable Unrestricted (deficit)	92,641	5,656 212,414	670,429 701,065	300,112
Total net assets			791,065 \$ 3,224,247	262,405 \$ 1,776,670
Total fiel assets	\$ 857,150	\$ 2,275,872	\$ 3,224,247	\$ 1,776,670

	University of South Florida		Citizens Property Insurance Corporation		Nonmajor Component Units		Totals 6/30/04
_		_		_			
\$	18,343 225,201	\$	293,816 1,149,074	\$	222,702	\$	1,230,476 3,275,069
	66,111		435,140		936,620 627,476		2,921,651
	143,889		72,174		290,304		991,237
	64,601				649,659		1,177,076
	295				20,302		30,677
_	1,690		82,142		22,757		188,310
	520,130		2,032,346		2,769,820		9,814,496
	30				91,695		108,262
	31,306				121,806		342,995
	314,480				607,400		2,671,353
			2,292,351		972,801		3,265,152
					75		75
	7,222				30,426		3,079,288
	21,173				1,721,804		3,714,546
	876,436		13,539		6,778,542		12,666,911
	(332,534)		(7,906)		(2,520,331)		(5,144,544)
	68,689				553,723		1,033,255
	633,764		5,633		6,533,738		12,270,168
	81,946				21,108		294,116
_	1,068,748		2,297,984		8,379,049		22,031,409
_	1,588,878		4,330,330		11,148,869		31,845,905
	92,047		377,334		629,473		1,619,845
	165				45,719		267,852
	4,255				28,195		46,690
	1,639				9,772		19,750
	1,999 3,638				1,084 23,419		4,696 134,765
	965				967		1,932
					35,709		35,709
	47,124		634,834		237,382		1,096,199
	62,209				263,996		546,141
					7,523		7,523
	567		303,306		16,934		371,217
_	214,608		1,315,474		1,300,173		4,152,319
					80,341		105,168
	66,958				581,683		5,261,429
	115,445				13,670		129,115
	82,081				39,744		164,117
					35,427 1,073		35,427 40,608
	 9,211				1,073		59,306
	42,433				224,767		438,241
	2,380		1,377,163		77,263		1,838,053
_	318,508		1,377,163		1,053,968		8,071,464
	533,116		2,692,637		2,354,141		12,223,783
	455,534		5,633		5,815,274		10,217,218
	443				13,827		20,780
	25,153				409,913		1,268,278
	86,665				881,618		1,987,001
	314,547				839,852		2,130,596
_	173,420		1,632,060	_	834,244	_	3,998,249
\$	1,055,762	\$	1,637,693	\$	8,794,728	\$	19,622,122

STATEMENT OF ACTIVITIES COMPONENT UNITS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

	Program Revenues								
Functions/Programs	Operating Capital Charges for Grants and Grants and Expenses Services Contributions Contributions	Florida Housing Finance Corporation							
Florida Housing Finance Corporation	\$ 506,816 \$ 222,959 \$ \$ 346,27	8 \$ 62,421							
South Florida Water Management District	299,134 15,482 71,995 144,88	5							
University of Florida	3,380,457 2,000,731 800,434 53,40	5							
Florida State University	781,589 249,487 227,770 42,99								
University of South Florida	984,911 316,356 346,589 57,73	1							
Citizens Property Insurance Corporation	500,187 823,902								
Nonmajor Component Units	5,047,864 1,241,697 1,172,923 685,25	0							
Total component units	\$ 11,500,958 \$ 4,870,614 \$ 2,619,711 \$ 1,330,54	5 62,421							
	General revenues								
	Property taxes	\$							
	Investment earnings								
	Gain (loss) on sale of capital assets								
	Payments from the State of Florida								
	Transfers								
	Contributions to permanent funds								
	Special Items								
	Miscellaneous	18,238							
	Total general revenues	18,238							
	Change in net assets	80,659							
	Net assets - beginning								
	Adjustments to increase (decrease) beginning net assets								
	Net assets - ending	\$ 857,150							

2004 STATE OF FLORIDA CAFR

		xpen	se) Revenue a	nd Cl	nanges in Net	Asset	S				
S	outh Florida								Citizens		
М	Water anagement District		University of Florida		Florida State University		University of South Florida	(Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/04
	District		Tiona		Offiversity		Tionda		oorporation	 Office	 0/30/04
\$		\$		\$		\$		\$		\$ 	\$ 62,421
	(66,772)										(66,772)
			(525,887)								(525,887)
					(261,336)						(261,336)
							(264,235)				(264,235)
									323,715		323,715
										(1,947,994)	(1,947,994)
	(66,772)		(525,887)		(261,336)		(264,235)		323,715	(1,947,994)	(2,680,088)
\$	308,055	\$		\$		\$		\$		\$ 216,402	\$ 524,457
	10,387		134,642		55,102		47,691		105,789	144,443	498,054
	•••••									(482)	(482)
			586,725		322,316		293,485			2,056,947	3,259,473
			92 026		 50 022		(177)			4,952 32,008	4,775 165,967
			83,936		50,023		•••••				
	11,236		33,783		14,509		13,569		3	5,753 107,473	5,753 198,811
	329,678		839,086		441,950		354,568		105,792	2,567,496	4,656,808
	262,906		313,199		180,614		90,333		429,507	619,502	1,976,720
	2,012,966		2,911,048		1,624,295		965,429		1,208,186	8,177,765	17,676,180
	_,0,000		_,0,0 10		(28,239)				.,_55,.56	(2,539)	(30,778)
\$	2,275,872	\$	3,224,247	\$	1,776,670	\$	1,055,762	\$	1,637,693	\$ 8,794,728	\$ 19,622,122

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Blended Component Units

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

The State's blended component units are:

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

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

Discretely Presented Component Units

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

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

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

State Universities and Colleges. State universities and colleges receive funding from the State and operate under the governance of the State Board of Education. These entities have a June 30 year-end. Component units included in this category are:

State Universities

Major:

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

Nonmajor:

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

Community Colleges

Nonmajor:

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

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

Water Management Districts. Pursuant to Section 373.069, Florida Statutes, these districts were created to provide for the management and conservation of water and related land resources. The Governor appoints members of the governing boards of the districts, subject to confirmation by the Senate. In addition, the general regulatory and administrative functions of the districts are either fully or in part financed by general appropriations. Water management districts have a September 30 year-end. Component units included in this category are:

Major:

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

2004 STATE OF FLORIDA CAFR

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

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

Nonmajor:

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

*The State's financial statements do not include amounts relating to several component units. The assets and revenues relating to these component units totaled \$36.3 million and \$76.3 million, respectively. These amounts represent less than one percent of total aggregate component unit assets and revenues.

Joint Ventures

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

Apalachicola-Chattahoochee-Flint River Basin (ACFRB) Commission. Section 373.71, Florida Statutes, provided for the creation of an interstate administrative agency to promote interstate comity, remove causes of present and future controversies, equitably apportion the surface waters of the ACFRB, and engage in water planning. Operational funding required by the Commission is equally shared among the party states.

Board of Control for Southern Regional Education. Section 1000.32, Florida Statutes, promotes the development and maintenance of regional education services and facilities in the southern states to provide greater educational advantages and facilities for the citizens in the region. The states established a joint agency called the Board of Control for Southern Regional Education to submit plans and recommendations to the states from time to time for their approval and adoption by appropriate legislative action for the development, establishment, acquisition, operation, and maintenance of educational facilities in the region.

Regional Planning Councils. Sections 186.501 through 186.513, Florida Statutes, the "Florida Regional Planning Council Act," provide for the creation of regional planning agencies to assist local governments in resolving their common problems.

The regional planning councils are designated as the primary organization to address problems and plan solutions that are of greater-than-local concern or scope. Participants in these councils are required by statutes to contribute to the support of these programs.

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

Related Organizations

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

Contact

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

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

Department Website: http://www.fldfs.com

Joint ventures may be contacted directly for their financial statements.

B. Basic Financial Statements

The State's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The basic financial statements of the State, including its component units, are presented in the required format discussed below.

Government-wide Financial Statements

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

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

Fund Financial Statements

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

C. Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues collected within 60 days of the end of the current fiscal year are considered available, with the exception of tax revenues. Tax revenues collected within 30 days of year-end are considered available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures for insurance and similar services extending over more than one fiscal year generally are accounted for as expenditures of the fiscal year of acquisition. Further, principal and interest on general long-term debt are recognized when due.

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

D. Basis of Presentation

Major Funds

GASB Statement No. 34, as amended by GASB Statement No. 37, sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses for either fund category or the governmental and enterprise combined) for the determination of major funds. The State elected to add certain other major funds that had specific public interest. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements. The State reports the following major funds:

Major Governmental Funds

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

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

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

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

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

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

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

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

Major Business-type Funds

Transportation - primarily accounts for operations of the Florida Turnpike.

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

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

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

Fund Types

Additionally, the State reports the following fund types:

Governmental Fund Types

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

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

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

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

Proprietary Fund Types

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

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

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

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

Fiduciary Fund Types

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

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

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

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

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

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

Cash and Cash Equivalents

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

Investments

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

Inventories

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

Restricted Assets

Restricted assets are reported when their use is limited by external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or by constraints imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are to be used for the same purpose, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources.

Capital Assets

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

Compensated Absences

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

Long-term Liabilities

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

Net Assets

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

Reserves of Fund Balance

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

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

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

Reserve for capital outlay represents funds reserved for capital projects.

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

Reserve for permanent trust represents trust fund assets for which the corpus is non-expendable and the net earnings are reserved for endowment-approved programs.

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

Reserve for Working Capital Fund represents funds available in the General Revenue Fund not needed for appropriations and used to offset unanticipated expenditures such as spending on emergencies.

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

F. Interfund Activity and Balances

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

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

For additional information, refer to Note 11.

G. Nonmonetary Transactions

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

State Attorneys and Public Defenders of the State of Florida are furnished certain office space and other services by counties under the provisions of Chapter 29, Florida Statutes. Some counties also provide certain facilities and services to other officers and staff of the judicial branch. The value of the facilities and services provided by the counties is not reported as a revenue.

H. Reporting Changes

Changes in Reporting Component Units

The following entity is determined to be a new component unit of the State for the fiscal year ended June 30, 2004.

Scripps Florida Funding Corporation

I. Accounting Change

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units. This Statement provides additional guidance on GASB Statement No.14, in determining whether an entity should be reported as a component unit based on the nature and significance of their relationship with a primary government. Qualitative and quantitative factors are measured. This statement has been implemented this year.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2004, the carrying amount of deposits totaled \$3,452,683,473, which consisted of the following: \$1,267,118,956 cash and cash equivalents in financial institutions; \$182,878,520 restricted cash in financial institutions; and \$2,002,685,997 pooled investments with the State Treasury. The reported carrying amount of component unit deposits totaled \$1,289,712,324, which consisted of cash and cash equivalents in financial institutions.

Chapter 280, Florida Statutes (F.S.), generally requires public funds to be deposited in a bank or savings association that is designated by the Chief Financial Officer as authorized to receive deposits in the State and that meets the collateral requirements. The Chief Financial Officer determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Chapter 69C-2, Florida Administrative Code (FAC), and Section 280.04, Florida Statutes. The Chief Financial Officer is directed by FAC to review the "Public Depository Monthly Reports" and continually monitor the collateral pledging level(s) and required collateral of each QPD. If the Chief Financial Officer determines that a QPD has violated the law and rule and has not pledged adequate collateral and/or has not used the proper collateral pledging level or levels, the QPD is immediately notified of the fact and directed to immediately comply with the Chief Financial Officer's collateral requirements. Eligible collateral includes Federal, federally guaranteed, state and local government obligations, corporate bonds, letters of credit issued by a Federal Home Loan Bank, and with the Chief Financial Officer's permission, collateralized mortgage obligations, real estate mortgage investment conduits and securities or other interests in any open-end management investment company registered under the Investment Company Act of 1940 provided the portfolio of such investment company is limited to direct obligations of the United States (U.S.) Government and to repurchase agreements fully collateralized by such direct obligations of the U.S. Government and provided such investment company takes delivery of such collateral either directly or through an authorized custodian.

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

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

The deposit balances reported by the State's banks totaled \$3,417,773,107. Of this amount, \$2,328,474,430 was covered by Federal and other depository insurance, letters of credit, or the collateral pool described above and \$1,089,298,677 was uncollateralized. The deposit balances reported by component unit banks totaled \$924,739,566. Of this amount, \$486,333,388 was covered by Federal and other depository insurance or the collateral pool described above, \$412,292,960 was collateralized with securities held by the pledging financial institution's trust department in the component unit's name, and \$26,113,218 was uncollateralized.

B. Investments

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

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

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

1. Pooled Investments with the State Treasury

Unless specifically exempted by statute, all cash of the State must be deposited in the State Treasury. Certain component units are allowed by statute to deposit cash with the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize interest earnings. Authorized investment types are set forth in Section 17.57, 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, reverse repurchase agreements, commingled and mutual funds, obligations of state and local governments, derivatives, put and call options, negotiable certificates of deposit, and, subject to certain rating conditions, foreign bonds denominated in U.S. dollars and registered with the Securities and Exchange Commission (SEC) for sale in the U.S. and convertible debt obligations of any

corporation domiciled within the U.S.

The State Treasury had holdings at June 30, 2004, of \$4,595,602,275 for discretely presented component units in total. These investments are not reported as part of the primary government and may be different from the amounts reported by some component units due to different reporting periods.

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

Security Lending. State statutes authorize the State Treasury to participate in a security lending program. Agents of the State Treasury loan securities, including U.S. Government and federally guaranteed obligations, bonds and notes to broker/dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral for loaned securities cannot be less than 100 percent of the fair value of the underlying security plus accrued interest. Such collateral may consist of cash; government securities; unconditional, irrevocable standby letters of credit; or other assets specifically agreed to in writing. Cash collateral is invested by the agent in investments authorized by Section 17.57, F.S. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned because security loan agreements are generally open-ended with no fixed expiration date. Since the collateral under security lending agreements (including accrued interest) exceeded the fair value of the securities underlying those agreements (including accrued interest), the Treasury had no credit risk exposure at June 30, 2004. If a situation occurs where an agent does not receive collateral sufficient to offset the fair value of any securities lent, or the borrowers fail to return the securities or fail to pay the State Treasury for income distributions by the securities' issuers while the securities are on loan, the agent is required to indemnify the State Treasury for any losses that might occur. The State Treasury does not have the ability to pledge or sell the non-cash collateral securities so the non-cash portion of the collateral held (U.S. Government and federally guaranteed obligations valued at \$898,101,666) is not reported in the balance sheet.

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

A B Value U. S. Government and federally guaranteed obligations \$ 3,838,371 \$ 24,496 \$ 3,862,867 Bankers' acceptances 368,425		Risk C	ategory	Fair
federally guaranteed obligations \$3,838,371 \$24,496 \$3,862,867 Bankers' acceptances 368,425		Α	В	Value
Unemployment compensation funds pooled with U. S. Treasury Mutual funds Securities held with others under security lending agreements Securities held with others under reverse repurchase agreements Total nonclassifiable investments 1,578,187 1,523,454 5,066,592 5,066,592 5,066,592 526,961	federally guaranteed obligations Bankers' acceptances Commercial paper Repurchase agreements Bonds and notes	368,425 2,831,669 244,699 2,869,647	163,335 503,730 4,241,586	368,425 2,995,004 748,429
pooled with U. S. Treasury Mutual funds Securities held with others under security lending agreements Securities held with others under reverse repurchase agreements Total nonclassifiable investments 1,578,187 1,523,454 5,066,592 5,066,592 5,066,592 5,066,592 5,066,592 5,066,592 5,066,592 5,066,592 5,066,592 5,066,592 5,066,592 5,066,592	Total classifiable investments	\$ 10,152,811	\$ 4,992,996	15,145,807
Securities held with others under reverse repurchase agreements 526,961 Total nonclassifiable investments 8,695,194	pooled with U. S. Treasury Mutual funds Securities held with others under security			1,523,454
5,500,101	Securities held with others under reverse			, ,
Total investments 23,841,001	Total nonclassifiable investments			8,695,194
	Total investments			23,841,001
Cash on hand 300 Cash on deposit 2,002,686				
Total State Treasury holdings 25,843,987 Adjustments:	Adjustments:			
				(588,551) (939,912)
Reconciled balance, June 30, 2004 \$ 24,315,524	Reconciled balance, June 30, 2004			\$ 24,315,524
Reconciliation to basic financial statements (in thousands): Pooled investments with State Treasury Governmental activities Business-type activities Fiduciary funds \$ 13,903,656 2,325,474 7,903,616	Pooled investments with State Treasury Governmental activities Business-type activities			2,325,474
Total pooled investments with State Treasury Restricted pooled investments with State Treasury (Business-type activities) 24,132,746 182,778		type activities)		, ,
Total \$ 24,315,524	Total			\$ 24,315,524

2004 STATE OF FLORIDA CAFR

Investment Earnings. Several funds reported negative investment earnings for the fiscal year ended June 30, 2004. The negative investment earnings primarily resulted from the statewide allocation of a reduction in the fair value of investments in the State Treasury. Although the State Treasury received cash from investment earnings, the reduction in fair value exceeded the cash earnings. The allocation was based on Treasury investment balances at June 30, 2004.

2. Other Investments

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

Security Lending. Through the State Board of Administration (SBA), various funds, including the Defined Benefit Pension Plan, the Investment Trust Funds, the Florida Lottery Trust Fund, the Florida Hurricane Catastrophe Fund, the Florida Prepaid College Trust Fund, and the Lawton Chiles Endowment Fund participate in security lending programs. The SBA had received and invested \$20,965,917,295 in cash and \$266,503,397 in U.S. Government securities as collateral for the lending programs as of June 30, 2004. At June 30, 2004, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest), except for total credit risk of \$535,877 in three of the security lending programs. All securities lending programs have indemnity clauses requiring the lending agent to assume borrower's risk from default. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned, due to securities loan agreements being open-ended with no fixed expiration date. As such, investments made with cash collateral are primarily in short-term investments. However, investments purchased for some security lending programs included investments with final maturities of six months or more representing a range of approximately 30 percent to 79 percent of total collateral invested. There are no restrictions on the amount of securities that can be loaned at one time to one borrower for most funds. For the Local Government Surplus Funds Trust Fund, the SBA has adopted industry practice for SEC 2a7-like pools, which generally restricts lending activity to no more than one-third of the portfolio.

The SBA issued a separate report (financial statements and notes) pertaining to the State's Investment Trust Funds for the period ended June 30, 2004, as required by GASB Statement No. 31. Additional information pertaining to the Investment Trust Funds or a copy of the report may be obtained from the Senior Operating Officer-Finance and Accounting, State Board of Administration of Florida, 1801 Hermitage Boulevard, Suite 101, Tallahassee, Florida 32308, (850) 488-4406.

Derivatives. The SBA has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are not to be used to speculate in the expectation of earning extremely high returns. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets and mortgaged-backed security prepayment risk, as well as for yield-curve strategy purposes, diversification, and the management of equity market exposure. Derivative investment instruments include futures, options, forward exchange contracts, and interest rate swaps.

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

As of June 30, 2004, all of the SBA derivatives were reported at fair value.

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

Primary Government

			Risk Category				Carrying	Fair
		Α		В		С	 Value	 Value
Certificates of deposit U. S. Government and	\$	3,026,642	\$	1,716	\$	1,999,183	\$ 5,027,541	\$ 5,027,432
federally guaranteed obligations		3,485,140		658,522			4,143,662	4,222,525
Federal agencies		4,313,036		49,964		1,288,286	5,651,286	5,728,165
Commercial paper		12,345,805		478,428		1,513,595	14,337,828	14,337,223
Repurchase agreements		1,678,520		2,410,583		32,351	4,121,454	4,121,454
Bonds and notes		13,147,449		192,104		10,066,933	23,406,486	23,345,936
International bonds and notes		1,404,911				97,961	1,502,872	1,502,872
Stocks		52,535,576		5,209		2,169,914	54,710,699	54,711,584
International equities		7,830,098				1,428,434	9,258,532	9,258,532
Total classifiable investments	\$	99,767,177	\$	3,796,526	\$	18,596,657	122,160,360	122,255,723
Investments held by others under se	cur	ity lending agr	eem	ents				
U. S. obligations		, ,					8,471,116	8,467,470
Federal agencies							6,324,560	6,308,105
Bonds and notes							760,061	760,061
International bonds and notes							23,454	23,454
Stocks							3,259,212	3,259,212
International equities							1,712,303	1,712,303
Investment agreements							3,745,717	3,745,717
Real estate contracts							3,928,013	3,928,013
Deferred compensation (mutual fund	ls a	nd annuities)					1,705,458	1,705,458
Money market and short term invest	mer	nt funds					2,774,038	2,774,037
Mutual funds							6,456,225	6,456,224
Total nonclassifiable investments							39,160,157	39,140,054
Total investments							\$ 161,320,517	\$ 161,395,777

Reconciliation to the basic financial statements:

				ısiness-type	Fiduciary			
		<u> Activities</u>		Activities	Funds	Total		
Investments - current	\$	912,024	\$	978,091	\$ 	\$	1,890,115	
Restricted investments				3,616,181			3,616,181	
Long-term investments		2,047,673		5,482,106	131,601,312		139,131,091	
Security lending collateral					16,683,130		16,683,130	
Total investments		2,959,697	\$	10,076,378	\$ 148,284,442	\$	161,320,517	

Component Units

		Risk Category	,	Carrying	Fair
	Α	В	С	Value	Value
Certificates of deposit U. S. Government and	\$ 16,323	\$ 250	\$ 95,735	\$ 112,308	\$ 112,308
federally guaranteed obligations	1,500,246	501,411	40,753	2,042,410	2,044,474
Federal agencies obligations	636,305	49,340	5,346	690,991	691,108
Bankers acceptance Commercial paper	 167,005		3,110 	3,110 167,005	3,110 167,005
Repurchase agreements		3,326	4,790	8,116	8,116
Reserve in investment account	2,425			2,425	2,425
Bonds and notes	1,752,859	151,936	139,819	2,044,614	2,046,050
Stocks	1,005,547	45,436	281,320	 1,332,303	1,330,959
Total classifiable investments	\$5,080,710	\$751,699	\$570,873	6,403,282	6,405,555
Investment agreements Real estate agreements Deferred compensation investments Money market and mutual funds				886,134 22,914 728 1,545,098	886,134 22,914 728 1,544,926
Total nonclassifiable investments				2,454,874	2,454,702
Total investments				\$ 8,858,156	\$8,860,257
Reconciliation to the basic financial st Investments - current Restricted investments - noncurrent Long-term investments				\$ 2,921,651 2,671,353 3,265,152	
Total investments				\$ 8,858,156	

NOTE 3 - RECEIVABLES AND PAYABLES

"Receivables, net" and "Other loans and notes receivables, net," as presented on the Government-wide Statement of Net Assets and the applicable balance sheets and statements of net assets in the fund financial statements, consist of the following (in thousands):

GOVERNMENTAL ACTIVITIES

	General Fund	Re	invironment, ecreation and conservation	Health and Family Services	Tra	nsportation		Public Education
Accounts receivable	\$ 74,349	\$	29,223	\$ 412,752	\$	4,557		
Taxes receivable	1,079,928							
Interest & dividends receivable	18,308		2,860	285		2,420		3,295
Loans & notes receivable	4,841		46,267					4,088
Due from Federal government	3,415		36,338	772,737		27,435		2,194
Other receivables	240		1,503	7,244		129,232		
Allowance for uncollectibles	(33,734)		(19,517)	(165,507)		(972)		(1,916)
Receivables, net	\$ 1,147,347	\$	96,674	\$ 1,027,511	\$	162,672	\$	7,661
Loans & notes receivable from other governments	\$ 10,231	\$	672,412	\$ 	\$	524,538	\$	
Other loans & notes receivable	8,583		1,711	54,383		982		
Advances to other governments	2,750			3,063				
Advances to component units	24,827							
Long-term interest receivable						1,682		
Allowance for uncollectibles	(5,607)			(45,621)		(648)		
Other loans & notes receivable, net	\$ 40,784	\$	674,123	\$ 11,825	\$	526,554	\$	
	 ·					(0	Con	tinued below)

				(0	cont	inued below)
	Tax lection and ninistration	Employment Services	awton Chiles Endowment Fund	Nonmajor overnmental Funds	G	Total overnmental Funds
Accounts receivable	\$ 1,538	\$ 	\$ 12,944	\$ 48,314	\$	583,677
Taxes receivable	281,634	76,673		345		1,438,580
Interest & dividends receivable	1,828	9	6,204	3,390		38,599
Loans & notes receivable				52,904		108,100
Due from Federal government		46,499		26,960		915,578
Other receivables	25			12,088		150,332
Allowance for uncollectibles	 			(28,887)		(250,533)
Receivables, net	\$ 285,025	\$ 123,181	\$ 19,148	\$ 115,114	\$	2,984,333
Loans & notes receivable from other governments	\$ 	\$ 	\$ 	\$ 469,617	\$	1,676,798
Other loans & notes receivable				5,427		71,086
Advances to other governments				7,519		13,332
Advances to component units						24,827
Long-term interest receivable						1,682
Allowance for uncollectibles						(51,876)
Other loans & notes receivable, net	\$ 	\$ 	\$ 	\$ 482.563	\$	1.735.849

(Continued below)

	Internal Service Funds	Go	vernment-wide Reconciling Balances	G	Total overnmental Activities
Accounts receivable	\$ 9,576	\$	480,938	\$	1,074,191
Taxes receivable					1,438,580
Interest & dividends receivable	72				38,671
Loans & notes receivable					108,100
Due from Federal government	78				915,656
Other receivables	2,336				152,668
Allowance for uncollectibles	 				(250,533)
Receivables, net	\$ 12,062	\$	480,938	\$	3,477,333
Loans & notes receivable from other governments	\$ 	\$		\$	1,676,798
Other loans & notes receivable					71,086
Advances to other governments					13,332
Advances to component units					24,827
Long-term interest receivable					1,682
Allowance for uncollectibles					(51,876)
Other loans & notes receivable, net	\$ 	\$		\$	1,735,849

BUSINESS-TYPE ACTIVITIES

Accounts receivable
Taxes receivable
Interest & dividends receivable
Other receivables
Allowance for uncollectibles
Receivables, net

						State	Nonmajor
			Unemployment			Board of	Enterprise
Tra	ansportation	Lottery	(Compensation	F	Administration	Funds
\$	1,711	\$ 43,459	\$	127,300	\$	24	\$ 8,827
				246,266			
	1,216	2,649		14,777		10,153	132
	90			3,057			28
		(1,507)		(88,254)			(970)
\$	3,017	\$ 44,601	\$	303,146	\$	10,177	\$ 8,017

(Continued below)

Accounts receivable
Taxes receivable
Interest & dividends receivable
Other receivables
Allowance for uncollectibles
Receivables net

	Total Enterprise Funds	G	Government-wide Reconciling Balances		Total usiness-type Activities
_	\$ 181,321	\$	314,263	\$	495,584
	246,266				246,266
	28,927				28,927
	3,175				3,175
	(90,731)				(90,731)
-	\$ 368,958	\$	314,263	\$	683,221

COMPONENT UNITS

Accounts receivable	\$ 743,212
Other receivables	483,286
Allowance for uncollectibles	(235,261)
Receivables, net	\$ 991,237
Other loans & notes receivable	\$ 3,198,040
Allowance for uncollectibles	(118,752)
Other loans & notes receivable, net	\$ 3,079,288

"Accounts payable and other liabilities" and "Accounts payable and accrued liabilities," as presented on the Government-wide Statement of Net Assets and the applicable balance sheets and statements of net assets in the fund financial statements, consist of the following (in thousands):

GOVERNMENTAL ACTIVITIES

		General Fund	F	Environment, Recreation and Conservation		Health and Family Services	Tra	ansportation		Public Education
Accounts payable	\$	566,053	\$	27,354	\$	1,088,022	\$	275,761	\$	4,689
Construction contracts								184,651		
Claims payable		2,527								
Accrued salaries & wages		67,834				35,155		15,209		210
Deposits payable		422		417				1,602		10,256
Due to Federal government		2		101		8,147				
Due to other governmental units		2,500		5,291		4,062				
Accrued interest										
Other payables		7,558								
Accounts payable and										
other liabilities	\$	646,896	\$	33,163	\$	1,135,386	\$	477,223	\$	15,155
								(0	Con	tinued below)
		Tax			L	awton Chiles		Nonmaior		Total
	Co	Tax llection and		Employment		Lawton Chiles Endowment		Nonmajor	G	Total overnmental
				Employment Services				,	G	
Accounts payable		llection and ministration	\$			Endowment Fund		overnmental Funds	G 	overnmental Funds
Accounts payable Construction contracts	Adı	llection and	\$	Services		Endowment	Go	Funds 113,621		overnmental Funds 2,198,777
Construction contracts	Adı	llection and ministration 21,243	\$	Services 45,197		Endowment Fund 56,837	Go	overnmental Funds		overnmental Funds 2,198,777 186,673
. ,	Adı	llection and ministration 21,243	\$	<u>Services</u> 45,197		Endowment Fund 56,837	Go	runds 113,621 2,022		overnmental Funds 2,198,777
Construction contracts Claims payable Accrued salaries & wages	Adı	llection and ministration 21,243	\$	Services 45,197		Endowment Fund 56,837 	Go	Funds 113,621 2,022		overnmental Funds 2,198,777 186,673 2,527
Construction contracts Claims payable	Adı	21,243 20	\$	Services 45,197 641		Endowment Fund 56,837	Go	113,621 2,022 9,048		overnmental Funds 2,198,777 186,673 2,527 128,117
Construction contracts Claims payable Accrued salaries & wages Deposits payable	Adı	llection and ministration 21,243 20	\$	Services 45,197 641		Endowment Fund 56,837	Go	113,621 2,022 9,048 183		overnmental Funds 2,198,777 186,673 2,527 128,117 12,880
Construction contracts Claims payable Accrued salaries & wages Deposits payable Due to Federal government	Adı	21,243 20	\$	Services 45,197 641		Endowment Fund 56,837	Go	113,621 2,022 9,048 183 1,060		overnmental Funds 2,198,777 186,673 2,527 128,117 12,880 9,310
Construction contracts Claims payable Accrued salaries & wages Deposits payable Due to Federal government Due to other governmental units	Adı	21,243 20 121,927	\$	Services 45,197 641		Endowment Fund 56,837	Go	113,621 2,022 9,048 183 1,060 20,831		overnmental Funds 2,198,777 186,673 2,527 128,117 12,880 9,310 154,611
Construction contracts Claims payable Accrued salaries & wages Deposits payable Due to Federal government Due to other governmental units Accrued Interest	Adı	21,243 20 121,927	\$	Services 45,197 641		Endowment Fund 56,837	Go	113,621 2,022 9,048 183 1,060 20,831 154		overnmental Funds 2,198,777 186,673 2,527 128,117 12,880 9,310 154,611 160
Construction contracts Claims payable Accrued salaries & wages Deposits payable Due to Federal government Due to other governmental units Accrued Interest Other payables	Adı	21,243 20 121,927	\$	Services 45,197 641		Endowment Fund 56,837	Go	113,621 2,022 9,048 183 1,060 20,831 154		overnmental Funds 2,198,777 186,673 2,527 128,117 12,880 9,310 154,611 160

(Continued below)

		Internal Service Funds	G	overnment-wide Reconciling Balances	G	Total overnmental Activities
Accounts payable	\$	27.923	\$	194.300	\$	2,421,000
Construction contracts	Ψ	21,020	Ψ		۳	186,673
Claims payable						2,527
Accrued salaries & wages		2,976				131,093
Deposits payable						12,880
Due to Federal government						9,310
Due to other governmental units		8				154,619
Accrued Interest		5,986		39,492		45,638
Other payables						13,710
Accounts payable and						
other liabilities	\$	36,893	\$	233,792	\$	2,977,450

BUSINESS-TYPE ACTIVITIES

other liabilities	\$	33,065	\$ 19,575	\$ 19,263	\$ 39,973	\$ 6,156
Accounts payable and						
Due to other governmental units				2,341		
Deposits payable		525	2,282			
Accrued salaries & wages						2,102
Construction contracts		32,371				
Accounts payable	\$	169	\$ 17,293	\$ 16,922	\$ 39,973	\$ 4,054
	Tran	sportation	Lottery	nemployment ompensation	State Board Administration	lonmajor nterprise Funds

(Continued below)

	Total Enterprise Funds	G	overnment-wide Reconciling Balances	E	Total Business-type Activities
Accounts payable	\$ 78,411	\$	5	\$	78,416
Construction contracts	32,371				32,371
Accrued salaries & wages	2,102				2,102
Deposits payable	2,807				2,807
Due to other governmental units	2,341				2,341
Accounts payable and other liabilities	\$ 118,032	\$	5	\$	118,037

NOTE 4 - TAXES AND OTHER REVENUE

A. Taxes

Florida levies neither a personal income tax nor an ad valorem tax on real or tangible personal property. Taxes are, however, the principal sources of financing State operations. A schedule of tax revenues by major tax type for each applicable major governmental fund, and for nonmajor governmental funds in the aggregate, is presented below (in thousands):

	General Fund	Health and Family Services	Public Education	Tax Collection and Administration	Employment Services	Nonmajor Governmental Funds	Total
Sales and use tax	\$ 17,128,515	\$	\$	\$	\$	\$	\$ 17,128,515
Fuel taxes:							
Motor fuel tax				1,966,203			1,966,203
Pollutant tax				246,244			246,244
Aviation fuel tax				55,474			55,474
Solid minerals severance tax				42,978			42,978
Oil and gas production tax				5,673			5,673
Total fuel taxes				2,316,572			2,316,572
Corporate income tax	1,441,338						1,441,338
Documentary stamp tax				2,613,194			2,613,194
Intangible personal property tax				860,046			860,046
Communications service tax	861,976		388,232				1,250,208
Estate tax	386,767						386,767
Gross receipts utilities tax			454,415	7,757			462,172
Beverage and tobacco taxes:							
Alcoholic beverage tax	568,574					23,108	591,682
Cigarette tax				421,665			421,665
Smokeless tobacco tax	27,695						27,695
Total beverage and tobacco taxes	596,269			421,665		23,108	1,041,042
Other taxes:	100.050			577.077		00.040	744.445
Insurance premium tax	100,056			577,277		33,812	711,145
Workers' compensation					004.044		004.044
special disability tax		201.054	•••••		321,011		321,011
Hospital public assistance tax Citrus excise tax		301,054				48,641	301,054 48,641
Pari-Mutuel wagering tax	829					25,918	26,747
Other				3,596		562	4,158
Total other taxes	100,885	301,054		580,873	321,011	108,933	1,412,756
Total	\$ 20,515,750	\$301,054	\$842,647	\$ 6,800,107	\$ 321,011	\$ 132,041	\$28,912,610

B. Other Revenue

Other revenue recorded in governmental funds include revenue not classified as taxes, licenses and permits, fees and charges, grants and donations, investment earnings, or fines, forfeits, settlements and judgments. During the fiscal year ended June 30, 2004, other revenue recorded in the General Fund includes transfers from the Florida Housing Finance Corporation, a discretely presented component unit, in the amount of \$120.8 million. The transfers were mandated by the 2003 General Appropriations Act.

