



Robert F. Milligan
Comptroller of Florida

Bob Milligan was elected to a four-year term as Comptroller of Florida in November 1994, taking office January 3, 1995. He was re-elected in November 1998 to a second term.

As Florida's Comptroller, Milligan is the State's chief financial officer and watchdog over taxpayers' money. As head of the Florida Department of Banking and Finance, he serves on the state Cabinet and provides consumer protection in financial services industries. He has established as the top priorities of the department: concern for and being responsive to the citizens of Florida; and the assurance that the State's budget is legally expended and the State is getting what it is paid for.

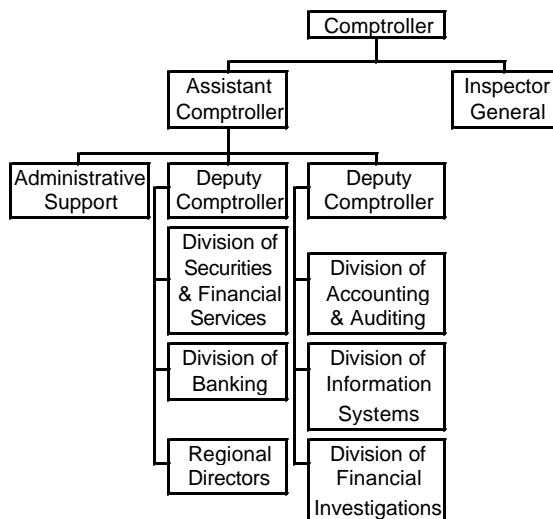
Since taking office, Comptroller Milligan has focused on improving the efficiency and effectiveness of the accounting and auditing function of the Comptroller's Office, while maintaining an even hand on policy matters related to the industries under his regulatory authority. At the same time, he has pushed decision-making down to the lowest appropriate level, and aggressively pursued programs to support consumers by improving communications with them. Doing what is right, not what is political, is the standing order of the day.



The Comptroller...has been thought of first of all as the "watchdog" of the public treasury." This role is emphasized in the official seal of the office. It shows a large safe guarded by a dog with the word DEFENDO beneath. DEFENDO means "I defend."

The Florida Handbook, 27th Edition, 1999-2000 by Allen Morris

Comptroller's Organization



Comptroller's Mission

- ◆ The Office of the Comptroller/Department of Banking and Finance serves as the "Watchdog" of public funds.
- ◆ Defends and protects the financial interests of Florida citizens through the conduct of our constitutional and regulatory responsibilities.
- ◆ Advocates a positive, competitive environment for those industries that the Department oversees.

Comptroller's Vision

- ◆ A department based on the core values of Honesty, Integrity, Trust, Responsibility, Accountability, and concern for People.
- ◆ A department that provides the public with timely, accurate, and accessible financial information, assuring that the government of Florida is fiscally sound.
- ◆ A department that is a leader in the design and implementation of the Integrated Financial Management System.
- ◆ A department that provides for the protection of citizens' financial interests and advocates a positive, competitive environment for the industries regulated.
- ◆ A department that uses efficient and effective business practices, state of the art technology and electronic commerce in meeting the needs of its regulatory and public customers.

Comptroller's Goals

- ◆ Modernize state financial information systems and processes.
- ◆ Ensure that financial accounts reported as Unclaimed Property are accurately identified, recovered and returned to the legal owners.
- ◆ Increase protection of consumers' financial interests by ensuring fair treatment by the regulated financial services industries.
- ◆ Improve and modernize core business processes for the regulation of the financial services industry.
- ◆ Increase protection of citizens' financial interests by bringing to bear the full extent of enforcement authority on those individuals or entities that conduct fraudulent or illegal financial services activities.
- ◆ Maintain a competitive state banking system.

About this report...

The Office of the Comptroller prepares a Comprehensive Annual Financial Report (CAFR) which presents the State's financial position and results of operations in accordance with generally accepted accounting principles (GAAP). Much of the information in the CAFR is, by necessity, technical and complex.

This Citizens' Report highlights certain information derived from the CAFR. However, unlike the CAFR, the information presented in the Citizens' Report is on a budgetary (cash) basis of accounting, which is not in accordance with GAAP. Receipts are reported when the funds are deposited into the State Treasury and disbursements are reported when funds are drawn out of the State Treasury. The purpose of this report is to present significant information regarding the financial operations of the State in a more easily understandable format.

In an effort to better inform the public about governmental financial operations, many states have begun to issue simplified financial reports such as this, referred to as "popular reports." This report represents the commitment by Comptroller Milligan to keep Floridians informed about the State's finances and to be accountable in all respects for the receipt and disbursement of public funds.

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About the cover...

Florida's springs provide immeasurable natural, recreational, and economic values for residents and visitors to Florida. Geologists estimate that there are over 600 springs in the State of Florida, representing what may be the largest concentration of freshwater springs on Earth. The twelve state parks named for springs collect over \$7 million in revenues annually and attract over two million visitors a year. Special thanks to James Stevenson at the Florida Department of Environmental Protection and John Moran for providing the beautiful photographs used in this publication. The original graphics design of the cover was created by Jeremy Hobbs, a student at Tallahassee Community College (TCC), under the direction of Mr. Rick Rice of the TCC Graphic Design Technology Program.



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Overview of the State

Florida is geographically the twenty-second largest state with a land area of 54,252 square miles and a water area of 4,308 square miles. Florida is currently the nation's fourth most populous state, with an estimated population of 16.4 million. The Census Bureau projects that Florida will become the nation's third largest state between 2015 and 2020.

Florida counties range in population size from 7,057 persons in Lafayette County to 2,285,869 persons in Dade County. Other counties with more than a million population are Broward, Palm Beach, and Hillsborough.

Florida's growth continues to be dominated by net migration. During the period from 1990 to 2000, it is estimated that 14.7 percent of Florida's growth was due to natural increase (the excess of births over deaths) and 85.3 percent was due to net migration. The Census Bureau estimates that about a third of Florida's net migration is international and the remainder is domestic.

