

FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

Florida Hurricane Catastrophe Fund (a Fund of the State of Florida)
Years Ended June 30, 2001 and 2000

Florida Hurricane Catastrophe Fund
Financial Statements and Additional Information
Years Ended June 30, 2001 and 2000

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Report of Independent Auditors

The Trustees of the Florida State Board of Administration
Florida Hurricane Catastrophe Fund

We have audited the accompanying financial statements of the Florida Hurricane Catastrophe Fund of the State of Florida as of and for the years ended June 30, 2001 and 2000. These financial statements are the responsibility of the Florida Hurricane Catastrophe Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

As discussed in Note 1, the financial statements present only the Florida Hurricane Catastrophe Fund and are not intended to present fairly the financial position of the Florida State Board of Administration and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds in conformity with accounting principles generally accepted in the United States.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Florida Hurricane Catastrophe Fund as of June 30, 2001 and 2000, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report for the year ended June 30, 2001, dated August 10, 2001, on our consideration of the Florida Hurricane Catastrophe Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Ernst + Young LLP

August 10, 2001

Florida Hurricane Catastrophe Fund

Balance Sheets

	June 30	
	2001	2000
	<i>(In Thousands)</i>	
Assets		
Cash	\$ —	\$ 1
Short-term investments	3,018,630	2,682,655
Long-term investments	765,569	459,720
Accrued interest	14,280	13,313
Security lending receivable	2,051	—
Security lending collateral	494,616	—
Premiums receivable, net	181	442
Total assets	<u>\$4,295,327</u>	<u>\$3,156,131</u>
Liabilities and Fund Balance		
Liabilities:		
Unpaid hurricane losses	\$ 229	\$ 139
Premium refunds payable	891	872
Accrued expenditures	2,397	503
Obligation under security lending agreement	494,516	—
Total liabilities	<u>498,033</u>	<u>1,514</u>
Fund balance:		
Unrestricted	3,797,272	3,152,395
Restricted for hurricane mitigation	22	2,222
Total fund balance	<u>3,797,294</u>	<u>3,154,617</u>
Total liabilities and fund balance	<u>\$4,295,327</u>	<u>\$3,156,131</u>

See accompanying notes.

Florida Hurricane Catastrophe Fund

Statements of Revenues, Expenditures, and Changes in Fund Balance

	Year Ended June 30	
	2001	2000
	<i>(In Thousands)</i>	
Revenues:		
Current contract year premium revenue	\$ 438,844	\$ 437,736
Prior contract year adjustments:		
Premium billed	4,698	14,896
Premium refunded	(4,778)	(10,469)
Net premium revenue	438,764	442,163
Investment income	221,204	174,292
Net interest on premium adjustments	(491)	1,340
Security lending income	5,913	1,173
Total revenues	665,390	618,968
Expenditures:		
Hurricane losses	329	(390)
Security lending expenditures	5,663	1,125
Administrative and actuarial fees	2,234	2,297
Investment advisor fees	539	501
Other professional fees	1,043	984
Personnel expenditures	531	597
Other operating expenditures	174	178
Total expenditures	10,513	5,292
Excess of revenues over expenditures	654,877	613,676
Other financing sources:		
Operating transfers to other funds	(12,200)	(8,100)
Excess of revenues and other financing sources over expenditures	642,677	605,576
Fund balance, beginning of year	3,154,617	2,549,041
Fund balance, end of year	\$3,797,294	\$3,154,617

See accompanying notes.

Florida Hurricane Catastrophe Fund

Notes to Financial Statements

June 30, 2001

1. Organization

Business

The Florida Hurricane Catastrophe Fund (the Fund), which was created in November 1993 during a special legislative session after Hurricane Andrew, provides catastrophic reinsurance coverage to all primary insurers of habitational structures with wind/hurricane coverage in the State of Florida. Premiums are calculated for each of the approximately 280 insurers using rates developed based on hurricane modeling of the trended data from the prior year. The modeling takes into consideration factors such as historical records of hurricane strength and landfall patterns, geographic location, type of business, construction, and deductible. The Fund is administered by the Florida State Board of Administration (FSBA), which has contracted administrative and actuarial services.

Basis of Presentation

The Fund is a state trust fund and has been accounted for as an expendable trust fund of the State of Florida using the modified accrual basis of accounting. The financial statements presented herein relate solely to the financial position and results of operations of the Fund and are not intended to present the financial position of the FSBA or the results of its operations and cash flows. The Fund follows Government Accounting Standards Board (GASB) pronouncements and only FASB pronouncements issued before December 1, 1989, that do not conflict with or contradict GASB pronouncements.

Limited Liability of the Fund

The Fund's obligation to participating insurers, in the event of a hurricane(s) that causes reimbursable losses, is limited to the claims paying capacity of the Fund. For the purpose of defining claims paying capacity, the FSBA shall use the unrestricted fund balance as of December 31 of a contract year, and shall allow for any reinsurance purchased by the Fund, the amount the FSBA is able to raise through the issuance of revenue bonds, and projected amounts budgeted for administration, FHCF losses, obligations expected to be paid from bonding proceeds, and for mitigation funds appropriated for the then current fiscal year. If revenue bonds are issued under authorization of Section 215.555(6) of the Florida Statutes, and the FSBA determines that the amount of revenue produced under Section 215.555(5) of the Florida Statutes is insufficient to fund the obligations, costs,

Florida Hurricane Catastrophe Fund

Notes to Financial Statements (continued)

1. Organization (continued)

and expenses of the Fund, including repayment of revenue bonds, the FSBA shall direct the Florida Department of Insurance to levy an emergency assessment on each insurer writing property and casualty business in this state. The Fund, therefore, has no risk that it will be unable to meet its contractual obligations to participating insurers because its obligation is limited to its ability to pay.

