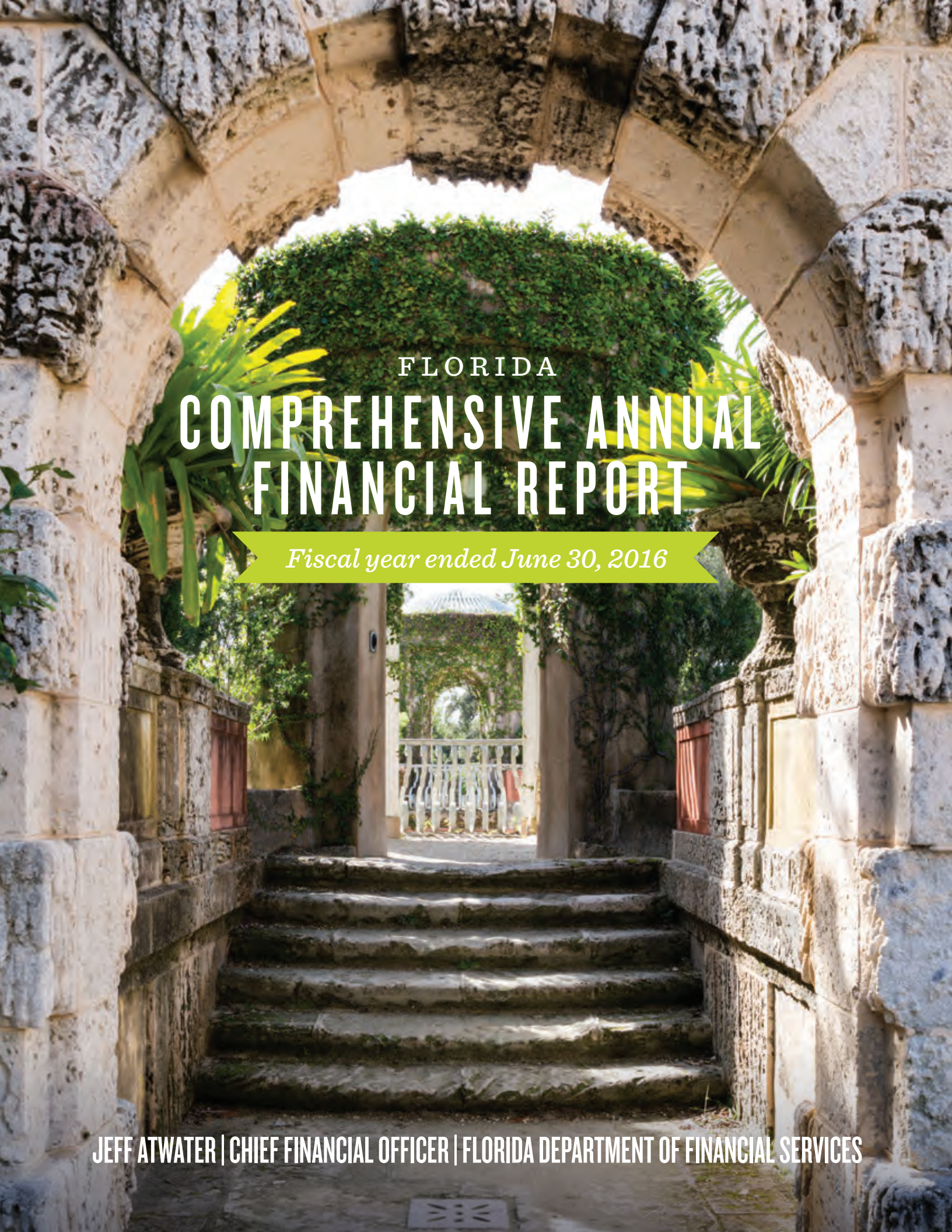

FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ended June 30, 2016

JEFF ATWATER | CHIEF FINANCIAL OFFICER | FLORIDA DEPARTMENT OF FINANCIAL SERVICES

ACKNOWLEDGEMENTS

The Florida Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016 was prepared by:

DIVISION OF ACCOUNTING AND AUDITING

Christina B. Smith, Director
Rachael K. G. Lieblick, Assistant Director

BUREAU OF FINANCIAL REPORTING

Jennifer Reeves Foster, CPA, Bureau Chief

STATEWIDE FINANCIAL REPORTING SECTION

Danta M. White, CPA, Financial Administrator
Pamela J. Barksdale
Alphonso Brown
Stephanie M. Horton
David E. James
Chunping Y. Lin, CPA
Sherif A. Nessim
Kyle S. Russell
Leonor M. Skoglund

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, 2016

Rick Scott
GOVERNOR

Jeff Atwater
CHIEF FINANCIAL OFFICER

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

Letter of Transmittal 6
Organizational Chart and Principal Officials 8

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT 10

MANAGEMENT'S DISCUSSION AND ANALYSIS 14

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements
Statement of Net Position 22
Statement of Activities 23

Governmental Fund Financial Statements
Fund Descriptions 25
Balance Sheet 26
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 29
Statement of Revenues, Expenditures, and Changes in Fund Balances 30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 33

Proprietary Fund Financial Statements
Fund Descriptions 35
Statement of Net Position 36
Statement of Revenues, Expenses, and Changes in Fund Net Position 38
Statement of Cash Flows 40

Fiduciary Fund Financial Statements
Fund Descriptions 45
Statement of Fiduciary Net Position 46
Statement of Changes in Fiduciary Net Position 47

Component Unit Financial Statements
Component Unit Descriptions 49
Statement of Net Position 50
Statement of Activities 52

Notes to the Financial Statements
Table of Contents 55
Note 1 - Summary of Significant Accounting Policies 56
Note 2 - Deposits and Investments 68
Note 3 - Receivables and Payables 109
Note 4 - Taxes 113
Note 5 - Capital Assets 114
Note 6 - Pensions and Other Postemployment Benefits 117
Note 7 - Commitments and Operating Leases 130
Note 8 - Bonds Payable and Certificates of Participation 132
Note 9 - Installment Purchases, Capital Leases, and Public-Private Partnership 140
Note 10 - Changes in Long-term Liabilities 142
Note 11 - Interfund Balances and Transfers 144

Note 12 - Risk Management 149
Note 13 - Florida Prepaid College Program 151
Note 14 – Insurance Enterprises 152
Note 15 - Contingencies 156
Note 16 - Litigation 157
Note 17 - Deficit Fund Balance and Net Position 159
Note 18 - Subsequent Events 160

OTHER REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedules - General and Major Special Revenue Funds 164
Budget to GAAP Reconciliation 169
Budgetary Reporting 170
Schedule of Proportionate Share and Schedule of State Contributions - Florida Retirement System - Pension 172
Schedule of Proportionate Share and Schedule of State Contributions - Retiree Health Insurance Subsidy Program - Pension 173
Schedule of Changes in Net Pension Liability and Schedule of State Contributions – Florida National Guard Supplemental Retirement Benefit Plan 174
Schedule of Funding Progress - Other Postemployment Benefits 175
Information About Infrastructure Assets Reported Using the Modified Approach 176

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES - NONMAJOR FUNDS

Governmental Funds

Fund Descriptions 181
Combining Balance Sheet 182
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 183

Special Revenue Funds
Fund Descriptions 185
Combining Balance Sheet 186
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 192
Budgetary Comparison Schedules 197

Capital Projects Funds
Fund Descriptions 213
Combining Balance Sheet 214
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 215

Proprietary Funds

Enterprise Funds
Fund Descriptions 217
Combining Statement of Net Position 218
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 219
Combining Statement of Cash Flows 220

Internal Service Funds
Fund Descriptions 223
Combining Statement of Net Position 224
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position 225
Combining Statement of Cash Flows 226

Fiduciary Funds

Private-purpose Trust Funds
Fund Descriptions 231
Combining Statement of Fiduciary Net Position 232
Combining Statement of Changes in Fiduciary Net Position 234

Pension and Other Employee Benefits Trust Funds
Fund Descriptions 237
Combining Statement of Fiduciary Net Position 238
Combining Statement of Changes in Fiduciary Net Position 240

Investment Trust Funds
Fund Descriptions 243
Combining Statement of Fiduciary Net Position 244
Combining Statement of Changes in Fiduciary Net Position 245

Agency Funds
Fund Descriptions 247
Combining Statement of Fiduciary Net Position 249
Combining Statement of Changes in Assets and Liabilities 250

Component Units
Component Unit Descriptions 253
Combining Statement of Net Position 255
Combining Statement of Activities 256

STATISTICAL SECTION

Table of Contents 261
Schedule A-1 Net Position by Component 262
Schedule A-2 Changes in Net Position 264
Schedule A-3 Fund Balances - Governmental Funds 268
Schedule A-4 Changes in Fund Balances - Governmental Funds 270
Schedule B-1 Revenue Base/Rate 272
Schedule B-2 Principal Sales Tax Payers by Industry 274
Schedule C-1 Ratios of Outstanding Debt by Type 276
Schedule C-2 Ratios of Net General Bonded Debt Outstanding 278
Schedule C-3 Legal Debt Margin 279
Schedule C-4 Pledged-Revenue Coverage 280
Schedule D-1 Demographic and Economic Statistics 284
Schedule D-2 Industry Sector Employment 286
Schedule E-1 Full-Time Equivalent State Employees by Function 288
Schedule E-2 Operating Indicators by Function 290
Schedule E-3 Capital Assets by Function 292

INTRODUCTORY SECTION

CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

February 10, 2017

Citizens of the State of Florida
The Honorable Rick Scott, Governor
The Honorable Joe Negron, President of the Senate
The Honorable Richard Corcoran, Speaker of the House of Representatives

To the Citizens of Florida, Governor Scott, President Negron, and Speaker Corcoran:

I am pleased to submit the State of Florida's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016, 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, 2016. 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 seventh year of positive growth in general fund collections in June 2016. While the state's recovery from the Great Recession has been protracted, most measures of the Florida economy had returned to or surpassed their prior peaks by the close of the 2015-16 fiscal year. The state's Economic Estimating Conference confirmed in mid-November that Florida's economy is continuing to improve as expected, although some of the projected increases were tamped down. Overall, the various forecasts adopted by the State's Estimating Conferences project that normal economic conditions will be in place by the end of fiscal year 2016-17. The key drivers underlying these forecasts are discussed in greater detail below.

Notably, Florida's population growth and other key indicators continue to show strength. Florida's real Gross Domestic Product in 2015 showed growth of 3.1 percent, moving Florida above the national average (2.4 percent in 2015) for the third year in a row. Newly released data for the second quarter (GDP for 2016:Q2) indicated a similar pattern of growth in the current year, ranking Florida seventh in the nation in real growth. On the more real-time measure of personal income, the calendar year results were similar: Florida ended 2015 with 5.2 percent growth over 2014—above the national growth rate of 4.4 percent and ranking sixth among all states. However, the latest data may provide a single note of caution to the most recently adopted forecast. Florida's pace for the third quarter of 2016 (2016:Q3) slightly slowed relative to

the second quarter. Even though the State's personal income continued to grow, it matched the national average at 1.1 percent and ranked Florida 22nd in the country. The forecast for 2016-2017 assumes Florida's personal income will reach $962.0 billion, with 4.6 percent growth over the prior year. Underpinning the projected growth in personal income is continued population growth; these projections were slightly strengthened in early November. 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 at an even higher pace than last year.

The level of employment in Florida also continues to improve from the low levels of the Great Recession. For the third quarter of the 2016 calendar year, total non-farm employment stood at nearly 8.4 million jobs. The forecast indicates that non-farm employment will add approximately 234.6 thousand jobs during the course of the 2016-17 fiscal year, representing a 2.9 percent increase over the prior fiscal year. According to the preliminary data for November 2016 relative to November 2015, the fiscal year estimate could easily be exceeded. As the labor force participation rate has begun to improve, Florida's unemployment rate has held relatively steady, roughly matching the movements in the national unemployment rate. Most importantly, there are significant indications that the improvements will be sustainable. Among all unemployed, the share of new entrants increased from 10.5 percent in November 2015 to 13.0 percent in November 2016.

While typical economic recoveries are led by increases in lending and housing construction; the recovery from the Great Recession has behaved differently. Overall, Florida economic growth rates are returning to more normal levels and show progress in spite of the drag from construction that still exists. For now, tourism strength is largely compensating for the persistent weakness in construction. In the current forecast, tourism is at record-breaking levels, while none of the key construction metrics show a return to peak levels until 2020-21.

Even though it remains at very low levels, the construction sector is improving. Single-Family building permit activity, an indicator of new construction, remains in positive territory, showing strong back-to-back growth in both the 2012 and 2013 calendar years (over 30% in each year). The final data for the 2014 calendar year revealed significantly slowing (but still positive) activity—posting only 1.6% growth over the prior year. However, calendar year activity for 2015 ran well above the same period in 2014; single family data was higher than the prior year by 20.3%. Despite the strong percentage growth rates in three of the last four calendar years, the level is still low by historic standards—not quite half of the long-run per capita level. For the first nine months of the 2016 calendar year, single-family building permit activity was running 16.0% over the same period in the prior year, continuing to fall below the 2015 annual growth rate. The latest forecast calls for continuing improvement in these starts, reaching annual rates of 75.5 thousand units in state fiscal year 2016-17 and 89.1 thousand units in state fiscal year 2017-18. To put these numbers in perspective, the peak year for starts was 2005-06 at nearly 272 thousand units.

Because the most recent sales tax forecast relies heavily on strong tourism growth, the Legislative Office of Economic and Demographic Research (EDR) feels tourism-related revenue losses pose the greatest potential risk to the economic outlook in the near-term. While the outlook for foreclosures has significantly improved (the incoming pipeline has substantially narrowed over the past three years), meaningful improvement in the housing market will lag behind the rest of Florida's economic recovery. This means that tourism will need to continue picking up the slack in order for the broader economic measures for the state as a whole to stay in normal territory. Even so, the housing and construction recovery in Florida is well underway—albeit slowly. The turnaround in Florida housing is being led by: still affordable 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. The potential that any of these factors come in stronger than expected provides an upside risk to the forecast.

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. However, it also provides a warning that a structural imbalance will occur in the future without Legislative intervention to head it off. In addition, the Long-Range Financial Outlook 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,

Jeff Atwater
Chief Financial Officer

JA:pjb

ORGANIZATION AT JUNE 30, 2016

THE ELECTORATE OF FLORIDA

Legislative Branch
- Senate
- House of Representatives
- Public Service Commission
- Auditor General
- Office of Public Counsel
- Office of Program Policy Analysis and Government Accountability
- Legislative Support Services:
  - Office of Legislative Services
  - Office of Legislative Information Technology Services
  - Office of Economic and Demographic Research
  - Commission on Ethics

Executive Branch

Judicial Branch
- Supreme Court
- District Courts of Appeal - 5 Districts
  - Circuit Courts - 20 Circuits
  - County Courts - 67 Counties
- Justice Administrative Commission
  - Capital Collateral Regional Counsel
  - Criminal Conflict and Civil Regional Counsel
  - Guardian ad Litem Program
  - State Attorneys (elected officials)
  - Public Defenders (elected officials)
- Judicial Qualifications Commission

Governor
- Lieutenant Governor
- Executive Office of the Governor
- Agencies and Commissions of the Governor
  - Agency for Health Care Administration
  - Agency for Persons with Disabilities
  - Agency for State Technology
  - Department of Business and Professional Regulation
  - Department of Children and Families
  - Department of Citrus
  - Department of Corrections
  - Department of Economic Opportunity
  - Department of Elder Affairs
  - Department of Environmental Protection
  - Department of Health
  - Department of Juvenile Justice
  - Department of the Lottery
  - Department of Management Services
  - Department of Military Affairs
  - Department of State
  - Department of Transportation
  - Division of Administrative Hearings

Cabinet
- Attorney General
  - Department of Legal Affairs
- Chief Financial Officer
  - Department of Financial Services
- Commissioner of Agriculture
  - Department of Agriculture and Consumer Services

Agencies and Commissions of the Governor and Cabinet
- Department of Highway Safety and Motor Vehicles
- Department of Law Enforcement
- Department of Revenue
- Department of Veterans' Affairs
- Financial Services Commission
  - Office of Insurance Regulation
  - Office of Financial Regulation
- Florida Commission on Offender Review

Other Agencies, Boards, and Commissions
- Board of Governors of the State University System
- State Board of Education - Department of Education
- Fish and Wildlife Conservation Commission
- State Board of Administration

PRINCIPAL OFFICIALS AT JUNE 30, 2016

Legislative Branch
Senate
- Andy Gardiner, President

House of Representatives
- Steve Crisafulli, Speaker

Executive Branch
- Rick Scott, Governor
- Carlos Lopez-Cantera, Lieutenant Governor

Cabinet
- Pam Bondi, Attorney General
- Jeff Atwater, Chief Financial Officer
- Adam Putnam, Commissioner of Agriculture

Judicial Branch
- Jorge Labarga, Chief Justice

FINANCIAL SECTION

Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL
STATE OF FLORIDA

Claude Denson Pepper Building, Suite G74
111 West Madison Street
Tallahassee, Florida 32399-1450

Phone: (850) 412-2722
Fax: (850) 488-6975

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, 2016, 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 31 percent and 13 percent, respectively, of the assets and revenues of the business-type activities.
- The Florida Turnpike System, which represents 88 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 33 percent and 11 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 3 percent of the revenues/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 92 percent and 14 percent, respectively, of the assets and additions of the Pension and Other Employee Benefits Trust Funds.
- The Florida Housing Finance 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 65 percent and 33 percent, respectively, of the assets and revenues of the discretely presented component units.

The 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 from 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 the 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, 2016, 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 Note 2, the State adopted the provisions of Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurements. Adoption of this statement resulted in additional disclosures related to fair value hierarchy and pricing sources in the notes to the financial statements. 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 management's discussion and analysis on pages 14 through 20 and the budgetary information, funding and contribution information for pension and other postemployment benefits, and information on infrastructure using the modified approach on pages 164 through 177 be presented to supplement the basic financial statements. Such information, although not a 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, related budgetary comparison schedules, and Statistical Section on pages 181 through 293 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 10, 2017, 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,

Sherrill F. Norman, CPA
Tallahassee, Florida
February 10, 2017

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, 2016 (fiscal year 2015-16). 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 Financial Statements	Fund Financial Statements		
		Governmental Funds	*Proprietary Funds*	*Fiduciary Funds*
Scope	Entire state government (except fiduciary funds) and the state's component units	Activities of the state that are not proprietary or fiduciary	Activities of the state that are operated similar to private businesses	Instances in which the state is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures, and changes in fund balances	• Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, liability, and deferred outflow/inflow information	• All assets and liabilities, both financial and capital, and short-term and long-term • All deferred outflows and deferred inflows of resources	• Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included • All deferred outflows and deferred inflows of resources	• All assets and liabilities, both financial and capital, and short-term and long-term • All deferred outflows and deferred inflows of resources	• All assets and liabilities, both financial and capital, and short-term and long-term • All deferred outflows and deferred inflows of resources
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	• Revenues for which cash is received during or soon after the end of the year • Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Condensed 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, 2016, and 2015, derived from the government-wide Statement of Net Position. The state's net position at the close of the fiscal year was $63.68 billion for governmental activities and $27.26 billion for business-type activities which was a combined total of $90.94 billion for the primary government. The three components of net position include net investments in capital assets; restricted; and unrestricted. The largest component, totaling $74.0 billion as of June 30, 2016, 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 $27.7 billion as of June 30, 2016. 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 $12.0 billion at June 30, 2016. 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 $18.2 billion at June 30, 2016, 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 Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 25,992	$ 24,826	$ 36,955	$ 33,175	$ 62,947	$ 58,001
Capital assets, net	71,872	69,624	11,268	10,873	83,140	80,497
Total assets	97,864	94,450	48,223	44,048	146,087	138,498
Total deferred outflows of resources	1,813	1,098	68	58	1,881	1,156
Other liabilities	3,284	3,377	1,870	2,220	5,154	5,597
Noncurrent liabilities	31,713	29,772	19,007	16,927	50,720	46,699
Total liabilities	34,997	33,149	20,877	19,147	55,874	52,296
Total deferred inflows of resources	1,003	1,874	157	173	1,160	2,047
Net position:						
Net investments in capital assets	66,197	63,937	7,767	7,544	73,964	71,481
Restricted	9,486	8,958	18,207	16,348	27,693	25,306
Unrestricted	(12,006)	(12,370)	1,283	894	(10,723)	(11,476)
Total net position	$ 63,677	$ 60,525	$ 27,257	$ 24,786	$ 90,934	$ 85,311

Statement of Activities

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2015-16 and fiscal year 2014-15, 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 increased during the fiscal year by $5.7 billion. The net position of governmental activities increased by $3.2 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 $930 million increase in Transportation expenses and a $519 million increase in Education expenses, while the largest increase in business-type activities expenses is the $563 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 Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues						
Charges for services	$ 7,664	$ 8,501	$ 11,388	$ 10,238	$ 19,052	$ 18,739
Operating grants and contributions	27,225	26,000	11	36	27,236	26,036
Capital grants and contributions	2,503	2,229	3	3	2,506	2,232
Total program revenues	37,392	36,730	11,402	10,277	48,794	47,007
General revenues and payments						
Sales and use tax	24,256	22,917	.....	.....	24,256	22,917
Other taxes	13,364	13,305	.....	.....	13,364	13,305
Investment earnings (loss)	328	139	7	2	335	141
Emergency assessments	.....	.....	3	257	3	257
Miscellaneous	.....	.....	1	4	1	4
Total general revenues and payments	37,948	36,361	11	263	37,959	36,624
Total revenues	75,340	73,091	11,413	10,540	86,753	83,631
Program expenses						
General government	6,700	6,451	.....	.....	6,700	6,451
Education	20,162	19,643	.....	.....	20,162	19,643
Human services	34,596	34,303	.....	.....	34,596	34,303
Criminal justice and corrections	4,022	3,863	.....	.....	4,022	3,863
Natural resources and environment	2,852	2,537	.....	.....	2,852	2,537
Transportation	4,962	4,032	514	471	5,476	4,503
State courts	521	480	.....	.....	521	480
Lottery	.....	.....	4,390	4,116	4,390	4,116
Hurricane Catastrophe Fund	.....	.....	68	91	68	91
Prepaid College Program	.....	.....	1,323	760	1,323	760
Reemployment Assistance	.....	.....	466	664	466	664
Nonmajor enterprise funds	.....	.....	333	323	333	323
Indirect interest on long-term debt	78	141	.....	.....	78	141
Total program expenses	73,893	71,450	7,094	6,425	80,987	77,875
Excess (deficiency) before gain (loss) and transfers	1,447	1,641	4,319	4,115	5,766	5,756
Gain (loss) on sale of capital assets	90	(94)	(154)	(13)	(64)	(107)
Transfers	1,671	1,568	(1,671)	(1,568)	.....	.....
Change in net position	3,208	3,115	2,494	2,534	5,702	5,649
Beginning net position, as restated (Note 1)	60,469	57,410	24,763	22,252	85,232	79,662
Ending net position	$ 63,677	$ 60,525	$ 27,257	$ 24,786	$ 90,934	$ 85,311

Major Fund Analysis

Governmental Funds

The state's governmental funds reported a combined ending fund balance of $18 billion at June 30, 2016, a $634 million or 3.7 percent growth from the prior year. Revenues increased by $1.8 billion or 2.4 percent, other financing sources and uses increased by $138 million or 7.2 percent, and expenditures increased by $1.5 billion or 1.9 percent. Overall increases in revenues and expenditures were primarily attributable to a rise in tax revenues.

Health and Family Services – The fund balance at June 30, 2016, totaled $1.7 billion, an increase of $337 million or 25.2 percent. Revenues and other financing sources increased by $223 million or 0.8 percent, while expenditures and other financing uses decreased $443 million or 1.6 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 $27.3 billion at June 30, 2016, of which $7.8 billion is the net investment in capital assets, and $18.2 billion is restricted for specific purposes. The remaining $1.3 billion 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 reported a net position of $3.3 billion at June 30, 2016, an increase of $540 million or 19.3 percent. Revenues and operation transfers in decreased by $412 million or 28.3 percent while expenses and operating transfers out declined by $220 million or 31.2 percent. Revenues decreased as a result of lower unemployment tax rates due to the improving economy and lower unemployment rates relative to the prior fiscal year. The reduction in expenses is due to a decrease in benefit payments relative to the prior year as the economy and unemployment rate in Florida improved.

Hurricane Catastrophe Fund – The net position at June 30, 2016, totaled $12.8 billion, an increase of $1.1 billion or 9.8 percent. The declining increase in net position remained fairly consistent with the declining increase in the prior year. Revenues and operation transfers in decreased by $357 million or 22.7 percent, while expenses and operating transfers out declined by $23 million or 22.6 percent. The majority of the decrease in total revenues is due to emergency assessments no longer being collected on insurance policies issued or renewed on or after January 1, 2015. As a result, emergency assessment revenue decreased in fiscal years 2015 and 2016. The decrease in expenses is primarily attributable to bonding activity. See Note 14 to the financial statements for additional information on this fund.

Prepaid College Program – The net position at June 30, 2016, totaled $1.7 billion, an increase of $150 million or 10.0 percent. Revenues and operation transfers in increased by $997 million or 209.6 percent while expenses and operating transfers out increased by $562 million or 73.9 percent. The increase in revenues was primarily due to a change in the actuarial determination of the present value of future contract premiums and an increase in fair value of fixed income investments, while expenses increased primarily due to a change in the actuarial determination of the present value of future benefit payments.

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 $166 million increase between the original and final estimated revenues. Final budgeted total expenditures increased by $764 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, 2016, the state reported $71.9 billion in net capital assets for governmental activities and $11.3 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2014-15 to fiscal year 2015-16 by approximately 3.3 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 $10.8 billion. Construction commitments by other state agencies for major projects including office buildings and correctional facilities decreased by $26 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 increased by $605 million, or approximately 2.7 percent, from the prior fiscal year to a total of $22.8 billion at June 30, 2016 due to new debt issued being greater than scheduled amortization and debt service payments. The majority of the outstanding bonded debt serves to finance educational facilities ($12.7 billion), the Florida Hurricane Catastrophe Fund ($3.2 billion) and transportation ($4.8 billion). New and refinanced bonded debt issues for 2016 totaled $3.8 billion. Public-Private Partnership (PPP) contracts outstanding increased from the prior year by $132 million or 5.2 percent to a total of $2.7 billion. The annual debt service requirements increased from $2 billion in 2015 to $2.1 billion in 2016 due to refinement of how PPP obligations are reflected in outstanding debt. In Fiscal Year 2015 and 2016, debt service increased by $84 million and $82 million, respectively, to nearly $2.1 billion in Fiscal Year 2016 reflecting impact of PPP payments. The annual debt service is projected to increase to $2.3 billion in Fiscal Year 2018 due to the addition of adding PPP obligations for the I-4 Project causing an increase in the benchmark debt ratio.

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 $4.5 billion in pension liabilities for the defined benefit plans it administers for the fiscal year ended June 30, 2016. The $4.5 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, 2016, 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 improved over the past year to 5.46 percent and remains below the 6 percent target for the foreseeable future.

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 2016 Debt Affordability Report* for more detailed information about the state's debt position. The report can be found at *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 6, 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 2015-16 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, 2016, were 3.8 percent higher than the prior fiscal year. While this percentage is substantially lower than the reported 7.7 percent for fiscal year 2014-15, general fund tax collections in that fiscal year posted atypically strong growth as the State of Florida neared the end of its recovery from the Great Recession. This means that the growth rate for fiscal year 2015-16, albeit modest, falls more in line with the 3.5 percent long-run growth projected for the future.

Nearly all of the year-over-year increase in general fund receipts came from gains in sales tax collections. For fiscal year 2015-16, this revenue source slightly increased its dominant share of the fund, ending the year with 69.2 percent of total revenue. 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). Total sales tax liability grew a solid 5.7 percent from fiscal year 2014-15 to fiscal year 2015-16. This equates to slightly over $1.3 billion in growth for this source, with $935.3 million flowing through to the general fund.

Including sales tax, only one-half of the state's general revenue sources posted gains over the prior year. Even though national corporate profits dropped slightly in fiscal year 2015-16 relative to fiscal year 2014-15, the state's corporate income tax collections managed to stay in positive territory. Still below peak collections, corporate income tax receipts prior to refunds posted 1.6 percent growth to achieve 93.0 percent of the previous high. However, once refunds are taken into account, net collections were slightly below the prior year. Of the sources clearly losing ground over the year, several were related to changes that had been anticipated. Notably among these were: (1) a loss of highway safety fees resulting from a statutory change to the general fund distribution, (2) a decline in beverage taxes as the use of an available tax credit significantly increased, and (3) a reduction in Indian Gaming revenues as the authorization to conduct banked card games expired and certain related collections were placed in an effective reserve.

Several revenue sources have continued to track the ebb and flow of the state's one lagging sector, the construction industry. 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. Ten 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 3.1 percent and 11.0 percent growth, respectively. The picture also solidified for private housing starts and construction expenditures, allowing total documentary stamp taxes to grow 7.9 percent. This growth brought documentary stamp taxes to 56.1 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 an 11.9 percent increase over the prior year. However, the collection levels are still low by historic standards for the two sources, distorting the magnitude of percentage changes.

At the end of the 2015-16 state fiscal year, total general fund collections were only $50.6 million or just 0.2 percent above the estimate made by the state's Revenue Estimating Conference in January 2016. Coming in so close to the estimate made midway through the fiscal year signals the underlying stability in the economy. Further, general fund sources collectively outperformed the class of total revenue for the state. Including federal dollars, total revenue increased by 3.5 percent over this period.

The Revenue Estimating Conference met in December 2016 to revise the forecast for fiscal years 2016-17 and 2017-18. Total collections had been running over the prior estimate; however, more than half of the reported gain year-to-date was attributable to timing and other technical issues that were expected to be resolved prior to the end of the year. A review of both the corrected and unaffected sources indicated that the real gain to the estimate was much smaller. Based on this and the slightly weaker National and Florida Economic Forecasts adopted in November 2016, the Conference made only modest adjustments. Overall, anticipated revenues were revised upward by $119.3 million in fiscal year 2016-17 and by $22.6 million in fiscal year 2017-18, for a two-year total of $141.9 million. The revised fiscal year 2016-17 estimate exceeds the prior year's collections by $1.13 billion (or 4.0 percent). The revised forecast for fiscal year 2017-18 has projected growth of $1.26 billion (or 4.3 percent) over the revised fiscal year 2016-17 estimate. The growth rates for fiscal year 2018-19 and fiscal year 2019-20 were unchanged at 4.1 percent and 4.0 percent, respectively, with the resulting dollar levels staying similar to the prior forecast.

As a buffer against future financial shocks, the latest General Revenue Outlook shows that there will be just over $1.48 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 $1.384 billion on June 30, 2017. The fund cash balance is now at the highest recorded level in its history. 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 $632 million on October 31, 2016, bringing the total of all reserves to just over $3.5 billion or 11.89 percent of the state's estimated general fund collections. According to the state's Long-Range Financial Outlook adopted in September 2016, the state is not anticipating a budget gap for the upcoming fiscal year, meaning the projected revenues should meet all anticipated needs. However, the projections for the subsequent years indicate that a structural imbalance is beginning to occur and that the Legislature will need to take future action.

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

FINANCIAL SECTION:

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
JUNE 30, 2016
(in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Totals	Component Units
ASSETS				
Cash and cash equivalents	$ 117,407	$ 33,418	$ 150,825	$ 2,608,096
Pooled investments with State Treasury	15,402,602	4,944,227	20,346,829	3,528,840
Other investments	1,351,890	28,827,759	30,179,649	19,005,594
Receivables, net	4,596,592	846,509	5,443,101	2,121,435
Internal balances	391,798	(391,798)	.....	.....
Due from component units/primary	3,169	842	4,011	452,805
Inventories	70,252	3,104	73,356	67,970
Restricted cash and cash equivalents	.....	96	96	534,817
Restricted pooled investments with State Treasury	.....	44,243	44,243	676,248
Restricted investments	.....	675,704	675,704	5,386,416
Advances to other entities	967,697	.....	967,697	.....
Other loans and notes receivable, net	3,088,552	1,938,361	5,026,913	2,150,219
Other assets	1,050	32,387	33,437	632,929
Capital assets, net	71,872,076	11,267,714	83,139,790	23,642,206
Total assets	97,863,085	48,222,566	146,085,651	60,807,575
DEFERRED OUTFLOWS OF RESOURCES				
Accum. decrease in fair value - hedging derivatives	.....	.....	.....	95,327
Grants paid in advance	.....	.....	.....	207
Amount deferred on refunding of debt	97,022	37,319	134,341	7,814
Pension-related items	1,716,159	31,169	1,747,328	969,358
Total deferred outflows of resources	1,813,181	68,488	1,881,669	1,072,706
LIABILITIES				
Accounts payable and accrued liabilities	2,206,299	490,202	2,696,501	2,566,526
Due to other governments	.....	6,372	6,372	.....
Due to component units/primary	41,263	366	41,629	70,524
Obligations under security lending agreements	1,036,736	1,373,242	2,409,978	.....
Long-term liabilities				
Due within one year	3,734,315	1,662,521	5,396,836	2,761,482
Due in more than one year	27,978,546	17,344,283	45,322,829	15,001,488
Total liabilities	34,997,159	20,876,986	55,874,145	20,400,020
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement receipts	.....	139,040	139,040	255
Accum. increase in fair value - hedging derivatives	.....	.....	.....	8,822
Amount deferred on refunding of debt	14,332	.....	14,332	3,131
Pension-related items	988,217	17,839	1,006,056	481,847
Total deferred inflows of resources	1,002,549	156,879	1,159,428	494,055
NET POSITION				
Net investments in capital assets	66,196,839	7,766,815	73,963,654	19,323,701
Restricted for				
Environment, Recreation and Conservation	3,188,567	.....	3,188,567	.....
Public Education	742,292	.....	742,292	.....
Health and Family Services	1,592,259	.....	1,592,259	.....
Transportation	1,942,833	317,355	2,260,188	.....
Nonmajor governmental funds	1,132,748	.....	1,132,748	.....
Debt service	252,056	.....	252,056	63,787
Lottery	.....	121,932	121,932	.....
Prepaid College Program	.....	1,657,880	1,657,880	.....
Hurricane Catastrophe Fund	.....	12,771,922	12,771,922	.....
Reemployment Assistance	.....	3,337,397	3,337,397	.....
Other	635,617	1,296	636,913	5,992,778
Funds held for permanent endowment				
Expendable	.....	.....	.....	618,141
Nonexpendable	.....	.....	.....	3,786,585
Unrestricted	(12,006,653)	1,282,592	(10,724,061)	11,201,214
Total net position	$ 63,676,558	$ 27,257,189	$ 90,933,747	$ 40,986,206

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities:					
General government	$ 6,699,521	$ 4,656,044	$ 802,443	$ 3,001	$ (1,238,033)
Education	20,162,012	291,798	2,310,679	218	(17,559,317)
Human services	34,595,840	1,702,416	22,547,710	484	(10,345,230)
Criminal justice and corrections	4,021,540	312,850	78,649	4,820	(3,625,221)
Natural resources and environment	2,852,005	367,177	1,429,838	8,993	(1,045,997)
Transportation	4,962,377	256,419	54,167	2,485,855	(2,165,936)
State courts	521,155	77,239	1,315	.....	(442,601)
Indirect interest on long-term debt	78,225	.....	.....	.....	(78,225)
Total governmental activities	73,892,675	7,663,943	27,224,801	2,503,371	(36,500,560)
Business-type activities:					
Transportation	514,248	1,131,342	.....	2,724	619,818
Lottery	4,389,601	6,108,189	.....	.....	1,718,588
Hurricane Catastrophe Fund	68,294	1,214,518	.....	.....	1,146,224
Prepaid College Program	1,322,406	1,472,707	.....	.....	150,301
Reemployment Assistance	465,563	1,031,057	10,886	.....	576,380
Nonmajor enterprise funds	332,551	431,022	.....	.....	98,471
Total business-type activities	7,092,663	11,388,835	10,886	2,724	4,309,782
Total primary government	$ 80,985,338	$ 19,052,778	$ 27,235,687	$ 2,506,095	$ (32,190,778)
Component units					
Florida Housing Finance Corporation	$ 195,169	$ 150,935	$	$	$ (44,234)
University of Florida	5,047,867	3,402,823	907,363	60,670	(677,011)
Citizens Property Insurance Corporation	912,204	762,882	.....	.....	(149,322)
Nonmajor component units	11,535,717	3,431,465	3,312,138	617,788	(4,174,326)
Total component units	$ 17,690,957	$ 7,748,105	$ 4,219,501	$ 678,458	$ (5,044,893)

	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Net (expense) revenue	$ (36,500,560)	$ 4,309,782	$ (32,190,778)	$ (5,044,893)
General revenues:				
Taxes				
Sales and use tax	24,255,828	.....	24,255,828	.....
Fuel taxes	2,934,580	.....	2,934,580	.....
Corporate income tax	2,181,244	.....	2,181,244	.....
Documentary stamp tax	2,284,854	.....	2,284,854	.....
Intangible personal property tax	341,418	.....	341,418	.....
Communications service tax	1,030,801	.....	1,030,801	.....
Beverage and tobacco taxes	1,589,210	.....	1,589,210	.....
Insurance premium tax	940,747	.....	940,747	.....
Gross receipts utilities tax	777,404	.....	777,404	.....
Property taxes	.....	.....	.....	473,370
Other taxes	1,282,545	.....	1,282,545	.....
Investment earning (loss)	327,804	6,594	334,398	361,618
Gain (loss) on sale of capital assets	90,007	(154,186)	(64,179)	(29,136)
Payments from the State of Florida	.....	.....	.....	4,073,980
Emergency assessments	.....	3,064	3,064	.....
Miscellaneous	.....	555	555	659,127
Transfers	1,671,350	(1,671,350)	.....	.....
Contributions to permanent funds	.....	.....	.....	86,297
Total general revenues, transfers and contributions	39,707,792	(1,815,323)	37,892,469	5,625,256
Changes in net position	3,207,232	2,494,459	5,701,691	580,363
Net position - beginning, as restated (Note 1)	60,469,326	24,762,730	85,232,056	40,405,843
Net position - ending	$ 63,676,558	$ 27,257,189	$ 90,933,747	$ 40,986,206

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

THIS PAGE INTENTIONALLY LEFT BLANK

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 181.

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016
(in thousands)

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services
ASSETS				
Current assets				
Cash and cash equivalents	$ 16,086	$ 1,577	$	$ 21,209
Pooled investments with State Treasury	5,820,185	2,077,323	1,140,322	1,923,172
Other investments	834,302	.....	.....	.....
Receivables, net	1,694,452	181,077	59,220	1,291,782
Due from other funds	249,874	20,199	179,596	129,329
Due from component units/primary	519	586	1,090	.....
Inventories	19,721	434	.....	40,811
Other	798	.....	.....	.....
Total current assets	8,635,937	2,281,196	1,380,228	3,406,303
Noncurrent assets				
Long-term investments	.....	.....	.....	.....
Advances to other funds	2,604	.....	.....	.....
Advances to other entities	6,276	4,971	879,913	.....
Other loans and notes receivable, net	22,581	1,218,025	1,733	23,624
Total noncurrent assets	31,461	1,222,996	881,646	23,624
Total assets	8,667,398	3,504,192	2,261,874	3,429,927
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	504,532	55,410	8,571	381,976
Due to other funds	286,128	25,190	2,624	86,052
Due to component units/primary	2,795	29,142	429	6,479
Compensated absences	10,173	1,529	.....	1,288
Claims payable	102,027	.....	.....	573,135
Deposits	5,981	10,389	7,455	3,925
Obligations under security lending agreements	728,580	78,313	54,013	6,978
Total current liabilities	1,640,216	199,973	73,092	1,059,833
Noncurrent liabilities				
Advances from other funds	100	.....	930,266	.....
Deposits	.....	.....	.....	.....
Other	.....	.....	.....	.....
Total noncurrent liabilities	100	.....	930,266	.....
Total liabilities	1,640,316	199,973	1,003,358	1,059,833
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	198,751	833	.....	693,703
Total deferred inflows of resources	198,751	833	.....	693,703
FUND BALANCES				
Nonspendable	26,800	434	.....	40,811
Restricted	74,750	2,306,949	1,713,368	165,341
Committed	1,032,466	996,003	396,423	1,470,239
Unassigned	5,694,315	.....	(851,275)	.....
Total fund balances	6,828,331	3,303,386	1,258,516	1,676,391
Total liabilities, deferred inflows and fund balances	$ 8,667,398	$ 3,504,192	$ 2,261,874	$ 3,429,927

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

Transportation	Nonmajor Governmental Funds	Totals 6/30/16
$ 807	$ 22,945	$ 62,624
2,123,627	1,652,989	14,737,618
1,831	239,466	1,075,599
405,234	338,202	3,969,967
194,366	80,836	854,200
.....	23	2,218
7,173	2,113	70,252
.....	252	1,050
2,733,038	2,336,826	20,773,528
.....	226,651	226,651
94,634	.....	97,238
76,537	.....	967,697
902,731	919,858	3,088,552
1,073,902	1,146,509	4,380,138
3,806,940	3,483,335	25,153,666
696,692	186,313	1,833,494
50,976	139,695	590,665
.....	2,417	41,262
5,699	796	19,485
.....	4,573	679,735
320,242	89,265	437,257
88,532	49,722	1,006,138
1,162,141	472,781	4,608,036
.....	625	930,991
.....	10,939	10,939
.....	811	811
.....	12,375	942,741
1,162,141	485,156	5,550,777
701,967	43,735	1,638,989
701,967	43,735	1,638,989
7,173	25,711	100,929
50	1,800,571	6,061,029
1,935,609	1,128,162	6,958,902
.....	.....	4,843,040
1,942,832	2,954,444	17,963,900
$ 3,806,940	$ 3,483,335	$ 25,153,666

THIS PAGE INTENTIONALLY LEFT BLANK

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2016
(in thousands)

Total fund balances for governmental funds		$ 17,963,900
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	18,644,330	
Nondepreciable infrastructure	46,962,923	
Buildings, equipment and other depreciable assets	6,748,403	
Accumulated depreciation	(4,169,371)	
Construction work in progress	2,634,280	
		70,820,565
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(705,787)	
Installment purchases/capital leases/public-private partnership agreements	(2,426,883)	
Claims payable	(2,289,562)	
Bonds payable	(16,411,960)	
Certificates of participation payable	(89,310)	
Net other post employment benefits	(1,868,451)	
Pension Liability	(4,387,849)	
Due to other governments	(417,246)	
Other	(17,500)	
		(28,614,548)
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.		84,467
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.		718,646
Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Position.		(49,486)
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.		1,638,989
To record the net effect of assets not reported in the Governmental Funds (held in Agency Funds), but reported in the Statement of Net Position for liabilities not legally defeased.		511,834
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.		602,191
Net position of governmental activities		$ 63,676,558

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services
REVENUES				
Taxes	$ 32,239,393	$ 291,709	$ 1,152,489	$ 1,049,357
Licenses and permits	446,439	50,248	922	38,280
Fees and charges	1,487,836	174,568	58,311	885,270
Grants and donations	16,326	188,389	2,153,027	22,605,987
Investment earnings (losses)	237,504	71,099	89,335	5,867
Fines, forfeits, settlements and judgments	92,484	4,061	166,978	42,543
Other	5,441	4,393	3,380	660,041
Total revenues	34,525,423	784,467	3,624,442	25,287,345
EXPENDITURES				
Current:				
General government	4,499,748	36,492	.....	160,175
Education	15,110,653	.....	4,388,798	.....
Human services	8,096,396	.....	.....	25,932,586
Criminal justice and corrections	3,424,179	.....	.....	.....
Natural resources and environment	392,766	952,688	.....	.....
Transportation	15,803	.....	.....	.....
State courts	423,559	.....	.....	.....
Capital outlay	100,938	59,660	2,799	7,937
Debt service:				
Principal retirement	13,121	.....	.....	5,418
Interest and fiscal charges	5,422	.....	.....	445
Total expenditures	32,082,585	1,048,840	4,391,597	26,106,561
Excess (deficiency) of revenues over expenditures	2,442,838	(264,373)	(767,155)	(819,216)
OTHER FINANCING SOURCES (USES)				
Proceeds of bond issues	2,272	49,869	.....	.....
Proceeds of refunding bonds	.....	.....	.....	.....
Proceeds of financing agreements	9,714	.....	.....	.....
Operating transfers in	543,494	851,168	2,359,808	1,602,900
Operating transfers out	(3,159,685)	(327,954)	(1,394,729)	(446,378)
Payments to refunded bond agent	.....	.....	.....	.....
Total other financing sources (uses)	(2,604,205)	573,083	965,079	1,156,522
Net change in fund balances	(161,367)	308,710	197,924	337,306
Fund balances - beginning, as restated (Note 1)	6,989,698	2,994,676	1,060,592	1,339,085
Fund balances - ending	$ 6,828,331	$ 3,303,386	$ 1,258,516	$ 1,676,391

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

Transportation	Nonmajor Governmental Funds	Totals 6/30/16
$ 2,648,455	$ 269,073	$ 37,650,476
12,605	1,483,858	2,032,352
467,230	765,652	3,838,867
2,522,746	2,209,535	29,696,010
54,190	54,567	512,562
2,621	532,391	841,078
5,653	55,035	733,943
5,713,500	5,370,111	75,305,288
200,841	1,771,976	6,669,232
.....	163,499	19,662,950
.....	473,775	34,502,757
.....	484,073	3,908,252
.....	1,372,446	2,717,900
4,410,733	.....	4,426,536
.....	80,513	504,072
2,191,873	54,464	2,417,671
79,594	1,043,893	1,142,026
72,335	771,778	849,980
6,955,376	6,216,417	76,801,376
(1,241,876)	(846,306)	(1,496,088)
.....	5,257	57,398
.....	1,791,321	1,791,321
223,417	.....	233,131
1,511,692	2,866,733	9,735,795
(672,256)	(1,976,380)	(7,977,382)
.....	(1,791,321)	(1,791,321)
1,062,853	895,610	2,048,942
(179,023)	49,304	552,854
2,121,855	2,905,140	17,411,046
$ 1,942,832	$ 2,954,444	$ 17,963,900

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2016
(in thousands)

Net change in fund balance - total governmental funds		$ 552,854
Internal service funds are used by management to charge the costs of goods or services to other funds and agencies within the state. Therefore, the net revenue (expense) of the internal service funds is reported with governmental activities.		$ 15,548
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	2,417,671	
Capital asset transfers, net	73,117	
Depreciation expense	(276,351)	
		$ 2,214,437
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.		$ (26,436)
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.		$ (5,696)
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	28,262	
Decrease in accrued interest	1,994	
Decrease in claims payable	96,395	
Increase in net other post employment benefits	(403,949)	
Increase in due to other governments	(417,246)	
Decrease in other liabilities	2,492	
		$ (692,052)
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, deferred amounts on refundings when debt is issued, whereas these amounts are deferred and and amortized in the Statement of Activities.		
Bond proceeds	(57,398)	
Refunding bond proceeds	(1,791,321)	
Financing agreement proceeds	(233,131)	
Repayment of bonds	1,042,814	
Repayment of capital leases/installment purchase contracts	56,295	
Payment to refunded bond escrow agent	1,791,321	
Amortization of bond premium	188,302	
Amortization of deferred amount on refunding	(10,198)	
Accrued interest payable at refunding	(12,411)	
		$ 974,273
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.		$ 174,304
Change in net position of governmental activities		$ 3,207,232

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

THIS PAGE INTENTIONALLY LEFT BLANK

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 217.