According to the Office of Economic and Demographic Research, Florida Legislature, Florida's unemployment rate for 2001 is forecasted to be 4.3%, compared to 4.7% for the United States.

According to the labor market information (2001-02 edition) prepared by the Florida Agency for Workforce Innovation, all of the 20 occupations earning the highest wages in Florida require a bachelor's or higher advanced degree. Occupations from the medical field dominate the list of top-paying occupations.

Of the fastest-growing jobs in Florida, 80 percent have hourly wages over \$12.00 per hour. The 20 occupations gaining the most jobs will account for almost one-third of the total new jobs in Florida.

Finally, many declining occupations result from changes in technology and increases in foreign competition. Despite their negative employment growth, many declining occupations will experience a positive number of annual openings as a result of the need to replace existing workers who leave the labor force.

Occupations Earning the Highest Wages in Florida	Hourly Wage
Health Diagnostics Teacher	\$59.25
Physician	\$55.06
Dentist	\$54.34
Judge & Magistrate	\$53.20
Podiatrist	\$52.55

Fastest-Growing Occupations in Florida	
Computer Support Specialist	\$19.56
Systems Analyst	\$26.54
Desktop Publishing Specialist	\$14.02
Computer Engineer	\$31.24
Surgical Technician	\$13.55

Occupations Gaining the Most New Jobs in Florida	
Salesperson, Retail	\$10.60
Cashier	\$8.11
General Manager & Top Executive	\$30.39
General Office Clerk	\$10.37
Registered Nurse	\$21.94

Declining Occupations in Florida	
Typist	\$11.32
Farmer	N/A
Computer Operator	\$13.18
Switchboard Operator	\$9.18
Sewing Machine Operator, Garment	\$7.57

Source: Florida Agency for Workforce Innovation
<http://www2.myflorida.com/awi/lms>



Florida Facts	
Year Florida Became Part of the United States	1821
Inception as a State (27th State)	March 3, 1845
First Permanent European Settlement	1565 St. Augustine, by Spain
Capitol	Tallahassee
State Symbols	
Flower	Orange Blossom
Tree	Sabal Palm
State Marine Mammal	Manatee
Animal	Florida Panther
Freshwater Fish	Largemouth Bass
Saltwater Fish	Sailfish
Bird	Mockingbird

Overview of the Government

The government of the State of Florida consists of three separate branches: the executive, the judicial, and the legislative. The Florida Statutes require that all revenues and expenditures of the State of Florida be maintained through the use of four types of funds - the General Revenue Fund, trust funds, the Working Capital Fund and the Budget Stabilization Fund. The General Revenue Fund receives the majority of the State tax revenues. Moneys for all funds are expended pursuant to Legislative appropriations. Trust funds consist of moneys received by the State which, under law or trust agreement, are segregated for a purpose authorized by law. The Working Capital Fund, which can be used to meet revenue shortages, consists of moneys in the General Revenue Fund which are in excess of the amount needed to meet General Revenue Fund appropriations for the current fiscal year. It may also be used as a source of funds from which temporary loans may be made to other funds to correct imbalances in cash flow due to irregular patterns of collection. Such loans must be repaid during the same fiscal year in which they are made.

A constitutional amendment which was ratified by the voters on November 8, 1994, limited the rate of growth in state revenues in a given fiscal year to no more than the average annual growth rate in Florida personal income over the previous five years. (State revenues are defined as taxes, licenses, fees and charges for services imposed by the Legislature on individuals, businesses or non-state agencies. It also includes Lottery ticket sales less prize payments paid.) Revenues collected in excess of the limitation are to be deposited into the Budget Stabilization Fund unless two-thirds of the members of both houses of the Legislature vote to raise the limit.

By September 1 each year, all executive branch agency heads and the Chief Justice of the Supreme Court are required to submit their budget requests for the next fiscal year to the Governor and the Legislature. The State's fiscal year starts on July 1, and continues through June 30 of the following year. The Governor receives revenue estimates from the Revenue Estimating Conference for the General Revenue Fund, Budget Stabilization Fund, and Working

Capital Fund. Revenue estimates for trust funds are generally provided by the agencies that administer the funds. The Governor uses the budget requests and the revenue estimates to prepare his budget recommendation. At least 45 days before the legislative session begins, the Governor submits his budget recommendation to each legislator. This budget recommendation forms the basis for the appropriations bill.

Prior to and during the legislative session, the House of Representatives Fiscal Responsibility Council and the Senate Appropriations Committee hold hearings and working sessions with the various agencies, and then submit separate appropriations bills to their respective members. Once the House and the Senate pass their individual appropriations bills, the bills are sent to a conference committee to work out any differences. When a conference bill is finalized, it is sent to both the House and Senate for passage, and then to the Governor who may exercise line item veto or veto the entire bill. The appropriations bill is the only bill that the Legislature is required to pass during the session.

The Florida Constitution and Statutes mandate that the state budget as a whole, and each fund within the state budget, be kept in balance from currently available revenues each state fiscal year. In other words, the State is required to have a balanced budget every year. Pursuant to section 216.221, Florida Statutes, the Governor and the State Comptroller have the duty to ensure that revenues collected will be sufficient to meet the appropriations and that no deficit will occur in any state fund. If the Revenue Estimating Conference projects a deficit in the General Revenue Fund in excess of 1.5 percent of the moneys appropriated from the General Revenue Fund during a fiscal year or when the cumulative total of a series of projected deficits in the General Revenue Fund exceeds 1.5 percent of the moneys appropriated from the General Revenue Fund, the deficit is to be resolved by the Legislature. Deficits in the General Revenue Fund that equal or are less than 1.5 percent of the moneys appropriated from the General Revenue Fund are to be resolved by the Legislative Budget Commission for the executive branch and the Chief Justice of the Supreme Court for the judicial branch.