NOTE 5 - CAPITAL ASSETS

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

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

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

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

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

Depreciation expense charged to functions of governmental activities for the year ended June 30, 2004, is as follows (in thousands):

General government	\$ 62,607
Education	7,921
Human services	38,410
Criminal justice and corrections	133,666
Natural resources & environment	52,245
Transportation	45,166
State courts	 2,278
Total depreciation expense (governmental activities)	\$ 342,293

Primary government capital asset activities for the fiscal year ended June 30, 2004, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES

	Balance						Balance
	7/1/2003	Α	djustments	Increases	D	ecreases	6/30/2004
Capital assets, not being depreciated:							
Land and other nondepreciable assets	\$ 12,031,107	\$	(48,749)	\$ 666,785	\$	12,965	12,636,178
Infrastructure and infrastructure							
improvements - nondepreciable	24,224,258		(605,705)	1,348,367		96,095	24,870,825
Construction work in progress	4,727,396		649,780	86,316		37,659	5,425,833
Total capital assets, not being depreciated	40,982,761		(4,674)	2,101,468		146,719	42,932,836
Capital assets, being depreciated:							
Buildings and building improvements	3,324,348		34,862	210,137		186,235	3,383,112
Infrastructure and infrastructure improvements	282,768		27,885	14,343		674	324,322
Leasehold improvements	268			1			269
Property under capital lease	209,604			595			210,199
Furniture and equipment	1,678,473		(4,245)	145,046		129,919	1,689,355
Works of art and historical treasures	1,377					6	1,371
Library resources	24,546		1	1,652		249	25,950
Other	40,022		1,014	5,456		1,585	44,907
Total capital assets, being depreciated	5,561,406		59,517	377,230		318,668	5,679,485
Less accumulated depreciation for:							
Buildings and building improvements	1,263,053		1,487	148,676		72,951	1,340,265
Infrastructure and infrastructure improvements	116,117		995	12,998		1,191	128,919
Property under capital lease	22,638		(1,957)	13,694		7	34,368
Furniture and equipment	1,097,614		(6,682)	164,094		121,029	1,133,997
Works of art and historical treasures	421			34		6	449
Library resources	7,621			636		6	8,251
Other	26,699		227	2,161		1,339	27,748
Total accumulated depreciation	2,534,163		(5,930)	342,293		196,529	2,673,997
Total capital assets, being depreciated, net	3,027,243		65,447	34,937		122,139	3,005,488
Governmental activities capital assets, net	\$ 44,010,004	\$	60,773	\$ 2,136,405	\$	268,858	\$ 45,938,324

BUSINESS-TYPE ACTIVITIES

	 Balance 7/1/2003	,	Adjustments	Increases	De	ecreases	(Balance 6/30/2004
Capital assets, not being depreciated:								_
Land and other nondepreciable assets Infrastructure and infrastructure	\$ 768,538	\$		\$ 14,861	\$	3	\$	783,396
improvements - nondepreciable	2,967,485		77,697	108,843				3,154,025
·	, ,		,	,				
Construction work in progress	 945,597		(79,941)	137,462				1,003,118
Total capital assets, not being depreciated	 4,681,620		(2,244)	261,166		3		4,940,539
Capital assets, being depreciated:								
Buildings and building improvements	199,156		2,054	437		101		201,546
Infrastructure and infrastructure improvements	41		,					41
Furniture and equipment	110,175		(5,556)	8.080		3,621		109,078
Library resources	3		1					4
Other	172		51	645				868
Total capital assets, being depreciated	309,547		(3,450)	9,162		3,722		311,537
Less accumulated depreciation for:								
Buildings and building improvements	66,115		(35)	6,246		83		72,243
Infrastructure and infrastructure improvements	33			1				34
Furniture and equipment	63,619		(6,398)	13,973		3,128		68,066
Library resources	3		, ,	•		•		3
Other	19		54	55				128
Total accumulated depreciation	 129,789		(6,379)	20,275		3,211		140,474
Total accumulated depreciation	 129,709		(0,373)	20,275		3,211		140,474
Total capital assets, being depreciated, net	 179,758		2,929	(11,113)		511		171,063
Business-type activities capital assets, net	\$ 4,861,378	\$	685	\$ 250,053	\$	514	\$	5,111,602

Component units' capital asset activities for the fiscal year ended June 30, 2004, are as follows (in thousands):

COMPONENT UNITS

	Balance						Balance
	7/1/2003	Ad	ljustments	Increases	D	ecreases	6/30/2004
Capital assets, not being depreciated:							
Land and other non-depreciable assets	\$ 3,300,950	\$	(1,840)	\$ 425,057	\$	9,621	\$ 3,714,546
Construction work in progress	980,651		(614,572)	774,302		107,126	1,033,255
Total capital assets, not being depreciated	4,281,601		(616,412)	1,199,359		116,747	4,747,801
Capital assets, being depreciated:							
Buildings and building improvements	7,424,580		301,675	379,436		40,228	8,065,463
Infrastructure and infrastructure improvements	874,450		52,787	18,977		1,027	945,187
Leasehold improvements	94,293		67,299	3,501		615	164,478
Property under capital lease	159,781		34,402	45,312		30,049	209,446
Furniture and equipment	2,399,909		(8,825)	282,366		139,001	2,534,449
Works of art and historical treasures	596		199	111		145	761
Library resources	587,288			39,545		1,960	624,873
Other	71,294		6,485	46,201		1,726	122,254
Total capital assets, being depreciated	11,612,191		454,022	815,449		214,751	12,666,911
Less accumulated depreciation for:							
Buildings and building improvements	2,352,063		20,323	229,090		16,037	2,585,439
Infrastructure and infrastructure improvements	343,349		898	31,106		1,183	374,170
Leasehold improvements	29,977		300	5,031		560	34,748
Property under capital lease	18,319		3,947	6,812		1,281	27,797
Furniture and equipment	1,544,397		(40)	232,455		102,007	1,674,805
Works of art and historical treasures	130		(5)	55			180
Library resources	371,118		137	33,020		1,933	402,342
Other	35,651		3,039	7,155		782	45,063
Total accumulated depreciation	4,695,004		28,599	544,724		123,783	5,144,544
Total capital assets, being depreciated, net	6,917,187		425,423	270,725		90,968	7,522,367
Component units capital assets, net	\$ 11,198,788	\$	(190,989)	\$ 1,470,084	\$	207,715	\$ 12,270,168

NOTE 6 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

There are five general classes of membership as follows:

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

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

- Regular Class, Senior Management Service Class, and Elected Officers' Class Members Six or more years of creditable service and age 62. Thirty years of creditable service regardless of age.
- Special Risk (Including Administrative Support Class) Six or more years of Special Risk Class service and age 55. Twenty-five total years special risk service and age 52.

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

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

The Deferred Retirement Option Program (DROP) was established, effective July 1, 1998, subject to provisions of Section 121.091(13), F.S. It permits eligible defined benefit plan employees who have reached their normal retirement date to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a maximum of 60 months after becoming eligible to participate. Additionally, authorized instructional personnel may participate in the DROP for a maximum of 96 months. During the period of DROP participation, deferred monthly benefits remain in the FRS Pension Trust Fund and accrue interest. As of June 30, 2004, the FRS Pension Trust Fund projected \$1,605,005,648 accumulated benefits and interest for 29,751 current and prior participants in the DROP.

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

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

Normal retirement benefits under the Public Employee Optional Retirement Program (FRS Investment Plan) are based upon the value of the member's account upon retirement. The employer pays a contribution as a percentage of salary that is deposited into the individual member's account. The investment of this account is directed by the member from investment options offered under the plan. After termination, the member may rollover invested funds to another qualified plan, structure a periodic payment under the Investment Plan, take a lump-sum payment, or leave the funds invested for future distribution. Disability coverage is provided; the member may either transfer the account value to the FRS Pension Plan when approved for disability retirement in order to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or choose to remain in the FRS Investment Plan and rely upon that account balance for retirement income.

All participating employers must comply with statutory contribution requirements. Except in those instances where employees have elected to remain in pre-existing plans, employees make no required contributions. Statutes require that any unfunded actuarial liability (UAL) be amortized within a 30-fiscal year period. The balance of legally required reserves for all defined benefit pension plans at June 30, 2004, was \$100,950,714,000. Of this amount, \$100,935,934,214 was attributable to the FRS and was reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan. Section 121.031(3), F.S., requires an annual actuarial review of the FRS, which is provided to the Legislature as guidance for funding decisions.

FRS Retirement Contribution Rates:

	Normal Cost Rates Recommended						
	by Actuarial Review	7/1/03					
	as of 7/1/02 for	Statutory					
	Fiscal Year	Rates*					
Membership Class	2003-2004	(Ch. 121, F.S.)					
Regular	9.96%	6.28%					
Senior Management Service	11.59%	8.26%					
Special Risk	22.15%	17.42%					
Special Risk Administrative Support	12.58%	8.81%					
Judges	20.70%	17.54%					
Legislators/Attorneys/Cabinet	15.48%	11.38%					
Elected Officers	17.81%	14.12%					
Deferred Retirement Option							
Program - applicable to							
members from all of the							
above classes or plans	11.56%	8.00%					

^{*} All rates are reduced by a variable offset by class for rate increases due to actuarial experience, a reduction of employer contribution rates, and a 0.10% offset of the FRS Investment Plan administration and education fee.

FRS Participating Employers:

Employer Types	06/30/04
State Agencies	52
County Agencies	397
District School Boards	67
Community Colleges	28
Cities	141 *
Special Districts	166 *
Hospitals	4 *
Other	11
Total Participating Employers	866

^{*} These totals include the 48 cities, 3 independent hospitals, and 18 independent special districts that are closed to new FRS members as of January 1, 1996.

FRS Membership:

Member Types	Regular	Senior Management	Special Risk	Special Risk Administrative	Elected Officers	Total 6/30/2004
Active:						
Non-Vested	198,504	1,664	23,200	-	518	223,886
Vested	359,700	4,709	43,661	92	1,594	409,756
DROP Participants	25,223	326	2,921	22	171	28,663
Current Retirees						
and Beneficiaries	205,477	938	16,656	134	1,607	224,812
Vested Terminated	64,113	585	4,720	29	311	69,758
Total Members	853,017	8,222	91,158	277	4,201	956,875

Additional information about the FRS Pension Plan can be obtained from the Research and Education Section, Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, (850) 488-5706. The above counts do not reflect 1,665 FRS Investment Plan members who received a distribution from their accounts during fiscal year 2003-04.

A. Other Postemployment Benefits

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

The Retiree Health Insurance Subsidy (HIS) established by Section 112.363, F.S., is to assist retirees of any State-administered retirement systems in paying health insurance costs. For the fiscal year ended June 30, 2004, eligible retirees and beneficiaries received a monthly retiree health insurance subsidy payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments were at least \$30 but not more than \$150 per month pursuant to Section 112.363, F.S. To be eligible to receive the HIS, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which can include Medicare.

The HIS program is funded by required contributions from FRS participating employers. Employer contributions are a percentage of payroll for all active FRS employees and are added to the amount submitted for retirement contributions. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. For the fiscal year ended June 30, 2004, the contribution rate was 1.11 percent of payroll pursuant to Section 112.363, F.S. In the event contributions fail to provide subsidy benefits to all participants, the subsidy payments may be reduced or canceled. Additional information pertaining to the HIS is as follows:

	2002	2003	2004
	·		
HIS recipients as of 6/30	174,971	184,519	199,107
HIS contributions for FY ending 6/30	\$240,112,109	\$259,651,153	\$264,411,895
HIS payments for FY ending 6/30	\$217,326,138	\$228,813,187	\$248,291,392
HIS Trust Fund net assets at 6/30	\$101,282,614	\$134,039,453	\$151,391,522
HIS contribution rate	1.11%	1.11%	1.11%

B. State of Florida Participation

The State of Florida contributed as required to the FRS as part of a cost-sharing multiple-employer public-employee defined benefit pension plan. For the fiscal year ended June 30, 2004, the State's total covered payroll for its 138,706 State employee members plus 7,777 State DROP participants amounted to \$5,158,711,652 with actual and required employer contributions totaling \$436,290,894, or 8.46 percent. The State's contributions to the FRS for the fiscal years ending June 30, 2002, and June 30, 2003, were \$442,717,029 and \$371,649,565, 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 22.32 percent of the total contributions required of all participating employers.

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

C. State University System Optional Retirement Program (SUSORP)

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

The employing university contributed 10.43 percent of covered payroll for July 2003 through June 2004. When applicable, a portion of the total contribution is transferred to the FRS Trust Fund to help amortize any unfunded actuarial liability (UAL). There was no UAL for fiscal year 2003-04. The required 0.01 percent was applied to the administration of the SUSORP program and the remainder (10.42 percent) was paid to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the university. Additional information pertaining to the SUSORP is as follows:

Members 14,903 Payroll \$ 925,284,506

Contributions:

Employee \$ 50,658,254 5.47% of payroll Employer \$ 97,162,428 10.50% of payroll

D. Senior Management Service Optional Annuity Program (SMSOAP)

Section 121.055, Florida Statutes, created the SMSOAP as an optional retirement program for State members of the Senior Management Service Class. The SMSOAP is a defined contribution plan that provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed to provide retirement and death benefits. Employees in eligible State positions may make an irrevocable election to participate in the SMSOAP in lieu of the Senior Management Service Class. Employers contributed 13.97 percent of covered payroll for July 2003 through June 2004. When applicable, a portion of the total contribution is transferred to the FRS Trust Fund to help amortize the unfunded actuarial liability (UAL). There was no UAL this fiscal year and 13.97 percent was paid to the provider companies designated by the participant. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the employer. Additional information pertaining to the SMSOAP is as follows:

Members 77 Payroll \$ 7,588,594

Contributions:

Employee \$ 112,909 1.49% of payroll Employer \$ 1,059,798 13.97% of payroll

NOTE 7 - COMMITMENTS AND OPERATING LEASES

A. Construction Commitments

Road and bridge construction projects, supervised by the Department of Transportation, are included in the Department of Transportation work program, which is updated during each budget cycle. As of June 30, 2004, the Department had available approximately \$5.8 billion in budget authority committed on executed contracts arising from both current and prior year projects. Other major construction commitments of the State of Florida at June 30, 2004, totaled \$180.1 million. Additional disclosures on construction in progress are included in the capital assets note (Note 5). Construction commitments for component units totaled \$1.3 billion.

B. Florida Ports Financing Commission Revenue Bonds

The State has enacted legislation obligating it to remit annually \$25 million to a designated trustee for the purpose of repaying the debt on certain Florida Ports Financing Commission revenue bonds. The Florida Ports Financing Commission is not part of the State's reporting entity. These revenue bonds do not create or constitute a legal obligation or debt of the State. Funding for the annual remittance comes from the State of Florida, Department of Transportation's portion of motor vehicle registration fees, which was \$461,194,212 for the fiscal year ended June 30, 2004. Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2004, amounted to \$325,211,394, including Series 1996 bonds payable of \$190,130,575, and Series 1999 bonds payable of \$135,080,819.

C. Operating Leases

Operating leases are not recorded on the statements of net assets; however, operating lease payments are recorded as expenses when incurred. Total operating lease payments for the State's governmental activities, business-type activities, and component units were \$153 million, \$16.3 million, and \$39.5 million, respectively, for the year ended June 30, 2004. The following is a schedule of future noncancelable operating lease payments for the primary government and component units at June 30, 2004 (in thousands):

	Primary Government								
Year Ending	Gov	/ernmental	Bus	siness-type	Component				
June 30		Activities		Activities	Units				
2005	\$	129,820	\$	16,929	\$	34,161			
2006		103,657		13,925		25,685			
2007		87,317		11,140		19,198			
2008		69,067		8,258		15,800			
2009		62,709		6,930		10,284			
2010-2014		68,372		13,010		29,312			
2015-2019		17,882		12,366		26,962			
2020-2024		11,654		12,366		24,425			
2025-2029		12,411		12,366		20,055			
2030-2034		13,638		12,366		11,296			
2035-2039						1,000			
2040-2044						1,000			
2045-2049						1,000			
2050-2054						600			
Total	\$	576,527	\$	119,656	\$	220,778			

NOTE 8 - BONDS PAYABLE

A. Outstanding Bonds

Bonds payable at June 30, 2004, are as follows (in thousands):

Bond Type	Original Amount		Amount Outstanding		Interest Rates	Annual Maturity To
Governmental Activities						
Road and Bridge Bonds	\$	1,985,600	\$	1,661,800	3.000%-6.500%	2033
SBE Capital Outlay Bonds	·	1,184,975	·	893,675	3.000%-6.000%	2023
Lottery Education Bonds		2,248,945		1,969,905	2.250%-6.250%	2023
Public Education Bonds		11,149,692		8,599,785	3.000%-9.125%	2033
Conservation and Recreation Lands Bonds		32,670		19,145	5.000%-5.375%	2012
Save Our Coast Bonds		149,960		115,770	3.000%-5.250%	2012
Preservation 2000 Bonds		2,387,855		1,548,390	4.000%-6.000%	2013
Florida Forever Bonds		1,205,760		1,161,420	3.000%-6.000%	2023
Pollution Control Bonds		60,000		14,475	5.600%-5.600%	2009
Water Pollution Control Bonds		139,775		128,285	2.000%-5.550%	2023
Florida Facilities Pool Bonds		393,505		358,070	2.625%-6.750%	2030
		20,938,737		16,470,720		
Unamortized premiums (discounts) on bonds payable				281,187		
Amount deferred on refunding				(65,003)		
Total bonds payable	\$	20,938,737	\$	16,686,904		
Statement of Net Assets Presentation:						
Bonds payable (current)			\$	652,040		
Bonds payable (noncurrent)				16,034,864		
Total bonds payable			\$	16,686,904		
Business-type Activities						
Toll Facilities Bonds	\$	2,328,380	\$	2,158,755	2.375%-6.500%	2033
Less payable from restricted assets	·			(63,480)		
Unamortized premiums (discounts) on bonds payable				37,587		
Amount deferred on refunding				(34,112)		
Total bonds payable	\$	2,328,380	\$	2,098,750		
Statement of Net Assets Presentation:						
Bonds payable (current)			\$	63,480		
Bonds payable (noncurrent)			•	2,098,750		
Total bonds payable			\$	2,162,230		

B. Types of Bonds

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

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

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

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

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

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

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

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

Pollution Control Bonds are issued to make funds available for local government acquisition and construction of pollution control facilities. The bonds are to be serviced by revenues pledged by the local governments, and the full faith and credit of the State is pledged as additional security. The bonds mature serially. This amount includes \$14,390,000 that has been escrowed by local governments.

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

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

Toll Facilities Bonds are issued to provide construction funds for roads and bridges. Toll bonds are secured by a pledge of toll facility revenues.

C. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2004, are as follows (in thousands):

	Primary Government								
Year Ending	Gove	ernmental Activ	/ities	Busi	/ities				
June 30	Principal	Interest	Total	Principal	Interest	Total			
2005	\$ 652,040	\$ 837,500	\$ 1,489,540	\$ 63,480	\$ 109,650	\$ 173,130			
2006	691,010	804,152	1,495,162	66,890	106,476	173,366			
2007	746,185	768,234	1,514,419	70,370	103,001	173,371			
2008	777,615	730,122	1,507,737	74,075	99,319	173,394			
2009	812,615	691,152	1,503,767	77,895	95,524	173,419			
2010-2014	4,249,135	2,797,354	7,046,489	438,885	415,001	853,886			
2015-2019	3,516,275	1,785,659	5,301,934	553,835	291,501	845,336			
2020-2024	3,150,980	917,975	4,068,955	506,995	151,353	658,348			
2025-2029	1,396,895	297,672	1,694,567	257,980	41,450	299,430			
2030-2034	477,970	51,500	529,470	48,350	5,948	54,298			
Bonds payable and interest	16,470,720	9,681,320	26,152,040	2,158,755	1,419,223	3,577,978			
Unamortized premiums (discounts)	281,187		281,187	37,587		37,587			
(Amount deferred or refunded)	(65,003)		(65,003)	(34,112)		(34,112)			
Total bonds payable and interest	\$ 16,686,904	\$9,681,320	\$ 26,368,224	\$ 2,162,230	\$1,419,223	\$ 3,581,453			

Year Ending	Component Units							
June 30		Principal	Interest		Total			
2005	\$	311,211	\$ 416,024	\$	727,235			
2006		188,076	231,666		419,742			
2007		225,562	228,186		453,748			
2008		208,996	217,048		426,044			
2009		442,822	237,831		680,653			
2010-2014		805,364	388,969		1,194,333			
2015-2019		750,048	284,079		1,034,127			
2020-2024		808,618	200,883		1,009,501			
2025-2029		867,904	78,227		946,131			
2030-2034		629,506	14,322		643,828			
2035-2039		164,374	1,922		166,296			
Bonds payable and interest		5,402,481	2,299,157		7,701,638			
Unamortized premiums (discounts)		(3,320)			(3,320)			
(Amount deferred or refunded)		(2,967)			(2,967)			
Total bonds payable and interest	\$	5,396,194	\$2,299,157	\$	7,695,351			

D. Current Refundings and Advance Refundings

During the fiscal year ended June 30, 2004, the State took advantage of favorable conditions and issued bonds for the purpose of refunding previously issued bonds. The refundings of these bond series were made in order to obtain lower interest rates and the resulting savings in debt service payments over the life of the bonds. The economic gains obtained by these refundings are the differences between the present value of old debt service and new debt service requirements.

The proceeds of the current refundings are used to immediately call the refunded bonds. The proceeds of the advance refundings were deposited into irrevocable trusts and invested in direct obligations of the Federal government and/or obligations guaranteed by the Federal government. The funds deposited along with the interest to be earned will be sufficient to meet the future principal and interest payments on the refunded bonds as they become due. There were no advance refundings during the fiscal year ended June 30, 2004.

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

Current Refundings

Governmental Activities

State of Florida, Department of Environmental Protection Florida Forever Refunding Revenue Bonds, Series 2003B in the amount of \$157,140,000 were used to refund \$171,900,000 of the State of Florida Department of Environmental Protection Preservation 2000 Revenue Bonds, Series 1994A maturing in the years 2005 through 2013. The refunding resulted in debt savings of \$18,221,208.47, an economic gain of \$15,909,957 and a deferred loss on refunding of \$3,756,617.

E. In-substance Defeasance

During the fiscal year ended June 30, 2004, the State of Florida or other local governments used available resources to complete the following in-substance defeasance. Funds other than the State of Florida bond proceeds are used to establish irrevocable escrow accounts to satisfy scheduled principal and interest payments on the bonds considered defeased.

Governmental Activities

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

State of Florida, Full Faith and Credit Jacksonville Transportation Authority Senior Lien Refunding Bonds, Series 1992A in the amount of \$44,985,000, maturing July 2004 through July 2020.

F. Prior-year Defeased Bonds

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

	Principal at
	6/30/2004
Governmental Activities	
Road and Bridge Bonds	\$ 133,150
SBE Higher Education Bonds	51,945
Public Education Capital Outlay Bonds	714,290
Inland Protection Bonds	3,675
Pollution Control Bonds	23,440
Florida Facilities Pool Bonds	11,010
Preservation 2000 Bonds	 169,700
Total	\$ 1,107,210
Business-type Activities	
Toll Facilities	\$ 148,040
Component Units	
University Certificates	\$ 3,089

G. Arbitrage Regulations

The State of Florida complies with Federal arbitrage regulations.

H. Direct Interest

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

Governmental Activities	Bond Type	Ī	nterest
Education	SBE Capital Outlay Bonds	\$	44,719
Education	Lottery Education Bonds		95,087
Education	Public Education Bonds		430,096
Total Education			569,902
Natural Resources and Environment	Conservation and Recreation Lands Bonds		1,092
Natural Resources and Environment	Pollution Control Bonds		1,012
Natural Resources and Environment	Water Pollution Control Bonds		5,195
Natural Resources and Environment	Save Our Coast Bonds		4,676
Natural Resources and Environment	Florida Forever Bonds		41,392
Natural Resources and Environment	Preservation 2000 Bonds		97,393
Total Natural Resources and Environment			150,760
Transportation	Road and Bridge Bonds		66,907
Total Direct Interest		\$	787,569

NOTE 9 - INSTALLMENT PURCHASES, CAPITAL LEASES, AND CERTIFICATES OF PARTICIPATION

A. Installment Purchases and Capital Leases

The State has a number of installment purchase contracts providing for the acquisition of buildings, furniture, and equipment. At June 30, 2004, installment purchase contracts for governmental activities and component units were primarily for furniture and equipment. Installment purchase contracts for business-type activities were primarily for buildings. The following is a schedule of future minimum installment purchase contract payments for the primary government and component units at June 30, 2004 (in thousands):

		Primary Go	nent					
Year Ending	Go	vernmental	Bus	iness-type	Componen			
June 30		Activities		ctivities	Units			
2005	\$	10,110	\$	92	\$	6,070		
2006		8,262				4,555		
2007		6,677				1,186		
2008	6,532					341		
2009		2,583				59		
2010-2014		82						
Total		34,246		92		12,211		
Less: Interest		(1,798)		(2)		(399)		
Present value of future								
minimum payments	\$	32,448	\$	90	\$	11,812		

The State has a number of capital leases providing for the acquisition of buildings, furniture, and equipment. At June 30, 2004, 96 percent of the State's capital leases for governmental activities were for buildings, with the remainder for furniture and equipment. Capital leases for business-type activities were primarily for furniture and equipment. Capital leases for component units consisted of 71 percent for furniture and equipment and the remainder primarily for buildings. The following is a schedule of future minimum capital lease payments for the primary government and component units at June 30, 2004 (in thousands):

		Primary Go	ent					
Year Ending	Gov	ernmental	Busin	ness-type	C	omponent		
June 30	Activities		Ac	tivities	Units			
2005	\$	12,881	\$	221	\$	23,655		
2006		15,301		221		19,818		
2007		15,407				17,236		
2008		15,506				13,642		
2009		15,624				14,437		
2010-2014		80,070				49,792		
2015-2019		43,563				44,424		
2020-2024						42,195		
2025-2029						37,058		
2030-2034						19,305		
Total		198,352		442		281,562		
Less: Interest		(49,794)		(18)		(109,507)		
Present value of future								
minimum payments	\$	148,558	\$	424	\$	172,055		

Reconciliation to the Statement of Net Assets (in thousands)

Present value of future minimum payments (per note):		vernmental Activities	ess-type tivities	Component Units		
Installment purchase contracts	\$	32,448	\$ 90	\$	11,812	
Capital leases		148,558	424		172,055	
Total present value of future minimum						
payments (per note)	\$	181,006	\$ 514	\$	183,867	
Amounts reported on Statement of Net Assets:						
Installment purchases/capital leases - current	\$	16,063	\$ 302	\$	19,750	
Installment purchases/capital leases - noncurrent		164,943	212		164,117	
Total amounts reported on Statement of Net Assets	\$	181,006	\$ 514	\$	183,867	

B. Certificates of Participation

The State has issued certificates of participation (original amount of \$107,385,000) to finance privately operated detention facilities. The certificates of participation's interest rates range from 4.000% to 5.375% and the last maturity is during the fiscal year ending June 30, 2018. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2004 (in thousands):

Year Ending				
June 30	P	rincipal	Interest	Total
2005	\$	5,545	\$ 4,330	\$ 9,875
2006		5,820	4,082	9,902
2007		6,065	3,805	9,870
2008		6,375	3,487	9,862
2009		6,705	3,147	9,852
2010-2014		38,710	10,462	49,172
2015-2018		20,820	1,732	22,552
Total		90,040	31,045	121,085
Unamortized premiums (discounts)		2,275		2,275
(Amount deferred upon refunding)		(1,607)		(1,607)
Total certificates of participation payable	\$	90,708	\$ 31,045	\$ 121,753

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2004, are as follows (in thousands):

						Due Within
	Balance				Balance	One Year
	7/1/2003	Adjustments	Additions	Deletions	6/30/2004	(Current)
GOVERNMENTAL ACTIVITIES						
Bonds payable:						
Road and Bridge Bonds	\$ 1,443,765	\$	\$ 300,000	\$ 81,965	\$ 1,661,800	\$ 39,790
SBE Capital Outlay Bonds	896,955		44,630	47,910	893,675	50,220
Lottery Education Bonds	1,847,880		200,000	77,975	1,969,905	83,895
Public Education Bonds	8,226,315		600,000	226,530	8,599,785	240,075
Conservation and Recreation						
Lands Bonds	20,970			1,825	19,145	1,940
Save Our Coast Bonds	134,505			18,735	115,770	19,595
Preservation 2000 Bonds	1,883,310			334,920	1,548,390	154,755
Florida Forever Bonds	893,005		291,440	23,025	1,161,420	39,885
Pollution Control Bonds	18,075			3,600	14,475	3,840
Water Pollution Control Bonds	133,285			5,000	128,285	5,315
Florida Facilities Pool Bonds	373,145			15,075	358,070	12,730
•	15,871,210		1,436,070	836,560	16,470,720	652,040
Unamortized bond premiums				•		·
(discounts)	263,537		63,460	45,810	281,187	
Amounts deferred on refunding	(66,985)		(4,161)	(6,143)	(65,003)	
Total bonds payable	16,067,762		1,495,369	876,227	16,686,904	652,040
Certificates of participation payable	96,009			5,301	90,708	5,545
Deposits	208,472	(25,286)	66,981	62,413	187,754	25,977
Compensated absences	709,567	11,537	266,609	255,714	731,999	150,957
Claims payable	2,454,205		266,442	314,009	2,406,638	315,219
Installment purchases/capital leases	131,415		64,201	14,610	181,006	16,063
Due to other governments:						
Federal arbitrage liability	2,483			740	1,743	
Due to other governments	5,191		311		5,502	
Other Liabilities	2,000			500	1,500	
Total Governmental Activities	\$ 19,677,104	\$ (13,749)	\$ 2,159,913	\$1,529,514	\$ 20,293,754	\$ 1,165,801

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

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Changes in long-term liabilities for business-type activities during the fiscal year ended June 30, 2004, are as follows (in thousands):

	Balance 7/1/2003	Adj	ustments	F	Additions	Deletions	Balance 6/30/2004	С	ue Within one Year Current)
BUSINESS-TYPE ACTIVITIES									
Bonds payable Unamortized bond premiums	\$ 1,715,669	\$		\$	504,870	\$ 61,784	\$ 2,158,755	\$	63,480
(discounts)	23,547				22,879	8,839	37,587		
Amounts deferred on refunding	(41,923))				(7,811)	(34,112)		
Total bonds payable	1,697,293				527,749	62,812	2,162,230		63,480
Accrued prize liability	1,744,836				418,303	508,031	1,655,108		293,546
Deposits	451,430				10,100	7,059	454,471		11,038
Compensated absences	21,329				2,899	6,128	18,100		3,592
Installment purchases/capital leases	183				424	93	514		302
Due to other governments:									
Federal arbitrage liability	2,418					1,560	858		
Due to other governments	321						321		
Total Business-type Activities	\$ 3,917,810	\$		\$	959,475	\$ 585,683	\$ 4,291,602	\$	371,958
COMPONENT UNITS									
Bonds payable	\$ 5,039,908	\$	30,832	\$	761,978	\$ 436,524	\$ 5,396,194	\$	134,765
Deposits	3,259		5,755		75,310	13,188	71,136	\$	35,709
Compensated absences	460,254		4,086		81,175	60,584	484,931		46,690
Installment purchases/capital leases	188,684		(19,815)		65,748	50,750	183,867		19,750
Claims Payable	42,450		18,605		18,956	16,009	64,002		4,696
Certificates of participation	183,230		(50,326)			1,857	131,047		1,932
Other long-term liabilities	2,340,159		(72,581)		331,959	390,267	2,209,270		371,217
Total Component Units	\$ 8,257,944	\$	(83,444)	\$1	,335,126	\$ 969,179	\$ 8,540,447	\$	614,759

