



# FLORIDA COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ended June 30, 2015

JEFF ATWATER CHIEF FINANCIAL OFFICER  
FLORIDA DEPARTMENT OF FINANCIAL SERVICES



# **ACKNOWLEDGEMENTS**

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## **SPECIAL APPRECIATION**

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

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

# STATE OF FLORIDA

  

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015



Rick Scott  
GOVERNOR

Jeff Atwater  
CHIEF FINANCIAL OFFICER

**FLORIDA DEPARTMENT OF FINANCIAL SERVICES**

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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# **INTRODUCTORY SECTION**



CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**  
STATE OF FLORIDA

February 26, 2016

Citizens of the State of Florida  
The Honorable Rick Scott, Governor  
The Honorable Andy Gardiner, President of the Senate  
The Honorable Steve Crisafulli, Speaker of the House of Representatives

To the Citizens of Florida, Governor Scott, President Gardiner, and Speaker Crisafulli:

I am pleased to submit the State of Florida's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015, in accordance with Section 216.102(3), Florida Statutes (F.S.). This report is prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

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

The Auditor General has issued an opinion on the state's financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

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

## **PROFILE OF THE STATE**

Florida's Constitution divides the governmental structure of the state into three independent branches. The Legislative Branch has exclusive lawmaking power for the state. The Executive Branch, consisting of the Governor, Cabinet, and their agencies, administers the laws made by the Legislature. The Governor shares executive power and responsibility with the Cabinet, which is composed of the Attorney General, Chief Financial Officer, and Commissioner of Agriculture. The Judicial Branch interprets the law and applies the Constitution. The organizational chart following this letter provides an overview of the state's structure. Florida's government provides a range of services to its citizens including education, health and family services, transportation, public safety, law and corrections, natural resources and environmental protection.

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

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

## **ECONOMIC CONDITION**

Florida marked the conclusion of its sixth year of positive growth in general fund collections in June 2015. This milestone followed three consecutive years of declines during the Great Recession and indicated that the state was nearing the end of its long recovery phase. The state's Economic Estimating Conference confirmed in mid-December that Florida's economy is continuing to improve as expected—with a decided boost from lower fuel prices. Barring significant spillover effects from the weak global economy and the strong dollar, the Conference expects that the growth in Florida will continue—allowing more normal economic and fiscal patterns to emerge sometime during the 2016-17 fiscal year.

Meanwhile, Florida's population growth and other key indicators generally continue to improve. Florida's real Gross Domestic Product in 2014 showed that the state's economic growth remained in positive territory, surpassing the state's revised 2013 growth rate and moving Florida above the national average for the second year in a row. This rate of growth enabled a state ranking of 11th in the nation. Newly released data for the second quarter (GDP for 2015:Q2) ranked Florida sixth in the nation in real growth. On the more real-time measure of



personal income, the calendar year results were similar: Florida ended 2014 with 4.6 percent growth over 2013—above the national growth rate of 3.9 percent and ranking 11th among all states. This was an improved ranking from the prior year when Florida was 13th. However, the latest data may provide a note of caution to the most recently adopted forecast. Florida's pace for the third quarter of 2015 (2015:Q3) slowed relative to the second quarter. Even though personal income grew in every state, Florida grew below the national average of 1.3 percent, recording growth of 1.2 percent and ranking 37th in the country. The forecast for 2015-2016 assumes Florida's personal income will reach \$911.9 billion, with 4.7 percent growth over the prior year. Underpinning the projected growth in personal income is continued population growth; these projections were slightly strengthened in early December. In addition, new vehicle registrations and tourist visits continue to contribute strongly to Florida's economic recovery. In response to all of this, the state's revenue collections are expected to grow over the prior year.

The level of employment in Florida continues to improve from the low levels of the Great Recession. For the third quarter of the 2015 calendar year, total non-farm employment stood at 8.1 million jobs. The forecast indicates that non-farm employment will add approximately 232 thousand jobs during the course of the 2015-16 fiscal year, representing a 2.9 percent increase over the prior fiscal year. According to the preliminary data for November 2015 relative to November 2014, the fiscal year estimate will likely be exceeded. Similar to the job creation numbers, Florida's unemployment rate has also shown improvement over the last year and equaled the national rate of 5.0 percent in November. Most importantly, there are significant indications that the improvements will be sustainable. Among all unemployed, the share of those reentering the labor force increased from 27.4 percent in November 2014 to 30.0 percent in November 2015.

Typical economic recoveries are led by increases in lending and housing construction. Since the housing and credit markets are still sluggish compared to the years leading up to the Housing Boom, Florida's employment recovery has largely been coming from sectors other than the construction-related areas.

While it is building from very low levels, the construction sector is continuing to improve. Single-Family building permit activity, an indicator of new construction, is back in positive territory, showing strong growth in both the 2012 and 2013 calendar years (32.3 percent and 31.3 percent, respectively). Despite the strong percentage growth in both years, the level is still low by historic standards, and final data for the 2014 calendar year reveals significantly slowing (but still positive) activity—posting only 1.6 percent growth over the prior year. However, calendar year-to-date activity through November 2015 is running well above last year for the same period; single family data is higher (+14.61 percent) than last year's data at the same point in time. The latest forecast calls for continuing improvement in starts, reaching annual rates of 68.8 thousand units in state fiscal year 2015-16 and 85.1 thousand units in state fiscal year 2016-17. To put these numbers in perspective, the peak year for starts was 2005-06 at nearly 272 thousand units.

The Legislative Office of Economic and Demographic Research (EDR) feels the protracted housing market correction, discounted home prices, bubble of foreclosures still working its way through the courts, and rising interest rates will remain the predominant in-state drags on Florida's economy in the near-term. While the outlook for foreclosures has significantly improved (the incoming pipeline has narrowed over the past two years), meaningful improvement in the housing market will lag behind the rest of Florida's economic recovery. Even so, the recovery in Florida is well underway. The subsequent turnaround in Florida housing is being led by: relatively low home prices that are attracting new buyers and clearing the inventory; the slow release of pent-up demand caused by past population growth and stalled household formation; and, Florida's unique demographics and the aging of the baby-boom generation which will fuel future population growth.

As updated by EDR for recent conferences, the constitutionally required Long-Range Financial Outlook indicates that a budget gap is unlikely in the upcoming budget year, meaning that projected revenues are sufficient to address anticipated expenditures. The Long-Range Financial Outlook also identifies potential obligations of the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation as significant risks to the forecast. Refer to Note 14 to the financial statements for additional information related to the state's insurance enterprises.

## ACKNOWLEDGEMENTS

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Atwater". The signature is stylized with a large, looped "J" and a cursive "Atwater".

Jeff Atwater  
Chief Financial Officer

JA:pjb



<sup>(1)</sup>Chapter 2014-221, Laws of Florida, transferred the Agency for Enterprise Information Technology to the Agency for State Technology within the Department of Management Services effective July 1, 2014.

# **FINANCIAL SECTION**



Sherrill F. Norman, CPA  
Auditor General

# AUDITOR GENERAL STATE OF FLORIDA

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

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

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 fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of:

- The Prepaid College Program Fund, which is a major enterprise fund and represents 32 percent and 9 percent, respectively, of the assets and revenues of the business-type activities.
- The Florida Turnpike System, which represents 87 percent and 90 percent, respectively, of the assets and revenues of the Transportation major enterprise fund.
- The Hurricane Catastrophe Fund, which is a major enterprise fund and represents 31 percent and 15 percent, respectively, of the assets and revenues of the business-type activities.
- The College Savings Plan and the trust fund maintained by the State Board of Administration to account for the investments of the Public Employee Optional Retirement Program, which collectively represent 5 percent of the assets and 4 percent of the additions of the aggregate

remaining fund information.

- The Florida Retirement System Trust Fund maintained by the State Board of Administration to account for the assets and investment income of the Florida Retirement System Defined Benefit Pension Plan which represent 93 percent and 47 percent, respectively, of the assets and additions of the Pension and Other Employee Benefits Trust Funds.
- The Florida Finance Housing Corporation, Citizens Property Insurance Corporation, component units related to the State's universities and colleges, and certain other funds and entities that, in the aggregate, represent 67 percent and 35 percent, respectively, of the assets and revenues of the discretely presented component units.

Financial statements for the above-listed funds and entities were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for these funds and entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Notes 1.I. and 6. to the financial statements, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27, which is a change in accounting principle that requires an employer participating in a cost-sharing multiple-employer defined benefit pension plan to report the employer's proportionate share of the net pension liability of the defined benefit pension plan.



This affects the comparability of amounts reported in the 2014-15 fiscal year with the amounts reported for the 2013-14 fiscal year. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis, on pages 14 through 19, and the budgetary information, the funding and contribution information for pension and other postemployment benefits, and information on infrastructure using the modified approach, on pages 156 through 169, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The Introductory Section, on pages 6 through 8, and the combining and individual fund statements and related budgetary comparison schedules and the Statistical Section, on pages 173 through 285, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and related budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual fund statements and related budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual fund statements and related budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and the Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2016, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance. 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*.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sherrill F. Norman". The signature is fluid and cursive, with the first name "Sherrill" and last name "Norman" clearly legible, and "F." as a small initial between them.

Sherrill F. Norman, CPA  
Tallahassee, Florida  
February 26, 2016

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The information contained in the Management's Discussion and Analysis (MD&A) introduces the basic financial statements and provides an analytical overview of the State of Florida's (the state's) financial activities and performance for the fiscal year ended June 30, 2015 (fiscal year 2014-15). Please read the MD&A in conjunction with the state's financial statements that are presented in the Financial Section of this Comprehensive Annual Financial Report (CAFR).

### Financial Statements Overview

The state's basic financial statements are comprised of the following elements:

#### Government-wide Financial Statements

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

#### Fund Financial Statements

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

#### Notes to the Financial Statements

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

**Table 1: Major Features of the Basic Financial Statements**

|                                                                          | Government-wide<br>Financial Statements                                                                                                                                                                 | Fund Financial Statements                                                                                                                                                                                                                            |                                                                                                                                                                                                         |                                                                                                                                                                                                         |
|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                          |                                                                                                                                                                                                         | Governmental Funds                                                                                                                                                                                                                                   | Proprietary Funds                                                                                                                                                                                       | Fiduciary Funds                                                                                                                                                                                         |
| <b>Scope</b>                                                             | 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                                                                                                                       |
| <b>Required financial statements</b>                                     | <ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of activities</li> </ul>                                                                                            | <ul style="list-style-type: none"> <li>Balance sheet</li> <li>Statement of revenues, expenditures, and changes in fund balances</li> </ul>                                                                                                           | <ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of revenues, expenses, and changes in net position</li> <li>Statement of cash flows</li> </ul>                      | <ul style="list-style-type: none"> <li>Statement of fiduciary net position</li> <li>Statement of changes in fiduciary net position</li> </ul>                                                           |
| <b>Accounting basis and measurement focus</b>                            | 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                                                                                                                                                         |
| <b>Type of asset, liability, and deferred outflow/inflow information</b> | <ul style="list-style-type: none"> <li>All assets and liabilities, both financial and capital, and short-term and long-term</li> <li>All deferred outflows and deferred inflows of resources</li> </ul> | <ul style="list-style-type: none"> <li>Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included</li> <li>All deferred outflows and deferred inflows of resources</li> </ul>   | <ul style="list-style-type: none"> <li>All assets and liabilities, both financial and capital, and short-term and long-term</li> <li>All deferred outflows and deferred inflows of resources</li> </ul> | <ul style="list-style-type: none"> <li>All assets and liabilities, both financial and capital, and short-term and long-term</li> <li>All deferred outflows and deferred inflows of resources</li> </ul> |
| <b>Type of inflow/outflow information</b>                                | All revenues and expenses during the year, regardless of when cash is received or paid                                                                                                                  | <ul style="list-style-type: none"> <li>Revenues for which cash is received during or soon after the end of the year</li> <li>Expenditures when goods or services have been received and payment is due during the year or soon thereafter</li> </ul> | All revenues and expenses during the year, regardless of when cash is received or paid                                                                                                                  | All revenues and expenses during the year, regardless of when cash is received or paid                                                                                                                  |

## Condensed Government-wide Financial Statements and Overall Financial Analysis

### Statement of Net Position

Table 2 below presents the state's Condensed Statement of Net Position as of June 30, 2015, and 2014, derived from the government-wide Statement of Net Position. The state's net position at the close of the fiscal year was \$60.5 billion for governmental activities and \$24.8 billion for business-type activities which was a combined total of \$85.3 billion for the primary government. The three components of net position include net investments in capital assets; restricted; and unrestricted. The largest component, totaling \$71.5 billion as of June 30, 2015, reflects net investments in capital assets. The state uses these capital assets to provide services to the citizens and businesses in the state; consequently, this component of net position is not available for future spending. Restricted net position is the next largest component, totaling \$25.3 billion as of June 30, 2015. Restricted net position represents resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used.

Governmental activities reflect a negative or deficit fund balance in unrestricted net position of \$12.4 billion at June 30, 2015. This deficit primarily results from education-related bonds for which the state is responsible for the liability while the related assets are owned by local school districts and are therefore not included in the state's financial statements. Refer to Note 8 to the financial statements, Governmental Activities – Unrestricted Net Position Deficit, for more information.

Business-type activities reflect a restricted net position of \$16.3 billion at June 30, 2015, an increase of \$1.9 billion over the prior year. The increase in the restricted net position over that reported in prior years is explained in the Major Fund Analysis, Proprietary Funds section that follows.

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

|                                      | Governmental<br>Activities |           | Business-type<br>Activities |           | Total Primary<br>Government |           |
|--------------------------------------|----------------------------|-----------|-----------------------------|-----------|-----------------------------|-----------|
|                                      | 2015                       | 2014      | 2015                        | 2014      | 2015                        | 2014      |
| Current and other assets             | \$ 24,826                  | \$ 26,504 | \$ 33,175                   | \$ 33,196 | \$ 58,001                   | \$ 59,700 |
| Capital assets, net                  | 69,624                     | 67,254    | 10,873                      | 10,193    | 80,497                      | 77,447    |
| Total assets                         | 94,450                     | 93,758    | 44,048                      | 43,389    | 138,498                     | 137,147   |
| Total deferred outflows of resources | 1,098                      | 121       | 58                          | 41        | 1,156                       | 162       |
| Other liabilities                    | 3,377                      | 8,142     | 2,220                       | 5,054     | 5,597                       | 13,196    |
| Noncurrent liabilities               | 29,772                     | 24,511    | 16,927                      | 16,074    | 46,699                      | 40,585    |
| Total liabilities                    | 33,149                     | 32,653    | 19,147                      | 21,128    | 52,296                      | 53,781    |
| Total deferred inflows of resources  | 1,874                      | 4         | 173                         | 145       | 2,047                       | 149       |
| Net position:                        |                            |           |                             |           |                             |           |
| Net investments in capital           |                            |           |                             |           |                             |           |
| assets                               | 63,937                     | 61,728    | 7,544                       | 6,790     | 71,481                      | 68,518    |
| Restricted                           | 8,958                      | 9,268     | 16,348                      | 14,416    | 25,306                      | 23,684    |
| Unrestricted                         | (12,370)                   | (9,774)   | 894                         | 951       | (11,476)                    | (8,823)   |
| Total net position                   | \$ 60,525                  | \$ 61,222 | \$ 24,786                   | \$ 22,157 | \$ 85,311                   | \$ 83,379 |

**Statement of Activities**

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2014-15 and fiscal year 2013-14, as derived from the government-wide Statement of Activities. Over time, increases and decreases in the net position measure whether the state's financial position is improving or deteriorating. The state's total net position (before reducing beginning net position due to \$3.7 billion of prior period adjustments primarily due to the implementation of new pension standards) increased during the fiscal year by \$5.6 billion. The net position of governmental activities increased by \$3.1 billion, and the net position of business-type activities increased by \$2.5 billion. The majority of the increase in total program expenses for governmental activities relates to a \$1.3 billion increase in Human Services expenses and a \$394 million increase in General Government expenses, while the largest increase in business-type activities expenses is the \$808 million increase in Prepaid College Program expenses. Refer to the Major Fund Analysis section for information regarding the overall increase in revenues from governmental activities.

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

|                                                      | Governmental<br>Activities |           | Business-type<br>Activities |           | Total Primary<br>Government |           |
|------------------------------------------------------|----------------------------|-----------|-----------------------------|-----------|-----------------------------|-----------|
|                                                      | 2015                       | 2014      | 2015                        | 2014      | 2015                        | 2014      |
| Revenues                                             |                            |           |                             |           |                             |           |
| Program revenues                                     |                            |           |                             |           |                             |           |
| Charges for services                                 | \$ 8,501                   | \$ 8,461  | \$ 10,238                   | \$ 10,844 | \$ 18,739                   | \$ 19,305 |
| Operating grants and contributions                   | 26,000                     | 26,961    | 36                          | 433       | 26,036                      | 27,394    |
| Capital grants and contributions                     | 2,229                      | 2,471     | 3                           | 20        | 2,232                       | 2,491     |
| Total program revenues                               | 36,730                     | 37,893    | 10,277                      | 11,297    | 47,007                      | 49,190    |
| General revenues and payments                        |                            |           |                             |           |                             |           |
| Sales and use tax                                    | 22,917                     | 21,256    | .....                       | .....     | 22,917                      | 21,256    |
| Other taxes                                          | 13,305                     | 12,452    | .....                       | .....     | 13,305                      | 12,452    |
| Investment earnings (loss)                           | 139                        | 347       | 2                           | 4         | 141                         | 351       |
| Emergency assessments                                | .....                      | .....     | 257                         | 499       | 257                         | 499       |
| Miscellaneous                                        | .....                      | .....     | 4                           | 1         | 4                           | 1         |
| Total general revenues and payments                  | 36,361                     | 34,055    | 263                         | 504       | 36,624                      | 34,559    |
| Total revenues                                       | 73,091                     | 71,948    | 10,540                      | 11,801    | 83,631                      | 83,749    |
| Program expenses                                     |                            |           |                             |           |                             |           |
| General government                                   | 6,451                      | 6,057     | .....                       | .....     | 6,451                       | 6,057     |
| Education                                            | 19,643                     | 19,316    | .....                       | .....     | 19,643                      | 19,316    |
| Human services                                       | 34,303                     | 32,972    | .....                       | .....     | 34,303                      | 32,972    |
| Criminal justice and corrections                     | 3,863                      | 3,847     | .....                       | .....     | 3,863                       | 3,847     |
| Natural resources and environment                    | 2,537                      | 2,498     | .....                       | .....     | 2,537                       | 2,498     |
| Transportation                                       | 4,032                      | 3,851     | 471                         | 392       | 4,503                       | 4,243     |
| State courts                                         | 480                        | 487       | .....                       | .....     | 480                         | 487       |
| Lottery                                              | .....                      | .....     | 4,116                       | 3,905     | 4,116                       | 3,905     |
| Hurricane Catastrophe Fund                           | .....                      | .....     | 91                          | (90)      | 91                          | (90)      |
| Prepaid College Program                              | .....                      | .....     | 760                         | (48)      | 760                         | (48)      |
| Reemployment Assistance                              | .....                      | .....     | 664                         | 1,449     | 664                         | 1,449     |
| Nonmajor enterprise funds                            | .....                      | .....     | 323                         | 314       | 323                         | 314       |
| Indirect interest on long-term debt                  | 141                        | 6         | .....                       | .....     | 141                         | 6         |
| Total program expenses                               | 71,450                     | 69,034    | 6,425                       | 5,922     | 77,875                      | 74,956    |
| Excess (deficiency) before gain (loss) and transfers | 1,641                      | 2,914     | 4,115                       | 5,879     | 5,756                       | 8,793     |
| Gain (loss) on sale of capital assets                | (94)                       | (37)      | (13)                        | (3)       | (107)                       | (40)      |
| Transfers                                            | 1,568                      | 997       | (1,568)                     | (997)     | .....                       | .....     |
| Change in net position                               | 3,115                      | 3,874     | 2,534                       | 4,879     | 5,649                       | 8,753     |
| Beginning net position, as restated (Note 1)         | 57,410                     | 57,348    | 22,252                      | 17,278    | 79,662                      | 74,626    |
| Ending net position                                  | \$ 60,525                  | \$ 61,222 | \$ 24,786                   | \$ 22,157 | \$ 85,311                   | \$ 83,379 |

## Major Fund Analysis

### Governmental Funds

The state's governmental funds reported a combined ending fund balance of \$17.3 billion at June 30, 2015, a \$96 million or 0.6 percent growth from the prior year. Revenues increased by \$2.3 billion or 3.2 percent, other financing sources and uses decreased by \$396 million or 17.2 percent, and expenditures increased by \$3.3 billion or 4.6 percent. Overall increases in revenues and expenditures were primarily attributable to a rise in tax revenues and an increase in bond proceeds.

**Health and Family Services** – The fund balance at June 30, 2015, totaled \$1.3 billion, a decrease of \$329 million or 19.7 percent. The fund's major asset and liability accounts – receivables, net and claims payable – also experienced decreases of \$1.1 billion or 42.7 percent, and \$651 million or 54.8 percent, respectively. Revenues and other financing sources increased by \$324 million or 1.2 percent, while expenditures and other financing uses increased \$682 million or 2.6 percent. Overall changes in the fund were predominantly related to the state's move from a fee-for-service to managed care system of health care for the State's Medicaid program.

### Proprietary Funds

The state's proprietary funds report combined ending net position of \$24.8 billion at June 30, 2015, of which \$7.5 billion is the net investment in capital assets, and \$16.3 billion is restricted for specific purposes. The remaining \$894 million was unrestricted and available for purposes of the various funds. Information is provided below regarding major funds with significant variances relative to the prior year.

**Reemployment Assistance** – This fund reports a net position of \$2.8 billion at June 30, 2015, an increase of \$753 million or 36.8 percent. Revenues decreased by \$504 million or 27.0 percent while expenses declined by \$785 million or 54.2 percent. Revenues decreased as a result of the reduction of federal funds to cover the Federal Extended Unemployment Compensation program that ended in the prior fiscal year. The reduction in expenses is due to a significant decrease in benefit payments relative to the prior year as the economy and unemployment rate in Florida improved.

**Prepaid College Program** – The net position at June 30, 2015, totaled \$1.5 billion, a decrease of \$284 million or 15.9 percent. Revenues decreased by \$438 million while expenses increased by \$808 million. The decline in revenues was primarily due to a decrease in fair value of fixed income investments, while expenses increased primarily due to a change in actuarial determination of the present value of fixed income investments.

## General Fund Budget Variances

Budgeted expenditures are based on revenues estimated by the Revenue Estimating Conference and other sources. Original expenditures are budgeted for less than total expected available resources. There was a \$424 million increase between the original and final estimated revenues. Final budgeted total expenditures increased by \$492 million from the original budget. Variances between the original and final budget or between the final budgeted and actual amounts are not expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the Budgetary Comparison Schedule for the General Fund in the Other Required Supplementary Information section of the CAFR.

## Capital Asset and Long-term Debt Activity

### Capital Asset Activity

At June 30, 2015, the state reported \$69.6 billion in net capital assets for governmental activities and \$10.9 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2013-14 to fiscal year 2014-15 by approximately 3.9 percent. The increase is primarily due to the capitalization of construction costs for infrastructure projects. Capitalized infrastructure projects include additions to and/or enhancements of roadways and bridges on the state's highway system. Construction commitments by the Florida Department of Transportation were approximately \$12.1 billion. Construction commitments by other state agencies for major projects including office buildings and correctional facilities increased by \$31 million compared to the prior year. Refer to Note 5 to the financial statements for information on capital assets and Note 7 to the financial statements for information on construction commitments.

### Long-term Debt Activity

Total bonded debt outstanding decreased by \$2.5 billion, or approximately 10.0 percent, from the prior fiscal year to a total of \$22.2 billion at June 30, 2015 due to scheduled amortization and debt service payments. The majority of the outstanding bonded debt serves to finance educational facilities (\$13.3 billion), the Florida Hurricane Catastrophe Fund (\$2.0 billion) and transportation (\$4.7 billion). New and refinanced bonded debt issues for 2015 totaled \$2.3 billion. Public-private partnership



contracts outstanding decreased from the prior year by \$76 million or 2.9 percent to a total of \$2.6 billion. The annual debt service requirements increased from \$1.9 billion in 2014 to \$2.0 billion in 2015 due to refinement of how Public-Private Partnership obligations are reflected in outstanding debt. Fiscal year 2015-16 debt service is expected to remain about \$2.0 billion before increasing to approximately \$2.3 billion in 2018 due to payments on the I-4 Ultimate Project. Another significant change to the long-term liabilities of the State included a \$942 million decrease in claims payable which was predominantly related to the state's move from a fee-for-service to managed care system of health care for the State's Medicaid program.

Pursuant to the provisions of Governmental Accounting Standards Board Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the State of Florida recorded \$3 billion in pension liabilities for the defined benefit plans it administers for the fiscal year ended June 30, 2015. The \$3 billion includes the State's proportionate share of the liability for the Florida Retirement System Pension Plan, the Retiree Health Insurance Subsidy Program, and the Florida National Guard Supplemental Retirement Benefit Plan. (See Note 6 to the Financial Statements for further information.)

The state maintained its credit ratings during the past year. During the fiscal year ended June 30, 2015, the three major rating agencies, Standard & Poor's Rating Services, Fitch Ratings, and Moody's Investors Service each affirmed the State's AAA, AAA, and Aa1 general obligation ratings and stable outlook, respectively. The State's benchmark debt ratio of debt service to revenues remained the same at 5.6 percent and under the 6 percent target. The benchmark debt ratio is projected to remain under the 6% target throughout the 10-year projection period but is dependent upon continued revenue growth.

Section 11 of Article VII of the State Constitution authorizes the state to issue general obligation bonds or revenue bonds to finance or refinance fixed capital outlay projects authorized by law. General obligation bonds are secured by the full faith and credit of the state and payable from specified taxes. Revenue bonds are payable solely from specified revenues. The responsibility to issue most state bonds rests with the Division of Bond Finance of the State Board of Administration. However, certain quasi-governmental entities also incur debt and are reported as part of the primary government. See the *State of Florida 2015 Debt Affordability Report* for more detailed information about the state's debt position. The report can be found at [www.sbafla.com/bondfinance](http://www.sbafla.com/bondfinance) or by contacting the Division of Bond Finance, 1801 Hermitage Boulevard, Suite 200, Tallahassee, Florida 32308, (850) 488-4782. Additional information on long-term debt is also found in Notes 8, 9, and 10 to the financial statements and the Statistical Section of this report.

### **Infrastructure Accounted for Using the Modified Approach**

The state elected to use the modified approach to account for roadways, bridges, and other infrastructure assets of the State Highway System. Under this approach, the Florida Department of Transportation (FDOT) committed to maintain these assets at levels established by FDOT and approved by the Florida Legislature. No depreciation expense is reported for these assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. FDOT maintains an inventory of these assets and performs periodic assessments to establish that predetermined condition levels are being maintained. The condition assessments performed during fiscal year 2014-15 show that the roadways and bridges of the State Highway System are being maintained at or near FDOT standards. These condition assessments were consistent with condition assessments conducted during past years. In addition, FDOT makes annual estimates of the amounts that must be expended to maintain the roadways and bridges included on the State Highway System at the predetermined condition levels. These estimates are based on the FDOT five-year plan that is revised as projects are added, deleted, adjusted, or postponed. Refer to the Other Required Supplementary Information of the CAFR for information on FDOT's established condition standards, recent condition assessments, and other information on infrastructure reported on the modified approach.

### **Economic Factors**

General fund tax collections for the fiscal year ended June 30, 2015, were 7.7 percent higher than the prior fiscal year. While this percentage is markedly improved from the reported 5.0 percent for the prior year, the growth rates for fiscal year 2012-13 and fiscal year 2013-14 were both distorted by the receipt of the \$200.1 million deposit from the National Mortgage Settlement Agreement in fiscal year 2012-13. After adjusting for this deposit, the underlying growth rates were 6.3 percent and 4.7 percent, respectively, and the rate for fiscal year 2014-15 falls more in line with the type of growth experienced since the outright decline in receipts during the Great Recession. Nearly all of the increase in receipts came from gains in the Sales Tax collections that support the general fund. Total sales tax revenue — the state's primary source of general revenue — grew a robust 8.1 percent from fiscal year 2013-14 to fiscal year 2014-15. It has been nine years since that rate of growth has been seen for this source. As the economic recovery continued to pick up momentum with strong gains in the state's Gross Domestic Product and personal income relative to other states, signs of an economy nearing full recovery were clear in the widespread improvement across all areas of sales tax collections (nondurables, tourism and recreation, autos and accessories, other durables, building investment and business investment). At the end of the year, general fund collections had surpassed the prior peak in fiscal year 2005-06 for the first time since then.

Several revenue sources have continued to track the ebb and flow of the state's overall economic conditions. Among them, documentary stamp and intangibles tax collections predominantly rely on activity in the state's real estate market. Since the end of the housing boom in 2005-06, Florida's sizable inventory of unsold homes, discounted home prices, and towering foreclosures have hindered a return to normal conditions in the real-estate market. Nine years since the boom's height, this is still true, although conditions continue to improve. For statewide existing home sales and the median sales price for existing homes, the direction has been positive with both sources exhibiting healthy percentage gains over the prior year, registering 13.5 percent and 7.7 percent growth, respectively. The picture also solidified for private housing starts and construction expenditures, allowing total documentary stamp taxes to grow 17.0 percent. This growth brought documentary stamp taxes to 52.3 percent of their prior peak. Reflecting a slightly different aspect of the market, the intangibles tax, which entirely benefits the general fund, regained its footing as refinancing activity firmed, posting a 20.0 percent increase over the prior year. Across the two sources, the collection levels are still low by historic standards, distorting the magnitude of percentage changes.

National corporate profits continued to be in record-breaking territory in fiscal year 2014-15, the state's corporate income tax collections followed suit. Still below peak collections, corporate income tax receipts net of refunds posted 9.5 percent growth to achieve 94.7 percent of the previous high. About two-thirds of the state's general revenue sources posted gains over the prior year. Of the few sources losing ground over the year, several were related to planned tax law changes enacted by the 2015 Legislature. At the end of the 2014-15 state fiscal year, total general fund collections were \$195.2 million over the estimate made by the state's Revenue Estimating Conference in March 2015, helping to produce the strong growth rate described above. Further, the general fund sources collectively outperformed the class of total revenue for the state. Including federal dollars, total revenue increased by 3.2 percent over this period.

When the state's Revenue Estimating Conference met in August 2015, monthly collections for the 2015-16 state fiscal year were essentially meeting the estimates made in March 2015 as adjusted for law changes. As a result, the Conference made only modest adjustments to the forecast for fiscal year 2015-16 and 2016-17. Over the two years, anticipated revenues were revised upward by \$462.3 million. The revised fiscal year 2015-16 estimate exceeds the prior year's collections by \$733.0 million (or 2.6 percent). State Economists peg the new projected total for the 2015-16 fiscal year at slightly over \$28.1 billion. The revised forecast for fiscal year 2016-17 has projected growth of an additional \$1.34 billion (or 4.7 percent) over the revised fiscal year 2015-16 estimate. The growth rates for fiscal year 2017-18 and fiscal year 2018-19 were slightly increased from 4.5 to 4.8 percent and from 3.3 to 3.6 percent, respectively. Since the August Conference, cumulative fiscal year 2015-16 collections are running slightly above estimate, but well within the plus or minus 1 percent range the Conference attributes to noise by convention.

As a buffer against future financial shocks or spillover effects from global weakening, the latest General Revenue Outlook shows that there will be just over \$1.803 billion in unallocated general revenue remaining at the end of the current fiscal year. In addition, the state's major reserve for emergencies, the Budget Stabilization Fund, has a planned balance of at least \$1.353 billion on June 30, 2016. Once the fiscal year 2015-16 transfers are completed, all required repayments to the Budget Stabilization Fund will have been made for outstanding loans, and the fund cash balance will be at the highest recorded level in its history. Beginning with fiscal year 2016-17, the required constitutional transfers will resume, and the balance will increase every year. Any interest earned on the Budget Stabilization Fund accrues to the General Revenue Fund. Refer to Note 1K, for additional information on the Budget Stabilization Fund. The other source most frequently mentioned as part of the state's informal reserve system is the Lawton Chiles Endowment Fund which had a market value of \$613 million on October 31, 2015, bringing the total of all reserves to just over \$3.8 billion or nearly 13.3 percent of the state's estimated general fund collections. According to the state's Long-Range Financial Outlook adopted in September 2015, the state is not anticipating a budget gap for the upcoming fiscal year, meaning the projected revenues should meet all anticipated needs.

### **Contact the State's Financial Management**

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

Department of Financial Services  
Bureau of Financial Reporting  
Statewide Financial Reporting Section  
200 East Gaines Street  
Tallahassee, Florida 32399-0364  
(850) 413-5511

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**FINANCIAL  
SECTION:  
BASIC FINANCIAL  
STATEMENTS**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                     | Primary Government      |                          |               | Component Units |
|-----------------------------------------------------|-------------------------|--------------------------|---------------|-----------------|
|                                                     | Governmental Activities | Business-type Activities | Totals        |                 |
| <b>ASSETS</b>                                       |                         |                          |               |                 |
| Cash and cash equivalents                           | \$ 124,222              | \$ 46,226                | \$ 170,448    | \$ 2,623,522    |
| Pooled investments with State Treasury              | 14,422,243              | 3,992,483                | 18,414,726    | 3,236,352       |
| Other investments                                   | 1,409,863               | 25,844,764               | 27,254,627    | 19,753,635      |
| Receivables, net                                    | 4,414,022               | 805,319                  | 5,219,341     | 1,957,098       |
| Internal balances                                   | 314,595                 | (314,595)                | .....         | .....           |
| Due from component units/primary                    | 4,235                   | 695                      | 4,930         | 570,714         |
| Inventories                                         | 32,126                  | 2,905                    | 35,031        | 67,913          |
| Restricted cash and cash equivalents                | .....                   | 92,518                   | 92,518        | 544,157         |
| Restricted pooled investments with State Treasury   | .....                   | 38,284                   | 38,284        | 629,024         |
| Restricted investments                              | .....                   | 899,939                  | 899,939       | 5,545,070       |
| Advances to other entities                          | 962,347                 | .....                    | 962,347       | .....           |
| Other loans and notes receivable, net               | 3,141,200               | 1,734,058                | 4,875,258     | 2,350,347       |
| Other assets                                        | 521                     | 32,689                   | 33,210        | 853,220         |
| Capital assets, net                                 | 69,624,346              | 10,873,369               | 80,497,715    | 23,060,316      |
| Total assets                                        | 94,449,720              | 44,048,654               | 138,498,374   | 61,191,368      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |                         |                          |               |                 |
| Accum. decrease in fair value - hedging derivatives | .....                   | .....                    | .....         | 66,631          |
| Grants paid in advance                              | 68,146                  | .....                    | 68,146        | .....           |
| Amount deferred on refunding of debt                | 98,865                  | 36,595                   | 135,460       | 7,648           |
| Pension-related items                               | 930,764                 | 21,205                   | 951,969       | 578,397         |
| Total deferred outflows of resources                | 1,097,775               | 57,800                   | 1,155,575     | 652,676         |
| <b>LIABILITIES</b>                                  |                         |                          |               |                 |
| Accounts payable and accrued liabilities            | 2,077,744               | 483,942                  | 2,561,686     | 2,740,569       |
| Due to other governments                            | 4,458                   | 7,401                    | 11,859        | .....           |
| Due to component units/primary                      | 44,568                  | 466                      | 45,034        | 168,013         |
| Obligations under security lending agreements       | 1,249,983               | 1,728,610                | 2,978,593     | .....           |
| Long-term liabilities                               |                         |                          |               |                 |
| Due within one year                                 | 3,693,089               | 1,194,943                | 4,888,032     | 3,505,758       |
| Due in more than one year                           | 26,078,615              | 15,731,960               | 41,810,575    | 13,946,645      |
| Total liabilities                                   | 33,148,457              | 19,147,322               | 52,295,779    | 20,360,985      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                         |                          |               |                 |
| Deferred service concession arrangement receipts    | .....                   | 137,108                  | 137,108       | 1,117           |
| Amount deferred on refunding of debt                | 14,745                  | .....                    | 14,745        | 10,758          |
| Pension-related items                               | 1,859,624               | 36,325                   | 1,895,949     | 894,793         |
| Total deferred inflows of resources                 | 1,874,369               | 173,433                  | 2,047,802     | 906,668         |
| <b>NET POSITION</b>                                 |                         |                          |               |                 |
| Net investments in capital assets                   | 63,937,059              | 7,543,562                | 71,480,621    | 19,145,218      |
| Restricted for                                      |                         |                          |               |                 |
| Environment, Recreation and Conservation            | 2,930,848               | .....                    | 2,930,848     | .....           |
| Public Education                                    | 778,229                 | .....                    | 778,229       | .....           |
| Health and Family Services                          | 1,258,290               | .....                    | 1,258,290     | .....           |
| Transportation                                      | 2,121,855               | 312,992                  | 2,434,847     | .....           |
| Nonmajor governmental funds                         | 1,096,687               | .....                    | 1,096,687     | .....           |
| Debt service                                        | 248,102                 | .....                    | 248,102       | 69,357          |
| Lottery                                             | .....                   | 95,094                   | 95,094        | .....           |
| Prepaid College Program                             | .....                   | 1,507,552                | 1,507,552     | .....           |
| Hurricane Catastrophe Fund                          | .....                   | 11,632,636               | 11,632,636    | .....           |
| Reemployment Assistance                             | .....                   | 2,797,525                | 2,797,525     | .....           |
| Other                                               | 523,957                 | 2,658                    | 526,615       | 6,336,862       |
| Funds held for permanent endowment                  |                         |                          |               |                 |
| Expendable                                          | .....                   | .....                    | .....         | 793,258         |
| Nonexpendable                                       | .....                   | .....                    | .....         | 3,497,455       |
| Unrestricted                                        | (12,370,358)            | 893,680                  | (11,476,678)  | 10,734,241      |
| Total net position                                  | \$ 60,524,669           | \$ 24,785,699            | \$ 85,310,368 | \$ 40,576,391   |

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

|                                                     | Primary Government |               |                 | Component      |
|-----------------------------------------------------|--------------------|---------------|-----------------|----------------|
|                                                     | Governmental       | Business-type | Total           | Units          |
|                                                     | Activities         | Activities    |                 |                |
| Net (expense) revenue                               | \$ (34,719,879)    | \$ 3,851,938  | \$ (30,867,941) | \$ (4,231,148) |
| General revenues:                                   |                    |               |                 |                |
| Taxes                                               |                    |               |                 |                |
| Sales and use tax                                   | 22,916,865         | .....         | 22,916,865      | .....          |
| Fuel taxes                                          | 2,799,442          | .....         | 2,799,442       | .....          |
| Corporate income tax                                | 2,236,690          | .....         | 2,236,690       | .....          |
| Documentary stamp tax                               | 2,118,466          | .....         | 2,118,466       | .....          |
| Intangible personal property tax                    | 305,131            | .....         | 305,131         | .....          |
| Communications service tax                          | 1,261,598          | .....         | 1,261,598       | .....          |
| Beverage and tobacco taxes                          | 1,647,809          | .....         | 1,647,809       | .....          |
| Insurance premium tax                               | 914,710            | .....         | 914,710         | .....          |
| Gross receipts utilities tax                        | 779,056            | .....         | 779,056         | .....          |
| Property taxes                                      | .....              | .....         | .....           | 471,103        |
| Other taxes                                         | 1,241,641          | .....         | 1,241,641       | .....          |
| Investment earning (loss)                           | 138,726            | 2,212         | 140,938         | 413,824        |
| Gain (loss) on sale of capital assets               | (94,099)           | (13,238)      | (107,337)       | (673)          |
| Payments from the State of Florida                  | .....              | .....         | .....           | 3,721,566      |
| Emergency assessments                               | .....              | 256,884       | 256,884         | .....          |
| Miscellaneous                                       | .....              | 4,223         | 4,223           | 655,658        |
| Transfers                                           | 1,568,396          | (1,568,396)   | .....           | .....          |
| Contributions to permanent funds                    | .....              | .....         | .....           | 59,178         |
| Total general revenues, transfers and contributions | 37,834,431         | (1,318,315)   | 36,516,116      | 5,320,656      |
| Changes in net position                             | 3,114,552          | 2,533,623     | 5,648,175       | 1,089,508      |
| Net position - beginning, as restated (Note 1)      | 57,410,117         | 22,252,076    | 79,662,193      | 39,486,883     |
| Net position - ending                               | \$ 60,524,669      | \$ 24,785,699 | \$ 85,310,368   | \$ 40,576,391  |

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

## Major Funds

### GENERAL FUND

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

### ENVIRONMENT, RECREATION AND CONSERVATION

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

### PUBLIC EDUCATION

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

### HEALTH AND FAMILY SERVICES

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

### TRANSPORTATION

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

## Nonmajor Funds

Nonmajor governmental funds are presented, by fund type, beginning on page 173.

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                       | General<br>Fund | Environment,<br>Recreation<br>and<br>Conservation | Public<br>Education | Health and<br>Family<br>Services |
|-------------------------------------------------------|-----------------|---------------------------------------------------|---------------------|----------------------------------|
| <b>ASSETS</b>                                         |                 |                                                   |                     |                                  |
| <u>Current assets</u>                                 |                 |                                                   |                     |                                  |
| Cash and cash equivalents                             | \$ 20,521       | \$ 1,466                                          | \$ .....            | \$ 9,407                         |
| Pooled investments with State Treasury                | 6,097,377       | 1,798,584                                         | 979,441             | 1,275,450                        |
| Other investments                                     | 867,039         | 74                                                | .....               | .....                            |
| Receivables, net                                      | 1,707,070       | 221,260                                           | 63,146              | 1,504,182                        |
| Due from other funds                                  | 237,428         | 8,011                                             | 83,758              | 125,316                          |
| Due from component units/primary                      | 682             | 794                                               | 1,882               | 17                               |
| Inventories                                           | 7,675           | 411                                               | .....               | 12,867                           |
| Other                                                 | 347             | .....                                             | .....               | .....                            |
| Total current assets                                  | 8,938,139       | 2,030,600                                         | 1,128,227           | 2,927,239                        |
| <u>Noncurrent assets</u>                              |                 |                                                   |                     |                                  |
| Long-term investments                                 | .....           | .....                                             | .....               | .....                            |
| Advances to other funds                               | 2,603           | .....                                             | .....               | .....                            |
| Advances to other entities                            | 13,764          | 12,505                                            | 929,101             | .....                            |
| Other loans and notes receivable, net                 | 38,350          | 1,155,551                                         | 250                 | 21,337                           |
| Total noncurrent assets                               | 54,717          | 1,168,056                                         | 929,351             | 21,337                           |
| Total assets                                          | 8,992,856       | 3,198,656                                         | 2,057,578           | 2,948,576                        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                 |                                                   |                     |                                  |
| Grants paid in advance                                | .....           | .....                                             | .....               | .....                            |
| Total deferred outflows of resources                  | .....           | .....                                             | .....               | .....                            |
| Total assets and deferred outflows                    | 8,992,856       | 3,198,656                                         | 2,057,578           | 2,948,576                        |
| <b>LIABILITIES</b>                                    |                 |                                                   |                     |                                  |
| <u>Current liabilities</u>                            |                 |                                                   |                     |                                  |
| Accounts payable and accrued liabilities              | 612,324         | 48,811                                            | 3,856               | 397,863                          |
| Due to other funds                                    | 242,608         | 26,861                                            | 1,952               | 89,740                           |
| Due to component units/primary                        | 9,040           | 25,658                                            | 96                  | 7,159                            |
| Compensated absences                                  | 13,356          | 790                                               | 38                  | 4,961                            |
| Claims payable                                        | 98,684          | .....                                             | .....               | 536,118                          |
| Deposits                                              | 1,675           | 7,723                                             | 10,090              | 6,027                            |
| Obligations under security lending agreements         | 879,497         | 93,215                                            | 61,293              | 8,019                            |
| Total current liabilities                             | 1,857,184       | 203,058                                           | 77,325              | 1,049,887                        |
| <u>Noncurrent liabilities</u>                         |                 |                                                   |                     |                                  |
| Advances from other funds                             | 100             | .....                                             | 919,661             | .....                            |
| Deposits                                              | .....           | .....                                             | .....               | .....                            |
| Other                                                 | .....           | .....                                             | .....               | .....                            |
| Total noncurrent liabilities                          | 100             | .....                                             | 919,661             | .....                            |
| Total liabilities                                     | 1,857,284       | 203,058                                           | 996,986             | 1,049,887                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                 |                                                   |                     |                                  |
| Unavailable revenue                                   | 226,960         | 922                                               | .....               | 559,604                          |
| Total deferred inflows of resources                   | 226,960         | 922                                               | .....               | 559,604                          |
| <b>FUND BALANCES</b>                                  |                 |                                                   |                     |                                  |
| Nonspendable                                          | 19,120          | 411                                               | .....               | 12,867                           |
| Restricted                                            | 89,190          | 2,198,692                                         | 1,698,893           | 133,666                          |
| Committed                                             | 921,750         | 795,573                                           | 245,373             | 1,192,552                        |
| Unassigned                                            | 5,878,552       | .....                                             | (883,674)           | .....                            |
| Total fund balances                                   | 6,908,612       | 2,994,676                                         | 1,060,592           | 1,339,085                        |
| Total liabilities, deferred inflows and fund balances | \$ 8,992,856    | \$ 3,198,656                                      | \$ 2,057,578        | \$ 2,948,576                     |

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

| Transportation | Nonmajor<br>Governmental<br>Funds | Totals<br>6/30/15 |
|----------------|-----------------------------------|-------------------|
| \$ 1,088       | \$ 22,808                         | \$ 55,290         |
| 2,075,373      | 1,540,692                         | 13,766,917        |
| .....          | 265,403                           | 1,132,516         |
| 397,816        | 384,269                           | 4,277,743         |
| 129,497        | 59,956                            | 643,966           |
| .....          | 11                                | 3,386             |
| 9,195          | 1,978                             | 32,126            |
| .....          | 174                               | 521               |
| 2,612,969      | 2,275,291                         | 19,912,465        |
| .....          | 233,676                           | 233,676           |
| 171,419        | .....                             | 174,022           |
| 6,977          | .....                             | 962,347           |
| 959,798        | 965,914                           | 3,141,200         |
| 1,138,194      | 1,199,590                         | 4,511,245         |
| 3,751,163      | 3,474,881                         | 24,423,710        |
| 68,146         | .....                             | 68,146            |
| 68,146         | .....                             | 68,146            |
| 3,819,309      | 3,474,881                         | 24,491,856        |
| 470,591        | 198,713                           | 1,732,158         |
| 45,958         | 99,943                            | 507,062           |
| .....          | 2,614                             | 44,567            |
| 5,699          | 2,329                             | 27,173            |
| .....          | 8,358                             | 643,160           |
| 288,425        | 105,223                           | 419,163           |
| 106,269        | 61,767                            | 1,210,060         |
| 916,942        | 478,947                           | 4,583,343         |
| .....          | 796                               | 920,557           |
| .....          | 11,289                            | 11,289            |
| .....          | 2,021                             | 2,021             |
| .....          | 14,106                            | 933,867           |
| 916,942        | 493,053                           | 5,517,210         |
| 780,512        | 76,688                            | 1,644,686         |
| 780,512        | 76,688                            | 1,644,686         |
| 9,195          | 25,168                            | 66,761            |
| 19,107         | 1,856,223                         | 5,995,771         |
| 2,093,553      | 1,023,749                         | 6,272,550         |
| .....          | .....                             | 4,994,878         |
| 2,121,855      | 2,905,140                         | 17,329,960        |
| \$ 3,819,309   | \$ 3,474,881                      | \$ 24,491,856     |

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2015 STATE OF FLORIDA CAFR

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF NET POSITION  
JUNE 30, 2015  
(in thousands)**

|                                            |               |
|--------------------------------------------|---------------|
| Total fund balances for governmental funds | \$ 17,329,960 |
|--------------------------------------------|---------------|

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

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

|                                                   |                  |            |
|---------------------------------------------------|------------------|------------|
| Land and other nondepreciable assets              | 18,309,574       |            |
| Nondepreciable infrastructure                     | 42,756,854       |            |
| Buildings, equipment and other depreciable assets | 6,625,285        |            |
| Accumulated depreciation                          | (4,057,748)      |            |
| Construction work in progress                     | <u>4,909,108</u> |            |
|                                                   |                  | 68,543,073 |

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

|                                                                            |                 |              |
|----------------------------------------------------------------------------|-----------------|--------------|
| Compensated absences                                                       | (734,048)       |              |
| Installment purchases/capital leases/public-private partnership agreements | (2,240,316)     |              |
| Claims payable                                                             | (2,201,113)     |              |
| Bonds payable                                                              | (17,013,034)    |              |
| Certificates of participation payable                                      | (96,335)        |              |
| Net other post employment benefits                                         | (1,464,502)     |              |
| Pension Liability                                                          | (2,929,376)     |              |
| Other                                                                      | <u>(20,000)</u> |              |
|                                                                            |                 | (26,698,724) |

|                                                                                                                                                                                                            |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Deferred amounts on refunding are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources (to be amortized as interest expense) but are not reported in the funds. | 84,191 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

|                                                                                                                                                                                                                        |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Deferred amounts for pension-related items are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources (to be amortized as pension expense) but are not reported in the funds. | (914,133) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                     |          |
|-------------------------------------------------------------------------------------------------------------------------------------|----------|
| Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Position. | (51,478) |
|-------------------------------------------------------------------------------------------------------------------------------------|----------|

|                                                                                                                                                                                                                                                                    |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Assets (receivables) not available to provide current resources are offset with deferred inflows of resources in the fund statements. The reduction of the the deferred inflow and recognition of revenue increases net position in the Statement of Net Position. | 1,644,686 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

|                                                                                                                                                                                                                                                                                            |                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 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 Position. | <u>587,094</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|

|                                         |                             |
|-----------------------------------------|-----------------------------|
| Net position of governmental activities | <u><u>\$ 60,524,669</u></u> |
|-----------------------------------------|-----------------------------|

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

2015 STATE OF FLORIDA CAFR

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                                      | General<br>Fund | Environment,<br>Recreation<br>and<br>Conservation | Public<br>Education | Health and<br>Family<br>Services |
|------------------------------------------------------|-----------------|---------------------------------------------------|---------------------|----------------------------------|
| <b>REVENUES</b>                                      |                 |                                                   |                     |                                  |
| Taxes                                                | \$ 31,056,529   | \$ 284,118                                        | \$ 1,154,242        | \$ 1,010,664                     |
| Licenses and permits                                 | 457,344         | 49,059                                            | 1,065               | 45,533                           |
| Fees and charges                                     | 1,615,609       | 177,157                                           | 56,621              | 1,581,008                        |
| Grants and donations                                 | 20,001          | 239,611                                           | 2,236,241           | 21,841,350                       |
| Investment earnings (losses)                         | 67,275          | 39,390                                            | 71,294              | 4,161                            |
| Fines, forfeits, settlements and judgments           | 98,289          | 6,110                                             | 112,383             | 38,267                           |
| Other                                                | 2,780           | 57,935                                            | 2,242               | 567,491                          |
| Total revenues                                       | 33,317,827      | 853,380                                           | 3,634,088           | 25,088,474                       |
| <b>EXPENDITURES</b>                                  |                 |                                                   |                     |                                  |
| Current:                                             |                 |                                                   |                     |                                  |
| General government                                   | 4,327,347       | 26,483                                            | .....               | 160,608                          |
| Education                                            | 14,451,799      | .....                                             | 4,493,906           | .....                            |
| Human services                                       | 7,385,192       | .....                                             | .....               | 26,349,321                       |
| Criminal justice and corrections                     | 3,362,124       | .....                                             | .....               | .....                            |
| Natural resources and environment                    | 380,360         | 726,286                                           | .....               | .....                            |
| Transportation                                       | 6,445           | .....                                             | .....               | .....                            |
| State courts                                         | 393,562         | .....                                             | .....               | .....                            |
| Capital outlay                                       | 66,252          | 52,669                                            | 1,342               | 7,598                            |
| Debt service:                                        |                 |                                                   |                     |                                  |
| Principal retirement                                 | 11,318          | .....                                             | .....               | 5,274                            |
| Interest and fiscal charges                          | 4,539           | .....                                             | .....               | 583                              |
| Total expenditures                                   | 30,388,938      | 805,438                                           | 4,495,248           | 26,523,384                       |
| Excess (deficiency) of revenues<br>over expenditures | 2,928,889       | 47,942                                            | (861,160)           | (1,434,910)                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                 |                                                   |                     |                                  |
| Proceeds of bond issues                              | 1,758           | .....                                             | 39,263              | .....                            |
| Proceeds of refunding bonds                          | .....           | .....                                             | .....               | .....                            |
| Proceeds of financing agreements                     | 1,114           | .....                                             | .....               | .....                            |
| Operating transfers in                               | 575,392         | 612,405                                           | 2,260,063           | 1,578,422                        |
| Operating transfers out                              | (3,072,998)     | (357,270)                                         | (1,424,709)         | (472,108)                        |
| Payments to refunded bond agent                      | .....           | .....                                             | .....               | .....                            |
| Total other financing sources (uses)                 | (2,494,734)     | 255,135                                           | 874,617             | 1,106,314                        |
| Net change in fund balances                          | 434,155         | 303,077                                           | 13,457              | (328,596)                        |
| Fund balances - beginning                            | 6,474,457       | 2,691,599                                         | 1,047,135           | 1,667,681                        |
| Fund balances - ending                               | \$ 6,908,612    | \$ 2,994,676                                      | \$ 1,060,592        | \$ 1,339,085                     |

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

| Transportation | Nonmajor<br>Governmental<br>Funds | Totals<br>6/30/15 |
|----------------|-----------------------------------|-------------------|
| \$ 2,520,421   | \$ 264,022                        | \$ 36,289,996     |
| 11,658         | 1,332,669                         | 1,897,328         |
| 688,372        | 724,971                           | 4,843,738         |
| 2,201,825      | 2,205,786                         | 28,744,814        |
| 22,164         | 42,249                            | 246,533           |
| 5,168          | 537,174                           | 797,391           |
| 4,182          | 69,501                            | 704,131           |
| 5,453,790      | 5,176,372                         | 73,523,931        |
| 188,168        | 1,848,698                         | 6,551,304         |
| .....          | 141,309                           | 19,087,014        |
| .....          | 449,361                           | 34,183,874        |
| .....          | 466,959                           | 3,829,083         |
| .....          | 1,316,985                         | 2,423,631         |
| 3,904,218      | .....                             | 3,910,663         |
| .....          | 103,756                           | 497,318           |
| 2,256,412      | 64,169                            | 2,448,442         |
| 393,581        | 1,038,777                         | 1,448,950         |
| 135,514        | 817,922                           | 958,558           |
| 6,877,893      | 6,247,936                         | 75,338,837        |
| (1,424,103)    | (1,071,564)                       | (1,814,906)       |
| .....          | 4,144                             | 45,165            |
| .....          | 1,923,687                         | 1,923,687         |
| 287,277        | .....                             | 288,391           |
| 1,464,666      | 2,873,552                         | 9,364,500         |
| (681,446)      | (1,778,824)                       | (7,787,355)       |
| .....          | (1,923,687)                       | (1,923,687)       |
| 1,070,497      | 1,098,872                         | 1,910,701         |
| (353,606)      | 27,308                            | 95,795            |
| 2,475,461      | 2,877,832                         | 17,234,165        |
| \$ 2,121,855   | \$ 2,905,140                      | \$ 17,329,960     |

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2015 STATE OF FLORIDA CAFR

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(in thousands)**

|                                                       |    |        |
|-------------------------------------------------------|----|--------|
| Net change in fund balance - total governmental funds | \$ | 95,795 |
|-------------------------------------------------------|----|--------|

|                                                                                                                                                                                                                                                   |  |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------|
| 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. |  | 136,287 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------|

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful lives of the assets and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation in the current period.

|                             |           |  |           |
|-----------------------------|-----------|--|-----------|
| Capital outlay expenditures | 2,443,040 |  |           |
| Depreciation expense        | (280,585) |  | 2,162,455 |

|                                                                                                                                                                                                                                                                                                |  |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|
| 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 position differs from the change in fund balances by the cost of the assets sold. |  | (88,627) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|----------|

|                                                                                                                                                                                                                                                      |  |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| 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 inflows of resources, unavailable revenue. |  | (453,076) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|

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.

|                                                |           |  |           |
|------------------------------------------------|-----------|--|-----------|
| Decrease in compensated absences               | 536       |  |           |
| Decrease in accrued interest                   | 3,241     |  |           |
| Decrease in claims payable                     | 80,871    |  |           |
| Increase in net other post employment benefits | (268,770) |  |           |
| Decrease in other liabilities                  | 5,486     |  | (178,636) |

The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.

|                                                            |             |  |           |
|------------------------------------------------------------|-------------|--|-----------|
| Bond proceeds                                              | (45,165)    |  |           |
| Refunding bond proceeds                                    | (1,923,687) |  |           |
| Financing agreement proceeds                               | (288,391)   |  |           |
| Repayment of bonds                                         | 1,034,235   |  |           |
| Repayment of capital leases/installment purchase contracts | 414,715     |  |           |
| Payment to refunded bond escrow agent                      | 1,923,687   |  |           |
| Amortization of bond premium                               | 176,713     |  |           |
| Amortization of deferred amount on refunding               | (11,745)    |  |           |
| Accrued interest payable at refunding                      | (25,077)    |  | 1,255,285 |

Pension 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. Also, governmental funds report current pension contribution expenses, whereas these amounts are deferred and amortized in the Statement of Activities.

|                                                |          |  |         |
|------------------------------------------------|----------|--|---------|
| Pension expense                                | 236,753  |  |         |
| Amortization of deferred pension contributions | (51,684) |  | 185,069 |

|                                                   |    |           |
|---------------------------------------------------|----|-----------|
| Change in net position of governmental activities | \$ | 3,114,552 |
|---------------------------------------------------|----|-----------|

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

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## **PROPRIETARY FUND FINANCIAL STATEMENTS**

### **Major Funds**

#### **TRANSPORTATION**

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

#### **LOTTERY**

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

#### **FLORIDA HURRICANE CATASTROPHE FUND**

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

#### **PREPAID COLLEGE PROGRAM**

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

#### **REEMPLOYMENT ASSISTANCE**

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

### **Nonmajor Funds**

Nonmajor enterprise funds are presented on page 209.

### **Internal Service Funds**

Internal service funds are presented on page 215.

**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                    | Transportation | Lottery   | Hurricane<br>Catastrophe<br>Fund | Prepaid College<br>Program | Reemployment<br>Assistance |
|----------------------------------------------------|----------------|-----------|----------------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>                                      |                |           |                                  |                            |                            |
| <u>Current assets</u>                              |                |           |                                  |                            |                            |
| Cash and cash equivalents                          | \$ 2,367       | \$ 14,006 | \$ 9                             | \$ 11,952                  | \$ 199                     |
| Pooled investments with State Treasury             | 954,069        | 146,879   | .....                            | .....                      | 2,554,867                  |
| Other investments                                  | .....          | .....     | 6,131,572                        | 2,053,675                  | .....                      |
| Receivables, net                                   | 22,888         | 65,783    | 8,705                            | 315,481                    | 288,590                    |
| Due from other funds                               | 83,482         | .....     | .....                            | 23                         | 1,237                      |
| Due from component units/primary                   | .....          | .....     | .....                            | .....                      | 495                        |
| Inventories                                        | 1,815          | 1,090     | .....                            | .....                      | .....                      |
| Other                                              | 234            | 2,252     | 11                               | 7                          | .....                      |
| Total current assets                               | 1,064,855      | 230,010   | 6,140,297                        | 2,381,138                  | 2,845,388                  |
| <u>Noncurrent assets</u>                           |                |           |                                  |                            |                            |
| Restricted cash and cash equivalents               | 92,518         | .....     | .....                            | .....                      | .....                      |
| Restricted pooled investments with State Treasury  | 16,756         | 21,528    | .....                            | .....                      | .....                      |
| Restricted investments                             | 224,213        | 675,726   | .....                            | .....                      | .....                      |
| Long-term investments                              | .....          | .....     | 7,524,460                        | 10,059,217                 | .....                      |
| Other loans and notes receivable, net              | 71,466         | .....     | .....                            | 1,656,412                  | .....                      |
| <u>Capital assets</u>                              |                |           |                                  |                            |                            |
| Land and other non-depreciable assets              | 1,076,351      | 2,410     | .....                            | .....                      | .....                      |
| Non-depreciable infrastructure                     | 8,091,995      | .....     | .....                            | .....                      | .....                      |
| Buildings, equipment, and other depreciable assets | 706,549        | 13,345    | 36                               | 19                         | .....                      |
| Accumulated depreciation                           | (267,572)      | (9,934)   | (32)                             | (10)                       | .....                      |
| Construction work in progress                      | 1,155,651      | .....     | .....                            | .....                      | .....                      |
| Other                                              | .....          | 21,766    | .....                            | .....                      | .....                      |
| Total noncurrent assets                            | 11,167,927     | 724,841   | 7,524,464                        | 11,715,638                 | .....                      |
| Total assets                                       | 12,232,782     | 954,851   | 13,664,761                       | 14,096,776                 | 2,845,388                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                |           |                                  |                            |                            |
| Amount deferred on refunding of debt               | 36,595         | .....     | .....                            | .....                      | .....                      |
| Pension-related items                              | .....          | 3,969     | 137                              | 319                        | .....                      |
| Total deferred outflows of resources               | 36,595         | 3,969     | 137                              | 319                        | .....                      |
| <b>LIABILITIES</b>                                 |                |           |                                  |                            |                            |
| <u>Current liabilities</u>                         |                |           |                                  |                            |                            |
| Accounts payable and accrued liabilities           | 36,248         | 9,781     | 31,016                           | 355,250                    | 31,713                     |
| Accrued prize liability                            | .....          | 194,926   | .....                            | .....                      | .....                      |
| Due to other governments                           | .....          | .....     | .....                            | .....                      | 7,401                      |
| Due to other funds                                 | 68,876         | 67,472    | 252                              | 24                         | 1,290                      |
| Due to component units/primary                     | .....          | .....     | .....                            | .....                      | .....                      |
| Compensated absences                               | .....          | 409       | 62                               | 48                         | .....                      |
| Installment purchases/capital leases               | 55,015         | .....     | .....                            | .....                      | .....                      |
| Bonds payable                                      | .....          | .....     | .....                            | .....                      | .....                      |
| Bonds payable from restricted assets               | 128,965        | .....     | .....                            | .....                      | .....                      |
| Deposits                                           | 70,200         | .....     | .....                            | .....                      | 7,459                      |
| Obligations under security lending agreements      | 60,779         | 327,602   | .....                            | 1,321,989                  | .....                      |
| Certificates of participation payable              | .....          | .....     | .....                            | .....                      | .....                      |
| Tuition and housing benefits payable               | .....          | .....     | .....                            | 703,381                    | .....                      |
| Pension liability                                  | .....          | 192       | 10                               | 10                         | .....                      |
| Total current liabilities                          | 420,083        | 600,382   | 31,340                           | 2,380,702                  | 47,863                     |
| <u>Noncurrent liabilities</u>                      |                |           |                                  |                            |                            |
| Advances from other funds                          | 170,348        | .....     | .....                            | .....                      | .....                      |
| Accrued prize liability                            | .....          | 254,154   | .....                            | .....                      | .....                      |
| Bonds payable                                      | 2,797,117      | .....     | 2,000,000                        | .....                      | .....                      |
| Certificates of participation payable              | .....          | .....     | .....                            | .....                      | .....                      |
| Installment purchases/capital leases               | 320,561        | .....     | .....                            | .....                      | .....                      |
| Deposits                                           | 500            | .....     | .....                            | .....                      | .....                      |
| Compensated absences                               | .....          | 3,455     | 181                              | 164                        | .....                      |
| Tuition and housing benefits payable               | .....          | .....     | .....                            | 10,207,934                 | .....                      |
| Pension liability                                  | .....          | 8,492     | 420                              | 418                        | .....                      |
| Other                                              | .....          | 5,085     | 55                               | 43                         | .....                      |
| Total noncurrent liabilities                       | 3,288,526      | 271,186   | 2,000,656                        | 10,208,559                 | .....                      |
| Total liabilities                                  | 3,708,609      | 871,568   | 2,031,996                        | 12,589,261                 | 47,863                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                |           |                                  |                            |                            |
| Deferred service concession arrangement receipts   | 137,108        | .....     | .....                            | .....                      | .....                      |
| Amount deferred on refunding of debt               | .....          | .....     | .....                            | .....                      | .....                      |
| Pension-related items                              | .....          | 5,709     | 262                              | 273                        | .....                      |
| Total deferred inflows of resources                | 137,108        | 5,709     | 262                              | 273                        | .....                      |
| <b>NET POSITION</b>                                |                |           |                                  |                            |                            |
| Net investment in capital assets                   | 7,450,261      | 5,820     | 4                                | 9                          | .....                      |
| Restricted for Reemployment Assistance             | .....          | .....     | .....                            | .....                      | 2,797,525                  |
| Restricted for Lottery                             | .....          | 95,094    | .....                            | .....                      | .....                      |
| Restricted for Hurricane Catastrophe Fund          | .....          | .....     | 11,632,636                       | .....                      | .....                      |
| Restricted for Prepaid College Program             | .....          | .....     | .....                            | 1,507,552                  | .....                      |
| Restricted for Transportation                      | 312,992        | .....     | .....                            | .....                      | .....                      |
| Restricted - other                                 | .....          | .....     | .....                            | .....                      | .....                      |
| Unrestricted                                       | 660,407        | (19,371)  | .....                            | .....                      | .....                      |
| Total net position                                 | \$ 8,423,660   | \$ 81,543 | \$ 11,632,640                    | \$ 1,507,561               | \$ 2,797,525               |

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

| Nonmajor<br>Enterprise<br>Funds | Totals<br>6/30/15 | Internal<br>Service<br>Funds |
|---------------------------------|-------------------|------------------------------|
| \$ 17,693                       | \$ 46,226         | \$ 68,932                    |
| 336,668                         | 3,992,483         | 655,326                      |
| 27,697                          | 8,212,944         | 43,671                       |
| 14,047                          | 715,494           | 37,002                       |
| 7,792                           | 92,534            | 22,335                       |
| 200                             | 695               | 849                          |
| .....                           | 2,905             | .....                        |
| 2,297                           | 4,801             | .....                        |
| 406,394                         | 13,068,082        | 828,115                      |
| .....                           | 92,518            | .....                        |
| .....                           | 38,284            | .....                        |
| .....                           | 899,939           | .....                        |
| 48,143                          | 17,631,820        | .....                        |
| 6,180                           | 1,734,058         | .....                        |
| 24                              | 1,078,785         | 322                          |
| .....                           | 8,091,995         | .....                        |
| 149,535                         | 869,484           | 1,589,303                    |
| (51,142)                        | (328,690)         | (508,352)                    |
| 6,144                           | 1,161,795         | .....                        |
| 6,122                           | 27,888            | .....                        |
| 165,006                         | 31,297,876        | 1,081,273                    |
| 571,400                         | 44,365,958        | 1,909,388                    |
| .....                           | 36,595            | 3,527                        |
| 16,780                          | 21,205            | 12,592                       |
| 16,780                          | 57,800            | 16,119                       |
| 19,906                          | 483,914           | 183,970                      |
| .....                           | 194,926           | .....                        |
| .....                           | 7,401             | 4,458                        |
| 9,070                           | 146,984           | 25,852                       |
| 466                             | 466               | 1                            |
| 4,477                           | 4,996             | 2,948                        |
| 1,718                           | 56,733            | 4,638                        |
| .....                           | .....             | 24,660                       |
| .....                           | 128,965           | .....                        |
| 21,228                          | 98,887            | 151,452                      |
| 18,240                          | 1,728,610         | 39,923                       |
| .....                           | .....             | 32,770                       |
| .....                           | 703,381           | .....                        |
| 6,843                           | 7,055             | 4,673                        |
| 81,948                          | 3,562,318         | 475,345                      |
| .....                           | 170,348           | 2,778                        |
| .....                           | 254,154           | .....                        |
| .....                           | 4,797,117         | 266,935                      |
| .....                           | .....             | 485,429                      |
| 17,488                          | 338,049           | 18,330                       |
| 29,747                          | 30,247            | .....                        |
| 13,848                          | 17,648            | 10,943                       |
| .....                           | 10,207,934        | .....                        |
| 42,593                          | 51,923            | 26,182                       |
| 29,705                          | 34,888            | 21,554                       |
| 133,381                         | 15,902,308        | 832,151                      |
| 215,329                         | 19,464,626        | 1,307,496                    |
| .....                           | 137,108           | .....                        |
| .....                           | .....             | 3,598                        |
| 30,081                          | 36,325            | 27,319                       |
| 30,081                          | 173,433           | 30,917                       |
| 87,468                          | 7,543,562         | 248,442                      |
| .....                           | 2,797,525         | .....                        |
| .....                           | 95,094            | .....                        |
| .....                           | 11,632,636        | .....                        |
| .....                           | 1,507,552         | .....                        |
| .....                           | 312,992           | .....                        |
| 2,658                           | 2,658             | 105,660                      |
| 252,644                         | 893,680           | 232,992                      |
| \$ 342,770                      | \$ 24,785,699     | \$ 587,094                   |

2015 STATE OF FLORIDA CAFR

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(in thousands)**

|                                                           | Transportation | Lottery      | Hurricane<br>Catastrophe<br>Fund | Prepaid College<br>Program |
|-----------------------------------------------------------|----------------|--------------|----------------------------------|----------------------------|
| <b>OPERATING REVENUES</b>                                 |                |              |                                  |                            |
| Sales - nonstate                                          | \$ 15,647      | \$ 5,589,028 | \$ 1,276,765                     | \$ 214,915                 |
| Change in actuarial value<br>of contract premiums         | .....          | .....        | .....                            | (99,395)                   |
| Fees                                                      | 951,099        | .....        | .....                            | 2,148                      |
| Sales - state                                             | .....          | .....        | 41                               | .....                      |
| Rents and royalties - nonstate                            | 7,351          | 510          | .....                            | .....                      |
| Rents - state                                             | .....          | .....        | .....                            | .....                      |
| Fines, forfeits, settlements and judgments                | 1,766          | 182          | .....                            | .....                      |
| Other                                                     | .....          | .....        | .....                            | .....                      |
| Total operating revenues                                  | 975,863        | 5,589,720    | 1,276,806                        | 117,668                    |
| <b>OPERATING EXPENSES</b>                                 |                |              |                                  |                            |
| Benefit payments                                          | .....          | .....        | .....                            | .....                      |
| Payment of lottery winnings                               | .....          | 3,627,939    | .....                            | .....                      |
| Commissions on lottery sales                              | .....          | 311,981      | .....                            | .....                      |
| Contractual services                                      | 276,544        | 121,109      | 4,023                            | 408,176                    |
| Change in actuarial value<br>of contract benefit payments | .....          | .....        | .....                            | 340,246                    |
| Insurance claims expense                                  | .....          | .....        | .....                            | .....                      |
| Personal services                                         | 21,049         | 27,211       | 1,431                            | 1,228                      |
| Depreciation                                              | 42,493         | 441          | 3                                | 3                          |
| Materials and supplies                                    | 10,765         | 1,294        | 17                               | 33                         |
| Repairs and maintenance                                   | .....          | 1,469        | .....                            | .....                      |
| Basic services                                            | .....          | 5,647        | 218                              | 153                        |
| Interest and fiscal charges                               | .....          | .....        | 22                               | 43                         |
| Bad debt                                                  | .....          | .....        | .....                            | .....                      |
| Total operating expenses                                  | 350,851        | 4,097,091    | 5,714                            | 749,882                    |
| Operating income (loss)                                   | 625,012        | 1,492,629    | 1,271,092                        | (632,214)                  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                   |                |              |                                  |                            |
| Grants and donations                                      | 2,712          | .....        | .....                            | .....                      |
| Investment earnings (losses)                              | 7,684          | 17,633       | 37,699                           | 357,738                    |
| Interest and fiscal charges                               | (120,104)      | (18,917)     | (85,459)                         | (8,352)                    |
| Fines, forfeits, judgments and settlements                | 1,054          | .....        | 2,798                            | 327                        |
| Property disposition gain (loss)                          | (13,266)       | 64           | .....                            | .....                      |
| Grant expense and client benefits                         | .....          | .....        | .....                            | .....                      |
| Emergency assessment funds received                       | .....          | .....        | 256,884                          | .....                      |
| Gain (loss) on early extinguishment of debt               | .....          | .....        | .....                            | .....                      |
| Other                                                     | 5,561          | .....        | .....                            | .....                      |
| Total nonoperating revenues (expenses)                    | (116,359)      | (1,220)      | 211,922                          | 349,713                    |
| Income (loss) before transfers<br>and contributions       | 508,653        | 1,491,409    | 1,483,014                        | (282,501)                  |
| Operating transfers in                                    | 134,745        | .....        | .....                            | .....                      |
| Operating transfers out                                   | (79,478)       | (1,496,529)  | (10,000)                         | (2,000)                    |
| Capital contributions                                     | 4,556          | .....        | .....                            | .....                      |
| Change in net position                                    | 568,476        | (5,120)      | 1,473,014                        | (284,501)                  |
| Total net position - beginning, as restated (Note 1)      | 7,855,184      | 86,663       | 10,159,626                       | 1,792,062                  |
| Total net position - ending                               | \$ 8,423,660   | \$ 81,543    | \$ 11,632,640                    | \$ 1,507,561               |

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

2015 STATE OF FLORIDA CAFR

| Reemployment<br>Assistance | Nonmajor<br>Enterprise<br>Funds | Totals<br>6/30/15 | Internal<br>Service<br>Funds |
|----------------------------|---------------------------------|-------------------|------------------------------|
| \$ .....                   | \$ 88,317                       | \$ 7,184,672      | \$ 57,540                    |
| .....                      | .....                           | (99,395)          | .....                        |
| 1,365,464                  | 239,674                         | 2,558,385         | .....                        |
| .....                      | 39,254                          | 39,295            | 2,294,997                    |
| .....                      | 6                               | 7,867             | 202                          |
| .....                      | 93                              | 93                | 148,974                      |
| .....                      | 11,851                          | 13,799            | 29                           |
| .....                      | 38,756                          | 38,756            | 20,766                       |
| 1,365,464                  | 417,951                         | 9,743,472         | 2,522,508                    |
| 663,660                    | .....                           | 663,660           | .....                        |
| .....                      | .....                           | 3,627,939         | .....                        |
| .....                      | .....                           | 311,981           | .....                        |
| .....                      | 103,375                         | 913,227           | 527,916                      |
| .....                      | .....                           | 340,246           | .....                        |
| .....                      | .....                           | .....             | 1,654,280                    |
| .....                      | 173,151                         | 224,070           | 97,597                       |
| .....                      | 6,722                           | 49,662            | 36,976                       |
| .....                      | 5,507                           | 17,616            | 9,691                        |
| .....                      | 1,672                           | 3,141             | 10,424                       |
| .....                      | 27,903                          | 33,921            | 11,175                       |
| .....                      | 2,183                           | 2,248             | .....                        |
| .....                      | 22                              | 22                | .....                        |
| 663,660                    | 320,535                         | 6,187,733         | 2,348,059                    |
| 701,804                    | 97,416                          | 3,555,739         | 174,449                      |
| 35,521                     | 638                             | 38,871            | 1,324                        |
| 51,470                     | 3,256                           | 475,480           | 5,462                        |
| .....                      | (856)                           | (233,688)         | (66,011)                     |
| .....                      | 44                              | 4,223             | .....                        |
| .....                      | (36)                            | (13,238)          | (988)                        |
| .....                      | (980)                           | (980)             | .....                        |
| .....                      | .....                           | 256,884           | .....                        |
| .....                      | .....                           | .....             | 16,295                       |
| .....                      | (181)                           | 5,380             | (20)                         |
| 86,991                     | 1,885                           | 532,932           | (43,938)                     |
| 788,795                    | 99,301                          | 4,088,671         | 130,511                      |
| 5,367                      | 17,651                          | 157,763           | 22,278                       |
| (41,065)                   | (88,302)                        | (1,717,374)       | (17,560)                     |
| .....                      | 7                               | 4,563             | 1,058                        |
| 753,097                    | 28,657                          | 2,533,623         | 136,287                      |
| 2,044,428                  | 314,113                         | 22,252,076        | 450,807                      |
| \$ 2,797,525               | \$ 342,770                      | \$ 24,785,699     | \$ 587,094                   |

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                                                           | Transportation | Lottery      | Hurricane<br>Catastrophe<br>Fund |
|---------------------------------------------------------------------------|----------------|--------------|----------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                               |                |              |                                  |
| Cash received from customers                                              | \$ 954,037     | \$ 5,571,077 | \$ 1,282,312                     |
| Cash paid to vendors                                                      | (337,116)      | (438,809)    | (4,058)                          |
| Cash paid to employees                                                    | (21,086)       | (26,623)     | (1,370)                          |
| Cash received/(paid) for grants                                           | .....          | .....        | .....                            |
| Loans collected/(issued)                                                  | .....          | .....        | .....                            |
| Lottery prizes                                                            | .....          | (3,605,451)  | .....                            |
| Cash paid for insurance claims                                            | .....          | .....        | .....                            |
| Reemployment assistance                                                   | .....          | .....        | .....                            |
| Net cash provided (used) by operating activities                          | 595,835        | 1,500,194    | 1,276,884                        |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                    |                |              |                                  |
| Transfers in (out)                                                        | 59,954         | (1,484,528)  | (10,000)                         |
| Advances from or repayment from other funds                               | (15,218)       | .....        | .....                            |
| Advances, grants or loans (to) from or repayment from others              | 1,110          | .....        | .....                            |
| Payment of bonds or loans (principal and interest)                        | .....          | .....        | (1,118,039)                      |
| Emergency assessment funds received                                       | .....          | .....        | 393,105                          |
| Net cash provided (used) by noncapital financing activities               | 45,846         | (1,484,528)  | (734,934)                        |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>           |                |              |                                  |
| Cash received from sale of capital assets                                 | .....          | .....        | .....                            |
| Cash received from the issuance of debt                                   | 175,082        | .....        | .....                            |
| Cash received from capital grants and donations                           | 2,712          | .....        | .....                            |
| Payment of bond principal                                                 | (113,255)      | .....        | .....                            |
| Payment of principal on installment purchase/capital lease                | .....          | .....        | .....                            |
| Payment of interest on bonds/installment purchase/capital lease           | (164,547)      | .....        | .....                            |
| Purchase or construction of capital assets                                | (566,979)      | (1,954)      | (4)                              |
| Net cash provided (used) by capital and related financing activities      | (666,987)      | (1,954)      | (4)                              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                               |                |              |                                  |
| Security lending                                                          | (19,535)       | (3,312)      | .....                            |
| Proceeds from the sale or maturity of investments                         | 1,613,872      | 86,154       | 112,143,528                      |
| Cash paid to grand prize winners upon maturity of grand prize investments | .....          | (86,154)     | .....                            |
| Investment earnings                                                       | 8,000          | 10,273       | 28,858                           |
| Purchase of investments                                                   | (1,534,307)    | (5,861)      | (113,089,071)                    |
| Net cash provided (used) by investing activities                          | 68,030         | 1,100        | (916,685)                        |
| Net increase (decrease) in cash and cash equivalents                      | 42,724         | 14,812       | (374,739)                        |
| Cash and cash equivalents - beginning                                     | 1,022,986      | 167,601      | 374,748                          |
| Cash and cash equivalents - ending                                        | \$ 1,065,710   | \$ 182,413   | \$ 9                             |

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



2015 STATE OF FLORIDA CAFR

| Prepaid College<br>Program | Reemployment<br>Assistance | Nonmajor<br>Enterprise<br>Funds | Totals<br>6/30/15 | Internal<br>Service<br>Funds |
|----------------------------|----------------------------|---------------------------------|-------------------|------------------------------|
| \$ 539,648                 | \$ 1,500,862               | \$ 376,534                      | 10,224,470        | \$ 2,458,892                 |
| (732,704)                  | .....                      | (142,946)                       | (1,655,633)       | (553,296)                    |
| (1,194)                    | .....                      | (171,386)                       | (221,659)         | (94,320)                     |
| .....                      | .....                      | 35,259                          | 35,259            | .....                        |
| .....                      | .....                      | (1,655)                         | (1,655)           | .....                        |
| .....                      | .....                      | .....                           | (3,605,451)       | .....                        |
| .....                      | .....                      | .....                           | .....             | (1,656,305)                  |
| .....                      | (654,179)                  | .....                           | (654,179)         | .....                        |
| (194,250)                  | 846,683                    | 95,806                          | 4,121,152         | 154,971                      |
| (2,000)                    | (35,407)                   | (69,924)                        | (1,541,905)       | 74,925                       |
| .....                      | .....                      | (30)                            | (15,248)          | (8,827)                      |
| .....                      | .....                      | (980)                           | 130               | .....                        |
| .....                      | .....                      | .....                           | (1,118,039)       | (67,932)                     |
| .....                      | .....                      | .....                           | 393,105           | .....                        |
| (2,000)                    | (35,407)                   | (70,934)                        | (2,281,957)       | (1,834)                      |
| .....                      | .....                      | 17                              | 17                | .....                        |
| .....                      | .....                      | 1,007                           | 176,089           | .....                        |
| .....                      | 11,734                     | 5,070                           | 19,516            | .....                        |
| .....                      | .....                      | .....                           | (113,255)         | .....                        |
| .....                      | .....                      | (1,416)                         | (1,416)           | (26,598)                     |
| .....                      | .....                      | .....                           | (164,547)         | (14,689)                     |
| (6)                        | .....                      | (32,143)                        | (601,086)         | (1,037)                      |
| (6)                        | 11,734                     | (27,465)                        | (684,682)         | (42,324)                     |
| 3,007                      | .....                      | (3,760)                         | (23,600)          | (4,075)                      |
| 13,573,732                 | .....                      | 98,818                          | 127,516,104       | 1,228                        |
| .....                      | .....                      | .....                           | (86,154)          | .....                        |
| 119,445                    | 62,088                     | 2,489                           | 231,153           | 5,408                        |
| (13,506,520)               | .....                      | (96,249)                        | (128,232,008)     | (14)                         |
| 189,664                    | 62,088                     | 1,298                           | (594,505)         | 2,547                        |
| (6,592)                    | 885,098                    | (1,295)                         | 560,008           | 113,360                      |
| 18,544                     | 1,669,968                  | 355,656                         | 3,609,503         | 610,898                      |
| \$ 11,952                  | \$ 2,555,066               | \$ 354,361                      | \$ 4,169,511      | \$ 724,258                   |

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

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

|                                                                                                         | Transportation | Lottery      | Hurricane<br>Catastrophe<br>Fund |
|---------------------------------------------------------------------------------------------------------|----------------|--------------|----------------------------------|
| Operating income (loss)                                                                                 | \$ 625,012     | \$ 1,492,629 | \$ 1,271,092                     |
| Adjustment to reconcile operating income (loss) to<br>net cash provided (used) by operating activities: |                |              |                                  |
| Depreciation and amortization expense                                                                   | 42,493         | 441          | 3                                |
| Changes in assets and liabilities:                                                                      |                |              |                                  |
| (Increase) decrease in accounts receivable                                                              | (4,600)        | (19,421)     | 9,439                            |
| (Increase) decrease in due from other funds                                                             | 39,702         | .....        | .....                            |
| Increase (decrease) in allowance for uncollectibles                                                     | .....          | 780          | (9,439)                          |
| (Increase) decrease in inventories                                                                      | 4,863          | 645          | .....                            |
| (Increase) decrease in future contract premiums and other receivables                                   | .....          | .....        | .....                            |
| (Increase) decrease in other non-current assets                                                         | .....          | (1,948)      | .....                            |
| Increase (decrease) in accounts payable                                                                 | (32,425)       | 2,041        | 5,740                            |
| Increase (decrease) in compensated absences                                                             | .....          | 90           | 45                               |
| Increase (decrease) in due to other funds                                                               | (21,494)       | .....        | .....                            |
| Increase (decrease) in tuition and housing benefits payable                                             | .....          | .....        | .....                            |
| Increase (decrease) in other non-current liability                                                      | .....          | 1,076        | 55                               |
| (Increase) decrease in deposits and prepaid items                                                       | (234)          | .....        | (11)                             |
| Increase (decrease) in unearned revenue                                                                 | (57,482)       | .....        | .....                            |
| Increase (decrease) in prize liability                                                                  | .....          | 24,436       | .....                            |
| Increase (decrease) in pension liability and deferrals                                                  | .....          | (575)        | (40)                             |
| Net cash provided (used) by operating activities                                                        | \$ 595,835     | \$ 1,500,194 | \$ 1,276,884                     |

**Noncash investing, capital, and financing activities**

|                                                       |           |          |          |
|-------------------------------------------------------|-----------|----------|----------|
| Borrowing under capital lease or installment purchase | \$ 35,230 | \$ ..... | \$ ..... |
| Change in fair value of investments                   | 37,950    | 42,047   | 12,566   |
| Contribution of capital assets                        | 16,896    | .....    | .....    |
| Other noncash items                                   | (19,527)  | .....    | .....    |

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

2015 STATE OF FLORIDA CAFR

| Prepaid College<br>Program | Reemployment<br>Assistance | Nonmajor<br>Enterprise<br>Funds | Totals<br>6/30/15 | Internal<br>Service<br>Funds |
|----------------------------|----------------------------|---------------------------------|-------------------|------------------------------|
| \$ (632,214)               | \$ 701,804                 | \$ 97,416                       | \$ 3,555,739      | \$ 174,449                   |
| 3                          | .....                      | 6,722                           | 49,662            | 36,976                       |
| (4,284)                    | 155,240                    | 5,293                           | 141,667           | (13,644)                     |
| (11)                       | 123                        | (25)                            | 39,789            | (3,314)                      |
| .....                      | (10,851)                   | (4,744)                         | (24,254)          | .....                        |
| .....                      | .....                      | .....                           | 5,508             | .....                        |
| 99,395                     | .....                      | .....                           | 99,395            | .....                        |
| .....                      | .....                      | (1,833)                         | (3,781)           | (909)                        |
| 2,649                      | 620                        | (3,749)                         | (25,124)          | 7,406                        |
| 27                         | .....                      | 261                             | 423               | (673)                        |
| (67)                       | (253)                      | 1,461                           | (20,353)          | 1,043                        |
| 340,246                    | .....                      | .....                           | 340,246           | .....                        |
| 43                         | .....                      | 6,721                           | 7,895             | (43,691)                     |
| (7)                        | .....                      | (201)                           | (453)             | (2,349)                      |
| .....                      | .....                      | (8,024)                         | (65,506)          | 3,416                        |
| .....                      | .....                      | .....                           | 24,436            | .....                        |
| (30)                       | .....                      | (3,492)                         | (4,137)           | (3,739)                      |
| \$ (194,250)               | \$ 846,683                 | \$ 95,806                       | \$ 4,121,152      | \$ 154,971                   |

|           |          |          |           |          |
|-----------|----------|----------|-----------|----------|
| \$ .....  | \$ ..... | \$ ..... | \$ 35,230 | \$ ..... |
| (213,009) | .....    | 482      | (119,964) | (2,842)  |
| .....     | .....    | .....    | 16,896    | .....    |
| .....     | .....    | (710)    | (20,237)  | .....    |

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## **FIDUCIARY FUND FINANCIAL STATEMENTS**

### **PRIVATE-PURPOSE TRUST FUNDS**

Individual fund descriptions and financial statements begin on page 223.

### **PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**

Individual fund descriptions and financial statements begin on page 229.

### **INVESTMENT TRUST FUNDS**

Individual fund descriptions and financial statements begin on page 235.

### **AGENCY FUNDS**

Individual fund descriptions and financial statements begin on page 239.