The State of Florida website provides links to all Florida state agencies, committees, commissions, and other organizations. In addition, the site also includes links to city and county governments in Florida. Website address: <http://www.myflorida.com>

State of Florida Principal Officials and Organizational Chart at June 30, 2001

Executive Branch

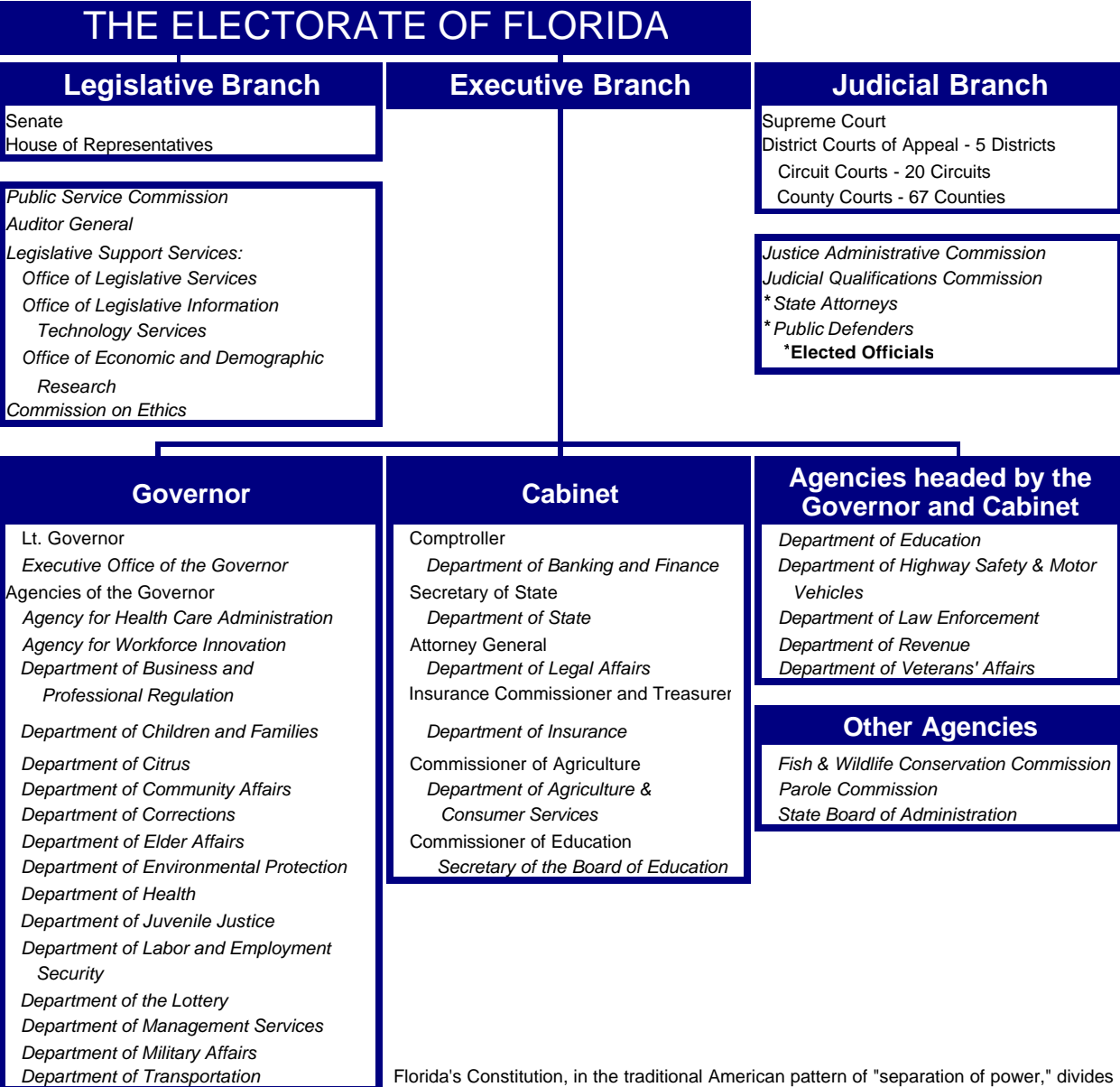
Jeb Bush, Governor
 Frank Brogan, Lieutenant Governor
 Cabinet:
 Robert F. Milligan, Comptroller
 Katherine Harris, Secretary of State
 Robert A. Butterworth, Attorney General
 Tom Gallagher, Insurance Commissioner and Treasurer
 Charles H. Bronson, Commissioner of Agriculture
 Charlie Crist, Commissioner of Education

Legislative Branch

Senate:
 John M. McKay, President
 House of Representatives:
 Tom Feeney, Speaker

Judicial Branch

Supreme Court:
 Charles T. Wells, Chief Justice



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

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

The Executive Branch, with the Governor as its chief, administers the laws made by the Legislature. The Cabinet shares some executive power and responsibilities with the Governor.

The Judicial Branch interprets the law and applies the Constitution.

Cash Basis Receipts and Disbursements

The following statement is reported on a cash basis. Cash receipts represent actual deposits to the State Treasury from sources outside of the Treasury and cash disbursements represent actual disbursements to sources outside of the State Treasury. The General Revenue Fund and the trust funds are combined to clearly present actual cash received and disbursed. This statement does not show the receipts and disbursements of moneys between funds maintained in the State Treasury.