Internal Service Funds

Internal service funds are presented on page 223.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
ASSETS					
Current assets					
Cash and cash equivalents	$ 2,941	$ 316	$ 11	$ 6,791	$ 1,303
Pooled investments with State Treasury	1,103,750	280,792	.....	.....	3,184,254
Other investments	.....	.....	10,818,319	1,961,620	.....
Receivables, net	30,540	32,347	182,093	289,512	199,657
Due from other funds	92,351	.....	.....	4,474	930
Due from component units/primary	.....	.....	.....	.....	507
Inventories	1,619	1,485	.....	.....	.....
Other	240	2,389	.....	1	.....
Total current assets	1,231,441	317,329	11,000,423	2,262,398	3,386,651
Noncurrent assets					
Restricted cash and cash equivalents	96	.....	.....	.....	.....
Restricted pooled investments with State Treasury	15,975	28,268	.....	.....	.....
Restricted investments	327,574	348,130	.....	.....	.....
Long-term investments	.....	.....	5,086,241	10,889,502	.....
Other loans and notes receivable, net	66,437	.....	.....	1,867,653	.....
Capital assets					
Land and other non-depreciable assets	1,128,944	2,727	.....	.....	.....
Non-depreciable infrastructure	8,587,365	.....	.....	.....	.....
Buildings, equipment, and other depreciable assets	815,790	12,037	37	33	.....
Accumulated depreciation	(302,364)	(8,659)	(31)	(15)	.....
Construction work in progress	935,382	.....	.....	.....	.....
Other	.....	22,793	.....	.....	.....
Total noncurrent assets	11,575,199	405,296	5,086,247	12,757,173	.....
Total assets	12,806,640	722,625	16,086,670	15,019,571	3,386,651
DEFERRED OUTFLOWS OF RESOURCES					
Amount deferred on refunding of debt	37,319	.....	.....	.....	.....
Pension-related items	.....	5,007	241	514	.....
Total deferred outflows of resources	37,319	5,007	241	514	.....
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	49,457	8,478	113,694	259,574	41,163
Accrued prize liability	.....	174,388	.....	.....	.....
Due to other governments	.....	.....	.....	.....	6,372
Due to other funds	133,932	158,655	285	35	1,719
Due to component units/primary	.....	.....	.....	.....	.....
Compensated absences	.....	384	47	60	.....
Installment purchases/capital leases	36,034	.....	.....	.....	.....
Bonds payable	.....	.....	500,000	.....	.....
Bonds payable from restricted assets	135,605	.....	.....	.....	.....
Deposits	74,025	.....	.....	.....	.....
Obligations under security lending agreements	54,634	15,098	.....	1,287,850	.....
Certificates of participation payable	.....	.....	.....	.....	.....
Tuition and housing benefits payable	.....	.....	.....	713,654	.....
Pension liability	.....	219	13	12	.....
Total current liabilities	483,687	357,222	614,039	2,261,185	49,254
Noncurrent liabilities					
Advances from other funds	93,734	.....	.....	.....	.....
Accrued prize liability	.....	237,968	.....	.....	.....
Bonds payable	2,820,030	.....	2,700,000	.....	.....
Certificates of participation payable	.....	.....	.....	.....	.....
Installment purchases/capital leases	285,428	.....	.....	.....	.....
Deposits	451	.....	.....	.....	.....
Compensated absences	.....	3,456	127	214	.....
Tuition and housing benefits payable	.....	.....	.....	11,099,833	.....
Pension liability	.....	12,694	661	762	.....
Other	.....	6,683	59	74	.....
Total noncurrent liabilities	3,199,643	260,801	2,700,847	11,100,883	.....
Total liabilities	3,683,330	618,023	3,314,886	13,362,068	49,254
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	139,040	.....	.....	.....	.....
Amount deferred on refunding of debt	.....	.....	.....	.....	.....
Pension-related items	.....	2,179	97	119	.....
Total deferred inflows of resources	139,040	2,179	97	119	.....
NET POSITION					
Net investment in capital assets	7,681,073	6,106	6	18	.....
Restricted for Reemployment Assistance	.....	.....	.....	.....	3,337,397
Restricted for Lottery	.....	121,932	.....	.....	.....
Restricted for Hurricane Catastrophe Fund	.....	.....	12,771,922	.....	.....
Restricted for Prepaid College Program	.....	.....	.....	1,657,880	.....
Restricted for Transportation	317,355	.....	.....	.....	.....
Restricted - other	.....	.....	.....	.....	.....
Unrestricted	1,023,161	(20,608)	.....	.....	.....
Total net position	$ 9,021,589	$ 107,430	$ 12,771,928	$ 1,657,898	$ 3,337,397

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

Nonmajor Enterprise Funds	Totals 6/30/16	Internal Service Funds
$ 22,056	$ 33,418	$ 54,783
375,431	4,944,227	664,984
13,915	12,793,854	49,640
9,496	743,645	24,123
9,400	107,155	25,667
335	842	951
.....	3,104	.....
1,225	3,855	.....
431,858	18,630,100	820,148
.....	96	.....
.....	44,243	.....
.....	675,704	.....
58,162	16,033,905	.....
4,271	1,938,361	.....
.....	1,131,671	319
.....	8,587,365	.....
150,958	978,855	1,582,429
(57,528)	(368,597)	(531,237)
3,038	938,420	.....
5,739	28,532	.....
164,640	29,988,555	1,051,511
596,498	48,618,655	1,871,659
.....	37,319	1,547
25,407	31,169	23,874
25,407	68,488	25,421
17,795	490,161	189,835
.....	174,388	.....
.....	6,372	.....
7,770	302,396	33,953
366	366	1
5,345	5,836	2,787
1,757	37,791	5,871
.....	500,000	25,875
.....	135,605	.....
19,617	93,642	151,350
15,660	1,373,242	30,598
.....	.....	31,360
.....	713,654	.....
1,361	1,605	765
69,671	3,835,058	472,395
.....	93,734	2,779
.....	237,968	.....
.....	5,520,030	241,868
.....	.....	452,480
15,101	300,529	18,549
37,878	38,329	.....
13,646	17,443	10,152
.....	11,099,833	.....
70,650	84,767	52,270
38,568	45,384	26,494
175,843	17,438,017	804,592
245,514	21,273,075	1,276,987
.....	139,040	.....
.....	.....	3,324
15,444	17,839	14,578
15,444	156,879	17,902
79,612	7,766,815	273,731
.....	3,337,397	.....
.....	121,932	.....
.....	12,771,922	.....
.....	1,657,880	.....
.....	317,355	.....
1,296	1,296	86,588
280,039	1,282,592	241,872
$ 360,947	$ 27,257,189	$ 602,191

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program
OPERATING REVENUES				
Sales - nonstate	$ 14,781	$ 6,067,790	$ 1,143,317	$ 375,225
Change in actuarial value of contract premiums	.....	.....	.....	250,118
Fees	1,070,620	.....	1	2,588
Sales - state	.....	.....	41	225
Rents and royalties - nonstate	7,380	517	.....	.....
Rents - state	.....	.....	.....	.....
Fines, forfeits, settlements and judgments	912	179	.....	.....
Other	.....	.....	.....	2
Total operating revenues	1,093,693	6,068,486	1,143,359	628,158
OPERATING EXPENSES				
Benefit payments	.....	.....	.....	.....
Payment of lottery winnings	.....	3,868,970	.....	.....
Commissions on lottery sales	.....	337,007	.....	.....
Contractual services	277,438	132,138	3,705	407,473
Change in actuarial value of contract benefit payments	.....	.....	.....	902,171
Insurance claims expense	.....	.....	.....	.....
Personal services	20,608	28,235	1,380	1,419
Depreciation	54,748	959	3	5
Materials and supplies	19,742	870	13	31
Repairs and maintenance	.....	381	.....	.....
Basic services	.....	5,612	168	117
Interest and fiscal charges	.....	.....	15	30
Bad debt	.....	.....	.....	.....
Total operating expenses	372,536	4,374,172	5,284	1,311,246
Operating income (loss)	721,157	1,694,314	1,138,075	(683,088)
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	2,724	.....	.....	.....
Investment earnings (losses)	32,419	39,702	71,159	844,549
Interest and fiscal charges	(141,712)	(15,428)	(63,010)	(11,160)
Fines, forfeits, judgments and settlements	519	.....	.....	36
Property disposition gain (loss)	(154,167)	15	.....	.....
Grant expense and client benefits	.....	.....	.....	.....
Emergency assessment funds received	.....	.....	3,064	.....
Other	5,539	.....	.....	.....
Total nonoperating revenues (expenses)	(254,678)	24,289	11,213	833,425
Income (loss) before transfers and contributions	466,479	1,718,603	1,149,288	150,337
Operating transfers in	112,676	.....	.....	.....
Operating transfers out	(54,343)	(1,692,716)	(10,000)	.....
Capital contributions	73,117	.....	.....	.....
Change in net position	597,929	25,887	1,139,288	150,337
Total net position - beginning, as restated (Note 1)	8,423,660	81,543	11,632,640	1,507,561
Total net position - ending	$ 9,021,589	$ 107,430	$ 12,771,928	$ 1,657,898

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

Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/16	Internal Service Funds
$	$ 81,392	$ 7,682,505	$ 41,684
.....	.....	250,118	.....
956,567	259,118	2,288,894	.....
.....	38,302	38,568	2,298,698
.....	6	7,903	.....
.....	92	92	153,948
.....	11,540	12,631	292
.....	26,224	26,226	17,330
956,567	416,674	10,306,937	2,511,952
465,563	.....	465,563	.....
.....	.....	3,868,970	.....
.....	.....	337,007	.....
.....	102,243	922,997	536,605
.....	.....	902,171	.....
.....	.....	.....	1,767,141
.....	181,617	233,259	96,031
.....	7,986	63,701	38,591
.....	5,469	26,125	7,253
.....	2,222	2,603	11,262
.....	28,853	34,750	9,809
.....	1,962	2,007	.....
.....	117	117	12
465,563	330,469	6,859,270	2,466,704
491,004	86,205	3,447,667	45,248
10,886	.....	13,610	210
74,490	9,046	1,071,365	16,782
.....	(849)	(232,159)	(40,993)
.....	.....	555	.....
.....	(34)	(154,186)	(1,653)
.....	(1,075)	(1,075)	.....
.....	.....	3,064	.....
.....	(140)	5,399	69
85,376	6,948	706,573	(25,585)
576,380	93,153	4,154,240	19,663
4,001	17,295	133,972	20,668
(19,230)	(90,581)	(1,866,870)	(25,967)
.....	.....	73,117	1,184
561,151	19,867	2,494,459	15,548
2,776,246	341,080	24,762,730	586,643
$ 3,337,397	$ 360,947	$ 27,257,189	$ 602,191

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 1,084,071	$ 6,102,207	$ 1,143,000
Cash paid to vendors	(217,521)	(478,210)	(4,043)
Cash paid to employees	(20,608)	(27,001)	(1,481)
Cash received/(paid) for grants	.....	.....	.....
Lottery prizes	.....	(3,867,418)	.....
Cash paid for insurance claims	.....	.....	.....
Reemployment assistance	.....	.....	.....
Net cash provided (used) by operating activities	845,942	1,729,578	1,137,476
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	85,823	(1,601,166)	(10,000)
Advances from or repayment from other funds	(72,350)	.....	.....
Advances, grants or loans (to) from or repayment from others	(70,700)	.....	.....
Cash received from sale of bonds	.....	.....	1,196,615
Payment of bonds or loans (principal and interest)	.....	.....	(46,975)
Emergency assessment funds received	.....	.....	4,884
Net cash provided (used) by noncapital financing activities	(57,227)	(1,601,166)	1,144,524
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from sale of capital assets	.....	.....	.....
Cash received from the issuance of debt	178,672	.....	.....
Cash received from capital grants and donations	2,724	.....	.....
Payment of bond principal	(131,540)	.....	.....
Payment of principal on installment purchase/capital lease	.....	.....	.....
Payment of interest on bonds/installment purchase/capital lease	(131,698)	.....	.....
Purchase or construction of capital assets	(571,303)	(1,229)	(4)
Net cash provided (used) by capital and related financing activities	(653,145)	(1,229)	(4)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	(6,145)	4,541	.....
Proceeds from the sale or maturity of investments	1,672,645	5,101	108,687,828
Cash paid to grand prize winners upon maturity of grand prize investments	.....	(66,419)	.....
Investment earnings	30,983	70,358	48,279
Purchase of investments	(1,776,001)	(13,801)	(111,018,101)
Net cash provided (used) by investing activities	(78,518)	(220)	(2,281,994)
Net increase (decrease) in cash and cash equivalents	57,052	126,963	2
Cash and cash equivalents - beginning	1,065,710	182,413	9
Cash and cash equivalents - ending	$ 1,122,762	$ 309,376	$ 11

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

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/16	Internal Service Funds
$ 478,678	$ 1,039,807	$ 399,598	$ 10,247,361	$ 2,511,085
(514,543)	.....	(141,784)	(1,356,101)	(567,807)
(1,337)	.....	(172,613)	(223,040)	(91,971)
.....	.....	27,173	27,173	.....
.....	.....	.....	(3,867,418)	.....
.....	.....	.....	.....	(1,758,305)
.....	(474,055)	.....	(474,055)	.....
(37,202)	565,752	112,374	4,353,920	93,002
.....	(14,938)	(75,215)	(1,615,496)	4,626
.....	.....	(36)	(72,386)	(7,245)
.....	.....	(640)	(71,340)	.....
.....	.....	.....	1,196,615	.....
.....	.....	.....	(46,975)	(59,998)
.....	.....	.....	4,884	.....
.....	(14,938)	(75,891)	(604,698)	(62,617)
.....	.....	19	19	.....
.....	.....	1,054	179,726	.....
.....	3,689	2,268	8,681	.....
.....	.....	.....	(131,540)	.....
.....	.....	(2,348)	(2,348)	(25,856)
.....	.....	.....	(131,698)	(15,495)
(8)	.....	(3,507)	(576,051)	(1,733)
(8)	3,689	(2,514)	(653,211)	(43,084)
2,284	.....	(2,581)	(1,901)	(9,324)
10,554,098	.....	94,717	121,014,389	1,890
.....	.....	.....	(66,419)	.....
121,690	75,988	7,993	355,291	15,643
(10,646,023)	.....	(90,972)	(123,544,898)	(1)
32,049	75,988	9,157	(2,243,538)	8,208
(5,161)	630,491	43,126	852,473	(4,491)
11,952	2,555,066	354,361	4,169,511	724,258
$ 6,791	$ 3,185,557	$ 397,487	$ 5,021,984	$ 719,767

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	Transportation	Lottery	Hurricane Catastrophe Fund
Operating income (loss)	$ 721,157	$ 1,694,314	$ 1,138,075
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	54,748	959	3
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(5,707)	33,796	10,538
(Increase) decrease in due from other funds	(8,110)	.....	.....
Increase (decrease) in allowance for uncollectibles	.....	(76)	(10,538)
(Increase) decrease in inventories	196	(394)	.....
(Increase) decrease in future contract premiums and other receivables	.....	.....	.....
(Increase) decrease in other non-current assets	(2,820)	(1,028)	.....
Increase (decrease) in accounts payable	13,209	(1,809)	(523)
Increase (decrease) in compensated absences	.....	(23)	(69)
Increase (decrease) in due to other funds	69,486	.....	.....
Increase (decrease) in tuition and housing benefits payable	.....	.....	.....
Increase (decrease) in other non-current liability	.....	1,598	4
(Increase) decrease in deposits and prepaid items	(6)	.....	11
Increase (decrease) in unearned revenue	3,789	.....	.....
Increase (decrease) in prize liability	.....	2,580	.....
Increase (decrease) in pension liability and deferrals	.....	(339)	(25)
Net cash provided (used) by operating activities	$ 845,942	$ 1,729,578	$ 1,137,476

Noncash investing, capital, and financing activities			
Borrowing under capital lease or installment purchase	$ 56,892	$	$ .....
Change in fair value of investments	27,989	6,655	9,142
Contribution of capital assets	16,243	.....	.....
Other noncash items	(35,617)	.....	.....

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

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/16	Internal Service Funds
$ (683,088)	$ 491,004	$ 86,205	$ 3,447,667	$ 45,248
5	.....	7,986	63,701	38,591
(1,145)	130,174	(578,992)	(411,336)	3,215
(4,451)	38	219	(12,304)	(7,238)
.....	(43,015)	582,145	528,516	.....
.....	.....	.....	(198)	.....
(250,118)	.....	.....	(250,118)	.....
.....	.....	6,097	2,249	.....
(685)	(12,857)	(2,904)	(5,569)	1,008
62	.....	674	644	(1,043)
12	408	(2,265)	67,641	7,742
902,171	.....	.....	902,171	.....
31	.....	8,863	10,496	4,940
6	.....	205	216	.....
.....	.....	6,519	10,308	2,837
.....	.....	.....	2,580	.....
(2)	.....	(2,378)	(2,744)	(2,298)
$ (37,202)	$ 565,752	$ 112,374	$ 4,353,920	$ 93,002
$	$	$	$ 56,892	$ .....
423,074	.....	3,905	470,765	7,581
.....	.....	.....	16,243	.....
.....	.....	33	(35,584)	.....

THIS PAGE INTENTIONALLY LEFT BLANK

FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS
Individual fund descriptions and financial statements begin on page 231.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
Individual fund descriptions and financial statements begin on page 237.

INVESTMENT TRUST FUNDS
Individual fund descriptions and financial statements begin on page 243.

AGENCY FUNDS
Individual fund descriptions and financial statements begin on page 247.

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016
(in thousands)

	Private-Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Agency Funds	Totals 6/30/16
ASSETS					
Cash and cash equivalents	$ 8,607	$ 173,882	$ 46,775	$ 41,035	$ 270,299
Pooled investments with State Treasury	700,168	112,754	1,442,188	1,359,709	3,614,819
Total cash and cash equivalents	708,775	286,636	1,488,963	1,400,744	3,885,118
Investments					
Certificates of deposit	.....	775,062	2,044,556	.....	2,819,618
U.S. government & federally guaranteed obligations	60,420	11,184,954	.....	3,808	11,249,182
Federal agencies	44,323	7,811,598	.....	.....	7,855,921
Commercial paper	.....	3,516,125	2,741,499	.....	6,257,624
Repurchase agreements	.....	850,000	119,020	.....	969,020
Bonds and notes	70,177	8,380,054	313,913	.....	8,764,144
International bonds and notes	5,836	1,737,583	115,383	.....	1,858,802
Real estate contracts	.....	10,581,549	.....	.....	10,581,549
Mutual fund investments	.....	9,163,559	.....	.....	9,163,559
Money market and short-term investments	87,325	1,101,092	1,285,510	.....	2,473,927
Domestic equity	186,562	41,051,769	.....	.....	41,238,331
Alternative investments	.....	22,440,286	.....	.....	22,440,286
International equity	50,475	31,817,433	.....	.....	31,867,908
International equity commingled	.....	5,452,110	.....	.....	5,452,110
Deferred compensation annuities	.....	23,007	.....	.....	23,007
Self-directed brokerage investments	.....	369,381	.....	.....	369,381
Other investments	.....	38,673	.....	100	38,773
Total investments	505,118	156,294,235	6,619,881	3,908	163,423,142
Receivables					
Accounts receivable	6,369	55,903	.....	528,590	590,862
State contributions receivable	.....	211	.....	.....	211
Nonstate contributions receivable	.....	227,833	.....	.....	227,833
Interest receivable	3,592	122,118	5,866	1,065	132,641
Dividends receivable	602	175,904	.....	.....	176,506
Pending investment sales	26,016	1,553,413	.....	.....	1,579,429
Foreign currency contracts receivable	52	4,651,397	.....	.....	4,651,449
Due from state funds	35	83,690	.....	132,079	215,804
Due from other governments	13,170	.....	.....	2,307	15,477
Total receivables	49,836	6,870,469	5,866	664,041	7,590,212
Security lending collateral	.....	1,915,672	.....	.....	1,915,672
Advances to other funds	930,266	.....	.....	.....	930,266
Advances to other entities	1,120,152	.....	.....	.....	1,120,152
Other loans and notes receivable, net	410	.....	.....	.....	410
Capital assets	1,403	1,121	.....	.....	2,524
Accumulated depreciation	(1,183)	(601)	.....	.....	(1,784)
Other assets	1,760	7,623	46	.....	9,429
Total assets	3,316,537	165,375,155	8,114,756	2,068,693	178,875,141
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	421	82	.....	.....	503
Total deferred outflows of resources	421	82	.....	.....	503
LIABILITIES					
Accounts payable and accrued liabilities	2,853	100,484	142	595,353	698,832
Due to other funds	6,759	88,836	55	180,162	275,812
DROP	.....	411,260	.....	.....	411,260
Pending investment purchases	58,143	3,249,805	.....	.....	3,307,948
Short sell obligations	.....	344,045	.....	.....	344,045
Foreign currency contracts payable	52	4,631,230	.....	.....	4,631,282
Broker rebate fees	.....	504	.....	.....	504
Due to other governments	5,300	.....	48,115	539,579	592,994
Obligations under security lending agreements	32,450	1,961,010	70,825	35,811	2,100,096
Claims payable	1,856	.....	.....	21,687	23,543
Deposits payable	19,462	10,081	.....	696,002	725,545
Compensated absences	504	948	.....	.....	1,452
Other liabilities	1,006	3,096	.....	99	4,201
Pension liability	1,512	265	.....	.....	1,777
Total liabilities	129,897	10,801,564	119,137	2,068,693	13,119,291
DEFERRED INFLOWS OF RESOURCES					
Pension-related items	240	43	.....	.....	283
Total deferred inflows of resources	240	43	.....	.....	283
NET POSITION					
Restricted for pension benefits and other purposes	$ 3,186,821	$ 154,573,630	$ 7,995,619	$	$ 165,756,070

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, 2016
(in thousands)

	Private-Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Totals 6/30/16
ADDITIONS				
Contributions and other deposits				
Pension fund employer contributions - state	$	$ 661,783	$	$ 661,783
Pension fund employer contributions - nonstate	.....	2,697,848	.....	2,697,848
Pension fund employee contributions	.....	935,527	.....	935,527
Other contributions	.....	154,861	.....	154,861
Purchase of time by employees	.....	7,684	.....	7,684
Fees	2,958	1,580	.....	4,538
Grants and contributions	169,396	.....	.....	169,396
Flexible benefits contributions	.....	426,911	.....	426,911
Fines, forfeits, settlements and judgments	192	.....	.....	192
Unclaimed property remittances	469,824	.....	.....	469,824
Receivership assets acquired	110,930	.....	.....	110,930
Transfers in from state funds	3,386	682,934	34,559	720,879
Total contributions and other deposits	756,686	5,569,128	34,559	6,360,373
Investment income				
Interest income	21,857	1,222,838	69,147	1,313,842
Dividends	4,807	1,869,176	.....	1,873,983
Other investment income (loss)	(10)	1,555,270	.....	1,555,260
Net increase (decrease) in fair market value	(4,358)	(3,348,167)	365	(3,352,160)
Total investment income (loss)	22,296	1,299,117	69,512	1,390,925
Investment activity expense	(4,021)	(558,243)	(2,923)	(565,187)
Net income (loss) from investing activity	18,275	740,874	66,589	825,738
Security lending activity				
Security lending income	.....	52,955	.....	52,955
Security lending expense	.....	(12,960)	.....	(12,960)
Net income from security lending	.....	39,995	.....	39,995
Total net investment income (loss)	18,275	780,869	66,589	865,733
Other additions	3,804	16,349	.....	20,153
Total additions	778,765	6,366,346	101,148	7,246,259
DEDUCTIONS				
Benefit payments	.....	11,974,524	.....	11,974,524
Insurance claims expense	60,637	59,390	.....	120,027
Supplemental insurance payments	.....	77,189	.....	77,189
Flexible reimbursement payments	.....	19,808	.....	19,808
Life insurance premium payments	.....	31,608	.....	31,608
Remittances to annuity companies	.....	175,422	.....	175,422
Program contribution refunds	.....	10,644	.....	10,644
Interest expense	1,167	1	.....	1,168
Student loan default payments	107,456	.....	.....	107,456
Payments to unclaimed property claimants	268,849	.....	.....	268,849
Distribution to State School Fund	164,973	.....	.....	164,973
Administrative expense	29,731	25,303	50	55,084
Property disposition gain (loss)	.....	15	.....	15
Transfers out to state funds	4,729	701,807	34,559	741,095
Other deductions	38,313	6	.....	38,319
Total deductions	675,855	13,075,717	34,609	13,786,181
Depositor activity				
Deposits	218,599	.....	15,360,031	15,578,630
Withdrawals	(169,257)	.....	(14,879,005)	(15,048,262)
Excess (deficiency) of deposits over withdrawals	49,342	.....	481,026	530,368
Change in net position	152,252	(6,709,371)	547,565	(6,009,554)
Net position - beginning, as restated (Note 1)	3,034,569	161,283,001	7,448,054	171,765,624
Net position - ending	$ 3,186,821	$ 154,573,630	$ 7,995,619	$ 165,756,070

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

THIS PAGE INTENTIONALLY LEFT BLANK

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 253.

THIS PAGE INTENTIONALLY LEFT BLANK

STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2016
(in thousands)

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/16
ASSETS					
Cash and cash equivalents	$ 229,872	$ 255,831	$ 1,396,561	$ 725,832	$ 2,608,096
Pooled investments with State Treasury	619,740	1,168,751	.....	1,740,349	3,528,840
Other investments	1,577,076	695,739	11,797,865	4,934,914	19,005,594
Receivables, net	197,999	588,868	199,663	1,134,905	2,121,435
Due from component units/primary	.....	42,690	.....	410,115	452,805
Inventories	.....	34,441	.....	33,529	67,970
Restricted cash and cash equivalents	.....	51,362	20,950	462,505	534,817
Restricted pooled investments with State Treasury	.....	97,691	.....	578,557	676,248
Restricted investments	.....	2,346,486	.....	3,039,930	5,386,416
Other loans and notes receivable, net	2,051,199	38,396	.....	60,624	2,150,219
Other assets	3,506	168,416	114,299	346,708	632,929
Capital assets, net	.....	3,282,180	10,121	20,349,905	23,642,206
Total assets	4,679,392	8,770,851	13,539,459	33,817,873	60,807,575
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value -hedging derivatives	.....	72,997	.....	22,330	95,327
Grants paid in advance	.....	.....	.....	207	207
Amount deferred on refunding of debt	.....	416	.....	7,398	7,814
Pension-related items	.....	262,783	.....	706,575	969,358
Total deferred outflows of resources	.....	336,196	.....	736,510	1,072,706
LIABILITIES					
Accounts payable and accrued liabilities	90,310	502,162	913,156	1,060,898	2,566,526
Due to component units/primary	.....	30,756	.....	39,768	70,524
Long-term liabilities					
Due within one year	291,427	235,885	1,617,377	616,793	2,761,482
Due in more than one year	2,148,452	2,349,017	3,541,942	6,962,077	15,001,488
Total liabilities	2,530,189	3,117,820	6,072,475	8,679,536	20,400,020
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	.....	.....	.....	255	255
Accum. increase in fair value -hedging derivatives	.....	8,822	.....	.....	8,822
Amount deferred on refunding of debt	.....	2,936	.....	195	3,131
Pension-related items	.....	116,304	.....	365,543	481,847
Total deferred inflows of resources	.....	128,062	.....	365,993	494,055
NET POSITION					
Net investment in capital assets	.....	1,956,289	10,121	17,357,291	19,323,701
Restricted for					
Debt service	.....	4,811	.....	58,976	63,787
Other	1,977,143	900,753	.....	3,114,882	5,992,778
Funds held for permanent endowment					
Expendable	.....	280,607	.....	337,534	618,141
Nonexpendable	.....	1,273,951	.....	2,512,634	3,786,585
Unrestricted	172,060	1,444,754	7,456,863	2,127,537	11,201,214
Total net position	$ 2,149,203	$ 5,861,165	$ 7,466,984	$ 25,508,854	$ 40,986,206

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

STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Florida Housing Finance Corporation
Florida Housing Finance Corporation	$ 195,169	$ 150,935	$	$	$ (44,234)
University of Florida	5,047,867	3,402,823	907,363	60,670	.....
Citizens Property Insurance Corporation	912,204	762,882	.....	.....	.....
Nonmajor component units	11,535,717	3,431,465	3,312,138	617,788	.....
Total component units	$ 17,690,957	$ 7,748,105	$ 4,219,501	$ 678,458	(44,234)

General revenues	
Property taxes	.....
Investment earnings (losses)	.....
Gain (loss) on sale of capital assets	.....
Payments from the State of Florida	.....
Miscellaneous	100,479
Contributions to permanent funds	.....
Total general revenues and contributions	100,479
Change in net position	56,245
Net position - beginning, as restated (Note 1)	2,092,958
Net position - ending	$ 2,149,203

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

Net (Expense) Revenue and Changes in Net Position			
University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/16
$	$	$	$ (44,234)
(677,011)	.....	.....	(677,011)
.....	(149,322)	.....	(149,322)
.....	.....	(4,174,326)	(4,174,326)
(677,011)	(149,322)	(4,174,326)	(5,044,893)
.....	.....	473,370	473,370
(11,294)	110,555	262,357	361,618
989	.....	(30,125)	(29,136)
689,136	.....	3,384,844	4,073,980
61,768	.....	496,880	659,127
48,592	.....	37,705	86,297
789,191	110,555	4,625,031	5,625,256
112,180	(38,767)	450,705	580,363
5,748,985	7,505,751	25,058,149	40,405,843
$ 5,861,165	$ 7,466,984	$ 25,508,854	$ 40,986,206

THIS PAGE INTENTIONALLY LEFT BLANK

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

TABLE OF CONTENTS

NOTE		PAGE
1	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	56
2	DEPOSITS AND INVESTMENTS	68
3	RECEIVABLES AND PAYABLES	109
4	TAXES	113
5	CAPITAL ASSETS	114
6	PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS	117
7	COMMITMENTS AND OPERATING LEASES	130
8	BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION	132
9	INSTALLMENT PURCHASES, CAPITAL LEASES, AND PUBLIC-PRIVATE PARTNERSHIPS	140
10	CHANGES IN LONG-TERM LIABILITIES	142
11	INTERFUND BALANCES AND TRANSFERS	144
12	RISK MANAGEMENT	149
13	FLORIDA PREPAID COLLEGE PROGRAM	151
14	INSURANCE ENTERPRISES	152
15	CONTINGENCIES	156
16	LITIGATION	157
17	DEFICIT FUND BALANCE AND NET POSITION	159
18	SUBSEQUENT EVENTS	160

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.
- Corrections Foundation, Inc.
- Florida Board of Governors
- Florida Citrus Commission (Department of Citrus)
- 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 (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 non-major 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 non-major. 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, 2016, are approximately $1,597,982.

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 non-major 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, 2016. 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

Non-major:

- 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

Non-major:

- Broward College
- Chipola College
- College of Central Florida
- Daytona State College
- Eastern Florida State College
- Florida Gateway College
- Florida Keys Community College
- Florida State College at Jacksonville
- Florida South Western State College
- 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:

Non-major:

- 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:

Non-major:

- 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 $95 million and $56 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 non-fiduciary 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 non-major 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. Federal grants 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, directly-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 non-spendable. 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, 2016, the government-wide statement of net position reported a restricted net position of $27.7 billion, of which $18.6 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 balance has 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, 2016 (in thousands).

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Fund balances:							
Nonspendable:							
Inventory and Prepaid Items	$ 20,519	$ 434	$	$ 40,811	$ 7,173	$ 2,291	$ 71,228
Long-term Receivables and Advances	6,281	.....	.....	.....	.....	.....	6,281
Permanent Fund Principal	.....	.....	.....	.....	.....	23,420	23,420
Total	26,800	434	.....	40,811	7,173	25,711	100,929
Restricted:							
Grantors/Contributors	150	48,214	227	31,655	.....	29,574	109,820
Enabling Legislation	36,980	9,660	92,003	31,773	50	325,271	495,737
Constitutional Provision	.....	65,665	716,346	.....	.....	438	782,449
Creditors	9,243	41,910	872,509	6,234	.....	1,330,287	2,260,183
Federal Government	28,377	2,141,500	32,283	95,679	.....	115,001	2,412,840
Total	74,750	2,306,949	1,713,368	165,341	50	1,800,571	6,061,029
Committed:	1,032,466	996,003	396,423	1,470,239	1,935,609	1,128,162	6,958,902
Unassigned:	5,694,315	.....	(851,275)	.....	.....	.....	4,843,040
Total Fund Balances	$ 6,828,331	$ 3,303,386	$ 1,258,516	$ 1,676,391	$ 1,942,832	$ 2,954,444	$ 17,963,900

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 Stablization Fund and the General Revenue Fund through the General Appropriation Act. The amounts indicated below were identified in the State's 2016 General Appropriations Act as being unappropriated June 30, 2016, cash balances that are to be transferred to and from the funds indicated during the 2016-17 fiscal year.

Transfer to (from) Fund	$ 121,970	$ (59,070)	$	$ (47,500)	$	$ (15,400)	$ .....
Transfer from Non-Governmental Funds	130,915	.....	.....	.....	.....	.....	130,915
Totals	$ 252,885	$ (59,070)	$	$ (47,500)	$	$ (15,400)	$ 130,915

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 Non-Operating Revenues

Proprietary funds distinguish operating from non-operating 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 non-operating for reporting purposes.

I. Accounting and Reporting Changes

The state implemented GASB Statement No. 72, *Fair Value Measurement and Application.* This statement defines fair value and provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments, and requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The implementation of this statement required changes to the notes to the financial statements.

The state implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* This Statement extends the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities. Adoption of this statement had no impact on the state's financial statements.

The state implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Adoption of this statement had no impact on the state's financial statements.

The state implemented GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.* This establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Adoption of this statement had no impact on the state's financial statements.

J. Fund Balance and Net Position Reclassifications and Restatements

Fund balances and net position at June 30, 2015 have been adjusted as follows (in thousands):

	Governmental Activities	Governmental Funds	Business-Type Activities: Proprietary Funds		
	Governmental Activities	General Fund	Reemployment Assistance	Nonmajor Enterprise Funds	Internal Service Funds
Fund Balance/Net Position, June 30, 2015, as previously reported	$ 60,524,669	$ 6,908,612	$ 2,797,525	$ 342,770	$ 587,094
Capital assets: To increase/decrease net assets for prior year over/understatements	89,492				
Liabilities: To increase/decrease liabilities for prior year over/understatements	(144,835)	81,086	(21,279)	(1,690)	(451)
Fund Balance/Net Position, June 30, 2015, as restated	$ 60,469,326	$ 6,989,698	$ 2,776,246	$ 341,080	$ 586,643

	Component Units	Fiduciary Funds	
	Nonmajor Component Units	Private-purpose Trust Fund	Pension and Other Employee Benefits Trust Funds
Fund Balance/Net Position, June 30, 2015, as previously reported	$ 25,228,697	$ 3,034,650	$ 161,282,969
Liabilities: To increase/decrease liabilities for prior year over/understatements	(52,165)	(81)	32
Implementation of New Accounting Standards: Implementation of GASB Statement No. 68 and 71; reporting pensions	(118,383)		
Fund Balance/Net Position, June 30, 2015, as restated	$ 25,058,149	$ 3,034,569	$ 161,283,001

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 $1.35 billion in cash at June 30, 2016. The planned repayment schedule is presented below. An additional repayment was made in June 2016, resulting in full restoration.

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, 2016, the state's deposits in financial institutions totaled approximately $1.4 billion for primary government and $3.1 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, 2016, 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, 2016

	Bank Statement Balance (in U.S. $)	
Custodial Credit Risk	Primary Government	Component Units
(1)	$ 149,331	$ 469,679
(2)	35,788	324,140
(3)	.....	12,635
Total deposits subject to custodial credit risk	$ 185,119	$ 806,454

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 denominated in foreign currency. The FRS Pension Trust Fund is not limited to holding securities in foreign currency only in the global equity asset class. All asset classes may hold non-U.S. securities, 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 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, 2016, as illustrated in the following schedule (in thousands):

Schedule of Investments with State Board of Administration
Foreign Currency Deposits Held
As of June 30, 2016

	Bank Statement Balance (in U.S. $)			
Currency	FRS Pension Trust Fund	LCEF	Florida Prepaid Program and Investment Plan	Total
Australian dollar	$ 3,931	$	$ 9	$ 3,940
Brazilian real	1,092	13	.....	1,105
British pound sterling	10,330	143	53	10,526
Canadian dollar	15,313	13	.....	15,326
Chilean peso	29	.....	.....	29
Danish krone	692	.....	.....	692
Egyptian pound	38	2	.....	40
Euro currency unit	15,935	.....	376	16,311
Hong Kong dollar	11,892	61	51	12,004
Indian rupee	1,104	.....	.....	1,104
Indonesian rupiah	475	38	.....	513
Israeli shekel	1,284	.....	45	1,329
Japanese yen	30,057	126	564	30,747
Kenyan shilling	33	.....	.....	33
Malaysian ringgit	484	14	.....	498
Mexican peso	715	.....	.....	715
New Zealand dollar	1,371	.....	.....	1,371
Norwegian krone	2,456	.....	8	2,464
Pakistan rupee	293	.....	.....	293
Philippines peso	400	286	.....	686
Polish zloty	84	33	.....	117
Qatari riyal	178	.....	.....	178
Singapore dollar	2,374	.....	47	2,421
South African rand	3,029	440	.....	3,469
South Korean won	639	.....	.....	639
Swedish krona	891	.....	.....	891
Swiss franc	3,071	.....	.....	3,071
Taiwan new dollar	9,925	.....	.....	9,925
Thailand baht	267	9	.....	276
Turkish lira	48	.....	.....	48
UAE dirham	65	.....	.....	65
Vietnam dong	592	.....	.....	592
Other	77	5	.....	82
Total deposits subject to foreign currency risk	$ 119,164	$ 1,183	$ 1,153	$ 121,500

B. Investments

At June 30, 2016, the state's investments reported in governmental and business-type activities and fiduciary funds totaled $220.2 billion, consisting of pooled investments with the State Treasury in the amount of $24.0 billion and other investments in the amount of $196.2 billion. The State Treasury also had holdings at June 30, 2016, of $4.3 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 $23.7 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, 2016, was $20.1 billion or 71% 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, 2016

ASSETS	
Current and Other Assets	$ 29,137,687
Total Assets	29,137,687
LIABILITIES	
Other Liabilities	2,087,507
Total Liabilities	2,087,507
NET POSITION	
Net position held for Internal Pool Participants	25,676,686
Net position held for External Pool Participants	1,373,494
	$ 27,050,180

Condensed Statement of Changes in Fiduciary Net Position
June 30, 2016

ADDITIONS	
Net income (loss) from investing activity	$ 657,559
DEDUCTIONS	
Distributions paid and payable	(657,559)
DEPOSITOR ACTIVITY	
Deposits	109,086,764
Withdrawals	(106,132,753)
Excess (deficiency) of deposits over withdrawals	2,954,011
Change in net position	2,954,011
Net position, beginning	24,096,169
Net position, ending	$ 27,050,180

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	$ 533,235	$ 533,188	0.25%-0.40%	7/1/2016-7/28/2016
Money market funds	805,392	805,392	0.215%-0.237%	N/A
Repurchase agreements	986,062	986,062	0.27%-0.44%	7/1/2016 -7/14/2016
U.S. guaranteed obligations	6,181,603	6,280,320	0.125%-11.215%	7/12/2016-12/20/2062
Federal agencies	5,790,033	5,499,577	0.11%-17.76%	7/8/2016-4/1/2056
Bonds and notes - domestic	5,875,896	5,852,685	0.002%-10.375%	7/5/2016-7/1/2114
Bonds and notes - international	826,199	850,990	0.69%-8.87%	7/14/2016-2/26/2055
Federal agencies discounted securities	2,816,083	2,812,714	0.25%-3.00%	7/7/2016-3/25/2042
U.S. guaranteed obligations discounted securities	882,460	876,327	0.22%-2.22%	7/7/2016-5/15/2037
Commingled STIF	494,971	494,971	N/A	N/A
Unemployment compensation funds	3,175,547	3,175,547	N/A	N/A
Totals	$ 28,367,481	$ 28,167,773		

* The coupon rate in effect at June 30, 2016, is reported. If a security is discounted, the purchase yield is reported. At June 30, 2016, the State Treasury had $1.8 million of zero coupon U.S. Treasury bonds and notes. These securities had a yield of 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, 2016, as well as reconciliation to the basic financial statements (in thousands):

Schedule of Pooled Investments with State Treasury
As of June 30, 2016

Investment type	Fair Value
Commercial paper	$ 533,188
Money market funds	805,392
Repurchase agreements	602,000
U.S. guaranteed obligations	7,156,647
Federal agencies	7,903,604
Bonds and notes - domestic	5,512,870
Bonds and notes - international	731,953
Commingled STIF	494,971
Unemployment compensation funds pooled with U.S. Treasury	3,175,547
Total investments excluding security lending collateral**	26,916,172
Lending collateral investments:	
Repurchase agreements	384,062
Federal agencies	408,687
Bonds and notes - domestic	339,815
Bonds and notes - international	119,037
Total lending collateral investments	1,251,601
Total investments	28,167,773
Cash on deposit	967,927
Total State Treasury holdings	29,135,700
Adjustments:	
Outstanding warrants	(491,533)
Deposits in transit	1,987
SPIA Revolving Account*	(7,370)
Unsettled securities liability	(337,047)
Reconciled balance, June 30, 2016	$ 28,301,737
Reconciliation to the basic financial statements (in thousands):	
Pooled investments with State Treasury	
Governmental activities	$ 15,402,602
Business-type activities	4,944,227
Fiduciary funds	3,614,819
Component units	3,528,840
Component units timing difference	90,758
Total pooled investments with State Treasury	27,581,246
Restricted pooled investments with State Treasury	
Business-type activities	44,243
Component units	676,248
Total restricted pooled investments with State Treasury	720,491
Total pooled investments with State Treasury	$ 28,301,737

* 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 73.9% of total other investments at June 30, 2016. Investments in the FRS Investment Plan Trust Fund (Defined Contribution Pension Fund) represents 4.5% of total other investment, while investments in the Florida Hurricane Catastrophe Fund and the Florida Prepaid College Trust Fund represented another 8.1% and 6.5%, 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, 2016, as well as reconciliation to the basic financial statements (in thousands):

Schedule of Other Investments
As of June 30, 2016

	Fair value			
		Other funds		
Investment type	FRS Pension Trust Fund	Managed by SBA	Not managed by SBA	Total
Certificates of deposit	$ 775,062	$ 4,935,958	$ 4,369	$ 5,715,389
Commercial paper	3,516,125	6,642,568	.....	10,158,693
Money market funds	1,097	3,709,018	10,930	3,721,045
Repurchase agreements	850,000	1,065,000	.....	1,915,000
U.S. guaranteed obligations	11,074,342	9,730,322	4,997	20,809,661
Federal agencies	7,725,369	7,219,632	9,224	14,954,225
Domestic bonds and notes	6,595,369	2,379,911	1,673,664	10,648,944
Domestic bonds and notes commingled funds	.....	1,800,314	.....	1,800,314
International bonds and notes	1,717,405	792,568	347	2,510,320
Domestic stocks	41,029,902	1,566,447	33,825	42,630,174
Domestic equity commingled funds	.....	3,610,128	.....	3,610,128
International stocks	31,814,912	589,335	4,478	32,408,725
International equity commingled funds	5,452,110	1,667,786	.....	7,119,896
Real asset commingled funds	.....	321,026	.....	321,026
Alternative investments	22,440,286	.....	.....	22,440,286
Real estate investments (directly owned)	8,059,810	.....	529	8,060,339
Real estate investments commingled funds	2,521,739	.....	.....	2,521,739
Self-Directed brokerage accounts	.....	369,381	.....	369,381
Option contracts purchased	38,673	.....	2,442	41,115
Swap contracts (debt related)	(1,659)	.....	.....	(1,659)
Mutual funds	.....	.....	1,943,389	1,943,389
Deferred compensation annuities	.....	.....	23,007	23,007
Limited partnerships	.....	.....	8	8
Total investments excluding lending collateral	143,610,542	46,399,394	3,711,209	193,721,145
Lending collateral investments:				
Certificates of deposit	.....	818,205	.....	818,205
Commercial paper	.....	130,920	.....	130,920
Money market funds	1,046,370	.....	.....	1,046,370
Repurchase agreements	789,504	333,495	.....	1,122,999
U.S. guaranteed obligations	.....	10,005	.....	10,005
Domestic bonds and notes	79,798	.....	.....	79,798
Total lending collateral investments	1,915,672	1,292,625	.....	3,208,297
Total investments for all types - fair value	$ 145,526,214	$ 47,692,019	$ 3,711,209	$ 196,929,442
Total investments for all types - carrying value	$ 145,526,214	$ 47,690,987	$ 3,710,743	$ 196,927,944
% of total other investments	74%	24%	2%	

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

	Governmental activities	Business-type activities	Fiduciary funds	Component Units[1]	Total
Other investments	$ 1,125,239	$ 12,793,854	$	$ 719,985	$ 14,639,078
Restricted investments	.....	675,704	.....	.....	675,704
Long-term investments	226,651	16,033,905	163,423,142	.....	179,683,698
Security lending collateral[2]	.....	.....	1,915,672	.....	1,915,672
Timing and other differences[3]	(84)	(24)	(39)	13,939	13,792
Total other investments	$ 1,351,806	$ 29,503,439	$ 165,338,775	$ 733,924	$ 196,927,944

[1]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.

[2]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.

[3]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, 2016.

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

FRS Pension Trust Fund
Securities Pledged as Collateral for Futures and Swaps Contracts
As of June 30, 2016

Investment Type	Fair Value
U.S. guaranteed obligations	$ 12,433
Federal agencies	9,829
Domestic stocks	215,832
Total	$ 238,094

In addition, cash and foreign currency required to open futures contracts (i.e. initial margin) in the FRS Pension Trust Fund were pledged as collateral with the SBA's futures counterparty. Variation margins received from or paid to clearing counterparties 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 counterparties, and the variation margins held by the FRS Pension Trust Fund as of June 30, 2016, 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, 2016

	Fair Value
Margin receivable from counterparty:	
Futures initial margin	$ 13,326
Futures variation margin	36,061
Swaps initial margin	3,768
Swaps variation margin	5,160
Total margin receivable	$ 58,315
Margin payable to counterparty:	
Futures variation margin	$ 274
Swaps variation margin	4,075
Forward contract variation margin	12,280
Total margin payable	$ 16,629

The FRS Pension Trust Fund also held short positions in investments at June 30, 2016. 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, 2016, (in thousands):

FRS Pension Trust Fund
Short Investment Positions
As of June 30, 2016

Investment Type	Fair Value
U.S. guaranteed obligations	$ (1,891)
Federal agencies	(306,334)
Option contracts	(35,820)
Total	$ (344,045)

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, 2016. 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, 2016, 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, 2016, are excluded.

Schedule of Other Investments
For Discretely Presented Component Units
As of June 30, 2016

Investment type		Fair value
Certificates of deposit	$	32,099
Commercial paper		28,712
Repurchase agreements		189,251
Money market funds		304,448
U.S. guaranteed obligations		3,397,696
Federal agencies		2,276,405
Domestic bonds & notes		10,341,384
International bonds & notes		127,476
Domestic stocks		1,089,352
International stocks		546,590
Real estate investments		122,764
Mutual funds		1,947,572
Investment agreements		3,317,075
Total other investments for all types - fair value	$	23,720,824
Total other investments for all types - carrying value	$	23,672,025
Reconciliation of carrying value to the basic financial statements:		
Other investments	$	19,005,594
Restricted investments		5,386,416
Less SBA Investments*		(719,985)
Total other investments for component units	$	23,672,025

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

At June 30, 2016, 69.3% 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, 2016, were rated by the nationally recognized statistical rating organizations (NRSRO) Standard and Poor's (S&P) and Moody's, and the ratings are presented below using the applicable rating scale (in thousands):

State Treasury
Credit Quality Ratings
As of June 30, 2016

S&P rating[2]	Moody's rating[2]	Total[1]	Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes	Repurchase agreements[3]	Money Market funds
AAAm		$ 805,392	$	$	$	$	$	$ 805,392
AAA		954,422	.....	9,300	931,525	13,597	.....	.....
AA		9,302,476	.....	7,890,612	1,112,271	182,347	117,246	.....
A		2,513,708	.....	.....	2,067,243	446,465	.....	.....
A-1		422,590	333,190	89,400	.....	.....	.....	.....
BBB		1,153,602	.....	.....	1,039,146	114,456	.....	.....
BB		2,499	.....	.....	2,097	402	.....	.....
B		2,923	.....	.....	893	2,030	.....	.....
Below B		76	.....	.....	76	.....	.....	.....
	Aaa	635,047	.....	.....	610,868	22,279	1,900	.....
	Aa	52,646	.....	.....	52,646	.....	.....	.....
	P-1	199,998	199,998	.....	.....	.....	.....	.....
	Baa	5,416	.....	.....	3,578	1,838	.....	.....
	Ba	1,733	.....	.....	1,733	.....	.....	.....
	B	156	.....	.....	156	.....	.....	.....
	Caa	11	.....	.....	11	.....	.....	.....
Not Rated	Not Rated	594,130	.....	322,979	30,442	67,576	173,133	.....
		16,646,825	$ 533,188	$ 8,312,291	$ 5,852,685	$ 850,990	$ 292,279	$ 805,392
Not rated[4]	Not rated[4]	7,156,647	U.S. guaranteed obligations					
Not rated	Not rated	494,971	Commingled STIF					
Not rated[4]	Not rated[4]	693,783	Repurchase agreements					
		$ 24,992,226	[1]					

[1] The remaining $3,175,547 (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 "AAAm," which is the top money market fund rating for S&P, "A-1," which is a short-term rating for S&P, and "P-1," which is a short-term rating for Moody's.