2015 STATE OF FLORIDA CAFR

**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                    | Private-<br>purpose<br>Trust Funds | Pension and<br>Other Employee<br>Benefits<br>Trust Funds | Investment<br>Trust Funds | Agency<br>Funds | Totals<br>6/30/15 |
|----------------------------------------------------|------------------------------------|----------------------------------------------------------|---------------------------|-----------------|-------------------|
| <b>ASSETS</b>                                      |                                    |                                                          |                           |                 |                   |
| Cash and cash equivalents                          | \$ 5,758                           | \$ 762,791                                               | \$ 281,975                | \$ 121,707      | \$ 1,172,231      |
| Pooled investments with State Treasury             | 624,801                            | 125,035                                                  | 1,556,096                 | 847,865         | 3,153,797         |
| Total cash and cash equivalents                    | 630,559                            | 887,826                                                  | 1,838,071                 | 969,572         | 4,326,028         |
| <u>Investments</u>                                 |                                    |                                                          |                           |                 |                   |
| Certificates of deposit                            | .....                              | 1,936,529                                                | 1,654,197                 | .....           | 3,590,726         |
| U.S. government & federally guaranteed obligations | 39,541                             | 7,748,465                                                | .....                     | 275,080         | 8,063,086         |
| Federal agencies                                   | 46,447                             | 9,549,465                                                | .....                     | .....           | 9,595,912         |
| Commercial paper                                   | .....                              | 5,867,392                                                | 1,772,318                 | .....           | 7,639,710         |
| Repurchase agreements                              | .....                              | 400,000                                                  | 361,342                   | .....           | 761,342           |
| Bonds and notes                                    | 64,680                             | 9,370,946                                                | 635,562                   | .....           | 10,071,188        |
| International bonds and notes                      | 8,415                              | 2,658,637                                                | 80,284                    | .....           | 2,747,336         |
| Real estate contracts                              | .....                              | 10,142,274                                               | .....                     | .....           | 10,142,274        |
| Mutual fund investments                            | .....                              | 9,602,615                                                | .....                     | .....           | 9,602,615         |
| Money market and short-term investments            | 75,149                             | 942,930                                                  | 1,210,299                 | .....           | 2,228,378         |
| Domestic equity                                    | 179,236                            | 43,390,490                                               | .....                     | .....           | 43,569,726        |
| Alternative investments                            | .....                              | 19,596,357                                               | .....                     | .....           | 19,596,357        |
| International equity                               | 53,018                             | 36,094,127                                               | .....                     | .....           | 36,147,145        |
| International equity commingled                    | .....                              | 6,315,998                                                | .....                     | .....           | 6,315,998         |
| Deferred compensation annuities                    | .....                              | 25,783                                                   | .....                     | .....           | 25,783            |
| Self-directed brokerage investments                | .....                              | 299,571                                                  | .....                     | .....           | 299,571           |
| Other investments                                  | .....                              | 33                                                       | .....                     | 100             | 133               |
| Total investments                                  | 466,486                            | 163,941,612                                              | 5,714,002                 | 275,180         | 170,397,280       |
| <u>Receivables</u>                                 |                                    |                                                          |                           |                 |                   |
| Accounts receivable                                | 8,305                              | 21,382                                                   | .....                     | 525,221         | 554,908           |
| State contributions receivable                     | .....                              | 54,796                                                   | .....                     | .....           | 54,796            |
| Nonstate contributions receivable                  | .....                              | 234,758                                                  | .....                     | .....           | 234,758           |
| Interest receivable                                | 937                                | 137,744                                                  | 4,196                     | 754             | 143,631           |
| Dividends receivable                               | 414                                | 173,492                                                  | .....                     | .....           | 173,906           |
| Pending investment sales                           | 21,875                             | 1,584,107                                                | .....                     | .....           | 1,605,982         |
| Foreign currency contracts receivable              | .....                              | 2,314,370                                                | .....                     | .....           | 2,314,370         |
| Due from state funds                               | 24                                 | 48,101                                                   | .....                     | 109,685         | 157,810           |
| Due from other governments                         | 9,833                              | .....                                                    | .....                     | 2,307           | 12,140            |
| Total receivables                                  | 41,388                             | 4,568,750                                                | 4,196                     | 637,967         | 5,252,301         |
| Security lending collateral                        | .....                              | 8,346,890                                                | .....                     | .....           | 8,346,890         |
| Advances to other funds                            | 919,661                            | .....                                                    | .....                     | .....           | 919,661           |
| Advances to other entities                         | 1,083,308                          | .....                                                    | .....                     | .....           | 1,083,308         |
| Other loans and notes receivable, net              | 386                                | .....                                                    | .....                     | .....           | 386               |
| Capital assets                                     | 1,581                              | 1,110                                                    | .....                     | .....           | 2,691             |
| Accumulated depreciation                           | (1,108)                            | (516)                                                    | .....                     | .....           | (1,624)           |
| Other assets                                       | 2,026                              | 8,398                                                    | 21                        | .....           | 10,445            |
| Total assets                                       | 3,144,287                          | 177,754,070                                              | 7,556,290                 | 1,882,719       | 190,337,366       |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                    |                                                          |                           |                 |                   |
| Pension-related items                              | 298                                | 59                                                       | .....                     | .....           | 357               |
| Total deferred outflows of resources               | 298                                | 59                                                       | .....                     | .....           | 357               |
| <b>LIABILITIES</b>                                 |                                    |                                                          |                           |                 |                   |
| Accounts payable and accrued liabilities           | 6,640                              | 98,200                                                   | 133                       | 583,359         | 688,332           |
| Due to other funds                                 | 1,625                              | 54,511                                                   | 50                        | 180,561         | 236,747           |
| DROP                                               | .....                              | 308,550                                                  | .....                     | .....           | 308,550           |
| Pending investment purchases                       | 47,708                             | 5,131,482                                                | .....                     | .....           | 5,179,190         |
| Short sell obligations                             | .....                              | 156,976                                                  | .....                     | .....           | 156,976           |
| Foreign currency contracts payable                 | .....                              | 2,309,735                                                | .....                     | .....           | 2,309,735         |
| Broker rebate fees                                 | .....                              | 729                                                      | .....                     | .....           | 729               |
| Due to other governments                           | 2,790                              | .....                                                    | 9,905                     | 541,306         | 554,001           |
| Obligations under security lending agreements      | 35,033                             | 8,397,196                                                | 98,148                    | 11,755          | 8,542,132         |
| Claims payable                                     | 1                                  | .....                                                    | .....                     | 17,898          | 17,899            |
| Deposits payable                                   | 13,331                             | 10,116                                                   | .....                     | 547,774         | 571,221           |
| Compensated absences                               | 456                                | 944                                                      | .....                     | .....           | 1,400             |
| Other liabilities                                  | 753                                | 2,398                                                    | .....                     | 66              | 3,217             |
| Pension Liability                                  | 1,001                              | 197                                                      | .....                     | .....           | 1,198             |
| Total liabilities                                  | 109,338                            | 16,471,034                                               | 108,236                   | 1,882,719       | 18,571,327        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                                    |                                                          |                           |                 |                   |
| Pension-related items                              | 597                                | 126                                                      | .....                     | .....           | 723               |
| Total deferred inflows of resources                | 597                                | 126                                                      | .....                     | .....           | 723               |
| <b>NET POSITION</b>                                |                                    |                                                          |                           |                 |                   |
| Restricted for pension benefits and other purposes | \$ 3,034,650                       | \$ 161,282,969                                           | \$ 7,448,054              | \$ .....        | \$ 171,765,673    |

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                                  | Private-<br>purpose<br>Trust Funds | Pension and<br>Other Employee<br>Benefits<br>Trust Funds | Investment<br>Trust Funds | Totals<br>6/30/15 |
|--------------------------------------------------|------------------------------------|----------------------------------------------------------|---------------------------|-------------------|
| <b>ADDITIONS</b>                                 |                                    |                                                          |                           |                   |
| <u>Contributions and other deposits</u>          |                                    |                                                          |                           |                   |
| Pension fund employer contributions - state      | \$ .....                           | \$ 779,732                                               | \$ .....                  | \$ 779,732        |
| Pension fund employer contributions - nonstate   | .....                              | 2,441,621                                                | .....                     | 2,441,621         |
| Pension fund employee contributions              | .....                              | 912,813                                                  | .....                     | 912,813           |
| Other contributions                              | .....                              | 153,353                                                  | .....                     | 153,353           |
| Purchase of time by employees                    | .....                              | 10,455                                                   | .....                     | 10,455            |
| Fees                                             | 2,835                              | 1,195                                                    | .....                     | 4,030             |
| Grants and contributions                         | 168,446                            | .....                                                    | .....                     | 168,446           |
| Flexible benefits contributions                  | .....                              | 415,700                                                  | .....                     | 415,700           |
| Fines, forfeits, settlements and judgments       | 658                                | .....                                                    | 11,512                    | 12,170            |
| Unclaimed property remittances                   | 483,464                            | .....                                                    | .....                     | 483,464           |
| Receivership assets acquired                     | 39,656                             | .....                                                    | .....                     | 39,656            |
| Transfers in from state funds                    | 2,000                              | 791,501                                                  | 23,361                    | 816,862           |
| Total contributions and other deposits           | 697,059                            | 5,506,370                                                | 34,873                    | 6,238,302         |
| <u>Investment income</u>                         |                                    |                                                          |                           |                   |
| Interest income                                  | 30,938                             | 1,393,485                                                | 27,975                    | 1,452,398         |
| Dividends                                        | 4,423                              | 2,021,795                                                | .....                     | 2,026,218         |
| Other investment income (loss)                   | 551                                | 209,891                                                  | .....                     | 210,442           |
| Net increase (decrease) in fair market value     | 6,598                              | 2,446,343                                                | 3,182                     | 2,456,123         |
| Total investment income                          | 42,510                             | 6,071,514                                                | 31,157                    | 6,145,181         |
| Investment activity expense                      | (2,397)                            | (532,233)                                                | (3,185)                   | (537,815)         |
| Net income (loss) from investing activity        | 40,113                             | 5,539,281                                                | 27,972                    | 5,607,366         |
| <u>Security lending activity</u>                 |                                    |                                                          |                           |                   |
| Security lending income                          | .....                              | 46,846                                                   | .....                     | 46,846            |
| Security lending expense                         | .....                              | (8,672)                                                  | .....                     | (8,672)           |
| Net income from security lending                 | .....                              | 38,174                                                   | .....                     | 38,174            |
| Total net investment income                      | 40,113                             | 5,577,455                                                | 27,972                    | 5,645,540         |
| Other additions                                  | 3,864                              | 20,841                                                   | .....                     | 24,705            |
| Total additions                                  | 741,036                            | 11,104,666                                               | 62,845                    | 11,908,547        |
| <b>DEDUCTIONS</b>                                |                                    |                                                          |                           |                   |
| Benefit payments                                 | .....                              | 11,274,832                                               | .....                     | 11,274,832        |
| Insurance claims expense                         | 8,320                              | 3,368                                                    | .....                     | 11,688            |
| Supplemental insurance payments                  | .....                              | 74,176                                                   | .....                     | 74,176            |
| Flexible reimbursement payments                  | .....                              | 24,133                                                   | .....                     | 24,133            |
| Life insurance premium payments                  | .....                              | 32,402                                                   | .....                     | 32,402            |
| Remittances to annuity companies                 | .....                              | 168,993                                                  | .....                     | 168,993           |
| Program contribution refunds                     | .....                              | 9,426                                                    | .....                     | 9,426             |
| Interest expense                                 | 800                                | 1                                                        | .....                     | 801               |
| Student loan default payments                    | 103,725                            | .....                                                    | .....                     | 103,725           |
| Payments to unclaimed property claimants         | 250,404                            | .....                                                    | .....                     | 250,404           |
| Distribution to State School Fund                | 110,201                            | .....                                                    | .....                     | 110,201           |
| Administrative expense                           | 37,434                             | 23,135                                                   | 50                        | 60,619            |
| Transfers out to state funds                     | 5,813                              | 809,940                                                  | 23,361                    | 839,114           |
| Other deductions                                 | 41,927                             | 3                                                        | .....                     | 41,930            |
| Total deductions                                 | 558,624                            | 12,420,409                                               | 23,411                    | 13,002,444        |
| <u>Depositor activity</u>                        |                                    |                                                          |                           |                   |
| Deposits                                         | 247,577                            | .....                                                    | 14,576,383                | 14,823,960        |
| Withdrawals                                      | (196,015)                          | .....                                                    | (14,631,808)              | (14,827,823)      |
| Excess (deficiency) of deposits over withdrawals | 51,562                             | .....                                                    | (55,425)                  | (3,863)           |
| Change in net position                           | 233,974                            | (1,315,743)                                              | (15,991)                  | (1,097,760)       |
| Net position - beginning, as restated (Note 1)   | 2,800,676                          | 162,598,712                                              | 7,464,045                 | 172,863,433       |
| Net position - ending                            | \$ 3,034,650                       | \$ 161,282,969                                           | \$ 7,448,054              | \$ 171,765,673    |

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

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## **COMPONENT UNIT FINANCIAL STATEMENTS**

### **Major Component Units**

#### **FLORIDA HOUSING FINANCE CORPORATION**

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

#### **UNIVERSITY OF FLORIDA**

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

#### **CITIZENS PROPERTY INSURANCE CORPORATION**

Pursuant to Section 627.351(6), Florida Statutes, this corporation was created to provide certain residential property, non-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 245.

**STATEMENT OF NET POSITION**  
**COMPONENT UNITS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                    | Florida<br>Housing<br>Finance<br>Corporation | University<br>of<br>Florida | Citizens<br>Property<br>Insurance<br>Corporation | Nonmajor<br>Component<br>Units |
|----------------------------------------------------|----------------------------------------------|-----------------------------|--------------------------------------------------|--------------------------------|
| <b>ASSETS</b>                                      |                                              |                             |                                                  |                                |
| Cash and cash equivalents                          | \$ 293,748                                   | \$ 230,958                  | \$ 1,232,833                                     | \$ 865,983                     |
| Pooled investments with State Treasury             | 507,183                                      | 1,093,684                   | .....                                            | 1,635,485                      |
| Other investments                                  | 1,769,556                                    | 764,835                     | 12,533,579                                       | 4,685,665                      |
| Receivables, net                                   | 248,187                                      | 522,203                     | 225,641                                          | 961,067                        |
| Due from component units/primary                   | .....                                        | 68,683                      | .....                                            | 502,031                        |
| Inventories                                        | .....                                        | 32,669                      | .....                                            | 35,244                         |
| Restricted cash and cash equivalents               | .....                                        | 44,873                      | 25,348                                           | 473,936                        |
| Restricted pooled investments with State Treasury  | .....                                        | 89,533                      | .....                                            | 539,491                        |
| Restricted investments                             | .....                                        | 2,366,059                   | .....                                            | 3,179,011                      |
| Other loans and notes receivable, net              | 2,257,587                                    | 37,993                      | 67                                               | 54,700                         |
| Other assets                                       | 2,860                                        | 189,146                     | 319,862                                          | 341,352                        |
| Capital assets, net                                | .....                                        | 3,081,171                   | 8,079                                            | 19,971,066                     |
| Total assets                                       | 5,079,121                                    | 8,521,807                   | 14,345,409                                       | 33,245,031                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                              |                             |                                                  |                                |
| Accum. decrease in fair value -Hedging derivatives | .....                                        | 48,157                      | .....                                            | 18,474                         |
| Amount deferred on refunding of debt               | .....                                        | 496                         | .....                                            | 7,152                          |
| Pension-related items                              | .....                                        | 152,945                     | .....                                            | 425,452                        |
| Total deferred outflows of resources               | .....                                        | 201,598                     | .....                                            | 451,078                        |
| <b>LIABILITIES</b>                                 |                                              |                             |                                                  |                                |
| Accounts payable and accrued liabilities           | 133,833                                      | 444,212                     | 1,228,540                                        | 933,984                        |
| Due to component units/primary                     | .....                                        | 34,451                      | .....                                            | 133,562                        |
| Long-term liabilities                              |                                              |                             |                                                  |                                |
| Due within one year                                | 329,004                                      | 216,085                     | 2,332,912                                        | 627,757                        |
| Due in more than one year                          | 2,523,326                                    | 2,022,473                   | 3,278,206                                        | 6,122,640                      |
| Total liabilities                                  | 2,986,163                                    | 2,717,221                   | 6,839,658                                        | 7,817,943                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                                              |                             |                                                  |                                |
| Deferred service concession arrangement receipts   | .....                                        | .....                       | .....                                            | 1,117                          |
| Amount deferred on refunding of debt               | .....                                        | 10,758                      | .....                                            | .....                          |
| Pension-related items                              | .....                                        | 246,441                     | .....                                            | 648,352                        |
| Total deferred inflows of resources                | .....                                        | 257,199                     | .....                                            | 649,469                        |
| <b>NET POSITION</b>                                |                                              |                             |                                                  |                                |
| Net investment in capital assets                   | .....                                        | 1,891,941                   | 8,079                                            | 17,245,198                     |
| Restricted for                                     |                                              |                             |                                                  |                                |
| Debt service                                       | .....                                        | 4,855                       | .....                                            | 64,502                         |
| Other                                              | 1,943,095                                    | 901,842                     | .....                                            | 3,491,925                      |
| Funds held for permanent endowment                 |                                              |                             |                                                  |                                |
| Expendable                                         | .....                                        | 395,686                     | .....                                            | 397,572                        |
| Nonexpendable                                      | .....                                        | 1,228,722                   | .....                                            | 2,268,733                      |
| Unrestricted                                       | 149,863                                      | 1,325,939                   | 7,497,672                                        | 1,760,767                      |
| Total net position                                 | \$ 2,092,958                                 | \$ 5,748,985                | \$ 7,505,751                                     | \$ 25,228,697                  |

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

| Totals<br>6/30/15 |                          |
|-------------------|--------------------------|
| \$                | 2,623,522                |
|                   | 3,236,352                |
|                   | 19,753,635               |
|                   | 1,957,098                |
|                   | 570,714                  |
|                   | 67,913                   |
|                   | 544,157                  |
|                   | 629,024                  |
|                   | 5,545,070                |
|                   | 2,350,347                |
|                   | 853,220                  |
|                   | 23,060,316               |
|                   | <u>61,191,368</u>        |
|                   | 66,631                   |
|                   | 7,648                    |
|                   | <u>578,397</u>           |
|                   | <u>652,676</u>           |
|                   | 2,740,569                |
|                   | 168,013                  |
|                   | 3,505,758                |
|                   | <u>13,946,645</u>        |
|                   | <u>20,360,985</u>        |
|                   | 1,117                    |
|                   | 10,758                   |
|                   | <u>894,793</u>           |
|                   | <u>906,668</u>           |
|                   | 19,145,218               |
|                   | 69,357                   |
|                   | 6,336,862                |
|                   | 793,258                  |
|                   | 3,497,455                |
|                   | <u>10,734,241</u>        |
| \$                | <u><u>40,576,391</u></u> |

2015 STATE OF FLORIDA CAFR

**STATEMENT OF ACTIVITIES**  
**COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

| Functions/Programs                             | Expenses   | Program Revenues     |                                    |                                  | Florida Housing Finance Corporation |
|------------------------------------------------|------------|----------------------|------------------------------------|----------------------------------|-------------------------------------|
|                                                |            | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                                     |
| Florida Housing Finance Corporation            | \$ 205,976 | \$ 215,291           | \$ .....                           | \$ .....                         | \$ 9,315                            |
| University of Florida                          | 4,767,250  | 3,157,506            | 825,293                            | 86,167                           | .....                               |
| Citizens Property Insurance Corporation        | 1,208,693  | 1,382,273            | .....                              | .....                            | .....                               |
| Nonmajor component units                       | 11,340,797 | 3,398,591            | 3,659,056                          | 567,391                          | .....                               |
| Total component units                          | 17,522,716 | 8,153,661            | 4,484,349                          | 653,558                          | 9,315                               |
| <u>General revenues</u>                        |            |                      |                                    |                                  |                                     |
| Property taxes                                 |            |                      |                                    |                                  | .....                               |
| Investment earnings (losses)                   |            |                      |                                    |                                  | .....                               |
| Gain (loss) on sale of capital assets          |            |                      |                                    |                                  | .....                               |
| Payments from the State of Florida             |            |                      |                                    |                                  | .....                               |
| Miscellaneous                                  |            |                      |                                    |                                  | 14,233                              |
| Contributions to permanent funds               |            |                      |                                    |                                  | .....                               |
| Total general revenues and contributions       |            |                      |                                    |                                  | 14,233                              |
| Change in net position                         |            |                      |                                    |                                  | 23,548                              |
| Net position - beginning, as restated (Note 1) |            |                      |                                    |                                  | 2,069,410                           |
| Net position - ending                          |            |                      |                                    |                                  | \$ 2,092,958                        |

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

| Net (Expense) Revenue and Changes in Net Position |                                                  |                                |                   |
|---------------------------------------------------|--------------------------------------------------|--------------------------------|-------------------|
| University<br>of<br>Florida                       | Citizens<br>Property<br>Insurance<br>Corporation | Nonmajor<br>Component<br>Units | Totals<br>6/30/15 |
| \$ .....                                          | \$ .....                                         | \$ .....                       | \$ 9,315          |
| (698,284)                                         | .....                                            | .....                          | (698,284)         |
| .....                                             | 173,580                                          | .....                          | 173,580           |
| .....                                             | .....                                            | (3,715,759)                    | (3,715,759)       |
| (698,284)                                         | 173,580                                          | (3,715,759)                    | (4,231,148)       |
| .....                                             | .....                                            | 471,103                        | 471,103           |
| 126,602                                           | 155,984                                          | 131,238                        | 413,824           |
| 7,190                                             | .....                                            | (7,863)                        | (673)             |
| 654,120                                           | .....                                            | 3,067,446                      | 3,721,566         |
| 122,789                                           | .....                                            | 518,636                        | 655,658           |
| 32,749                                            | .....                                            | 26,429                         | 59,178            |
| 943,450                                           | 155,984                                          | 4,206,989                      | 5,320,656         |
| 245,166                                           | 329,564                                          | 491,230                        | 1,089,508         |
| 5,503,819                                         | 7,176,187                                        | 24,737,467                     | 39,486,883        |
| \$ 5,748,985                                      | \$ 7,505,751                                     | \$ 25,228,697                  | \$ 40,576,391     |

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

The State of Florida's (the state's) financial reporting entity includes the primary government (i.e., legislative agencies, the Governor and Cabinet, departments and agencies, commissions and 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) Codification Section 2100, *Defining the Financial Reporting Entity*, and Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, are legally separate organizations for which the elected officials of the state are financially accountable. Financial accountability is the ability of the state to appoint a voting majority of an organization's governing board and to impose its will upon the organization. When the state does not appoint a voting majority of an organization's governing body, GASB standards require inclusion in the financial reporting entity if: (1) an organization is fiscally dependent upon the state because its resources are held for the direct benefit of the state or can be accessed by the state *and* (2) the potential exists for the organization to provide specific financial benefits to, or impose specific financial burdens on the state. 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.

### 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, *and* (a) there is a financial benefit or burden relationship between the governing body of the state and the component unit, *or* (b) management of the governing body of the state has operational responsibility for the component unit, *or* (2) the component unit provides services entirely, or almost entirely, to the state or otherwise exclusively, or almost exclusively, benefits the state, *or* (3) the component unit's outstanding debt is expected to be repaid entirely or almost entirely with resources of the state.

The following component units provide services entirely or almost entirely to the primary government, or have outstanding debt that is expected to be paid entirely or almost entirely with state resources:

- CareerSource Florida, Inc.
- Citrus Commission (Department of Citrus)
- Corrections Foundation, Inc.
- Florida Board of Governors
- Florida Clerks of Court Operations Corporation
- Florida Commission on Community Service (Volunteer Florida)
- Florida Engineers Management Corporation
- Florida Prepaid College Board
- Florida School for the Deaf and the Blind
- Florida Surplus Lines Service Office
- Florida Water Pollution Control Financing Corporation
- Inland Protection Financing Corporation
- Prescription Drug Monitoring Program Foundation\*
- Scripps Florida Funding Corporation
- Space Florida
- State Board of Administration of Florida (SBA)
- State Board of Education (SBE)
- Wireless Emergency Telephone System

Blended component units that are considered major funds are reported in separate columns in the fund financial statements. Other blended component units that are considered nonmajor funds are reported with other funds in the appropriate columns in the fund financial statements. In addition, the financial data for some blended component units are reported in more than one fund type, some of which are considered major and others that are considered nonmajor. Refer to Section D of this note for more information on the determination criteria for major funds and a list of major funds and fund types.

\* The state's financial statements do not include amounts relating to this component unit. The assets of this component unit at June 30, 2015, are approximately \$1,650,219.



**Discretely Presented Component Units**

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

In addition, financial data for discretely presented component units that are considered major are reported in separate columns in the basic financial statements for component units. Discretely presented component units that are considered nonmajor are combined and reported in one column in the component unit financial statements and are aggregated by type in the combining statements. The state's financial statements are reported for the fiscal year ended June 30, 2015. The state's component units' financial statements are reported for the most recent fiscal year for which an audit report is available. Some component units have a fiscal year other than June 30. Accordingly, amounts reported by the state as due from and to component units on the statement of net position may not agree with amounts reported by the component units as due from and to the state. Refer to Section D of this note for more information on major fund determination and presentation. The state's discretely presented component units are grouped into the following categories:

**State Universities and Colleges.** State universities and colleges receive funding from the state. The State University System is governed by the Florida Board of Governors. The Florida College System is governed by the State Board of Education. Each university and college is administered by a local board of trustees. All state universities and colleges have a June 30 year-end. Component units included in this category are:

**State Universities****Major:**

- University of Florida

**Nonmajor:**

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

**Florida College System Institutions****Nonmajor:**

- Broward College
- Chipola College
- College of Central Florida
- Daytona State College
- Eastern Florida State College
- Florida SouthWestern State College
- Florida Gateway College
- Florida Keys Community College
- Florida State College at Jacksonville
- Gulf Coast State College
- Hillsborough Community College
- Indian River State College
- Lake-Sumter State College
- Miami Dade College
- North Florida Community College
- Northwest Florida State College
- Palm Beach State College
- Pasco-Hernando State College
- Pensacola State College
- Polk State College
- Santa Fe College
- Seminole State College of Florida

- South Florida State College
- St. Johns River State College
- St. Petersburg College
- State College of Florida, Manatee-Sarasota
- Tallahassee Community College
- Valencia College

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

**Water Management Districts.** Pursuant to Section 373.069, F.S., these districts were created to provide for the management and conservation of water and related land resources. In addition, the general regulatory and administrative functions of these districts are either fully or in part financed by general appropriations. Water management districts have a September 30 year-end. Component units included in this category are:

**Nonmajor:**

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

**Citizens Property Insurance Corporation (Major).** Pursuant to Section 627.351(6), F.S., this corporation was created to provide certain residential property and casualty insurance coverage to qualified risks in the state under specified circumstances. This entity has a December 31 year-end. For additional information, refer to Note 14B.

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

**Nonmajor:**

- Commission for Florida Law Enforcement Accreditation, Inc.\*
- Enterprise Florida, Inc.
- Florida Agricultural Museum\*
- Florida Agriculture Center and Horse Park Authority\*
- Florida Agriculture in the Classroom, Inc.\*
- Florida Birth-Related Neurological Injury Compensation Plan
- Florida Board of Governors Foundation, Inc.\*
- Florida Comprehensive Health Association
- Florida Concrete Masonry Education Council\*
- Florida Development Finance Corporation\*
- Florida Education Foundation, Inc.\*
- Florida Education Fund, Inc.
- Florida Fund for Minority Teachers, Inc.\*
- Florida Healthy Kids Corporation
- Florida Is For Veterans, Inc.\*
- Florida Mobile Home Relocation Corporation\*
- Florida Patient's Compensation Fund
- Florida State Fair Authority
- Florida Telecommunications Relay, Inc.\*
- Florida Tourism Industry Marketing Corporation, Inc.
- Florida Veterans Foundation, Inc.\*
- Florida Virtual School
- 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
- The Florida College System 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 \$96 million and \$52 million, respectively. These amounts represent one percent or less of total aggregate component unit assets and revenues.

### **Joint Ventures**

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

***Apalachicola-Chattahoochee-Flint River Basin (ACFRB) Commission.*** Section 373.69, F.S., provided for the creation of an interstate administrative agency to promote interstate comity, remove causes of present and future controversies, equitably apportion the surface waters of the ACFRB, and engage in water planning. Operational funding required by the Commission is equally shared among the party states.

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

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

***Southern States Energy Compact.*** Section 377.711, F.S., enacted this compact into law joining the State of Florida and other states to recognize that the proper employment and conservation of energy, and the 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 deemed "related organizations." The state's related organizations include certain transportation authorities, hospital districts, port authorities, and aviation authorities. The state is not financially accountable for any of these organizations and, therefore, applicable financial data is not included in the state's financial statements.

### **Contact**

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

Department of Financial Services  
Bureau of Financial Reporting  
Statewide Financial Reporting Section  
200 East Gaines Street  
Tallahassee, Florida 32399-0364  
Telephone: (850) 413-5511  
Department Website: <http://www.myfloridacfo.com>

Joint ventures may be contacted directly for their financial statements.

## **B. Basic Financial Statements**

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

### **Government-wide Financial Statements**

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

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

### **Fund Financial Statements**

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

## **C. Basis of Accounting**

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

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

## **D. Basis of Presentation**

### **Major Funds**

GASB Codification Section 2200, *Comprehensive Annual Financial Report*, sets forth minimum criteria (percentage of the total assets and deferred outflows of resources, total liabilities and deferred inflows of resources, revenues, or expenditures/expenses for either fund category or the governmental and enterprise funds combined) for the determination of major funds. GASB Codification Section 2200 further requires that the reporting government's main operating fund (the General Fund) always be reported as a major fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining statements. The state reports the following major funds:

### **Major Governmental Funds**

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

***Environment, Recreation and Conservation*** – a special revenue fund that accounts for the operations of various programs such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation. Transfers from other funds, pollutant tax collections, and federal grants are its major sources of revenue.

***Public Education*** – a special revenue fund that includes funds used to operate education-related programs. Significant sources of revenue for this fund are federal grants, transfers from the Florida Lottery, and utility taxes.

***Health and Family Services*** – a special revenue fund that includes funds used to operate various health and family service-related programs such as health care, elder affairs, and public assistance. Grants and funding from the federal government are the predominant sources of revenue for this fund.

***Transportation*** – a special revenue fund that accounts for the maintenance and development of the state highway system and other transportation-related projects. It accounts for federal grants, motor fuel and aviation fuel taxes, automobile registration fees, and other revenues that are used for transportation purposes.

### **Major Business-type Funds**

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

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

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

***Prepaid College Program*** – an enterprise fund that accounts for payments from purchasers of the Florida Prepaid College Program. This program was created to provide a medium through which the cost of state post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

***Reemployment Assistance*** – an enterprise fund that accounts for contributions, benefit payments, grants, loans, and investments for the Unemployment Compensation Fund, which was created to pay reemployment assistance benefits to eligible individuals.

### **Fund Types**

Additionally, the state reports the following fund types:

### **Internal Service Funds**

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

- ***Employee Health and Disability*** - includes funds that account for state employees' health and disability plans.
- ***Data Centers*** – includes funds that account for services provided by data processing centers operated by various agencies.
- ***Communications and Facilities*** – includes funds that primarily account 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*** – includes funds that account 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*** - funds that are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments including funds accounting for unclaimed property; federally guaranteed, higher education loans; contributions to a college savings plan; and various others.

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

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

**Investment Trust Funds** - funds that are used to report the external portion of investment pools reported by the state.

## **E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/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 Flows Statements*, pooled investments with the State Treasury are considered cash equivalents. Details of deposits are included in Note 2.

### **Investments**

Florida Statutes authorize the state to invest in various instruments. The state reports investments in accordance with GASB Codification Section I50, *Investments*.

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

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

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

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

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

For private market investments, where no readily ascertainable market value exists (including limited partnerships, hedge funds, direct-owned real estate, and real estate pooled funds), fair values for the individual investments are based on the net asset value (capital account balance) at the closest available reporting period, as communicated by the general partner and/or investment manager, adjusted for subsequent contributions and distributions. The valuation techniques vary based upon

investment type and involve a certain degree of judgment. The most significant input into the net asset value of an entity is the value of its investment holdings. The net asset value is provided by the general partner and/or investment manager and reviewed by management.

Annually, the financial statements of all private market investments are audited by independent auditors. Private market investments in which the SBA has a controlling interest are also required to be valued annually by independent, licensed external appraisers selected by an appraisal management company retained by the SBA.

All derivative financial instruments are reported at fair value in the statements of net position. The instruments are adjusted to fair value at least monthly, with valuation changes recognized in investment earnings. Gains and losses are recorded in the statements of changes in net position as “net increase (decrease) in fair market value” during the period.

Because of the inherent uncertainty of the valuation using pricing methodologies other than the quoted market prices, the estimated fair values may differ from the values that would have been used had a ready market existed.

Investment detail is included in Note 2.

### **Inventories**

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

### **Capital Assets**

Capital assets are real, personal, and intangible 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.

### **Deferred Outflows of Resources**

A consumption of net assets by the government that is applicable to a future reporting period is presented as a deferred outflow of resources.

### **Long-term Liabilities**

Refer to Note 8 for information on bonds payable and certificates of participation, Note 9 for information on installment purchases, capital leases, and public-private partnership agreements, and Note 10 for changes in long-term liabilities.

### **Compensated Absences Liability**

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

### **Deferred Inflows of Resources**

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period.

### **Components of Net Position**

The government-wide statement of net position classifies net position into the following categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The “net investment in capital assets” component of net position 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. “Restricted” net position is reported when constraints are placed on net position that 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 position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” When both restricted and unrestricted resources are to be used for the same purpose, the agency responsible for administering the resources determines the flow assumption used to identify the portion of

expenses paid from restricted resources. At June 30, 2015, the government-wide statement of net position reported a restricted net position of \$25.3 billion, of which \$16.7 billion is restricted by enabling legislation.

### Components of Fund Balance

**Nonspendable fund balance** includes amounts that cannot be spent. This includes activity that is not in a spendable form such as inventories, prepaid amounts, and long-term portion of loans and notes receivable, net, unless the proceeds are restricted, committed or assigned. Additionally, activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund, is considered to be nonspendable.

**Restricted fund balances** have constraints placed upon the use of the resources either by an external party, such as the Federal Government, or imposed by law through a constitutional provision or enabling legislation.

**Committed fund balance** includes amounts that can be used only for the specific purposes determined by a formal action of the state's highest level of decision-making authority, the Legislature and the Governor, i.e. through legislation passed into law. Commitments may only be modified or rescinded by equivalent formal, highest-level action.

**Unassigned fund balance** is the residual amount of the General Fund not included in the three categories described above. Also, any remaining deficit fund balances within the other governmental fund types are reported as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the state's general policy to use restricted resources first. When expenditures are incurred for which unrestricted (committed or unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the state's general policy to spend committed resources first. However, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources.

Fund Balances Classifications and Special Revenue by Purpose – GASB Codification Section 2200, *Comprehensive Annual Financial Report*, requires presentation of governmental fund balances and special revenue fund revenues by specific purpose. In the basic financial statements, the fund balance classifications are presented in the aggregate. The table presented below displays further detail of nonspendable fund balance and appropriation of resources existing at June 30, 2015 (in thousands).

|                                    | Fund         | Conservation | Education    | Services     | Transportation | Funds        | Total         |
|------------------------------------|--------------|--------------|--------------|--------------|----------------|--------------|---------------|
| <b>Fund balances:</b>              |              |              |              |              |                |              |               |
| <b>Nonspendable:</b>               |              |              |              |              |                |              |               |
| Inventory and Prepaid Items        | \$ 8,023     | \$ 411       | \$ .....     | \$ 12,867    | \$ 9,195       | \$ 2,060     | \$ 32,556     |
| Long-term Receivables and Advances | 11,097       | .....        | .....        | .....        | .....          | .....        | 11,097        |
| Permanent Fund Principal           | .....        | .....        | .....        | .....        | .....          | 23,108       | 23,108        |
| Total                              | 19,120       | 411          | .....        | 12,867       | 9,195          | 25,168       | 66,761        |
| <b>Restricted:</b>                 |              |              |              |              |                |              |               |
| Grantors/Contributors              | 150          | 76,736       | 25           | 8,711        | .....          | 26,179       | 111,801       |
| Enabling Legislation               | 51,640       | 17,136       | .....        | 906          | 50             | 340,362      | 410,094       |
| Constitutional Provision           | .....        | 62,406       | 739,380      | .....        | .....          | 629          | 802,415       |
| Creditors                          | 8,978        | 24,371       | 919,062      | 6,165        | .....          | 1,372,299    | 2,330,875     |
| Federal Government                 | 28,422       | 2,018,043    | 40,426       | 117,884      | 19,057         | 116,754      | 2,340,586     |
| Total                              | 89,190       | 2,198,692    | 1,698,893    | 133,666      | 19,107         | 1,856,223    | 5,995,771     |
| <b>Committed:</b>                  | 921,750      | 795,573      | 245,373      | 1,192,552    | 2,093,553      | 1,023,749    | 6,272,550     |
| <b>Unassigned:</b>                 | 5,878,552    | .....        | (883,674)    | .....        | .....          | .....        | 4,994,878     |
| Total Fund Balances                | \$ 6,908,612 | \$ 2,994,676 | \$ 1,060,592 | \$ 1,339,085 | \$ 2,121,855   | \$ 2,905,140 | \$ 17,329,960 |

Section 215.32(2)(b)4.a, F.S., provides that the unappropriated cash balances from selected trust funds may be authorized by the Legislature for transfer to the Budget Stabilization Fund and the General Revenue Fund through the General Appropriations Act. The amounts indicated below were identified in the State's 2015-16 General Appropriations Act as being unappropriated June 30, 2015, cash balances that are to be transferred to and from the funds indicated during the 2015-16 fiscal year.

|                                      |            |           |          |           |          |          |           |
|--------------------------------------|------------|-----------|----------|-----------|----------|----------|-----------|
| Transfer to (from) Fund              | \$ 106,052 | \$ 63,692 | \$ ..... | \$ 35,000 | \$ ..... | \$ 7,360 | \$ .....  |
| Transfer from Non-Governmental Funds | 95,000     | .....     | .....    | .....     | .....    | .....    | 95,000    |
| Totals                               | \$ 201,052 | \$ 63,692 | \$ ..... | \$ 35,000 | \$ ..... | \$ 7,360 | \$ 95,000 |



**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 position, except for the residual amounts due between governmental and business-type activities.

For additional information, refer to Note 11.

**G. Nonmonetary Transactions**

The state participates in various activities that are, in part, represented by nonmonetary transactions. Examples include nonmonetary assistance in the form of Federal grants, such as vaccines, Electronic Benefit Transfer (EBT) cards for food assistance, and donated food commodities. The state also acts as an agent for the United States Department of Agriculture in the distribution of donated food commodities to qualifying organizations outside the state's reporting entity. The fair value of these items is reported in the governmental fund financial statements.

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

**H. Operating and Nonoperating Revenues**

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

**I. Accounting and Reporting Changes**

The state implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. This statement establishes requirements for measuring, recognizing, and disclosing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The implementation of this standard required restatement of beginning equity and the recording of pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense/expenditures in the financial statements. Additionally, implementation required changes to the notes to the financial statements and required supplemental information for pension plans.

The state implemented GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement establishes accounting and financial reporting standards related to government combinations (mergers, acquisitions, and transfers of operations) and disposals of government operations. Adoption of this statement had no impact on the state's financial statements.

The state implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement requires, at transition, recognition of beginning deferred outflow of resources for contributions to a defined benefit pension plan made subsequent to the measurement date of the beginning net pension liability.

# J. Fund Balance and Net Position Reclassifications and Restatements

Fund balances and net position at June 30, 2014 have been adjusted as follows (in thousands):

|                                                                                                                              | Business-Type Activities |                       |                             |                            |                            |                                                 |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------------------|-----------------------------|----------------------------|----------------------------|-------------------------------------------------|
|                                                                                                                              | Proprietary Funds        |                       |                             |                            |                            |                                                 |
|                                                                                                                              | Governmental Activities  | Transportation        | Lottery                     | Hurricane Catastrophe Fund | Prepaid College Program    | Nonmajor Enterprise Funds                       |
| <b>Fund Balance/Net Position, June 30, 2014, as previously reported</b>                                                      | \$ 61,222,182            | \$ 7,682,184          | \$ 97,662                   | \$ 10,160,221              | \$ 1,792,473               | \$ 380,342                                      |
| <b>Implementation of New Accounting Standards:</b>                                                                           |                          |                       |                             |                            |                            |                                                 |
| Implementation of GASB Statement No. 68 and 71; reporting pensions                                                           | (4,134,866)              |                       | (10,999)                    | (595)                      | (411)                      | (66,229)                                        |
| <b>Capital assets:</b> To increase/decrease net assets for prior year over/understatements                                   | 322,801                  | 173,000               |                             |                            |                            |                                                 |
| <b>Fund Balance/Net Position, June 30, 2014, as restated</b>                                                                 | <u>\$ 57,410,117</u>     | <u>\$ 7,855,184</u>   | <u>\$ 86,663</u>            | <u>\$ 10,159,626</u>       | <u>\$ 1,792,062</u>        | <u>\$ 314,113</u>                               |
|                                                                                                                              | Business-Type Activities | Component Units       |                             |                            | Fiduciary Funds            |                                                 |
|                                                                                                                              | Proprietary Funds        | Component Units       |                             |                            |                            |                                                 |
|                                                                                                                              | Internal Service Funds   | University of Florida | Citizens Property Insurance | Nonmajor Component Units   | Private-purpose Trust Fund | Pension and Other Employee Benefits Trust Funds |
| <b>Fund Balance/Net Position, June 30, 2014, as previously reported</b>                                                      | \$ 542,716               | \$ 5,937,226          | \$ 7,333,278                | \$ 26,007,337              | \$ 2,802,051               | \$ 162,598,989                                  |
| <b>Implementation of New Accounting Standards:</b>                                                                           |                          |                       |                             |                            |                            |                                                 |
| Implementation of GASB Statement No. 68 and 71; reporting pensions                                                           | (49,322)                 | (435,209)             |                             | (1,283,488)                | (1,375)                    | (277)                                           |
| Implementation of GASB Statement No. 65; debt issuance costs expensed                                                        |                          |                       | (157,091)                   |                            |                            |                                                 |
| <b>Capital assets:</b> To increase/decrease net assets for prior year over/understatements                                   | (42,587)                 |                       |                             | 3,732                      |                            |                                                 |
| <b>Investments:</b> To increase net assets as a result of investment valuations                                              |                          |                       |                             | 1,251                      |                            |                                                 |
| <b>Liabilities:</b> To increase liabilities as a result of reclassifications                                                 |                          |                       |                             | (2,497)                    |                            |                                                 |
| <b>Other Adjustments:</b> To increase net position due to implementation of new state laws and other various understatements |                          | 1,802                 |                             | 11,132                     |                            |                                                 |
| <b>Fund Balance/Net Position, June 30, 2014, as restated</b>                                                                 | <u>\$ 450,807</u>        | <u>\$ 5,503,819</u>   | <u>\$ 7,176,187</u>         | <u>\$ 24,737,467</u>       | <u>\$ 2,800,676</u>        | <u>\$ 162,598,712</u>                           |

**K. Budget Stabilization Fund**

The State Constitution mandates the creation and maintenance of a Budget Stabilization Fund, in an amount not less than 5 percent nor more than 10 percent of the last complete fiscal year's net revenue collections for the General Revenue Fund. Monies in the Budget Stabilization Fund may be transferred to the General Revenue Fund to offset a deficit therein or to provide emergency funding, including payment of up to \$38 million with respect to certain uninsured losses to state property. Monies in this fund are constitutionally prohibited from being obligated or otherwise committed for any other purposes. Any withdrawals from the Budget Stabilization Fund must be restored from general revenues in five equal annual installments, commencing in the third fiscal year after the expenditure, unless the Legislature establishes a different restoration schedule, in accordance with Section 215.32, F.S.

In prior fiscal years, the Florida Legislature authorized the transfer of funds from the Budget Stabilization Fund to the General Revenue Fund. These transfers are required to be repaid in accordance with Section 215.32, F.S. The Budget Stabilization Fund had \$1.1 billion in cash at June 30, 2015. The planned repayment schedule is presented below. An additional repayment was made in June 2015, resulting in a remaining balance of \$214,481,450. Both of these funds are included within the General Fund; therefore, pursuant to generally accepted governmental accounting principles, the advances to other funds and advances from other funds were eliminated.

| Date           | Authority                  | Borrowed         | Repayment        |
|----------------|----------------------------|------------------|------------------|
| 9/11/2008      | GAA 2008-2009 Section 77   | \$ 672,407,250   | \$ .....         |
| 2/20/2009      | Senate Bill 2-A Section 51 | 400,000,000      | .....            |
| 7/1/11-6/30/12 |                            | .....            | 214,481,450      |
| 7/1/12-6/30/13 |                            | .....            | 214,481,450      |
| 7/1/13-6/30/14 |                            | .....            | 214,481,450      |
| 7/1/14-6/30/15 |                            | .....            | 214,481,450      |
| 7/1/15-6/30/16 |                            | .....            | 214,481,450      |
| Total          |                            | \$ 1,072,407,250 | \$ 1,072,407,250 |

## NOTE 2 - DEPOSITS AND INVESTMENTS

### A. Deposits

At June 30, 2015, the state's deposits in financial institutions totaled approximately \$2.0 billion for primary government and \$3.2 billion for discretely presented component units.

#### 1. Custodial Credit Risk

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

The CFO determines the collateral requirements and collateral pledging level for each Qualified Public Depository (QPD) following guidelines outlined in Section 280.04, F.S., and Department of Financial Services Rules, Chapter 69C-2, Florida Administrative Code. Collateral pledging levels include 25, 50, 110, and 150 percent of a QPD's average daily deposit balance, or, if needed, an amount as prescribed by the CFO. Section 280.13, F.S., outlines eligible types of collateral including direct obligations of the United States (U.S.) Government, federal agency obligations fully guaranteed by the U.S. Government, certain federal agency obligations, state and local government obligations, corporate bonds, and letters of credit issued by a Federal Home Loan Bank. Also, with the CFO's permission, eligible collateral includes collateralized mortgage obligations, real estate mortgage investment conduits and securities or other interests in any open-end management investment company registered under the Investment Company Act of 1940. However, the portfolio of the investment company must be limited to direct obligations of the U.S. Government and to repurchase agreements fully collateralized by such direct obligations of the U.S. Government, and the investment company must take delivery of such collateral either directly or through an authorized custodian.

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

At June 30, 2015, the following deposits were not secured pursuant to Chapter 280, F.S., and were exposed to custodial credit risk because they were uninsured and (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the state's name (in thousands).

**Schedule of Deposits with State Treasury  
Exposed to Custodial Credit Risk  
As of June 30, 2015**

| Custodial Credit Risk                           | Bank Statement Balance (in U.S. \$) |                 |
|-------------------------------------------------|-------------------------------------|-----------------|
|                                                 | Primary Government                  | Component Units |
| (1)                                             | \$ 1,119,223                        | \$ 424,692      |
| (2)                                             | 38,818                              | 380,181         |
| (3)                                             | .....                               | 13,324          |
| Total deposits subject to custodial credit risk | \$ 1,158,041                        | \$ 818,197      |

#### 2. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Under Section 215.47, F.S., and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investments by the State Board of Administration (SBA) may be invested in fixed income obligations or stocks denominated in foreign currency. The SBA has developed total fund investment policies for the investment of assets in the Florida Retirement System (FRS) Pension Trust Fund and the Lawton Chiles Endowment Fund (LCEF) that set ranges on investments by asset class in each fund. Under the FRS Pension Trust Fund and LCEF investment policy statements approved by SBA Trustees effective January 1, 2015, and June 17, 2014, respectively, foreign and domestic equity securities are included in the global equity asset class. The FRS Pension Trust Fund and LCEF have target allocations to global equities of 53% and 71%, respectively, with policy ranges from 45-70% for FRS and 61-81% for LCEF, but within these ranges there are no limits on the

amount of foreign equity securities that are not denominated in U.S. dollars. The Florida Prepaid Program's comprehensive investment plan limits investment in foreign equities to 25% of total equities, with the target for total equities to be the lesser of 15% of the total fund, or the actuarial reserve. In all cases, Florida law limits the exposure to foreign securities held outside of commingled funds to 50% of the total fund. The investment plans may be modified in the future if the SBA or Florida Prepaid adopts changes. This investment activity in foreign investments resulted in deposits in foreign currency as of June 30, 2015, as illustrated in the following schedule (in thousands):

**Schedule of Investments with State Board of Administration**  
**Foreign Currency Deposits Held**  
**As of June 30, 2015**

| Currency                                           | Bank Statement Balance (in U.S. \$) |          |                                                   |            |
|----------------------------------------------------|-------------------------------------|----------|---------------------------------------------------|------------|
|                                                    | FRS Pension<br>Trust Fund           | LCEF     | Florida Prepaid<br>Program and<br>Investment Plan | Total      |
| Australian dollar                                  | \$ 17,014                           | \$ ..... | \$ 13                                             | \$ 17,027  |
| Brazilian real                                     | 2,243                               | 99       | .....                                             | 2,342      |
| British pound sterling                             | 25,719                              | 141      | 25                                                | 25,885     |
| Canadian dollar                                    | 6,825                               | 142      | .....                                             | 6,967      |
| Chilean peso                                       | 124                                 | .....    | .....                                             | 124        |
| Danish krone                                       | 889                                 | .....    | .....                                             | 889        |
| Egyptian pound                                     | 211                                 | .....    | .....                                             | 211        |
| Euro currency unit                                 | 32,727                              | .....    | 75                                                | 32,802     |
| Hong Kong dollar                                   | 8,138                               | 134      | 69                                                | 8,341      |
| Hungarian forint                                   | 13                                  | 6        | .....                                             | 19         |
| Indian rupee                                       | 4,684                               | .....    | .....                                             | 4,684      |
| Indonesian rupiah                                  | 294                                 | 47       | .....                                             | 341        |
| Israeli shekel                                     | 739                                 | .....    | 41                                                | 780        |
| Japanese yen                                       | 34,524                              | 123      | 288                                               | 34,935     |
| Kenyan shilling                                    | 618                                 | .....    | .....                                             | 618        |
| Malaysian ringgit                                  | 628                                 | 82       | .....                                             | 710        |
| Mexican peso                                       | 267                                 | 8        | .....                                             | 275        |
| New Zealand dollar                                 | 703                                 | .....    | .....                                             | 703        |
| Nigerian naira                                     | 2                                   | .....    | .....                                             | 2          |
| Norwegian krone                                    | 2,599                               | 97       | 9                                                 | 2,705      |
| Pakistan rupee                                     | 173                                 | .....    | .....                                             | 173        |
| Philippines peso                                   | 95                                  | 155      | .....                                             | 250        |
| Polish zloty                                       | 228                                 | 50       | .....                                             | 278        |
| Qatari riyal                                       | 147                                 | .....    | .....                                             | 147        |
| Singapore dollar                                   | 2,101                               | .....    | 47                                                | 2,148      |
| South African rand                                 | 1,636                               | .....    | .....                                             | 1,636      |
| South Korean won                                   | 1,275                               | 73       | .....                                             | 1,348      |
| Swedish krona                                      | 1,826                               | 1        | 4                                                 | 1,831      |
| Swiss franc                                        | 1,164                               | .....    | .....                                             | 1,164      |
| Taiwan new dollar                                  | 11,885                              | .....    | .....                                             | 11,885     |
| Thailand baht                                      | 189                                 | 3        | .....                                             | 192        |
| Turkish lira                                       | 502                                 | 5        | .....                                             | 507        |
| UAE dirham                                         | 43                                  | .....    | .....                                             | 43         |
| Other                                              | 32                                  | 1        | .....                                             | 33         |
| Total deposits subject to<br>foreign currency risk | \$ 160,257                          | \$ 1,167 | \$ 571                                            | \$ 161,995 |

**B. Investments**

At June 30, 2015, the state's investments reported in governmental and business-type activities and fiduciary funds totaled \$228.5 billion, consisting of pooled investments with the State Treasury in the amount of \$21.6 billion and other investments in the amount of \$206.9 billion. The State Treasury also had holdings at June 30, 2015, of \$4.0 billion for discretely presented component units in total. These investments are not reported as part of the primary government and may be different from the amounts reported by some component units due to different reporting periods. Other investments for discretely presented component units totaled \$24.6 billion.

***Pooled Investments with the State Treasury***

Unless specifically exempted by statute, all cash of the state must be deposited in the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize earnings. In addition, the State Treasury may invest funds of any board, association, or entity created by the State Constitution, or by law. As a result, pooled investments with the State Treasury contains deposits from funds and component units of the reporting entity (internal portion) as well as deposits from certain legally separate organizations outside the reporting entity (external portion). The external portion of pooled investments with the State Treasury is reported in a governmental external investment pool.

Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Committee per Section 17.575, F.S. The authorized investment types are set forth in Section 17.57, F.S.

Redemptions are on a dollar in/dollar out basis adjusted for distributed income. The fair value of the pooled investments with the State Treasury is determined at fiscal year-end for financial reporting purposes.

The State Treasury does not contract with an outside insurer in order to guarantee the value of the portfolio, or the price of shares redeemed.

Per Section 17.61(1), F.S., the State Treasury shall invest all general revenue funds, trust funds, all agency funds of each state agency, and of the judicial branch. As a result, state agencies and the judicial branch are considered involuntary participants in pooled investments with the State Treasury. The total involuntary participation as of June 30, 2015, was \$18.4 billion or 72% of the pool.

At year-end, the condensed financial statements for the Investment Pool maintained by the State Treasury were as follows (dollars in thousands):

**Schedule of Pooled Investments with State Treasury**  
**Condensed Statement of Fiduciary Net Position**  
June 30, 2015

|                                                  |                      |
|--------------------------------------------------|----------------------|
| <b>ASSETS</b>                                    |                      |
| Current and Other Assets                         | \$ 26,538,697        |
| Total Assets                                     | <u>26,538,697</u>    |
| <b>LIABILITIES</b>                               |                      |
| Other Liabilities                                | 2,442,528            |
| Total Liabilities                                | <u>2,442,528</u>     |
| <b>NET POSITION</b>                              |                      |
| Net position held for Internal Pool Participants | 22,636,935           |
| Net position held for External Pool Participants | 1,459,234            |
|                                                  | <u>\$ 24,096,169</u> |

**Condensed Statement of Changes in Fiduciary Net Position**  
June 30, 2015

|                                                  |                      |
|--------------------------------------------------|----------------------|
| <b>ADDITIONS</b>                                 |                      |
| Net income (loss) from investing activity        | \$ 205,209           |
| <b>DEDUCTIONS</b>                                |                      |
| Distributions paid and payable                   | <u>(205,209)</u>     |
| <b>DEPOSITOR ACTIVITY</b>                        |                      |
| Deposits                                         | 137,316,563          |
| Withdrawals                                      | (136,040,763)        |
| Excess (deficiency) of deposits over withdrawals | <u>1,275,800</u>     |
| Change in net position                           | 1,275,800            |
| Net position, beginning                          | <u>22,820,369</u>    |
| Net position, ending                             | <u>\$ 24,096,169</u> |

The following table provides a summary of the fair value, the number of shares or the principal amount, ranges of interest rates, and maturity dates of each major investment classification (dollars in thousands):

**Schedule of Pooled Investments with State Treasury  
Summary of Investment Holdings**

|                                                   | Par                  | Fair Value           | Range of Interest Rates * | Range of Maturity Dates |
|---------------------------------------------------|----------------------|----------------------|---------------------------|-------------------------|
| Commercial paper                                  | \$ 375,000           | \$ 374,986           | 0.04%-0.17%               | 7/1/2015-7/30/2015      |
| Repurchase agreements                             | 1,291,129            | 1,291,129            | 0.06%-0.15%               | 7/1/2015-7/7/2015       |
| U.S. guaranteed obligations                       | 5,267,011            | 5,220,825            | 0.125%-11.73%             | 7/15/2015-12/20/2062    |
| Federal agencies                                  | 4,761,991            | 4,565,833            | 0.11%-17.99%              | 7/13/2015-4/1/2056      |
| Bonds and notes - domestic                        | 6,282,956            | 6,040,446            | 0.175%-10.375%            | 7/2/2015-7/1/2114       |
| Bonds and notes - international                   | 960,404              | 971,673              | 0.16%-8.87%               | 8/1/2015-2/26/2055      |
| Federal agencies discounted securities            | 3,582,130            | 3,579,578            | 0.02%-3.37%               | 7/1/2015-3/25/2042      |
| U.S. guaranteed obligations discounted securities | 780,681              | 777,724              | 0.01%-2.93%               | 7/23/2015-8/15/2030     |
| Commingled STIF                                   | 553,403              | 553,403              | N/A                       | N/A                     |
| Unemployment compensation funds                   | 2,549,200            | 2,549,200            | N/A                       | N/A                     |
| Totals                                            | <u>\$ 26,403,905</u> | <u>\$ 25,924,797</u> |                           |                         |

\* The coupon rate in effect at June 30, 2015, is reported. If a security is discounted, the purchase yield is reported. At June 30, 2015, the State Treasury had \$3.4 million of zero coupon U.S. Treasury bonds and notes. These securities had a yield range of 0.43% - 0.75%.

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 reemployment assistance benefits. This money is pooled with deposits from other states and is managed by the Federal Government. No disclosures can be made of specific securities owned.

The schedule below discloses the detail of the State Treasury holdings at fair value at June 30, 2015, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Pooled Investments with State Treasury  
As of June 30, 2015**

| <b>Investment type</b>                                           | <b>Fair Value</b>           |
|------------------------------------------------------------------|-----------------------------|
| Commercial paper                                                 | \$ 349,986                  |
| Repurchase agreements                                            | 584,589                     |
| U.S. guaranteed obligations                                      | 5,998,549                   |
| Federal agencies                                                 | 8,130,410                   |
| Bonds and notes - domestic                                       | 5,534,631                   |
| Bonds and notes - international                                  | 747,392                     |
| Commingled STIF                                                  | 553,403                     |
| Unemployment compensation funds pooled with U.S. Treasury        | 2,549,200                   |
| Total investments excluding security lending collateral**        | <u>24,448,160</u>           |
| Lending collateral investments:                                  |                             |
| Repurchase agreements                                            | 706,540                     |
| Federal agencies                                                 | 15,001                      |
| Commercial paper                                                 | 25,000                      |
| Bonds and notes - domestic                                       | 505,815                     |
| Bonds and notes - international                                  | 224,281                     |
| Total lending collateral investments                             | <u>1,476,637</u>            |
| Total investments                                                | 25,924,797                  |
| Cash on deposit                                                  | <u>603,428</u>              |
| Total State Treasury holdings                                    | 26,528,225                  |
| Adjustments:                                                     |                             |
| Outstanding warrants                                             | (581,845)                   |
| Deposits in Transit                                              | 10,472                      |
| SPIA Revolving Account*                                          | (8,515)                     |
| Unsettled securities liability                                   | <u>(375,419)</u>            |
| Reconciled balance, June 30, 2015                                | <u><u>\$ 25,572,918</u></u> |
| Reconciliation to the basic financial statements (in thousands): |                             |
| Pooled investments with State Treasury                           |                             |
| Governmental activities                                          | \$ 14,422,243               |
| Business-type activities                                         | 3,992,483                   |
| Fiduciary funds                                                  | 3,153,797                   |
| Component units                                                  | 3,236,352                   |
| Component units timing difference                                | <u>100,735</u>              |
| Total pooled investments with State Treasury                     | 24,905,610                  |
| Restricted pooled investments with State Treasury                |                             |
| Business-type activities                                         | 38,284                      |
| Component units                                                  | <u>629,024</u>              |
| Total restricted pooled investments with State Treasury          | 667,308                     |
| Total pooled investments with State Treasury                     | <u><u>\$ 25,572,918</u></u> |

\* The SPIA Revolving Account is included as cash and cash equivalent by the agencies.

\*\*This amount excludes the Florida Birth-Related Neurological Injury Compensation Association's (NICA) participation in Treasury's Short Term Investment Fund. NICA's portion represents less than a tenth of a percent of the total investments held at Treasury.



**Other Investments**

Other investments in various funds of the state are primarily managed by the SBA. The largest of these funds managed by the SBA is the FRS Pension Trust Fund (Defined Benefit Pension Fund), whose total investments represented 76.9% of total other investments at June 30, 2015. Investments in the FRS Investment Plan Trust Fund (Defined Contribution Pension Fund) represents 4.4% of total other investment, while investments in the Florida Hurricane Catastrophe Fund and the Florida Prepaid College Trust Fund represented another 6.5% and 5.8%, respectively, of total other investments. Section 215.47, F.S., allows the SBA to invest funds in a range of instruments, including security lending agreements, reverse repurchase agreements, and alternative investments (including limited partnerships and hedge funds).

The schedule below discloses other investments at fair value and their total carrying value at June 30, 2015, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Other Investments  
As of June 30, 2015**

| Investment type                                  | Fair value             |                               |                    | Total          |
|--------------------------------------------------|------------------------|-------------------------------|--------------------|----------------|
|                                                  | FRS Pension Trust Fund | Other funds<br>Managed by SBA | Not managed by SBA |                |
| Certificates of deposit                          | \$ 1,936,529           | \$ 4,455,873                  | \$ 6,387           | \$ 6,398,789   |
| Commercial paper                                 | 5,867,392              | 4,063,350                     | .....              | 9,930,742      |
| Money market funds                               | 12,265                 | 2,937,124                     | 28,869             | 2,978,258      |
| Repurchase agreements                            | 400,000                | 1,319,726                     | .....              | 1,719,726      |
| U.S. guaranteed obligations                      | 7,622,315              | 7,237,970                     | 6,176              | 14,866,461     |
| Federal agencies                                 | 9,458,712              | 7,682,110                     | 14,083             | 17,154,905     |
| Domestic bonds and notes                         | 7,734,775              | 4,013,850                     | 1,510,512          | 13,259,137     |
| Domestic bonds and notes commingled funds        | .....                  | 1,823,909                     | .....              | 1,823,909      |
| International bonds and notes                    | 2,636,429              | 908,928                       | 282                | 3,545,639      |
| Domestic stocks                                  | 43,387,207             | 1,437,023                     | 14,342             | 44,838,572     |
| Domestic equity group trust                      | .....                  | .....                         | .....              | .....          |
| Domestic equity commingled funds                 | .....                  | 4,204,353                     | .....              | 4,204,353      |
| International stocks                             | 36,089,572             | 600,012                       | 6,168              | 36,695,752     |
| International equity commingled funds            | 6,315,998              | 1,766,727                     | .....              | 8,082,725      |
| Alternative investments                          | 19,596,357             | .....                         | .....              | 19,596,357     |
| Real estate investments (directly owned)         | 7,777,275              | .....                         | 8,090              | 7,785,365      |
| Real estate investments commingled funds         | 2,364,999              | .....                         | .....              | 2,364,999      |
| Self-Directed brokerage accounts                 | .....                  | 299,571                       | .....              | 299,571        |
| Option contracts purchased                       | 33                     | .....                         | 2,436              | 2,469          |
| Swap contracts (debt related)                    | 925                    | .....                         | .....              | 925            |
| Mutual funds                                     | .....                  | .....                         | 1,970,734          | 1,970,734      |
| Deferred compensation annuities                  | .....                  | .....                         | 25,783             | 25,783         |
| Total investments excluding lending collateral   | 151,200,783            | 42,750,526                    | 3,593,862          | 197,545,171    |
| Lending collateral investments:                  |                        |                               |                    |                |
| Certificates of deposit                          | .....                  | 660,107                       | .....              | 660,107        |
| Commercial paper                                 | .....                  | 271,049                       | .....              | 271,049        |
| Short-term security lending collateral pool      | .....                  | .....                         | .....              | .....          |
| Moneymarket funds                                | 4,458,145              | .....                         | .....              | 4,458,145      |
| Repurchase agreements                            | 3,775,237              | 562,988                       | .....              | 4,338,225      |
| U.S. guaranteed obligations                      | .....                  | .....                         | .....              | .....          |
| Domestic bonds and notes                         | 96,443                 | 110,987                       | .....              | 207,430        |
| International bonds and notes                    | 17,065                 | 18,306                        | .....              | 35,371         |
| Total lending collateral investments             | 8,346,890              | 1,623,437                     | .....              | 9,970,327      |
| Total investments for all types - fair value     | \$ 159,547,673         | \$ 44,373,963                 | \$ 3,593,862       | \$ 207,515,498 |
| Total investments for all types - carrying value | \$ 159,547,673         | \$ 44,374,192                 | \$ 3,594,001       | \$ 207,515,866 |
| % of total other investments                     | 77%                    | 21%                           | 2%                 |                |

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

|                                           | Governmental<br>activities | Business-type<br>activities | Fiduciary<br>funds | Component<br>Units <sup>1</sup> | Total          |
|-------------------------------------------|----------------------------|-----------------------------|--------------------|---------------------------------|----------------|
| Other investments                         | \$ 1,176,187               | \$ 8,212,944                | \$ .....           | \$ 672,786                      | \$ 10,061,917  |
| Restricted investments                    | .....                      | 899,939                     | .....              | .....                           | 899,939        |
| Long-term investments                     | 233,676                    | 17,631,820                  | 170,397,278        | .....                           | 188,262,774    |
| Security lending collateral <sup>2</sup>  | .....                      | .....                       | 8,346,890          | .....                           | 8,346,890      |
| Timing and other differences <sup>3</sup> | (12,384)                   | (3,554)                     | (2,269)            | (37,447)                        | (55,654)       |
| Total other investments                   | \$ 1,397,479               | \$ 26,741,149               | \$ 178,741,899     | \$ 635,339                      | \$ 207,515,866 |

<sup>1</sup>The column for Component Units presents investments managed by SBA for Component Units. For presentation of all other investments for Component Units, see the Schedule of Other Investments For Discretely Presented Component Units.

<sup>2</sup>Other investments and Restricted investments for Governmental and Business-type activities include security lending collateral. Refer to Note 2 B Schedule of Other Investments and B(5) Schedule of Other Investments on Loan Under Security Lending Agreements for additional information.

<sup>3</sup>Differences between participant balances posted and actual investments. Some Component Units have fiscal year ends other than the state's year end of June 30, 2015.

Certain investments included in the above schedule were pledged as collateral with the SBA's futures and swaps clearing broker. These investments are presented below (in thousands):

**FRS Pension Trust Fund**  
**Securities Pledged as Collateral for Futures and Swaps Contracts**  
**As of June 30, 2015**

| Investment Type             | Fair Value       |
|-----------------------------|------------------|
| U.S. guaranteed obligations | \$ 22,974        |
| Federal agencies            | 14,833           |
| Domestic stocks             | 24,966           |
| Total                       | <u>\$ 62,773</u> |

In addition, cash and foreign currency required to open futures contracts (i.e. initial margin) in the FRS Pension Trust Fund was pledged as collateral with the SBA's futures brokers. Variation margins received from or paid to clearing brokers, may be required as frequently as daily, and represent the net settlement of profit or loss (i.e. the fair value increase or decrease) on open positions in futures and swaps. The initial and variation margin amounts held by brokers, and the variation margins held by the FRS Pension Trust Fund as of June 30, 2015, are included in "Accounts receivable" and in "Accounts payable and accrued liabilities", respectively, on the Statement of Fiduciary Net Position. These amounts are presented in the table below (in thousands):

**FRS Pension Trust Fund**  
**Cash and Foreign Currency Pledged as Collateral for Futures and Swaps Contracts**  
**As of June 30, 2015**

|                                | Fair Value       |
|--------------------------------|------------------|
| Margin receivable from broker: |                  |
| Futures initial margin         | \$ 8,597         |
| Futures variation margin       | 7,136            |
| Swaps variation margin         | 3,789            |
| Total margin receivable        | <u>\$ 19,522</u> |
| Margin payable to broker:      |                  |
| Futures variation margin       | \$ 6,674         |
| Swaps variation margin         | 1,390            |
| Total margin payable           | <u>\$ 8,064</u>  |

The FRS Pension Trust Fund also held short positions in investments at June 30, 2015. Short investment positions are reported as liabilities on the Statement of Fiduciary Net Positions. The schedule below presents the short investment positions at fair value at June 30, 2015, (in thousands):

**FRS Pension Trust Fund**  
**Short Investment Positions**  
**As of June 30, 2015**

| <u>Investment Type</u>      | <u>Fair Value</u>   |
|-----------------------------|---------------------|
| U.S. guaranteed obligations | \$ (11,843)         |
| Federal agencies            | (145,133)           |
| Option contracts            | <u>(17)</u>         |
| Total                       | <u>\$ (156,993)</u> |

The SBA issued a separate report (financial statements and notes) pertaining to the Local Government Surplus Funds Trust Fund (an external investment pool) within the state's Investment Trust Fund for the period ended June 30, 2015. This report may be obtained from the Chief Operating & Financial Officer, State Board of Administration of Florida, 1801 Hermitage Boulevard, Suite 101, Tallahassee, Florida 32308, (850) 488-4406.

**Component Units**

The schedule below discloses other investments reported at fair value and total carrying value, as of June 30, 2015, for discretely presented component units and a reconciliation to the basic financial statements (in thousands). Those investments held with the State Treasury as of June 30, 2015, are excluded.

**Schedule of Other Investments  
For Discretely Presented Component Units  
As of June 30, 2015**

| Investment type                                                     | Fair value           |
|---------------------------------------------------------------------|----------------------|
| Certificates of deposit                                             | \$ 26,865            |
| Commercial paper                                                    | 75,299               |
| Repurchase agreements                                               | 141,992              |
| Money market funds                                                  | 331,077              |
| U.S. guaranteed obligations                                         | 3,567,560            |
| Federal agencies                                                    | 2,705,098            |
| Domestic bonds & notes                                              | 10,485,233           |
| International bonds & notes                                         | 183,602              |
| Domestic stocks                                                     | 1,178,508            |
| International stocks                                                | 549,178              |
| Real estate investments                                             | 116,608              |
| Mutual funds                                                        | 1,760,059            |
| Investment agreements                                               | 3,508,659            |
| Total other investments for all types - fair value                  | <u>\$ 24,629,738</u> |
| Total other investments for all types - carrying value              | <u>\$ 24,625,919</u> |
| Reconciliation of carrying value to the basic financial statements: |                      |
| Other investments                                                   | \$ 19,753,635        |
| Restricted investments                                              | 5,545,070            |
| Less SBA Investments*                                               | (672,786)            |
| Total other investments for component units                         | <u>\$ 24,625,919</u> |

\*Investment types for component units with investments held by SBA are disclosed on the Schedule of Other Investments on page 73.

At June 30, 2015, 76% of total other investments for discretely presented component units belonged to the following major component units: Florida Housing Finance Corporation, University of Florida, and Citizens Property Insurance Corporation.

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

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

### *Pooled Investments with the State Treasury*

The State Treasury follows the investment guidelines set forth in Section 17.57, F.S., for reducing exposure to investment credit risk. The State Treasury's rated debt investments as of June 30, 2015, were rated by the nationally recognized statistical rating organizations (NRSRO), Standard and Poor's (S&P) and Moody's, and the ratings are presented below using the applicable rating scale (in thousands):

| State Treasury<br>Credit Quality Ratings<br>As of June 30, 2015 |                                |                      |                             |                     |                           |                                   |                                       |
|-----------------------------------------------------------------|--------------------------------|----------------------|-----------------------------|---------------------|---------------------------|-----------------------------------|---------------------------------------|
| S&P rating <sup>2</sup>                                         | Moody's<br>rating <sup>2</sup> | Total <sup>1</sup>   | Commercial<br>paper         | Federal<br>agencies | Domestic bonds<br>& notes | International<br>bonds &<br>notes | Repurchase<br>agreements <sup>3</sup> |
| AAA                                                             |                                | \$ 1,093,255         | \$ .....                    | \$ 4,394            | \$ 1,076,834              | \$ 12,027                         | \$ .....                              |
| AA                                                              |                                | 9,524,095            | .....                       | 7,830,095           | 1,106,360                 | 344,306                           | 243,334                               |
| A                                                               |                                | 2,852,767            | .....                       | .....               | 2,449,315                 | 403,452                           | .....                                 |
| A-1                                                             |                                | 374,986              | 374,986                     | .....               | .....                     | .....                             | .....                                 |
| BBB                                                             |                                | 911,170              | .....                       | .....               | 774,065                   | 137,105                           | .....                                 |
| BB                                                              |                                | 9,030                | .....                       | .....               | 9,030                     | .....                             | .....                                 |
| B                                                               |                                | 1,052                | .....                       | .....               | 1,052                     | .....                             | .....                                 |
| Below B                                                         |                                | 4,243                | .....                       | .....               | 4,243                     | .....                             | .....                                 |
|                                                                 | Aaa                            | 569,919              | .....                       | .....               | 559,212                   | 10,707                            | .....                                 |
|                                                                 | Aa                             | 27,042               | .....                       | .....               | 27,042                    | .....                             | .....                                 |
|                                                                 | A                              | 6,997                | .....                       | .....               | 4,454                     | 2,543                             | .....                                 |
|                                                                 | Baa                            | 1,360                | .....                       | .....               | 1,360                     | .....                             | .....                                 |
|                                                                 | Ba                             | 1,054                | .....                       | .....               | 1,054                     | .....                             | .....                                 |
|                                                                 | B                              | 198                  | .....                       | .....               | 198                       | .....                             | .....                                 |
|                                                                 | Caa                            | 24                   | .....                       | .....               | 24                        | .....                             | .....                                 |
| Not Rated                                                       | Not Rated                      | 721,365              | .....                       | 310,922             | 26,203                    | 61,533                            | 322,707                               |
|                                                                 |                                | 16,098,557           | \$ 374,986                  | \$ 8,145,411        | \$ 6,040,446              | \$ 971,673                        | \$ 566,041                            |
| Not rated <sup>4</sup>                                          | Not rated <sup>4</sup>         | 5,998,549            | U.S. guaranteed obligations |                     |                           |                                   |                                       |
| Not rated                                                       | Not rated                      | 553,403              | Commingled STIF             |                     |                           |                                   |                                       |
| Not rated <sup>4</sup>                                          | Not rated <sup>4</sup>         | 725,088              | Repurchase Agreements       |                     |                           |                                   |                                       |
|                                                                 |                                | <u>\$ 23,375,597</u> | <sup>1</sup>                |                     |                           |                                   |                                       |

1 The remaining \$2,549,200 (in thousands) reported for Pooled Investments with State Treasury is comprised of investments with the U.S. Treasury Unemployment Compensation Funds Pool.

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

3 Collateral underlying the repurchase agreements was not rated.

4 U.S. guaranteed obligations and collateral for repurchase agreements which are explicitly guaranteed by the U.S. government do not require disclosure of credit quality.

The State Treasury's investment policies allow for unlimited investments in U.S. obligations and certain Federal Agency obligations. For other investments, the investment policies address concentration of credit risk by placing limits on amounts invested per issuer (taking into account the maturity date and duration of the investment). In addition, the policies also address limits on certain investments by credit ratings. Limits on amounts invested are expressed in dollar amounts per issuer and also in total amounts per investment type as a percentage of the investment pool's market value. As of June 30, 2015, more than five percent of the State Treasury's investment pool is invested in Federal National Mortgage Association (FNMA), Federal Home Loan Bank System (FHLB), Federal Farm Credit Banks (FFCB), and the Federal Home Loan Mortgage Corporation (FHLMC). These investments are approximately 10 percent, 9 percent, 8 percent, and 7 percent of the State Treasury's investments pool, respectively.

### ***Other Investments***

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

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

*Short-term Portfolio* – Securities must be high quality at the time of purchase. For short-term investment ratings, this is defined as the highest applicable rating from one of the three NRSROs – S&P A-1, Moody's P-1, and Fitch F1. For long-term investment ratings, this is defined as a minimum mid-single A rating from one of the three NRSROs – S&P A, Moody's A2, and Fitch A.

*Mortgage Index Portfolio* – Securities are generally limited to those issued by the Government National Mortgage Association (GNMA), FNMA, and FHLMC. No specific credit rating criteria are listed.

*Intermediate Aggregate Less MBS Index Portfolio* – Securities should be rated investment grade by at least one of the three NRSROs at the time of purchase. Minimum ratings include S&P BBB-, Moody's Baa3, and Fitch BBB-. This portfolio primarily contains U.S. Treasuries, government agencies, and corporates.

*Core Portfolios* – Securities should generally be rated investment grade by one of the three NRSROs at the time of purchase. Minimum ratings include S&P BBB-, Moody's Baa3, and Fitch BBB-. Securities of a single issuer are generally limited to 5% of the market value of the portfolio (excluding U.S. Treasuries and Agencies). These portfolios can contain: U.S. Treasuries, government agencies; investment grade residential mortgage-backed, commercial mortgage-backed and asset-backed securities; investment grade foreign sovereign debt; municipals; and corporates.

*Lending Portfolios* – Under investment policy guidelines in effect for the FRS Pension Trust Fund since May 2015, eligible cash collateral investments are:

- Tri-party qualified repurchase agreement transactions in which the subject securities thereunder will be repurchased by the seller no later than one business day from the purchase date, and such repurchase agreements are collateralized by U.S. Treasury bills, notes and/or bonds, U.S. Government Agency securities, and U.S. Government Agency mortgage-backed securities having a market value of at least 100% of the market value of the securities subject to being repurchased,
- Money market mutual funds regulated by SEC rule 2a-7 and rated the highest applicable rating by at least one of the three NRSROs – S&P AAmmf, Moody's Aaamf, Fitch AAmmf, and
- U.S. Treasury bills, notes, and bonds.

Under previous investment policy guidelines in effect immediately before this new policy, eligible cash collateral could only be invested in tri-party qualified repurchase agreement transactions that were collateralized by "U.S. Government securities" having a market value of at least 100 percent of the market value of securities subject to being repurchased, and money market mutual funds regulated by SEC rule 2a-7. "U.S. Government Securities" means any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States, or any certificate of deposit for any of the foregoing, including without limitation notes, bonds and other debt securities issued by the FNMA and the FHLMC. In addition to tri-party repurchase agreements, investments purchased prior to the policy guidelines established in December 2008 are being held to maturity in existing lending portfolios. The previous investment policy guidelines contained short-term rating requirements that were similar to the current short-term portfolio rating requirements. Repurchase agreements were required to be fully collateralized.

For the Lawton Chiles Endowment Fund, the policy guidelines allow cash collateral to be invested only in tri-party repurchase agreements, similar to those allowed for the FRS Pension Fund.

For the Florida Lottery lending program, investments with an original maturity of 13 months or less, at the time of purchase must carry a program or instrument rating of, or if unrated be issued or guaranteed as to principal and interest, by an issuer or guarantor whose existing comparable short-term debt obligations have received the highest applicable rating by at least one NRSRO (S&P A-1; Moody's P-1; Fitch F1). Other investments with remaining maturities greater than 13 months but less than or equal to two years, at the time of purchase must carry a program or instrument rating of, or if unrated be issued or guaranteed as to principal and interest, by an issuer or guarantor whose existing comparable long-term debt obligations have a rating of either A or higher by S&P, A2 or higher by Moody's, or A or higher by Fitch, except in the case of asset-backed securities which must have a rating of AAA by S&P, Aaa by Moody's, or AAA by Fitch. For investments with remaining maturity greater than two years, at the time of purchase must carry a program or instrument rating of, or if unrated be issued or guaranteed as to principal and interest, by an issuer or guarantor whose existing comparable long-term debt obligations have a rating of either AA- or higher by S&P, Aa3 or higher by Moody's, or AA- or higher by Fitch, except in the case of asset-backed securities which must have a rating of AAA by S&P, Aaa by Moody's, or AAA by Fitch. Rating requirements do not apply to securities and instruments issued or guaranteed by the U.S. Government, its agencies or instrumentalities, repurchase agreements, and shares of money market funds.

For the Florida Prepaid Program lending program, short-term obligations should be limited to obligations rated in the highest rating category by all NRSROs or, if only rated by one NRSRO, rated at the time of purchase in the highest rating category by that NRSRO (S&P A-1, Moody's P-1, Fitch F1 or equivalent). A "short-term obligation" means any eligible security or instrument (other than a repurchase agreement) which has an original maturity of 397 days or less at the time of purchase or has a put that entitles the holder to receive the principal amount at specified intervals not exceeding 397 days. With respect to bonds and other long-term obligations, investment is limited to obligations at the time of purchase in one of the two highest rating categories by at least two NRSROs or, if only rated by one NRSRO, rated at the time of purchase in one of the two highest rating categories by that NRSRO, or those of comparable quality in the case of unrated securities. The minimum permissible credit rating for long-term obligations is AA- or its equivalent. A "long-term obligation" means any eligible security or instrument (other than a repurchase agreement) which has a remaining maturity of greater than 397 days at the time of purchase and is not subject to a demand feature in 397 days or less.

The FRS Pension Trust Fund did not hold any investments with a single issuer representing 5% or more of the fund's fair market value at June 30, 2015. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2015 (in thousands):

**FRS Pension Trust Fund**  
**Credit Quality Ratings**  
**As of June 30, 2015**

| Credit Rating <sup>1</sup>               |           | Total <sup>2</sup> | Certificates<br>of deposit | Commercial<br>paper | Money market<br>funds | Repurchase<br>agreements | Federal<br>agencies | Domestic<br>bonds and notes | International<br>bonds and notes |
|------------------------------------------|-----------|--------------------|----------------------------|---------------------|-----------------------|--------------------------|---------------------|-----------------------------|----------------------------------|
| S&P                                      | Moody's   |                    |                            |                     |                       |                          |                     |                             |                                  |
| A-1/AAAm                                 |           | \$ 10,337,802      | \$ .....                   | \$ 5,867,392        | \$ 4,470,410          | \$ .....                 | \$ .....            | \$ .....                    | \$ .....                         |
| AAA                                      |           | 1,202,995          | .....                      | .....               | .....                 | .....                    | .....               | 653,190                     | 549,805                          |
| AA                                       |           | 1,733,439          | 99,992                     | .....               | .....                 | 370,254                  | 9,700               | 948,396                     | 305,097                          |
| A                                        |           | 3,419,301          | .....                      | .....               | .....                 | .....                    | 1,050               | 2,590,631                   | 827,620                          |
| BBB                                      |           | 3,143,907          | .....                      | .....               | .....                 | .....                    | .....               | 2,478,599                   | 665,308                          |
| BB                                       |           | 123,659            | .....                      | .....               | .....                 | .....                    | .....               | 54,475                      | 69,184                           |
| B                                        |           | 20,410             | .....                      | .....               | .....                 | .....                    | .....               | 20,410                      | .....                            |
| CCC                                      |           | 30,429             | .....                      | .....               | .....                 | .....                    | .....               | 30,429                      | .....                            |
| D                                        |           | 3,159              | .....                      | .....               | .....                 | .....                    | .....               | 3,159                       | .....                            |
| Not rated                                | Aaa       | 606,020            | .....                      | .....               | .....                 | 10                       | 17,004              | 506,708                     | 82,298                           |
| Not rated                                | Aa        | 226,493            | 149,988                    | .....               | .....                 | .....                    | 4,572               | 58,120                      | 13,813                           |
| Not rated                                | A         | 132,841            | .....                      | .....               | .....                 | .....                    | .....               | 125,336                     | 7,505                            |
| Not rated                                | Baa       | 120,567            | .....                      | .....               | .....                 | .....                    | .....               | 60,900                      | 59,667                           |
| Not rated                                | Ba        | 4,918              | .....                      | .....               | .....                 | .....                    | .....               | 4,918                       | .....                            |
| Not rated                                | Caa       | 9,218              | .....                      | .....               | .....                 | .....                    | .....               | 9,218                       | .....                            |
| Not rated                                | Ca        | 4,374              | .....                      | .....               | .....                 | .....                    | .....               | 4,374                       | .....                            |
| Not rated                                | Not rated | 12,760,775         | 1,686,549                  | .....               | .....                 | 1,292,288                | 9,426,386           | 282,355                     | 73,197                           |
|                                          |           | 33,880,307         | \$ 1,936,529               | \$ 5,867,392        | \$ 4,470,410          | \$ 1,662,552             | \$ 9,458,712        | \$ 7,831,218                | \$ 2,653,494                     |
| Ratings not Applicable:                  |           |                    |                            |                     |                       |                          |                     |                             |                                  |
| Repurchase agreements <sup>3</sup>       |           | 2,512,685          |                            |                     |                       |                          |                     |                             |                                  |
| U.S. guaranteed obligations <sup>3</sup> |           | 7,622,315          |                            |                     |                       |                          |                     |                             |                                  |
| Domestic stocks                          |           | 43,387,207         |                            |                     |                       |                          |                     |                             |                                  |
| International stocks                     |           | 36,089,572         |                            |                     |                       |                          |                     |                             |                                  |
| International equity<br>commingled funds |           | 6,315,998          |                            |                     |                       |                          |                     |                             |                                  |
| Alternative investments                  |           | 19,596,357         |                            |                     |                       |                          |                     |                             |                                  |
| Real estate investments                  |           | 10,142,274         |                            |                     |                       |                          |                     |                             |                                  |
| Options purchased                        |           | 33                 |                            |                     |                       |                          |                     |                             |                                  |
| Swaps                                    |           | 925                |                            |                     |                       |                          |                     |                             |                                  |
| Total investments                        |           | \$ 159,547,673     |                            |                     |                       |                          |                     |                             |                                  |

<sup>1</sup> S&P ratings were primarily used. If S&P did not rate a security, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated." Long-term ratings are presented except for "A-1", which is a top tier short-term rating for S&P, and "AAAm", the top money market fund rating for S&P.

<sup>2</sup> All FRS investments are included in this schedule, including security lending collateral investments.

<sup>3</sup> U.S. obligations and repurchase agreements that are collateralized by securities explicitly guaranteed by the U.S. government do not require disclosure of credit quality.



All futures, options and swaps contracts held by the FRS Pension Trust Fund at June 30, 2015, were exchange traded; therefore, minimizing counterparty credit risk through the use of a futures and swap clearing merchant and a clearing house.

Counterparty credit ratings for spot and forward foreign currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2015, are listed below (in thousands):

**FRS Pension Trust Fund**  
**Foreign Currency Exchange Contract Counterparty Credit Ratings**  
**As of June 30, 2015**

| Counterparty Credit Rating (Long Term) <sup>1</sup> |         |       | Receivable          | Payable               | Net Unrealized |
|-----------------------------------------------------|---------|-------|---------------------|-----------------------|----------------|
| S&P                                                 | Moody   | Fitch | Fair Value          | Fair Value            | Gain (Loss)    |
| AA/A-1                                              | Aaa/P-1 | AA/F1 | \$ 407,169          | \$ (408,200)          | \$ (1,031)     |
| AA/A-1                                              | Aa/P-1  | AA/F1 | 852                 | (852)                 | .....          |
| AA/A-1                                              | NR/P-1  | AA/F1 | 9,367               | (9,266)               | 101            |
| A/A-1                                               | Aa/P-1  | AA/F1 | 20,186              | (20,202)              | (16)           |
| A/A-1                                               | Aa/P-1  | A/F1  | 687                 | (688)                 | (1)            |
| A/A-1                                               | A/P-1   | AA/F1 | 4,493               | (4,495)               | (2)            |
| A/A-1                                               | A/P-1   | A/F1  | 297,840             | (300,054)             | (2,214)        |
| A/A-1                                               | NR/P-1  | AA/F1 | 6,515               | (6,510)               | 5              |
| A/A-1                                               | NR/P-1  | A/F1  | 3,186               | (3,208)               | (22)           |
| A/A-1                                               | NR/NR   | NR/NR | 132                 | (132)                 | .....          |
| A/A-2                                               | Aa/P-1  | A/F1  | 493,014             | (488,187)             | 4,827          |
| BBB/A-1                                             | NR/P-2  | NR/NR | 292,565             | (292,285)             | 280            |
| NR/NR                                               | NR/P-1  | NR/NR | 639,860             | (641,107)             | (1,247)        |
| NR/NR                                               | NR/NR   | A/F1  | 35,933              | (35,930)              | 3              |
| NR/NR                                               | NR/NR   | NR/NR | 98,782              | (98,619)              | 163            |
| Total:                                              |         |       | <u>\$ 2,310,581</u> | <u>\$ (2,309,735)</u> | <u>\$ 846</u>  |

<sup>1</sup> If no rating exists, "NR" is reported.

The schedule below discloses credit quality ratings on investments held in all funds managed by the SBA (except the FRS Pension Trust Fund) at June 30, 2015, (in thousands).