NOTE 11 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2004, amounts to be received or paid with current available resources are reported as due from or due to other funds, whereas the noncurrent portion is reported as advances to or advances from other funds. Interfund balances at June 30, 2004, consist of the following (in thousands):

	Due from Other Funds (in thousands)										
		Gove	rnmental Activitie	S							
		Environment,	Health and								
	General	Recreation and	Family		Public						
Due to Other Funds (in thousands)	Fund	Conservation	Services	Transportation	Education						
Governmental Activities				•							
General Fund	\$	\$ 827	\$ 57,123	\$ 31	\$ 183						
Environment, Recreation and Conservation	9,463		265	17							
Health and Family Services	2.727										
Transportation	337										
Public Education	22										
Tax Collection and Administration	136,505	47,081	1,578	161.670							
Employment Services	26,135		1,824		52						
Lawton Chiles Endowment Fund	,										
Nonmajor	16,856	2,032	7,135	24,350							
Internal Service Funds	235			1							
Business-type Activities											
Transportation				66,756							
Lottery			13	20	122,476						
Unemployment Compensation	138				,						
State Board of Administration											
Nonmajor	5,300		1,073								
Fiduciary Funds	,		,								
Private-purpose Trust Funds	57				2,534						
Pension and Other Employee											
Benefits Trust Funds	26										
Agency Funds	56,140	1	1,892		5,160						
Investment Trust Fund											
Total	\$ 253,941	\$ 49,941	\$ 70,903	\$ 252,845	\$ 130,405						

(Continued below)

	Due from Other Funds (in thousands)											
				Governmen	tal Ac	tivities						
	Tax	Collection						Internal				
		and	Employment					Service				
Due to Other Funds (in thousands)	Administration			Services	Nonmajor			Funds				
Governmental Activities												
General Fund	\$	14	\$	757	\$	36,690	\$	3,435				
Environment, Recreation and Conservation	•		,		•	125	•	2				
Health and Family Services		1,225				460		26,509				
Transportation		,				11		1,887				
Public Education				772		10,211		2,022				
Tax Collection and Administration						34,928		4				
Employment Services		1,129						659				
Lawton Chiles Endowment Fund		,										
Nonmajor		174		3		11,969		908				
Internal Service Funds						852		134				
Business-type Activities												
Transportation						6,700						
Lottery						9		5				
Unemployment Compensation												
State Board of Administration								1				
Nonmajor						597		34				
Fiduciary Funds												
Private-purpose Trust Funds												
Pension and Other Employee												
Benefits Trust Funds								448				
Agency Funds		2,578				4,085						
Investment Trust Fund												
Total	\$	5,120	\$	1,532	\$	106,637	\$	36,048				

(Continued next page)

Due to Other Funds (in thousands)		Due from Other Funds (in thousands)										
Due to Other Funds (in thousands) Transportation Unemployment (Administration Portage) Reader of Lind (Administration Portage) Administration Portage Administration Portage Administration Portage Administration Portage \$ 3,369						pe Activities						
Overnmental Activities Transportation Compensation Administration Nonajor General Fund \$ 1.443 \$ \$ 3.06 \$ \$ 3.06 \$ \$ 3.06 \$							State					
Governmental Activities				Unemploy	ment	E	Board of					
Seneral Fund	Due to Other Funds (in thousands)	Trai	nsportation	Compens	ation	Adn	ninistration	1	Nonmajor			
Seneral Fund	Governmental Activities											
Persistant Recreation and Conservation 90 60 60 60 60 60 60 60		\$		\$	1.443	\$		\$	3.369			
Transportation		*		*	, -	*		*				
Public Education 38	Health and Family Services				405							
Tax Collection and Administration Final Properties Final Propert	Transportation		90		69							
Employment Services	Public Education				38							
Monmajor 10 10 10 10 10 10 10 1	Tax Collection and Administration				7							
Nonmajor	Employment Services				79							
Desiron Desi	Lawton Chiles Endowment Fund						69					
Public	Nonmajor				328		8		29			
Transportation					17							
Dumployment Compensation												
State Board of Administration	Transportation											
State Board of Administration Nonmajor Nonmajo	•				12							
Fiduciary Funds Fiduciary Funds Private-purpose Trust Funds 5 2,795 5 6 5 6 7 1 2 2 3 3 2 1 3 9 9 1 3 2 1 1 2												
Fiduciary Funds Private-purpose Trust Funds												
Persion and Other Employee Benefits Trust Funds 311,105 2,795	•				34							
Pension and Other Employee Benefits Trust Funds 311,105 2,795												
Benefits Trust Funds Agency Funds (Investment Trust Fund (Investment Trust Fund) 311,105 (Investment Trust Fund) 2,795 (Investment Trust Fund) 311,105 (Investment Trust Fund) 311,105 (Investment Trust Fund) 2,827 (Investment Trust Fund) 3,339 (Investment Funds) 3,330 (Investment Funds) 3,3												
Agency Funds Investment Trust Fund Investment Investm												
Total 311,195 3,247 3,235 3,385 3												
Total (311,195 2,473 3,235 3,235 3,336 2,000	5 ,		311,105									
Trust Funds (in thousands) Trust Funds												
Purvate-purpose Purvate-pu	lotai	\$	311,195	\$	2,473	\$	3,235	\$	3,398			
Due to Other Funds (in thousands) Private-purpose Trust Funds Employee Benefits Trust Funds Agency Funds Total Governmental Activities \$ 1,237 \$ 3 \$ 21,188 \$ 126,300 Environment, Recreation and Conservation Health and Family Services				Due from Oth	ner Fund	s (in t	housands)					
Due to Other Funds (in thousands) Trust Funds Trust Funds Funds Total Governmental Activities 3 1,237 3 \$ 21,188 126,300 Environment, Recreation and Conservation				Fiduciary F	unds	s (in t	housands)					
Governmental Activities General Fund \$ 1,237 \$ 3 \$ 21,188 \$ 126,300 Environment, Recreation and Conservation		Priva	ate-purpose	Fiduciary F Pension and	unds d Other		,					
General Fund \$ 1,237 \$ 3 \$ 21,188 \$ 126,300 Environment, Recreation and Conservation	Due to Other Funds (in thousands)			Fiduciary F Pension and Employee E	unds d Other Benefits		Agency		Total			
Environment, Recreation and Conservation				Fiduciary F Pension and Employee E	unds d Other Benefits		Agency		Total			
Health and Family Services 132 31,458 Transportation 2,394 Public Education 13,065 Tax Collection and Administration 12,255 394,028 Employment Services 29,878 Lawton Chiles Endowment Fund 69 Nonmajor 63,792 Internal Service Funds 1,239 Business-type Activities 5 Transportation 5 73,461 Lottery 122,535 Unemployment Compensation 138 State Board of Administration 7 Nonmajor 7,038 Fiduciary Funds 7,038 Pension and Other Employee 2,591 Benefits Trust Funds 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities	<u>Tro</u>	ust Funds	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds	,	Agency Funds	•				
Transportation 2,394 Public Education 13,065 Tax Collection and Administration 12,255 394,028 Employment Services 29,878 Lawton Chiles Endowment Fund 69 Nonmajor 63,792 Internal Service Funds 1,239 Business-type Activities 7 Transportation 5 73,461 Lottery 122,535 Unemployment Compensation 138 State Board of Administration 7 Nonmajor 7 Fiduciary Funds 2,591 Private-purpose Trust Funds 2,591 Pension and Other Employee 20,838 Agency Funds 17,569 20,838 Investment Trust Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund	<u>Tro</u>	ust Funds 1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds	,	Agency Funds 21,188	\$	126,300			
Public Education 13,065 Tax Collection and Administration 12,255 394,028 Employment Services 29,878 Lawton Chiles Endowment Fund 69 Nonmajor 63,792 Internal Service Funds 1,239 Business-type Activities 7 Transportation 5 73,461 Lottery 122,535 Unemployment Compensation 138 State Board of Administration 7 Nonmajor 7,038 Fiduciary Funds 7,038 Private-purpose Trust Funds 2,591 Pension and Other Employee 20,838 Agency Funds 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	d Other Benefits nds	,	Agency Funds 21,188	\$	126,300 9,907			
Tax Collection and Administration 12,255 394,028 Employment Services 29,878 Lawton Chiles Endowment Fund 69 Nonmajor 63,792 Internal Service Funds 1,239 Business-type Activities 5 Transportation 5 73,461 Lottery 5 122,535 Unemployment Compensation 138 138 State Board of Administration 7 7 Nonmajor 7,038 7 Fiduciary Funds 2,591 Pension and Other Employee 2,591 Benefits Trust Funds 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services	<u>Tro</u>	1,237 	Fiduciary F Pension and Employee E Trust Fu	d Other Benefits nds	,	Agency Funds 21,188 	\$	126,300 9,907 31,458			
Employment Services 29,878 Lawton Chiles Endowment Fund 69 Nonmajor 63,792 Internal Service Funds 1,239 Business-type Activities 5 Transportation 5 73,461 Lottery 122,535 Unemployment Compensation 138 State Board of Administration 7 Nonmajor 7,038 Fiduciary Funds 2,591 Pension and Other Employee 2,591 Benefits Trust Funds 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation	<u>Tro</u>	1,237 	Fiduciary F Pension and Employee E Trust Fu	d Other Benefits nds	,	Agency Funds 21,188 132	\$	126,300 9,907 31,458 2,394			
Lawton Chiles Endowment Fund 69 Nonmajor 63,792 Internal Service Funds 1,239 Business-type Activities *** Transportation 5 73,461 Lottery 122,535 Unemployment Compensation 138 State Board of Administration 7 Nonmajor 7,038 Fiduciary Funds 2,591 Pension and Other Employee 2,591 Benefits Trust Funds 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education	<u>Tro</u>	1,237 	Fiduciary F Pension and Employee E Trust Fu	d Other Benefits nds	,	Agency Funds 21,188 132 	\$	126,300 9,907 31,458 2,394 13,065			
Nonmajor 63,792 Internal Service Funds 1,239 Business-type Activities *** Transportation 5 73,461 Lottery 122,535 Unemployment Compensation 138 State Board of Administration 7 Nonmajor 7,038 Fiduciary Funds 2,591 Pension and Other Employee 2,591 Benefits Trust Funds 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration	<u>Tro</u>	1,237 	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds	,	Agency Funds 21,188 132 12,255	\$	126,300 9,907 31,458 2,394 13,065 394,028			
Internal Service Funds 1,239 Business-type Activities 5 Transportation 5 73,461 Lottery 122,535 Unemployment Compensation 138 State Board of Administration 7 Nonmajor 7,038 Fiduciary Funds 2,591 Pension and Other Employee 2,591 Benefits Trust Funds 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services	<u>Tro</u>	1,237 	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds 3	,	Agency Funds 21,188 132 12,255	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878			
Business-type Activities Transportation 5 73,461 Lottery 122,535 Unemployment Compensation 138 State Board of Administration 7 Nonmajor 7,038 Fiduciary Funds 2,591 Persion and Other Employee 2,591 Benefits Trust Funds 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds 3	,	Agency Funds 21,188 132 12,255	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69			
Lottery 122,535 Unemployment Compensation 138 State Board of Administration 7 Nonmajor 7,038 Fiduciary Funds 2,591 Private-purpose Trust Funds 2,591 Pension and Other Employee 381,026 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds	,	Agency Funds 21,188 132 12,255	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792			
Unemployment Compensation 138 State Board of Administration 7 Nonmajor 7,038 Fiduciary Funds 2,591 Private-purpose Trust Funds 2,591 Pension and Other Employee 20,838 Agency Funds 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds	,	Agency Funds 21,188 132 12,255	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792			
State Board of Administration	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities	<u>Tro</u>	1,237 	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds	,	Agency Funds 21,188 132 12,255	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239			
Nonmajor 7,038 Fiduciary Funds 2,591 Private-purpose Trust Funds	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities Transportation	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds 3	,	Agency Funds 21,188 132 12,255 5	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239			
Fiduciary Funds 2,591 Private-purpose Trust Funds	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities Transportation Lottery	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds 3	,	Agency Funds 21,188 132 12,255 5	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239 73,461 122,535			
Private-purpose Trust Funds 2,591 Pension and Other Employee 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities Transportation Lottery Unemployment Compensation	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds 3	,	Agency Funds 21,188 132 12,255 5	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239 73,461 122,535 138			
Pension and Other Employee 17,569 20,838 Benefits Trust Funds 17,569 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities Transportation Lottery Unemployment Compensation State Board of Administration Nonmajor	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds 3	,	Agency Funds 21,188 132 12,255 5	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239 73,461 122,535 138 7			
Benefits Trust Funds 17,569 20,838 Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities Transportation Lottery Unemployment Compensation State Board of Administration Nonmajor Fiduciary Funds	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds 3	,	Agency Funds 21,188 132 12,255 5	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239 73,461 122,535 138 7			
Agency Funds 381,026 Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities Transportation Lottery Unemployment Compensation State Board of Administration Nonmajor Fiduciary Funds Private-purpose Trust Funds	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds 3	,	Agency Funds 21,188 132 12,255 5 5	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239 73,461 122,535 138 7			
Investment Trust Fund 298	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities Transportation Lottery Unemployment Compensation State Board of Administration Nonmajor Fiduciary Funds Private-purpose Trust Funds Pension and Other Employee	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds 3	,	Agency Funds 21,188 132 12,255 5 5	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239 73,461 122,535 138 7 7,038			
	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities Transportation Lottery Unemployment Compensation State Board of Administration Nonmajor Fiduciary Funds Private-purpose Trust Funds Pension and Other Employee Benefits Trust Funds	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits nds 3	,	Agency Funds 21,188 132 12,255 5	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239 73,461 122,535 138 7 7,038 2,591			
1 otal \$ 1,237 \$ 17,572 \$ 33,580 \$ 1,280,062	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities Transportation Lottery Unemployment Compensation State Board of Administration Nonmajor Fiduciary Funds Private-purpose Trust Funds Pension and Other Employee Benefits Trust Funds Agency Funds	<u>Tro</u>	1,237	Fiduciary F Pension and Employee E Trust Fu	3	,	Agency Funds 21,188 132 12,255 5 5	\$	126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239 73,461 122,535 138 7 7,038 2,591			
	Governmental Activities General Fund Environment, Recreation and Conservation Health and Family Services Transportation Public Education Tax Collection and Administration Employment Services Lawton Chiles Endowment Fund Nonmajor Internal Service Funds Business-type Activities Transportation Lottery Unemployment Compensation State Board of Administration Nonmajor Fiduciary Funds Private-purpose Trust Funds Pension and Other Employee Benefits Trust Funds Agency Funds Investment Trust Fund		1,237	Fiduciary F Pension and Employee E Trust Fu	unds d Other Benefits ands 3	\$	Agency Funds 21,188 132 12,255 5 5		126,300 9,907 31,458 2,394 13,065 394,028 29,878 69 63,792 1,239 73,461 122,535 138 7 7,038 2,591 20,838 381,026 298			

	Advances to Other Funds (in thousands)										
									Business-type Activities		
			Gov	ernme	ental	Activities					
			Heath	n and							
		General	Fan	nily							
Advances from Other Funds (in thousands)		Fund	Serv	ices	Tra	nsportation		Nonmajor	Tra	ansportation	
Governmental Activities											
General Fund	\$		\$		\$	100	\$	500	\$		
Environment, Recreation and Conservation		45				5,537					
Health and Family Services		1									
Transportation		10,000									
Public Education											
Tax Collection and Administration		7									
Nonmajor		664		326		3				500	
Internal Service Funds		2,003				800					
Business-type Activities											
Transportation						143,562		3,258			
Total	\$	12,720	\$	326	\$	150,002	\$	3,758	\$	500	

(Continued below)

	Advances to Other Funds (in thousands) Fiduciary Funds								
	Priva								
Advances from Other Funds (in thousands)	Tru	st Funds		Total					
Governmental Activities									
General Fund	\$		\$	600					
Environment, Recreation and Conservation				5,582					
Health and Family Services				1					
Transportation				10,000					
Public Education		159,484		159,484					
Tax Collection and Administration				7					
Nonmajor				1,493					
Internal Service Funds				2,803					
Business-type Activities									
Transportation				146,820					
Total	\$	159,484	\$	326,790					

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

		Transfers from	Other Funds (in t	thousands)	
		Gove	ernmental Activitie	es	
		Environment,	Health and		
	General	Recreation and	Family		Public
Transfers to Other Funds (in thousands)	Fund	Conservation	Services	Transportation	Education
Governmental Activities					
General Fund	\$	\$ 49,396	\$ 594,383	\$ 7	\$ 56,602
Environment, Recreation and Conservation	286,496		3,067		
Health and Family Services	17,235				64
Transportation	213,142		70		
Public Education	4,983				
Tax Collection and Administration	2,923,521	1,144,994	112,334	1,682,753	
Employment Services	36,519		11,385		4,523
Lawton Chiles Endowment Fund					
Nonmajor	168,776	36,874	67,326	705,350	114,309
Internal Service Funds	5,290	208	1	1,740	3
Business-type Activities					
Transportation				22,727	
Lottery	299		203		1,051,656
Unemployment Compensation	9,499				
State Board of Administration					
Nonmajor	129,980		4,680		5,249
Fiduciary Funds					
Private-purpose Trust Funds	11		137		159,481
Pension and Other Employee					
Benefits Trust Funds	1,395	1			
Total	\$ 3,797,146	\$ 1,231,473	\$ 793,586	\$ 2,412,577	\$ 1,391,887

(Continued below)

	Transfers from Other Funds (in thousands)									
	Governmental Activities									
	Tax	Collection						Internal		
		and	E	Employment				Service		
Transfers to Other Funds (in thousands)	Adm	inistration		Services		Nonmajor		Fund		
Governmental Activities										
General Fund	\$	17,158	\$	2,443	\$	407,475	\$	2,968		
Environment, Recreation and Conservation						378,808				
Health and Family Services		4,710		371,457		94,201				
Transportation		115				270,487				
Public Education				1,348		951,971				
Tax Collection and Administration						280,962				
Employment Services		17,547				19,174				
Lawton Chiles Endowment Fund						41,000				
Nonmajor						416,982		1,734		
Internal Service Funds						8,176				
Business-type Activities										
Transportation										
Lottery						137				
Unemployment Compensation				2,751						
State Board of Administration						10,000				
Nonmajor						6,653		776		
Fiduciary Funds										
Private-purpose Trust Funds						984		349		
Pension and Other Employee										
Benefits Trust Funds						99				
Total	\$	39,530	\$	377,999	\$	2,887,109	\$	5,827		

(Continued next page)

Transfers from Other Funds (in thousands)	
Business-type Activities	

Transfers to Other Funds (in thousands)	Transportation			Lottery	Unemployment Compensation		Nonmajor			
Governmental Activities		•		•						
General Fund	\$	348	\$		\$	3,607	\$	392		
Environment, Recreation and Conservation						173				
Health and Family Services						1,401				
Transportation		19,077				358				
Public Education						93				
Tax Collection and Administration						60				
Employment Services						876				
Lawton Chiles Endowment Fund										
Nonmajor		525				709		76		
Internal Service Funds				56		70		20		
Business-type Activities										
Transportation										
Lottery						185				
Unemployment Compensation										
State Board of Administration						6				
Nonmajor						192				
Fiduciary Funds										
Private-purpose Trust Funds						2				
Pension and Other Employee						_				
Benefits Trust Funds						15				
Total	\$	19,950	\$	56	\$	7,747	\$	488		

(Continued below)

		Transfers from Other Funds (in thousands)									
	Fiduciary Funds										
	Pension and Other										
	Private	-purpose	Empl	oyee Benefits							
Transfers to Other Funds (in thousands)	Trust	Funds	Tı	rust Funds	Total						
Governmental Activities											
General Fund	\$		\$	9,882 \$	1,144,661						
Environment, Recreation and Conservation					668,544						
Health and Family Services					489,068						
Transportation					503,249						
Public Education					958,395						
Tax Collection and Administration					6,144,624						
Employment Services					90,024						
Lawton Chiles Endowment Fund					41,000						
Nonmajor					1,512,661						
Internal Service Funds					15,564						
Business-type Activities											
Transportation					22,727						
Lottery		86			1,052,566						
Unemployment Compensation					12,250						
State Board of Administration					10,006						
Nonmajor					147,530						
Fiduciary Funds											
Private-purpose Trust Funds					160,964						
Pension and Other Employee											
Benefits Trust Funds				471,783	473,293						
Total	\$	86	\$	481,665 \$	13,447,126						

NOTE 12 - RISK MANAGEMENT

A. State Risk Management Trust Fund

The State Risk Management Trust Fund provides property insurance coverage for State buildings and contents against loss from fire, lightning, sinkholes, flood, and other hazards customarily insured by extended coverage and loss from the removal of personal property from such properties when endangered by covered perils. The property insurance program self-insures the first \$2 million per occurrence with an annual aggregate of \$5 million for all perils except windstorm and flood. The property insurance program self-insures the first \$2 million per occurrence with an annual aggregate of \$40 million for windstorm and flood. Commercial excess insurance is purchased for losses over the self-insured retention up to \$70 million for windstorm, \$50 million for flood losses, and \$200 million for fire, lightning, and sinkhole losses.

The Fund's estimated liability for unpaid property insurance claims at the fiscal year-end is determined by management analyses. Changes in the Fund's property insurance claims liability amount for the fiscal years ended June 30, 2003, and June 30, 2004, were as follows (in thousands):

	Beg	inning of		ent Year ims and		Bal	ance at
Fiscal Year Ended	Fiscal Year Liability		Changes in Estimate		Claim Payments		Fiscal ear End
June 30, 2003	\$	3,720	\$	(379)	\$ (841)	\$	2,500
June 30, 2004		2,500		939	(1,639)		1,800

The State Risk Management Trust Fund also provides casualty insurance coverage for the risks of loss related to Federal civil rights and employment actions, workers' compensation, court-awarded attorney fees, automobile liability, and general liability. The State is self-insured for all claims associated with liability risks and the first 15 million of workers' compensation coverage.

The estimated liability for unpaid casualty insurance claims at June 30, 2004, was \$1.05 billion. This amount was determined through an actuarial method based on historical paid and incurred losses and includes an amount for losses incurred but not yet reported. In addition, this amount includes the present value of workers' compensation indemnity reserves discounted using a 4 percent annual percentage rate.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2003, and June 30, 2004, were as follows (in thousands):

		Cu	rrent Year				
	Beginning of	CI	laims and			E	Balance at
Fiscal Year	Fiscal Year	CI	hanges in	nges in Claims			Fiscal
Ended	Liability	E	Estimate		Payments		Year End
June 30, 2003	\$ 1,002,000	\$	147,773	\$	(82,473)	\$	1,067,300
June 30, 2004	1,067,300		95,352		(114,252)	\$	1,048,400

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

B. Employees Health Insurance Fund

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

The Fund's estimated fiscal year-end liability includes an amount for claims that have been incurred but not reported, which is based on analyses of historical data performed by both the State and its contractors. Changes in claims liability amounts for the fiscal years ended June 30, 2003, and June 30, 2004, were as follows (in thousands):

Fiscal Year Ended	Fis	ginning of cal Year iability	CI	rrent Year aims and nanges in Estimate	F	Claim Payments		
June 30, 2003	\$	54,253	\$	582,458	\$	(574,680)	\$	62,031
June 30, 2004		62,031		665,242		(671,605)		55,668

NOTE 13 - PRIOR PERIOD ADJUSTMENTS

Fund balances and net assets at July 1, 2003, have been increased (decreased) as follows in relation to the activities of prior years (in thousands):

GOVERNMENTAL ACTIVITIES

Transportation		
To record a receivable for funds previously advanced to South Florida Water		
Management District in error.	\$ 10,357	
To adjust for compensated absences liability not previously recognized.	(3,154)	
Total Transportation		\$ 7,203
Public Education		
To record the devolution of universities from the state accounts.		44,632
Nonmajor Governmental Funds		
Special Revenue Funds - Citrus Commission		
To eliminate payables previously recognized.	\$ 1,139	
Special Revenue Funds - Inland Protection Financing Corporation		
To eliminate payables previously recognized.	10,272	
Total Nonmajor Governmental Funds		11,411
Government-wide Reconciling Items		
Transportation		
To capitalize construction costs previously expensed.	\$ 84,342	
Revenue		
To report capital assets purchased and not recorded in the previous year.	814	
Children and Families		
To reduce capital assets previously recorded twice.	(3,696)	
To adjust prior year compensated absences liability previously recognized in error.	4,286	
Juvenile Justice		
To record construction work-in-progress and to adjust the value of capital assets transferred to the Department.	36,646	
Total Government-wide Reconciling Items		122,392
TOTAL GOVERNMENTAL ACTIVITIES		\$ 185,638
BUSINESS-TYPE ACTIVITIES		
Transportation		
To remove compensated absences liability previously recorded in error.	\$ 3,154	
To capitalize construction costs previously expensed for the Pinellas		
Bayway System.	8,522	
Total Transportation		\$ 11,676
Nonmajor Enterprise Funds		
Other - Public Service Commission		
To record capital assets and accumulated depreciation not previously capitalized.		1,279
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 12,955
FIDUCIARY FUNDS		
Private-purpose Trust Funds		
Trust Escrow Administration - Financial Services		
To eliminate liabilities recorded in error.	\$ 507,069	
TOTAL FIDUCIARY FUNDS		\$ 507,069

Net assets at July 1, 2003, have been increased (decreased) as follows in relation to the activities of prior years for discretely presented component units (in thousands):

Florida State University

To adjust for a change in accounting principle regarding the election to not capitalize art and historical treasures at the Appleton Museum.			\$	(23,454)	
To record the effect of reporting a university component unit's current year of prior year operations, in the same reporting period as the State of Florid		d		(4,785)	
Total Florida State University				;	\$ (28,239)
Nonmajor Component Units					
Other Water Management Districts - St. Johns River Water Management Di	istrict				
To reduce capital assets for land/lease purchases previously capitalized that did not result in ownership of the properties.			\$	(1,220)	
Other State Universities - Florida Agricultural and Mechanical University					
To adjust for the change in reporting year for a university component unit from January 1 to June 30, 2003.	\$	5,722			
Other State Universities - Florida International University					
To adjust for the prior year transfer of land and buildings to Board of Trustees for the Internal Improvement Trust Fund of the State of Florida.		(3,718)			
Other State Universities - University of West Florida					
To correct accumulated depreciation for the cumulative effect of recording capital asset disposals as fully depreciated.		(3,633)	_		
Total Other State Universities	·			(1,629)	
Community Colleges - Hillsborough Community College					
To record prior year audit adjustments and to properly record accumulated depreciation.	\$	577			
Community Colleges - Tallahassee Community College					
To record prior year pledges receivable of a component unit.		144			
Community Colleges - Florida Keys Community College					
To remove the beginning net asset amount for a college component unit that no longer meets the criteria to be reported as a component unit.		(101)			
Total Community College				620	
South Florida Transportation Authority					
To adjust prior year's ending net assets based on final audit, which was not available as of last year's CAFR.				(310)	
Total Nonmajor Component Units			_		(2,539)
TOTAL COMPONENT UNITS					\$ (30,778)

NOTE 14 - FLORIDA PREPAID COLLEGE PROGRAM

The Florida Prepaid College Program was created in 1987 to provide a medium through which the costs of registration and dormitory residence may be paid in advance of enrollment in a State postsecondary institution at a rate lower than the projected corresponding cost at the time of actual enrollment. The Program is administered by the Florida Prepaid College Board and the State of Florida guarantees the obligations of the Board to qualified beneficiaries if moneys in the Program are insufficient. The Program is accounted for in a private-purpose trust fund. An actuarial study is performed to determine the Program's funding status. Additional information as of June 30, 2004, is as follows:

Actuarial present value of future

benefits payable \$5,073,722,125

Net assets available \$5,477,371,184

Net assets as a percentage of tuition and housing benefits

obligation 108%

NOTE 15 – FLORIDA HURRICANE CATASTROPHE FUND

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993 by Section 215.555, Florida Statutes, as a State fund to provide a stable and ongoing source of reimbursement to qualified insurers for a portion of their catastrophic hurricane losses, thereby creating additional insurance capacity to ensure that covered structures (and their contents) damaged or destroyed in a hurricane may be repaired or reconstructed as soon as possible. The Fund is administered by the State Board of Administration, which contracts with each insurer writing covered policies in the State to reimburse the insurer for a percentage of losses incurred from covered events from reimbursement premiums collected. However, payments made to insurers shall not exceed the moneys in the Fund, together with the maximum amount of revenue bonds that may be issued by a county or municipality, or the FHCF Finance Corporation. The contract shall also provide that the obligation of the Board with respect to all contracts covering a particular contract year shall not exceed the actual claims-paying capacity of the fund up to a limit of \$15 billion for that contract year adjusted for growth in exposure for covered policies since 2003, although the annual increase is limited by prior year cash collections. The Fund is accounted for as an enterprise fund administered by the State Board of Administration. An actuarially determined formula is used to calculate the reimbursement premium collected. Additional information as of June 30, 2004, follows (in thousands):

Net assets available to meet future catastrophic losses (fair value) \$ 5.476.155

The State of Florida was hit by four hurricanes during August and September of 2004. These hurricanes were category 4 Hurricane Charley on August 13, category 2 Hurricane Frances on September 4, category 3 Hurricane Ivan on September 16, and category 3 Hurricane Jeanne on September 25. It is currently estimated that the Fund's liability for losses in excess of participating insurers' retention is \$2 billion. The Fund has sufficient unrestricted net assets to cover this liability.

NOTE 16 - CONTINGENCIES

A. Federal Family Education Loans Program

The Florida Department of Education (FDOE) administers the Federal Family Education Loans Program (FFELP), under which the FDOE guarantees loans made to eligible students and their parents by financial institutions. At June 30, 2004, approximately \$4.9 billion of loans were outstanding under this Program. The United States Department of Education (USDOE) participates in the Program as a reinsurer and reimburses the FDOE for defaulted loans at various rates based on the incidence of default. For loans made prior to October 1, 1993, the reimbursement rate for defaulted loans can be 80, 90, or 100 percent. For loans made on or after October 1, 1993, the reimbursement rate for defaulted loans can be 78, 88, or 98 percent. For loans made on or after October 1, 1998, the reimbursement rate for defaulted loans can be 75, 85 or 95 percent. During the 2003-2004 fiscal year, the actual rates were 75, 85 and 95 percent. A potential liability exists for loans defaulted in excess of the federal reimbursement. The specific amount of this potential liability is indeterminable.

B. Federally Assisted Grant Programs

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

NOTE 17 – LITIGATION

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

A. Riscorp Insurance Company and Riscorp Property & Casualty Insurance Co. v. Florida Department of Financial Services; Florida Hospitality Mutual Insurance Company v. Florida Department of Financial Services

Consolidated Case Nos. 99-5027 and 00-602, Circuit Court, Second Judicial Circuit. Plaintiffs were seeking declaratory relief and refunds of overpaid Workers' Compensation Administration and Special Disability Trust Fund assessments for years 1995-1998. A Final Judgment was entered on August 15, 2002, in favor of Riscorp in the amount of \$22,475,886. A Final Judgment was entered in favor of Florida Hospitality Mutual Insurance Company on July 25, 2002, in the amount of \$1,620,869. The Department appealed and on March 16, 2004, the First District Court of Appeal reversed the trial court's decision for Plaintiff on the issue of ceded reinsurance premiums, affirmed the trial court's decision awarding refunds for assessments that were paid on brokerage fees and commissions and remanded the case back to Circuit Court for further proceedings. *Florida Department of Financial Services et al. v. Riscorp Insurance Company, et al.* 871 So. 2d 261 (1st DCA 2004). Plaintiffs appealed to the Florida Supreme Court, which denied further review. *Riscorp Insurance Company v. Florida Department of Financial Services*, 884 So. 2d 24 (2004). As a result, the Department's liability amounted to less than \$3.6 million in overpaid assessments for brokerage fees and commissions. The remaining issues before the Circuit Court were dismissed with prejudice on December 13, 2004.

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

Plaintiff automobile owners brought action against the Department seeking declaratory judgment that Section 325.214(2), Florida Statues, was unconstitutional as written and implemented by the Department. Section 325.214(2), Florida Statues, imposes a \$10 fee on emissions inspection of automobiles in 7 of Florida's 67 counties. The Plaintiffs moved for class certification, which was granted by the Circuit Court. The District Court of Appeal reversed the Certification Order. 776 So. 2d 976 (1st DCA 2001). The Supreme Court affirmed the Court's decision holding Petitioners should have first sought relief from the Chief Financial Officer pursuant to Section 215.26, Florida Statues. 825 So. 2d 351 (2002). The Circuit Court then granted Final Summary Judgment for the Defendants. The Plaintiffs appealed this Order to the District Court of Appeal. The District Court of Appeal Per Curium Affirmed to lower court on January 18, 2005.