**Cash Receipts to the State Treasury
For the Fiscal Year Ended June 30
(in thousands)**

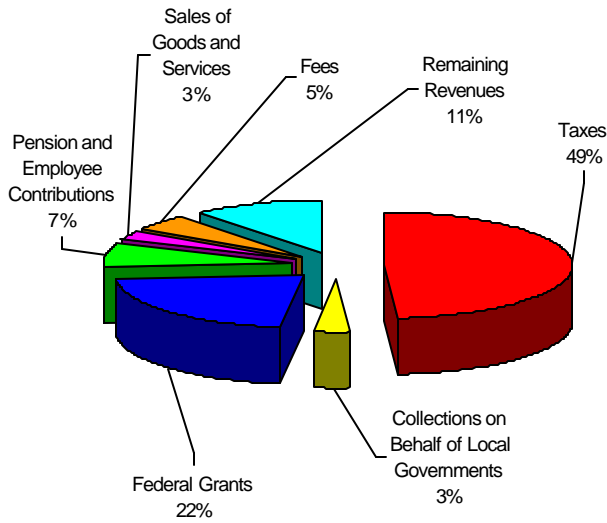
			Percent of Total Cash Receipts	
	2001	2000	2001	2000
Taxes	\$ 25,003,374	\$ 24,409,014	49	49
Federal Grants	11,523,633	10,138,083	22	20
Pension and Employee Contributions	3,364,894	3,481,669	7	7
Fees	2,447,819	2,415,231	5	5
Collections on Behalf of Local Governments	1,637,405	1,573,854	3	3
Sales of Goods and Services	1,360,110	1,372,419	3	3
Licenses	1,101,587	1,006,081	2	2
Interest	941,874	671,607	2	1
Bond Proceeds	914,743	1,330,224	2	3
Tobacco Settlement Installments	743,287	640,890	2	1
Additional Sources of Revenue	724,181	1,118,605	1	2
Medicaid Recoveries	700,869	636,382	1	1
Non-Federal Grants	456,098	393,524	1	1
Fines, Forfeitures and Judgements	205,406	223,239	-	1
Net Sales Over Purchases of Investments	175,963	-	-	-
Unclaimed Property Receipts	153,392	128,062	-	-
Child Support Collections	117,059	284,684	-	1
Total Cash Deposits	\$ 51,571,694	\$ 49,823,568	100	100

**Cash Disbursements from the State Treasury
For the Fiscal Year Ended June 30
(in thousands)**

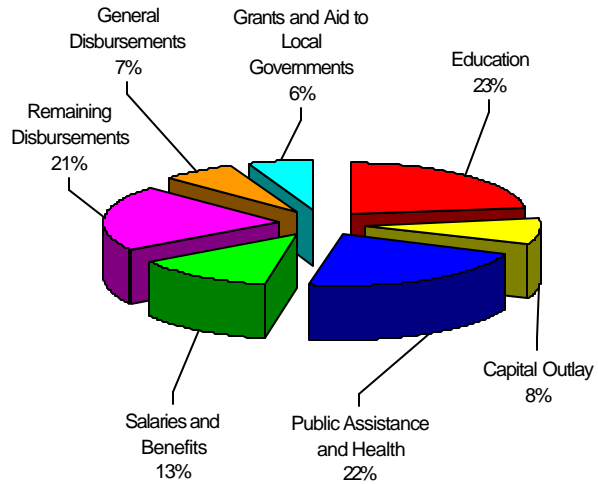
			Percent of Total Cash Disbursements	
	2001	2000	2001	2000
Education *	\$ 11,997,205	\$ 11,360,246	23	23
Public Assistance and Health *	11,588,449	10,161,333	22	21
Salaries and Benefits	7,023,550	6,775,497	13	14
Capital Outlay	3,952,801	3,592,734	8	7
General Disbursements	3,514,118	3,124,490	7	6
Grants and Aid to Local Governments and Non-Profit Organizations	3,339,722	3,202,057	6	7
Pension Benefits for State and Local Retirees	2,573,465	2,315,972	5	5
Public Safety *	2,062,508	2,079,054	4	4
Funds Returned to Local Governments	2,033,059	1,847,433	4	4
Debt Service	1,153,147	1,075,332	2	2
Unemployment and Workers' Compensation Benefits	1,019,452	862,471	2	2
Additional Disbursements	944,115	647,470	2	1
University Disbursements *	677,706	530,122	1	1
Environmental Protection *	264,384	155,165	1	-
Costs Associated with Natural Disasters*	231,633	234,376	-	-
Child Support Enforcement Payments	109,549	304,970	-	1
Net Purchases Over Sales of Investments	-	732,203	-	2
Total Cash Disbursements	\$ 52,484,863	\$ 49,000,925	100	100

*These disbursement categories do not duplicate specifically-identified categories already listed, such as Salaries and Benefits, Capital Outlay, Grants and Aid to Local Governments and Non-Profit Organizations, etc.

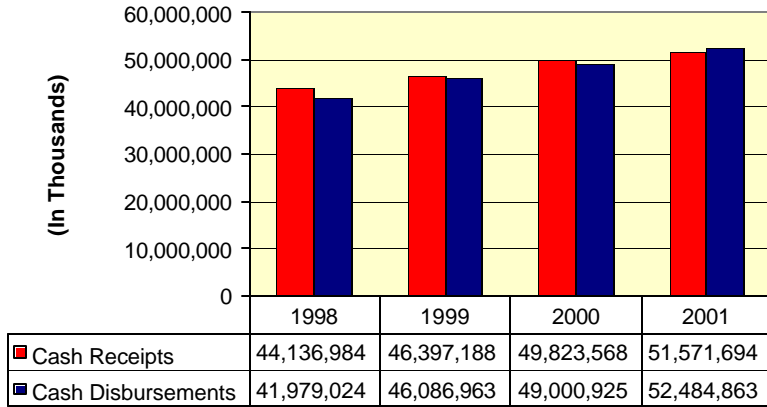
**Cash Receipts to the State Treasury
For the Fiscal Year Ended
June 30, 2001**



**Cash Disbursements from the State Treasury
For the Fiscal Year Ended
June 30, 2001**



History of Total Cash Receipts and Disbursements



Fiscal Year Ended June 30

**Change in Cash in the State Treasury
For the Fiscal Year Ended June 30
(in thousands)**

	<u>2001</u>	<u>2000</u>
Cash in the State Treasury at July 1 (a)	\$ 13,644,881	\$ 12,822,238
Cash Deposits to the State Treasury	51,571,694	49,823,568
Cash Disbursements from the State Treasury	<u>(52,484,863)</u>	<u>(49,000,925)</u>
Cash in the State Treasury at June 30 (a)	<u>\$ 12,731,712</u>	<u>\$ 13,644,881</u>

(a) Pursuant to Section 18.10(1), Florida Statutes, the State Treasurer is required to invest all deposits in the Treasury to maximize earnings and benefits for the State.