**All SBA Managed Funds (except FRS Pension Trust Fund)**

**Credit Quality Ratings**

**As of June 30, 2015**

| Credit Rating <sup>1</sup>               |           | Total <sup>2</sup>   | Certificates<br>of deposit | Commercial paper | Money market<br>funds | Repurchase<br>Agreements | Federal<br>agencies | Domestic<br>bonds and notes | Domestic bonds<br>and notes<br>commingled<br>funds | International<br>bonds and<br>notes |
|------------------------------------------|-----------|----------------------|----------------------------|------------------|-----------------------|--------------------------|---------------------|-----------------------------|----------------------------------------------------|-------------------------------------|
| S&P                                      | Moody's   |                      |                            |                  |                       |                          |                     |                             |                                                    |                                     |
| A-1/AAAm                                 |           | \$ 6,429,397         | \$ 44,996                  | \$ 4,334,399     | \$ 2,050,002          | \$ .....                 | \$ .....            | \$ .....                    | \$ .....                                           | \$ .....                            |
| AAA                                      |           | 233,475              | .....                      | .....            | .....                 | .....                    | .....               | 182,715                     | .....                                              | 50,760                              |
| AA                                       |           | 6,024,319            | 218,080                    | .....            | .....                 | 70,624                   | 3,969,626           | 1,479,429                   | .....                                              | 286,560                             |
| A                                        |           | 2,397,339            | 351,896                    | .....            | .....                 | .....                    | .....               | 1,604,500                   | .....                                              | 440,943                             |
| BBB                                      |           | 768,090              | .....                      | .....            | .....                 | .....                    | .....               | 621,691                     | .....                                              | 146,399                             |
| BB                                       |           | 1,932                | .....                      | .....            | .....                 | .....                    | .....               | 697                         | .....                                              | 1,235                               |
| Not rated                                | Aaa       | 196,199              | .....                      | .....            | .....                 | 1,416                    | .....               | 193,644                     | .....                                              | 1,139                               |
| Not rated                                | Aa        | 485,499              | 476,965                    | .....            | .....                 | .....                    | .....               | 8,534                       | .....                                              | .....                               |
| Not rated                                | A         | 5,802                | .....                      | .....            | .....                 | .....                    | 479                 | 5,125                       | .....                                              | 198                                 |
| Not rated                                | Not rated | 11,830,054           | 4,024,043                  | .....            | 887,122               | 1,354,473                | 3,712,005           | 28,502                      | 1,823,909                                          | .....                               |
|                                          |           | 28,372,106           | \$ 5,115,980               | \$ 4,334,399     | \$ 2,937,124          | \$ 1,426,513             | \$ 7,682,110        | \$ 4,124,837                | \$ 1,823,909                                       | \$ 927,234                          |
| <b>Ratings not applicable</b>            |           |                      |                            |                  |                       |                          |                     |                             |                                                    |                                     |
| Repurchase agreements <sup>3</sup>       |           | 456,201              |                            |                  |                       |                          |                     |                             |                                                    |                                     |
| U.S. guaranteed obligations <sup>3</sup> |           | 7,237,970            |                            |                  |                       |                          |                     |                             |                                                    |                                     |
| Domestic stocks                          |           | 1,437,023            |                            |                  |                       |                          |                     |                             |                                                    |                                     |
| Domestic equity commingled funds         |           | 4,204,353            |                            |                  |                       |                          |                     |                             |                                                    |                                     |
| International stocks                     |           | 600,012              |                            |                  |                       |                          |                     |                             |                                                    |                                     |
| International equity commingled funds    |           | 1,766,727            |                            |                  |                       |                          |                     |                             |                                                    |                                     |
| Self-directed brokerage accounts         |           | 299,571              |                            |                  |                       |                          |                     |                             |                                                    |                                     |
| Total investments                        |           | <u>\$ 44,373,963</u> |                            |                  |                       |                          |                     |                             |                                                    |                                     |

<sup>1</sup>S&P ratings were primarily used. If S&P did not rate a security, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated." Long-term ratings are presented except for "A-1", which is a top tier short-term rating for S&P, "P-1", a top tier short-term rating for Moody's, and "AAAm", the top money market fund rating for S&P.

<sup>2</sup>All investments are included in this schedule, including security lending collateral investments.

<sup>3</sup>U.S. obligations and repurchase agreements that are collateralized by securities explicitly guaranteed by the U.S. government do not require disclosure of credit quality.

Counterparty credit ratings for spot foreign currency exchange contracts held in the Lawton Chiles Endowment Fund at June 30, 2015, are listed below (in thousands).

**Lawton Chiles Endowment Fund**  
**Foreign Currency Exchange Contract Counterparty Credit Ratings**  
**As of June 30, 2015**

| <u>Counter Party Credit Rating (Long/Short)<sup>1</sup></u> |        |        | Receivable    | Payable         | Net Unrealized  |
|-------------------------------------------------------------|--------|--------|---------------|-----------------|-----------------|
| S&P                                                         | Moody  | Fitch  | Fair Value    | Fair Value      | Gain (Loss)     |
| A/A-1                                                       | NR/P-1 | AA/F1  | \$ 76         | \$ (76)         | \$ .....        |
| NR/NR                                                       | NR/NR  | A/F1   | 47            | (47)            | .....           |
|                                                             |        | Total: | <u>\$ 123</u> | <u>\$ (123)</u> | <u>\$ .....</u> |

<sup>1</sup>If no rating exists, "NR" is reported.

The Local Government Surplus Funds Trust Fund held investments with Bank of America (6.36%), JPMorgan Chase & Company (5.31%), Sumitomo Mitsui Financial Group (5.16%), and Wells Fargo & Company (5.13%) in excess of 5% of the Fund's fair value.

The Florida Hurricane Catastrophe Fund held investments with Bank of Nova Scotia (9.11%), Federal Home Loan Bank System (10.46%), Federal Farm Credit Banks (12.51%), Federal Agricultural Mortgage Corp. (8.66%), and Federal Home Loan Mortgage Corporation (11.13%) in excess of 5% of the Florida Hurricane Catastrophe Fund's fair value.

The Florida Prepaid College Program held investments with the Resolution Funding Corporation (5.21%) in excess of 5% of the Florida Prepaid College Program's fair value.

The Florida Prepaid Investment Plan held investments with the Federal National Mortgage Association (8.19%) in excess of 5% of the Florida Prepaid Investment Plan's fair value.

### Component Units

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

| Major Component Units<br>Credit Quality Ratings<br>As of June 30, 2015 |                            |                     |                   |                   |                       |                   |             |
|------------------------------------------------------------------------|----------------------------|---------------------|-------------------|-------------------|-----------------------|-------------------|-------------|
| Component Unit                                                         | Certificates<br>of deposit | Federal<br>agencies | Bonds & notes     | Mutual funds      | Money<br>market funds | Total             | S&P rating  |
| Florida Housing Finance Corporation (FHFC) *                           | \$ .....                   | \$ 48,815           | \$ .....          | \$ .....          | \$ .....              | \$ 48,815         | AA+         |
| FHFC (continued)                                                       | 613                        | .....               | .....             | .....             | .....                 | 613               | A+          |
| FHFC (continued)                                                       | .....                      | .....               | 51,870            | .....             | .....                 | 51,870            | AAA-AA-     |
| FHFC (continued)                                                       | .....                      | .....               | 10,645            | .....             | .....                 | 10,645            | AAA-AA+     |
| FHFC (continued)                                                       | .....                      | .....               | 114,197           | .....             | .....                 | 114,197           | AAA-B+      |
| FHFC (continued)                                                       | .....                      | .....               | 14,078            | .....             | .....                 | 14,078            | AAA-A       |
| FHFC (continued)                                                       | .....                      | .....               | 7,592             | .....             | .....                 | 7,592             | AAA-D       |
| University of Florida (UF)**                                           | .....                      | .....               | 3,781             | 13,632            | .....                 | 17,413            | AAA         |
| UF (continued)                                                         | .....                      | .....               | 4,993             | 61,244            | .....                 | 66,237            | AA          |
| UF (continued)                                                         | .....                      | .....               | 8,991             | 35,495            | .....                 | 44,486            | A           |
| UF (continued)                                                         | .....                      | .....               | .....             | 59,974            | .....                 | 59,974            | Less than A |
|                                                                        | <u>\$ 613</u>              | <u>\$ 48,815</u>    | <u>\$ 216,147</u> | <u>\$ 170,345</u> | <u>\$ .....</u>       | <u>\$ 435,920</u> |             |

  

| Component Unit                                 | Money<br>market funds | Federal<br>agencies | Bonds & notes       | Mutual funds    | Other             | Total                | S&P rating |
|------------------------------------------------|-----------------------|---------------------|---------------------|-----------------|-------------------|----------------------|------------|
| Citizens Property Insurance Corporation (CPIC) | \$ .....              | \$ .....            | \$ 8,625,221        | \$ .....        | \$ .....          | \$ 8,625,221         | A+         |
| CPIC (continued)                               | .....                 | 3,750,583           | .....               | .....           | .....             | 3,750,583            | AA+        |
| CPIC (continued)                               | .....                 | .....               | .....               | .....           | 157,775           | 157,775              | Default    |
|                                                | <u>\$ .....</u>       | <u>\$ 3,750,583</u> | <u>\$ 8,625,221</u> | <u>\$ .....</u> | <u>\$ 157,775</u> | <u>\$ 12,533,579</u> |            |

\* Florida Housing Finance Corporation (FHFC) reported total investments with a fair value in the amount of \$210 million subject to concentration of credit risk. These investments and amounts were issued by FannieMae (\$210 million).

\*\*University of Florida (UF) reported total investments with a fair value in the amount of \$34 million subject to concentration of credit risk.

These investments and amounts were issued by Florida Hedged Strategies Fund, LLC (\$12 million), US Bank Commercial Paper (\$6 million) and various other issuers (\$16 million).

## 2. Custodial Credit Risk

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

### Pooled Investments with the State Treasury

The State Treasury's custodial risk policy states that securities must be held in an account in the State's name. As required by negotiated trust and custody contracts, many of the state's investments were held in the state's name by the Treasury's custodial financial institution at June 30, 2015. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, included the following (in thousands):

| State Treasury<br>Custodial Credit Risk<br>As of June 30, 2015 |                     |
|----------------------------------------------------------------|---------------------|
|                                                                | Fair value          |
| Invested security lending collateral:                          |                     |
| Repurchase agreements                                          | \$ 706,540          |
| Federal agencies                                               | 15,001              |
| Commercial paper                                               | 25,000              |
| Bonds and notes - domestic                                     | 505,815             |
| Bonds and notes - international                                | 224,281             |
| Total                                                          | <u>\$ 1,476,637</u> |

**Other Investments**

The SBA's custodial credit risk policy states that custodial credit risk will be minimized through the use of trust accounts maintained at top tier third party custodian banks. To the extent possible, negotiated trust and custody contracts shall require that all deposits, investments, and collateral be held in accounts in the SBA's name, or in the case of certain foreign investments, in an omnibus client account, but separate and apart from the assets of the custodian banks. This policy applies to investments evidenced by cash or securities, and does not apply to investments evidenced by contractual agreements such as private equity or real estate investments. As required by negotiated trust and custody contracts, many of the state's investments were held in the state's name or in the case of certain foreign investments, in an omnibus client account, by the SBA's custodial financial institutions at June 30, 2015. Investments that were uninsured and unregistered, with securities held by the counterparty, or by its trust department, but not in the SBA's name, included the following (in thousands):

**Other Investments with SBA  
Custodial Credit Risk  
As of June 30, 2015**

|                                       | FRS Pension<br>Trust Fund | Other funds         |
|---------------------------------------|---------------------------|---------------------|
| Invested security lending collateral: |                           |                     |
| Certificates of deposit               | \$ .....                  | \$ 660,107          |
| Commercial paper                      | .....                     | 271,049             |
| Repurchase agreements                 | 459,782                   | 562,988             |
| Domestic bonds and notes              | 96,443                    | 110,987             |
| International bonds and notes         | 7,387                     | 18,306              |
| Total                                 | <u>\$ 563,612</u>         | <u>\$ 1,623,437</u> |

**Component Units**

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

**Major Component Unit  
Custodial Credit Risk  
As of June 30, 2015**

| Component unit / Investment type | Fair value       |
|----------------------------------|------------------|
| University of Florida            |                  |
| Bonds & notes                    | 17,765           |
| Total                            | <u>\$ 17,765</u> |

**3. Interest Rate Risk**

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

**Pooled Investments with the State Treasury**

Through its investment policy, the State Treasury manages its exposure to interest rate risk by limiting either the maturities or durations of the various investment strategies used for the investment pool. The maximum effective weighted duration allowed is in the Long Duration portfolio, which is six (6) years or the benchmark's effective duration, if higher. In addition, the security lending portfolios manage exposure to interest rate risk by limiting the weighted average maturity. The maximum weighted average maturity for the security lending portfolio is 120 days.

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

**Debt Investments**  
**As of June 30, 2015**

| Investment type                                                  | Fair value           | Effective weighted duration<br>(in years) | Security Lending Market Value | Weighted average maturity<br>(in days) |
|------------------------------------------------------------------|----------------------|-------------------------------------------|-------------------------------|----------------------------------------|
| Commercial paper                                                 | 349,986              | 0.07                                      | 25,000                        | 1.00                                   |
| Repurchase agreements                                            | 584,589              | 0.01                                      | 706,540                       | 1.00                                   |
| U.S. guaranteed obligations:                                     |                      |                                           |                               |                                        |
| U.S. Treasury bonds and notes                                    | 4,862,500            | 3.32                                      | .....                         |                                        |
| U.S. Treasury strips                                             | 18,351               | 6.67                                      | .....                         |                                        |
| U.S. Treasury bills                                              | 759,372              | 0.43                                      | .....                         |                                        |
| GNMA mortgage-backed pass-through                                | 182,049              | 3.54                                      | .....                         |                                        |
| GNMA TBA pass-through                                            | 58,685               | 1.93                                      | .....                         |                                        |
| GNMA collateralized mortgage obligations (CMO's)                 | 15,343               | 1.82                                      | .....                         |                                        |
| GNMA CMO's - interest only                                       | 7,563                | (14.69)                                   | .....                         |                                        |
| SBA asset-backed                                                 | 86,151               | 2.32                                      | .....                         |                                        |
| NCUA - CMO's                                                     | 8,535                | 0.21                                      | .....                         |                                        |
| Federal agencies:                                                |                      |                                           |                               |                                        |
| Discount notes                                                   | 3,569,461            | 0.31                                      | 15,001                        | 27.00                                  |
| Unsecured bonds & notes                                          | 2,389,441            | 1.02                                      | .....                         |                                        |
| Mortgage-backed pass-through                                     | 1,473,538            | 3.48                                      | .....                         |                                        |
| TBA mortgage-backed pass-through                                 | 310,922              | 2.31                                      | .....                         |                                        |
| Mortgage-backed CMO's                                            | 371,126              | 2.82                                      | .....                         |                                        |
| Mortgage-backed CMO's - principal only                           | 170                  | 4.20                                      | .....                         |                                        |
| Mortgage-backed CMO's - interest only                            | 15,752               | (0.17)                                    | .....                         |                                        |
| Bonds and notes - domestic:                                      |                      |                                           |                               |                                        |
| Corporate                                                        | 3,495,979            | 5.73                                      | 505,815                       | 46.75                                  |
| Corporate asset-backed                                           | 775,395              | 1.42                                      | .....                         |                                        |
| Non-government backed CMO's & CMBS*                              | 863,663              | 3.29                                      | .....                         |                                        |
| Non-government backed CMO's & CMBS* - interest only              | 30,248               | 1.12                                      | .....                         |                                        |
| Municipal/provincial                                             | 369,346              | 5.60                                      | .....                         |                                        |
| Bonds and notes - international:                                 |                      |                                           |                               |                                        |
| Government & Agency                                              | 95,333               | 4.19                                      | 224,281                       | 67.08                                  |
| Corporate                                                        | 652,059              | 5.15                                      | .....                         |                                        |
| Commingled STIF                                                  | 553,403              | 0.08                                      | .....                         |                                        |
| Futures contracts - long***                                      | .....                | 4.58                                      |                               |                                        |
| Futures contracts - short***                                     |                      | 1.11                                      |                               |                                        |
| Total portfolio effective duration and weighted average maturity |                      | 2.64                                      |                               | 26.97                                  |
| Total debt investments**                                         | <u>\$ 21,898,960</u> |                                           | <u>\$ 1,476,637</u>           |                                        |

\* Commercial Mortgage-Backed Securities (CMBS).

\*\* The remaining \$2,549,200 (in thousands) reported for Pooled Investments with State Treasury is comprised of investments with the U.S. Treasury Unemployment Compensation Funds Pool.

\*\*\*The futures contracts effective weighted duration was calculated using notional values rather than fair values.

### ***Other Investments***

The SBA manages its exposure to interest rate risk through various investment policies. Policies and interest rate risk disclosures for debt investments within the FRS Pension Trust Fund are presented below.

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

*Short-term Portfolio* – Weighted average maturity to final maturity date (WAL) is limited to 120 days in the internally managed FRS Short-term Investment Pool (STIPFRS) portfolio and weighted average time to coupon reset (WAM) is limited to 60 days. For securities without a fixed interest rate, the next coupon reset date is used as the maturity for the reset WAM calculation. In STIPFRS, no individual security shall have a final maturity date longer than 397 days except for U.S. Treasury and Agency securities, which shall not exceed five years.

*Mortgage Index Portfolio* – Portfolio duration should be similar to the duration of the mortgage-related fixed income market and should remain within plus or minus 0.25 years of the Barclays Capital U.S. MBS Index duration. Swaps and/or Agency debentures may contribute no more than 25% of the portfolio's total duration.

*Intermediate Aggregate Less MBS Index Portfolio* – Portfolio duration should remain within plus or minus 0.25 years of the Barclays Capital U.S. Intermediate Aggregate Bond Index duration less the MBS Index component. Interest rate swaps and interest rate futures may contribute no more than 25% of the portfolio's total duration.

*Core Portfolios* – Portfolio duration should remain within plus or minus 0.50 years of the Barclays Capital U.S. Intermediate Aggregate Bond Index duration. Interest rate swaps and interest rate futures may contribute no more than 25% of the portfolio's total duration.

The Core Portfolios contain certain investments, such as Collateralized Mortgage Obligations (CMOs), which are more sensitive to interest rate changes than others. Examples of CMO securities that qualify as "highly interest rate sensitive" include interest-only (IOs), principal-only (POs), and inverse floaters (INVs). IO and PO securities are transactions that involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors, which increase the value of a PO and decrease the value of an IO. Inverse floaters (INVs) have an inverse relationship to a benchmark rate, and the coupon payment is adjusted as the interest rate changes. If the benchmark interest rate decreases, the coupon rate increases and vice versa, which allows the bondholder to benefit from declining interest rates. Similar to an IO, an interest-only inverse floater's value increases as interest rates rise.

*Security Lending Portfolios* – Effective May 2015, new investment policy guidelines in effect for the FRS Pension Trust Fund allow investment in:

- Overnight repurchase agreements that are fully collateralized by U.S. Treasury bills, notes and/or bonds, U.S. Government Agency securities and U.S. Government Agency mortgage-backed securities,
- Money market mutual funds regulated by SEC rule 2a-7, and
- U.S. Treasury bills, notes, and bonds maturing within 92 days or less.

Previous guidelines for the FRS Pension Trust Fund, in effect from December 2008 until May 2015, allowed investment only in overnight repurchase agreements that were fully collateralized by U.S. government and/or agency securities, and money market mutual funds regulated by SEC rule 2a-7.

Investments that were purchased prior to the investment policy guidelines established in December 2008, are still held in the FRS Pension Fund lending programs, but are slowly paying down. These guidelines included a maximum WAM for a portfolio of 60 to 90 days, depending on the lending program. For investments that had floating interest rates, interest rate reset dates were used to calculate the WAM.

The LCEF allows investment of cash collateral only in overnight repurchase agreements that are fully collateralized by U.S. Government and/or agency securities.

For the Florida Lottery lending program, investment policy guidelines require a maximum WAM for a portfolio of 90 days (for separately managed investments).

For the Florida Prepaid lending program, investment policy guidelines state that the maximum rate sensitivity is 60 days, for non-term loans. For cash collateral invested in connection with term loans, which are loans collateralized by cash where the agreed date of maturity of the loan or the date of renegotiation of the rebate rate for the loan is greater than one business day,

the investment policy guidelines allow the rate of sensitivity to exceed 60 days. The “rate sensitivity” of a security or instrument shall mean (a) in the case of a fixed rate security or instrument (i) the date on which final payment is due or (ii) the principal amount can be recovered through demand (if applicable) or (b) in the case of a floating or variable rate security or instrument, the shorter of the period of time remaining until either (i) the next readjustment of the interest rate or (ii) the principal amount can be recovered through demand (if applicable).

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

**FRS Pension Trust Fund**  
**Debt Investments**  
**As of June 30, 2015**

| Investment type                                   | Fair value<br>(duration) | Effective<br>weighted<br>duration<br>(in years) | Fair value<br>(WAM)  | Weighted<br>average<br>maturity<br>(in days) |
|---------------------------------------------------|--------------------------|-------------------------------------------------|----------------------|----------------------------------------------|
| Certificates of deposit                           | \$ .....                 | N/A                                             | \$ 1,936,529         | 20                                           |
| Commercial paper                                  | .....                    | N/A                                             | 5,867,392            | 27                                           |
| Money market funds                                | .....                    | N/A                                             | 4,470,410            | 1                                            |
| Repurchase agreements                             | .....                    | N/A                                             | 4,175,237            | 2                                            |
| U.S. guaranteed obligations:                      |                          |                                                 |                      |                                              |
| U.S. Treasury bills                               | 4,139                    | 0.30                                            | .....                | N/A                                          |
| U.S. Treasury bonds and notes                     | 5,758,098                | 3.87                                            | .....                | N/A                                          |
| Index linked government bonds                     | 211,746                  | 8.20                                            | .....                | N/A                                          |
| U.S. government guaranteed bonds and notes        | 51,181                   | 5.71                                            | .....                | N/A                                          |
| GNMA mortgage-backed pass-through                 | 749,820                  | 3.43                                            | .....                | N/A                                          |
| GNMA commitments to purchase (TBAs)               | 693,557                  | 3.50                                            | .....                | N/A                                          |
| GNMA CMO's and CMBS                               | 153,774                  | 3.13                                            | .....                | N/A                                          |
| Federal agencies:                                 |                          |                                                 |                      |                                              |
| Discount notes                                    | 344,754                  | 0.16                                            | .....                | N/A                                          |
| Unsecured bonds and notes                         | 707,763                  | 2.95                                            | .....                | N/A                                          |
| Agency strips                                     | 212,416                  | 2.83                                            | .....                | N/A                                          |
| Mortgage-backed pass-through                      | 4,554,035                | 3.47                                            | .....                | N/A                                          |
| TBA mortgage-backed pass-through                  | 2,454,550                | 3.85                                            | .....                | N/A                                          |
| Mortgage-backed CMO's and CMBS <sup>1</sup>       | 1,185,194                | 3.60                                            | .....                | N/A                                          |
| Domestic bonds and notes:                         |                          |                                                 |                      |                                              |
| Corporate                                         | 5,541,558                | 4.32                                            | .....                | N/A                                          |
| Non-government asset and mortgage-backed          | 873,742                  | 1.98                                            | 59,857               | 27                                           |
| Non-government backed CMO's and CMBS              | 1,312,605                | 3.80                                            | 16,691               | 25                                           |
| Municipal/provincial                              | 23,982                   | 2.84                                            | .....                | N/A                                          |
| Real estate mortgage loans                        | 2,783                    | 6.24                                            | .....                | N/A                                          |
| International bonds and notes:                    |                          |                                                 |                      |                                              |
| Government and agency                             | 1,103,046                | 3.17                                            | .....                | N/A                                          |
| Corporate                                         | 1,487,296                | 3.65                                            | .....                | N/A                                          |
| Non-government asset and mortgage-backed          | 40,748                   | 1.05                                            | .....                | N/A                                          |
| Non-government backed CMO's and CMBS <sup>1</sup> | 5,339                    | 0.15                                            | 17,065               | 16                                           |
| Futures contracts - long <sup>2</sup>             | .....                    | 3.45                                            | .....                | N/A                                          |
| Options purchased <sup>3</sup>                    | 33                       | See Note 3                                      | .....                | N/A                                          |
| Swap contracts <sup>2</sup>                       | 925                      | (4.15)                                          | .....                | N/A                                          |
| Total debt investments                            | <u>\$ 27,473,084</u>     |                                                 | <u>\$ 16,543,181</u> |                                              |

<sup>1</sup>Includes investments in IO's, PO's, and INV's totaling \$63 million at June 30, 2015.

<sup>2</sup>The futures and swap contracts effective weighted duration was calculated using notional values rather than fair values. For foreign futures, local notional value was converted to a U.S. dollar value based on foreign exchange rates at June 30, 2015.

<sup>3</sup>An option's effective weighted duration measures the rate of change of price with respect to yield. The effective weighted duration was (.02) at June 30, 2015.



Interest rate risk information for debt investments sold short is presented below (in thousands).

**FRS Pension Trust Fund**  
**Sold Short<sup>1</sup> Debt Investment Positions**  
**As of June 30, 2015**

| Investment type                                | Fair value<br>(duration) | Effective weighted<br>duration (in years) |
|------------------------------------------------|--------------------------|-------------------------------------------|
| GNMA commitments to sell (TBAs)                | \$ (11,843)              | 3.24                                      |
| FNMA, FHLMC commitments to sell (TBAs)         | (145,133)                | 3.47                                      |
| Futures contracts <sup>2</sup>                 | -                        | 4.22                                      |
| Options sold <sup>3</sup>                      | (17)                     | See Note <sup>3</sup>                     |
| Total debt investments sold short <sup>1</sup> | <u>\$ (156,993)</u>      |                                           |

<sup>1</sup> Investments sold short are reported as liabilities on the Statement of Fiduciary Net Position.

<sup>2</sup> The futures contracts effective weighted duration was calculated using notional values rather than fair values. For foreign futures, local notional value was converted to a U.S. dollar value based on foreign exchange rates

<sup>3</sup> An option's effective weighted duration measures the rate of change of price with respect to yield. Effective weighted duration was (.01) at June 30, 2015.

Presented below are interest rate risk schedules for all debt-related investments managed by the SBA (excluding the FRS Pension Trust Fund), as of June 30, 2015 (in thousands). Certain investment types may be presented using two or more interest rate risk methods if the investment types are managed using different techniques. For example, if investments are purchased to match scheduled debt payments, to coincide with Lottery prize payouts, or are entirely client directed investments, the investments are presented using the segmented time distribution method. If investments are in a portfolio that contains weighted average maturity restrictions, the investments are presented using this method. If investments are subject to certain restrictions on duration, then that method is used. Individual investments are only included in one of the following three methods scheduled below.

**Debt Investments Managed by SBA (except FRS Pension Trust Fund)**  
**That Use Segmented Time Distribution Method**  
**As of June 30, 2015**

| Investment type                          | Total fair<br>value | Investment maturities (in years) |                  |                  |                  |                  |                  |                  |
|------------------------------------------|---------------------|----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                          |                     | Less than or<br>equal to 1       | > 1 to 3         | > 3 to 5         | > 5 to 10        | >10 to 15        | > 15 to 20       | > 20             |
| U.S. guaranteed obligations:             |                     |                                  |                  |                  |                  |                  |                  |                  |
| U.S. Treasury bills                      | \$ 31,857           | \$ 31,857                        | \$ .....         | \$ .....         | \$ .....         | \$ .....         | \$ .....         | \$ .....         |
| U.S. Treasury bonds,<br>notes, and SLGS* | 701,195             | 700,311                          | 315              | 363              | 206              | .....            | .....            | .....            |
| U.S. Treasury strips                     | 372,265             | 66,412                           | 69,793           | 37,425           | 85,887           | 83,094           | 16,003           | 13,651           |
| Federal agencies:                        |                     |                                  |                  |                  |                  |                  |                  |                  |
| Unsecured bonds and notes                | 2,269               | 2,269                            | .....            | .....            | .....            | .....            | .....            | .....            |
| Total debt investments                   | <u>\$ 1,107,586</u> | <u>\$ 800,849</u>                | <u>\$ 70,108</u> | <u>\$ 37,788</u> | <u>\$ 86,093</u> | <u>\$ 83,094</u> | <u>\$ 16,003</u> | <u>\$ 13,651</u> |

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

**Debt Investments Managed by SBA (except FRS Pension Trust Fund)**  
**That Use Weighted Average Maturity Method or Duration Method**  
**As of June 30, 2015**

| Investment type                                   | Fair value<br>(duration) | Effective<br>weighted<br>duration<br>(in years) | Fair value<br>(WAM)  | Weighted<br>average<br>maturity<br>(in days) |
|---------------------------------------------------|--------------------------|-------------------------------------------------|----------------------|----------------------------------------------|
| Certificates of deposit                           | \$ 3,003                 | 0.20                                            | \$ 5,112,977         | 39                                           |
| Commercial paper                                  | .....                    | N/A                                             | 4,334,398            | 45                                           |
| Money market funds                                | 886,894                  | 0.09                                            | 2,050,230            | 1                                            |
| Repurchase agreements                             | .....                    | N/A                                             | 1,882,714            | 7                                            |
| U.S. guaranteed obligations:                      |                          |                                                 |                      |                                              |
| U.S. Treasury bills                               | 91,617                   | 0.22                                            | .....                | N/A                                          |
| U.S. Treasury bonds and notes                     | 231,941                  | 4.52                                            | 39,173               | 184                                          |
| U.S. Treasury strips                              | 5,276,330                | 10.44                                           | .....                | N/A                                          |
| Index linked government bonds                     | 189,068                  | 6.32                                            | .....                | N/A                                          |
| U.S. government guaranteed                        | 103,105                  | 5.06                                            | .....                | N/A                                          |
| GNMA mortgage-backed pass through                 | 106,090                  | 4.35                                            | .....                | N/A                                          |
| GNMA commitments to purchase (TBAs)               | 70,899                   | 4.40                                            | .....                | N/A                                          |
| GNMA CMO's                                        | 24,430                   | 2.65                                            | .....                | N/A                                          |
| Federal agencies:                                 |                          |                                                 |                      |                                              |
| Discount notes                                    | 34,830                   | 0.05                                            | 911,553              | 117                                          |
| Unsecured bonds and notes                         | 129,497                  | 6.43                                            | 4,999,732            | 90                                           |
| Agency strips                                     | 774,450                  | 7.51                                            | .....                | N/A                                          |
| Mortgage-backed (FNMA, FHLMC)                     | 583,881                  | 3.94                                            | .....                | N/A                                          |
| FNMA, FHLMC commitments to purchase (TBAs)        | 215,934                  | 3.40                                            | .....                | N/A                                          |
| Mortgage-backed CMO's                             | 29,964                   | 3.04                                            | .....                | N/A                                          |
| Domestic bonds and notes:                         |                          |                                                 |                      |                                              |
| Corporate                                         | 1,238,884                | 7.52                                            | 2,454,454            | 46                                           |
| Non-government asset and mortgage-backed          | 106,389                  | 1.24                                            | 67,149               | 19                                           |
| Non-government backed CMO's and CMBS <sup>1</sup> | 204,113                  | 3.26                                            | .....                | N/A                                          |
| Municipal/provincial                              | 7,448                    | 11.32                                           | 46,400               | 1                                            |
| Domestic bonds and notes commingled funds         | 1,823,909                | 5.33                                            | .....                | N/A                                          |
| International bonds and notes:                    |                          |                                                 |                      |                                              |
| Government and agency                             | 14,109                   | 7.15                                            | 249,980              | 59                                           |
| Corporate                                         | 240,121                  | 6.22                                            | 423,024              | 80                                           |
| Total debt investments                            | <u>\$ 12,386,906</u>     |                                                 | <u>\$ 22,571,784</u> |                                              |

<sup>1</sup> Includes investments in IO's totaling \$37 million at June 30, 2015, in the Florida Prepaid College Program.

### Component Units

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

**Major Component Units  
Debt Investments  
That Use Segmented Time Distribution Method  
As of June 30, 2015**

| Component unit / Investment type | Total fair value | Investment maturities (in years) |            |           |          |
|----------------------------------|------------------|----------------------------------|------------|-----------|----------|
|                                  |                  | Less than or equal to 1          | > 1 to 5   | > 5 to 10 | > 10     |
| University of Florida            |                  |                                  |            |           |          |
| U.S. guaranteed obligations      | \$ 2,540         | \$ .....                         | \$ 2,540   | \$ .....  | \$ ..... |
| Federal agencies                 | .....            | .....                            | .....      | .....     | .....    |
| Bonds & notes                    | 17,765           | 8,524                            | 8,246      | 995       | .....    |
| Mutual funds                     | 170,345          | 17,666                           | 116,838    | 35,841    | .....    |
| Total debt investments           | \$ 190,650       | \$ 26,190                        | \$ 127,624 | \$ 36,836 | \$ ..... |

**Major Component Units  
Debt Investments  
That Use Duration or Weighted Average Maturity Method  
As of June 30, 2015**

| Component unit / Investment type        | Fair value (duration) | Modified duration (in years) | Fair value (WAM) | Weighted Average maturity (in years) |
|-----------------------------------------|-----------------------|------------------------------|------------------|--------------------------------------|
| Florida Housing Finance Corporation     |                       |                              |                  |                                      |
| Certificates of deposit                 | \$ 613                | 1.34                         | \$ .....         | N/A                                  |
| U.S. guaranteed obligations             | 25,552                | 1.94                         | .....            | N/A                                  |
| Federal agencies                        | 23,263                | 0.91                         | .....            | N/A                                  |
| Bonds & notes                           | 198,382               | 0.96                         | .....            | N/A                                  |
| Citizens Property Insurance Corporation |                       |                              |                  |                                      |
| U.S. guaranteed obligations             | .....                 | N/A                          | 1,557,472        | 3.11                                 |
| Federal agencies                        | .....                 | N/A                          | 2,193,111        | 3.05                                 |
| Bonds & notes                           | .....                 | N/A                          | 8,782,996        | 4.67                                 |
| Total debt investments                  | \$ 247,810            |                              | \$ 12,533,579    |                                      |

### 4. Foreign Currency Risk

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

#### *Pooled Investments with the State Treasury*

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

#### *Other Investments*

The FRS Pension Trust Fund, the LCEF, and the Florida Prepaid College Program had exposure to foreign currency risk at June 30, 2015. These funds are managed primarily by the use of "asset classes".

The FRS Pension Trust Fund investment policy, approved on December 9, 2014 (effective January 1, 2015), by the Trustees, limits the global equity asset class (including domestic and foreign equities) to a policy range of 45-70% and a target allocation of 53%. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. Within the global equity asset class, the FRS Pension Trust Fund holds units in international equity commingled funds. The FRS Pension Trust Fund owns only a portion of the overall investment in the funds, which are also owned by other investors. Equity linked notes are participatory notes that

allow the FRS Pension Trust Fund to participate in certain foreign equity markets where direct participation is not possible due to local government regulations, tax policies, or other reasons. The FRS Pension Trust Fund's unit holdings in the overall investments or notes themselves may be valued in U.S. dollars, but a portion of the underlying assets are exposed to foreign currency risk in various currencies. Within the alternative investment asset class, the FRS Pension Trust owns an interest in several alternative investment commingled funds (primarily limited partnerships) with other investors and, therefore, owns only a portion of the overall investment in the funds. The alternative investment funds denominated in Euro currency units are included in the foreign currency risk below. For the alternative investment funds denominated in U.S. dollars, some of the underlying investments may be exposed to foreign currency risk in various currencies. Alternative investments with potential exposure to foreign currency risk totaled \$17.4 billion as of June 30, 2015.

For the LCEF, Trustees approved an investment policy on June 17, 2014, that set the global equity asset class with a policy range of 61-81% and a target allocation of 71%. Other asset classes in the LCEF may hold non-U.S. securities as well, depending on portfolio guidelines.

The Florida Prepaid Program's comprehensive investment plan limits investment in foreign equities to 25% of total equities, with the target for total equities to be the lesser of 15% of the total fund, or the actuarial reserve.

In all cases, Florida law limits the total exposure to foreign securities to 50% of the total fund. There is no requirement that this exposure to foreign currency be hedged through forward currency contracts, although the managers use them in many cases.

## 2015 STATE OF FLORIDA CAFR

Presented below in U.S. dollars are the FRS Pension Trust Fund, Lawton Chiles Endowment Fund, and Florida Prepaid College Fund investments exposed to foreign currency risk as of June 30, 2015, listed in total, by currency (in thousands).

**FRS Pension Trust Fund, Lawton Chiles Endowment Fund (LCEF), and Florida Prepaid College Program  
Investments Exposed to Foreign Currency Risk (fair values in U.S.\$, in thousands)  
As of June 30, 2015**

| Currency                                           | FRS Pension Trust Fund Investment Type |                            |              | LCEF<br>Investment type | Florida Prepaid Program<br>and Investment Plan<br>Investment type |
|----------------------------------------------------|----------------------------------------|----------------------------|--------------|-------------------------|-------------------------------------------------------------------|
|                                                    | Equity                                 | Alternative<br>Investments | Fixed Income | Equity                  | Equity                                                            |
| Australian dollar                                  | \$ 1,191,743                           | \$ .....                   | \$ .....     | \$ 10,326               | \$ 23,283                                                         |
| Brazilian real                                     | 466,067                                | .....                      | .....        | 3,650                   | .....                                                             |
| British pound sterling                             | 5,667,070                              | 413                        | .....        | 26,544                  | 59,748                                                            |
| Canadian dollar                                    | 1,461,287                              | .....                      | .....        | 12,661                  | .....                                                             |
| Chilean peso                                       | 25,764                                 | .....                      | .....        | .....                   | .....                                                             |
| Danish krone                                       | 359,608                                | .....                      | .....        | 2,372                   | 12,336                                                            |
| Egyptian pound                                     | 38,629                                 | .....                      | .....        | .....                   | .....                                                             |
| Euro currency unit                                 | 7,490,040                              | 410,370                    | .....        | 49,682                  | 82,869                                                            |
| Hong Kong dollar                                   | 2,511,811                              | .....                      | .....        | 15,499                  | 11,201                                                            |
| Hungarian forint                                   | 36,560                                 | .....                      | .....        | 183                     | .....                                                             |
| Indian rupee                                       | 530,925                                | .....                      | .....        | .....                   | .....                                                             |
| Indonesian rupiah                                  | 111,122                                | .....                      | .....        | 2,370                   | .....                                                             |
| Israeli shekel                                     | 81,576                                 | .....                      | .....        | .....                   | 3,281                                                             |
| Japanese yen                                       | 5,061,576                              | .....                      | .....        | 40,200                  | 69,605                                                            |
| Kenyan shilling                                    | 21,686                                 | .....                      | .....        | .....                   | .....                                                             |
| Malaysian ringgit                                  | 147,957                                | .....                      | .....        | 1,984                   | .....                                                             |
| Mexican peso                                       | 211,216                                | .....                      | .....        | 2,194                   | .....                                                             |
| New Zealand dollar                                 | 49,496                                 | .....                      | .....        | 230                     | 928                                                               |
| Nigerian naira                                     | 49,172                                 | .....                      | .....        | .....                   | .....                                                             |
| Norwegian krone                                    | 215,902                                | .....                      | .....        | 1,453                   | 2,360                                                             |
| Omani rial                                         | 14,469                                 | .....                      | 195          | .....                   | .....                                                             |
| Pakistani rupee                                    | 23,499                                 | .....                      | .....        | .....                   | .....                                                             |
| Philippines peso                                   | 114,618                                | .....                      | .....        | 884                     | .....                                                             |
| Polish zloty                                       | 80,819                                 | .....                      | .....        | 1,000                   | .....                                                             |
| Qatari riyal                                       | 48,006                                 | .....                      | .....        | .....                   | .....                                                             |
| Singapore dollar                                   | 510,134                                | .....                      | .....        | 1,789                   | 3,831                                                             |
| South African rand                                 | 484,997                                | .....                      | .....        | 6,671                   | .....                                                             |
| South Korean won                                   | 905,714                                | .....                      | .....        | 7,013                   | .....                                                             |
| Sri Lankan rupee                                   | 22,731                                 | .....                      | .....        | .....                   | .....                                                             |
| Swedish krona                                      | 727,736                                | .....                      | .....        | 4,840                   | 10,041                                                            |
| Swiss franc                                        | 2,351,834                              | .....                      | .....        | 10,737                  | 35,430                                                            |
| Taiwan new dollar                                  | 753,626                                | .....                      | .....        | 7,115                   | .....                                                             |
| Thailand baht                                      | 198,953                                | .....                      | .....        | 2,631                   | .....                                                             |
| Turkish lira                                       | 212,228                                | .....                      | .....        | 887                     | .....                                                             |
| UAE dirham                                         | 65,203                                 | .....                      | .....        | .....                   | .....                                                             |
| Other                                              | 50,857                                 | .....                      | .....        | 301                     | .....                                                             |
| Equity linked notes (various currencies)           | 129,240                                | .....                      | .....        | .....                   | .....                                                             |
| International equity commingled funds              | 6,315,998                              | .....                      | .....        | .....                   | .....                                                             |
| Total investments subject to foreign currency risk | \$ 38,739,869                          | \$ 410,783                 | \$ 195       | \$ 213,216              | \$ 314,913                                                        |

In addition to the investments presented above, the FRS Pension Trust Fund holds positions in futures contracts that are subject to foreign currency risk. A futures contract is an agreement between two parties, a buyer and a seller, to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all participants in a market on an organized futures exchange. Upon entering into a futures contract, collateral is deposited with the broker, in the SBA's name, in accordance with the initial margin requirements of the broker. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. The frequency of cash flows depends upon specified collateral and margin limits mutually agreed upon by the SBA and the third-party broker. The margin payments are exposed to foreign currency risk. The FRS Pension Trust Fund's futures contract positions at June 30, 2015, that have exposure to foreign currency risk are presented below (values in thousands).

**FRS Pension Trust Fund**  
**Futures Positions Exposed to Foreign Currency Risk**  
**As of June 30, 2015**

|                         |                        |                        | In Local Currency |           |                          |              |
|-------------------------|------------------------|------------------------|-------------------|-----------|--------------------------|--------------|
|                         |                        | Number of              | Notional          | Notional  | Unrealized               | Unrealized   |
|                         |                        | Contracts <sup>1</sup> | Traded            | Market    | Unrealized               | Gain/(Loss)  |
| Currency                |                        |                        | Exposure          | Exposure  | Gain/(Loss) <sup>2</sup> | (in U.S. \$) |
| Bond Futures:           |                        |                        |                   |           |                          |              |
| Euro BTP                | Euro currency unit     | 709                    | \$ 95,674         | \$ 92,319 | \$ (3,355)               | \$ (3,738)   |
| Euro Bund               | Euro currency unit     | (568)                  | (87,858)          | (86,336)  | 1,522                    | (1,696)      |
| Stock Index Futures:    |                        |                        |                   |           |                          |              |
| GBP FTSE 100 Index      | British pound sterling | 275                    | 18,244            | 17,858    | (386)                    | (606)        |
| Canada S&P/TSE 60 Index | Canadian dollar        | 87                     | 14,849            | 14,684    | (165)                    | (133)        |
| DJ Euro STOXX 50        | Euro currency unit     | 631                    | 21,502            | 21,681    | 179                      | 200          |
| TOPIX Index Future      | Japanese yen           | 222                    | 3,663,623         | 3,619,710 | (43,913)                 | (359)        |

<sup>1</sup> Long positions are positive and short positions are negative.

<sup>2</sup> Margin receipts or payments are settled periodically in the respective local currency and are subject to foreign currency risk.

The FRS Pension Trust Fund, LCEF, and the Florida Prepaid Program and Investment Plan also enter into foreign currency exchange contracts which are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. In the FRS Pension Trust Fund a currency overlay program is used to seek additional value and is run independently of the underlying equity assets. Currently, there are two types of foreign currency contracts being utilized by the FRS Pension Trust Fund. Spot currency contracts are used primarily for trade settlement and currency repatriation and are valued at spot (traded) currency rates. Forward currency contracts are valued at interpolated forward rates and are generally used to mitigate currency risk for changes in value associated with foreign holdings, payables and/or receivables. These contracts are recorded as receivables and payables on the Statement of Fiduciary Net Position. The LCEF and Florida Prepaid Plans currently utilize only spot currency contracts. All of the contracts are subject to foreign currency risk. A schedule of the FRS Pension Trust Fund's foreign currency exchange contracts outstanding at June 30, 2015, is presented below, by currency (in thousands).

# 2015 STATE OF FLORIDA CAFR

## FRS Pension Trust Fund Foreign Currency Exchange Contracts As of June 30, 2015

| Currency to Buy        | Amount to Buy<br>(Local Currency) | Currency to Sell       | Amount to Sell<br>(Local Currency) | Receivable Fair Value<br>(in U.S. \$) | Payable Fair Value<br>(in U.S. \$) | Net Unrealized Gain/(Loss)<br>(in U.S. \$) |
|------------------------|-----------------------------------|------------------------|------------------------------------|---------------------------------------|------------------------------------|--------------------------------------------|
| Australian dollar      | 21,959                            | U.S. dollar            | (17,084)                           | \$ 16,868                             | \$ (17,084)                        | \$ (216)                                   |
| Brazilian real         | 162,805                           | U.S. dollar            | (51,375)                           | 51,857                                | (51,375)                           | 482                                        |
| British pound sterling | 27,251                            | U.S. dollar            | (42,452)                           | 42,842                                | (42,452)                           | 390                                        |
| Canadian dollar        | 15,148                            | U.S. dollar            | (12,216)                           | 12,129                                | (12,216)                           | (87)                                       |
| Chilean peso           | 21,056,102                        | U.S. dollar            | (33,671)                           | 32,846                                | (33,671)                           | (825)                                      |
| Chinese yuan renminbi  | 111,434                           | U.S. dollar            | (18,120)                           | 18,146                                | (18,120)                           | 26                                         |
| Columbian peso         | 10,711,943                        | U.S. dollar            | (4,090)                            | 4,088                                 | (4,090)                            | (2)                                        |
| Danish krone           | 9,010                             | U.S. dollar            | (1,369)                            | 1,349                                 | (1,369)                            | (20)                                       |
| Euro currency unit     | 909                               | British pound sterling | (644)                              | 1,013                                 | (1,013)                            | ....                                       |
| Euro currency unit     | 143,383                           | U.S. dollar            | (161,056)                          | 159,853                               | (161,056)                          | (1,203)                                    |
| Hong Kong dollar       | 245                               | Japanese yen           | (3,869)                            | 32                                    | (32)                               | ....                                       |
| Hong Kong dollar       | 21,400                            | U.S. dollar            | (2,760)                            | 2,760                                 | (2,760)                            | ....                                       |
| Hungarian forint       | 1,060,000                         | Euro currency unit     | (3,396)                            | 3,742                                 | (3,788)                            | (46)                                       |
| Hungarian forint       | 5,269,943                         | U.S. dollar            | (19,100)                           | 18,619                                | (19,100)                           | (481)                                      |
| Indian rupee           | 3,729,368                         | U.S. dollar            | (57,536)                           | 58,048                                | (57,536)                           | 512                                        |
| Indonesian rupiah      | 628,193,642                       | U.S. dollar            | (45,853)                           | 46,424                                | (45,853)                           | 571                                        |
| Israeli shekel         | 45,576                            | U.S. dollar            | (11,904)                           | 12,082                                | (11,904)                           | 178                                        |
| Japanese yen           | 843,316                           | Australian dollar      | (8,948)                            | 6,892                                 | (6,877)                            | 15                                         |
| Japanese yen           | 4,408                             | British pound sterling | (23)                               | 36                                    | (36)                               | ....                                       |
| Japanese yen           | 9,529,044                         | U.S. dollar            | (77,200)                           | 77,906                                | (77,200)                           | 706                                        |
| Malaysian ringgit      | 17,189                            | U.S. dollar            | (4,599)                            | 4,532                                 | (4,599)                            | (67)                                       |
| Mexican peso           | 250,019                           | U.S. dollar            | (16,247)                           | 15,899                                | (16,247)                           | (348)                                      |
| Moroccan dirham        | 1,598                             | U.S. dollar            | (164)                              | 164                                   | (164)                              | ....                                       |
| New Zealand dollar     | 7,830                             | U.S. dollar            | (5,549)                            | 5,264                                 | (5,549)                            | (285)                                      |
| Norwegian krone        | 282,167                           | U.S. dollar            | (35,906)                           | 35,848                                | (35,906)                           | (58)                                       |
| Pakistan rupee         | 3,826                             | U.S. dollar            | (37)                               | 37                                    | (37)                               | ....                                       |
| Peruvian nuevo sol     | 25,855                            | U.S. dollar            | (8,092)                            | 8,053                                 | (8,092)                            | (39)                                       |
| Philippines peso       | 208,960                           | Euro currency unit     | (4,633)                            | 4,617                                 | (4,633)                            | (16)                                       |
| Polish zloty           | 28,200                            | Euro currency unit     | (6,806)                            | 7,484                                 | (7,591)                            | (107)                                      |
| Polish zloty           | 137,777                           | U.S. dollar            | (36,820)                           | 36,597                                | (36,820)                           | (223)                                      |
| Qatari riyal           | 104                               | U.S. dollar            | (29)                               | 29                                    | (29)                               | ....                                       |
| Romanian leu           | 15,200                            | Euro currency unit     | (3,417)                            | 3,777                                 | (3,811)                            | (34)                                       |
| Russian ruble          | 361,002                           | U.S. dollar            | (6,367)                            | 6,307                                 | (6,367)                            | (60)                                       |
| Singapore dollar       | 369                               | Japanese yen           | (33,538)                           | 274                                   | (274)                              | ....                                       |
| Singapore dollar       | 2,518                             | U.S. dollar            | (1,868)                            | 1,870                                 | (1,868)                            | 2                                          |
| South African rand     | 411,084                           | U.S. dollar            | (33,118)                           | 33,669                                | (33,118)                           | 551                                        |
| South Korean won       | 10,779,172                        | U.S. dollar            | (9,661)                            | 9,639                                 | (9,661)                            | (22)                                       |
| Swedish krona          | 177,397                           | U.S. dollar            | (21,135)                           | 21,397                                | (21,135)                           | 262                                        |
| Swiss franc            | 470                               | British pound sterling | (319)                              | 503                                   | (502)                              | 1                                          |
| Swiss franc            | 17,659                            | U.S. dollar            | (19,153)                           | 18,932                                | (19,153)                           | (221)                                      |
| Taiwan new dollar      | 332,673                           | U.S. dollar            | (10,796)                           | 10,793                                | (10,796)                           | (3)                                        |
| Thailand baht          | 23,753                            | U.S. dollar            | (701)                              | 702                                   | (701)                              | 1                                          |
| Turkish lira           | 144,071                           | U.S. dollar            | (52,707)                           | 53,437                                | (52,707)                           | 730                                        |
| U.S. dollar            | 89,501                            | Australian dollar      | (116,203)                          | 89,501                                | (89,090)                           | 411                                        |
| U.S. dollar            | 7,674                             | Brazilian real         | (24,532)                           | 7,674                                 | (7,718)                            | (44)                                       |
| U.S. dollar            | 77,884                            | British pound sterling | (50,208)                           | 77,884                                | (78,933)                           | (1,049)                                    |
| U.S. dollar            | 102,323                           | Canadian dollar        | (126,278)                          | 102,323                               | (101,095)                          | 1,228                                      |
| U.S. dollar            | 41,024                            | Chilean peso           | (25,391,581)                       | 41,024                                | (39,646)                           | 1,378                                      |
| U.S. dollar            | 16,539                            | Chinese yuan renminbi  | (101,876)                          | 16,539                                | (16,587)                           | (48)                                       |
| U.S. dollar            | 153                               | Danish krone           | (1,024)                            | 153                                   | (153)                              | ....                                       |
| U.S. dollar            | 327,162                           | Euro currency unit     | (293,289)                          | 327,162                               | (326,880)                          | 282                                        |
| U.S. dollar            | 17,905                            | Hong Kong dollar       | (138,812)                          | 17,905                                | (17,905)                           | ....                                       |
| U.S. dollar            | 72,550                            | Hungarian forint       | (20,176,444)                       | 72,550                                | (71,285)                           | 1,265                                      |
| U.S. dollar            | 8,010                             | Indian rupee           | (522,629)                          | 8,010                                 | (8,107)                            | (97)                                       |
| U.S. dollar            | 2,066                             | Indonesian rupiah      | (28,179,203)                       | 2,066                                 | (2,086)                            | (20)                                       |
| U.S. dollar            | 15,445                            | Israeli shekel         | (59,079)                           | 15,445                                | (15,662)                           | (217)                                      |
| U.S. dollar            | 247,702                           | Japanese yen           | (30,877,564)                       | 247,702                               | (252,440)                          | (4,738)                                    |
| U.S. dollar            | 769                               | Kenyan shilling        | (76,292)                           | 769                                   | (769)                              | ....                                       |
| U.S. dollar            | 56,431                            | Mexican peso           | (876,796)                          | 56,431                                | (55,811)                           | 620                                        |
| U.S. dollar            | 54,067                            | New Zealand dollar     | (77,979)                           | 54,067                                | (52,604)                           | 1,463                                      |
| U.S. dollar            | 45,172                            | Norwegian krone        | (350,200)                          | 45,172                                | (44,470)                           | 702                                        |
| U.S. dollar            | 29                                | Pakistan rupee         | (2,939)                            | 29                                    | (29)                               | ....                                       |
| U.S. dollar            | 1,921                             | Philippines peso       | (86,774)                           | 1,921                                 | (1,924)                            | (3)                                        |
| U.S. dollar            | 26,041                            | Polish zloty           | (96,711)                           | 26,041                                | (25,706)                           | 335                                        |
| U.S. dollar            | 2,386                             | Russian ruble          | (137,869)                          | 2,386                                 | (2,404)                            | (18)                                       |
| U.S. dollar            | 23,531                            | Singapore dollar       | (31,700)                           | 23,531                                | (23,517)                           | 14                                         |
| U.S. dollar            | 12,943                            | South African rand     | (161,406)                          | 12,943                                | (13,226)                           | (283)                                      |
| U.S. dollar            | 53,955                            | South Korean won       | (60,382,650)                       | 53,955                                | (54,009)                           | (54)                                       |
| U.S. dollar            | 58,947                            | Swedish krona          | (486,487)                          | 58,947                                | (58,684)                           | 263                                        |
| U.S. dollar            | 80,907                            | Swiss franc            | (75,647)                           | 80,907                                | (81,143)                           | (236)                                      |
| U.S. dollar            | 8,204                             | Taiwan new dollar      | (256,137)                          | 8,204                                 | (8,311)                            | (107)                                      |
| U.S. dollar            | 11,984                            | Turkish lira           | (32,939)                           | 11,984                                | (12,249)                           | (265)                                      |
| Total                  |                                   |                        |                                    | \$ 2,310,581                          | \$ (2,309,735)                     | \$ 846                                     |

A Schedule of the Lawton Chiles Endowment Fund's foreign currency exchange contracts outstanding at June 30, 2015, is presented below, by currency (in thousands):

**Lawton Chiles Endowment Fund**  
**Foreign Currency Exchange Contracts**  
**As of June 30, 2015**

| Currency to Buy | Amount to Buy<br>(Local Currency) | Currency to Sell | Amount to<br>Sell (Local<br>Currency) | Receivable Fair<br>Value<br>(in U.S. \$) | Payable Fair<br>Value<br>(in U.S. \$) | Net Unrealized<br>Gain/(Loss)<br>(in U.S. \$) |
|-----------------|-----------------------------------|------------------|---------------------------------------|------------------------------------------|---------------------------------------|-----------------------------------------------|
| U.S. dollar     | 47                                | Japanese yen     | (5,767)                               | \$ 47                                    | \$ (47)                               | \$ .....                                      |
| U.S. dollar     | 76                                | Japanese yen     | (9,320)                               | 76                                       | (76)                                  | .....                                         |
| Total           |                                   |                  |                                       | \$ 123                                   | \$ (123)                              | \$ .....                                      |

### ***Component Units***

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

## **5. Security Lending**

### ***Pooled Investments with the State Treasury***

Section 17.61(1), F.S., authorizes the State Treasury to participate in a security lending program. Agents of the State Treasury loan securities, including U.S. government and federally guaranteed obligations, bonds, and notes to broker/dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral for loaned securities cannot be less than 100 percent of the fair value of the underlying security plus accrued interest. Such collateral may consist of cash or government securities. 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, 2015. If a situation occurs where an agent does not receive collateral sufficient to offset the fair value of any securities lent, or the borrowers fail to return the securities or fail to pay the State Treasury for income distributions by the securities' issuers while the securities are on loan, the agent is required to indemnify the State Treasury for any losses that might occur. The State Treasury received \$1,476,757,337 cash collateral and \$2,411,964,964 non-cash collateral for securities loaned to others. Since the State Treasury does not have the ability to pledge or sell non-cash collateral securities, any non-cash portion of the collateral is not reported on the balance sheet. Securities held with others under security lending agreements with cash collateral totaled \$1,440,053,180. Securities held with others under security lending agreements with non-cash collateral totaled \$2,356,978,032. Security lending asset and liability balances are allocated at fiscal year-end and reported among all participating funds of the primary government.



The securities held with others under security lending agreements as of June 30, 2015, are as follows (in thousands):

**State Treasury Investments on Loan Under Security Lending Agreements  
As of June 30, 2015**

| <b>Securities on Loan for Cash Collateral,<br/>by Security Type</b>     | <b>Fair Value of Securities on<br/>Loan*</b> |
|-------------------------------------------------------------------------|----------------------------------------------|
| U.S. guaranteed obligations                                             | \$ 948,952                                   |
| Federal agencies                                                        | 91,050                                       |
| Bonds and notes - domestic                                              | 334,294                                      |
| Bonds and notes - international                                         | 65,757                                       |
| <b>Total securities on loan for cash collateral</b>                     | <b>\$ 1,440,053</b>                          |
| <b>Securities on Loan for Non-Cash Collateral,<br/>by Security Type</b> |                                              |
| U.S. guaranteed obligations                                             | 2,331,122                                    |
| Bonds and notes - domestic                                              | 19,829                                       |
| Bonds and notes - international                                         | 6,027                                        |
| <b>Total securities on loan for non-cash collateral</b>                 | <b>\$ 2,356,978</b>                          |
| <b>Total securities on loan</b>                                         | <b>\$ 3,797,031</b>                          |

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

### **Other Investments**

Through the SBA, various funds, including the FRS Pension Trust Fund, the Florida Lottery Trust Fund, the LCEF, and the Florida Prepaid College Program participate in security lending programs. Initial collateral requirements for securities on loan range from 100% to 105%, depending on the lending agent, the type of security lent and the type of collateral received. The SBA had received and invested \$10,043,966,387 in cash and \$3,254,784,317 in U.S. government securities as collateral for the lending programs as of June 30, 2015. At June 30, 2015, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest), except with one borrower in the Florida Prepaid College Program where the market value of securities on loan exceeded the market value of collateral held by \$16,857. All security lending programs have indemnity clauses requiring the lending agent to assume borrower's risk from default. The SBA does not have the ability to pledge or sell the non-cash collateral securities, so the non-cash portion is not reported on the balance sheet or the Statement of (Fiduciary) Net Position. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned, because security loan agreements are generally open-ended with no fixed expiration date. As such, investments made with cash collateral are primarily in short-term investments. However, investments purchased for some security lending programs included investments with final maturities of six months or more representing a range of approximately 1% to 46% 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.

At June 30, 2015, the collateral re-investment portfolios for the FRS Pension Trust Fund and the LCEF were primarily reinvested in overnight repurchase agreements (repos) in order to maximize earnings and reduce risk. The portfolios contain some legacy non-repo securities that will remain until they are either sold or mature. At June 30, 2015, there were three lending agents, including the master custodian and two third-party agents.

The schedule below discloses the fair value and carrying value of investments on loan at June 30, 2015 (in thousands):

**Schedule of Other Investments on Loan Under Security Lending Agreements  
As of June 30, 2015**

|                                                                         | Fair value of Securities on Loan <sup>1</sup> |                                  |                      |
|-------------------------------------------------------------------------|-----------------------------------------------|----------------------------------|----------------------|
|                                                                         | FRS Pension<br>Trust Fund                     | Other funds<br>Managed by<br>SBA | Total                |
| <b>Securities on Loan for Cash Collateral,<br/>by Security type</b>     |                                               |                                  |                      |
| U.S. guaranteed obligations                                             | \$ 274,393                                    | \$ 1,177,457                     | \$ 1,451,850         |
| Federal agencies                                                        | 19,012                                        | 60,002                           | 79,014               |
| Domestic bonds and notes                                                | 462,601                                       | 140,414                          | 603,015              |
| International bonds and notes                                           | 162,012                                       | 37,658                           | 199,670              |
| Domestic stocks                                                         | 4,605,884                                     | 164,140                          | 4,770,024            |
| International stocks                                                    | 2,596,899                                     | 32,131                           | 2,629,030            |
| <b>Total securities on loan for cash collateral</b>                     | <b>\$ 8,120,801</b>                           | <b>\$ 1,611,802</b>              | <b>\$ 9,732,603</b>  |
| <b>Securities on Loan for Non-Cash Collateral,<br/>by Security type</b> |                                               |                                  |                      |
| U.S. guaranteed obligations                                             | \$ .....                                      | \$ 128,466                       | \$ 128,466           |
| Domestic bonds and notes                                                | .....                                         | 6,321                            | 6,321                |
| International bonds and notes                                           | .....                                         | 1,145                            | 1,145                |
| Domestic stocks                                                         | 2,986,967                                     | 11,636                           | 2,998,603            |
| International stocks                                                    | 59,094                                        | 1,343                            | 60,437               |
| <b>Total securities on loan for non-cash collateral</b>                 | <b>\$ 3,046,061</b>                           | <b>\$ 148,911</b>                | <b>\$ 3,194,972</b>  |
| <b>Total securities on loan</b>                                         | <b>\$ 11,166,862</b>                          | <b>\$ 1,760,713</b>              | <b>\$ 12,927,575</b> |

<sup>1</sup>The fair value equals the carrying value of investments on loan. Fair value includes accrued interest on debt securities.

## 6. Derivatives

A derivative instrument is defined as a financial instrument or other contract that has all of the following characteristics:

- Settlement factors. It has (1) one or more reference rates and (2) one or more notional amounts or payment provisions or both. These terms determine the amount of the settlement or settlements and, in some cases, whether or not a settlement is required.
- Leverage. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- Net Settlement. Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivative instruments consisted of futures, options, forward currency contracts, and swaps.

### *Pooled Investments with the State Treasury*

Pursuant to the State Treasury's established investment policy guidelines, interest rate futures are used as part of the investment strategy related to interest rate risk, duration adjustments, and yield curve strategies. Although put and call options on any security are permitted under the State Treasury's investment guidelines, interest rate futures were the only type of derivative held as of June 30, 2015. The State Treasury did not utilize derivatives for hedging activities during the fiscal year ending June 30, 2015. All of the State Treasury investment derivatives were reported at fair value in the accompanying financial statements as of June 30, 2015.

A summary of investment derivatives traded in the State Treasury is presented below (in thousands):

|                                                       | Changes in Fair Value |            | Fair Value at June 30, 2015 |        | Notional<br>(in U.S. \$) |
|-------------------------------------------------------|-----------------------|------------|-----------------------------|--------|--------------------------|
|                                                       | Classification        | Amount     | Classification              | Amount |                          |
| <b>State Treasury</b>                                 |                       |            |                             |        |                          |
| Investment derivative instruments:                    |                       |            |                             |        |                          |
| Futures                                               | Investment Income     | \$ (2,609) | Receivable/(Payable)        | \$ 370 | \$ (1,357,800)           |
| This schedule includes both long and short positions. |                       |            |                             |        |                          |

See section 1E of Note 1 to these financial statements regarding State Treasury's securities pricing policies and independent pricing services methodologies related to securities not available on quoted market pricing exchanges.

### **Other Investments**

The SBA has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are authorized to be used as tools for managing risk or executing investment strategies more efficiently than could otherwise be done in cash markets. Derivative instruments shall only be used as part of a prudent investment process. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets, default risk, and mortgaged-backed security prepayment risk, as well as to cost effectively manage exposure to domestic and international equities and bond and real estate markets.

A futures contract is an agreement between two parties, a buyer and a seller, to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all participants in a market on an organized futures exchange. Upon entering in to a futures contract, collateral (cash and/or securities) is deposited with the broker, in SBA's name, in accordance with the initial margin requirements of the broker. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. The frequency of cash flows depends on specified collateral and margin limits mutually agreed upon by the SBA and third-party clearing broker. Future contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Fiduciary Net Position. Losses may arise from future changes in the value of the underlying instrument.

An option gives the buyer a stipulated privilege of buying or selling a stated property, security, or commodity at a given price (strike price) within a specified time (for an American-style option, at any time prior to or on the expiration date). A securities option is a negotiable contract in which the seller (writer), for a certain sum of money called the option premium, gives the buyer the right to demand within a specified time the purchase (call) from or sale (put) to the option seller of a specified number of bonds, currency units, index units, or shares of stock, at a fixed price or rate, called the strike price.

A forward currency contract is a contractual obligation, typically over-the-counter, traded between two parties to exchange a particular good or instrument at a set price on a future date. The buyer of the forward agrees to pay the price and take delivery of the good or instrument and is said to be "long" the forward contract, while the seller of the forward, or "short", agrees to deliver the good or instrument at the agreed price on the agreed date.

A swap is a contractual agreement to exchange a stream of periodic payments utilizing a central clearing house (new regulation requirements that went into effect in fiscal year 2014), whereby, each party in the transaction enters into a contract with the central counterparty. These agreements may be over-the-counter or exchange-traded. Upon entering into a swap contract through a clearing house, collateral is deposited with the broker, in SBA's name, in accordance with the initial margin requirements of the broker. Swaps are available in and between all active financial markets. Examples include:

Interest rate swap - An agreement between two parties where one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate.

Credit default swap - An agreement that allows one party to "buy" protection from another party for losses that might be incurred as a result of default by a specified reference credit (or credits). The "buyer" of protection pays a premium for the protection, and the "seller" of protection agrees to make a payment to compensate the buyer for losses incurred if a defined credit event occurs.

A summary of investment derivatives traded in the FRS Pension Trust Fund is presented below. As of June 30, 2015, all of the SBA investment derivatives were reported at fair value (in thousands).

| Increase/(Decrease) in Fair Value               |                   |           | Fair Value at June 30, 2015         |            | Notional<br>(in U.S. \$) |
|-------------------------------------------------|-------------------|-----------|-------------------------------------|------------|--------------------------|
| Classification                                  | Amount            |           | Classification                      | Amount     |                          |
|                                                 | (in U.S. \$)      |           |                                     |            |                          |
| <b>Fiduciary funds (FRS Pension Trust Fund)</b> |                   |           |                                     |            |                          |
| Investment derivative instruments:              |                   |           |                                     |            |                          |
| Futures <sup>1</sup>                            | Investment Income | \$ 97,210 | Receivable/(Payable)                | \$ (8,967) | \$2,751,145              |
| Options                                         | Investment Income | (2,819)   | Investment/(Liability) <sup>2</sup> | 17         | 1,000                    |
| Forward currency contracts                      | Investment Income | 109,342   | Receivable/(Payable) <sup>3</sup>   | 787        | 787                      |
| Interest rate swaps                             | Investment Income | (559)     | Investment                          | (542)      | 101,000                  |
| Credit default swaps                            | Investment Income | 1,114     | Investment                          | 1,467      | 103,000                  |

<sup>1</sup> The total unrealized loss for open futures contracts at June 30, 2015, was \$(8,967,409) in the FRS Pension Trust Fund. Cash payments in the amount of \$18,026,406 had already been settled with the broker on or before June 30, 2015. Outstanding remaining net futures margin at June 30, 2015, totaled \$9,058,997 for the FRS Pension Trust Fund, which is reported gross on the Statement of Fiduciary Net Position as "Accounts receivable" and "Accounts payable and accrued liabilities". The total notional value on long and short futures positions were \$4,226,231,605 and \$(1,475,086,560), respectively.

<sup>2</sup> Purchased options are reported as investments and short sales of options are reported as liabilities on the Statement of Fiduciary Net Position. This schedule nets both long and short positions.

<sup>3</sup> The total receivable and payable notional and fair values (in U.S. dollars) for forward currency contracts in the FRS Pension Trust Fund were \$2,199,459,653 and \$(2,198,672,804) as of June 30, 2015. These amounts are included in "Foreign currency contracts receivable" and "Foreign currency contracts payable" on the Statement of Fiduciary Net Position.

## 7. Commitments

Each year the FRS Pension Trust Fund enters into a number of agreements that commit the Fund, upon request, to make additional investment purchases (i.e., capital commitments) up to predetermined amounts over certain investment time periods. The unfunded capital commitments that are not reported on the FRS Pension Trust Fund Statement of Fiduciary Net Position totaled \$11.2 billion as of June 30, 2015.

**NOTE 3 - RECEIVABLES AND PAYABLES**

“Receivables, net” and “Other loans and notes receivable, net,” as presented on the Government-wide Statement of Net Position and the applicable balance sheets and statements of net position in the fund financial statements, consist of the following (in thousands):

**GOVERNMENTAL ACTIVITIES**

|                                                | General<br>Fund     | Environment,<br>Recreation and<br>Conservation | Public<br>Education | Health and<br>Family<br>Services | Transportation    |
|------------------------------------------------|---------------------|------------------------------------------------|---------------------|----------------------------------|-------------------|
| Accounts receivable                            | \$ 128,168          | \$ 9,714                                       | \$ 692              | \$ 830,668                       | \$ 6,227          |
| Contracts & grants receivable                  | .....               | 1,328                                          | .....               | .....                            | 96                |
| Due from Federal government                    | 2,022               | 25,300                                         | 4,640               | 697,862                          | 23,018            |
| Due from other governmental units              | 114                 | 593                                            | .....               | 3,879                            | 149,731           |
| Interest & dividends receivable                | 14,152              | 1,475                                          | 983                 | 219                              | 4,221             |
| Loans & notes receivable                       | 69,361              | 168,038                                        | 255                 | .....                            | 16                |
| Fees receivable                                | 121,371             | 35                                             | .....               | .....                            | .....             |
| Taxes receivable                               | 3,144,043           | 21,917                                         | 57,401              | .....                            | 222,974           |
| Allowance for uncollectibles                   | (1,772,161)         | (7,140)                                        | (825)               | (28,446)                         | (8,467)           |
| <b>Receivables, net</b>                        | <b>\$ 1,707,070</b> | <b>\$ 221,260</b>                              | <b>\$ 63,146</b>    | <b>\$ 1,504,182</b>              | <b>\$ 397,816</b> |
|                                                |                     |                                                |                     |                                  |                   |
| Loans & notes receivable                       |                     |                                                |                     |                                  |                   |
| from other governments                         | \$ 28,841           | \$ 1,155,551                                   | \$ .....            | \$ .....                         | \$ 966,202        |
| Long-term interest receivable                  | .....               | .....                                          | .....               | .....                            | 2,006             |
| Other loans & notes receivable                 | 9,605               | .....                                          | 1,667               | 296,984                          | 1,089             |
| Allowance for uncollectibles                   | (96)                | .....                                          | (1,417)             | (275,647)                        | (9,499)           |
| <b>Other loans &amp; notes receivable, net</b> | <b>\$ 38,350</b>    | <b>\$ 1,155,551</b>                            | <b>\$ 250</b>       | <b>\$ 21,337</b>                 | <b>\$ 959,798</b> |

*(Continued below)*

|                                                | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds | Internal<br>Service<br>Funds | Government-wide<br>Reconciling<br>Balances | Total<br>Governmental<br>Activities |
|------------------------------------------------|-----------------------------------|--------------------------------|------------------------------|--------------------------------------------|-------------------------------------|
| Accounts receivable                            | \$ 204,905                        | \$ 1,180,374                   | \$ 32,037                    | \$ 99,277                                  | \$ 1,311,688                        |
| Contracts & grants receivable                  | 70,203                            | 71,627                         | .....                        | .....                                      | 71,627                              |
| Due from Federal government                    | 58,381                            | 811,223                        | .....                        | .....                                      | 811,223                             |
| Due from other governmental units              | 24,730                            | 179,047                        | 4,446                        | .....                                      | 183,493                             |
| Interest & dividends receivable                | 1,794                             | 22,844                         | 519                          | .....                                      | 23,363                              |
| Loans & notes receivable                       | 117,368                           | 355,038                        | .....                        | .....                                      | 355,038                             |
| Fees receivable                                | 122                               | 121,528                        | .....                        | .....                                      | 121,528                             |
| Taxes receivable                               | 15,699                            | 3,462,034                      | .....                        | .....                                      | 3,462,034                           |
| Allowance for uncollectibles                   | (108,933)                         | (1,925,972)                    | .....                        | .....                                      | (1,925,972)                         |
| <b>Receivables, net</b>                        | <b>\$ 384,269</b>                 | <b>\$ 4,277,743</b>            | <b>\$ 37,002</b>             | <b>\$ 99,277</b>                           | <b>\$ 4,414,022</b>                 |
|                                                |                                   |                                |                              |                                            |                                     |
| Loans & notes receivable                       |                                   |                                |                              |                                            |                                     |
| from other governments                         | \$ 839,670                        | \$ 2,990,264                   | \$ .....                     | \$ .....                                   | \$ 2,990,264                        |
| Long-term interest receivable                  | .....                             | 2,006                          | .....                        | .....                                      | 2,006                               |
| Other loans & notes receivable                 | 141,641                           | 450,986                        | .....                        | .....                                      | 450,986                             |
| Allowance for uncollectibles                   | (15,397)                          | (302,056)                      | .....                        | .....                                      | (302,056)                           |
| <b>Other loans &amp; notes receivable, net</b> | <b>\$ 965,914</b>                 | <b>\$ 3,141,200</b>            | <b>\$ .....</b>              | <b>\$ .....</b>                            | <b>\$ 3,141,200</b>                 |

# BUSINESS-TYPE ACTIVITIES

|                                   | Transportation   | Lottery          | Hurricane<br>Catastrophe<br>Fund | Prepaid College<br>Program | Reemployment<br>Assistance |
|-----------------------------------|------------------|------------------|----------------------------------|----------------------------|----------------------------|
| Accounts receivable               | \$ 12,396        | \$ 68,519        | \$ 13,480                        | \$ 103,417                 | \$ 239,768                 |
| Due from Federal government       | .....            | .....            | .....                            | .....                      | 497                        |
| Due from other governmental units | 86               | .....            | .....                            | .....                      | 1,142                      |
| Interest & dividends receivable   | 1,430            | 138              | 5,764                            | 23,182                     | 83,592                     |
| Loans & notes receivable          | .....            | .....            | .....                            | 188,886                    | .....                      |
| Fees receivable                   | 8,976            | .....            | .....                            | .....                      | 2,914                      |
| Taxes receivable                  | .....            | .....            | .....                            | .....                      | 364,546                    |
| Allowance for uncollectibles      | .....            | (2,874)          | (10,539)                         | (4)                        | (403,869)                  |
| <b>Receivables, net</b>           | <b>\$ 22,888</b> | <b>\$ 65,783</b> | <b>\$ 8,705</b>                  | <b>\$ 315,481</b>          | <b>\$ 288,590</b>          |

|                                                   |                  |                 |                 |                     |                 |
|---------------------------------------------------|------------------|-----------------|-----------------|---------------------|-----------------|
| Loans & notes receivable                          | \$ 71,466        | \$ .....        | \$ .....        | \$ .....            | \$ .....        |
| Allowance for uncollectibles                      | .....            | .....           | .....           | .....               | .....           |
| Future contract premiums and other<br>receivables | .....            | .....           | .....           | 1,656,412           | .....           |
| <b>Other loans &amp; notes receivable, net</b>    | <b>\$ 71,466</b> | <b>\$ .....</b> | <b>\$ .....</b> | <b>\$ 1,656,412</b> | <b>\$ .....</b> |

(Continued below)

|                                                   | Nonmajor<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Government-wide<br>Reconciling<br>Balances | Total<br>Business-type<br>Activities |
|---------------------------------------------------|---------------------------------|------------------------------|--------------------------------------------|--------------------------------------|
| Accounts receivable                               | \$ 47,143                       | \$ 484,723                   | \$ 89,825                                  | \$ 574,548                           |
| Due from Federal government                       | .....                           | 497                          | .....                                      | 497                                  |
| Due from other governmental units                 | 9,163                           | 10,391                       | .....                                      | 10,391                               |
| Interest & dividends receivable                   | 278                             | 114,384                      | .....                                      | 114,384                              |
| Loans & notes receivable                          | 1,534                           | 190,420                      | .....                                      | 190,420                              |
| Fees receivable                                   | 117                             | 12,007                       | .....                                      | 12,007                               |
| Taxes receivable                                  | 40                              | 364,586                      | .....                                      | 364,586                              |
| Allowance for uncollectibles                      | (44,228)                        | (461,514)                    | .....                                      | (461,514)                            |
| <b>Receivables, net</b>                           | <b>\$ 14,047</b>                | <b>\$ 715,494</b>            | <b>\$ 89,825</b>                           | <b>\$ 805,319</b>                    |
| Loans & notes receivable                          | \$ 7,284                        | \$ 78,750                    | \$ .....                                   | \$ 78,750                            |
| Allowance for uncollectibles                      | (1,441)                         | (1,441)                      | .....                                      | (1,441)                              |
| Future contract premiums and other<br>receivables | 337                             | 1,656,749                    | .....                                      | 1,656,749                            |
| <b>Other loans &amp; notes receivable, net</b>    | <b>\$ 6,180</b>                 | <b>\$ 1,734,058</b>          | <b>\$ .....</b>                            | <b>\$ 1,734,058</b>                  |

# COMPONENT UNITS

|                                                |                     |
|------------------------------------------------|---------------------|
| Accounts receivable                            | \$ 1,555,855        |
| Contracts & grants receivable                  | 186,593             |
| Due from Federal government                    | 5,141               |
| Due from other governmental units              | 225,657             |
| Interest & dividends receivable                | 108,891             |
| Loans & notes receivable                       | 263,680             |
| Allowance for uncollectibles                   | (388,719)           |
| <b>Receivables, net</b>                        | <b>\$ 1,957,098</b> |
| Other loans & notes receivable                 | \$ 2,628,791        |
| Allowance for uncollectibles                   | (278,444)           |
| <b>Other loans &amp; notes receivable, net</b> | <b>\$ 2,350,347</b> |

“Accounts payable and accrued liabilities,” as presented on the Government-wide Statement of Net Position and the applicable balance sheets and statements of net position in the fund financial statements, consist of the following (in thousands):

**GOVERNMENTAL ACTIVITIES**

|                                                     | General<br>Fund   | Environment,<br>Recreation and<br>Conservation | Public<br>Education | Health and<br>Family<br>Services | Transportation    |
|-----------------------------------------------------|-------------------|------------------------------------------------|---------------------|----------------------------------|-------------------|
| Accounts payable                                    | \$ 375,575        | \$ 40,255                                      | \$ 3,821            | \$ 188,638                       | \$ 156,755        |
| Accrued salaries & wages                            | 80,106            | 837                                            | 35                  | 36,082                           | 13,825            |
| Claims payable                                      | .....             | .....                                          | .....               | .....                            | .....             |
| Construction contracts                              | 997               | .....                                          | .....               | .....                            | 284,360           |
| Deposits payable                                    | 179               | 438                                            | .....               | 9                                | 7,828             |
| Due to Federal government                           | .....             | 27                                             | .....               | 168,737                          | .....             |
| Due to other governmental units                     | 147,167           | 7,254                                          | .....               | 4,397                            | 7,707             |
| Other payables                                      | .....             | .....                                          | .....               | .....                            | .....             |
| Vouchers payable                                    | 8,300             | .....                                          | .....               | .....                            | 116               |
| <b>Accounts payable and<br/>accrued liabilities</b> | <b>\$ 612,324</b> | <b>\$ 48,811</b>                               | <b>\$ 3,856</b>     | <b>\$ 397,863</b>                | <b>\$ 470,591</b> |

*(Continued below)*

|                                                     | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds | Internal<br>Service<br>Funds | Government-wide<br>Reconciling<br>Balances | Total<br>Governmental<br>Activities |
|-----------------------------------------------------|-----------------------------------|--------------------------------|------------------------------|--------------------------------------------|-------------------------------------|
| Accounts payable                                    | \$ 167,371                        | \$ 932,415                     | \$ 32,733                    | \$ 161,616                                 | \$ 1,126,764                        |
| Accrued salaries & wages                            | 9,180                             | 140,065                        | 2,797                        | .....                                      | 142,862                             |
| Claims payable                                      | .....                             | .....                          | 132,242                      | .....                                      | 132,242                             |
| Construction contracts                              | 46                                | 285,403                        | .....                        | .....                                      | 285,403                             |
| Deposits payable                                    | 137                               | 8,591                          | .....                        | .....                                      | 8,591                               |
| Due to Federal government                           | 1,428                             | 170,192                        | .....                        | .....                                      | 170,192                             |
| Due to other governmental units                     | 20,505                            | 187,030                        | .....                        | .....                                      | 187,030                             |
| Other payables                                      | .....                             | .....                          | 16,198                       | .....                                      | 16,198                              |
| Vouchers payable                                    | 46                                | 8,462                          | .....                        | .....                                      | 8,462                               |
| <b>Accounts payable and<br/>accrued liabilities</b> | <b>\$ 198,713</b>                 | <b>\$ 1,732,158</b>            | <b>\$ 183,970</b>            | <b>\$ 161,616</b>                          | <b>\$ 2,077,744</b>                 |

**BUSINESS-TYPE ACTIVITIES**

|                                                     | Transportation   | Lottery         | Hurricane<br>Catastrophe<br>Fund | Prepaid College<br>Program | Reemployment<br>Assistance |
|-----------------------------------------------------|------------------|-----------------|----------------------------------|----------------------------|----------------------------|
| Accounts payable                                    | \$ 35            | \$ 7,586        | \$ 7,529                         | \$ 355,250                 | \$ 31,713                  |
| Accrued interest payable                            | .....            | .....           | 23,487                           | .....                      | .....                      |
| Accrued salaries & wages                            | .....            | 89              | .....                            | .....                      | .....                      |
| Construction contracts                              | 35,988           | .....           | .....                            | .....                      | .....                      |
| Deposits payable                                    | 225              | 2,106           | .....                            | .....                      | .....                      |
| <b>Accounts payable and<br/>accrued liabilities</b> | <b>\$ 36,248</b> | <b>\$ 9,781</b> | <b>\$ 31,016</b>                 | <b>\$ 355,250</b>          | <b>\$ 31,713</b>           |

*(Continued below)*

|                                                     | Nonmajor<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Government-wide<br>Reconciling<br>Balances | Total<br>Business-type<br>Activities |
|-----------------------------------------------------|---------------------------------|------------------------------|--------------------------------------------|--------------------------------------|
| Accounts payable                                    | \$ 16,723                       | \$ 418,836                   | \$ 28                                      | \$ 418,864                           |
| Accrued interest payable                            | .....                           | 23,487                       | .....                                      | 23,487                               |
| Accrued salaries & wages                            | 3,071                           | 3,160                        | .....                                      | 3,160                                |
| Construction contracts                              | .....                           | 35,988                       | .....                                      | 35,988                               |
| Deposits payable                                    | 112                             | 2,443                        | .....                                      | 2,443                                |
| <b>Accounts payable and<br/>accrued liabilities</b> | <b>\$ 19,906</b>                | <b>\$ 483,914</b>            | <b>\$ 28</b>                               | <b>\$ 483,942</b>                    |

**COMPONENT UNITS**

|                                                     |                     |
|-----------------------------------------------------|---------------------|
| Accounts payable                                    | \$ 778,829          |
| Accrued interest payable                            | 54,822              |
| Accrued salaries & wages                            | 281,321             |
| Claims payable                                      | 1,227,638           |
| Construction contracts                              | 54,604              |
| Deposits payable                                    | 314,353             |
| Due to other governmental units                     | 10,082              |
| Vouchers payable                                    | 18,920              |
| <b>Accounts payable and<br/>accrued liabilities</b> | <b>\$ 2,740,569</b> |



## NOTE 4 – TAXES

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

|                                  | General<br>Fund | Environment,<br>Recreation<br>and<br>Conservation | Public<br>Education | Health and<br>Family<br>Services | Transportation | Nonmajor<br>Governmental<br>Funds | Total         |
|----------------------------------|-----------------|---------------------------------------------------|---------------------|----------------------------------|----------------|-----------------------------------|---------------|
| Sales and use tax                | \$ 22,985,453   | \$ .....                                          | \$ .....            | \$ .....                         | \$ .....       | \$ .....                          | \$ 22,985,453 |
| Fuel taxes:                      |                 |                                                   |                     |                                  |                |                                   |               |
| Motor fuel tax                   | .....           | .....                                             | .....               | .....                            | 2,481,760      | .....                             | 2,481,760     |
| Pollutant tax                    | .....           | 243,064                                           | .....               | .....                            | .....          | .....                             | 243,064       |
| Aviation fuel tax                | .....           | .....                                             | .....               | .....                            | 38,661         | .....                             | 38,661        |
| Solid minerals severance tax     | .....           | 31,191                                            | .....               | .....                            | .....          | .....                             | 31,191        |
| Oil and gas production tax       | 4,766           | .....                                             | .....               | .....                            | .....          | .....                             | 4,766         |
| Total fuel taxes                 | 4,766           | 274,255                                           | .....               | .....                            | 2,520,421      | .....                             | 2,799,442     |
| Corporate income tax             | 2,236,690       | .....                                             | .....               | .....                            | .....          | .....                             | 2,236,690     |
| Documentary stamp tax            | 2,118,466       | .....                                             | .....               | .....                            | .....          | .....                             | 2,118,466     |
| Intangible personal property tax | 305,131         | .....                                             | .....               | .....                            | .....          | .....                             | 305,131       |
| Communications service tax       | 876,550         | .....                                             | 385,048             | .....                            | .....          | .....                             | 1,261,598     |
| Estate tax                       | 421             | .....                                             | .....               | .....                            | .....          | .....                             | 421           |
| Gross receipts utilities tax     | .....           | 9,863                                             | 769,193             | .....                            | .....          | .....                             | 779,056       |
| Beverage and tobacco taxes:      |                 |                                                   |                     |                                  |                |                                   |               |
| Alcoholic beverage tax           | 446,417         | .....                                             | .....               | .....                            | .....          | 12,423                            | 458,840       |
| Cigarette tax                    | 1,159,016       | .....                                             | .....               | .....                            | .....          | .....                             | 1,159,016     |
| Smokeless tobacco tax            | 29,953          | .....                                             | .....               | .....                            | .....          | .....                             | 29,953        |
| Total beverage and tobacco taxes | 1,635,386       | .....                                             | .....               | .....                            | .....          | 12,423                            | 1,647,809     |
| Other taxes:                     |                 |                                                   |                     |                                  |                |                                   |               |
| Insurance premium tax            | 886,265         | .....                                             | .....               | .....                            | .....          | 28,445                            | 914,710       |
| Hospital public assistance tax   | .....           | .....                                             | .....               | 1,010,664                        | .....          | .....                             | 1,010,664     |
| Citrus excise tax                | .....           | .....                                             | .....               | .....                            | .....          | 25,060                            | 25,060        |
| Pari-mutuel wagering tax         | 7,401           | .....                                             | 1                   | .....                            | .....          | 198,094                           | 205,496       |
| Total other taxes                | 893,666         | .....                                             | 1                   | 1,010,664                        | .....          | 251,599                           | 2,155,930     |
| Total                            | \$ 31,056,529   | \$ 284,118                                        | \$ 1,154,242        | \$ 1,010,664                     | \$ 2,520,421   | \$ 264,022                        | \$ 36,289,996 |

|                              | Sales and<br>Use Tax |
|------------------------------|----------------------|
| Governmental fund statements | \$ 22,985,453        |
| Government-wide accruals     | (68,588)             |
| Government-wide statements   | <u>\$ 22,916,865</u> |

## 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.

| <b>Capital Asset Category</b>                                | <b>Financial Statement Capitalizing Threshold</b>                                                    | <b>Estimated Useful Life (in Years)</b> |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-----------------------------------------|
| <b>Land and other nondepreciable assets</b>                  | Capitalize all                                                                                       | Not depreciable                         |
| <b>Nondepreciable infrastructure</b>                         | Capitalize all                                                                                       | Not depreciable                         |
| <b>Construction work in progress</b>                         | \$100,000 when work is completed                                                                     | Not depreciable                         |
| <b>Buildings, equipment, and other depreciable assets</b>    |                                                                                                      |                                         |
| Buildings and building improvements                          | \$100,000                                                                                            | 5 - 50                                  |
| Infrastructure and infrastructure improvements (depreciable) | \$100,000                                                                                            | 3 - 50                                  |
| Leasehold improvements                                       | \$100,000                                                                                            | 2 - 15                                  |
| Intangible assets                                            | \$4,000,000                                                                                          | 2 - 30                                  |
| Property under capital lease                                 | Threshold correlates to asset category                                                               | 2 - 20                                  |
| Furniture and equipment                                      | \$1,000 and \$250 for non-circulated books                                                           | 2 - 25                                  |
| Works of art and historical treasures                        | Items capitalized as of June 30, 1999, remain capitalized; capitalize unless considered a collection | 5 - 50                                  |
| Library resources                                            | \$25                                                                                                 | 5 - 50                                  |
| Other capital assets                                         | \$1,000                                                                                              | 3 - 20                                  |

The state has elected to use the modified approach for accounting for its roadways, bridges and other infrastructure assets included in the State Highway System. Under this approach, the Department of Transportation has made the commitment to 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 maintain these assets at the predetermined condition levels. Refer to the Other 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, 2015, is as follows (in thousands):

|                                                             |           |                |
|-------------------------------------------------------------|-----------|----------------|
| General Government                                          | \$        | 86,904         |
| Education                                                   |           | 10,531         |
| Human Services                                              |           | 26,144         |
| Criminal Justice & Correction                               |           | 96,842         |
| Natural Resources & Environment                             |           | 51,447         |
| Transportation                                              |           | 42,236         |
| State Courts                                                |           | 3,457          |
| <b>Total depreciation expense (governmental activities)</b> | <b>\$</b> | <b>317,561</b> |

Primary government capital asset activities for the fiscal year ended June 30, 2015, are as follows (in thousands):

**GOVERNMENTAL ACTIVITIES**

|                                                                 | Balance<br>July 1, 2014 | Restatement       | Increases           | Decreases           | Balance<br>June 30, 2015 |
|-----------------------------------------------------------------|-------------------------|-------------------|---------------------|---------------------|--------------------------|
| <b>Capital assets, not being depreciated:</b>                   |                         |                   |                     |                     |                          |
| Land and other nondepreciable assets                            | \$ 17,711,458           | \$ .....          | \$ 659,698          | \$ 61,260           | \$ 18,309,896            |
| Infrastructure and infrastructure improvements - nondepreciable | 38,943,752              | .....             | 3,813,102           | .....               | 42,756,854               |
| Construction work in progress                                   | 7,019,307               | .....             | 960,072             | 3,070,271           | 4,909,108                |
| <b>Total capital assets, not being depreciated</b>              | <b>63,674,517</b>       | <b>.....</b>      | <b>5,432,872</b>    | <b>3,131,531</b>    | <b>65,975,858</b>        |
| <b>Capital assets, being depreciated:</b>                       |                         |                   |                     |                     |                          |
| Buildings and building improvements                             | 5,146,868               | 414,428           | 108,952             | 238,418             | 5,431,830                |
| Infrastructure and infrastructure improvements                  | 718,207                 | .....             | 41,973              | 2,704               | 757,476                  |
| Leasehold improvements                                          | 1,067                   | .....             | 53                  | .....               | 1,120                    |
| Property under capital lease                                    | 176,452                 | .....             | .....               | 2,370               | 174,082                  |
| Furniture and equipment                                         | 1,762,357               | .....             | 192,494             | 205,675             | 1,749,176                |
| Works of art and historical treasures                           | 1,943                   | .....             | 1                   | 13                  | 1,931                    |
| Library resources                                               | 30,022                  | .....             | 160                 | 4,288               | 25,894                   |
| Other                                                           | 73,589                  | .....             | 210                 | 720                 | 73,079                   |
| <b>Total capital assets, being depreciated</b>                  | <b>7,910,505</b>        | <b>414,428</b>    | <b>343,843</b>      | <b>454,188</b>      | <b>8,214,588</b>         |
| <b>Less accumulated depreciation for:</b>                       |                         |                   |                     |                     |                          |
| Buildings and building improvements                             | 2,452,998               | 91,627            | 141,594             | 40,191              | 2,646,028                |
| Infrastructure and infrastructure improvements                  | 388,780                 | .....             | 38,619              | 1,177               | 426,222                  |
| Leasehold improvements                                          | 625                     | .....             | 76                  | .....               | 701                      |
| Property under capital lease                                    | 74,354                  | .....             | 8,298               | 2,130               | 80,522                   |
| Furniture and equipment                                         | 1,344,398               | .....             | 123,816             | 126,766             | 1,341,448                |
| Works of art and historical treasures                           | 937                     | .....             | 65                  | 11                  | 991                      |
| Library resources                                               | 16,184                  | .....             | 1,280               | 2,578               | 14,886                   |
| Other                                                           | 52,203                  | .....             | 3,813               | 714                 | 55,302                   |
| <b>Total accumulated depreciation</b>                           | <b>4,330,479</b>        | <b>91,627</b>     | <b>317,561</b>      | <b>173,567</b>      | <b>4,566,100</b>         |
| <b>Total capital assets, being depreciated, net</b>             | <b>3,580,026</b>        | <b>322,801</b>    | <b>26,282</b>       | <b>280,621</b>      | <b>3,648,488</b>         |
| <b>Governmental activities capital assets, net</b>              | <b>\$ 67,254,543</b>    | <b>\$ 322,801</b> | <b>\$ 5,459,154</b> | <b>\$ 3,412,152</b> | <b>\$ 69,624,346</b>     |

**BUSINESS-TYPE ACTIVITIES**

|                                                                 | Balance<br>July 1, 2014 | Restatement     | Increases           | Decreases         | Balance<br>June 30, 2015 |
|-----------------------------------------------------------------|-------------------------|-----------------|---------------------|-------------------|--------------------------|
| <b>Capital assets, not being depreciated:</b>                   |                         |                 |                     |                   |                          |
| Land and other nondepreciable assets                            | \$ 909,954              | \$ .....        | \$ 173,589          | \$ 4,758          | \$ 1,078,785             |
| Infrastructure and infrastructure improvements - nondepreciable | 7,350,530               | .....           | 756,880             | 15,415            | 8,091,995                |
| Construction work in progress                                   | 1,551,577               | .....           | 236,384             | 626,166           | 1,161,795                |
| <b>Total capital assets, not being depreciated</b>              | <b>9,812,061</b>        | <b>.....</b>    | <b>1,166,853</b>    | <b>646,339</b>    | <b>10,332,575</b>        |
| <b>Capital assets, being depreciated:</b>                       |                         |                 |                     |                   |                          |
| Buildings and building improvements                             | 409,257                 | .....           | 96,423              | 33,155            | 472,525                  |
| Infrastructure and infrastructure improvements                  | 1,216                   | .....           | 1,259               | .....             | 2,475                    |
| Leasehold improvements                                          | 79                      | .....           | 3                   | .....             | 82                       |
| Furniture and equipment                                         | 224,249                 | .....           | 53,322              | 25,445            | 252,126                  |
| Library resources                                               | 7                       | .....           | .....               | .....             | 7                        |
| Other                                                           | 55,905                  | .....           | 88,355              | 1,991             | 142,269                  |
| <b>Total capital assets, being depreciated</b>                  | <b>690,713</b>          | <b>.....</b>    | <b>239,362</b>      | <b>60,591</b>     | <b>869,484</b>           |
| <b>Less accumulated depreciation for:</b>                       |                         |                 |                     |                   |                          |
| Buildings and building improvements                             | 143,638                 | .....           | 13,926              | 11,416            | 146,148                  |
| Infrastructure and infrastructure improvements                  | 309                     | .....           | 165                 | .....             | 474                      |
| Leasehold improvements                                          | 58                      | .....           | 10                  | 56                | 12                       |
| Furniture and equipment                                         | 124,842                 | .....           | 23,810              | 19,065            | 129,587                  |
| Library resources                                               | 2                       | .....           | 1                   | .....             | 3                        |
| Other                                                           | 41,097                  | .....           | 11,750              | 381               | 52,466                   |
| <b>Total accumulated depreciation</b>                           | <b>309,946</b>          | <b>.....</b>    | <b>49,662</b>       | <b>30,918</b>     | <b>328,690</b>           |
| <b>Total capital assets, being depreciated, net</b>             | <b>380,767</b>          | <b>.....</b>    | <b>189,700</b>      | <b>29,673</b>     | <b>540,794</b>           |
| <b>Business-type activities capital assets, net</b>             | <b>\$ 10,192,828</b>    | <b>\$ .....</b> | <b>\$ 1,356,553</b> | <b>\$ 676,012</b> | <b>\$ 10,873,369</b>     |

Component units' capital asset activities for the fiscal year ended June 30, 2015, are as follows (in thousands):

| <b>COMPONENT UNITS</b>                              |                         |                     |                     |                          |
|-----------------------------------------------------|-------------------------|---------------------|---------------------|--------------------------|
|                                                     | Balance<br>July 1, 2014 | Increases           | Decreases           | Balance<br>June 30, 2015 |
| <b>Capital assets, not being depreciated:</b>       |                         |                     |                     |                          |
| Land and other non-depreciable assets               | \$ 6,417,854            | \$ 199,945          | \$ 56,279           | \$ 6,561,520             |
| Construction work in progress                       | 1,574,621               | 785,105             | 1,164,826           | 1,194,900                |
| <b>Total capital assets, not being depreciated</b>  | <b>7,992,475</b>        | <b>985,050</b>      | <b>1,221,105</b>    | <b>7,756,420</b>         |
| <b>Capital assets, being depreciated:</b>           |                         |                     |                     |                          |
| Buildings and building improvements                 | 17,395,333              | 945,625             | 190,461             | 18,150,497               |
| Infrastructure and infrastructure improvements      | 2,636,176               | 256,373             | 11,676              | 2,880,873                |
| Leasehold improvements                              | 328,627                 | 48,588              | 3,919               | 373,296                  |
| Property under capital lease                        | 136,658                 | 10,521              | 1,739               | 145,440                  |
| Furniture and equipment                             | 3,249,530               | 326,685             | 116,217             | 3,459,998                |
| Works of art and historical treasures               | 3,961                   | 319                 | .....               | 4,280                    |
| Library resources                                   | 899,387                 | 36,078              | 13,492              | 921,973                  |
| Other                                               | 332,864                 | 41,188              | 8,781               | 365,271                  |
| <b>Total capital assets, being depreciated</b>      | <b>24,982,536</b>       | <b>1,665,377</b>    | <b>346,285</b>      | <b>26,301,628</b>        |
| <b>Less accumulated depreciation for:</b>           |                         |                     |                     |                          |
| Buildings and building improvements                 | 5,807,790               | 493,863             | 39,083              | 6,262,570                |
| Infrastructure and infrastructure improvements      | 997,527                 | 87,935              | 7,580               | 1,077,882                |
| Leasehold improvements                              | 115,440                 | 20,266              | 2,512               | 133,194                  |
| Property under capital lease                        | 59,705                  | 7,381               | 1,044               | 66,042                   |
| Furniture and equipment                             | 2,298,759               | 243,303             | 102,451             | 2,439,611                |
| Works of art and historical treasures               | 1,604                   | 204                 | 14                  | 1,794                    |
| Library resources                                   | 719,229                 | 40,262              | 13,192              | 746,299                  |
| Other                                               | 242,214                 | 36,616              | 8,490               | 270,340                  |
| <b>Total accumulated depreciation</b>               | <b>10,242,268</b>       | <b>929,830</b>      | <b>174,366</b>      | <b>10,997,732</b>        |
| <b>Total capital assets, being depreciated, net</b> | <b>14,740,268</b>       | <b>735,547</b>      | <b>171,919</b>      | <b>15,303,896</b>        |
| <b>Component units capital assets, net</b>          | <b>\$ 22,732,743</b>    | <b>\$ 1,720,597</b> | <b>\$ 1,393,024</b> | <b>\$ 23,060,316</b>     |

## NOTE 6 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

### A. Pensions

The Florida Department of Management Services (Department) is part of the primary government of the state of Florida and is responsible for administering the Florida Retirement System Pension Plan and Other State-Administered Systems. For the fiscal year ended June 30, 2015, the Department administered three defined benefit plans, two defined contribution plans, a supplemental funding of defined benefit plans for municipal police officers and firefighters, and various general revenue funded pension programs. Beginning with the fiscal year ended June 30, 2014, the Department issued a publicly-available, audited comprehensive annual financial report (CAFR) that includes financial statements, notes and required supplementary information for each of the pension plans which it administers. Detailed information about the plans is provided in the CAFR which is available online or by contacting the Department.