C. Rendon, et al. v. Florida Department of Highway Safety and Motor Vehicles, etc., et al.

Case No. 3D2-611 Third District Court of Appeal. Various handicapped drivers sued challenging the imposition and collection of a fee for placards for handicapped parking spaces. The trial court granted class certification and held that requiring the payment for a fee for a disabled parking permit under Section 320.0848, Florida Statues, violates the Americans with Disabilities Act (ADA). The State appealed the decision to the Third District Court of Appeal and the Court reversed the trial court's decision and remanded with the directions to grant the Department's cross motion for summary judgment. The Court held that sovereign immunity affords the State an absolute defense to claims for declaratory relief and money damages. 832 So. 2d 141 (3rd DCA 2002) Plaintiffs petitioned the Florida Supreme Court seeking jurisdiction and the Court denied review. 851 So. 2d 729 (2003). The Petitioners then petitioned the U.S. Supreme Court for a writ of certiorari, which was granted. The Court vacated the lower court judgment and remanded the case back to the Florida 3rd District Court of Appeal for further consideration in light of *Tennessee v. Lane*, 541 U.S. 509 (2004). 124 S. Ct. 2384 (2004). The Attorney General is representing the Department and the Department of Highway Safety and Motor Vehicles. Oral argument was held in the 3rd District Court of Appeal on November 22, 2004. Estimated potential loss to the State could be in excess of \$35 million.

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

Case No. 02-856, 17th Judicial Circuit, Broward County. The Department of Transportation contracted with Traylor Brothers to construct a 'signature' bascule bridge over the Intercoastal Waterway in Fort Lauderdale, Florida. Traylor Brothers has sued the Department for breach of contract alleging, among other things, that the contract documents contained errors, defects, and omissions and failed to disclose the complexity of the project, that the Department failed to properly administer and coordinate the construction activities under the contract, and that there were differing site conditions. The Court has denied the Department's Motion to Dismiss. Outside counsel has been retained to assist the Department. A trial date has been set for Fall 2005. Discovery has been undertaken by both parties and is ongoing. Potential loss to the State could approach \$37 million.

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

Case No. H27-CA-2002-938-DM, 5th Judicial Circuit, Hernando County. This is a suit for breach of contract seeking compensatory damages, return of assessments for late completion, lost future profit allegedly resulting from lost bonding ability, and prejudgment interest on these amounts. The Department filed Motion to Dismiss Plaintiff's Second Amended Complaint or Portions Thereof on December 3, 2003. On January 21, 2004, this case was dismissed by a stipulated order. The Department subsequently filed suit for liquidated damages in Case No. H27-CA2004-52-DM. Smith & Company filed a counterclaim raising the same issues as the prior case. The potential loss to the State could approach \$50 million.

F. ContractPoint Florida Parks, LLC, v. Florida Department of Environmental Protection

Case No. 03-CA-1005, 2nd Judicial Circuit, Leon County. This is a suit for breach of contract with the Department that would have allowed the Plaintiffs to build, manage, and receive income from cabins in eight State parks for thirty years. Discovery is proceeding. Mediation failed. The Department has a pending Motion to Dismiss set for hearing on February 14, 2005. Plaintiff seeks damages of \$50 million to \$250 million.

G. Marilyn Shumaker Gerkin, as guardian for Helen L. Shumaker, and on behalf of all others similarly situated, v. Jerry Regier, individually and in his official capacity as the Secretary of the Florida Department of Children and Family Services, and Rhonda M. Medows, individually and in her official capacity as the Secretary of the Agency for Health Care Administration

Case No. 8:03CV2381-T24MAP, United States District Court for the Middle District of Florida. This is a class action suit brought by the daughter and guardian of a Medicaid recipient alleging that the defendants have not allowed the deductions from income required by federal law in determining eligibility for a class of Medicaid recipients. Complaint was served November 21, 2003. Defendants filed a motion to dismiss on December 12, 2003. The motion was granted in part and denied in part on February 20, 2004. The individual defendants were dismissed as were the claims for retroactive damages. On February 26, 2004, the defendants filed a motion to dismiss based on mootness. On February 27, 2004, the Court heard the plaintiffs' motion for class certification and preliminary injunction. The judge indefinitely continued the motions for class certification and preliminary injunction. The State successfully sought funding to implement policy to correct the issues raised by the plaintiffs. The Court entered an order on August 9, 2004, dismissing the case as moot.

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

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

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

Case No. 04-CA-326, Leon County Circuit Court, 2nd Judicial Circuit. Twenty-eight providers of services for developmentally disabled Medicaid recipients under the Home and Community Based Waiver seek declaratory and injunctive relief concerning unilaterally imposed rate reductions. Discovery is being conducted. No hearing date has been set. Plaintiffs seek damages in excess of \$25 million.

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

Case No. 04-CA-1291, Leon County Circuit Court, 2nd Judicial Circuit. Breach of contract and declaratory judgment action brought by eight pharmacies alleging that the Agency did not properly reimburse providers for prescription drugs provided under the Medicaid program. Plaintiffs seek compensatory damages, declaratory relief and attorney's fees. The lawsuit was served on June 2, 2004, and the Complaint has been amended twice. The Agency answered the Second Amended Complaint, and both parties are conducting discovery. The estimated exposure of the claim is up to \$50 million if an unfavorable outcome is reached.

K. Prado-Steiman v. Bush

Case No. 98-6496-SEITZ, in the U.S. District Court for the Southern District of Florida, Miami Division. This case challenges the administration of the Developmental Services (DS) Waiver. The case addresses individuals already enrolled on the DS Waiver and individuals waiting for such services. The Second Amended Complaint asserts violations of the Americans with Disabilities Act (ADA), the Rehabilitation Act, the Social Security Act, regulations promulgated pursuant to these statutes, and the Due Process Clause. All claims but ADA and Rehabilitation Act claims are also brought pursuant to 42 U.S.C. § 1983. After Court approval of a settlement agreement, the parties were in compliance phase until April 2003, when a motion asserting material breach was filed. Plaintiffs sought to set aside the settlement agreement and pursue litigation on the merits of their claim. On March 30, 2004, the Court issued an Order Denying Plantiffs' Motion to Continue Jurisdiction Based on Material Breach of the Settlement Agreement. The order concluded that once the issue of attorneys' fees and costs were resolved, the case should be closed. On October 25, 2004, a Joint Notice was filed with the Court advising the Court that the attorneys' fees and costs had been settled and paid.

L. Collier v. State of Florida

Case No. 03-011264, Seventeenth Judicial Circuit, Broward County. This is a challenge to Florida's former practice of releasing driver's license information to bulk mailers. Until October 2004, this information was public record. The Plaintiffs contend that Federal law prohibited the disclosure of such information even though state law required its disclosure. The Plaintiffs ask for class certification and class damages. A motion to dismiss was argued in October 2004, and the court took the matter under advisement. However, there has been no ruling as of January 31, 2005. Plaintiffs seek damages in excess of \$25 million.

M. Collier v. Dickinson

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

NOTE 18 – DEFICIT FUND EQUITY

A. Governmental Activities

Public Education

The State School Trust Fund reported within **Public Education** has a deficit fund balance of approximately \$123.3 million. The deficit is a result of establishing an advance (long-term liability) for potential future claims on a portion of the cash advanced by the Unclaimed Property Trust Fund. Due to the long-term nature of the liability, the Department of Education plans to pay claims as they are made rather than funding the full amounts ultimately payable.

Internal Service Funds - Other

The Legal Services Trust Fund reported within Internal Service Funds - Other has a deficit net asset of approximately \$2.8 million. The deficit is a result of revenues being insufficient to cover long-term obligations, consisting mainly of a compensated absences liability. Due to the long-term nature of the liability, the Department of Legal Affairs plans to continue providing legal services and liquidate the liability on a pay-as-you-go basis.

Internal Service Funds - Other

The Correctional Work Program Trust Fund reported within Internal Service Funds - Other has a deficit net asset of approximately \$1.5 million. The deficit is a result of revenues being insufficient to cover long-term obligations, consisting mainly of a compensated absences liability. Due to the long-term nature of the liability, the Department of Corrections plans to continue operating the program and liquidate the liability on a pay-as-you-go basis.

B. Fiduciary Funds

Private-purpose Trust Funds - Unclaimed Property

The *Unclaimed Property Trust Fund* reported within **Private-purpose Trust Funds - Unclaimed Property** has a deficit of approximately \$43,000. The deficit is a result of insufficient revenues to meet the long-term compensated absences liability. Due to the long-term nature of the liability causing the deficit, the Department of Financial Services plans to continue operating the program and liquidate the liability on a pay-as-you-go basis.

Pension and Other Employee Benefits Trust Funds - Employee Health, Life and Disability Plans

The State Employees' Health Insurance Trust Fund reported within Pension and Other Employee Benefits Trust Funds - Employee Health, Life, and Disability Plans has a deficit of approximately \$94 million. The deficit is a result of insurance claims exceeding insurance premiums prior to fiscal year 2003-2004. Amounts were appropriated for the 2003-2004 fiscal year to address the deficit. The deficit decreased by \$12.4 million from the prior year. Section 6, Chapter 2004-268, Laws of Florida, provided funding for increased premiums to help address the deficit in the 2004-2005 fiscal year. Additionally, Section 8 of the Governor's Recommended Appropriations Bill for the 2005-2006 fiscal year proposes premium increases and restructuring of the health insurance program that includes the creation of a Health Savings Accounts feature that will help to address the deficit.

NOTE 19 - SUBSEQUENT EVENTS

A. Bonds

The following bond series for governmental activities of the primary government were issued or sold subsequent to June 30, 2004:

Agency/Bond	Series	Amount	Matures	Interest Rate
GOVERNMENTAL ACTIVITIES				
Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2004A	\$300,000,000	7/1/2005 - 7/1/2034	4.000% - 6.000%
State Board of Education, Capital Outlay Bonds	2004A	\$21,495,000	1/1/2005 - 1/1/2024	3.000% - 4.625%
State Board of Education, Public Education Capital Outlay Bonds	2004A	\$200,000,000	6/1/2005 - 6/1/2034	3.000% - 5.500%
State Board of Education, Public Education Capital Outlay Bonds	2003C	\$200,000,000	6/1/2005 - 6/1/2034	3.000% - 5.000%
State Board of Education, Public Education Capital Outlay Refunding Bonds	2004B	\$171,695,000	6/1/2006 - 6/1/2026	2.000% - 5.000%
State Board of Education, Public Education Capital Outlay Refunding Bonds	2005A	\$294,790,000	6/1/2006 - 6/1/2021	4.000% - 5.000%
BUSINESS-TYPE ACTIVITIES				
Department of Transportation, Turnpike Revenue Bonds	2004A	\$279,180,000	7/1/2005 - 7/1/2034	3.000% - 5.000%

On January 12, 2005, Moody's Investors Service upgraded its underlying rating of all State of Florida full faith and credit bonds from Aa2 to Aa1. All State of Florida facilities pool revenue bonds were also upgraded from A1 to Aa2.

B. Hurricanes

Four hurricanes passed through the State of Florida in August and September 2004. Damage from these hurricanes occurred in almost every county in the State. The statewide cost of the damage from these storms is estimated at \$42 billion, including losses to homes, businesses, and agriculture, as well as costs to state and local governments for emergency services and damage to public facilities and infrastructure. A portion of these costs will be covered by insurance and the Federal Emergency Management Agency's (FEMA) Public Assistance Grants Program. In each of these programs, the state will be required to match FEMA funding with state and local funds.

COMPONENT UNITS

Citizens Property Insurance Corporation (Citizens), will likely incur significant losses caused by Hurricane Charley, which struck the southwest coast of Florida on August 13, 2004, and by Hurricane Frances, which struck the southeast coast of Florida on September 3, 2004. Citizens anticipates funding losses associated with Hurricanes Charley and Frances from operating fund reimbursements from the Florida Hurricane Catastrophe Fund. No assessments are expected to be made. Citizens' expected net losses are estimated to be approximately \$1.6 billion. Significant changes in these estimates are possible as more information becomes available to Citizens during the claims handling process. [Financial statements dated February 27, 2004, except for this disclosure dated September 3, 2004.]

OTHER REQUIRED SUPPLEMENTARY INFORMATION

	General Fund					
	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)		
Fund Balances, July 1, 2003	\$ 3,849,481	\$ 3,849,481	\$ 3,849,481	<u> </u>		
Reversions	58,124	58,124	58,124	Φ		
Fund Balances, July 1, 2003, restated	3,907,605	3,907,605	3,907,605			
REVENUES						
Direct revenues:						
Fees and charges	536,293	549,693	579,118	29,425		
Licenses	78,271	78,171	84,307	6,136		
Taxes	17,788,600	18,214,000	18,182,796	(31,204)		
Miscellaneous	1,073	1,073	1,681	608		
Interest	218,234	218,234	274,322	56,088		
Grants	18,125	18,125	9,641	(8,484)		
Refunds	1,919	1,919	231,361	229,442		
Other	157,916	157,916	200,362	42,446		
Total Direct Revenues	18,800,431	19,239,131	19,563,588	324,457		
Indirect revenues:						
Transfers and distributions	3,688,755	3,865,655	3,891,904	26,249		
Other			2,142	2,142		
Total Indirect Revenues	3,688,755	3,865,655	3,894,046	28,391		
TOTAL REVENUES	22,489,186	23,104,786	23,457,634	352,848		
TOTAL AVAILABLE RESOURCES	26,396,791	27,012,391	27,365,239	352,848		
EXPENDITURES						
Operating expenditures:						
Salaries and benefits	3,171,665	3,398,085	3,366,029	32,056		
Other personal services	51,793	64,439	54,612	9,827		
Expenses	494,983	546,703	533,139	13,564		
Grants and aids	9,911,085	10,002,647	9,931,747	70,900		
Operating capital outlay	13,342	20,879	18,294	2,585		
Food products	72,580	73,460	72,921	539		
Fixed capital outlay	43,855	43,855	43,855			
Lump sum	464,996	1,510		1,510		
Special categories	6,181,083	6,215,145	6,159,912	55,233		
Financial assistance payments	286,272	286,272	283,594	2,678		
Grants/aids to local governments	47,305	47,305	47,305			
Data processing services	45,600	46,730	44,899	1,831		
Pensions and benefits	9,966	9,966	9,882	84		
Total Operating Expenditures	20,794,525	20,756,996	20,566,189	190,807		
Nonoperating expenditures:						
Transfers	2,639,805	2,639,805	2,639,805	*****		
Refunds	373,116	373,116	373,116	******		
Other	231,635	231,635	231,635			
Total Nonoperating Expenditures	3,244,556	3,244,556	3,244,556			
TOTAL EXPENDITURES	24,039,081	24,001,552	23,810,745	190,807		
FUND BALANCES, JUNE 30, 2004	\$ 2,357,710	\$ 3,010,839	\$ 3,554,494	\$ 543,655		

Fund Balances, July 1, 2003 1,469,740 (Montro) Final Budget (Montro) Variance with Budget Favorable (Untavorable) (Untavorable) Fund Balances, July 1, 2003 1,469,740 (Montro) 1,470,143 (Montro) 1,480,279 (Montro) 1,470,143 (Montro) 1,452,199 (Montro) 1,480,279 (Montro) 1,545,45 (Montro) 1,475,114 (Montro) 1,475,114 (Montro) 1,475,114 (Montro) 1,475,114 (Montro) 1,475,114 (Montro) 1,475,114 (Montro)		Envir	onme	ent, Recreation	on a	nd Conserva	ation	
Reversions 403 403 403 Fund Balances, July 1, 2003, restated 1,470,143 1,470,143 1,470,143 REVENUES		•				Actual	Fina - Fa	al Budget avorable
Fund Balances, July 1, 2003, restated 1,470,143	Fund Balances, July 1, 2003	\$ 1,469,740	\$	1,469,740	\$	1,469,740	\$	
Property Property		403		403		403		
Poincet revenues: Fees and charges 97,769 72,761 80,721 7,960	Fund Balances, July 1, 2003, restated	1,470,143		1,470,143		1,470,143		
Fees and charges 97,769 72,761 80,721 7,960 Licenses 31,872 43,719 46,279 2,560 Miscellaneous 2,239 58 965 907 Interest 56,837 61,098 47,511 (13,587) Grants 186,864 154,575 118,189 (36,386) Refunds 306 1 2,920 2,919 Bond proceeds 506,000 150,000 150,003 3 Other 18,204 9,858 50,255 40,397 Total Direct Revenues 900,091 492,070 496,843 4,773 Indirect revenues: 1,074	REVENUES							
Licenses 31,872 43,719 46,279 2,560 Miscellaneous 2,239 58 965 907 Interest 56,837 61,098 47,511 (13,587) Grants 186,864 154,575 118,189 (36,386) Refunds 306 1 2,920 2,919 Bond proceeds 506,000 150,000 150,003 3 Other 18,204 9,858 50,255 40,397 Total Direct Revenues 900,091 492,070 496,843 4,773 Indirect revenues: 1,408,300 1,621,641 1,626,995 5,354 Other 1,074	Direct revenues:							
Miscellaneous 2,239 58 965 907 Interest 56,837 61,098 47,511 (13,587) Grants 186,864 154,575 118,189 (36,386) Refunds 306 1 2,920 2,919 Bond proceeds 506,000 150,000 150,003 3 Other 18,204 9,858 50,255 40,397 Total Direct Revenues 900,091 492,070 496,843 4,773 Indirect revenues: 1,408,300 1,621,641 1,626,995 5,354 Other 1,074 1,621,641 1,630,665 9,024 Total Indirect Revenues 1,409,374 1,621,641 1,630,665 9,024 TOTAL REVENUES 2,309,465 2,113,711 2,127,508 13,797 TOTAL AVAILABLE RESOURCES 3,779,608 3,583,854 3,597,651 13,797 EXPENDITURES Operating expenditures: 32,776 32,754 28,186 4,558 Cother personal services 30,623	Fees and charges	97,769		72,761		80,721		7,960
Interest	Licenses	31,872		43,719		46,279		2,560
Grants 186,864 154,575 118,189 (36,386) Refunds 306 1 2,920 2,919 Bond proceeds 506,000 150,000 150,003 3 Other 18,204 9,858 50,255 40,397 Total Direct Revenues 900,091 492,070 496,843 4,773 Indirect revenues: 1,408,300 1,621,641 1,626,995 5,354 Other 1,074	Miscellaneous	2,239		58		965		907
Refunds 306 1 2,920 2,919 Bond proceeds 506,000 150,000 150,003 3 Other 18,204 9,858 50,255 40,397 Total Direct Revenues 900,091 492,070 496,843 4,773 Indirect revenues: 1,408,300 1,621,641 1,626,995 5,354 Other 1,074	Interest	56,837		61,098		47,511		(13,587)
Bond proceeds Other 506,000 150,000 150,003 3 Other 18,204 9,858 50,255 40,397 Total Direct Revenues 900,091 492,070 496,843 4,773 Indirect revenues: Transfers and distributions 1,408,300 1,621,641 1,626,995 5,354 Other 1,074	Grants	186,864		154,575		118,189		(36,386)
Other 18,204 9,858 50,255 40,397 Total Direct Revenues 900,091 492,070 496,843 4,773 Indirect revenues: Transfers and distributions 1,408,300 1,621,641 1,626,995 5,354 Other 1,074	Refunds	306		1		2,920		2,919
Total Direct Revenues 900,091 492,070 496,843 4,773 Indirect revenues: Transfers and distributions 1,408,300 1,621,641 1,626,995 5,354 Other 1,074	Bond proceeds	506,000		150,000		150,003		3
Indirect revenues: Transfers and distributions	Other	18,204		9,858		50,255		40,397
Transfers and distributions Other 1,408,300 1,621,641 1,626,995 5,354 Other 1,074 3,670 3,670 Total Indirect Revenues 1,409,374 1,621,641 1,630,665 9,024 TOTAL REVENUES 2,309,465 2,113,711 2,127,508 13,797 TOTAL AVAILABLE RESOURCES 3,779,608 3,583,854 3,597,651 13,797 EXPENDITURES Operating expenditures: Salaries and benefits 159,402 164,533 161,918 2,615 Other personal services 32,776 32,754 28,186 4,568 Expenses 50,623 51,568 47,785 3,783 Grants and aids 1,739 1,739 1,359 380 Operating capital outlay 4,427 4,522 4,012 510 Fixed capital outlay 772,172 772,172 772,172 Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,37	Total Direct Revenues	900,091		492,070		496,843		4,773
Other Total Indirect Revenues 1,074	Indirect revenues:							
Other Total Indirect Revenues 1,074	Transfers and distributions	1,408,300		1,621,641		1,626,995		5,354
TOTAL REVENUES 2,309,465 2,113,711 2,127,508 13,797 TOTAL AVAILABLE RESOURCES 3,779,608 3,583,854 3,597,651 13,797 EXPENDITURES Operating expenditures:	Other							•
TOTAL AVAILABLE RESOURCES 3,779,608 3,583,854 3,597,651 13,797 EXPENDITURES Operating expenditures: Salaries and benefits 159,402 164,533 161,918 2,615 Other personal services 32,776 32,754 28,186 4,568 Expenses 50,623 51,568 47,785 3,783 Grants and aids 1,739 1,739 1,359 380 Operating capital outlay 4,427 4,522 4,012 510 Fixed capital outlay 772,172 772,172 772,172 Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 745 745 745 Total Nonoperating Expenditures 664,254 664,254 664,254	Total Indirect Revenues	1,409,374		1,621,641		1,630,665		9,024
EXPENDITURES Operating expenditures: Salaries and benefits 159,402 164,533 161,918 2,615 Other personal services 32,776 32,754 28,186 4,568 Expenses 50,623 51,568 47,785 3,783 Grants and aids 1,739 1,739 1,359 380 Operating capital outlay 4,427 4,522 4,012 510 Fixed capital outlay 772,172 772,172 772,172 Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: Transfers 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065	TOTAL REVENUES	2,309,465		2,113,711		2,127,508		13,797
Operating expenditures: Salaries and benefits 159,402 164,533 161,918 2,615 Other personal services 32,776 32,754 28,186 4,568 Expenses 50,623 51,568 47,785 3,783 Grants and aids 1,739 1,739 1,359 380 Operating capital outlay 4,427 4,522 4,012 510 Fixed capital outlay 772,172 772,172 772,172 Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 664,254	TOTAL AVAILABLE RESOURCES	 3,779,608		3,583,854		3,597,651		13,797
Operating expenditures: Salaries and benefits 159,402 164,533 161,918 2,615 Other personal services 32,776 32,754 28,186 4,568 Expenses 50,623 51,568 47,785 3,783 Grants and aids 1,739 1,739 1,359 380 Operating capital outlay 4,427 4,522 4,012 510 Fixed capital outlay 772,172 772,172 772,172 Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 664,254	EXPENDITURES							
Salaries and benefits 159,402 164,533 161,918 2,615 Other personal services 32,776 32,754 28,186 4,568 Expenses 50,623 51,568 47,785 3,783 Grants and aids 1,739 1,739 1,359 380 Operating capital outlay 4,427 4,522 4,012 510 Fixed capital outlay 772,172 772,172 772,172 Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664								
Other personal services 32,776 32,754 28,186 4,568 Expenses 50,623 51,568 47,785 3,783 Grants and aids 1,739 1,739 1,359 380 Operating capital outlay 4,427 4,522 4,012 510 Fixed capital outlay 772,172 772,172 772,172 Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334		159.402		164.533		161.918		2.615
Expenses 50,623 51,568 47,785 3,783 Grants and aids 1,739 1,739 1,359 380 Operating capital outlay 4,427 4,522 4,012 510 Fixed capital outlay 772,172 772,172 772,172 Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065		•						•
Grants and aids 1,739 1,739 1,359 380 Operating capital outlay 4,427 4,522 4,012 510 Fixed capital outlay 772,172 772,172 772,172 Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065	•	•						•
Operating capital outlay 4,427 4,522 4,012 510 Fixed capital outlay 772,172 772,172 772,172 Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065	•	•						•
Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065	Operating capital outlay	•						510
Special categories 214,192 223,829 200,647 23,182 Grants/aids to local governments 425,374 425,374 425,374 Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065	Fixed capital outlay	772,172		772,172		772,172		
Data processing services 9,400 9,436 8,409 1,027 Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: Transfers 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065		214,192		223,829		200,647		23,182
Total Operating Expenditures 1,670,105 1,685,927 1,649,862 36,065 Nonoperating expenditures: 647,031 647,031 647,031 Transfers 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065	Grants/aids to local governments	425,374		425,374		425,374		
Nonoperating expenditures: Transfers 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065	Data processing services	9,400		9,436		8,409		1,027
Transfers 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065	Total Operating Expenditures	1,670,105		1,685,927		1,649,862		36,065
Transfers 647,031 647,031 647,031 Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065	Nonoperating expenditures:							
Refunds 745 745 745 Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065		647 031		647 031		647 031		
Other 16,478 16,478 16,478 Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065		•						
Total Nonoperating Expenditures 664,254 664,254 664,254 TOTAL EXPENDITURES 2,334,359 2,350,181 2,314,116 36,065		_		_		_		
		 · · · · · · · · · · · · · · · · · · ·						
FUND BALANCES, JUNE 30, 2004 \$ 1,445,249 \$ 1,233,673 \$ 1,283,535 \$ 49,862	TOTAL EXPENDITURES	2,334,359		2,350,181		2,314,116		36,065
	FUND BALANCES, JUNE 30, 2004	\$ 1,445,249	\$	1,233,673	\$	1,283,535	\$	49,862

	Health and Family Services						
	Original Budget		Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)		
Fund Balances, July 1, 2003	\$ 950,897		950,897	\$ 950,897	\$		
Reversions	170,034		170,034	170,034			
Fund Balances, July 1, 2003, restated	1,120,93	1	1,120,931	1,120,931			
REVENUES							
Direct revenues: Fees and charges Licenses Miscellaneous Interest Grants	935,93° 16,009 6,450 10,930,300	9 0 3	1,068,053 24,207 1,124 12,428,804	1,037,378 26,610 8 6,481 12,514,330	(30,675) 2,403 8 5,357 85,526		
Refunds Other	941,754 376,729		951,731 41,683	894,379 37,836	(57,352) (3,847)		
Total Direct Revenues	13,207,176		14,515,602	14,517,022	1,420		
	10,207,170	<i></i>	14,010,002	14,517,022	1,420		
Indirect revenues: Transfers and distributions Other	1,536,176	6	940,451	591,364 2,142	(349,087) 2,142		
Total Indirect Revenues	1,536,176	3	940,451	593,506	(346,945)		
TOTAL REVENUES	14,743,35	2	15,456,053	15,110,528	(345,525)		
TOTAL AVAILABLE RESOURCES	15,864,28	3	16,576,984	16,231,459	(345,525)		
EXPENDITURES Operating expenditures:							
Salaries and benefits	1,117,69		1,162,110	1,130,574	31,536		
Other personal services	82,148		76,716	66,624	10,092		
Expenses	408,376		394,444	370,301	24,143		
Grants and aids	195,56		196,586	182,515	14,071		
Operating capital outlay	19,74		15,665	13,180	2,485		
Food products	893 9,962		893 9,962	429 9,962	464		
Fixed capital outlay Lump sum	148,418		· ·	•			
Special categories	12,843,064		13,341,342	 12,756,556	 584,786		
Financial assistance payments	41,71		43,927	34,335	9,592		
Grants/aids to local governments	5,98 ⁻		5,981	5,981			
Data processing services	51,203		60,479	54,470	6,009		
Claim bills and relief acts	760)	760	760			
Special expenses			16	16			
Total Operating Expenditures	14,925,519	9	15,308,881	14,625,703	683,178		
Nonoperating expenditures: Transfers	730,448	3	730,448	730,448			
Refunds	8,53		8,531	8,531			
Other	8,564		8,564	8,564			
Total Nonoperating Expenditures	747,543	3	747,543	747,543			
TOTAL EXPENDITURES	15,673,062	2	16,056,424	15,373,246	683,178		
FUND BALANCES, JUNE 30, 2004	\$ 191,22	1 \$	520,560	\$ 858,213	\$ 337,653		

		Transpo	rtatio	n		
	Original Budget	Final Budget		Actual	Fina - Fa	ance with Il Budget avorable avorable)
Fund Balances, July 1, 2003	\$ 35,975	\$ 35,975	\$	35,975	\$	
Reversions	1	1		1		
Fund Balances, July 1, 2003, restated	35,976	35,976		35,976		
REVENUES						
Direct revenues:						
Interest	11,839	1,796		1,517		(279)
Grants				106		106
Bond proceeds	302,608	310,000		308,915		(1,085)
Other				5,019		5,019
Total Direct Revenues	 314,447	311,796		315,557		3,761
Indirect revenues:						
Transfers and distributions	 26,278	35,535		36,785		1,250
Total Indirect Revenues	 26,278	35,535		36,785		1,250
TOTAL REVENUES	 340,725	347,331		352,342		5,011
TOTAL AVAILABLE RESOURCES	376,701	383,307		388,318		5,011
EXPENDITURES Operating expenditures:						
Salaries and benefits	757	780		725		55
Other personal services	20	20		20		
Expenses	191	191		176		15
Fixed capital outlay	36,095	36,095		36,095		
Special categories	 4	4				4
Total Operating Expenditures	 37,067	37,090		37,016		74
Nonoperating expenditures: Transfers	308,916	308,916		308,916		
Total Nonoperating Expenditures	308,916	308,916		308,916		
TOTAL EXPENDITURES	345,983	346,006		345,932		74
FUND BALANCES, JUNE 30, 2004	\$ 30,718	\$ 37,301	\$	42,386	\$	5,085

	Public Education						
	Original Budget	Final Budget	Actual	Variance with Final Budget - Favorable (Unfavorable)			
Fund Balances, July 1, 2003	\$ 1,045,639	\$ 1,045,639	\$ 1,045,639	\$			
Reversions	32,851	32,851	32,851				
Fund Balances, July 1, 2003, restated	1,078,490	1,078,490	1,078,490				
REVENUES							
Direct revenues:							
Fees and charges	14,878	32,450	32,589	139			
Taxes	413,007	446,000	445,930	(70)			
Miscellaneous	1,355	2,959	2,957	(2)			
Interest	58,322	57,307	193,835	136,528			
Grants	2,274,078	2,045,671	2,045,019	(652)			
Refunds	5,000		11,061	11,061			
Bond proceeds	1,492,162	1,011,433	1,010,318	(1,115)			
Other		20,422	14,115	(6,307)			
Total Direct Revenues	4,258,802	3,616,242	3,755,824	139,582			
Indirect revenues:							
Transfers and distributions	1,967,522	2,165,479	2,074,590	(90,889)			
Other	4,373		23	23			
Total Indirect Revenues	1,971,895	2,165,479	2,074,613	(90,866)			
TOTAL REVENUES	6,230,697	5,781,721	5,830,437	48,716			
TOTAL AVAILABLE RESOURCES	7,309,187	6,860,211	6,908,927	48,716			
EXPENDITURES							
Operating expenditures:							
Salaries and benefits	28,791	35,236	33,047	2,189			
Other personal services	3,191	4,431	4,073	358			
Expenses	18,289	21,899	18,712	3,187			
Grants and aids	2,624,102	2,645,655	2,442,663	202,992			
Operating capital outlay	1,865	1,865	575	1,290			
Fixed capital outlay	1,789,518	1,789,518	1,789,518				
Special categories	587,499	602,971	589,717	13,254			
Financial assistance payments	35,603	35,603	35,200	403			
Grants/aids to local governments	139,916	139,916	139,916				
Payments to U.S. Treasury		472	472				
Data processing services	432	432	432				
Total Operating Expenditures	5,229,206	5,277,998	5,054,325	223,673			
Nonoperating expenditures:							
Transfers	377,767	377,767	377,767				
Refunds	379	379	379				
Other	169,121	169,121	169,121				
Total Nonoperating Expenditures	547,267	547,267	547,267				
TOTAL EXPENDITURES	5,776,473	5,825,265	5,601,592	223,673			
FUND BALANCES, JUNE 30, 2004	\$ 1,532,714	\$ 1,034,946	\$ 1,307,335	\$ 272,389			

	Tax Collection and Administration							
	Orig Bud			Final Budget		Actual	Fina - Fa	ance with Il Budget avorable avorable)
Fund Balances, July 1, 2003	\$	420,628	\$	420,628	\$	420,628	\$	
Reversions		83		420.744		420 744		
Fund Balances, July 1, 2003, restated		420,711		420,711		420,711		
REVENUES								
Direct revenues:								
Fees and charges		168,260		168,260		148,806		(19,454)
Licenses	-	21,500		19,379		19,524		145
Taxes Miscellaneous	7,	071,631		6,832,665		6,838,661 19		5,996 19
Interest		1,100		 851				(851)
Refunds				1		36,512		36,511
Other						15,907		15,907
Total Direct Revenues	7,	262,491		7,021,156		7,059,429		38,273
Indirect revenues:								
Transfers and distributions		107,708		258,717		229,848		(28,869)
Other		52,140		25,708		63,962		38,254
Total Indirect Revenues		159,848		284,425		293,810		9,385
TOTAL REVENUES	7,	422,339		7,305,581		7,353,239		47,658
TOTAL AVAILABLE RESOURCES	7,	843,050		7,726,292		7,773,950		47,658
EXPENDITURES Operating expenditures:								
Salaries and benefits		68,481		70,539		69,852		687
Other personal services		2,739		2,930		2,589		341
Expenses		30,506		35,668		35,400		268
Grants and aids		23,148		22,986		20,799		2,187
Operating capital outlay		5,134		3,163		3,040		123 930
Special categories Data processing services		3,002 7,898		3,000 4,857		2,070 4,570		930 287
Total Operating Expenditures		140,908		143,143		138,320		4,823
Nonoperating expenditures:		1 10,000		1 10,1 10		100,020		1,020
Transfers	2.	757,234		2,757,234		2,757,234		
Refunds	_,	90,895		90,895		90,895		
Other	4,	311,063		4,311,063		4,311,063		
Total Nonoperating Expenditures		159,192		7,159,192		7,159,192		
TOTAL EXPENDITURES	7,	300,100		7,302,335		7,297,512		4,823
FUND BALANCES, JUNE 30, 2004	\$	542,950	\$	423,957	\$	476,438	\$	52,481