[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, 2016, 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 8 percent, 7 percent, 8 percent, and 6 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 constitutes 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. Securities of a single issuer are generally limited to 5% of the amortized cost of the portfolio (excluding U.S. Treasuries and Agencies).

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-. Securities of a single issuer are generally limited to 5% of the market value of the portfolio (excluding U.S. Treasuries and Agencies). 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 October 2015, eligible cash collateral investments are:

- Tri-party qualified repurchase agreement transactions in which the subject securities thereunder will be repurchased by the seller between one and forty-five calendar days from the purchase date, and such repurchase agreements are collateralized by U.S. Treasury bills, notes, bonds, and/or strips, U.S. Government Agency securities, U.S. Government Agency mortgage-backed securities, and U.S. equity securities. Collateral consisting of U.S. Treasury and Government Agencies must maintain a market value of at least 102% of the market value of the securities subject to being repurchased. Collateral consisting of U.S. equities must maintain a market value of at least 110% 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 AAAm, Moody's Aaamf, Fitch AAAmmf, and
- U.S. Treasury bills, notes, and bonds.

Investments that were purchased prior to the policy guidelines established in December 2008 are being held to maturity in existing lending portfolios. These 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.

Lawton Chiles Endowment Fund – Policy guidelines allow cash collateral to be invested only in tri-party repurchase agreements and certain government money market funds, similar to those allowed for the FRS Pension Fund.

Florida Prepaid College 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.

Florida Lottery – Participation in the securities lending program ended prior to June 30, 2016, but did participate for most of the fiscal year. For the Florida Lottery lending program, investments with an original maturity of 13 months or less, at the time of purchase were required to carry a program or instrument rating of, or if unrated be issued or guaranteed as to principal and interest, by an issuer for guarantor whose existing comparable short-term debt obligations had 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 were required to 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 had 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 had a rating of AAA by S&P, Aaa by Moody's, or AAA by Fitch. Investments with remaining maturity greater than two years, at the time of purchase were required to 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 had 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 had a rating of AAA by S&P, Aaa by Moody's, or AAA by Fitch. Rating requirements did 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.

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, 2016. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2016 (in thousands):

FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2016

Credit Rating[1]									
S&P	Moody's	Total[2]	Certificates of deposit	Commercial paper	Money market funds	Repurchase agreements	Federal agencies	Domestic bonds and notes	International bonds and notes
A-1/AAAm		$ 4,563,592	$	$ 3,516,125	$ 1,047,467	$	$	$	$ .....
AAA		750,766	.....	.....	.....	.....	.....	424,190	326,576
AA		1,064,384	200,044	.....	.....	31	14,999	686,057	163,253
A		2,086,976	.....	.....	.....	.....	.....	1,551,810	535,166
BBB		3,376,750	.....	.....	.....	.....	.....	2,875,349	501,401
BB		78,611	.....	.....	.....	.....	.....	60,810	17,801
B		24,401	.....	.....	.....	.....	.....	8,610	15,791
CCC		26,949	.....	.....	.....	.....	.....	26,949	.....
D		2,746	.....	.....	.....	.....	.....	2,746	.....
Not rated	Aaa	520,331	.....	.....	.....	.....	5,202	476,609	38,520
Not rated	Aa	52,619	.....	.....	.....	.....	4,403	39,151	9,065
Not rated	A	156,646	.....	.....	.....	.....	.....	151,032	5,614
Not rated	Baa	57,918	.....	.....	.....	.....	.....	27,625	30,293
Not rated	Ba	18,341	.....	.....	.....	.....	.....	18,341	.....
Not rated	Caa	7,770	.....	.....	.....	.....	.....	7,770	.....
Not rated	Ca	3,972	.....	.....	.....	.....	.....	3,972	.....
Not rated	Not rated	9,510,156	575,018	.....	.....	846,302	7,700,765	314,146	73,925
		22,302,928	$ 775,062	$ 3,516,125	$ 1,047,467	$ 846,333	$ 7,725,369	$ 6,675,167	$ 1,717,405

Ratings not Applicable:	
Repurchase agreements[3]	793,171
U.S. guaranteed obligations[3]	11,074,342
Domestic stocks	41,029,902
International stocks	31,814,912
International equity commingled funds	5,452,110
Alternative investments	22,440,286
Real estate investments	10,581,549
Options purchased	38,673
Swaps	(1,659)
Total investments	$ 145,526,214

[1] 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-tem rating for S&P, and "AAAm", the top money market fund rating for S&P.

[2] All FRS investments are included in this schedule, including security lending collateral investments.

[3] U.S. obligations and repurchase agreements that are collateralized by securities explicitely 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, 2016, 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, 2016, are listed below (in thousands):

FRS Pension Trust Fund
Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2016

Counterparty Credit Rating (Long Term)[1]			Receivable	Payable	Net Unrealized
S&P	Moody	Fitch	Fair Value	Fair Value	Gain (Loss)
AA/A-1	Aa/P-1	AA/F1	$ 420,705	$ (423,368)	$ (2,663)
A/A-1	Aa/P-1	AA/F1	88	(88)	.....
A/A-1	Aa/P-1	AA/F1	3,575	(3,565)	10
A/A-1	Aa/P-1	A/F1	596	(598)	(2)
A/A-1	A/P-1	AA/F1	25,537	(25,524)	13
A/A-1	A/P-1	A/F1	3,993,398	(3,964,170)	29,228
A/A-1	NR/NR	NR/NR	288	(286)	2
A/A-2	A/P-1	A/F1	21,813	(22,420)	(607)
BBB/A-2	Baa/P-2	NR/NR	28,247	(28,291)	(44)
NR/NR	Aa/P-1	NR/NR	91,187	(93,626)	(2,439)
NR/NR	NR/NR	A/F1	50,296	(50,280)	16
NR/NR	NR/NR	NR/NR	6,739	(6,734)	5
		Total:	$ 4,642,469	$ (4,618,950)	$ 23,519

[1] 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, 2016, (in thousands).

All SBA Managed Funds (except FRS Pension Trust Fund)
Credit Quality Ratings
As of June 30, 2016

Credit Rating[1]										
S&P	Moody's	Total[2]	Certificates of deposit	Commercial paper	Money market funds	Repurchase Agreements	Federal agencies	Domestic bonds and notes	Domestic bonds and notes commingled funds	International bonds and notes
A-1/AAAm		$ 9,463,051	$	$ 6,773,488	$ 2,689,563	$	$	$	$	$ .....
AAA		138,950	.....	.....	.....	.....	.....	138,432	.....	518
AA		5,944,335	90,043	.....	.....	140,451	4,538,783	785,564	.....	389,494
A		979,657	200,169	.....	.....	.....	.....	484,033	.....	295,455
BBB		829,448	.....	.....	.....	.....	.....	750,085	.....	79,363
BB		599	.....	.....	.....	.....	.....	89	.....	510
Not rated	Aaa	341,795	.....	.....	.....	2,284	200,001	138,278	.....	1,232
Not rated	Aa	119,469	75,020	.....	.....	.....	.....	44,449	.....	.....
Not rated	A	15,295	.....	.....	.....	.....	.....	15,091	.....	204
Not rated	Baa	1,321	.....	.....	.....	.....	.....	1,159	.....	162
Not rated	Ba	95	.....	.....	.....	.....	.....	95	.....	.....
Not rated	Not rated	11,778,939	5,388,931	.....	1,019,455	1,041,125	2,480,848	22,636	1,800,314	25,630
		29,612,954	$ 5,754,163	$ 6,773,488	$ 3,709,018	$ 1,183,860	$ 7,219,632	$ 2,379,911	$ 1,800,314	$ 792,568

Ratings not applicable	
Repurchase agreements[3]	214,635
U.S. guaranteed obligations[3]	9,740,327
Domestic stocks	1,566,447
Domestic equity commingled funds	3,610,128
International stocks	589,335
International equity commingled funds	1,667,786
Real asset commingled funds	321,026
Self-directed brokerage accounts	369,381
Total investments	$ 47,692,019

[1]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.

[2]All investments are included in this schedule, including security lending collateral investments.

[3]U.S. obligations and repurchase agreements that are collateralized by securities explicitely guaranteed by the U.S. government do not require disclosure of credit quality.

The Florida Hurricane Catastrophe Fund held investments with Bank of Nova Scotia (7.70%), Federal Farm Credit Banks (16.58%), and Federal Home Loan Mortgage Corporation (8.73%) 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%) and the Federal National Mortgage Association (5.14%) 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
Credit Quality Ratings
As of June 30, 2016

Component Unit	Federal agencies	Bonds & notes	Mutual funds	U.S.guaranteed obiligation	Others	Total	S&P rating
Florida Housing Finance Corporation (FHFC) *	$ 105,841	$	$	$	$	$ 105,841	AA+
FHFC (continued)	.....	3,610	.....	.....	.....	3,610	AAA-AA+
FHFC (continued)	.....	30,793	.....	.....	.....	30,793	AAA-A+
FHFC (continued)	.....	7,934	.....	.....	.....	7,934	AAA-A-
FHFC (continued)	.....	86,769	.....	.....	.....	86,769	AAA-BB-
FHFC (continued)	.....	12,395	.....	.....	.....	12,395	AAA-D
University of Florida (UF)	8,225	.....	35,425	.....	.....	43,650	AAA
UF (continued)	.....	1,001	67,136	.....	.....	68,137	AA
UF (continued)	.....	3,969	17,038	.....	.....	21,007	A
UF (continued)	.....	.....	60,047	.....	.....	60,047	Less than A
Citizens Property Insurance Corporation (CPIC)	.....	8,482,653	.....	.....	.....	8,482,653	A+
CPIC (continued)	1,755,157	.....	.....	1,429,406	.....	3,184,563	AA+
CPIC (continued)	.....	.....	.....	.....	130,649	130,649	Default
	$ 1,869,223	$ 8,629,124	$ 179,646	$ 1,429,406	$ 130,649	$ 12,238,048	

* Florida Housing Finance Corporation (FHFC) reported total investments with a fair value in the amount of $156 million subject to concentration of credit risk. These investments and amounts were issued by FannieMae ($156 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, 2016. Investments that were uninsured and unregistered, and held by the counterparty, or by its trust department but not in the State's name, included the following (in thousands):

State Treasury
Custodial Credit Risk
As of June 30, 2016

	Fair value
Invested security lending collateral:	
Repurchase agreements	$ 384,062
Federal agencies	408,687
Bonds and notes - domestic	339,815
Bonds and notes - international	119,037
Total	$ 1,251,601

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, 2016. 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, 2016

	FRS Pension Trust Fund	Other funds
Invested security lending collateral:		
Certificates of deposit	$	$ 818,205
Commercial paper	.....	130,920
Repurchase agreements	139,504	333,495
U.S. guaranteed obligations	.....	10,005
Domestic bonds and notes	79,798	.....
Total	$ 219,302	$ 1,292,625

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, 2016

Component unit / Investment type	Fair value
University of Florida	
Federal agencies	$ 8,225
Bonds & notes	4,970
Total	$ 13,195

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: six (6) years or the benchmark's effective duration if higher. In addition, the security lending portfolio manages exposure to interest rate risk by limiting the maximum weighted average maturity gap. The maximum weighted average maturity gap is defined as the difference between the weighted average days to maturity of the portfolio minus the weighted average days to maturity of the liabilities (loans). The maximum weighted average maturity gap for security lending portfolios is 30 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 the security lending collateral portfolio are presented using weighted average maturity.

Debt Investments
As of June 30, 2016

Investment type	Fair value	Effective weighted duration (in years)	Security Lending Market Value	Weighted average maturity (in days)
Commercial paper	$ 533,188	0.05	$	N/A
Money market funds	805,392	0.08	.....	N/A
Repurchase agreements	602,000	0.03	384,062	1.00
U.S. guaranteed obligations:				
U.S. Treasury bonds and notes	5,818,540	3.62	.....	N/A
U.S. Treasury strips	26,982	9.59	.....	N/A
U.S. Treasury bills	849,344	0.34	.....	N/A
GNMA mortgage-backed pass-through	245,815	2.37	.....	N/A
GNMA TBA pass-through	54,742	2.00	.....	N/A
GNMA collateralized mortgage obligations (CMO's)	18,720	0.91	.....	N/A
GNMA CMO's - interest only	4,589	(19.23)	.....	N/A
SBA asset-backed	137,915	2.95	.....	N/A
Federal agencies:				
Discount notes	2,812,539	0.29	.....	N/A
Unsecured bonds & notes	2,743,528	1.03	408,687	14.96
Mortgage-backed pass-through	1,642,415	2.37	.....	N/A
TBA mortgage-backed pass-through	314,992	2.47	.....	N/A
Mortgage-backed CMO's	373,100	3.08	.....	N/A
Mortgage-backed CMO's - principal only	175	5.42	.....	N/A
Mortgage-backed CMO's - interest only	16,855	(6.54)	.....	N/A
Bonds and notes - domestic:				
Corporate	3,593,621	6.01	339,815	47.91
Corporate asset-backed	807,793	1.25	.....	N/A
Non-government backed CMO's & CMBS*	746,005	3.37	.....	N/A
Non-government backed CMO's & CMBS* - interest only	32,771	1.12	.....	N/A
Municipal/provincial	332,680	5.66	.....	N/A
Bonds and notes - international:				
Government & Agency	76,190	3.92	.....	N/A
Corporate	655,763	4.64	119,037	33.93
Commingled STIF	494,971	0.08	.....	N/A
Futures contracts - long***	.....	5.34	.....	N/A
Futures contracts - short***	.....	2.18	.....	N/A
Total portfolio effective duration and weighted average maturity		2.63		21.43
Total debt investments**	$ 23,740,625		$ 1,251,601	

* Commercial Mortgage-Backed Securities (CMBS).
** The remaining $3,175,547 (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 October 2015, new investment policy guidelines in effect for the FRS Pension Trust Fund allow investment in:

- Repurchase agreements, with a term to repurchase not to exceed 45 calendar days that are fully collateralized by U.S. Treasury bills, notes, bonds and/or strips, U.S. Government Agency securities, U.S. Government Agency mortgage-backed securities, and U.S. equity 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.

Investments that were purchased prior to the investment policy guidelines established in December 2008, are still held in the FRS Pension Trust 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, and in certain money market funds with a rating of AAAm, Aaammf, or AAAmmf by Standard and Poor's, Moody's or Fitch, respectively.

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).

The Florida Lottery ended their participation in the lending program prior to June 30, 2016. Previous investment policy guidelines in effect for most of the fiscal year for the Florida Lottery lending program required a maximum WAM for a portfolio of 90 days (for separately managed investments).

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, 2016

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	$	N/A	$ 775,062	11
Commercial paper	.....	N/A	3,516,125	21
Money market funds	.....	N/A	1,047,467	1
Repurchase agreements	.....	N/A	1,639,504	5
U.S. guaranteed obligations:				
U.S. Treasury bills	1,815,962	0.06	.....	N/A
U.S. Treasury bonds and notes	7,289,368	4.09	.....	N/A
Index linked government bonds	283,611	7.10	.....	N/A
U.S. government guaranteed bonds and notes	54,869	4.41	.....	N/A
GNMA mortgage-backed pass-through	915,179	2.05	.....	N/A
GNMA commitments to purchase (TBAs)	440,639	1.93	.....	N/A
GNMA CMO's and CMBS[1]	274,714	2.56	.....	N/A
Federal agencies:				
Discount notes	201,167	0.06	.....	N/A
Unsecured bonds and notes	435,196	3.30	.....	N/A
Agency strips	28,504	3.83	.....	N/A
Mortgage-backed pass-through	4,889,281	2.35	.....	N/A
TBA mortgage-backed pass-through	1,422,991	2.28	.....	N/A
Mortgage-backed CMO's and CMBS[1]	748,230	2.22	.....	N/A
Domestic bonds and notes:				
Corporate	4,700,890	4.67	.....	N/A
Non-government asset and mortgage-backed	729,262	1.61	51,589	25
Non-government backed CMO's and CMBS[1]	1,161,151	2.53	14,040	25
Municipal/provincial	15,489	6.27	.....	N/A
Real estate mortgage loans	2,746	5.83	.....	N/A
International bonds and notes:				
Government and agency	700,397	3.46	.....	N/A
Corporate	976,492	4.18	.....	N/A
Non-government asset and mortgage-backed	40,516	0.94	.....	N/A
Futures contracts - long[2]	.....	2.75	.....	N/A
Swap contracts[2]	(1,659)	0.19	.....	N/A
Total debt investments	$ 27,124,995		$ 7,043,787	

[1] Includes investments in IO's, PO's, and INV's totaling $66 million at June 30, 2016.
[2] 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, 2016.

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

FRS Pension Trust Fund
Sold Short[1] Debt Investment Positions
As of June 30, 2016

Investment type	Fair value (duration)	Effective weighted duration (in years)
GNMA commitments to sell (TBAs)	$ (1,891)	(0.02)
FNMA, FHLMC commitments to sell (TBAs)	(306,334)	4.40
Futures contracts[2]	.....	3.49
Total debt investments sold short[1]	$ (308,225)	

[1] Investments sold short are reported as liabilities on the Statement of Fiduciary Net Position.

[2] 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 at June 30, 2016.

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, 2016 (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, 2016

		Investment maturities (in years)						
Investment type	Total fair value	Less than or equal to 1	> 1 to 3	> 3 to 5	> 5 to 10	>10 to 15	> 15 to 20	> 20
U.S. guaranteed obligations:								
U.S. Treasury bills	$ 527,029	$ 527,029	$	$	$	$	$	$ .....
U.S. Treasury bonds, notes, and SLGS*	41,778	41,046	336	396	.....	.....	.....	.....
U.S. Treasury strips	348,053	45,426	46,319	39,466	96,913	83,622	19,187	17,120
Total debt investments	$ 916,860	$ 613,501	$ 46,655	$ 39,862	$ 96,913	$ 83,622	$ 19,187	$ 17,120

* 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, 2016

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	$	N/A	$ 5,754,162	38
Commercial paper	.....	N/A	6,773,488	55
Money market funds	1,019,225	0.08	2,689,793	1
Repurchase agreements	.....	N/A	1,398,496	15
U.S. guaranteed obligations:				
U.S. Treasury bills	15,484	0.06	1,718,960	119
U.S. Treasury bonds and notes	586,965	2.92	460,277	652
U.S. Treasury strips	5,656,318	10.08	.....	N/A
Index linked government bonds	155,345	9.52	.....	N/A
U.S. government guaranteed	58,662	4.06	.....	N/A
GNMA mortgage-backed pass through	98,268	2.42	.....	N/A
GNMA commitments to purchase (TBAs)	73,173	2.66	.....	N/A
GNMA CMO's	15	3.78	.....	N/A
Federal agencies:				
Discount notes	13,749	0.05	256,769	123
Unsecured bonds and notes	141,850	8.08	5,113,438	158
Agency strips	801,147	6.74	.....	N/A
Mortgage-backed (FNMA, FHLMC)	713,504	2.29	.....	N/A
FNMA, FHLMC commitments to purchase (TBAs)	154,605	1.71	.....	N/A
Mortgage-backed CMO's	24,570	3.14	.....	N/A
Domestic bonds and notes:				
Corporate	1,332,846	7.85	752,246	31
Non-government asset and mortgage-backed	83,162	1.55	.....	N/A
Non-government backed CMO's and CMBS[1]	145,454	3.09	.....	N/A
Municipal/provincial	5,563	14.55	60,640	7
Domestic bonds and notes commingled funds	1,800,314	5.34	.....	N/A
International bonds and notes:				
Government agency discount notes	.....	N/A	24,975	34
Government and agency	8,836	7.15	324,888	84
Corporate	167,564	6.22	265,787	31
Non-government asset and mortgage-backed	518	0.02	.....	N/A
Total debt investments	$ 13,057,137		$ 25,593,919	

[1] Includes investments in IO's totaling $30.5 million at June 30, 2016, 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, 2016

		Investment maturities (in years)		
Component unit / Investment type	Total fair value	Less than or equal to 1	> 1 to 5	> 5 to 10
University of Florida				
U.S. guaranteed obligations	$ 2,456	$	$ 2,456	$ .....
Federal agencies	8,225	.....	8,225	.....
Bonds & notes	4,970	3,001	999	970
Mutual funds	179,645	14,163	36,291	129,191
Total debt investments	$ 195,296	$ 17,164	$ 47,971	$ 130,161

Major Component Units
Debt Investments
That Use Duration or Weighted Average Maturity Method
As of June 30, 2016

Component unit / Investment type	Fair value (duration)	Modified duration (in years)	Fair value (WAM)	Weighted Average maturity (in years)
Florida Housing Finance Corporation				
U.S. guaranteed obligations	$ 95,164	2.52	$	N/A
Federal agencies	10,677	1.04	.....	N/A
Bonds & notes	141,501	1.19	.....	N/A
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	.....	N/A	1,429,406	2.70
Federal agencies	.....	N/A	1,755,157	1.83
Bonds & notes	.....	N/A	8,613,302	3.24
Total debt investments	$ 247,342		$ 11,797,865	

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, 2016. 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 $20.0 billion as of June 30, 2016.

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.

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, 2016, 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, 2016

	FRS Pension Trust Fund Investment Type			LCEF Investment type	Florida Prepaid Program and Investment Plan Investment type
Currency	Equity	Alternative Investments	Fixed Income	Equity	Equity
Australian dollar[1]	$ 1,077,695	$	$	$ 10,515	$ 22,329
Brazilian real	445,084	.....	.....	3,598	.....
British pound sterling	4,473,700	13,333	.....	22,516	58,195
Canadian dollar	1,392,486	.....	.....	13,432	.....
Chilean peso	29,301	.....	.....	.....	.....
Danish krone	363,066	.....	.....	1,666	10,824
Egyptian pound	29,468	.....	.....	145	.....
Euro currency unit[1]	6,427,069	584,953	.....	45,919	98,496
Hong Kong dollar	1,916,243	.....	.....	14,773	8,151
Hungarian forint	37,775	.....	.....	152	.....
Indian rupee	706,586	.....	.....	.....	.....
Indonesian rupiah	153,610	.....	.....	1,910	.....
Israeli shekel	74,865	.....	.....	777	4,269
Japanese yen	4,519,662	.....	.....	35,832	68,089
Kenyan shilling	21,836	.....	.....	.....	.....
Malaysian ringgit	144,097	.....	.....	1,649	.....
Mexican peso	215,345	.....	.....	1,873	.....
New Zealand dollar	67,977	.....	.....	90	.....
Nigerian naira	27,884	.....	.....	.....	.....
Norwegian krone	191,105	.....	.....	1,225	1,513
Omani rial	8,634	.....	363	.....	.....
Pakistani rupee	32,780	.....	.....	.....	.....
Philippines peso	122,496	.....	.....	561	.....
Polish zloty	72,469	.....	.....	786	.....
Qatari riyal	39,279	.....	.....	.....	.....
Singapore dollar	416,356	.....	.....	1,823	4,293
South African rand	418,284	.....	.....	3,507	.....
South Korean won	839,575	.....	.....	7,382	.....
Sri Lankan rupee	16,411	.....	.....	.....	.....
Swedish krona	615,823	.....	.....	4,447	10,749
Swiss franc[1]	1,904,848	.....	.....	8,139	35,767
Taiwan new dollar	693,978	.....	.....	6,689	.....
Thailand baht	193,215	.....	.....	2,101	.....
Turkish lira	182,261	.....	.....	1,101	.....
UAE dirham	56,338	.....	.....	.....	.....
Other	62,265	.....	.....	.....	.....
Equity linked notes (various currencies)	47,562	.....	.....	.....	.....
International equity commingled funds	5,452,110	.....	.....	.....	.....
Total investments subject to foreign currency risk	$ 33,489,538	$ 598,286	$ 363	$ 192,608	$ 322,675

[1] Equity exposure to Australian dollars, Euro currency units and Swiss francs include equity currency options with fair values at June 30, 2016, of $11,870, ($4,048,661) and $3,904,123, respectively.

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, 2016, 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, 2016

			In Local Currency			
	Currency	Number of Contracts[1]	Notional Traded Exposure	Notional Market Exposure	Unrealized Gain/(Loss)[2]	Unrealized Gain/(Loss) (in U.S. $)
Stock Index Futures:						
GBP FTSE 100 Index	British pound sterling	323	19,297	20,745	1,448	$ 1,935
Canada S&P/TSE 60 Index	Canadian dollar	56	9,007	9,120	113	87
ASX SPI 200	Australian dollar	11	1,422	1,423	1	1
DJ Euro STOXX 50	Euro currency unit	1,053	29,507	30,063	556	618
TOPIX Index Future	Japanese yen	193	2,547,341	2,403,815	(143,526)	(1,399)
Yen Denom NIKKEI	Japanese yen	333	2,711,453	2,620,710	(90,743)	(885)

[1] Long positions are positive and short positions are negative.

[2] Margin receipts or payments are settled periodically in the respective local currency and are subject to foreign currency risk.

The FRS Pension Trust Fund also holds positions in interest rate swap contracts that are subject to foreign currency risk. The margin payments are exposed to foreign currency risk as well. The FRS Pension Trust Fund's interest rate swap positions at June 30, 2016, that were exposed to foreign currency risk are presented below (notional amounts and fair value amounts in thousands):

FRS Pension Trust Fund

Interest Rate Swap Positions Exposed to Foreign Currency Risk

As of June 30, 2016

Currency	Notional Amount (in Local Currency)	Receive [1]	Pay [1,2]	Maturity Dates	Fair Value (in Local Currency)	Fair Value (in U.S. $)
Euro currency unit	27,000	1.0995%	EURIBOR 6 month	02/12/36	1,618	$ 1,797
Euro currency unit	1,000,000	EURIBOR 6 month	(0.155)% - (0.153)%	02/13/17	(137)	(153)
New Zealand Dollar	40,000	3.06%	3 Month NZD_BBR_FRA	03/29/26	1,412	1,006
						$ 2,650

[1] If a range of interest rates are presented, they represent the lowest to highest fixed rates received or paid. The EURIBOR (Euro Interbank Offered Rate) is the rate at which euro wholesale money market (or interbank market) term deposits within the euro zone are offered by one prime bank to another prime bank. Euro rates at 6/30/16 were negative. The 6 month EURIBOR rate at June 30, 2016, was -0.179%.

[2] The NZD_BBR_FRA is a forward rate agreement bank bill reference rate maintained by the New Zealand Financial Markets Association, a professional body for wholesale (institutional) banking in New Zealand. The bank bill interest rate is the wholesale interbank rate within Australia and is published by the Australian Financial Markets Association (AFMA). It is the borrowing rate among the country's top market makers, and is widely used as the benchmark interest rate for financial instruments. The 3-month rate is the average interest rate at which a selection of banks are prepared to lend to one another in New Zealand dollars with a maturity of 3 months. The 3-month NZD_BBR_FRA rate at June 30, 2016, was 2.41%.

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, 2016, is presented on the next page, by currency (in thousands).

FRS Pension Trust Fund
Foreign Currency Exchange Contracts
As of June 30, 2016

Currency to Buy	Amount to Buy (Local Currency)	Currency to Sell	Amount to Sell (Local Currency)	Receivable Fair Value (in U.S. $)	Payable Fair Value (In U.S. $)	Net Unrealized Gain/(Loss) (In U.S. $)
Australian dollar	71,104	U.S. dollar	(52,835)	$ 52,858	$ (52,835)	$ 23
Brazilian real	141,551	U.S. dollar	(39,947)	43,929	(39,947)	3,982
British pound sterling	9,656	Canadian dollar	(16,684)	12,908	(12,847)	61
British pound sterling	14,956	Japanese yen	(2,058,796)	19,993	(20,069)	(76)
British pound sterling	57,613	U.S. dollar	(80,837)	77,052	(80,837)	(3,785)
Canadian dollar	146,937	U.S. dollar	(114,270)	113,155	(114,270)	(1,115)
Chilean peso	24,852,229	U.S. dollar	(36,538)	37,491	(36,538)	953
Chinese yuan renminbi	31,089	U.S. dollar	(4,681)	4,648	(4,681)	(33)
Columbian peso	10,700,000	U.S. dollar	(3,482)	3,623	(3,482)	141
Czech koruna	84,000	Euro currency unit	(3,107)	3,453	(3,461)	(8)
Czech koruna	274,870	U.S. dollar	(11,638)	11,278	(11,638)	(360)
Danish krone	33,456	U.S. dollar	(5,106)	5,008	(5,106)	(98)
Euro currency unit	3,208	Australian dollar	(4,778)	3,564	(3,558)	6
Euro currency unit	730	Canadian dollar	(1,050)	811	(808)	3
Euro currency unit	34,020	Japanese yen	(4,296,538)	37,796	(41,882)	(4,086)
Euro currency unit	11,000	Polish zloty	(48,465)	12,221	(12,234)	(13)
Euro currency unit	17,100	Swiss franc	(18,494)	18,998	(18,985)	13
Euro currency unit	273,635	U.S. dollar	(306,300)	304,321	(306,300)	(1,979)
Hong Kong dollar	4,959	Canadian dollar	(830)	639	(639)	....
Hong Kong dollar	6,764	U.S. dollar	(872)	872	(872)	....
Hungarian forint	980,000	Euro currency unit	(3,130)	3,449	(3,486)	(37)
Hungarian forint	15,416,701	U.S. dollar	(55,608)	54,255	(55,608)	(1,353)
Indian rupee	3,087,026	U.S. dollar	(45,436)	45,287	(45,436)	(149)
Indonesian rupiah	561,025,552	U.S. dollar	(41,695)	42,259	(41,695)	564
Israeli shekel	185,753	U.S. dollar	(48,550)	48,241	(48,550)	(309)
Japanese yen	8,934,384	Euro currency unit	(69,426)	87,091	(77,131)	9,960
Japanese yen	40,262,804	U.S. dollar	(361,197)	393,568	(361,197)	32,371
Kenyan shilling	801	U.S. dollar	(8)	8	(8)	....
Malaysian ringgit	14,300	U.S. dollar	(3,480)	3,578	(3,480)	98
Mexican peso	1,178,759	U.S. dollar	(63,795)	63,712	(63,795)	(83)
Moroccan dirham	551	U.S. dollar	(56)	56	(56)	....
New Zealand dollar	201,912	U.S. dollar	(143,187)	143,488	(143,187)	301
Nigerian naira	16,408	U.S. dollar	(58)	58	(58)	....
Norwegian krone	277,515	U.S. dollar	(34,006)	33,163	(34,006)	(843)
Pakistan rupee	7,752	U.S. dollar	(74)	74	(74)	....
Peruvian nuevo sol	11,700	U.S. dollar	(3,485)	3,533	(3,485)	48
Philippines peso	171,500	U.S. dollar	(3,689)	3,630	(3,689)	(59)
Polish zloty	45,585	Euro currency unit	(10,317)	11,501	(11,470)	31
Polish zloty	340,035	U.S. dollar	(86,955)	85,826	(86,955)	(1,129)
Romanian leu	30,400	Euro currency unit	(6,713)	7,476	(7,476)	....
Russian ruble	1,551,265	U.S. dollar	(23,048)	24,072	(23,048)	1,024
Singapore dollar	2,633	U.S. dollar	(1,951)	1,956	(1,951)	5
South African rand	832,934	U.S. dollar	(55,165)	56,719	(55,165)	1,554
South Korean won	125,404,388	U.S. dollar	(107,072)	108,638	(107,072)	1,566
Swedish krona	269,059	U.S. dollar	(31,983)	31,804	(31,983)	(179)
Swiss franc	6,393	Euro currency unit	(5,900)	6,562	(6,555)	7
Swiss franc	114,992	U.S. dollar	(118,073)	118,360	(118,073)	287
Taiwan new dollar	114,796	U.S. dollar	(3,518)	3,568	(3,518)	50
Thailand baht	27,656	U.S. dollar	(787)	787	(787)	....
Turkish lira	2,520	Euro currency unit	(788)	877	(876)	1
Turkish lira	119,885	U.S. dollar	(40,560)	41,487	(40,560)	927
U.S. dollar	241,133	Australian dollar	(328,723)	241,133	(244,560)	(3,427)
U.S. dollar	23,675	Brazilian real	(83,305)	23,675	(25,894)	(2,219)
U.S. dollar	170,751	British pound sterling	(121,010)	170,751	(161,818)	8,933
U.S. dollar	135,445	Canadian dollar	(174,300)	135,445	(134,226)	1,219
U.S. dollar	31,850	Chilean peso	(22,112,493)	31,850	(33,375)	(1,525)
U.S. dollar	15,643	Chinese yuan renminbi	(103,891)	15,643	(15,522)	121
U.S. dollar	13,829	Czech koruna	(335,170)	13,829	(13,753)	76
U.S. dollar	560,979	Euro currency unit	(500,567)	560,979	(556,529)	4,450
U.S. dollar	13,047	Hong Kong dollar	(101,211)	13,047	(13,051)	(4)
U.S. dollar	71,184	Hungarian forint	(20,078,064)	71,184	(70,659)	525
U.S. dollar	3,613	Indian rupee	(246,965)	3,613	(3,611)	2
U.S. dollar	7,695	Indonisian rupiah	(104,311,406)	7,695	(7,858)	(163)
U.S. dollar	79,884	Israeli shekel	(308,698)	79,884	(80,174)	(290)
U.S. dollar	344,263	Japanese yen	(36,959,934)	344,263	(361,062)	(16,799)
U.S. dollar	10	Malaysian ringgit	(40)	10	(10)	....
U.S. dollar	66,402	Mexican peso	(1,232,333)	66,402	(66,734)	(332)
U.S. dollar	62,532	New Zealand dollar	(88,837)	62,532	(63,189)	(657)
U.S. dollar	25,190	Norwegian krone	(212,825)	25,190	(25,431)	(241)
U.S. dollar	92,688	Polish zloty	(366,434)	92,688	(92,486)	202
U.S. dollar	9,480	Russian ruble	(625,377)	9,480	(9,732)	(252)
U.S. dollar	40,760	Singapore dollar	(55,305)	40,760	(41,063)	(303)
U.S. dollar	51,805	South African rand	(814,413)	51,805	(55,457)	(3,652)
U.S. dollar	72,449	South Korean won	(85,654,124)	72,449	(74,179)	(1,730)
U.S. dollar	54	Sri lanka rupee	(7,992)	54	(55)	(1)
U.S. dollar	104,063	Swedish krona	(858,804)	104,063	(101,545)	2,518
U.S. dollar	168,556	Swiss franc	(163,849)	168,556	(168,583)	(27)
U.S. dollar	14,676	Taiwan new dollar	(477,277)	14,676	(14,837)	(161)
U.S. dollar	128	Thailand baht	(4,499)	128	(128)	....
U.S. dollar	30,850	Turkish lira	(91,845)	30,850	(31,876)	(1,026)
UAE dirham	493	U.S. dollar	(134)	134	(134)	....
Total				$ 4,642,469	$ (4,618,950)	$ 23,519

A Schedule of the Florida Prepaid Program's and Investment Plan's foreign currency exchange contracts outstanding at June 30, 2016, is presented below, by currency (in thousands):

Florida Prepaid Program and Investment Plan

Foreign Currency Exchange Contracts

As of June 30, 2016

Fund	Currency to Buy	Amount to Buy (Local Currency)	Currency to Sell	Amount to Sell (Local Currency)	Receivable Fair Value (in U.S. $)	Payable Fair Value (in U.S. $)	Net Unrealized Gain/(Loss) (in U.S. $)
Florida Prepaid Program	U.S. dollar	285	Euro currency units	(257)	$ 285	$ (286)	$ (1)
Florida Prepaid Investment Plan	U.S. dollar	52	Euro currency units	(46)	52	(52)	……
Total					$ 337	$ (338)	$ (1)

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. The collateral under security lending agreements (including accrued interest) exceeded the fair value of the securities underlying those agreements (including accrued interest) on June 30, 2016. 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 $1,251,556,912 cash collateral and $1,852,087,102 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 $1,219,215,670. Securities held with others under security lending agreements with non-cash collateral totaled $1,809,515,680. 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, 2016, are as follows (in thousands):

State Treasury Investments on Loan Under Security Lending Agreements
As of June 30, 2016

Securities on Loan for Cash Collateral, by Security Type	Fair Value of Securities on Loan*
U.S. guaranteed obligations	$ 615,000
Federal agencies	43,323
Bonds and notes - domestic	478,551
Bonds and notes - international	82,342
Total securites on loan for cash collateral	1,219,216
Securites on Loan for Non-Cash Collateral, by Security Type	
U.S. guaranteed obligations	1,759,951
Federal agencies	41,811
Bonds and notes - domestic	4,620
Bonds and notes - international	3,134
Total securities on loan for non-cash collateral	1,809,516
Total securities on loan	$ 3,028,732

* 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 during the fiscal year ended June 30, 2016. The Florida Lottery Trust Fund ended their participation in security lending activity prior to June 30, 2016. 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 $3,258,517,366 in cash and $10,190,966,482 in U.S. government securities as collateral for the lending programs as of June 30, 2016. At June 30, 2016, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest), except with several borrowers in the LCEF where the market value of securities on loan exceeded the market value of collateral held by $62,621. 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 7% to 12% 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, 2016, the collateral re-investment portfolios for the FRS Pension Trust Fund and the LCEF were primarily reinvested in repurchase agreements (repos) or selected money market funds 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, 2016, there were three lending agents, including the two master custodians and one third-party agent.

The schedule below discloses the fair value and carrying value of investments on loan at June 30, 2016 (in thousands):

Schedule of Other Investments on Loan Under Security Lending Agreements
As of June 30, 2016

	Fair value of Securities on Loan[1]		
Securities on Loan for Cash Collateral, by Security type	FRS Pension Trust Fund	Other funds Managed by SBA	Total
U.S. guaranteed obligations	$ 239,976	$ 940,705	$ 1,180,681
Federal agencies	15,031	55,526	70,557
Domestic bonds and notes	58,017	68,233	126,250
International bonds and notes	52,820	7,395	60,215
Domestic stocks	618,367	153,254	771,621
International stocks	918,324	46,893	965,217
Total securities on loan for cash collateral	1,902,535	1,272,006	3,174,541
Securities on Loan for Non-Cash Collateral, by Security type			
U.S. guaranteed obligations	$ 1,063,666	$ 39,469	$ 1,103,135
Federal agencies	151,266	.....	151,266
Domestic bonds and notes	666,836	497	667,333
International bonds and notes	408,131	1,190	409,321
Domestic stocks	6,805,027	10,222	6,815,249
International stocks	837,446	7,098	844,544
Total securities on loan for non-cash collateral	9,932,372	58,476	9,990,848
Total securities on loan	$ 11,834,907	$ 1,330,482	$ 13,165,389

[1]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:

a. 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.
b. 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.
c. 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, 2016. The State Treasury did not utilize derivatives for hedging activities during the fiscal year ending June 30, 2016. All of the State Treasury investment derivatives were reported at fair value in the accompanying financial statements as of June 30, 2016.

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

	Changes in Fair Value		Fair Value at June 30, 2016		Notional
	Classification	Amount	Classification	Amount	(in U.S. $)
State Treasury					
Investment derivative instruments:					
Futures	Investment Income	$ (5,576)	Receivable/(Payable)	$ (2,782)	$ (612,100)
Options	Investment Income	3	Not Applicable*		

This schedule includes both long and short positions.

*Options contracts were expired prior to fiscal year end.

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, and may 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, and 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 members in a market on an organized futures exchange. Upon entering in to a futures contract, collateral (cash and/or securities) is deposited with the counterparty, in SBA's name, in accordance with the initial margin requirements of the counterparty. 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 counterparty. 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, 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 counterparty, in SBA's name, in accordance with the initial margin requirements of the counterparty. 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, 2016, all of the SBA investment derivatives were reported at fair value (in thousands).

	Increase/(Decrease) in Fair Value		Fair Value at June 30, 2016		
	Classification	Amount (in U.S. $)	Classification	Amount (in U.S. $)	Notional (in U.S. $)
Fiduciary funds (FRS Pension Trust Fund)					
Investment derivative instruments:					
Futures[1]	Investment Income	$ (1,964)	Receivable/(Payable)	$ 45,167	$3,668,813
Options purchased	Investment Income	(56,620)	Investment[2]	38,673	(1,400,308)
Options sold	Investment Income	17,062	Liability[2]	(35,820)	2,094,415
Forward currency contracts	Investment Income	25,031	Receivable/(Payable)[3]	23,843	23,843
Interest rate swaps	Investment Income	(4,676)	Investment	(2,163)	1,445,884
Credit default swaps	Investment Income	302	Investment	504	116,000

[1] The total unrealized gain for open futures contracts at June 30, 2016, was $45,166,949 in the FRS Pension Trust Fund. Variation margin cash payments in the net amount of $9,380,738 had already been received from the counterparty on or before June 30, 2016. Outstanding remaining net futures variation margin at June 30, 2016, totaled $35,786,211 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 $5,585,312,940 and $(1,916,500,000), respectively.

[2] Purchased options are reported as investments and short sales of options are reported as liabilities on the Statement of Fiduciary Net Position.

[3] The total receivable and payable notional and fair values (in U.S. dollars) for forward currency contracts in the FRS Pension Trust Fund were $4,031,874,674 and ($4,008,031,731) as of June 30, 2016, and are presented on the Statement of Fiduciary Net Position as "Foreign currency contracts receivable" and "Foreign currency contracts payable".

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 $9.8 billion as of June 30, 2016.

8. Fair Value Hierarchy

The state categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are unadjusted quoted prices in active markets for identical assets. Level 2 inputs are either directly or indirectly observable for an asset (including quoted prices for similar assets), which may include inputs in markets that are not considered to be active. Level 3 inputs are significant unobservable inputs.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Pooled Investments with the State Treasury

Securities classified in Level 1 are valued using quoted prices from the custodian bank's primary external pricing vendors.

Securities classified in Level 2 are evaluated prices from the custodian bank's primary external pricing vendors. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Other evaluation models use actual trade data, collateral attributes, broker bids, new issue pricings and other observable market information.

Debt and equity securities classified as Level 3 are valued with prices from the custodian bank's external pricing vendors or an alternative pricing source, utilizing inputs such as stale prices, cash flow models, broker bids, or cost. Cost or book value may be used as an estimate of fair value when there is a lack of an independent pricing source.

Certain investments, such as money market funds and repurchase agreements, are not included in the table, because they are carried at cost and not priced at fair value. Unemployment compensation funds are not included in the table, because 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.

At June 30, 2016, the State Treasury had the following recurring fair value measurements.

Investments and Derivative Instruments Measured at Fair Value
As of June 30, 2016

Investments by fair value level	**Total**	**Level 1**	**Level 2**	**Level 3**
Commercial paper	$ 533,188	$	$ 533,188	$ .....
U.S. guaranteed obligations	7,156,647	6,681,550	475,097	.....
Federal agencies	7,903,604	.....	7,903,604	.....
Bonds and notes - domestic	5,512,870	.....	5,512,870	.....
Bonds and notes - international	731,953	6,783	725,170	.....
Commingled STIF	494,971	.....	.....	494,971
Lending collateral investments:				
Federal agencies	408,687	.....	408,687	.....
Bonds and notes - domestic	339,815	.....	339,815	.....
Bonds and notes - international	119,037	.....	119,037	.....
Total investments by fair value level	$ 23,200,772	$ 6,688,333	$ 16,017,468	$ 494,971
Investment derivative instruments				
Futures contracts	$ (2,782)	$ (2,782)	$	$ .....
Total investment derivative instruments	$ (2,782)	$ (2,782)	$	$ .....

Other Investments

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using quoted prices at June 30 (or the most recent market close date if the markets are closed on June 30) in active markets from the custodian bank's primary external pricing vendors.

Debt securities classified in Level 2 are evaluated prices from the custodian bank's primary external pricing vendors. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Other evaluation models use actual trade data, collateral attributes, broker bids, new issue pricings and other observable market information.

Equity securities classified as Level 2 are evaluated prices provided by the custodial bank's external pricing vendors, or alternative pricing source, such as investment managers, if information is not available from the primary vendors.

Debt and equity securities classified as Level 3 are valued with prices from the custodian bank's external pricing vendors or an alternative pricing source, utilizing inputs such as stale prices, cash flow models, broker bids, or cost. Cost or book value may be used as an estimate of fair value when there is a lack of an independent pricing source.

Derivative instruments classified in Level 1 of the fair value hierarchy are exchange traded prices as provided by the custodian bank's external pricing vendors. Derivative instruments classified as Level 2 receive clearing house prices, which are based on models that reflect the contractual terms of the derivatives.

Private equity funds and real estate direct investments classified as Level 3 are valued using the methodology as described in the footnotes for the *Additional GASB 72 Required Disclosures* table, footnotes 11 and 13, respectively.

Certain investments, such as money market funds, repurchase agreements and U.S. guaranteed State and Local Government Series (SLGS) securities are not included in the tables below because they are carried at cost and not priced at fair value.

The FRS Pension Trust Fund had the following fair value measurements as of June 30, 2016 (in thousands):

FRS Pension Trust Fund
As of June 30, 2016

		Fair Value Measurements Using		
Investments by fair value level	**Total Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Debt securities				
Certificates of deposit	$ 775,062	$	$ 775,062	$ .....
Commercial paper	3,516,125	.....	3,516,125	.....
U.S. guaranteed obligations	11,074,342	7,289,368	3,784,974	.....
Federal agencies	7,725,369	.....	7,725,369	.....
Domestic bonds and notes	6,595,369	.....	6,579,623	15,746
International bonds and notes	1,717,405	.....	1,703,208	14,197
Total debt securities	31,403,672	7,289,368	24,084,361	29,943
Equity securities				
Domestic	41,029,902	41,028,761	.....	1,141
International	31,814,912	31,755,588	56,306	3,018
Total equity securities	72,844,814	72,784,349	56,306	4,159
Alternative Investments				
Private equity fund	323,000	.....	.....	323,000
Real Estate direct investments	8,059,810	.....	.....	8,059,810
Derivative Instruments				
Option contracts purchased	38,673	38,673	.....	.....
Swap contracts (debt)	(1,659)	.....	(1,659)	.....
Forward currency contracts[1]	23,843	.....	23,843	.....
Futures contracts[1]	45,167	45,167	.....	.....
Total Investment derivative instruments	106,024	83,840	22,184	.....
Securities lending collateral investments				
Domestic bonds and notes	79,798	.....	65,629	14,169
Total investments by fair value level	112,817,118	$ 80,157,557	$ 24,228,480	$ 8,431,081
Investments Measured at the Net Asset Value (NAV)				
International equity commingled funds	5,452,110			
Real estate commingled funds	2,521,739			
Activist equity funds	651,600			
Hedge funds	4,458,711			
Private debt/credit opportunties funds	3,089,748			
Private equity funds	10,163,107			
Private real asset funds	3,754,120			
Total investments measured at the NAV	30,091,135			
Total investments measured at fair value	$ 142,908,253			
Investments sold short (Liabilities)				
U.S. guaranteed obligations	$ (1,891)	$	$ (1,891)	$ .....
Federal agencies	(306,334)	.....	(306,334)	.....
Option contracts sold	(35,820)	(35,820)	.....	.....
Total investments sold short	$ (344,045)	$ (35,820)	$ (308,225)	$ .....