Copies of this report, as well as the plans' actuarial valuations, can be obtained from the Department of Management Services, Division of Retirement (Division), Bureau of Research and Member Communications, P.O. Box 9000, Tallahassee, Florida 32315-9000; by telephone toll free at 877-377-1737 or 850-488-5706; by email at [rep@dms.myflorida.com](mailto:rep@dms.myflorida.com); or at the Division's website ([www.frs.myflorida.com](http://www.frs.myflorida.com)).

The Department implemented the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No 27*, for the defined benefit plans it administers for the fiscal year ended June 30, 2015. Additional information can be found in the stand-alone CAFR.

### 1. Defined Benefit Plans

#### **The Florida Retirement System**

The Florida Retirement System (FRS) is a cost-sharing multiple-employer public-employee retirement system with two primary plans – the FRS defined benefit pension plan (Pension Plan) and the FRS Investment Plan. The Florida Retirement System (FRS) Pension Plan was created in Chapter 121, Florida Statutes (F.S.), effective December 1, 1970, by consolidating and closing these existing plans to new members: the Teachers' Retirement System (Chapter 238, F.S.), the State and County Officers and Employees' Retirement System (Chapter 122, F.S.), and the Highway Patrol Pension Trust Fund (Chapter 321, F.S.). In 1972, the Judicial Retirement System (Chapter 123, F.S.) was closed and consolidated into the FRS. The FRS was created to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution plan is the FRS Investment Plan, which is administered by the State Board of Administration. Effective July 1, 2007, the Institute of Food and Agricultural Sciences (IFAS) Supplemental Retirement Program, established under Section 121.40, F.S., was consolidated under the Florida Retirement System Pension Plan as a closed retirement plan. Participation in the IFAS Supplemental Retirement Program does not constitute membership in the FRS.

Chapter 121, F.S., also provides for nonintegrated, optional retirement programs in lieu of the FRS to certain members of the Senior Management Service Class (SMSC) employed by the state, state elected officials who chose SMSC membership in lieu of Elected Officers' Class membership, and faculty and specified employees in the State University System and Florida College System institutions. Provisions relating to the FRS are also contained in Chapter 112, F.S.

#### **Membership**

FRS membership is compulsory for employees filling a regularly established position in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Section 121.053 or Section 121.122, F.S., or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program.

There are five general classes of membership, as follows:

- *Regular Class* - Members of the FRS who do not qualify for membership in the other classes.

- *Senior Management Service Class (SMSC)* - Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, and assistant capital collateral representatives. Members of the Elected Officers' Class may elect to withdraw from the FRS or participate in the SMSC in lieu of the Elected Officers' Class.
- *Special Risk Class* - 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 (from July 1, 2001 through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* - Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected Officers' Class (EOC)* - Members who are elected state and county officers and the elected officers of cities and special districts that choose to place their elected officials in this class.

Beginning July 1, 2001, through June 30, 2011, the FRS Pension Plan provided for vesting of benefits after six years of creditable service for members initially enrolled during this period. Members not actively working in a position covered by the FRS Pension Plan on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5% benefit reduction for each year prior to the normal retirement age.

- *Regular Class, Senior Management Service Class, and Elected Officers' Class Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.

For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

- *Special Risk Class and Special Risk Administrative Support Class Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

## **Benefits**

The Florida Legislature establishes and amends the benefit terms of the FRS Pension Plan. Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value per year by membership class. Members are also provided in-line-of-duty or regular disability and survivors' benefits. Pension benefits of retirees and annuitants are increased each July 1 by a cost-of-living adjustment. If the member is initially enrolled in the FRS Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

The DROP became effective July 1, 1998, subject to provisions of Section 121.091(13), F.S. FRS Pension Plan members who reach normal retirement are eligible 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. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. Monthly retirement benefits remain in the FRS Trust Fund during DROP participation and accrue interest. As of June 30, 2015, the FRS Trust Fund held in trust \$3,119,220,735 in accumulated benefits and interest for 34,829 current and prior participants in the DROP.

### ***Administration***

The Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration invests the assets of the Pension Plan held in the FRS Trust Fund. Costs of administering the FRS Pension Plan are funded from earnings on investments of the FRS Trust Fund. Reporting of the FRS Pension Plan is on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the obligation is incurred.

### ***Contributions***

All participating employers must comply with statutory contribution requirements. Section 121.031(3), F.S., requires an annual actuarial valuation of the FRS Pension Plan, which is provided to the Legislature as guidance for funding decisions. Employer and employee contribution rates are established in Section 121.71, F.S. Employer contribution rates under the uniform rate structure (a blending of both the FRS Pension Plan and Investment Plan rates) are recommended by the actuary but set by the Legislature. Statutes require that any unfunded actuarial liability (UAL) be amortized within 30 plan years. Pursuant to Section 121.031(3) (f), F.S., any surplus amounts available to offset total retirement system costs are to be amortized over a 10-year rolling period on a level-dollar basis. The balance of legally required reserves for the FRS Pension Plan at June 30, 2015, was \$148,454,681,903. These funds were reserved to provide for total current and future benefits, refunds, and administration of the FRS Pension Plan.

The table below presents FRS employer contribution rates. Rates indicated are uniform rates for all FRS members and include UAL contribution rates. These rates do not include a 1.26% HIS contribution rate and a 0.04% assessment for the administration of the FRS Investment Plan and the educational program available to all FRS members. In addition, the July 1, 2014, statutory employer rates do not include the 3.00% mandatory employee contribution for all membership classes except for members in the DROP.

| Membership Class                                                       | Uniform Employer Rates<br>Recommended by Actuarial<br>Valuation as of July 1, 2013 for | July 1, 2014<br>Statutory Rates |
|------------------------------------------------------------------------|----------------------------------------------------------------------------------------|---------------------------------|
|                                                                        | Fiscal Year 2014-2015                                                                  | (Ch. 121, F.S.)                 |
| Regular                                                                | 6.07%                                                                                  | 6.07%                           |
| Senior Management Service                                              | 19.84%                                                                                 | 19.84%                          |
| Special Risk                                                           | 18.52%                                                                                 | 18.52%                          |
| Special Risk Administrative Support                                    | 40.77%                                                                                 | 40.77%                          |
| Elected Officers - Judges                                              | 31.87%                                                                                 | 31.87%                          |
| Elected Officers - Legislators/Attorneys/Cabinet                       | 44.96%                                                                                 | 44.96%                          |
| Elected Officers - County                                              | 41.94%                                                                                 | 41.94%                          |
| DROP - applicable to members from all of the<br>above classes or plans | 11.02%                                                                                 | 11.02%                          |

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

### **Retiree Health Insurance Subsidy Program**

The Retiree Health Insurance Subsidy (HIS) Program is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, F.S. The Florida Legislature establishes and amends the benefit terms of the HIS Program. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Department of Management Services, Division of Retirement. For the fiscal year ended June 30, 2015, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5. The payments are at least \$30 but not more than \$150 per month,

pursuant to Section 112.363, F.S. To be eligible to receive a HIS benefit, a retiree under a state-administered retirement system must provide proof of eligible health insurance coverage, which can include Medicare.

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2015, the contribution rate was 1.26% of payroll pursuant to Section 112.363, F.S. The state contributed 100% of its statutorily required contributions for the current and preceding two years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

### **The Florida National Guard Supplemental Retirement Benefit Plan**

The Florida National Guard Supplemental Retirement Benefit Plan (National Guard Benefit) is a single-employer, non-qualified defined benefit pension plan established under Section 250.22, F.S., and is administered by the Department of Management Services, Division of Retirement. The Florida Legislature establishes and amends the plan. Florida National Guard retirees must have at least 30 years of Florida National Guard service. Normal retirement is at age 62 with early retirement available beginning at age 60. The monthly benefit is equal to the difference between 50% of the federal military pay table for the highest rank held while in the Florida National Guard and the benefit received from the federal government for reservist military service. The benefit amount is recalculated whenever the federal military pay table is increased or the federal benefit is increased by a cost of living adjustment. The benefit is payable for the lifetime of the retiree without a survivor benefit option. The table below shows the number of employees covered by the benefit terms.

|                           |               |
|---------------------------|---------------|
| Active Members            | 11,447        |
| Retirees                  | 792           |
| Terminated Vested Members | 129           |
| Total                     | <u>12,368</u> |

The National Guard Benefit is funded by an annual appropriation from General Revenue by the Legislature. Any appropriated funds not obligated for benefit payments owed at June 30 each year revert to the General Revenue Fund.

### **Pension Amounts for Defined Benefit Pension Plans**

#### ***Net Pension Liability***

At June 30, 2015, the State reported a total liability of \$3,020,406,747 for its proportionate share of the net pension liabilities of the defined benefit, multiple-employer cost-sharing pension plans and its single-employer, non-qualified pension plan. The table below presents the fiduciary net position for the FRS and HIS plans as well as the State's proportion and proportionate share as of the measurement date of June 30, 2014, and the fiduciary net position of the National Guard Benefit as of the measurement date of June 30, 2015:

|                                  | <b>FRS Pension Plan</b> | <b>HIS</b>              | <b>National Guard Benefit</b> | <b>TOTAL</b>            |
|----------------------------------|-------------------------|-------------------------|-------------------------------|-------------------------|
| Plan total pension liability (A) | \$ 156,115,762,947      | \$ 9,443,629,461        | \$ 504,915,152                |                         |
| Plan fiduciary net position (B)  | (150,014,292,372)       | (93,385,450)            | —                             |                         |
| Plan net pension liability (A-B) | 6,101,470,575           | 9,350,244,011           | 504,915,152                   |                         |
| State's proportion               | 17.802202632%           | 15.286183318%           | 100.00%                       |                         |
| State's proportionate share      | <u>\$ 1,086,196,155</u> | <u>\$ 1,429,295,440</u> | <u>\$ 504,915,152</u>         | <u>\$ 3,020,406,747</u> |



The State's proportion of the net pension liability for FRS Pension Plan and HIS was based on contributions paid to the plans by the State relative to the contributions paid by all participating employers. The table below shows the change in proportion since the prior measurement date:

|                                                             | FRS           | HIS           |
|-------------------------------------------------------------|---------------|---------------|
| State's proportion at prior measurement date, June 30, 2013 | 16.757742464% | 15.519593965% |
| State's proportion at measurement date, June 30, 2014       | 17.802202632% | 15.286183318% |
| Increase / (decrease) in proportion                         | 1.044460168%  | -0.233410647% |

The table below shows the changes in National Guard Benefit net pension liability for the fiscal year ended June 30, 2015:

| <i>National Guard Benefit</i>           |                                |                                                              |                                    |
|-----------------------------------------|--------------------------------|--------------------------------------------------------------|------------------------------------|
| Changes in Net Pension Liability        | Total Pension Liability<br>(a) | Increase (Decrease)<br>Plan Fiduciary Net<br>Position<br>(b) | Net Pension Liability<br>(a) – (b) |
| Balances as of June 30, 2014            | \$ 446,683,424                 | \$ –                                                         | \$ 446,683,424                     |
| Changes for the year:                   | –                              | –                                                            | –                                  |
| Service cost                            | 7,160,731                      | –                                                            | 7,160,731                          |
| Interest on total pension liability     | 19,163,795                     | –                                                            | 19,163,795                         |
| Effect of assumptions changes or inputs | 46,329,910                     | –                                                            | 46,329,910                         |
| Benefit payments                        | (14,422,708)                   | (14,422,708)                                                 | –                                  |
| Employer contributions                  | –                              | 14,495,208                                                   | (14,495,208)                       |
| Administrative expenses                 | –                              | (72,500)                                                     | 72,500                             |
| Balances as of June 30, 2015            | \$ 504,915,152                 | \$ –                                                         | \$ 504,915,152                     |

### **Actuarial Methods and Assumptions**

Actuarial assumptions for the defined benefit cost-sharing plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The most recent experience study for the FRS Pension Plan was for the period July 1, 2008 through June 30, 2013; assumption changes adopted by the FRS Assumptions Conference were incorporated into the July 1, 2014 FRS Valuation. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for this program.

The total pension liability for each of the defined benefit plans was determined by an actuarial valuation as of the measurement date, of July 1, 2014, using the entry age normal actuarial cost method. Inflation increases for the defined benefit cost-sharing plans is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%.

Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.65%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at the statutorily required rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return and was applied to all periods of projected benefit payments to determine the total pension liability.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 4.29% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

There were no changes in benefit terms for either FRS Pension Plan or HIS that affected the total pension liability since the prior measurement date. There were no changes between the measurement date and the reporting date which significantly impact the State's proportionate share of the net pension liability, deferred outflows, deferred inflows and pension expense for either FRS Pension Plan or HIS.

The following changes in actuarial assumptions occurred in 2014:

- FRS Pension Plan: As of June 30, 2014, the inflation rate assumption was decreased from 3.00% to 2.60%, the real payroll growth assumption was decreased from 1.00% to 0.65%, and the overall payroll growth rate assumption was decreased from 4.00% to 3.25%. The long-term expected rate of return decreased from 7.75% to 7.65%
- HIS: The municipal rate used to determine total pension liability decreased from 4.63% to 4.29%.

The long-term expected rate of return on FRS Pension Plan investments was determined using a forward-looking capital market economic model, which includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <b>Asset Class</b>            | <b>Target Allocation</b> | <b>Long-Term Expected Real Rate of Return</b> |
|-------------------------------|--------------------------|-----------------------------------------------|
| Cash                          | 1.00%                    | 3.11%                                         |
| Intermediate-term bonds       | 18.00%                   | 4.18%                                         |
| High yield bonds              | 3.00%                    | 6.79%                                         |
| Broad U.S. equities           | 26.50%                   | 8.51%                                         |
| Developed foreign equities    | 21.20%                   | 8.66%                                         |
| Emerging market equities      | 5.30%                    | 11.58%                                        |
| Private equity                | 6.00%                    | 11.80%                                        |
| Hedge funds / absolute return | 7.00%                    | 5.81%                                         |
| Real estate (property)        | 12.00%                   | 7.11%                                         |
|                               | <u>100.00%</u>           |                                               |

The single-employer, non-qualified defined benefit pension plan has not had a formal actuarial experience study performed. Due to the pay-as-you-go nature of the program, full actuarial valuations will be conducted in even-numbered years. Liabilities for odd-numbered years will be developed based on the results of a full actuarial valuation using standard actuarial roll-forward techniques. The total pension liability was determined by an actuarial valuation as of the valuation date, July 1, 2014, using the individual entry age normal actuarial cost method and a standard actuarial roll-forward technique to the measurement date, June 30, 2015. The inflation rate was assumed at 2.60%, the annual increase in Federal Military Pay tables is assumed at 2.00%, and the Cost-of-Living adjustments are assumed at 1.50%.

Because the National Guard Benefit uses a pay-as-you-go funding structure, a municipal bond rate of 3.80% was used to determine the total pension liability for the program. Mortality assumptions for the plan was based on the Generational RP-2000 with Projection Scale BB tables.

There were no changes in benefit terms to the National Guard Benefit that affected the total pension liability since the prior measurement date.

The following changes in actuarial assumptions occurred in 2015 for the National Guard Benefit:

- The municipal bond rate used to determine total pension liability decreased from 4.29% to 3.80%.

### Sensitivity Analysis

The following tables demonstrate the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the State's proportionate share of the FRS and HIS plan's net pension liability and the National Guard Benefit net pension liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate at June 30, 2014, for the FRS and HIS plans, and June 30, 2015, for the National Guard Benefit.

| <i>FRS Pension Plan</i> |                                   |                      | <i>HIS</i>           |                                   |                      |
|-------------------------|-----------------------------------|----------------------|----------------------|-----------------------------------|----------------------|
| 1% Decrease<br>6.65%    | Current<br>Discount Rate<br>7.65% | 1% Increase<br>8.65% | 1% Decrease<br>3.29% | Current<br>Discount Rate<br>4.29% | 1% Increase<br>5.29% |
| \$4,645,805,228         | \$1,086,196,155                   | \$(1,874,719,389)    | \$1,625,707,823      | \$1,429,295,440                   | \$1,265,347,310      |

  

| <i>National Guard Benefit</i> |                                |                      |
|-------------------------------|--------------------------------|----------------------|
| 1% Decrease<br>2.80%          | Current Discount Rate<br>3.80% | 1% Increase<br>4.80% |
| \$622,192,468                 | \$504,915,152                  | \$416,578,642        |

### Pension Expense and Deferred Outflows / (Inflows) of Resources

In accordance with GASB 68, paragraphs 33 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Changes of assumptions or other inputs – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employees)
- Differences between expected and actual earnings on pension plan investments – amortized over five years

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2014, was 6.3 years for FRS Pension Plan and 7.2 years for HIS.

The State's proportionate share of the components of collective pension expense and deferred outflows and inflows of resources reported in the pension allocation schedules for the fiscal year ended June 30, 2014, are presented below for each plan.

*FRS Pension Plan*

|                                                                                                      | Recognized in Expense<br>Reporting Period<br>Ending<br>June 30, 2015 | Recognition<br>Period | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources | Total                     |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------|-----------------------------------|----------------------------------|---------------------------|
| Service cost                                                                                         | \$ 401,749,152                                                       | Current               | \$ —                              | \$ —                             | \$ 401,749,152            |
| Interest cost                                                                                        | 2,045,458,934                                                        | Current               | —                                 | —                                | 2,045,458,934             |
| Effect of plan changes                                                                               | —                                                                    | Current               | —                                 | —                                | —                         |
| Effect of economic/demographic gains or losses (difference between expected and actual experience)   | (12,682,467)                                                         | 6.3 years             | —                                 | (67,217,076)                     | (79,899,543)              |
| Effect of assumptions changes or inputs                                                              | 35,492,660                                                           | 6.3 years             | 188,111,105                       | —                                | 223,603,765               |
| Member contributions                                                                                 | (121,501,337)                                                        | Current               | —                                 | —                                | (121,501,337)             |
| Projected investment earnings                                                                        | (1,796,145,117)                                                      | Current               | —                                 | —                                | (1,796,145,117)           |
| Changes in proportion and differences between contributions and proportionate share of contributions | 28,539,378                                                           | 6.3 years             | 432,206,756                       | (280,948,053)                    | 179,798,081               |
| Net difference between projected and actual investment earnings                                      | (452,988,870)                                                        | 5 years               | —                                 | (1,811,955,473)                  | (2,264,944,343)           |
| Contributions subsequent to the measurement date                                                     | —                                                                    | 1 year                | 437,921,408                       | —                                | —                         |
| Administrative expenses                                                                              | 3,267,039                                                            | Current               | —                                 | —                                | 3,267,039                 |
| <i>Total</i>                                                                                         | <i>\$ 131,189,372</i>                                                |                       | <i>\$ 1,058,239,269</i>           | <i>\$ (2,160,120,602)</i>        | <i>\$ (1,408,613,369)</i> |

**Health Insurance Subsidy**

|                                                                                                      | Recognized in Expense<br>Reporting Period<br>Ending<br>June 30, 2015 | Recognition<br>Period | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources | Total                 |
|------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-----------------------|--------------------------------------|----------------------------------|-----------------------|
| Service cost                                                                                         | \$ 29,100,486                                                        | Current               | \$ —                                 | \$ —                             | \$ 29,100,486         |
| Interest cost                                                                                        | 62,659,125                                                           | Current               | —                                    | —                                | 62,659,125            |
| Effect of plan changes                                                                               | —                                                                    | Current               | —                                    | —                                | —                     |
| Effect of economic/demographic gains or losses (difference between expected and actual experience)   | —                                                                    | 7.2 years             | —                                    | —                                | —                     |
| Effect of assumptions changes or inputs                                                              | 8,203,227                                                            | 7.2 years             | 50,860,005                           | —                                | 59,063,232            |
| Member contributions                                                                                 | —                                                                    | Current               | —                                    | —                                | —                     |
| Projected investment earnings                                                                        | (891,157)                                                            | Current               | —                                    | —                                | (891,157)             |
| Changes in proportion and differences between contributions and proportionate share of contributions | (2,822,426)                                                          | 7.2 years             | 93,795,913                           | (111,294,954)                    | (20,321,467)          |
| Net difference between projected and actual investment earnings                                      | 171,525                                                              | 5 years               | 686,099                              | —                                | 857,624               |
| Contributions subsequent to the measurement date                                                     | —                                                                    | 1 year                | 57,891,425                           | —                                | —                     |
| Administrative expenses                                                                              | 8,210                                                                | Current               | —                                    | —                                | 8,210                 |
| <b>Total</b>                                                                                         | <b>\$ 96,428,990</b>                                                 |                       | <b>\$ 203,233,442</b>                | <b>\$ (111,294,954)</b>          | <b>\$ 130,476,053</b> |

The average expected remaining service life of all employees provided with pensions through the National Guard defined benefit single-employer plan at June 30, 2015, was 11.8 years. The State's pension expense and deferred outflows and deferred inflows of resources reported for the fiscal year ended June 30, 2015, are presented below for the plan.

**Florida National Guard Supplemental Retirement Benefit Plan**

|                                         | Recognized in Expense<br>Reporting Period<br>Ending<br>June 30, 2015 | Recognition<br>Period | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources | Total                |
|-----------------------------------------|----------------------------------------------------------------------|-----------------------|--------------------------------------|----------------------------------|----------------------|
| Service cost                            | \$ 7,160,731                                                         | Current               | \$ —                                 | \$ —                             | \$ 7,160,731         |
| Interest cost                           | 19,163,795                                                           | Current               | —                                    | —                                | 19,163,795           |
| Effect of assumptions changes or inputs | 6,292,910                                                            | 11.8 years            | 65,596,777                           | —                                | 71,889,687           |
| Administrative expenses                 | 72,500                                                               | Current               | —                                    | —                                | 72,500               |
| <b>Total</b>                            | <b>\$ 32,689,936</b>                                                 |                       | <b>\$ 65,596,777</b>                 | <b>\$ —</b>                      | <b>\$ 98,286,713</b> |

Deferred outflows of resources related to contributions paid subsequent to the measurement date as shown in the tables above will be recognized as a reduction of the net pension liability in the reporting period ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

| Reporting Period<br>Ending June 30, | FRS Pension Plan<br>Expense | HIS Expense          | National Guard<br>Benefit Expense |
|-------------------------------------|-----------------------------|----------------------|-----------------------------------|
| 2016                                | \$ (401,639,299)            | \$ 5,552,326         | \$ 6,292,910                      |
| 2017                                | (401,639,299)               | 5,552,326            | 6,292,910                         |
| 2018                                | (401,639,299)               | 5,552,326            | 6,292,910                         |
| 2019                                | (401,639,299)               | 5,552,326            | 6,292,910                         |
| 2020                                | 51,349,571                  | 5,380,801            | 6,292,910                         |
| Thereafter                          | 15,404,871                  | 6,456,961            | 34,132,227                        |
| <b>Total</b>                        | <b>\$ (1,539,802,751)</b>   | <b>\$ 34,047,066</b> | <b>\$ 65,596,777</b>              |

### ***Payables to the Pension Plans***

The State reported payables of \$38.68 million to the FRS Pension Plan, and \$5.36 million to the HIS Program as of June 30, 2015, for legally required contributions to the plans.

## **2. Defined Contribution Programs**

### **FRS Investment Plan**

The State Board of Administration administers the defined contribution plan officially titled the FRS Investment Plan. The Florida Legislature establishes and amends the benefit terms of the plan. Retirement benefits are based upon the value of the member's account upon retirement. The FRS Investment Plan provides vesting after one year of service regardless of membership class. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the FRS Investment Plan, the years of service required for vesting under the Pension Plan (including the service credit represented by the transferred funds) is required to be vested for these funds and the earnings on the funds. The employer pays a contribution as a percentage of salary that is deposited into the individual member's account. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. The FRS Investment Plan member directs the investment from the options offered under the plan. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer assessment of 0.04% of payroll and by forfeited benefits of plan members. After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the FRS Investment Plan, receive a lump-sum distribution, or leave the funds invested for future distribution. Disability coverage is provided; the employer pays an employer contribution to fund the disability benefit which is deposited in the FRS Trust Fund. The member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the FRS Investment Plan and rely upon that account balance for retirement income.

### **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. The Florida Legislature establishes and amends the benefit terms of the program. This program is 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 by the participant to provide retirement and death benefits. Employees in eligible positions are compulsory participants in the SUSORP unless they elect FRS membership. Faculty in a college of medicine with a faculty practice plan are mandatory SUSORP participants and cannot elect FRS membership.

The employing universities were statutorily required to contribute 5.15% of the participants' gross monthly compensation from July 2014 through June 2015. 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 also a UAL payment required of 2.54% for fiscal year 2014-15. In accordance with Chapter 60U-2, Florida Administrative Code, 0.01% of the employer contribution rate was used for the administration of the SUSORP program and 5.14% was distributed to the provider companies designated by the participant.

Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the university.

### **Senior Management Service Optional Annuity Program (SMSOAP)**

Section 121.055, F.S., created the SMSOAP as an optional retirement program for state members of the Senior Management Service Class. The Florida Legislature establishes and amends the benefit terms of the program. The SMSOAP is a defined contribution plan that provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies to invest as directed to provide retirement and death benefits. Employees in eligible state positions may make an irrevocable election to participate in the SMSOAP in lieu of the Senior Management Service Class. Employers were required to contribute 6.27% of covered payroll from July 2014 through June 2015. 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 a UAL payment of 15.04% required for fiscal year 2014-15. The employers' contributions were paid to the provider companies designated by the participant. Effective July 1, 2011, there is a mandatory employee contribution of 3%. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the employer.

### **Pension Amounts for Defined Contribution Plans**

As of June 30, 2015, the State reported the following pension amounts related to the defined contribution plans:

| <b>Reporting Period<br/>Ended<br/>June 30, 2015</b> | <b>FRS<br/>Investment Plan</b> | <b>Optional Retirement<br/>Plan</b> | <b>Optional<br/>Annuity Program</b> |
|-----------------------------------------------------|--------------------------------|-------------------------------------|-------------------------------------|
| <i>Pension Expense<sup>1</sup></i>                  | \$ 59,107,136 <sup>2</sup>     | \$ 83,288,607                       | \$ 210,655                          |
| <i>Forfeitures</i>                                  | 4,292,638                      | -                                   | -                                   |
| <i>Pension Liability</i>                            | 10,759,243                     | 12,688                              | -                                   |

<sup>1</sup>Pension expense excludes the required unfunded actuarial liability (UAL) which is recognized in the FRS statement of contributions.

<sup>2</sup>The amount of forfeitures is not reflected in pension expense recognized by the State and are used to offset administrative costs.

### **B. Other Postemployment Benefits (OPEB)**

The following is based on the November 5, 2015, full actuarial valuation of the State Employees' Health Insurance Program Retiree healthcare benefits as of July 1, 2015.

#### **Plan Description**

The state implicitly subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same group health plan offered to active employees. Although retirees pay 100% of the premium amount, the premium cost to the retiree is implicitly subsidized due to increasing health care costs with age and the commingling of the claims experience in a single risk pool with a single premium determination for active employees and retirees under age 65. Section 110.123, F.S., authorizes the offering of health insurance benefits to retired state and university employees. Section 112.0801, F.S., requires all public employers that offer benefits through a group insurance plan to allow their retirees to continue participation in the plan. The law also requires the claims experience of the retirees under 65 group to be combined with the claims experience of active employees for premium determination and the premium offered to retired employees to be no more than the premium applicable to active employees. Retirees under age 65 pay the same premium amounts as applicable to active employees. Retirees over age 65 are included in the overall risk pool but pay a lesser premium amount than is applicable to active employees because the plan is secondary payer to Medicare Parts A and B. The State Employees' Group Health Insurance Program (Program) operates as a cost-sharing multiple-employer defined benefit health plan; however, current administration of the Program is not through a formal trust and therefore disclosure requirements are those applicable to an agency multiple-employer plan. The Division of State Group Insurance within the Department of Management Services is designated by Section 110.123, F.S., to be responsible for all aspects of the purchase of healthcare for state and university employees and retirees under the Program.

There are twenty-one participating employers including the primary government of the state, the twelve state universities, and other governmental entities. There was an enrollment of 167,282 subscribers including 36,288 retirees at July 1, 2015.

COBRA subscribers accounted for an additional 9,951 members. Employees must make an election to participate in the plan within 31 days of the effective date of their retirement to be eligible to continue in the plan as a retiree. Four types of health plans are offered to eligible participants: a standard statewide Preferred Provider Organization (PPO) Plan, a Health Investor PPO Plan, a standard Health Maintenance Organization (HMO) Plan, and a Health Investor HMO Plan. HMO coverage is available only to those retirees who live or work in the HMO's service area. The four PPO and HMO options are considered managed-care plans and have specific provider networks.

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

#### Funding Policy

Benefit provisions are described by Section 110.123, F.S., and along with contributions, can be amended by the Florida Legislature. The state has not advance-funded OPEB costs or the net OPEB obligation. The Self-Insurance Estimating Conference develops official information for determining the budget levels needed for the state's planning and budgeting process. The Governor's recommended budget and the General Appropriations Act provide for a premium level necessary for funding the program each year on a pay-as-you-go basis. Monthly premiums, through June 2015 coverage, for active employees and retirees under the age of 65 for the standard plan were \$641.52 and \$1,444.06 for single and family contracts, respectively. Retirees over the age of 65 pay premiums for a Medicare supplement. Monthly premiums, through June 2015 coverage, for the standard PPO Plan were \$359.61 for a single contract, \$719.22 for two Medicare eligible members, and \$1,036.90 for a family contract when only one member is Medicare eligible. The following schedules regarding OPEB cost, net OPEB obligation and OPEB funded status disclose only the State of Florida's share of the OPEB. Refer to Other Required Supplementary Information for information on the OPEB plan as a whole.

#### Actuarially-Determined Annual OPEB Cost and Net OPEB Obligation as of June 30, 2015 and the two preceding fiscal years (dollars in thousands):

|                                            | 2015                | 2014                | 2013              |
|--------------------------------------------|---------------------|---------------------|-------------------|
| Annual required contribution (ARC)         | \$ 360,424          | \$ 399,026          | \$ 327,829        |
| Interest on the net OPEB obligation        | 49,713              | 37,540              | 28,412            |
| Adjustments to the ARC                     | (43,085)            | (32,534)            | (24,624)          |
| Annual OPEB Cost                           | 367,052             | 404,032             | 331,617           |
| Employer contribution                      | (86,057)            | (99,706)            | (103,428)         |
| Increase/(decrease) in net OPEB obligation | 280,995             | 304,326             | 228,189           |
| Net OPEB obligation - July 1               | 1,242,824           | 938,498             | 710,309           |
| Net OPEB obligation - June 30              | <u>\$ 1,523,819</u> | <u>\$ 1,242,824</u> | <u>\$ 938,498</u> |
| Percent of annual OPEB cost contributed    | 23.45%              | 24.68%              | 31.19%            |



Funded Status – State Share

The funded status of the plan as of June 30, 2015, was as follows (dollars in thousands):

|                                                      |                     |
|------------------------------------------------------|---------------------|
| Actuarial valuation date                             | July 1, 2015        |
| Actuarial accrued liability (AAL)                    | \$ 5,245,067        |
| Actuarial value of plan assets                       | .....               |
| Unfunded actuarial accrued liability (UAAL)          | <u>\$ 5,245,067</u> |
| Actuarial value of assets as a percentage of the AAL | 0.00%               |
| Covered payroll -- State share                       | \$ 4,399,327        |
| UAAL (State) as a percentage of covered payroll      | 119.22%             |

Actuarial Methods and Assumptions

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

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

The entry age actuarial cost method was used for the actuarial valuation as of July 1, 2015. This method allocates the value of a member's benefit as a level percentage of pay between entry age and retirement age. Allocating costs as a level percentage of pay, even though the benefits are not pay-related, helps with budgeting for these employee benefits costs as a percentage of payroll. Actuarial assumptions included a 3% inflation rate, a 4% return on invested assets, and a 3.25% payroll growth rate. Initial healthcare cost trend rates used for the Preferred Provider Organization (PPO) Plans are 4.4%, 8.5%, and 9.3% for the first three years followed by 9.9% and 9.7% for pre-Medicare and post-Medicare, respectively, in the fourth year, then grading to 3.9% over the course of 60 years. For the Health Maintenance Organization (HMO) Plans – Pre-Medicare, initial healthcare cost trend rates of 3.5%, 6.6%, and 7.5% are used for the first three years followed by 8.1% in the fourth year, then grading to 3.9% over the course of 60 years. For the Health Maintenance Organization (HMO) Plans – Post Medicare, initial healthcare cost trend rates of 3.5%, 6.6%, and 7.5% are used for the first three years followed by 7.9% in the fourth year, then grading to 4.0% over the course of 60 years.

**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, 2015, the Department had available approximately \$12.1 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, 2015, totaled \$215 million. Refer to Note 5 for additional disclosures relating to construction in progress. Construction commitments for component units totaled \$2.3 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 \$530,400,395 for the fiscal year ended June 30, 2015. The table below represents the Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2015:

| Series             | Amount                |
|--------------------|-----------------------|
| 2011A              | \$ 9,135,000          |
| 2011B              | 119,600,000           |
| 2011A (Intermodal) | 61,410,000            |
| 2011B (Intermodal) | 43,325,000            |
| <b>Total</b>       | <b>\$ 233,470,000</b> |

**C. Operating Leases**

Operating leases are not recorded on the balance sheets or statements of net assets; however, operating lease payments are recorded as expenditures/expenses when incurred. Total operating lease payments for the state's governmental activities, business-type activities, and component units were \$136.5 million, \$8.5 million, and \$66.2 million, respectively, for the year ended June 30, 2015. The following is a schedule of future non-cancelable operating lease payments for the primary government and component units at June 30, 2015 (in thousands):

|              | Primary Government         |                             | Component         |
|--------------|----------------------------|-----------------------------|-------------------|
|              | Governmental<br>Activities | Business-type<br>Activities | Units             |
| 2016         | \$ 129,038                 | \$ 6,883                    | \$ 57,097         |
| 2017         | 119,446                    | 6,776                       | 43,236            |
| 2018         | 114,669                    | 6,443                       | 37,761            |
| 2019         | 107,816                    | 3,731                       | 30,480            |
| 2020         | 81,714                     | 3,063                       | 24,737            |
| 2021-2025    | 119,769                    | 4,850                       | 82,158            |
| 2026-2030    | 3,911                      | 4,183                       | 56,881            |
| 2031-2035    | 1,663                      | 2,308                       | 49,701            |
| 2036-2040    | 1,735                      | .....                       | 36,715            |
| 2041-2045    | 1,806                      | .....                       | 36,992            |
| 2046-2050    | .....                      | .....                       | 610               |
| 2051-2055    | .....                      | .....                       | 610               |
| 2056-2060    | .....                      | .....                       | 236               |
| 2061-2065    | .....                      | .....                       | 142               |
| 2066-2070    | .....                      | .....                       | 142               |
| 2071-2075    | .....                      | .....                       | 142               |
| 2076-2080    | .....                      | .....                       | 142               |
| 2081-2085    | .....                      | .....                       | 142               |
| 2086-2090    | .....                      | .....                       | 57                |
| <b>Total</b> | <b>\$ 681,567</b>          | <b>\$ 38,237</b>            | <b>\$ 457,981</b> |

**D. Encumbrances**

As of June 30, 2015, encumbrances for major and nonmajor governmental funds were (in thousands):

|                      | General<br>Fund   | Environment,<br>Recreation<br>and<br>Conservation | Public<br>Education | Health and<br>Family<br>Services | Transportation   | Nonmajor<br>Governmental<br>Funds | Total             |
|----------------------|-------------------|---------------------------------------------------|---------------------|----------------------------------|------------------|-----------------------------------|-------------------|
| <b>Encumbrances:</b> | <u>\$ 164,576</u> | <u>\$ 5,538</u>                                   | <u>\$ 106,699</u>   | <u>\$ 52,023</u>                 | <u>\$ 38,109</u> | <u>\$ 315,255</u>                 | <u>\$ 682,200</u> |

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

Bonds payable at June 30, 2015, are as follows (in thousands):

| Bond Type                                         | Original<br>Amount   | Amount<br>Outstanding | Interest<br>Rates | Annual<br>Maturity To |
|---------------------------------------------------|----------------------|-----------------------|-------------------|-----------------------|
| Governmental Activities:                          |                      |                       |                   |                       |
| Road and Bridge Bonds                             | \$ 1,879,965         | \$ 1,569,885          | 3.000%-5.375%     | 2041                  |
| SBE Capital Outlay Bonds                          | 373,720              | 293,605               | 2.000%-5.000%     | 2030                  |
| Lottery Education Bonds                           | 3,015,565            | 2,015,068             | 3.000%-6.584%     | 2032                  |
| Public Education Bonds                            | 10,821,900           | 9,216,135             | 2.250%-6.000%     | 2041                  |
| State University System Bonds                     | 241,960              | 150,335               | 3.000%-6.500%     | 2033                  |
| University Auxiliary Bonds                        | 1,143,685            | 929,101               | 2.290%-7.500%     | 2043                  |
| Inland Protection Bonds                           | 96,730               | 67,100                | 4.260%-5.400%     | 2024                  |
| Florida Forever Bonds                             | 1,512,280            | 1,154,815             | 3.250%-7.045%     | 2029                  |
| Water Pollution Control Bonds                     | 614,775              | 398,005               | 3.000%-5.500%     | 2031                  |
| Florida Facilities Pool Bonds                     | 479,060              | 286,635               | 4.000%-5.750%     | 2039                  |
| State Infrastructure Bank Bonds                   | 123,615              | 49,825                | 4.250%-5.000%     | 2027                  |
| Seaport Investment Bonds                          | 138,145              | 129,805               | 4.000%-5.000%     | 2043                  |
| Everglades Restoration Bonds                      | 288,550              | 214,730               | 0.320%-6.450%     | 2032                  |
|                                                   | 20,729,950           | 16,475,044            |                   |                       |
| Unamortized premiums (discounts) on bonds payable |                      | 829,585               |                   |                       |
| Total Bonds Payable                               | <u>\$ 20,729,950</u> | <u>\$ 17,304,629</u>  |                   |                       |
| Business-type Activities:                         |                      |                       |                   |                       |
| Toll Facilities Bonds                             | \$ 3,284,045         | \$ 2,807,730          | 2.875%-6.800%     | 2044                  |
| Florida Hurricane Catastrophe Fund Bonds          | 2,000,000            | 2,000,000             | 1.298%-2.995%     | 2021                  |
|                                                   | 5,284,045            | 4,807,730             |                   |                       |
| Unamortized premiums (discounts) on bonds payable |                      | 118,352               |                   |                       |
| Total Bonds Payable                               | <u>\$ 5,284,045</u>  | <u>\$ 4,926,082</u>   |                   |                       |

## 2. Types of Bonds

**Road and Bridge Bonds** are issued to finance the cost of acquiring real property or the rights to real property for state roads, or to finance the cost of state bridge construction. The bonds, serial and term, are secured by a pledge of a portion of the state-assessed motor fuel tax revenues, 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, serial and term, 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, serial and term, 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.

**State University System Bonds** are issued to construct university student life facilities. The bonds, serial and term, are secured by a system pledge of Capital Improvement Fee revenues.

**University Auxiliary Bonds** are issued to construct university facilities, including parking and housing. The bonds, serial and term, are secured by university pledges of certain housing system revenues, parking system revenues, and student fee assessments.

**Inland Protection Bonds** are issued by the Inland Protection Financing Corporation (a blended component unit) for the purpose of financing the rehabilitation of petroleum contaminated sites. The bonds mature serially and are secured by a pledge of moneys derived from a wholesale excise tax primarily on petroleum products.

**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, serial and term, are secured by a pledge of a portion of the documentary stamp tax.

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

**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.

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

**Seaport Investment Program Bonds** are issued primarily to finance improvements at various seaports within the State of Florida. The bonds, serial and term, are secured by a first lien on the annual allocation of certain fees derived from motor vehicle certificates to the Seaport Investment Program.

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

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

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

**3. Pledged Revenues (in thousands):**

The table below contains information regarding revenues pledged to repay debt obligations. For each Bond Type, the table discloses Gross Revenue, Operating Expenses, Net Revenue Available for Debt Service, Principal, Interest, Coverage Ratio, Final Maturity, Remaining Debt Service, and Revenue Ratio. The Bond Types with Operating Expenses are considered self-supporting debt and are paid from the associated facilities being financed. If Operating Expenses are not shown, the bond type is considered to be Net Tax Supported debt and serviced by dedicated tax or fee revenues.

| Bond Type                                        | Revenue <sup>3</sup> | Less<br>Operating<br>Expenses | Net Available<br>for Debt<br>Service | Debt Service |                       |                       | Coverage<br>Ratio | Final<br>Maturity | Remaining<br>Debt Service | Revenue<br>Ratio <sup>4</sup> |
|--------------------------------------------------|----------------------|-------------------------------|--------------------------------------|--------------|-----------------------|-----------------------|-------------------|-------------------|---------------------------|-------------------------------|
|                                                  |                      |                               |                                      | Principal    | Interest <sup>5</sup> | Total Debt<br>Service |                   |                   |                           |                               |
| Florida Turnpike (Toll Facility)                 | 894,589              | 177,160                       | 717,429                              | 120,990      | 132,100               | 253,090               | 2.83              | 2044              | 4,323,532                 | 80.20%                        |
| Florida Forever/Everglades <sup>1</sup>          | 1,229,100            | .....                         | 1,229,100                            | 102,715      | 67,113                | 169,828               | 7.24              | 2032              | 1,824,126                 | 100.00%                       |
| Lottery Education <sup>1,2</sup>                 | 1,496,371            | .....                         | 1,496,371                            | 203,389      | 108,556               | 311,945               | 4.80              | 2032              | 2,601,665                 | 100.00%                       |
| Alligator Alley (Toll Facility)                  | 28,549               | 8,525                         | 20,024                               | 1,830        | 1,620                 | 3,450                 | 5.80              | 2027              | 41,395                    | 70.14%                        |
| State Infrastructure Bank                        | 56,750               | .....                         | 56,750                               | 10,085       | 2,955                 | 13,040                | 4.35              | 2027              | 59,158                    | 100.00%                       |
| Florida Hurricane Catastrophe                    | 1,564,480            | 18,687                        | 1,545,793                            | 325,000      | 71,339                | 396,339               | 3.90              | 2021              | 2,211,341                 | 98.81%                        |
| State University System Bonds                    | 53,960               | .....                         | 53,960                               | 13,460       | 8,032                 | 21,492                | 2.51              | 2033              | 213,443                   | 100.00%                       |
| University Auxiliary Bonds                       |                      |                               |                                      |              |                       |                       |                   |                   |                           |                               |
| Parking System Revenue Bonds                     |                      |                               |                                      |              |                       |                       |                   |                   |                           |                               |
| Florida International University                 | 13,845               | 4,863                         | 8,982                                | 2,875        | 3,457                 | 6,332                 | 1.42              | 2043              | 129,318                   | 64.87%                        |
| University of South Florida                      | 13,904               | 7,935                         | 5,969                                | 2,380        | 1,179                 | 3,559                 | 1.68              | 2026              | 30,629                    | 42.93%                        |
| Florida Agricultural & Mechanical University     | 2,195                | 1,118                         | 1,077                                | 190          | 43                    | 233                   | 4.62              | 2018              | 698                       | 49.07%                        |
| University of Florida                            | 12,530               | 7,294                         | 5,236                                | 1,510        | 791                   | 2,301                 | 2.28              | 2028              | 22,878                    | 41.79%                        |
| Florida Atlantic University                      | 7,072                | 4,103                         | 2,969                                | 1,325        | 753                   | 2,078                 | 1.43              | 2032              | 24,103                    | 41.98%                        |
| University of Central Florida                    | 21,248               | 3,002                         | 18,246                               | 3,410        | 1,505                 | 4,915                 | 3.71              | 2032              | 44,686                    | 85.87%                        |
| Florida State University                         | 11,892               | 3,204                         | 8,688                                | 3,025        | 1,903                 | 4,928                 | 1.76              | 2031              | 51,752                    | 73.06%                        |
| Housing System Revenue Bonds                     |                      |                               |                                      |              |                       |                       |                   |                   |                           |                               |
| Florida Agricultural & Mechanical University     | 14,068               | 7,499                         | 6,569                                | 2,820        | 3,096                 | 5,916                 | 1.11              | 2032              | 88,513                    | 46.69%                        |
| Florida International University                 | 28,782               | 14,592                        | 14,190                               | 5,390        | 4,312                 | 9,702                 | 1.46              | 2041              | 149,004                   | 49.30%                        |
| University of Florida                            | 54,587               | 35,076                        | 19,511                               | 4,580        | 3,646                 | 8,226                 | 2.37              | 2033              | 109,262                   | 35.74%                        |
| Florida Atlantic University                      | 14,828               | 7,574                         | 7,254                                | 2,900        | 2,862                 | 5,762                 | 1.26              | 2036              | 90,389                    | 48.92%                        |
| University of Central Florida                    | 29,455               | 14,831                        | 14,624                               | 4,225        | 4,565                 | 8,790                 | 1.66              | 2042              | 149,480                   | 49.65%                        |
| Florida State University                         | 43,194               | 19,302                        | 23,892                               | 4,675        | 6,774                 | 11,449                | 2.09              | 2040              | 280,942                   | 55.31%                        |
| Student Health and Wellness Center Revenue Bonds |                      |                               |                                      |              |                       |                       |                   |                   |                           |                               |
| University of Central Florida                    | 16,610               | .....                         | 16,610                               | 395          | 226                   | 621                   | 26.76             | 2024              | 5,561                     | 100.00%                       |
| Florida State University                         | 14,842               | .....                         | 14,842                               | 1,200        | 1,182                 | 2,382                 | 6.23              | 2030              | 35,700                    | 100.00%                       |
| University of North Florida                      | 4,243                | .....                         | 4,243                                | 435          | 614                   | 1,049                 | 4.04              | 2036              | 25,641                    | 100.00%                       |
| Student Activity Revenue Bonds                   |                      |                               |                                      |              |                       |                       |                   |                   |                           |                               |
| University of Florida                            | 22,208               | .....                         | 22,208                               | 1,340        | 1,891                 | 3,231                 | 6.87              | 2033              | 58,196                    | 100.00%                       |
| Water Pollution Control Bonds                    | 96,548               | .....                         | 96,548                               | 34,875       | 20,534                | 55,409                | 1.74              | 2031              | 538,723                   | 100.00%                       |
| Inland Protection Bonds                          | 198,432              | .....                         | 198,432                              | 6,180        | 2,637                 | 8,817                 | 22.50             | 2024              | 84,703                    | 100.00%                       |
| Seaport Investment Program                       | 200,000              | .....                         | 200,000                              | 2,145        | 6,436                 | 8,581                 | 23.31             | 2043              | 240,303                   | 100.00%                       |

<sup>1</sup> Operating Expenses are not listed for various programs. For these programs, either no operating expenses reduce revenues available for debt service, or, in the case of the Lottery, include expenses unrelated to the operation of the program, such as payment of lottery prizes. Instead, for these programs, the revenue shown is the amount available to pay debt service.

<sup>2</sup> Source Department of Lottery, Audited Financial Statements.

<sup>3</sup> Refer to Note 8A.2. for information on the sources of pledged revenues.

<sup>4</sup> Revenue Ratio is calculated as Net Available for Debt Service divided by Revenue.

<sup>5</sup> Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.

**4. State Debt Limitations**

Section 215.98, F.S., establishes the ratio of tax-supported debt service to tax-supported revenues as the benchmark debt ratio for purposes of setting the state's legal debt margin. Under the policy, if the ratio exceeds 6%, additional tax-supported debt may be authorized only if the legislature determines the additional debt is in the best interest of the state. If the ratio exceeds 7%, additional tax-supported debt may be authorized only if the legislature determines it is necessary to address a critical state emergency. During the fiscal year 2014-15, the ratio remained below 6%, primarily due to an increase in tax revenues. Chapter 2014-53, Section 57, Laws of Florida, provided the legislature's determination that the authorization and issuance of debt for the 2014-15 fiscal year was in the best interest of the state.

## 5. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2015, are as follows (in thousands):

| Year Ending<br>June 30           | Primary Government      |                     |                      |                          |                     |                     |
|----------------------------------|-------------------------|---------------------|----------------------|--------------------------|---------------------|---------------------|
|                                  | Governmental Activities |                     |                      | Business-type Activities |                     |                     |
|                                  | Principal               | Interest            | Total                | Principal                | Interest            | Total               |
| 2016                             | \$ 1,035,644            | \$ 782,547          | \$ 1,818,191         | \$ 128,965               | \$ 181,759          | \$ 310,724          |
| 2017                             | 1,052,353               | 732,631             | 1,784,984            | 634,645                  | 172,141             | 806,786             |
| 2018                             | 1,076,686               | 681,959             | 1,758,645            | 142,260                  | 162,179             | 304,439             |
| 2019                             | 1,057,659               | 629,954             | 1,687,613            | 649,770                  | 149,876             | 799,646             |
| 2020                             | 1,055,990               | 578,249             | 1,634,239            | 140,760                  | 137,120             | 277,880             |
| 2021-2025                        | 5,108,829               | 2,120,522           | 7,229,351            | 1,671,340                | 448,334             | 2,119,674           |
| 2026-2030                        | 3,156,408               | 1,083,977           | 4,240,385            | 549,460                  | 287,234             | 836,694             |
| 2031-2035                        | 1,991,785               | 495,302             | 2,487,087            | 502,465                  | 167,008             | 669,473             |
| 2036-2040                        | 892,640                 | 115,628             | 1,008,268            | 316,385                  | 56,799              | 373,184             |
| 2041-2045                        | 47,050                  | 3,748               | 50,798               | 71,680                   | 6,079               | 77,759              |
| Bonds Payable and Interest       | 16,475,044              | 7,224,517           | 23,699,561           | 4,807,730                | 1,768,529           | 6,576,259           |
| Unamortized premiums (discounts) | 829,585                 | .....               | 829,585              | 118,352                  | .....               | 118,352             |
| Total bonds payable and interest | <u>\$ 17,304,629</u>    | <u>\$ 7,224,517</u> | <u>\$ 24,529,146</u> | <u>\$ 4,926,082</u>      | <u>\$ 1,768,529</u> | <u>\$ 6,694,611</u> |

  

| Year Ending<br>June 30           | Component Units     |                     |                      |
|----------------------------------|---------------------|---------------------|----------------------|
|                                  | Principal           | Interest            | Total                |
| 2016                             | \$ 1,606,252        | \$ 562,833          | \$ 2,169,085         |
| 2017                             | 2,148,413           | 235,099             | 2,383,512            |
| 2018                             | 392,965             | 200,794             | 593,759              |
| 2019                             | 520,424             | 179,550             | 699,974              |
| 2020                             | 808,826             | 157,009             | 965,835              |
| 2021-2025                        | 764,632             | 613,708             | 1,378,340            |
| 2026-2030                        | 822,835             | 452,928             | 1,275,763            |
| 2031-2035                        | 867,651             | 303,842             | 1,171,493            |
| 2036-2040                        | 576,185             | 167,810             | 743,995              |
| 2041-2045                        | 517,130             | 53,391              | 570,521              |
| 2046-2050                        | 34,976              | 1,457               | 36,433               |
| 2051-2055                        | 1,880               | 9                   | 1,889                |
| Bonds payable and interest       | 9,062,169           | 2,928,430           | 11,990,599           |
| Unamortized premiums (discounts) | 154,398             | .....               | 154,398              |
| Total bonds payable and interest | <u>\$ 9,216,567</u> | <u>\$ 2,928,430</u> | <u>\$ 12,144,997</u> |

Annual debt service requirements for university capital improvement debt payable at June 30, 2015, are as follows (in thousands):

| Year Ending<br>June 30                              | Universities      |                   |                     |
|-----------------------------------------------------|-------------------|-------------------|---------------------|
|                                                     | Principal         | Interest          | Total               |
| 2016                                                | \$ 50,116         | \$ 40,901         | \$ 91,017           |
| 2017                                                | 48,026            | 39,209            | 87,235              |
| 2018                                                | 51,366            | 36,162            | 87,528              |
| 2019                                                | 52,760            | 35,905            | 88,665              |
| 2020                                                | 52,751            | 32,599            | 85,350              |
| 2021-2025                                           | 262,859           | 127,730           | 390,589             |
| 2026-2030                                           | 240,425           | 72,856            | 313,281             |
| 2031-2035                                           | 132,080           | 29,130            | 161,210             |
| 2036-2040                                           | 45,528            | 9,168             | 54,696              |
| 2041-2045                                           | 13,597            | 925               | 14,522              |
| Total capital improvement debt payable and interest | 949,508           | 424,585           | 1,374,093           |
| Unamortized premiums (discounts)                    | 10,931            | .....             | 10,931              |
| Total capital improvement debt payable and interest | <u>\$ 960,439</u> | <u>\$ 424,585</u> | <u>\$ 1,385,024</u> |



## **6. Advance Refundings and Current Refundings**

During the fiscal year ended June 30, 2015, 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 were used to immediately call the refunded bonds or deposited in Special Purpose Investment Accounts with the State Treasury and used to call refunded bonds within 90 days of the issuance of the refunding bonds. The proceeds of the advance refundings were deposited in Special Purpose Investment Accounts with the State Treasury and economically defeased the refunded bonds. The funds deposited along with the interest earned and other available funds were sufficient to meet the future principal and interest payments on the refunded bonds as they became due.

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

### **Advance Refundings**

#### **Governmental Activities**

State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series 2014A in the amount of \$186,170,000 along with additional funds of \$2,203,716 were used to advance refund \$102,290,000 of the State of Florida, State Board of Education Lottery Revenue Bonds, Series 2005A maturing in the years 2016 through 2023 and \$100,440,000 of the State of Florida, State Board of Education Lottery Revenue Bonds, Series 2006A maturing in the years 2016 through 2025. The refunding resulted in debt savings of \$25,253,293, an economic gain of \$22,630,233, and a deferred gain on refunding of \$2,157,693.

State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Refunding Bonds, 2014 Series A in the amount of \$24,555,000, in part, along with additional funds of \$145,098 were used to advance refund \$13,735,000 of the State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2005 Series A maturing in the years 2016 through 2025. The refunding resulted in debt savings of \$1,481,813, an economic gain of \$1,324,749, and a deferred loss on refunding of \$148,708.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2014 Series B in the amount of \$117,300,000, in part, along with additional funds of \$1,542,859 were used to advance refund \$51,250,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2003 Series D maturing in the years 2016 through 2028, and \$75,050,000 of the State of Florida, State Board of Education Public Education Capital Outlay Bonds, 2004 Series C maturing in the years 2016 through 2029. The refunding resulted in debt savings of \$22,317,241, an economic gain of \$18,659,771, and a deferred gain on refunding of \$1,396,891.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2014 Series C in the amount of \$220,520,000, along with additional funds of \$3,748,125 were used to advance refund \$131,555,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2002 Series E maturing in the years 2016 through 2035, and \$106,840,000 of the State of Florida, State Board of Education Public Education Capital Outlay Bonds, 2005 Series E maturing in the years 2016 through 2030. The refunding resulted in debt savings of \$45,472,001, an economic gain of \$35,116,190 and a deferred gain on refunding of \$1,198,367.

State of Florida, Board of Governors Florida State University Dormitory Revenue Refunding Bonds, Series 2014A in the amount of \$46,085,000, in part, were used to advance refund \$35,860,000 of the State of Florida, Florida Education System Florida State University Housing Facility Revenue Bonds, Series 2005A maturing in the years 2016 through 2031. The refunding resulted in debt savings of \$6,272,207, an economic gain of \$4,926,762, and a deferred gain on refunding of \$768,694.

State of Florida, Board of Governors Florida State University Parking Facility Revenue Refunding Bonds, Series 2014A in the amount of \$13,485,000, in part, along with additional funds of \$149,421, were used to advance refund \$6,860,000 of the State of Florida, Florida Education System Florida State University Parking Facility Revenue Bonds, Series 2005A maturing in the years 2016 through 2025. The refunding resulted in debt savings of \$842,092, an economic gain of \$742,593, and a deferred loss on refunding of \$91,087.

State of Florida, Department of Environmental Protection Florida Forever Revenue Refunding Bonds, Series 2014A in the amount of \$215,515,000 along with additional funds of \$3,999,773 were used to advance refund \$59,050,000 of the State of Florida, Department of Environmental Protection Florida Forever Revenue Bonds, Series 2005A maturing in the years 2016 through 2025, \$89,220,000 of State of Florida, Department of Environmental Protection Florida Forever Revenue Bonds, Series 2005B maturing in the years 2016 through 2025, and \$96,540,000 of the State of Florida, Department of Environmental Protection Florida Forever Revenue Bonds, Series 2006A maturing in the years 2016 through 2025. The refunding resulted in debt savings of \$36,405,153, an economic gain of \$31,928,006, and a deferred gain on refunding of \$1,751,075.

State of Florida, Department of Management Services Refunding Certificates of Participation, Series 2015A in the amount of \$99,625,000, in part, along with additional funds of \$15,670,313 were used to advance refund \$3,845,000 of the State of Florida Correctional Privatization Commission Certificates of Participation, Series 1995B maturing in the years 2015 through 2017, \$4,080,000 of the State of Florida Correctional Privatization Commission Certificates of Participation, Series 1995C maturing in the years 2015 through 2017, and \$78,770,000 of the State of Florida Department of Management Services Certificates of Participation, Series 2006A. The refunding resulted in debt savings of \$10,649,703, an economic gain of \$9,438,069, and a deferred loss on refunding of \$946,238.

State of Florida, Board of Governors University of Florida Dormitory Revenue Bonds, Series 2013A, in the amount of \$24,805,000, in part, along with additional funds of \$124,438, were used to refund \$5,545,000 of the State of Florida, Florida Education System University of Florida Housing Revenue Refunding Bonds, Series 2005A maturing in the years 2016 through 2023. The refunding resulted in debt savings of \$524,745, an economic gain of \$463,505, and a deferred loss on refunding of \$152,797.

### **Current Refundings**

#### **Governmental Activities**

State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Refunding Bonds, 2014 Series B in the amount of 129,880,000 along with additional funds of \$2,887,813 were used to refund \$47,234,000 of the State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2005 Series A maturing in the years 2016 through 2017 and \$91,380,000 of the State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Refunding Bonds, 2005 Series B maturing in the years 2016 through 2020. The refunding resulted in debt savings of \$10,453,172, an economic gain of \$10,282,214, and a deferred loss on refunding of \$5,312,715.

State of Florida, Board of Governors Florida State University Parking Facility Revenue Refunding Bonds, Series 2014A in the amount of \$13,485,000, in part, along with additional funds of \$179,491, were used to refund \$8,535,000 of the State of Florida, Florida Board of Education Florida State University Parking Facility Revenue Bonds, Series 2003B maturing in the years 2015 through 2023. The refunding resulted in debt savings of \$1,023,949, an economic gain of \$940,572, and a deferred loss on refunding of \$32,139.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series A in the amount of \$233,825,000 along with additional funds of \$3,297,593 were used to refund \$267,005,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2005 Series D maturing in the years 2016 through 2029. The refunding resulted in debt savings of \$57,112,921, an economic gain of \$49,852,400, and a deferred loss on refunding of \$6,678,762.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series B in the amount of \$231,825,000 along with additional funds of \$4,359,438 were used to refund \$264,400,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2005 Series C maturing in the years 2016 through 2029. The refunding resulted in debt savings of \$51,136,696, an economic gain of \$44,341,930, and a deferred loss on refunding of \$8,516,961.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series C in the amount of \$253,945,000 along with additional funds of \$4,758,486 were used to refund \$43,715,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2003 Series D maturing in the years 2029 through 2035, \$171,580,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2004 Series C maturing in the years 2016 through 2035, and \$55,355,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2005 Series E maturing in the years 2031 through 2035. The refunding resulted in debt savings of \$58,453,684, an economic gain of \$42,261,467, and a deferred loss on refunding of \$7,572,392.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series D in the amount of \$258,270,000 along with additional funds of \$6,987,706 were used to refund \$113,355,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2005 Series A maturing in the years 2016 through 2021 and \$177,070,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2005 Series B maturing in the years 2016 through 2022. The refunding resulted in debt savings of \$34,212,979, an economic gain of \$32,616,361, and a deferred loss on refunding of \$3,382,794.

State of Florida, Board of Governors Florida State University Dormitory Revenue Bonds, Series 2015A in the amount of \$59,575,000, in part, were used to refund \$2,695,000 of the State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2004A maturing in the year 2034 and \$21,450,000 of the State of Florida, Florida Education System, Florida State University Housing Facility Revenue Bonds, Series 2005A maturing in the years 2016 through 2035. The refunding resulted in debt savings of \$5,188,657, an economic gain of \$3,503,503 and a deferred gain on refunding of \$391,396.

State of Florida, Department of Management Services Refunding Certificates of Participation, Series 2015A in the amount of \$99,625,000, in part, along with additional funds of \$12,238,337 were used to refund \$9,225,000 of the State of Florida Correctional Privatization Commission Certificates of Participation, Series 2004A maturing in the years 2015 through 2017 and, \$30,390,000 of the State of Florida Correctional Privatization Commission Certificates of Participation, Series 2004B maturing in the years 2015 through 2025. The refunding resulted in debt savings of \$6,498,445, an economic gain of \$5,563,118, and a deferred gain on refunding of \$3,842,537.

### **Business-type Activities**

State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2014A in the amount of \$223,580,000 along with additional funds of \$891,208 in part were used to refund \$114,985,000 of the State of Florida Department of Transportation Turnpike Revenue Bonds, Series 2004A maturing in the years 2027 through 2034. The refunding resulted in debt savings of \$22,587,641, an economic gain of \$14,523,679, and a deferred loss on refunding of \$3,488,238.

### **7. Prior-year Defeased Bonds**

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

|                                | Principal at<br>6/30/2015 |
|--------------------------------|---------------------------|
| <u>Governmental Activities</u> |                           |
| University Auxiliary Bonds     | \$ 1,169                  |

### **8. Arbitrage Regulations**

The state complies with federal arbitrage regulations.

**9. Direct Interest**

The state's bonds are issued for the creation or continuing existence of various programs. Interest is reported at June 30, 2015, in the following governmental activities as direct expenses on the Statement of Activities (in thousands):

| <u>Governmental Activities</u>          | <u>Interest</u>          |
|-----------------------------------------|--------------------------|
| Education:                              |                          |
| SBE Capital Outlay Bonds                | \$ 11,320                |
| Lottery Education Bonds                 | 94,809                   |
| Public Education Bonds                  | 398,100                  |
| State University System Bonds           | 7,839                    |
| University Auxiliary Bonds              | 38,829                   |
| Total Education                         | <u>550,897</u>           |
| Natural Resources and Environment:      |                          |
| Inland Protection Bonds                 | 3,277                    |
| Everglades Restoration Bonds            | 6,548                    |
| Water Pollution Control Bonds           | 16,382                   |
| Florida Forever Bonds                   | 55,524                   |
| Total Natural Resources and Environment | <u>81,731</u>            |
| Transportation:                         |                          |
| Road and Bridge Bonds (Right of Way)    | 60,807                   |
| State Infrastructure Bonds              | 2,638                    |
| Seaport Bonds                           | 5,180                    |
| Total Transportation                    | <u>68,625</u>            |
| Total Direct Interest                   | <u><u>\$ 701,253</u></u> |

**10. Governmental Activities – Unrestricted Net Position Deficit**

Governmental activities reflect a negative unrestricted net position balance of \$12.4 billion at June 30, 2015. This deficit is primarily the result of education-related bonds in which the state is responsible for the debt, but the state colleges, state universities, or 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 "Net investment in capital assets." Instead, this bonded debt is netted with unrestricted net position. Education-related bonds include SBE Capital Outlay Bonds; PECO Bonds; State University System Improvement Bonds; and Lottery Education Bonds; which have a total ending balance at June 30, 2015, of \$12.3 billion. The state has an additional \$1.1 billion in other bonds, including Florida Forever bonds in which the state does not own the related capital assets. The resources related to the payment of this debt will be provided from future revenue sources. If these bonds were removed, the adjusted unrestricted net position for governmental activities would be \$1.0 billion.

**B. Certificates of Participation****1. Primary Government**

The state has issued certificates of participation (original amount of \$801,055,000) to finance privately operated detention and mental health facilities. The certificates of participation's interest rates range from 3.375% - 6.825% and the last maturity date is October 1, 2029. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2015 (in thousands):

| Year Ending<br>June 30                      | Principal         | Interest          | Total             |
|---------------------------------------------|-------------------|-------------------|-------------------|
| 2016                                        | \$ 39,795         | \$ 34,010         | \$ 73,805         |
| 2017                                        | 38,770            | 30,092            | 68,862            |
| 2018                                        | 39,200            | 27,045            | 66,245            |
| 2019                                        | 35,595            | 26,241            | 61,836            |
| 2020                                        | 36,430            | 24,418            | 60,848            |
| 2021-2025                                   | 205,080           | 90,903            | 295,983           |
| 2026-2030                                   | 204,290           | 29,793            | 234,083           |
| Total                                       | 599,160           | 262,502           | 861,662           |
| Unamortized premiums (discounts)            | 15,374            | .....             | 15,374            |
| Total certificates of participation payable | <u>\$ 614,534</u> | <u>\$ 262,502</u> | <u>\$ 877,036</u> |

**2. Component Units**

Component units (universities and a water management district) have issued certificates of participation (original amount of \$1,134,345,000) primarily to finance academic and student facilities, and construction projects for Everglades restoration. The certificates of participation's interest rates range from 2.000% to 6.000% and the last maturity date is July 1, 2040. The following is a schedule of future minimum principal and interest payments for certificates of participation for component units at June 30, 2015 (in thousands):

| Year Ending<br>June 30                      | Principal           | Interest          | Total               |
|---------------------------------------------|---------------------|-------------------|---------------------|
| 2016                                        | \$ 25,188           | \$ 45,675         | \$ 70,863           |
| 2017                                        | 29,074              | 46,135            | 75,209              |
| 2018                                        | 30,355              | 44,829            | 75,184              |
| 2019                                        | 31,671              | 43,421            | 75,092              |
| 2020                                        | 33,113              | 41,933            | 75,046              |
| 2021-2025                                   | 187,620             | 184,966           | 372,586             |
| 2026-2030                                   | 232,454             | 135,711           | 368,165             |
| 2031-2035                                   | 290,785             | 73,421            | 364,206             |
| 2036-2040                                   | 147,940             | 10,956            | 158,896             |
| 2041-2045                                   | 1,200               | 51                | 1,251               |
| Total                                       | 1,009,400           | 627,098           | 1,636,498           |
| Unamortized premiums (discounts)            | 27,820              | .....             | 27,820              |
| Total certificates of participation payable | <u>\$ 1,037,220</u> | <u>\$ 627,098</u> | <u>\$ 1,664,318</u> |

## NOTE 9 - INSTALLMENT PURCHASES, CAPITAL LEASES, AND PUBLIC-PRIVATE PARTNERSHIPS

### A. Installment Purchases

The state has a number of installment purchase contracts primarily providing for the acquisition of buildings, furniture, and equipment. At June 30, 2015, 75% of the state's installment purchase contracts for primary governmental activities were for furniture and equipment, and the remaining 25% for buildings. Installment purchase contracts for component units consisted of 100% of furniture and equipment. The following is a schedule of future minimum installment purchase contract payments for the primary government and component units at June 30, 2015 (in thousands):

| Year Ending<br>June 30                      | Primary<br>Government      |                             | Component<br>Units |
|---------------------------------------------|----------------------------|-----------------------------|--------------------|
|                                             | Governmental<br>Activities | Business-type<br>Activities |                    |
| 2016                                        | \$ 11,400                  | \$ 2,250                    | \$ 3,013           |
| 2017                                        | 10,217                     | 2,251                       | 2,295              |
| 2018                                        | 9,215                      | 16,042                      | 1,410              |
| 2019                                        | 7,616                      | .....                       | 1,152              |
| 2020                                        | 8,449                      | .....                       | 100                |
| 2021-2025                                   | 7,908                      | .....                       | .....              |
| 2026-2030                                   | 1,929                      | .....                       | .....              |
| Total                                       | 56,734                     | 20,543                      | 7,970              |
| Less: Interest                              | (7,112)                    | (1,337)                     | (293)              |
| Present value of future<br>minimum payments | \$ 49,622                  | \$ 19,206                   | \$ 7,677           |

### B. Capital Leases

The state has a number of capital leases providing for the acquisition of land, buildings, and furniture and equipment. At June 30, 2015, 52% of the state's capital leases for governmental activities were for buildings, and the remaining 48% were for furniture and equipment. Capital leases for component units consisted of 56% for buildings, 39% for furniture and equipment, and the remaining 5% for land. The following is a schedule of future minimum capital lease payments for the primary government and component units at June 30, 2015 (in thousands):

| Year Ending June 30                         | Primary Government         |                 |
|---------------------------------------------|----------------------------|-----------------|
|                                             | Governmental<br>Activities | Component Units |
| 2016                                        | \$ 2,532                   | \$ 12,104       |
| 2017                                        | 2,524                      | 9,780           |
| 2018                                        | 2,492                      | 6,313           |
| 2019                                        | 2,492                      | 5,037           |
| 2020                                        | 710                        | 4,369           |
| 2021-2025                                   | 2,931                      | 15,972          |
| 2026-2030                                   | 565                        | 8,875           |
| 2031-2035                                   | .....                      | 3,216           |
| 2036-2040                                   | .....                      | 2,282           |
| 2041-2045                                   | .....                      | 2,282           |
| 2046-2050                                   | .....                      | 2,282           |
| 2051-2055                                   | .....                      | 2,282           |
| 2056-2060                                   | .....                      | 2,282           |
| 2061-2065                                   | .....                      | 2,282           |
| 2066-2070                                   | .....                      | 2,282           |
| 2071-2075                                   | .....                      | 1,826           |
| Total                                       | 14,246                     | 83,466          |
| Less: Interest                              | (2,092)                    | (28,675)        |
| Present value of future<br>minimum payments | \$ 12,154                  | \$ 54,791       |

### C. Public-Private Partnerships

Pursuant to Section 334.30, Florida Statutes, the Department of Transportation executed two 35-year, Public-Private Partnership concession agreements in March and October of 2009 for the design, build, finance, operation and maintenance of the Interstate 595 Corridor and the Port of Miami Tunnel. Payments consist of construction-period payments, lump-sum final acceptance payments upon completion of construction, and annual performance-based availability payments to be made during the 30-year operations and maintenance period. The Department executed a 40-year concession agreement in September 2014 for the design, build, finance, operation and maintenance of 21 miles of the Interstate 4 Corridor in Seminole and Orange Counties. Annual availability payments are all-inclusive payments consisting of unpaid portions of construction costs, annual operations costs, and maintenance expenses. The payment schedule below includes the full amount of the estimated payments for the Interstate 595 Corridor and the Port of Miami Tunnel and is an estimate of unpaid construction payments during the term of the agreements based on the percentage of completion of the projects at June 30, 2015 for the Interstate 4 Corridor. The annual availability payments for Interstate 595 Corridor and the Port of Miami Tunnel are performance-based and are subject to change based on a fixed percentage as defined in the agreement and on the Consumer Price Index, which could impact the payment schedule. The annual availability payments for the Interstate 4 Corridor are performance-based with a portion of the payment that is level and another portion that is indexed based on the Consumer Price Index, which could impact the payment schedule. The lanes were open to traffic on Interstate 595 and Port of Miami Tunnel in March and August 2014, respectively. Construction for the Interstate 4 Corridor is expected to be completed during fiscal year 2021. The Department has six other public-private partnership agreements for the design, build, and finance; and two other agreements for the build and finance of various transportation projects. The remaining unpaid construction costs for these eight agreements represent 51% and 5%, respectfully, of payments due in 2016 and 2017. The following is a schedule of future maximum payments for the primary government at June 30, 2015 (in thousands):

| Year Ending<br>June 30                      | Primary<br>Government      |                             |
|---------------------------------------------|----------------------------|-----------------------------|
|                                             | Governmental<br>Activities | Business-type<br>Activities |
| 2016                                        | \$ 312,055                 | \$ 74,218                   |
| 2017                                        | 187,387                    | 60,380                      |
| 2018                                        | 276,609                    | 64,400                      |
| 2019                                        | 117,247                    | 16,642                      |
| 2020                                        | 126,558                    | 16,136                      |
| 2021-2025                                   | 577,075                    | 88,173                      |
| 2026-2030                                   | 554,263                    | 102,090                     |
| 2031-2035                                   | 626,986                    | 118,206                     |
| 2036-2040                                   | 720,790                    | 136,867                     |
| 2041-2045                                   | 611,468                    | 103,577                     |
| 2046 -2050                                  | 40,137                     | .....                       |
| 2051 - 2055                                 | 34,328                     | .....                       |
| Total                                       | 4,184,903                  | 780,689                     |
| Less: Interest                              | (1,983,395)                | (405,113)                   |
| Present value of future<br>maximum payments | \$ 2,201,508               | \$ 375,576                  |

**NOTE 10 - CHANGES IN LONG-TERM LIABILITIES**

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2015, are as follows (in thousands):

|                                          | Balance<br>July 1, 2014 | Restatements<br>and<br>Adjustments | Additions           | Deletions           | Balance<br>June 30, 2015 | Due Within<br>One Year<br>(Current) |
|------------------------------------------|-------------------------|------------------------------------|---------------------|---------------------|--------------------------|-------------------------------------|
| <b>Governmental Activities</b>           |                         |                                    |                     |                     |                          |                                     |
| Bonds payable:                           |                         |                                    |                     |                     |                          |                                     |
| Road and Bridge Bonds                    | \$ 1,638,090            | \$ .....                           | \$ .....            | \$ 68,205           | \$ 1,569,885             | \$ 71,615                           |
| SBE Capital Outlay Bonds                 | 391,310                 | .....                              | 129,880             | 227,585             | 293,605                  | 71,000                              |
| Lottery Education Bonds                  | 2,421,187               | .....                              | .....               | 406,119             | 2,015,068                | 211,921                             |
| Public Education Bonds                   | 9,786,140               | .....                              | 1,315,685           | 1,885,690           | 9,216,135                | 438,190                             |
| State University System Bonds            | 189,495                 | .....                              | .....               | 39,160              | 150,335                  | 14,010                              |
| University Auxiliary Bonds               | 983,226                 | .....                              | 73,060              | 127,185             | 929,101                  | 48,388                              |
| Inland Protection Bonds                  | 73,280                  | .....                              | .....               | 6,180               | 67,100                   | 6,485                               |
| Florida Forever Bonds                    | 1,273,705               | .....                              | 215,515             | 334,405             | 1,154,815                | 91,690                              |
| Water Pollution Control Bonds            | 432,880                 | .....                              | .....               | 34,875              | 398,005                  | 32,930                              |
| State Infrastructure Bank Bonds          | 59,910                  | .....                              | .....               | 10,085              | 49,825                   | 8,845                               |
| Seaport Investment Bonds                 | 131,950                 | .....                              | .....               | 2,145               | 129,805                  | 2,250                               |
| Everglades Restoration Bonds             | 227,850                 | .....                              | .....               | 13,120              | 214,730                  | 13,660                              |
| Florida Facilities Pool Bonds            | 310,110                 | .....                              | .....               | 23,475              | 286,635                  | 24,660                              |
|                                          | 17,919,133              | .....                              | 1,734,140           | 3,178,229           | 16,475,044               | 1,035,644                           |
| Unamortized bond premiums<br>(discounts) | 812,839                 | .....                              | 234,713             | 217,967             | 829,585                  | .....                               |
| Total bonds payable                      | 18,731,972              | .....                              | 1,968,853           | 3,396,196           | 17,304,629               | 1,035,644                           |
| Certificates of participation payable    | 676,462                 | .....                              | 116,136             | 178,064             | 614,534                  | 39,795                              |
| Deposits                                 | 770,958                 | .....                              | 765,538             | 954,593             | 581,903                  | 570,614                             |
| Compensated absences                     | 770,924                 | .....                              | 198,916             | 194,728             | 775,112                  | 201,187                             |
| Claims payable                           | 3,787,165               | .....                              | 1,378,014           | 2,320,906           | 2,844,273                | 1,256,638                           |
| Installment purchases/capital leases     | 68,948                  | .....                              | 11,173              | 18,345              | 61,776                   | 11,884                              |
| Public-private partnership agreements    | 2,307,812               | .....                              | 676,442             | 782,746             | 2,201,508                | 236,973                             |
| Advances - Due to Unclaimed Prop. TF     | 816,867                 | .....                              | 102,794             | .....               | 919,661                  | .....                               |
| Other Postemployment Benefits            | 1,213,571               | .....                              | 272,485             | .....               | 1,486,056                | .....                               |
| Pension liability <sup>1</sup>           | .....                   | 4,593,655                          | .....               | 1,633,424           | 2,960,231                | 340,354                             |
| Other liabilities                        | 27,458                  | .....                              | 105                 | 5,542               | 22,021                   | .....                               |
| <b>Total Governmental Activities</b>     | <b>\$ 29,172,137</b>    | <b>\$ 4,593,655</b>                | <b>\$ 5,490,456</b> | <b>\$ 9,484,544</b> | <b>\$ 29,771,704</b>     | <b>\$ 3,693,089</b>                 |

<sup>1</sup>Restatement to Beginning Balance due to the reclassification of certain items in accordance with GASB Statement No. 68.