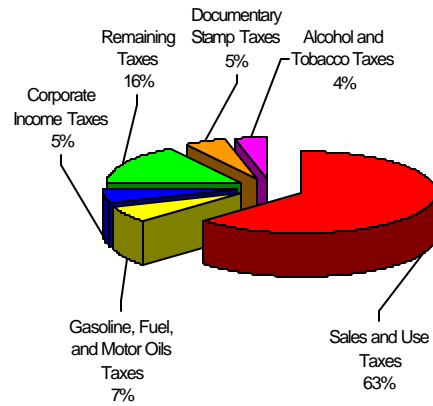
Tax Revenues

Florida levies neither a personal income tax nor an ad valorem tax on real or tangible personal property. Taxes are, however, the principal means of financing state operations. For the fiscal year ended June 30, 2001, sales and use taxes represent 63% of total taxes collected.

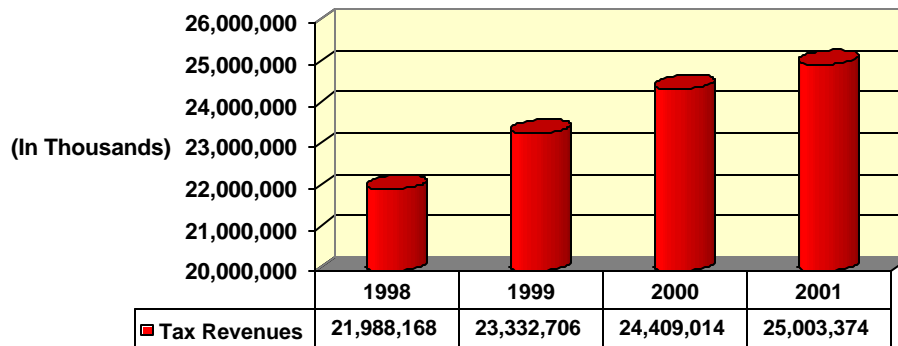
**Tax Revenues (Cash Basis)
For the Fiscal Year Ended June 30
(in thousands)**

	<u>2001</u>	<u>2000</u>
Sales and Use Taxes	\$ 15,782,401	\$ 15,074,768
Gasoline, Fuels, and Motor Oils Taxes	1,773,579	1,654,013
Corporate Income Taxes	1,344,504	1,399,434
Documentary Stamp Taxes	1,313,148	1,223,462
Alcohol and Tobacco Taxes	988,262	1,018,188
Unemployment, Workers' Compensation and Special Disability Taxes	787,182	747,677
Estate Taxes	767,142	778,662
Intangibles Taxes	718,627	995,374
Gross Receipts Utility Taxes	690,951	673,109
Insurance Premium Taxes	441,315	420,753
Pollutant Taxes	237,611	230,010
Other	158,652	193,564
Total Tax Revenues Collected	\$ 25,003,374	\$ 24,409,014

**Tax Revenues
For the Fiscal Year Ended
June 30, 2001**



History of Total Tax Revenues



Fiscal Year Ended June 30

Budget Stabilization Fund

Pursuant to a constitutional amendment, the rate of growth in state revenues in a given fiscal year is limited to no more than the average annual growth rate in Florida personal income over the previous 5 years. Revenues in excess of this limitation are to be deposited in the Budget Stabilization Fund. During the current fiscal year, \$47 million was transferred from the General Revenue Fund to the Budget Stabilization Fund. The June 30, 2001 balance in this fund was \$894 million.

Working Capital Fund

Anticipated general revenue, which the Legislature deliberately leaves unappropriated, is transferred to the Working Capital Fund (also known as "The Rainy Day Fund"). By statute, this fund is limited to 10 percent of the amount of net revenue of the General Revenue Fund for the preceding year. The fund may be used to meet revenue shortages or to provide funds for unexpected emergencies. During the current fiscal year, \$11.5 million was transferred from the General Revenue Fund to the Working Capital Fund. The Working Capital Fund had a cash balance at June 30, 2001 of \$293.9 million.

New Retirement Option

Effective July 1, 2002, State of Florida public employees will be offered a new retirement option. The current Florida Retirement System (FRS) Pension Plan provides employees with a defined benefit plan. This plan provides retirement, disability, and benefits to retired employees based on the age at retirement, average final compensation, and number of years of service. Pension benefits are increased each July 1 by a 3 percent cost-of-living adjustment.

The new FRS Investment Plan will be offered as an additional choice for employees. This plan is a defined contribution plan, in which employer contributions are defined by law, but the ultimate benefit depends in part on the performance of invested funds selected by employees. Funded amounts are based on salary level and FRS membership class. The State Board of Administration has selected a diversified set of investment funds that provide the highest return at the lowest cost, and include some popular retail name-brand funds. The FRS is offering the investment plan as a means to attract public employees by offering plan alternatives. Under the investment plan, if employees leave the FRS-covered employment and go to a non-FRS employer, they can choose to leave their account invested in the plan or roll it over to an Individual Retirement Account (IRA) or to the plan of their new employer (if allowed by that plan). Website address for additional information about the FRS Investment Plan: <http://www.myfrs.com>

Tobacco Litigation Settlement

As of September 2000, the State of Florida has been awarded \$13 billion in relation to the tobacco litigation settlement originating in August 1997. The Tobacco Settlement Trust Fund was created to accept the deposit of all funds received by the State as a result of the settlement of this lawsuit. The Lawton Chiles Endowment Fund was created by Section 215.5601, Florida Statutes, and is funded by settlement moneys. The endowment will provide a perpetual funding source for future children's health programs, child welfare programs, community-based health and human services initiatives, and biomedical research activities. For the fiscal year ended June 30, 2001, the State received approximately \$743 million in relation to the tobacco settlement. Since the original settlement date, the State has

received approximately \$2.3 billion of the total settlement.