[1] Futures and forward currency contracts are valued at their net unrealized appreciation/(depreciation) and are reported on the Statement of Fiduciary Net Position as receivables and/or liabilities.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2016, is presented in the footnotes to the table below (in thousands):

FRS Pension Trust Fund
Additional GASB 72 Required Disclosures

	Fair Value 6/30/2016	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV:				
Commingled international equity funds[1]	$ 5,452,110		Daily, Monthly	2 - 120 days
Commingled real estate investment funds[1]	2,521,739		Quarterly	15 - 90 days
Activist equity funds[2]	651,601		Monthly, Annually	65 - 90 days
Hedge funds				
Diversifying strategies (CTAs)[3]	1,047,435		Daily, Monthly	10 - 35 days
Equity long/short[4]	519,283		Monthly, Quarterly	30 - 125 days
Event driven[5]	378,600		Quarterly, Biennially, Annually	45 - 90 days
Global macro[6]	550,907		Monthly, Quarterly	30 - 60 days
Multi-strategy[7]	937,686		Quarterly, Biennially, Annually	30 - 90 days
Opportunistic debt[8]	562,100		Quarterly, Annually	65 - 90 days
Relative value[9]	462,699		Quarterly	45 - 90 days
Private debt/credit opportunity funds[10]	3,089,748	$ 1,331,738		
Private equity funds[11]	10,163,107	6,135,189		
Private real asset funds[12]	3,754,120	2,092,524		
Total Investments Measured at the NAV	$ 30,091,135	$ 9,559,451		
Investments Measured at Level 3:				
Private equity funds[11]	$ 323,000			
Real estate direct investments[13]	8,059,810	$ 206,258		

[1]*Commingled International Equity Funds and Real Estate Investment Funds.* Seven international equity funds and nine real estate investment funds are considered to be commingled in nature. Each are valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments.
[2]*Activist Equity Funds.* The three funds that make up this group invest in public companies with the intent to effect positive change through influencing management. The funds may be structured with a focus on specific domestic or foreign geographic regions. These investments are valued at the NAV per share. One fund (approximately 43% of this strategy) is currently eligible for redemption monthly. Another fund (approximately 32% of this strategy) is eligible for redemption in six months due to annual lock-up restrictions. The remaining fund (approximately 25% of this strategy) may be redeemed annually with the next redemption in nine months.
[3]*Diversifying Strategies (CTAs) Hedge Funds.* The four funds that make up this group primarily trade equity and commodity futures, but can also participate in indexes, rates and currencies in markets across the globe. These funds use a systematic approach and focus on trends in price and other market signals. These investments are valued at the NAV per share. All funds within this strategy are redeemable within a month or less, as they are not subject to lock-up restrictions.
[4]*Equity Long/Short Hedge Funds.* Consisting of four funds, this strategy invests both long and short, primarily in U.S. and global stocks that are mispriced by the markets. These managers vary in their use of short selling, leverage and definitions of growth or value. These funds are valued at the NAV per share. One fund (approximately 16% of the value of this strategy) is currently eligible for redemption monthly, while the remaining three funds (approximately 84% of this strategy) are redeemable in three months or less due to quarterly redemption restrictions.
[5]*Event Driven Hedge Funds.* The four funds in this strategy seek to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. These investments are valued at the NAV per share. All funds in this strategy are no longer under contractual lockup, but due to exit restrictions, the redemption periods range from three to eighteen months.
[6]*Global Macro Hedge Funds.* Consisting of four funds, which base their holdings (such as long and short positions in various equity, fixed income, currency, and futures markets) primarily on overall economic and political view of various countries. These funds are valued at the NAV per share. One of these funds (approximately 27% of this strategy) is redeemable in six months due to lock-up restrictions. The remaining three funds (approximately 73% of this strategy) are redeemable in three months or less, as they are not subject to lock-up restrictions.
[7]*Multi-Strategy Hedge Funds.* The five funds in this group aim to diversify risks and reduce volatility by combining other strategies. These strategies are usually a mix of Equity Long/Short, Event-Driven, or Opportunistic Debt and Relative Value. These funds are valued at the NAV per share. Two funds (approximately 44% of this strategy) are eligible for redemption in six months or less due to annual redemption restrictions. Another fund (approximately 26% of this strategy)

is eligible for redemption biennially with the next redemption date in six months. The remaining two funds (approximately 29% of this strategy) are eligible for redemption in three months and quarterly thereafter.

[8]*Opportunistic Debt Hedge Funds.* Consisting of three funds that pursue various strategies and asset classes, with an emphasis on mispriced debt or equity of companies in distress. These managers vary in their focus on early versus late stage situations, senior versus subordinated levels on the capital structure and non-traditional areas including high yield bonds and Emerging Markets debt, and may also pursue relative value and arbitrage strategies with various debt instruments. These funds are valued at the NAV per share. One fund (approximately 38% of this strategy) is subject to one year recurring hard lock-ups for each contribution and can be redeemed between three and six months. Another fund (approximately 18% of this strategy) is eligible for redemption in six months and annually thereafter. The remaining fund (approximately 44% of this strategy) is currently eligible for redemption in three months due to quarterly redemption restrictions.

[9]*Relative Value Hedge Funds.* Consisting of three funds, this strategy focuses on benefiting from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing (long) or selling (short) these instruments. These investments are valued at the NAV per share. Due to contractual lock-up restrictions, one fund (approximately 33% of this strategy) is eligible for redemption in fourteen months. Two funds (approximately 67% of this strategy) are eligible for redemption in three months and quarterly thereafter.

[10]*Private Debt/Credit Opportunity Funds.* There are 47 private debt/credit funds investing primarily in Distressed, Mezzanine and Senior Loans with some exposure to Special Situations. The fair value of these funds has been determined using the NAV at June 30, 2016 or one quarter in arrears adjusted for current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

[11]*Private Equity funds.* There are 179 private equity funds investing primarily in Leveraged Buyouts funds, Venture Capital funds, Secondary funds and Growth funds with some exposure to Special Situations, Diversifying Strategies and GP Investments. The fair value of 177 funds has been determined using the NAV at June 30, 2016, or one quarter in arrears adjusted for current quarter cash flows. The fair value of the remaining two funds (approximately 3% of the value of these investments) was based on external appraisals at June 30, 2016, and classified as Level 3. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

[12]*Private Real Asset Funds.* There are 50 real asset funds. Forty-one of these funds invest in real estate assets such as commercial office buildings, retail properties, multi-family residential properties, developments or hotels. In addition, the funds may be structured with a focus on specific geographic domestic or foreign regions. The remaining nine funds invest in infrastructure, timberland and commodities. The fair value of these funds has been determined using the NAV at June 30, 2016, or one quarter in arrears adjusted for current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the fund are liquidated, which on average can occur over the span of five to ten years.

[13]*Direct Real Estate Investments*. There are 69 direct owned/joint venture real estate assets that are valued based on annual external and/or quarterly internal appraisals and are classified as Level 3.

The schedule below discloses the fair value measurements for all other funds managed by the SBA (excluding the FRS Pension Trust Fund) at June 30, 2016, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
As of June 30, 2016

		Fair Value Measurements Using		
Investments by fair value level	**Total Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Debt securities				
Certificates of deposit	$ 4,935,958	$	$ 4,685,958	$ 250,000
Commercial paper	6,642,568	.....	6,407,569	234,999
U.S. guaranteed obligations	9,729,421	792,264	8,937,157	.....
Federal agencies	7,219,632	.....	7,219,632	.....
Domestic bonds and notes	2,379,911	.....	2,379,911	.....
International bonds and notes	792,568	.....	767,593	24,975
Total debt securities	31,700,058	792,264	30,397,820	509,974
Equity securities				
Domestic	1,566,447	1,566,447	.....	.....
International	589,335	589,334	.....	1
Total equity securities	2,155,782	2,155,781	.....	1
Other investments				
Domestic equity mutual funds	708,487	708,487	.....	.....
International equity mutual funds	380,383	380,383	.....	.....
Self-directed brokerage account	369,381	.....	369,381	.....
Total other investments	1,458,251	1,088,870	369,381	.....
Securities lending collateral investments				
Certificates of deposit	818,205	.....	818,205	.....
Commercial paper	130,920	.....	130,920	.....
U.S. guaranteed obligations	10,005	.....	10,005	.....
Total securities lending collateral investments	959,130	.....	959,130	.....
Total investments by fair value level	36,273,221	$ 4,036,915	$ 31,726,331	$ 509,975

Investments Measured at the Net Asset Value (NAV)		**Redemption Frequency (If Currently Eligible)**	**Redemption Notice Period**
Domestic bonds and notes commingled funds[1]	1,800,314	Daily	1 Day
Domestic equity commingled funds[2]	2,901,641	Daily, Monthly	1 - 2 Days
International equity commingled funds[2]	1,287,403	Daily	1 Day
Real asset commingled fund[3]	321,026	Daily	1 Day
Total investments measured at the NAV	6,310,384		
Total investments measured at fair value	$ 42,583,605		

[1] *Commingled Domestic Bonds and Notes Funds:* Two Treasury Inflation-Protected Securities (TIPS) funds and six domestic bonds and notes funds are considered to be commingled in nature. Each is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. There were no unfunded commitments related to this investment type.

[2] *Commingled Domestic Equity Funds and Commingled International Equity Fund:* Seven domestic equity funds and one international equity fund are considered to be commingled in nature. Each is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. There were no unfunded commitments related to this investment type.

[3] *Commingled Real Asset Fund:* This fund consists of various investments such as commodities, floating rate loans, energy industry Master Limited Partnerships, global infrastructure and agriculture. The fund is valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. There were no unfunded commitments related to this investment type.

Component Units

Securities classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets from the custodian bank's primary external pricing vendors.

Securities classified in Level 2 are evaluated prices from the custodian bank's primary external pricing vendors, or alternative pricing source, such as investment managers, if information is not available from the primary vendors. The pricing methodology involves the use of evaluation models such as matrix pricing, which is based on the securities' relationship to benchmark quoted prices. Other evaluation models use actual trade data for similar securities, collateral attributes, broker bids, new issue pricings and other observable market information.

Securities classified as Level 3 are valued with prices from the custodian bank's external pricing vendors or an alternative pricing source, utilizing cash flow models.

Certain investments, such as commercial paper, repurchase agreements and various investment agreements, are not included in the table, because they are carried at cost and not priced at fair value. Additionally, the State reports Florida Housing Finance Corporation (FHFC) as of FHFC's fiscal year end December 31, which is prior to the implementation date of GASB 72; therefore, FHFC is not included in the table.

The schedule below discloses the fair value measurements for major component units at June 30, 2016, (in thousands):

Major Component Units
As of June 30, 2016

Investments by fair value level	Total Fair Value	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Citizens Property Insurance Corporation (CPIC)				
Debt securities				
U.S. guaranteed obligations	$ 1,429,406	$ 1,400,354	$ 29,052	$ .....
Federal agencies	1,755,157	51,743	1,703,414	.....
Domestic bonds and notes	8,545,458	.....	8,545,458	.....
International bonds and notes	67,844	.....	67,844	.....
Total CPIC investments by fair value level	$ 11,797,865	$ 1,452,097	$ 10,345,768	$ .....
University of Florida (UF)				
Debt securities				
U.S. guaranteed obligations	$ 2,994	$ 2,456	$ 538	$ .....
Federal agencies	8,225	.....	8,225	.....
Domestic bonds and notes	5,070	.....	5,070	.....
International bonds and notes	100	.....	100	.....
Total debt securities	16,389	2,456	13,933	.....
Equity securities				
Domestic	422	399	23	.....
International	69	69	.....	.....
Total equity securities	491	468	23	.....
Mutual funds	317,733	186,847	130,886	.....
Other investments	54,178	9,976	41,434	2,768
Total UF investments by fair value level	388,791	$ 199,747	$ 186,276	$ 2,768

Investments Measured at the Net Asset Value (NAV)		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
University of Florida				
International equity commingled funds[1]	23		Illiquid	N/A
Short-term investments[2]	11,677		Daily	1 Day
Hedge funds - Multi-strategy[3]	10,857		Annually	90 Days
Private equity funds[4]	2,578,604	$ 223,977	Monthly	30 - 45 days
Total investments measured at the NAV	2,601,161			
Total investments measured at fair value	$ 2,989,952			

[1] *International equity commingled funds*: International equity fund considered to be commingled in nature and includes equity interests, which at year-end, are subject to a six-month lockup period, ending in January 2017. The fair value of investments in this type have been determined using NAV per share (or its equivalent) of the investments. There were no unfunded commitments related to this investment type.

[2] *Short-term investments*: This category includes investments in money market funds and other short-term instruments designed to preserve capital, liquidity and current income. The fair value of investments in this type have been determined using NAV per share (or its equivalent) of the investments. There were no unfunded commitments related to this investment type.

[3] *Hedge Funds*: This category includes an investment in a hedge fund in which the fund manager is authorized to invest in a broad spectrum of securities that include, but are not limited to the following: equity and debt securities, currency, commodities, foreign debt, options, futures and swaps. The fair value of investments in this type have been determined using NAV per share (or its equivalent) of the investments. There were no unfunded commitments related to this investment type.

[4] *Private Equity Funds*: This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies. The fair value of investments in this type have been determined using NAV per share (or its equivalent) of the investments.

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 Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Accounts receivable	$ 109,569	$ 6,609	$ 536	$ 904,929	$ 5,180
Contracts & grants receivable	1	798	.....	.....	247
Due from Federal government	2,010	22,389	4,738	407,040	39,545
Due from other governmental units	1	1,758	.....	1,416	127,580
Interest & dividends receivable	20,931	2,440	1,830	195	5,847
Loans & notes receivable	69,210	128,821	168	.....	21
Fees receivable	116,374	20	18	.....	.....
Taxes receivable	3,036,277	21,578	52,278	.....	240,086
Allowance for uncollectibles	(1,659,921)	(3,336)	(348)	(21,798)	(13,272)
Receivables, net	**$ 1,694,452**	**$ 181,077**	**$ 59,220**	**$ 1,291,782**	**$ 405,234**
Loans & notes receivable from other governments	$ 14,998	$ 1,218,025	$	$	$ 853,294
Long-term interest receivable	.....	.....	.....	.....	390
Other loans & notes receivable	7,811	.....	2,738	317,267	57,024
Allowance for uncollectibles	(228)	.....	(1,005)	(293,643)	(7,977)
Other loans & notes receivable, net	**$ 22,581**	**$ 1,218,025**	**$ 1,733**	**$ 23,624**	**$ 902,731**

(Continued below)

	Nonmajor Governmental Funds	**Total Governmental Funds**	Internal Service Funds	Government-wide Reconciling Balances	**Total Governmental Activities**
Accounts receivable	$ 225,387	**$ 1,252,210**	$ 18,772	$ 602,502	**$ 1,873,484**
Contracts & grants receivable	46,772	**47,818**	.....	.....	**47,818**
Due from Federal government	47,555	**523,277**	.....	.....	**523,277**
Due from other governmental units	21,521	**152,276**	4,410	.....	**156,686**
Interest & dividends receivable	1,934	**33,177**	954	.....	**34,131**
Loans & notes receivable	124,401	**322,621**	.....	.....	**322,621**
Fees receivable	101	**116,513**	.....	.....	**116,513**
Taxes receivable	16,211	**3,366,430**	.....	.....	**3,366,430**
Allowance for uncollectibles	(145,680)	**(1,844,355)**	(13)	.....	**(1,844,368)**
Receivables, net	**$ 338,202**	**$ 3,969,967**	**$ 24,123**	**$ 602,502**	**$ 4,596,592**
Loans & notes receivable from other governments	$ 815,449	**$ 2,901,766**	$	$	**$ 2,901,766**
Long-term interest receivable	.....	**390**	.....	.....	**390**
Other loans & notes receivable	130,902	**515,742**	.....	.....	**515,742**
Allowance for uncollectibles	(26,493)	**(329,346)**	.....	.....	**(329,346)**
Other loans & notes receivable, net	**$ 919,858**	**$ 3,088,552**	**$ .....**	**$ .....**	**$ 3,088,552**

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts receivable	$ 26,465	$ 34,722	$ 175,335	$ 38,040	$ 239,267
Due from Federal government	.....	.....	.....	.....	236
Due from other governmental units	120	.....	.....	.....	1,096
Interest & dividends receivable	3,023	423	6,759	23,709	50,161
Loans & notes receivable	.....	.....	.....	227,763	.....
Fees receivable	932	.....	.....	.....	1,084
Taxes receivable	.....	.....	.....	.....	236,736
Allowance for uncollectibles	.....	(2,798)	(1)	.....	(328,923)
Receivables, net	**$ 30,540**	**$ 32,347**	**$ 182,093**	**$ 289,512**	**$ 199,657**
Loans & notes receivable	$ 66,437	$	$	$ 1,867,653	$ .....
Allowance for uncollectibles	.....	.....	.....	.....	.....
Future contract premiums and other receivables	.....	.....	.....	.....	.....
Other loans & notes receivable, net	**$ 66,437**	**$ .....**	**$ .....**	**$ 1,867,653**	**$ .....**

(Continued below)

	Nonmajor Enterprise Funds	**Total Enterprise Funds**	Government-wide Reconciling Balances	**Total Business-type Activities**
Accounts receivable	$ 630,054	**$ 1,143,883**	$ 102,864	**$ 1,246,747**
Due from Federal government	.....	**236**	.....	**236**
Due from other governmental units	2,720	**3,936**	.....	**3,936**
Interest & dividends receivable	488	**84,563**	.....	**84,563**
Loans & notes receivable	2,552	**230,315**	.....	**230,315**
Fees receivable	174	**2,190**	.....	**2,190**
Taxes receivable	.....	**236,736**	.....	**236,736**
Allowance for uncollectibles	(626,492)	**(958,214)**	.....	**(958,214)**
Receivables, net	**$ 9,496**	**$ 743,645**	**$ 102,864**	**$ 846,509**
Loans & notes receivable	$ 5,695	**$ 1,939,785**	$	**$ 1,939,785**
Allowance for uncollectibles	(1,437)	**(1,437)**	.....	**(1,437)**
Future contract premiums and other receivables	13	**13**	.....	**13**
Other loans & notes receivable, net	**$ 4,271**	**$ 1,938,361**	**$ .....**	**$ 1,938,361**

COMPONENT UNITS

Accounts receivable	$ 1,794,221
Contracts & grants receivable	192,144
Due from Federal government	18,365
Due from other governmental units	235,247
Interest & dividends receivable	107,564
Loans & notes receivable	211,811
Allowance for uncollectibles	(437,917)
Receivables, net	**$ 2,121,435**
Other loans & notes receivable	$ 2,424,818
Allowance for uncollectibles	(274,599)
Other loans & notes receivable, net	**$ 2,150,219**

"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 Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Accounts payable	$ 346,586	$ 44,859	$ 8,536	$ 173,835	$ 300,083
Accrued salaries & wages	84,745	1,274	18	43,298	17,033
Claims payable	.....	.....	.....	.....	.....
Construction contracts	.....	.....	.....	.....	359,394
Deposits payable	179	455	.....	10	11,842
Due to Federal government	1	.....	.....	159,800	.....
Due to other governmental units	73,021	8,822	17	5,033	8,340
Other payables	.....	.....	.....	.....	.....
Accounts payable and accrued liabilities	**$ 504,532**	**$ 55,410**	**$ 8,571**	**$ 381,976**	**$ 696,692**

(Continued below)

	Nonmajor Governmental Funds	**Total Governmental Funds**	Internal Service Funds	Government-wide Reconciling Balances	**Total Governmental Activities**
Accounts payable	$ 122,938	**$ 996,837**	$ 30,770	$ 182,970	**$ 1,210,577**
Accrued salaries & wages	14,331	**160,699**	2,849	.....	**163,548**
Claims payable	.....	**.....**	141,077	.....	**141,077**
Construction contracts	120	**359,514**	.....	.....	**359,514**
Deposits payable	136	**12,622**	.....	.....	**12,622**
Due to Federal government	1,605	**161,406**	.....	.....	**161,406**
Due to other governmental units	47,183	**142,416**	.....	.....	**142,416**
Other payables	.....	**.....**	15,139	.....	**15,139**
Accounts payable and accrued liabilities	**$ 186,313**	**$ 1,833,494**	**$ 189,835**	**$ 182,970**	**$ 2,206,299**

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts payable	$ 13,493	$ 6,034	$ 81,090	$ 259,574	$ 19,884
Accrued interest payable	.....	.....	32,604	.....	.....
Accrued salaries & wages	.....	.....	.....	.....	.....
Construction contracts	35,739	.....	.....	.....	.....
Deposits payable	225	2,444	.....	.....	.....
Due to Federal government	.....	.....	.....	.....	21,279
Accounts payable and accrued liabilities	**$ 49,457**	**$ 8,478**	**$ 113,694**	**$ 259,574**	**$ 41,163**

(Continued below)

	Nonmajor Enterprise Funds	**Total Enterprise Funds**	Government-wide Reconciling Balances	**Total Business-type Activities**
Accounts payable	$ 13,958	**$ 394,033**	$ 41	**$ 394,074**
Accrued interest payable	.....	**32,604**	.....	**32,604**
Accrued salaries & wages	3,709	**3,709**	.....	**3,709**
Construction contracts	.....	**35,739**	.....	**35,739**
Deposits payable	128	**2,797**	.....	**2,797**
Due to Federal government	.....	**21,279**		**21,279**
Accounts payable and accrued liabilities	**$ 17,795**	**$ 490,161**	**$ 41**	**$ 490,202**

COMPONENT UNITS

Accounts payable	$ 855,625
Accrued interest payable	42,830
Accrued salaries & wages	320,937
Claims payable	916,498
Construction contracts	53,970
Deposits payable	354,909
Due to other governmental units	7,442
Vouchers payable	14,315
Accounts payable and accrued liabilities	**$ 2,566,526**

NOTE 4 – TAXES

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

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Sales and use tax	$ 24,287,673	$	$	$	$	$	$ 24,287,673
Fuel taxes:							
Motor fuel tax	.....	.....	.....	.....	2,611,492	.....	2,611,492
Pollutant tax	.....	251,307	.....	.....	.....	.....	251,307
Aviation fuel tax	.....	.....	.....	.....	36,963	.....	36,963
Solid minerals severance tax	.....	33,214	.....	.....	.....	.....	33,214
Oil and gas production tax	1,604	.....	.....	.....	.....	.....	1,604
Total fuel taxes	1,604	284,521	.....	.....	2,648,455	.....	2,934,580
Corporate income tax	2,181,244	.....	.....	.....	.....	.....	2,181,244
Documentary stamp tax	2,284,854	.....	.....	.....	.....	.....	2,284,854
Intangible personal property tax	341,418	.....	.....	.....	.....	.....	341,418
Communications service tax	648,528	.....	382,273	.....	.....	.....	1,030,801
Estate tax	155	.....	.....	.....	.....	.....	155
Gross receipts utilities tax	.....	7,188	770,216	.....	.....	.....	777,404
Beverage and tobacco taxes:							
Alcoholic beverage tax	352,898	.....	.....	.....	.....	13,273	366,171
Cigarette tax	1,190,541	.....	.....	.....	.....	.....	1,190,541
Smokeless tobacco tax	32,498	.....	.....	.....	.....	.....	32,498
Total beverage and tobacco taxes	1,575,937	.....	.....	.....	.....	13,273	1,589,210
Other taxes:							
Insurance premium tax	911,059	.....	.....	.....	.....	29,688	940,747
Hospital public assistance tax	.....	.....	.....	1,049,357	.....	.....	1,049,357
Citrus excise tax	.....	.....	.....	.....	.....	23,170	23,170
Pari-mutuel wagering tax	6,921	.....	.....	.....	.....	202,942	209,863
Total other taxes	917,980	.....	.....	1,049,357	.....	255,800	2,223,137
Total	$ 32,239,393	$ 291,709	$ 1,152,489	$ 1,049,357	$ 2,648,455	$ 269,073	$ 37,650,476

	Sales and Use Tax
Governmental fund statements	$ 24,287,673
Government-wide accruals	(31,845)
Government-wide statements	$ 24,255,828

NOTE 5 - CAPITAL ASSETS

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

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

Capital Asset Category	Financial Statement Capitalizing Threshold	Estimated Useful Life (in Years)
Land and other nondepreciable assets	Capitalize all	Not depreciable
Nondepreciable infrastructure	Capitalize all	Not depreciable
Construction work in progress	$100,000 when work is completed	Not depreciable
Buildings, equipment, and other depreciable assets		
Buildings and building improvements	$100,000	5 - 50
Infrastructure and infrastructure improvements (depreciable)	$100,000	3 - 50
Leasehold improvements	$100,000	2 - 15
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, 2016, is as follows (in thousands):

General Government	$	87,326
Education		11,169
Human Services		26,688
Criminal Justice & Correction		90,859
Natural Resources & Environment		50,667
Transportation		38,174
State Courts		10,060
Total depreciation expense (governmental activities)	**$**	**314,943**

Primary government capital asset activities for the fiscal year ended June 30, 2016, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES

	Balance July 1, 2015	Restatement	Increases	Decreases	Balance June 30, 2016
Capital assets, not being depreciated:					
Land and other nondepreciable assets	$ 18,309,896	$	$ 384,253	$ 49,500	$ 18,644,649
Infrastructure and infrastructure improvements - nondepreciable	42,756,854	.....	4,206,069	.....	46,962,923
Construction work in progress	4,909,108	42,894	328,750	2,646,472	2,634,280
Total capital assets, not being depreciated	**65,975,858**	**42,894**	**4,919,072**	**2,695,972**	**68,241,852**
Capital assets, being depreciated:					
Buildings and building improvements	5,431,830	63,667	156,701	157,325	5,494,873
Infrastructure and infrastructure improvements	757,476	.....	18,042	3,159	772,359
Leasehold improvements	1,120	.....	1,073	12	2,181
Property under capital lease	174,082	.....	2,628	1,678	175,032
Furniture and equipment	1,749,176	.....	251,870	216,297	1,784,749
Works of art and historical treasures	1,931	.....	.....	2	1,929
Library resources	25,894	.....	156	61	25,989
Other	73,079	.....	3,851	3,210	73,720
Total capital assets, being depreciated	**8,214,588**	**63,667**	**434,321**	**381,744**	**8,330,832**
Less accumulated depreciation for:					
Buildings and building improvements	2,646,028	17,069	143,950	67,771	2,739,276
Infrastructure and infrastructure improvements	426,222	.....	29,180	2,081	453,321
Leasehold improvements	701	.....	123	5	819
Property under capital lease	80,522	.....	9,201	4,187	85,536
Furniture and equipment	1,341,448	.....	127,542	119,737	1,349,253
Works of art and historical treasures	991	.....	64	1	1,054
Library resources	14,886	.....	1,455	521	15,820
Other	55,302	.....	3,428	3,201	55,529
Total accumulated depreciation	**4,566,100**	**17,069**	**314,943**	**197,504**	**4,700,608**
Total capital assets, being depreciated, net	**3,648,488**	**46,598**	**119,378**	**184,240**	**3,630,224**
Governmental activities capital assets, net	**$ 69,624,346**	**$ 89,492**	**$ 5,038,450**	**$ 2,880,212**	**$ 71,872,076**

BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2015	Restatement	Increases	Decreases	Balance June 30, 2016
Capital assets, not being depreciated:					
Land and other nondepreciable assets	$ 1,078,785	$	$ 584,026	$ 531,140	$ 1,131,671
Infrastructure and infrastructure improvements - nondepreciable	8,091,995	.....	13,862,729	13,367,359	8,587,365
Construction work in progress	1,161,795	.....	5,730,339	5,953,714	938,420
Total capital assets, not being depreciated	**10,332,575**	**.....**	**20,177,094**	**19,852,213**	**10,657,456**
Capital assets, being depreciated:					
Buildings and building improvements	472,525	.....	39,216	29,971	481,770
Infrastructure and infrastructure improvements	2,475	.....	.....	.....	2,475
Leasehold improvements	82	.....	2	.....	84
Furniture and equipment	252,126	.....	132,530	35,037	349,619
Library resources	7	.....	1	.....	8
Other	142,269	.....	2,803	173	144,899
Total capital assets, being depreciated	**869,484**	**.....**	**174,552**	**65,181**	**978,855**
Less accumulated depreciation for:					
Buildings and building improvements	146,148	.....	17,785	6,841	157,092
Infrastructure and infrastructure improvements	474	.....	202	.....	676
Leasehold improvements	12	.....	.....	.....	12
Furniture and equipment	129,587	.....	35,993	16,813	148,767
Library resources	3	.....	1	.....	4
Other	52,466	.....	9,719	139	62,046
Total accumulated depreciation	**328,690**	**.....**	**63,700**	**23,793**	**368,597**
Total capital assets, being depreciated, net	**540,794**	**.....**	**110,852**	**41,388**	**610,258**
Business-type activities capital assets, net	**$ 10,873,369**	**$ .....**	**$ 20,287,946**	**$ 19,893,601**	**$ 11,267,714**

Component units' capital asset activities for the fiscal year ended June 30, 2016, are as follows (in thousands):

COMPONENT UNITS

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets, not being depreciated:				
Land and other non-depreciable assets	$ 6,561,520	$ 109,985	$ 31,142	$ 6,640,363
Construction work in progress	1,194,900	932,900	603,759	1,524,041
Total capital assets, not being depreciated	**7,756,420**	**1,042,885**	**634,901**	**8,164,404**
Capital assets, being depreciated:				
Buildings and building improvements	18,150,497	799,968	223,200	18,727,265
Infrastructure and infrastructure improvements	2,880,873	105,581	4,068	2,982,386
Leasehold improvements	373,296	32,270	6,569	398,997
Property under capital lease	145,440	6,901	15,168	137,173
Furniture and equipment	3,459,998	245,104	141,884	3,563,218
Works of art and historical treasures	4,280	.....	495	3,785
Library resources	921,973	37,128	9,345	949,756
Other	365,271	62,200	7,336	420,135
Total capital assets, being depreciated	**26,301,628**	**1,289,152**	**408,065**	**27,182,715**
Less accumulated depreciation for:				
Buildings and building improvements	6,262,570	489,045	57,324	6,694,291
Infrastructure and infrastructure improvements	1,077,882	88,207	2,459	1,163,630
Leasehold improvements	133,194	19,168	5,062	147,300
Property under capital lease	66,042	8,010	15,368	58,684
Furniture and equipment	2,439,611	245,981	120,151	2,565,441
Works of art and historical treasures	1,794	195	317	1,672
Library resources	746,299	40,867	9,351	777,815
Other	270,340	31,989	6,249	296,080
Total accumulated depreciation	**10,997,732**	**923,462**	**216,281**	**11,704,913**
Total capital assets, being depreciated, net	**15,303,896**	**365,690**	**191,784**	**15,477,802**
Component units capital assets, net	**$ 23,060,316**	**$ 1,408,575**	**$ 826,685**	**$ 23,642,206**

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, 2016, 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; or at the Division's website (**www.frs.myflorida.com**).

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 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. Retirees initially reemployed in regularly established positions on or after July 1, 2010, may not participate in the FRS. 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 working on or after July 1, 2001 and initially enrolled before July 1, 2011. 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. This individually calculated 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 until the member terminates to finalize retirement. As of June 30, 2016, the FRS Trust Fund held in trust $2,322,967,354 in accumulated benefits and interest for 34,160 DROP participants. Of these 34,160 DROP participants, 29,602 were active in the DROP with balances totaling $1,871,732,532. The remaining 4,558 participants were no longer active in the DROP and had balances totaling $451,234,822 to be processed after June 30, 2016, pending a qualifying event. Of the total accumulated DROP benefits, $411,260,011 was due and payable as of June 30, 2016.

Administration

The Department of Management Services, Division of Retirement administers the FRS Pension Plan. The State Board of Administration invests the assets of the FRS 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, 2016, was $141,781,028,000. 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 1.66% contribution rate for the Retiree Health Insurance Subsidy Program 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, 2015, 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 Recommended by Actuarial Valuation as of July 1, 2014 for Fiscal Year 2015-2016	July 1, 2015 Statutory Rates (Ch. 121, F.S.)
Regular	5.56%	5.56%
Senior Management Service	19.73%	19.73%
Special Risk	20.34%	20.34%
Special Risk Administrative Support	31.25%	31.25%
Elected Officers - Judges	34.01%	34.01%
Elected Officers - Legislators/Attorneys/Cabinet	44.10%	44.10%
Elected Officers - County	40.57%	40.57%
DROP - applicable to members from all of the above classes or plans	11.22%	11.22%

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, 2016, 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, 2016, the contribution rate was 1.66% 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	11,935
Retirees	784
Termintated Vested Members	137
Total	12,856

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, 2016, the State reported a total liability of $4,529,033,986 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, 2015, and the fiduciary net position of the National Guard Benefit as of the measurement date of June 30, 2016:

	FRS Pension Plan	HIS	National Guard Benefit	Total
Plan total pension liability (A)	$ 161,370,735,088	$ 10,249,201,290	$ 664,546,758	
Plan fiduciary net position (B)	(148,454,393,902)	(50,774,315)	.....	
Plan net pension liability (A-B)	12,916,341,186	10,198,426,975	664,546,758	
State's proportion	17.961696240%	15.144426318%	100.00%	
State's proportionate share	$ 2,319,993,969	$ 1,544,493,259	$ 664,546,758	$ 4,529,033,986

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, 2014	17.802202632%	15.286183318%
State's proportion at measurement date, June 30, 2015	17.961696240%	15.144426318%
Increase / (decrease) in proportion	0.159493608%	-0.141757000%

The table below shows the changes in National Guard Benefit net pension liability for the fiscal year ended June 30, 2016:

National Guard Benefit

Changes in Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2015	$ 504,915,152	$	$ 504,915,152
Changes for the year:			
Service Cost	9,044,063	.....	9,044,063
Interest on total pension liability	19,259,164	.....	19,259,164
Effect of economic/demographic gains or losses	27,461,729	.....	27,461,729
Effect of assumptions changes or inputs	118,279,231	.....	118,279,231
Benefit payments	(14,412,581)	(14,412,581)	.....
Employer contributions	.....	14,422,581	(14,422,581)
Administrative expenses	.....	(10,000)	10,000
Balances as of June 30, 2016	$ 664,546,758	$	$ 664,546,758

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, 2015 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, 2015, using the entry age normal actuarial cost method. Inflation increases for the FRS Pension Plan and the HIS 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 3.80% 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 2015:

- FRS Pension Plan: There were no changes in actuarial assumptions. The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return remained at 7.65%.

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

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.0%	3.2%
Fixed income	18.0%	4.8%
Global equity	53.0%	8.5%
Real estate (property)	10.0%	6.8%
Private equity	6.0%	11.9%
Strategic investments	12.0%	6.7%
	100.0%	

The Florida National Guard Supplemental Retirement Benefit Plan (National Guard Benefit) 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, 2016, using the individual entry age normal actuarial cost method. 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 2.85% 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 2016 for the National Guard Benefit:

- The municipal bond rate used to determine total pension liability decreased from 3.80% to 2.85%.

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, 2015, for the FRS and HIS plans, and June 30, 2016, for the National Guard Benefit.

FRS Pension Plan

1% Decrease 6.65%	Current Discount Rate 7.65%	1% Increase 8.65%
$6,011,629,073	$2,319,993,969	($752,052,810)

HIS

1% Decrease 2.80%	Current Discount Rate 3.80%	1% Increase 4.80%
$1,759,878,172	$1,544,493,259	$1,364,894,573

National Guard Benefit

1% Decrease 1.85%	Current Discount Rate 2.85%	1% Increase 3.85%
$830,694,636	$664,546,758	$540,886,986

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, 2015, 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 measurement date year ended June 30, 2015, are presented below for each plan.

FRS Pension Plan

	Recognized in Expense Reporting Period Ending June 30, 2016	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	$ 379,718,680	Current	$	$ .....
Interest cost	2,105,391,588	Current	.....	.....
Effect of plan changes	.....	Current	.....	.....
Effect of economic/demographic gains or losses (difference between expected and actual experience)	33,415,732	6.3 years	244,922,665	(55,023,193)
Effect of assumptions changes or inputs	35,810,646	6.3 years	153,985,779	.....
Member contributions	(125,427,263)	Current	.....	.....
Projected investment earnings	(2,013,533,787)	Current	.....	.....
Changes in proportion and differences between contributions and proportionate share of contributions	32,488,906	6.3 years	418,960,935	(275,309,114)
Net difference between projected and actual investment earnings	(252,755,757)	5 years	.....	(553,975,737)
Contributions subsequent to the measurement date	.....	1 year	442,631,028	.....
Administrative expenses	3,246,393	Current	.....	.....
Total	$ 198,355,137		$ 1,260,500,407	$ (884,308,044)

Health Insurance Subsidy

	Recognized in Expense Reporting Period Ending June 30, 2016	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	$ 32,941,985	Current	$	$ .....
Interest cost	61,401,701	Current	.....	.....
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	20,909,429	7.2 years	121,511,307	.....
Member contributions	.....	Current	.....	.....
Projected investment earnings	(468,467)	Current	.....	.....
Changes in proportion and differences between contributions and proportionate share of contributions	(4,596,955)	7.2 years	96,350,219	(122,028,915)
Net difference between projected and actual investment earnings	251,503	5 years	836,077	.....
Contributions subsequent to the measurement date	.....	1 year	76,261,055	.....
Administrative expenses	28,422	Current	.....	.....
Total	$ 110,467,618		$ 294,958,658	$ (122,028,915)

The average expected remaining service life of all employees provided with pensions through the National Guard defined benefit single-employer plan at June 30, 2016, was 11.5 years. The State's pension expense and deferred outflows and deferred inflows of resources reported for the fiscal year ended June 30, 2016, are presented below for the plan.

Florida National Guard Supplemental Retirement Benefit Plan

	Recognized in Expense Reporting Period Ending June 30, 2016	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	$ 9,044,063	Current	$	$ .....
Interest cost	19,259,164	Current	.....	.....
Effect of economic/demographic gains or losses	2,387,976	11.5 years	25,073,753	.....
Effect of assumptions changes or inputs	16,578,061	11.5 years	167,297,947	.....
Administrative expenses	10,000	Current	.....	.....
Total	$ 47,279,264		$ 192,371,700	$ .....

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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense will be recognized as follows:

Reporting Period Ending June 30,	FRS Pension Plan Expense	HIS Expense	National Guard Benefit Expense
2017	$ (151,040,473)	$ 16,563,977	$ 18,996,037
2018	(151,040,473)	16,563,977	18,996,037
2019	(151,040,472)	16,563,977	18,996,037
2020	306,006,818	16,394,043	18,996,037
2021	65,627,531	16,312,474	18,996,037
Thereafter	15,048,404	14,270,241	97,541,515
Total	$ (66,438,664)	$ 96,668,688	$ 192,521,700

Payables to the Pension Plans

The State reported payables of $74 thousand to the FRS Pension Plan, and $2 thousand to the HIS Program as of June 30, 2016, 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. Upon receiving a distribution, other than a de minimis distribution or required minimum distribution, the member is a retiree. Disability coverage is provided for total and permanent disability; 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, upon signing an investment contract, 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 2015 through June 2016. 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. In addition to the employer funding to the participants' accounts, the employing universities are required to make a contribution as a percent of covered payroll that is transferred to the FRS Trust Fund to help amortize any unfunded actuarial liability (UAL). The required UAL contribution rate for fiscal year 2015-16 was 2.65%.

Senior Management Service Optional Annuity Program (SMSOAP)

Section 121.055, F.S., created the SMSOAP as an optional retirement program alternative for state members of the Senior Management Service Class. Employees in eligible state positions may make an irrevocable election to participate in the SMSOAP in lieu 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, upon signing an investment contract, provides full and immediate vesting of all contributions paid on behalf of the participants to the participating provider companies. Participants direct the investment of contributions to provide retirement and death benefits. Employers were required to contribute 6.27% of covered payroll from July 2015 through June 2016. 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. In addition to the employer funding to the participants' accounts, the state agencies are required to make a contribution as a percent of covered payroll that is transferred to the FRS Trust Fund to help amortize the unfunded actuarial liability (UAL). The required UAL contribution rate for fiscal year 2015-16 was 15.41%.

Pension Amounts for Defined Contribution Plans

As of June 30, 2016, the State reported the following pension amounts related to the defined contribution plans:

Reporting Period Ended June 30, 2016	FRS Investment Plan	Optional Retirement Plan	Optional Annuity Program
Pension Expense [1,2]	$ 56,148,707	$ 86,576,943	$ 165,296
Forfeitures	5,756,447	.....	.....
Pension Liability	133,881	.....	930

[1]Pension expense excludes the required unfunded actuarial liability (UAL) which is recognized in the FRS statement of contributions.

[2]The amount of forfeitures is not reflected in pension expense recognized by the State and is used to offset administrative costs.

B. Other Postemployment Benefits (OPEB)

The following is based on the October 10, 2016, interim update actuarial valuation of the State Employees' Health Insurance Program Retiree healthcare benefits as of July 1, 2016.

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 173,931 subscribers including 36,007 retirees at July 1, 2016. COBRA subscribers accounted for an additional 454 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 2016 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 2016 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, 2016 and the two preceding fiscal years (dollars in thousands):

	2016	2015	2014
Annual required contribution (ARC)	$ 530,981	$ 360,424	$ 399,026
Interest on the net OPEB obligation	60,953	49,713	37,540
Adjustments to the ARC	(56,304)	(43,085)	(32,534)
Annual OPEB Cost	535,630	367,052	404,032
Employer contribution	(115,571)	(86,057)	(99,706)
Increase/(decrease) in net OPEB obligation	420,059	280,995	304,326
Net OPEB obligation - July 1	1,523,819	1,242,824	938,498
Net OPEB obligation - June 30	$ 1,943,878	$ 1,523,819	$ 1,242,824
Percent of annual OPEB cost contributed	21.58%	23.45%	24.68%

Funded Status – State Share

The funded status of the plan as of June 30, 2016, was as follows (dollars in thousands):

Actuarial valuation date	July 1, 2016
Actuarial accrued liability (AAL)	$ 6,793,584
Actuarial value of plan assets	.....
Unfunded actuarial accrued liability (UAAL)	$ 6,793,584
Actuarial value of assets as a percentage of the AAL	0.00%
Covered payroll -- State share	$ 4,410,396
UAAL (State) as a percentage of covered payroll	154.04%

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 3.1%, 7.5%, 8.8%, for the first three years followed by 9.7% 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 3.0%, 5.7%, 7.0% are used for the first three years followed by 7.8% in the fourth year, then grading to 3.9% over the course of 60 years. For the PPO Plans – Post Medicare, initial healthcare cost trend rates of 3.1%, 7.5%, and 8.8% are used for the first three years followed by 9.5% in the fourth year, then grading to 3.9% over the course of 60 years. For the HMO Plans – Post Medicare, initial healthcare cost trend rates of 3.0%, 5.7%, and 7.0% are used for the first three years followed by 7.6% 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, 2016, the Department had available approximately $11 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, 2016, totaled $189 million. Refer to Note 5 for additional disclosures relating to construction in progress. Construction commitments for component units totaled $2.5 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 $556,183,539 for the fiscal year ended June 30, 2016. The table below represents the Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2016:

Series	Amount
2011A	$ 8,475,000
2011B	111,655,000
2011A (Intermodal)	58,595,000
2011B (Intermodal)	41,345,000
Total	$ 220,070,000

C. Operating Leases

Operating leases are not recorded on the balance sheets or statements of net assets; however, operating lease payments are recorded as expenditures/expenses when incurred. Total operating lease payments for the state's governmental activities, business-type activities, and component units were $126.4 million, $9.2 million, and $48.0 million, respectively, for the year ended June 30, 2016. The following is a schedule of future non-cancelable operating lease payments for the primary government and component units at June 30, 2016 (in thousands):

	Primary Government		
	Governmental Activities	Business-type Activities	Component Units
2017	$ 124,953	$ 6,973	$ 66,262
2018	115,057	5,506	53,892
2019	105,708	2,755	44,761
2020	81,928	1,899	37,642
2021	69,441	1,584	34,683
2022-2026	126,604	4,938	110,739
2027-2031	66,610	4,091	19,943
2032-2036	2,144	1,562	11,934
2037-2041	2,217	.....	2,714
2042-2046	2,299	.....	2,929
2047-2051	.....	.....	635
2052-2056	.....	.....	635
2057-2061	.....	.....	142
2062-2066	.....	.....	142
2067-2071	.....	.....	142
2072-2076	.....	.....	142
2077-2081	.....	.....	142
2082-2086	.....	.....	142
Total	$ 696,961	$ 29,308	$ 387,621

D. Encumbrances

As of June 30, 2016, encumbrances for major and nonmajor governmental funds were (in thousands):

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Encumbrances:	$ 268,335	$ 23,461	$ 74,729	$ 88,064	$ 41,335	$ 391,544	$ 887,468

NOTE 8 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION

A. Bonds Payable

1. Outstanding Bonds

Bonds payable at June 30, 2016, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
Governmental Activities:				
Road and Bridge Bonds	$ 1,801,790	$ 1,576,755	2.500%-5.375%	2041
SBE Capital Outlay Bonds	373,720	222,605	2.000%-5.000%	2030
Lottery Education Bonds	2,815,100	1,928,397	3.000%-6.584%	2032
Public Education Bonds	10,875,495	8,913,135	2.250%-6.000%	2041
State University System Bonds	241,960	136,325	3.000%-6.500%	2033
University Auxiliary Bonds	1,106,930	879,913	2.290%-7.500%	2043
Inland Protection Bonds	96,730	60,615	4.260%-5.400%	2024
Florida Forever Bonds	1,448,655	1,051,830	3.250%-7.045%	2029
Water Pollution Control Bonds	614,775	365,075	3.250%-5.250%	2031
Florida Facilities Pool Bonds	479,060	261,975	4.000%-5.750%	2039
State Infrastructure Bank Bonds	123,615	40,980	4.250%-5.000%	2027
Seaport Investment Bonds	138,145	127,555	4.000%-5.000%	2043
Everglades Restoration Bonds	335,290	246,745	0.420%-6.450%	2035
	20,451,265	15,811,905		
Unamortized premiums (discounts) on bonds payable		867,798		
Total Bonds Payable	$ 20,451,265	$ 16,679,703		
Business-type Activities:				
Toll Facilities Bonds	$ 3,658,500	$ 2,801,390	2.500%-6.800%	2045
Florida Hurricane Catastrophe Fund Bonds	3,200,000	3,200,000	1.298%-2.995%	2022
	6,858,500	6,001,390		
Unamortized premiums (discounts) on bonds payable		154,245		
Total Bonds Payable	$ 6,858,500	$ 6,155,635		

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.

Florida Water Pollution Control Bonds are issued by the Florida 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 State Board of Administration 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

The table below contains information regarding revenues pledged to repay debt obligations (in thousands). 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.