		Employment	Serv	/ices		
	Original Budget	Final Budget		Actual	Fin - F	iance with al Budget avorable favorable)
Fund Balances, July 1, 2003	\$ 190,954	\$ 190,954	\$	190,954	\$	
Reversions	4,347	4,347		4,347		
Fund Balances, July 1, 2003, restated	195,301	195,301		195,301		
REVENUES						
Direct revenues:						
Fees and charges	7,119	6,388		6,301		(87)
Licenses	,			1,051		1,051
Taxes	276,381	276,381		326,619		50,238
Miscellaneous	648	623		622		(1)
Interest	10,047	9,915		233,726		223,811
Grants	705,213	698,578		654,154		(44,424)
Refunds	6,525	371		12,675		12,304
Other	31,444	6,298		9,052		2,754
Total Direct Revenues	1,037,377	998,554		1,244,200		245,646
Indirect revenues:						
Transfers and distributions	402,324	403,615		168,916		(234,699)
Other	402,024	400,010		1,297		1,297
Total Indirect Revenues	 402,324	403,615		170,213		(233,402)
TOTAL REVENUES	1,439,701	1,402,169		1,414,413		12,244
TOTAL AVAILABLE RESOURCES	1,635,002	1,597,470		1,609,714		12,244
EXPENDITURES						
Operating expenditures:						
Salaries and benefits	127,694	126,155		108,645		17,510
Other personal services	13,329	14,200		11,335		2,865
Expenses	41,356	41,541		31,778		9,763
Grants and aids	16,522	16,498		4,988		11,510
Operating capital outlay	2,317	2,327		1,646		681
Food products	80	80		80		
Lump sum	1,800					
Special categories	940,515	948,888		884,108		64,780
Data processing services	12,529	14,149		9,480		4,669
Total Operating Expenditures	1,156,142	1,163,838		1,052,060		111,778
Nonoperating expenditures:						
Transfers	59,994	59,994		59,994		
Refunds	1,634	1,634		1,634		
Other	215,436	215,436		215,436		
Total Nonoperating Expenditures	 277,064	277,064		277,064		
TOTAL EXPENDITURES	1,433,206	1,440,902		1,329,124		111,778
FUND BALANCES, JUNE 30, 2004	\$ 201,796	\$ 156,568	\$	280,590	\$	124,022

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BUDGET TO GAAP RECONCILIATION GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

	General Fund		Environment, Recreation and Conservation		lealth and Family Services
Budgetary basis fund balances	\$	3,554,494	\$	1,283,535	\$ 858,213
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury		2,420,056		412,044	80,557
Fair value adjustments to investments within the State Treasury		2,947		502	98
Special investments within the State Treasury		9,853			171,922
Non-State Treasury cash and investments		8,247		1,362	47,512
Other GAAP basis fund balances not included in					
budgetary basis fund balances		25,287		(25)	(5,316)
Adjusted budgetary basis fund balances		6,020,884		1,697,418	1,152,986
Adjustments (basis differences):					
Net receivables (payables) not certified forward		(1,038,501)		360,345	(356,648)
Inventories, prepaid items and deferred charges		28,684		1,166	32,279
Encumbrances		43,172		84	6,182
GAAP basis fund balances	\$	5,054,239	\$	2,059,013	\$ 834,799

					Tax			
			Public	C	ollection and	Er	nployment	
 Tra	nsportation		Education	A	dministration	Services		
\$	42,386	\$	1,307,335	\$ 476,438		\$	280,590	
	85,326 104		435,399 530				99,401 121	
	 1,297	1,297			222,555		3,182	
	565,663		(12,321)		(68,054)			
	694,776		1,730,948		630,939		383,294	
	83,936 22,610 3,188		(390,411) 32 18,630		(261,302) 54 73		(31,777) 3,050	
\$	804,510	\$	1,359,199	\$	369,764	\$	354,567	

OTHER REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY REPORTING

Budget Process

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

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

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

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

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

Budgetary Basis of Accounting

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

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

Budgetary basis revenues are essentially reported on the cash basis and include amounts classified by GAAP as other financing sources. Budgetary basis expenditures include disbursements, except those for prior year certified forwards, plus current year

2004 STATE OF FLORIDA CAFR

payables and encumbrances, which are certified forward into the next fiscal year. They also include amounts classified by GAAP as other financing uses. State law requires prior year payables and encumbrances not certified forward to be paid from the current year budget. The Lump Sum expenditure category presented in the budgetary comparison schedules is used as a budgetary tool to track moneys appropriated to a particular fund until subsequent allocations are made to other expenditure categories.

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

Budget to GAAP Reconciliation

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

OTHER REQUIRED SUPPLEMENTARY INFORMATION

PENSION TRUST FUND SCHEDULE OF FUNDING PROGRESS (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) <i>(B-A)</i>	Funded Ratio <i>(A/B)</i>	Annualized Covered Payroll <i>(C)</i>	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 1999	\$ 77,795,313	\$ 68,575,249	\$ (9,220,064)	113.45%	\$ 18,998,086 ⁽¹⁾	(48.53%)
July 1, 2000	88,503,838	74,948,950	(13,554,888)	118.09%	20,463,403 ⁽¹⁾	(66.24%)
July 1, 2001	95,517,948	80,993,718	(14,524,230)	117.93%	21,360,862 ⁽¹⁾	(67.99%)
July 1, 2002	99,405,677	86,469,774	(12,935,903)	114.96%	22,195,184 ⁽¹⁾	(58.28%)
July 1, 2003	101,906,724	89,251,331	(12,655,393)	114.18%	22,270,807 ⁽¹⁾	(56.83%)
July 1, 2004	106,707,426	95,185,443	(11,521,993)	112.10%	23,115,581 ⁽¹⁾	(49.85%)

SCHEDULE OF EMPLOYER CONTRIBUTIONS (in thousands)

Year	Annual	
Ended	Required	Percent
6/30	Contributions	Contributed
1999	\$ 3,096,290	100%
2000	1,969,057	111% ⁽²⁾
2001	1,869,731	110%
2002	1,825,485	98%
2003	1,844,203	98%
2004	2,044,540	96%

ADDITIONAL INFORMATION

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

Valuation date Actuarial cost method	July 1, 2004 Entry Age Normal
Amortization method	Level Dollar of Pay, Open
Equivalent single amortization period Asset valuation method	30 years 5-Year Smoothed Method
Actuarial assumptions:	
Investment rate of return*	7.75%
Projected salary increases*	6.25% ⁽³⁾
*Includes inflation at	3.00%
Cost-of-Living Adjustments	3.00%

- (1) Includes Deferred Retirement Option Program (DROP) Payroll
- (2) The 2000 required annual contribution and the corresponding percent contributed were restated to reflect a change in the annual required contribution through the use of the actuarial determined surplus.
- (3) Includes individual salary growth of 4.00% plus an age- and service-graded merit scale defined by gender and employment classs. See Table A-2 of the July 1, 2004 actuarial valuation report for merit scale.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Pursuant to GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the State has adopted an alternative process to recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the State expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 12,000 centerline miles of roads and 6,425 bridges that the State is responsible for maintaining.

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

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

Condition and Maintenance Programs

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

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

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

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

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

The FDOT conducts bridge condition surveys using the National Bridge Inspection (NBI) Standards to determine condition ratings. Each bridge is inspected at least once every two years. During the inspection process, the major components such as deck, superstructure, and substructure are assigned a condition rating. The condition rating ranges from 0 to 9. A rating of 8 to 9 is very good to excellent which indicates that no repairs are necessary. A rating of 5 to 7 is fair to good which indicates that minor repairs are required. A rating below 5 identifies bridges needing major repairs or replacement. A rating of 4 or less indicates a condition of poor to failing and requires urgency in making repairs. A rating of 2 requires closure of the bridge and a rating of 1 is used for a bridge that is closed, but with corrective action may be put back into light service. A rating of 0 indicates that the bridge is out of service and beyond corrective action.

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

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

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

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

Condition Rating for the State Highway System

Percentage of pavement meeting FDOT standards

<u>2004</u> <u>2003</u> <u>2002</u> <u>79%</u>

Percentage of bridges meeting FDOT standards

<u>2004</u> <u>2003</u> <u>2002</u> <u>93%</u>

Maintenance Rating

<u>2004</u> <u>2003</u> <u>2002</u> <u>85</u>

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

Resurfacing Program

2004 2003 2002 2001 2000 Needed \$710.5 \$611.0 \$416.9 \$467.0 \$416.4 367.4 421.2 Actual 504.2 420.4 342.4

Bridge Repair/Replacement Program

2001 2004 2003 2002 2000 \$371.3 \$256.8 \$236.1 Needed \$344.6 \$200.5 Actual 312.9 142.8 250.0 379.5 196.7

Routine Maintenance Program

2004 2003 2002 2001 2000 Needed \$405.2 \$419.8 \$388.2 \$374.3 \$348.2 Actual 416.5 418.1 392.9 371.7 357.9

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

FINANCIAL SECTION:

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR FUNDS

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Individual fund descriptions and financial statements begin on page 131.

CAPITAL PROJECTS FUNDS

Individual fund descriptions and financial statements begin on page 155.

DEBT SERVICE FUND

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

OTHER PERMANENT FUNDS

Funds in this category include those administered by the Fish and Wildlife Conservation Commission, used to support fish and wildlife conservation programs of the State, in accordance with Section 372.105, Florida Statutes. The primary source of the principal of the funds includes proceeds of gifts, grants, and contributions, and the sale of lifetime licenses. Also included in this category are various private scholarship funds administered by the Department of Education and used to pay scholarship awards as specified by the contributors. Only the interest income received and accrued from the investments of these funds can be used. No disbursement is made from the principal of the funds.

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2004 (in thousands)

(in thousands)	On a sial		O:t-1		Dakt		Other	
	Special Revenue		Capital Projects	ç	Debt Service	Р	Other ermanent	Totals
	Funds		Funds		Fund		Funds	6/30/04
ASSETS								
Current assets								
Cash and cash equivalents	\$ 26,998	\$		\$	398	\$	136	\$ 27,532
Pooled investments with State Treasury	945,830		39,696		13,160		5,332	1,004,018
Investments	333,024				15,810		2,503	351,337
Receivables, net	113,089		622		1,387		16	115,114
Due from other funds	55,740		46,819		4,078			106,637
Inventories	5,134							5,134
Other	788							788
Total current assets	1,480,603		87,137		34,833		7,987	1,610,560
Noncurrent assets								
Long term investments	267,531				45,024			312,555
Advances to other funds	500		3,258					3,758
Other loans and notes receivable, net Other	482,563		9,000					482,563
Total noncurrent assets	4,493 755,087		12,258		45,024			13,493 812,369
		•		•		•	7.007	
Total assets	\$ 2,235,690	\$	99,395	\$	79,857	\$	7,987	\$ 2,422,929
LIABILITIES AND FUND BALANCES								
Current liabilities								
Accounts payable and accrued liabilities	\$ 146,831	\$	2,098	\$	4,125	\$		\$ 153,054
Due to other funds	63,756		27				6	63,789
Due to component units/primary	4,626							4,626
Compensated absences	807							807
Deposits	3,923							3,923
Deferred revenues	12,698							12,698
Obligations under security lending agreements	428,317		14,228				1,175	443,720
Obligations under reverse repurchase agreements Total current liabilities	14,116 675,074		1,399 17,752		4,125		116 1,297	15,631 698,248
Total current liabilities	075,074		17,732		4,125		1,297	090,240
Noncurrent liabilities								
Advances from other funds	1,493							1,493
Deposits	7,906							7,906
Deferred revenues	12,135							12,135
Total noncurrent liabilities	21,534							21,534
Total liabilities	696,608		17,752		4,125		1,297	719,782
Fund balances								
Reserved for encumbrances	23,043							23,043
Reserved for inventories	5,133							5,133
Reserved for advances	16		3,258					3,274
Reserved for long-term receivables Reserved for capital outlay	479,976 43,875		38,644					479,976 82,519
Reserved for debt service			•		75,732			75,732
Other reserved	3,108		18,000		•		4,050	25,158
Unreserved, reported in:	3,100		10,000				4,050	25,156
Special revenue funds	983,931							983,931
Capital projects funds			 21,741					21,741
Permanent fund							2,640	2,640
Total fund balances	1,539,082		81,643		75,732		6,690	1,703,147
Total liabilities and fund balances	\$ 2,235,690	\$	99,395	\$	79,857	\$	7,987	\$ 2,422,929
Total liabilities and fund palatices	Ψ 2,200,000	Ψ	00,000	Ψ	10,001	Ψ	1,501	Ψ ∠,¬∠∠,3∠3

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Other Permanent Funds	Totals 6/30/04
REVENUES Taxes Licenses and permits	\$ 132,041 995,626	\$	\$	\$ 504	\$ 132,041 996,130
Fees and charges	318,335		 85,473		403,808
Grants and donations	572,354				572,354
Investment earnings	10,418	331	16,900	21	27,670
Fines, forfeits, settlements and judgments	452,488				452,488
Other revenue	2,566	901	43,870		47,337
Total revenues	2,483,828	1,232	146,243	525	2,631,828
EXPENDITURES Current:					
General government	778,922	8,123	48,556		835,601
Education	4,423	825		364	5,612
Human services	353,394	3,007			356,401
Criminal justice and corrections	355,298	47,600			402,898
Natural resources and environment	443,106	733			443,839
Transportation		31			31
State courts	10,328				10,328
Capital outlay	58,357	175,387			233,744
Debt service:					
Principal retirement	4,627	2,110	661,835		668,572
Interest and fiscal charges	1,217	2,195	832,159		835,571
Total expenditures	2,009,672	240,011	1,542,550	364	3,792,597
Excess (deficiency) of revenues over expenditures	474,156	(238,779)	(1,396,307)	161	(1,160,769)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues			7,720		7,720
Proceeds of refunding bonds			166,383		166,383
Operating transfers in	1,179,092	323,326	1,384,691		2,887,109
Operating transfers out	(1,414,945)	(97,336)	(293)	(87)	(1,512,661)
Proceeds of financing agreements	27,886	28,215			56,101
Payments to refunded bond agent			(166,383)		(166,383)
Total other financing sources (uses)	(207,967)	254,205	1,392,118	(87)	1,438,269
Net change in fund balances	266,189	15,426	(4,189)	74	277,500
Fund balances - beginning Adjustments to increase (decrease) beginning	1,261,482	66,217	79,921	6,616	1,414,236
fund balances	11,411				11,411
Fund balances - beginning, as restated	1,272,893	66,217	79,921	6,616	1,425,647
Fund balances - ending	\$ 1,539,082	\$ 81,643	\$ 75,732	\$ 6,690	\$ 1,703,147

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NONMAJOR SPECIAL REVENUE FUNDS

GOVERNMENT ADMINISTRATION

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

BUSINESS AND COMMUNITY DEVELOPMENT

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

REGULATION AND LICENSING

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

TOBACCO SETTLEMENT

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

PUBLIC SAFETY

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

CORRECTIONS

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

CONSUMER PROTECTION AND SAFETY

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

AGRICULTURE

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

JUVENILE JUSTICE

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

JUDICIAL SERVICES

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

MILITARY AND VETERANS' AFFAIRS

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

CITRUS COMMISSION

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

STATE BOARD OF ADMINISTRATION

This blended component unit includes the following internal reporting special revenue funds administered by the State Board of

Administration: Tobacco Clearing Trust Fund and Gas Tax Clearing Accounts.

SCHOOL FOR THE DEAF AND THE BLIND

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

WIRELESS EMERGENCY TELEPHONE SYSTEM

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

WORKFORCE FLORIDA INC

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

FLORIDA WATER POLLUTION CONTROL FINANCING CORPORATION

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

INLAND PROTECTION FINANCING CORPORATION

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

INVESTMENT FRAUD RESTORATION CORPORATION

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

SURPLUS LINES

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

PARTNERSHIP IN CORRECTIONAL EXCELLENCE

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

SCRIPPS FLORIDA FUNDING CORPORATION

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

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2004 (in thousands)

	Government Administration		Co	usiness and mmunity relopment	Regulation and Licensing		Tobacco Settlement		Public Safety
ASSETS									
Current assets Cash and cash equivalents Pooled investments with State Treasury	\$	 143,697	\$	53,405	\$	1,162 144,147	\$	1 56,287	\$ 183 81,306
Investments Receivables, net Due from other funds		265 630		823 14,645 3,626		9,990 21,469		 102	13,978 2,802
Inventories Other Total current assets		 144,592		72,499		170 32 176,970		3,053 59,443	158 98,427
Noncurrent assets Long term investments Advances to other funds				200					 500
Other loans and notes receivable, net Other Total noncurrent assets				8,879 9,079					4,493 4,993
Total assets	\$	144,592	\$	81,578	\$	176,970	\$	59,443	\$ 103,420
LIABILITIES AND FUND BALANCES									
Current liabilities Accounts payable and accrued liabilities Due to other funds Due to component units/primary Compensated absences Deposits Deferred revenues Obligations under security lending agreements Obligations under reverse repurchase agreements Total current liabilities	\$	36,482 1,113 74 138 20,693 2,034 60,534	\$	7,969 1,540 3,737 56 2,277 6,969 3,543 348 26,439	\$	7,114 37,992 281 210 29 25,786 2,535 73,947	\$	9,905 6,485 236 72 8,193 805 25,696	\$ 12,380 9,016 80 873 1,726 2,878 283 27,236
Noncurrent liabilities Advances from other funds Deposits Deferred revenues Total noncurrent liabilities				3,453 3,453					1,132 387 1,028 2,547
Total liabilities		60,534		29,892		73,947		25,696	29,783
Fund balances Reserved for encumbrances Reserved for inventories Reserved for advances		2,140 		8,281 		 170 		 3,053 	1,850
Reserved for long-term receivables Reserved for capital outlay Other reserved Unreserved		500 		6,292 13,839 		2,935		7,192 	 167
Total fund balances		81,418 84,058		23,274 51,686		99,918		23,502 33,747	71,620 73,637
Total liabilities and fund balances	\$	144,592	\$	81,578	\$	176,970	\$	59,443	\$ 103,420

Co	orrections	Р	onsumer rotection nd Safety	A	griculture	Juvenile Justice	Judicial Services	V	litary and eterans' Affairs
\$		\$	356	\$	101	\$ 263	\$ 2	\$	452
	16,822		38,126		64,350	26,135	24,397		16,933
	 391		 11,248		 5,933	3,587	1,304		2,648
	1,174		2,407		1,355	3,925	422		2,048
					1,247	2			182
	18,387		52,137		72,986	33,912	26,125		20,249
			4,066						
			4,066						
\$	18,387	\$	56,203	\$	72,986	\$ 33,912	\$ 26,125	\$	20,249
\$	1,763	\$	2,831	\$	6,790	\$ 9,071	\$ 1,761	\$	2,830
	855		3,629		990	386	389		9
			60		40	2 2	9		 12
			287				348		
			3,974						
			1,609		12,731	3,030			666
	2,618		158 12,548		1,251 21,802	298 12,789	2,507		3,582
	2,010		12,540		21,002	12,703	2,507		3,302
			35				326		
			4,066						
			831						
			4,932				326		
	2,618		17,480		21,802	12,789	2,833		3,582
			4,850		5,025		123		774
					1,247	2			181
			4,066						
	2,229				3,458	6,271 			10,386
	13,540		29,807		41,454	 14,850	 23,169		5,326
	15,769		38,723		51,184	21,123	23,292		16,667
\$	18,387	\$	56,203	\$	72,986	\$ 33,912	\$ 26,125	\$	20,249

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS JUNE 30, 2004 (in thousands)

		Citrus mmission	ate Board of ninistration	th a	nool for e Deaf nd the Blind	En Te	Vireless nergency elephone System	orkforce Florida Inc
ASSETS								
Current assets Cash and cash equivalents Pooled investments with State Treasury Investments	\$	1,314 21,743 	\$ 	\$	1,541 458 6,943	\$	 76,915 	\$ 13,042
Receivables, net Due from other funds Inventories		3,717 480	63 17,794 		518 		128 	2,020
Other Total current assets	-	523 27,777	17,857		9,460		77,043	42 15,104
Noncurrent assets Long term investments Advances to other funds Other loans and notes receivable, net Other Total noncurrent assets								
Total assets	\$	27,777	\$ 17,857	\$	9,460	\$	77,043	\$ 15,104
LIABILITIES AND FUND BALANCES	-							
Current liabilities Accounts payable and accrued liabilities Due to other funds Due to component units/primary Compensated absences Deposits Deferred revenues Obligations under security lending agreements Obligations under reverse repurchase agreements Total current liabilities	\$	7,075 595 370 187 4,765 468 13,460	\$ 17,854 3 17,857	\$	116 5 	\$	18,328 105 16,823 1,654 36,910	\$ 3,769
Noncurrent liabilities Advances from other funds Deposits Deferred revenues Total noncurrent liabilities								 10,276 10,276
Total liabilities		13,460	17,857		121		36,910	14,045
Fund balances Reserved for encumbrances Reserved for inventories Reserved for advances Reserved for long-term receivables Reserved for capital outlay Other reserved Unreserved		480 16 13,821			 9,339			 1,059
Total fund balances		14,317			9,339		40,133	1,059
Total liabilities and fund balances	\$	27,777	\$ 17,857	\$	9,460	\$	77,043	\$ 15,104

Pollut	Water ion Control ocing Corp	P	Inland rotection ncing Corp		estoration Corp		Surplus Lines		tnership in rrectional ccellence	Scripps Florida Funding Corp			Totals 6/30/04
\$	1,317 181,108	\$	92	\$		\$	6,910 1	\$	230	\$	32	\$	26,998 945,830
	1,741		10,296		985						312,236		333,024
	40,568						93		196		1,797		113,089
													55,740
													5,134
							12				21		788
	224,734		10,388		985		7,016		426		314,086		1,480,603
											267,331		267,531
													500
	469,618												482,563
													4,493
	469,618										267,331		755,087
\$	694,352	\$	10,388	\$	985	\$	7,016	\$	426	\$	581,417	\$	2,235,690
\$	292	\$		\$		\$	193	\$	1	\$	307	\$	146,831
Ψ	645	Ψ		Ψ		Ψ		Ψ		Ψ	4	Ψ	63,756
													4,626
													807
													3,923
													12,698
	42,898						1				284,701		428,317
	4,217		•••••				101						14,116
	48,052						194		1		285,012		675,074
			•••••								•••••		1,493
													7,906 12,135
													21,534
-													
-	48,052						194		1		285,012		696,608
													23,043
													5,133
	469,618												16 479,976
	409,010												43,875
									6				3,108
	176,682		10,388		985		6,822		419		296,405		983,931
	646,300		10,388		985		6,822		425		296,405		1,539,082
\$	694,352	\$	10,388	\$	985	\$	7,016	\$	426	\$	581,417	\$	2,235,690

2004 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

REVENUES \$ \$82,838 \$ \$ Taxes \$ \$ 925,964 53,224 Licenses and permits 1 \$ 925,964 2 57,812 Fees and charges 12,329 \$5,672 26,084 2 57,812 Grants and donations \$56,865 225,662 26,084 2 57,812 Investment earnings (975) (917) (1,940) 1,607 4933 Fines, forfeits, settlements and judgments 1,221	(iii tiiousailus)	 vernment ninistration	Co	Business and ommunity velopment	egulation and icensing	obacco ettlement	Public Safety
Pees and permits							
Fees and charges 12,329 5,672 26,084 2 57,812 Grants and donations 58,685 225,654 258		\$ 	\$		\$	\$ 	\$
Grants and donations Investment earnings 58,685 225,654 228	·				-		,
Investment earnings (975) (917) (1,940) 1,607 (93) Fines, forfeits, settlements and judgments 1,221 4,622 365,613 50,785 Other revenue 716 231,125 1,037,444 367,222 254,380 EXPENDITURES Current: 8 49,303 173,962 67 30,433 Education 327,064 Education 327,064 Education 327,064 Education	9	•			,		,
Fines, forfeits, settlements and judgments 1,221				•			
Other revenue	S .			` '	, ,		` ,
Total revenues					· ·	•	-
Current: General government 96,405 49,303 173,962 67 30,433 60 60 60 60 60 60 60							
Current: General government 96,405 49,303 173,962 67 30,433 Education	Total revenues	 71,260		231,125	1,037,444	367,222	254,380
General government 96,405 49,303 173,962 67 30,433 Education							
Education		00.405		40.000	470.000	07	00.400
Human services	<u> </u>	•		•			•
Criminal justice and corrections							
Natural resources and environment State courts 244,018 <td></td> <td></td> <td></td> <td></td> <td></td> <td>•</td> <td></td>						•	
State courts	•						,
Capital outlay 1,583 181 2,087 3,407 5,287 Debt service: Principal retirement Interest and fiscal charges				,			
Debt service: Principal retirement Interest and fiscal charges	Capital outlay	1.583					
Interest and fiscal charges 361 42 Total expenditures 97,988 293,502 179,545 330,538 192,833 Excess (deficiency) of revenues over expenditures (26,728) (62,377) 857,899 36,684 61,547 OTHER FINANCING SOURCES (USES) 204,495 67,037 83,010 41,001 30,313 Operating transfers out Operating transfers out Proceeds of financing agreements (152,663) (21,187) (983,176) (63,878) (86,898) Proceeds of financing sources (uses) 51,832 45,850 (900,166) (22,877) (56,344) Net change in fund balances 25,104 (16,527) (42,267) 13,807 5,203 Fund balances - beginning fund balances 58,954 68,213 145,290 19,940 68,434 Fund balances - beginning, as restated 58,954 68,213 145,290 19,940 68,434		,			,	,	,
Total expenditures 97,988 293,502 179,545 330,538 192,833 Excess (deficiency) of revenues over expenditures (26,728) (62,377) 857,899 36,684 61,547 OTHER FINANCING SOURCES (USES) 50 (62,377) 83,010 41,001 30,313 Operating transfers out (152,663) (21,187) (983,176) (63,878) (86,898) Proceeds of financing agreements 241 Total other financing sources (uses) 51,832 45,850 (900,166) (22,877) (56,344) Net change in fund balances 25,104 (16,527) (42,267) 13,807 5,203 Fund balances - beginning fund balances 58,954 68,213 145,290 19,940 68,434 Fund balances - beginning, as restated 58,954 68,213 145,290 19,940 68,434	Principal retirement				3,135		1,223
Excess (deficiency) of revenues over expenditures (26,728) (62,377) 857,899 36,684 61,547 OTHER FINANCING SOURCES (USES) Operating transfers in 204,495 67,037 83,010 41,001 30,313 Operating transfers out (152,663) (21,187) (983,176) (63,878) (86,898) Proceeds of financing agreements	Interest and fiscal charges	 			361		42
over expenditures (26,728) (62,377) 857,899 36,684 61,547 OTHER FINANCING SOURCES (USES) Operating transfers in 204,495 67,037 83,010 41,001 30,313 Operating transfers out (152,663) (21,187) (983,176) (63,878) (86,898) Proceeds of financing agreements 241 Total other financing sources (uses) 51,832 45,850 (900,166) (22,877) (56,344) Net change in fund balances 25,104 (16,527) (42,267) 13,807 5,203 Fund balances - beginning fund balances 58,954 68,213 145,290 19,940 68,434 Fund balances - beginning, as restated 58,954 68,213 145,290 19,940 68,434	Total expenditures	 97,988		293,502	179,545	330,538	192,833
OTHER FINANCING SOURCES (USES) Operating transfers in Operating transfers out Proceeds of financing agreements 204,495 (57,037 (983,176) (983,176) (63,878) (86,898) (983,176) (63,878) (86,898) (983,176) (63,878) (86,898) (983,176) (63,878) (86,898) (983,176)	Excess (deficiency) of revenues						
Operating transfers in Operating transfers out Operating transfers out (152,663) 204,495 (21,187) 67,037 (983,176) 41,001 (63,878) 30,313 (86,898) Proceeds of financing agreements	over expenditures	 (26,728)		(62,377)	857,899	36,684	61,547
Operating transfers out Proceeds of financing agreements (152,663) (21,187) (983,176) (63,878) (86,898) Proceeds of financing agreements 241 Total other financing sources (uses) 51,832 45,850 (900,166) (22,877) (56,344) Net change in fund balances 25,104 (16,527) (42,267) 13,807 5,203 Fund balances - beginning fund balances (decrease) beginning fund balances	OTHER FINANCING SOURCES (USES)						
Proceeds of financing agreements 241 Total other financing sources (uses) 51,832 45,850 (900,166) (22,877) (56,344) Net change in fund balances 25,104 (16,527) (42,267) 13,807 5,203 Fund balances - beginning 58,954 68,213 145,290 19,940 68,434 Adjustments to increase (decrease) beginning fund balances Fund balances - beginning, as restated 58,954 68,213 145,290 19,940 68,434	Operating transfers in	204,495		67,037	83,010	41,001	30,313
Total other financing sources (uses) 51,832 45,850 (900,166) (22,877) (56,344) Net change in fund balances 25,104 (16,527) (42,267) 13,807 5,203 Fund balances - beginning fund balances 58,954 68,213 145,290 19,940 68,434 Adjustments to increase (decrease) beginning fund balances		(152,663)		(21,187)	(983,176)	(63,878)	(86,898)
Net change in fund balances 25,104 (16,527) (42,267) 13,807 5,203 Fund balances - beginning fund balances 58,954 68,213 145,290 19,940 68,434 Adjustments to increase (decrease) beginning fund balances <	Proceeds of financing agreements	 					241
Fund balances - beginning 58,954 68,213 145,290 19,940 68,434 Adjustments to increase (decrease) beginning fund balances <td>Total other financing sources (uses)</td> <td>51,832</td> <td></td> <td>45,850</td> <td>(900,166)</td> <td>(22,877)</td> <td>(56,344)</td>	Total other financing sources (uses)	51,832		45,850	(900,166)	(22,877)	(56,344)
Adjustments to increase (decrease) beginning fund balances - beginning, as restated 58,954 68,213 145,290 19,940 68,434	Net change in fund balances	25,104		(16,527)	(42,267)	13,807	5,203
fund balances	Fund balances - beginning	58,954		68,213	145,290	19,940	68,434
	, , , , ,	 					
Fund balances - ending \$ 84,058 \$ 51,686 \$ 103,023 \$ 33,747 \$ 73,637	Fund balances - beginning, as restated	58,954		68,213	145,290	19,940	68,434
	Fund balances - ending	\$ 84,058	\$	51,686	\$ 103,023	\$ 33,747	\$ 73,637

Co	orrections	Pr	onsumer rotection d Safety	Ą	griculture		uvenile Justice		Judicial Services		ilitary and /eterans' Affairs
\$		\$		\$	546	\$	16	\$		\$	
,		•		Ť	16,814	•		Ť	224	Ť	
	35,406		2,057		78,857		3,377		17,806		21,500
	10,178		44,600		39,544		12,937		7,610		65,386
	90		9		(249)		(371)				3
			21,746		3,032		2,635		2,832		1
	2		91				60		122		253
	45,676		68,503		138,544		18,654		28,594		87,143
			26,614								58,759
											26,330
	46,397		19,234				88,698		44,161		
			33,919		165,169						
									10,328		
	12,465		3,192		9,012		10,176		1,764		8,265
							269 809				
	58,862		82,959		174,181		99,952		56,253		93,354
	(13,186)		(14,456)		(35,637)		(81,298)		(27,659)		(6,211)
	23,522		16,209		46,559		76,104		30,036		8,556
	(25,659)		(12,856)		(7,951)		(963)		(2,655)		(677)
			27,645								
	(2,137)		30,998		38,608		75,141		27,381		7,879
	(15,323)		16,542		2,971		(6,157)		(278)		1,668
	31,092		22,181		48,213		27,280		23,570		14,999
	31,092		22,181		48,213		27,280		23,570		14,999
\$	15,769	\$	38,723	\$	51,184	\$	21,123	\$	23,292	\$	16,667