Long-term liabilities for governmental activities are generally liquidated by the applicable governmental funds and/or internal service funds. Specifically, the special revenue funds, capital projects funds, and/or internal service funds will liquidate the certificates of participation payable, installment purchase contracts, and capital lease obligations. The applicable special revenue funds and internal service funds will reduce deposits when such monies are earned. The governmental and internal services funds that account for employees' salaries and wages will liquidate the compensated absences liabilities. The General Fund, Health and Family Services Fund, and the non-major special revenue fund will generally liquidate claims payable. The Public Education Fund will liquidate the advances due to the Unclaimed Property Trust Fund to the extent that the Unclaimed Property Trust Fund does not have sufficient assets to pay claimants requesting payment of unclaimed funds. The nonmajor special revenue funds will generally liquidate other liabilities. The Transportation-Governmental Fund will liquidate the public-private partnership agreements liability from annual appropriations. Refer to Note 9 for additional information on the public-private partnership agreements. The pension liability and the Other Postemployment Benefits (OPEB) related to all governmental funds are reported above. The pension liability is adjusted each year based upon investment performance and contributions received. The state does not currently fund the OPEB liability so it is non-liquidating. Refer to Note 6 for additional information on the pension liability and OPEB.



2015 STATE OF FLORIDA CAFR

Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2015, are as follows (in thousands):

|                                                    | Balance<br>July 1, 2014 | Restatements<br>and<br>Adjustments | Additions           | Deletions           | Balance<br>June 30, 2015 | Due Within<br>One Year<br>(Current) |
|----------------------------------------------------|-------------------------|------------------------------------|---------------------|---------------------|--------------------------|-------------------------------------|
| <b>Business-type Activities</b>                    |                         |                                    |                     |                     |                          |                                     |
| Bonds payable:                                     |                         |                                    |                     |                     |                          |                                     |
| Toll Facility Bonds                                | \$ 2,821,955            | \$ .....                           | \$ 223,580          | \$ 237,805          | \$ 2,807,730             | \$ 128,965                          |
| Florida Hurricane Catastrophe Fund<br>Bonds        | 3,000,920               | .....                              | .....               | 1,000,920           | \$ 2,000,000             | .....                               |
|                                                    | 5,822,875               | .....                              | 223,580             | 1,238,725           | 4,807,730                | 128,965                             |
| Unamortized bond premiums<br>(discounts)           | 136,999                 | .....                              | 15,576              | 34,223              | 118,352                  | .....                               |
| Total bonds payable                                | 5,959,874               | .....                              | 239,156             | 1,272,948           | 4,926,082                | 128,965                             |
| Accrued prize liability                            | 488,698                 | .....                              | 152,411             | 192,029             | 449,080                  | 194,926                             |
| Deposits                                           | 151,366                 |                                    | 86,524              | 108,756             | 129,134                  | 98,887                              |
| Compensated absences                               | 22,220                  | .....                              | 6,631               | 6,207               | 22,644                   | 4,996                               |
| Tuition and housing benefits payable               | 10,571,070              | .....                              | 1,059,776           | 719,531             | 10,911,315               | 703,381                             |
| Installment purchases/capital leases               | 20,621                  | .....                              | 17,093              | 18,508              | 19,206                   | 1,718                               |
| Public-private partnership agreements <sup>2</sup> | 345,034                 | .....                              | 67,303              | 36,761              | 375,576                  | 55,015                              |
| Other Postemployment Benefits                      | 26,717                  | .....                              | 7,895               | .....               | 34,612                   | .....                               |
| Pension liability <sup>1</sup>                     | .....                   | 87,135                             | 1,022               | 29,179              | 58,978                   | 7,055                               |
| Other liabilities                                  | .....                   | .....                              | 276                 | .....               | 276                      | .....                               |
| <b>Total Business-type Activities</b>              | <b>\$ 17,585,600</b>    | <b>\$ 87,135</b>                   | <b>\$ 1,638,087</b> | <b>\$ 2,383,919</b> | <b>\$ 16,926,903</b>     | <b>\$ 1,194,943</b>                 |
| <b>Component Units</b>                             |                         |                                    |                     |                     |                          |                                     |
| Bonds payable                                      | \$ 9,838,432            | \$ .....                           | \$ 1,174,614        | \$ 1,796,479        | \$ 9,216,567             | \$ 1,606,252                        |
| Deposits                                           | 1,943,072               | .....                              | 814,072             | 1,067,770           | 1,689,374                | 1,472,384                           |
| Compensated absences                               | 649,385                 | .....                              | 112,174             | 83,804              | 677,755                  | 80,299                              |
| Installment purchases/capital leases               | 55,324                  | .....                              | 25,488              | 18,344              | 62,468                   | 12,982                              |
| Claims payable                                     | 978,623                 | .....                              | 93,181              | 37,928              | 1,033,876                | 44,340                              |
| Certificates of participation payable              | 1,100,819               | .....                              | 176,995             | 240,594             | 1,037,220                | 25,188                              |
| Due to other governments/primary                   | 976,037                 | .....                              | 80,835              | 94,433              | 962,439                  | 50,116                              |
| Pension liability <sup>1</sup>                     | .....                   | 1,771,737                          | 64,132              | 625,176             | 1,210,693                | 11,014                              |
| Other liabilities                                  | 1,358,450               | .....                              | 574,960             | 371,399             | 1,562,011                | 203,183                             |
| <b>Total Component Units</b>                       | <b>\$ 16,900,142</b>    | <b>\$ 1,771,737</b>                | <b>\$ 3,116,451</b> | <b>\$ 4,335,927</b> | <b>\$ 17,452,403</b>     | <b>\$ 3,505,758</b>                 |

<sup>1</sup>Restatement to Beginning Balance due to the reclassification of certain items in accordance with GASB Statement No. 68.

<sup>2</sup>Public-private partnerships are included in the Installment purchases/capital leases lines of the Proprietary Funds Statement of Net Position.

## NOTE 11 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2015, 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, 2015, consist of the following (in thousands):

| Due to Other Funds (in thousands)               | Due from Other Funds (in thousands) |                                          |                  |                            |                   |
|-------------------------------------------------|-------------------------------------|------------------------------------------|------------------|----------------------------|-------------------|
|                                                 | Governmental Activities             |                                          |                  |                            |                   |
|                                                 | General Fund                        | Environment, Recreation and Conservation | Public Education | Health and Family Services | Transportation    |
| <b>Governmental Activities</b>                  |                                     |                                          |                  |                            |                   |
| General Fund                                    | \$ .....                            | \$ 2,324                                 | 407              | \$ 116,260                 | \$ 13,062         |
| Environment, Recreation and Conservation        | 9,989                               | .....                                    | .....            | 449                        | 15,441            |
| Public Education                                | 145                                 | .....                                    | .....            | 1,260                      | .....             |
| Health and Family Services                      | 79,226                              | .....                                    | 71               | .....                      | 593               |
| Transportation                                  | 6,962                               | 2,982                                    | .....            | 150                        | .....             |
| Nonmajor                                        | 49,884                              | 2,703                                    | 14,826           | 1,328                      | 24,306            |
| Internal Service Funds                          | 917                                 | .....                                    | .....            | 10                         | 121               |
| <b>Business-type Activities</b>                 |                                     |                                          |                  |                            |                   |
| Transportation                                  | 71                                  | .....                                    | .....            | .....                      | 68,801            |
| Lottery                                         | 30                                  | .....                                    | 67,371           | .....                      | .....             |
| Hurricane Catastrophe Fund                      | .....                               | .....                                    | .....            | .....                      | .....             |
| Prepaid College Program                         | .....                               | .....                                    | .....            | .....                      | .....             |
| Reemployment Assistance                         | 135                                 | .....                                    | .....            | .....                      | .....             |
| Nonmajor                                        | 5,442                               | .....                                    | .....            | 2,778                      | .....             |
| <b>Fiduciary Funds</b>                          |                                     |                                          |                  |                            |                   |
| Private-purpose Trust Funds                     | 38                                  | .....                                    | 769              | .....                      | .....             |
| Pension and Other Employee Benefits Trust Funds | 7                                   | 1                                        | .....            | 1                          | .....             |
| Agency Funds                                    | 84,582                              | 1                                        | 314              | 3,080                      | 7,173             |
| Investment Trust Funds                          | .....                               | .....                                    | .....            | .....                      | .....             |
| <b>Total</b>                                    | <b>\$ 237,428</b>                   | <b>\$ 8,011</b>                          | <b>\$ 83,758</b> | <b>\$ 125,316</b>          | <b>\$ 129,497</b> |

(Continued Below)

| Due to Other Funds (in thousands)               | Due from Other Funds (in thousands) |                        |
|-------------------------------------------------|-------------------------------------|------------------------|
|                                                 | Governmental Activities             |                        |
|                                                 | Nonmajor                            | Internal Service Funds |
| <b>Governmental Activities</b>                  |                                     |                        |
| General Fund                                    | \$ 22,096                           | \$ 9,137               |
| Environment, Recreation and Conservation        | 531                                 | 417                    |
| Public Education                                | 97                                  | 446                    |
| Health and Family Services                      | 4,787                               | 4,588                  |
| Transportation                                  | 24,421                              | 2,607                  |
| Nonmajor                                        | 3,333                               | 3,243                  |
| Internal Service Funds                          | 266                                 | 968                    |
| <b>Business-type Activities</b>                 |                                     |                        |
| Transportation                                  | .....                               | .....                  |
| Lottery                                         | 8                                   | 59                     |
| Hurricane Catastrophe Fund                      | .....                               | .....                  |
| Prepaid College Program                         | .....                               | .....                  |
| Reemployment Assistance                         | 1,155                               | .....                  |
| Nonmajor                                        | 568                                 | 254                    |
| <b>Fiduciary Funds</b>                          |                                     |                        |
| Private-purpose Trust Funds                     | 795                                 | .....                  |
| Pension and Other Employee Benefits Trust Funds | .....                               | 616                    |
| Agency Funds                                    | 1,899                               | .....                  |
| Investment Trust Funds                          | .....                               | .....                  |
| <b>Total</b>                                    | <b>\$ 59,956</b>                    | <b>\$ 22,335</b>       |

(Continued next page)

| Due to Other Funds (in thousands)                  | Due from Other Funds (in thousands) |                            |                            |                 |
|----------------------------------------------------|-------------------------------------|----------------------------|----------------------------|-----------------|
|                                                    | Business-type Activities            |                            |                            |                 |
|                                                    | Transportation                      | Prepaid<br>College Program | Reemployment<br>Assistance | Nonmajor        |
| <b>Governmental Activities</b>                     |                                     |                            |                            |                 |
| General Fund                                       | \$ .....                            | \$ .....                   | \$ 535                     | \$ 1,166        |
| Environment, Recreation and Conservation           | .....                               | .....                      | 34                         | .....           |
| Public Education                                   | .....                               | .....                      | 4                          | .....           |
| Health and Family Services                         | .....                               | .....                      | 344                        | 64              |
| Transportation                                     | 3                                   | .....                      | 25                         | .....           |
| Nonmajor                                           | .....                               | .....                      | 241                        | 6               |
| Internal Service Funds                             | .....                               | .....                      | 4                          | .....           |
| <b>Business-type Activities</b>                    |                                     |                            |                            |                 |
| Transportation                                     | .....                               | .....                      | .....                      | .....           |
| Lottery                                            | .....                               | .....                      | 1                          | 3               |
| Hurricane Catastrophe Fund                         | .....                               | .....                      | .....                      | 252             |
| Prepaid College Program                            | .....                               | .....                      | .....                      | .....           |
| Reemployment Assistance                            | .....                               | .....                      | .....                      | .....           |
| Nonmajor                                           | .....                               | .....                      | 28                         | .....           |
| <b>Fiduciary Funds</b>                             |                                     |                            |                            |                 |
| Private-purpose Trust Funds                        | .....                               | 23                         | .....                      | .....           |
| Pension and Other Employee<br>Benefits Trust Funds | .....                               | .....                      | .....                      | 6,239           |
| Agency Funds                                       | 83,479                              | .....                      | 21                         | 12              |
| Investment Trust Funds                             | .....                               | .....                      | .....                      | 50              |
| <b>Total</b>                                       | <b>\$ 83,482</b>                    | <b>\$ 23</b>               | <b>\$ 1,237</b>            | <b>\$ 7,792</b> |

(Continued below)

| Due to Other Funds (in thousands)                  | Due from Other Funds (in thousands) |                                                       |                   |                   |
|----------------------------------------------------|-------------------------------------|-------------------------------------------------------|-------------------|-------------------|
|                                                    | Fiduciary Funds                     |                                                       |                   |                   |
|                                                    | Private-purpose<br>Trust Funds      | Pension and Other<br>Employee Benefits<br>Trust Funds | Agency<br>Funds   | Total             |
| <b>Governmental Activities</b>                     |                                     |                                                       |                   |                   |
| General Fund                                       | \$ .....                            | \$ 400                                                | \$ 77,221         | \$ 242,608        |
| Environment, Recreation and Conservation           | .....                               | .....                                                 | .....             | 26,861            |
| Public Education                                   | .....                               | .....                                                 | .....             | 1,952             |
| Health and Family Services                         | .....                               | 20                                                    | 47                | 89,740            |
| Transportation                                     | .....                               | 1                                                     | 8,807             | 45,958            |
| Nonmajor                                           | .....                               | 33                                                    | 40                | 99,943            |
| Internal Service Funds                             | .....                               | .....                                                 | 23,566            | 25,852            |
| <b>Business-type Activities</b>                    |                                     |                                                       |                   |                   |
| Transportation                                     | .....                               | .....                                                 | 4                 | 68,876            |
| Lottery                                            | .....                               | .....                                                 | .....             | 67,472            |
| Hurricane Catastrophe Fund                         | .....                               | .....                                                 | .....             | 252               |
| Prepaid College Program                            | 24                                  | .....                                                 | .....             | 24                |
| Reemployment Assistance                            | .....                               | .....                                                 | .....             | 1,290             |
| Nonmajor                                           | .....                               | .....                                                 | .....             | 9,070             |
| <b>Fiduciary Funds</b>                             |                                     |                                                       |                   |                   |
| Private-purpose Trust Funds                        | .....                               | .....                                                 | .....             | 1,625             |
| Pension and Other Employee<br>Benefits Trust Funds | .....                               | 47,647                                                | .....             | 54,511            |
| Agency Funds                                       | .....                               | .....                                                 | .....             | 180,561           |
| Investment Trust Funds                             | .....                               | .....                                                 | .....             | 50                |
| <b>Total</b>                                       | <b>\$ 24</b>                        | <b>\$ 48,101</b>                                      | <b>\$ 109,685</b> | <b>\$ 916,645</b> |

| Advances from Other Funds (in thousands) | Advances to Other Funds (in thousands) |                   |                          |                 |
|------------------------------------------|----------------------------------------|-------------------|--------------------------|-----------------|
|                                          | Governmental Activities                |                   | Business-type Activities |                 |
|                                          | General Fund                           | Transportation    | Health & Family Services | Transportation  |
| <b>Governmental Activities</b>           |                                        |                   |                          |                 |
| General Fund                             | \$ .....                               | \$ 100            | \$ .....                 | \$ .....        |
| Public Education                         | .....                                  | .....             | .....                    | .....           |
| Nonmajor                                 | 625                                    | 171               | .....                    | .....           |
| Internal Service Funds                   | 1,978                                  | 800               | .....                    | .....           |
| <b>Business-type Activities</b>          |                                        |                   |                          |                 |
| Transportation                           | .....                                  | 170,348           | .....                    | .....           |
| <b>Total</b>                             | <b>\$ 2,603</b>                        | <b>\$ 171,419</b> | <b>\$ .....</b>          | <b>\$ .....</b> |

(Continued below)

| Advances from Other Funds (in thousands) | Advances to Other Funds (in thousands) |                     |
|------------------------------------------|----------------------------------------|---------------------|
|                                          | Fiduciary Funds                        |                     |
|                                          | Private-purpose Trust Funds            | Total               |
| <b>Governmental Activities</b>           |                                        |                     |
| General Fund                             | \$ .....                               | \$ 100              |
| Public Education                         | 919,661                                | 919,661             |
| Nonmajor                                 | .....                                  | 796                 |
| Internal Service Funds                   | .....                                  | 2,778               |
| <b>Business-type Activities</b>          |                                        |                     |
| Transportation                           | .....                                  | 170,348             |
| <b>Total</b>                             | <b>\$ 919,661</b>                      | <b>\$ 1,093,683</b> |

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

| Transfers to Other Funds (in thousands)         | Transfers from Other Funds (in thousands) |                                          |                     |                            |                     |
|-------------------------------------------------|-------------------------------------------|------------------------------------------|---------------------|----------------------------|---------------------|
|                                                 | Governmental Activities                   |                                          |                     |                            |                     |
|                                                 | General Fund                              | Environment, Recreation and Conservation | Public Education    | Health and Family Services | Transportation      |
| <b>Governmental Activities</b>                  |                                           |                                          |                     |                            |                     |
| General Fund                                    | \$ .....                                  | \$ 532,408                               | \$ 237,754          | \$ 1,538,322               | \$ 335,823          |
| Environment, Recreation and Conservation        | 144,499                                   | .....                                    | .....               | 3,802                      | .....               |
| Public Education                                | 633                                       | 25                                       | .....               | 10,364                     | .....               |
| Health and Family Services                      | 102,717                                   | .....                                    | 209,526             | .....                      | 8,201               |
| Transportation                                  | 55,364                                    | 23,793                                   | .....               | 326                        | .....               |
| Nonmajor                                        | 195,854                                   | 55,690                                   | 315,945             | 17,861                     | 1,039,829           |
| Internal Service Funds                          | 7,263                                     | 489                                      | .....               | 62                         | 1,335               |
| <b>Business-type Activities</b>                 |                                           |                                          |                     |                            |                     |
| Transportation                                  | .....                                     | .....                                    | .....               | .....                      | 79,478              |
| Lottery                                         | .....                                     | .....                                    | 1,496,371           | .....                      | .....               |
| Hurricane Catastrophe Fund                      | .....                                     | .....                                    | .....               | .....                      | .....               |
| Prepaid College Program                         | .....                                     | .....                                    | .....               | .....                      | .....               |
| Reemployment Assistance                         | .....                                     | .....                                    | .....               | .....                      | .....               |
| Nonmajor                                        | 66,116                                    | .....                                    | .....               | 7,412                      | .....               |
| <b>Fiduciary Funds</b>                          |                                           |                                          |                     |                            |                     |
| Private-purpose Trust Funds                     | 51                                        | .....                                    | 467                 | 273                        | .....               |
| Pension and Other Employee Benefits Trust Funds | 2,895                                     | .....                                    | .....               | .....                      | .....               |
| Investment Trust Funds                          | .....                                     | .....                                    | .....               | .....                      | .....               |
| <b>Total</b>                                    | <b>\$ 575,392</b>                         | <b>\$ 612,405</b>                        | <b>\$ 2,260,063</b> | <b>\$ 1,578,422</b>        | <b>\$ 1,464,666</b> |

(Continued below)

| Transfers to Other Funds (in thousands)         | Transfers from Other Funds (in thousands) |                        |
|-------------------------------------------------|-------------------------------------------|------------------------|
|                                                 | Governmental Activities                   |                        |
|                                                 | Nonmajor                                  | Internal Service Funds |
| <b>Governmental Activities</b>                  |                                           |                        |
| General Fund                                    | \$ 407,811                                | \$ 1,328               |
| Environment, Recreation and Conservation        | 208,790                                   | .....                  |
| Public Education                                | 1,413,673                                 | .....                  |
| Health and Family Services                      | 149,553                                   | .....                  |
| Transportation                                  | 467,075                                   | .....                  |
| Nonmajor                                        | 147,303                                   | 1,500                  |
| Internal Service Funds                          | 8,365                                     | .....                  |
| <b>Business-type Activities</b>                 |                                           |                        |
| Transportation                                  | .....                                     | .....                  |
| Lottery                                         | 145                                       | .....                  |
| Hurricane Catastrophe Fund                      | 10,000                                    | .....                  |
| Prepaid College Program                         | .....                                     | .....                  |
| Reemployment Assistance                         | 41,065                                    | .....                  |
| Nonmajor                                        | 14,652                                    | .....                  |
| <b>Fiduciary Funds</b>                          |                                           |                        |
| Private-purpose Trust Funds                     | 5,017                                     | .....                  |
| Pension and Other Employee Benefits Trust Funds | 103                                       | 19,450                 |
| Investment Trust Funds                          | .....                                     | .....                  |
| <b>Total</b>                                    | <b>\$ 2,873,552</b>                       | <b>\$ 22,278</b>       |

(Continued next page)

| Transfers to Other Funds (in thousands)         | Transfers from Other Funds (in thousands) |                         |                  |
|-------------------------------------------------|-------------------------------------------|-------------------------|------------------|
|                                                 | Business-type Activities                  |                         |                  |
|                                                 | Transportation                            | Reemployment Assistance | Nonmajor         |
| <b>Governmental Activities</b>                  |                                           |                         |                  |
| General Fund                                    | \$ 7                                      | \$ 2,546                | \$ 2,216         |
| Environment, Recreation and Conservation        | .....                                     | 179                     | .....            |
| Public Education                                | .....                                     | 14                      | .....            |
| Health and Family Services                      | .....                                     | 1,202                   | 909              |
| Transportation                                  | 134,738                                   | 150                     | .....            |
| Nonmajor                                        | .....                                     | 1,107                   | 3,735            |
| Internal Service Funds                          | .....                                     | 29                      | 17               |
| <b>Business-type Activities</b>                 |                                           |                         |                  |
| Transportation                                  | .....                                     | .....                   | .....            |
| Lottery                                         | .....                                     | 13                      | .....            |
| Hurricane Catastrophe Fund                      | .....                                     | .....                   | .....            |
| Prepaid College Program                         | .....                                     | .....                   | .....            |
| Reemployment Assistance                         | .....                                     | .....                   | .....            |
| Nonmajor                                        | .....                                     | 122                     | .....            |
| <b>Fiduciary Funds</b>                          |                                           |                         |                  |
| Private-purpose Trust Funds                     | .....                                     | 5                       | .....            |
| Pension and Other Employee Benefits Trust Funds | .....                                     | .....                   | 10,774           |
| Investment Trust Funds                          | .....                                     | .....                   | .....            |
| <b>Total</b>                                    | <b>\$ 134,745</b>                         | <b>\$ 5,367</b>         | <b>\$ 17,651</b> |

(Continued below)

|                                                 | Transfers from Other Funds (in thousands) |                               |                        |           |           |
|-------------------------------------------------|-------------------------------------------|-------------------------------|------------------------|-----------|-----------|
|                                                 | Fiduciary Funds                           |                               |                        |           |           |
|                                                 |                                           | Pension and Other             |                        |           |           |
| Transfers to Other Funds (in thousands)         | Private-purpose Trust Funds               | Employee Benefits Trust Funds | Investment Trust Funds |           | Total     |
| <b>Governmental Activities</b>                  |                                           |                               |                        |           |           |
| General Fund                                    | \$                                        | 14,783                        | \$                     | \$        | 3,072,998 |
| Environment, Recreation and Conservation        |                                           |                               |                        |           | 357,270   |
| Public Education                                |                                           |                               |                        |           | 1,424,709 |
| Health and Family Services                      |                                           |                               |                        |           | 472,108   |
| Transportation                                  |                                           |                               |                        |           | 681,446   |
| Nonmajor                                        |                                           |                               |                        |           | 1,778,824 |
| Internal Service Funds                          |                                           |                               |                        |           | 17,560    |
| <b>Business-type Activities</b>                 |                                           |                               |                        |           |           |
| Transportation                                  |                                           |                               |                        |           | 79,478    |
| Lottery                                         |                                           |                               |                        |           | 1,496,529 |
| Hurricane Catastrophe Fund                      |                                           |                               |                        |           | 10,000    |
| Prepaid College Program                         | 2,000                                     |                               |                        |           | 2,000     |
| Reemployment Assistance                         |                                           |                               |                        |           | 41,065    |
| Nonmajor                                        |                                           |                               |                        |           | 88,302    |
| <b>Fiduciary Funds</b>                          |                                           |                               |                        |           |           |
| Private-purpose Trust Funds                     |                                           |                               |                        |           | 5,813     |
| Pension and Other Employee Benefits Trust Funds |                                           | 776,718                       |                        |           | 809,940   |
| Investment Trust Funds                          |                                           |                               | 23,361                 |           | 23,361    |
| <b>Total</b>                                    | <b>\$</b>                                 | <b>\$</b>                     | <b>\$</b>              | <b>\$</b> | <b>\$</b> |

**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. The property insurance program has a self-insured retention of \$2 million per occurrence for losses arising from all perils listed above except named windstorm and flood. The property insurance program also has a self-insured retention of \$2 million per occurrence for losses arising from named windstorm and flood, but with an additional annual aggregate self-insured retention of \$40 million. Commercial reinsurance is purchased for losses over the self-insured retention up to \$54 million per occurrence for named windstorm and flood losses through February 15, 2016, and \$200 million per occurrence for covered perils other than named wind and flood.

The Fund's estimated liability for unpaid property insurance claims at the fiscal year-end is determined by an actuarial method and includes an amount for losses incurred but not yet reported. The amount of claims paid for property claims did not exceed self-insured retentions for each of the last three years. Changes in the Fund's property insurance claims liability amount for the fiscal years ended June 30, 2014, and June 30, 2015, were as follows (in thousands):

| Fiscal Year<br>Ended | Beginning of<br>Fiscal Year<br>Liability | Claims and<br>Changes in<br>Estimate | Claim<br>Payments | Balance at<br>Fiscal<br>Year-end |
|----------------------|------------------------------------------|--------------------------------------|-------------------|----------------------------------|
| June 30, 2014        | \$ 292                                   | \$ 293                               | \$ (85)           | \$ 500                           |
| June 30, 2015        | \$ 500                                   | \$ 443                               | \$ (339)          | \$ 604                           |

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

The estimated liability for unpaid casualty and property insurance claims at June 30, 2015, was \$1.17 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 claims liability of \$289.5 million, discounted using a 4 percent annual percentage rate per Section 625.091, Florida Statutes. The undiscounted workers' compensation indemnity claims liability is \$403.1 million.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2014, and June 30, 2015, were as follows (in thousands):

| Fiscal Year<br>Ended | Beginning of<br>Fiscal Year<br>Liability | Claims and<br>Changes in<br>Estimate | Claim<br>Payments | Balance at<br>Fiscal<br>Year-end |
|----------------------|------------------------------------------|--------------------------------------|-------------------|----------------------------------|
| June 30, 2014        | \$ 1,147,382                             | \$ 122,139                           | \$ (94,724)       | \$ 1,174,797                     |
| June 30, 2015        | \$ 1,174,797                             | \$ 89,876                            | \$ (97,239)       | \$ 1,167,434                     |

Actual current year claims and changes in estimate for casualty lines of coverage for the fiscal year ended June 30, 2015, decreased by \$32.3 million, as compared to the previous fiscal year.

**B. Employee and Retiree Health Insurance Funds**

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

The program's estimated fiscal year-end liability includes an amount for claims that have been incurred but not reported, which is based on analyses of historical data performed by both the state and its contractors. Changes in claims liability amounts for the fiscal years ended June 30, 2014, and June 30, 2015, were as follows (in thousands):

| <u>Fiscal Year<br/>Ended</u> | <u>Beginning of<br/>Fiscal Year<br/>Liability</u> | <u>Current Year<br/>Claims and<br/>Changes in<br/>Estimate</u> | <u>Claim<br/>Payments</u> | <u>Balance at<br/>Fiscal<br/>Year-end</u> |
|------------------------------|---------------------------------------------------|----------------------------------------------------------------|---------------------------|-------------------------------------------|
| June 30, 2014                | \$ 138,515                                        | \$ 1,587,548                                                   | \$ (1,571,092)            | \$ 154,971                                |
| June 30, 2015                | \$ 154,971                                        | \$ 1,649,140                                                   | \$ (1,653,971)            | \$ 150,140                                |

During the year, for program operations, both employee and retiree participation in the state group health insurance program are accounted for in the State Employees Group Health Insurance Trust Fund. Retiree participation in the program is considered an Other Postemployment Benefit (OPEB) for purposes of this report. See Note 6, Section B regarding OPEB for additional information. Asset and liability balances related to retiree participation in the program as of June 30, 2015, were transferred from the State Employees Group Health Insurance Trust Fund and reported in Other Agency Funds in accordance with the requirements of Governmental Accounting Standards Board Codification Section Po50, *Postemployment Benefit Plans Other Than Pension Plans – Defined Benefit*.



**NOTE 13 – FLORIDA PREPAID COLLEGE PROGRAM**

The Stanley G. Tate Florida Prepaid College Program was created in 1987 to provide a medium through which the costs of tuition, tuition differential fee, local fees, and dormitory residence may be paid in advance of enrollment in a state postsecondary institution at a rate lower than the projected corresponding cost at the time of actual enrollment. The Program is administered by the Florida Prepaid College Board and the State of Florida guarantees the obligations of the Board to qualified beneficiaries if moneys in the Program are insufficient. The Program is accounted for in an enterprise fund. An actuarial study is performed to determine the Program's funding status. The decrease in the actuarial present value of future contract benefits from the prior year is primarily due to the decrease in key inflation assumptions. Additional information as of June 30, 2015, is as follows:

|                                                                                                                            |                   |
|----------------------------------------------------------------------------------------------------------------------------|-------------------|
| Actuarial present value of future<br>contract benefits and expenses<br>payable                                             | \$ 10,911,315,418 |
| Net position available (net of outstanding<br>refund payments and unrealized gain/loss<br>on securities lending portfolio) | \$ 12,437,946,597 |
| Net position as a percentage of<br>future contract benefits and expenses<br>obligation                                     | 114.0%            |

## NOTE 14 –INSURANCE ENTERPRISES

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

### A. FLORIDA HURRICANE CATASTROPHE FUND

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993 by the Florida Legislature, as a state fund administered by the State Board of Administration (SBA) to provide a source of reimbursement to most residential property insurers for catastrophic hurricane losses, thereby creating additional insurance capacity. Most admitted residential property insurers writing FHCF covered policies are required to purchase reimbursement coverage with the FHCF.

The reimbursement coverage covers a portion of hurricane losses in excess of an insurer's share of an industry wide retention, up to the lesser of either the statutory limit or the actual claims-paying capacity of the FHCF. For the contract year ending May 31, 2015, the industry retention for determining each insurer's retention was \$7.075 billion per hurricane for the two hurricanes with the largest losses and \$2.358 billion for each additional hurricane in the contract year. The aggregate coverage capacity for the contract year (in excess of retention) was \$17.0 billion. The statute requires that an actuarially indicated formula developed by an independent actuary be used to calculate the reimbursement premiums collected for the coverage.

The SBA contracts with each insurer writing covered policies in the state to reimburse the insurer for a percentage of losses incurred from covered events. The obligation of the SBA with respect to all contracts covering a particular contract year shall not exceed the actual claims-paying capacity (as determined by the FHCF's bond underwriters, and financial adviser, and approved by the FHCF Advisory Council). The FHCF has a fiscal year end of June 30 and its reimbursement contracts expire on May 31. As of June 30, 2015, the FHCF had net assets of \$11.63 billion, including net assets of the State Board of Administration Finance Corporation.

If available resources and pre-catastrophe debenture financing are not adequate to satisfy reimbursement claims, the State Board of Administration Finance Corporation may issue revenue bonds secured by emergency assessments. The SBA has the sole authority to direct the Florida Office of Insurance Regulation (OIR) and the Florida Surplus Lines Service Office to levy assessments on most property and casualty insurance policy premiums on behalf of the FHCF. Aggregate assessments may not exceed 10% and assessments in relation to losses in one contract year may not exceed 6%. This assessment authority is neither related to nor restricted by the assessments levied by either Citizens Property Insurance Corporation (Citizens), a discretely presented component unit, or the Florida Insurance Guaranty Association, Inc. (FIGA). As of June 30, 2015, the FHCF is not levying assessments for any policies issued or renewed on or after January 1, 2015.

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

Hurricane losses represent the estimated ultimate cost of all reported and unreported claims during the year that exceed the participating insurers' individual company retention levels. The estimates for current year and prior year losses are continually reviewed and adjusted as experience develops or new information becomes known and such adjustments are included in current operations. The State of Florida was not hit by any hurricanes during the 2014 season. As a result of the final settlement of all losses from prior years' hurricane the year ended June 30, 2015 reported losses is zero. In May, 2010, the State Board of Administration Finance Corporation issued post-event Series 2010A Revenue Bonds in the amount of \$675.9 million. These bond proceeds and their investment earnings enhanced the Fund's ability to make payments to participating insurers for losses resulting from the 2005 hurricane season. The funding for these bonds came from emergency assessments on the direct written premium for all property and casualty lines of business in Florida including property and casualty business of surplus lines insurers, but not including workers' compensation or medical malpractice premiums. An Order was issued by OIR concurrently with the issuance of the 2010A Bonds to supersede the existing 1% emergency assessment with a 1.3% emergency assessment. The increased assessment was effective on all policies issued or renewed on or after January 1, 2011. A legal defeasance of the bonds was executed on July 11, 2014, in accordance with the master trust indenture; therefore, these bonds are no longer outstanding.

In April 2013, pre-event Series 2013A Revenue Bonds were issued in the amount of \$2.0 billion to maximize the ability of the FHCF to meet future obligations. The proceeds from these bonds will be used to pay for losses incurred from future covered events. Investment earnings on these funds, as well as reimbursement premiums, if necessary, are used to pay the debt service

requirements of these bonds. The maturity dates for these bonds will be \$500 million on July 1, 2016, \$500 million on July 1, 2018, and \$1.0 billion on July 1, 2020.

In addition to the issuance of bonds, the FHCF purchased aggregate excess catastrophe reinsurance providing coverage to the FHCF for \$1.0 billion of losses in excess of \$12.5 billion of losses, effective June 1, 2015 through May 31, 2016.

## **B. CITIZENS PROPERTY INSURANCE CORPORATION**

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

Citizens operates pursuant to a Plan of Operation (the Plan) approved by the Financial Services Commission (the Commission) of the State of Florida. The Commission is composed of the Governor, the Chief Financial Officer, the Attorney General and the Commissioner of Agriculture of the State.

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

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

***Commercial Lines Account history*** – The Florida Property and Casualty Joint Underwriting Association (FPCJUA) was activated in early 1994 to provide commercial residential coverage, i.e., coverage for condominium associations, apartment buildings and homeowner associations, to organizations unable to obtain such coverage from a private insurer. During 1995, legislation was enacted to transfer all obligations, rights, assets, and liabilities related to commercial residential coverage from the FPCJUA to the FRPCJUA. The legislation required that the premiums, losses, assets and liabilities be accounted for separately from the FRPCJUA's personal residential business. These policies excluded windstorm coverage on properties within eligible areas. This portion of the FRPCJUA's activities became the Commercial Lines Account under Citizens. In 2006, the FPCJUA was re-activated to provide commercial non-residential wind only coverage. In 2007, legislation was enacted which resulted in the transfer and assumption of the FPCJUA's commercial non-residential policies by Citizens. These policies were added to the Commercial Lines Account.

***Coastal Account history*** – The FWUA, which was a residual market mechanism for windstorm and hail coverage in selected areas of the State, was created by an act of the Florida Legislature in 1970 pursuant to Section 627.351(2), Florida Statutes. FWUA was a Florida unincorporated association, the members of which were all property insurance companies holding a certificate of authority to provide property insurance coverage in the State. FWUA provided policies of windstorm insurance for property owners within the eligible areas who were unable to obtain such coverage from private insurers. Insured properties include personal residential, commercial residential and commercial non-residential properties. This portion of the FWUA's activities became the High-Risk Account under Citizens. In 2007, Citizens received authority to issue multi-peril policies in the High-Risk Account. Pursuant to legislative changes during 2011, the High-Risk Account was renamed the Coastal Account.

## ASSESSMENTS

Citizens' enabling legislation and the Plan establish a process by which Citizens is required to levy assessments to recover deficits incurred in a given plan year for any of its three accounts. Deficits are calculated separately, and assessments are accordingly levied separately, for each of the three accounts. The Plan provides for deficits to be determined in accordance with accounting principles generally accepted in the United States, adjusted for certain items. Citizens' determination of the amount of assessment is subject to the verification of the mathematical calculation by OIR. Citizens' ability to assess provides some assurance of its financial stability.

In the event of a Plan Year Deficit in an Account, Citizens must first levy an assessment against the premium of each Citizens policyholder (the "Citizens Policyholder Surcharge") in each of Citizens' Accounts, as a uniform percentage of the premium of the policy of up to 15% of such premium. Citizens Policyholder Surcharges are not subject to commissions, fees, or premium taxes; however, failure to pay a Citizens Policyholder Surcharge will be treated as failure to pay premiums. If the Citizens Policyholder Surcharge is insufficient to eliminate the deficit in an Account, Citizens would then levy a Regular Assessment on Assessable Insurers and Assessable Insureds, each as defined herein. The Regular Assessment is applied as a uniform percentage of the premium of the policy up to 2% of such premium of the Coastal Account only. Effective July 1, 2012, the Regular Assessment was eliminated for the Personal Lines Account and the Commercial Lines Account and was reduced from 6% to 2% for the Coastal Account.

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

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

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

### **C. FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.**

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

The members of FIGA are all insurers that hold a certificate of authority to provide property and casualty coverage in the State of Florida.

The funding of FIGA's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and, as considered necessary, levied against member insurers on the basis of net direct written premiums in the State of Florida in the classes protected by the Act. FIGA obtains the amount of the net direct written premiums, by company and by class of protection, to use as the basis for assessment calculations. The maximum regular assessment rate is 2%. In addition to the regular assessment, during 2006, the Florida Legislature granted FIGA the authority to levy an emergency assessment up to an additional 2% of net direct written premiums for the account specified in Section 631.55(2)(b), Florida Statutes, to pay covered claims of insurers rendered insolvent by the effects of a hurricane. Also

in 2006, FIGA was granted the authority to work with an affected municipality, county, or financing conduit organization under Chapter 163, Florida Statutes, to issue tax-exempt bonds should the funding need arise for the account specified in Section 631.55(2)(b), Florida Statutes. As of June 30, 2015, FIGA has not needed to utilize this bonding authority and no tax-exempt bonds have been issued.

#### **D. FLORIDA WORKERS' COMPENSATION INSURANCE GUARANTY ASSOCIATION, INC.**

The Florida Workers' Compensation Insurance Guaranty Association, Inc. (FWCIGA), a not-for-profit corporation, was established by the Florida Legislature in 1997 as a merger of the workers' compensation account of the Florida Insurance Guaranty Association, Inc. and the Florida Self-Insurance Fund Guaranty Association. FWCIGA was created to provide a mechanism for the payment of covered claims of insolvent workers' compensation insurers and to assist in the detection and prevention of insurers' insolvencies. FWCIGA operates under the supervision and approval of a board of directors, comprised of eleven persons. Eight directors are recommended by member insurers pursuant to Chapter 631.912, Florida Statutes, and subsequently appointed by the Florida Department of Financial Services. The remaining three directors are the Florida Insurance Consumer Advocate, designee of the state's Chief Financial Officer, and one person with commercial insurance experience appointed by the Governor.

The members of FWCIGA are all insurers that hold a certificate of authority to provide workers' compensation coverage in the State of Florida.

The funding of FWCIGA's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and, as considered necessary, levied against member insurers on the basis of workers' compensation net direct written premiums in the State of Florida without taking into account any applicable discounts or credits for deductibles. FWCIGA obtains the amount of the net direct written premiums, by company, to use as the basis for assessment calculations. The maximum regular assessment rate is 2% for insurance companies and 1.5% for self-insurance funds. In addition to the regular assessment, the Florida Legislature granted FWCIGA the authority to levy an emergency assessment up to an additional 1.5% of net direct written premiums.

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

The Florida Department of Education (FDOE) administers the Federal Family Education Loan Program (FFELP), 20 USC s. 1071 et. seq. The primary purpose is to guarantee the repayment of principal and accrued interest of eligible student loans made by participating lenders under the FFELP.

The Higher Education Amendments of 1998 (the Amendments) were enacted on October 7, 1998, with a retroactive date of October 1, 1998, for most provisions. The Amendments changed the financial and reporting structure of guaranty agencies. Pursuant to the amendments, the FDOE established a Federal Student Loan Reserve Fund (Federal Fund) and a Guaranty Agency Operating Fund (Operating Fund), as required, to account for the FFELP activities, 20 USC s. 1072a and s. 1072b.

The regulations for administering the program are found in Title 34 of the Code of Federal Regulations, Part 682. Student loans are issued by participating financial institutions to eligible students and their parents under FFELP. If a student loan guaranteed by FDOE defaults, the Federal Fund pays the lender for the defaulted student loan. The United States Department of Education (USDOE) is the program's reinsurer. Reinsurance amounts received from the USDOE to replenish the Federal Fund vary from 95% to 100% based on the date the loan was guaranteed. Once the loan has defaulted, the FDOE begins collection activities with the borrower.

The passage of the Health Care and Education Reconciliation Act of 2010 ended the guarantor portion of the program after June 30, 2010. FDOE still maintains administrative and collection activities for the loans guaranteed by FDOE prior to July 1, 2010, as required by FFELP. The Federal Fund is used to account for assets held by FDOE as an agent for the Federal government and therefore is custodial in nature and is the property of USDOE. On June 30, 2015, approximately \$1.4 billion of Program loans were still outstanding from loans that had been made prior to the Program ending on June 30, 2010. The amount of potential liability to the federal fund 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. The amounts of any foreseeable disallowances were not subject to reasonable estimation.

**Component units** - The University of Florida (University) reached an agreement with the United States Department of Health and Human Services and with the United States Department of Justice (civil division) regarding the University's practices related to Federal awards finances and accounting, see Note 18 B. for more information.

**C. Other**

**Rooms to Go Entities Refund** - These cases involve separate petitions. The taxpayers are challenging refund denials of sales tax previously paid on retail sales. These sales were financed by third-party banks and pertain to transactions with balances that were due the banks and later written off by the banks for federal income tax purposes. These taxpayers had received a discounted amount from the banks as payment for these retail sales. Then, the taxpayers deducted the difference between the sales price and the discounted amount received from the bank on these transactions as a discount (business expense) on their federal income tax return. The Department of Revenue (DOR) denied the refund claims on the grounds that amounts deducted by these taxpayers on their federal income tax returns do not constitute bad debts for federal income tax purposes, as required by s. 212.17, F.S. Taxpayers are seeking approximately \$29 million. See Note 18 C. for more information.

## NOTE 16 – LITIGATION

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

- A. Florida Department of Revenue, et al., v. DirectTV, Inc., etc., et al. (SC15-1249); DirecTV, EchoStar Satellite LLC n/k/a Dish Network, LLC and Ogborn v. Department of Revenue (Consolidated Case No. 05-CA-1037); DirecTV, EchoStar Satellite LLC n/k/a Marcus and Patricia Ogborn v. Jim Zingale, acting in his official etc., et al., Case No. 1D13-5455 (Fla. 1st DCA); DIRECTV, Inc. n/k/a DIRECTV, LLC et al. v. State of Florida, Department of Revenue. et al., Case No. 1D13-5444 (Fla. 1<sup>st</sup> DCA)**

In this case, satellite television company DirectTV and its customers, represented by the Ogborns, have challenged the statutory distinction made in the application of the Communication Services Tax (CST) of Chapter 202, Florida Statutes, to cable and satellite TV providers. The Florida Cable Telecommunications Association (FCTA) intervened to support the interest of the cable industry. Plaintiffs claim that applying a different statutory rate of tax on the sale of these competing services, where the sale of cable service is taxed at 6.8% and satellite service is taxed at 10.8%, violates the Commerce Clause and the Equal Protection Clause. The amount of tax refund at issue is \$40 million annually.

The Circuit Court ruled in favor of the Department and cable industry, but the decision was reversed on appeal by the First District Court of Appeals (DCA). The First DCA held that the CST unconstitutionally discriminates against interstate commerce by disproportionately burdening satellite service while conferring an advantage to cable services, which use in-state infrastructure.

The Department appealed the DCA ruling to the Florida Supreme Court. The Court has scheduled oral arguments for April 6, 2016.

- B. In re Citrus Canker Litigation, Case No. 00-18394 (17<sup>th</sup> Cir. Broward County); Mendez v. Florida Department of Agriculture and Consumer Services, Case No. 02-13717 (15<sup>th</sup> Cir. Palm Beach County); Ayers v. Florida Department of Agriculture and Consumer Services, Case No. 05-CA-4120 (9<sup>th</sup> Cir. Orange County); Dellaselva v. Florida Department of Agriculture and Consumer Services, Case No. 03-1947 (20<sup>th</sup> Cir. Lee County); In re Citrus Canker Litigation, Case No. 03-8255 (11<sup>th</sup> Cir. Miami-Dade County); and Martinez v. Florida Department of Agriculture and Consumer Services, Case No. 03-30110 (11<sup>th</sup> Cir. Miami-Dade County)**

*In re Citrus Canker Litigation*, Case No. 00-18394, concerns a class of Broward County homeowners who sued for compensation for their citrus trees that had been exposed to citrus canker and removed by the Florida Department of Agriculture and Consumer Services (FDACS) after January 1, 2000. Plaintiffs were awarded a judgment of \$8,043,450, which accrues post-judgment interest as of October 6, 2008, along with a judgment for attorneys' fees and costs in the amount of \$4,133,083, which accrues post-judgment interest as of March 22, 2012.

In related cases, similar classes have been certified in Palm Beach, Lee, Orange, and Miami-Dade Counties. In Palm Beach County, the Court awarded Plaintiff \$23,653,376, including prejudgment interest, plus \$2,422,830 in fees and costs. Post-judgment controversy is currently pending in the Fourth DCA concerning whether the judgment should be paid by way of a claims bill. In Lee County, the Court awarded \$7,961,147 to Plaintiff, plus \$5,664,101 in prejudgment interest, plus an additional \$821,993 in fees and costs. This judgment is on appeal in the Second DCA. In Orange County, a verdict was rendered for \$18,780,138, plus an additional \$12,754,583 in prejudgment interest. This judgment is on appeal in the Fifth DCA. In litigation related to Case No. 00-18394 pertaining to land situated in Miami-Dade County, trial has been scheduled for May 09, 2016 (*In re Citrus Canker Litigation (a/k/a/ Lopez-Brignoni)* Case No. 03-8255).

The claims in these cases cumulatively exceed \$25,000,000.

- C. United States of America v. State of Florida, Case No. 12-60460 (United States District Court for the Southern District of Florida)**

The United States' Department of Justice (DOJ) alleges that the State of Florida's Agency for Health Care Administration, Department of Health, Department of Children and Families, Agency for Persons with Disabilities and the Department of Elder Affairs violated Title II of the Americans with Disabilities Act by unnecessarily institutionalizing Medicaid eligible medically complex persons under the age of 21 in nursing facilities. The United States seeks compensatory damages for the Plaintiffs' pain and suffering, plus injunctive relief, which could exceed \$25 million. Discovery is ongoing and the pretrial conference is scheduled for May 20, 2016.

- D. Citizens for Strong Schools, et al., v. Florida State Board of Education, et al., Case No. 09-CA-4534 (2<sup>nd</sup> Cir.)**

Citizens for Strong Schools alleged that the State failed to make "adequate provision...for a uniform, safe, secure, and high quality system of free public schools that allows students to obtain a high quality education...." Plaintiffs seek an order requiring the State to develop a remedial plan making sweeping changes to the funding and delivery of public K-12 education. The discovery period has ended, and the case is now pending trial, which is tentatively scheduled for March 14, 2016. Potential damages to the State are indeterminate.

**E. McLane Suneast, Inc. v. Florida Department of Business and Professional Regulation, Case No. 14-CA-372 (9<sup>th</sup> Judicial Circuit Court, Osceola County)**

McLane Suneast, Inc., a major distributor of tobacco products including cigars, cigarettes, and smokeless tobacco, alleges that the “Protecting Florida’s Health Act,” (Ch. 2009-79, Laws of Florida), violates the dormant Commerce Clause and the Equal Protection Clause of the United States Constitution by taxing different kinds of tobacco products differently, and by increasing taxes on cigarettes and smokeless tobacco products without taxing cigars. The Plaintiff contends that the law violates the dormant Commerce Clause by preferring the domestic cigar industry over interstate suppliers of cigarettes and other tobacco products. The Plaintiff seeks declaratory and monetary relief, including a determination that the Department of Business and Professional Regulation (DBPR) should be required to issue tax refunds in an unstated amount. DBPR advises that the potential costs exceeds \$3.5 billion. No trial on the merits has yet to be scheduled.

**F. New Cingular Wireless PCS, LLC; Citrus Cellular Limited Partnership; Orlando SMSA Limited Partnership; AT&T Mobility Wireless Operations Holdings Inc.; and Florida RSA No. 2B (Indian River) LP, v. State of Florida Department of Revenue, Case No. 502015CA003700 (15<sup>th</sup> Judicial Circuit Court, Palm Beach County)**

Plaintiff communication service providers filed refund claims for communications services tax that were remitted on charges for Internet access service. The Department denied each of these refund claims because Plaintiffs were not able to prove that the charges were solely for Internet access service. Plaintiffs filed a Complaint in the 15th Judicial Circuit on April 1, 2015 and an Amended Complaint on June 4, 2015. The Department filed a motion to transfer venue to Leon County on May 12, 2015 and a renewed motion to transfer venue on June 18, 2015. Both parties have presently agreed to abate litigation while exploring the possibility of a settlement. Approximately \$151 million, plus interest, is in contention.

**G. North Broward Hospital d/b/a Broward General Medical Center and North Broward Medical Center, Case No. 1D14-5568; Orlando Health, Inc., Case No. 1D14-5570; Tallahassee Memorial Healthcare d/b/a Tallahassee Memorial Hospital, Case No. 1D14-5571; Shands Teaching Hospital and Clinics, Inc., Case No. 1D14-5572; South Broward Hospital District d/b/a Memorial Regional Hospital and Memorial Hospital Miramar, Case No. 1D14-5574; Jackson Memorial Hospital, et al., (Case No. 13-4177; 13-1478; 14-3137; 14-3140 and 14-003159RU); and Shands Jacksonville Medical Center, Inc., Case No. 1D14-5575 (Consolidated) v. Agency for Healthcare Administration**

Petitioner hospitals in this case brought an administrative action challenging the Medicaid reimbursement rates the Agency for Health Care Administration (AHCA) established for them between the years 2000 and 2013. They claimed the methodology AHCA used for calculation of their Medicaid per diem inpatient hospital reimbursement rates was flawed because of alleged errors in how depreciation figures reported by them to AHCA were used in AHCA’s calculation of the rates. They claimed that these alleged errors in AHCA’s accounting methodology resulted in their being undercompensated for the inpatient care of thousands of Medicaid beneficiaries between the year 2000 and 2013.

These cases were brought in the lower tribunal under Section 120.57(1), F.S., as “substantial interests” challenges to final agency action. A separate challenge was also brought to AHCA’s Inpatient Hospital Reimbursement Plan, adopted as a rule in 59G-6.020, Florida Administrative Code; or, alternatively, as a challenge to an Agency policy not adopted as a rule (“rule challenge case”). If Petitioners had prevailed in their “substantial interests” challenges, AHCA could have been ordered to recalculate new/revised reimbursement rates for the affected hospitals. If they had prevailed in the rule challenge case, the current, existing rates and the rule and reimbursement plan upon which they are based could have been invalidated.

In October, 2014, Petitioners filed with AHCA’s Agency Clerk notices of voluntary dismissal of their “substantial interest” cases “without prejudice.” In early November 2014, the Agency Clerk entered final orders dismissing all of these cases with prejudice. In October 2014, Petitioners also filed a notice with Florida’s Division of Administrative Hearings (DOAH) dismissing their rule challenge case without prejudice. As jurisdiction in rule challenge cases lies exclusively with DOAH (and not the Agency), the administrative law judge in that case entered an order closing that file and dismissing the case without prejudice to file another, similar petition in the future.

In December 2014, Petitioners (with the exception of Jackson Memorial Hospital) appealed DCA AHCA’s decision to dismiss those cases with prejudice to the First DCA. The Court affirmed AHCA’s decision on August 7, 2015. There is no further action of record at this time.

**H. Micjo v. Florida Department of Business and Professional Regulation, Case No. 78 So. 3d 124 (Second District Court of Appeals)**

The issue in these refund claims is whether charges, such as federal excise taxes and delivery costs should be included when calculating the “wholesale sales price” for a tobacco tax. The Second DCA held that in the case *Micjo v. DBPR*, 78 So. 3d 124, including the particular charges at issue in that case were not allowable in that narrow factual circumstance. This ruling exposes DBPR to the risk of other retailers seeking a refund for a portion of the tobacco tax. There are currently twenty-six pending cases in various courts and the DOAH, and the Second DCA related to the “wholesale sales price”. The Second DCA has issued a preliminary ruling in favor of the plaintiffs and against DPBR. A judicial determination in favor of the claimants and the potential of additional claims filed in the future could result in refunds of over \$25 million.



**NOTE 17 – DEFICIT FUND BALANCE AND NET POSITION****A. Governmental Funds**

The *State School Trust Fund* has a deficit unassigned fund balance of approximately \$884 million. The deficit is primarily the result of establishing an advance (long-term liability) on potential future claims by the Department of Financial Service's *Unclaimed Property Trust Fund*. The Department of Financial Services pays claims as they are due from current remittances. If sufficient funds are not available to pay claims, requests are made by the Department of Financial Services to the Department of Education to return the amount of funds necessary to pay claims or funds are borrowed from the Department of Financial Service's *Trust Funds Control Fund* and repaid prior to year-end.

**B. Proprietary Funds**

The Lottery has a deficit unrestricted net position of approximately \$19.4 million. This deficit is a result of certain liabilities being recorded for reporting purposes only and being excluded from the calculation of transfers to the Educational Enhancement Trust Fund. This deficit does not affect the Lottery's ability to pay prizes or to provide services.

The Internal Service Fund, *Data Centers*, has a deficit net position of approximately \$10 million. This deficit is primarily due to long-term obligations, consisting mainly of a compensated absences liability and an accrual of pension and OPEB liabilities. The compensated absences liability will be liquidated on a pay-as-you-go basis. The pension and OPEB liabilities do not require cash flows and have no effect on the ability to provide services.

The Internal Service Fund, *Other*, has a deficit net position of approximately \$36.6 million. This deficit is primarily due to long-term obligations, consisting mainly of a compensated absences liability and an accrual of pension and OPEB liabilities. The compensated absences liability will be liquidated on a pay-as-you-go basis. The pension and OPEB liabilities do not require cash flows and have no effect on the ability to provide services.

## NOTE 18 – SUBSEQUENT EVENTS

**A. Bonds**

The following bonds for governmental activities and business-type activities of the primary government were issued or sold subsequent to June 30, 2015:

| Agency/Bond                                                                                                                | Series        | Amount         | Matures               | Interest Rate   |
|----------------------------------------------------------------------------------------------------------------------------|---------------|----------------|-----------------------|-----------------|
| <b>Governmental Activities:</b>                                                                                            |               |                |                       |                 |
| Board of Governors, Florida International University<br>Dormitory Revenue Refunding Bonds                                  | 2015A         | \$ 29,105,000  | 07/01/2016-07/01/2034 | 3.000% - 5.000% |
| Full Faith and Credit, Department of Transportation<br>Right-of-Way Acquisition and Bridge Construction<br>Refunding Bonds | 2015A         | \$ 213,885,000 | 07/01/2016-07/01/2026 | 4.000% - 5.000% |
| Full Faith and Credit, State Board of Education<br>Public Education Outlay Refunding Bonds                                 | 2015 Series E | \$ 306,645,000 | 06/01/2017-06/01/2036 | 3.000% - 5.000% |
| Full Faith and Credit, State Board of Education<br>Public Education Outlay Refunding Bonds                                 | 2015 Series F | \$ 233,135,000 | 06/01/2017-06/01/2036 | 3.000% - 5.000% |
| Department of Environmental Protection, Everglades<br>Restoration Revenue Bonds                                            | 2015A         | \$ 46,740,000  | 07/01/2016-07/01/2035 | 3.000% - 5.000% |
| Department of Environmental Protection, Florida Forever<br>Revenue Refunding Bonds                                         | 2015A         | \$ 78,725,000  | 07/01/2017-07/01/2026 | 5.000%          |
| <b>Business-type Activities:</b>                                                                                           |               |                |                       |                 |
| Department of Transportation, Turnpike Revenue Bonds                                                                       | 2015A         | \$ 241,480,000 | 07/01/2016-07/01/2045 | 2.000% - 5.000% |
| Department of Transportation, Turnpike Revenue<br>Refunding Bonds                                                          | 2015B         | \$ 195,875,000 | 07/01/2017-07/01/2036 | 3.000% - 5.000% |
| Department of Transportation, Turnpike Revenue<br>Refunding Bonds                                                          | 2016A         | \$ 173,385,000 | 07/01/2017-07/01/2036 | 3.000% - 5.000% |

**B. Federally Assisted Grant Programs**

**Component units** – On November 20, 2015, the University of Florida (University) reached a settlement with the Federal Government for \$19,875,000, which closes an investigation of the University by the Department of Health and Human Services and the Department of Justice related to deficiencies in the University's research accounting systems from 2005 through 2010. These deficiencies have since been remedied with significant upgrades in systems and procedures. The University paid the settlement on November 25, 2015, from non-State funds.

**C. Other**

On October 20, 2015, the Department of Revenue reached a \$3.5 million settlement with taxpayers in the Rooms to Go Entities refund petitions.

**OTHER REQUIRED  
SUPPLEMENTARY  
INFORMATION**

## 2015 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES**  
**GENERAL AND MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | General Fund       |                 |              |                                                      |
|---------------------------------------|--------------------|-----------------|--------------|------------------------------------------------------|
|                                       | Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 4,045,692       | \$ 4,045,692    | \$ 4,045,692 | \$ .....                                             |
| Reversions                            | 77,496             | 77,496          | 77,496       | .....                                                |
| Fund Balances, July 1, 2014, restated | 4,123,188          | 4,123,188       | 4,123,188    | .....                                                |
| <b>REVENUES</b>                       |                    |                 |              |                                                      |
| Fees and charges                      | 1,277,223          | 1,218,423       | 1,328,821    | 110,398                                              |
| Licenses                              | 842,509            | 851,309         | 455,419      | (395,890)                                            |
| Taxes                                 | 29,866,722         | 30,442,522      | 31,120,982   | 678,460                                              |
| Miscellaneous                         | 4,247              | 4,247           | 5,052        | 805                                                  |
| Interest                              | 82,895             | 110,695         | 117,457      | 6,762                                                |
| Grants                                | 19,797             | 19,797          | 20,944       | 1,147                                                |
| Refunds                               | 6,409              | 6,409           | 287,317      | 280,908                                              |
| Transfers and distributions           | 2,928,551          | 2,804,751       | 2,882,202    | 77,451                                               |
| Other                                 | 352,353            | 346,653         | 369,513      | 22,860                                               |
| Total Revenues                        | 35,380,706         | 35,804,806      | 36,587,707   | 782,901                                              |
| Total Available Resources             | 39,503,894         | 39,927,994      | 40,710,895   | 782,901                                              |
| <b>EXPENDITURES</b>                   |                    |                 |              |                                                      |
| Operating expenditures:               |                    |                 |              |                                                      |
| Salaries and benefits                 | 3,573,930          | 3,737,895       | 3,686,005    | 51,890                                               |
| Other personal services               | 49,644             | 69,252          | 64,380       | 4,872                                                |
| Expenses                              | 329,527            | 382,980         | 372,638      | 10,342                                               |
| Grants and aids                       | 13,551,408         | 13,570,183      | 13,569,737   | 446                                                  |
| Operating capital outlay              | 12,294             | 19,338          | 17,839       | 1,499                                                |
| Food products                         | 58,086             | 60,168          | 60,140       | 28                                                   |
| Fixed capital outlay                  | 46,784             | 46,784          | 46,784       | .....                                                |
| Lump sum                              | 317,966            | 14,361          | 14,361       | .....                                                |
| Special categories                    | 10,089,898         | 10,037,223      | 9,879,975    | 157,248                                              |
| Financial assistance payments         | 244,369            | 249,169         | 242,267      | 6,902                                                |
| Continuing Appropriations             | .....              | 197,312         | 197,312      | .....                                                |
| Grants/aids to local governments      | 92,904             | 92,904          | 92,904       | .....                                                |
| Data processing services              | 42,511             | 46,487          | 46,156       | 331                                                  |
| Pensions and benefits                 | 3,458              | 3,358           | 984          | 2,374                                                |
| Claim bills and relief acts           | .....              | 1,045           | 1,045        | .....                                                |
| Total Operating Expenditures          | 28,412,779         | 28,528,459      | 28,292,527   | 235,932                                              |
| Nonoperating expenditures:            |                    |                 |              |                                                      |
| Transfers                             | 5,479,476          | 5,479,476       | 5,479,476    | .....                                                |
| Refunds                               | 25,285             | 401,160         | 401,160      | .....                                                |
| Other                                 | 2,031,520          | 2,031,520       | 2,031,520    | .....                                                |
| Total Nonoperating Expenditures       | 7,536,281          | 7,912,156       | 7,912,156    | .....                                                |
| Total Expenditures                    | 35,949,060         | 36,440,615      | 36,204,683   | 235,932                                              |
| Fund Balances, June 30, 2015          | \$ 3,554,834       | \$ 3,487,379    | \$ 4,506,212 | \$ 1,018,833                                         |

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

**2015 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(in thousands)**

|                                       | Environment, Recreation and Conservation |                 |              |                                                      |
|---------------------------------------|------------------------------------------|-----------------|--------------|------------------------------------------------------|
|                                       | Original<br>Budget                       | Final<br>Budget | Actual       | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 1,413,461                             | \$ 1,413,461    | \$ 1,413,461 | \$ .....                                             |
| Reversions                            | 2,393                                    | 2,393           | 2,393        | .....                                                |
| Fund Balances, July 1, 2014, restated | 1,415,854                                | 1,415,854       | 1,415,854    | .....                                                |
| <b>REVENUES</b>                       |                                          |                 |              |                                                      |
| Fees and charges                      | 199,016                                  | 220,529         | 220,903      | 374                                                  |
| Licenses                              | 36,666                                   | 47,446          | 49,346       | 1,900                                                |
| Taxes                                 | 1,849                                    | 284,270         | 281,373      | (2,897)                                              |
| Miscellaneous                         | 140                                      | 3,541           | 3,497        | (44)                                                 |
| Interest                              | 14,147                                   | 46,249          | 22,289       | (23,960)                                             |
| Grants                                | 238,002                                  | 225,324         | 233,092      | 7,768                                                |
| Refunds                               | 155                                      | 10,490          | 13,878       | 3,388                                                |
| Bond proceeds                         | 50,150                                   | .....           | .....        | .....                                                |
| Transfers and distributions           | 1,044,712                                | 1,077,928       | 1,130,500    | 52,572                                               |
| Other                                 | 135,127                                  | 4,765           | 176,429      | 171,664                                              |
| Total Revenues                        | 1,719,964                                | 1,920,542       | 2,131,307    | 210,765                                              |
| Total Available Resources             | 3,135,818                                | 3,336,396       | 3,547,161    | 210,765                                              |
| <b>EXPENDITURES</b>                   |                                          |                 |              |                                                      |
| Operating expenditures:               |                                          |                 |              |                                                      |
| Salaries and benefits                 | 244,717                                  | 244,595         | 229,762      | 14,833                                               |
| Other personal services               | 25,567                                   | 25,678          | 21,503       | 4,175                                                |
| Expenses                              | 47,971                                   | 48,074          | 42,983       | 5,091                                                |
| Grants and aids                       | 8,761                                    | 8,761           | 8,696        | 65                                                   |
| Operating capital outlay              | 1,640                                    | 1,998           | 1,481        | 517                                                  |
| Fixed capital outlay                  | 344,289                                  | 344,289         | 344,289      | .....                                                |
| Special categories                    | 286,774                                  | 294,689         | 245,557      | 49,132                                               |
| Grants/aids to local governments      | 331,045                                  | 331,045         | 331,045      | .....                                                |
| Data processing services              | 603                                      | 783             | 783          | .....                                                |
| Total Operating Expenditures          | 1,291,367                                | 1,299,912       | 1,226,099    | 73,813                                               |
| Nonoperating expenditures:            |                                          |                 |              |                                                      |
| Transfers                             | 287,691                                  | 287,691         | 287,691      | .....                                                |
| Qualified expenditures                | 1,200                                    | .....           | .....        | .....                                                |
| Refunds                               | 40,746                                   | 19,125          | 19,125       | .....                                                |
| Other                                 | 335,183                                  | 335,183         | 335,183      | .....                                                |
| Total Nonoperating Expenditures       | 664,820                                  | 641,999         | 641,999      | .....                                                |
| Total Expenditures                    | 1,956,187                                | 1,941,911       | 1,868,098    | 73,813                                               |
| Fund Balances, June 30, 2015          | \$ 1,179,631                             | \$ 1,394,485    | \$ 1,679,063 | \$ 284,578                                           |

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

**2015 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(in thousands)**

|                                       | Public Education   |                 |            |                                                      |
|---------------------------------------|--------------------|-----------------|------------|------------------------------------------------------|
|                                       | Original<br>Budget | Final<br>Budget | Actual     | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 643,421         | \$ 643,421      | \$ 643,421 | \$ .....                                             |
| Reversions                            | 37,469             | 37,469          | 37,469     | .....                                                |
| Fund Balances, July 1, 2014, restated | 680,890            | 680,890         | 680,890    | .....                                                |
| <b>REVENUES</b>                       |                    |                 |            |                                                      |
| Fees and charges                      | 1,924,647          | 56,617          | 56,782     | 165                                                  |
| Licenses                              | 977                | 1,065           | 1,065      | .....                                                |
| Taxes                                 | 764,690            | 632,487         | 630,219    | (2,268)                                              |
| Miscellaneous                         | 33,204             | 4               | 4          | .....                                                |
| Interest                              | 13,616             | 33,526          | 32,085     | (1,441)                                              |
| Grants                                | 2,291,545          | 2,213,939       | 2,219,169  | 5,230                                                |
| Refunds                               | 1,713              | 1,868           | 1,877      | 9                                                    |
| Transfers and distributions           | 3,292,625          | 3,228,314       | 3,228,314  | .....                                                |
| Other                                 | 407                | 134,038         | 244,566    | 110,528                                              |
| Total Revenues                        | 8,323,424          | 6,301,858       | 6,414,081  | 112,223                                              |
| Total Available Resources             | 9,004,314          | 6,982,748       | 7,094,971  | 112,223                                              |
| <b>EXPENDITURES</b>                   |                    |                 |            |                                                      |
| Operating expenditures:               |                    |                 |            |                                                      |
| Salaries and benefits                 | 38,738             | 39,020          | 35,276     | 3,744                                                |
| Other personal services               | 1,119              | 919             | 303        | 616                                                  |
| Expenses                              | 8,614              | 8,389           | 5,359      | 3,030                                                |
| Grants and aids                       | 4,850,847          | 2,991,711       | 2,976,105  | 15,606                                               |
| Operating capital outlay              | 951                | 966             | 211        | 755                                                  |
| Fixed capital outlay                  | 1,849,170          | 1,673,203       | 1,673,203  | .....                                                |
| Special categories                    | 925,957            | 1,052,028       | 1,052,028  | .....                                                |
| Financial assistance payments         | 65,165             | 65,165          | 65,042     | 123                                                  |
| Payments to U.S. Treasury             | 970                | 86              | 86         | .....                                                |
| Data processing services              | 11,574             | 13,107          | 7,662      | 5,445                                                |
| Total Operating Expenditures          | 7,753,105          | 5,844,594       | 5,815,275  | 29,319                                               |
| Nonoperating expenditures:            |                    |                 |            |                                                      |
| Transfers                             | 723,368            | 471,589         | 471,589    | .....                                                |
| Refunds                               | 9,616              | 266             | 266        | .....                                                |
| Other                                 | 172,130            | 2,129           | 2,129      | .....                                                |
| Total Nonoperating Expenditures       | 905,114            | 473,984         | 473,984    | .....                                                |
| Total Expenditures                    | 8,658,219          | 6,318,578       | 6,289,259  | 29,319                                               |
| Fund Balances, June 30, 2015          | \$ 346,095         | \$ 664,170      | \$ 805,712 | \$ 141,542                                           |

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

**2015 STATE OF FLORIDA CAFR**

**BUDGETARY COMPARISON SCHEDULES  
GENERAL AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(in thousands)**

|                                       | Health and Family Services |                 |              |                                                      |
|---------------------------------------|----------------------------|-----------------|--------------|------------------------------------------------------|
|                                       | Original<br>Budget         | Final<br>Budget | Actual       | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 1,500,735               | \$ 1,500,735    | \$ 1,500,735 | \$ .....                                             |
| Reversions                            | 548,234                    | 548,234         | 548,234      | .....                                                |
| Fund Balances, July 1, 2014, restated | 2,048,969                  | 2,048,969       | 2,048,969    | .....                                                |
| <b>REVENUES</b>                       |                            |                 |              |                                                      |
| Fees and charges                      | 1,755,538                  | 1,668,342       | 1,580,112    | (88,230)                                             |
| Licenses                              | 21,335                     | 20,818          | 21,507       | 689                                                  |
| Taxes                                 | 1,013,321                  | 1,013,321       | 290,115      | (723,206)                                            |
| Miscellaneous                         | 3                          | 3               | .....        | (3)                                                  |
| Interest                              | 3,738                      | 3,687           | 3,930        | 243                                                  |
| Grants                                | 17,878,467                 | 17,306,180      | 16,993,666   | (312,514)                                            |
| Refunds                               | 1,297,081                  | 1,278,873       | 1,635,478    | 356,605                                              |
| Transfers and distributions           | 2,129,864                  | 1,809,628       | 2,041,759    | 232,131                                              |
| Other                                 | 42,273                     | 38,731          | 40,989       | 2,258                                                |
| Total Revenues                        | 24,141,620                 | 23,139,583      | 22,607,556   | (532,027)                                            |
| Total Available Resources             | 26,190,589                 | 25,188,552      | 24,656,525   | (532,027)                                            |
| <b>EXPENDITURES</b>                   |                            |                 |              |                                                      |
| Operating expenditures:               |                            |                 |              |                                                      |
| Salaries and benefits                 | 1,320,075                  | 1,322,340       | 1,218,072    | 104,268                                              |
| Other personal services               | 125,448                    | 126,725         | 102,798      | 23,927                                               |
| Expenses                              | 287,561                    | 286,217         | 237,521      | 48,696                                               |
| Grants and aids                       | 47,092                     | 47,092          | 34,586       | 12,506                                               |
| Operating capital outlay              | 17,560                     | 17,300          | 11,840       | 5,460                                                |
| Food products                         | 1,281                      | 1,281           | 1,264        | 17                                                   |
| Fixed capital outlay                  | 1,731                      | 1,731           | 1,731        | .....                                                |
| Lump sum                              | 18,492                     | .....           | .....        | .....                                                |
| Special categories                    | 21,343,677                 | 21,467,449      | 20,565,680   | 901,769                                              |
| Financial assistance payments         | 56,294                     | 64,892          | 59,366       | 5,526                                                |
| Grants/aids to local governments      | 6,733                      | 6,733           | 6,733        | .....                                                |
| Data processing services              | 22,401                     | 21,903          | 21,898       | 5                                                    |
| Claim bills and relief acts           | 2,650                      | 2,650           | 2,650        | .....                                                |
| Total Operating Expenditures          | 23,250,995                 | 23,366,313      | 22,264,139   | 1,102,174                                            |
| Nonoperating expenditures:            |                            |                 |              |                                                      |
| Continuing Appropriations             | .....                      | 28,032          | 28,032       | .....                                                |
| Transfers                             | 884,046                    | 1,086,427       | 1,086,427    | .....                                                |
| Refunds                               | 11,500                     | 6,435           | 6,435        | .....                                                |
| Other                                 | 11,959                     | 91,087          | 91,087       | .....                                                |
| Total Nonoperating Expenditures       | 907,505                    | 1,211,981       | 1,211,981    | .....                                                |
| Total Expenditures                    | 24,158,500                 | 24,578,294      | 23,476,120   | 1,102,174                                            |
| Fund Balances, June 30, 2015          | \$ 2,032,089               | \$ 610,258      | \$ 1,180,405 | \$ 570,147                                           |

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

## 2015 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES**  
**GENERAL AND MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Transportation     |                 |            |                                                      |
|---------------------------------------|--------------------|-----------------|------------|------------------------------------------------------|
|                                       | Original<br>Budget | Final<br>Budget | Actual     | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 303,832         | \$ 303,832      | \$ 303,832 | \$ .....                                             |
| Reversions                            | 3,992              | 3,992           | 3,992      | .....                                                |
| Fund Balances, July 1, 2014, restated | 307,824            | 307,824         | 307,824    | .....                                                |
| <b>REVENUES</b>                       |                    |                 |            |                                                      |
| Fees and charges                      | 168,000            | 183,359         | 168,000    | (15,359)                                             |
| Taxes                                 | 2,546,491          | 2,512,822       | 2,546,491  | 33,669                                               |
| Miscellaneous                         | 241,548            | .....           | .....      | .....                                                |
| Interest                              | 1,183              | .....           | 1,760      | 1,760                                                |
| Refunds                               | 13,636             | .....           | 13,635     | 13,635                                               |
| Transfers and distributions           | 361,421            | 362,603         | 361,663    | (940)                                                |
| Other                                 | 19,223             | 22,202          | 22,291     | 89                                                   |
| Total Revenues                        | 3,351,502          | 3,080,986       | 3,113,840  | 32,854                                               |
| Total Available Resources             | 3,659,326          | 3,388,810       | 3,421,664  | 32,854                                               |
| <b>EXPENDITURES</b>                   |                    |                 |            |                                                      |
| Operating expenditures:               |                    |                 |            |                                                      |
| Salaries and benefits                 | .....              | 4,028           | 3,580      | 448                                                  |
| Other personal services               | .....              | 49              | 34         | 15                                                   |
| Expenses                              | .....              | 1,073           | 704        | 369                                                  |
| Operating capital outlay              | .....              | 15              | 4          | 11                                                   |
| Fixed capital outlay                  | 294,035            | 294,035         | 294,035    | .....                                                |
| Special categories                    | (270)              | 64,652          | 64,065     | 587                                                  |
| Total Operating Expenditures          | 293,765            | 363,852         | 362,422    | 1,430                                                |
| Nonoperating expenditures:            |                    |                 |            |                                                      |
| Transfers                             | 19,137             | 19,137          | 19,137     | .....                                                |
| Refunds                               | 61,047             | 61,047          | 61,047     | .....                                                |
| Other                                 | 2,648,214          | 2,648,214       | 2,648,214  | .....                                                |
| Total Nonoperating Expenditures       | 2,728,398          | 2,728,398       | 2,728,398  | .....                                                |
| Total Expenditures                    | 3,022,163          | 3,092,250       | 3,090,820  | 1,430                                                |
| Fund Balances, June 30, 2015          | \$ 637,163         | \$ 296,560      | \$ 330,844 | \$ 34,284                                            |

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



2015 STATE OF FLORIDA CAFR

**BUDGET TO GAAP RECONCILIATION  
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(in thousands)**

|                                                                                 | General<br>Fund     | Environment,<br>Recreation and<br>Conservation | Public<br>Education | Health and<br>Family<br>Services | Transportation      |
|---------------------------------------------------------------------------------|---------------------|------------------------------------------------|---------------------|----------------------------------|---------------------|
| Budgetary basis fund balances                                                   | \$ 4,506,212        | \$ 1,679,063                                   | \$ 805,712          | \$ 1,180,405                     | \$ 330,844          |
| Items not included in budgetary basis fund balances:                            |                     |                                                |                     |                                  |                     |
| Security lending investments within the State Treasury                          | 870,478             | 93,215                                         | 61,293              | 8,019                            | 106,269             |
| Fair value adjustments to investments within the State Treasury                 | 12,172              | 1,875                                          | 1,233               | 161                              | 2,138               |
| Special investments within the State Treasury                                   | 29,986              | .....                                          | .....               | 37,299                           | .....               |
| Non-State Treasury cash and investments                                         | 887,339             | 1,698                                          | .....               | 61,083                           | 938,496             |
| Other GAAP basis fund balances not included in<br>budgetary basis fund balances | .....               | .....                                          | .....               | .....                            | 644,761             |
| Adjusted budgetary basis fund balances                                          | 6,306,187           | 1,775,851                                      | 868,238             | 1,286,967                        | 2,022,508           |
| Adjustments (basis differences):                                                |                     |                                                |                     |                                  |                     |
| Net receivables/(payables) not carried forward                                  | 656,786             | 1,213,798                                      | 85,655              | 546,832                          | 764,409             |
| Net deferred outflows/(inflows) of resources                                    | (226,960)           | (922)                                          | .....               | (559,604)                        | (712,366)           |
| Inventories, prepaid items and deferred charges                                 | 8,023               | 411                                            | .....               | 12,867                           | 9,195               |
| Encumbrances                                                                    | 164,576             | 5,538                                          | 106,699             | 52,023                           | 38,109              |
| GAAP basis fund balances                                                        | <u>\$ 6,908,612</u> | <u>\$ 2,994,676</u>                            | <u>\$ 1,060,592</u> | <u>\$ 1,339,085</u>              | <u>\$ 2,121,855</u> |

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

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

### BUDGETARY REPORTING

#### **Budget Process**

Chapter 216, Florida Statutes (F.S.), promulgates the process used to develop the budget for the State of Florida. 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 by October 15 as required in Section 216.023(1), F.S. Then, at least 30 days before the scheduled annual legislative session in each year, the Governor, as Chief Budget Officer, submits his recommended budget to each legislator.

The Governor also provides estimates of revenues sufficient to fund the recommended appropriations. Revenue estimates for the General Fund and selected trust funds are made by the Revenue Estimating Conference. This group includes members of the Executive and Legislative branches with forecasting experience who develop official information regarding anticipated state and local government revenues as needed for the state budgeting process. Revenue estimates for trust funds not projected by the Revenue Estimating Conference (consisting mainly of special revenue funds) are provided by state agencies. These estimates may be revised during the course of the Legislature's consideration and adoption of a final budget. These estimates, together with known available cash balances, are further considered by the Governor and the Chief Justice of the Florida Supreme Court during the preparation of annual release (spending) plans. Further adjustments to the original budget's trust fund revenue estimates may be made to conform agency revenue estimates to actual and projected revenue streams.

The Governor's recommended budget is considered and amended by the Legislature and a final appropriations bill is then approved by the Legislature (subject to the line-item veto power of the Governor and override authority of the Legislature); this bill then becomes the General Appropriations Act. The Governor and the Chief Justice of the Supreme Court may, under certain conditions and subject to the review and objection procedures set forth in Section 216.177, F.S., establish appropriations and corresponding releases for amounts not appropriated by the Legislature to agencies and the Judicial Branch, respectively. This includes appropriations for non-operating disbursements, such as the purchase of investments and the transfer of money between state funds.

If circumstances warrant, the head of a department or the Chief Justice of the Supreme Court may transfer appropriations (other than fixed capital outlay appropriations) but only to the extent of 5 percent of the original appropriation or \$250,000, whichever is greater, or within certain programs and between identical funding sources and specific appropriation categories. Transfers of general revenue appropriations in excess of 5 percent or \$250,000, whichever is greater, or for fixed capital outlay, or for transfers of general revenue appropriations not allowed within the departments' program flexibility may be approved by the Legislative Budget Commission. The Governor and the Chief Justice of the Supreme Court may approve changes of expenditure authority within any trust fund for agencies and the Judicial Branch, respectively, if the changes are less than \$1 million. The Legislative Budget Commission may approve trust fund changes in excess of \$1 million. At the end of the fiscal year, any balance of an operating appropriation which has not been disbursed but is expended (recorded as a payable) or contracted to be expended (recorded as a reserve for encumbrances in governmental fund types), may be carried forward into the next fiscal year. If these appropriations, however, have not been disbursed by September 30 they will revert pursuant to Section 216.301(1), F.S.

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

#### **Budgetary Basis of Accounting**

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

The state presents budgetary comparison schedules for the General Fund and major special revenue funds as part of the other required supplementary information. In addition, budgetary comparison schedules for non-major special revenue funds which have legally adopted annual budgets are presented with other combining and individual fund statements and schedules.

Budgetary basis revenues are essentially reported on a cash basis and include amounts classified by GAAP as other financing sources. Budgetary basis expenditures include disbursements, except those for prior year carry/certified forwards, plus current year payables and encumbrances which are carried/certified forward into the next fiscal year. They also include amounts classified by GAAP as other financing uses. State law requires prior year payables and encumbrances not carried/certified forward to be paid from the current year budget. The Lump Sum expenditure category presented in the budgetary comparison schedules is used as a budgetary tool to track moneys appropriated to a particular fund until subsequent allocations are made to other expenditure categories.

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

### **Budget to GAAP Reconciliation**

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

**OTHER REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 FLORIDA RETIREMENT SYSTEM  
 LAST 10 FISCAL YEARS  
 (in thousands)

|                                                                                   | 2014*         |
|-----------------------------------------------------------------------------------|---------------|
| Proportion of the net pension liability                                           | 17.802202632% |
| Proportionate share of the net pension liability                                  | \$ 1,086,196  |
| Covered-employee payroll                                                          | \$ 4,538,946  |
| Proportionate share of the net pension liability as percentage of covered payroll | 23.93%        |
| Plan fiduciary net position as a percentage of the total pension liability        | 96.09%        |

## Notes to Schedule:

Changes in actuarial assumptions: As of June 30, 2014, the inflation rate assumption was decreased from 3.00% to 2.60%, the real payroll growth assumption was decreased from 1.00% to 0.65%, and the overall payroll growth rate assumption was decreased from 4.00% to 3.25%. The long-term expected rate of return decreased from 7.75% to 7.65%.

\* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, only one year is shown.

SCHEDULE OF STATE CONTRIBUTIONS TO PENSION PLAN  
 FLORIDA RETIREMENT SYSTEM  
 LAST 10 FISCAL YEARS  
 (in thousands)

|                                                                                  | 2015*        |
|----------------------------------------------------------------------------------|--------------|
| Statutorily required contributions                                               | \$ 437,921   |
| Contributions recognized by the plan                                             | 437,921      |
| Contribution deficiency (excess)                                                 | \$ -         |
| Covered-employee payroll                                                         | \$ 4,591,628 |
| Contributions recognized by the plan as a percentage of covered-employee payroll | 9.54%        |

\* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, only one year is shown.

**OTHER REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM  
 LAST 10 FISCAL YEARS  
 (in thousands)

|                                                                                   | 2014*         |
|-----------------------------------------------------------------------------------|---------------|
| Proportion of the net pension liability                                           | 15.286183318% |
| Proportionate share of the net pension liability                                  | \$ 1,429,295  |
| Covered-employee payroll                                                          | \$ 4,534,435  |
| Proportionate share of the net pension liability as percentage of covered payroll | 31.52%        |
| Plan fiduciary net position as a percentage of the total pension liability        | 0.99%         |

**Notes to Schedule:**

Changes in actuarial assumptions: The municipal rate used to determine total pension liability decreased from 4.63% to 4.29%

\* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, only one year is shown.

SCHEDULE OF STATE CONTRIBUTIONS TO PENSION PLAN  
 RETIREE HEALTH INSURANCE SUBSIDY PROGRAM  
 LAST 10 FISCAL YEARS  
 (in thousands)

|                                                                                  | 2015*        |
|----------------------------------------------------------------------------------|--------------|
| Statutorily required contributions                                               | \$ 57,891    |
| Contributions recognized by the plan                                             | 57,891       |
| Contribution deficiency (excess)                                                 | \$ -         |
| Covered-employee payroll                                                         | \$ 4,588,003 |
| Contributions recognized by the plan as a percentage of covered-employee payroll | 1.26%        |

\* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, only one year is shown.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 FLORIDA NATIONAL GUARD SUPPLEMENTAL RETIREMENT BENEFIT PLAN  
 LAST 10 FISCAL YEARS\*  
 (in thousands)

|                                                              | 2015              | 2014              |
|--------------------------------------------------------------|-------------------|-------------------|
| <u>Total Pension Liability</u>                               |                   |                   |
| Service cost                                                 | \$ 7,161          | \$ 5,979          |
| Interest on total pension liability                          | 19,164            | 18,852            |
| Effect of plan changes                                       | 0                 | 0                 |
| Effect of economic/demographic (gains) or losses             | 0                 | 0                 |
| Effects of assumption changes or inputs                      | 46,330            | 27,926            |
| Benefit payments                                             | (14,423)          | (14,366)          |
| Net changes in total pension liability                       | 58,232            | 38,391            |
| Total pension liability, beginning                           | 446,683           | 408,292           |
| Total pension liability ending                               | <u>504,915</u>    | <u>446,683</u>    |
| <u>Fiduciary Net Position</u>                                |                   |                   |
| Employer contributions                                       | \$ 14,495         | \$ 14,366         |
| Member contributions                                         | 0                 | 0                 |
| Investment income net of investment expenses                 | 0                 | 0                 |
| Benefit payments                                             | (14,423)          | (14,366)          |
| Administrative expenses                                      | (72)              | 0                 |
| Net change in fiduciary position                             | 0                 | 0                 |
| Fiduciary net position-beginning                             | 0                 | 0                 |
| Fiduciary net position-ending                                | <u>0</u>          | <u>0</u>          |
| Net pension liability-ending                                 | <u>\$ 504,915</u> | <u>\$ 446,683</u> |
| Fiduciary net position as a % of the total pension liability | 0.00%             | 0.00%             |
| Covered payroll                                              | \$ 476,278        | \$ 466,939        |
| Net pension liability as a % of covered-payroll              | 106.01%           | 95.66%            |

## Notes to Schedule:

Changes of assumptions or input: The municipal bond rate used to determine total pension liability decreased from 4.29% to 3.80%.

\* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, information was not available for a full 10-year presentation.