				Debt Service						
Bond Type	Revenue[3]	Less Operating Expenses	Net Available for Debt Service	Principal	Interest[5]	Total Debt Service	Coverage Ratio	Final Maturity	Remaining Debt Service	Revenue Ratio[4]
Florida Turnpike (Toll Facility)	$ 987,149	$ 192,458	$ 794,691	$ 129,620	$ 131,805	$ 261,425	3.04	2045	$ 4,248,526	80.50%
Florida Forever/Everglades[1]	2,276,900	.....	2,276,900	106,415	63,456	169,871	13.40	2035	1,703,136	100.00%
Lottery Education[1,2]	1,692,550	.....	1,692,550	211,921	98,398	310,319	5.45	2032	2,460,789	100.00%
Alligator Alley (Toll Facility)	30,649	9,972	20,677	1,920	1,529	3,449	6.00	2027	37,946	67.46%
State Infrastructure Bank	51,131	.....	51,131	8,845	2,451	11,296	4.53	2027	47,862	100.00%
Florida Hurricane Catastrophe	1,217,538	18,815	1,198,723	.....	46,975	46,975	25.52	2021	3,494,090	98.45%
State University System Bonds	55,768	.....	55,768	14,010	7,352	21,362	2.61	2033	192,081	100.00%
University Auxiliary Bonds										
Parking System Revenue Bonds										
Florida International University	14,378	5,676	8,702	3,000	3,321	6,321	1.38	2043	122,402	60.52%
University of South Florida	14,151	8,148	6,003	2,485	1,075	3,560	1.69	2026	27,068	42.42%
Florida Agricultural & Mechanical University	1,942	1,039	903	200	33	233	3.87	2018	464	46.50%
University of Florida	13,093	7,298	5,794	1,570	729	2,299	2.52	2028	20,580	44.26%
Florida Atlantic University	7,277	4,208	3,069	1,365	713	2,078	1.48	2032	22,025	42.18%
University of Central Florida	21,972	4,204	17,768	3,540	1,374	4,914	3.62	2032	39,574	80.87%
Florida State University	11,669	3,298	8,371	3,050	1,771	4,821	1.74	2031	46,931	71.74%
Housing System Revenue Bonds										
Florida Agricultural & Mechanical University	14,910	7,605	7,304	2,959	2,957	5,916	1.23	2032	82,597	48.99%
Florida International University	30,578	13,141	17,437	5,465	3,840	9,305	1.87	2041	135,685	57.02%
University of Florida	59,717	38,192	21,525	4,705	3,346	8,051	2.67	2033	101,210	36.04%
Florida Atlantic University	16,665	8,136	8,529	3,020	2,746	5,766	1.48	2036	84,623	51.18%
University of Central Florida	30,881	16,641	14,240	4,395	4,400	8,795	1.62	2042	140,685	46.11%
Florida State University	45,281	21,230	24,051	6,065	7,841	13,906	1.73	2040	267,036	53.12%
Student Health and Wellness Center Revenue Bonds										
University of Central Florida	16,992	.....	16,992	410	209	619	27.45	2024	4,942	100.00%
Florida State University	14,794	.....	14,794	1,245	1,134	2,379	6.22	2030	33,322	100.00%
University of North Florida	3,939	.....	3,939	450	600	1,050	3.75	2036	24,312	100.00%
Student Activity Revenue Bonds										
University of Florida	25,098	.....	25,098	1,410	1,824	3,234	7.76	2033	54,962	100.00%
Water Pollution Control Bonds	85,635	.....	85,635	32,930	19,001	51,931	1.65	2031	486,792	100.00%
Inland Protection Bonds	206,567	.....	206,567	6,485	2,323	8,808	23.45	2024	74,927	100.00%
Seaport Investment Program	200,000	.....	200,000	2,250	6,329	8,579	23.31	2043	231,724	100.00%

[1] 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.

[2] Source Department of Lottery, Audited Financial Statements.

[3] Refer to Note 8A.2. for information on the sources of pledged revenues.

[4] Revenue Ratio is calculated as Net Available for Debt Service divided by Revenue.

[5] 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 2015-16, the ratio remained below 6%, primarily due to an increase in tax revenues. Chapter 2015-222, Section 79, Laws of Florida, provided the legislature's determination that the authorization and issuance of debt for the 2015-16 fiscal year was in the best interest of the state.

5. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2016, are as follows (in thousands):

Year Ending	Primary Government					
	Governmental Activities			Business-type Activities		
June 30	Principal	Interest	Total	Principal	Interest	Total
2017	$ 1,044,388	$ 750,624	$ 1,795,012	$ 635,605	$ 198,631	$ 834,236
2018	1,088,656	699,715	1,788,371	143,195	194,095	337,290
2019	1,070,664	646,672	1,717,336	650,755	181,745	832,500
2020	1,072,090	593,981	1,666,071	691,790	162,991	854,781
2021	1,094,848	541,141	1,635,989	1,148,950	134,897	1,283,847
2022-2026	4,907,179	1,924,251	6,831,430	1,304,540	419,978	1,724,518
2027-2031	2,961,335	959,047	3,920,382	542,700	272,623	815,323
2032-2036	1,906,195	412,334	2,318,529	516,130	155,301	671,431
2037-2041	644,055	71,083	715,138	286,860	52,938	339,798
2042-2046	22,495	1,563	24,058	80,865	6,781	87,646
Bonds payable and interest	15,811,905	6,600,411	22,412,316	6,001,390	1,779,980	7,781,370
Unamortized premiums (discounts)	867,798	.....	867,798	154,245	.....	154,245
Total bonds payable and interest	$ 16,679,703	$ 6,600,411	$ 23,280,114	$ 6,155,635	$ 1,779,980	$ 7,935,615

Year Ending	Component Units		
June 30	Principal	Interest	Total
2017	$ 1,294,284	$ 507,708	$ 1,801,992
2018	1,671,570	238,626	1,910,196
2019	518,119	217,888	736,007
2020	790,597	190,486	981,083
2021	293,816	169,639	463,455
2022-2026	1,455,198	644,987	2,100,185
2027-2031	778,033	449,349	1,227,382
2032-2036	843,283	301,981	1,145,264
2037-2041	602,533	171,687	774,220
2042-2046	478,827	48,530	527,357
2047-2051	36,012	4,103	40,115
2052-2056	7,278	950	8,228
2057-2061	555	.....	555
Bonds payable and interest	8,770,105	2,945,934	11,716,039
Unamortized premiums (discounts)	210,567	.....	210,567
Total bonds payable and interest	$ 8,980,672	$ 2,945,934	$ 11,926,606

Annual debt service requirements for university capital improvement debt payable at June 30, 2016, are as follows (in thousands):

Year Ending June 30	Universities Principal	Universities Interest	Universities Total
2017	$ 48,024	$ 39,041	$ 87,065
2018	51,389	35,986	87,375
2019	52,805	35,720	88,525
2020	52,812	32,403	85,215
2021	54,554	30,036	84,590
2022-2026	257,738	115,226	372,964
2027-2031	229,202	61,913	291,115
2032-2036	105,373	23,212	128,585
2037-2041	41,750	6,965	48,715
2042-2046	6,540	356	6,896
Total capital improvement debt payable and interest	900,187	380,858	1,281,045
Unamortized premiums (discounts)	10,283	.....	10,283
Total capital improvement debt payable and interest	$ 910,470	$ 380,858	$ 1,291,328

6. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2016, 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 to be earned and other available funds were sufficient to meet the future principal and interest payments on the refunded bonds as they became due.

Bonds 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, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series E in the amount of $306,645,000 along with additional funds of $3,711,687 were used to advance refund $323,055,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2006 Series A maturing in the years 2017 through 2036. The refunding resulted in debt savings of $47,443,180, an economic gain of $35,182,502, and a deferred loss on refunding of $1,020,135.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2015 Series F in the amount of $233,135,000 along with additional funds of $5,812,747 were used to advance refund $91,165,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2004 Series D maturing in the years 2017 through 2036 and $162,130,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2005 Series F maturing in the years 2017 through 2036. The refunding resulted in debt savings of $44,008,285, an economic gain of $33,099,599, and a deferred loss on refunding of $1,503,641.

State of Florida, Department of Environmental Protection Florida Forever Revenue Refunding Bonds, Series 2015A in the amount of $78,725,000 were used to advance refund $90,020,000 of the State of Florida, Department of Environmental Protection Florida Forever Revenue Bonds, Series 2007A maturing in the years 2017 through 2026. The refunding resulted in debt savings of $13,416,448, an economic gain of $12,163,047, and a deferred gain on refunding of $861,669.

Business-type Activities

State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2015B in the amount of $195,875,000 along with additional funds of $3,512,083 were used to advance refund $210,725,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2007A maturing in the years 2016 through 2036. The refunding resulted in debt savings of $43,747,077, an economic gain of $32,334,150, and a deferred loss on refunding of $2,700,000.

State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2016A in the amount of $173,385,000 along with additional funds of $1,422,958 were used to advance refund $188,090,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2006A maturing in the years 2017 through 2026 and 2030 through 2036. The refunding resulted in debt savings of $34,888,139, an economic gain of $26,505,733, and a deferred loss on refunding of $2,300,000.

Current Refundings

Governmental Activities

State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2015A in the amount of $213,885,000 along with additional funds of $3,303,888 were used to refund $79,565,000 of the State of Florida, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2005A maturing in the years 2016 through 2026 and $169,445,000 of the State of Florida, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2005B maturing in the years 2016 through 2025. The refunding resulted in debt savings of $27,088,501, an economic gain of $24,241,616, and a deferred loss on refunding of $12,668,008.

State of Florida, Board of Governors Florida International University Housing Facility Revenue Refunding Bonds, Series 2015A in the amount of $29,105,000, were used to refund $30,055,000 of the State of Florida, Florida Education System Florida International University Housing Facility Revenue Bonds, Series 2004A Bonds maturing in the years 2016 through 2034. The refunding resulted in debt savings of $4,014,843, an economic gain of $3,018,991, and a deferred loss on refunding of $450,629.

State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2016A in the amount of $165,820,000, in part, along with additional funds of $670,976 were used to refund $41,485,000 of the State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2005B maturing in the years 2026 through 2027, and $15,215,000 of the State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2006A maturing in the years 2017 through 2021. The refunding resulted in debt savings of $8,132,684, an economic gain of $6,588,646, and a deferred loss on refunding of $3,864,013.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2016 Series A in the amount of $116,720,000 along with additional funds of $1,551,256 were used to refund $137,110,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2007 Series A maturing in the years 2017 through 2028. The refunding resulted in debt savings of $25,211,002, an economic gain of $22,703,811, and a deferred loss on refunding of $2,123,955.

State of Florida, State Board of Education Lottery Revenue Refunding Bonds Series 2016A in the amount of $239,250,000 along with additional funds of $2,791,013 were used to refund $50,515,000 of the State of Florida, Board of Education Lottery Revenue Bonds Series 2005A maturing in the years 2017 through 2019 and 2024, and $63,485,000 of the State of Florida, Board of Education Lottery Revenue Bonds Series 2006B maturing in the years 2017 through 2020. The refunding resulted in debt savings of $11,480,920, an economic gain of $11,042,635 and a deferred loss on refunding of $4,092,609.

Business-type Activities

State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2015A in the amount of $241,480,000 along with additional funds of $304,596, in part, were used to refund $74,625,000 of the State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2005A maturing in the years 2016 through 2029. The refunding resulted in debt savings of $12,761,202, an economic gain of $10,523,463, and a deferred loss on refunding of $2,200,000.

State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2016B in the amount of $113,350,000 along with additional funds of $1,693,084 were used to refund $125,450,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2006A maturing in the years 2017 through 2027. The refunding resulted in debt savings of $17,229,306, an economic gain of $15,370,329, and a deferred loss on refunding of $5,100,000.

7. Prior-year Defeased Bonds

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

	Principal at 6/30/2016
Governmental Activities	
University Auxiliary Bonds	$ 989

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, 2016, in the following governmental activities as direct expenses on the Statement of Activities (in thousands):

Governmental Activities	Interest
Education:	
SBE Capital Outlay Bonds	$ 7,198
Lottery Education Bonds	79,898
Public Education Bonds	353,559
State University System Bonds	6,240
University Auxiliary Bonds	35,499
Total Education	482,394
Natural Resources and Environment:	
Inland Protection Bonds	3,139
Everglades Restoration Bonds	7,434
Water Pollution Control Bonds	15,414
Florida Forever Bonds	44,226
Total Natural Resources and Environment	70,213
Transportation:	
Road and Bridge Bonds (Right of Way)	55,762
State Infrastructure Bonds	2,217
Seaport Bonds	5,170
Total Transportation	63,149
Total Direct Interest	$ 615,756

10. Governmental Activities – Unrestricted Net Position Deficit

Governmental activities reflect a negative unrestricted net position balance of $12.0 billion at June 30, 2016. 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, 2016, of $11.8 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 $900 million.

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 3.500% - 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, 2016 (in thousands):

Year Ending June 30	Principal	Interest	Total
2017	$ 38,770	$ 30,092	$ 68,862
2018	39,200	28,184	67,384
2019	35,595	26,241	61,836
2020	36,430	24,418	60,848
2021	38,040	22,500	60,540
2022-2026	224,995	78,742	303,737
2027-2031	146,335	18,493	164,828
Total	559,365	228,670	788,035
Unamortized premiums (discounts)	13,785	.....	13,785
Total certificates of participation payable	$ 573,150	$ 228,670	$ 801,820

2. Component Units

Component units (universities and a water management district) have issued certificates of participation (original amount of $982,070,000) 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 5.7600% 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, 2016(in thousands):

Year Ending June 30	Principal	Interest	Total
2017	$ 25,407	$ 39,939	$ 65,346
2018	26,502	38,816	65,318
2019	27,644	37,599	65,243
2020	28,882	36,312	65,194
2021	30,194	34,962	65,156
2022-2026	169,639	152,604	322,243
2027-2031	209,274	108,370	317,644
2032-2036	256,090	53,000	309,090
2037-2041	86,565	5,067	91,632
Total	860,197	506,669	1,366,866
Unamortized premiums (discounts)	25,150	.....	25,150
Total certificates of participation payable	$ 885,347	$ 506,669	$ 1,392,016

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, 2016, 76% of the state's installment purchase contracts for primary governmental activities were for furniture and equipment, and the remaining 24% 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, 2016 (in thousands):

Year Ending June 30	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Component Units
2017	$ 11,226	$ 2,218	$ 3,510
2018	10,294	15,356	2,813
2019	8,941	.....	2,300
2020	5,918	.....	899
2021	3,523	.....	20
2022-2026	10,617	.....	.....
2027-2031	482	.....	.....
Total	51,001	17,574	9,542
Less: Interest	(5,792)	(716)	(232)
Present value of future minimum payments	$ 45,209	$ 16,858	$ 9,310

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, 2016, 27% of the state's capital leases for governmental activities were for buildings, and the remaining 73% were for furniture and equipment. Capital leases for component units consisted of 53% for buildings, 42% 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, 2016 (in thousands):

Year Ending June 30	Primary Government: Governmental Activities	Component Units
2017	$ 4,564	$ 10,772
2018	4,532	7,234
2019	4,532	6,106
2020	2,750	5,189
2021	710	850
2022-2026	2,580	13,710
2027-2031	207	13,357
2032-2036	.....	2,960
2037-2041	.....	2,282
2042-2046	.....	2,282
2047-2051	.....	2,282
2052-2056	.....	2,282
2057-2061	.....	2,282
2062-2066	.....	2,282
2067-2071	.....	2,282
2072-2076	.....	1,370
Total	19,875	77,522
Less: Interest	(2,029)	(27,554)
Present value of future minimum payments	$ 17,846	$ 49,968

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, 2016 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 five 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 seven agreements represent 19% and 3%, respectfully, of payments due in 2017 and 2018. The following is a schedule of future maximum payments for the primary government at June 30, 2016 (in thousands):

Year Ending June 30	Primary Government	
	Governmental Activities	Business-type Activities
2017	$ 408,013	$ 54,036
2018	298,882	69,696
2019	132,888	15,457
2020	147,295	14,793
2021	155,300	15,011
2022-2026	582,731	85,271
2027-2031	576,927	101,054
2032-2036	640,547	113,312
2037-2041	727,465	130,452
2042-2046	466,983	69,457
2047-2051	62,512	.....
2052-2056	40,959	.....
Total	4,240,502	668,539
Less: Interest	(1,852,254)	(347,077)
Present value of future maximum payments	$ 2,388,248	$ 321,462

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2016, are as follows (in thousands):

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year (Current)
Governmental Activities					
Bonds payable:					
Road and Bridge Bonds	$ 1,569,885	$ 379,705	$ 372,835	$ 1,576,755	$ 71,770
SBE Capital Outlay Bonds	293,605	.....	71,000	222,605	52,845
Lottery Education Bonds	2,015,068	239,250	325,921	1,928,397	219,805
Public Education Bonds	9,216,135	848,650	1,151,650	8,913,135	457,655
State University System Bonds	150,335	.....	14,010	136,325	9,390
University Auxiliary Bonds	929,101	29,105	78,293	879,913	46,563
Inland Protection Bonds	67,100	.....	6,485	60,615	6,810
Florida Forever Bonds	1,154,815	78,725	181,710	1,051,830	95,160
Water Pollution Control Bonds	398,005	.....	32,930	365,075	31,700
State Infrastructure Bank Bonds	49,825	.....	8,845	40,980	8,655
Seaport Investment Bonds	129,805	.....	2,250	127,555	2,365
Everglades Restoration Bonds	214,730	46,740	14,725	246,745	15,795
Florida Facilities Pool Bonds	286,635	.....	24,660	261,975	25,875
	16,475,044	1,622,175	2,285,314	15,811,905	1,044,388
Unamortized bond premiums (discounts)	829,585	227,352	189,139	867,798	.....
Total bonds payable	17,304,629	1,849,527	2,474,453	16,679,703	1,044,388
Certificates of participation payable	614,534	.....	41,384	573,150	38,770
Deposits	581,903	719,201	701,559	599,545	588,606
Compensated absences	775,112	342,775	379,676	738,211	185,531
Claims payable	2,844,273	2,558,147	2,433,123	2,969,297	1,460,846
Installment purchases/capital leases	61,776	510,698	509,419	63,055	13,777
Public-private partnership agreements	2,201,508	474,014	287,274	2,388,248	330,491
Advances - Due to Unclaimed Prop. TF	919,661	10,605	.....	930,266	.....
Due to Other governments	.....	417,246	.....	417,246	.....
Other Postemployment Benefits	1,486,056	408,889	.....	1,894,945	.....
Pension liability	2,960,231	1,480,790	137	4,440,884	71,906
Other liabilities	22,021	150	3,860	18,311	.....
Total Governmental Activities	**$ 29,771,704**	**$ 8,772,042**	**$ 6,830,885**	**$ 31,712,861**	**$ 3,734,315**

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 and due to other governments liabilities 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.

Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2016, are as follows (in thousands):

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year (Current)
Business-type Activities					
Bonds payable:					
Toll Facility Bonds	$ 2,807,730	$ 724,090	$ 730,430	$ 2,801,390	$ 135,605
Florida Hurricane Catastrophe Fund Bonds	2,000,000	1,200,000	.....	3,200,000	500,000
	4,807,730	1,924,090	730,430	6,001,390	635,605
Unamortized bond premiums (discounts)	118,352	68,776	32,883	154,245	.....
Total bonds payable	4,926,082	1,992,866	763,313	6,155,635	635,605
Accrued prize liability	449,080	5,440,569	5,477,293	412,356	174,388
Deposits	129,134	72,259	69,422	131,971	93,642
Compensated absences	22,644	8,602	7,967	23,279	5,836
Tuition and housing benefits payable	10,911,315	1,400,187	498,015	11,813,487	713,654
Installment purchases/capital leases	19,206	34,022	36,370	16,858	1,757
Public-private partnership agreements[1]	375,576	.....	54,114	321,462	36,034
Other Postemployment Benefits	34,612	10,220	.....	44,832	.....
Pension liability	58,978	29,262	1,868	86,372	1,605
Other liabilities	276	276	.....	552	.....
Total Business-type Activities	**$ 16,926,903**	**$ 8,988,263**	**$ 6,908,362**	**$ 19,006,804**	**$ 1,662,521**
Component Units					
Bonds payable	$ 9,216,567	$ 1,711,803	$ 1,947,698	$ 8,980,672	$ 1,294,284
Deposits	1,689,374	681,816	1,058,891	1,312,299	1,083,433
Compensated absences	677,755	86,947	87,654	677,048	87,222
Installment purchases/capital leases	62,468	12,106	15,296	59,278	12,336
Claims payable	1,033,876	166,039	42,255	1,157,660	32,571
Certificates of participation payable	1,037,220	21,007	172,880	885,347	25,407
Due to other governments/primary	962,439	29,908	79,879	912,468	48,024
Pension liability	1,210,693	1,235,805	399,222	2,047,276	29,187
Other liabilities	1,562,011	658,754	489,843	1,730,922	149,018
Total Component Units	**$ 17,452,403**	**$ 4,604,185**	**$ 4,293,618**	**$ 17,762,970**	**$ 2,761,482**

[1]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, 2016, 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, 2016, consist of the following (in thousands):

	Due from Other Funds (in thousands)				
	Governmental Activities				
Due to Other Funds (in thousands)	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	$	$ 15,770	$ 319	$ 122,185	$ 7,065
Environment, Recreation and Conservation	7,040	.....	.....	618	16,283
Public Education	116	.....	.....	2,025	.....
Health and Family Services	73,867	83	.....	.....	.....
Transportation	5,853	734	.....	84	.....
Nonmajor Governmental Funds	75,039	3,600	19,050	1,663	33,112
Internal Service Funds	995	12	.....	25	142
Business-type Activities					
Transportation	143	.....	.....	.....	133,783
Lottery	30	.....	158,551	.....	.....
Hurricane Catastrophe Fund	.....	.....	.....	.....	.....
Prepaid College Program	.....	.....	.....	.....	.....
Reemployment Assistance	542	.....	.....	.....	.....
Nonmajor Enterprise Funds	6,565	.....	.....	86	.....
Fiduciary Funds					
Private-purpose Trust Funds	162	.....	1,347	.....	.....
Pension and Other Employee Benefits Trust Funds	14	.....	.....	.....	.....
Agency Funds	79,508	.....	329	2,643	3,981
Investment Trust Funds	.....	.....	.....	.....	.....
Total	**$ 249,874**	**$ 20,199**	**$ 179,596**	**$ 129,329**	**$ 194,366**

(Continued Below)

	Due from Other Funds (in thousands)	
	Governmental Activities	
Due to Other Funds (in thousands)	Nonmajor Governmental Funds	Internal Service Funds
Governmental Activities		
General Fund	$ 42,937	$ 8,929
Environment, Recreation and Conservation	575	570
Public Education	60	423
Health and Family Services	4,982	6,791
Transportation	24,396	3,822
Nonmajor Governmental Funds	3,092	3,939
Internal Service Funds	175	784
Business-type Activities		
Transportation	.....	.....
Lottery	8	59
Hurricane Catastrophe Fund	.....	.....
Prepaid College Program	.....	.....
Reemployment Assistance	1,177	.....
Nonmajor Enterprise Funds	804	295
Fiduciary Funds		
Private-purpose Trust Funds	775	1
Pension and Other Employee Benefits Trust Funds	1	54
Agency Funds	1,854	.....
Investment Trust Funds	.....	.....
Total	**$ 80,836**	**$ 25,667**

(Continued next page)

	Due from Other Funds (in thousands)			
	Business-type Activities			
Due to Other Funds (in thousands)	Transportation	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities				
General Fund	$	$	$ 643	$ 2,420
Environment, Recreation and Conservation	100	.....	4	.....
Public Education	.....	.....	.....	.....
Health and Family Services	.....	.....	162	143
Transportation	418	.....	18	.....
Nonmajor Governmental Funds	.....	.....	63	2
Internal Service Funds	.....	.....	5	1
Business-type Activities				
Transportation	.....	.....	.....	.....
Lottery	.....	.....	1	6
Hurricane Catastrophe Fund	.....	.....	.....	285
Prepaid College Program	.....	.....	.....	.....
Reemployment Assistance	.....	.....	.....	.....
Nonmajor Enterprise Funds	.....	.....	20	.....
Fiduciary Funds				
Private-purpose Trust Funds	.....	4,474	.....	.....
Pension and Other Employee Benefits Trust Funds	.....	.....	.....	6,488
Agency Funds	91,833	.....	14	.....
Investment Trust Funds	.....	.....	.....	55
Total	**$ 92,351**	**$ 4,474**	**$ 930**	**$ 9,400**

(Continued below)

	Due from Other Funds (in thousands)			
	Fiduciary Funds			
Due to Other Funds (in thousands)	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Agency Funds	**Total**
Governmental Activities				
General Fund	$	$ 2	$ 85,858	**$ 286,128**
Environment, Recreation and Conservation	.....	.....	.....	**25,190**
Public Education	.....	.....	.....	**2,624**
Health and Family Services	.....	.....	24	**86,052**
Transportation	.....	.....	15,651	**50,976**
Nonmajor Governmental Funds	.....	.....	135	**139,695**
Internal Service Funds	.....	1,409	30,405	**33,953**
Business-type Activities				
Transportation	.....	.....	6	**133,932**
Lottery	.....	.....	.....	**158,655**
Hurricane Catastrophe Fund	.....	.....	.....	**285**
Prepaid College Program	35	.....	.....	**35**
Reemployment Assistance	.....	.....	.....	**1,719**
Nonmajor Enterprise Funds	.....	.....	.....	**7,770**
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	.....	**6,759**
Pension and Other Employee Benefits Trust Funds	.....	82,279	.....	**88,836**
Agency Funds	.....	.....	.....	**180,162**
Investment Trust Funds	.....	.....	.....	**55**
Total	**$ 35**	**$ 83,690**	**$ 132,079**	**$ 1,202,826**

	Advances to Other Funds (in thousands)	
	Governmental Activities	
Advances from Other Funds (in thousands)	General Fund	Transportation
Governmental Activities		
General Fund	$	$ 100
Public Education	.....	.....
Nonmajor Governmental Funds	625	.....
Internal Service Funds	1,979	800
Business-type Activities		
Transportation	.....	93,734
Total	**$ 2,604**	**$ 94,634**

(Continued below)

	Advances to Other Funds (in thousands)	
	Fiduciary Funds	
Advances from Other Funds (in thousands)	Private-purpose Trust Funds	**Total**
Governmental Activities		
General Fund	$	**$ 100**
Public Education	930,266	**930,266**
Nonmajor	.....	**625**
Internal Service Funds	.....	**2,779**
Business-type Activities		
Transportation	.....	**93,734**
Total	**$ 930,266**	**$ 1,027,504**

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

	Transfers from Other Funds (in thousands)				
	Governmental Activities				
Transfers to Other Funds (in thousands)	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	$	$ 772,288	$ 128,867	$ 1,559,537	$ 262,434
Environment, Recreation and Conservation	135,448	.....	.....	4,422	.....
Public Education	624	.....	.....	11,641	.....
Health and Family Services	83,619	.....	209,532	.....	.....
Transportation	56,363	23,262	.....	489	.....
Nonmajor Governmental Funds	181,923	54,900	328,690	18,471	1,193,925
Internal Service Funds	14,651	718	.....	83	990
Business-type Activities					
Transportation	.....	.....	.....	.....	54,343
Lottery	6	.....	1,692,551	.....	.....
Hurricane Catastrophe Fund	.....	.....	.....	.....	.....
Reemployment Assistance	.....	.....	.....	.....	.....
Nonmajor Enterprise Funds	67,997	.....	.....	7,883	.....
Fiduciary Funds					
Private-purpose Trust Funds	14	.....	168	374	.....
Pension and Other Employee Benefits Trust Funds	2,849	.....	.....	.....	.....
Investment Trust Funds	.....	.....	.....	.....	.....
Total	**$ 543,494**	**$ 851,168**	**$ 2,359,808**	**$ 1,602,900**	**$ 1,511,692**

(Continued below)

	Transfers from Other Funds (in thousands)	
	Governmental Activities	
Transfers to Other Funds (in thousands)	Nonmajor Governmental Funds	Internal Service Funds
Governmental Activities		
General Fund	$ 414,296	$ .....
Environment, Recreation and Conservation	188,017	.....
Public Education	1,382,446	.....
Health and Family Services	151,445	.....
Transportation	479,410	.....
Nonmajor Governmental Funds	194,677	554
Internal Service Funds	8,184	2
Business-type Activities		
Transportation	.....	.....
Lottery	152	.....
Hurricane Catastrophe Fund	10,000	.....
Reemployment Assistance	19,230	.....
Nonmajor Enterprise Funds	14,617	.....
Fiduciary Funds		
Private-purpose Trust Funds	4,173	.....
Pension and Other Employee Benefits Trust Funds	86	20,112
Investment Trust Funds	.....	.....
Total	**$ 2,866,733**	**$ 20,668**

(Continued next page)

	Transfers from Other Funds (in thousands)		
	Business-type Activities		
Transfers to Other Funds (in thousands)	Transportation	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities			
General Fund	$	$ 2,316	$ 2,072
Environment, Recreation and Conservation	.....	67	.....
Public Education	.....	18	.....
Health and Family Services	.....	851	931
Transportation	112,676	56	.....
Nonmajor Governmental Funds	.....	579	2,661
Internal Service Funds	.....	23	62
Business-type Activities			
Transportation	.....	.....	.....
Lottery	.....	7	.....
Hurricane Catastrophe Fund	.....	.....	.....
Reemployment Assistance	.....	.....	.....
Nonmajor Enterprise Funds	.....	84	.....
Fiduciary Funds			
Private-purpose Trust Funds	.....	.....	.....
Pension and Other Employee Benefits Trust Funds	.....	.....	11,569
Investment Trust Funds	.....	.....	.....
Total	**$ 112,676**	**$ 4,001**	**$ 17,295**

(Continued below)

	Transfers from Other Funds (in thousands)			
	Fiduciary Funds			
Transfers to Other Funds (in thousands)	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	**Total**
Governmental Activities				
General Fund	$ 3,386	$ 14,489	$	**$ 3,159,685**
Environment, Recreation and Conservation	.....	.....	.....	**327,954**
Public Education	.....	.....	.....	**1,394,729**
Health and Family Services	.....	.....	.....	**446,378**
Transportation	.....	.....	.....	**672,256**
Nonmajor Governmental Funds	.....	.....	.....	**1,976,380**
Internal Service Funds	.....	1,254	.....	**25,967**
Business-type Activities				
Transportation	.....	.....	.....	**54,343**
Lottery	.....	.....	.....	**1,692,716**
Hurricane Catastrophe Fund	.....	.....	.....	**10,000**
Reemployment Assistance	.....	.....	.....	**19,230**
Nonmajor Enterprise Funds	.....	.....	.....	**90,581**
Fiduciary Funds				
Private-purpose Trust Funds	.....	.....	.....	**4,729**
Pension and Other Employee Benefits Trust Funds	.....	667,191	.....	**701,807**
Investment Trust Funds	.....	.....	34,559	**34,559**
Total	**$ 3,386**	**$ 682,934**	**$ 34,559**	**$ 10,611,314**

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 $85 million per occurrence for named windstorm and flood losses through February 15, 2017, 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. During fiscal year ending June 30, 2015, the amount of claims paid for property claims included $70,777 for an unnamed wind event. During fiscal year ending June 30, 2016, an additional $1,999,679 in property claim losses were paid from the unnamed wind event for total paid losses of $2,070,456, exceeding the self-insured retention of $2 million per occurrence. Claim payments reported for fiscal year ending June 30, 2017 will include recoveries of $70,280 from commercial reinsurance. Changes in the Fund's property insurance claims liability amount for the fiscal years ended June 30, 2015, and June 30, 2016, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2015	$ 500	$ 443	$ (339)	$ 604
June 30, 2016	$ 604	$ 2,356	$ (2,517)	$ 443

The estimated liability for unpaid property insurance claims for fiscal year ending June 30, 2016, does not include property claim loss payments resulting from two hurricanes that struck Florida in September and October of 2016. Estimated loss payments for these two hurricanes is $5,726,967, which will not exceed the aggregate self-insurance retention for named windstorm and flooding.

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

The estimated liability for unpaid casualty insurance claims at June 30, 2016, was $1.16 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 $277.8 million, discounted using a 4 percent annual percentage rate per Section 625.091, Florida Statutes. The undiscounted workers' compensation indemnity claims liability is $384.1 million.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2015, and June 30, 2016, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2015	$ 1,174,797	$ 89,876	$ (97,239)	$1,167,434
June 30, 2016	$ 1,167,434	$ 95,672	$(101,606)	$1,161,500

The estimated liability for unpaid casualty insurance claims for June 30, 2016 fiscal year-end does not include any impact on open workers' compensation claims from recent Florida Supreme Court rulings. Although some impact on open claims is expected, the degree of impact is highly uncertain.

Actual current year claims and changes in estimate for casualty lines of coverage for the fiscal year ended June 30, 2016, increased by $5.8 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, 2015, and June 30, 2016, were as follows (in thousands):

Fiscal Year Ended	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimate	Claim Payments	Balance at Fiscal Year-end
June 30, 2015	$ 154,971	$ 1,649,140	$ (1,653,971)	$ 150,140
June 30, 2016	$ 150,140	$ 1,779,473	$ (1,766,850)	$ 162,763

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, 2016, 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 increase in the actuarial present value of future contract benefits from the prior year is primarily due to the increase in key inflation assumptions. Additional information as of June 30, 2016, is as follows:

Actuarial present value of future contract benefits and expenses payable	$	11,813,486,106
Net position available (net of outstanding refund payments and unrealized gain/loss on securities lending portfolio)	$	13,494,840,072
Net position as a percentage of future contract benefits and expenses obligation		114.2%

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, 2016, the industry retention for determining each insurer's retention was $6.898 billion per hurricane for the two hurricanes with the largest losses and $2.299 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, 2016, the FHCF had net assets of $12.77 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, 2016, 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 2015 season. As a result of the final settlement of all losses from prior years' hurricanes, the reported loss for the year ended June 30, 2016 is zero.

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 amounts due at maturity and 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 March 2016, pre-event Series 2016A Revenue Bonds were issued in the amount of $1.2 billion to provide funds, together with other available funds, to maximize the ability of the FHCF to meet future obligations. Specifically, the funds are to enable the FHCF to make reimbursement payments to participating insurers for reimbursable losses caused by any covered events occurring in the contract year ending May 31, 2016, or any subsequent contract year, and pay certain expenses incurred in connection with the issuance of the 2016A Bonds. The amounts due at maturity and the maturity dates for these bonds will be $550 million on July 1, 2019, and $650 million on July 1, 2021.

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 $11.5 billion of losses, effective June 1, 2016 through May 31, 2017; and $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. This legislation was enacted such that property insurance be provided through Citizens to applicants who are in good faith entitled to procure insurance through the voluntary market but are unable to do so. Citizens results from a combination of the Florida Residential Property and Casualty Joint Underwriting Association (the FRPCJUA) and the Florida Windstorm Underwriting Association (the FWUA). The FRPCJUA was renamed Citizens and the FWUA's rights, obligations, assets, liabilities and all insurance policies were transferred to Citizens. Unlike private insurers offering coverage through the admitted market, Citizens is not required to obtain or to hold a certificate of authority issued by the Florida Department of Financial Services Office of Insurance Regulation. Likewise, Citizens is not subject to Risk-Based Capital requirements or required to have a pledged deposit on file with the State of Florida. 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.

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.

Citizens is supervised by a Board of Governors (the Board) which consists of nine individuals who reside in the State of Florida. The Governor appoints three members, and the Chief Financial Officer, the President of the Senate and the Speaker of the House of Representatives each appoint two members of the Board. At least one of the two members appointed by each appointing officer must have a demonstrated expertise in the insurance industry. The Chief Financial Officer designates one of the appointees as the Board's chair. All Board members serve at the pleasure of their appointing officers.

Citizens' President and Chief Executive Officer (Executive Director) and senior managers are engaged by and serve at the pleasure of the Board. The Executive Director is subject to confirmation by the Florida Senate.

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 for 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 may exclude windstorm coverage on property within eligible areas. This portion of the FRPCJUA's activities became the Personal Lines Account (PLA) 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. This portion of the FRPCJUA's activities became the Commercial Lines Account (CLA) 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 CLA.

Coastal Account history – The FWUA, which was a residual market mechanism for windstorm and hail coverage in selected areas of the State of Florida, 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 standards promulgated by the Governmental Accounting Standards Board, adjusted for certain items.

In the event of a Plan Year Deficit in any 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 the Coastal Account, Citizens would then levy a Regular Assessment on assessable insurers, as defined in Section 627.351(6), Florida Statutes. The assessment is 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, and is applied as a uniform percentage of up to 2% of subject premiums. The Regular Assessment is not available for deficits within the PLA or CLA.

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, in addition to the Regular Assessment being limited to the Coastal Account only.

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.

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, 2016, 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% (2.0% effective July 1, 2016) 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, 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 are currently 100%. 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. At June 30, 2016, approximately $1.1 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.

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. 1st DCA)

Plaintiff satellite television company DirectTV and its customers, represented by the Ogborns, challenged the statutory distinction made in the application of the Communication Services Tax (CST) to cable and satellite TV providers. The Florida Cable Telecommunications Association 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 Court 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, which held oral arguments on April 6, 2016. The Court's decision is pending.

B. In re Citrus Canker Litigation, Case No. 00-18394 (17th Cir. Broward County); Mendez v. Florida Department of Agriculture and Consumer Services, Case No. 02-13717 (15th Cir. Palm Beach County); Ayers v. Florida Department of Agriculture and Consumer Services, Case No. 05-CA-4120 (9th Cir. Orange County); Dellaselva v. Florida Department of Agriculture and Consumer Services, Case No. 03-1947 (20th Cir. Lee County); In re Citrus Canker Litigation, Case No. 03-8255 (11th Cir. Miami-Dade County); Martinez v. Department of Agriculture, Case No. 02-001729; and Martinez v. Florida Department of Agriculture and Consumer Services, Case No. 03-30110 (11th 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 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.

A part of the Broward County lawsuit related to Miami-Dade County residents was transferred to Federal Circuit Court (Case No. 03-8255) where a non-jury liability trial took place in May and June of 2016, but a decision is still pending. Post-judgment interest is running on all judgments.

In related cases, similar classes have been certified in Palm Beach, Lee, Orange, and Miami-Dade Counties. In Palm Beach County, the court awarded plaintiffs $23,653,376, including prejudgment interest, plus $2,422,830 in fees and costs. This judgment is on appeal to the Fourth DCA. In Lee County, the Court awarded $13,625,249, including prejudgment interest, plus $821,993 and $70,893 in fees and costs. This judgment was affirmed by the Second DCA. In Orange County, the Court awarded $31,534,721, including prejudgment interest. This judgment was affirmed by the Fifth DCA. Fees and costs have not been determined. A liability trial in Case No. 00-18394 (Miami-Dade County) took place in mid-2016 and a decision has not been rendered. A class was not certified in Case No. 02-001729 (Broward County) and the lawsuit is inactive. Post-judgment interest is running on all judgments

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 district court dismissed the case for lack of standing.

D. Citizens for Strong Schools, et al., v. Florida State Board of Education, et al., Case No. 16-2862 (Fla. 1st DCA)

Plaintiffs claim that the funding of K-12 education by the State of Florida is inadequate. The State prevailed in Circuit Court, but the dismissal is currently on appeal at the First DCA. Potential damages to the State could exceed $25 million.

E. McLane Suneast, Inc. v. Florida Department of Business and Professional Regulation, Case No. 14-CA-372 (Ninth 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 disparately, and by assessing taxes on cigarettes and smokeless tobacco products without taxing cigars. Plaintiff contends the law violates the dormant Commerce Clause by preferring the domestic cigar industry over interstate suppliers of cigarettes and other tobacco products. 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. Potential costs exceed $3.5 billion.

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 (15th 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. After two years of litigation, a settlement was reached and Plaintiffs agreed to accept $145 million in the form of tax credits that may be used over a period of 15 months.

G. Micjo v. Florida Department of Business and Professional Regulation, Case No. 78 So. 3d 124 (Fla. 2nd DCA)

The Plaintiffs alleged certain charges, such as federal excise taxes and delivery costs, should be included when calculating the "wholesale sales price" for taxing other tobacco products. The Court held in the above-styled matter that the charges were not allowable. This ruling exposes DBPR to the risk of other distributors seeking a refund of a portion of the tobacco tax. Currently, there are numerous cases pending in various courts related to the interpretation of "wholesale sales price." A judicial determination in favor of the claimants and the potential of additional claims may result in refunds in excess of $50 million. See Note 18 C. for more information.

NOTE 17 – DEFICIT FUND BALANCE AND NET POSITION

A. Governmental Funds

The *State School Trust Fund* has a deficit unassigned fund balance of approximately $851.3 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 $20.6 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 $7.7 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 $40.3 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 of the primary government were issued or sold subsequent to June 30, 2016:

Agency/Bond	Series	Amount	Matures	Interest Rate
Governmental Activities:				
Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2016B	$ 92,520,000	07/01/2017-07/01/2046	2.500% - 5.000%
State Board of Education, Lottery Revenue Refunding Bonds	2016B	$ 211,180,000	07/01/2018-07/01/2027	5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2016 Series C	$ 147,640,000	06/01/2018-06/01/2037	2.500% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2016 Series D	$ 218,885,000	06/01/2018-06/01/2037	2.625% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds	2016 Series E	$ 206,025,000	06/01/2017-06/01/2046	2.375% - 5.000%
Department of Environmental Protection, Florida Forever Revenue Refunding Bonds	2016A	$ 159,765,000	07/01/2018-07/01/2028	2.000% - 5.000%
Board of Governors, University of South Florida, Parking Facility Revenue Refunding Bonds	2016A	$ 21,545,000	7/1/2026	2.200%
Board of Governors, Florida Atlantic University, Dormitory Revenue Refunding Bonds	2016A	$ 53,040,000	07/01/2017-07/01/2036	3.000% - 5.000%
Board of Governors, University of Florida, Dormitory Revenue Refunding Bonds	2016A	$ 19,390,000	07/01/2017-07/01/2030	3.000% - 5.000%
Board of Governors, Florida State University, Parking Facility Revenue Refunding Bonds	2017A	$ 7,857,000	07/01/2018-07/01/2026	2.1200%
Business-type Activities:				
Department of Transportation, Turnpike Revenue Refunding Bonds	2016 C	$ 142,595,000	07/01/2018-07/01/2037	4.000% - 5.000%

B. Federally Assisted Grant Programs

Medicaid Program – The United States Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) is requesting state reimbursement of amounts determined unallowable under the Florida Medicaid Reform Section 1115 Demonstration Waiver Special Terms and Conditions (STC) for state fiscal years ended June 30, 2006, through June 30, 2014. The State of Florida submitted Low Income Pool (LIP) cost limit reconciliations showing LIP payments in excess of allowable costs for LIP providers. The disallowance notice was issued on September 28, 2016, and the Agency for Health Care Administration (AHCA) filed its Request for Reconsideration with the CMS on November 21, 2016. On January 19, 2017, AHCA's Request for Reconsideration was denied by CMS. AHCA plans to file an appeal with the Department Appeal's Board (DAB). If AHCA is ultimately unsuccessful in its challenges, it may be required to return $97,570,183 to the Federal Government.

Medicaid Program - CMS is requesting state reimbursement of the federal share paid for claimed Medicaid expenditures associated with LIP payments made under Florida's Medicaid Reform Section 1115 Demonstration covering the period from July 1, 2006, through June 30, 2009. The disallowance notices were issued on September 28, 2016, and AHCA filed its Request for Reconsideration with the CMS on November 21, 2016. On January 19, 2017, AHCA's Request for Reconsideration was denied by CMS. AHCA plans to file an appeal with the DAB. If AHCA is ultimately unsuccessful in its challenges, it may be required to return $63,233,036 to the Federal Government.

C. Other

On January 4, 2017, the Department of Business and Professional Regulation's motion for rehearing en banc, related to Micjo, Florida 2nd DCA, Case No. 78 So. 3d 124, was denied. The determination may result in refunding in excess of $50 million.