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

	Citrus mmission	ate Board of ministration	th a	nool for e Deaf nd the Blind	Er Te	Wireless Emergency Telephone System		orkforce Torida Inc
REVENUES								
Taxes	\$ 48,641	\$ 	\$		\$		\$	
Licenses and permits								
Fees and charges	60			262		48,909		
Grants and donations	5,241			1,144				9,020
Investment earnings	(694)	66		489		(1,436)		
Fines, forfeits, settlements and judgments	1							
Other revenue	 234	 						
Total revenues	 53,483	66		1,895		47,473		9,020
EXPENDITURES								
Current:								
General government	59,373	194,651				63,529		8,083
Education				4,423				
Human services								
Criminal justice and corrections								
Natural resources and environment								
State courts								
Capital outlay	567			371				
Debt service:								
Principal retirement								
Interest and fiscal charges	 	 						
Total expenditures	 59,940	194,651		4,794		63,529		8,083
Excess (deficiency) of revenues								
over expenditures	 (6,457)	(194,585)		(2,899)		(16,056)		937
OTHER FINANCING SOURCES (USES)								
Operating transfers in		239,308		2,631				
Operating transfers out	(1,772)	(44,723)				(21)		
Proceeds of financing agreements								
Total other financing sources (uses)	(1,772)	194,585		2,631		(21)		
Net change in fund balances	(8,229)			(268)		(16,077)		937
Fund balances - beginning Adjustments to increase (decrease) beginning	21,407			9,607		56,210		122
fund balances	1,139							
Fund balances - beginning, as restated	22,546			9,607		56,210		122
Fund balances - ending	\$ 14,317	\$ 	\$	9,339	\$	40,133	\$	1,059

Pollu	L Water tion Control ncing Corp	Pro	Inland otection ocing Corp	tment Fraud estoration Corp	urplus Lines	Co	nership in rrectional cellence	ipps Florida nding Corp	Totals 6/30/04
\$		\$		\$ 	\$ 	\$		\$ 	\$ 132,041
									995,626
					7,455		747		318,335
							315		572,354
	14,747		115	10	50			(93)	10,418
									452,488
									2,566
	14,747		115	10	7,505		1,062	(93)	2,483,828
	151		19	3	4,068			13,502	778,922
									4,423
									353,394
							960		355,298
									443,106
									10,328
			•••••						58,357
									4,627
	5								1,217
	156		19	3	4,068		960	13,502	2,009,672
	14,591		96	7	3,437		102	(13,595)	474,156
	293		18					310,000	1,179,092
	(9,866)								(1,414,945)
									27,886
	(9,573)		18					310,000	(207,967)
	5,018		114	7	3,437		102	296,405	266,189
	641,282		2	978	3,385		323		1,261,482
			10,272						11,411
	641,282		10,274	978	3,385		323		1,272,893
\$	646,300	\$	10,388	\$ 985	\$ 6,822	\$	425	\$ 296,405	\$ 1,539,082

	Government Administration							
		Budget		Actual	- Fa	ance with Budget avorable avorable)		
Fund Balances, July 1, 2003 Reversions	\$	102,969 7,329	\$	102,969 7,329	\$			
Fund Balances, July 1, 2003, restated		110,298		110,298				
REVENUES								
Direct revenues:								
Fees and charges		33,871		46,717		12,846		
Interest		839		3,129		2,290		
Grants		59,405		58,830		(575)		
Refunds		1,706		1,891		185		
Other		1,212		1,229		17		
Total Direct Revenues		97,033		111,796		14,763		
Indirect revenues: Transfers and distributions		50,426		37,482		(12,944)		
Other				2		(40.040)		
Total Indirect Revenues		50,426		37,484		(12,942)		
TOTAL REVENUES		147,459		149,280		1,821		
TOTAL AVAILABLE RESOURCES		257,757		259,578		1,821		
EXPENDITURES Operating expenditures:								
Salaries and benefits		28,833		27,538		1,295		
Other personal services		5,571		4,716		855		
Expenses		11,502		10,278		1,224		
Grants and aids		4,399		4,368		31		
Operating capital outlay		434		307		127		
Special categories		120,108		99,217		20,891		
Grants/aids to local governments		875		875				
Data processing services Total Operating Expenditures		6,047 177,769		5,502 152,801		545 24,968		
, , ,		177,709		132,001		24,900		
Nonoperating expenditures: Transfers		22,500		22,500				
Refunds		1,575		1,575				
Other		172		172				
Total Nonoperating Expenditures		24,247		24,247				
TOTAL EXPENDITURES		202,016		177,048		24,968		
FUND BALANCES, JUNE 30, 2004	\$	55,741	\$	82,530	\$	26,789		

	Business and Community Development						
					Variance with Budget - Favorable		
		Budget		Actual	(Un	favorable)	
Fund Balances, July 1, 2003	\$	393,007	\$	393,007	\$		
Reversions		37,432		37,432			
Fund Balances, July 1, 2003, restated		430,439		430,439			
REVENUES							
Direct revenues:							
Fees and charges		5,687		5,670		(17)	
Interest		1,407				(1,407)	
Grants		593,866		495,345		(98,521)	
Refunds		525		2,900		2,375	
Other		247		1,120		873	
Total Direct Revenues		601,732		505,035		(96,697)	
Indirect revenues:							
Transfers and distributions		96,398		71,710		(24,688)	
Other				79		79	
Total Indirect Revenues		96,398		71,789		(24,609)	
TOTAL REVENUES		698,130		576,824		(121,306)	
TOTAL AVAILABLE RESOURCES		1,128,569		1,007,263		(121,306)	
EXPENDITURES							
Operating expenditures:							
Salaries and benefits		8,056		6,902		1,154	
Other personal services		4,331		2,738		1,593	
Expenses		3,303		2,366		937	
Grants and aids		6,524		6,524			
Operating capital outlay		182		105		77	
Fixed capital outlay		324		324			
Special categories		926,936		890,459		36,477	
Grants/aids to local governments Total Operating Expenditures		53,401 1,003,057		53,401 962,819		40 229	
		1,003,037		902,019		40,238	
Nonoperating expenditures:							
Transfers		9,246		9,246			
Refunds		278		278			
Other		628		628			
Total Nonoperating Expenditures		10,152		10,152			
TOTAL EXPENDITURES		1,013,209		972,971		40,238	
FUND BALANCES, JUNE 30, 2004	\$	115,360	\$	34,292	\$	(81,068)	

	Regulation and Licensing					
	Budg		Actual		Variance with Budget - Favorable (Unfavorable)	
Fund Balances, July 1, 2003	\$	260,216	\$	260,216	\$	
Reversions		65		65		
Fund Balances, July 1, 2003, restated		260,281		260,281		
REVENUES						
Direct revenues:						
Fees and charges		21,357		22,402		1,045
Licenses		840,187		835,836		(4,351)
Taxes		83,183		82,881		(302)
Miscellaneous		170		164		(6)
Interest		3,720		80,308		76,588
Grants		263		258		(5)
Refunds		27		357		330
Other Total Direct Revenues		3,403 952,310		4,698 1,026,904		1,295 74,594
		932,310		1,020,904		74,394
Indirect revenues:						/
Transfers and distributions		74,577		6,817		(67,760)
Other Total Indirect Revenues		74,577		6,820		(67.757)
		,		•		(67,757)
TOTAL REVENUES		1,026,887		1,033,724		6,837
TOTAL AVAILABLE RESOURCES		1,287,168		1,294,005		6,837
EXPENDITURES Operating expenditures:						
Salaries and benefits		90,802		87,881		2,921
Other personal services		12,094		11,155		939
Expenses		22,310		21,092		1,218
Grants and aids		13,791		12,964		827
Operating capital outlay		1,269		1,107		162
Special categories		27,758		17,558		10,200
Data processing services		1,155		723		432
Total Operating Expenditures		169,179		152,480		16,699
Nonoperating expenditures:						
Transfers		976,549		976,549		
Refunds		7,196		7,196		
Other		46,644		46,644		
Total Nonoperating Expenditures		1,030,389		1,030,389		
TOTAL EXPENDITURES		1,199,568		1,182,869		16,699
FUND BALANCES, JUNE 30, 2004	\$	87,600	\$	111,136	\$	23,536

	Tobacco Settlement								
						ance with udget			
						vorable			
	Bud	get	Α	ctual	(Unfavorable)				
Fund Balances, July 1, 2003 Reversions	\$ 1	5,489 3,691	\$	15,489 3,691	\$				
Fund Balances, July 1, 2003, restated	1	9,180		19,180					
REVENUES									
Direct revenues:									
Interest		1,965		2,133		168			
Refunds		35		80		45			
Other	36	6,981		363,981		(3,000)			
Total Direct Revenues	36	88,981		366,194		(2,787)			
Indirect revenues:									
Transfers and distributions	61	1,376		590,333		(21,043)			
Other				6		6			
Total Indirect Revenues	61	1,376		590,339		(21,037)			
TOTAL REVENUES	98	30,357		956,533		(23,824)			
TOTAL AVAILABLE RESOURCES	99	9,537		975,713		(23,824)			
EXPENDITURES									
Operating expenditures:									
Salaries and benefits	1	7,127		16,624		503			
Other personal services		2,211		1,917		294			
Expenses		8,005		7,544		461			
Grants and aids	1	6,894		16,889		5			
Operating capital outlay		119		86		33			
Fixed capital outlay		3,386		3,386					
Special categories	35	2,616		350,913		1,703			
Data processing services		4,484		696		3,788			
Total Operating Expenditures	4()4,842		398,055		6,787			
Nonoperating expenditures:									
Transfers	56	60,075		560,075					
Other		3,000		3,000					
Total Nonoperating Expenditures	56	3,075		563,075					
TOTAL EXPENDITURES	96	67,917		961,130		6,787			
FUND BALANCES, JUNE 30, 2004	\$ 3	31,620	\$	14,583	\$	(17,037)			
;		•							

			lic Safety	ety			
		Budget		Actual	- F	ance with Budget avorable avorable)	
Fund Balances, July 1, 2003	\$	61,058	\$	61,058	\$		
Reversions		869		869			
Fund Balances, July 1, 2003, restated		61,927		61,927			
REVENUES							
Direct revenues:							
Fees and charges		51,294		53,077		1,783	
Licenses		58,068		54,531		(3,537)	
Miscellaneous				25		25	
Interest		1,998		853		(1,145)	
Grants		126,617		92,985		(33,632)	
Refunds		356		4,756		4,400	
Other		44,212		54,129		9,917	
Total Direct Revenues		282,545		260,356		(22,189)	
Indirect revenues:							
Transfers and distributions		33,510		40,323		6,813	
Other				81		81	
Total Indirect Revenues		33,510		40,404		6,894	
TOTAL REVENUES		316,055		300,760		(15,295)	
TOTAL AVAILABLE RESOURCES		377,982		362,687		(15,295)	
EXPENDITURES Operating expenditures:							
Salaries and benefits		42,637		40,331		2,306	
Other personal services		14,166		11,226		2,940	
Expenses		27,128		23,658		3,470	
Grants and aids		27,595		23,305		4,290	
Operating capital outlay		10,288		8,214		2,074	
Fixed capital outlay Special categories		5 154,999		5 110,709			
Data processing services		165		78		44,290 87	
Total Operating Expenditures		276,983		217,526		59,457	
		210,000		211,020		00,101	
Nonoperating expenditures: Transfers		40.006		40.006			
Refunds		49,906		49,906			
Other		1,610 33,817		1,610 33,817			
Total Nonoperating Expenditures		85,333		85,333			
TOTAL EXPENDITURES		362,316		302,859		59,457	
FUND BALANCES, JUNE 30, 2004	\$	•	\$	•	\$		
FUND BALANCES, JUNE 30, 2004	Ψ	15,666	φ	59,828	φ	44,162	

	Corrections							
		Budget		Actual	- Fa	ance with Budget avorable avorable)		
Fund Balances, July 1, 2003	\$	23,356	\$	23,356	\$	<u> </u>		
Reversions	φ	23,330	φ	23,330 69	φ			
Fund Balances, July 1, 2003, restated		23,425		23,425				
REVENUES								
Direct revenues:								
Fees and charges		11,341		10,877		(464)		
Interest		1				(1)		
Grants		10,198		10,198				
Refunds				459		459		
Other				75		75		
Total Direct Revenues		21,540		21,609		69		
Indirect revenues:								
Transfers and distributions		36,974		31,202		(5,772)		
Other				121		121		
Total Indirect Revenues		36,974		31,323		(5,651)		
TOTAL REVENUES		58,514		52,932		(5,582)		
TOTAL AVAILABLE RESOURCES		81,939		76,357		(5,582)		
EXPENDITURES								
Operating expenditures:								
Salaries and benefits		8,273		5,906		2,367		
Other personal services		1,337		584		753		
Expenses		16,558		13,616		2,942		
Operating capital outlay		3,587		481		3,106		
Food products		615		323		292		
Fixed capital outlay		13,054		13,054				
Special categories		21,245		16,105		5,140		
Data processing services Special expenses		245 79		245 79				
Total Operating Expenditures		64,993		50,393		14,600		
		04,000		30,333		14,000		
Nonoperating expenditures:		0.470		0.470				
Transfers		2,172		2,172				
Refunds Other		2,112 6,991		2,112 6,991				
Total Nonoperating Expenditures		11,275		11,275				
TOTAL EXPENDITURES		76,268		61,668		14,600		
FUND BALANCES, JUNE 30, 2004	\$	5,671	\$	14,689	\$	9,018		
,		-,-	_	,	_	-,		

	Consumer Protection and Safety							
					ı	iance with Budget avorable		
		Budget		Actual	(Un	favorable)		
Fund Balances, July 1, 2003 Reversions	\$	134,172 5,709	\$	134,172 5,709	\$			
Fund Balances, July 1, 2003, restated		139,881		139,881				
REVENUES								
Direct revenues: Fees and charges Interest Grants Refunds		90 232 136,709		304 3,134 79,808 772	4 2,9 8 (56,9			
Other		6,668		14,340		7,672		
Total Direct Revenues		143,699		98,358		(45,341)		
Indirect revenues: Transfers and distributions Total Indirect Revenues		82,569 82,569		69,363 69,363		(13,206) (13,206)		
TOTAL REVENUES		226,268		167,721		(58,547)		
TOTAL AVAILABLE RESOURCES		366,149		307,602		(58,547)		
EXPENDITURES Operating expenditures: Salaries and benefits Other personal services Expenses Operating capital outlay Special categories Data processing services Total Operating Expenditures		15,680 436 2,564 331 266,708 10 285,729		14,558 284 2,217 178 242,434 		1,122 152 347 153 24,274 10 26,058		
Nonoperating expenditures: Transfers Refunds Other Total Nonoperating Expenditures		10,751 84 1,680 12,515		10,751 84 1,680 12,515				
TOTAL EXPENDITURES		298,244		272,186		26,058		
FUND BALANCES, JUNE 30, 2004	\$	67,905	\$	35,416	\$	(32,489)		

	Agriculture							
	В	Budget		Actual	- F:	ance with Budget avorable avorable)		
Fund Balances, July 1, 2003	\$	36,012	\$	36,012	\$			
Reversions		1,836		1,836				
Fund Balances, July 1, 2003, restated		37,848		37,848				
REVENUES								
Direct revenues:								
Fees and charges		71,253		68,919		(2,334)		
Licenses		15,973		16,303		330		
Taxes		255		276		21		
Miscellaneous		6,482		6,201		(281)		
Interest		987		2,157		1,170		
Grants		79,087		41,163		(37,924)		
Refunds		207		596		389		
Other		8,620		3,528		(5,092)		
Total Direct Revenues		182,864		139,143		(43,721)		
Indirect revenues:								
Transfers and distributions		56,229		59,816		3,587		
Other		00,220		335		335		
Total Indirect Revenues		56,229		60,151		3,922		
TOTAL REVENUES		239,093		199,294		(39,799)		
TOTAL AVAILABLE RESOURCES		276,941		237,142		(39,799)		
EXPENDITURES								
Operating expenditures:								
Salaries and benefits		71,334		63,334		8,000		
Other personal services		7,066		5,219		1,847		
Expenses		41,212		33,719		7,493		
Grants and aids		5,236		4,780		456		
Operating capital outlay		8,714		5,160		3,554		
Fixed capital outlay		2,319		2,319				
Special categories		75,164		62,313		12,851		
Payments to U.S. Treasury		10,425		10,425				
Data processing services		21				21		
Total Operating Expenditures		221,491		187,269		34,222		
Nonoperating expenditures:								
Transfers		6,896		6,896				
Refunds		636		636				
Other		9,637		9,637				
Total Nonoperating Expenditures		17,169		17,169				
TOTAL EXPENDITURES		238,660		204,438		34,222		
FUND BALANCES, JUNE 30, 2004	\$	38,281	\$	32,704	\$	(5,577)		

	Juvenile Justice								
	E	Budget		Actual	- Fa	ance with Budget avorable avorable)			
Fund Balances, July 1, 2003	\$	22,166	\$	22,166	\$				
Reversions		2,111		2,111					
Fund Balances, July 1, 2003, restated		24,277		24,277					
REVENUES									
Direct revenues:									
Fees and charges		1,151		1,647		496			
Interest				424		424			
Grants		24,034		16,290		(7,744)			
Refunds				107		107			
Other		2,635		2,664		29			
Total Direct Revenues		27,820		21,132		(6,688)			
Indirect revenues:									
Transfers and distributions		62,701		71,302		8,601			
Other				16		16			
Total Indirect Revenues		62,701		71,318		8,617			
TOTAL REVENUES		90,521		92,450		1,929			
TOTAL AVAILABLE RESOURCES		114,798		116,727		1,929			
EXPENDITURES									
Operating expenditures:									
Salaries and benefits		15,761		15,480		281			
Other personal services		678		530		148			
Expenses		4,683		4,437		246			
Grants and aids		1,652		1,549		103			
Operating capital outlay		87		27		60			
Food products		286		276		10			
Fixed capital outlay		11,672		11,672					
Special categories		72,621		67,776		4,845			
Total Operating Expenditures		107,440		101,747		5,693			
Nonoperating expenditures:									
Transfers		16		16					
Refunds		39		39					
Other		791		791					
Total Nonoperating Expenditures		846		846					
TOTAL EXPENDITURES		108,286		102,593		5,693			
FUND BALANCES, JUNE 30, 2004	\$	6,512	\$	14,134	\$	7,622			

	Judicial Services								
•	Budget \$ 21,704			Actual	B - Fa	ance with sudget avorable avorable)			
Fund Balances, July 1, 2003 Reversions	\$	21,704 178	\$	21,704 178	\$				
Fund Balances, July 1, 2003, restated		21,882		21,882					
REVENUES									
Direct revenues: Fees and charges Licenses Grants Refunds Other Total Direct Revenues		20,604 250 7,196 175 2,837 31,062		20,461 224 7,592 376 3,133 31,786		(143) (26) 396 201 296			
Indirect revenues: Transfers and distributions Total Indirect Revenues		25,201 25,201		27,619 27,619		2,418 2,418			
TOTAL REVENUES		56,263		59,405		3,142			
TOTAL AVAILABLE RESOURCES		78,145		81,287		3,142			
EXPENDITURES Operating expenditures: Salaries and benefits Other personal services Expenses Operating capital outlay Special categories Data processing services Total Operating Expenditures		44,398 5,685 2,641 175 16,653 502 70,054		39,256 3,810 1,227 71 11,470 		5,142 1,875 1,414 104 5,183 502 14,220			
Nonoperating expenditures: Transfers Refunds Other Total Nonoperating Expenditures		1,608 170 1,374 3,152		1,608 170 1,374 3,152					
TOTAL EXPENDITURES		73,206		58,986		14,220			
FUND BALANCES, JUNE 30, 2004	\$	4,939	\$	22,301	\$	17,362			

	Military and Veterans' Affairs								
·	Bı	ıdget		Actual	Vari E - F	ance with Budget avorable avorable)			
Fund Balances, July 1, 2003	\$ 52,154			52,154	\$				
Reversions		255		255					
Fund Balances, July 1, 2003, restated		52,409		52,409					
REVENUES									
Direct revenues:									
Fees and charges		11,822		11,964		142			
Miscellaneous		8		7		(1)			
Interest		60		58		(2)			
Grants		7,186		25,555		18,369			
Refunds		9,903		8,503		(1,400)			
Other		701		40.007		(701)			
Total Direct Revenues		29,680		46,087		16,407			
Indirect revenues:									
Transfers and distributions		700		6,849		6,149			
Other Total Indirect Revenues		700		67		67			
Total Indirect Revenues		700		6,916		6,216			
TOTAL REVENUES		30,380		53,003		22,623			
TOTAL AVAILABLE RESOURCES		82,789		105,412		22,623			
EXPENDITURES									
Operating expenditures:									
Salaries and benefits		19,555		18,474		1,081			
Other personal services		2,817		2,532		285			
Expenses		33,434		32,943		491			
Operating capital outlay		523		454		69			
Food products Fixed capital outlay		1,814		936		878			
Special categories		31,124 5,706		31,124 5,652		 54			
Total Operating Expenditures		94,973		92,115		2,858			
		0 1,010		02,		2,000			
Nonoperating expenditures: Transfers		610		610					
Refunds		70		70					
Other		49		49					
Total Nonoperating Expenditures		729		729					
TOTAL EXPENDITURES		95,702		92,844		2,858			
FUND BALANCES, JUNE 30, 2004	\$	(12,913)	\$	12,568	\$	25,481			

	С	itrus Commissio	on
	Budget	Actual	Variance with Budget - Favorable (Unfavorable)
Fund Balances, July 1, 2003	\$ 16,901	\$ 16,901	\$
Reversions	1,696	1,696	·
Fund Balances, July 1, 2003, restated	18,597	18,597	
REVENUES			
Direct revenues:			
Fees and charges		6	6
Taxes	49,024	48,641	(383)
Miscellaneous	103	42	(61)
Interest	400	423	23
Grants	5,799	3,582	(2,217)
Refunds	166	232	66
Other		60	60
Total Direct Revenues	55,492	52,986	(2,506)
TOTAL REVENUES	55,492	52,986	(2,506)
TOTAL AVAILABLE RESOURCES	74,089	71,583	(2,506)
EXPENDITURES Operating expenditures:			
Salaries and benefits	7,714	6,475	1,239
Other personal services	278	195	83
Expenses	8,077	4,669	3,408
Operating capital outlay	633	536	97
Special categories Data processing services	56,311 30	48,414 13	7,897 17
Total Operating Expenditures	73,043	60,302	12,741
	70,040	00,502	12,171
Nonoperating expenditures: Refunds	92	92	
Other	1,612	1,612	<u></u>
Total Nonoperating Expenditures	1,704	1,704	
TOTAL EXPENDITURES	74,747	62,006	12,741
FUND BALANCES, JUNE 30, 2004	\$ (658)	\$ 9,577	\$ 10,235

		School fo	or the	Deaf and t	he Blin	ıd	
•		udget		Actual	Variance with Budget - Favorable (Unfavorable)		
Fund Balances, July 1, 2003	\$	847	\$	847	\$		
Reversions							
Fund Balances, July 1, 2003, restated		847		847			
REVENUES							
Direct revenues:							
Interest		130		130			
Grants		4,000		3,251		(749)	
Total Direct Revenues		4,130		3,381		(749)	
TOTAL REVENUES		4,130		3,381		(749)	
TOTAL AVAILABLE RESOURCES		4,977		4,228		(749)	
EXPENDITURES Operating expenditures:							
Special categories		3,837		3,837			
Total Operating Expenditures		3,837		3,837			
TOTAL EXPENDITURES		3,837		3,837			
FUND BALANCES, JUNE 30, 2004	\$	1,140	\$	391	\$	(749)	

	Wireless Emergency Telephone System								
Fund Delegace, July 4, 2002		Budget		Actual	Bu - Fa	nce with udget vorable vorable)			
Fund Balances, July 1, 2003 Reversions	\$	45,815 161	\$	45,815 161	\$				
Fund Balances, July 1, 2003, restated		45,976		45,976					
REVENUES									
Direct revenues:		1,951		2,084		133			
Refunds		1,331		2,004		3			
Other		48,900		55,645		6,745			
Total Direct Revenues		50,851		57,732		6,881			
TOTAL REVENUES		50,851		57,732		6,881			
TOTAL AVAILABLE RESOURCES		96,827		103,708		6,881			
EXPENDITURES Operating expenditures:									
Expenses		639		231		408			
Grants and aids		84,007		81,848		2,159			
Total Operating Expenditures		84,646		82,079		2,567			
Nonoperating expenditures: Transfers		21		21					
Total Nonoperating Expenditures		21		21					
TOTAL EXPENDITURES		84,667		82,100		2,567			
FUND BALANCES, JUNE 30, 2004	\$	12,160	\$	21,608	\$	9,448			

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CAPITAL PROJECTS FUNDS

GENERAL GOVERNMENT

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

RIGHT-OF-WAY AND BRIDGE CONSTRUCTION

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

HEALTH SERVICES

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

AGRICULTURE

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

VETERANS' AFFAIRS

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

SCHOOL FOR THE DEAF AND THE BLIND

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

OTHER

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

COMBINING BALANCE SHEET CAPITAL PROJECTS FUNDS JUNE 30, 2004 (in thousands)

	General vernment	J	ht-of-Way and Bridge nstruction	ealth rvices	Agri	culture	erans' ffairs
ASSETS							
Current assets Pooled investments with State Treasury Receivables, net Due from other funds Total current assets	\$ 10,679 592 31,389 42,660	\$	25,421 30 6,700 32,151	\$ 2 2	\$	102 102	\$ 102 102
Noncurrent assets Advances to other funds Other Total noncurrent assets			3,258 9,000 12,258				
Total assets	\$ 42,660	\$	44,409	\$ 2	\$	102	\$ 102
LIABILITIES AND FUND BALANCES							
Current liabilities Accounts payable and accrued liabilities Due to other funds Obligations under security lending agreements Obligations under reverse repurchase agreements Total current liabilities	\$ 75 27 9,711 955 10,768	\$	1,823 4,508 443 6,774	\$ 	\$		\$
Total liabilities	10,768		6,774				
Fund balances Reserved for advances Reserved for capital outlay Other reserved Unreserved	 22,271 9,621		3,258 16,371 18,000 6	 2 			
Total fund balances	 31,892		37,635	2		102	102
Total liabilities and fund balances	\$ 42,660	\$	44,409	\$ 2	\$	102	\$ 102

th	chool for ne Deaf and the Blind	C	Other		Totals 6/30/04					
\$	3,217	\$	173	\$	39,696					
	8,730				622 46,819					
	11,947		173		87,137					
	11,547		173		07,107					
					3,258					
					9,000					
					12,258					
\$	11,947	\$	173	\$	99,395					
\$	200	\$		\$	2,098					
Ψ		Ψ		Ψ	27					
			9		14,228					
			1		1,399					
	200		10		17,752					
	200		10		17,752					
					3,258					
					38,644					
					18,000					
	11,747		163		21,741					
	11,747		163		81,643					
\$	11,947	\$	173	\$	99,395					

2004 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

	General Government		Right-of-Way and Bridge Construction		Health Services		Agriculture		erans' fairs
REVENUES					_		•		
Investment earnings	\$	13	\$	318	\$		\$		\$
Other revenue		901							
Total revenues		914		318					
EXPENDITURES Current:									
General government		8,123							
Education									
Human services		3,007							
Criminal justice and corrections		47,600							
Natural resources and environment		483						250	
Transportation				31					
Capital outlay		21,069		147,876		1,021		364	
Debt service:									
Principal retirement		2,110							
Interest and fiscal charges		2,195							
Total expenditures		84,587		147,907		1,021		614	
Excess (deficiency) of revenues over expenditures		(83,673)		(147,589)		(1,021)		(614)	
OTHER FINANCING SOURCES (USES) Operating transfers in		59,856		250,000		370		614	
Operating transfers out				(97,336)					
Proceeds of financing agreements		28,215							
Total other financing sources (uses)		88,071		152,664		370		614	
Net change in fund balances		4,398		5,075		(651)			
Fund balances - beginning		27,494		32,560		653		102	102
Fund balances - ending	\$	31,892	\$	37,635	\$	2	\$	102	\$ 102

the an	ool for Deaf od the Blind		Totals 5/30/04	
\$		\$		\$ 331 901
				1,232
				0.400
				8,123
	825			825
				3,007
				47,600
				733
				31
	5,057			175,387
				2,110 2,195
	5,882			240,011
	0,002			210,011
	(5,882)			(238,779)
,	12,486 			323,326 (97,336) 28,215
_				
	12,486			254,205
	6,604			15,426
	5,143		163	66,217
\$	11,747	\$	163	\$ 81,643

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NONMAJOR ENTERPRISE FUNDS

OTHER

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

FLORIDA ENGINEERS MANAGEMENT CORPORATION

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

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

COMBINING STATEMENT OF NET ASSETS NONMAJOR ENTERPRISE FUNDS JUNE 30, 2004 (in thousands)

		Other		Engineers nagement Corp		Totals 6/30/04
ASSETS						
Current assets Cash and cash equivalents Pooled investments with State Treasury Receivables, net Due from other funds Due from component units/primary Inventories Other Total current assets	\$	2,040 153,615 8,017 3,398 127 1 	\$	183 22 205	\$	2,223 153,615 8,017 3,398 127 1 22 167,403
Noncurrent assets Capital assets Buildings, equipment, and other depreciable assets Accumulated depreciation Total noncurrent assets Total assets		18,540 (11,224) 7,316 174,514		426 (377) 49 254		18,966 (11,601) 7,365 174,768
LIABILITIES		174,514		204		174,708
Current liabilities Accounts payable and accrued liabilities Due to other funds Due to component units/primary Compensated absences Installment purchases/capital leases Deposits Obligations under security lending agreements Obligations under reverse repurchase agreements Total current liabilities		6,093 7,038 13 2,234 90 10,416 21,462 2,110 49,456		63 126 22 211		6,156 7,038 139 2,234 90 10,438 21,462 2,110 49,667
Noncurrent liabilities Compensated absences		9,777				9,777
Total noncurrent liabilities		9,777				9,777
Total liabilities		59,233		211		59,444
NET ASSETS Invested in capital assets, net of related debt Unrestricted Total net assets	\$	7,316 107,965 115,281	\$	 43 43	\$	7,316 108,008 115,324
1 0141 1151 433513	φ	110,201	Ψ	40	φ	110,024

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

		Other		Engineers nagement Corp		Totals 6/30/04
OPERATING REVENUES	•	50.000	•		•	50.000
Sales - nonstate Fees	\$	59,093	\$	1.063	\$	59,093
Sales - state		184,209 386		1,963		186,172 386
Rents - state		30				30
Fines, forfeits and judgements		32,830				32,830
Total operating revenues		276,548		1,963		278,511
OPERATING EXPENSES						
Contractual Services		24,942		228		25,170
Personal services		103,276		993		104,269
Depreciation		1,870		52		1,922
Materials and supplies		4,448				4,448
Repairs and maintenance		227				227
Basic services		21,012		742		21,754
Interest and fiscal charges		252				252
Total operating expenses		156,027		2,015		158,042
Operating income (loss)		120,521		(52)		120,469
NONOPERATING REVENUES (EXPENSES) Grants and donations Investment earnings Interest and fiscal charges Property disposition gain (loss) Grant expense and client benefits Other		215 (2,876) (95) (1,626) (909) (570)				215 (2,876) (95) (1,626) (909) (570)
Total nonoperating revenues (expenses)		(5,861)				(5,861)
Income (loss) before transfers and contributions		114,660		(52)		114,608
Operating transfers in		488				488
Operating transfers out		(147,530)				(147,530)
Capital contributions		364				364
Change in net assets		(32,018)		(52)		(32,070)
Total net assets - beginning		146,020		95		146,115
Adjustments to increase (decrease) beginning net assets		1,279				1,279
Total net assets - beginning, as restated		147,299		95		147,394
Total net assets - ending	\$	115,281	\$	43	\$	115,324

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

	 Other	Man	ngineers agement Corp	Totals 6/30/04
CASH FLOWS FROM OPERATING ACTIVITIES Cash received from customers Cash paid to vendors Cash paid to employees Unemployment benefits	\$ 267,477 (55,313) (98,094) (211)	\$	2,061 (1,085) (945)	\$ 269,538 (56,398) (99,039) (211)
Net cash provided (used) by operating activities	 113,859		31	113,890
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers in (out)	 (176,021)			(176,021)
Net cash provided (used) by noncapital financing activities	 (176,021)			(176,021)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Payment of principal installment purchase/capital lease Payment of interest on bonds/installment purchase/capital lease Purchase or construction of capital assets	(85) (6) (705)		 (10)	(85) (6) (715)
Net cash provided (used) by capital and related financing activities	 (796)		(10)	(806)
CASH FLOWS FROM INVESTING ACTIVITIES Security lending Investment earnings	 1,022 (2,570)			1,022 (2,570)
Net cash provided (used) by investing activities	 (1,548)			(1,548)
Net increase (decrease) in cash and cash equivalents	(64,506)		21	(64,485)
Cash and cash equivalents - beginning	 220,161		162	220,323
Cash and cash equivalents - ending	\$ 155,655	\$	183	\$ 155,838

COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

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

		Other	Mana	ngineers ngement Corp	 Totals 6/30/04
Operating income (loss)	\$ 120,521		\$	(52)	\$ 120,469
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities: Depreciation expense		1,870		52	1,922
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable		3,497			3,497
(Increase) decrease in due from other funds		(43)			(43)
Increase (decrease) in allowance for uncollectibles		(10,512)			(10,512)
(Increase) decrease in inventories		(147)			(147)
Increase (decrease) in accounts payable		894		(36)	858
Increase (decrease) in compensated absences		1,529			1,529
Increase (decrease) in due to other funds		(1,054)		67	(987)
Increase (decrease) in deferred revenues		(2,696)			(2,696)
Net cash provided (used) by operating activities	\$	113,859	\$	31	\$ 113,890