Changes in Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 35 - *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities, an amendment of GASB Statement No. 34*; GASB Statement No. 37 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus, an amendment of GASB Statements No. 21 and No. 34*; and GASB Statement No. 38 - *Certain Financial Statement Note Disclosures*. These new accounting and reporting standards will impact the State's revenue and expenditure recognition and assets, liabilities, and fund equity reporting. The new standards will also require reformatting the financial statements and the restating of beginning balances. The State will implement these standards as required for the fiscal year ending June 30, 2002. When implemented, comparability with reports issued in all prior years will be impacted.

Bonded Debt

The State has both full faith and credit bonds and revenue bonds outstanding. A full faith and credit bond has a specific revenue source dedicated to making the debt service (principal and interest) payments. However, if that source is not sufficient to meet the debt service requirements, the State is obligated to provide other moneys to make the payments. Full faith and credit bonds are limited to financing various types of capital projects and land acquisitions. The State is not authorized to issue bonds to fund governmental operations.

A revenue bond has a specific source of revenue other than state tax revenues (i.e. toll collections) dedicated to make the debt service payments. If these revenues are insufficient to make the required payments, the State is not obligated to provide any additional moneys to make the debt service payments.

Prior to the issuance of either a full faith and credit bond or a revenue bond, the Division of Bond Finance reviews supporting documentation to provide assurance that the pledged revenue sources are expected to be

STATE OF FLORIDA 2001 CITIZENS' REPORT

sufficient to provide adequate funding of the debt service requirements.

outstanding. The State has maintained very good bond ratings, allowing for lower interest rates on its debt.

For the fiscal year ended June 30, 2001, the State had \$16,249,480,000 in bonded debt

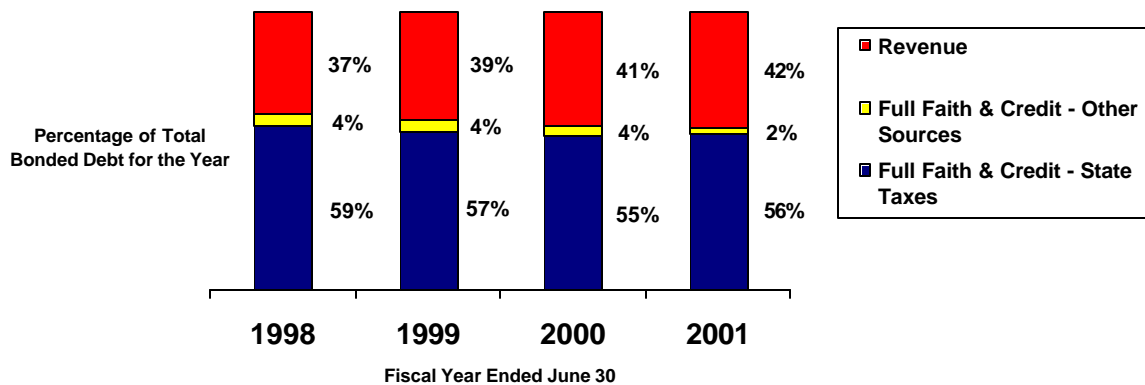
Bonded Debt For the Fiscal Year Ended June 30 (in thousands)

Full Faith and Credit – State Taxes	2001	2000
Education	\$ 8,242,240	\$ 8,054,670
Transportation	873,965	895,550
	9,116,205	8,950,220
Full Faith and Credit – Other Sources		
Conservation ⁽¹⁾	34,430	41,190
Transportation ⁽²⁾	284,745	524,630
	319,175	565,820
Total Full Faith and Credit	\$ 9,435,380	\$ 9,516,040
Revenue		
Education	1,810,525	1,419,900
Conservation	2,741,115	2,860,205
Transportation	1,853,490	1,793,520
Public Facilities	402,010	412,045
Investment Restoration	6,960	7,980
	6,814,100	6,493,650
Total Bonded Debt	\$ 16,249,480	\$ 16,009,690

(1) Payable from local government water and sewage facilities. \$33,580,000 has been escrowed.

(2) Jacksonville Transportation Authority Bonds

History of Bonded Debt



The Florida Lottery

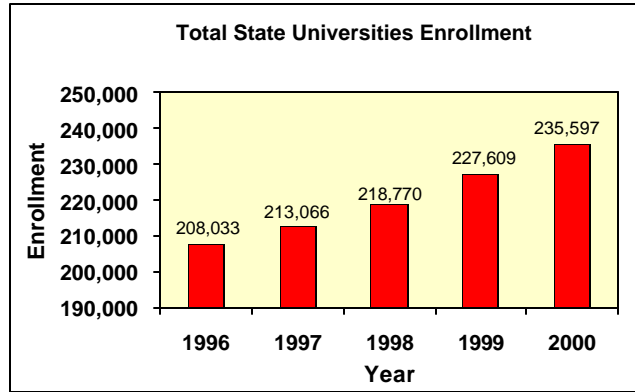
The Lottery is required by legislative mandate to transfer 38% of the lottery ticket sales to the Department of Education. The Department of Education received approximately \$925.7 million from the Lottery for the fiscal year ended June 30, 2001. Since the inception of the Lottery, approximately \$11 billion has been received by the Department of Education.

State University System

The 2001 legislation abolished the Board of Regents and transferred its governing authorities to the Florida Board of Education, which became the oversight body of state universities. Along with the existing state universities in the system, the legislation created New College of Florida in Sarasota County, which is the 4-year residential liberal arts honors

college of the State of Florida, effective July 1, 2001.

The following graph and table depict the history of headcount enrollments for each state university for fall 1996 through 2000. This information does not include students using an employee or senior citizen fee waiver.