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 4,506,212	$ 4,506,212	$ 4,506,212	$ .....
Reversions	99,611	99,611	99,611	.....
Fund Balances, July 1, 2015, restated	4,605,823	4,605,823	4,605,823	.....
REVENUES				
Fees and charges	1,263,288	1,245,688	1,186,436	(59,252)
Licenses	582,656	651,856	423,526	(228,330)
Taxes	31,582,851	31,751,651	32,415,647	663,996
Miscellaneous	2,992	2,992	3,369	377
Interest	153,547	106,047	134,512	28,465
Grants	21,720	21,720	17,182	(4,538)
Refunds	9,681	9,681	323,753	314,072
Transfers and distributions	2,737,536	2,728,036	2,728,956	920
Other	347,141	349,841	396,707	46,866
Total Revenues	36,701,412	36,867,512	37,630,088	762,576
Total Available Resources	41,307,235	41,473,335	42,235,911	762,576
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	3,587,737	3,740,056	3,692,918	47,138
Other personal services	53,727	65,199	60,906	4,293
Expenses	354,250	394,122	382,968	11,154
Grants and aids	14,154,749	14,168,958	14,168,079	879
Operating capital outlay	16,354	22,889	21,052	1,837
Food products	69,254	66,969	66,817	152
Fixed capital outlay	68,350	68,350	68,350	.....
Lump sum	343,901	14,492	14,492	.....
Special categories	10,134,881	10,643,298	10,546,105	97,193
Financial assistance payments	241,468	241,468	241,386	82
Continuing Appropriations	.....	241,240	241,240	.....
Grants/aids to local governments	120,154	120,154	120,154	.....
Data processing services	43,803	47,864	47,300	564
Pensions and benefits	18,410	18,410	15,600	2,810
Total Operating Expenditures	29,207,038	29,853,469	29,687,367	166,102
Nonoperating expenditures:				
Transfers	5,565,132	5,565,132	5,565,132	.....
Qualified expenditures	306,523	.....	.....	.....
Refunds	25,042	449,303	449,303	.....
Other	2,241,725	2,241,725	2,241,725	.....
Total Nonoperating Expenditures	8,138,422	8,256,160	8,256,160	.....
Total Expenditures	37,345,460	38,109,629	37,943,527	166,102
Fund Balances, June 30, 2016	$ 3,961,775	$ 3,363,706	$ 4,292,384	$ 928,678

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

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Environment, Recreation and Conservation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 1,679,063	$ 1,679,063	$ 1,679,063	$ .....
Reversions	1,634	1,634	1,634	.....
Fund Balances, July 1, 2015, restated	1,680,697	1,680,697	1,680,697	.....
REVENUES				
Fees and charges	118,879	166,076	167,117	1,041
Licenses	35,114	53,195	50,874	(2,321)
Taxes	1,588	295,388	294,746	(642)
Miscellaneous	190	1,410	1,411	1
Interest	19,061	50,843	20,295	(30,548)
Grants	228,362	177,852	198,085	20,233
Refunds	2,450	1,642	4,390	2,748
Bond proceeds	158	49,869	49,869	.....
Transfers and distributions	1,434,786	1,355,838	1,443,486	87,648
Other	177,147	21,978	155,177	133,199
Total Revenues	2,017,735	2,174,091	2,385,450	211,359
Total Available Resources	3,698,432	3,854,788	4,066,147	211,359
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	329,204	329,285	313,468	15,817
Other personal services	24,777	26,232	21,956	4,276
Expenses	60,639	60,540	55,508	5,032
Grants and aids	13,310	14,860	14,544	316
Operating capital outlay	2,106	2,350	1,971	379
Fixed capital outlay	356,489	356,489	356,489	.....
Lump sum	500	.....	.....	.....
Special categories	312,320	321,487	286,446	35,041
Grants/aids to local governments	310,275	310,275	310,275	.....
Data processing services	638	1,109	934	175
Total Operating Expenditures	1,410,258	1,422,627	1,361,591	61,036
Nonoperating expenditures:				
Transfers	411,207	411,207	411,207	.....
Refunds	38,698	22,444	22,444	.....
Other	339,898	339,898	339,898	.....
Total Nonoperating Expenditures	789,803	773,549	773,549	.....
Total Expenditures	2,200,061	2,196,176	2,135,140	61,036
Fund Balances, June 30, 2016	$ 1,498,371	$ 1,658,612	$ 1,931,007	$ 272,395

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

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 805,712	$ 805,712	$ 805,712	$ .....
Reversions	41,287	41,287	41,287	.....
Fund Balances, July 1, 2015, restated	846,999	846,999	846,999	.....
REVENUES				
Fees and charges	1,952,769	58,199	59,030	831
Licenses	1,106	922	903	(19)
Taxes	795,087	622,923	628,046	5,123
Miscellaneous	27,130	113	113	.....
Interest	25,040	34,689	32,070	(2,619)
Grants	2,128,548	2,133,534	2,133,407	(127)
Refunds	2,192	3,383	3,015	(368)
Transfers and distributions	3,050,734	3,108,064	3,108,064	.....
Other	19,384	185,581	195,213	9,632
Total Revenues	8,001,990	6,147,408	6,159,861	12,453
Total Available Resources	8,848,989	6,994,407	7,006,860	12,453
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	38,860	39,191	34,000	5,191
Other personal services	1,087	1,087	265	822
Expenses	8,567	8,461	5,064	3,397
Grants and aids	4,725,288	2,822,955	2,800,611	22,344
Operating capital outlay	951	701	48	653
Fixed capital outlay	1,822,695	1,822,695	1,822,695	.....
Special categories	908,231	952,517	952,517	.....
Financial assistance payments	63,491	63,491	63,345	146
Payments to U.S. Treasury	970	904	904	.....
Data processing services	9,714	9,769	9,352	417
Total Operating Expenditures	7,579,854	5,721,771	5,688,801	32,970
Nonoperating expenditures:				
Transfers	587,136	326,339	326,339	.....
Refunds	9,616	281	281	.....
Other	172,130	3,897	3,897	.....
Total Nonoperating Expenditures	768,882	330,517	330,517	.....
Total Expenditures	8,348,736	6,052,288	6,019,318	32,970
Fund Balances, June 30, 2016	$ 500,253	$ 942,119	$ 987,542	$ 45,423

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

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 1,180,405	$ 1,180,405	$ 1,180,405	$ .....
Reversions	372,365	372,365	372,365	.....
Fund Balances, July 1, 2015, restated	1,552,770	1,552,770	1,552,770	.....
REVENUES				
Fees and charges	1,417,989	1,350,805	872,306	(478,499)
Licenses	24,742	24,439	23,870	(569)
Taxes	529,854	529,854	963,381	433,527
Interest	4,627	4,837	3,684	(1,153)
Grants	17,174,078	17,110,708	17,654,277	543,569
Refunds	1,655,044	1,613,994	2,051,637	437,643
Transfers and distributions	2,174,039	1,991,327	2,180,152	188,825
Other	36,076	37,542	42,523	4,981
Total Revenues	23,016,449	22,663,506	23,791,830	1,128,324
Total Available Resources	24,569,219	24,216,276	25,344,600	1,128,324
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,283,659	1,281,558	1,190,636	90,922
Other personal services	108,673	109,764	88,403	21,361
Expenses	287,238	286,700	235,935	50,765
Grants and aids	47,092	47,092	33,865	13,227
Operating capital outlay	17,245	17,514	12,382	5,132
Food products	1,299	1,299	1,069	230
Fixed capital outlay	5,808	5,808	5,808	.....
Lump sum	34,334	.....	.....	.....
Special categories	20,826,717	20,884,428	20,542,968	341,460
Financial assistance payments	61,938	74,209	66,047	8,162
Grants/aids to local governments	1,110	1,110	1,110	.....
Data processing services	18,058	21,653	18,989	2,664
Claim bills and relief acts	2,650	2,650	2,650	.....
Total Operating Expenditures	22,695,821	22,733,785	22,199,862	533,923
Nonoperating expenditures:				
Continuing Appropriations	.....	25,289	25,289	.....
Transfers	839,335	1,211,773	1,211,773	.....
Qualified expenditures	471,471	.....	.....	.....
Refunds	10,725	5,421	5,421	.....
Other	11,608	36,956	36,956	.....
Total Nonoperating Expenditures	1,333,139	1,279,439	1,279,439	.....
Total Expenditures	24,028,960	24,013,224	23,479,301	533,923
Fund Balances, June 30, 2016	$ 540,259	$ 203,052	$ 1,865,299	$ 1,662,247

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

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Transportation			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 330,844	$ 330,844	$ 330,844	$ .....
Reversions	8,623	8,623	8,623	.....
Fund Balances, July 1, 2015, restated	339,467	339,467	339,467	.....
REVENUES				
Fees and charges	176,868	178,514	176,868	(1,646)
Taxes	2,715,775	2,739,316	2,715,775	(23,541)
Miscellaneous	358,998	.....	.....	.....
Interest	2,250	2,250	2,229	(21)
Refunds	15,422	1	15,423	15,422
Transfers and distributions	294,738	294,737	313,500	18,763
Other	21,910	17,896	18,900	1,004
Total Revenues	3,585,961	3,232,714	3,242,695	9,981
Total Available Resources	3,925,428	3,572,181	3,582,162	9,981
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	457,225	3,777	3,446	331
Other personal services	.....	18	1	17
Expenses	52,083	724	688	36
Operating capital outlay	.....	5	5	.....
Fixed capital outlay	285,866	285,866	285,866	.....
Special categories	.....	51,518	51,451	67
Total Operating Expenditures	795,174	341,908	341,457	451
Nonoperating expenditures:				
Transfers	18,251	18,251	18,251	.....
Refunds	76,674	76,674	76,674	.....
Other	2,824,659	2,824,659	2,824,659	.....
Total Nonoperating Expenditures	2,919,584	2,919,584	2,919,584	.....
Total Expenditures	3,714,758	3,261,492	3,261,041	451
Fund Balances, June 30, 2016	$ 210,670	$ 310,689	$ 321,121	$ 10,432

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

BUDGET TO GAAP RECONCILIATION
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	General Fund	Environment, Recreation and Conservation	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	$ 4,292,384	$ 1,931,007	$ 987,542	$ 1,865,299	$ 321,121
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	718,086	78,313	54,013	6,978	88,532
Fair value adjustments to investments within the State Treasury	136,278	21,456	14,798	1,912	24,256
Special investments within the State Treasury	22,012	.....	.....	27,287	.....
Non-State Treasury cash and investments	850,678	2,881	342	45,055	1,041,854
Other GAAP basis fund balances not included in budgetary basis fund balances	.....	.....	.....	.....	585,737
Adjusted budgetary basis fund balances	6,019,438	2,033,657	1,056,695	1,946,531	2,061,500
Adjustments (basis differences):					
Net receivables/(payables) not carried forward	718,790	1,246,667	127,092	294,688	534,792
Net deferred outflows/(inflows) of resources	(198,751)	(833)	.....	(693,703)	(701,967)
Inventories, prepaid items and deferred charges	20,519	434	.....	40,811	7,172
Encumbrances	268,335	23,461	74,729	88,064	41,335
GAAP basis fund balances	$ 6,828,331	$ 3,303,386	$ 1,258,516	$ 1,676,391	$ 1,942,832

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	2015
Proportion of the net pension liability	17.802202632%	17.961696240%
Proportionate share of the net pension liability	$ 1,086,196	$ 2,319,994
Covered-employee payroll	$ 4,538,946	$ 4,591,628
Proportionate share of the net pension liability as percentage of covered payroll	23.93%	50.53%
Plan fiduciary net position as a percentage of the total pension liability	96.09%	92.00%

Notes to Schedule:

Changes in actuarial assumptions: There were no changes in actuarial assumptions. The inflation rate assumption remained at 2.60%, the real payroll growth assumption remained at 0.65%, and the overrall payroll growth rate assumption remained at 3.25%. The long-term expected rate of return remained at 7.65%.

* 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 RETIREMENT SYSTEM
LAST 10 FISCAL YEARS*
(in thousands)

	2015	2016
Statutorily required contributions	$ 437,921	$ 442,631
Contributions recognized by the plan	437,921	442,631
Contribution deficiency (excess)	.....	.....
Covered-employee payroll	$ 4,591,628	$ 4,596,099
Contributions recognized by the plan as a percentage of covered-employee payroll	9.54%	9.63%

* 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

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS*
(in thousands)

	2014	2015
Proportion of the net pension liability	15.286183318%	15.144426318%
Proportionate share of the net pension liability	$ 1,429,295	$ 1,544,493
Covered-employee payroll	$ 4,534,435	$ 4,588,003
Proportionate share of the net pension liability as percentage of covered payroll	31.52%	33.66%
Plan fiduciary net position as a percentage of the total pension liability	0.99%	0.50%

Notes to Schedule:

Changes in actuarial assumptions: The municipal rate used to determine total pension liability was 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
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS*
(in thousands)

	2015	2016
Statutorily required contributions	$ 57,891	$ 76,261
Contributions recognized by the plan	57,891	76,261
Contribution deficiency (excess)	.....	.....
Covered-employee payroll	$ 4,588,003	$ 4,593,175
Contributions recognized by the plan as a percentage of covered-employee payroll	1.26%	1.66%

* 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

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FLORIDA NATIONAL GUARD SUPPLEMENTAL RETIREMENT BENEFIT PLAN
LAST 10 FISCAL YEARS*
(in thousands)

	2014	2015	2016
Total Pension Liability			
Service cost	$ 5,979	$ 7,161	$ 9,044
Interest on total pension liability	18,852	19,164	19,259
Effect of plan changes	.....	.....	.....
Effect of economic/demographic (gains) or losses	.....	.....	27,462
Effects of assumption changes or inputs	27,926	46,330	118,280
Benefit payments	(14,366)	(14,423)	(14,413)
Net changes in total pension liability	38,391	58,232	159,632
Total pension liability, beginning	408,292	446,683	504,915
Total pension liability ending	446,683	504,915	664,547
Fiduciary Net Position			
Employer contributions	$ 14,366	$ 14,495	$ 14,423
Member contributions	.....	.....	.....
Investment income net of investment expenses	.....	.....	.....
Benefit payments	(14,366)	(14,423)	(14,413)
Administrative expenses	.....	(72)	(10)
Net change in fiduciary position	.....	.....	.....
Fiduciary net position-beginning	.....	.....	.....
Fiduciary net position-ending	.....	.....	.....
Net pension liability-ending	$ 446,683	$ 504,915	$ 664,547
Fiduciary net position as a % of the total pension liability	0.00%	0.00%	0.00%
Covered payroll	$ 466,939	$ 476,278	$ 477,549
Net pension liability as a % of covered-payroll	95.66%	106.01%	139.16%

Notes to Schedule:

Changes of assumptions or input: The municipal bond rate used to determine total pension liability decreased from 3.80% to 2.85%.

* 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)

	2014	2015	2016
Statutorily required State contribution	$ 14,366	$ 14,495	$ 14,423
Contributions recognized by the plan	14,366	14,495	14,423
Contribution deficiency (excess)	.....	.....	.....
Covered payroll	$ 466,939	$ 476,278	$ 477,549
Contributions as a percentage of covered-employee payroll	3.08%	3.04%	3.02%

* 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 Valuation Date	Actuarial Value of Assets *(A)*	Actuarial Accrued Liability (AAL) Entry Age *(B)*	Unfunded AAL (UAAL) *(B-A)*	Funded Ratio *(A/B)*	Annualized Covered Payroll *(C)*	UAAL as a Percentage of Covered Payroll *((B-A)/C)*
July 1, 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%
July 1, 2015	.....	8,900,312	8,900,312	0.00%	7,810,110	113.96%

SCHEDULE OF EMPLOYER CONTRIBUTIONS*
(in thousands)

Year Ended 6/30	Annual Required Contribution	Percent 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%
2016	716,408	20.60%

* 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 76%.

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 12,110 centerline miles of roads and 6,855 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 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 repairing

highways, keeping up roadsides, responding to emergencies, maintaining signs, striping roadways, 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

2016	2015	2014
92%	92%	93%

Percentage of bridges meeting FDOT standards

2016	2015	2014
96%	95%	95%

Maintenance Rating

2016	2015	2014
86	86	86

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

Resurfacing Program

	2016	2015	2014	2013	2012
Needed	$619.5	$571.6	$467.6	$514.4	$628.4
Actual	610.1	570.6	455.6	521.8	521.4

Bridge Repair/Replacement Program

	2016	2015	2014	2013	2012
Needed	$191.4	$110.4	$239.4	$332.8	$319.0
Actual	199.3	111.6	182.6	323.5	340.5

Routine Maintenance Program

	2016	2015	2014	2013	2012
Needed	$627.4	$599.9	$592.2	$574.4	$609.4
Actual	723.3	694.6	641.2	636.4	627.3

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.

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION:

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR FUNDS

THIS PAGE INTENTIONALLY LEFT BLANK

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS
Individual fund descriptions and financial statements begin on page 185.

CAPITAL PROJECTS FUNDS
Individual fund descriptions and financial statements begin on page 213.

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, 2016
(in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Funds	Totals 6/30/16
ASSETS					
Current assets					
Cash and cash equivalents	$ 22,010	$	$ 402	$ 533	$ 22,945
Pooled investments with State Treasury	1,626,948	1,440	.....	24,601	1,652,989
Other investments	188,630	.....	47,312	3,524	239,466
Receivables, net	337,992	1	156	53	338,202
Due from other funds	42,373	38,463	.....	.....	80,836
Due from component units/primary	23	.....	.....	.....	23
Inventories	2,113	.....	.....	.....	2,113
Other	252	.....	.....	.....	252
Total current assets	2,220,341	39,904	47,870	28,711	2,336,826
Noncurrent assets					
Long-term investments	22,430	.....	204,221	.....	226,651
Other loans and notes receivable, net	919,858	.....	.....	.....	919,858
Total noncurrent assets	942,288	.....	204,221	.....	1,146,509
Total assets	3,162,629	39,904	252,091	28,711	3,483,335
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	185,985	302	26	.....	186,313
Due to other funds	138,942	29	11	713	139,695
Due to component units/primary	2,417	.....	.....	.....	2,417
Compensated absences	796	.....	.....	.....	796
Claims payable	4,573	.....	.....	.....	4,573
Deposits	89,265	.....	.....	.....	89,265
Obligations under security lending agreements	48,740	18	.....	964	49,722
Total current liabilities	470,718	349	37	1,677	472,781
Noncurrent liabilities					
Advances from other funds	625	.....	.....	.....	625
Deposits	10,939	.....	.....	.....	10,939
Other	811	.....	.....	.....	811
Total noncurrent liabilities	12,375	.....	.....	.....	12,375
Total liabilities	483,093	349	37	1,677	485,156
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	43,735	.....	.....	.....	43,735
Total deferred inflows of resources	43,735	.....	.....	.....	43,735
FUND BALANCES					
Nonspendable	2,291	.....	.....	23,420	25,711
Restricted	1,548,079	438	252,054	.....	1,800,571
Committed	1,085,431	39,117	.....	3,614	1,128,162
Total fund balances	2,635,801	39,555	252,054	27,034	2,954,444
Total liabilities, deferred inflows and fund balances	$ 3,162,629	$ 39,904	$ 252,091	$ 28,711	$ 3,483,335

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Funds	Totals 6/30/16
REVENUES					
Taxes	$ 269,073	$	$	$	$ 269,073
Licenses and permits	1,481,480	.....	.....	2,378	1,483,858
Fees and charges	739,379	.....	26,273	.....	765,652
Grants and donations	2,209,535	.....	.....	.....	2,209,535
Investment earnings (losses)	43,807	13	9,796	951	54,567
Fines, forfeits, settlements and judgments	532,391	.....	.....	.....	532,391
Other	46,501	.....	8,534	.....	55,035
Total revenues	5,322,166	13	44,603	3,329	5,370,111
EXPENDITURES					
Current:					
General government	1,740,388	29,402	2,186	.....	1,771,976
Education	162,689	725	.....	85	163,499
Human services	459,779	13,996	.....	.....	473,775
Criminal justice and corrections	436,686	47,387	.....	.....	484,073
Natural resources and environment	1,372,444	.....	.....	2	1,372,446
State courts	80,513	.....	.....	.....	80,513
Capital outlay	48,368	6,096	.....	.....	54,464
Debt service:					
Principal retirement	1,079	.....	1,042,814	.....	1,043,893
Interest and fiscal charges	23	.....	771,755	.....	771,778
Total expenditures	4,301,969	97,606	1,816,755	87	6,216,417
Excess (deficiency) of revenues over expenditures	1,020,197	(97,593)	(1,772,152)	3,242	(846,306)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	.....	.....	5,257	.....	5,257
Proceeds of refunding bonds	.....	.....	1,791,321	.....	1,791,321
Operating transfers in	928,712	118,379	1,819,642	.....	2,866,733
Operating transfers out	(1,926,777)	(1)	(48,794)	(808)	(1,976,380)
Payments to refunded bond agent	.....	.....	(1,791,321)	.....	(1,791,321)
Total other financing sources (uses)	(998,065)	118,378	1,776,105	(808)	895,610
Net change in fund balances	22,132	20,785	3,953	2,434	49,304
Fund balances - beginning	2,613,669	18,770	248,101	24,600	2,905,140
Fund balances - ending	$ 2,635,801	$ 39,555	$ 252,054	$ 27,034	$ 2,954,444

THIS PAGE INTENTIONALLY LEFT BLANK

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.

BLENDED 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.

CAREERSOURCE 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, 2016
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
ASSETS				
Current assets				
Cash and cash equivalents	$ 462	$ 5	$ 53	$ 79
Pooled investments with State Treasury	257,815	87,417	225,570	363,158
Other investments	5,202	.....	26,191	.....
Receivables, net	45,179	2,861	47,038	55,395
Due from other funds	4,497	477	5,562	1,896
Due from component units/primary	.....	23	.....	.....
Inventories	.....	.....	.....	178
Other	.....	.....	.....	33
Total current assets	313,155	90,783	304,414	420,739
Noncurrent assets				
Long-term investments	.....	.....	50	.....
Other loans and notes receivable, net	9,846	.....	443	162
Total noncurrent assets	9,846	.....	493	162
Total assets	323,001	90,783	304,907	420,901
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	3,135	5,302	22,992	14,899
Due to other funds	5,094	784	879	114,686
Due to component units/primary	17	.....	.....	.....
Compensated absences	133	26	22	225
Claims payable	4,573	.....	.....	.....
Deposits	1,332	.....	2,936	83,099
Obligations under security lending agreements	12,222	3,803	9,883	9,753
Total current liabilities	26,506	9,915	36,712	222,662
Noncurrent liabilities				
Advances from other funds	.....	.....	.....	.....
Deposits	.....	.....	.....	.....
Other	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	.....	.....
Total liabilities	26,506	9,915	36,712	222,662
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	745	.....	41,738	257
Total deferred inflows of resources	745	.....	41,738	257
FUND BALANCES				
Nonspendable	.....	.....	.....	211
Restricted	99,306	36,233	176,352	5,578
Committed	196,444	44,635	50,105	192,193
Total fund balances	295,750	80,868	226,457	197,982
Total liabilities, deferred inflows and fund balances	$ 323,001	$ 90,783	$ 304,907	$ 420,901

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
$	$ 50	$	$ 45	$ 634	$ 8
21,018	126,834	26,174	71,819	51,936	93,592
.....	.....	.....	.....	.....	.....
25	6,205	103	8,490	32,596	19,521
.....	2,634	532	275	2,689	937
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	1,378	.....
.....	.....	.....	.....	.....	.....
21,043	135,723	26,809	80,629	89,233	114,058
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
21,043	135,723	26,809	80,629	89,233	114,058
13,190	13,191	601	4,811	34,255	13,463
776	5,662	32	681	1,205	534
2,023	.....	.....	.....	276	.....
3	113	.....	11	108	.....
.....	.....	.....	.....	.....	.....
.....	671	.....	155	716	322
932	1,160	.....	302	2,338	28
16,924	20,797	633	5,960	38,898	14,347
.....	625	.....	.....	.....	.....
.....	.....	.....	967	.....	.....
.....	.....	.....	.....	.....	811
.....	625	.....	967	.....	811
16,924	21,422	633	6,927	38,898	15,158
.....	388	.....	607	.....	.....
.....	388	.....	607	.....	.....
.....	.....	.....	.....	1,378	.....
3,858	11,914	3,567	33,648	4,136	45,005
261	101,999	22,609	39,447	44,821	53,895
4,119	113,913	26,176	73,095	50,335	98,900
$ 21,043	$ 135,723	$ 26,809	$ 80,629	$ 89,233	$ 114,058

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Citrus Commission
ASSETS				
Current assets				
Cash and cash equivalents	$ 23	$ 2,049	$ 765	$ 5
Pooled investments with State Treasury	106,869	72,827	.....	23,590
Other investments	.....	.....	.....	.....
Receivables, net	430	5,221	.....	1,094
Due from other funds	1,478	124	.....	.....
Due from component units/primary	.....	.....	.....	.....
Inventories	.....	.....	.....	554
Other	.....	.....	4	69
Total current assets	108,800	80,221	769	25,312
Noncurrent assets				
Long-term investments	.....	.....	.....	.....
Other loans and notes receivable, net	.....	.....	.....	.....
Total noncurrent assets	.....	.....	.....	.....
Total assets	108,800	80,221	769	25,312
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	4,207	3,095	72	4,413
Due to other funds	2,721	1,032	.....	373
Due to component units/primary	.....	.....	.....	101
Compensated absences	124	27	.....	4
Claims payable	.....	.....	.....	.....
Deposits	34	.....	.....	.....
Obligations under security lending agreements	.....	2,506	.....	1,133
Total current liabilities	7,086	6,660	72	6,024
Noncurrent liabilities				
Advances from other funds	.....	.....	.....	.....
Deposits	.....	.....	.....	.....
Other	.....	.....	.....	.....
Total noncurrent liabilities	.....	.....	.....	.....
Total liabilities	7,086	6,660	72	6,024
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	.....	.....	.....	.....
Total deferred inflows of resources	.....	.....	.....	.....
FUND BALANCES				
Nonspendable	.....	.....	4	557
Restricted	18,467	3,406	340	15,456
Committed	83,247	70,155	353	3,275
Total fund balances	101,714	73,561	697	19,288
Total liabilities, deferred inflows and fund balances	$ 108,800	$ 80,221	$ 769	$ 25,312

Blended Component Units					
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	CareerSource Florida Inc	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
$ 1,272	$ 150	$	$ 11,506	$	$ .....
.....	1,213	57,447	.....	39,669	.....
4,402	12,392	.....	.....	138,363	2
12,267	52	12,854	1,381	87,243	.....
19,303	98	1,852	.....	19	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	128	.....	.....
37,244	13,905	72,153	13,015	265,294	2
.....	.....	.....	.....	.....	.....
93,958	.....	.....	.....	815,449	.....
93,958	.....	.....	.....	815,449	.....
131,202	13,905	72,153	13,015	1,080,743	2
19,308	526	26,505	1,837	.....	.....
4,430	.....	11	.....	42	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	2,742	.....	1,938	.....
23,738	526	29,258	1,837	1,980	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	9,972	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	9,972	.....	.....
23,738	526	29,258	11,809	1,980	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	128	.....	.....
.....	12,488	.....	.....	1,078,232	.....
107,464	891	42,895	1,078	531	2
107,464	13,379	42,895	1,206	1,078,763	2
$ 131,202	$ 13,905	$ 72,153	$ 13,015	$ 1,080,743	$ 2

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016
(in thousands)

	Blended Component Units			
	Surplus Lines	Corrections Foundation, Inc.	Scripps Florida Funding Corp	Totals 6/30/16
ASSETS				
Current assets				
Cash and cash equivalents	$ 4,113	$ 472	$ 319	$ 22,010
Pooled investments with State Treasury	.....	.....	.....	1,626,948
Other investments	2,078	.....	.....	188,630
Receivables, net	37	.....	.....	337,992
Due from other funds	.....	.....	.....	42,373
Due from component units/primary	.....	.....	.....	23
Inventories	.....	3	.....	2,113
Other	8	.....	10	252
Total current assets	6,236	475	329	2,220,341
Noncurrent assets				
Long-term investments	21,871	509	.....	22,430
Other loans and notes receivable, net	.....	.....	.....	919,858
Total noncurrent assets	21,871	509	.....	942,288
Total assets	28,107	984	329	3,162,629
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	167	12	4	185,985
Due to other funds	.....	.....	.....	138,942
Due to component units/primary	.....	.....	.....	2,417
Compensated absences	.....	.....	.....	796
Claims payable	.....	.....	.....	4,573
Deposits	.....	.....	.....	89,265
Obligations under security lending agreements	.....	.....	.....	48,740
Total current liabilities	167	12	4	470,718
Noncurrent liabilities				
Advances from other funds	.....	.....	.....	625
Deposits	.....	.....	.....	10,939
Other	.....	.....	.....	811
Total noncurrent liabilities	.....	.....	.....	12,375
Total liabilities	167	12	4	483,093
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	.....	.....	.....	43,735
Total deferred inflows of resources	.....	.....	.....	43,735
FUND BALANCES				
Nonspendable	.....	3	10	2,291
Restricted	.....	93	.....	1,548,079
Committed	27,940	876	315	1,085,431
Total fund balances	27,940	972	325	2,635,801
Total liabilities, deferred inflows and fund balances	$ 28,107	$ 984	$ 329	$ 3,162,629

THIS PAGE INTENTIONALLY LEFT BLANK

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
REVENUES				
Taxes	$	$	$	$ 245,902
Licenses and permits	.....	.....	.....	1,457,622
Fees and charges	121,191	33,500	1,816	99,042
Grants and donations	461,388	11,761	290,192	.....
Investment earnings (losses)	6,726	2,143	5,801	5,139
Fines, forfeits, settlements and judgments	17,609	1	.....	17,020
Other	9,423	558	3,075	1,334
Total revenues	616,337	47,963	300,884	1,826,059
EXPENDITURES				
Current:				
General government	436,110	113,625	498,837	232,717
Education	157,709	.....	.....	.....
Human services	.....	.....	.....	.....
Criminal justice and corrections	.....	.....	.....	.....
Natural resources and environment	.....	.....	.....	716
State courts	.....	.....	.....	.....
Capital outlay	6,690	1,006	1,867	3,081
Debt service:				
Principal retirement	.....	8	.....	62
Interest and fiscal charges	.....	.....	.....	.....
Total expenditures	600,509	114,639	500,704	236,576
Excess (deficiency) of revenues over expenditures	15,828	(66,676)	(199,820)	1,589,483
OTHER FINANCING SOURCES (USES)				
Operating transfers in	81,223	69,896	243,855	67,823
Operating transfers out	(93,539)	(21,860)	(15,917)	(1,629,019)
Total other financing sources (uses)	(12,316)	48,036	227,938	(1,561,196)
Net change in fund balances	3,512	(18,640)	28,118	28,287
Fund balances - beginning	292,238	99,508	198,339	169,695
Fund balances - ending	$ 295,750	$ 80,868	$ 226,457	$ 197,982

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
$	$	$	$	$	$ 1
.....	.....	.....	.....	23,343	.....
.....	100,924	8,928	3,960	61,552	72,118
.....	17,096	7,202	41,979	1,241,286	3,444
549	672	273	188	1,368	16
368,810	37,671	2	26,834	2,436	1,449
51	2,589	1,881	16,589	3,953	51
369,410	158,952	18,286	89,550	1,333,938	77,079
23	24,247	.....	21,144	.....	.....
.....	.....	.....	.....	.....	.....
378,522	.....	.....	.....	.....	.....
.....	140,006	21,920	69,862	.....	108,257
.....	.....	.....	.....	1,371,728	.....
.....	.....	.....	.....	.....	.....
3	6,820	189	539	7,454	427
.....	1,009	.....	.....	.....	.....
.....	23	.....	.....	.....	.....
378,548	172,105	22,109	91,545	1,379,182	108,684
(9,138)	(13,153)	(3,823)	(1,995)	(45,244)	(31,605)
4,715	37,100	7,185	30,989	49,082	74,485
(9,418)	(14,106)	(2)	(37,803)	(12,556)	(2,170)
(4,703)	22,994	7,183	(6,814)	36,526	72,315
(13,841)	9,841	3,360	(8,809)	(8,718)	40,710
17,960	104,072	22,816	81,904	59,053	58,190
$ 4,119	$ 113,913	$ 26,176	$ 73,095	$ 50,335	$ 98,900

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Citrus Commission
REVENUES				
Taxes	$	$	$	$ 23,170
Licenses and permits	515	.....	.....	.....
Fees and charges	73,300	42,040	.....	17
Grants and donations	10,499	94,212	1,694	4,384
Investment earnings (losses)	.....	1,343	.....	553
Fines, forfeits, settlements and judgments	60,559	.....	.....	.....
Other	5,937	761	.....	66
Total revenues	150,810	138,356	1,694	28,190
EXPENDITURES				
Current:				
General government	1,558	42,382	1,407	23,925
Education	.....	.....	.....	.....
Human services	.....	81,257	.....	.....
Criminal justice and corrections	95,828	.....	.....	.....
Natural resources and environment	.....	.....	.....	.....
State courts	80,513	.....	.....	.....
Capital outlay	1,929	18,089	.....	60
Debt service:				
Principal retirement	.....	.....	.....	.....
Interest and fiscal charges	.....	.....	.....	.....
Total expenditures	179,828	141,728	1,407	23,985
Excess (deficiency) of revenues over expenditures	(29,018)	(3,372)	287	4,205
OTHER FINANCING SOURCES (USES)				
Operating transfers in	40,096	7,960	.....	.....
Operating transfers out	(10,264)	(909)	.....	(959)
Total other financing sources (uses)	29,832	7,051	.....	(959)
Net change in fund balances	814	3,679	287	3,246
Fund balances - beginning	100,900	69,882	410	16,042
Fund balances - ending	$ 101,714	$ 73,561	$ 697	$ 19,288

Blended Component Units					
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	CareerSource Florida Inc	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
$	$	$	$	$	$ .....
.....	.....	.....	.....	.....	.....
.....	260	111,255	.....	.....	.....
.....	2,827	.....	20,798	.....	.....
2,535	353	1,468	.....	14,516	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	143	.....	.....
2,535	3,440	112,723	20,941	14,516	.....
212,584	.....	105,165	21,017	50	.....
.....	4,980	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	16	4	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
212,584	4,996	105,169	21,017	50	.....
(210,049)	(1,556)	7,554	(76)	14,466	.....
212,497	1,787	.....	.....	19	.....
(18,198)	(46)	(55)	.....	(59,956)	.....
194,299	1,741	(55)	.....	(59,937)	.....
(15,750)	185	7,499	(76)	(45,471)	.....
123,214	13,194	35,396	1,282	1,124,234	2
$ 107,464	$ 13,379	$ 42,895	$ 1,206	$ 1,078,763	$ 2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Blended Component Units			
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Totals 6/30/16
REVENUES				
Taxes	$	$	$	$ 269,073
Licenses and permits	.....	.....	.....	1,481,480
Fees and charges	9,476	.....	.....	739,379
Grants and donations	.....	773	.....	2,209,535
Investment earnings (losses)	164	.....	.....	43,807
Fines, forfeits, settlements and judgments	.....	.....	.....	532,391
Other	90	.....	.....	46,501
Total revenues	9,730	773	.....	5,322,166
EXPENDITURES				
Current:				
General government	5,515	.....	82	1,740,388
Education	.....	.....	.....	162,689
Human services	.....	.....	.....	459,779
Criminal justice and corrections	.....	813	.....	436,686
Natural resources and environment	.....	.....	.....	1,372,444
State courts	.....	.....	.....	80,513
Capital outlay	194	.....	.....	48,368
Debt service:				
Principal retirement	.....	.....	.....	1,079
Interest and fiscal charges	.....	.....	.....	23
Total expenditures	5,709	813	82	4,301,969
Excess (deficiency) of revenues over expenditures	4,021	(40)	(82)	1,020,197
OTHER FINANCING SOURCES (USES)				
Operating transfers in	.....	.....	.....	928,712
Operating transfers out	.....	.....	.....	(1,926,777)
Total other financing sources (uses)	.....	.....	.....	(998,065)
Net change in fund balances	4,021	(40)	(82)	22,132
Fund balances - beginning	23,919	1,012	407	2,613,669
Fund balances - ending	$ 27,940	$ 972	$ 325	$ 2,635,801

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Employment Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 132,694	$ 132,694	$ .....
Reversions	46,866	46,866	.....
Fund Balances, July 1, 2015, restated	179,560	179,560	.....
REVENUES			
Fees and charges	122,514	127,951	5,437
Licenses	1,018	1,161	143
Miscellaneous	3,389	3,618	229
Interest	2,933	3,050	117
Grants	556,110	463,080	(93,030)
Refunds	9,107	9,773	666
Transfers and distributions	89,122	86,434	(2,688)
Other	17,868	18,042	174
Total Revenues	802,061	713,109	(88,952)
Total Available Resources	981,621	892,669	(88,952)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	140,411	122,172	18,239
Other personal services	20,024	11,946	8,078
Expenses	35,406	25,269	10,137
Grants and aids	4,522	3,777	745
Operating capital outlay	1,599	990	609
Food products	200	82	118
Special categories	526,271	468,759	57,512
Payments to U.S. Treasury	68	68	.....
Data processing services	4,766	4,190	576
Total Operating Expenditures	733,267	637,253	96,014
Nonoperating expenditures:			
Transfers	59,717	59,717	.....
Refunds	246	246	.....
Other	73,649	73,649	.....
Total Nonoperating Expenditures	133,612	133,612	.....
Total Expenditures	866,879	770,865	96,014
Fund Balances, June 30, 2016	$ 114,742	$ 121,804	$ 7,062

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Government Administration		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 97,135	$ 97,135	$ .....
Reversions	520	520	.....
Fund Balances, July 1, 2015, restated	97,655	97,655	.....
REVENUES			
Fees and charges	92,553	66,631	(25,922)
Interest	1,025	1,048	23
Grants	12,196	12,051	(145)
Refunds	16	577	561
Transfers and distributions	7,205	32,906	25,701
Other	1	49	48
Total Revenues	112,996	113,262	266
Total Available Resources	210,651	210,917	266
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	36,520	34,851	1,669
Other personal services	1,111	864	247
Expenses	6,375	5,978	397
Grants and aids	2,383	2,292	91
Operating capital outlay	282	250	32
Special categories	66,137	62,075	4,062
Financial assistance payments	3,410	3,410	.....
Data processing services	435	435	.....
Total Operating Expenditures	116,653	110,155	6,498
Nonoperating expenditures:			
Payments to U.S. Treasury	1,656	1,656	.....
Transfers	19,658	19,658	.....
Refunds	254	254	.....
Other	2,646	2,646	.....
Total Nonoperating Expenditures	24,214	24,214	.....
Total Expenditures	140,867	134,369	6,498
Fund Balances, June 30, 2016	$ 69,784	$ 76,548	$ 6,764

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Business and Community Development		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 148,894	$ 148,894	$ .....
Reversions	84,001	84,001	.....
Fund Balances, July 1, 2015, restated	232,895	232,895	.....
REVENUES			
Fees and charges	2,214	2,224	10
Interest	2,208	2,881	673
Grants	321,749	349,662	27,913
Refunds	16,845	24,895	8,050
Employee/employer contributions	10	10	.....
Transfers and distributions	232,359	243,081	10,722
Other	96	195	99
Total Revenues	575,481	622,948	47,467
Total Available Resources	808,376	855,843	47,467
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	12,564	11,380	1,184
Other personal services	3,040	2,160	880
Expenses	4,628	3,166	1,462
Grants and aids	8,868	5,810	3,058
Operating capital outlay	160	13	147
Special categories	652,892	588,473	64,419
Continuing Appropriations	2,656	2,656	.....
Grants/aids to local governments	19,391	19,391	.....
Data processing services	407	193	214
Total Operating Expenditures	704,606	633,242	71,364
Nonoperating expenditures:			
Transfers	11,499	11,499	.....
Refunds	2,723	2,723	.....
Other	547	547	.....
Total Nonoperating Expenditures	14,769	14,769	.....
Total Expenditures	719,375	648,011	71,364
Fund Balances, June 30, 2016	$ 89,001	$ 207,832	$ 118,831

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Regulation and Licensing		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 260,961	$ 260,961	$ .....
Reversions	1,087	1,087	.....
Fund Balances, July 1, 2015, restated	262,048	262,048	.....
REVENUES			
Fees and charges	113,095	130,246	17,151
Licenses	1,564,935	1,491,110	(73,825)
Taxes	242,163	245,613	3,450
Miscellaneous	174	2,931	2,757
Interest	399	2,340	1,941
Refunds	274	1,232	958
Transfers and distributions	14,127	48,409	34,282
Other	2,912	17,183	14,271
Total Revenues	1,938,079	1,939,064	985
Total Available Resources	2,200,127	2,201,112	985
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	126,209	116,521	9,688
Other personal services	3,690	3,102	588
Expenses	19,391	17,692	1,699
Operating capital outlay	1,586	1,437	149
Fixed capital outlay	1,077	1,077	.....
Special categories	39,418	36,189	3,229
Data processing services	1,434	1,432	2
Total Operating Expenditures	192,805	177,450	15,355
Nonoperating expenditures:			
Transfers	1,608,241	1,608,241	.....
Refunds	5,379	5,379	.....
Other	79,089	79,089	.....
Total Nonoperating Expenditures	1,692,709	1,692,709	.....
Total Expenditures	1,885,514	1,870,159	15,355
Fund Balances, June 30, 2016	$ 314,613	$ 330,953	$ 16,340

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Tobacco Settlement		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 17,711	$ 17,711	$ .....
Reversions	351	351	.....
Fund Balances, July 1, 2015, restated	18,062	18,062	.....
REVENUES			
Interest	400	287	(113)
Grants	.....	.....	.....
Refunds	52	52	.....
Transfers and distributions	378,288	372,388	(5,900)
Other	367,200	373,275	6,075
Total Revenues	745,940	746,002	62
Total Available Resources	764,002	764,064	62
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	317	273	44
Special categories	389,392	387,662	1,730
Total Operating Expenditures	389,709	387,935	1,774
Nonoperating expenditures:			
Transfers	372,139	372,139	.....
Total Nonoperating Expenditures	372,139	372,139	.....
Total Expenditures	761,848	760,074	1,774
Fund Balances, June 30, 2016	$ 2,154	$ 3,990	$ 1,836

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Public Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 96,650	$ 96,650	$ .....
Reversions	2,593	2,593	.....
Fund Balances, July 1, 2015, restated	99,243	99,243	.....
REVENUES			
Fees and charges	91,607	96,503	4,896
Miscellaneous	192	80	(112)
Interest	316	340	24
Grants	21,212	18,629	(2,583)
Refunds	2,631	2,716	85
Transfers and distributions	39,776	42,655	2,879
Other	44,553	40,846	(3,707)
Total Revenues	200,287	201,769	1,482
Total Available Resources	299,530	301,012	1,482
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	60,410	53,249	7,161
Other personal services	3,638	1,373	2,265
Expenses	26,702	21,816	4,886
Grants and aids	29,692	16,684	13,008
Operating capital outlay	7,328	4,756	2,572
Special categories	73,138	73,138	.....
Data processing services	36	2	34
Total Operating Expenditures	200,944	171,018	29,926
Nonoperating expenditures:			
Transfers	990	990	.....
Refunds	362	362	.....
Other	26,398	26,398	.....
Total Nonoperating Expenditures	27,750	27,750	.....
Total Expenditures	228,694	198,768	29,926
Fund Balances, June 30, 2016	$ 70,836	$ 102,244	$ 31,408

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Corrections		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 22,213	$ 22,213	$ .....
Reversions	65	65	.....
Fund Balances, July 1, 2015, restated	22,278	22,278	.....
REVENUES			
Fees and charges	7,850	6,957	(893)
Grants	8,000	7,237	(763)
Refunds	.....	2	2
Transfers and distributions	9,110	8,869	(241)
Other	2,950	2,462	(488)
Total Revenues	27,910	25,527	(2,383)
Total Available Resources	50,188	47,805	(2,383)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	10,348	5,278	5,070
Other personal services	1,278	477	801
Expenses	8,875	3,610	5,265
Operating capital outlay	178	178	.....
Food products	565	.....	565
Special categories	12,130	12,130	.....
Data processing services	58	58	.....
Total Operating Expenditures	33,432	21,731	11,701
Nonoperating expenditures:			
Transfers	73	73	.....
Refunds	61	61	.....
Other	564	564	.....
Total Nonoperating Expenditures	698	698	.....
Total Expenditures	34,130	22,429	11,701
Fund Balances, June 30, 2016	$ 16,058	$ 25,376	$ 9,318

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Consumer Protection and Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 67,882	$ 67,882	$ .....
Reversions	4,070	4,070	.....
Fund Balances, July 1, 2015, restated	71,952	71,952	.....
REVENUES			
Fees and charges	4,032	3,987	(45)
Interest	94	149	55
Grants	73,097	42,879	(30,218)
Refunds	274	16,989	16,715
Transfers and distributions	61,477	33,468	(28,009)
Other	11,301	27,297	15,996
Total Revenues	150,275	124,769	(25,506)
Total Available Resources	222,227	196,721	(25,506)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	28,778	23,402	5,376
Other personal services	553	240	313
Expenses	4,094	2,755	1,339
Operating capital outlay	533	163	370
Special categories	77,327	59,308	18,019
Data processing services	94	20	74
Total Operating Expenditures	111,379	85,888	25,491
Nonoperating expenditures:			
Transfers	31,429	31,429	.....
Refunds	16,144	16,144	.....
Other	4,756	4,756	.....
Total Nonoperating Expenditures	52,329	52,329	.....
Total Expenditures	163,708	138,217	25,491
Fund Balances, June 30, 2016	$ 58,519	$ 58,504	$ (15)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Agriculture		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 53,117	$ 53,117	$ .....
Reversions	7,096	7,096	.....
Fund Balances, July 1, 2015, restated	60,213	60,213	.....
REVENUES			
Fees and charges	62,913	55,558	(7,355)
Licenses	23,364	23,315	(49)
Interest	765	728	(37)
Grants	1,114,577	1,127,925	13,348
Refunds	3,361	3,390	29
Transfers and distributions	61,245	62,737	1,492
Other	4,207	2,946	(1,261)
Total Revenues	1,270,432	1,276,599	6,167
Total Available Resources	1,330,645	1,336,812	6,167
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	93,742	83,033	10,709
Other personal services	7,286	5,455	1,831
Expenses	27,366	24,143	3,223
Grants and aids	1,069,204	1,068,669	535
Operating capital outlay	1,899	1,692	207
Fixed capital outlay	6,074	6,074	.....
Special categories	66,080	66,080	.....
Grants/aids to local governments	2,114	2,114	.....
Total Operating Expenditures	1,273,765	1,257,260	16,505
Nonoperating expenditures:			
Payments to U.S. Treasury	5,895	5,895	.....
Transfers	14,031	14,031	.....
Refunds	1,156	1,156	.....
Other	9,566	9,566	.....
Total Nonoperating Expenditures	30,648	30,648	.....
Total Expenditures	1,304,413	1,287,908	16,505
Fund Balances, June 30, 2016	$ 26,232	$ 48,904	$ 22,672

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Juvenile Justice		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 56,565	$ 56,565	$ .....
Reversions	11,372	11,372	.....
Fund Balances, July 1, 2015, restated	67,937	67,937	.....
REVENUES			
Fees and charges	53,525	57,378	3,853
Interest	31	10	(21)
Grants	5,003	2,461	(2,542)
Refunds	.....	34	34
Transfers and distributions	63,442	64,644	1,202
Other	1,523	1,465	(58)
Total Revenues	123,524	125,992	2,468
Total Available Resources	191,461	193,929	2,468
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	51,443	42,010	9,433
Other personal services	2,779	1,893	886
Expenses	8,219	6,627	1,592
Grants and aids	413	145	268
Operating capital outlay	417	395	22
Food products	2,572	1,566	1,006
Special categories	68,125	68,125	.....
Total Operating Expenditures	133,968	120,761	13,207
Nonoperating expenditures:			
Transfers	(9,699)	(9,699)	.....
Refunds	28	28	.....
Other	1,793	1,793	.....
Total Nonoperating Expenditures	(7,878)	(7,878)	.....
Total Expenditures	126,090	112,883	13,207
Fund Balances, June 30, 2016	$ 65,371	$ 81,046	$ 15,675

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Judicial Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 94,436	$ 94,436	$ .....
Reversions	1,102	1,102	.....
Fund Balances, July 1, 2015, restated	95,538	95,538	.....
REVENUES			
Fees and charges	74,953	78,925	3,972
Licenses	516	515	(1)
Miscellaneous	35	35	.....
Grants	10,507	10,457	(50)
Refunds	5,942	5,824	(118)
Transfers and distributions	107,401	107,401	.....
Other	60,616	62,230	1,614
Total Revenues	259,970	265,387	5,417
Total Available Resources	355,508	360,925	5,417
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	202,135	160,262	41,873
Other personal services	6,713	3,019	3,694
Expenses	3,264	2,131	1,133
Operating capital outlay	208	23	185
Special categories	14,771	14,771	.....
Data processing services	230	.....	230
Total Operating Expenditures	227,321	180,206	47,115
Nonoperating expenditures:			
Transfers	68,282	68,282	.....
Refunds	66	66	.....
Other	10,054	10,054	.....
Total Nonoperating Expenditures	78,402	78,402	.....
Total Expenditures	305,723	258,608	47,115
Fund Balances, June 30, 2016	$ 49,785	$ 102,317	$ 52,532

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Military and Veterans' Affairs		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 61,674	$ 61,674	$ .....
Reversions	377	377	.....
Fund Balances, July 1, 2015, restated	62,051	62,051	.....
REVENUES			
Fees and charges	41,928	43,740	1,812
Miscellaneous	4	3	(1)
Interest	731	626	(105)
Grants	102,931	92,982	(9,949)
Refunds	181	181	.....
Transfers and distributions	10,811	6,937	(3,874)
Other	27	15	(12)
Total Revenues	156,613	144,484	(12,129)
Total Available Resources	218,664	206,535	(12,129)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	64,437	60,970	3,467
Other personal services	3,176	2,502	674
Expenses	29,542	25,454	4,088
Operating capital outlay	1,255	1,065	190
Food products	3,707	3,699	8
Fixed capital outlay	24,049	24,049	.....
Special categories	27,272	20,358	6,914
Total Operating Expenditures	153,438	138,097	15,341
Nonoperating expenditures:			
Transfers	641	641	.....
Refunds	847	847	.....
Other	1,893	1,893	.....
Total Nonoperating Expenditures	3,381	3,381	.....
Total Expenditures	156,819	141,478	15,341
Fund Balances, June 30, 2016	$ 61,845	$ 65,057	$ 3,212

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Citrus Commission		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 13,077	$ 13,077	$ .....
Reversions	2,922	2,922	.....
Fund Balances, July 1, 2015, restated	15,999	15,999	.....
REVENUES			
Taxes	23,466	23,281	(185)
Miscellaneous	75	27	(48)
Interest	153	(5,272)	(5,425)
Grants	4,384	5,255	871
Refunds	18	57	39
Other	.....	29	29
Total Revenues	28,096	23,377	(4,719)
Total Available Resources	44,095	39,376	(4,719)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	5,563	3,707	1,856
Other personal services	190	38	152
Expenses	1,156	710	446
Operating capital outlay	371	60	311
Special categories	16,693	16,693	.....
Data processing services	39	39	.....
Total Operating Expenditures	24,012	21,247	2,765
Nonoperating expenditures:			
Refunds	66	66	.....
Other	1,039	1,039	.....
Total Nonoperating Expenditures	1,105	1,105	.....
Total Expenditures	25,117	22,352	2,765
Fund Balances, June 30, 2016	$ 18,978	$ 17,024	$ (1,954)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	School for the Deaf and the Blind		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 1,179	$ 1,179	$ .....
Carry forward adjustment	.....	.....	.....
Fund Balances, July 1, 2015, restated	1,179	1,179	.....
REVENUES			
Grants	1,533	1,588	55
Transfers and distributions	2,411	2,411	.....
Total Revenues	3,944	3,999	55
Total Available Resources	5,123	5,178	55
EXPENDITURES			
Operating expenditures:			
Special categories	3,477	3,477	.....
Total Operating Expenditures	3,477	3,477	.....
Nonoperating expenditures:			
Transfers	486	486	.....
Total Nonoperating Expenditures	486	486	.....
Total Expenditures	3,963	3,963	.....
Fund Balances, June 30, 2016	$ 1,160	$ 1,215	$ 55

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Wireless Emergency Telephone System		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2015	$ 17,914	$ 17,914	$ .....
Reversions	2,980	2,980	.....
Fund Balances, July 1, 2015, restated	20,894	20,894	.....
REVENUES			
Interest	694	679	(15)
Refunds	40	40	.....
Other	111,090	111,086	(4)
Total Revenues	111,824	111,805	(19)
Total Available Resources	132,718	132,699	(19)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	374	355	19
Other personal services	84	84	.....
Expenses	511	110	401
Grants and aids	108,803	108,803	.....
Operating capital outlay	4	.....	4
Special categories	200	200	.....
Data processing services	7	7	.....
Total Operating Expenditures	109,983	109,559	424
Nonoperating expenditures:			
Transfers	52	52	.....
Total Nonoperating Expenditures	52	52	.....
Total Expenditures	110,035	109,611	424
Fund Balances, June 30, 2016	$ 22,683	$ 23,088	$ 405

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2016
(in thousands)

	General Government	Other	School for the Deaf and the Blind	Totals 6/30/16
ASSETS				
Current assets				
Pooled investments with State Treasury	$ 207	$ 675	$ 558	$ 1,440
Receivables, net	.....	1	.....	1
Due from other funds	38,463	.....	.....	38,463
Total current assets	38,670	676	558	39,904
Total assets	38,670	676	558	39,904
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	.....	182	120	302
Due to other funds	29	.....	.....	29
Obligations under security lending agreements	.....	18	.....	18
Total current liabilities	29	200	120	349
Total liabilities	29	200	120	349
FUND BALANCES				
Restricted	.....	.....	438	438
Committed	38,641	476	.....	39,117
Total fund balances	38,641	476	438	39,555
Total liabilities and fund balances	$ 38,670	$ 676	$ 558	$ 39,904

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	General Government	Other	School for the Deaf and the Blind	Totals 6/30/16
REVENUES				
Investment earnings (losses)	$	$ 13	$	$ 13
Total revenues	.....	13	.....	13
EXPENDITURES				
Current:				
General government	28,845	557	.....	29,402
Education	.....	.....	725	725
Human services	13,996	.....	.....	13,996
Criminal justice and corrections	47,387	.....	.....	47,387
Capital outlay	3,927	.....	2,169	6,096
Total expenditures	94,155	557	2,894	97,606
Excess (deficiency) of revenues over expenditures	(94,155)	(544)	(2,894)	(97,593)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	115,352	.....	3,027	118,379
Operating transfers out	.....	(1)	.....	(1)
Total other financing sources (uses)	115,352	(1)	3,027	118,378
Net change in fund balances	21,197	(545)	133	20,785
Fund balances - beginning	17,444	1,021	305	18,770
Fund balances - ending	$ 38,641	$ 476	$ 438	$ 39,555

THIS PAGE INTENTIONALLY LEFT BLANK

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.