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INTERNAL SERVICE FUNDS

DATA CENTERS

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

COMMUNICATIONS AND FACILITIES

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

OTHER

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

COMBINING STATEMENT OF NET ASSETS INTERNAL SERVICE FUNDS JUNE 30, 2004 (in thousands)

	Data Centers	Co	mmunications and Facilities	Other	 Totals 6/30/04	
ASSETS						
Current assets						
Cash and cash equivalents	\$		\$	14,187	\$ 	\$ 14,187
Pooled investments with State Treasury		11,682		38,294	3,261	53,237
Investments				41,577		41,577
Receivables, net		3,804		7,583	675	12,062
Due from other funds		25,779		7,338	2,931	36,048
Due from component units/primary		1		1,380	167	1,548
Inventories	-			97	5	102
Total current assets		41,266		110,456	7,039	158,761
Noncurrent assets						
Capital assets						
Land and other nondepreciable assets				373		373
Buildings, equipment, and other depreciable assets		62,533		821,457	6,422	890,412
Accumulated depreciation		(45,669)		(221,022)	(3,853)	(270,544)
Total noncurrent assets		16,864		600,808	2,569	620,241
Total assets		58,130		711,264	9,608	779,002
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities		12,328		22,730	1,835	36,893
Due to other funds		43		136	1,060	1,239
Compensated absences		781		354	1,216	2,351
Installment purchases/capital leases		277		1,968		2,245
Bonds payable				12,730		12,730
Deposits				2,481	669	3,150
Obligations under security lending agreements		192		6,706	305	7,203
Obligations under reverse repurchase agreements		19		659	30	708
Certificates of participation payable				5,545		5,545
Total current liabilities		13,640		53,309	5,115	72,064
Noncurrent liabilities						
Advances from other funds		1,478		525	800	2,803
Due to other governments				75		75
Bonds payable				349,769		349,769
Certificates of participation payable				85,163		85,163
Installment purchases/capital leases		964		34,568		35,532
Compensated absences		3,163		2,027	5,077	10,267
Total noncurrent liabilities		5,605		472,127	5,877	483,609
Total liabilities		19,245		525,436	10,992	555,673
NET ASSETS		-, -		,	-,	
Invested in capital assets, net of related debt		16,787		111,064	2,569	130,420
Unrestricted		22,098		74,764	(3,953)	92,909
Total net assets	\$	38,885	\$	185,828	\$ (1,384)	\$ 223,329

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

	Communications Data and Contars Facilities Other							Totals			
		Centers		Facilities	Other			6/30/04			
OPERATING REVENUES Sales - nonstate Sales - state Rents and royalties - nonstate Rents - state	\$	3,786 121,904 	\$	46,523 102,345 16 84,811	\$	861 53,224 	\$	51,170 277,473 16 84,811			
Total operating revenues		125,690		233,695		54,085		413,470			
OPERATING EXPENSES Contractual Services Personal services Depreciation Materials and supplies Repairs and maintenance Basic services Interest and fiscal charges Total operating expenses	_	63,537 31,222 10,241 7,974 1,808 7,565 15		152,719 19,496 14,265 2,604 18,824 6,361 201		4,904 45,943 581 2,782 1,004 3,501 		221,160 96,661 25,087 13,360 21,636 17,427 216			
. •		,		,		,					
Operating income (loss) NONOPERATING REVENUES/(EXPENSES) Grants and donations Investment earnings Interest and fiscal charges Property disposition gain (loss) Other		3,328 (313) (5) (5,073) 3		19,225 1,037 (21,604) (181) 		(4,630) 1 2,045 (3) (134) 		17,923 1 2,769 (21,612) (5,388) 3			
Total nonoperating revenues (expenses)		(5,388)		(20,748)		1,909		(24,227)			
Income (loss) before transfers and contributions Operating transfers in Operating transfers out		(2,060) 3,438 (2,998) 141		(1,523) 2,385 (11,462)		(2,721) 4 (1,104)		(6,304) 5,827 (15,564) 612			
Capital contributions				445		26					
Change in net assets		(1,479)		(10,155)		(3,795)		(15,429)			
Total net assets - beginning		40,364		195,983		2,411		238,758			
Total net assets - ending	\$	38,885	\$	185,828	\$	(1,384)	\$	223,329			

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

	Data Centers		Communications and Facilities		Other		 Totals 6/30/04
CASH FLOWS FROM OPERATING ACTIVITIES Cash received from customers Cash paid to vendors Cash paid to employees	\$	114,169 (79,212) (31,950)	\$	236,075 (177,806) (19,504)	\$	53,344 (13,181) (41,375)	\$ 403,588 (270,199) (92,829)
Net cash provided (used) by operating activities		3,007		38,765		(1,212)	40,560
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers in (out)		(1,725)		(13,451)		(1,065)	(16,241)
Net cash provided (used) by noncapital financing activities		(1,725)		(13,451)		(1,065)	(16,241)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Cash received from capital grants and donations Payment of principal installment purchase/capital lease Payment of interest on bonds/installment purchase/capital lease Purchase or construction of capital assets		 (6,178)		 (15,075) (22,383) (220)		5 (488)	5 (15,075) (22,383) (6,886)
Net cash provided (used) by capital and related financing activities		(6,178)		(37,678)		(483)	(44,339)
CASH FLOWS FROM INVESTING ACTIVITIES Security lending Investment earnings		(1,386) (318)		1,210 7,646		98 2,048	(78) 9,376
Net cash provided (used) by investing activities		(1,704)		8,856		2,146	9,298
Net increase (decrease) in cash and cash equivalents		(6,600)		(3,508)		(614)	(10,722)
Cash and cash equivalents - beginning		18,282		55,989		3,875	78,146
Cash and cash equivalents - ending	\$	11,682	\$	52,481	\$	3,261	\$ 67,424

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

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

		Data		and				Totals
	C	Centers	Facilities		Other		- 6	6/30/04
Operating income (loss)	\$	\$ 3,328		19,225	\$	(4,630)	\$	17,923
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation expense		10,241		14,265		581		25,087
Change in assets and liabilities:								
(Increase) decrease in accounts receivable		(2,862)		(3,888)		(527)		(7,277)
(Increase) decrease in due from other funds		(7,947)		5,321		228		(2,398)
(Increase) decrease in inventories		(1)		(2)		(116)		(119)
Increase (decrease) in accounts payable		2,740		3,597		475		6,812
Increase (decrease) in compensated absences		(1,811)		(382)		3,579		1,386
Increase (decrease) in due to other funds		(681)		34		(1,045)		(1,692)
Increase (decrease) in deferred revenues				595		243		838
Net cash provided (used) by operating activities	\$	3,007	\$	38,765	\$	(1,212)	\$	40,560

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PRIVATE-PURPOSE TRUST FUNDS

TRUST ESCROW ADMINISTRATION

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

UNCLAIMED PROPERTY

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

STUDENT LOAN GUARANTY RESERVE

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

FLORIDA PREPAID COLLEGE PROGRAM

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

OTHER

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

COMBINING STATEMENT OF FIDUCIARY NET ASSETS PRIVATE-PURPOSE TRUST FUNDS JUNE 30, 2004 (in thousands)

(in thousands)	Trust Escrow ninistration	Unclaimed Property		Loai	Student n Guaranty Reserve	F	L Prepaid College Program
ASSETS							
Cash and cash equivalents Pooled investments with State Treasury	\$ 8,100 987,901	\$	 3,891	\$	 53,302	\$	1,878
Total cash and cash equivalents	 996,001		3,891		53,302		1,878
Investments Certificates of deposit U.S. government & federally guaranteed obligations Federal agencies Commercial paper Repurchase agreements Bonds and notes Mutual fund investments Domestic equity	1,716 62 200 34		 4,210 4,604				2,897,188 176,966 200,136 3,459 667,879 168,884 437,550
Total investments	2,012		8,814				4,552,062
Receivables Accounts receivable Interest receivable Dividends receivable Pending investment sales Due from state funds Due from other governments	6,113 3,677 1,237				207 93 23,698		5,930 11,198 310 231,186
Total receivables	11,027				23,998		248,624
Security lending collateral Advances to other funds Tuition and housing receivable Capital assets Accumulated depreciation Other assets	 15 253,910		 159,484 574 (388)		 67 (54)		1,160,880 1,261,863 86 (68)
Total assets	1,262,965		172,375		77,313		7,225,325
LIABILITIES							
Accounts payable Pending investment purchases Broker rebate fees Due to other funds Due to other governments Obligations under security lending agreements Obligations under reverse repurchase agreements Deposits payable Compensated absences liability Unclaimed property payable Tuition and housing benefits payable	110,465 56 219,938 21,621 130,674 		8,890 280 163,248		4 2,534 7,013 11,541 1,135 		6,918 535,189 810 1,160,880 7,133 199 5,073,722
Total liabilities	 482,754		172,418		22,227		6,784,851
NET ASSETS Held in trust for individuals, organizations, and other governments	\$ 780,211	\$	(43)	\$	55,086	\$	440,474

Other		Totals 6/30/04			
\$		\$ 9,978			
	587	1,045,681			
	587	1,055,659			
	001	1,000,000			
		1,716			
		2,897,250			
		176,966			
		200,136			
		3,459			
		668,079			
		173,094			
-		442,188			
		4,562,888			
		12,250			
		14,968			
		310			
		231,186			
		1,237			
		23,698			
		283,649			
		1,160,880			
		159,484			
		1,261,863			
	38	780			
		(510)			
		253,910			
	625	8,738,603			
	30	126,307			
		535,189			
		810			
		2,590			
		7,013			
		1,392,359			
		22,756			
	536	138,343			
		479			
		163,248			
		5,073,722			
	566	7,462,816			
\$	59	\$ 1,275,787			

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS PRIVATE-PURPOSE TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

(iii triousarius)	Trust Escrow Administration		Unclaimed Property	Student Loan Guaranty Reserve		FL Prepaid College Program	
ADDITIONS	1						
Contributions and other deposits Tuition and housing contract sales Fees Grants and contributions Transfers in from state funds	\$	 349,592 1	\$ 160,428 	\$	 5 124,558 85	\$	420,337 4,838 21,693
Total contributions and other deposits		349,593	160,428		124,648		446,868
Investment income Interest income Dividends Net increase/(decrease) in fair market value Total investment income		21,689 21,689			1,523 (2,071) (548)		63,190 4,176 (117,814) (50,448)
Investment activity expense		(11,801)	(261)		(7)		(2,223)
Net income (loss) from investing activity		9,888	(261)		(555)		(52,671)
Security lending activity Security lending income Security lending expense Net income from security lending							12,823 (10,587) 2,236
Total net investment income (loss)		9,888	(261)		(555)		(50,435)
Other additions			53				
Total additions		359,481	160,220		124,093		396,433
DEDUCTIONS							
Tuition and housing payments Interest expense Student loan default payments Administrative expense Prepaid participant refunds Transfers out to state funds Other deductions		1,035 4,982 4 142,358	 2,714 156,816 855		 57 125,705 2 4,144 1		79,007 12,468 47,024 977
Total deductions		148,379	160,385		129,909		139,476
Change in net assets		211,102	(165)		(5,816)		256,957
Net assets - beginning		62,040	122		60,902		183,517
Adjustments to increase (decrease) beginning net assets		507,069					
Net assets - beginning, as restated		569,109	122		60,902		183,517
Net assets - ending	\$	780,211	\$ (43)	\$	55,086	\$	440,474

Other		Totals 6/30/04				
\$		\$ 420,337				
		514,863				
	26	146,277 86				
	26	1,081,563				
		00.400				
		86,402 4,176				
		(119,885) (29,307)				
		(14,292)				
		(14,292) (43,599)				
		12,823				
		(10,587)				
		2,236				
		(41,363)				
		53				
	26	1,040,253				
		79,007				
		1,092				
		125,705				
		20,166				
		47,024				
	 10	160,964 144,201				
	10	578,159				
	16	462,094				
	43	306,624				
		507,069				
	43	813,693				
\$	59	\$ 1,275,787				

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PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

DEFINED BENEFIT PENSION PLAN

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

DEFINED CONTRIBUTION PENSION PLAN

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

DEFERRED COMPENSATION PLAN

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

EMPLOYEE HEALTH, LIFE, AND DISABILITY PLANS

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

RETIREE HEALTH INSURANCE SUBSIDY

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

COMBINING STATEMENT OF FIDUCIARY NET ASSETS PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS JUNE 30, 2004 (in thousands)

(in thousands)	Defined Benefit Pension Plan	Defined Contribution Pension Plan	Deferred Compensation Plan	Employee Health, Life and Disability Plans		
ASSETS						
Cash and cash equivalents Pooled investments with State Treasury	\$ 1,083,442 51,563	\$ 1,597	\$ 26,419 252	\$ 4,909 139,759		
Total cash and cash equivalents	1,135,005	1,597	26,671	144,668		
<u>Investments</u>						
Certificates of deposit	201,985					
U.S. government & federally guaranteed obligations	4,740,711	907				
Federal agencies	6,264,319	4,235				
Commercial paper	1,391,773	14,632				
Repurchase agreements Bonds and notes	498,704 8,508,400	1,428 182				
International bonds and notes	1,486,629	_	•••••	•••••		
Real estate contracts	3,928,014		•••••	******		
Mutual fund investments	5,812,305	616,794				
Money market and short-term investments	1,080,258	84,619				
Domestic equity	56,450,694	4,625				
Limited partnerships	2,927,140	.,020				
Equity group trust	10,872					
International equity	10,756,434	250				
Deferred compensation contracts			1,705,458			
Total investments	104,058,238	727,672	1,705,458			
Receivables						
Accounts receivable	2,460	2,773		3,499		
State contributions receivable	347	_,				
Nonstate contributions receivable	130,353					
Interest receivable	292,015	15		259		
Dividends receivable	93,438	153				
Pending investment sales	651,580	77				
Forward contracts	371,749					
Due from state funds		12,461		2		
Total receivables	1,541,942	15,479		3,760		
Security lending collateral	10,715,363	261				
Capital assets	4,117	893		881		
Accumulated depreciation	(3,269)	(630)		(847)		
Total assets	117,451,396	745,272	1,732,129	148,462		
LIABILITIES						
Accounts payable	79,514	5,282		6,181		
DROP	1,605,006					
Pending investment purchases	2,721,360					
Forward contracts payable	371,818					
Broker rebate fees	6,142					
Due to other funds	20,385	1		452		
Obligations under security lending agreements	11,695,600	608	21	27,132		
Obligations under reverse repurchase agreements	24	34	2	2,667		
Claims payable				60,590		
Deposits payable				96,666		
Compensated absences liability	833	203		351		
Total liabilities	16,500,682	6,128	23	194,039		
NET ASSETS Held in trust for pension benefits and other purposes	\$100,950,714	\$ 739,144	\$ 1,732,106	\$ (45,577)		

In	ree Health surance Subsidy	Totals 6/30/04
\$		\$ 1,114,770
Ψ	37	193,208
	37	1,307,978
	- 07	1,007,070
	5,000	206,985
	16,313	4,757,931
	45,803	6,314,357
	21,137	1,427,542
	2,063	502,195
	37,312	8,545,894
		1,486,629
		3,928,014
		6,429,099
		1,164,877
		56,455,319
		2,927,140
		10,872
		10,756,684
		1,705,458
	127,628	106,618,996
		8,732
	21	368
	18,131	148,484
	476	292,765
		93,591
		651,657
	 5 100	371,749
	5,109 23,737	17,572 1,584,918
	23,131	
		10,715,624
		5,891
		(4,746)
	151,402	120,228,661
	10	90,987
		1,605,006
		2,721,360
		371,818
		6,142
		20,838
		11,723,361
		2,727
		60,590
		96,666
		1,387
	10	16,700,882
\$	151,392	\$103,527,779

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

ADDITIONS	Defined Benefit Pension Plan	Coi	Defined ntribution sion Plan	Deferred mpensation Plan	loyee Health, and Disability Plans
Contributions and other deposits					
Pension fund contributions - state	\$ 437,280	\$	98,221	\$ 	\$
Pension fund contributions - nonstate	1,459,778		340		
Employer/employee contributions	13				1,132,270
Purchase of time by employees	49,221		50,771		
Flexible benefit contributions				352,846	
Transfers in from state funds	19,270		462,395		
Total contributions and other deposits	1,965,562		611,727	352,846	1,132,270
Investment income					
Interest income	1,345,480		273	4	3,721
Dividends	1,218,765		3,163		
Other investment income	11,821		289		
Net increase/(decrease) in fair market value Total investment income	12,335,237 14,911,303		53,019 56,744	4	(5,053) (1,332)
	, ,		,	4	, , ,
Investment activity expense	(162,316)		(1,327)	4	(55,962)
Net income (loss) from investing activity	14,748,987		55,417	4	(57,294)
Security lending activity	4.40.740		_		
Security lending income	148,719		5		
Security lending expense Net income from security lending	(114,150) 34,569		(3)		
					(57.004)
Total net investment income (loss)	14,783,556		55,419	4	(57,294)
Other additions	11			18	
Total additions	16,749,129		667,146	352,868	1,074,976
DEDUCTIONS					
Benefit payments	3,701,204		110,182	48,198	
Insurance claims expense					646,224
HMO payments					400,846
Remittances to annuity companies			148,045		
Administrative expense	25,507		17,142	33	60,032
Property disposition gain (loss) Transfers out to state funds	4 463,219		9,388		686
Other deductions	463,219 966		9,366	•••••	371
				40 004	
Total deductions	4,190,900		284,768	48,231	1,108,159
Change in net assets	12,558,229		382,378	304,637	(33,183)
Net assets - beginning	88,392,485		356,766	1,427,469	(12,394)
Net assets - ending	\$100,950,714	\$	739,144	\$ 1,732,106	\$ (45,577)

In	ree Health surance Subsidy	 Totals 6/30/04
\$	59,904 204,507 	\$ 595,405 1,664,625 1,132,283 99,992
		352,846 481,665
	264,411	4,326,816
	204,411	4,020,010
	1,895 (640)	1,351,373 1,221,928 12,110 12,382,563
	1,255	14,967,974
		(219,605)
	1,255	14,748,369
		148,724 (114,153)
		34,571
	1,255	14,782,940
		29
	265,666	19,109,785
	248,291 	4,107,875 646,224
		400,846 148,045
	66	102,780
		4
		473,293
		1,348
	248,357	5,880,415
	17,309	13,229,370
	134,083	90,298,409
\$	151,392	\$ 103,527,779

AGENCY FUNDS

TREASURY INVESTMENT ADMINISTRATION

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

TAX DISTRIBUTION AND ADMINISTRATION

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

SCHOOL FOR THE DEAF AND THE BLIND

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

STATE BOARD OF ADMINISTRATION

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

OTHER

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

COMBINING STATEMENT OF FIDUCIARY NET ASSETS AGENCY FUNDS JUNE 30, 2004 (in thousands)

(in thousands)	Treasury	Di	Tax stribution		ool for Deaf	C +	ate Board		
	Investment	Di	and		the	J.	of		Totals
	Administration	Adn	ninistration	Bli	ind	Ad	ministration	Other	6/30/04
ASSETS									
Cash and cash equivalents	\$	\$	4,712	\$	52	\$	7,744	\$ 29,850	\$ 42,358
Pooled investments with State Treasury	4,957,738		569,204				909,607	228,178	6,664,727
Total cash and cash equivalents	4,957,738		573,916		52		917,351	258,028	6,707,085
Investments Certificates of deposit							76,698		76,698
U.S. government & federally guaranteed obligations							1,241,482	185	1,241,667
Federal agencies							206,748		206,748
Commercial paper							259,466		259,466
Repurchase agreements Bonds and notes							16,792 52,785		16,792 52,785
Total investments							1,853,971	185	1,854,156
Receivables Accounts receivable			324,640				203	6,952	331,795
Nonstate contributions receivable Interest receivable	 128						14,773	7 3,087	7 17,988
Pending investment sales	_						1,523	3,007	1,523
Due from state funds			33,394					186	33,580
Total receivables	128		358,034				16,499	10,232	384,893
Security lending collateral							146,024		146,024
Total assets	\$ 4,957,866	\$	931,950	\$	52	\$	2,933,845	\$ 268,445	\$ 9,092,158
LIABILITIES									
Accounts payable	\$ 214,191	\$	315,772	\$	52	\$	2,188	\$ 11,462	\$ 543,665
Pending investment purchases			234				77	307	618
Forward contracts payable			17,932					2	17,934
Broker rebate fees							135	6,490	6,625
Due to other funds			64,902				315,248	874	381,024
Due to other governments			531,544				1,330	78,492	611,366
Due to component units	3,569,812		1,059				565,526	8,159	4,144,556
Obligations under security lending agreements	1,068,794						346,821	40,451	1,456,066
Obligations under reverse repurchase agreements	105,069		 507				19,746	3,976	128,791
Deposits payable				_		_	1,682,774	118,232	1,801,513
Total liabilities	\$ 4,957,866	\$	931,950	\$	52	\$	2,933,845	\$ 268,445	\$ 9,092,158

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

Treasury Investment Administration		Balance 6/30/03		Additions	Deductions			Balance 6/30/04		
ASSETS										
Pooled investments with State Treasury	\$	3,690,132	\$	5,203,258	\$	3,935,652	\$	4,957,738		
Interest receivable		318		873		1,063		128		
Due from other governments		2,384				2,384				
Total assets	\$	3,692,834	\$	5,204,131	\$	3,939,099	\$	4,957,866		
LIABILITIES										
Accounts payable	\$	13,693	\$	214,193	\$	13,695	\$	214,191		
Due to other funds		40		61		101				
Due to component units Obligations under security lending agreements		3,093,101 508,406		3,913,186 1,068,794		3,436,475 508,406		3,569,812 1,068,794		
Obligations under reverse repurchase agreements		77,594		105,069		77,594		105,069		
Total liabilities	\$	3,692,834	\$	5,301,303	\$	4,036,271	\$	4,957,866		
	<u> </u>	-,,		0,001,000		1,000,00		.,,		
Tax Distribution and Administration										
ASSETS	æ		¢.	4.740	¢.		¢.	4 740		
Cash and cash equivalents Pooled investments with State Treasury	\$	502,813	\$	4,712 6,869,299	\$	6,802,908	\$	4,712 569,204		
Accounts receivable		226,498		4,695,356		4,597,214		324,640		
Due from state funds		23,326		34,435		24,367		33,394		
Total assets	\$	752,637	\$	11,603,802	\$	11,424,489	\$	931,950		
LIABILITIES										
Accounts payable	\$	249,523	\$	66,249	\$		\$	315,772		
Pending investment purchases				234				234		
Forward contracts payable				17,932				17,932		
Due to other funds		45,419		65,946		46,463		64,902		
Due to other governments Due to component units		456,200 988		531,535 1,059		456,191 988		531,544 1,059		
Deposits payable		507						507		
Total liabilities	\$	752,637	\$	682,955	\$	503,642	\$	931,950		
School for the Deaf and the Blind										
ASSETS										
Cash and cash equivalents	\$	52	\$	225	\$	225	\$	52		
Total assets	\$	52	\$	225	\$	225	\$	52		
LIABILITIES										
Accounts payable	\$	52	\$	225	\$	225	\$	52		
Total liabilities	\$	52	\$	225	\$	225	\$	52		
State Board of Administration		-		-		-				
ASSETS										
Cash and cash equivalents	\$	253	\$	13,466,819	\$	13,459,328	\$	7,744		
Pooled investments with State Treasury	Ψ	152,897	Ψ	1,123,487	Ψ	366,777	Ψ	909,607		
Investments		2,754,620				900,649		1,853,971		
Accounts receivable				203				203		
Interest receivable		20,986		14,775		20,988		14,773		
Pending investment sales Due from state funds		144 398,691		1,523		144 398,691		1,523		
Security lending collateral		173,472				27,448		146,024		
Total assets	\$	3,501,063	\$	14,606,807	\$	15,174,025	\$	2,933,845		
LIABILITIES										
Accounts payable	\$	5,862	\$		\$	3,674	\$	2,188		
Pending investment purchases	*	541	•		•	464	*	77		
Broker rebate fees		156				21		135		
Due to other funds		614		315,248		614		315,248		
Due to other governments		2,131 560 276		26,011 1 730 285		26,812 1 725 035		1,330 565 526		
Due to component units Obligations under security lending agreements		560,276 194,085		1,730,285 325,756		1,725,035 173,020		565,526 346,821		
Obligations under reverse repurchase agreements		3,215		16,531				19,746		
Deposits payable		2,734,183		741,042		1,792,451		1,682,774		
Total liabilities	\$	3,501,063	\$	3,154,873	\$	3,722,091	\$	2,933,845		

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

<u>Other</u>	Balance 6/30/03	Additions	Deductions	Balance 6/30/04	
ASSETS Cash and cash equivalents Pooled investments with State Treasury Investments Accounts receivable	\$ 29,765 220,385 2,323	\$ 129,100 2,091,071 185 4,629	\$ 129,015 2,083,278 	\$	29,850 228,178 185 6,952
Nonstate contributions receivable Interest receivable Due from state funds	 432 1,333	7 3,213 308	558 1,455		7 3,087 186
Total assets	\$ 254,238	\$ 2,228,513	\$ 2,214,306	\$	268,445
LIABILITIES Accounts payable Pending investment purchases Forward contracts payable Broker rebate fees Due to other funds Due to other governments Due to component units Obligations under security lending agreements Obligations under reverse repurchase agreements Deposits payable	\$ 111,817 4,465 81,358 27,425 4,186 24,987	\$ 456,194 307 2 6,490 1,361 1,693,449 8,159 13,041 375 93,245	\$ 556,549 4,952 1,696,315 15 585	\$	11,462 307 2 6,490 874 78,492 8,159 40,451 3,976 118,232
Total liabilities	\$ 254,238	\$ 2,272,623	\$ 2,258,416	\$	268,445
Totals - All Agency Funds ASSETS Cash and cash equivalents Pooled investments with State Treasury Investments Accounts receivable Nonstate contributions receivable Interest receivable Pending investment sales Due from state funds Due from other governments Security lending collateral Total assets	\$ 30,070 4,566,227 2,754,620 228,821 21,736 144 423,350 2,384 173,472	\$ 13,600,856 15,287,115 185 4,700,188 7 18,861 1,523 34,743 	\$ 13,588,568 13,188,615 900,649 4,597,214 22,609 144 424,513 2,384 27,448	\$	42,358 6,664,727 1,854,156 331,795 7 17,988 1,523 33,580 146,024
LIABILITIES Accounts payable Pending investment purchases Forward contracts payable Broker rebate fees Due to other funds Due to other governments Due to component units Obligations under security lending agreements Obligations under reverse repurchase agreements Deposits payable	\$ 380,947 541 156 50,538 539,689 3,654,365 729,916 84,995 2,759,677	\$ 736,861 541 17,934 6,490 382,616 2,250,995 5,652,689 1,407,591 121,975 834,287	\$ 32,752,144 574,143 464 21 52,130 2,179,318 5,162,498 681,441 78,179 1,792,451	\$	9,092,158 543,665 618 17,934 6,625 381,024 611,366 4,144,556 1,456,066 128,791 1,801,513
Total liabilities	\$ 8,200,824	\$ 11,411,979	\$ 10,520,645	\$	9,092,158

NONMAJOR COMPONENT UNITS

OTHER WATER MANAGEMENT DISTRICTS

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

OTHER STATE UNIVERSITIES

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

COMMUNITY COLLEGES

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

OTHER NONMAJOR COMPONENT UNITS

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

COMBINING STATEMENT OF NET ASSETS NONMAJOR COMPONENT UNITS JUNE 30, 2004 (in thousands)