University	Main Campus Location	Enrollment				
		1996	1997	1998	1999	2000
University of Florida	Gainesville	39,672	41,429	42,724	43,686	45,561
University of South Florida	Tampa	35,361	33,348	33,032	34,441	35,473
Florida State University	Tallahassee	29,345	29,629	30,389	32,405	33,587
University of Central Florida	Orlando	27,411	28,302	30,009	31,472	33,453
Florida International University	Miami	29,098	29,357	30,096	30,979	30,725
Florida Atlantic University	Boca Raton	18,350	19,107	19,153	20,032	20,944
University of North Florida	Jacksonville	10,708	11,116	11,360	11,897	12,417
Florida Agricultural and Mechanical University	Tallahassee	10,206	10,477	11,324	11,639	11,723
University of West Florida	Pensacola	7,882	7,855	7,790	7,924	8,218
Florida Gulf Coast University	Fort Myers	-	2,446	2,893	3,134	3,496
Total State Universities		208,033	213,066	218,770	227,609	235,597

Source: student data course file enrollment reports

Florida Prepaid College Program

For more than a decade, the Florida Prepaid College Program has been helping Florida families plan and save for college. It allows parents, grandparents, businesses, and others to lock in the cost of college at today's prices.

The program offers: three different tuition plans; an optional dormitory plan; and an optional local fee plan covering other required college fees. In spring 2002, a new 529 college savings plan will be introduced. It will compliment, not change, Florida's current prepaid plan. With the new plan, participants can save for books, off-campus housing, and other college expenses not covered by the current prepaid plan. The

college prepaid plan can be used at any of Florida's state universities or community colleges, most private colleges in Florida, select technical schools, and most out-of-state colleges. The Florida Prepaid College Program is financially guaranteed by the State of Florida. For additional information, access:



1-800-552-GRAD (4723)

Press Prompt 1

<http://www.floridaprepaidcollege.com>

Cabinet Restructuring

In November 1998, the voters of Florida approved Constitutional Revision Eight, which takes effect January 7, 2003. The Revision restructures Florida's Cabinet by eliminating the Secretary of State and Education Commissioner from the Cabinet and merging the constitutional offices of Treasurer and Comptroller into one Chief Financial Officer (CFO). The primary goal of this structural reform is to allow for the elimination of bureaucratic redundancies and related expenses. The Comptroller and Treasurer appointed departmental staff to a working group to review current organizational structures of the Department of Insurance (which contains the Treasurer's Office) and the Department of Banking and Finance (which contains the Office of the Comptroller). This working group has recommended alternative structures consistent with the requirements of Constitutional Revision Eight.

A report outlining these alternative structures was submitted to the Governor and Legislature and can be found at the following address: <http://www.dbf.state.fl.us/restructure.html>

Department of Banking and Finance

Business handled by the Department of Banking and Finance is separated into the following divisions:

The **Division of Accounting and Auditing** ensures the taxpayer's money is spent legally by closely monitoring state expenditures, currently totaling more than \$52 billion annually. The Legislature determines the State's budget, and this division determines that the State has sufficient funds to pay all its bills, and pays them. Additionally, the division oversees the return of unclaimed money, property, and deposits left in financial institutions through the "Great Florida Treasure Hunt" to the citizens of Florida.

The **Division of Banking** regulates State-chartered banks, savings and loan associations, credit unions, foreign banks, and check cashing operations. As Banking Commissioner, the Comptroller is responsible to Floridians for ensuring that State-chartered financial institutions are operated in a sound and businesslike manner. On a regular basis, bank examiners check the records and procedures of all the financial institutions regulated by the Comptroller.

The **Division of Securities and Financial Services** licenses and provides protection from illegal or improper actions by securities dealers, their agents, and investment advisor under the Florida Securities and Investor Protection Act. In addition, this division licenses and regulates the following companies operating in this State: mortgage brokers and mortgage lenders, consumer finance companies, retail installment sales finance companies (motor vehicle, home improvement, and retail sellers), consumer and commercial debt collection agencies, and for-profit cemeteries and funeral homes that sell pre-need goods and services.

The **Division of Financial Investigations** reviews alleged violations of the law in the areas of fraud against the government, public corruption, and white collar crime. Investigations are conducted in the areas of securities, banking, finance, money laundering, boiler rooms, and advance fee schemes.

The **Division of Information Systems** operates the Florida Accounting Information Resource (FLAIR) System which coordinates the accounts of all state agencies. Through FLAIR, this division processes over 19 million expense, payroll, retirement, unemployment compensation, and public assistance payments a year. They manage a large area data center 24 hours a day with access by more than 25,000 on-line terminals throughout Florida.

Florida's Springs

Springs have supplied drinking water to Floridians for thousands of years. The groundwater that flows from most of Florida's springs originates from the same Florida Aquifer that is tapped for most municipal water supplies and private wells in the State. The bottled water industry is inspiring a renewed interest in spring water. Still, as the 21st century dawns, Florida's springs serve more often as windows to the mysteries of the Florida Aquifer than as drinking water supplies. At the same time, many of

Florida's diverse wildlife communities depend on our careful stewardship of Florida's springs in the coming decades. The challenge lies in preserving the values of Florida's springs while balancing the pressing and seemingly conflicting needs of the State's many water uses. For additional information regarding Florida's springs, access Florida Department of Environmental Protection's website address: <http://www.dep.state.fl.us>

Comptroller's Initiatives and Accomplishments

Unclaimed Property

Unclaimed property is a financial asset that has become inactive. The most common types are old bank accounts, stock dividends, insurance refunds, and safe deposit boxes. The State holds the property and returns it to its rightful owners free of charge. Acting as custodian for the State, the Office of the Comptroller holds the unclaimed property in trust until the property is claimed. Unclaimed money is deposited into the State School Trust Fund, and is used exclusively for public education. Citizens have the right to claim property at any time regardless of the amount.

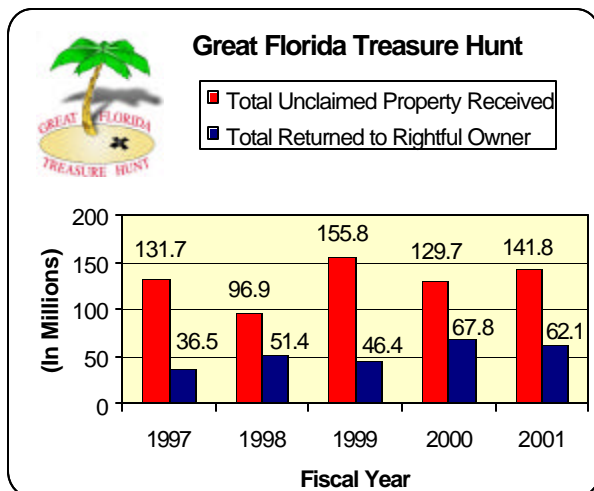
The Office of the Comptroller takes great effort in locating rightful owners of the property. In 2001, the Bureau of Unclaimed Property received the "Golden Award" for the "most effective claims processing" in the nation from the Unclaimed Property Holder Liaison Council (UPHLC).