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2016
(in thousands)

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/16
ASSETS				
Current assets				
Cash and cash equivalents	$ 3,251	$ 450	$ 18,355	$ 22,056
Pooled investments with State Treasury	375,431	.....	.....	375,431
Other investments	9,636	.....	4,279	13,915
Receivables, net	3,595	7	5,894	9,496
Due from other funds	9,400	.....	.....	9,400
Due from component units/primary	335	.....	.....	335
Other	14	53	1,158	1,225
Total current assets	401,662	510	29,686	431,858
Noncurrent assets				
Long-term investments	58,162	.....	.....	58,162
Other loans and notes receivable, net	.....	.....	4,271	4,271
Capital assets				
Buildings, equipment, and other depreciable assets	29,910	475	120,573	150,958
Accumulated depreciation	(24,598)	(358)	(32,572)	(57,528)
Construction work in progress	.....	.....	3,038	3,038
Other	.....	.....	5,739	5,739
Total noncurrent assets	63,474	117	101,049	164,640
Total assets	465,136	627	130,735	596,498
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	25,407	.....	.....	25,407
Total deferred outflows of resources	25,407	.....	.....	25,407
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	11,247	124	6,424	17,795
Due to other funds	7,770	.....	.....	7,770
Due to component units/primary	32	334	.....	366
Compensated absences	5,250	.....	95	5,345
Installment purchases/capital leases	.....	.....	1,757	1,757
Deposits	17,366	.....	2,251	19,617
Obligations under security lending agreements	15,660	.....	.....	15,660
Pension liability	1,361	.....	.....	1,361
Total current liabilities	58,686	458	10,527	69,671
Noncurrent liabilities				
Deposits	37,878	.....	.....	37,878
Installment purchases/capital leases	.....	.....	15,101	15,101
Compensated absences	13,546	.....	100	13,646
Pension liability	70,650	.....	.....	70,650
Other	38,016	.....	552	38,568
Total noncurrent liabilities	160,090	.....	15,753	175,843
Total liabilities	218,776	458	26,280	245,514
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	15,444	.....	.....	15,444
Total deferred inflows of resources	15,444	.....	.....	15,444
NET POSITION				
Net investment in capital assets	5,312	117	74,183	79,612
Restricted - other	.....	52	1,244	1,296
Unrestricted	251,011	.....	29,028	280,039
Total net position	$ 256,323	$ 169	$ 104,455	$ 360,947

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/16
OPERATING REVENUES				
Sales - nonstate	$ 77,330	$	$ 4,062	$ 81,392
Fees	257,282	1,836	.....	259,118
Sales - state	38,302	.....	.....	38,302
Rents and royalties - nonstate	6	.....	.....	6
Rents - state	92	.....	.....	92
Fines, forfeits, settlements and judgments	11,540	.....	.....	11,540
Other	1	.....	26,223	26,224
Total operating revenues	384,553	1,836	30,285	416,674
OPERATING EXPENSES				
Contractual services	75,902	305	26,036	102,243
Personal services	177,067	1,058	3,492	181,617
Depreciation	1,799	53	6,134	7,986
Materials and supplies	5,427	42	.....	5,469
Repairs and maintenance	2,199	23	.....	2,222
Basic services	28,479	374	.....	28,853
Interest and fiscal charges	1,962	.....	.....	1,962
Bad debt	118	(1)	.....	117
Total operating expenses	292,953	1,854	35,662	330,469
Operating income (loss)	91,600	(18)	(5,377)	86,205
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (losses)	8,758	.....	288	9,046
Interest and fiscal charges	(340)	.....	(509)	(849)
Property disposition gain (loss)	(15)	.....	(19)	(34)
Grant expense and client benefits	(1,075)	.....	.....	(1,075)
Other	(122)	.....	(18)	(140)
Total nonoperating revenues (expenses)	7,206	.....	(258)	6,948
Income (loss) before transfers and contributions	98,806	(18)	(5,635)	93,153
Operating transfers in	17,295	.....	.....	17,295
Operating transfers out	(90,581)	.....	.....	(90,581)
Change in net position	25,520	(18)	(5,635)	19,867
Total net position - beginning, as restated (Note 1)	230,803	187	110,090	341,080
Total net position - ending	$ 256,323	$ 169	$ 104,455	$ 360,947

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Other	FL Engineers Management Corporation	Space Florida	Totals 6/30/16
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 393,773	$ 2,149	$ 3,676	$ 399,598
Cash paid to vendors	(118,122)	(934)	(22,728)	(141,784)
Cash paid to employees	(168,120)	(1,084)	(3,409)	(172,613)
Cash received/(paid) for grants	.....	.....	27,173	27,173
Net cash provided (used) by operating activities	107,531	131	4,712	112,374
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	(75,215)	.....	.....	(75,215)
Advances from or repayment from other funds	(36)	.....	.....	(36)
Advances, grants or loans (to) from or repayment from others	(640)	.....	.....	(640)
Net cash provided (used) by noncapital financing activities	(75,891)	.....	.....	(75,891)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash received from sale of capital assets	19	.....	.....	19
Cash received from the issuance of debt	.....	.....	1,054	1,054
Cash received from capital grants and donations	.....	.....	2,268	2,268
Payment of principal on installment purchase/capital lease	.....	.....	(2,348)	(2,348)
Purchase or construction of capital assets	(1,640)	(30)	(1,837)	(3,507)
Net cash provided (used) by capital and related financing activities	(1,621)	(30)	(863)	(2,514)
CASH FLOWS FROM INVESTING ACTIVITIES				
Security lending	(2,581)	.....	.....	(2,581)
Proceeds from the sale or maturity of investments	94,717	.....	.....	94,717
Investment earnings	8,214	.....	(221)	7,993
Purchase of investments	(90,972)	.....	.....	(90,972)
Net cash provided (used) by investing activities	9,378	.....	(221)	9,157
Net increase (decrease) in cash and cash equivalents	39,397	101	3,628	43,126
Cash and cash equivalents - beginning	339,285	349	14,727	354,361
Cash and cash equivalents - ending	$ 378,682	$ 450	$ 18,355	$ 397,487

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	Other	FL Engineers Management Corporation	Space Florida	Totals 6/30/16
Operating income (loss)	$ 91,600	$ (18)	$ (5,377)	$ 86,205
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	1,799	53	6,134	7,986
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(582,932)	(3)	3,943	(578,992)
(Increase) decrease in due from other funds	219	.....	.....	219
Increase (decrease) in allowance for uncollectibles	582,145	.....	.....	582,145
(Increase) decrease in other non-current assets	33	.....	6,064	6,097
Increase (decrease) in accounts payable	92	106	(3,102)	(2,904)
Increase (decrease) in compensated absences	672	.....	2	674
Increase (decrease) in due to other funds	(2,265)	.....	.....	(2,265)
Increase (decrease) in other non-current liability	8,587	.....	276	8,863
(Increase) decrease in deposits and prepaid items	212	(7)	.....	205
Increase (decrease) in unearned revenue	9,747	.....	(3,228)	6,519
Increase (decrease) in pension liability and deferrals	(2,378)	.....	.....	(2,378)
Net cash provided (used) by operating activities	$ 107,531	$ 131	$ 4,712	$ 112,374
Noncash investing, capital, and financing activities				
Change in fair value of investments	$ 3,923	$	$ (18)	$ 3,905
Other noncash items	33	.....	.....	33

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2016
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/16
ASSETS					
Current assets					
Cash and cash equivalents	$ 2	$	$ 54,781	$	$ 54,783
Pooled investments with State Treasury	600,590	2,570	52,991	8,833	664,984
Other investments	.....	.....	49,640	.....	49,640
Receivables, net	17,333	24	6,095	671	24,123
Due from other funds	30	6,946	13,991	4,700	25,667
Due from component units/primary	.....	3	948	.....	951
Total current assets	617,955	9,543	178,446	14,204	820,148
Noncurrent assets					
Capital assets					
Land and other non-depreciable assets	.....	.....	318	1	319
Buildings, equipment, and other depreciable assets	43	52,814	1,522,815	6,757	1,582,429
Accumulated depreciation	(31)	(34,011)	(491,840)	(5,355)	(531,237)
Total noncurrent assets	12	18,803	1,031,293	1,403	1,051,511
Total assets	617,967	28,346	1,209,739	15,607	1,871,659
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of					
Amount deferred on refunding of debt	.....	.....	1,547	.....	1,547
Pension-related items	232	5,271	2,626	15,745	23,874
Total deferred outflows of resources	232	5,271	4,173	15,745	25,421
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	147,006	4,990	35,862	1,977	189,835
Due to other funds	31,869	119	832	1,133	33,953
Due to component units/primary	.....	.....	.....	1	1
Compensated absences	35	1,025	426	1,301	2,787
Installment purchases/capital leases	.....	4,588	1,283	.....	5,871
Bonds payable	.....	.....	25,875	.....	25,875
Deposits	147,936	.....	3,175	239	151,350
Obligations under security lending agreements	28,196	93	2,236	73	30,598
Certificates of participation payable	.....	.....	31,360	.....	31,360
Pension liability	12	144	169	440	765
Total current liabilities	355,054	10,959	101,218	5,164	472,395
Noncurrent liabilities					
Advances from other funds	.....	1,478	500	801	2,779
Bonds payable	.....	.....	241,868	.....	241,868
Certificates of participation payable	.....	.....	452,480	.....	452,480
Installment purchases/capital leases	.....	10,292	8,257	.....	18,549
Compensated absences	120	2,034	1,617	6,381	10,152
Pension liability	732	7,199	8,668	35,671	52,270
Other	722	5,399	5,969	14,404	26,494
Total noncurrent liabilities	1,574	26,402	719,359	57,257	804,592
Total liabilities	356,628	37,361	820,577	62,421	1,276,987
DEFERRED INFLOWS OF RESOURCES					
Amount deferred on refunding of debt	.....	.....	3,324	.....	3,324
Pension-related items	126	3,917	1,326	9,209	14,578
Total deferred inflows of resources	126	3,917	4,650	9,209	17,902
NET POSITION					
Net investment in capital assets	12	3,923	268,393	1,403	273,731
Restricted - other	.....	.....	86,588	.....	86,588
Unrestricted	261,433	(11,584)	33,704	(41,681)	241,872
Total net position	$ 261,445	$ (7,661)	$ 388,685	$ (40,278)	$ 602,191

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/16
OPERATING REVENUES					
Sales - nonstate	$	$ 136	$ 33,168	$ 8,380	$ 41,684
Sales - state	2,071,598	73,169	97,123	56,808	2,298,698
Rents - state	.....	.....	153,948	.....	153,948
Fines, forfeits, settlements and judgments	.....	.....	.....	292	292
Other	17,330	.....	.....	.....	17,330
Total operating revenues	2,088,928	73,305	284,239	65,480	2,511,952
OPERATING EXPENSES					
Contractual services	355,229	36,365	138,448	6,563	536,605
Insurance claims expense	1,767,141	.....	.....	.....	1,767,141
Personal services	1,375	22,094	18,988	53,574	96,031
Depreciation	3	6,083	32,013	492	38,591
Materials and supplies	105	3,917	1,380	1,851	7,253
Repairs and maintenance	.....	750	10,462	50	11,262
Basic services	112	3,017	3,488	3,192	9,809
Bad debt	.....	.....	12	.....	12
Total operating expenses	2,123,965	72,226	204,791	65,722	2,466,704
Operating income (loss)	(35,037)	1,079	79,448	(242)	45,248
NONOPERATING REVENUES/(EXPENSES)					
Grants and donations	.....	210	.....	.....	210
Investment earnings (losses)	15,258	59	1,439	26	16,782
Interest and fiscal charges	(643)	(202)	(40,147)	(1)	(40,993)
Property disposition gain (loss)	.....	(139)	(1,050)	(464)	(1,653)
Other	.....	69	.....	.....	69
Total nonoperating revenues (expenses)	14,615	(3)	(39,758)	(439)	(25,585)
Income (loss) before transfers and contributions	(20,422)	1,076	39,690	(681)	19,663
Operating transfers in	20,112	.....	554	2	20,668
Operating transfers out	(2,063)	(125)	(21,874)	(1,905)	(25,967)
Capital contributions	.....	909	.....	275	1,184
Change in net position	(2,373)	1,860	18,370	(2,309)	15,548
Total net position - beginning, as restated (Note 1)	263,818	(9,521)	370,315	(37,969)	586,643
Total net position - ending	$ 261,445	$ (7,661)	$ 388,685	$ (40,278)	$ 602,191

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 2,093,978	$ 68,603	$ 284,483
Cash paid to vendors	(357,652)	(42,557)	(154,567)
Cash paid to employees	(1,350)	(20,672)	(18,073)
Cash paid for insurance claims	(1,758,305)	.....	.....
Net cash provided (used) by operating activities	(23,329)	5,374	111,843
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	26,817	(55)	(20,533)
Advances from or repayment from other funds	.....	.....	(7,245)
Payment of bonds or loans (principal and interest)	.....	.....	(59,998)
Net cash provided (used) by noncapital financing activities	26,817	(55)	(87,776)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payment of principal on installment purchase/capital lease	.....	(3,722)	(22,134)
Payment of interest on bonds/installment purchase/capital lease	.....	(199)	(15,296)
Purchase or construction of capital assets	(7)	(1,298)	(157)
Net cash provided (used) by capital and related financing activities	(7)	(5,219)	(37,587)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	(8,800)	62	(581)
Proceeds from the sale or maturity of investments	.....	.....	1,890
Investment earnings	14,268	54	1,296
Purchase of investments	.....	.....	.....
Net cash provided (used) by investing activities	5,468	116	2,605
Net increase (decrease) in cash and cash equivalents	8,949	216	(10,915)
Cash and cash equivalents - beginning	591,643	2,354	118,687
Cash and cash equivalents - ending	$ 600,592	$ 2,570	$ 107,772

Other	Totals 6/30/16
$ 64,021	$ 2,511,085
(13,031)	(567,807)
(51,876)	(91,971)
.....	(1,758,305)
(886)	93,002
(1,603)	4,626
.....	(7,245)
.....	(59,998)
(1,603)	(62,617)
.....	(25,856)
.....	(15,495)
(271)	(1,733)
(271)	(43,084)
(5)	(9,324)
.....	1,890
25	15,643
(1)	(1)
19	8,208
(2,741)	(4,491)
11,574	724,258
$ 8,833	$ 719,767

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	Employee Health and Disability	Data Centers	Communications and Facilities
Operating income (loss)	$ (35,037)	$ 1,079	$ 79,448
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	3	6,083	32,013
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(5,047)	(15)	8,046
(Increase) decrease in due from other funds	(528)	(2,227)	(4,048)
Increase (decrease) in accounts payable	5,775	(39)	(4,590)
Increase (decrease) in compensated absences	7	61	(188)
Increase (decrease) in due to other funds	8,632	(129)	(173)
Increase (decrease) in other non-current liability	64	703	1,214
Increase (decrease) in unearned revenue	2,816	(31)	290
Increase (decrease) in pension liability and deferrals	(14)	(111)	(169)
Net cash provided (used) by operating activities	$ (23,329)	$ 5,374	$ 111,843
Noncash investing, capital, and financing activities			
Change in fair value of investments	$ 6,981	$ 25	$ 556

Other	Totals 6/30/16
$ (242)	$ 45,248
492	38,591
231	3,215
(435)	(7,238)
(138)	1,008
(923)	(1,043)
(588)	7,742
2,959	4,940
(238)	2,837
(2,004)	(2,298)
$ (886)	$ 93,002
$ 19	$ 7,581

THIS PAGE INTENTIONALLY LEFT BLANK

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, 2016
(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ASSETS				
Cash and cash equivalents	$ 1,450	$ 184	$	$ 524
Pooled investments with State Treasury	643,218	37,088	18,669	1,193
Total cash and cash equivalents	644,668	37,272	18,669	1,717
Investments				
U.S. government & federally guaranteed obligations	593	.....	.....	.....
Federal agencies	.....	.....	.....	.....
Bonds and notes	.....	.....	.....	.....
International bonds and notes	.....	.....	.....	.....
Money market and short-term investments	.....	.....	.....	1,637
Domestic equity	.....	1,536	.....	.....
International equity	.....	.....	.....	.....
Total investments	593	1,536	.....	1,637
Receivables				
Accounts receivable	6,117	252	.....	.....
Interest receivable	2,856	4	26	.....
Dividends receivable	.....	.....	.....	.....
Foreign currency contracts receivable	.....	.....	.....	.....
Pending investment sales	.....	.....	.....	.....
Due from state funds	.....	.....	.....	.....
Due from other governments	.....	.....	13,170	.....
Total receivables	8,973	256	13,196	.....
Advances to other funds	.....	930,266	.....	.....
Advances to other entities	1,120,152	.....	.....	.....
Other loans and notes receivable, net	.....	410	.....	.....
Capital assets	43	1,335	25	.....
Accumulated depreciation	.....	(1,158)	(25)	.....
Other assets	1,759	.....	.....	1
Total assets	1,776,188	969,917	31,865	3,355
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	.....	421	.....	.....
Total deferred outflows of resources	.....	421	.....	.....
LIABILITIES				
Accounts payable and accrued liabilities	145	1,635	.....	600
Due to other funds	932	5	1,348	2
Pending investment purchases	.....	.....	.....	.....
Foreign currency contracts payable	.....	.....	.....	.....
Due to other governments	.....	.....	5,300	.....
Obligations under security lending agreements	31,407	151	892	.....
Claims payable	.....	.....	1,856	.....
Deposits payable	180	.....	.....	.....
Compensated absences	.....	476	.....	.....
Other liabilities	.....	1,006	.....	.....
Pension liability	.....	1,512	.....	.....
Total liabilities	32,664	4,785	9,396	602
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	.....	240	.....	.....
Total deferred inflows of resources	.....	240	.....	.....
NET POSITION				
Restricted for individuals, organizations, and other governments	$ 1,743,524	$ 965,313	$ 22,469	$ 2,753

College Savings Plan	Totals 6/30/16
$ 6,449	$ 8,607
.....	700,168
6,449	708,775
59,827	60,420
44,323	44,323
70,177	70,177
5,836	5,836
85,688	87,325
185,026	186,562
50,475	50,475
501,352	505,118
.....	6,369
706	3,592
602	602
52	52
26,016	26,016
35	35
.....	13,170
27,411	49,836
.....	930,266
.....	1,120,152
.....	410
.....	1,403
.....	(1,183)
.....	1,760
535,212	3,316,537
.....	421
.....	421
473	2,853
4,472	6,759
58,143	58,143
52	52
.....	5,300
.....	32,450
.....	1,856
19,282	19,462
28	504
.....	1,006
.....	1,512
82,450	129,897
.....	240
.....	240
$ 452,762	$ 3,186,821

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ADDITIONS				
Contributions and other deposits				
Fees	$	$	$	$ .....
Grants and contributions	.....	.....	114,968	.....
Fines, forfeits, settlements and judgments	.....	192	.....	.....
Unclaimed property remittances	.....	469,824	.....	.....
Receivership assets acquired	110,930	.....	.....	.....
Transfers in from state funds	.....	.....	.....	3,386
Total contributions and other deposits	110,930	470,016	114,968	3,386
Investment income				
Interest income	16,934	80	509	3
Dividends	.....	.....	.....	.....
Other investment income (loss)	(10)	.....	.....	.....
Net increase (decrease) in fair market value	.....	.....	.....	.....
Total investment income (loss)	16,924	80	509	3
Investment activity expense	(3,134)	(116)	.....	(3)
Net income (loss) from investing activity	13,790	(36)	509	.....
Total net investment income (loss)	13,790	(36)	509	.....
Other additions	2	731	3,071	.....
Total additions	124,722	470,711	118,548	3,386
DEDUCTIONS				
Insurance claims expense	60,637	.....	.....	.....
Interest expense	1,142	3	22	.....
Student loan default payments	.....	.....	107,456	.....
Payments to unclaimed property claimants	.....	268,849	.....	.....
Distribution to State School Fund	.....	164,973	.....	.....
Administrative expense	19,614	3,986	.....	1,854
Transfers out to state funds	.....	4,561	168	.....
Other deductions	363	816	7,949	127
Total deductions	81,756	443,188	115,595	1,981
Depositor activity				
Deposits	218,390	.....	.....	209
Withdrawals	(169,257)	.....	.....	.....
Excess (deficiency) of deposits over withdrawals	49,133	.....	.....	209
Change in net position	92,099	27,523	2,953	1,614
Net position - beginning, as restated (Note 1)	1,651,425	937,790	19,516	1,139
Net position - ending	$ 1,743,524	$ 965,313	$ 22,469	$ 2,753

College Savings Plan	Totals 6/30/16
$ 2,958	$ 2,958
54,428	169,396
.....	192
.....	469,824
.....	110,930
.....	3,386
57,386	756,686
4,331	21,857
4,807	4,807
.....	(10)
(4,358)	(4,358)
4,780	22,296
(768)	(4,021)
4,012	18,275
4,012	18,275
.....	3,804
61,398	778,765
.....	60,637
.....	1,167
.....	107,456
.....	268,849
.....	164,973
4,277	29,731
.....	4,729
29,058	38,313
33,335	675,855
.....	218,599
.....	(169,257)
.....	49,342
28,063	152,252
424,699	3,034,569
$ 452,762	$ 3,186,821

THIS PAGE INTENTIONALLY LEFT BLANK

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.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2016
(in thousands)

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
ASSETS				
Cash and cash equivalents	$ 137,044	$	$ 35,788	$ .....
Pooled investments with State Treasury	1,995	5,232	868	12,961
Total cash and cash equivalents	139,039	5,232	36,656	12,961
Investments				
Certificates of deposit	775,062	.....	.....	.....
U.S. government & federally guaranteed obligations	11,074,342	.....	.....	.....
Federal agencies	7,725,369	.....	.....	.....
Commercial paper	3,516,125	.....	.....	.....
Repurchase agreements	850,000	.....	.....	.....
Bonds and notes	6,593,710	.....	1,669,948	.....
International bonds and notes	1,717,405	.....	.....	.....
Real estate contracts	10,581,549	.....	.....	.....
Mutual fund investments	.....	.....	1,936,197	.....
Money market and short-term investments	1,097	.....	10,272	.....
Domestic equity	41,029,902	.....	21,867	.....
Alternative investments	22,440,286	.....	.....	.....
International equity	31,814,912	.....	2,521	.....
International equity commingled	5,452,110	.....	.....	.....
Deferred compensation annuities	.....	.....	23,007	.....
Self-directed brokerage investments	.....	.....	.....	.....
Other investments	38,673	.....	.....	.....
Total investments	143,610,542	.....	3,663,812	.....
Receivables				
Accounts receivable	54,376	.....	.....	.....
State contributions receivable	74	1	.....	.....
Nonstate contributions receivable	155,857	15	.....	.....
Interest receivable	120,860	7	1	32
Dividends receivable	175,402	.....	.....	.....
Pending investment sales	1,499,740	.....	.....	.....
Foreign currency contracts receivable	4,651,397	.....	.....	.....
Due from state funds	70,605	.....	.....	1,409
Total receivables	6,728,311	23	1	1,441
Security lending collateral	1,915,672	.....	.....	.....
Capital assets	1,116	.....	.....	5
Accumulated depreciation	(600)	.....	.....	(1)
Other assets	7,623	.....	.....	.....
Total assets	152,401,703	5,255	3,700,469	14,406
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	.....	25	.....	57
Total deferred outflows of resources	.....	25	.....	57
LIABILITIES				
Accounts payable and accrued liabilities	95,768	5	.....	2,248
Due to other funds	5,393	299	.....	2
DROP	411,260	.....	.....	.....
Pending investment purchases	3,168,482	.....	.....	.....
Short sell obligations	344,045	.....	.....	.....
Foreign currency contracts payable	4,631,230	.....	.....	.....
Broker rebate fees	504	.....	.....	.....
Obligations under security lending agreements	1,960,175	214	41	580
Deposits payable	.....	.....	.....	10,081
Compensated absences	884	4	.....	60
Other liabilities	2,934	31	.....	131
Pension liability	.....	79	.....	186
Total liabilities	10,620,675	632	41	13,288
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	.....	14	.....	29
Total deferred inflows of resources	.....	14	.....	29
NET POSITION				
Restricted for pension benefits and other purposes	$ 141,781,028	$ 4,634	$ 3,700,428	$ 1,146

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	National Guard Supplemental Retirement Benefit	Totals 6/30/16
$	$ 1,040	$ 10	$ 173,882
106	91,592	.....	112,754
106	92,632	10	286,636
.....	.....	.....	775,062
.....	110,612	.....	11,184,954
.....	86,229	.....	7,811,598
.....	.....	.....	3,516,125
.....	.....	.....	850,000
.....	116,396	.....	8,380,054
.....	20,178	.....	1,737,583
.....	.....	.....	10,581,549
.....	7,227,362	.....	9,163,559
70,498	1,019,225	.....	1,101,092
.....	.....	.....	41,051,769
.....	.....	.....	22,440,286
.....	.....	.....	31,817,433
.....	.....	.....	5,452,110
.....	.....	.....	23,007
.....	369,381	.....	369,381
.....	.....	.....	38,673
70,498	8,949,383	.....	156,294,235
20	1,507	.....	55,903
2	134	.....	211
31,611	40,350	.....	227,833
.....	1,218	.....	122,118
.....	502	.....	175,904
.....	53,673	.....	1,553,413
.....	.....	.....	4,651,397
11,674	2	.....	83,690
43,307	97,386	.....	6,870,469
.....	.....	.....	1,915,672
.....	.....	.....	1,121
.....	.....	.....	(601)
.....	.....	.....	7,623
113,911	9,139,401	10	165,375,155
.....	.....	.....	82
.....	.....	.....	82
51	2,402	10	100,484
.....	83,142	.....	88,836
.....	.....	.....	411,260
.....	81,323	.....	3,249,805
.....	.....	.....	344,045
.....	.....	.....	4,631,230
.....	.....	.....	504
.....	.....	.....	1,961,010
.....	.....	.....	10,081
.....	.....	.....	948
.....	.....	.....	3,096
.....	.....	.....	265
51	166,867	10	10,801,564
.....	.....	.....	43
.....	.....	.....	43
$ 113,860	$ 8,972,534	$	$ 154,573,630

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
ADDITIONS				
Contributions and other deposits				
Pension fund employer contributions - state	$ 442,631	$ 86,742	$	$ .....
Pension fund employer contributions - nonstate	2,007,093	155	.....	.....
Pension fund employee contributions	691,981	89,068	.....	.....
Other contributions	.....	.....	.....	154,861
Purchase of time by employees	7,671	.....	.....	.....
Fees	.....	.....	1,580	.....
Flexible benefits contributions	.....	.....	426,911	.....
Transfers in from state funds	54,890	.....	.....	1,320
Total contributions and other deposits	3,204,266	175,965	428,491	156,181
Investment income				
Interest income	1,214,010	151	22	520
Dividends	1,856,399	.....	.....	.....
Other investment income (loss)	1,555,189	.....	.....	.....
Net increase (decrease) in fair market value	(3,293,230)	.....	41,112	.....
Total investment income (loss)	1,332,368	151	41,134	520
Investment activity expense	(555,439)	(8)	.....	(29)
Net income (loss) from investing activity	776,929	143	41,134	491
Security lending activity				
Security lending income	52,955	.....	.....	.....
Security lending expense	(12,960)	.....	.....	.....
Net income from security lending	39,995	.....	.....	.....
Total net investment income (loss)	816,924	143	41,134	491
Other additions	6,031	107	1	.....
Total additions	4,027,221	176,215	469,626	156,672
DEDUCTIONS				
Benefit payments	10,006,970	.....	354,731	.....
Insurance claims expense	52,446	.....	.....	6,944
Supplemental insurance payments	.....	.....	.....	77,189
Flexible reimbursement payments	.....	.....	.....	19,808
Life insurance premium payments	.....	.....	.....	31,608
Remittances to annuity companies	.....	175,422	.....	.....
Program contribution refunds	10,644	.....	.....	.....
Interest expense	.....	.....	1	.....
Administrative expense	17,287	198	22	843
Property disposition gain (loss)	15	.....	.....	.....
Transfers out to state funds	613,507	51	1,503	20,287
Other deductions	6	.....	.....	.....
Total deductions	10,700,875	175,671	356,257	156,679
Change in net position	(6,673,654)	544	113,369	(7)
Net position - beginning, as restated (Note 1)	148,454,682	4,090	3,587,059	1,153
Net position - ending	$ 141,781,028	$ 4,634	$ 3,700,428	$ 1,146

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	National Guard Supplemental Retirement Benefit	Totals 6/30/16
$ 76,261	$ 56,149	$	$ 661,783
436,303	254,297	.....	2,697,848
.....	154,478	.....	935,527
.....	.....	.....	154,861
.....	13	.....	7,684
.....	.....	.....	1,580
.....	.....	.....	426,911
.....	612,301	14,423	682,934
512,564	1,077,238	14,423	5,569,128
297	7,838	.....	1,222,838
.....	12,777	.....	1,869,176
.....	81	.....	1,555,270
.....	(96,049)	.....	(3,348,167)
297	(75,353)	.....	1,299,117
(1)	(2,766)	.....	(558,243)
296	(78,119)	.....	740,874
.....	.....	.....	52,955
.....	.....	.....	(12,960)
.....	.....	.....	39,995
296	(78,119)	.....	780,869
270	9,940	.....	16,349
513,130	1,009,059	14,423	6,366,346
449,857	1,148,553	14,413	11,974,524
.....	.....	.....	59,390
.....	.....	.....	77,189
.....	.....	.....	19,808
.....	.....	.....	31,608
.....	.....	.....	175,422
.....	.....	.....	10,644
.....	.....	.....	1
186	6,757	10	25,303
.....	.....	.....	15
1	66,458	.....	701,807
.....	.....	.....	6
450,044	1,221,768	14,423	13,075,717
63,086	(212,709)	.....	(6,709,371)
50,774	9,185,243	.....	161,283,001
$ 113,860	$ 8,972,534	$	$ 154,573,630

THIS PAGE INTENTIONALLY LEFT BLANK

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.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
JUNE 30, 2016
(in thousands)

	External Treasury Pool	Investment Pool A	Investment Pool B	Totals 6/30/16
ASSETS				
Cash and cash equivalents	$	$ 46,775	$	$ 46,775
Pooled investments with State Treasury	1,442,188	.....	.....	1,442,188
Total cash and cash equivalents	1,442,188	46,775	.....	1,488,963
Investments				
Certificates of deposit	.....	2,044,556	.....	2,044,556
Commercial paper	.....	2,741,499	.....	2,741,499
Repurchase agreements	.....	119,020	.....	119,020
Bonds and notes	.....	313,913	.....	313,913
International bonds and notes	.....	115,383	.....	115,383
Money market and short-term investments	.....	1,285,510	.....	1,285,510
Total investments	.....	6,619,881	.....	6,619,881
Receivables				
Interest receivable	2,131	3,735	.....	5,866
Total receivables	2,131	3,735	.....	5,866
Other assets	.....	46	.....	46
Total assets	1,444,319	6,670,437	.....	8,114,756
LIABILITIES				
Accounts payable and accrued liabilities	.....	142	.....	142
Due to other funds	.....	55	.....	55
Due to other governments	.....	48,115	.....	48,115
Obligations under security lending agreements	70,825	.....	.....	70,825
Total liabilities	70,825	48,312	.....	119,137
NET POSITION				
Restricted for pool participants	$ 1,373,494	$ 6,622,125	$	$ 7,995,619

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
JUNE 30, 2016
(in thousands)

	External Treasury Pool	Investment Pool A	Investment Pool B	Totals 6/30/16
ADDITIONS				
Contributions and other deposits				
Transfers in from state funds	$	$ 34,559	$	$ 34,559
Total contributions and other deposits	.....	34,559	.....	34,559
Investment income				
Interest income	40,173	28,974	.....	69,147
Net increase (decrease) in fair market value	.....	363	2	365
Total investment income (loss)	40,173	29,337	2	69,512
Investment activity expense	(1,773)	(1,150)	.....	(2,923)
Net income (loss) from investing activity	38,400	28,187	2	66,589
Total net investment income (loss)	38,400	28,187	2	66,589
Total additions	38,400	62,746	2	101,148
DEDUCTIONS				
Administrative expense	.....	50	.....	50
Transfers out to state funds	.....	.....	34,559	34,559
Total deductions	.....	50	34,559	34,609
Depositor activity				
Deposits	770,593	14,589,438	.....	15,360,031
Withdrawals	(894,733)	(13,984,272)	.....	(14,879,005)
Excess (deficiency) of deposits over withdrawals	(124,140)	605,166	.....	481,026
Change in net position	(85,740)	667,862	(34,557)	547,565
Net position - beginning	1,459,234	5,954,263	34,557	7,448,054
Net position - ending	$ 1,373,494	$ 6,622,125	$	$ 7,995,619

THIS PAGE INTENTIONALLY LEFT BLANK

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.

FLORIDA 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.

THIS PAGE INTENTIONALLY LEFT BLANK

COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2016
(in thousands)

	Tax Distribution and Administration	Other	School for the Deaf and the Blind	State Board of Administration	Totals 6/30/16
ASSETS					
Cash and cash equivalents	$ 260	$ 40,734	$ 40	$ 1	$ 41,035
Pooled investments with State Treasury	620,583	194,081	.....	545,045	1,359,709
Total cash and cash equivalents	620,843	234,815	40	545,046	1,400,744
Investments					
U.S. government & federally guaranteed obligations	.....	.....	.....	3,808	3,808
Other investments	.....	100	.....	.....	100
Total investments	.....	100	.....	3,808	3,908
Receivables					
Accounts receivable	441,505	87,085	.....	.....	528,590
Interest receivable	.....	286	.....	779	1,065
Due from state funds	101,532	30,547	.....	.....	132,079
Due from other governments	2,307	.....	.....	.....	2,307
Total receivables	545,344	117,918	.....	779	664,041
Total assets	$ 1,166,187	$ 352,833	$ 40	$ 549,633	$ 2,068,693
LIABILITIES					
Accounts payable and accrued liabilities	$ 554,474	$ 33,544	$ 40	$ 7,295	595,353
Due to other funds	88,144	91,970	.....	48	180,162
Due to other governments	523,569	16,010	.....	.....	539,579
Obligations under security lending agreements	.....	9,180	.....	26,631	35,811
Claims payable	.....	21,687	.....	.....	21,687
Deposits payable	.....	180,343	.....	515,659	696,002
Other liabilities	.....	99	.....	.....	99
Total liabilities	$ 1,166,187	$ 352,833	$ 40	$ 549,633	$ 2,068,693

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

Tax Distribution and Administration	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
ASSETS				
Cash and cash equivalents	$ 279	$ 387,933	$ 387,952	$ 260
Pooled investments with State Treasury	651,417	2,598,114	2,628,948	620,583
Accounts receivable	436,379	441,505	436,379	441,505
Due from state funds	86,072	127,037	111,577	101,532
Due from other governments	2,307	2,307	2,307	2,307
Total assets	$ 1,176,454	$ 3,556,896	$ 3,567,163	$ 1,166,187
LIABILITIES				
Accounts payable and accrued liabilities	$ 549,929	$ 1,055,071	$ 1,050,526	$ 554,474
Due to other funds	96,939	97,363	106,158	88,144
Due to other governments	529,586	536,457	542,474	523,569
Total liabilities	$ 1,176,454	$ 1,688,891	$ 1,699,158	$ 1,166,187
Other				
ASSETS				
Cash and cash equivalents	$ 116,253	$ 238,957	$ 314,476	$ 40,734
Pooled investments with State Treasury	196,448	1,670,804	1,673,171	194,081
Other investments	100	.....	.....	100
Accounts receivable	88,842	25,336	27,093	87,085
Interest receivable	176	1,217	1,107	286
Due from state funds	23,613	30,545	23,611	30,547
Total assets	$ 425,432	$ 1,966,859	$ 2,039,458	$ 352,833
LIABILITIES				
Accounts payable and accrued liabilities	$ 33,390	$ 319,636	$ 319,482	$ 33,544
Due to other funds	83,610	24,404	16,044	91,970
Due to other governments	11,720	17,188	12,898	16,010
Obligations under security lending agreements	11,755	.....	2,575	9,180
Claims payable	17,898	21,687	17,898	21,687
Deposits payable	266,993	167,665	254,315	180,343
Other liabilities	66	100	67	99
Total liabilities	$ 425,432	$ 550,680	$ 623,279	$ 352,833
School for the Deaf and the Blind				
ASSETS				
Cash and cash equivalents	$ 40	$ 132	$ 132	$ 40
Total assets	$ 40	$ 132	$ 132	$ 40
LIABILITIES				
Accounts payable and accrued liabilities	$ 40	$ 132	$ 132	$ 40
Total liabilities	$ 40	$ 132	$ 132	$ 40

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

State Board of Administration	Balance 6/30/2015	Additions	Deductions	Balance 6/30/2016
ASSETS				
Cash and cash equivalents	$ 5,135	$ 4,298,148	$ 4,303,282	$ 1
Pooled investments with State Treasury	.....	2,124,223	1,579,178	545,045
U.S. government & federally guaranteed obligations	275,080	2,924	274,196	3,808
Interest receivable	578	829	628	779
Total assets	$ 280,793	$ 6,426,124	$ 6,157,284	$ 549,633
LIABILITIES				
Accounts payable and accrued liabilities	$	$ 7,296	$ 1	$ 7,295
Due to other funds	12	969	933	48
Obligations under security lending agreements	.....	26,631	.....	26,631
Deposits payable	280,781	1,829,701	1,594,823	515,659
Total liabilities	$ 280,793	$ 1,864,597	$ 1,595,757	$ 549,633
Totals - All Agency Funds				
ASSETS				
Cash and cash equivalents	$ 121,707	$ 4,925,170	$ 5,005,842	$ 41,035
Pooled investments with State Treasury	847,865	6,393,141	5,881,297	1,359,709
U.S. government & federally guaranteed obligations	275,080	2,924	274,196	3,808
Other investments	100	.....	.....	100
Accounts receivable	525,221	466,841	463,472	528,590
Interest receivable	754	2,046	1,735	1,065
Due from state funds	109,685	157,582	135,188	132,079
Due from other governments	2,307	2,307	2,307	2,307
Total assets	$ 1,882,719	$ 11,950,011	$ 11,764,037	$ 2,068,693
LIABILITIES				
Accounts payable and accrued liabilities	$ 583,359	$ 1,382,135	$ 1,370,141	$ 595,353
Due to other funds	180,561	122,736	123,135	180,162
Due to other governments	541,306	553,645	555,372	539,579
Obligations under security lending agreements	11,755	26,631	2,575	35,811
Claims payable	17,898	21,687	17,898	21,687
Deposits payable	547,774	1,997,366	1,849,138	696,002
Other liabilities	66	100	67	99
Total liabilities	$ 1,882,719	$ 4,104,300	$ 3,918,326	$ 2,068,693

THIS PAGE INTENTIONALLY LEFT BLANK

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.

THIS PAGE INTENTIONALLY LEFT BLANK

COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
JUNE 30, 2016
(in thousands)

	Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/16
ASSETS					
Cash and cash equivalents	$ 190,727	$ 275,712	$ 132,914	$ 126,479	$ 725,832
Pooled investments with State Treasury	48,347	1,460,465	193,662	37,875	1,740,349
Other investments	796,060	1,782,256	1,081,255	1,275,343	4,934,914
Receivables, net	14,256	625,187	330,048	165,414	1,134,905
Due from component units/primary	47,115	337,165	18,169	7,666	410,115
Inventories	5,733	6,908	9,989	10,899	33,529
Restricted cash and cash equivalents	.....	60,500	212,615	189,390	462,505
Restricted pooled investments with State Treasury	.....	219,836	358,721	.....	578,557
Restricted investments	255,052	1,862,249	922,629	.....	3,039,930
Other loans and notes receivable, net	.....	59,672	.....	952	60,624
Other assets	17,923	223,901	96,129	8,755	346,708
Capital assets, net	7,262,466	8,381,300	4,087,030	619,109	20,349,905
Total assets	8,637,679	15,295,151	7,443,161	2,441,882	33,817,873
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value -hedging derivatives	.....	22,330	.....	.....	22,330
Grants paid in advance	207	.....	.....	.....	207
Amount deferred on refunding of debt	.....	7,398	.....	.....	7,398
Pension-related items	39,180	359,261	290,730	17,404	706,575
Total deferred outflows of resources	39,387	388,989	290,730	17,404	736,510
LIABILITIES					
Accounts payable and accrued liabilities	137,941	375,057	329,508	218,392	1,060,898
Due to component units/primary	1	32,352	7,415	.....	39,768
Long-term liabilities					
Due within one year	84,500	369,533	136,628	26,132	616,793
Due in more than one year	635,633	4,127,326	1,144,052	1,055,066	6,962,077
Total liabilities	858,075	4,904,268	1,617,603	1,299,590	8,679,536
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	.....	.....	.....	255	255
Amount deferred on refunding of debt	.....	195	.....	.....	195
Pension-related items	40,491	130,564	181,978	12,510	365,543
Total deferred inflows of resources	40,491	130,759	181,978	12,765	365,993
NET POSITION					
Net investment in capital assets	6,767,470	6,107,549	3,866,020	616,252	17,357,291
Restricted for					
Debt service	.....	55,196	3,780	.....	58,976
Other	553,555	1,130,520	1,410,507	20,300	3,114,882
Funds held for permanent endowment					
Expendable	.....	214,843	122,691	.....	337,534
Nonexpendable	.....	2,001,467	511,167	.....	2,512,634
Unrestricted	457,475	1,139,538	20,145	510,379	2,127,537
Total net position	$ 7,778,500	$ 10,649,113	$ 5,934,310	$ 1,146,931	$ 25,508,854

COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(in thousands)

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Water Management Districts	$ 644,470	$ 44,423	$ 94,855	$ 127,181
Other State Universities	6,681,947	2,486,674	1,857,598	223,033
Florida Colleges	3,275,795	707,896	997,032	205,812
Other Nonmajor Component Units	933,505	192,472	362,653	61,762
Total component units	$ 11,535,717	$ 3,431,465	$ 3,312,138	$ 617,788

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

Net (Expense) Revenue and Changes in Net Position				
Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/16
$ (378,011)	$	$	$	$ (378,011)
.....	(2,114,642)	.....	.....	(2,114,642)
.....	.....	(1,365,055)	.....	(1,365,055)
.....	.....	.....	(316,618)	(316,618)
(378,011)	(2,114,642)	(1,365,055)	(316,618)	(4,174,326)
473,370	.....	.....	.....	473,370
15,993	31,886	160,348	54,130	262,357
552	(31,430)	753	.....	(30,125)
.....	1,947,223	1,185,910	251,711	3,384,844
6,928	322,765	79,316	87,871	496,880
.....	26,701	11,004	.....	37,705
496,843	2,297,145	1,437,331	393,712	4,625,031
118,832	182,503	72,276	77,094	450,705
7,659,668	10,466,610	5,862,034	1,069,837	25,058,149
$ 7,778,500	$ 10,649,113	$ 5,934,310	$ 1,146,931	$ 25,508,854

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK

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.

PAGE

Financial Trends – These schedules contain trend information to help assess how the state's financial position has changed over time.

- Schedule A-1 – Net Position by Component 262
- Schedule A-2 – Changes in Net Position 264
- Schedule A-3 – Fund Balances – Governmental Funds 268
- Schedule A-4 – Changes in Fund Balances – Governmental Funds 270

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.

- Schedule B-1 – Revenue Base/Rate 272
- Schedule B-2 – Principal Sales Tax Payers by Industry 274

Debt Capacity – These schedules may assist with an understanding of the state's outstanding debt and its ability to issue new debt.

- Schedule C-1 – Ratios of Outstanding Debt by Type 276
- Schedule C-2 – Ratios of Net General Bonded Debt Outstanding 278
- Schedule C-3 – Legal Debt Margin 279
- Schedule C-4 – Pledged-Revenue Coverage 280

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.

- Schedule D-1 – Demographic and Economic Statistics 284
- Schedule D-2 – Industry Sector Employment 286

Operating Information – These schedules include operating data to assist with understanding how information in the state's financial reports relate to services provided or activities performed by the state.

- Schedule E-1 – Full-time Equivalent State Employees by Function 288
- Schedule E-2 – Operating Indicators by Function 290
- Schedule E-3 – Capital Assets by Function 292

Net Position by Component
For the Last Ten Fiscal Years
(in thousands)
(Accrual Basis of Accounting)

SCHEDULE A-1

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental Activities					
Net investment in capital assets	$ 49,603,845	$ 51,937,584	$ 54,585,016	$ 56,935,300	$ 57,100,033
Restricted					
Environment, Recreation and Conservation	2,861,436	2,910,269	2,563,254	2,440,804	2,359,437
Public Education [1]	.....	1,438,845	1,223,164	1,064,284	700,343
Health and Family Services	843,301	760,644	835,026	1,166,423	2,117,546
Transportation	1,680,338	1,564,767	1,131,641	1,092,578	1,440,141
Nonmajor governmental funds	2,664,650	1,852,966	1,886,160	1,666,747	1,401,380
Debt service	72,890	84,221	142,933	247,039	286,787
Other	.....	.....	.....	476,495	173,331
Funds held for permanent endowment					
Expendable	44,830	409,958	.....	.....	.....
Nonexpendable	2,287,402	1,312,289	.....	.....	.....
Unrestricted	(7,552,727)	(11,996,949)	(15,242,901)	(15,840,018)	(15,117,243)
Total governmental activities net position	$ 52,505,965	$ 50,274,594	$ 47,124,293	$ 49,249,652	$ 50,461,755
Percent change from prior year	4.48%	-4.25%	-6.27%	4.51%	2.46%
Business-type Activities					
Net investment in capital assets	$ 4,164,740	$ 4,360,753	$ 4,929,637	$ 4,910,794	$ 5,256,229
Restricted					
Transportation	.....	154,853	.....	.....	.....
Lottery	90,869	158,532	120,944	132,687	120,722
Prepaid College Program	842,793	727,678	345,340	483,365	591,401
Hurricane Catastrophe Fund	.....	856,986	1,749,163	3,230,193	4,729,314
Reemployment Assistance	2,286,489	1,974,312	63,026	(903,588)	(1,058,871)
Other	198,010	.....	221,745	269,844	279,983
Unrestricted	393,589	622,176	278,870	613,896	549,270
Total business-type activities net position	$ 7,976,490	$ 8,855,290	$ 7,708,725	$ 8,737,191	$ 10,468,048
Percent change from prior year	37.40%	11.02%	-12.95%	13.34%	19.81%
Total Primary Government					
Net investment in capital assets	$ 53,768,585	$ 56,298,337	$ 59,514,653	$ 61,846,094	$ 62,356,262
Restricted					
Environment, Recreation and Conservation	2,861,436	2,910,269	2,563,254	2,440,804	2,359,437
Public Education [1]	.....	1,438,845	1,223,164	1,064,284	700,343
Health and Family Services	843,301	760,644	835,026	1,166,423	2,117,546
Transportation [2]	1,680,338	1,719,620	1,131,641	1,092,578	1,440,141
Nonmajor governmental funds	2,664,650	1,852,966	1,886,160	1,666,747	1,401,380
Debt service	72,890	84,221	142,933	247,039	286,787
Lottery	90,869	158,532	120,944	132,687	120,722
Prepaid College Program	842,793	727,678	345,340	483,365	591,401
Hurricane Catastrophe Fund	.....	856,986	1,749,163	3,230,193	4,729,314
Reemployment Assistance	2,286,489	1,974,312	63,026	(903,588)	(1,058,871)
Other [2]	198,010	.....	221,745	746,339	453,314
Funds held for permanent endowment					
Expendable	44,830	409,958	.....	.....	.....
Nonexpendable	2,287,402	1,312,289	.....	.....	.....
Unrestricted	(7,159,138)	(11,374,773)	(14,964,031)	(15,226,122)	(14,567,973)
Total primary government net position	$ 60,482,455	$ 59,129,884	$ 54,833,018	$ 57,986,843	$ 60,929,803
Percent change from prior year	7.89%	-2.24%	-7.27%	5.75%	5.08%

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.