SCHEDULE OF STATE CONTRIBUTIONS TO PENSION PLAN  
 FLORIDA NATIONAL GUARD SUPPELEMENTAL RETIREMENT BENEFIT PLAN  
 LAST 10 FISCAL YEARS\*  
 (in thousands)

|                                                           | 2015       | 2014       |
|-----------------------------------------------------------|------------|------------|
| Statutorily required State contribution                   | \$ 14,495  | \$ 14,366  |
| Contributions recognized by the plan                      | 14,495     | 14,366     |
| Contribution deficiency (excess)                          | <u>0</u>   | <u>0</u>   |
| Covered payroll                                           | \$ 476,278 | \$ 466,939 |
| Contributions as a percentage of covered-employee payroll | 3.04%      | 3.08%      |

\* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, information was not available for a full 10-year presentation.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

OTHER POSTEMPLOYMENT BENEFITS SCHEDULE OF FUNDING PROGRESS\*  
(in thousands)

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(A) | Actuarial Accrued<br>Liability (AAL)<br>Entry Age<br>(B) | Unfunded<br>AAL<br>(UAAL)<br>(B-A) | Funded<br>Ratio<br>(A/B) | Annualized<br>Covered<br>Payroll<br>(C) | UAAL as a<br>Percentage of<br>Covered Payroll<br>((B-A)/C) |
|--------------------------------|----------------------------------------|----------------------------------------------------------|------------------------------------|--------------------------|-----------------------------------------|------------------------------------------------------------|
| July 1, 2009                   | \$ .....                               | \$ 4,831,107                                             | \$ 4,831,107                       | 0.00%                    | \$ 7,318,965                            | 66.01%                                                     |
| July 1, 2010                   | .....                                  | 4,545,845                                                | 4,545,845                          | 0.00%                    | 7,574,317                               | 60.02%                                                     |
| July 1, 2011                   | .....                                  | 6,415,754                                                | 6,415,754                          | 0.00%                    | 7,256,798                               | 88.41%                                                     |
| July 1, 2012                   | .....                                  | 6,782,210                                                | 6,782,210                          | 0.00%                    | 7,188,525                               | 94.35%                                                     |
| July 1, 2013                   | .....                                  | 7,487,707                                                | 7,487,707                          | 0.00%                    | 7,467,560                               | 100.27%                                                    |
| July 1, 2014                   | .....                                  | 6,824,971                                                | 6,824,971                          | 0.00%                    | 7,308,275                               | 93.39%                                                     |

SCHEDULE OF EMPLOYER CONTRIBUTIONS\*  
(in thousands)

| Year<br>Ended<br>6/30 | Annual<br>Required<br>Contribution | Percent<br>Contributed |
|-----------------------|------------------------------------|------------------------|
| 2010                  | \$ 336,419                         | 30.87%                 |
| 2011                  | 313,415                            | 32.87%                 |
| 2012                  | 455,584                            | 27.07%                 |
| 2013                  | 452,658                            | 28.50%                 |
| 2014                  | 541,600                            | 22.34%                 |
| 2015                  | 489,619                            | 21.48%                 |

\* This information relates to the cost-sharing plan as a whole, of which the State of Florida is one participating employer. The State of Florida's participation in both the actuarial accrued liability and the annual required contribution is approximately 77%.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

### INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Pursuant to GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, the state has adopted an alternative process to record 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 12,117 centerline miles of roads and 6,923 bridges that the state is responsible for maintaining.

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

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

#### Condition and Maintenance Programs

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

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

The condition rating scales were set by a statewide committee of pavement engineers, so that a pavement segment receiving a rating of six or less in any of the three rating criteria is designated a deficient pavement segment. In low-speed areas, the ride rating must drop to five or less before a pavement segment is considered deficient due to ride.

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

**Bridge Repair/Replacement Program:** The FDOT Bridge Repair Program places primary emphasis on periodic maintenance and specified rehabilitation work activities on State Highway System bridge structures. The FDOT Bridge Replacement Program’s primary focus is on the replacement of structurally deficient or weight restricted bridges on the State Highway System. In addition, the Bridge Replacement 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. By FDOT policy, a rating of 8 to 9 is excellent. A rating of 6 to 7 is good. A rating of 5 indicates fair condition. A rating of 4 or less identifies bridges in poor condition requiring major repairs or replacement per FDOT policy. A rating of 2 indicates a critical bridge condition, and a rating of 1 indicates imminent bridge failure and 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. Per FDOT policy, bridges rated fair or poor do not meet performance standards.

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

**Routine Maintenance Program:** The FDOT is responsible for managing and performing routine maintenance on the State Highway System to help preserve the condition of the 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 periodic surveys, using the Maintenance Rating Program (MRP), which results 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>2015</u> | <u>2014</u> | <u>2013</u> |
|-------------|-------------|-------------|
| 92%         | 93%         | 92%         |

Percentage of bridges meeting FDOT standards

| <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-------------|-------------|-------------|
| 95%         | 95%         | 96%         |

### Maintenance Rating

| <u>2015</u> | <u>2014</u> | <u>2013</u> |
|-------------|-------------|-------------|
| 86          | 86          | 86          |

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

Resurfacing Program

|        | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--------|-------------|-------------|-------------|-------------|-------------|
| Needed | \$571.6     | \$467.6     | \$514.4     | \$628.4     | \$751.5     |
| Actual | 570.6       | 455.6       | 521.8       | 521.4       | 543.9       |

Bridge Repair/Replacement Program

|        | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--------|-------------|-------------|-------------|-------------|-------------|
| Needed | \$110.4     | \$239.4     | \$332.8     | \$319.0     | \$315.7     |
| Actual | 111.6       | 182.6       | 323.5       | 340.5       | 328.8       |

Routine Maintenance Program

|        | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--------|-------------|-------------|-------------|-------------|-------------|
| Needed | \$599.9     | \$592.2     | \$574.4     | \$609.4     | \$572.4     |
| Actual | 694.6       | 641.2       | 636.4       | 627.3       | 676.1       |

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

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# **FINANCIAL SECTION:**

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND  
SCHEDULES**

**NONMAJOR FUNDS**

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Individual fund descriptions and financial statements begin on page 177.

### **CAPITAL PROJECTS FUNDS**

Individual fund descriptions and financial statements begin on page 205.

### **DEBT SERVICE FUND**

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

### **PERMANENT FUNDS**

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 379.207, Florida Statutes. The primary source of the principal of the funds includes proceeds of gifts, grants, contributions, and the sale of lifetime licenses. Also included in this category are various private scholarship funds administered by the Department of Education and used to pay scholarship awards as specified by the contributors. Only the interest income received and accrued from the investments of these funds can be used. No disbursement is made from the principal of the funds.

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                       | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Debt<br>Service<br>Fund | Permanent<br>Funds | Totals<br>6/30/15 |
|-------------------------------------------------------|-----------------------------|------------------------------|-------------------------|--------------------|-------------------|
| <b>ASSETS</b>                                         |                             |                              |                         |                    |                   |
| <u>Current assets</u>                                 |                             |                              |                         |                    |                   |
| Cash and cash equivalents                             | \$ 22,197                   | \$ .....                     | \$ 129                  | \$ 482             | \$ 22,808         |
| Pooled investments with State Treasury                | 1,516,510                   | 2,153                        | .....                   | 22,029             | 1,540,692         |
| Other investments                                     | 229,548                     | .....                        | 32,643                  | 3,212              | 265,403           |
| Receivables, net                                      | 383,786                     | 1                            | 467                     | 15                 | 384,269           |
| Due from other funds                                  | 42,701                      | 17,255                       | .....                   | .....              | 59,956            |
| Due from component units/primary                      | 11                          | .....                        | .....                   | .....              | 11                |
| Inventories                                           | 1,978                       | .....                        | .....                   | .....              | 1,978             |
| Other                                                 | 174                         | .....                        | .....                   | .....              | 174               |
| Total current assets                                  | 2,196,905                   | 19,409                       | 33,239                  | 25,738             | 2,275,291         |
| <u>Noncurrent assets</u>                              |                             |                              |                         |                    |                   |
| Long-term investments                                 | 18,747                      | .....                        | 214,929                 | .....              | 233,676           |
| Other loans and notes receivable, net                 | 965,914                     | .....                        | .....                   | .....              | 965,914           |
| Total noncurrent assets                               | 984,661                     | .....                        | 214,929                 | .....              | 1,199,590         |
| Total assets                                          | 3,181,566                   | 19,409                       | 248,168                 | 25,738             | 3,474,881         |
| <b>LIABILITIES</b>                                    |                             |                              |                         |                    |                   |
| <u>Current liabilities</u>                            |                             |                              |                         |                    |                   |
| Accounts payable and accrued liabilities              | 198,137                     | 558                          | 18                      | .....              | 198,713           |
| Due to other funds                                    | 99,845                      | .....                        | 49                      | 49                 | 99,943            |
| Due to component units/primary                        | 2,614                       | .....                        | .....                   | .....              | 2,614             |
| Compensated absences                                  | 2,329                       | .....                        | .....                   | .....              | 2,329             |
| Claims payable                                        | 8,358                       | .....                        | .....                   | .....              | 8,358             |
| Deposits                                              | 105,223                     | .....                        | .....                   | .....              | 105,223           |
| Obligations under security lending agreements         | 60,597                      | 81                           | .....                   | 1,089              | 61,767            |
| Total current liabilities                             | 477,103                     | 639                          | 67                      | 1,138              | 478,947           |
| <u>Noncurrent liabilities</u>                         |                             |                              |                         |                    |                   |
| Advances from other funds                             | 796                         | .....                        | .....                   | .....              | 796               |
| Deposits                                              | 11,289                      | .....                        | .....                   | .....              | 11,289            |
| Other                                                 | 2,021                       | .....                        | .....                   | .....              | 2,021             |
| Total noncurrent liabilities                          | 14,106                      | .....                        | .....                   | .....              | 14,106            |
| Total liabilities                                     | 491,209                     | 639                          | 67                      | 1,138              | 493,053           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                             |                              |                         |                    |                   |
| Unavailable revenue                                   | 76,688                      | .....                        | .....                   | .....              | 76,688            |
| Total deferred inflows of resources                   | 76,688                      | .....                        | .....                   | .....              | 76,688            |
| <b>FUND BALANCES</b>                                  |                             |                              |                         |                    |                   |
| Nonspendable                                          | 2,061                       | .....                        | .....                   | 23,107             | 25,168            |
| Restricted                                            | 1,607,817                   | 305                          | 248,101                 | .....              | 1,856,223         |
| Committed                                             | 1,003,791                   | 18,465                       | .....                   | 1,493              | 1,023,749         |
| Total fund balances                                   | 2,613,669                   | 18,770                       | 248,101                 | 24,600             | 2,905,140         |
| Total liabilities, deferred inflows and fund balances | \$ 3,181,566                | \$ 19,409                    | \$ 248,168              | \$ 25,738          | \$ 3,474,881      |

2015 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(in thousands)**

|                                                      | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Debt<br>Service<br>Fund | Permanent<br>Funds | Totals<br>6/30/15 |
|------------------------------------------------------|-----------------------------|------------------------------|-------------------------|--------------------|-------------------|
| <b>REVENUES</b>                                      |                             |                              |                         |                    |                   |
| Taxes                                                | \$ 264,022                  | \$ .....                     | \$ .....                | \$ .....           | \$ 264,022        |
| Licenses and permits                                 | 1,326,915                   | .....                        | .....                   | 5,754              | 1,332,669         |
| Fees and charges                                     | 696,743                     | 429                          | 27,799                  | .....              | 724,971           |
| Grants and donations                                 | 2,205,786                   | .....                        | .....                   | .....              | 2,205,786         |
| Investment earnings (losses)                         | 27,768                      | 13                           | 14,160                  | 308                | 42,249            |
| Fines, forfeits, settlements and judgments           | 537,174                     | .....                        | .....                   | .....              | 537,174           |
| Other                                                | 61,006                      | .....                        | 8,494                   | 1                  | 69,501            |
| Total revenues                                       | 5,119,414                   | 442                          | 50,453                  | 6,063              | 5,176,372         |
| <b>EXPENDITURES</b>                                  |                             |                              |                         |                    |                   |
| Current:                                             |                             |                              |                         |                    |                   |
| General government                                   | 1,816,823                   | 29,157                       | 2,718                   | .....              | 1,848,698         |
| Education                                            | 139,951                     | 1,265                        | .....                   | 93                 | 141,309           |
| Human services                                       | 445,552                     | 3,809                        | .....                   | .....              | 449,361           |
| Criminal justice and corrections                     | 425,877                     | 41,082                       | .....                   | .....              | 466,959           |
| Natural resources and environment                    | 1,316,985                   | .....                        | .....                   | .....              | 1,316,985         |
| State courts                                         | 103,756                     | .....                        | .....                   | .....              | 103,756           |
| Capital outlay                                       | 60,365                      | 3,804                        | .....                   | .....              | 64,169            |
| Debt service:                                        |                             |                              |                         |                    |                   |
| Principal retirement                                 | 1,227                       | 3,315                        | 1,034,235               | .....              | 1,038,777         |
| Interest and fiscal charges                          | 39                          | .....                        | 817,883                 | .....              | 817,922           |
| Total expenditures                                   | 4,310,575                   | 82,432                       | 1,854,836               | 93                 | 6,247,936         |
| Excess (deficiency) of revenues<br>over expenditures | 808,839                     | (81,990)                     | (1,804,383)             | 5,970              | (1,071,564)       |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                             |                              |                         |                    |                   |
| Proceeds of bond issues                              | .....                       | .....                        | 4,144                   | .....              | 4,144             |
| Proceeds of refunding bonds                          | .....                       | .....                        | 1,923,687               | .....              | 1,923,687         |
| Operating transfers in                               | 956,268                     | 88,133                       | 1,829,151               | .....              | 2,873,552         |
| Operating transfers out                              | (1,734,763)                 | (2)                          | (43,840)                | (219)              | (1,778,824)       |
| Payments to refunded bond agent                      | .....                       | .....                        | (1,923,687)             | .....              | (1,923,687)       |
| Total other financing sources (uses)                 | (778,495)                   | 88,131                       | 1,789,455               | (219)              | 1,098,872         |
| Net change in fund balances                          | 30,344                      | 6,141                        | (14,928)                | 5,751              | 27,308            |
| Fund balances - beginning                            | 2,583,325                   | 12,629                       | 263,029                 | 18,849             | 2,877,832         |
| Fund balances - ending                               | \$ 2,613,669                | \$ 18,770                    | \$ 248,101              | \$ 24,600          | \$ 2,905,140      |

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## NONMAJOR SPECIAL REVENUE FUNDS

### EMPLOYMENT SERVICES

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

### GOVERNMENT ADMINISTRATION

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

### BUSINESS AND COMMUNITY DEVELOPMENT

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

### REGULATION AND LICENSING

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

### TOBACCO SETTLEMENT

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

### PUBLIC SAFETY

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

### CORRECTIONS

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

### CONSUMER PROTECTION AND SAFETY

This fund includes internal reporting special revenue funds primarily administered by the Executive Office of the Governor, Department of Legal Affairs, Department of Revenue, and Department of Financial Services.

### AGRICULTURE

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

### JUVENILE JUSTICE

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

### JUDICIAL SERVICES

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

### MILITARY AND VETERANS' AFFAIRS

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

## BLENDING COMPONENT UNITS

### FLORIDA CLERKS OF COURT OPERATIONS CORPORATION

Pursuant to Section 28.35, Florida Statutes, this entity was created to recommend legislative changes in various court related fines, fees, service charges, and court costs, establish a process for reviewing and certification of proposed court-related budgets submitted by the clerks of court and establishing a system of uniform performance measures and standards for the clerks.

### FLORIDA CITRUS COMMISSION

As authorized in Section 601.04, Florida Statutes, this entity was established to primarily promote the general welfare of the Florida citrus industry.

### STATE BOARD OF ADMINISTRATION

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

### FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

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

### WIRELESS EMERGENCY TELEPHONE SYSTEM

As authorized in Section 365.172, Florida Statutes, this entity was established to promote a comprehensive statewide emergency telephone number system that will provide wireless telephone users with rapid direct access to public safety agencies.

### WORKFORCE FLORIDA, INC.

This not-for-profit entity was created pursuant to Section 445.004, 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 entity was created to finance the costs of water pollution control projects and activities described in Sections 403.1835 and 403.8532, Florida Statutes.

### INLAND PROTECTION FINANCING CORPORATION

Pursuant to Section 376.3075, Florida Statutes, this entity was created to finance the rehabilitation of petroleum contamination sites pursuant to Sections 376.30-376.317, Florida Statutes, and the payment, purchase and settlement of reimbursement obligations of the Department of Environmental Protection pursuant to Section 376.3071(12), Florida Statutes.

### FLORIDA SURPLUS LINES SERVICE OFFICE

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

### CORRECTIONS FOUNDATION, INC.

This entity was organized to initiate developmental projects; raise funds; request and receive grants, gifts, and bequests; acquire, receive, hold, invest and administer securities, funds, or other property as authorized by Section 944.802, Florida Statutes.

### SCRIPPS FLORIDA FUNDING CORPORATION

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

**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                       | Employment<br>Services | Government<br>Administration | Business<br>and<br>Community<br>Development | Regulation<br>and<br>Licensing |
|-------------------------------------------------------|------------------------|------------------------------|---------------------------------------------|--------------------------------|
| <b>ASSETS</b>                                         |                        |                              |                                             |                                |
| <u>Current assets</u>                                 |                        |                              |                                             |                                |
| Cash and cash equivalents                             | \$ 751                 | \$ 285                       | \$ 109                                      | \$ 70                          |
| Pooled investments with State Treasury                | 249,208                | 110,576                      | 191,162                                     | 287,573                        |
| Other investments                                     | 5,014                  | .....                        | 29,774                                      | .....                          |
| Receivables, net                                      | 52,119                 | 427                          | 78,579                                      | 56,443                         |
| Due from other funds                                  | 4,208                  | 137                          | 6,439                                       | 2,488                          |
| Due from component units/primary                      | .....                  | 11                           | .....                                       | .....                          |
| Inventories                                           | .....                  | .....                        | .....                                       | 264                            |
| Other                                                 | .....                  | .....                        | .....                                       | 61                             |
| Total current assets                                  | 311,300                | 111,436                      | 306,063                                     | 346,899                        |
| <u>Noncurrent assets</u>                              |                        |                              |                                             |                                |
| Long-term investments                                 | .....                  | .....                        | 100                                         | .....                          |
| Other loans and notes receivable, net                 | 16,011                 | .....                        | 483                                         | 108                            |
| Total noncurrent assets                               | 16,011                 | .....                        | 583                                         | 108                            |
| Total assets                                          | 327,311                | 111,436                      | 306,646                                     | 347,007                        |
| <b>LIABILITIES</b>                                    |                        |                              |                                             |                                |
| <u>Current liabilities</u>                            |                        |                              |                                             |                                |
| Accounts payable and accrued liabilities              | 4,818                  | 5,305                        | 29,547                                      | 11,991                         |
| Due to other funds                                    | 5,357                  | 888                          | 2,287                                       | 75,632                         |
| Due to component units/primary                        | 24                     | .....                        | .....                                       | .....                          |
| Compensated absences                                  | 143                    | 49                           | 92                                          | 225                            |
| Claims payable                                        | 8,358                  | .....                        | .....                                       | .....                          |
| Deposits                                              | 1,210                  | .....                        | 2,289                                       | 77,988                         |
| Obligations under security lending agreements         | 14,903                 | 5,515                        | 10,741                                      | 11,224                         |
| Total current liabilities                             | 34,813                 | 11,757                       | 44,956                                      | 177,060                        |
| <u>Noncurrent liabilities</u>                         |                        |                              |                                             |                                |
| Advances from other funds                             | .....                  | 171                          | .....                                       | .....                          |
| Deposits                                              | .....                  | .....                        | .....                                       | .....                          |
| Other                                                 | .....                  | .....                        | .....                                       | .....                          |
| Total noncurrent liabilities                          | .....                  | 171                          | .....                                       | .....                          |
| Total liabilities                                     | 34,813                 | 11,928                       | 44,956                                      | 177,060                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                        |                              |                                             |                                |
| Unavailable revenue                                   | 260                    | .....                        | 63,351                                      | 252                            |
| Total deferred inflows of resources                   | 260                    | .....                        | 63,351                                      | 252                            |
| <b>FUND BALANCES</b>                                  |                        |                              |                                             |                                |
| Nonspendable                                          | .....                  | .....                        | .....                                       | 325                            |
| Restricted                                            | 100,522                | 42,617                       | 180,695                                     | 5,339                          |
| Committed                                             | 191,716                | 56,891                       | 17,644                                      | 164,031                        |
| Total fund balances                                   | 292,238                | 99,508                       | 198,339                                     | 169,695                        |
| Total liabilities, deferred inflows and fund balances | \$ 327,311             | \$ 111,436                   | \$ 306,646                                  | \$ 347,007                     |

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| Tobacco<br>Settlement | Public<br>Safety | Corrections | Consumer<br>Protection<br>and Safety | Agriculture | Juvenile<br>Justice |
|-----------------------|------------------|-------------|--------------------------------------|-------------|---------------------|
| \$ .....              | \$ 53            | \$ .....    | \$ 25                                | \$ 811      | \$ 6                |
| 35,484                | 118,981          | 23,634      | 82,252                               | 72,184      | 73,149              |
| .....                 | .....            | .....       | .....                                | .....       | .....               |
| 21                    | 6,817            | 458         | 20,633                               | 30,560      | 16,942              |
| .....                 | 2,850            | 260         | 340                                  | 2,891       | 835                 |
| .....                 | .....            | .....       | .....                                | .....       | .....               |
| .....                 | .....            | .....       | .....                                | 1,334       | .....               |
| .....                 | .....            | .....       | .....                                | .....       | .....               |
| 35,505                | 128,701          | 24,352      | 103,250                              | 107,780     | 90,932              |
| .....                 | .....            | .....       | .....                                | .....       | .....               |
| .....                 | .....            | .....       | .....                                | .....       | .....               |
| .....                 | .....            | .....       | .....                                | .....       | .....               |
| 35,505                | 128,701          | 24,352      | 103,250                              | 107,780     | 90,932              |
| 14,502                | 16,275           | 855         | 6,555                                | 34,290      | 16,433              |
| 38                    | 3,491            | 677         | 784                                  | 1,429       | 506                 |
| 1,918                 | .....            | 4           | 1                                    | 580         | .....               |
| .....                 | 72               | .....       | 8                                    | 120         | .....               |
| .....                 | .....            | .....       | .....                                | .....       | .....               |
| .....                 | 889              | .....       | 941                                  | 8,185       | 13,687              |
| 1,087                 | 1,577            | .....       | 1,932                                | 4,123       | 95                  |
| 17,545                | 22,304           | 1,536       | 10,221                               | 48,727      | 30,721              |
| .....                 | 625              | .....       | .....                                | .....       | .....               |
| .....                 | .....            | .....       | .....                                | .....       | .....               |
| .....                 | .....            | .....       | .....                                | .....       | 2,021               |
| .....                 | 625              | .....       | .....                                | .....       | 2,021               |
| 17,545                | 22,929           | 1,536       | 10,221                               | 48,727      | 32,742              |
| .....                 | 1,700            | .....       | 11,125                               | .....       | .....               |
| .....                 | 1,700            | .....       | 11,125                               | .....       | .....               |
| .....                 | .....            | .....       | .....                                | 1,334       | .....               |
| 16,559                | 12,562           | 3,256       | 32,775                               | 3,059       | 36,902              |
| 1,401                 | 91,510           | 19,560      | 49,129                               | 54,660      | 21,288              |
| 17,960                | 104,072          | 22,816      | 81,904                               | 59,053      | 58,190              |
| \$ 35,505             | \$ 128,701       | \$ 24,352   | \$ 103,250                           | \$ 107,780  | \$ 90,932           |

**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                       | Judicial<br>Services | Military and<br>Veterans'<br>Affairs | Florida Clerks<br>of Court<br>Operations<br>Corp | Citrus<br>Commission |
|-------------------------------------------------------|----------------------|--------------------------------------|--------------------------------------------------|----------------------|
| <b>ASSETS</b>                                         |                      |                                      |                                                  |                      |
| <u>Current assets</u>                                 |                      |                                      |                                                  |                      |
| Cash and cash equivalents                             | \$ 24                | \$ 1,921                             | \$ 420                                           | \$ 6                 |
| Pooled investments with State Treasury                | 97,269               | 71,117                               | .....                                            | 23,093               |
| Other investments                                     | .....                | .....                                | .....                                            | .....                |
| Receivables, net                                      | 6,326                | 5,622                                | .....                                            | 1,950                |
| Due from other funds                                  | 1,974                | 83                                   | .....                                            | .....                |
| Due from component units/primary                      | .....                | .....                                | .....                                            | .....                |
| Inventories                                           | .....                | .....                                | .....                                            | 369                  |
| Other                                                 | .....                | .....                                | 10                                               | 28                   |
| Total current assets                                  | 105,593              | 78,743                               | 430                                              | 25,446               |
| <u>Noncurrent assets</u>                              |                      |                                      |                                                  |                      |
| Long-term investments                                 | .....                | .....                                | .....                                            | .....                |
| Other loans and notes receivable, net                 | .....                | .....                                | .....                                            | .....                |
| Total noncurrent assets                               | .....                | .....                                | .....                                            | .....                |
| Total assets                                          | 105,593              | 78,743                               | 430                                              | 25,446               |
| <b>LIABILITIES</b>                                    |                      |                                      |                                                  |                      |
| <u>Current liabilities</u>                            |                      |                                      |                                                  |                      |
| Accounts payable and accrued liabilities              | 1,624                | 3,591                                | 20                                               | 7,393                |
| Due to other funds                                    | 2,889                | 868                                  | .....                                            | 435                  |
| Due to component units/primary                        | .....                | .....                                | .....                                            | 87                   |
| Compensated absences                                  | 146                  | 1,424                                | .....                                            | 50                   |
| Claims payable                                        | .....                | .....                                | .....                                            | .....                |
| Deposits                                              | 34                   | .....                                | .....                                            | .....                |
| Obligations under security lending agreements         | .....                | 2,978                                | .....                                            | 1,439                |
| Total current liabilities                             | 4,693                | 8,861                                | 20                                               | 9,404                |
| <u>Noncurrent liabilities</u>                         |                      |                                      |                                                  |                      |
| Advances from other funds                             | .....                | .....                                | .....                                            | .....                |
| Deposits                                              | .....                | .....                                | .....                                            | .....                |
| Other                                                 | .....                | .....                                | .....                                            | .....                |
| Total noncurrent liabilities                          | .....                | .....                                | .....                                            | .....                |
| Total liabilities                                     | 4,693                | 8,861                                | 20                                               | 9,404                |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                      |                                      |                                                  |                      |
| Unavailable revenue                                   | .....                | .....                                | .....                                            | .....                |
| Total deferred inflows of resources                   | .....                | .....                                | .....                                            | .....                |
| <b>FUND BALANCES</b>                                  |                      |                                      |                                                  |                      |
| Nonspendable                                          | .....                | .....                                | 10                                               | 372                  |
| Restricted                                            | 16,880               | 4,125                                | 340                                              | 15,642               |
| Committed                                             | 84,020               | 65,757                               | 60                                               | 28                   |
| Total fund balances                                   | 100,900              | 69,882                               | 410                                              | 16,042               |
| Total liabilities, deferred inflows and fund balances | \$ 105,593           | \$ 78,743                            | \$ 430                                           | \$ 25,446            |

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| Blended Component Units             |                                            |                                        |                          |                                                 |                                        |  |
|-------------------------------------|--------------------------------------------|----------------------------------------|--------------------------|-------------------------------------------------|----------------------------------------|--|
| State Board<br>of<br>Administration | School for<br>the Deaf<br>and<br>the Blind | Wireless Emergency<br>Telephone System | Workforce<br>Florida Inc | FL Water<br>Pollution Control<br>Financing Corp | Inland<br>Protection<br>Financing Corp |  |
| \$ 1,431                            | \$ 130                                     | \$ 3                                   | \$ 12,852                | \$ .....                                        | \$ .....                               |  |
| .....                               | 1,179                                      | 49,160                                 | .....                    | 30,489                                          | .....                                  |  |
| 4,409                               | 12,178                                     | .....                                  | .....                    | 174,666                                         | 2                                      |  |
| 12,281                              | 54                                         | 12,640                                 | 541                      | 81,332                                          | .....                                  |  |
| 18,159                              | 139                                        | 1,895                                  | .....                    | 2                                               | 1                                      |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | 58                       | .....                                           | .....                                  |  |
| 36,280                              | 13,680                                     | 63,698                                 | 13,451                   | 286,489                                         | 3                                      |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| 109,642                             | .....                                      | .....                                  | .....                    | 839,670                                         | .....                                  |  |
| 109,642                             | .....                                      | .....                                  | .....                    | 839,670                                         | .....                                  |  |
| 145,922                             | 13,680                                     | 63,698                                 | 13,451                   | 1,126,159                                       | 3                                      |  |
| 18,165                              | 486                                        | 25,224                                 | 880                      | .....                                           | .....                                  |  |
| 4,543                               | .....                                      | 8                                      | .....                    | 12                                              | 1                                      |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | 3,070                                  | .....                    | 1,913                                           | .....                                  |  |
| 22,708                              | 486                                        | 28,302                                 | 880                      | 1,925                                           | 1                                      |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | 11,289                   | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | 11,289                   | .....                                           | .....                                  |  |
| 22,708                              | 486                                        | 28,302                                 | 12,169                   | 1,925                                           | 1                                      |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |  |
| .....                               | 12,181                                     | .....                                  | 87                       | 1,124,197                                       | .....                                  |  |
| 123,214                             | 1,013                                      | 35,396                                 | 1,195                    | 37                                              | 2                                      |  |
| 123,214                             | 13,194                                     | 35,396                                 | 1,282                    | 1,124,234                                       | 2                                      |  |
| \$ 145,922                          | \$ 13,680                                  | \$ 63,698                              | \$ 13,451                | \$ 1,126,159                                    | \$ 3                                   |  |

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**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2015  
(in thousands)**

|                                                       | Blended Component Units |             |                                 |                   |
|-------------------------------------------------------|-------------------------|-------------|---------------------------------|-------------------|
|                                                       | Surplus<br>Lines        | Corrections | Scripps Florida<br>Funding Corp | Totals<br>6/30/15 |
| <b>ASSETS</b>                                         |                         |             |                                 |                   |
| <u>Current assets</u>                                 |                         |             |                                 |                   |
| Cash and cash equivalents                             | \$ 1,892                | \$ 1,007    | \$ 401                          | \$ 22,197         |
| Pooled investments with State Treasury                | .....                   | .....       | .....                           | 1,516,510         |
| Other investments                                     | 3,505                   | .....       | .....                           | 229,548           |
| Receivables, net                                      | 41                      | .....       | .....                           | 383,786           |
| Due from other funds                                  | .....                   | .....       | .....                           | 42,701            |
| Due from component units/primary                      | .....                   | .....       | .....                           | 11                |
| Inventories                                           | .....                   | 11          | .....                           | 1,978             |
| Other                                                 | 8                       | .....       | 9                               | 174               |
| Total current assets                                  | 5,446                   | 1,018       | 410                             | 2,196,905         |
| <u>Noncurrent assets</u>                              |                         |             |                                 |                   |
| Long-term investments                                 | 18,647                  | .....       | .....                           | 18,747            |
| Other loans and notes receivable, net                 | .....                   | .....       | .....                           | 965,914           |
| Total noncurrent assets                               | 18,647                  | .....       | .....                           | 984,661           |
| Total assets                                          | 24,093                  | 1,018       | 410                             | 3,181,566         |
| <b>LIABILITIES</b>                                    |                         |             |                                 |                   |
| <u>Current liabilities</u>                            |                         |             |                                 |                   |
| Accounts payable and accrued liabilities              | 174                     | 6           | 3                               | 198,137           |
| Due to other funds                                    | .....                   | .....       | .....                           | 99,845            |
| Due to component units/primary                        | .....                   | .....       | .....                           | 2,614             |
| Compensated absences                                  | .....                   | .....       | .....                           | 2,329             |
| Claims payable                                        | .....                   | .....       | .....                           | 8,358             |
| Deposits                                              | .....                   | .....       | .....                           | 105,223           |
| Obligations under security lending agreements         | .....                   | .....       | .....                           | 60,597            |
| Total current liabilities                             | 174                     | 6           | 3                               | 477,103           |
| <u>Noncurrent liabilities</u>                         |                         |             |                                 |                   |
| Advances from other funds                             | .....                   | .....       | .....                           | 796               |
| Deposits                                              | .....                   | .....       | .....                           | 11,289            |
| Other                                                 | .....                   | .....       | .....                           | 2,021             |
| Total noncurrent liabilities                          | .....                   | .....       | .....                           | 14,106            |
| Total liabilities                                     | 174                     | 6           | 3                               | 491,209           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                         |             |                                 |                   |
| Unavailable revenue                                   | .....                   | .....       | .....                           | 76,688            |
| Total deferred inflows of resources                   | .....                   | .....       | .....                           | 76,688            |
| <b>FUND BALANCES</b>                                  |                         |             |                                 |                   |
| Nonspendable                                          | .....                   | 11          | 9                               | 2,061             |
| Restricted                                            | .....                   | 79          | .....                           | 1,607,817         |
| Committed                                             | 23,919                  | 922         | 398                             | 1,003,791         |
| Total fund balances                                   | 23,919                  | 1,012       | 407                             | 2,613,669         |
| Total liabilities, deferred inflows and fund balances | \$ 24,093               | \$ 1,018    | \$ 410                          | \$ 3,181,566      |

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## 2015 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, 2015**  
**(in thousands)**

|                                                      | Employment<br>Services | Government<br>Administration | Business<br>and<br>Community<br>Development | Regulation<br>and<br>Licensing |
|------------------------------------------------------|------------------------|------------------------------|---------------------------------------------|--------------------------------|
| <b>REVENUES</b>                                      |                        |                              |                                             |                                |
| Taxes                                                | \$ .....               | \$ .....                     | \$ .....                                    | \$ 238,961                     |
| Licenses and permits                                 | .....                  | .....                        | .....                                       | 1,301,755                      |
| Fees and charges                                     | 129,611                | 30,002                       | 1,780                                       | 89,570                         |
| Grants and donations                                 | 471,617                | 10,892                       | 337,069                                     | .....                          |
| Investment earnings (losses)                         | 2,144                  | 968                          | 2,596                                       | 1,548                          |
| Fines, forfeits, settlements and judgments           | 16,140                 | 15,500                       | .....                                       | 16,860                         |
| Other                                                | 9,662                  | 570                          | 22,535                                      | 1,305                          |
| Total revenues                                       | 629,174                | 57,932                       | 363,980                                     | 1,649,999                      |
| <b>EXPENDITURES</b>                                  |                        |                              |                                             |                                |
| Current:                                             |                        |                              |                                             |                                |
| General government                                   | 489,644                | 110,419                      | 545,453                                     | 233,224                        |
| Education                                            | 135,125                | .....                        | .....                                       | .....                          |
| Human services                                       | .....                  | .....                        | .....                                       | .....                          |
| Criminal justice and corrections                     | .....                  | .....                        | .....                                       | .....                          |
| Natural resources and environment                    | .....                  | .....                        | .....                                       | .....                          |
| State courts                                         | .....                  | .....                        | .....                                       | .....                          |
| Capital outlay                                       | 2,181                  | 1,805                        | 1,548                                       | 3,127                          |
| Debt service:                                        |                        |                              |                                             |                                |
| Principal retirement                                 | .....                  | 25                           | .....                                       | 207                            |
| Interest and fiscal charges                          | .....                  | .....                        | .....                                       | 3                              |
| Total expenditures                                   | 626,950                | 112,249                      | 547,001                                     | 236,561                        |
| Excess (deficiency) of revenues<br>over expenditures | 2,224                  | (54,317)                     | (183,021)                                   | 1,413,438                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                        |                              |                                             |                                |
| Operating transfers in                               | 102,616                | 75,042                       | 205,881                                     | 68,755                         |
| Operating transfers out                              | (91,878)               | (6,139)                      | (18,161)                                    | (1,487,637)                    |
| Total other financing sources (uses)                 | 10,738                 | 68,903                       | 187,720                                     | (1,418,882)                    |
| Net change in fund balances                          | 12,962                 | 14,586                       | 4,699                                       | (5,444)                        |
| Fund balances - beginning                            | 279,276                | 84,922                       | 193,640                                     | 175,139                        |
| Fund balances - ending                               | \$ 292,238             | \$ 99,508                    | \$ 198,339                                  | \$ 169,695                     |



## 2015 STATE OF FLORIDA CAFR

| Tobacco<br>Settlement | Public<br>Safety | Corrections | Consumer<br>Protection<br>and Safety | Agriculture | Juvenile<br>Justice |
|-----------------------|------------------|-------------|--------------------------------------|-------------|---------------------|
| \$ .....              | \$ .....         | \$ .....    | \$ .....                             | \$ .....    | \$ 1                |
| .....                 | .....            | .....       | .....                                | 24,551      | .....               |
| .....                 | 91,929           | 8,943       | 3,895                                | 61,806      | 41,170              |
| .....                 | 21,592           | 6,729       | 43,196                               | 1,163,025   | 5,319               |
| 361                   | 249              | 199         | 318                                  | 693         | 4                   |
| 367,791               | 40,819           | 4           | 10,740                               | 2,972       | 1,595               |
| .....                 | 2,583            | 580         | 9,449                                | 11,944      | 26                  |
| 368,152               | 157,172          | 16,455      | 67,598                               | 1,264,991   | 48,115              |
| 34                    | 21,452           | .....       | 24,079                               | .....       | .....               |
| .....                 | .....            | .....       | .....                                | .....       | .....               |
| 363,534               | .....            | .....       | .....                                | .....       | .....               |
| .....                 | 135,556          | 19,387      | 59,385                               | .....       | 121,496             |
| .....                 | .....            | .....       | .....                                | 1,316,985   | .....               |
| .....                 | .....            | .....       | .....                                | .....       | .....               |
| 96                    | 7,645            | 1,359       | 1,220                                | 4,324       | 335                 |
| .....                 | 995              | .....       | .....                                | .....       | .....               |
| .....                 | 36               | .....       | .....                                | .....       | .....               |
| 363,664               | 165,684          | 20,746      | 84,684                               | 1,321,309   | 121,831             |
| 4,488                 | (8,512)          | (4,291)     | (17,086)                             | (56,318)    | (73,716)            |
| 5,000                 | 35,321           | 8,283       | 24,623                               | 70,004      | 92,428              |
| (8,299)               | (15,087)         | (49)        | (11,028)                             | (13,150)    | (12,040)            |
| (3,299)               | 20,234           | 8,234       | 13,595                               | 56,854      | 80,388              |
| 1,189                 | 11,722           | 3,943       | (3,491)                              | 536         | 6,672               |
| 16,771                | 92,350           | 18,873      | 85,395                               | 58,517      | 51,518              |
| \$ 17,960             | \$ 104,072       | \$ 22,816   | \$ 81,904                            | \$ 59,053   | \$ 58,190           |

## 2015 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, 2015**  
**(in thousands)**

|                                                      | Judicial<br>Services | Military and<br>Veterans'<br>Affairs | Florida Clerks<br>of Court<br>Operations<br>Corp | Citrus<br>Commission |
|------------------------------------------------------|----------------------|--------------------------------------|--------------------------------------------------|----------------------|
| <b>REVENUES</b>                                      |                      |                                      |                                                  |                      |
| Taxes                                                | \$ .....             | \$ .....                             | \$ .....                                         | \$ 25,060            |
| Licenses and permits                                 | 609                  | .....                                | .....                                            | .....                |
| Fees and charges                                     | 78,530               | 41,531                               | .....                                            | 36                   |
| Grants and donations                                 | 13,451               | 107,754                              | 406                                              | 4,411                |
| Investment earnings (losses)                         | .....                | 415                                  | .....                                            | 143                  |
| Fines, forfeits, settlements and judgments           | 64,727               | .....                                | .....                                            | 3                    |
| Other                                                | 1,831                | 327                                  | .....                                            | 10                   |
| Total revenues                                       | 159,148              | 150,027                              | 406                                              | 29,663               |
| <b>EXPENDITURES</b>                                  |                      |                                      |                                                  |                      |
| Current:                                             |                      |                                      |                                                  |                      |
| General government                                   | 1,716                | 37,703                               | 305                                              | 28,925               |
| Education                                            | .....                | .....                                | .....                                            | .....                |
| Human services                                       | .....                | 82,018                               | .....                                            | .....                |
| Criminal justice and corrections                     | 89,187               | .....                                | .....                                            | .....                |
| State courts                                         | 103,756              | .....                                | .....                                            | .....                |
| Capital outlay                                       | 2,218                | 33,897                               | .....                                            | 28                   |
| Debt service:                                        |                      |                                      |                                                  |                      |
| Total expenditures                                   | 196,877              | 153,618                              | 305                                              | 28,953               |
| Excess (deficiency) of revenues<br>over expenditures | (37,729)             | (3,591)                              | 101                                              | 710                  |
| Operating transfers in                               | 55,588               | 7,873                                | .....                                            | .....                |
| Operating transfers out                              | (10,776)             | (827)                                | .....                                            | (1,058)              |
| Total other financing sources (uses)                 | 44,812               | 7,046                                | .....                                            | (1,058)              |
| Net change in fund balances                          | 7,083                | 3,455                                | 101                                              | (348)                |
| Fund balances - beginning                            | 93,817               | 66,427                               | 309                                              | 16,390               |
| Fund balances - ending                               | \$ 100,900           | \$ 69,882                            | \$ 410                                           | \$ 16,042            |

2015 STATE OF FLORIDA CAFR

| Blended Component Units             |                                            |                                        |                          |                                                 |                                        |
|-------------------------------------|--------------------------------------------|----------------------------------------|--------------------------|-------------------------------------------------|----------------------------------------|
| State Board<br>of<br>Administration | School for<br>the Deaf<br>and<br>the Blind | Wireless Emergency<br>Telephone System | Workforce<br>Florida Inc | FL Water<br>Pollution Control<br>Financing Corp | Inland<br>Protection<br>Financing Corp |
| \$ .....                            | \$ .....                                   | \$ .....                               | \$ .....                 | \$ .....                                        | \$ .....                               |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |
| .....                               | 1,638                                      | 107,008                                | .....                    | .....                                           | .....                                  |
| .....                               | 2,318                                      | .....                                  | 17,073                   | .....                                           | .....                                  |
| 3,091                               | 293                                        | 460                                    | .....                    | 14,123                                          | .....                                  |
| 23                                  | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |
| .....                               | .....                                      | .....                                  | 97                       | .....                                           | .....                                  |
| 3,114                               | 4,249                                      | 107,468                                | 17,170                   | 14,123                                          | .....                                  |
| 203,156                             | .....                                      | 98,126                                 | 17,077                   | 63                                              | .....                                  |
| .....                               | 4,826                                      | .....                                  | .....                    | .....                                           | .....                                  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |
| .....                               | .....                                      | .....                                  | .....                    | .....                                           | .....                                  |
| .....                               | 71                                         | .....                                  | .....                    | .....                                           | .....                                  |
| 203,156                             | 4,897                                      | 98,126                                 | 17,077                   | 63                                              | .....                                  |
| (200,042)                           | (648)                                      | 9,342                                  | 93                       | 14,060                                          | .....                                  |
| 203,076                             | 1,778                                      | .....                                  | .....                    | .....                                           | .....                                  |
| (18,868)                            | (43)                                       | (79)                                   | .....                    | (39,644)                                        | .....                                  |
| 184,208                             | 1,735                                      | (79)                                   | .....                    | (39,644)                                        | .....                                  |
| (15,834)                            | 1,087                                      | 9,263                                  | 93                       | (25,584)                                        | .....                                  |
| 139,048                             | 12,107                                     | 26,133                                 | 1,189                    | 1,149,818                                       | 2                                      |
| \$ 123,214                          | \$ 13,194                                  | \$ 35,396                              | \$ 1,282                 | \$ 1,124,234                                    | \$ 2                                   |

**2015 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, 2015  
(in thousands)**

|                                                      | Blended Component Units |                               |                                 |                   |
|------------------------------------------------------|-------------------------|-------------------------------|---------------------------------|-------------------|
|                                                      | Surplus<br>Lines        | Corrections<br>Foundation Inc | Scripps Florida<br>Funding Corp | Totals<br>6/30/15 |
| <b>REVENUES</b>                                      |                         |                               |                                 |                   |
| Taxes                                                | \$ .....                | \$ .....                      | \$ .....                        | \$ 264,022        |
| Licenses and permits                                 | .....                   | .....                         | .....                           | 1,326,915         |
| Fees and charges                                     | 9,294                   | .....                         | .....                           | 696,743           |
| Grants and donations                                 | .....                   | 934                           | .....                           | 2,205,786         |
| Investment earnings (losses)                         | 163                     | .....                         | .....                           | 27,768            |
| Fines, forfeits, settlements and judgments           | .....                   | .....                         | .....                           | 537,174           |
| Other                                                | 87                      | .....                         | .....                           | 61,006            |
| Total revenues                                       | 9,544                   | 934                           | .....                           | 5,119,414         |
| <b>EXPENDITURES</b>                                  |                         |                               |                                 |                   |
| Current:                                             |                         |                               |                                 |                   |
| General government                                   | 5,326                   | .....                         | 121                             | 1,816,823         |
| Education                                            | .....                   | .....                         | .....                           | 139,951           |
| Human services                                       | .....                   | .....                         | .....                           | 445,552           |
| Criminal justice and corrections                     | .....                   | 866                           | .....                           | 425,877           |
| Natural resources and environment                    | .....                   | .....                         | .....                           | 1,316,985         |
| State courts                                         | .....                   | .....                         | .....                           | 103,756           |
| Capital outlay                                       | 511                     | .....                         | .....                           | 60,365            |
| Debt service:                                        |                         |                               |                                 |                   |
| Principal retirement                                 | .....                   | .....                         | .....                           | 1,227             |
| Interest and fiscal charges                          | .....                   | .....                         | .....                           | 39                |
| Total expenditures                                   | 5,837                   | 866                           | 121                             | 4,310,575         |
| Excess (deficiency) of revenues<br>over expenditures | 3,707                   | 68                            | (121)                           | 808,839           |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                         |                               |                                 |                   |
| Operating transfers in                               | .....                   | .....                         | .....                           | 956,268           |
| Operating transfers out                              | .....                   | .....                         | .....                           | (1,734,763)       |
| Total other financing sources (uses)                 | .....                   | .....                         | .....                           | (778,495)         |
| Net change in fund balances                          | 3,707                   | 68                            | (121)                           | 30,344            |
| Fund balances - beginning                            | 20,212                  | 944                           | 528                             | 2,583,325         |
| Fund balances - ending                               | \$ 23,919               | \$ 1,012                      | \$ 407                          | \$ 2,613,669      |

2015 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Employment Services |            |                                                      |
|---------------------------------------|---------------------|------------|------------------------------------------------------|
|                                       | Budget              | Actual     | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 158,177          | \$ 158,177 | \$ .....                                             |
| Reversions                            | 8,675               | 8,675      | .....                                                |
| Fund Balances, July 1, 2014, restated | 166,852             | 166,852    | .....                                                |
| <b>REVENUES</b>                       |                     |            |                                                      |
| Fees and charges                      | 123,527             | 126,196    | 2,669                                                |
| Licenses                              | 941                 | 1,080      | 139                                                  |
| Taxes                                 | .....               | .....      | .....                                                |
| Miscellaneous                         | 1,987               | 2,098      | 111                                                  |
| Interest                              | 3,290               | 3,131      | (159)                                                |
| Grants                                | 480,290             | 473,684    | (6,606)                                              |
| Refunds                               | 9,411               | 16,894     | 7,483                                                |
| Transfers and distributions           | 101,248             | 105,314    | 4,066                                                |
| Other                                 | 16,099              | 16,352     | 253                                                  |
| Total Revenues                        | 736,793             | 744,749    | 7,956                                                |
| Total Available Resources             | 903,645             | 911,601    | 7,956                                                |
| <b>EXPENDITURES</b>                   |                     |            |                                                      |
| Operating expenditures:               |                     |            |                                                      |
| Salaries and benefits                 | 141,548             | 127,859    | 13,689                                               |
| Other personal services               | 22,192              | 16,980     | 5,212                                                |
| Expenses                              | 33,256              | 27,037     | 6,219                                                |
| Grants and aids                       | 4,522               | 3,019      | 1,503                                                |
| Operating capital outlay              | 1,723               | 1,425      | 298                                                  |
| Food products                         | 200                 | 94         | 106                                                  |
| Special categories                    | 544,328             | 453,258    | 91,070                                               |
| Data processing services              | 3,706               | 3,460      | 246                                                  |
| Total Operating Expenditures          | 751,475             | 633,132    | 118,343                                              |
| Nonoperating expenditures:            |                     |            |                                                      |
| Transfers                             | 52,900              | 52,900     | .....                                                |
| Refunds                               | 383                 | 383        | .....                                                |
| Other                                 | 92,492              | 92,492     | .....                                                |
| Total Nonoperating Expenditures       | 145,775             | 145,775    | .....                                                |
| Total Expenditures                    | 897,250             | 778,907    | 118,343                                              |
| Fund Balances, June 30, 2015          | \$ 6,395            | \$ 132,694 | \$ 126,299                                           |

2015 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Government Administration |           |                                                      |
|---------------------------------------|---------------------------|-----------|------------------------------------------------------|
|                                       | Budget                    | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 87,102                 | \$ 87,102 | \$ .....                                             |
| Reversions                            | 287                       | 287       | .....                                                |
| Fund Balances, July 1, 2014, restated | 87,389                    | 87,389    | .....                                                |
| <b>REVENUES</b>                       |                           |           |                                                      |
| Fees and charges                      | 65,475                    | 67,688    | 2,213                                                |
| Interest                              | 29,702                    | 1,253     | (28,449)                                             |
| Grants                                | 12,131                    | 11,407    | (724)                                                |
| Refunds                               | .....                     | 16,001    | 16,001                                               |
| Transfers and distributions           | 13,302                    | 38,263    | 24,961                                               |
| Other                                 | .....                     | 36        | 36                                                   |
| Total Revenues                        | 120,610                   | 134,648   | 14,038                                               |
| Total Available Resources             | 207,999                   | 222,037   | 14,038                                               |
| <b>EXPENDITURES</b>                   |                           |           |                                                      |
| Operating expenditures:               |                           |           |                                                      |
| Salaries and benefits                 | 38,695                    | 37,017    | 1,678                                                |
| Other personal services               | 2,688                     | 2,523     | 165                                                  |
| Expenses                              | 7,539                     | 7,149     | 390                                                  |
| Grants and aids                       | 2,383                     | 2,340     | 43                                                   |
| Operating capital outlay              | 255                       | 221       | 34                                                   |
| Special categories                    | 67,212                    | 64,962    | 2,250                                                |
| Data processing services              | 526                       | 501       | 25                                                   |
| Total Operating Expenditures          | 119,298                   | 114,713   | 4,585                                                |
| Nonoperating expenditures:            |                           |           |                                                      |
| Payments to U.S. Treasury             | 2,217                     | 2,217     | .....                                                |
| Transfers                             | 4,218                     | 4,218     | .....                                                |
| Refunds                               | 28                        | 28        | .....                                                |
| Other                                 | 3,726                     | 3,726     | .....                                                |
| Total Nonoperating Expenditures       | 10,189                    | 10,189    | .....                                                |
| Total Expenditures                    | 129,487                   | 124,902   | 4,585                                                |
| Fund Balances, June 30, 2015          | \$ 78,512                 | \$ 97,135 | \$ 18,623                                            |

## 2015 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Business and Community Development |            |                                                      |
|---------------------------------------|------------------------------------|------------|------------------------------------------------------|
|                                       | Budget                             | Actual     | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 148,894                         | \$ 148,894 | \$ .....                                             |
| Reversions                            | 105,410                            | 105,410    | .....                                                |
| Fund Balances, July 1, 2014, restated | 254,304                            | 254,304    | .....                                                |
| <b>REVENUES</b>                       |                                    |            |                                                      |
| Fees and charges                      | 2,283                              | 2,168      | (115)                                                |
| Interest                              | 1,691                              | 3,022      | 1,331                                                |
| Grants                                | 232,923                            | 307,847    | 74,924                                               |
| Refunds                               | 23,271                             | 24,152     | 881                                                  |
| Employee/employer contributions       | 10                                 | 10         | .....                                                |
| Transfers and distributions           | 219,779                            | 205,127    | (14,652)                                             |
| Other                                 | 162                                | 266        | 104                                                  |
| Total Revenues                        | 480,119                            | 542,592    | 62,473                                               |
| Total Available Resources             | 734,423                            | 796,896    | 62,473                                               |
| <b>EXPENDITURES</b>                   |                                    |            |                                                      |
| Operating expenditures:               |                                    |            |                                                      |
| Salaries and benefits                 | 13,105                             | 11,760     | 1,345                                                |
| Other personal services               | 2,506                              | 1,496      | 1,010                                                |
| Expenses                              | 4,460                              | 3,032      | 1,428                                                |
| Grants and aids                       | 8,686                              | 5,976      | 2,710                                                |
| Operating capital outlay              | 57                                 | 13         | 44                                                   |
| Special categories                    | 625,974                            | 576,457    | 49,517                                               |
| Continuing Appropriations             | 1,826                              | 1,826      | .....                                                |
| Grants/aids to local governments      | 30,890                             | 30,890     | .....                                                |
| Data processing services              | 283                                | 283        | .....                                                |
| Total Operating Expenditures          | 687,787                            | 631,733    | 56,054                                               |
| Nonoperating expenditures:            |                                    |            |                                                      |
| Transfers                             | 13,495                             | 13,495     | .....                                                |
| Refunds                               | 2,250                              | 2,250      | .....                                                |
| Other                                 | 524                                | 524        | .....                                                |
| Total Nonoperating Expenditures       | 16,269                             | 16,269     | .....                                                |
| Total Expenditures                    | 704,056                            | 648,002    | 56,054                                               |
| Fund Balances, June 30, 2015          | \$ 30,367                          | \$ 148,894 | \$ 118,527                                           |

## 2015 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Regulation and Licensing |            |                                                      |
|---------------------------------------|--------------------------|------------|------------------------------------------------------|
|                                       | Budget                   | Actual     | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 259,457               | \$ 259,457 | \$ .....                                             |
| Reversions                            | 1,499                    | 1,499      | .....                                                |
| Fund Balances, July 1, 2014, restated | 260,956                  | 260,956    | .....                                                |
| <b>REVENUES</b>                       |                          |            |                                                      |
| Fees and charges                      | 130,444                  | 129,159    | (1,285)                                              |
| Licenses                              | 1,420,086                | 1,298,567  | (121,519)                                            |
| Taxes                                 | 238,250                  | 238,583    | 333                                                  |
| Miscellaneous                         | 1,304                    | 188        | (1,116)                                              |
| Interest                              | 255                      | 2,479      | 2,224                                                |
| Grants                                | .....                    | (1)        | (1)                                                  |
| Refunds                               | 288                      | 1,704      | 1,416                                                |
| Transfers and distributions           | 15,615                   | 50,019     | 34,404                                               |
| Other                                 | 5,318                    | 16,961     | 11,643                                               |
| Total Revenues                        | 1,811,560                | 1,737,659  | (73,901)                                             |
| Total Available Resources             | 2,072,516                | 1,998,615  | (73,901)                                             |
| <b>EXPENDITURES</b>                   |                          |            |                                                      |
| Operating expenditures:               |                          |            |                                                      |
| Salaries and benefits                 | 124,055                  | 116,885    | 7,170                                                |
| Other personal services               | 3,705                    | 2,922      | 783                                                  |
| Expenses                              | 19,572                   | 17,405     | 2,167                                                |
| Operating capital outlay              | 1,489                    | 1,446      | 43                                                   |
| Food products                         | .....                    | 307        | (307)                                                |
| Special categories                    | 37,250                   | 32,520     | 4,730                                                |
| Data processing services              | 1,369                    | 1,307      | 62                                                   |
| Total Operating Expenditures          | 187,440                  | 172,792    | 14,648                                               |
| Nonoperating expenditures:            |                          |            |                                                      |
| Transfers                             | 1,481,077                | 1,481,077  | .....                                                |
| Refunds                               | 6,263                    | 6,263      | .....                                                |
| Other                                 | 77,522                   | 77,522     | .....                                                |
| Total Nonoperating Expenditures       | 1,564,862                | 1,564,862  | .....                                                |
| Total Expenditures                    | 1,752,302                | 1,737,654  | 14,648                                               |
| Fund Balances, June 30, 2015          | \$ 320,214               | \$ 260,961 | \$ (59,253)                                          |



**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Tobacco Settlement |           |                                                      |
|---------------------------------------|--------------------|-----------|------------------------------------------------------|
|                                       | Budget             | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2013           | \$ 16,320          | \$ 16,320 | \$ .....                                             |
| Reversions                            | 1,351              | 1,351     | .....                                                |
| Fund Balances, July 1, 2014, restated | 17,671             | 17,671    | .....                                                |
| <b>REVENUES</b>                       |                    |           |                                                      |
| Interest                              | 400                | 430       | 30                                                   |
| Grants                                | .....              | 3         | 3                                                    |
| Refunds                               | .....              | 179       | 179                                                  |
| Transfers and distributions           | 374,164            | 374,164   | .....                                                |
| Other                                 | 371,100            | 372,541   | 1,441                                                |
| Total Revenues                        | 745,664            | 747,317   | 1,653                                                |
| Total Available Resources             | 763,335            | 764,988   | 1,653                                                |
| <b>EXPENDITURES</b>                   |                    |           |                                                      |
| Operating expenditures:               |                    |           |                                                      |
| Salaries and benefits                 | 317                | 247       | 70                                                   |
| Fixed capital outlay                  | 31                 | 31        | .....                                                |
| Special categories                    | 373,322            | 372,685   | 637                                                  |
| Total Operating Expenditures          | 373,670            | 372,963   | 707                                                  |
| Nonoperating expenditures:            |                    |           |                                                      |
| Transfers                             | 374,314            | 374,314   | .....                                                |
| Total Nonoperating Expenditures       | 374,314            | 374,314   | .....                                                |
| Total Expenditures                    | 747,984            | 747,277   | 707                                                  |
| Fund Balances, June 30, 2015          | \$ 15,351          | \$ 17,711 | \$ 2,360                                             |

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Public Safety |           |                                                      |
|---------------------------------------|---------------|-----------|------------------------------------------------------|
|                                       | Budget        | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 88,552     | \$ 88,552 | \$ .....                                             |
| Reversions                            | 3,671         | 3,671     | .....                                                |
| Fund Balances, July 1, 2014, restated | 92,223        | 92,223    | .....                                                |
| <b>REVENUES</b>                       |               |           |                                                      |
| Fees and charges                      | 91,964        | 88,199    | (3,765)                                              |
| Miscellaneous                         | 192           | 192       | .....                                                |
| Interest                              | 429           | 361       | (68)                                                 |
| Grants                                | 26,455        | 20,810    | (5,645)                                              |
| Refunds                               | 758           | 730       | (28)                                                 |
| Transfers and distributions           | 44,997        | 40,188    | (4,809)                                              |
| Other                                 | 43,293        | 46,678    | 3,385                                                |
| Total Revenues                        | 208,088       | 197,158   | (10,930)                                             |
| Total Available Resources             | 300,311       | 289,381   | (10,930)                                             |
| <b>EXPENDITURES</b>                   |               |           |                                                      |
| Operating expenditures:               |               |           |                                                      |
| Salaries and benefits                 | 60,261        | 51,966    | 8,295                                                |
| Other personal services               | 3,481         | 1,317     | 2,164                                                |
| Expenses                              | 24,964        | 19,465    | 5,499                                                |
| Grants and aids                       | 29,692        | 12,953    | 16,739                                               |
| Operating capital outlay              | 8,094         | 5,868     | 2,226                                                |
| Fixed capital outlay                  | 77            | 77        | .....                                                |
| Special categories                    | 72,730        | 72,730    | .....                                                |
| Data processing services              | 36            | 3         | 33                                                   |
| Total Operating Expenditures          | 199,335       | 164,379   | 34,956                                               |
| Nonoperating expenditures:            |               |           |                                                      |
| Transfers                             | 1,018         | 1,018     | .....                                                |
| Refunds                               | 1,257         | 1,257     | .....                                                |
| Other                                 | 26,077        | 26,077    | .....                                                |
| Total Nonoperating Expenditures       | 28,352        | 28,352    | .....                                                |
| Total Expenditures                    | 227,687       | 192,731   | 34,956                                               |
| Fund Balances, June 30, 2015          | \$ 72,624     | \$ 96,650 | \$ 24,026                                            |

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Corrections |           |                                                      |
|---------------------------------------|-------------|-----------|------------------------------------------------------|
|                                       | Budget      | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 17,850   | \$ 17,850 | \$ .....                                             |
| Reversions                            | 35          | 35        | .....                                                |
| Fund Balances, July 1, 2014, restated | 17,885      | 17,885    | .....                                                |
| <b>REVENUES</b>                       |             |           |                                                      |
| Fees and charges                      | 9,600       | 8,529     | (1,071)                                              |
| Grants                                | 6,500       | 6,591     | 91                                                   |
| Transfers and distributions           | 11,710      | 10,222    | (1,488)                                              |
| Other                                 | 690         | 614       | (76)                                                 |
| Total Revenues                        | 28,500      | 26,512    | (1,988)                                              |
| Total Available Resources             | 46,385      | 44,397    | (1,988)                                              |
| <b>EXPENDITURES</b>                   |             |           |                                                      |
| Operating expenditures:               |             |           |                                                      |
| Salaries and benefits                 | 10,342      | 3,147     | 7,195                                                |
| Other personal services               | 1,278       | 491       | 787                                                  |
| Expenses                              | 8,100       | 3,443     | 4,657                                                |
| Operating capital outlay              | 331         | 331       | .....                                                |
| Food products                         | 615         | 17        | 598                                                  |
| Special categories                    | 12,649      | 12,649    | .....                                                |
| Data processing services              | 7           | 6         | 1                                                    |
| Total Operating Expenditures          | 33,322      | 20,084    | 13,238                                               |
| Nonoperating expenditures:            |             |           |                                                      |
| Transfers                             | 1,384       | 1,384     | .....                                                |
| Refunds                               | 15          | 15        | .....                                                |
| Other                                 | 701         | 701       | .....                                                |
| Total Nonoperating Expenditures       | 2,100       | 2,100     | .....                                                |
| Total Expenditures                    | 35,422      | 22,184    | 13,238                                               |
| Fund Balances, June 30, 2015          | \$ 10,963   | \$ 22,213 | \$ 11,250                                            |

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Consumer Protection and Safety |           |                                                      |
|---------------------------------------|--------------------------------|-----------|------------------------------------------------------|
|                                       | Budget                         | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 74,900                      | \$ 74,900 | \$ .....                                             |
| Reversions                            | 5,042                          | 5,042     | .....                                                |
| Fund Balances, July 1, 2014, restated | 79,942                         | 79,942    | .....                                                |
| <b>REVENUES</b>                       |                                |           |                                                      |
| Fees and charges                      | 3,627                          | 3,933     | 306                                                  |
| Interest                              | 444                            | 438       | (6)                                                  |
| Grants                                | 47,806                         | 37,921    | (9,885)                                              |
| Refunds                               | 845                            | 9,449     | 8,604                                                |
| Transfers and distributions           | 44,574                         | 27,864    | (16,710)                                             |
| Other                                 | 18,957                         | 10,452    | (8,505)                                              |
| Total Revenues                        | 116,253                        | 90,057    | (26,196)                                             |
| Total Available Resources             | 196,195                        | 169,999   | (26,196)                                             |
| <b>EXPENDITURES</b>                   |                                |           |                                                      |
| Operating expenditures:               |                                |           |                                                      |
| Salaries and benefits                 | 28,157                         | 22,024    | 6,133                                                |
| Other personal services               | 768                            | 281       | 487                                                  |
| Expenses                              | 4,170                          | 2,803     | 1,367                                                |
| Operating capital outlay              | 953                            | 433       | 520                                                  |
| Special categories                    | 75,074                         | 56,206    | 18,868                                               |
| Grants/aids to local governments      | .....                          | 1,642     | (1,642)                                              |
| Data processing services              | 59                             | 24        | 35                                                   |
| Total Operating Expenditures          | 109,181                        | 83,413    | 25,768                                               |
| Nonoperating expenditures:            |                                |           |                                                      |
| Transfers                             | 6,012                          | 6,012     | .....                                                |
| Refunds                               | 8,600                          | 8,600     | .....                                                |
| Other                                 | 4,092                          | 4,092     | .....                                                |
| Total Nonoperating Expenditures       | 18,704                         | 18,704    | .....                                                |
| Total Expenditures                    | 127,885                        | 102,117   | 25,768                                               |
| Fund Balances, June 30, 2015          | \$ 68,310                      | \$ 67,882 | \$ (428)                                             |

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Agriculture |           |                                                      |
|---------------------------------------|-------------|-----------|------------------------------------------------------|
|                                       | Budget      | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 42,482   | \$ 42,482 | \$ .....                                             |
| Reversions                            | 5,350       | 5,350     | .....                                                |
| Fund Balances, July 1, 2014, restated | 47,832      | 47,832    | .....                                                |
| <b>REVENUES</b>                       |             |           |                                                      |
| Fees and charges                      | 75,354      | 75,936    | 582                                                  |
| Licenses                              | 24,453      | 24,541    | 88                                                   |
| Interest                              | 889         | 881       | (8)                                                  |
| Grants                                | 1,093,260   | 1,070,157 | (23,103)                                             |
| Refunds                               | 2,937       | 2,950     | 13                                                   |
| Transfers and distributions           | 85,118      | 85,609    | 491                                                  |
| Other                                 | 3,344       | 3,361     | 17                                                   |
| Total Revenues                        | 1,285,355   | 1,263,435 | (21,920)                                             |
| Total Available Resources             | 1,333,187   | 1,311,267 | (21,920)                                             |
| <b>EXPENDITURES</b>                   |             |           |                                                      |
| Operating expenditures:               |             |           |                                                      |
| Salaries and benefits                 | 106,662     | 97,292    | 9,370                                                |
| Other personal services               | 7,933       | 6,073     | 1,860                                                |
| Expenses                              | 32,361      | 29,248    | 3,113                                                |
| Grants and aids                       | 1,073,289   | 1,020,138 | 53,151                                               |
| Operating capital outlay              | 3,307       | 3,071     | 236                                                  |
| Fixed capital outlay                  | 1,603       | 1,603     | .....                                                |
| Special categories                    | 66,268      | 66,268    | .....                                                |
| Grants/aids to local governments      | 3,335       | 3,335     | .....                                                |
| Total Operating Expenditures          | 1,294,758   | 1,227,028 | 67,730                                               |
| Nonoperating expenditures:            |             |           |                                                      |
| Payments to U.S. Treasury             | 4,151       | 4,151     | .....                                                |
| Transfers                             | 14,147      | 14,147    | .....                                                |
| Refunds                               | 1,068       | 1,068     | .....                                                |
| Other                                 | 11,756      | 11,756    | .....                                                |
| Total Nonoperating Expenditures       | 31,122      | 31,122    | .....                                                |
| Total Expenditures                    | 1,325,880   | 1,258,150 | 67,730                                               |
| Fund Balances, June 30, 2015          | \$ 7,307    | \$ 53,117 | \$ 45,810                                            |

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Juvenile Justice |           |                                                      |
|---------------------------------------|------------------|-----------|------------------------------------------------------|
|                                       | Budget           | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 53,927        | \$ 53,927 | \$ .....                                             |
| Reversions                            | 2,919            | 2,919     | .....                                                |
| Fund Balances, July 1, 2014, restated | 56,846           | 56,846    | .....                                                |
| <b>REVENUES</b>                       |                  |           |                                                      |
| Fees and charges                      | 37,339           | 37,066    | (273)                                                |
| Interest                              | 41               | 35        | (6)                                                  |
| Grants                                | 7,377            | 2,737     | (4,640)                                              |
| Transfers and distributions           | 62,491           | 82,855    | 20,364                                               |
| Other                                 | 1,648            | 1,609     | (39)                                                 |
| Total Revenues                        | 108,896          | 124,315   | 15,419                                               |
| Total Available Resources             | 165,742          | 181,161   | 15,419                                               |
| <b>EXPENDITURES</b>                   |                  |           |                                                      |
| Operating expenditures:               |                  |           |                                                      |
| Salaries and benefits                 | 60,380           | 40,400    | 19,980                                               |
| Other personal services               | 2,557            | 1,960     | 597                                                  |
| Expenses                              | 7,938            | 5,976     | 1,962                                                |
| Grants and aids                       | 413              | 150       | 263                                                  |
| Operating capital outlay              | 384              | 313       | 71                                                   |
| Food products                         | 2,501            | 1,819     | 682                                                  |
| Special categories                    | 72,186           | 72,186    | .....                                                |
| Total Operating Expenditures          | 146,359          | 122,804   | 23,555                                               |
| Nonoperating expenditures:            |                  |           |                                                      |
| Transfers                             | 1                | 1         | .....                                                |
| Refunds                               | 30               | 30        | .....                                                |
| Other                                 | 1,762            | 1,762     | .....                                                |
| Total Nonoperating Expenditures       | 1,792            | 1,792     | .....                                                |
| Total Expenditures                    | 148,151          | 124,596   | 23,555                                               |
| Fund Balances, June 30, 2015          | \$ 17,591        | \$ 56,565 | \$ 38,974                                            |

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Judicial Services |           |                                                      |
|---------------------------------------|-------------------|-----------|------------------------------------------------------|
|                                       | Budget            | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 86,581         | \$ 86,581 | \$ .....                                             |
| Reversions                            | 939               | 939       | .....                                                |
| Fund Balances, July 1, 2014, restated | 87,520            | 87,520    | .....                                                |
| <b>REVENUES</b>                       |                   |           |                                                      |
| Fees and charges                      | 80,022            | 80,854    | 832                                                  |
| Licenses                              | 609               | 619       | 10                                                   |
| Grants                                | 13,533            | 13,218    | (315)                                                |
| Refunds                               | 1,830             | 2,323     | 493                                                  |
| Transfers and distributions           | 130,977           | 130,977   | .....                                                |
| Other                                 | 64,726            | 64,836    | 110                                                  |
| Total Revenues                        | 291,697           | 292,827   | 1,130                                                |
| Total Available Resources             | 379,217           | 380,347   | 1,130                                                |
| <b>EXPENDITURES</b>                   |                   |           |                                                      |
| Operating expenditures:               |                   |           |                                                      |
| Salaries and benefits                 | 222,557           | 177,918   | 44,639                                               |
| Other personal services               | 6,544             | 3,000     | 3,544                                                |
| Expenses                              | 3,981             | 3,043     | 938                                                  |
| Operating capital outlay              | 208               | 34        | 174                                                  |
| Special categories                    | 14,331            | 14,331    | .....                                                |
| Data processing services              | 230               | .....     | 230                                                  |
| Total Operating Expenditures          | 247,851           | 198,326   | 49,525                                               |
| Nonoperating expenditures:            |                   |           |                                                      |
| Transfers                             | 76,880            | 76,880    | .....                                                |
| Refunds                               | 70                | 70        | .....                                                |
| Other                                 | 10,635            | 10,635    | .....                                                |
| Total Nonoperating Expenditures       | 87,585            | 87,585    | .....                                                |
| Total Expenditures                    | 335,436           | 285,911   | 49,525                                               |
| Fund Balances, June 30, 2015          | \$ 43,781         | \$ 94,436 | \$ 50,655                                            |

2015 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Military and Veterans' Affairs |           |                                                      |
|---------------------------------------|--------------------------------|-----------|------------------------------------------------------|
|                                       | Budget                         | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 58,083                      | \$ 58,083 | \$ .....                                             |
| Reversions                            | 833                            | 833       | .....                                                |
| Fund Balances, July 1, 2014, restated | 58,916                         | 58,916    | .....                                                |
| <b>REVENUES</b>                       |                                |           |                                                      |
| Fees and charges                      | 39,044                         | 40,764    | 1,720                                                |
| Licenses                              | .....                          | 637       | 637                                                  |
| Miscellaneous                         | .....                          | 7         | 7                                                    |
| Interest                              | 562                            | .....     | (562)                                                |
| Grants                                | 114,970                        | 106,014   | (8,956)                                              |
| Refunds                               | 257                            | 258       | 1                                                    |
| Transfers and distributions           | 13,490                         | 9,363     | (4,127)                                              |
| Other                                 | 40                             | 33        | (7)                                                  |
| Total Revenues                        | 168,363                        | 157,076   | (11,287)                                             |
| Total Available Resources             | 227,279                        | 215,992   | (11,287)                                             |
| <b>EXPENDITURES</b>                   |                                |           |                                                      |
| Operating expenditures:               |                                |           |                                                      |
| Salaries and benefits                 | 63,646                         | 61,176    | 2,470                                                |
| Other personal services               | 3,137                          | 2,354     | 783                                                  |
| Expenses                              | 28,698                         | 26,450    | 2,248                                                |
| Operating capital outlay              | 1,354                          | 1,169     | 185                                                  |
| Food products                         | 3,677                          | 3,676     | 1                                                    |
| Fixed capital outlay                  | 34,525                         | 34,525    | .....                                                |
| Special categories                    | 28,286                         | 19,509    | 8,777                                                |
| Total Operating Expenditures          | 163,323                        | 148,859   | 14,464                                               |
| Nonoperating expenditures:            |                                |           |                                                      |
| Transfers                             | 831                            | 831       | .....                                                |
| Refunds                               | 941                            | 941       | .....                                                |
| Other                                 | 3,687                          | 3,687     | .....                                                |
| Total Nonoperating Expenditures       | 5,459                          | 5,459     | .....                                                |
| Total Expenditures                    | 168,782                        | 154,318   | 14,464                                               |
| Fund Balances, June 30, 2015          | \$ 58,497                      | \$ 61,674 | \$ 3,177                                             |



**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Citrus Commission |           |                                                      |
|---------------------------------------|-------------------|-----------|------------------------------------------------------|
|                                       | Budget            | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 12,927         | \$ 12,927 | \$ .....                                             |
| Reversions                            | 2,311             | 2,311     | .....                                                |
| Fund Balances, July 1, 2014, restated | 15,238            | 15,238    | .....                                                |
| <b>REVENUES</b>                       |                   |           |                                                      |
| Taxes                                 | 27,082            | 25,014    | (2,068)                                              |
| Miscellaneous                         | 83                | 39        | (44)                                                 |
| Interest                              | 101               | (5,020)   | (5,121)                                              |
| Grants                                | 4,414             | 5,044     | 630                                                  |
| Refunds                               | 25                | 10        | (15)                                                 |
| Total Revenues                        | 31,705            | 25,122    | (6,583)                                              |
| Total Available Resources             | 46,943            | 40,360    | (6,583)                                              |
| <b>EXPENDITURES</b>                   |                   |           |                                                      |
| Operating expenditures:               |                   |           |                                                      |
| Salaries and benefits                 | 5,563             | 4,117     | 1,446                                                |
| Other personal services               | 190               | 95        | 95                                                   |
| Expenses                              | 1,761             | 757       | 1,004                                                |
| Operating capital outlay              | 371               | 28        | 343                                                  |
| Special categories                    | 21,109            | 21,109    | .....                                                |
| Data processing services              | 45                | 22        | 23                                                   |
| Total Operating Expenditures          | 29,039            | 26,128    | 2,911                                                |
| Nonoperating expenditures:            |                   |           |                                                      |
| Refunds                               | 5                 | 5         | .....                                                |
| Other                                 | 1,150             | 1,150     | .....                                                |
| Total Nonoperating Expenditures       | 1,155             | 1,155     | .....                                                |
| Total Expenditures                    | 30,194            | 27,283    | 2,911                                                |
| Fund Balances, June 30, 2015          | \$ 16,749         | \$ 13,077 | \$ (3,672)                                           |

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | School for the Deaf and the Blind |          |                                                      |
|---------------------------------------|-----------------------------------|----------|------------------------------------------------------|
|                                       | Budget                            | Actual   | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 1,288                          | \$ 1,288 | \$ .....                                             |
| Carry forward adjustment              | .....                             | .....    | .....                                                |
| Fund Balances, July 1, 2014, restated | 1,288                             | 1,288    | .....                                                |
| <b>REVENUES</b>                       |                                   |          |                                                      |
| Grants                                | 1,490                             | 1,480    | (10)                                                 |
| Transfers and distributions           | 2,826                             | 2,784    | (42)                                                 |
| Total Revenues                        | 4,316                             | 4,264    | (52)                                                 |
| Total Available Resources             | 5,604                             | 5,552    | (52)                                                 |
| <b>EXPENDITURES</b>                   |                                   |          |                                                      |
| Operating expenditures:               |                                   |          |                                                      |
| Special categories                    | 3,355                             | 3,355    | .....                                                |
| Total Operating Expenditures          | 3,355                             | 3,355    | .....                                                |
| Nonoperating expenditures:            |                                   |          |                                                      |
| Refunds                               | 1,018                             | 1,018    | .....                                                |
| Total Nonoperating Expenditures       | 1,018                             | 1,018    | .....                                                |
| Total Expenditures                    | 4,373                             | 4,373    | .....                                                |
| Fund Balances, June 30, 2015          | \$ 1,231                          | \$ 1,179 | \$ (52)                                              |

2015 STATE OF FLORIDA CAFR

**BUDGETARY COMPARISON SCHEDULES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                       | Wireless Emergency Telephone System |           |                                                      |
|---------------------------------------|-------------------------------------|-----------|------------------------------------------------------|
|                                       | Budget                              | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
| Fund Balances, July 1, 2014           | \$ 12,689                           | \$ 12,689 | \$ .....                                             |
| Reversions                            | 106                                 | 106       | .....                                                |
| Fund Balances, July 1, 2014, restated | 12,795                              | 12,795    | .....                                                |
| <b>REVENUES</b>                       |                                     |           |                                                      |
| Interest                              | 67                                  | 619       | 552                                                  |
| Refunds                               | .....                               | 1,425     | 1,425                                                |
| Other                                 | 105,651                             | 105,646   | (5)                                                  |
| Total Revenues                        | 105,718                             | 107,690   | 1,972                                                |
| Total Available Resources             | 118,513                             | 120,485   | 1,972                                                |
| <b>EXPENDITURES</b>                   |                                     |           |                                                      |
| Operating expenditures:               |                                     |           |                                                      |
| Salaries and benefits                 | 374                                 | 364       | 10                                                   |
| Other personal services               | 84                                  | 83        | 1                                                    |
| Expenses                              | 515                                 | 160       | 355                                                  |
| Grants and aids                       | 101,686                             | 101,686   | .....                                                |
| Operating capital outlay              | 4                                   | .....     | 4                                                    |
| Special categories                    | 196                                 | 196       | .....                                                |
| Data processing services              | 3                                   | 3         | .....                                                |
| Total Operating Expenditures          | 102,862                             | 102,492   | 370                                                  |
| Nonoperating expenditures:            |                                     |           |                                                      |
| Transfers                             | 79                                  | 79        | .....                                                |
| Total Nonoperating Expenditures       | 79                                  | 79        | .....                                                |
| Total Expenditures                    | 102,941                             | 102,571   | 370                                                  |
| Fund Balances, June 30, 2015          | \$ 15,572                           | \$ 17,914 | \$ 2,342                                             |

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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.

### **OTHER**

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

### **FLORIDA SCHOOL FOR THE DEAF AND THE BLIND**

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

**COMBINING BALANCE SHEET**  
**CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                               | General<br>Government | Other    | School for<br>the Deaf<br>and<br>the Blind | Totals<br>6/30/15 |
|-----------------------------------------------|-----------------------|----------|--------------------------------------------|-------------------|
| <b>ASSETS</b>                                 |                       |          |                                            |                   |
| <u>Current assets</u>                         |                       |          |                                            |                   |
| Pooled investments with State Treasury        | \$ 207                | \$ 1,595 | \$ 351                                     | \$ 2,153          |
| Receivables, net                              | .....                 | 1        | .....                                      | 1                 |
| Due from other funds                          | 17,255                | .....    | .....                                      | 17,255            |
| Total current assets                          | 17,462                | 1,596    | 351                                        | 19,409            |
| Total assets                                  | 17,462                | 1,596    | 351                                        | 19,409            |
| <b>LIABILITIES</b>                            |                       |          |                                            |                   |
| <u>Current liabilities</u>                    |                       |          |                                            |                   |
| Accounts payable and accrued liabilities      | 18                    | 494      | 46                                         | 558               |
| Obligations under security lending agreements | .....                 | 81       | .....                                      | 81                |
| Total current liabilities                     | 18                    | 575      | 46                                         | 639               |
| Total liabilities                             | 18                    | 575      | 46                                         | 639               |
| <b>FUND BALANCES</b>                          |                       |          |                                            |                   |
| Restricted                                    | .....                 | .....    | 305                                        | 305               |
| Committed                                     | 17,444                | 1,021    | .....                                      | 18,465            |
| Total fund balances                           | 17,444                | 1,021    | 305                                        | 18,770            |
| Total liabilities and fund balances           | \$ 17,462             | \$ 1,596 | \$ 351                                     | \$ 19,409         |

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECTS FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                                      | General<br>Government | Other    | School for<br>the Deaf<br>and<br>the Blind | Totals<br>6/30/15 |
|------------------------------------------------------|-----------------------|----------|--------------------------------------------|-------------------|
| <b>REVENUES</b>                                      |                       |          |                                            |                   |
| Fees and charges                                     | \$ .....              | \$ 429   | \$ .....                                   | \$ 429            |
| Investment earnings (losses)                         | .....                 | 13       | .....                                      | 13                |
| Total revenues                                       | .....                 | 442      | .....                                      | 442               |
| <b>EXPENDITURES</b>                                  |                       |          |                                            |                   |
| Current:                                             |                       |          |                                            |                   |
| General government                                   | 27,648                | 1,509    | .....                                      | 29,157            |
| Education                                            | .....                 | .....    | 1,265                                      | 1,265             |
| Human services                                       | 3,809                 | .....    | .....                                      | 3,809             |
| Criminal justice and corrections                     | 41,082                | .....    | .....                                      | 41,082            |
| Capital outlay                                       | 3,748                 | .....    | 56                                         | 3,804             |
| Debt service:                                        |                       |          |                                            |                   |
| Principal retirement                                 | 3,315                 | .....    | .....                                      | 3,315             |
| Total expenditures                                   | 79,602                | 1,509    | 1,321                                      | 82,432            |
| Excess (deficiency) of revenues<br>over expenditures | (79,602)              | (1,067)  | (1,321)                                    | (81,990)          |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                       |          |                                            |                   |
| Operating transfers in                               | 86,814                | .....    | 1,319                                      | 88,133            |
| Operating transfers out                              | .....                 | (2)      | .....                                      | (2)               |
| Total other financing sources (uses)                 | 86,814                | (2)      | 1,319                                      | 88,131            |
| Net change in fund balances                          | 7,212                 | (1,069)  | (2)                                        | 6,141             |
| Fund balances - beginning                            | 10,232                | 2,090    | 307                                        | 12,629            |
| Fund balances - ending                               | \$ 17,444             | \$ 1,021 | \$ 305                                     | \$ 18,770         |

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## NONMAJOR ENTERPRISE FUNDS

### OTHER

This category includes various internal reporting enterprise funds, most of whom regulate activities and are funded by the collection of fees.

### 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.

### SPACE FLORIDA

Pursuant to Section 331.302, Florida Statutes, this entity was created to promote aerospace business development by facilitating business financing, spaceport operations, research and development, workforce development, and innovative education programs.