Carbon C		Other Water Management Districts	Other State Universities	Community	Other Nonmajor Component Units	Totals 6/30/04
Carba nac cash equivalents S	ASSETS	DISTRICTS	Universities	Colleges	Units	6/30/04
Cash and coash equivalents \$4,010 \$78,496 \$11,239 \$27,797 \$93,620 \$90,060 \$90,060 \$90,060 \$90,060 \$90,060 \$90,060 \$90,060 \$90,060 \$90,060 \$90,060 \$90,00						
Pooled investments with State Treasury 294,803 33,515 224,171 43,151 627,476 Receivables, net 29,940 33,9150 76,711 62,503 290,304 14,942 2,883 10,920		\$ 4.010	\$ 78.496	\$ 112.239	\$ 27.957	\$ 222,702
Investments 298,803 35,515 254,171 43,151 627,003 209,030 200,000 20	•					* , -
Receivables, net 20,940 130,150 76,711 62,503 29,030 10ue from component units/primary 5,168 340,566 293,377 10,583 649,665 10ue from component units/primary 5,168 340,566 293,377 20,030 20,03	•		·	·	·	·
Due from component units/primary 5,168 340,556 293,397 10,538 649,659 Inventories 491 2,289 9,472 8,050 20,302 Cher 328 5,104 14,942 2,383 22,757 Total current assets 408,866 1,097,856 1,052,967 210,611 2,769,820 Noncurrent assets 408,866 1,097,856 1,052,967 210,611 2,769,820 Noncurrent assets 408,414 17,557 2,291 607,400 1,005 1,		,	•	,	,	
Inventories	· · · · · · · · · · · · · · · · · · ·		·	·	·	
Noncemain			·	· · · · · · · · · · · · · · · · · · ·	·	·
Noncurrent assets	Other					
Noncurrent assets Restricted cash and cash equivalents	Total current assets				210,611	
Restricted cash and cash equivalents	Noncurrent accets					
Restricted investments with State Treasury 9,81 42,914 77,587 2,291 607,400 Long term investments 99,81 42,914 77,587 2,291 607,400 Long term investments 99,81 42,914 77,587 2,291 607,400 Long term investments 98,81 42,914 77,587 2,291 607,400 Long term investments 98,81 42,916 34,73 747 30,426 Capital assets 32,80 34,73 747 30,426 Capital assets 260,186 3,096,192 3,121,720 300,444 6,776,542 Accumulated depreciation (56,484) (1,070,026) (1,223,879) (130,942) (2,520,331) Construction work in progress 11,881 150,956 132,893 257,993 553,723 Total capital assets 1,500,30 2,318,41 2,247,77 440,617 6,533,723 Total capital assets 1,500,311 2,974,663 2,803,686 809,439 8,379,049 Total noncurrent assets 1,604,311 2,974,663 2,803,686 909,439 8,379,049 Lastitutes 2,012,677 4,072,519 3,943,623 1,10,050 11,148,689 Lastitutes 2,012,677 4,072,519 3,943,623 1,10,050 11,148,689 Lastitutes 2,012,677 4,072,519 3,443,623 1,10,050 1,1148,689 Lastitutes 2,012,677 4,072,519 3,443,623 3,1144,689 Lastitutes 2,012,677 4,072,519 3,443,623 3,144,6779 Correposated absences 1,662 5,627 20,573 333 28,195 Installment purchases/capital leases 1,662 5,627 20,573 333 28,195 Installment purchases/capital leases 1,662 5,627 20,573 3,343 2,419 Certificates of participation payable 5,349 140,786 21,136 22,111 237,386 Deposits 2,012,474 2,012,474 2,014,474 2,014,474 2,014,474 2,014,474 2,014,474 2,014,474 2,014,474 2,014,474 2,014,474 2,014,474 2,			40 212	40.516	10 967	01 605
Restricted investments				·	·	
Dup from the governmental entities			·	·		
Due from other governmental entities 26,266 3,473 747 30,426		•	·	· · · · · · · · · · · · · · · · · · ·	•	•
Charle Capital assets Capital Capita			•	•	·	·
Capital assets:	<u> </u>					
Land and other non-depreciable assets	·	•••••	20,200	0,110	, ,,	00, 120
Buildings, equipment, and other depreciation (95,484) (1,070,026) (1,223,879) (130,942) (2,520,331) (2,520,331) (2,520,331) (30,942) (2,520,331) (30,942) (2,520,331) (30,942) (2,520,331) (30,942) (2,520,331) (30,942) (2,520,331) (30,942) (2,520,331) (30,942) (3,537,231) (30,942) (3,537,231) (30,942) (3,537,231) (30,942) (3,537,231) (30,942) (3,537,231) (30,942) (3,537,231) (30,942) (3,537,231) (30,942) (3,537,231)	•	1.329.347	142.692	216.643	33.122	1.721.804
Accounts parable assets	•	.,520,0 //	,552	2.0,010	00,	.,. = .,001
Accumulated depreciation (95.484) (1,070,026) (1,23,879) (13,0942) (2,520,331) Construction work in progress 11,881 150,956 122,887 26,703,738 553,738 Other ————————————————————————————————————		260.186	3.096.192	3.121.720	300.444	6.778.542
Construction work in progress	•		, ,		(130,942)	
Total capital assets 1,505,930 2,319,814 2,247,377 460,617 6,533,738 Other	•	, ,	, , ,	, ,		, , , ,
Total noncurrent assets		1,505,930	2,319,814	2,247,377	460,617	6,533,738
Total noncurrent assets	Other		20.013		1 005	21 108
Total assets		1 604 311		2 890 636		
Current liabilities	•				•	
Current liabilities	•	2,012,011	4,072,010	0,040,020	1,120,030	11,140,003
Accounts payable and accrued liabilities 37,178 112,981 117,769 361,545 629,473 Due to component units/primary 341 17,961 11,136 16,281 45,719 Compensated absences 1,662 5,627 20,573 333 28,195 Installment purchases/capital leases						
Due to component units/primary 341 17,961 11,136 16,281 45,719 Compensated absences 1,662 5,627 20,573 333 28,195 Installment purchases/capital leases 5,680 3,779 313 9,772 Claims payable 10,084 1,084 Bonds payable		07.470	440.004	447.700	221 - 1-	222 172
Compensated absences 1,662 5,627 20,573 333 28,195 Installment purchases/capital leases	. ,		·	·		
Installment purchases/capital leases			·	·	·	·
Claims payable	•	•		· · · · · · · · · · · · · · · · · · ·		•
Bonds payable 7,255 15,313 851	·			*		
Certificates of participation payable					,	·
Deposits		•	·			•
Deferred revenue 53,349 140,786 21,136 22,111 237,382 Obligations under security lending agreements						
Obligations under security lending agreements 125,950 76,526 61,520 263,996 Obligations under reverse purchase agreements 7,523 7,523 Other 6,296 10,638 16,934 Total current liabilities 99,785 431,608 292,336 476,444 1,300,173 Noncurrent liabilities Due to component units/primary 80,341 581,683 Certificates of participation payable 64,018 494,521 23,144 581,683 Certificates of participation payable 64,018 494,521 23,144 13,670 Installment purchases/capital leases 19,986 18,882 876 39,744 Deposits 52 35,375 35,427 Deferred revenue 52 35,375 1,073 1,073 Compensated absences 9,879 91,607 123,236	•				·	,
Obligations under reverse purchase agreements Other		•	·	·	·	
Other Total current liabilities	, ,		•	· · · · · · · · · · · · · · · · · · ·	- ,	•
Total current liabilities 99,785 431,608 292,336 476,444 1,300,173 Noncurrent liabilities				·		·
Noncurrent liabilities Noncurrent liabilities 80,341 80,341 80,341 Bonds payable 64,018 494,521 23,144					·	
Due to component units/primary 80,341 80,341 Bonds payable 64,018 494,521 23,144 581,683 Certificates of participation payable 13,670 13,670 Installment purchases/capital leases 19,986 18,882 876 39,744 Deposits 52 35,375 35,427 Deferred revenue 1,073 1,073 Compensated absences 9,879 91,607 123,236 45 224,767 Other 73,897 692,851 281,017 6,203 1,053,968 Total inabilities 173,682 1,124,459 573,353 482,647 2,354,141 NET ASSETS Invested in capital assets, net of related debt 1,434,658 1,813,837 2,123,363 443,416 5,815,274 Restricted for: 132,44 354 229 13,827	•		,,,,,,	, , , , , , , , , , , , , , , , , , , ,	-,	
Bonds payable 64,018 494,521 23,144 581,683 Certificates of participation payable Installment purchases/capital leases 13,670 13,670				80 3 <i>1</i> 1		80 3 <i>1</i> 1
Certificates of participation payable				·		·
Installment purchases/capital leases 19,986 18,882 876 39,744 Deposits 52 35,375 35,427 Deferred revenue 1,073 1,073 Compensated absences 9,879 91,607 123,236 45 224,767 Other 73,015 39 4,209 77,263 Total noncurrent liabilities 73,897 692,851 281,017 6,203 1,053,968 Total liabilities 173,682 1,124,459 573,353 482,647 2,354,141 NET ASSETS Invested in capital assets, net of related debt 1,434,658 1,813,837 2,123,363 443,416 5,815,274 Restricted for: Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable 171,932 706,561 3,		•	·			
Deposits 52 35,375 35,427 Deferred revenue 1,073 1,073 Compensated absences 9,879 91,607 123,236 45 224,767 Other 73,015 39 4,209 77,263 Total noncurrent liabilities 73,897 692,851 281,017 6,203 1,053,968 Total liabilities 173,682 1,124,459 573,353 482,647 2,354,141 NET ASSETS Invested in capital assets, net of related debt 1,434,658 1,813,837 2,123,363 443,416 5,815,274 Restricted for: Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 <td></td> <td></td> <td>·</td> <td></td> <td></td> <td>·</td>			·			·
Deferred revenue 1,073 1,073 Compensated absences 9,879 91,607 123,236 45 224,767 Other 73,015 39 4,209 77,263 Total noncurrent liabilities 73,897 692,851 281,017 6,203 1,053,968 Total liabilities 173,682 1,124,459 573,353 482,647 2,354,141 NET ASSETS Invested in capital assets, net of related debt 1,434,658 1,813,837 2,123,363 443,416 5,815,274 Restricted for: Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 <	·		·	·		·
Compensated absences 9,879 91,607 123,236 45 224,767 Other 73,015 39 4,209 77,263 Total noncurrent liabilities 73,897 692,851 281,017 6,203 1,053,968 Total liabilities 173,682 1,124,459 573,353 482,647 2,354,141 NET ASSETS Invested in capital assets, net of related debt 1,434,658 1,813,837 2,123,363 443,416 5,815,274 Restricted for: Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244	•					·
Other 73,015 39 4,209 77,263 Total noncurrent liabilities 73,897 692,851 281,017 6,203 1,053,968 Total liabilities 173,682 1,124,459 573,353 482,647 2,354,141 NET ASSETS Invested in capital assets, net of related debt 1,434,658 1,813,837 2,123,363 443,416 5,815,274 Restricted for: Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244					·	
Total noncurrent liabilities 73,897 692,851 281,017 6,203 1,053,968 Total liabilities 173,682 1,124,459 573,353 482,647 2,354,141 NET ASSETS Invested in capital assets, net of related debt 1,434,658 1,813,837 2,123,363 443,416 5,815,274 Restricted for: Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244	•	•	·	,		·
NET ASSETS Invested in capital assets, net of related debt 1,434,658 1,813,837 2,123,363 443,416 5,815,274 Restricted for: Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable Nonexpendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244	Total noncurrent liabilities				6,203	
NET ASSETS Invested in capital assets, net of related debt 1,434,658 1,813,837 2,123,363 443,416 5,815,274 Restricted for: Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable Nonexpendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244	Total liabilities	173,682	1,124,459	573,353	482,647	2,354,141
Invested in capital assets, net of related debt 1,434,658 1,813,837 2,123,363 443,416 5,815,274 Restricted for: Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244	NET ASSETS					
Restricted for: Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable Nonexpendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244		1 /3/ 658	1 813 837	2 123 363	113 116	5 815 27/
Debt service 13,244 354 229 13,827 Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244	•	1,434,030	1,010,007	2,120,000	773,710	3,013,214
Other 132,470 222,064 2,519 52,860 409,913 Permanent funds: Expendable 171,932 706,561 3,125 881,618 Nonexpendable Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244		13 244	354	229		13 827
Permanent funds: Expendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244						•
Expendable 171,932 706,561 3,125 881,618 Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244		.52,	,004	2,010	52,555	.50,515
Nonexpendable 461,280 378,572 839,852 Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244			171,932	706,561	3,125	881,618
Unrestricted (deficit) 258,623 278,593 159,026 138,002 834,244				·	-	
Total net assets \$ 1,838,995 \$ 2,948,060 \$ 3,370,270 \$ 637,403 \$ 8,794,728		258,623				
	Total net assets	\$ 1,838,995	\$ 2,948,060	\$ 3,370,270	\$ 637,403	\$ 8,794,728

COMBINING STATEMENT OF ACTIVITIES NONMAJOR COMPONENT UNITS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (in thousands)

Functions/Programs	Expenses		Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions	
Other Water Management Districts	\$	255,648	\$	9,335	\$	59,801	\$	65,352
Other State Universities		2,008,532		608,321		484,500		90,128
Community Colleges		2,169,132		487,431		233,385		390,230
Other Nonmajor Component Units		614,552		136,610		395,237		139,540
Total component units	\$	5,047,864	\$	1,241,697	\$	1,172,923	\$	685,250

General revenues

Property taxes

Investment earnings

Gain (loss) on sale of capital assets

Payments from the State of Florida

Transfers

Contributions to permanent funds

Special Item

Miscellaneous

Total general revenues

Change in net assets

Net assets - beginning

Adjustments to increase (decrease) beginning net assets

Net assets - ending

	_			
Net (Expense)	Revenue	and Changes	s in Ne	2ta22A t

М	Other Water Management Districts		Other State Universities		Community Colleges		Other Nonmajor Component Units		Totals 6/30/04
\$	(121,160) 	\$	(825,583) 	\$	 (1,058,086) 	\$	 56,835	\$	(121,160) (825,583) (1,058,086) 56,835
	(121,160)		(825,583)		(1,058,086)		56,835		(1,947,994)
\$	216,402	\$		\$		\$		\$	216,402
	6,926 (75)		52,157		39,662		45,698 (407)		144,443 (482)
			887,500		1,153,306		16,141		2,056,947
			4,952						4,952
			12,142		18,971		895		32,008
	2,187		26,903		5,753 23,064		55,319		5,753 107,473
	225,440		983,654		1,240,756		117,646		2,567,496
	104,280		158,071		182,670		174,481		619,502
	1,735,935		2,791,618		3,186,980		463,232		8,177,765
	(1,220)		(1,629)		620		(310)		(2,539)
\$	1,838,995	\$	2,948,060	\$	3,370,270	\$	637,403	\$	8,794,728

STATISTICAL AND ECONOMIC DATA

Revenues by Source - All Governmental Fund Types For the Last Ten Fiscal Years

(in thousands)

Source	<u> 1995</u>	<u> 1996</u>	<u>1997</u>	<u>1998</u>
Taxes	\$ 18,189,386	\$ 19,477,977	\$ 20,177,324	\$ 21,895,836
Licenses and permits	785,524	826,009	836,415	908,028
Fees and charges	2,228,621	1,566,989	1,819,323	2,582,493
Grants and donations	7,560,806	9,216,221	8,935,592	8,933,147
Investment earnings	376,864	427,631	420,820	589,347
Fines, forfeits, settlements and judgments	137,715	133,553	171,104	338,908
Flexible benefits contributions			56,708	56,505
Refunds	573,595	453,455	503,094	537,394
Other	76	875	37,335	7,860
Total	\$ 29,852,587	\$ 32,102,710	\$ 32,957,715	\$ 35,849,518

Expenditures by Function - All Governmental Fund Types

For the Last Ten Fiscal Years

(in thousands)

<u>Function</u>	<u> 1995</u>	<u> 1996</u>	<u> 1997</u>	<u> 1998</u>
General government	\$ 4,310,881	\$ 4,316,136	\$ 4,847,734	\$ 5,025,083
Education	8,086,313	8,216,522	8,147,709	8,796,753
Human services	10,305,558	11,473,863	11,037,467	11,338,746
Criminal justice and corrections	1,973,136	2,294,100	2,269,209	2,455,275
Natural resources and environment	1,099,101	1,055,370	1,055,428	1,053,812
Transportation	647,437	829,578	893,772	892,787
State courts	170,904	192,449	183,059	211,054
Capital outlay	2,431,916	2,317,256	2,262,697	2,694,903
Debt service	 660,570	746,911	797,516	904,607
Total	\$ 29,685,816	\$ 31,442,185	\$ 31,494,591	\$ 33,373,020

^{*} Note: Fiscal years 1994 - 2000 have been restated from prior years due to a change in functional classification for governmental expenditures.

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

Tax Source	1995		<u>1996</u>		<u>1997</u>		<u>1998</u>		
Sales and use tax	\$	11,102,171	\$	12,016,938	\$	12,113,145	\$	13,349,272	
Documentary stamp tax		699,745		791,342		864,216		1,005,378	
Motor fuel tax		1,267,392		1,376,303		1,438,264		1,484,631	(3)
Communications service tax (1)									
Corporate income tax		1,055,437		1,087,145		1,358,387		1,395,566	
Intangible personal property tax		795,182		983,613		980,914		1,164,297	
Insurance premium tax		352,940		402,561		417,775		426,511	
Alcoholic beverage tax		525,692		542,207		553,919		566,277	
Estate tax		436,902		450,500		568,875		563,665	
Cigarette tax		469,779		429,193		431,221		444,838	
Workers' compensation special disability tax		228,878		105,064		85,807		71,716	
Hospital public assistance tax		239,651		248,433		253,725		272,722	
Pollutant tax		197,202		200,052		213,843		215,992	
Aviation fuel tax		51,104		63,106		55,766		50,278	(3)
Citrus excise tax		56,578		48,865		68,379		65,026	
Solid minerals severance tax		55,571		45,695		64,680		61,269	
Gross receipts utilities tax		511,858		546,856		585,466		638,077	
Pari-mutuel wagering tax		90,594		85,097		64,835		63,526	
Smokeless tobacco tax		18,566		19,498		19,287		21,001	
Oil and gas production tax		8,470		9,076		10,472		6,539	
Utility regulatory tax (2)		24,144		25,400		27,173		27,890	
Other		1,530		1,033		1,175		1,365	
Total	\$	18,189,386	\$	19,477,977	\$	20,177,324	\$	21,895,836	_

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

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

⁽³⁾ Restated allocation of aviation fuel tax.

<u>1999</u>	2000	<u> 2001</u>	2002	2003	2004
\$ 23,023,672	\$ 24,111,360	\$ 24,672,588	\$ 25,430,688	\$ 26,383,810	\$ 28,912,610
892,812	964,842	1,072,897	1,119,032	1,150,823	1,165,928
2,278,355	2,092,697	2,051,850	1,916,809	1,938,438	2,351,133
9,827,951	10,492,022	12,056,577	13,456,767	15,246,839	17,254,145
351,026	559,638	849,832	495,127	1,052,603	210,791
182,965	826,426	923,570	978,728	721,984	594,967
58,630	62,230	62,881			
459,341	560,451	648,819			
5,921	369	93,292	2,461	2,435	214,840
\$ 37,080,673	\$ 39,670,035	\$ 42,432,306	\$ 43,399,612	\$ 46,496,932	\$ 50,704,414

1999	2000	<u>2001</u>	2002	2003	2004
\$ 5,403,482	\$ 5,329,404	4,960,492	\$ 5,726,035	\$ 5,967,332	\$ 6,610,855
9,754,933	10,450,798	11,398,475	14,462,838	14,556,332	15,828,609
11,912,576	13,062,077	14,904,923	14,957,079	16,616,067	18,083,861
2,560,501	2,704,713	2,866,308	2,946,024	2,977,748	3,172,357
1,064,071	1,001,294	1,215,071	1,574,462	1,764,731	1,747,445
818,548	904,117	994,832	1,167,957	2,280,017	2,520,378
228,585	238,893	278,505	277,232	274,951	269,972
2,320,142	2,855,857	2,988,018	3,327,986	2,515,501	2,109,937
1,032,219	1,128,248	1,298,710	1,294,047	1,380,408	1,512,860
\$ 35,095,057	\$ 37,675,401	\$ 40,905,334	\$ 45,733,660	\$ 48,333,087	\$ 51,856,274

<u>1999</u>	2000	2001	2002	2003	2004
\$ 13,980,931	\$ 15,157,048	\$ 15,780,333	\$ 15,594,659	\$ 15,567,953	\$ 17,128,515
1,212,421	1,181,198	1,327,349	1,590,981	2,005,168	2,613,194
1,517,873	1,627,777	1,719,239	1,769,257	1,854,207	1,966,203
			779,167	1,230,132	1,250,208
1,466,550	1,396,150	1,360,833	1,210,346	1,228,130	1,441,338
1,225,302	993,949	729,514	737,776	820,212	860,046
403,881	420,000	445,119	504,422	624,369	711,145
576,629	574,969	545,826	546,579	560,174	591,682
689,771	765,227	785,083	745,080	558,419	386,767
428,733	419,117	419,260	420,093	416,309	421,665
76,695	96,533	110,574	291,301	335,908	321,011
269,400	277,309	209,084	269,232	306,727	301,054
228,528	231,065	235,889	234,474	243,178	246,244
71,695	69,110	75,342	48,690	55,299	55,474
54,114	64,831	60,246	54,133	48,300	48,641
64,517	53,017	40,406	43,468	41,365	42,978
647,015	674,966	735,332	526,586	424,146	462,172
54,727	51,135	31,286	31,753	29,234	26,747
20,632	21,864	23,529	23,599	25,153	27,695
3,974	6,705	8,179	5,057	5,326	5,673
29,053	28,239	29,599			
1,230	1,151	566	4,035	4,101	4,158
\$ 23,023,671	\$ 24,111,360	\$ 24,672,588	\$ 25,430,688	\$ 26,383,810	\$ 28,912,610

2004 STATE OF FLORIDA CAFR

Operating History of Budget Stabilization Fund

- Actual (Budgetary Basis)

For the Last Ten Fiscal Years

(in thousands)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Fund balance, beginning	\$	\$ 120,590	\$ 260,790	\$ 409,390	\$ 685,990	\$ 786,890	\$ 846,990	\$ 893,990	\$ 940,890	\$ 958,890
Total revenues	120,590	140,200	148,600	276,600	100,900	60,100	47,000	46,900	18,000	7,500
Total expenditures										
Fund balance, ending	\$ 120,590	\$ 260,790	\$ 409,390	\$ 685,990	\$ 786,890	\$ 846,990	\$ 893,990	\$ 940,890	\$ 958,890	\$ 966,390

Operating History of Working Capital Fund

- Actual (Budgetary Basis)

For the Last Ten Fiscal Years

(in thousands)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Fund balance, beginning	\$ 295,314	\$ 161,336	\$ 149,818	\$ 193,548	\$ 355,944	\$ 541,331	\$ 819,346	\$ 292,247	\$ 303,952	\$ 415,446
Reversions						51	204			
Fund balance, beginning,										
restated	295,314	161,336	149,818	193,548	355,944	541,382	819,550	292,247	303,952	415,446
Total revenues	15,246	10,117	51,981	168,590	245,119	362,243	11,500	132,916	143,330	1,057,774
Total expenditures	149,224	21,635	8,251	6,194	59,732	84,279	538,803	121,211	31,836	
Fund balance, ending	\$ 161,336	\$ 149,818	\$ 193,548	\$ 355,944	\$ 541,331	\$ 819,346	\$ 292,247	\$ 303,952	\$ 415,446	\$ 1,473,220

State of Florida Population by Age

Age Group	2000 Census	Percent	2010 Projection	Percent	2020 Projection	Percent
0 - 14	3,034,656	18.99	3,462,779	17.85	3,906,450	17.29
15 - 24	1,942,430	12.15	2,554,046	13.17	2,689,967	11.91
25 - 44	4,569,515	28.59	4,711,464	24.29	5,517,900	24.43
45 - 64	3,628,573	22.70	5,242,235	27.03	5,784,216	25.61
65 and Over	2,807,650	17.57	3,426,890	17.67	4,689,476	20.76
Total	15,982,824	100.00	19,397,414	100.00	22,588,009	100.00

Source: Demographic Estimating Conference Database, updated September 2004. Year 2000 Census data incorporates adjustments for age misreporting provided by the U.S. Bureau of the Census.

Economic IndicatorsFor the Calendar Years 1995 through 2004

			Persona	al Income	
	Unemplo	yment Rate	(in m	illions)	Florida
Year	<u>Florida</u>	<u>U.S.</u>	<u>Florida</u>	<u>U.S.</u>	<u>Population</u>
1995	5.5	5.7	\$ 328,067	\$ 6,150,786	14,213,992
1996	5.1	5.4	348,849	6,495,248	14,483,236
1997	4.8	4.9	369,729	6,784,000	14,790,750
1998	4.3	4.5	386,653	7,126,127	15,079,174
1999	3.9	4.2	422,576	7,789,655	15,392,503
2000	3.6	4.0	447,012	8,319,200	16,073,172
2001	4.8	4.8	466,130	8,685,400	16,408,662
2002	5.5	5.8	494,027	8,922,200	16,772,802
2003 (1)	5.2	6.0	514,369	9,187,400	17,616,681
2004 (2)	4.8	5.6	540,781	9,603,900	17,509,305

⁽¹⁾ Restated to actual

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

⁽²⁾ Forecast

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

		(1)(2) Primarily	
		Payable From	Per
<u>Year</u>	Population	Pledged Revenues	<u>Capita</u>
1995	14,213,992	\$ 6,823,860,000	480.08
1996	14,483,236	7,390,695,000	510.29
1997	14,790,750	7,892,140,000	533.59
1998	15,079,174	8,703,155,000	577.16
1999	15,392,503	9,260,205,000	601.60
2000	16,073,172	9,516,040,000	592.04
2001	16,408,662	9,435,310,000	575.02
2002	16,772,802	9,920,810,000	591.48
2003 (3)	17,159,850	10,585,110,000	616.85
2004 (4)	17,509,305	11,169,735,000	637.93

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

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

	Governmental	Governmental	
	Debt Service	Fund Type	
<u>Year</u>	Payments(1)	Expenditures(2)	<u>Ratio</u>
1995	\$ 547,931	\$ 29,685,816	1.85%
1996	706,886	31,442,185	2.25%
1997	750,135	31,494,591	2.38%
1998	668,435	33,373,020	2.00%
1999	696,642	35,095,057	1.99%
2000	717,456	37,675,401	1.90%
2001	737,058	40,905,334	1.80%
2002	755,350	45,733,660	1.65%
2003	817,305	48,333,087	1.69%
2004	887,337	51,856,274	1.71%

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

Schedules of Revenue Bond Coverages

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

Year Ended 6/30	<u>Re</u>	Toll evenues		Interest (1) Revenue Expenses			Net Available for Debt <u>Service</u>		,	Debt (2) Service ayments	Cover <u>Rat</u>	•	
Sunshine S	kyway	Bridge											
1995	\$	11,457	\$	519	\$	2,642		\$	9,334	\$	3,133	2.9	8
1996	•	11,859	·	342		4,367		·	7,834		3,133	2.5	0
1997		12,752		334		2,648			10,438		3,138	3.3	3
1998		13,312		371		2,810			10,873		3,128	3.4	8
1999		13,926		383		3,822			10,487		3,126	3.3	5
2000		14,582		418		3,812			11,188		3,125	3.5	8
2001		15,300		270		3,243			12,327		3,128	3.9	4
2002		15,894		256		4,400			11,750		2,222	5.2	9
2003		16,452		151		13,914	(4)		2,689		2,639	1.0	2
2004		17,176		131		14,782	(4)		2,525		2,644	0.9	5
Florida Turi	npike												
1995	\$	213,797	\$	2,697	\$	106,318		\$	110,176	\$	44,085	2.5	0
1996		243,724		15,695		104,297			155,122		78,005	1.9	9
1997		266,481		12,141		101,186			177,436		78,053	2.2	7
1998		289,732		15,372		99,821			205,283		97,956	2.1	
1999		310,572		15,409		114,984			210,997		123,698	1.7	
2000		340,380		16,489		123,535			233,334		137,746	1.6	
2001		373,304		17,098		136,741			253,661		131,616	1.9	
2002		410,937		16,432		161,767			265,602		142,610	1.8	
2003	` '	450,461		19,703		170,760			299,404		138,467	2.1	
2004		521,223		20,161		201,959			339,425		165,398	2.0	5

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

⁽²⁾ Source: State Board of Administration.

⁽³⁾ Restated from prior year.

⁽⁴⁾ Expenses include nonrecurring replacement and renewal costs.

Schedules of Revenue Bond Coverages

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

Year	Available (1)	(2)	Net Available	Debt (2)	
Ended	Documentary	Interest	for Debt	Service	Coverage
6/30	Stamp Tax	Revenue	<u>Service</u>	<u>Payments</u>	Ratio
1995	\$ 60,094	\$ 1,600	\$ 61,694	\$ 25,068	2.46
1996	66,995	1,387	68,382	25,085	2.73
1997	216,244	1,715	217,959	25,199	8.65
1998	260,610	1,557	262,167	25,223	10.39
1999	302,064	1,688	303,752	25,137	12.08
2000	337,734	1,731	339,465	25,216	13.46
2001	367,360	906	368,266	25,271	14.57
2002	410,565	1,279	411,844	25,350	16.25
2003	465,439	1,949	467,388	25,648	18.22
2004	542,768	903	543,671	24,834	21.89

- (1) Refer to Section 201.15, Florida Statutes.
- (2) Source: State Board of Administration.

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

Year	Available (1)		(3)	Net Available	Debt (3)	
Ended	Documentary	Phosphate (2)	Interest	for Debt	Service	Coverage
6/30	Stamp Tax	Severance	Revenue	Service	<u>Payments</u>	Ratio
1995	\$ 43,261	\$ 10,000	\$ 342	\$ 53,603	\$ 1,165	46.01
1996	48,199	10,000	203	58,402	2,923	19.98
1997	216,244	10,000	205	226,449	2,895	78.22
1998	260,610	10,000	213	270,823	2,871	94.33
1999	302,064	10,000	210	312,274	2,870	108.81
2000	337,734	10,000	219	347,953	2,876	120.99
2001	367,360	10,000	102	377,462	2,894	130.43
2002	410,565	10,000	153	420,718	2,907	144.73
2003	465,439	10,000	153	475,592	2,914	163.21
2004	542,768	10,000	63	552,831	2,917	189.52

- (1) Refer to Section 201.15, Florida Statutes.
- (2) Refer to Section 211.3103, Florida Statutes.(3) Source: State Board of Administration.

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

Year			Net Available	Debt (1)	
Ended		Interest	for Debt	Service	Coverage
6/30	Revenue	Revenue	<u>Service</u>	<u>Payments</u>	Ratio
1995	\$ 63,623	\$ 1,482	\$ 65,105	\$ 19,455	3.35
1996	58,746	1,905	60,651	21,453	2.83
1997	57,247	1,649	58,896	22,749	2.59
1998	61,780	2,326	64,106	23,879	2.68
1999	67,299	1,691	68,990	25,938	2.66
2000	70,147	1,554	71,701	28,546	2.51
2001	76,081	1,751	77,832	31,063	2.51
2002	76,130	1,079	77,209	31,816	2.43
2003	74,571	511	75,082	30,584	2.45
2004	74,106	1,254	75,360	32,992	2.28

(1) Source: State Board of Administration.

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

									Total	Total
		Vegetables	Field	Other	Total	Milk &	Poultry	Other	Livestock	Farm
Year	<u>Citrus</u>	& Melons	<u>Crops</u>	Crops*	<u>Crops</u>	Cattle	& Eggs	<u>Livestock</u>	& Prods	Receipts
1994	\$1,465,419	\$ 1,397,380	\$ 656,537	\$ 1,267,010	\$ 4,786,346	\$ 744,245	\$ 291,605	\$ 155,774	\$1,191,624	\$ 5,977,970
1995	1,484,703	1,267,464	661,390	1,305,540	4,719,097	653,330	315,237	161,243	1,129,810	5,848,907
1996	1,605,686	1,303,167	679,326	1,354,286	4,942,465	648,288	353,469	186,436	1,188,193	6,130,658
1997	1,376,228	1,565,723	649,387	1,400,218	4,991,556	720,708	353,838	190,295	1,264,841	6,256,397
1998	1,607,610	1,536,371	644,953	1,565,682	5,354,616	717,205	367,313	247,222	1,331,740	6,686,356
1999	1,916,767	1,401,267	684,507	1,472,824	5,475,365	721,448	354,870	287,113	1,363,431	6,838,796
2000	1,665,291	1,455,738	594,310	1,857,754	5,573,093	754,318	336,476	287,209	1,378,003	6,951,096
2001	1,068,909	1,498,288	626,079	1,832,126	5,025,402	789,318	377,096	291,572	1,457,986	6,483,388
2002	1,464,927	1,569,848	632,524	1,941,728	5,609,027	689,597	306,315	243,313	1,239,225	6,848,252
2003	1,225,567	1,409,087	714,190	1,894,922	5,243,766	678,233	325,493	202,090	1,205,816	6,449,582

^{*}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)

						Finance,			
				Transportation	Wholesale	Insurance			
				&	& Retail	& Real			
Year	Mining	Construction	Manufacturing	Public Utilities	Trade	Estate	Services	Government	Total
1994	7.0	297.5	483.9	295.2	1,506.4	376.0	1,923.9	906.6	5,796.5
1995	6.9	303.6	482.4	303.4	1,547.9	376.4	2,056.1	923.6	6,000.3
1996	6.9	323.5	490.4	314.1	1,607.0	393.8	2,117.6	929.2	6,182.5
1997	6.6	333.1	491.0	327.0	1,651.8	410.0	2,265.3	942.8	6,427.6
1998	6.7	351.3	496.4	336.3	1,683.8	430.3	2,415.2	957.3	6,677.3
1999	6.1	364.9	487.8	349.9	1,721.0	449.1	2,531.1	967.0	6,876.9
2000	6.5	389.2	486.6	357.6	1,757.2	443.5	2,641.8	994.0	7,076.4
2001	6.3	403.0	468.9	365.9	1,781.8	457.8	2,685.5	1028.5	7,197.7
2002*	5.4	427.8	407.8	238.6	1,475.4	474.0	1,222.6	1042.1	5,293.7
2003	4.9	445.9	388.8	228.8	1,462.4	484.3	1,257.5	1055.5	5,328.1

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

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

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

<u>Year</u>	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	57,750,441	4,690,622	37,914,098	49,211,597
1995	224	58,344,123	5,143,296	38,962,040	49,393,436
1996	194	40,904,042	3,693,747	26,214,925	33,128,637
1997	180	35,464,125	3,266,522	23,194,221	28,937,982
1998	166	37,565,723	3,194,845	24,301,914	30,948,982
1999	182	41,547,418	3,527,556	27,790,873	33,141,500
2000	183	32,747,606	2,898,730	21,587,117	27,017,949
2001	185	34,522,545	3,054,353	22,710,763	28,848,026
2002	188	41,053,816	3,706,098	27,108,241	33,993,565
2003	194	45,857,980	4,215,925	31,037,365	37,629,271
		. 0,00.,000	.,,	0.,00.,000	0.,020,271

Does not include nondeposit trust companies or industrial savings banks.

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

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

History of Headcount Enrollments State Universities Fall 1994 through 2003

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	2000	2001	2002	2003
Educational & General:										
University of Florida	32,827	33,394	32,314	33,524	41,652	42,612	44,480	45,521	46,850	47,280
Florida State University	28,794	29,390	29,345	29,629	30,389	32,405	33,587	35,442	36,651	37,072
Florida A & M University	9,650	9,784	10,206	10,477	11,324	11,639	11,723	12,347	12,467	12,907
University of South Florida	33,614	33,829	34,024	31,906	31,555	32,887	33,924	35,716	37,764	39,563
Florida Atlantic University	17,367	17,671	18,350	19,107	19,153	20,032	20,944	23,643	23,996	25,139
University of West Florida	7,716	8,087	7,882	7,855	7,790	7,924	8,218	9,063	9,206	9,412
University of Central Florida	25,363	26,325	27,411	28,302	30,009	31,472	33,453	36,013	38,795	41,185
Florida International University	26,040	27,542	29,098	29,357	30,096	30,979	30,725	32,614	33,799	33,601
University of North Florida	9,777	10,224	10,708	11,116	11,360	11,897	12,417	13,007	13,460	13,837
Florida Gulf Coast University				2,446	2,893	3,134	3,496	4,216	5,236	5,776
New College of Florida								634	650	671
Total	191,148	196,246	199,338	203,719	216,221	224,981	232,967	248,216	258,874	266,443
=										
Special Units: (1)										
UF-Institute of Food and										
Agricultural Sciences (2)	2,403	2,772	3,513	3,981						
UF-Health Center and										
Veterinary Medicine	3,087	3,174	3,845	3,924	1,072	1,074	1,081	1,105	1,113	1,115
FSU-Medical Center								30	69	115
USF-Medical Center	1,293	1,286	1,337	1,442	1,477	1,554	1,549	1,590	1,611	1,633
Total Special Units	6,783	7,232	8,695	9,347	2,549	2,628	2,630	2,725	2,793	2,863

⁽¹⁾ Includes medical professionals.

Note: Does not include students using an employee or senior citizen fee waiver.

Source: Student data course file enrollment reports, Florida Department of Education - Division of Colleges and Universities.

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

					Net		
		Beginning		Expenditures	Available	Debt	
		Fund	Operating	and	for Debt	Service	Coverage
	Year	Balance	Revenue	Transfers	<u>Service</u>	<u>Payments</u>	Ratio
	1995	\$ 176,568	\$ 1,947,750	\$ 1,911,881	\$ 212,437	\$ 21,456	9.90
	1996	212,437	2,170,327	2,137,055	245,709	28,829	8.52
	1997	*246,086	2,336,550	2,331,770	250,866	30,017	8.36
	1998	250,866	2,554,670	2,472,759	332,777	34,185	9.73
	1999	332,777	2,728,414	2,662,151	399,040	39,698	10.05
	2000	399,040	2,900,149	2,822,060	477,129	42,434	11.24
	2001	477,129	3,212,366	3,116,909	572,586	48,948	11.70
(1)	2002	572,586	6,330,027	5,913,359	989,254	54,747	18.07
	2003	989,254	7,091,750	6,657,128	1,423,876	54,041	26.35
	2004	1,423,876	7,449,195	6,972,710	1,900,361	61,592	30.85

^{*}Adjusted beginning fund balance due to prior period adjustments.

⁽²⁾ Beginning in Fall 1998, the enrollment for the University of Florida Institute of Food and Agricultural Sciences (IFAS) and non medical professional students at the University of Florida Medical Center were reported in the University of Florida Educational and General enrollment.

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