[1] Public Education was reclassified as major as of July 1, 2007.

[2] Beginning in Fiscal Year 2008, a portion of Restricted Net positions previously classified as "Other" are classified as "Transportation".

SCHEDULE A-1

Fiscal Year				
2012	2013	2014	2015	2016
$ 58,403,581	$ 59,994,370	$ 61,727,674	$ 63,937,059	$ 66,196,839
2,409,211	2,533,998	2,672,904	2,930,848	3,188,567
593,657	390,829	502,820	778,229	742,292
1,042,253	1,562,739	1,771,369	1,258,290	1,592,259
1,706,083	1,665,701	2,475,460	2,121,855	1,942,833
1,195,232	1,137,373	1,100,467	1,096,687	1,132,748
289,922	280,048	263,030	248,102	252,056
571,203	557,025	482,457	523,957	635,617
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
(13,435,170)	(10,774,051)	(9,773,999)	(12,370,358)	(12,006,653)
$ 52,775,972	$ 57,348,032	$ 61,222,182	$ 60,524,669	$ 63,676,558
4.59%	8.66%	6.76%	-1.14%	5.21%
$ 5,365,538	$ 5,841,079	$ 6,789,610	$ 7,543,562	$ 7,766,815
283,979	168,934	316,989	312,992	317,355
135,245	102,088	93,419	95,094	121,932
565,037	829,845	1,792,466	1,507,552	1,657,880
6,424,436	8,295,259	10,160,217	11,632,636	12,771,922
.....	1,158,339	2,044,428	2,797,525	3,337,397
90	4,165	9,144	2,658	1,296
617,183	889,008	951,037	893,680	1,282,592
$ 13,391,508	$ 17,288,717	$ 22,157,310	$ 24,785,699	$ 27,257,189
27.93%	29.10%	28.16%	11.86%	9.97%
$ 63,769,119	$ 65,835,449	$ 68,517,284	$ 71,480,621	$ 73,963,654
2,409,211	2,533,998	2,672,904	2,930,848	3,188,567
593,657	390,829	502,820	778,229	742,292
1,042,253	1,562,739	1,771,369	1,258,290	1,592,259
1,990,062	1,834,635	2,792,449	2,434,847	2,260,188
1,195,232	1,137,373	1,100,467	1,096,687	1,132,748
289,922	280,048	263,030	248,102	252,056
135,245	102,088	93,419	95,094	121,932
565,037	829,845	1,792,466	1,507,552	1,657,880
6,424,436	8,295,259	10,160,217	11,632,636	12,771,922
.....	1,158,339	2,044,428	2,797,525	3,337,397
571,293	561,190	491,601	526,615	636,913
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
(12,817,987)	(9,885,043)	(8,822,962)	(11,476,678)	(10,724,061)
$ 66,167,480	$ 74,636,749	$ 83,379,492	$ 85,310,368	$ 90,933,747
8.60%	12.80%	11.71%	2.32%	6.59%

Changes in Net Position
For the Last Ten Fiscal Years
(in thousands)
(Accrual Basis of Accounting)

SCHEDULE A-2

	Fiscal Year				
	2007	2008	2009	2010	2011
Expenses					
Governmental activities:					
General government	$ 8,410,918	$ 7,492,475	$ 6,878,903	$ 6,882,931	$ 6,830,398
Education	19,739,622	20,459,549	18,722,159	18,946,684	20,423,515
Human services	20,634,220	21,715,055	23,988,006	27,692,169	29,040,946
Criminal justice and corrections	3,992,990	4,296,298	4,037,197	4,448,382	4,534,992
Natural resources and environment	2,767,852	2,749,924	2,614,491	2,588,478	2,339,268
Transportation	3,545,752	4,098,203	3,850,791	3,176,790	3,613,936
State courts	436,825	464,190	426,639	427,319	435,153
Indirect interest on long-term debt	11,731	12,314	15,586	18,759	6,751
Total governmental activities expenses	59,539,910	61,288,008	60,533,772	64,181,512	67,224,959
Business-type activities:					
Transportation	403,982	446,489	402,235	383,106	385,564
Lottery	3,029,103	2,987,265	2,765,729	2,747,599	2,864,709
Hurricane Catastrophe Fund	241,568	1,044,927	676,970	362,318	236,475
Prepaid College Program	855,997	1,302,094	1,037,026	1,523,217	691,977
Reemployment Assistance	.....	.....	4,307,809	7,656,494	5,743,471
Nonmajor enterprise funds	1,146,532	1,654,422	267,722	264,580	268,936
Total business-type activities expenses	5,677,182	7,435,197	9,457,491	12,937,314	10,191,132
Total primary government expenses	$ 65,217,092	$ 68,723,205	$ 69,991,263	$ 77,118,826	$ 77,416,091
Program Revenues					
Governmental activities:					
Charges for services					
General government	$ 3,765,988	$ 3,167,668	$ 3,411,639	$ 3,938,356	$ 4,092,321
Education	250,023	291,975	133,346	229,149	152,217
Human services	1,302,926	1,020,441	1,629,514	1,156,988	1,491,338
Criminal justice and corrections	307,550	340,143	293,457	772,557	775,476
Natural resources and environment	368,511	451,363	346,240	400,700	382,261
Transportation	371,726	514,737	333,953	343,782	255,995
State courts	18,512	19,479	43,385	421,501	232,771
Operating Grants and Contributions	17,105,209	17,500,769	20,164,996	26,831,434	27,920,491
Capital Grants and Contributions	2,163,715	2,144,946	1,986,579	1,974,293	2,058,453
Total governmental activities program revenues	25,654,160	25,451,521	28,343,109	36,068,760	37,361,323
Business-type activities:					
Charges for services					
Transportation	766,190	738,450	747,347	700,803	699,675
Lottery	4,286,152	4,338,303	4,017,816	4,006,864	4,044,597
Hurricane Catastrophe Fund	1,476,660	1,188,703	1,242,072	1,524,012	1,358,918
Prepaid College Program	1,114,978	1,619,334	654,688	1,661,241	799,886
Reemployment Assistance	.....	.....	931,516	1,242,684	1,722,484
Nonmajor enterprise funds	1,324,114	1,413,825	352,554	386,372	362,184
Operating Grants and Contributions	39,258	29,476	1,665,431	5,453,925	3,863,733
Capital Grants and Contributions	2,287	3,589	659	6,055	270
Total business-type activities program revenues	9,009,639	9,331,680	9,612,083	14,981,956	12,851,747
Total primary government program revenues	$ 34,663,799	$ 34,783,201	$ 37,955,192	$ 51,050,716	$ 50,213,070
Net (Expense) Revenue [1]					
Governmental activities	$ (33,885,750)	$ (35,836,487)	$ (32,190,663)	$ (28,112,752)	$ (29,863,636)
Business-type activities	3,332,457	1,896,483	154,592	2,044,642	2,660,615
Total primary government net (expense)	$ (30,553,293)	$ (33,940,004)	$ (32,036,071)	$ (26,068,110)	$ (27,203,021)

SCHEDULE A-2

Fiscal Year				
2012	2013	2014	2015	2016
$ 6,342,471	$ 6,430,345	$ 6,057,247	$ 6,451,450	$ 6,699,521
17,695,809	17,807,322	19,316,440	19,642,993	20,162,012
29,650,274	30,770,664	32,971,959	34,302,877	34,595,840
4,245,923	4,186,869	3,847,359	3,863,258	4,021,540
2,265,464	2,374,092	2,497,934	2,537,376	2,852,005
3,614,062	3,543,133	3,851,085	4,031,701	4,962,377
409,441	455,878	487,056	479,671	521,155
6,257	5,904	5,814	140,676	78,225
64,229,701	65,574,207	69,034,894	71,450,002	73,892,675
421,724	426,056	392,138	470,955	514,248
3,188,011	3,619,597	3,904,940	4,116,009	4,389,601
113,808	(95,313)	(90,146)	91,173	68,294
2,010,300	(149,009)	(48,662)	760,234	1,322,406
3,407,135	2,389,913	1,448,606	663,660	465,563
256,936	287,278	314,276	322,557	332,551
9,397,914	6,478,522	5,921,152	6,424,588	7,092,663
$ 73,627,615	$ 72,052,729	$ 74,956,046	$ 77,874,590	$ 80,985,338
$ 4,680,250	$ 5,153,314	$ 4,804,016	$ 4,577,749	$ 4,656,044
156,917	243,580	235,756	216,000	291,798
1,901,175	1,363,570	2,443,730	2,271,823	1,702,416
729,837	762,411	261,949	275,308	312,850
352,007	336,560	342,489	363,976	367,177
361,627	485,131	274,205	709,950	256,419
247,645	105,006	99,211	85,598	77,239
23,925,002	25,852,502	26,960,994	26,000,382	27,224,801
2,036,464	2,022,429	2,470,890	2,229,337	2,503,371
34,390,924	36,324,503	37,893,240	36,730,123	37,392,115
715,835	851,997	922,212	993,662	1,131,342
4,524,446	5,012,842	5,392,735	5,607,354	6,108,189
1,362,133	1,295,500	1,296,550	1,314,505	1,214,518
1,983,897	115,727	913,778	475,406	1,472,707
2,200,841	2,235,316	1,911,442	1,416,939	1,031,057
358,972	380,370	406,902	429,789	431,022
2,165,114	1,442,864	432,698	35,521	10,886
289	6,414	19,732	3,350	2,724
13,311,527	11,341,030	11,296,049	10,276,526	11,402,445
$ 47,702,451	$ 47,665,533	$ 49,189,289	$ 47,006,649	$ 48,794,560
$ (29,838,777)	$ (29,249,704)	$ (31,141,654)	$ (34,719,879)	$ (36,500,560)
3,913,613	4,862,508	5,374,897	3,851,938	4,309,782
$ (25,925,164)	$ (24,387,196)	$ (25,766,757)	$ (30,867,941)	$ (32,190,778)

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				
	2007	2008	2009	2010	2011
Governmental activities:					
Taxes					
Sales and use tax	$ 20,684,191	$ 19,716,442	$ 17,277,989	$ 17,102,054	$ 17,822,003
Fuel taxes	2,575,303	2,548,254	2,495,280	2,505,193	2,512,393
Corporate income tax	2,450,357	2,253,781	1,698,356	1,785,291	1,880,365
Documentary stamp tax	3,022,536	1,924,526	1,104,758	1,077,836	1,152,222
Intangible personal property tax	757,163	428,804	197,391	158,643	163,553
Communication service tax	1,484,954	1,546,853	1,541,548	1,515,675	1,427,851
Beverage and tobacco taxes	1,112,580	1,043,526	1,063,483	1,872,646	1,886,065
Insurance premium tax	995,340	940,534	846,851	862,520	876,744
Gross receipts utilities tax	615,280	670,442	662,059	673,013	647,558
Other taxes	518,536	657,981	668,137	971,197	1,022,728
Investment earnings (loss)	812,617	578,770	(290,686)	555,053	369,459
Gain (loss) on sale of capital assets	(250,925)	(107,535)	(126,527)	(59,943)	(3,450)
Miscellaneous	.....	.....	.....	.....	68
Transfers	1,356,980	1,377,500	1,469,607	1,352,669	1,318,180
Total governmental activities	36,134,912	33,579,878	28,608,246	30,371,847	31,075,739
Business-type activities:					
Investment earnings	10,640	11,270	2,055	9,526	4,353
Gain (loss) on sale of capital assets	(10,006)	(6,425)	(1,694)	(2,374)	(2,732)
Emergency assessments	195,226	356,697	336,963	329,341	386,676
Miscellaneous	.....	.....	.....	.....	127
Transfers	(1,356,980)	(1,377,500)	(1,469,607)	(1,352,669)	(1,318,180)
Total business-type activities	(1,161,120)	(1,015,958)	(1,132,283)	(1,016,176)	(929,756)
Total primary government	$ 34,973,792	$ 32,563,920	$ 27,475,963	$ 29,355,671	$ 30,145,983
Change in Net Position					
Governmental activities	$ 2,249,162	$ (2,256,609)	$ (3,582,417)	$ 2,259,095	$ 1,212,103
Business-type activities	2,171,337	880,525	(977,691)	1,028,466	1,730,859
Total primary government [2]	$ 4,420,499	$ (1,376,084)	$ (4,560,108)	$ 3,287,561	$ 2,942,962

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

[2] See Schedule A-1 for ending net asset balances for reported years.

SCHEDULE A-2
(Continued)

Fiscal Year				
2012	2013	2014	2015	2016
$ 18,632,812	$ 19,914,591	$ 21,255,958	$ 22,916,865	$ 24,255,828
2,515,654	2,580,843	2,680,381	2,799,442	2,934,580
2,042,537	2,055,440	2,043,380	2,236,690	2,181,244
1,289,321	1,662,044	1,806,604	2,118,466	2,284,854
190,247	279,047	254,236	305,131	341,418
1,389,752	1,422,775	1,317,185	1,261,598	1,030,801
1,847,468	1,700,095	1,631,109	1,647,809	1,589,210
884,180	907,004	917,693	914,710	940,747
611,534	588,765	614,337	779,056	777,404
1,068,535	1,142,373	1,187,566	1,241,641	1,282,545
288,425	104,112	346,868	138,726	327,804
(21,408)	(62,746)	(36,506)	(94,099)	90,007
.....	.....	.....	.....	.....
1,452,437	1,534,368	996,993	1,568,396	1,671,350
32,191,494	33,828,711	35,015,804	37,834,431	39,707,792
5,148	496	3,957	2,212	6,594
(717)	(4,679)	(2,579)	(13,238)	(154,186)
456,797	490,011	498,560	256,884	3,064
1,056	740	1,050	4,223	555
(1,452,437)	(1,534,368)	(996,993)	(1,568,396)	(1,671,350)
(990,153)	(1,047,800)	(496,005)	(1,318,315)	(1,815,323)
$ 31,201,341	$ 32,780,911	$ 34,519,799	$ 36,516,116	$ 37,892,469
$ 2,352,717	$ 4,579,007	$ 3,874,150	$ 3,114,552	$ 3,207,232
2,923,460	3,814,708	4,878,892	2,533,623	2,494,459
$ 5,276,177	$ 8,393,715	$ 8,753,042	$ 5,648,175	$ 5,701,691

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

SCHEDULE A-3

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund (Per GASB 54)[1]:					
Nonspendable	$	$	$	$	$ 76,554
Restricted	.....	.....	.....	.....	52,767
Committed	.....	.....	.....	.....	887,891
Unassigned	.....	.....	.....	.....	2,609,956
Total general fund	.....	.....	.....	.....	3,627,168
Percent change from prior year	.....	.....	.....	.....	-13.01%
Other Governmental Funds (Per GASB 54)[1]:					
Nonspendable	.....	.....	.....	.....	59,967
Restricted	.....	.....	.....	.....	4,565,723
Committed	.....	.....	.....	.....	5,598,547
Unassigned	.....	.....	.....	.....	.....
Total other governmental funds	.....	.....	.....	.....	10,224,237
Total Governmental Funds [2]	$	$	$	$	$ 13,851,405
Percent change from prior year	.....	.....	.....	.....	1.42%
General Fund (Prior to GASB 54):					
Reserved for:					
Encumbrances	$ 106,922	$ 104,614	$ 103,142	$ 67,330	$ .....
Inventories	25,272	14,628	15,422	11,779	.....
Advances	2,628	2,631	64,390	54,904	.....
Long-term receivables	61,373	50,686	168	137	.....
Capital outlay	207,807	177,049	102,685	91,868	.....
Budget Stabilization Fund	1,248,490	1,353,690	273,874	274,916	.....
Working Capital Fund	.....	.....	.....	.....	.....
Other	2,597	2,806	616,822	684,063	.....
Unreserved	5,574,678	2,324,588	2,191,735	2,984,775	.....
Total general fund	7,229,767	4,030,692	3,368,238	4,169,772	.....
Percent change from prior year	-10.19%	-44.25%	-16.44%	23.80%	.....
Other Governmental Funds (Prior to GASB 54):					
Reserved for:					
Encumbrances	135,249	81,220	116,822	190,104	.....
Inventories	64,374	75,957	63,167	44,172	.....
Advances	211,340	222,848	374,379	1,064,894	.....
Long-term receivables	2,047,689	2,341,669	2,361,484	2,433,814	.....
Capital outlay	3,503,486	3,568,444	2,621,895	2,424,194	.....
Debt service	72,890	84,221	142,933	247,039	.....
Permanent trust	2,332,232	1,722,247	.....	.....	.....
Working Capital Fund	.....	.....	.....	.....	.....
Other	155,275	113,439	245,016	233,217	.....
Unreserved, reported in:					
Special revenue funds	3,631,599	3,323,598	2,806,191	2,829,255	.....
Capital projects funds	45,703	17,733	5,913	19,072	.....
Permanent funds	3,005	412,246	1,687	2,276	.....
Total other governmental funds	12,202,842	11,963,622	8,739,487	9,488,037	.....
Total Governmental Funds [2]	$ 19,432,609	$ 15,994,314	$ 12,107,725	$ 13,657,809	$ .....
Percent change from prior year	-1.72%	-17.69%	-24.30%	12.80%	.....

[1] 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.

[2] See Schedule A-4 for changes in fund balances from year to year.

SCHEDULE A-3

Fiscal Year				
2012	2013	2014	2015	2016
$ 33,323	$ 27,518	$ 36,142	$ 19,120	$ 26,800
49,739	60,359	90,396	89,190	74,750
982,189	746,914	903,183	921,750	1,032,466
3,735,358	5,322,056	5,444,736	5,878,552	5,694,315
4,800,609	6,156,847	6,474,457	6,908,612	6,828,331
32.35%	28.25%	5.16%	6.71%	-1.16%
74,260	117,133	95,290	47,641	74,129
4,651,214	5,301,861	5,553,343	5,906,581	5,986,279
4,389,415	4,880,459	5,920,057	5,350,800	5,926,436
.....	(743,777)	(808,982)	(883,674)	(851,275)
9,114,889	9,555,676	10,759,708	10,421,348	11,135,569
$ 13,915,498	$ 15,712,523	$ 17,234,165	$ 17,329,961	$ 17,963,900
0.46%	12.91%	9.68%	0.56%	3.66%
$	$	$	$	$ .....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
$	$	$	$	$ .....
.....	.....	.....	.....	.....

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

SCHEDULE A-4

	Fiscal Year				
	2007	2008	2009	2010	2011
Revenues					
Taxes	$ 34,216,240	$ 31,544,362	$ 27,693,512	$ 28,391,262	$ 29,355,780
Licenses and permits	1,349,929	1,300,154	1,261,366	1,396,105	1,462,002
Fees and charges	3,366,361	3,517,982	3,521,215	4,507,761	4,543,730
Grants and donations	19,204,113	19,610,900	22,075,028	28,302,772	30,231,722
Investment earnings (losses)	1,418,723	772,331	(164,294)	776,902	495,585
Fines, forfeits, settlements and judgments	830,178	818,804	764,621	1,231,959	1,183,431
Other	73,878	44,062	58,267	54,325	119,190
Total revenues	60,459,422	57,608,595	55,209,715	64,661,086	67,391,440
Expenditures					
Current:					
General government	8,351,906	7,684,863	6,633,032	6,830,572	6,750,211
Education	19,168,847	19,842,205	18,048,122	18,201,985	19,685,314
Human services	20,586,256	21,768,923	23,436,257	27,506,447	29,070,430
Criminal justice and corrections	3,912,691	4,173,403	3,949,006	4,293,598	4,436,318
Natural resources and environment	2,733,006	2,721,304	2,418,472	2,353,990	2,162,579
Transportation	3,456,266	3,971,868	3,727,772	3,050,317	3,504,054
State courts	435,531	457,883	403,267	430,980	426,559
Capital outlay	3,005,688	2,636,135	2,523,481	2,171,050	1,239,097
Gain/(loss) on disposal of general fixed assets	768	.....	.....	.....	.....
Debt service:					
Principal retirement	810,726	860,289	943,493	1,093,865	1,153,973
Interest and fiscal charges	842,558	903,637	971,752	1,024,211	1,054,036
Total expenditures	63,304,243	65,020,510	63,054,654	66,957,015	69,482,571
Excess (deficiency) of revenues over expenditures	(2,844,821)	(7,411,915)	(7,844,939)	(2,295,929)	(2,091,131)
Other Financing Sources (Uses)					
Proceeds of bond issues	1,110,197	2,571,311	1,901,696	1,705,534	962,333
Proceeds of refunding bonds	401,977	94,760	.....	1,961,934	1,540,777
Operating transfers in	9,982,178	9,847,759	9,659,500	10,203,770	9,413,135
Operating transfers out	(8,606,547)	(8,456,830)	(8,185,220)	(8,841,850)	(8,091,465)
Proceeds of financing agreements	18,678	8,984	117,960	9,594	724
Payments to refunded bond agent	(401,977)	(94,760)	.....	(1,961,934)	(1,540,777)
Total other financing sources (uses)	2,504,506	3,971,224	3,493,936	3,077,048	2,284,727
Net change in fund balances	$ (340,315)	$ (3,440,691)	$ (4,351,003)	$ 781,119	$ 193,596
Debt Service as a Percentage of Noncapital Expenditures	2.7%	2.8%	3.2%	3.3%	3.2%

SCHEDULE A-4

Fiscal Year				
2012	2013	2014	2015	2016
$ 30,480,459	$ 32,173,233	$ 33,712,162	$ 36,289,996	$ 37,650,476
1,519,256	1,851,362	1,903,517	1,897,328	2,032,352
5,236,550	4,930,332	4,827,751	4,843,738	3,838,867
25,891,493	27,596,477	28,886,209	28,744,814	29,696,010
461,343	191,892	481,773	246,533	512,562
1,234,008	1,537,935	866,209	797,391	841,078
171,866	148,442	565,212	704,131	733,943
64,994,975	68,429,673	71,242,833	73,523,931	75,305,288
6,363,177	6,416,211	6,177,769	6,551,304	6,669,232
16,960,772	17,149,935	18,723,050	19,087,014	19,662,950
29,663,993	30,594,941	32,888,676	34,183,874	34,502,757
4,106,400	4,025,052	3,673,356	3,829,083	3,908,252
2,095,042	2,206,123	2,351,663	2,423,631	2,717,900
3,183,656	3,730,419	3,726,115	3,910,663	4,426,536
401,216	445,686	475,097	497,318	504,072
2,276,467	2,424,648	2,105,023	2,448,442	2,417,671
.....	.....	.....	.....	.....
1,310,958	1,270,667	1,012,513	1,448,950	1,142,026
1,019,426	960,974	894,496	958,558	849,980
67,381,107	69,224,656	72,027,758	75,338,837	76,801,376
(2,386,132)	(794,983)	(784,925)	(1,814,906)	(1,496,088)
317,936	229,511	298,118	45,165	57,398
2,799,911	1,759,221	807,336	1,923,687	1,791,321
9,611,610	9,648,910	9,215,113	9,364,500	9,735,795
(8,141,874)	(8,097,250)	(7,590,188)	(7,787,355)	(7,977,382)
662,553	631,503	383,524	288,391	233,131
(2,799,911)	(1,759,221)	(807,336)	(1,923,687)	(1,791,321)
2,450,225	2,412,674	2,306,567	1,910,701	2,048,942
$ 64,093	$ 1,617,691	$ 1,521,642	$ 95,795	$ 552,854
3.5%	3.3%	2.7%	3.3%	2.7%

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

SCHEDULE B-1

	Calendar Year				
Industry	2006	2007	2008	2009	2010
Agriculture	$ 2,076,127	$ 1,652,121	$ 1,369,553	$ 1,169,974	$ 1,114,023
Mining	849,709	663,193	469,944	320,213	295,621
Construction	5,220,010	3,990,215	3,343,767	2,813,374	2,820,903
Manufacturing	18,880,215	16,277,337	14,056,016	11,479,034	10,878,166
Transportation	10,823,084	10,852,559	10,965,637	11,215,193	10,838,604
Communications [(1)]	15,042,938	15,677,020	15,924,520	16,084,681	17,837,511
Wholesale	25,890,934	21,307,898	19,899,564	17,283,554	19,514,708
Retail trade	192,829,254	182,161,612	164,058,988	158,206,374	161,552,218
Finance and insurance	18,872,894	20,875,323	21,022,328	27,554,293	27,456,593
Services	45,374,785	46,330,585	46,799,729	44,001,387	45,724,851
Government	211,732	274,053	354,338	331,221	307,812
Other	1,235,108	1,708,341	817,777	757,198	741,152
Total	$ 337,306,790	$ 321,770,257	$ 299,082,161	$ 291,216,496	$ 299,082,162
State direct sales tax rate[(3)]	6.0%	6.0%	6.0%	6.0%	6.0%

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

(1) Taxable sales associated with communications services tax.

(2) 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.

(3) 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%. Farm equipment is tax exempt.

Source: Florida Department of Revenue

SCHEDULE B-1

Calendar Year				
2011	2012 [2]	2013	2014	2015
$ 1,165,247	$ 593,296	$ 1,231,900	$ 683,513	$ 341,849
311,842	331,665	388,064	424,416	465,381
2,804,215	3,126,150	3,433,049	3,777,419	3,955,275
11,513,052	11,662,104	12,872,788	13,703,157	14,726,621
11,436,895	8,634,841	11,953,528	9,357,588	9,780,692
15,104,143	14,512,956	14,000,080	13,664,244	11,525,555
19,661,065	10,112,139	24,339,323	12,987,380	14,212,567
173,087,498	158,134,617	194,887,248	182,082,864	196,600,925
28,324,565	39,688,012	30,287,022	45,026,905	48,580,481
47,962,744	77,920,525	53,738,778	89,269,937	96,681,482
345,215	320,316	319,054	344,302	447,860
811,416	803,974	996,105	914,471	1,024,238
$ 312,527,897	$ 325,840,595	$ 348,446,939	$ 372,236,196	$ 398,342,926
6.0%	6.0%	6.0%	6.0%	6.0%

Principal Sales Tax Payers by Industry
For Calendar Years 2015 and 2006
(dollars are in thousands)

SCHEDULE B-2

	Calendar Year 2015			Calendar Year 2006		
Industry	Number of filers	Sales Tax Liability	Percentage of Total	Number of filers	Sales Tax Liability	Percentage of Total
Agriculture	2,880	$ 22,391	0.09%	6,680	$ 83,101	0.35%
Mining	726	30,040	0.11%	1,002	57,675	0.24%
Construction	9,911	256,576	0.98%	9,578	424,171	1.77%
Manufacturing	33,139	958,836	3.66%	32,873	1,296,304	5.41%
Transportation and utilities	6,327	688,998	2.63%	7,027	679,901	2.84%
Communications	3,527	715,721	2.73%	2,698	1,022,920	4.27%
Wholesale	46,653	931,195	3.56%	37,446	919,236	3.84%
Retail trade	258,883	12,834,447	49.00%	270,099	12,162,495	50.79%
Finance and insurance	214,888	3,213,787	12.27%	174,594	2,529,904	10.56%
Services	166,713	6,442,545	24.60%	143,402	4,451,467	18.59%
Government	240	30,452	0.12%	209	281,318	1.17%
Other	4,890	67,111	0.26%	3,258	38,758	0.16%
Total	748,777	$ 26,192,099	100.00%	688,866	$ 23,947,250	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

THIS PAGE INTENTIONALLY LEFT BLANK

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 [1] [2]	Certificates of Participation	Total Governmental
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
2016	10,712	5,099	63	2,388	573	18,835

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

[1] This column accounts for Public-Private Partnership agreements initially recorded in fiscal year 2012, and each fiscal year thereafter.

[2] Refer to Notes 9 and 10 for further detail.

[3] 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.

[4] Population data used in calculation of this ratio can be found in Schedule D-1.

SCHEDULE C-1

Business-type Activities					
Pledged Revenue	Public-Private Partnerships (1) (2)	Installment Purchases and Capital Leases	Total Primary Government	Debt as a Percentage of Tax-supported Revenues (3)	Debt Per Capita (4)
$ 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
6,001	321	17	25,174	66.97%	1,249.41

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

SCHEDULE C-2

	General Bonded Debt Outstanding						
Fiscal Year	Full Faith and Credit	Certificates of Participation	Total	Restricted Resources	Net General Bonded Debt Outstanding	Debt as a Percentage of Tax-supported Revenue [1]	Debt Per Capita [2]
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
2016	10,712	573	11,285	252	11,033	29.35%	547.58

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

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

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

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

SCHEDULE C-3

Legal debt margin calculated for fiscal year 2015-2016:

Tax-supported revenues [1]	$ 37,590
Debt limit [2]	2,255
Debt applicable to limit:	
Aggregate debt service on tax-supported debt	2,053
Legal debt margin	$ 202

	2007	2008	2009[3]	2010[3]	2011[3]	2012[3]	2013[3]	2014	2015	2016
Debt limit [2]	$ 1,938	$ 1,785	$ 1,560	$ 1,701	$ 1,773	$ 1,843	$ 1,940	$ 2,022	$ 2,121	$ 2,255
Total debt applicable to limit	1,772	1,898	2,058	2,095	2,204	2,191	2,196	1,887	1,971	2,053
Legal debt margin	$ 166	$ (113)	$ (498)	$ (394)	$ (431)	$ (348)	$ (256)	$ 135	$ 150	$ 202
Total net debt applicable to the limit as a percentage of debt limit.	91.43%	106.33%	131.92%	123.16%	124.31%	118.88%	113.20%	93.32%	92.93%	91.03%

(1) For purposes of this Schedule C-3, tax-supported revenues are comprised of the general revenues of the state, including primarily sales and use tax receipts, and the specific state tax revenues pledged for payment of debt service. Tax-supported debt is debt secured by the full faith and credit of the state or payable from general revenue or specified state tax sources. As of June 30, 2016, the total outstanding balance of tax-supported debt was approximately $20,121,000,000.

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

(3) In Fiscal 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 Ended 6/30	Revenue [1]	Less Operating Expenses	Net Available for Debt Service	Debt Service Principal	Debt Service Interest [2]	Coverage Ratio
Florida Turnpike						
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
2016	987,149	192,458	794,691	129,620	131,805	3.04
Florida Forever/Preservation 2000/Everglades						
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
2016	2,276,900	.....	2,276,900	106,415	63,456	13.40
Lottery Education [3]						
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
2016	1,692,550	.....	1,692,550	211,921	98,398	5.45
Alligator Alley						
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
2016	30,649	9,972	20,677	1,920	1,529	6.00
State Infrastructure Bank						
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
2016	51,131	.....	51,131	8,845	2,451	4.53

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

SCHEDULE C-4
(Continued)

Year Ended 6/30	Revenue [1]	Less Operating Expenses	Net Available for Debt Service	Debt Service Principal	Debt Service Interest [2]	Coverage Ratio
Florida Hurricane Catastrophe Fund Finance Corporation						
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 [5]
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
2016	1,217,538	18,815	1,198,723	.....	46,975	25.52
State University System Bonds						
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
2016	55,768	.....	55,768	14,010	7,352	2.61
University Auxiliary Bonds						
Parking System Revenue Bonds						
Florida International University						
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
2016	14,378	5,676	8,702	3,000	3,321	1.38
University of South Florida						
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
2016	14,151	8,148	6,003	2,485	1,075	1.69
Florida Agricultural & Mechanical University						
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
2016	1,942	1,039	903	200	33	3.87
University of Florida						
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
2016	13,093	7,298	5,794	1,570	729	2.52
Florida Atlantic University						
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
2016	7,277	4,208	3,069	1,365	713	1.48

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

SCHEDULE C-4
(Continued)

Year Ended 6/30	Revenue [1]	Less Operating Expenses	Net Available for Debt Service	Debt Service Principal	Debt Service Interest [2]	Coverage Ratio
University of Central Florida						
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
2016	21,972	4,204	17,768	3,540	1,374	3.62
Florida State University						
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
2016	11,669	3,298	8,371	3,050	1,771	1.74
Housing System Revenue Bonds						
Florida Agricultural & Mechanical University						
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
2016	14,910	7,605	7,304	2,959	2,957	1.23
Florida International University						
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
2016	30,578	13,141	17,437	5,465	3,840	1.87
University of Florida						
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
2016	59,717	38,192	21,525	4,705	3,346	2.67
Florida Atlantic University						
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
2016	16,665	8,136	8,529	3,020	2,746	1.48
University of Central Florida						
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
2016	30,881	16,641	14,240	4,395	4,400	1.62
Florida State University						
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
2016	45,281	21,230	24,051	6,065	7,841	1.73

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

SCHEDULE C-4

Year Ended 6/30	Revenue [1]	Less Operating Expenses	Net Available for Debt Service	Debt Service Principal	Debt Service Interest [2]	Coverage Ratio
Student Health and Wellness Center Revenue Bonds						
University of Central Florida						
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
2016	16,992	.....	16,992	410	209	27.45
Florida State University						
2011	8,734	.....	8,734	.....	.....	3.67 [4]
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
2016	14,794	.....	14,794	1,245	1,134	6.22
University of North Florida						
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
2016	3,939	.....	3,939	450	600	3.75
Bookstore Revenue Bonds						
University of Central Florida						
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	.....	.....	.....	.....	.....	.....
2016	.....	.....	.....	.....	.....	.....
Student Services Center Revenue Bonds						
University of Florida						
2014	21,347	.....	21,347	1,045	1,571	8.16
2015	22,208	.....	22,208	1,340	1,891	6.87
2016	25,098	.....	25,098	1,410	1,824	7.76
Water Pollution Control Bonds						
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
2016	85,635	.....	85,635	32,930	19,001	1.65
Inland Protection Bonds						
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
2016	206,567	.....	206,567	6,485	2,323	23.45
Seaport Investment Program						
2014	200,000	.....	200,000	2,387	6,195	23.30
2015	200,000	.....	200,000	2,145	6,436	23.31
2016	200,000	.....	200,000	2,250	6,329	23.31

[1] Refer to Note 8A.2. for information on the sources of pledged revenues.
[2] Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.
[3] Source Department of Lottery, Audited Financial Statements.
[4] Coverage shown based on maximum annual debt service of $2,382,950 for illustrative purposes.
[5] 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.

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

Demographic and Economic Statistics
For the Last Ten Calendar Years

SCHEDULE D-1

	Population				Personal Income (in millions)	
Year	Florida - April 1	Percent Change from Prior Year	U.S. - July 1	Percent Change from Prior Year	Florida	U.S.
2007	18,446,768	1.61%	301,231,207	0.96%	$ 730,814	$ 12,000,175
2008	18,613,905	0.91%	304,093,966	0.95%	734,691	12,502,225
2009	18,687,425	0.39%	306,771,529	0.88%	691,356	12,094,800
2010	18,801,332	0.61%	309,346,863	0.84%	728,064	12,477,125
2011	18,905,070	0.55%	311,718,857	0.77%	773,316	13,254,525
2012	19,074,434	0.90%	314,102,623	0.76%	793,104	13,915,125
2013	19,259,543	0.97%	316,427,395	0.74%	798,886	14,073,675
2014	19,507,369	1.29%	318,907,401	0.78%	853,318	14,809,750
2015	19,815,183	1.58%	321,418,820	0.79%	900,636	15,458,525
2016	20,148,654	1.68%	323,889,854	0.77%	940,615	15,970,750

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

(2) 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: U.S. Department of Commerce; University of Florida; U.S. 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, November 2016.

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%	3,603,440	16.80%
15 - 24	1,942,430	12.15%	2,457,140	13.07%	2,559,353	11.93%
25 - 44	4,569,515	28.59%	4,720,799	25.11%	5,326,389	24.83%
45 - 64	3,628,573	22.70%	5,079,161	27.01%	5,569,515	25.96%
65 and Over	2,807,650	17.57%	3,259,602	17.34%	4,394,898	20.49%
Total	15,982,824	100.00%	18,801,310	100.00%	21,453,595	100.00%

Source: Forecast from November 2016 Florida Demographic Estimating Conference adjusted by age percentages from Florida Population Studies, Bulletin 175, June 2016, 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.

SCHEDULE D-1

Per Capita Personal Income		Unemployment Assistance Rate [1]		Median Age	Public School Enrollment [2]
Florida	U.S.	Florida	U.S.	Florida	Florida
$ 39,617	$ 39,837	4.0%	4.6%	39.9	2,662,701
39,470	41,113	6.3%	5.8%	40.1	2,652,684
36,996	39,426	10.4%	9.3%	40.4	2,628,754
38,724	40,334	11.1%	9.6%	40.6	2,634,382
40,905	42,521	10.0%	8.9%	40.9	2,643,396
41,579	44,301	8.5%	8.1%	41.0	2,667,830
41,480	44,477	7.3%	7.4%	41.1	2,691,322
43,743	46,439	6.3%	6.2%	41.3	2,720,074
45,452	48,095	5.4%	5.3%	41.5	2,756,127
46,684	49,309	4.8%	4.9%	41.6	2,791,244

Industry Sector Employment
For Calendar Years 2015 and 2006
(in thousands)

SCHEDULE D-2

Industry	Calendar Year 2015 Employment	Calendar Year 2015 Percentage of Total Employment [1]	Calendar Year 2006 Employment	Calendar Year 2006 Percentage of Total Employment [1]
Retail Trade	1080	13.22%	1023	12.67%
Health Care and Social Assistance	1047	12.81%	873	10.81%
Accommodation and Food Services	914	11.19%	775	9.60%
Local Government	738	9.03%	761	9.42%
Administrative and Waste Services	619	7.58%	617	7.64%
Professional and Technical Services	507	6.20%	452	5.60%
Construction	429	5.25%	682	8.44%
Finance and Insurance	358	4.38%	374	4.63%
Manufacturing	343	4.20%	416	5.15%
Wholesale Trade	335	4.10%	356	4.41%
Total	6,370	77.95%	6,329	78.36%

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.

In December 2015, Florida's seasonally adjusted total nonagricultural employment was 8,211,500, an increase of 257,900 jobs (+3.2 percent) over the year. Florida's annual job growth rate had been positive for 65 consecutive months. Prior to August 2010, the state had been losing jobs for three years. In December 2015, nine of the ten major industries gained jobs over the year with professional and business services (+63,800 jobs) gaining the most followed by leisure and hospitality (+42,400 jobs) .

[1] "Employment" is being calculated based on average total employment by industry for each calendar year. Percentages of "Total" employment are based on the following:

	2015	2006
Total non-agricultural employment (in thousands)	8,094	7,983
Total agricultural employment (in thousands)	78	94
Total employment	8,172	8,077

Sources: Florida Department of Economic Opportunity, Bureau of Labor Market Statistics Center, Current Employment Statistics Program, and Quarterly Census of Employment and Wages Program

THIS PAGE INTENTIONALLY LEFT BLANK

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

SCHEDULE E-1

Function	Fiscal Year 2007	2008	2009	2010	2011	2012	2013
Financial administration	15,551	15,409	15,510	15,542	15,212	16,778	25,974
Streets and highways	7,030	7,156	7,229	7,048	6,751	6,116	5,821
Public welfare	12,458	12,507	12,528	12,723	12,278	14,148	13,784
Police protection	5,355	5,248	5,137	5,079	4,981	5,201	5,181
Natural resources	7,791	7,761	7,773	7,687	7,481	7,437	7,245
Health	16,434	16,388	17,105	16,917	16,303	15,437	14,957
Housing and community development[1]	29	28	27	28	31	39	87
Community development[1]	303	284	289	256	278	53	37
Criminal justice and corrections	40,756	40,558	40,555	41,229	39,051	35,875	25,524
Utility and transportation	296	323	321	315	301	270	269
Employee security	1,272	1,243	1,269	1,439	1,481	1,563	1,384
Education	2,481	2,499	2,359	2,251	2,272	2,251	2,184
State courts	4,457	4,401	4,113	4,117	4,009	4,042	4,097
Other	2,140	2,059	1,908	1,802	1,724	2,698	999
Total	116,353	115,864	116,123	116,433	112,153	111,908	107,543

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.

[1] In fiscal year 2015-16 a Legislative Budget Request from Department of Economic Opportunity was approved to combine the functions of Community Development with Housing.

Sources: Florida Legislature, Florida State Board of Administration, Florida Department of Management Services

Fiscal Year		
2014	2015	2016
25,856	25,596	25,713
5,827	5,810	5,685
13,736	13,829	13,852
5,314	5,395	5,306
7,185	7,143	7,126
14,414	13,448	13,418
44	42	78
36	34	……
24,114	25,376	24,661
259	257	245
1,446	1,346	1,295
2,147	2,185	2,109
4,112	4,055	4,098
1,025	1,020	782
105,515	105,536	104,368

Operating Indicators by Function
Last Ten Fiscal Years

SCHEDULE E-2

	Fiscal Year				
	2007	2008	2009	2010	2011
General Government					
Department of Revenue					
Total administered taxes *(in millions $)*	37,477	34,152	30,140	29,677	31,391
Department of Management Services (1)					
Number of retired members covered	263,198	274,842	288,216	302,978	318,881
Education					
Universities					
University enrollments	294,016	301,135	302,513	312,259	321,503
Degrees awarded	64,778	68,423	70,616	73,579	76,021
Human Services					
Department of Health (2)					
Number of live births	239,120	231,417	221,391	214,519	213,237
Number of deaths	167,708	170,473	169,854	172,509	172,856
Department of Children and Families					
Supplemental Nutrition Assistance Program (SNAP) recipients	1,266,308	1,523,273	2,109,289	2,726,167	3,170,445
SNAP households	650,277	783,282	1,084,754	1,452,191	1,725,855
Criminal Justice and Corrections					
Department of Corrections					
Inmate admissions	37,864	41,054	39,354	36,992	34,992
Community supervision admissions	107,203	107,861	100,619	94,387	92,258
Facility population	92,844	98,192	100,894	102,232	102,319
Natural Resources and Environment					
Department of Environmental Protection					
State park and trail visitations	19,516,852	20,737,052	21,458,588	20,110,021	20,442,212
Florida Fish and Wildlife Conservation Commission					
Fishing and hunting licenses(3)	1,538,965	1,588,227	1,605,617	1,576,518	1,534,518
Transportation					
Department of Highway Safety & Motor Vehicles					
Registrations (4)	22,126,592	22,125,361	20,918,645	19,496,005	19,197,024
Titles issued (4)	6,668,861	5,920,326	4,901,295	5,104,919	5,361,258
Traffic crashes (2) (5)	256,206	243,342	235,778	235,461	227,998
Department of Transportation (2)					
Daily vehicle miles traveled *(in thousands)*	303,603	305,253	293,858	286,902	288,007
State Courts					
State Courts System					
Number of cases filed/added:					
Circuit criminal defendants	230,417	235,451	209,593	201,785	196,453
County criminal	523,274	515,552	464,090	433,437	405,248
County civil	541,823	615,290	503,314	483,521	459,538
Traffic	604,054	618,506	538,406	500,316	483,644
Family court	356,485	350,477	335,854	347,049	349,222
Circuit civil	226,288	418,579	547,194	490,092	293,415
Probate	105,486	102,532	98,345	98,553	100,849

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

(1) The Florida Retirement System includes retirees from 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.

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

(3) Beginning in 2014, the count being included reports the number of actual licenses versus prior years that reported the count of license holders.

(4) Includes motor vehicles, manufactured homes, and vessels.

(5) 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

SCHEDULE E-2

Fiscal Year				
2012	2013	2014	2015	2016
31,989	34,659	41,095	43,589	44,528
333,870	347,147	362,216	377,671	394,527
329,737	334,989	337,750	341,044	345,672
79,323	81,260	83,001	84,445	86,118
212,954	215,194	219,905	224,273	Unavailable
175,849	180,014	185,038	191,488	Unavailable
3,326,637	3,581,136	3,565,520	3,693,396	3,597,030
1,815,239	1,962,933	1,946,026	2,029,951	1,971,469
32,279	33,295	32,442	30,985	30,289
90,880	88,819	86,369	83,064	83,176
100,527	100,884	100,942	100,050	99,119
24,983,179	25,575,794	27,170,451	31,108,245	31,840,658
1,638,055	1,544,549	2,350,586	2,406,822	2,532,883
20,024,942	20,259,599	21,357,026	22,695,334	22,546,058
5,039,215	5,362,575	6,014,150	6,615,964	6,098,475
281,340	316,943	344,170	374,342	Unavailable
284,052	287,977	288,398	307,532	Unavailable
188,669	186,117	176,768	171,414	171,670
367,478	361,046	355,981	341,499	317,587
477,024	438,963	417,323	431,868	428,401
472,662	383,776	280,102	285,716	282,362
322,854	289,752	281,154	284,629	288,430
305,732	294,124	198,856	181,222	176,740
101,606	107,144	114,024	115,746	118,989

Capital Assets by Function
Last Ten Fiscal Years

SCHEDULE E-3

	Fiscal Year				
	2007	2008	2009	2010	2011
General Government					
Department of Management Services					
Buildings	85	85	85	85	84
Education					
Universities and colleges [1]					
Assignable square feet (in thousands)	45,460	49,990	50,702	51,787	54,488
Human Services					
Department of Health					
Buildings	49	53	51	57	57
Vehicles	235	319	300	327	328
Department of Children and Families					
Buildings	211	211	211	223	530
Criminal Justice and Corrections					
Department of Corrections					
Correctional institutions	60	60	78	62	61
Work camps, forestry camps	41	42	42	43	41
Work release centers	30	32	34	34	34
Other facilities	6	5	5	5	4
Natural Resources and Environment					
Division of Recreation and Parks					
Number of state parks, greenways and trails	159	161	161	160	160
Acres of land owned	724,629	698,648	700,296	702,730	704,139
Department of Environmental Protection					
Acres of land owned [2]	4,429,484	4,500,719	4,521,508	4,535,931	4,563,632
Florida Fish and Wildlife Conservation Commission					
Vehicles	1,519	1,549	1,520	1,669	1,637
Transportation					
Department of Transportation					
Highway lane miles	42,022	42,181	42,542	42,711	42,883
Vehicles	5,445	5,313	5,125	5,125	4,683
Buildings	1,622	1,691	1,719	1,774	1,745
State Courts					
State Courts System					
Machinery and equipment	8,608	9,335	9,400	9,760	9,697

[1] Universities and colleges are presented in the CAFR as discretely presented component units of the state.

[2] Acreage information includes a cumulative total of acres acquired through 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

SCHEDULE E-3

Fiscal Year				
2012	2013	2014	2015	2016[1]
86	88	88	90	91
54,890	56,277	57,938	58,122	61,706
73	36	38	38	36
323	315	378	353	369
296	211	211	211	227
63	55	56	55	56
40	39	38	44	43
33	32	35	34	33
7	16	16	17	17
171	171	171	201	174
788,982	789,059	788,619	792,999	791,145
4,239,023	4,245,742	4,268,885	4,281,419	4,284,333
1,876	1,637	1,800	1,835	1,787
43,138	43,337	43,514	43,665	43,819
4,607	4,703	4,406	4,188	4,170
391	385	383	417	571
9,199	10,495	10,656	12,295	12,949

THIS PAGE INTENTIONALLY LEFT BLANK

CHIEF FINANCIAL OFFICER

JEFF ATWATER

FLORIDA DEPARTMENT OF FINANCIAL SERVICES