2015 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2015  
(in thousands)**

|                                                    | Other      | FL Engineers<br>Management<br>Corp | Space<br>Florida | Totals<br>6/30/15 |
|----------------------------------------------------|------------|------------------------------------|------------------|-------------------|
| <b>ASSETS</b>                                      |            |                                    |                  |                   |
| <u>Current assets</u>                              |            |                                    |                  |                   |
| Cash and cash equivalents                          | \$ 2,617   | \$ 349                             | \$ 14,727        | \$ 17,693         |
| Pooled investments with State Treasury             | 336,668    | .....                              | .....            | 336,668           |
| Other investments                                  | 23,400     | .....                              | 4,297            | 27,697            |
| Receivables, net                                   | 2,963      | 5                                  | 11,079           | 14,047            |
| Due from other funds                               | 7,792      | .....                              | .....            | 7,792             |
| Due from component units/primary                   | 200        | .....                              | .....            | 200               |
| Other                                              | 228        | 46                                 | 2,023            | 2,297             |
| Total current assets                               | 373,868    | 400                                | 32,126           | 406,394           |
| <u>Noncurrent assets</u>                           |            |                                    |                  |                   |
| Long-term investments                              | 48,143     | .....                              | .....            | 48,143            |
| Other loans and notes receivable, net              | .....      | .....                              | 6,180            | 6,180             |
| <u>Capital assets</u>                              |            |                                    |                  |                   |
| Land and other non-depreciable assets              | 24         | .....                              | .....            | 24                |
| Buildings, equipment, and other depreciable assets | 29,013     | 469                                | 120,053          | 149,535           |
| Accumulated depreciation                           | (24,317)   | (329)                              | (26,496)         | (51,142)          |
| Construction work in progress                      | .....      | .....                              | 6,144            | 6,144             |
| Other                                              | .....      | .....                              | 6,122            | 6,122             |
| Total noncurrent assets                            | 52,863     | 140                                | 112,003          | 165,006           |
| Total assets                                       | 426,731    | 540                                | 144,129          | 571,400           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |            |                                    |                  |                   |
| Pension-related items                              | 16,780     | .....                              | .....            | 16,780            |
| Total deferred outflows of resources               | 16,780     | .....                              | .....            | 16,780            |
| <b>LIABILITIES</b>                                 |            |                                    |                  |                   |
| <u>Current liabilities</u>                         |            |                                    |                  |                   |
| Accounts payable and accrued liabilities           | 10,866     | 155                                | 8,885            | 19,906            |
| Due to other funds                                 | 9,070      | .....                              | .....            | 9,070             |
| Due to component units/primary                     | 268        | 198                                | .....            | 466               |
| Compensated absences                               | 4,387      | .....                              | 90               | 4,477             |
| Installment purchases/capital leases               | .....      | .....                              | 1,718            | 1,718             |
| Deposits                                           | 15,750     | .....                              | 5,478            | 21,228            |
| Obligations under security lending agreements      | 18,240     | .....                              | .....            | 18,240            |
| Pension liability                                  | 6,843      | .....                              | .....            | 6,843             |
| Total current liabilities                          | 65,424     | 353                                | 16,171           | 81,948            |
| <u>Noncurrent liabilities</u>                      |            |                                    |                  |                   |
| Deposits                                           | 29,747     | .....                              | .....            | 29,747            |
| Installment purchases/capital leases               | .....      | .....                              | 17,488           | 17,488            |
| Compensated absences                               | 13,744     | .....                              | 104              | 13,848            |
| Pension liability                                  | 42,593     | .....                              | .....            | 42,593            |
| Other                                              | 29,429     | .....                              | 276              | 29,705            |
| Total noncurrent liabilities                       | 115,513    | .....                              | 17,868           | 133,381           |
| Total liabilities                                  | 180,937    | 353                                | 34,039           | 215,329           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |            |                                    |                  |                   |
| Pension-related items                              | 30,081     | .....                              | .....            | 30,081            |
| Total deferred inflows of resources                | 30,081     | .....                              | .....            | 30,081            |
| <b>NET POSITION</b>                                |            |                                    |                  |                   |
| Net investment in capital assets                   | 4,720      | 140                                | 82,608           | 87,468            |
| Restricted - other                                 | .....      | .....                              | 2,658            | 2,658             |
| Unrestricted                                       | 227,773    | 47                                 | 24,824           | 252,644           |
| Total net position                                 | \$ 232,493 | \$ 187                             | \$ 110,090       | \$ 342,770        |

2015 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(in thousands)**

|                                                      | Other      | FL Engineers<br>Management<br>Corp | Space<br>Florida | Totals<br>6/30/15 |
|------------------------------------------------------|------------|------------------------------------|------------------|-------------------|
| <b>OPERATING REVENUES</b>                            |            |                                    |                  |                   |
| Sales - nonstate                                     | \$ 85,430  | \$ .....                           | \$ 2,887         | \$ 88,317         |
| Fees                                                 | 237,718    | 1,956                              | .....            | 239,674           |
| Sales - state                                        | 39,254     | .....                              | .....            | 39,254            |
| Rents and royalties - nonstate                       | 6          | .....                              | .....            | 6                 |
| Rents - state                                        | 93         | .....                              | .....            | 93                |
| Fines, forfeits, settlements and judgments           | 11,851     | .....                              | .....            | 11,851            |
| Other                                                | .....      | .....                              | 38,756           | 38,756            |
| Total operating revenues                             | 374,352    | 1,956                              | 41,643           | 417,951           |
| <b>OPERATING EXPENSES</b>                            |            |                                    |                  |                   |
| Contractual services                                 | 80,342     | 315                                | 22,718           | 103,375           |
| Personal services                                    | 170,527    | 1,108                              | 1,516            | 173,151           |
| Depreciation                                         | 1,697      | 62                                 | 4,963            | 6,722             |
| Materials and supplies                               | 5,474      | 33                                 | .....            | 5,507             |
| Repairs and maintenance                              | 1,646      | 26                                 | .....            | 1,672             |
| Basic services                                       | 27,504     | 399                                | .....            | 27,903            |
| Interest and fiscal charges                          | 2,183      | .....                              | .....            | 2,183             |
| Bad debt                                             | .....      | 22                                 | .....            | 22                |
| Total operating expenses                             | 289,373    | 1,965                              | 29,197           | 320,535           |
| Operating income (loss)                              | 84,979     | (9)                                | 12,446           | 97,416            |
| <b>NONOPERATING REVENUES (EXPENSES)</b>              |            |                                    |                  |                   |
| Grants and donations                                 | .....      | .....                              | 638              | 638               |
| Investment earnings (losses)                         | 2,961      | .....                              | 295              | 3,256             |
| Interest and fiscal charges                          | (317)      | .....                              | (539)            | (856)             |
| Fines, forfeits, judgments and settlements           | 44         | .....                              | .....            | 44                |
| Property disposition gain (loss)                     | (30)       | .....                              | (6)              | (36)              |
| Grant expense and client benefits                    | (980)      | .....                              | .....            | (980)             |
| Other                                                | (181)      | .....                              | .....            | (181)             |
| Total nonoperating revenues (expenses)               | 1,497      | .....                              | 388              | 1,885             |
| Income (loss) before transfers<br>and contributions  | 86,476     | (9)                                | 12,834           | 99,301            |
| Operating transfers in                               | 17,651     | .....                              | .....            | 17,651            |
| Operating transfers out                              | (88,302)   | .....                              | .....            | (88,302)          |
| Capital contributions                                | 7          | .....                              | .....            | 7                 |
| Change in net position                               | 15,832     | (9)                                | 12,834           | 28,657            |
| Total net position - beginning, as restated (Note 1) | 216,661    | 196                                | 97,256           | 314,113           |
| Total net position - ending                          | \$ 232,493 | \$ 187                             | \$ 110,090       | \$ 342,770        |

**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                                                      | Other      | FL Engineers<br>Management<br>Corporation | Space<br>Florida | Totals<br>6/30/15 |
|----------------------------------------------------------------------|------------|-------------------------------------------|------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |            |                                           |                  |                   |
| Cash received from customers                                         | \$ 371,511 | \$ 2,206                                  | \$ 2,817         | \$ 376,534        |
| Cash paid to vendors                                                 | (119,712)  | (981)                                     | (22,253)         | (142,946)         |
| Cash paid to employees                                               | (167,141)  | (1,089)                                   | (3,156)          | (171,386)         |
| Cash received/(paid) for grants                                      | .....      | .....                                     | 35,259           | 35,259            |
| Loans collected/(issued)                                             | .....      | .....                                     | (1,655)          | (1,655)           |
| Net cash provided (used) by operating activities                     | 84,658     | 136                                       | 11,012           | 95,806            |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>               |            |                                           |                  |                   |
| Transfers in (out)                                                   | (69,924)   | .....                                     | .....            | (69,924)          |
| Advances from or repayment from other funds                          | (30)       | .....                                     | .....            | (30)              |
| Advances, grants or loans (to) from or repayment from others         | (980)      | .....                                     | .....            | (980)             |
| Net cash provided (used) by noncapital financing activities          | (70,934)   | .....                                     | .....            | (70,934)          |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>      |            |                                           |                  |                   |
| Cash received from sale of capital assets                            | 8          | .....                                     | 9                | 17                |
| Cash received from the issuance of debt                              | .....      | .....                                     | 1,007            | 1,007             |
| Cash received from capital grants and donations                      | .....      | .....                                     | 5,070            | 5,070             |
| Payment of principal on installment purchase/capital lease           | .....      | .....                                     | (1,416)          | (1,416)           |
| Purchase or construction of capital assets                           | (1,324)    | (77)                                      | (30,742)         | (32,143)          |
| Net cash provided (used) by capital and related financing activities | (1,316)    | (77)                                      | (26,072)         | (27,465)          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |            |                                           |                  |                   |
| Security lending                                                     | (3,760)    | .....                                     | .....            | (3,760)           |
| Proceeds from the sale or maturity of investments                    | 98,818     | .....                                     | .....            | 98,818            |
| Investment earnings                                                  | 2,732      | .....                                     | (243)            | 2,489             |
| Purchase of investments                                              | (95,749)   | .....                                     | (500)            | (96,249)          |
| Net cash provided (used) by investing activities                     | 2,041      | .....                                     | (743)            | 1,298             |
| Net increase (decrease) in cash and cash equivalents                 | 14,449     | 59                                        | (15,803)         | (1,295)           |
| Cash and cash equivalents - beginning                                | 324,836    | 290                                       | 30,530           | 355,656           |
| Cash and cash equivalents - ending                                   | \$ 339,285 | \$ 349                                    | \$ 14,727        | \$ 354,361        |

**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

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

|                                                                                                         | Other     | FL Engineers<br>Management<br>Corporation | Space<br>Florida | Totals<br>6/30/15 |
|---------------------------------------------------------------------------------------------------------|-----------|-------------------------------------------|------------------|-------------------|
| Operating income (loss)                                                                                 | \$ 84,979 | \$ (9)                                    | \$ 12,446        | \$ 97,416         |
| Adjustment to reconcile operating income (loss) to<br>net cash provided (used) by operating activities: |           |                                           |                  |                   |
| Depreciation and amortization expense                                                                   | 1,697     | 62                                        | 4,963            | 6,722             |
| Changes in assets and liabilities:                                                                      |           |                                           |                  |                   |
| (Increase) decrease in accounts receivable                                                              | 4,654     | 92                                        | 547              | 5,293             |
| (Increase) decrease in due from other funds                                                             | (25)      | .....                                     | .....            | (25)              |
| Increase (decrease) in allowance for uncollectibles                                                     | (4,744)   | .....                                     | .....            | (4,744)           |
| (Increase) decrease in other non-current assets                                                         | (82)      | .....                                     | (1,751)          | (1,833)           |
| Increase (decrease) in accounts payable                                                                 | (2,657)   | (34)                                      | (1,058)          | (3,749)           |
| Increase (decrease) in compensated absences                                                             | 274       | .....                                     | (13)             | 261               |
| Increase (decrease) in due to other funds                                                               | 1,461     | .....                                     | .....            | 1,461             |
| Increase (decrease) in other non-current liability                                                      | 6,721     | .....                                     | .....            | 6,721             |
| (Increase) decrease in deposits and prepaid items                                                       | (226)     | 25                                        | .....            | (201)             |
| Increase (decrease) in unearned revenue                                                                 | (3,902)   | .....                                     | (4,122)          | (8,024)           |
| Increase (decrease) in pension liability and deferrals                                                  | (3,492)   | .....                                     | .....            | (3,492)           |
| Net cash provided (used) by operating activities                                                        | \$ 84,658 | \$ 136                                    | \$ 11,012        | \$ 95,806         |

**Noncash investing, capital, and financing activities**

|                                     |        |          |          |        |
|-------------------------------------|--------|----------|----------|--------|
| Change in fair value of investments | \$ 482 | \$ ..... | \$ ..... | \$ 482 |
| Other noncash items                 | .....  | .....    | (710)    | (710)  |

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## **INTERNAL SERVICE FUNDS**

### **EMPLOYEE HEALTH AND DISABILITY**

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

### **DATA CENTERS**

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

### **COMMUNICATIONS AND FACILITIES**

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

### **OTHER**

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

**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                    | Employee<br>Health and<br>Disability | Data<br>Centers | Communications<br>and<br>Facilities | Other       | Totals<br>6/30/15 |
|----------------------------------------------------|--------------------------------------|-----------------|-------------------------------------|-------------|-------------------|
| <b>ASSETS</b>                                      |                                      |                 |                                     |             |                   |
| <u>Current assets</u>                              |                                      |                 |                                     |             |                   |
| Cash and cash equivalents                          | \$ 479                               | \$ .....        | \$ 68,453                           | \$ .....    | \$ 68,932         |
| Pooled investments with State Treasury             | 591,164                              | 2,354           | 50,234                              | 11,574      | 655,326           |
| Other investments                                  | .....                                | .....           | 43,671                              | .....       | 43,671            |
| Receivables, net                                   | 22,036                               | 8               | 14,052                              | 906         | 37,002            |
| Due from other funds                               | 551                                  | 4,718           | 12,810                              | 4,256       | 22,335            |
| Due from component units/primary                   | .....                                | 1               | 848                                 | .....       | 849               |
| Total current assets                               | 614,230                              | 7,081           | 190,068                             | 16,736      | 828,115           |
| <u>Noncurrent assets</u>                           |                                      |                 |                                     |             |                   |
| Capital assets                                     |                                      |                 |                                     |             |                   |
| Land and other non-depreciable assets              | .....                                | .....           | 321                                 | 1           | 322               |
| Buildings, equipment, and other depreciable assets | 42                                   | 56,962          | 1,523,561                           | 8,738       | 1,589,303         |
| Accumulated depreciation                           | (35)                                 | (40,835)        | (460,556)                           | (6,926)     | (508,352)         |
| Construction work in progress                      | .....                                | .....           | .....                               | .....       | .....             |
| Total noncurrent assets                            | 7                                    | 16,127          | 1,063,326                           | 1,813       | 1,081,273         |
| Total assets                                       | 614,237                              | 23,208          | 1,253,394                           | 18,549      | 1,909,388         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                      |                 |                                     |             |                   |
| Amount deferred on refunding of debt               | .....                                | .....           | 3,527                               | .....       | 3,527             |
| Pension-related items                              | 161                                  | 1,477           | 1,890                               | 9,064       | 12,592            |
| Total deferred outflows of resources               | 161                                  | 1,477           | 5,417                               | 9,064       | 16,119            |
| <b>LIABILITIES</b>                                 |                                      |                 |                                     |             |                   |
| <u>Current liabilities</u>                         |                                      |                 |                                     |             |                   |
| Accounts payable and accrued liabilities           | 140,368                              | 5,029           | 36,476                              | 2,097       | 183,970           |
| Due to other governments                           | .....                                | .....           | 4,444                               | 14          | 4,458             |
| Due to other funds                                 | 23,622                               | 246             | 565                                 | 1,419       | 25,852            |
| Due to component units/primary                     | .....                                | .....           | .....                               | 1           | 1                 |
| Compensated absences                               | 61                                   | 924             | 507                                 | 1,456       | 2,948             |
| Installment purchases/capital leases               | .....                                | 3,404           | 1,234                               | .....       | 4,638             |
| Bonds payable                                      | .....                                | .....           | 24,660                              | .....       | 24,660            |
| Deposits                                           | 147,936                              | 31              | 3,007                               | 478         | 151,452           |
| Obligations under security lending agreements      | 36,997                               | 31              | 2,816                               | 79          | 39,923            |
| Certificates of participation payable              | .....                                | .....           | 32,770                              | .....       | 32,770            |
| Pension liability                                  | 81                                   | 690             | 1,417                               | 2,485       | 4,673             |
| Total current liabilities                          | 349,065                              | 10,355          | 107,896                             | 8,029       | 475,345           |
| <u>Noncurrent liabilities</u>                      |                                      |                 |                                     |             |                   |
| Advances from other funds                          | .....                                | 1,478           | 500                                 | 800         | 2,778             |
| Bonds payable                                      | .....                                | .....           | 266,935                             | .....       | 266,935           |
| Certificates of participation payable              | .....                                | .....           | 485,429                             | .....       | 485,429           |
| Installment purchases/capital leases               | .....                                | 8,790           | 9,540                               | .....       | 18,330            |
| Compensated absences                               | 127                                  | 2,000           | 1,666                               | 7,150       | 10,943            |
| Pension liability                                  | 313                                  | 4,201           | 5,027                               | 16,641      | 26,182            |
| Other                                              | 657                                  | 4,697           | 4,754                               | 11,446      | 21,554            |
| Total noncurrent liabilities                       | 1,097                                | 21,166          | 773,851                             | 36,037      | 832,151           |
| Total liabilities                                  | 350,162                              | 31,521          | 881,747                             | 44,066      | 1,307,496         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                                      |                 |                                     |             |                   |
| Amount deferred on refunding of debt               | .....                                | .....           | 3,598                               | .....       | 3,598             |
| Pension-related items                              | 316                                  | 3,109           | 3,792                               | 20,102      | 27,319            |
| Total deferred inflows of resources                | 316                                  | 3,109           | 7,390                               | 20,102      | 30,917            |
| <b>NET POSITION</b>                                |                                      |                 |                                     |             |                   |
| Net investment in capital assets                   | 8                                    | 3,933           | 242,688                             | 1,813       | 248,442           |
| Restricted - other                                 | .....                                | .....           | 105,660                             | .....       | 105,660           |
| Unrestricted                                       | 263,912                              | (13,878)        | 21,326                              | (38,368)    | 232,992           |
| Total net position                                 | \$ 263,920                           | \$ (9,945)      | \$ 369,674                          | \$ (36,555) | \$ 587,094        |



2015 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(in thousands)**

|                                                      | Employee<br>Health and<br>Disability | Data<br>Centers | Communications<br>and<br>Facilities | Other       | Totals<br>6/30/15 |
|------------------------------------------------------|--------------------------------------|-----------------|-------------------------------------|-------------|-------------------|
| <b>OPERATING REVENUES</b>                            |                                      |                 |                                     |             |                   |
| Sales - nonstate                                     | \$ .....                             | \$ 78           | \$ 50,887                           | \$ 6,575    | \$ 57,540         |
| Sales - state                                        | 2,081,363                            | 65,926          | 84,322                              | 63,386      | 2,294,997         |
| Rents and royalties - nonstate                       | .....                                | .....           | 202                                 | .....       | 202               |
| Rents - state                                        | .....                                | .....           | 148,974                             | .....       | 148,974           |
| Fines, forfeits, settlements and judgments           | .....                                | .....           | .....                               | 29          | 29                |
| Other                                                | 20,766                               | .....           | .....                               | .....       | 20,766            |
| Total operating revenues                             | 2,102,129                            | 66,004          | 284,385                             | 69,990      | 2,522,508         |
| <b>OPERATING EXPENSES</b>                            |                                      |                 |                                     |             |                   |
| Contractual services                                 | 349,524                              | 34,785          | 135,997                             | 7,610       | 527,916           |
| Insurance claims expense                             | 1,654,280                            | .....           | .....                               | .....       | 1,654,280         |
| Personal services                                    | 1,421                                | 21,115          | 19,760                              | 55,301      | 97,597            |
| Depreciation                                         | 2                                    | 4,354           | 31,931                              | 689         | 36,976            |
| Materials and supplies                               | 510                                  | 1,383           | 6,151                               | 1,647       | 9,691             |
| Repairs and maintenance                              | 2                                    | 414             | 9,903                               | 105         | 10,424            |
| Basic services                                       | 100                                  | 3,494           | 4,344                               | 3,237       | 11,175            |
| Total operating expenses                             | 2,005,839                            | 65,545          | 208,086                             | 68,589      | 2,348,059         |
| Operating income (loss)                              | 96,290                               | 459             | 76,299                              | 1,401       | 174,449           |
| <b>NONOPERATING REVENUES/(EXPENSES)</b>              |                                      |                 |                                     |             |                   |
| Grants and donations                                 | .....                                | 1,324           | .....                               | .....       | 1,324             |
| Investment earnings (losses)                         | 4,721                                | 25              | 693                                 | 23          | 5,462             |
| Interest and fiscal charges                          | (544)                                | (1,112)         | (64,353)                            | (2)         | (66,011)          |
| Property disposition gain (loss)                     | .....                                | (894)           | (8)                                 | (86)        | (988)             |
| Gain (loss) on early extinguishment of debt          | .....                                | .....           | 16,295                              | .....       | 16,295            |
| Other                                                | .....                                | (20)            | .....                               | .....       | (20)              |
| Total nonoperating revenues (expenses)               | 4,177                                | (677)           | (47,373)                            | (65)        | (43,938)          |
| Income (loss) before transfers<br>and contributions  | 100,467                              | (218)           | 28,926                              | 1,336       | 130,511           |
| Operating transfers in                               | 19,450                               | 1,328           | 750                                 | 750         | 22,278            |
| Operating transfers out                              | (685)                                | (174)           | (13,842)                            | (2,859)     | (17,560)          |
| Capital contributions                                | .....                                | 632             | .....                               | 426         | 1,058             |
| Change in net position                               | 119,232                              | 1,568           | 15,834                              | (347)       | 136,287           |
| Total net position - beginning, as restated (Note 1) | 144,688                              | (11,513)        | 353,840                             | (36,208)    | 450,807           |
| Total net position - ending                          | \$ 263,920                           | \$ (9,945)      | \$ 369,674                          | \$ (36,555) | \$ 587,094        |

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                                                      | Employee Health<br>and Disability | Data<br>Centers | Communications<br>and<br>Facilities |
|----------------------------------------------------------------------|-----------------------------------|-----------------|-------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                                   |                 |                                     |
| Cash received from customers                                         | \$ 2,095,747                      | \$ 65,665       | \$ 226,741                          |
| Cash paid to vendors                                                 | (343,308)                         | (42,078)        | (155,273)                           |
| Cash paid to employees                                               | (1,418)                           | (19,160)        | (19,184)                            |
| Cash paid for insurance claims                                       | (1,656,305)                       | .....           | .....                               |
| Net cash provided (used) by operating activities                     | 94,716                            | 4,427           | 52,284                              |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>               |                                   |                 |                                     |
| Transfers in (out)                                                   | 9,602                             | 472             | 67,187                              |
| Advances from or repayment from other funds                          | .....                             | .....           | (8,827)                             |
| Payment of bonds or loans (principal and interest)                   | .....                             | .....           | (67,932)                            |
| Net cash provided (used) by noncapital financing activities          | 9,602                             | 472             | (9,572)                             |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>      |                                   |                 |                                     |
| Payment of principal on installment purchase/capital lease           | .....                             | (3,123)         | (23,475)                            |
| Payment of interest on bonds/installment purchase/capital lease      | (541)                             | (163)           | (13,985)                            |
| Purchase or construction of capital assets                           | (3)                               | (596)           | (261)                               |
| Net cash provided (used) by capital and related financing activities | (544)                             | (3,882)         | (37,721)                            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                                   |                 |                                     |
| Security lending                                                     | (1,337)                           | (9)             | (2,698)                             |
| Proceeds from the sale or maturity of investments                    | .....                             | .....           | 1,228                               |
| Investment earnings                                                  | 4,718                             | 23              | 646                                 |
| Purchase of investments                                              | .....                             | .....           | .....                               |
| Net cash provided (used) by investing activities                     | 3,381                             | 14              | (824)                               |
| Net increase (decrease) in cash and cash equivalents                 | 107,155                           | 1,031           | 4,167                               |
| Cash and cash equivalents - beginning                                | 484,488                           | 1,323           | 114,520                             |
| Cash and cash equivalents - beginning, as restated                   | 484,488                           | 1,323           | 114,520                             |
| Cash and cash equivalents - ending                                   | \$ 591,643                        | \$ 2,354        | \$ 118,687                          |

| Other     | Totals<br>6/30/15 |
|-----------|-------------------|
| \$ 70,739 | \$ 2,458,892      |
| (12,637)  | (553,296)         |
| (54,558)  | (94,320)          |
| .....     | (1,656,305)       |
| 3,544     | 154,971           |
| (2,336)   | 74,925            |
| .....     | (8,827)           |
| .....     | (67,932)          |
| (2,336)   | (1,834)           |
| .....     | (26,598)          |
| .....     | (14,689)          |
| (177)     | (1,037)           |
| (177)     | (42,324)          |
| (31)      | (4,075)           |
| .....     | 1,228             |
| 21        | 5,408             |
| (14)      | (14)              |
| (24)      | 2,547             |
| 1,007     | 113,360           |
| 10,567    | 610,898           |
| 10,567    | 610,898           |
| \$ 11,574 | \$ 724,258        |

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

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

|                                                                                                         | Employee Health<br>and Disability | Data<br>Centers | Communications<br>and<br>Facilities |
|---------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------|-------------------------------------|
| Operating income (loss)                                                                                 | \$ 96,290                         | \$ 459          | \$ 76,299                           |
| Adjustment to reconcile operating income (loss) to<br>net cash provided (used) by operating activities: |                                   |                 |                                     |
| Depreciation and amortization expense                                                                   | 2                                 | 4,354           | 31,931                              |
| Changes in assets and liabilities:                                                                      |                                   |                 |                                     |
| (Increase) decrease in accounts receivable                                                              | (5,844)                           | (14)            | (7,770)                             |
| (Increase) decrease in due from other funds                                                             | (528)                             | (327)           | (3,913)                             |
| (Increase) decrease in other non-current assets                                                         | .....                             | .....           | (909)                               |
| Increase (decrease) in accounts payable                                                                 | 1,975                             | (4)             | 5,609                               |
| Increase (decrease) in compensated absences                                                             | 7                                 | (370)           | (191)                               |
| Increase (decrease) in due to other funds                                                               | .....                             | 95              | 289                                 |
| Increase (decrease) in other non-current liability                                                      | 42                                | 660             | (46,539)                            |
| (Increase) decrease in deposits and prepaid items                                                       | .....                             | .....           | (2,349)                             |
| Increase (decrease) in unearned revenue                                                                 | 2,819                             | (25)            | 157                                 |
| Increase (decrease) in pension liability and deferrals                                                  | (47)                              | (401)           | (330)                               |
| Net cash provided (used) by operating activities                                                        | <u>\$ 94,716</u>                  | <u>\$ 4,427</u> | <u>\$ 52,284</u>                    |

**Noncash investing, capital, and financing activities**

|                                     |            |        |          |
|-------------------------------------|------------|--------|----------|
| Change in fair value of investments | \$ (2,431) | \$ (3) | \$ (400) |
|-------------------------------------|------------|--------|----------|

| Other           | Totals<br>6/30/15 |
|-----------------|-------------------|
| \$ 1,401        | \$ 174,449        |
| 689             | 36,976            |
| (16)            | (13,644)          |
| 1,454           | (3,314)           |
| .....           | (909)             |
| (174)           | 7,406             |
| (119)           | (673)             |
| 659             | 1,043             |
| 2,146           | (43,691)          |
| .....           | (2,349)           |
| 465             | 3,416             |
| (2,961)         | (3,739)           |
| <u>\$ 3,544</u> | <u>\$ 154,971</u> |

\$ (8)      \$ (2,842)

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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 Section 717.123, 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.

### **COLLEGE SAVINGS PLAN**

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

### **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 POSITION**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                                  | Trust<br>Escrow<br>Administration | Unclaimed<br>Property | Student<br>Loan Guaranty<br>Reserve | Other    |
|------------------------------------------------------------------|-----------------------------------|-----------------------|-------------------------------------|----------|
| <b>ASSETS</b>                                                    |                                   |                       |                                     |          |
| Cash and cash equivalents                                        | \$ 4,828                          | \$ 110                | \$ .....                            | \$ 4     |
| Pooled investments with State Treasury                           | 589,608                           | 19,976                | 14,082                              | 1,135    |
| Total cash and cash equivalents                                  | 594,436                           | 20,086                | 14,082                              | 1,139    |
| <u>Investments</u>                                               |                                   |                       |                                     |          |
| U.S. government & federally guaranteed obligations               | 743                               | .....                 | .....                               | .....    |
| Federal agencies                                                 | .....                             | .....                 | .....                               | .....    |
| Bonds and notes                                                  | .....                             | .....                 | .....                               | .....    |
| International bonds and notes                                    | .....                             | .....                 | .....                               | .....    |
| Money market and short-term investments                          | 2,087                             | .....                 | .....                               | .....    |
| Domestic equity                                                  | .....                             | 1,494                 | .....                               | .....    |
| International equity                                             | .....                             | .....                 | .....                               | .....    |
| Total investments                                                | 2,830                             | 1,494                 | .....                               | .....    |
| <u>Receivables</u>                                               |                                   |                       |                                     |          |
| Accounts receivable                                              | 8,063                             | 242                   | .....                               | .....    |
| Interest receivable                                              | 211                               | 3                     | 18                                  | .....    |
| Dividends receivable                                             | .....                             | .....                 | .....                               | .....    |
| Pending investment sales                                         | .....                             | .....                 | .....                               | .....    |
| Due from state funds                                             | .....                             | .....                 | .....                               | .....    |
| Due from other governments                                       | .....                             | .....                 | 9,833                               | .....    |
| Total receivables                                                | 8,274                             | 245                   | 9,851                               | .....    |
| Advances to other funds                                          | .....                             | 919,661               | .....                               | .....    |
| Advances to other entities                                       | 1,083,308                         | .....                 | .....                               | .....    |
| Other loans and notes receivable, net                            | .....                             | 386                   | .....                               | .....    |
| Capital assets                                                   | 239                               | 1,317                 | 25                                  | .....    |
| Accumulated depreciation                                         | .....                             | (1,083)               | (25)                                | .....    |
| Other assets                                                     | 2,025                             | .....                 | .....                               | .....    |
| Total assets                                                     | 1,691,112                         | 942,106               | 23,933                              | 1,139    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                            |                                   |                       |                                     |          |
| Pension-related items                                            | .....                             | 298                   | .....                               | .....    |
| Total deferred outflows of resources                             | .....                             | 298                   | .....                               | .....    |
| <b>LIABILITIES</b>                                               |                                   |                       |                                     |          |
| Accounts payable and accrued liabilities                         | 4,755                             | 1,505                 | .....                               | .....    |
| Due to other funds                                               | 795                               | 36                    | 771                                 | .....    |
| Pending investment purchases                                     | .....                             | .....                 | .....                               | .....    |
| Due to other governments                                         | .....                             | .....                 | 2,790                               | .....    |
| Obligations under security lending agreements                    | 33,977                            | 201                   | 855                                 | .....    |
| Claims payable                                                   | .....                             | .....                 | 1                                   | .....    |
| Deposits payable                                                 | 160                               | .....                 | .....                               | .....    |
| Compensated absences                                             | .....                             | 440                   | .....                               | .....    |
| Other liabilities                                                | .....                             | 753                   | .....                               | .....    |
| Pension Liability                                                | .....                             | 1,001                 | .....                               | .....    |
| Total liabilities                                                | 39,687                            | 3,936                 | 4,417                               | .....    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                             |                                   |                       |                                     |          |
| Pension-related items                                            | .....                             | 597                   | .....                               | .....    |
| Total deferred inflows of resources                              | .....                             | 597                   | .....                               | .....    |
| <b>NET POSITION</b>                                              |                                   |                       |                                     |          |
| Restricted for individuals, organizations, and other governments | \$ 1,651,425                      | \$ 937,871            | \$ 19,516                           | \$ 1,139 |



| College<br>Savings Plan | Totals<br>6/30/15 |
|-------------------------|-------------------|
| \$ 816                  | \$ 5,758          |
| .....                   | 624,801           |
| 816                     | 630,559           |
| 38,798                  | 39,541            |
| 46,447                  | 46,447            |
| 64,680                  | 64,680            |
| 8,415                   | 8,415             |
| 73,062                  | 75,149            |
| 177,742                 | 179,236           |
| 53,018                  | 53,018            |
| 462,162                 | 466,486           |
| .....                   | 8,305             |
| 705                     | 937               |
| 414                     | 414               |
| 21,875                  | 21,875            |
| 24                      | 24                |
| .....                   | 9,833             |
| 23,018                  | 41,388            |
| .....                   | 919,661           |
| .....                   | 1,083,308         |
| .....                   | 386               |
| .....                   | 1,581             |
| .....                   | (1,108)           |
| 1                       | 2,026             |
| 485,997                 | 3,144,287         |
| .....                   | 298               |
| .....                   | 298               |
| 380                     | 6,640             |
| 23                      | 1,625             |
| 47,708                  | 47,708            |
| .....                   | 2,790             |
| .....                   | 35,033            |
| .....                   | 1                 |
| 13,171                  | 13,331            |
| 16                      | 456               |
| .....                   | 753               |
| .....                   | 1,001             |
| 61,298                  | 109,338           |
| .....                   | 597               |
| .....                   | 597               |
| \$ 424,699              | \$ 3,034,650      |

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

|                                                  | Trust<br>Escrow<br>Administration | Unclaimed<br>Property | Student<br>Loan Guaranty<br>Reserve | Other    |
|--------------------------------------------------|-----------------------------------|-----------------------|-------------------------------------|----------|
| <b>ADDITIONS</b>                                 |                                   |                       |                                     |          |
| <u>Contributions and other deposits</u>          |                                   |                       |                                     |          |
| Fees                                             | \$ .....                          | \$ .....              | \$ .....                            | \$ ..... |
| Grants and contributions                         | .....                             | .....                 | 116,536                             | .....    |
| Fines, forfeits, settlements and judgments       | .....                             | 658                   | .....                               | .....    |
| Unclaimed property remittances                   | .....                             | 483,464               | .....                               | .....    |
| Receivership assets acquired                     | 39,656                            | .....                 | .....                               | .....    |
| Transfers in from state funds                    | .....                             | .....                 | .....                               | .....    |
| Total contributions and other deposits           | 39,656                            | 484,122               | 116,536                             | .....    |
| <u>Investment income</u>                         |                                   |                       |                                     |          |
| Interest income                                  | 26,875                            | 30                    | 108                                 | .....    |
| Dividends                                        | .....                             | .....                 | .....                               | .....    |
| Other investment income (loss)                   | 551                               | .....                 | .....                               | .....    |
| Net increase (decrease) in fair market value     | .....                             | .....                 | .....                               | .....    |
| Total investment income                          | 27,426                            | 30                    | 108                                 | .....    |
| Investment activity expense                      | (1,625)                           | (8)                   | .....                               | .....    |
| Net income (loss) from investing activity        | 25,801                            | 22                    | 108                                 | .....    |
| Total net investment income (loss)               | 25,801                            | 22                    | 108                                 | .....    |
| Other additions                                  | .....                             | 50                    | 3,814                               | .....    |
| Total additions                                  | 65,457                            | 484,194               | 120,458                             | .....    |
| <b>DEDUCTIONS</b>                                |                                   |                       |                                     |          |
| Insurance claims expense                         | 8,319                             | 1                     | .....                               | .....    |
| Interest expense                                 | 771                               | 4                     | 25                                  | .....    |
| Student loan default payments                    | .....                             | .....                 | 103,725                             | .....    |
| Payments to unclaimed property claimants         | .....                             | 250,404               | .....                               | .....    |
| Distribution to State School Fund                | .....                             | 110,201               | .....                               | .....    |
| Administrative expense                           | 29,652                            | 3,836                 | .....                               | .....    |
| Transfers out to state funds                     | 795                               | 4,551                 | 467                                 | .....    |
| Other deductions                                 | 19                                | 685                   | 15,790                              | 572      |
| Total deductions                                 | 39,556                            | 369,682               | 120,007                             | 572      |
| <u>Depositor activity</u>                        |                                   |                       |                                     |          |
| Deposits                                         | 247,430                           | .....                 | .....                               | 147      |
| Withdrawals                                      | (196,015)                         | .....                 | .....                               | .....    |
| Excess (deficiency) of deposits over withdrawals | 51,415                            | .....                 | .....                               | 147      |
| Change in net position                           | 77,316                            | 114,512               | 451                                 | (425)    |
| Net position - beginning, as restated (Note 1)   | 1,574,109                         | 823,359               | 19,065                              | 1,564    |
| Net position - ending                            | \$ 1,651,425                      | \$ 937,871            | \$ 19,516                           | \$ 1,139 |

| College<br>Savings Plan | Totals<br>6/30/15 |
|-------------------------|-------------------|
| \$ 2,835                | \$ 2,835          |
| 51,910                  | 168,446           |
| .....                   | 658               |
| .....                   | 483,464           |
| .....                   | 39,656            |
| 2,000                   | 2,000             |
| 56,745                  | 697,059           |
| 3,925                   | 30,938            |
| 4,423                   | 4,423             |
| .....                   | 551               |
| 6,598                   | 6,598             |
| 14,946                  | 42,510            |
| (764)                   | (2,397)           |
| 14,182                  | 40,113            |
| 14,182                  | 40,113            |
| .....                   | 3,864             |
| 70,927                  | 741,036           |
| .....                   | 8,320             |
| .....                   | 800               |
| .....                   | 103,725           |
| .....                   | 250,404           |
| .....                   | 110,201           |
| 3,946                   | 37,434            |
| .....                   | 5,813             |
| 24,861                  | 41,927            |
| 28,807                  | 558,624           |
| .....                   | 247,577           |
| .....                   | (196,015)         |
| .....                   | 51,562            |
| 42,120                  | 233,974           |
| 382,579                 | 2,800,676         |
| \$ 424,699              | \$ 3,034,650      |

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**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS****DEFINED BENEFIT PENSION PLAN**

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

**OTHER DEFINED CONTRIBUTION PLANS**

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

**DEFERRED COMPENSATION PLAN**

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

**LIFE AND OTHER BENEFITS**

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

**RETIREE HEALTH INSURANCE SUBSIDY**

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

**DEFINED CONTRIBUTION PENSION PLAN**

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

**NATIONAL GUARD SUPPLEMENTAL RETIREMENT BENEFIT PLAN**

This category includes the internal reporting fund, defined benefit plan, administered by the Department of Management Services, Division of Retirement, to account for operations of the National Guard supplemental retirement benefit plan.

## 2015 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                    | Defined<br>Benefit<br>Pension Plan | Other Defined<br>Contribution<br>Plans | Deferred<br>Compensation<br>Plan | Life and Other<br>Benefits |
|----------------------------------------------------|------------------------------------|----------------------------------------|----------------------------------|----------------------------|
| <b>ASSETS</b>                                      |                                    |                                        |                                  |                            |
| Cash and cash equivalents                          | \$ 722,769                         | \$ .....                               | \$ 38,821                        | \$ .....                   |
| Pooled investments with State Treasury             | 57,247                             | 4,590                                  | 786                              | 14,812                     |
| Total cash and cash equivalents                    | 780,016                            | 4,590                                  | 39,607                           | 14,812                     |
| <u>Investments</u>                                 |                                    |                                        |                                  |                            |
| Certificates of deposit                            | 1,936,529                          | .....                                  | .....                            | .....                      |
| U.S. government & federally guaranteed obligations | 7,622,315                          | .....                                  | .....                            | .....                      |
| Federal agencies                                   | 9,458,712                          | .....                                  | .....                            | .....                      |
| Commercial paper                                   | 5,867,392                          | .....                                  | .....                            | .....                      |
| Repurchase agreements                              | 400,000                            | .....                                  | .....                            | .....                      |
| Bonds and notes                                    | 7,735,700                          | .....                                  | 1,514,773                        | .....                      |
| International bonds and notes                      | 2,636,429                          | .....                                  | .....                            | .....                      |
| Real estate contracts                              | 10,142,274                         | .....                                  | .....                            | .....                      |
| Mutual fund investments                            | .....                              | .....                                  | 1,970,734                        | .....                      |
| Money market and short-term investments            | 12,265                             | .....                                  | 28,371                           | .....                      |
| Domestic equity                                    | 43,387,207                         | .....                                  | 3,283                            | .....                      |
| Alternative investments                            | 19,596,357                         | .....                                  | .....                            | .....                      |
| International equity                               | 36,089,572                         | .....                                  | 4,555                            | .....                      |
| International equity commingled                    | 6,315,998                          | .....                                  | .....                            | .....                      |
| Deferred compensation annuities                    | .....                              | .....                                  | 25,783                           | .....                      |
| Self-directed brokerage investments                | .....                              | .....                                  | .....                            | .....                      |
| Other investments                                  | 33                                 | .....                                  | .....                            | .....                      |
| Total investments                                  | 151,200,783                        | .....                                  | 3,547,499                        | .....                      |
| <u>Receivables</u>                                 |                                    |                                        |                                  |                            |
| Accounts receivable                                | 20,204                             | .....                                  | .....                            | .....                      |
| State contributions receivable                     | 38,675                             | .....                                  | .....                            | .....                      |
| Nonstate contributions receivable                  | 171,978                            | 13                                     | .....                            | .....                      |
| Interest receivable                                | 136,329                            | 5                                      | 1                                | 21                         |
| Dividends receivable                               | 173,306                            | .....                                  | .....                            | .....                      |
| Pending investment sales                           | 1,477,146                          | .....                                  | .....                            | .....                      |
| Foreign currency contracts receivable              | 2,314,370                          | .....                                  | .....                            | .....                      |
| Due from state funds                               | 45,559                             | .....                                  | .....                            | .....                      |
| Total receivables                                  | 4,377,567                          | 18                                     | 1                                | 21                         |
| Security lending collateral                        | 8,346,890                          | .....                                  | .....                            | .....                      |
| Capital assets                                     | 1,110                              | .....                                  | .....                            | .....                      |
| Accumulated depreciation                           | (516)                              | .....                                  | .....                            | .....                      |
| Other assets                                       | 8,398                              | .....                                  | .....                            | .....                      |
| Total assets                                       | 164,714,248                        | 4,608                                  | 3,587,107                        | 14,833                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                    |                                        |                                  |                            |
| Pension-related items                              | .....                              | 21                                     | .....                            | 38                         |
| Total deferred outflows of resources               | .....                              | 21                                     | .....                            | 38                         |
| <b>LIABILITIES</b>                                 |                                    |                                        |                                  |                            |
| Accounts payable and accrued liabilities           | 94,625                             | 103                                    | .....                            | 1,810                      |
| Due to other funds                                 | 5,698                              | 1                                      | .....                            | 542                        |
| DROP                                               | 308,550                            | .....                                  | .....                            | .....                      |
| Pending investment purchases                       | 4,984,157                          | .....                                  | .....                            | .....                      |
| Short sell obligations                             | 156,976                            | .....                                  | .....                            | .....                      |
| Foreign currency contracts payable                 | 2,309,735                          | .....                                  | .....                            | .....                      |
| Broker rebate fees                                 | 729                                | .....                                  | .....                            | .....                      |
| Obligations under security lending agreements      | 8,396,024                          | 287                                    | 48                               | 837                        |
| Deposits payable                                   | .....                              | .....                                  | .....                            | 10,116                     |
| Compensated absences                               | 808                                | 34                                     | .....                            | 102                        |
| Other liabilities                                  | 2,264                              | 23                                     | .....                            | 111                        |
| Pension Liability                                  | .....                              | 47                                     | .....                            | 150                        |
| Total liabilities                                  | 16,259,566                         | 495                                    | 48                               | 13,668                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                                    |                                        |                                  |                            |
| Pension-related items                              | .....                              | 42                                     | .....                            | 84                         |
| Total deferred inflows of resources                | .....                              | 42                                     | .....                            | 84                         |
| <b>NET POSITION</b>                                |                                    |                                        |                                  |                            |
| Restricted for pension benefits and other purposes | \$ 148,454,682                     | \$ 4,092                               | \$ 3,587,059                     | \$ 1,119                   |

| Retiree Health<br>Insurance<br>Subsidy | Defined<br>Contribution<br>Pension Plan | National Guard<br>Supplemental<br>Retirement Benefit | Totals<br>6/30/15 |
|----------------------------------------|-----------------------------------------|------------------------------------------------------|-------------------|
| \$ .....                               | \$ 1,128                                | \$ 73                                                | \$ 762,791        |
| 75                                     | 47,525                                  | .....                                                | 125,035           |
| 75                                     | 48,653                                  | 73                                                   | 887,826           |
| .....                                  | .....                                   | .....                                                | 1,936,529         |
| .....                                  | 126,150                                 | .....                                                | 7,748,465         |
| .....                                  | 90,753                                  | .....                                                | 9,549,465         |
| .....                                  | .....                                   | .....                                                | 5,867,392         |
| .....                                  | .....                                   | .....                                                | 400,000           |
| .....                                  | 120,473                                 | .....                                                | 9,370,946         |
| .....                                  | 22,208                                  | .....                                                | 2,658,637         |
| .....                                  | .....                                   | .....                                                | 10,142,274        |
| .....                                  | 7,631,881                               | .....                                                | 9,602,615         |
| 15,400                                 | 886,894                                 | .....                                                | 942,930           |
| .....                                  | .....                                   | .....                                                | 43,390,490        |
| .....                                  | .....                                   | .....                                                | 19,596,357        |
| .....                                  | .....                                   | .....                                                | 36,094,127        |
| .....                                  | .....                                   | .....                                                | 6,315,998         |
| .....                                  | .....                                   | .....                                                | 25,783            |
| .....                                  | 299,571                                 | .....                                                | 299,571           |
| .....                                  | .....                                   | .....                                                | 33                |
| 15,400                                 | 9,177,930                               | .....                                                | 163,941,612       |
| 24                                     | 1,154                                   | .....                                                | 21,382            |
| 5,362                                  | 10,759                                  | .....                                                | 54,796            |
| 27,554                                 | 35,213                                  | .....                                                | 234,758           |
| .....                                  | 1,388                                   | .....                                                | 137,744           |
| .....                                  | 186                                     | .....                                                | 173,492           |
| .....                                  | 106,961                                 | .....                                                | 1,584,107         |
| .....                                  | .....                                   | .....                                                | 2,314,370         |
| 2,378                                  | 164                                     | .....                                                | 48,101            |
| 35,318                                 | 155,825                                 | .....                                                | 4,568,750         |
| .....                                  | .....                                   | .....                                                | 8,346,890         |
| .....                                  | .....                                   | .....                                                | 1,110             |
| .....                                  | .....                                   | .....                                                | (516)             |
| .....                                  | .....                                   | .....                                                | 8,398             |
| 50,793                                 | 9,382,408                               | 73                                                   | 177,754,070       |
| .....                                  | .....                                   | .....                                                | 59                |
| .....                                  | .....                                   | .....                                                | 59                |
| 19                                     | 1,570                                   | 73                                                   | 98,200            |
| .....                                  | 48,270                                  | .....                                                | 54,511            |
| .....                                  | .....                                   | .....                                                | 308,550           |
| .....                                  | 147,325                                 | .....                                                | 5,131,482         |
| .....                                  | .....                                   | .....                                                | 156,976           |
| .....                                  | .....                                   | .....                                                | 2,309,735         |
| .....                                  | .....                                   | .....                                                | 729               |
| .....                                  | .....                                   | .....                                                | 8,397,196         |
| .....                                  | .....                                   | .....                                                | 10,116            |
| .....                                  | .....                                   | .....                                                | 944               |
| .....                                  | .....                                   | .....                                                | 2,398             |
| .....                                  | .....                                   | .....                                                | 197               |
| 19                                     | 197,165                                 | 73                                                   | 16,471,034        |
| .....                                  | .....                                   | .....                                                | 126               |
| .....                                  | .....                                   | .....                                                | 126               |
| \$ 50,774                              | \$ 9,185,243                            | \$ .....                                             | \$ 161,282,969    |

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(in thousands)**

|                                                | Defined<br>Benefit<br>Pension Plan | Other Defined<br>Contribution<br>Plans | Deferred<br>Compensation<br>Plan | Life and Other<br>Benefits |
|------------------------------------------------|------------------------------------|----------------------------------------|----------------------------------|----------------------------|
| <b>ADDITIONS</b>                               |                                    |                                        |                                  |                            |
| <u>Contributions and other deposits</u>        |                                    |                                        |                                  |                            |
| Pension fund employer contributions - state    | \$ 563,948                         | \$ 83,018                              | \$ .....                         | \$ .....                   |
| Pension fund employer contributions - nonstate | 1,883,777                          | 144                                    | .....                            | .....                      |
| Pension fund employee contributions            | 678,226                            | 85,985                                 | .....                            | .....                      |
| Other contributions                            | .....                              | .....                                  | .....                            | 153,353                    |
| Purchase of time by employees                  | 10,439                             | .....                                  | .....                            | .....                      |
| Fees                                           | .....                              | .....                                  | 1,195                            | .....                      |
| Flexible benefits contributions                | .....                              | .....                                  | 415,700                          | .....                      |
| Transfers in from state funds                  | 57,824                             | .....                                  | .....                            | .....                      |
| Total contributions and other deposits         | 3,194,214                          | 169,147                                | 416,895                          | 153,353                    |
| <u>Investment income</u>                       |                                    |                                        |                                  |                            |
| Interest income                                | 1,390,705                          | 71                                     | 9                                | 347                        |
| Dividends                                      | 2,002,847                          | .....                                  | .....                            | .....                      |
| Other investment income (loss)                 | 209,832                            | .....                                  | .....                            | .....                      |
| Net increase (decrease) in fair market value   | 2,093,633                          | .....                                  | 147,738                          | .....                      |
| Total investment income (loss)                 | 5,697,017                          | 71                                     | 147,747                          | 347                        |
| Investment activity expense                    | (529,633)                          | (7)                                    | .....                            | (68)                       |
| Net income (loss) from investing activity      | 5,167,384                          | 64                                     | 147,747                          | 279                        |
| <u>Security lending activity</u>               |                                    |                                        |                                  |                            |
| Security lending income                        | 46,846                             | .....                                  | .....                            | .....                      |
| Security lending expense                       | (8,672)                            | .....                                  | .....                            | .....                      |
| Net income from security lending               | 38,174                             | .....                                  | .....                            | .....                      |
| Total net investment income (loss)             | 5,205,558                          | 64                                     | 147,747                          | 279                        |
| Other additions                                | 8,871                              | 237                                    | 6                                | .....                      |
| Total additions                                | 8,408,643                          | 169,448                                | 564,648                          | 153,632                    |
| <b>DEDUCTIONS</b>                              |                                    |                                        |                                  |                            |
| Benefit payments                               | 9,221,329                          | .....                                  | 379,266                          | .....                      |
| Supplemental insurance payments                | .....                              | .....                                  | .....                            | 74,176                     |
| Flexible reimbursement payments                | .....                              | .....                                  | .....                            | 24,133                     |
| Life insurance premium payments                | .....                              | .....                                  | .....                            | 32,402                     |
| Remittances to annuity companies               | 28                                 | 168,965                                | .....                            | .....                      |
| Program contribution refunds                   | 9,426                              | .....                                  | .....                            | .....                      |
| Insurance claims expense                       | .....                              | .....                                  | .....                            | 3,368                      |
| Interest expense                               | .....                              | .....                                  | 1                                | .....                      |
| Administrative expense                         | 17,254                             | 229                                    | 44                               | 664                        |
| Transfers out to state funds                   | 720,256                            | 51                                     | 1,734                            | 19,587                     |
| Other deductions                               | 3                                  | .....                                  | .....                            | .....                      |
| Total deductions                               | 9,968,296                          | 169,245                                | 381,045                          | 154,330                    |
| Change in net position                         | (1,559,653)                        | 203                                    | 183,603                          | (698)                      |
| Net position - beginning, as restated (Note 1) | 150,014,335                        | 3,889                                  | 3,403,456                        | 1,817                      |
| Net position - ending                          | \$ 148,454,682                     | \$ 4,092                               | \$ 3,587,059                     | \$ 1,119                   |



| Retiree Health<br>Insurance<br>Subsidy | Defined<br>Contribution<br>Pension Plan | National Guard<br>Supplemental<br>Retirement Benefit | Totals<br>6/30/15 |
|----------------------------------------|-----------------------------------------|------------------------------------------------------|-------------------|
| \$ 75,835                              | \$ 56,931                               | \$ .....                                             | \$ 779,732        |
| 306,427                                | 251,273                                 | .....                                                | 2,441,621         |
| .....                                  | 148,602                                 | .....                                                | 912,813           |
| .....                                  | .....                                   | .....                                                | 153,353           |
| .....                                  | 16                                      | .....                                                | 10,455            |
| .....                                  | .....                                   | .....                                                | 1,195             |
| .....                                  | .....                                   | .....                                                | 415,700           |
| .....                                  | 719,182                                 | 14,495                                               | 791,501           |
| 382,262                                | 1,176,004                               | 14,495                                               | 5,506,370         |
| 95                                     | 2,258                                   | .....                                                | 1,393,485         |
| .....                                  | 18,948                                  | .....                                                | 2,021,795         |
| 80                                     | (21)                                    | .....                                                | 209,891           |
| 36                                     | 204,936                                 | .....                                                | 2,446,343         |
| 211                                    | 226,121                                 | .....                                                | 6,071,514         |
| (1)                                    | (2,524)                                 | .....                                                | (532,233)         |
| 210                                    | 223,597                                 | .....                                                | 5,539,281         |
| .....                                  | .....                                   | .....                                                | 46,846            |
| .....                                  | .....                                   | .....                                                | (8,672)           |
| .....                                  | .....                                   | .....                                                | 38,174            |
| 210                                    | 223,597                                 | .....                                                | 5,577,455         |
| 192                                    | 11,535                                  | .....                                                | 20,841            |
| 382,664                                | 1,411,136                               | 14,495                                               | 11,104,666        |
| 425,086                                | 1,234,729                               | 14,422                                               | 11,274,832        |
| .....                                  | .....                                   | .....                                                | 74,176            |
| .....                                  | .....                                   | .....                                                | 24,133            |
| .....                                  | .....                                   | .....                                                | 32,402            |
| .....                                  | .....                                   | .....                                                | 168,993           |
| .....                                  | .....                                   | .....                                                | 9,426             |
| .....                                  | .....                                   | .....                                                | 3,368             |
| .....                                  | .....                                   | .....                                                | 1                 |
| 188                                    | 4,683                                   | 73                                                   | 23,135            |
| 1                                      | 68,311                                  | .....                                                | 809,940           |
| .....                                  | .....                                   | .....                                                | 3                 |
| 425,275                                | 1,307,723                               | 14,495                                               | 12,420,409        |
| (42,611)                               | 103,413                                 | .....                                                | (1,315,743)       |
| 93,385                                 | 9,081,830                               | .....                                                | 162,598,712       |
| \$ 50,774                              | \$ 9,185,243                            | \$ .....                                             | \$ 161,282,969    |

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## **INVESTMENT TRUST FUNDS**

### **EXTERNAL TREASURY POOL**

This fund, administered by the State Treasury, is used to account for the external portion of the State Treasurer's Investment Pool.

### **INVESTMENT POOL A**

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

### **INVESTMENT POOL B**

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

### **OTHER INVESTMENT TRUST FUNDS**

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

**COMBINING STATEMENT OF FIDUCIARY NET POSITION****INVESTMENT TRUST FUNDS****JUNE 30, 2015****(in thousands)**

|                                                    | External<br>Treasury Pool | Investment<br>Pool A | Investment<br>Pool B | Other<br>Investment<br>Trust Funds | Totals<br>6/30/15 |
|----------------------------------------------------|---------------------------|----------------------|----------------------|------------------------------------|-------------------|
| <b>ASSETS</b>                                      |                           |                      |                      |                                    |                   |
| Cash and cash equivalents                          | \$ .....                  | \$ 281,975           | \$ .....             | \$ .....                           | \$ 281,975        |
| Pooled investments with State Treasury             | 1,556,096                 | .....                | .....                | .....                              | 1,556,096         |
| Total cash and cash equivalents                    | 1,556,096                 | 281,975              | .....                | .....                              | 1,838,071         |
| <u>Investments</u>                                 |                           |                      |                      |                                    |                   |
| Certificates of deposit                            | .....                     | 1,654,197            | .....                | .....                              | 1,654,197         |
| U.S. government & federally guaranteed obligations | .....                     | .....                | .....                | .....                              | .....             |
| Commercial paper                                   | .....                     | 1,772,318            | .....                | .....                              | 1,772,318         |
| Repurchase agreements                              | .....                     | 361,342              | .....                | .....                              | 361,342           |
| Bonds and notes                                    | .....                     | 635,562              | .....                | .....                              | 635,562           |
| International bonds and notes                      | .....                     | 80,284               | .....                | .....                              | 80,284            |
| Money market and short-term investments            | .....                     | 1,175,824            | 34,475               | .....                              | 1,210,299         |
| Total investments                                  | .....                     | 5,679,527            | 34,475               | .....                              | 5,714,002         |
| <u>Receivables</u>                                 |                           |                      |                      |                                    |                   |
| Interest receivable                                | 1,286                     | 2,828                | 82                   | .....                              | 4,196             |
| Total receivables                                  | 1,286                     | 2,828                | 82                   | .....                              | 4,196             |
| Other assets                                       | .....                     | 21                   | .....                | .....                              | 21                |
| Total assets                                       | 1,557,382                 | 5,964,351            | 34,557               | .....                              | 7,556,290         |
| <b>LIABILITIES</b>                                 |                           |                      |                      |                                    |                   |
| Accounts payable and accrued liabilities           | .....                     | 133                  | .....                | .....                              | 133               |
| Due to other funds                                 | .....                     | 50                   | .....                | .....                              | 50                |
| Pending investment purchases                       | .....                     | .....                | .....                | .....                              | .....             |
| Due to other governments                           | .....                     | 9,905                | .....                | .....                              | 9,905             |
| Obligations under security lending agreements      | 98,148                    | .....                | .....                | .....                              | 98,148            |
| Total liabilities                                  | 98,148                    | 10,088               | .....                | .....                              | 108,236           |
| <b>NET POSITION</b>                                |                           |                      |                      |                                    |                   |
| Restricted for pool participants                   | \$ 1,459,234              | \$ 5,954,263         | \$ 34,557            | \$ .....                           | \$ 7,448,054      |

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**INVESTMENT TRUST FUNDS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                  | External<br>Treasury Pool | Investment<br>Pool A | Investment<br>Pool B | Other<br>Investment<br>Trust Funds | Totals<br>6/30/15 |
|--------------------------------------------------|---------------------------|----------------------|----------------------|------------------------------------|-------------------|
| <b>ADDITIONS</b>                                 |                           |                      |                      |                                    |                   |
| <u>Contributions and other deposits</u>          |                           |                      |                      |                                    |                   |
| Fines, forfeits, settlements and judgments       | \$ .....                  | \$ .....             | \$ 11,511            | \$ 1                               | \$ 11,512         |
| Transfers in from state funds                    | .....                     | 23,361               | .....                | .....                              | 23,361            |
| Total contributions and other deposits           | .....                     | 23,361               | 11,511               | 1                                  | 34,873            |
| <u>Investment income</u>                         |                           |                      |                      |                                    |                   |
| Interest income                                  | 15,769                    | 12,019               | 187                  | .....                              | 27,975            |
| Net increase (decrease) in fair market value     | .....                     | 44                   | 3,137                | 1                                  | 3,182             |
| Total investment income (loss)                   | 15,769                    | 12,063               | 3,324                | 1                                  | 31,157            |
| Investment activity expense                      | (1,825)                   | (1,356)              | (4)                  | .....                              | (3,185)           |
| Net income (loss) from investing activity        | 13,944                    | 10,707               | 3,320                | 1                                  | 27,972            |
| Total net investment income (loss)               | 13,944                    | 10,707               | 3,320                | 1                                  | 27,972            |
| Total additions                                  | 13,944                    | 34,068               | 14,831               | 2                                  | 62,845            |
| <b>DEDUCTIONS</b>                                |                           |                      |                      |                                    |                   |
| Administrative expense                           | .....                     | 50                   | .....                | .....                              | 50                |
| Transfers out to state funds                     | .....                     | .....                | 23,361               | .....                              | 23,361            |
| Total deductions                                 | .....                     | 50                   | 23,361               | .....                              | 23,411            |
| <u>Depositor activity</u>                        |                           |                      |                      |                                    |                   |
| Deposits                                         | 795,533                   | 13,780,850           | .....                | .....                              | 14,576,383        |
| Withdrawals                                      | (767,499)                 | (13,864,303)         | .....                | (6)                                | (14,631,808)      |
| Excess (deficiency) of deposits over withdrawals | 28,034                    | (83,453)             | .....                | (6)                                | (55,425)          |
| Change in net position                           | 41,978                    | (49,435)             | (8,530)              | (4)                                | (15,991)          |
| Net position - beginning                         | 1,417,256                 | 6,003,698            | 43,087               | 4                                  | 7,464,045         |
| Net position - ending                            | \$ 1,459,234              | \$ 5,954,263         | \$ 34,557            | \$ .....                           | \$ 7,448,054      |

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## **AGENCY FUNDS**

### **TAX DISTRIBUTION AND ADMINISTRATION**

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

### **OTHER**

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

### **SCHOOL FOR THE DEAF AND THE BLIND**

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

### **STATE BOARD OF ADMINISTRATION**

These agency funds, administered by the State Board of Administration, are primarily used to account for escrowed bond funds.

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**COMBINING STATEMENT OF FIDUCIARY NET POSITION****AGENCY FUNDS****JUNE 30, 2015****(in thousands)**

|                                                    | Tax<br>Distribution<br>and<br>Administration | Other      | School for<br>the Deaf<br>and the<br>Blind | State Board<br>of<br>Administration | Totals<br>6/30/15 |
|----------------------------------------------------|----------------------------------------------|------------|--------------------------------------------|-------------------------------------|-------------------|
| <b>ASSETS</b>                                      |                                              |            |                                            |                                     |                   |
| Cash and cash equivalents                          | \$ 279                                       | \$ 116,253 | \$ 40                                      | \$ 5,135                            | \$ 121,707        |
| Pooled investments with State Treasury             | 651,417                                      | 196,448    | .....                                      | .....                               | 847,865           |
| Total cash and cash equivalents                    | 651,696                                      | 312,701    | 40                                         | 5,135                               | 969,572           |
| <u>Investments</u>                                 |                                              |            |                                            |                                     |                   |
| U.S. government & federally guaranteed obligations | .....                                        | .....      | .....                                      | 275,080                             | 275,080           |
| Other investments                                  | .....                                        | 100        | .....                                      | .....                               | 100               |
| Total investments                                  | .....                                        | 100        | .....                                      | 275,080                             | 275,180           |
| <u>Receivables</u>                                 |                                              |            |                                            |                                     |                   |
| Accounts receivable                                | 436,379                                      | 88,842     | .....                                      | .....                               | 525,221           |
| Interest receivable                                | .....                                        | 176        | .....                                      | 578                                 | 754               |
| Due from state funds                               | 86,072                                       | 23,613     | .....                                      | .....                               | 109,685           |
| Due from other governments                         | 2,307                                        | .....      | .....                                      | .....                               | 2,307             |
| Total receivables                                  | 524,758                                      | 112,631    | .....                                      | 578                                 | 637,967           |
| Total assets                                       | \$ 1,176,454                                 | \$ 425,432 | \$ 40                                      | \$ 280,793                          | \$ 1,882,719      |
| <b>LIABILITIES</b>                                 |                                              |            |                                            |                                     |                   |
| Accounts payable and accrued liabilities           | \$ 549,929                                   | \$ 33,390  | \$ 40                                      | \$ .....                            | \$ 583,359        |
| Due to other funds                                 | 96,939                                       | 83,610     | .....                                      | 12                                  | 180,561           |
| Due to other governments                           | 529,586                                      | 11,720     | .....                                      | .....                               | 541,306           |
| Obligations under security lending agreements      | .....                                        | 11,755     | .....                                      | .....                               | 11,755            |
| Claims payable                                     | .....                                        | 17,898     | .....                                      | .....                               | 17,898            |
| Deposits payable                                   | .....                                        | 266,993    | .....                                      | 280,781                             | 547,774           |
| Other liabilities                                  | .....                                        | 66         | .....                                      | .....                               | 66                |
| Total liabilities                                  | \$ 1,176,454                                 | \$ 425,432 | \$ 40                                      | \$ 280,793                          | \$ 1,882,719      |

2015 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(in thousands)

|                                               | Balance<br>6/30/2014 | Additions     | Deductions    | Balance<br>6/30/2015 |
|-----------------------------------------------|----------------------|---------------|---------------|----------------------|
| <u>Tax Distribution and Administration</u>    |                      |               |               |                      |
| <b>ASSETS</b>                                 |                      |               |               |                      |
| Cash and cash equivalents                     | \$ 483               | \$ 28         | \$ 232        | \$ 279               |
| Pooled investments with State Treasury        | 603,812              | 15,546,543    | 15,498,938    | 651,417              |
| Accounts receivable                           | 436,242              | 3,306,480     | 3,306,343     | 436,379              |
| Due from state funds                          | 85,119               | 5,750,195     | 5,749,242     | 86,072               |
| Due from other governments                    | 2,307                | 2,307         | 2,307         | 2,307                |
| Total assets                                  | \$ 1,127,963         | \$ 24,605,553 | \$ 24,557,062 | \$ 1,176,454         |
| <b>LIABILITIES</b>                            |                      |               |               |                      |
| Accounts payable and accrued liabilities      | \$ 546,292           | \$ 785,366    | \$ 781,729    | \$ 549,929           |
| Due to other funds                            | 86,796               | 1,771,767     | 1,761,624     | 96,939               |
| Due to other governments                      | 494,875              | 6,222,028     | 6,187,317     | 529,586              |
| Total liabilities                             | \$ 1,127,963         | \$ 8,779,161  | \$ 8,730,670  | \$ 1,176,454         |
| <u>Other</u>                                  |                      |               |               |                      |
| <b>ASSETS</b>                                 |                      |               |               |                      |
| Cash and cash equivalents                     | \$ 19,038            | \$ 293,472    | \$ 196,257    | \$ 116,253           |
| Pooled investments with State Treasury        | 164,023              | 1,610,702     | 1,578,277     | 196,448              |
| Other investments                             | .....                | 100           | .....         | 100                  |
| Accounts receivable                           | 77,121               | 17,320        | 5,599         | 88,842               |
| Interest receivable                           | 197                  | 969           | 990           | 176                  |
| Due from state funds                          | 32,875               | 47            | 9,309         | 23,613               |
| Total assets                                  | \$ 293,254           | \$ 1,922,610  | \$ 1,790,432  | \$ 425,432           |
| <b>LIABILITIES</b>                            |                      |               |               |                      |
| Accounts payable and accrued liabilities      | \$ 31,506            | \$ 309,476    | \$ 307,592    | \$ 33,390            |
| Due to other funds                            | 60,315               | 83,613        | 60,318        | 83,610               |
| Due to other governments                      | 8,562                | 11,239        | 8,081         | 11,720               |
| Obligations under security lending agreements | 12,637               | 386           | 1,268         | 11,755               |
| Claims payable                                | 20,703               | .....         | 2,805         | 17,898               |
| Deposits payable                              | 159,378              | 150,016       | 42,401        | 266,993              |
| Other liabilities                             | 153                  | 1             | 88            | 66                   |
| Total liabilities                             | \$ 293,254           | \$ 554,731    | \$ 422,553    | \$ 425,432           |
| <u>School for the Deaf and the Blind</u>      |                      |               |               |                      |
| <b>ASSETS</b>                                 |                      |               |               |                      |
| Cash and cash equivalents                     | \$ 42                | \$ 50         | \$ 52         | \$ 40                |
| Total assets                                  | \$ 42                | \$ 50         | \$ 52         | \$ 40                |
| <b>LIABILITIES</b>                            |                      |               |               |                      |
| Accounts payable and accrued liabilities      | \$ 42                | \$ 50         | \$ 52         | \$ 40                |
| Total liabilities                             | \$ 42                | \$ 50         | \$ 52         | \$ 40                |

2015 STATE OF FLORIDA CAFR

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(in thousands)

| <u>State Board of Administration</u>          | Balance<br>6/30/2014 | Additions            | Deductions           | Balance<br>6/30/2015 |
|-----------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>ASSETS</b>                                 |                      |                      |                      |                      |
| Cash and cash equivalents                     | \$ 3                 | \$ 4,356,669         | \$ 4,351,537         | \$ 5,135             |
| Pooled investments with State Treasury        | 326,776              | 1,790,479            | 2,117,255            | .....                |
| Investments                                   | 308,259              | 143,485              | 176,664              | 275,080              |
| Interest receivable                           | 1,463                | 1,323                | 2,208                | 578                  |
| Pending investment sales                      | .....                | .....                | .....                | .....                |
| Total assets                                  | <u>\$ 636,501</u>    | <u>\$ 6,291,956</u>  | <u>\$ 6,647,664</u>  | <u>\$ 280,793</u>    |
| <b>LIABILITIES</b>                            |                      |                      |                      |                      |
| Accounts payable and accrued liabilities      | \$ 2,197             | \$ 1                 | \$ 2,198             | \$ .....             |
| Due to other funds                            | 47                   | 1,151                | 1,186                | 12                   |
| Due to other governments                      | .....                | .....                | .....                | .....                |
| Obligations under security lending agreements | 26,539               | .....                | 26,539               | .....                |
| Deposits payable                              | 607,718              | 1,973,740            | 2,300,677            | 280,781              |
| Total liabilities                             | <u>\$ 636,501</u>    | <u>\$ 1,974,892</u>  | <u>\$ 2,330,600</u>  | <u>\$ 280,793</u>    |
| <u>Totals - All Agency Funds</u>              |                      |                      |                      |                      |
| <b>ASSETS</b>                                 |                      |                      |                      |                      |
| Cash and cash equivalents                     | \$ 19,566            | \$ 4,650,219         | \$ 4,548,078         | \$ 121,707           |
| Pooled investments with State Treasury        | 1,094,611            | 18,947,724           | 19,194,470           | 847,865              |
| Investments                                   | 308,259              | 143,585              | 176,664              | 275,180              |
| Accounts receivable                           | 513,363              | 3,323,800            | 3,311,942            | 525,221              |
| Interest receivable                           | 1,660                | 2,292                | 3,198                | 754                  |
| Pending investment sales                      | .....                | .....                | .....                | .....                |
| Due from state funds                          | 117,994              | 5,750,242            | 5,758,551            | 109,685              |
| Due from other governments                    | 2,307                | 2,307                | 2,307                | 2,307                |
| Total assets                                  | <u>\$ 2,057,760</u>  | <u>\$ 32,820,169</u> | <u>\$ 32,995,210</u> | <u>\$ 1,882,719</u>  |
| <b>LIABILITIES</b>                            |                      |                      |                      |                      |
| Accounts payable and accrued liabilities      | \$ 580,037           | \$ 1,094,893         | \$ 1,091,571         | \$ 583,359           |
| Due to other funds                            | 147,158              | 1,856,531            | 1,823,128            | 180,561              |
| Due to other governments                      | 503,437              | 6,233,267            | 6,195,398            | 541,306              |
| Obligations under security lending agreements | 39,176               | 386                  | 27,807               | 11,755               |
| Claims payable                                | 20,703               | .....                | 2,805                | 17,898               |
| Deposits payable                              | 767,096              | 2,123,756            | 2,343,078            | 547,774              |
| Other liabilities                             | 153                  | 1                    | 88                   | 66                   |
| Total liabilities                             | <u>\$ 2,057,760</u>  | <u>\$ 11,308,834</u> | <u>\$ 11,483,875</u> | <u>\$ 1,882,719</u>  |

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## **NONMAJOR COMPONENT UNITS**

### **WATER MANAGEMENT DISTRICTS**

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

### **OTHER STATE UNIVERSITIES**

This category includes 11 state universities. Refer to Note 1 for additional information.

### **FLORIDA COLLEGES**

This category includes 28 Florida College System Institutions. Refer to Note 1 for additional information.

### **OTHER NONMAJOR COMPONENT UNITS**

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

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**COMBINING STATEMENT OF NET POSITION**  
**NONMAJOR COMPONENT UNITS**  
**JUNE 30, 2015**  
**(in thousands)**

|                                                    | Water<br>Management<br>Districts | Other<br>State<br>Universities | Florida<br>Colleges | Other<br>Nonmajor<br>Component<br>Units | Totals<br>6/30/15 |
|----------------------------------------------------|----------------------------------|--------------------------------|---------------------|-----------------------------------------|-------------------|
| <b>ASSETS</b>                                      |                                  |                                |                     |                                         |                   |
| Cash and cash equivalents                          | \$ 238,127                       | \$ 315,364                     | \$ 147,617          | \$ 164,875                              | \$ 865,983        |
| Pooled investments with State Treasury             | 46,057                           | 1,380,540                      | 180,761             | 28,127                                  | 1,635,485         |
| Other investments                                  | 732,378                          | 1,634,159                      | 1,130,170           | 1,188,958                               | 4,685,665         |
| Receivables, net                                   | 15,843                           | 518,746                        | 298,163             | 128,315                                 | 961,067           |
| Due from component units/primary                   | 20,300                           | 462,439                        | 11,882              | 7,410                                   | 502,031           |
| Inventories                                        | 6,163                            | 8,140                          | 10,508              | 10,433                                  | 35,244            |
| Restricted cash and cash equivalents               | .....                            | 73,546                         | 229,888             | 170,502                                 | 473,936           |
| Restricted pooled investments with State Treasury  | .....                            | 198,780                        | 340,711             | .....                                   | 539,491           |
| Restricted investments                             | 338,656                          | 1,936,962                      | 903,393             | .....                                   | 3,179,011         |
| Other loans and notes receivable, net              | .....                            | 53,684                         | .....               | 1,016                                   | 54,700            |
| Other assets                                       | 3,906                            | 228,145                        | 103,216             | 6,085                                   | 341,352           |
| Capital assets, net                                | 7,135,561                        | 8,254,400                      | 3,994,621           | 586,484                                 | 19,971,066        |
| Total assets                                       | 8,536,991                        | 15,064,905                     | 7,350,930           | 2,292,205                               | 33,245,031        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                  |                                |                     |                                         |                   |
| Accum. decrease in fair value -Hedging derivatives | .....                            | 17,246                         | 1,228               | .....                                   | 18,474            |
| Amount deferred on refunding of debt               | .....                            | 7,152                          | .....               | .....                                   | 7,152             |
| Pension-related items                              | .....                            | 263,383                        | 162,069             | .....                                   | 425,452           |
| Total deferred outflows of resources               | .....                            | 287,781                        | 163,297             | .....                                   | 451,078           |
| <b>LIABILITIES</b>                                 |                                  |                                |                     |                                         |                   |
| Accounts payable and accrued liabilities           | 121,664                          | 319,370                        | 312,579             | 180,371                                 | 933,984           |
| Due to component units/primary                     | 1                                | 126,968                        | 6,593               | .....                                   | 133,562           |
| Long-term liabilities                              |                                  |                                |                     |                                         |                   |
| Due within one year                                | 96,447                           | 387,997                        | 112,330             | 30,983                                  | 627,757           |
| Due in more than one year                          | 540,828                          | 3,697,719                      | 925,561             | 958,532                                 | 6,122,640         |
| Total liabilities                                  | 758,940                          | 4,532,054                      | 1,357,063           | 1,169,886                               | 7,817,943         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                                  |                                |                     |                                         |                   |
| Deferred service concession arrangement receipts   | .....                            | .....                          | 800                 | 317                                     | 1,117             |
| Pension-related items                              | .....                            | 354,022                        | 294,330             | .....                                   | 648,352           |
| Total deferred inflows of resources                | .....                            | 354,022                        | 295,130             | 317                                     | 649,469           |
| <b>NET POSITION</b>                                |                                  |                                |                     |                                         |                   |
| Net investment in capital assets                   | 6,639,818                        | 6,266,406                      | 3,771,902           | 567,072                                 | 17,245,198        |
| Restricted for                                     |                                  |                                |                     |                                         |                   |
| Debt service                                       | .....                            | 56,703                         | 7,799               | .....                                   | 64,502            |
| Other                                              | 575,646                          | 1,269,245                      | 1,492,718           | 154,316                                 | 3,491,925         |
| Funds held for permanent endowment                 |                                  |                                |                     |                                         |                   |
| Expendable                                         | .....                            | 172,245                        | 225,327             | .....                                   | 397,572           |
| Nonexpendable                                      | .....                            | 1,809,902                      | 458,831             | .....                                   | 2,268,733         |
| Unrestricted                                       | 562,587                          | 892,109                        | (94,543)            | 400,614                                 | 1,760,767         |
| Total net position                                 | \$ 7,778,051                     | \$ 10,466,610                  | \$ 5,862,034        | \$ 1,122,002                            | \$ 25,228,697     |

2015 STATE OF FLORIDA CAFR

**COMBINING STATEMENT OF ACTIVITIES**  
**NONMAJOR COMPONENT UNITS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**(in thousands)**

| Functions/Programs             | Expenses   | Program Revenues        |                                          |                                        |
|--------------------------------|------------|-------------------------|------------------------------------------|----------------------------------------|
|                                |            | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| Water Management Districts     | \$ 637,004 | \$ 43,747               | \$ 83,961                                | \$ 90,061                              |
| Other State Universities       | 6,442,909  | 2,483,244               | 1,803,189                                | 192,946                                |
| Florida Colleges               | 3,321,328  | 677,951                 | 1,244,156                                | 242,985                                |
| Other Nonmajor Component Units | 939,556    | 193,649                 | 527,750                                  | 41,399                                 |
| Total component units          | 11,340,797 | 3,398,591               | 3,659,056                                | 567,391                                |

General revenues

Property taxes  
Investment earnings (losses)  
Gain (loss) on sale of capital assets  
Payments from the State of Florida  
Miscellaneous  
Contributions to permanent funds  
Total general revenues and contributions  
Change in net position  
Net position - beginning, as restated (Note 1)  
Net position - ending



## 2015 STATE OF FLORIDA CAFR

## Net (Expense) Revenue and Changes in Net Position

| Water<br>Management<br>Districts | Other<br>State<br>Universities | Florida<br>Colleges | Other<br>Nonmajor<br>Component<br>Units | Totals<br>6/30/15 |
|----------------------------------|--------------------------------|---------------------|-----------------------------------------|-------------------|
| \$ (419,235)                     | \$ .....                       | \$ .....            | \$ .....                                | \$ (419,235)      |
| .....                            | (1,963,530)                    | .....               | .....                                   | (1,963,530)       |
| .....                            | .....                          | (1,156,236)         | .....                                   | (1,156,236)       |
| .....                            | .....                          | .....               | (176,758)                               | (176,758)         |
| (419,235)                        | (1,963,530)                    | (1,156,236)         | (176,758)                               | (3,715,759)       |
| 471,103                          | .....                          | .....               | .....                                   | 471,103           |
| 9,508                            | 56,718                         | 56,913              | 8,099                                   | 131,238           |
| (992)                            | (19,832)                       | 12,961              | .....                                   | (7,863)           |
| .....                            | 1,850,474                      | 1,143,472           | 73,500                                  | 3,067,446         |
| 4,404                            | 305,060                        | 108,446             | 100,726                                 | 518,636           |
| .....                            | 21,218                         | 5,211               | .....                                   | 26,429            |
| 484,023                          | 2,213,638                      | 1,327,003           | 182,325                                 | 4,206,989         |
| 64,788                           | 250,108                        | 170,767             | 5,567                                   | 491,230           |
| 7,713,263                        | 10,216,502                     | 5,691,267           | 1,116,435                               | 24,737,467        |
| \$ 7,778,051                     | \$ 10,466,610                  | \$ 5,862,034        | \$ 1,122,002                            | \$ 25,228,697     |

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# **STATISTICAL SECTION**

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# STATISTICAL SECTION

## Table of Contents

This section of the State of Florida's CAFR provides additional detailed information for use in assessing the financial condition of the government.

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**Financial Trends** – These schedules contain trend information to help assess how the state's financial position has changed over time.

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**Revenue Capacity** – These schedules present information on the state's most significant revenue sources and can assist with evaluating the government's ability to produce its own-source revenues.

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**Debt Capacity** – These schedules may assist with an understanding of the state's outstanding debt and its ability to issue new debt.

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**Demographic and Economic Information** – These schedules include demographic and economic information to communicate the state's socioeconomic environment. These schedules can assist with evaluating financial statement information in context with this historical data as well as among governments.

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**Operating Information** – These schedules include operating data to assist with understanding how information in the state's financial reports relates to services provided or activities performed by the state.

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**Net Position by Component**  
**For the Last Ten Fiscal Years**  
**(in thousands)**  
 (Accrual Basis of Accounting)

## SCHEDULE A-1

|                                             | Fiscal Year   |               |               |               |               |
|---------------------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                             | 2006          | 2007          | 2008          | 2009          | 2010          |
| <b>Governmental Activities</b>              |               |               |               |               |               |
| Net investment in capital assets            | \$ 46,546,117 | \$ 49,603,845 | \$ 51,937,584 | \$ 54,585,016 | \$ 56,935,300 |
| Restricted                                  |               |               |               |               |               |
| Environment, Recreation and Conservation    | 2,974,802     | 2,861,436     | 2,910,269     | 2,563,254     | 2,440,804     |
| Public Education <sup>(1)</sup>             | .....         | .....         | 1,438,845     | 1,223,164     | 1,064,284     |
| Health and Family Services                  | 800,337       | 843,301       | 760,644       | 835,026       | 1,166,423     |
| Transportation                              | 1,624,834     | 1,680,338     | 1,564,767     | 1,131,641     | 1,092,578     |
| Nonmajor governmental funds                 | 2,056,047     | 2,664,650     | 1,852,966     | 1,886,160     | 1,666,747     |
| Debt service                                | 75,671        | 72,890        | 84,221        | 142,933       | 247,039       |
| Other                                       | .....         | .....         | .....         | .....         | 476,495       |
| Funds held for permanent endowment          |               |               |               |               |               |
| Expendable                                  | .....         | 44,830        | 409,958       | .....         | .....         |
| Nonexpendable                               | 2,023,738     | 2,287,402     | 1,312,289     | .....         | .....         |
| Unrestricted                                | (5,844,743)   | (7,552,727)   | (11,996,949)  | (15,242,901)  | (15,840,018)  |
| Total governmental activities net position  | \$ 50,256,803 | \$ 52,505,965 | \$ 50,274,594 | \$ 47,124,293 | \$ 49,249,652 |
| Percent change from prior year              | 10.87%        | 4.48%         | -4.25%        | -6.27%        | 4.51%         |
| <b>Business-type Activities</b>             |               |               |               |               |               |
| Net investment in capital assets            | \$ 3,829,792  | \$ 4,164,740  | \$ 4,360,753  | \$ 4,929,637  | \$ 4,910,794  |
| Restricted                                  |               |               |               |               |               |
| Transportation                              | .....         | .....         | 154,853       | .....         | .....         |
| Lottery                                     | 98,472        | 90,869        | 158,532       | 120,944       | 132,687       |
| Prepaid College Program                     | 583,816       | 842,793       | 727,678       | 345,340       | 483,365       |
| Hurricane Catastrophe Fund                  | .....         | .....         | 856,986       | 1,749,163     | 3,230,193     |
| Reemployment Assistance                     | 2,185,249     | 2,286,489     | 1,974,312     | 63,026        | (903,588)     |
| Other                                       | 211,257       | 198,010       | .....         | 221,745       | 269,844       |
| Unrestricted                                | (1,103,433)   | 393,589       | 622,176       | 278,870       | 613,896       |
| Total business-type activities net position | \$ 5,805,153  | \$ 7,976,490  | \$ 8,855,290  | \$ 7,708,725  | \$ 8,737,191  |
| Percent change from prior year              | -30.28%       | 37.40%        | 11.02%        | -12.95%       | 13.34%        |
| <b>Total Primary Government</b>             |               |               |               |               |               |
| Net investment in capital assets            | \$ 50,375,909 | \$ 53,768,585 | \$ 56,298,337 | \$ 59,514,653 | \$ 61,846,094 |
| Restricted                                  |               |               |               |               |               |
| Environment, Recreation and Conservation    | 2,974,802     | 2,861,436     | 2,910,269     | 2,563,254     | 2,440,804     |
| Public Education <sup>(1)</sup>             | .....         | .....         | 1,438,845     | 1,223,164     | 1,064,284     |
| Health and Family Services                  | 800,337       | 843,301       | 760,644       | 835,026       | 1,166,423     |
| Transportation <sup>(2)</sup>               | 1,624,834     | 1,680,338     | 1,719,620     | 1,131,641     | 1,092,578     |
| Nonmajor governmental funds                 | 2,056,047     | 2,664,650     | 1,852,966     | 1,886,160     | 1,666,747     |
| Debt service                                | 75,671        | 72,890        | 84,221        | 142,933       | 247,039       |
| Lottery                                     | 98,472        | 90,869        | 158,532       | 120,944       | 132,687       |
| Prepaid College Program                     | 583,816       | 842,793       | 727,678       | 345,340       | 483,365       |
| Hurricane Catastrophe Fund                  | .....         | .....         | 856,986       | 1,749,163     | 3,230,193     |
| Reemployment Assistance                     | 2,185,249     | 2,286,489     | 1,974,312     | 63,026        | (903,588)     |
| Other <sup>(2)</sup>                        | 211,257       | 198,010       | .....         | 221,745       | 746,339       |
| Funds held for permanent endowment          |               |               |               |               |               |
| Expendable                                  | .....         | 44,830        | 409,958       | .....         | .....         |
| Nonexpendable                               | 2,023,738     | 2,287,402     | 1,312,289     | .....         | .....         |
| Unrestricted                                | (6,948,176)   | (7,159,138)   | (11,374,773)  | (14,964,031)  | (15,226,122)  |
| Total primary government net position       | \$ 56,061,956 | \$ 60,482,455 | \$ 59,129,884 | \$ 54,833,018 | \$ 57,986,843 |
| Percent change from prior year              | 4.49%         | 7.89%         | -2.24%        | -7.27%        | 5.75%         |

Note: Reporting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. See Schedule A-2 for changes in net position from year to year.

<sup>(1)</sup> Public Education was reclassified as major as of July 1, 2007.