During the current fiscal year, approximately \$142 million in unclaimed property was received, while \$62 million was returned to the rightful owners. Citizens can find out if they have unclaimed property in Florida by calling:

1-88-VALUABLE (1-888-258-2253)

or by logging onto the Great Florida Treasure Hunt's website:

<http://www.FLtreasurehunt.com>



Electronic Funds Transfer (EFT)

The State uses electronic funds transfer (EFT) to process payments both faster and safer. As of June 30, 2001, 90.3% of the State's full-time employees and 78.2% of retirees receive payments through EFT. In addition, 2,432 of the State's vendor payments are made through this process. During the fiscal year, 6,812,402 payments totaling \$25.4 billion were processed through EFT.

Electronic Data Interchange (EDI)

This reengineering initiative implemented in July 1998 has given participating vendors the capability of electronically invoicing the State rather than mailing paper-based invoices. The Invoice Tracking System (ITS) expands the capability to utilize EDI for the receipt of electronic invoices from the trading partners, provides for the electronic approval of the invoice by the agency, and allows for the invoice payment to be processed by Electronic Funds Transfer (EFT). For the fiscal year ended June 30, 2001, the State paid 14,823 electronic invoices totaling over \$17.8 million to 942 active trade accounts using EDI.

Purchasing Card Program

In February 1997, the Office of the Comptroller, Department of Management Services, and Bank of America (formerly NationsBank) teamed up to provide state agencies and local governments a more efficient and effective way to purchase and pay for goods and services through the use of a VISA purchasing card. The purchasing card is a credit card which is restricted to the amount purchased per transaction, day and month, and merchant category code blocks.

There are no monthly paper statements from the bank or paper warrants (checks) to the bank. The State receives the billing from the bank electronically. The billing is reviewed, approved, and recorded electronically, and the bank is paid through EFT. Purchasing card transactions for the fiscal year ended June 30, 2001, totaled 864,444 as compared to 477,670 for the fiscal year ended June 30, 2000. This program is also being used by 157 local governments.

Earnings Statement on the Web

This new system provides State employees 24-hour access to their salary/wage payment information prior to payday and allows them to retrieve prior period earnings information via the Comptroller's website. When fully implemented, it is estimated that approximately \$1.5 million in cost savings annually will result from the discontinuation of printing over 350,000 earnings statements per month and the reduced handling and delivery costs. The Bureau of State Payrolls received a Davis Productivity Award for this project in 2000. To view earnings statement on the web, access: <https://flair.dbf.state.fl.us>

On-line Licensing Services

The Office of the Comptroller, Division of Securities and Finance, developed electronic processes whereby registrants such as mortgage brokers and lenders, retail installment sellers and consumer finance companies, may renew their licenses, check licensing records, update address information and file quarterly reports via the internet. Over 50% of the licensing processes are now automated.

StrikeForce Against Fraudulent Enterprises (SAFE)

The Comptroller accepted a leadership role in the StrikeForce Against Fraudulent Enterprises (SAFE) initiative. SAFE is comprised of more than 25 state, federal, and local agencies that have formed a strike force to fight financial fraud in Florida through the sharing of information and resources. Towards this goal, SAFE successfully developed and fielded the first ever statewide fraud complaint/closed investigations database. This initiative is currently being expanded to include private industry participation.

Post-audits

As many business processes have become electronic and web based, the methods of reviewing and auditing state expenditures have been reengineered. The Comptroller recognized the need for change and created the Post-audit Section within the Division of Accounting and Auditing in 1998. A major focus of post-audits is to ensure that proper controls are in place so that recurring state expenditures are made in accordance with laws and rules. In addition, the Post-audit Section also performs audits on public-private partnerships to ensure that state moneys appropriated to designated private corporations are spent in accordance with laws and contracts as appropriate.

Consolidated Equipment Financing Program (CEFP)

The Consolidated Equipment Financing Program (CEFP) is available to state agencies for the purchase of equipment at low, tax-exempt interest rates. This program, administered through the Department of Banking and Finance, began in 1986 with the issuance of Certificates of Participation and has evolved to the current program that utilizes a line of credit to provide low interest on equipment purchases. Computers, copiers, communication systems, laboratory equipment, medical equipment, and printers are examples of equipment the program has financed. On May 1, 2001, this program entered into the fifth Master Lease Purchase Agreement, which created a \$30 million line of credit over a twelve month period for the purchase of equipment for state agencies with an option to extend the time period for an additional two years at the end of the original term.

Comptroller Hotlines

Comptroller's Get Lean Hotline: 1-800-GET LEAN (438-5326) answers calls from 8:30 a.m. to 4:30 p.m., Monday through Friday, about waste, fraud, and abuse in state government, and accepts suggestions on how the State can save money. Messages can be left during non-working hours. Callers can remain anonymous.

Comptroller's Consumer Hotline: 1-800-848-3792 (Florida only) takes questions and complaints from 8:30 a.m. to 4:30 p.m., Monday through Friday, on businesses regulated by the Division of Banking and the Division of Securities and Financial Services, and on matters of investigatory interest to the Division of Financial Investigations.

Funeral and Cemetery Hotline: 1-800-323-2627 takes questions and provides information about the regulation of cemeteries in the State or "pre-need" requirements.

Unclaimed Property Hotline: 1-88-VALUABLE (1-888-258-2253)

Telephonic Deaf Device (TDD) Line for Hearing Impaired: (850) 410-9700