<sup>(2)</sup> Beginning in Fiscal Year 2008, a portion of Restricted Net positions previously classified as "Other" are classified as "Transportation".

| Fiscal Year          |                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2011                 | 2012                 | 2013                 | 2014                 | 2015                 |
| \$ 57,100,033        | \$ 58,403,581        | \$ 59,994,370        | \$ 61,727,674        | \$ 63,937,059        |
| 2,359,437            | 2,409,211            | 2,533,998            | 2,672,904            | 2,930,848            |
| 700,343              | 593,657              | 390,829              | 502,820              | 778,229              |
| 2,117,546            | 1,042,253            | 1,562,739            | 1,771,369            | 1,258,290            |
| 1,440,141            | 1,706,083            | 1,665,701            | 2,475,460            | 2,121,855            |
| 1,401,380            | 1,195,232            | 1,137,373            | 1,100,467            | 1,096,687            |
| 286,787              | 289,922              | 280,048              | 263,030              | 248,102              |
| 173,331              | 571,203              | 557,025              | 482,457              | 523,957              |
| .....                | .....                | .....                | .....                | .....                |
| .....                | .....                | .....                | .....                | .....                |
| (15,117,243)         | (13,435,170)         | (10,774,051)         | (9,773,999)          | (12,370,358)         |
| <u>\$ 50,461,755</u> | <u>\$ 52,775,972</u> | <u>\$ 57,348,032</u> | <u>\$ 61,222,182</u> | <u>\$ 60,524,669</u> |
| 2.46%                | 4.59%                | 8.66%                | 6.76%                | -1.14%               |
| \$ 5,256,229         | \$ 5,365,538         | \$ 5,841,079         | \$ 6,789,610         | \$ 7,543,562         |
| .....                | 283,979              | 168,934              | 316,989              | 312,992              |
| 120,722              | 135,245              | 102,088              | 93,419               | 95,094               |
| 591,401              | 565,037              | 829,845              | 1,792,466            | 1,507,552            |
| 4,729,314            | 6,424,436            | 8,295,259            | 10,160,217           | 11,632,636           |
| (1,058,871)          | .....                | 1,158,339            | 2,044,428            | 2,797,525            |
| 279,983              | 90                   | 4,165                | 9,144                | 2,658                |
| 549,270              | 617,183              | 889,008              | 951,037              | 893,680              |
| <u>\$ 10,468,048</u> | <u>\$ 13,391,508</u> | <u>\$ 17,288,717</u> | <u>\$ 22,157,310</u> | <u>\$ 24,785,699</u> |
| 19.81%               | 27.93%               | 29.10%               | 28.16%               | 11.86%               |
| \$ 62,356,262        | \$ 63,769,119        | \$ 65,835,449        | \$ 68,517,284        | \$ 71,480,621        |
| 2,359,437            | 2,409,211            | 2,533,998            | 2,672,904            | 2,930,848            |
| 700,343              | 593,657              | 390,829              | 502,820              | 778,229              |
| 2,117,546            | 1,042,253            | 1,562,739            | 1,771,369            | 1,258,290            |
| 1,440,141            | 1,990,062            | 1,834,635            | 2,792,449            | 2,434,847            |
| 1,401,380            | 1,195,232            | 1,137,373            | 1,100,467            | 1,096,687            |
| 286,787              | 289,922              | 280,048              | 263,030              | 248,102              |
| 120,722              | 135,245              | 102,088              | 93,419               | 95,094               |
| 591,401              | 565,037              | 829,845              | 1,792,466            | 1,507,552            |
| 4,729,314            | 6,424,436            | 8,295,259            | 10,160,217           | 11,632,636           |
| (1,058,871)          | .....                | 1,158,339            | 2,044,428            | 2,797,525            |
| 453,314              | 571,293              | 561,190              | 491,601              | 526,615              |
| .....                | .....                | .....                | .....                | .....                |
| .....                | .....                | .....                | .....                | .....                |
| (14,567,973)         | (12,817,987)         | (9,885,043)          | (8,822,962)          | (11,476,678)         |
| <u>\$ 60,929,803</u> | <u>\$ 66,167,480</u> | <u>\$ 74,636,749</u> | <u>\$ 83,379,492</u> | <u>\$ 85,310,368</u> |
| 5.08%                | 8.60%                | 12.80%               | 11.71%               | 2.32%                |

**Changes in Net Position**  
**For the Last Ten Fiscal Years**  
**(in thousands)**  
 (Accrual Basis of Accounting)

## SCHEDULE A-2

|                                                 | Fiscal Year     |                 |                 |                 |                 |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                                 | 2006            | 2007            | 2008            | 2009            | 2010            |
| <b>Expenses</b>                                 |                 |                 |                 |                 |                 |
| Governmental activities:                        |                 |                 |                 |                 |                 |
| General government                              | \$ 7,410,799    | \$ 8,410,918    | \$ 7,492,475    | \$ 6,878,903    | \$ 6,882,931    |
| Education                                       | 18,210,639      | 19,739,622      | 20,459,549      | 18,722,159      | 18,946,684      |
| Human services                                  | 19,765,378      | 20,634,220      | 21,715,055      | 23,988,006      | 27,692,169      |
| Criminal justice and corrections                | 3,811,677       | 3,992,990       | 4,296,298       | 4,037,197       | 4,448,382       |
| Natural resources and environment               | 4,284,896       | 2,767,852       | 2,749,924       | 2,614,491       | 2,588,478       |
| Transportation                                  | 3,308,209       | 3,545,752       | 4,098,203       | 3,850,791       | 3,176,790       |
| State courts                                    | 414,044         | 436,825         | 464,190         | 426,639         | 427,319         |
| Indirect interest on long-term debt             | 7,062           | 11,731          | 12,314          | 15,586          | 18,759          |
| Total governmental activities expenses          | 57,212,704      | 59,539,910      | 61,288,008      | 60,533,772      | 64,181,512      |
| Business-type activities:                       |                 |                 |                 |                 |                 |
| Transportation                                  | 329,966         | 403,982         | 446,489         | 402,235         | 383,106         |
| Lottery                                         | 2,874,533       | 3,029,103       | 2,987,265       | 2,765,729       | 2,747,599       |
| Hurricane Catastrophe Fund                      | 4,758,156       | 241,568         | 1,044,927       | 676,970         | 362,318         |
| Prepaid College Program                         | 459,404         | 855,997         | 1,302,094       | 1,037,026       | 1,523,217       |
| Reemployment Assistance                         | .....           | .....           | .....           | 4,307,809       | 7,656,494       |
| Nonmajor enterprise funds                       | 994,182         | 1,146,532       | 1,654,422       | 267,722         | 264,580         |
| Total business-type activities expenses         | 9,416,241       | 5,677,182       | 7,435,197       | 9,457,491       | 12,937,314      |
| Total primary government expenses               | \$ 66,628,945   | \$ 65,217,092   | \$ 68,723,205   | \$ 69,991,263   | \$ 77,118,826   |
| <b>Program Revenues</b>                         |                 |                 |                 |                 |                 |
| Governmental activities:                        |                 |                 |                 |                 |                 |
| Charges for services                            |                 |                 |                 |                 |                 |
| General government                              | \$ 3,485,512    | \$ 3,765,988    | \$ 3,167,668    | \$ 3,411,639    | \$ 3,938,356    |
| Education                                       | 211,352         | 250,023         | 291,975         | 133,346         | 229,149         |
| Human services                                  | 954,495         | 1,302,926       | 1,020,441       | 1,629,514       | 1,156,988       |
| Criminal justice and corrections                | 267,248         | 307,550         | 340,143         | 293,457         | 772,557         |
| Natural resources and environment               | 346,037         | 368,511         | 451,363         | 346,240         | 400,700         |
| Transportation                                  | 651,776         | 371,726         | 514,737         | 333,953         | 343,782         |
| State courts                                    | 17,187          | 18,512          | 19,479          | 43,385          | 421,501         |
| Operating Grants and Contributions              | 18,057,457      | 17,105,209      | 17,500,769      | 20,164,996      | 26,831,434      |
| Capital Grants and Contributions                | 1,374,611       | 2,163,715       | 2,144,946       | 1,986,579       | 1,974,293       |
| Total governmental activities program revenues  | 25,365,675      | 25,654,160      | 25,451,521      | 28,343,109      | 36,068,760      |
| Business-type activities:                       |                 |                 |                 |                 |                 |
| Charges for services                            |                 |                 |                 |                 |                 |
| Transportation                                  | 698,409         | 766,190         | 738,450         | 747,347         | 700,803         |
| Lottery                                         | 3,993,788       | 4,286,152       | 4,338,303       | 4,017,816       | 4,006,864       |
| Hurricane Catastrophe Fund                      | 891,506         | 1,476,660       | 1,188,703       | 1,242,072       | 1,524,012       |
| Prepaid College Program                         | 502,579         | 1,114,978       | 1,619,334       | 654,688         | 1,661,241       |
| Reemployment Assistance                         | .....           | .....           | .....           | 931,516         | 1,242,684       |
| Nonmajor enterprise funds                       | 1,552,136       | 1,324,114       | 1,413,825       | 352,554         | 386,372         |
| Operating Grants and Contributions              | 45,214          | 39,258          | 29,476          | 1,665,431       | 5,453,925       |
| Capital Grants and Contributions                | 307             | 2,287           | 3,589           | 659             | 6,055           |
| Total business-type activities program revenues | 7,683,939       | 9,009,639       | 9,331,680       | 9,612,083       | 14,981,956      |
| Total primary government program revenues       | \$ 33,049,614   | \$ 34,663,799   | \$ 34,783,201   | \$ 37,955,192   | \$ 51,050,716   |
| <b>Net (Expense) Revenue<sup>(1)</sup></b>      |                 |                 |                 |                 |                 |
| Governmental activities                         | \$ (31,847,029) | \$ (33,885,750) | \$ (35,836,487) | \$ (32,190,663) | \$ (28,112,752) |
| Business-type activities                        | (1,732,302)     | 3,332,457       | 1,896,483       | 154,592         | 2,044,642       |
| Total primary government net (expense)          | \$ (33,579,331) | \$ (30,553,293) | \$ (33,940,004) | \$ (32,036,071) | \$ (26,068,110) |



2015 STATE OF FLORIDA CAFR

SCHEDULE A-2

| Fiscal Year     |                 |                 |                 |                 |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2011            | 2012            | 2013            | 2014            | 2015            |
| \$ 6,830,398    | \$ 6,342,471    | \$ 6,430,345    | \$ 6,057,247    | \$ 6,451,450    |
| 20,423,515      | 17,695,809      | 17,807,322      | 19,316,440      | 19,642,993      |
| 29,040,946      | 29,650,274      | 30,770,664      | 32,971,959      | 34,302,877      |
| 4,534,992       | 4,245,923       | 4,186,869       | 3,847,359       | 3,863,258       |
| 2,339,268       | 2,265,464       | 2,374,092       | 2,497,934       | 2,537,376       |
| 3,613,936       | 3,614,062       | 3,543,133       | 3,851,085       | 4,031,701       |
| 435,153         | 409,441         | 455,878         | 487,056         | 479,671         |
| 6,751           | 6,257           | 5,904           | 5,814           | 140,676         |
| 67,224,959      | 64,229,701      | 65,574,207      | 69,034,894      | 71,450,002      |
| 385,564         | 421,724         | 426,056         | 392,138         | 470,955         |
| 2,864,709       | 3,188,011       | 3,619,597       | 3,904,940       | 4,116,009       |
| 236,475         | 113,808         | (95,313)        | (90,146)        | 91,173          |
| 691,977         | 2,010,300       | (149,009)       | (48,662)        | 760,234         |
| 5,743,471       | 3,407,135       | 2,389,913       | 1,448,606       | 663,660         |
| 268,936         | 256,936         | 287,278         | 314,276         | 322,557         |
| 10,191,132      | 9,397,914       | 6,478,522       | 5,921,152       | 6,424,588       |
| \$ 77,416,091   | \$ 73,627,615   | \$ 72,052,729   | \$ 74,956,046   | \$ 77,874,590   |
| \$ 4,092,321    | \$ 4,680,250    | \$ 5,153,314    | \$ 4,804,016    | \$ 4,577,749    |
| 152,217         | 156,917         | 243,580         | 235,756         | 216,000         |
| 1,491,338       | 1,901,175       | 1,363,570       | 2,443,730       | 2,271,823       |
| 775,476         | 729,837         | 762,411         | 261,949         | 275,308         |
| 382,261         | 352,007         | 336,560         | 342,489         | 363,976         |
| 255,995         | 361,627         | 485,131         | 274,205         | 709,950         |
| 232,771         | 247,645         | 105,006         | 99,211          | 85,598          |
| 27,920,491      | 23,925,002      | 25,852,502      | 26,960,994      | 26,000,382      |
| 2,058,453       | 2,036,464       | 2,022,429       | 2,470,890       | 2,229,337       |
| 37,361,323      | 34,390,924      | 36,324,503      | 37,893,240      | 36,730,123      |
| 699,675         | 715,835         | 851,997         | 922,212         | 993,662         |
| 4,044,597       | 4,524,446       | 5,012,842       | 5,392,735       | 5,607,354       |
| 1,358,918       | 1,362,133       | 1,295,500       | 1,296,550       | 1,314,505       |
| 799,886         | 1,983,897       | 115,727         | 913,778         | 475,406         |
| 1,722,484       | 2,200,841       | 2,235,316       | 1,911,442       | 1,416,939       |
| 362,184         | 358,972         | 380,370         | 406,902         | 429,789         |
| 3,863,733       | 2,165,114       | 1,442,864       | 432,698         | 35,521          |
| 270             | 289             | 6,414           | 19,732          | 3,350           |
| 12,851,747      | 13,311,527      | 11,341,030      | 11,296,049      | 10,276,526      |
| \$ 50,213,070   | \$ 47,702,451   | \$ 47,665,533   | \$ 49,189,289   | \$ 47,006,649   |
| \$ (29,863,636) | \$ (29,838,777) | \$ (29,249,704) | \$ (31,141,654) | \$ (34,719,879) |
| 2,660,615       | 3,913,613       | 4,862,508       | 5,374,897       | 3,851,938       |
| \$ (27,203,021) | \$ (25,925,164) | \$ (24,387,196) | \$ (25,766,757) | \$ (30,867,941) |

**Changes in Net Position**  
**For the Last Ten Fiscal Years**  
**(in thousands)**  
 (Accrual Basis of Accounting)

SCHEDULE A-2  
 (Continued)

**General Revenues and Other Changes in Net Position**

|                                         | Fiscal Year   |               |                |                |               |
|-----------------------------------------|---------------|---------------|----------------|----------------|---------------|
|                                         | 2006          | 2007          | 2008           | 2009           | 2010          |
| Governmental activities:                |               |               |                |                |               |
| Taxes                                   |               |               |                |                |               |
| Sales and use tax                       | \$ 20,729,364 | \$ 20,684,191 | \$ 19,716,442  | \$ 17,277,989  | \$ 17,102,054 |
| Fuel taxes                              | 2,591,946     | 2,575,303     | 2,548,254      | 2,495,280      | 2,505,193     |
| Corporate income tax                    | 2,363,056     | 2,450,357     | 2,253,781      | 1,698,356      | 1,785,291     |
| Documentary stamp tax                   | 4,051,479     | 3,022,536     | 1,924,526      | 1,104,758      | 1,077,836     |
| Intangible personal property tax        | 1,104,008     | 757,163       | 428,804        | 197,391        | 158,643       |
| Communication service tax               | 1,433,092     | 1,484,954     | 1,546,853      | 1,541,548      | 1,515,675     |
| Beverage and tobacco taxes              | 1,102,408     | 1,112,580     | 1,043,526      | 1,063,483      | 1,872,646     |
| Insurance premium tax                   | 879,079       | 995,340       | 940,534        | 846,851        | 862,520       |
| Gross receipts utilities tax            | 585,520       | 615,280       | 670,442        | 662,059        | 673,013       |
| Other taxes                             | 477,156       | 518,536       | 657,981        | 668,137        | 971,197       |
| Investment earnings (loss)              | 174,039       | 812,617       | 578,770        | (290,686)      | 555,053       |
| Gain (loss) on sale of capital assets   | (75,501)      | (250,925)     | (107,535)      | (126,527)      | (59,943)      |
| Miscellaneous                           | .....         | .....         | .....          | .....          | .....         |
| Transfers                               | 1,321,420     | 1,356,980     | 1,377,500      | 1,469,607      | 1,352,669     |
| Total governmental activities           | 36,737,066    | 36,134,912    | 33,579,878     | 28,608,246     | 30,371,847    |
| Business-type activities:               |               |               |                |                |               |
| Investment earnings                     | 15,877        | 10,640        | 11,270         | 2,055          | 9,526         |
| Gain (loss) on sale of capital assets   | (10,341)      | (10,006)      | (6,425)        | (1,694)        | (2,374)       |
| Emergency assessments                   | .....         | 195,226       | 356,697        | 336,963        | 329,341       |
| Miscellaneous                           | (808)         | .....         | .....          | .....          | .....         |
| Transfers                               | (1,321,420)   | (1,356,980)   | (1,377,500)    | (1,469,607)    | (1,352,669)   |
| Total business-type activities          | (1,316,692)   | (1,161,120)   | (1,015,958)    | (1,132,283)    | (1,016,176)   |
| Total primary government                | \$ 35,420,374 | \$ 34,973,792 | \$ 32,563,920  | \$ 27,475,963  | \$ 29,355,671 |
| <b>Change in Net Position</b>           |               |               |                |                |               |
| Governmental activities                 | \$ 4,890,035  | \$ 2,249,162  | \$ (2,256,609) | \$ (3,582,417) | \$ 2,259,095  |
| Business-type activities <sup>(2)</sup> | (3,048,994)   | 2,171,337     | 880,525        | (977,691)      | 1,028,466     |
| Total primary government <sup>(3)</sup> | \$ 1,841,041  | \$ 4,420,499  | \$ (1,376,084) | \$ (4,560,108) | \$ 3,287,561  |

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

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

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

SCHEDULE A-2  
(Continued)

| Fiscal Year   |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| 2011          | 2012          | 2013          | 2014          | 2015          |
| \$ 17,822,003 | \$ 18,632,812 | \$ 19,914,591 | \$ 21,255,958 | \$ 22,916,865 |
| 2,512,393     | 2,515,654     | 2,580,843     | 2,680,381     | 2,799,442     |
| 1,880,365     | 2,042,537     | 2,055,440     | 2,043,380     | 2,236,690     |
| 1,152,222     | 1,289,321     | 1,662,044     | 1,806,604     | 2,118,466     |
| 163,553       | 190,247       | 279,047       | 254,236       | 305,131       |
| 1,427,851     | 1,389,752     | 1,422,775     | 1,317,185     | 1,261,598     |
| 1,886,065     | 1,847,468     | 1,700,095     | 1,631,109     | 1,647,809     |
| 876,744       | 884,180       | 907,004       | 917,693       | 914,710       |
| 647,558       | 611,534       | 588,765       | 614,337       | 779,056       |
| 1,022,728     | 1,068,535     | 1,142,373     | 1,187,566     | 1,241,641     |
| 369,459       | 288,425       | 104,112       | 346,868       | 138,726       |
| (3,450)       | (21,408)      | (62,746)      | (36,506)      | (94,099)      |
| 68            | .....         | .....         | .....         | .....         |
| 1,318,180     | 1,452,437     | 1,534,368     | 996,993       | 1,568,396     |
| 31,075,739    | 32,191,494    | 33,828,711    | 35,015,804    | 37,834,431    |
| 4,353         | 5,148         | 496           | 3,957         | 2,212         |
| (2,732)       | (717)         | (4,679)       | (2,579)       | (13,238)      |
| 386,676       | 456,797       | 490,011       | 498,560       | 256,884       |
| 127           | 1,056         | 740           | 1,050         | 4,223         |
| (1,318,180)   | (1,452,437)   | (1,534,368)   | (996,993)     | (1,568,396)   |
| (929,756)     | (990,153)     | (1,047,800)   | (496,005)     | (1,318,315)   |
| \$ 30,145,983 | \$ 31,201,341 | \$ 32,780,911 | \$ 34,519,799 | \$ 36,516,116 |
| \$ 1,212,103  | \$ 2,352,717  | \$ 4,579,007  | \$ 3,874,150  | \$ 3,114,552  |
| 1,730,859     | 2,923,460     | 3,814,708     | 4,878,892     | 2,533,623     |
| \$ 2,942,962  | \$ 5,276,177  | \$ 8,393,715  | \$ 8,753,042  | \$ 5,648,175  |

**Fund Balances****Governmental Funds****Last Ten Fiscal Years****(in thousands)**

(Modified Accrual Basis of Accounting)

|                                                              | Fiscal Year          |                      |                      |                      |                      |
|--------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                              | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 |
| <b>General Fund (Per GASB 54)<sup>(1)</sup>:</b>             |                      |                      |                      |                      |                      |
| Nonspendable                                                 | \$ .....             | \$ .....             | \$ .....             | \$ .....             | \$ .....             |
| Restricted                                                   | .....                | .....                | .....                | .....                | .....                |
| Committed                                                    | .....                | .....                | .....                | .....                | .....                |
| Unassigned                                                   | .....                | .....                | .....                | .....                | .....                |
| Total general fund                                           | .....                | .....                | .....                | .....                | .....                |
| Percent change from prior year                               | .....                | .....                | .....                | .....                | .....                |
| <b>Other Governmental Funds (Per GASB 54)<sup>(1)</sup>:</b> |                      |                      |                      |                      |                      |
| Nonspendable                                                 | .....                | .....                | .....                | .....                | .....                |
| Restricted                                                   | .....                | .....                | .....                | .....                | .....                |
| Committed                                                    | .....                | .....                | .....                | .....                | .....                |
| Unassigned                                                   | .....                | .....                | .....                | .....                | .....                |
| Total other governmental funds                               | .....                | .....                | .....                | .....                | .....                |
| <b>Total Governmental Funds <sup>(2)</sup></b>               | <b>\$ .....</b>      | <b>\$ .....</b>      | <b>\$ .....</b>      | <b>\$ .....</b>      | <b>\$ .....</b>      |
| Percent change from prior year                               | .....                | .....                | .....                | .....                | .....                |
| <b>General Fund (Prior to GASB 54):</b>                      |                      |                      |                      |                      |                      |
| Reserved for:                                                |                      |                      |                      |                      |                      |
| Encumbrances                                                 | \$ 51,988            | \$ 106,922           | \$ 104,614           | \$ 103,142           | \$ 67,330            |
| Inventories                                                  | 19,040               | 25,272               | 14,628               | 15,422               | 11,779               |
| Advances                                                     | 2,712                | 2,628                | 2,631                | 64,390               | 54,904               |
| Long-term receivables                                        | 65,974               | 61,373               | 50,686               | 168                  | 137                  |
| Capital outlay                                               | 243,947              | 207,807              | 177,049              | 102,685              | 91,868               |
| Budget Stabilization Fund                                    | 1,092,081            | 1,248,490            | 1,353,690            | 273,874              | 274,916              |
| Working Capital Fund                                         | .....                | .....                | .....                | .....                | .....                |
| Other                                                        | 2,031                | 2,597                | 2,806                | 616,822              | 684,063              |
| Unreserved                                                   | 6,572,190            | 5,574,678            | 2,324,588            | 2,191,735            | 2,984,775            |
| Total general fund                                           | 8,049,963            | 7,229,767            | 4,030,692            | 3,368,238            | 4,169,772            |
| Percent change from prior year                               | 17.50%               | -10.19%              | -44.25%              | -16.44%              | 23.80%               |
| <b>Other Governmental Funds (Prior to GASB 54):</b>          |                      |                      |                      |                      |                      |
| Reserved for:                                                |                      |                      |                      |                      |                      |
| Encumbrances                                                 | 1,214,792            | 135,249              | 81,220               | 116,822              | 190,104              |
| Inventories                                                  | 57,319               | 64,374               | 75,957               | 63,167               | 44,172               |
| Advances                                                     | 187,722              | 211,340              | 222,848              | 374,379              | 1,064,894            |
| Long-term receivables                                        | 1,586,949            | 2,047,689            | 2,341,669            | 2,361,484            | 2,433,814            |
| Capital outlay                                               | 2,294,027            | 3,503,486            | 3,568,444            | 2,621,895            | 2,424,194            |
| Debt service                                                 | 75,671               | 72,890               | 84,221               | 142,933              | 247,039              |
| Permanent trust                                              | 2,023,738            | 2,332,232            | 1,722,247            | .....                | .....                |
| Working Capital Fund                                         | .....                | .....                | .....                | .....                | .....                |
| Other                                                        | 158,088              | 155,275              | 113,439              | 245,016              | 233,217              |
| Unreserved, reported in:                                     |                      |                      |                      |                      |                      |
| Special revenue funds                                        | 4,093,227            | 3,631,599            | 3,323,598            | 2,806,191            | 2,829,255            |
| Capital projects funds                                       | 28,779               | 45,703               | 17,733               | 5,913                | 19,072               |
| Permanent funds                                              | 2,649                | 3,005                | 412,246              | 1,687                | 2,276                |
| Total other governmental funds                               | 11,722,961           | 12,202,842           | 11,963,622           | 8,739,487            | 9,488,037            |
| <b>Total Governmental Funds <sup>(2)</sup></b>               | <b>\$ 19,772,924</b> | <b>\$ 19,432,609</b> | <b>\$ 15,994,314</b> | <b>\$ 12,107,725</b> | <b>\$ 13,657,809</b> |
| Percent change from prior year                               | 16.93%               | -1.72%               | -17.69%              | -24.30%              | 12.80%               |

<sup>(1)</sup> The state implemented GASB Statement 54 in Fiscal Year 2011, which significantly changed the fund balance classifications.

Fiscal year 2011 fund balance classifications are not comparable to prior years' classifications.

<sup>(2)</sup> See Schedule A-4 for changes in fund balances from year to year.

## SCHEDULE A-3

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**Changes in Fund Balances**

SCHEDULE A-4

**Governmental Funds****Last Ten Fiscal Years****(in thousands)**

(Modified Accrual Basis of Accounting)

|                                                                | Fiscal Year   |               |                |                |               |
|----------------------------------------------------------------|---------------|---------------|----------------|----------------|---------------|
|                                                                | 2006          | 2007          | 2008           | 2009           | 2010          |
| <b>Revenues</b>                                                |               |               |                |                |               |
| Taxes                                                          | \$ 35,317,243 | \$ 34,216,240 | \$ 31,544,362  | \$ 27,693,512  | \$ 28,391,262 |
| Licenses and permits                                           | 1,318,920     | 1,349,929     | 1,300,154      | 1,261,366      | 1,396,105     |
| Fees and charges                                               | 3,141,434     | 3,366,361     | 3,517,982      | 3,521,215      | 4,507,761     |
| Grants and donations                                           | 19,567,321    | 19,204,113    | 19,610,900     | 22,075,028     | 28,302,772    |
| Investment earnings (losses)                                   | 455,205       | 1,418,723     | 772,331        | (164,294)      | 776,902       |
| Fines, forfeits, settlements and judgments                     | 804,869       | 830,178       | 818,804        | 764,621        | 1,231,959     |
| Other                                                          | 17,881        | 73,878        | 44,062         | 58,267         | 54,325        |
| Total revenues                                                 | 60,622,873    | 60,459,422    | 57,608,595     | 55,209,715     | 64,661,086    |
| <b>Expenditures</b>                                            |               |               |                |                |               |
| Current:                                                       |               |               |                |                |               |
| General government                                             | 7,428,922     | 8,351,906     | 7,684,863      | 6,633,032      | 6,830,572     |
| Education                                                      | 17,643,897    | 19,168,847    | 19,842,205     | 18,048,122     | 18,201,985    |
| Human services                                                 | 19,755,015    | 20,586,256    | 21,768,923     | 23,436,257     | 27,506,447    |
| Criminal justice and corrections                               | 3,673,967     | 3,912,691     | 4,173,403      | 3,949,006      | 4,293,598     |
| Natural resources and environment                              | 4,030,076     | 2,733,006     | 2,721,304      | 2,418,472      | 2,353,990     |
| Transportation                                                 | 3,188,602     | 3,456,266     | 3,971,868      | 3,727,772      | 3,050,317     |
| State courts                                                   | 412,793       | 435,531       | 457,883        | 403,267        | 430,980       |
| Capital outlay                                                 | 2,639,161     | 3,005,688     | 2,636,135      | 2,523,481      | 2,171,050     |
| Gain/(loss) on disposal of general fixed assets                | .....         | 768           | .....          | .....          | .....         |
| Debt service:                                                  |               |               |                |                |               |
| Principal retirement                                           | 736,331       | 810,726       | 860,289        | 943,493        | 1,093,865     |
| Interest and fiscal charges                                    | 835,993       | 842,558       | 903,637        | 971,752        | 1,024,211     |
| Total expenditures                                             | 60,344,757    | 63,304,243    | 65,020,510     | 63,054,654     | 66,957,015    |
| Excess (deficiency) of revenues over expenditures              | 278,116       | (2,844,821)   | (7,411,915)    | (7,844,939)    | (2,295,929)   |
| <b>Other Financing Sources (Uses)</b>                          |               |               |                |                |               |
| Proceeds of bond issues                                        | 1,152,268     | 1,110,197     | 2,571,311      | 1,901,696      | 1,705,534     |
| Proceeds of refunding bonds                                    | 426,107       | 401,977       | 94,760         | .....          | 1,961,934     |
| Operating transfers in                                         | 10,901,916    | 9,982,178     | 9,847,759      | 9,659,500      | 10,203,770    |
| Operating transfers out                                        | (9,559,920)   | (8,606,547)   | (8,456,830)    | (8,185,220)    | (8,841,850)   |
| Proceeds of financing agreements                               | 23,751        | 18,678        | 8,984          | 117,960        | 9,594         |
| Payments to refunded bond agent                                | (426,107)     | (401,977)     | (94,760)       | .....          | (1,961,934)   |
| Total other financing sources (uses)                           | 2,518,015     | 2,504,506     | 3,971,224      | 3,493,936      | 3,077,048     |
| Net change in fund balances                                    | \$ 2,796,131  | \$ (340,315)  | \$ (3,440,691) | \$ (4,351,003) | \$ 781,119    |
| <b>Debt Service as a Percentage of Noncapital Expenditures</b> | 2.7%          | 2.7%          | 2.8%           | 3.2%           | 3.3%          |

| Fiscal Year   |               |               |               |               |
|---------------|---------------|---------------|---------------|---------------|
| 2011          | 2012          | 2013          | 2014          | 2015          |
| \$ 29,355,780 | \$ 30,480,459 | \$ 32,173,233 | \$ 33,712,162 | \$ 36,289,996 |
| 1,462,002     | 1,519,256     | 1,851,362     | 1,903,517     | 1,897,328     |
| 4,543,730     | 5,236,550     | 4,930,332     | 4,827,751     | 4,843,738     |
| 30,231,722    | 25,891,493    | 27,596,477    | 28,886,209    | 28,744,814    |
| 495,585       | 461,343       | 191,892       | 481,773       | 246,533       |
| 1,183,431     | 1,234,008     | 1,537,935     | 866,209       | 797,391       |
| 119,190       | 171,866       | 148,442       | 565,212       | 704,131       |
| 67,391,440    | 64,994,975    | 68,429,673    | 71,242,833    | 73,523,931    |
| 6,750,211     | 6,363,177     | 6,416,211     | 6,177,769     | 6,551,304     |
| 19,685,314    | 16,960,772    | 17,149,935    | 18,723,050    | 19,087,014    |
| 29,070,430    | 29,663,993    | 30,594,941    | 32,888,676    | 34,183,874    |
| 4,436,318     | 4,106,400     | 4,025,052     | 3,673,356     | 3,829,083     |
| 2,162,579     | 2,095,042     | 2,206,123     | 2,351,663     | 2,423,631     |
| 3,504,054     | 3,183,656     | 3,730,419     | 3,726,115     | 3,910,663     |
| 426,559       | 401,216       | 445,686       | 475,097       | 497,318       |
| 1,239,097     | 2,276,467     | 2,424,648     | 2,105,023     | 2,448,442     |
| .....         | .....         | .....         | .....         | .....         |
| 1,153,973     | 1,310,958     | 1,270,667     | 1,012,513     | 1,448,950     |
| 1,054,036     | 1,019,426     | 960,974       | 894,496       | 958,558       |
| 69,482,571    | 67,381,107    | 69,224,656    | 72,027,758    | 75,338,837    |
| (2,091,131)   | (2,386,132)   | (794,983)     | (784,925)     | (1,814,906)   |
| 962,333       | 317,936       | 229,511       | 298,118       | 45,165        |
| 1,540,777     | 2,799,911     | 1,759,221     | 807,336       | 1,923,687     |
| 9,413,135     | 9,611,610     | 9,648,910     | 9,215,113     | 9,364,500     |
| (8,091,465)   | (8,141,874)   | (8,097,250)   | (7,590,188)   | (7,787,355)   |
| 724           | 662,553       | 631,503       | 383,524       | 288,391       |
| (1,540,777)   | (2,799,911)   | (1,759,221)   | (807,336)     | (1,923,687)   |
| 2,284,727     | 2,450,225     | 2,412,674     | 2,306,567     | 1,910,701     |
| \$ 193,596    | \$ 64,093     | \$ 1,617,691  | \$ 1,521,642  | \$ 95,795     |
| 3.2%          | 3.5%          | 3.3%          | 2.7%          | 3.3%          |

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

| Industry                                   | Calendar Year         |                       |                       |                       |                       |
|--------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                            | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  |
| Agriculture                                | \$ 2,242,702          | \$ 2,076,127          | \$ 1,652,121          | \$ 1,369,553          | \$ 1,169,974          |
| Mining                                     | 751,037               | 849,709               | 663,193               | 469,944               | 320,213               |
| Construction                               | 4,881,040             | 5,220,010             | 3,990,215             | 3,343,767             | 2,813,374             |
| Manufacturing                              | 17,726,833            | 18,880,215            | 16,277,337            | 14,056,016            | 11,479,034            |
| Transportation                             | 9,548,276             | 10,823,084            | 10,852,559            | 10,965,637            | 11,215,193            |
| Communications <sup>(1)</sup>              | 14,253,972            | 15,042,938            | 15,677,020            | 15,924,520            | 16,084,681            |
| Wholesale                                  | 22,480,523            | 25,890,934            | 21,307,898            | 19,899,564            | 17,283,554            |
| Retail trade                               | 198,092,426           | 192,829,254           | 182,161,612           | 164,058,988           | 158,206,374           |
| Finance and insurance                      | 23,697,839            | 18,872,894            | 20,875,323            | 21,022,328            | 27,554,293            |
| Services                                   | 44,364,948            | 45,374,785            | 46,330,585            | 46,799,729            | 44,001,387            |
| Government                                 | 102,172               | 211,732               | 274,053               | 354,338               | 331,221               |
| Other                                      | 1,470,912             | 1,235,108             | 1,708,341             | 817,777               | 757,198               |
| <b>Total</b>                               | <b>\$ 339,612,680</b> | <b>\$ 337,306,790</b> | <b>\$ 321,770,257</b> | <b>\$ 299,082,161</b> | <b>\$ 291,216,496</b> |
| State direct sales tax rate <sup>(3)</sup> | 6.0%                  | 6.0%                  | 6.0%                  | 6.0%                  | 6.0%                  |

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

<sup>(1)</sup> Taxable sales associated with communications services tax.

<sup>(2)</sup> Figures and summaries provided for 2012 and future reporting periods are based upon North American Industry Classification System (NAICS) classifications. Beginning in 2002, industry classification standards changed from the Standard Industry Classification (SIC) system to the NAICS, which modified how business establishments are classified. GASB statement 44 requires reporting for 10 prior fiscal years, however; NAICS data was not available for reporting periods prior to 2012; therefore, SIC based data has been used to complete these prior reports.

<sup>(3)</sup> The sales tax rate on non-residential electricity was 7.0% for utility service provided prior to July 1, 2014. For Utility service on or after July 1, 2014, the state sales tax rate is 4.35%. The sales tax rate on communication services (nonresidential phone and all cable) was 6.8% from October 1, 2001 until August 1, 2010 when it was reduced to 6.65%. It was further reduced to 4.92% effective July 1, 2015. The sales tax rate on amusement machines is 4.0%. As of July 1, 2005, the sales tax requirement for farm equipment changed from a 2.5% tax rate to become exempt from sales tax.

Source: Florida Department of Revenue



| Calendar Year         |                       |                       |                       |                       |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2010                  | 2011                  | 2012 <sup>(2)</sup>   | 2013                  | 2014                  |
| \$ 1,114,023          | \$ 1,165,247          | \$ 593,296            | \$ 1,231,900          | \$ 683,513            |
| 295,621               | 311,842               | 331,665               | 388,064               | 424,416               |
| 2,820,903             | 2,804,215             | 3,126,150             | 3,433,049             | 3,777,419             |
| 10,878,166            | 11,513,052            | 11,662,104            | 12,872,788            | 13,703,157            |
| 10,838,604            | 11,436,895            | 8,634,841             | 11,953,528            | 9,357,588             |
| 17,837,511            | 15,104,143            | 14,512,956            | 14,000,080            | 13,664,244            |
| 19,514,708            | 19,661,065            | 10,112,139            | 24,339,323            | 12,987,380            |
| 161,552,218           | 173,087,498           | 158,134,617           | 194,887,248           | 182,082,864           |
| 27,456,593            | 28,324,565            | 39,688,012            | 30,287,022            | 45,026,905            |
| 45,724,851            | 47,962,744            | 77,920,525            | 53,738,778            | 89,269,937            |
| 307,812               | 345,215               | 320,316               | 319,054               | 344,302               |
| 741,152               | 811,416               | 803,974               | 996,105               | 914,471               |
| <u>\$ 299,082,162</u> | <u>\$ 312,527,897</u> | <u>\$ 325,840,595</u> | <u>\$ 348,446,939</u> | <u>\$ 372,236,196</u> |
| 6.0%                  | 6.0%                  | 6.0%                  | 6.0%                  | 6.0%                  |

**Principal Sales Tax Payers by Industry**  
**Calendar Years 2014 and 2005**  
**(dollars are in thousands)**

## SCHEDULE B-2

| Industry                   | Calendar Year 2014 |                     |                     | Calendar Year 2005 |                     |                     |
|----------------------------|--------------------|---------------------|---------------------|--------------------|---------------------|---------------------|
|                            | Number of filers   | Sales Tax Liability | Percentage of Total | Number of filers   | Sales Tax Liability | Percentage of Total |
| Agriculture                | 4,358              | \$ 44,356           | 0.18%               | 7,022              | \$ 103,915          | 0.46%               |
| Mining                     | 726                | 27,391              | 0.11%               | 873                | 50,689              | 0.23%               |
| Construction               | 9,301              | 244,604             | 1.00%               | 7,725              | 381,280             | 1.70%               |
| Manufacturing              | 32,304             | 891,100             | 3.64%               | 28,391             | 1,170,183           | 5.21%               |
| Transportation & utilities | 6,211              | 659,662             | 2.70%               | 6,584              | 582,493             | 2.59%               |
| Communications             | 3,597              | 908,672             | 3.72%               | 2,648              | 969,270             | 4.31%               |
| Wholesale                  | 45,690             | 849,211             | 3.47%               | 30,846             | 857,896             | 3.82%               |
| Retail trade               | 254,304            | 11,844,429          | 48.44%              | 230,540            | 11,771,158          | 52.40%              |
| Finance and insurance      | 206,986            | 2,967,720           | 12.14%              | 159,471            | 2,346,649           | 10.45%              |
| Services                   | 161,207            | 5,928,657           | 24.25%              | 126,983            | 4,190,891           | 18.66%              |
| Government                 | 211                | 23,786              | 0.10%               | 52                 | 6,643               | 0.03%               |
| Other                      | 4,512              | 59,688              | 0.24%               | 2,863              | 32,809              | 0.15%               |
| Total                      | 729,407            | \$ 24,449,276       | 100.00%             | 603,998            | \$ 22,463,876       | 100.00%             |

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available for reporting. The categories presented are intended to provide alternative information regarding the sources of the state's revenue. In addition, some of the categories from the revenue base/rate schedule have been combined in preparing this schedule.

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

Source: Florida Department of Revenue

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

## SCHEDULE C-1

| Governmental Activities |                       |                 |                                          |                                                |                               |                    |
|-------------------------|-----------------------|-----------------|------------------------------------------|------------------------------------------------|-------------------------------|--------------------|
| Fiscal Year             | Full Faith and Credit | Pledged Revenue | Installment Purchases and Capital Leases | Public-Private Partnerships <sup>(3) (4)</sup> | Certificates of Participation | Total Governmental |
| 2006                    | \$ 11,476             | \$ 5,379        | \$ 144                                   | \$ .....                                       | \$ 279                        | \$ 17,278          |
| 2007                    | 12,004                | 5,227           | 135                                      | .....                                          | 267                           | 17,633             |
| 2008                    | 12,939                | 5,912           | 111                                      | .....                                          | 256                           | 19,218             |
| 2009                    | 13,417                | 6,395           | 207                                      | .....                                          | 395                           | 20,414             |
| 2010                    | 13,782                | 7,362           | 70                                       | .....                                          | 846                           | 22,060             |
| 2011                    | 14,067                | 7,235           | 53                                       | .....                                          | 807                           | 22,162             |
| 2012                    | 13,405                | 6,760           | 60                                       | 1,649                                          | 766                           | 22,640             |
| 2013                    | 12,656                | 6,014           | 69                                       | 2,280                                          | 723                           | 21,742             |
| 2014                    | 11,816                | 6,104           | 69                                       | 2,308                                          | 676                           | 20,973             |
| 2015                    | 11,080                | 5,395           | 62                                       | 2,202                                          | 615                           | 19,354             |

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

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

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

<sup>(3)</sup> This column accounts for Public-Private Partnership agreements recorded as of fiscal year 2012.

<sup>(4)</sup> Refer to Notes 9 and 10 for further detail.

## Business-type Activities

| Pledged<br>Revenue | Public-<br>Private<br>Partnerships <sup>(3) (4)</sup> | Installment<br>Purchases<br>and<br>Capital<br>Leases | Total<br>Primary<br>Government | Debt as a<br>Percentage of<br>Tax-supported<br>Revenues <sup>(1)</sup> | Debt Per<br>Capita <sup>(2)</sup> |
|--------------------|-------------------------------------------------------|------------------------------------------------------|--------------------------------|------------------------------------------------------------------------|-----------------------------------|
| \$ 3,358           | \$ .....                                              | \$ .....                                             | \$ 20,636                      | 62.56%                                                                 | \$ 1,136.69                       |
| 6,361              | .....                                                 | .....                                                | 23,994                         | 74.28%                                                                 | 1,300.72                          |
| 10,220             | .....                                                 | .....                                                | 29,438                         | 98.97%                                                                 | 1,581.51                          |
| 7,714              | .....                                                 | .....                                                | 28,128                         | 108.18%                                                                | 1,505.18                          |
| 8,600              | .....                                                 | .....                                                | 30,660                         | 108.16%                                                                | 1,630.74                          |
| 8,230              | .....                                                 | .....                                                | 30,392                         | 102.83%                                                                | 1,607.61                          |
| 7,990              | .....                                                 | .....                                                | 30,630                         | 99.75%                                                                 | 1,605.88                          |
| 6,107              | .....                                                 | 4                                                    | 27,853                         | 86.14%                                                                 | 1,446.18                          |
| 5,823              | 345                                                   | 21                                                   | 27,162                         | 80.60%                                                                 | 1,392.40                          |
| 4,808              | 376                                                   | 19                                                   | 24,557                         | 69.47%                                                                 | 1,239.31                          |

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

## SCHEDULE C-2

| Fiscal<br>Year | General Bonded Debt Outstanding |                                     |           |       | Restricted<br>Resources | Net General<br>Bonded<br>Debt<br>Outstanding | Debt as a<br>Percentage of<br>Tax-supported<br>Revenue <sup>(1)</sup> | Debt Per<br>Capita <sup>(2)</sup> |
|----------------|---------------------------------|-------------------------------------|-----------|-------|-------------------------|----------------------------------------------|-----------------------------------------------------------------------|-----------------------------------|
|                | Full Faith<br>and<br>Credit     | Certificates<br>of<br>Participation | Total     |       |                         |                                              |                                                                       |                                   |
| 2006           | \$ 11,476                       | \$ 279                              | \$ 11,755 | \$ 76 | \$ 11,679               | 35.41%                                       | \$ 643.31                                                             |                                   |
| 2007           | 12,004                          | 267                                 | 12,271    | 73    | 12,198                  | 37.76%                                       | 661.25                                                                |                                   |
| 2008           | 12,939                          | 256                                 | 13,195    | 84    | 13,111                  | 44.08%                                       | 704.37                                                                |                                   |
| 2009           | 13,417                          | 395                                 | 13,812    | 143   | 13,669                  | 52.57%                                       | 731.45                                                                |                                   |
| 2010           | 13,782                          | 846                                 | 14,628    | 247   | 14,381                  | 50.73%                                       | 764.89                                                                |                                   |
| 2011           | 14,067                          | 807                                 | 14,874    | 287   | 14,587                  | 49.35%                                       | 771.59                                                                |                                   |
| 2012           | 13,405                          | 766                                 | 14,171    | 290   | 13,881                  | 45.20%                                       | 727.76                                                                |                                   |
| 2013           | 12,656                          | 723                                 | 13,379    | 280   | 13,099                  | 40.51%                                       | 680.13                                                                |                                   |
| 2014           | 11,816                          | 676                                 | 12,492    | 263   | 12,229                  | 36.29%                                       | 626.89                                                                |                                   |
| 2015           | 11,080                          | 615                                 | 11,695    | 248   | 11,447                  | 32.38%                                       | 577.69                                                                |                                   |

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

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

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

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

Legal debt margin calculated for fiscal year 2014-2015:

|                                              |               |
|----------------------------------------------|---------------|
| Tax-supported revenues <sup>(1)</sup>        | \$ 35,351     |
| Debt limit <sup>(2)</sup>                    | 2,121         |
| Debt applicable to limit:                    |               |
| Aggregate debt service on tax-supported debt | <u>1,971</u>  |
| Legal debt margin                            | <u>\$ 150</u> |

|                                                                       | 2006          | 2007          | 2008            | 2009 <sup>(3)</sup> | 2010 <sup>(3)</sup> | 2011 <sup>(3)</sup> | 2012 <sup>(3)</sup> | 2013 <sup>(3)</sup> | 2014          | 2015          |
|-----------------------------------------------------------------------|---------------|---------------|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------|---------------|
| Debt limit <sup>(2)</sup>                                             | \$ 1,979      | \$ 1,938      | \$ 1,785        | \$ 1,560            | \$ 1,701            | \$ 1,773            | \$ 1,843            | \$ 1,940            | \$ 2,022      | \$ 2,121      |
| Total debt applicable to limit                                        | <u>1,681</u>  | <u>1,772</u>  | <u>1,898</u>    | <u>2,058</u>        | <u>2,095</u>        | <u>2,204</u>        | <u>2,191</u>        | <u>2,196</u>        | <u>1,887</u>  | <u>1,971</u>  |
| Legal debt margin                                                     | <u>\$ 298</u> | <u>\$ 166</u> | <u>\$ (113)</u> | <u>\$ (498)</u>     | <u>\$ (394)</u>     | <u>\$ (431)</u>     | <u>\$ (348)</u>     | <u>\$ (256)</u>     | <u>\$ 135</u> | <u>\$ 150</u> |
| Total net debt applicable to the limit as a percentage of debt limit. | 84.94%        | 91.43%        | 106.33%         | 131.92%             | 123.16%             | 124.31%             | 118.88%             | 113.20%             | 93.32%        | 92.93%        |

<sup>(1)</sup> For purposes of this Schedule C-3, tax-supported revenues are comprised of the general revenues of the state, including primarily sales and use tax receipts, and the specific state tax revenues pledged for payment of debt service. Tax-supported debt is debt secured by the full faith and credit of the state or payable from general revenue or specified state tax sources. As of June 30, 2015, the total outstanding balance of tax-supported debt was approximately \$21,637,500,000.

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

<sup>(3)</sup> In Fiscal Years 2009, 2010, 2011, 2012, and 2013 tax-supported debt service exceeded 7% of tax-supported revenues.

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

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

SCHEDULE C-4

The schedules below contain information regarding revenues pledged to repay debt obligations. For each bond type, the schedules disclose Gross Revenue, Operating Expenses, Net Revenue Available for Debt Service, Principal, Interest, and Coverage Ratio. The bond types with operating expenses are considered self-supporting debt and are paid from the associated facilities being financed. If operating expenses are not shown, the bond type is considered to be Net Tax Supported Debt and serviced by dedicated tax or fee revenues.

| Year<br>Ended<br>6/30                                         | Revenue <sup>(1)</sup> | Less<br>Operating<br>Expenses | Net Available<br>for Debt<br>Service | Debt Service |                         | Coverage<br>Ratio   |
|---------------------------------------------------------------|------------------------|-------------------------------|--------------------------------------|--------------|-------------------------|---------------------|
|                                                               |                        |                               |                                      | Principal    | Interest <sup>(2)</sup> |                     |
| <b>Florida Turnpike</b>                                       |                        |                               |                                      |              |                         |                     |
| 2006                                                          | 647,959                | 155,357                       | 492,602                              | 60,135       | 98,536                  | 3.10                |
| 2007                                                          | 681,615                | 175,386                       | 506,229                              | 65,610       | 102,844                 | 3.01                |
| 2008                                                          | 650,743                | 184,218                       | 466,525                              | 72,665       | 118,657                 | 2.44                |
| 2009                                                          | 604,897                | 190,603                       | 414,294                              | 81,660       | 121,485                 | 2.04                |
| 2010                                                          | 611,596                | 172,422                       | 439,174                              | 91,405       | 132,816                 | 1.96                |
| 2011                                                          | 611,946                | 180,060                       | 431,886                              | 99,000       | 144,061                 | 1.78                |
| 2012                                                          | 620,201                | 173,704                       | 446,497                              | 105,060      | 138,179                 | 1.84                |
| 2013                                                          | 767,985                | 157,388                       | 610,597                              | 111,680      | 133,549                 | 2.49                |
| 2014                                                          | 808,374                | 157,343                       | 651,031                              | 116,398      | 130,033                 | 2.64                |
| 2015                                                          | 894,589                | 177,160                       | 717,429                              | 120,990      | 132,100                 | 2.83                |
| <b>Florida Forever/Preservation 2000/Everglades</b>           |                        |                               |                                      |              |                         |                     |
| 2006                                                          | 2,363,800              | .....                         | 2,363,800                            | 213,378      | 135,020                 | 6.78                |
| 2007                                                          | 1,776,500              | .....                         | 1,776,500                            | 230,120      | 137,480                 | 4.83                |
| 2008                                                          | 1,138,600              | .....                         | 1,138,600                            | 246,045      | 135,064                 | 2.99                |
| 2009                                                          | 655,500                | .....                         | 655,500                              | 272,975      | 140,919                 | 1.58                |
| 2010                                                          | 622,282                | .....                         | 622,282                              | 275,925      | 127,008                 | 1.54                |
| 2011                                                          | 669,440                | .....                         | 669,440                              | 308,085      | 125,948                 | 1.54                |
| 2012                                                          | 729,901                | .....                         | 729,901                              | 321,675      | 104,460                 | 1.71                |
| 2013                                                          | 950,700                | .....                         | 950,700                              | 345,485      | 88,253                  | 2.19                |
| 2014                                                          | 1,049,500              | .....                         | 1,049,500                            | 97,960       | 72,963                  | 6.14                |
| 2015                                                          | 1,229,100              | .....                         | 1,229,100                            | 102,715      | 67,113                  | 7.24                |
| <b>Lottery Education <sup>(3)</sup></b>                       |                        |                               |                                      |              |                         |                     |
| 2006                                                          | 1,224,651              | .....                         | 1,224,651                            | 95,430       | 106,922                 | 6.05                |
| 2007                                                          | 1,263,272              | .....                         | 1,263,272                            | 103,920      | 105,579                 | 6.03                |
| 2008                                                          | 1,283,414              | .....                         | 1,283,414                            | 119,030      | 119,451                 | 5.38                |
| 2009                                                          | 1,287,856              | .....                         | 1,287,856                            | 139,955      | 145,166                 | 4.52                |
| 2010                                                          | 1,247,150              | .....                         | 1,247,150                            | 156,660      | 145,787                 | 4.12                |
| 2011                                                          | 1,184,000              | .....                         | 1,184,000                            | 168,607      | 146,329                 | 3.76                |
| 2012                                                          | 1,321,663              | .....                         | 1,321,663                            | 176,845      | 134,745                 | 4.24                |
| 2013                                                          | 1,424,307              | .....                         | 1,424,307                            | 185,661      | 125,883                 | 4.57                |
| 2014                                                          | 1,498,409              | .....                         | 1,498,409                            | 194,105      | 118,649                 | 4.79                |
| 2015                                                          | 1,496,371              | .....                         | 1,496,371                            | 203,389      | 108,556                 | 4.80                |
| <b>Alligator Alley</b>                                        |                        |                               |                                      |              |                         |                     |
| 2006                                                          | 18,968                 | 6,016                         | 12,952                               | 1,205        | 2,462                   | 3.53                |
| 2007                                                          | 23,538                 | 6,673                         | 16,865                               | 1,335        | 1,854                   | 5.29                |
| 2008                                                          | 21,962                 | 5,547                         | 16,415                               | 1,345        | 2,105                   | 4.76                |
| 2009                                                          | 19,384                 | 7,292                         | 12,092                               | 1,395        | 2,051                   | 3.51                |
| 2010                                                          | 19,948                 | 6,360                         | 13,588                               | 1,460        | 1,988                   | 3.94                |
| 2011                                                          | 19,737                 | 7,059                         | 12,678                               | 1,525        | 1,923                   | 3.68                |
| 2012                                                          | 19,647                 | 7,243                         | 12,404                               | 1,590        | 1,858                   | 3.60                |
| 2013                                                          | 25,115                 | 7,409                         | 17,706                               | 1,660        | 1,790                   | 5.13                |
| 2014                                                          | 26,755                 | 8,272                         | 18,483                               | 1,740        | 1,707                   | 5.36                |
| 2015                                                          | 28,549                 | 8,525                         | 20,024                               | 1,830        | 1,620                   | 5.80                |
| <b>State Infrastructure Bank</b>                              |                        |                               |                                      |              |                         |                     |
| 2007                                                          | 39,602                 | .....                         | 39,602                               | 5,195        | 3,000                   | 4.83                |
| 2008                                                          | 43,550                 | .....                         | 43,550                               | 5,915        | 5,785                   | 3.72                |
| 2009                                                          | 48,924                 | .....                         | 48,924                               | 5,390        | 5,543                   | 4.47                |
| 2010                                                          | 48,924                 | .....                         | 48,924                               | 7,075        | 5,296                   | 3.95                |
| 2011                                                          | 56,698                 | .....                         | 56,698                               | 8,265        | 4,962                   | 4.29                |
| 2012                                                          | 76,531                 | .....                         | 76,531                               | 11,200       | 4,548                   | 4.86                |
| 2013                                                          | 64,368                 | .....                         | 64,368                               | 9,955        | 3,988                   | 4.62                |
| 2014                                                          | 69,407                 | .....                         | 69,407                               | 10,710       | 3,491                   | 4.89                |
| 2015                                                          | 56,750                 | .....                         | 56,750                               | 10,085       | 2,955                   | 4.35                |
| <b>Florida Hurricane Catastrophe Fund Finance Corporation</b> |                        |                               |                                      |              |                         |                     |
| 2007                                                          | 1,580,008              | 15,108                        | 1,564,900                            | .....        | 113,300                 | 13.81               |
| 2008                                                          | 1,886,868              | 15,639                        | 1,871,229                            | .....        | 311,397                 | 6.01                |
| 2009                                                          | 1,570,615              | 16,224                        | 1,554,391                            | 309,673      | 199,167                 | 3.05                |
| 2010                                                          | 1,798,380              | 15,467                        | 1,782,913                            | 256,655      | 115,739                 | 4.79                |
| 2011                                                          | 1,714,728              | 15,644                        | 1,699,084                            | 269,485      | 122,919                 | 4.33                |
| 2012                                                          | 1,791,238              | 14,642                        | 1,776,596                            | 282,660      | 121,597                 | 4.39                |
| 2013                                                          | 1,746,135              | 17,071                        | 1,729,064                            | 3,796,795    | 80,687                  | 0.45 <sup>(5)</sup> |
| 2014                                                          | 1,789,747              | 17,650                        | 1,772,097                            | 300,000      | 88,295                  | 4.56                |
| 2015                                                          | 1,564,480              | 18,687                        | 1,545,793                            | 325,000      | 71,339                  | 3.90                |



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

SCHEDULE C-4  
(Continued)

| Year<br>Ended<br>6/30                                   | Revenue <sup>(1)</sup> | Less<br>Operating<br>Expenses | Net Available<br>for Debt<br>Service | Debt Service |                         | Coverage<br>Ratio |
|---------------------------------------------------------|------------------------|-------------------------------|--------------------------------------|--------------|-------------------------|-------------------|
|                                                         |                        |                               |                                      | Principal    | Interest <sup>(2)</sup> |                   |
| <b>State University System Bonds</b>                    |                        |                               |                                      |              |                         |                   |
| 2011                                                    | 37,798                 | .....                         | 37,798                               | 16,240       | 11,306                  | 1.37              |
| 2012                                                    | 40,055                 | .....                         | 40,055                               | 16,495       | 10,766                  | 1.47              |
| 2013                                                    | 51,730                 | .....                         | 51,730                               | 17,335       | 9,614                   | 1.92              |
| 2014                                                    | 55,766                 | .....                         | 55,766                               | 12,835       | 8,796                   | 2.58              |
| 2015                                                    | 53,960                 | .....                         | 53,960                               | 13,460       | 8,032                   | 2.51              |
| <b>University Auxiliary Bonds</b>                       |                        |                               |                                      |              |                         |                   |
| <b>Parking System Revenue Bonds</b>                     |                        |                               |                                      |              |                         |                   |
| <b>Florida International University</b>                 |                        |                               |                                      |              |                         |                   |
| 2011                                                    | 10,009                 | 3,212                         | 6,797                                | 2,230        | 2,165                   | 1.55              |
| 2012                                                    | 11,435                 | 4,673                         | 6,762                                | 2,710        | 2,865                   | 1.21              |
| 2013                                                    | 12,663                 | 4,062                         | 8,601                                | 2,815        | 2,151                   | 1.73              |
| 2014                                                    | 13,762                 | 5,032                         | 8,730                                | 2,655        | 3,023                   | 1.54              |
| 2015                                                    | 13,845                 | 4,863                         | 8,982                                | 2,875        | 3,457                   | 1.42              |
| <b>University of South Florida</b>                      |                        |                               |                                      |              |                         |                   |
| 2011                                                    | 12,544                 | 7,277                         | 5,267                                | 1,990        | 1,570                   | 1.48              |
| 2012                                                    | 13,549                 | 7,944                         | 5,605                                | 2,130        | 1,429                   | 1.57              |
| 2013                                                    | 13,187                 | 7,799                         | 5,388                                | 2,205        | 1,354                   | 1.51              |
| 2014                                                    | 13,783                 | 7,661                         | 6,122                                | 2,285        | 1,272                   | 1.72              |
| 2015                                                    | 13,904                 | 7,935                         | 5,969                                | 2,380        | 1,179                   | 1.68              |
| <b>Florida Agricultural &amp; Mechanical University</b> |                        |                               |                                      |              |                         |                   |
| 2011                                                    | 2,628                  | 1,338                         | 1,290                                | 155          | 77                      | 5.56              |
| 2012                                                    | 2,708                  | 1,261                         | 1,447                                | 160          | 70                      | 6.29              |
| 2013                                                    | 2,422                  | 1,538                         | 884                                  | 170          | 61                      | 3.82              |
| 2014                                                    | 2,216                  | 1,501                         | 715                                  | 180          | 53                      | 3.07              |
| 2015                                                    | 2,195                  | 1,118                         | 1,077                                | 190          | 43                      | 4.62              |
| <b>University of Florida</b>                            |                        |                               |                                      |              |                         |                   |
| 2011                                                    | 12,276                 | 7,388                         | 4,888                                | 1,905        | 1,225                   | 1.56              |
| 2012                                                    | 12,255                 | 7,320                         | 4,935                                | 2,075        | 1,055                   | 1.58              |
| 2013                                                    | 11,988                 | 7,545                         | 4,443                                | 2,165        | 965                     | 1.42              |
| 2014                                                    | 12,499                 | 7,176                         | 5,323                                | 2,260        | 870                     | 1.70              |
| 2015                                                    | 12,530                 | 7,294                         | 5,236                                | 1,510        | 791                     | 2.28              |
| <b>Florida Atlantic University</b>                      |                        |                               |                                      |              |                         |                   |
| 2011                                                    | 5,708                  | 2,233                         | 3,475                                | 750          | 508                     | 2.76              |
| 2012                                                    | 6,962                  | 3,486                         | 3,476                                | 805          | 456                     | 2.76              |
| 2013                                                    | 7,324                  | 2,821                         | 4,503                                | 835          | 544                     | 3.27              |
| 2014                                                    | 7,161                  | 3,164                         | 3,997                                | 1,300        | 779                     | 1.92              |
| 2015                                                    | 7,072                  | 4,103                         | 2,969                                | 1,325        | 753                     | 1.43              |
| <b>University of Central Florida</b>                    |                        |                               |                                      |              |                         |                   |
| 2011                                                    | 16,181                 | 3,379                         | 12,801                               | 2,235        | 1,567                   | 3.37              |
| 2012                                                    | 18,576                 | 3,149                         | 15,427                               | 2,880        | 1,833                   | 3.27              |
| 2013                                                    | 19,199                 | 3,545                         | 15,654                               | 3,065        | 1,674                   | 3.30              |
| 2014                                                    | 19,251                 | 3,335                         | 15,916                               | 3,275        | 1,639                   | 3.24              |
| 2015                                                    | 21,248                 | 3,002                         | 18,246                               | 3,410        | 1,505                   | 3.71              |
| <b>Florida State University</b>                         |                        |                               |                                      |              |                         |                   |
| 2011                                                    | 9,857                  | 2,145                         | 7,712                                | 2,605        | 1,901                   | 1.71              |
| 2012                                                    | 11,104                 | 2,347                         | 8,757                                | 3,395        | 2,223                   | 1.56              |
| 2013                                                    | 11,879                 | 2,660                         | 9,219                                | 3,515        | 2,112                   | 1.64              |
| 2014                                                    | 11,045                 | 3,027                         | 8,018                                | 3,620        | 1,994                   | 1.43              |
| 2015                                                    | 11,892                 | 3,204                         | 8,688                                | 3,025        | 1,903                   | 1.76              |
| <b>Housing System Revenue Bonds</b>                     |                        |                               |                                      |              |                         |                   |
| <b>Florida Agricultural &amp; Mechanical University</b> |                        |                               |                                      |              |                         |                   |
| 2013                                                    | 11,600                 | 6,856                         | 4,744                                | 1,216        | 3,145                   | 1.09              |
| 2014                                                    | 11,146                 | 7,297                         | 3,849                                | 2,684        | 3,228                   | 0.65              |
| 2015                                                    | 14,068                 | 7,499                         | 6,569                                | 2,820        | 3,096                   | 1.11              |
| <b>Florida International University</b>                 |                        |                               |                                      |              |                         |                   |
| 2011                                                    | 23,518                 | 12,418                        | 11,099                               | 3,430        | 3,694                   | 1.56              |
| 2012                                                    | 25,069                 | 14,049                        | 11,020                               | 3,765        | 3,395                   | 1.54              |
| 2013                                                    | 25,991                 | 14,149                        | 11,842                               | 3,975        | 4,691                   | 1.37              |
| 2014                                                    | 30,469                 | 16,622                        | 13,847                               | 5,175        | 4,521                   | 1.43              |
| 2015                                                    | 28,782                 | 14,592                        | 14,190                               | 5,390        | 4,312                   | 1.46              |

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

| Year<br>Ended<br>6/30                                   | Revenue <sup>(1)</sup> | Less<br>Operating<br>Expenses | Net Available<br>for Debt<br>Service | Debt Service |                         | Coverage<br>Ratio   |
|---------------------------------------------------------|------------------------|-------------------------------|--------------------------------------|--------------|-------------------------|---------------------|
|                                                         |                        |                               |                                      | Principal    | Interest <sup>(2)</sup> |                     |
| <b>University of Florida</b>                            |                        |                               |                                      |              |                         |                     |
| 2011                                                    | 44,885                 | 27,209                        | 17,676                               | 2,235        | 2,625                   | 3.64                |
| 2012                                                    | 45,673                 | 33,519                        | 12,154                               | 2,630        | 2,265                   | 2.48                |
| 2013                                                    | 48,964                 | 32,770                        | 16,194                               | 3,680        | 3,125                   | 2.38                |
| 2014                                                    | 52,210                 | 35,004                        | 17,206                               | 3,500        | 3,040                   | 2.63                |
| 2015                                                    | 54,587                 | 35,076                        | 19,511                               | 4,580        | 3,646                   | 2.37                |
| <b>Florida Atlantic University</b>                      |                        |                               |                                      |              |                         |                     |
| 2011                                                    | 14,802                 | 6,119                         | 8,683                                | 2,405        | 3,357                   | 1.51                |
| 2012                                                    | 16,299                 | 6,419                         | 9,880                                | 2,585        | 3,177                   | 1.71                |
| 2013                                                    | 16,498                 | 7,481                         | 9,017                                | 2,690        | 3,077                   | 1.56                |
| 2014                                                    | 15,898                 | 7,153                         | 8,745                                | 2,795        | 2,971                   | 1.52                |
| 2015                                                    | 14,828                 | 7,574                         | 7,254                                | 2,900        | 2,862                   | 1.26                |
| <b>University of Central Florida</b>                    |                        |                               |                                      |              |                         |                     |
| 2011                                                    | 22,872                 | 11,509                        | 11,363                               | 2,740        | 3,766                   | 1.75                |
| 2012                                                    | 24,712                 | 11,910                        | 12,802                               | 2,985        | 3,382                   | 2.01                |
| 2013                                                    | 25,577                 | 14,208                        | 11,369                               | 3,125        | 5,117                   | 1.38                |
| 2014                                                    | 29,316                 | 17,450                        | 11,866                               | 3,125        | 5,117                   | 1.44                |
| 2015                                                    | 29,455                 | 14,831                        | 14,624                               | 4,225        | 4,565                   | 1.66                |
| <b>Florida State University</b>                         |                        |                               |                                      |              |                         |                     |
| 2011                                                    | 32,671                 | 16,925                        | 15,745                               | 3,215        | 5,628                   | 1.78                |
| 2012                                                    | 35,639                 | 16,416                        | 19,223                               | 3,815        | 5,998                   | 1.96                |
| 2013                                                    | 39,011                 | 15,963                        | 23,048                               | 4,140        | 5,652                   | 2.35                |
| 2014                                                    | 42,203                 | 18,193                        | 24,010                               | 4,285        | 6,886                   | 2.15                |
| 2015                                                    | 43,194                 | 19,302                        | 23,892                               | 4,675        | 6,774                   | 2.09                |
| <b>Student Health and Wellness Center Revenue Bonds</b> |                        |                               |                                      |              |                         |                     |
| <b>University of Central Florida</b>                    |                        |                               |                                      |              |                         |                     |
| 2011                                                    | 10,856                 | .....                         | 10,856                               | 320          | 299                     | 17.55               |
| 2012                                                    | 12,754                 | .....                         | 12,754                               | 345          | 271                     | 20.70               |
| 2013                                                    | 13,243                 | .....                         | 13,243                               | 360          | 256                     | 21.50               |
| 2014                                                    | 14,127                 | .....                         | 14,127                               | 375          | 242                     | 22.90               |
| 2015                                                    | 16,610                 | .....                         | 16,610                               | 395          | 226                     | 26.76               |
| <b>Florida State University</b>                         |                        |                               |                                      |              |                         |                     |
| 2011                                                    | 8,734                  | .....                         | 8,734                                | .....        | .....                   | 3.67 <sup>(4)</sup> |
| 2012                                                    | 13,404                 | .....                         | 13,404                               | 1,075        | 1,305                   | 5.63                |
| 2013                                                    | 14,232                 | .....                         | 14,232                               | 1,110        | 1,272                   | 5.97                |
| 2014                                                    | 13,851                 | .....                         | 13,851                               | 1,155        | 1,228                   | 5.81                |
| 2015                                                    | 14,842                 | .....                         | 14,842                               | 1,200        | 1,182                   | 6.23                |
| <b>University of North Florida</b>                      |                        |                               |                                      |              |                         |                     |
| 2012                                                    | 3,834                  | .....                         | 3,834                                | 400          | 929                     | 2.88                |
| 2013                                                    | 3,985                  | .....                         | 3,985                                | 410          | 618                     | 3.88                |
| 2014                                                    | 4,248                  | .....                         | 4,248                                | 420          | 627                     | 4.06                |
| 2015                                                    | 4,243                  | .....                         | 4,243                                | 435          | 614                     | 4.04                |
| <b>Bookstore Revenue Bonds</b>                          |                        |                               |                                      |              |                         |                     |
| <b>University of Central Florida</b>                    |                        |                               |                                      |              |                         |                     |
| 2011                                                    | 1,978                  | 434                           | 1,543                                | 195          | 95                      | 5.31                |
| 2012                                                    | 1,788                  | 485                           | 1,303                                | 220          | 76                      | 4.40                |
| 2013                                                    | 1,880                  | 401                           | 1,479                                | 230          | 65                      | 5.02                |
| 2014                                                    | 1,840                  | 548                           | 1,292                                | 240          | 53                      | 4.41                |
| 2015                                                    | .....                  | .....                         | .....                                | .....        | .....                   | .....               |
| <b>Student Services Center Revenue Bonds</b>            |                        |                               |                                      |              |                         |                     |
| <b>University of Florida</b>                            |                        |                               |                                      |              |                         |                     |
| 2014                                                    | 21,347                 | .....                         | 21,347                               | 1,045        | 1,571                   | 8.16                |
| 2015                                                    | 22,208                 | .....                         | 22,208                               | 1,340        | 1,891                   | 6.87                |
| <b>Water Pollution Control Bonds</b>                    |                        |                               |                                      |              |                         |                     |
| 2011                                                    | 96,063                 | .....                         | 96,063                               | 21,285       | 19,019                  | 2.38                |
| 2012                                                    | 120,674                | .....                         | 120,674                              | 25,405       | 24,721                  | 2.41                |
| 2013                                                    | 87,796                 | .....                         | 87,796                               | 34,155       | 23,514                  | 1.52                |
| 2014                                                    | 90,394                 | .....                         | 90,394                               | 34,840       | 22,025                  | 1.59                |
| 2015                                                    | 96,548                 | .....                         | 96,548                               | 34,875       | 20,534                  | 1.74                |
| <b>Inland Protection Bonds</b>                          |                        |                               |                                      |              |                         |                     |
| 2011                                                    | 211,533                | .....                         | 211,533                              | 5,080        | 4,695                   | 21.64               |
| 2012                                                    | 189,683                | .....                         | 189,683                              | 5,335        | 3,403                   | 21.71               |
| 2013                                                    | 188,346                | .....                         | 188,346                              | 5,605        | 3,181                   | 21.44               |
| 2014                                                    | 192,444                | .....                         | 192,444                              | 5,885        | 2,931                   | 21.83               |
| 2015                                                    | 198,432                | .....                         | 198,432                              | 6,180        | 2,637                   | 22.50               |
| <b>Seaport Investment Program</b>                       |                        |                               |                                      |              |                         |                     |
| 2014                                                    | 200,000                | .....                         | 200,000                              | 2,387        | 6,195                   | 23.30               |
| 2015                                                    | 200,000                | .....                         | 200,000                              | 2,145        | 6,436                   | 23.31               |

<sup>(1)</sup> Refer to Note 8A.2. for information on the sources of pledged revenues.

<sup>(2)</sup> Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.

<sup>(3)</sup> Source Department of Lottery, Audited Financial Statements.

<sup>(4)</sup> Coverage shown based on maximum annual debt service of \$2,382,950 for illustrative purposes.

<sup>(5)</sup> In Fiscal Year 2008, Florida Hurricane Catastrophe Fund executed a \$3.5 billion liquidity bond issue. The proceeds of the issue were used to redeem the bonds at maturity in Fiscal Year 2013. The coverage ratio shown is based only on the net revenue and does not include the bond proceeds used to redeem the bonds. Including the bond proceeds, the coverage ratio is 1.35.

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**Demographic and Economic Statistics  
For the Last Ten Calendar Years**
**SCHEDULE D-1**

| Year | Population        |                                |               |                                | Personal Income (in millions) |               |
|------|-------------------|--------------------------------|---------------|--------------------------------|-------------------------------|---------------|
|      | Florida - April 1 | Percent Change from Prior Year | U.S. - July 1 | Percent Change from Prior Year | Florida                       | U.S.          |
| 2006 | 18,154,475        | 2.12%                          | 298,379,912   | 0.97%                          | \$ 705,089                    | \$ 11,393,950 |
| 2007 | 18,446,768        | 1.61%                          | 301,231,207   | 0.96%                          | 733,710                       | 12,000,175    |
| 2008 | 18,613,905        | 0.91%                          | 304,093,966   | 0.95%                          | 741,430                       | 12,502,225    |
| 2009 | 18,687,425        | 0.39%                          | 306,771,529   | 0.88%                          | 699,091                       | 12,094,800    |
| 2010 | 18,801,332        | 0.61%                          | 309,346,863   | 0.84%                          | 729,923                       | 12,477,125    |
| 2011 | 18,905,070        | 0.55%                          | 311,718,857   | 0.77%                          | 774,599                       | 13,254,525    |
| 2012 | 19,074,434        | 0.90%                          | 314,102,623   | 0.76%                          | 798,388                       | 13,915,125    |
| 2013 | 19,259,543        | 0.97%                          | 316,427,395   | 0.74%                          | 809,665                       | 14,068,375    |
| 2014 | 19,507,369        | 1.29%                          | 318,907,401   | 0.78%                          | 850,178                       | 14,694,200    |
| 2015 | 19,815,183        | 1.58%                          | 321,418,820   | 0.79%                          | 892,498                       | 15,361,755    |

<sup>(1)</sup> Unemployment Assistance rates are annualized (average of monthly rates).

<sup>(2)</sup> School enrollment is by state fiscal year and other data are by calendar year, April 1, or July 1.

Note: Historical data are from the US Department of Commerce, University of Florida, the US Department of Labor, and Florida Department of Education. Forecast data are based on the Florida Demographic Estimating Conference, and the National and Florida Economic Estimating Conferences, December 2015.

Sources: Florida Legislature, Florida Department of Education

**State of Florida  
Population by Age**

| Age Group   | 2000 Census | Percent | 2010 Census | Percent | 2020 Projection | Percent |
|-------------|-------------|---------|-------------|---------|-----------------|---------|
| 0 - 14      | 3,034,656   | 18.99%  | 3,284,608   | 17.47%  | 3,562,455       | 16.67%  |
| 15 - 24     | 1,942,430   | 12.15%  | 2,457,140   | 13.07%  | 2,571,623       | 12.03%  |
| 25 - 44     | 4,569,515   | 28.59%  | 4,720,799   | 25.11%  | 5,248,716       | 24.56%  |
| 45 - 64     | 3,628,573   | 22.70%  | 5,079,161   | 27.01%  | 5,495,747       | 25.71%  |
| 65 and Over | 2,807,650   | 17.57%  | 3,259,602   | 17.34%  | 4,493,666       | 21.03%  |
| Total       | 15,982,824  | 100.00% | 18,801,310  | 100.00% | 21,372,207      | 100.00% |

Source: Forecast from December 2015 Florida Demographic Estimating Conference adjusted by age percentages from Florida Population Studies, Bulletin 172, June 2015, University of Florida, Bureau of Economic and Business Research. Year 2000 Census data incorporates adjustments for age misreporting prepared by the University of Florida, Bureau of Economic and Business Research

| Per Capita Personal Income |           | Unemployment Assistance Rate <sup>(1)</sup> |      | Median Age | Public School Enrollment <sup>(2)</sup> |
|----------------------------|-----------|---------------------------------------------|------|------------|-----------------------------------------|
| Florida                    | U.S.      | Florida                                     | U.S. | Florida    | Florida                                 |
| \$ 38,838                  | \$ 38,186 | 3.2%                                        | 4.6% | 39.9       | 2,668,337                               |
| 39,774                     | 39,837    | 4.0%                                        | 4.6% | 39.9       | 2,662,701                               |
| 39,832                     | 41,113    | 6.3%                                        | 5.8% | 40.1       | 2,652,684                               |
| 37,410                     | 39,426    | 10.4%                                       | 9.3% | 40.4       | 2,628,754                               |
| 38,823                     | 40,334    | 11.1%                                       | 9.6% | 40.6       | 2,634,382                               |
| 40,973                     | 42,521    | 10.0%                                       | 8.9% | 40.9       | 2,643,396                               |
| 41,856                     | 44,301    | 8.5%                                        | 8.1% | 41.0       | 2,667,830                               |
| 42,040                     | 44,460    | 7.3%                                        | 7.4% | 41.1       | 2,691,322                               |
| 43,582                     | 46,077    | 6.3%                                        | 6.2% | 41.3       | 2,720,074                               |
| 45,041                     | 47,794    | 5.4%                                        | 5.3% | 41.4       | 2,756,127                               |

**Industry Sector Employment**  
**For Calendar Years 2014 and 2005**  
**(in thousands)**

## SCHEDULE D-2

| Industry                            | 2014       |                                               | 2005       |                                               |
|-------------------------------------|------------|-----------------------------------------------|------------|-----------------------------------------------|
|                                     | Employment | Percentage of Total Employment <sup>(1)</sup> | Employment | Percentage of Total Employment <sup>(1)</sup> |
| Retail Trade                        | 1041       | 13.17%                                        | 1003       | 12.74%                                        |
| Health Care and Social Assistance   | 1012       | 12.80%                                        | 851        | 10.81%                                        |
| Accommodation and Food Services     | 878        | 11.11%                                        | 765        | 9.71%                                         |
| Local Government                    | 736        | 9.31%                                         | 744        | 9.45%                                         |
| Administrative and Waste Services   | 584        | 7.39%                                         | 591        | 7.50%                                         |
| Professional and Technical Services | 487        | 6.16%                                         | 431        | 5.47%                                         |
| Construction                        | 397        | 5.02%                                         | 638        | 8.10%                                         |
| Finance and Insurance               | 351        | 4.44%                                         | 363        | 4.61%                                         |
| Manufacturing                       | 331        | 4.19%                                         | 416        | 5.28%                                         |
| Wholesale Trade                     | 328        | 4.15%                                         | 346        | 4.39%                                         |
| Total                               | 6,145      | 77.74%                                        | 6,148      | 78.07%                                        |

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

The Florida economy is continuing to recover from the worst recession since record-keeping began in 1970. In December 2014, Florida's seasonally adjusted total nonagricultural employment was 7,965,700, an increase of 279,600 jobs (+3.6 percent) over the year. Florida's annual job growth rate had been positive for 53 consecutive months. Prior to August 2010, the state had been losing jobs for three years. In December 2014, all ten major industries gained jobs over the year with professional and business services (+57,400 jobs) gaining the most followed by trade, transportation, and utilities (+56,100 jobs).

<sup>(1)</sup> "Employment" is being calculated based on average total employment by industry for each calendar year. Percentages of "Total" employment are based on the following:

|                                                  | 2014  | 2005  |
|--------------------------------------------------|-------|-------|
| Total non-agricultural employment (in thousands) | 7,825 | 7,781 |
| Total agricultural employment (in thousands)     | 80    | 94    |
| Total employment                                 | 7,905 | 7,875 |

Sources: Florida Department of Economic Opportunity, Bureau of Labor Market Statistics Center, Current Employment Statistics Program, and Quarterly Census of Employment and Wages Program

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

SCHEDULE E-1

| Function                         | Fiscal Year    |                |                |                |                |                |                |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                  | 2006           | 2007           | 2008           | 2009           | 2010           | 2011           | 2012           |
| Financial administration         | 15,416         | 15,551         | 15,409         | 15,510         | 15,542         | 15,212         | 16,778         |
| Streets and highways             | 7,074          | 7,030          | 7,156          | 7,229          | 7,048          | 6,751          | 6,116          |
| Public welfare                   | 12,673         | 12,458         | 12,507         | 12,528         | 12,723         | 12,278         | 14,148         |
| Police protection                | 5,342          | 5,355          | 5,248          | 5,137          | 5,079          | 4,981          | 5,201          |
| Natural resources                | 7,698          | 7,791          | 7,761          | 7,773          | 7,687          | 7,481          | 7,437          |
| Health                           | 15,959         | 16,434         | 16,388         | 17,105         | 16,917         | 16,303         | 15,437         |
| Housing                          | 28             | 29             | 28             | 27             | 28             | 31             | 39             |
| Community development            | 292            | 303            | 284            | 289            | 256            | 278            | 53             |
| Criminal justice and corrections | 39,555         | 40,756         | 40,558         | 40,555         | 41,229         | 39,051         | 35,875         |
| Utility and transportation       | 315            | 296            | 323            | 321            | 315            | 301            | 270            |
| Employee security                | 1,315          | 1,272          | 1,243          | 1,269          | 1,439          | 1,481          | 1,563          |
| Education                        | 2,461          | 2,481          | 2,499          | 2,359          | 2,251          | 2,272          | 2,251          |
| State courts                     | 4,137          | 4,457          | 4,401          | 4,113          | 4,117          | 4,009          | 4,042          |
| Other                            | 2,154          | 2,140          | 2,059          | 1,908          | 1,802          | 1,724          | 2,698          |
| Total                            | <u>114,419</u> | <u>116,353</u> | <u>115,864</u> | <u>116,123</u> | <u>116,433</u> | <u>112,153</u> | <u>111,908</u> |

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

Sources: Florida Legislature, Florida State Board of Administration, Florida Department of Management Services



| Fiscal Year    |                |                |
|----------------|----------------|----------------|
| 2013           | 2014           | 2015           |
| 25,974         | 25,856         | 25,596         |
| 5,821          | 5,827          | 5,810          |
| 13,784         | 13,736         | 13,829         |
| 5,181          | 5,314          | 5,395          |
| 7,245          | 7,185          | 7,143          |
| 14,957         | 14,414         | 13,448         |
| 87             | 44             | 42             |
| 37             | 36             | 34             |
| 25,524         | 24,114         | 25,376         |
| 269            | 259            | 257            |
| 1,384          | 1,446          | 1,346          |
| 2,184          | 2,147          | 2,185          |
| 4,097          | 4,112          | 4,055          |
| 999            | 1,025          | 1,020          |
| <u>107,543</u> | <u>105,515</u> | <u>105,536</u> |

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

## SCHEDULE E-2

|                                                             | Fiscal Year |            |            |            |            |
|-------------------------------------------------------------|-------------|------------|------------|------------|------------|
|                                                             | 2006        | 2007       | 2008       | 2009       | 2010       |
| <b><u>General Government</u></b>                            |             |            |            |            |            |
| <b>Department of Revenue</b>                                |             |            |            |            |            |
| Total administered taxes ( <i>in millions \$</i> )          | 38,736      | 37,477     | 34,152     | 30,140     | 29,677     |
| <b>Department of Management Services <sup>(1)</sup></b>     |             |            |            |            |            |
| Number of retired members covered                           | 250,496     | 263,198    | 274,842    | 288,216    | 302,978    |
| <b><u>Education</u></b>                                     |             |            |            |            |            |
| <b>Universities</b>                                         |             |            |            |            |            |
| University enrollments                                      | 287,375     | 294,016    | 301,135    | 302,513    | 312,259    |
| Degrees awarded                                             | 61,215      | 64,778     | 68,423     | 70,616     | 73,579     |
| <b><u>Human Services</u></b>                                |             |            |            |            |            |
| <b>Department of Health <sup>(2)</sup></b>                  |             |            |            |            |            |
| Number of live births                                       | 237,166     | 239,120    | 231,417    | 221,391    | 214,519    |
| Number of deaths                                            | 169,365     | 167,708    | 170,473    | 169,854    | 172,509    |
| <b>Department of Children and Families</b>                  |             |            |            |            |            |
| Supplemental Nutrition Assistance Program (SNAP) recipients | 1,248,359   | 1,266,308  | 1,523,273  | 2,109,289  | 2,726,167  |
| SNAP households                                             | 623,270     | 650,277    | 783,282    | 1,084,754  | 1,452,191  |
| <b><u>Criminal Justice and Corrections</u></b>              |             |            |            |            |            |
| <b>Department of Corrections</b>                            |             |            |            |            |            |
| Inmate admissions                                           | 35,098      | 37,864     | 41,054     | 39,354     | 36,992     |
| Community supervision admissions                            | 103,387     | 107,203    | 107,861    | 100,619    | 94,387     |
| Facility population                                         | 88,576      | 92,844     | 98,192     | 100,894    | 102,232    |
| <b><u>Natural Resources and Environment</u></b>             |             |            |            |            |            |
| <b>Department of Environmental Protection</b>               |             |            |            |            |            |
| State park and trail visitations                            | 18,174,879  | 19,516,852 | 20,737,052 | 21,458,588 | 20,110,021 |
| <b>Florida Fish and Wildlife Conservation Commission</b>    |             |            |            |            |            |
| Fishing and hunting licenses <sup>(3)</sup>                 | 1,471,395   | 1,538,965  | 1,588,227  | 1,605,617  | 1,576,518  |
| <b><u>Transportation</u></b>                                |             |            |            |            |            |
| <b>Department of Highway Safety &amp; Motor Vehicles</b>    |             |            |            |            |            |
| Registrations <sup>(4)</sup>                                | 21,773,396  | 22,126,592 | 22,125,361 | 20,918,645 | 19,496,005 |
| Titles issued <sup>(4)</sup>                                | 7,181,742   | 6,668,861  | 5,920,326  | 4,901,295  | 5,104,919  |
| Traffic crashes <sup>(2) (5)</sup>                          | 256,200     | 256,206    | 243,342    | 235,778    | 235,461    |
| <b>Department of Transportation <sup>(2)</sup></b>          |             |            |            |            |            |
| Daily vehicle miles traveled ( <i>in thousands</i> )        | 300,010     | 303,603    | 305,253    | 293,858    | 286,902    |
| <b><u>State Courts</u></b>                                  |             |            |            |            |            |
| <b>State Courts System</b>                                  |             |            |            |            |            |
| Number of cases filed/added:                                |             |            |            |            |            |
| Circuit criminal defendants                                 | 219,157     | 230,417    | 235,451    | 209,593    | 201,785    |
| County criminal                                             | 509,525     | 523,274    | 515,552    | 464,090    | 433,437    |
| County civil                                                | 479,514     | 541,823    | 615,290    | 503,314    | 483,521    |
| Traffic                                                     | 571,858     | 604,054    | 618,506    | 538,406    | 500,316    |
| Family court                                                | 365,468     | 356,485    | 350,477    | 335,854    | 347,049    |
| Circuit civil                                               | 164,245     | 226,288    | 418,579    | 547,194    | 490,092    |
| Probate                                                     | 111,583     | 105,486    | 102,532    | 98,345     | 98,553     |

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

<sup>(1)</sup> The Florida Retirement System includes retirees from the following employer groups: State Agencies, County Agencies, District School Boards, Universities, State Colleges, Cities, Special Districts, Hospitals, and Other. Refer to Note 6 and Other Required Supplementary Information for further details.

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

<sup>(3)</sup> Beginning in 2014, the count being included reports the number of actual licenses versus prior years that reported the count of license holders.

<sup>(4)</sup> Includes motor vehicles, manufactured homes, and vessels.

<sup>(5)</sup> Effective July 1, 2012, Section 316.066, F.S., was amended to require all law enforcement agencies to report additional crash data to the Department of Highway Safety and Motor Vehicles. The 2012 data reflects six months of the reporting change in crashes and the 2013 data reflects a full year of the reporting change in crashes. The statutory change resulted in more crash reports being received for reporting.

Sources: Florida Department of Revenue, Florida Retirement System, Florida Board of Governors, Florida Department of Health, Florida Department of Children and Families, Florida Department of Corrections, Florida Department of Environmental Protection, Florida Department of Agriculture and Consumer Services, Department of Highway Safety and Motor Vehicles, Department of Transportation, Florida State Courts

| Fiscal Year |            |            |            |             |
|-------------|------------|------------|------------|-------------|
| 2011        | 2012       | 2013       | 2014       | 2015        |
| 31,391      | 31,989     | 34,659     | 41,095     | 43,589      |
| 318,881     | 333,870    | 347,147    | 362,216    | 377,671     |
| 321,503     | 329,737    | 334,989    | 337,750    | 341,044     |
| 76,021      | 79,323     | 81,260     | 83,001     | 84,445      |
| 213,237     | 212,954    | 215,194    | 219,905    | Unavailable |
| 172,856     | 175,849    | 180,014    | 185,038    | Unavailable |
| 3,170,445   | 3,326,637  | 3,581,136  | 3,565,520  | 3,693,396   |
| 1,725,855   | 1,815,239  | 1,962,933  | 1,946,026  | 2,029,951   |
| 34,992      | 32,279     | 33,295     | 32,442     | 30,985      |
| 92,258      | 90,880     | 88,819     | 86,369     | 83,064      |
| 102,319     | 100,527    | 100,884    | 100,942    | 100,050     |
| 20,442,212  | 24,983,179 | 25,575,794 | 27,170,451 | 31,108,245  |
| 1,534,518   | 1,638,055  | 1,544,549  | 2,350,586  | 2,406,822   |
| 19,197,024  | 20,024,942 | 20,259,599 | 21,357,026 | 22,695,334  |
| 5,361,258   | 5,039,215  | 5,362,575  | 6,014,150  | 6,615,964   |
| 227,998     | 281,340    | 316,943    | 344,170    | Unavailable |
| 288,007     | 284,052    | 287,977    | 288,398    | Unavailable |
| 196,453     | 188,669    | 186,117    | 176,768    | 171,414     |
| 405,248     | 367,478    | 361,046    | 355,981    | 341,499     |
| 459,538     | 477,024    | 438,963    | 417,323    | 431,868     |
| 483,644     | 472,662    | 383,776    | 280,102    | 285,716     |
| 349,222     | 322,854    | 289,752    | 281,154    | 284,629     |
| 293,415     | 305,732    | 294,124    | 198,856    | 181,222     |
| 100,849     | 101,606    | 107,144    | 114,024    | 115,746     |

**Capital Assets by Function**  
**Last Ten Fiscal Years**

**SCHEDULE E-3**

|                                                          | Fiscal Year |           |           |           |           |
|----------------------------------------------------------|-------------|-----------|-----------|-----------|-----------|
|                                                          | 2006        | 2007      | 2008      | 2009      | 2010      |
| <b><u>General Government</u></b>                         |             |           |           |           |           |
| <b>Department of Management Services</b>                 |             |           |           |           |           |
| Buildings                                                | 85          | 85        | 85        | 85        | 85        |
| <b><u>Education</u></b>                                  |             |           |           |           |           |
| <b>Universities and colleges <sup>(1)</sup></b>          |             |           |           |           |           |
| Assignable square feet (in thousands)                    | 41,779      | 45,460    | 49,990    | 50,702    | 51,787    |
| <b><u>Human Services</u></b>                             |             |           |           |           |           |
| <b>Department of Health</b>                              |             |           |           |           |           |
| Buildings                                                | 49          | 49        | 53        | 51        | 57        |
| Vehicles                                                 | 209         | 235       | 319       | 300       | 327       |
| <b>Department of Children and Families</b>               |             |           |           |           |           |
| Buildings                                                | 227         | 211       | 211       | 211       | 223       |
| <b><u>Criminal Justice and Corrections</u></b>           |             |           |           |           |           |
| <b>Department of Corrections</b>                         |             |           |           |           |           |
| Correctional institutions                                | 59          | 60        | 60        | 78        | 62        |
| Work camps, forestry camps                               | 40          | 41        | 42        | 42        | 43        |
| Work release centers                                     | 30          | 30        | 32        | 34        | 34        |
| Other facilities                                         | 6           | 6         | 5         | 5         | 5         |
| <b><u>Natural Resources and Environment</u></b>          |             |           |           |           |           |
| <b>Division of Recreation and Parks</b>                  |             |           |           |           |           |
| Number of state parks, greenways and trails              | 159         | 159       | 161       | 161       | 160       |
| Acres of land owned                                      | 723,852     | 724,629   | 698,648   | 700,296   | 702,730   |
| <b>Department of Environmental Protection</b>            |             |           |           |           |           |
| Acres of land owned <sup>(2)</sup>                       | 4,316,161   | 4,429,484 | 4,500,719 | 4,521,508 | 4,535,931 |
| <b>Florida Fish and Wildlife Conservation Commission</b> |             |           |           |           |           |
| Vehicles                                                 | 1,514       | 1,519     | 1,549     | 1,520     | 1,669     |
| <b><u>Transportation</u></b>                             |             |           |           |           |           |
| <b>Department of Transportation</b>                      |             |           |           |           |           |
| Highway lane miles                                       | 41,613      | 42,022    | 42,181    | 42,542    | 42,711    |
| Vehicles                                                 | 5,841       | 5,445     | 5,313     | 5,125     | 5,125     |
| Buildings                                                | 1,578       | 1,622     | 1,691     | 1,719     | 1,774     |
| <b><u>State Courts</u></b>                               |             |           |           |           |           |
| <b>State Courts System</b>                               |             |           |           |           |           |
| Machinery and equipment                                  | 7,825       | 8,608     | 9,335     | 9,400     | 9,760     |

<sup>(1)</sup> Universities and colleges are presented in the CAFR as discretely presented component units of the state.

<sup>(2)</sup> Acreage information includes a cumulative total of acres acquired through each program and by donations and exchanges. The Water Management Districts have acquired and hold title to lands through other programs that are not included in this schedule.

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

| Fiscal Year |           |           |           |           |
|-------------|-----------|-----------|-----------|-----------|
| 2011        | 2012      | 2013      | 2014      | 2015      |
| 84          | 86        | 88        | 88        | 90        |
| 54,488      | 54,890    | 56,277    | 57,938    | 58,122    |
| 57          | 73        | 36        | 38        | 38        |
| 328         | 323       | 315       | 378       | 353       |
| 530         | 296       | 211       | 211       | 211       |
| 61          | 63        | 55        | 56        | 55        |
| 41          | 40        | 39        | 38        | 44        |
| 34          | 33        | 32        | 35        | 34        |
| 4           | 7         | 16        | 16        | 17        |
| 160         | 171       | 171       | 171       | 201       |
| 704,139     | 788,982   | 789,059   | 788,619   | 792,999   |
| 4,563,632   | 4,239,023 | 4,245,742 | 4,268,885 | 4,281,419 |
| 1,637       | 1,876     | 1,637     | 1,800     | 1,835     |
| 42,883      | 43,138    | 43,337    | 43,514    | 43,665    |
| 4,683       | 4,607     | 4,703     | 4,406     | 4,188     |
| 1,745       | 391       | 385       | 383       | 417       |
| 9,697       | 9,199     | 10,495    | 10,656    | 12,295    |

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CHIEF FINANCIAL OFFICER  
**JEFF ATWATER**

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