Participating insurers are at risk as to whether the Fund would have sufficient claims paying capacity in the event of a large or several moderate hurricanes in a given contract year. Factors that mitigate this risk include (1) the use of modeling software to analyze exposure data submitted by participating insurers, which have been trended and aggregated, in conjunction with historical hurricane data to develop actuarially determined rates for the reimbursement premiums; (2) a \$3.2 billion aggregate industry retention level, which is adjusted to reflect the percentage growth in exposure to the Fund for covered policies since 1998; and (3) the ability of the Fund, through its bonding authority, to generate up to \$8.5 billion in capital.

If bonds are issued on behalf of the Fund, the State of Florida assumes no liability for the repayment of the bonds. Additionally, the State of Florida has no legal responsibility to make any contribution to the Fund should its obligations exceed available resources.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Although estimates are considered to be fairly stated at the time that the estimates are made, actual results could differ from those estimates.

Florida Hurricane Catastrophe Fund

Notes to Financial Statements (continued)

1. Organization (continued)

New Accounting Pronouncements

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*. This Statement establishes financial reporting standards for state and local governments and certain funds of those governmental entities. The State of Florida has elected to adopt the provisions of Statement No. 34 for its fiscal year beginning July 1, 2001. Concurrent with the adoption of the Statement by the State of Florida, the financial reporting for the Fund will need to comply with the provisions of the Statement. Under the provisions of Statement No. 34, the Fund will be classified as an enterprise fund, which is a type of proprietary fund.

Under Statement No. 34, the financial statements of proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. The primary impact on the Fund will be the requirement to provide a statement of cash flows as part of its financial statements. Management does not anticipate that the adoption of Statement No. 34 will have any material impact on the fund balance of the Florida Hurricane Catastrophe Fund as of July 1, 2001. It is likely, however, that the financial statements for the fiscal year ending June 30, 2002 will not be presented on a comparative basis as provided for under the transition rules of Statement No. 34.

2. Significant Accounting Policies

Measurement Focus

The Fund uses the flow of current financial resources as a measurement focus. Under the modified accrual basis of accounting, premium revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Florida Hurricane Catastrophe Fund

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Investments

The Fund invests all funds in relatively low-risk, highly liquid fixed-maturity securities. These investments are recorded at fair value and the fair values are obtained from independent quoted market prices. No investments were recorded at amortized cost as of June 30, 2001 and 2000. The Fund considers all investments with maturity dates of less than one year to be short-term investments. Investments with maturity dates in excess of one year are included in long-term investments. Investment advisory services are provided by the FSBA.

Security Lending Receivable

The Fund, under authorization of Section 215.455 of the Florida Statutes, participated in a security lending program in fiscal years 2001 and 2000. In a security lending program, a lender (the Fund) loans various securities to a borrower for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral received from borrowers may be cash or U.S. government securities. Interest earned on short-term investments purchased with the cash collateral held is recognized as revenue. Lending agent costs and borrower rebate fees are recognized as expenditures when incurred.

Premiums Receivable

Premiums receivable represent amounts from previous billings that have not yet been collected and are net of any allowances management has established to anticipate uncollectible billings.

Premiums Payable

Premiums payable represent amounts due to participating insurers where provisional or estimated premium payments are in excess of amounts actually owed based upon the current exposure data. Also included are premium amounts received from companies pending exemption. These amounts are returned once an exemption is granted.

Florida Hurricane Catastrophe Fund

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Unpaid Losses Liability

The unpaid losses liability represents the estimated ultimate net cost of all reported, including paid, outstanding, and incurred but not reported, losses in excess of participating company retention levels through June 30. Such estimates are based on case-basis estimates of losses reported by June 30, estimates of losses incurred but not reported, and a provision for loss adjustment expenses. Given the inherent degree of variability in any such estimates, the liabilities reported at June 30, 2001 and 2000, are a reasonable estimate of the Fund's ultimate losses and loss adjustment costs to be incurred to discharge the Fund's obligations. Liabilities are continually reviewed and adjusted as participating insurers update their loss reports to the Fund or new information becomes known; such adjustments are included in current operations.

Current Contract Year Premium Revenue

Premium revenue is recognized when billed. Coverage is provided to the participating insurers on a contract year basis which runs from June 1 to May 31. Premiums are billed in three installments with provisional payments due August 1 and October 1, and a final payment due December 1.

Prior Contract Year Adjustments

Participating insurers remit premium to the Fund based upon current policyholder exposure information. When insurers provide updated or corrected exposure information, the Fund may bill and receive additional premium relating to a prior contract year; the Fund may also be required to refund amounts to insurers relating to a prior contract year.

Net Interest on Premium Adjustments

Participating insurers have the option of paying the billed provisional premium or estimating premium for the August and October installments. If the provisional or estimated payments were too high, interest is returned to the insurer on the overpayment. Likewise, if estimated premiums were underpaid, interest is charged to the insurer with the November installment. For the contract year ended May 31, 2001, the interest rate was 6.58% for overpayments of premium and 9.58% for underestimated payments. For the contract year ended May 31, 2000, the interest rate credited for overpayments of premium was 5.46% and the interest rate charged for underestimated payments was 8.46%.

Florida Hurricane Catastrophe Fund

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Hurricane Expenditures

Losses include amounts paid during the fiscal year for hurricane losses from the current and prior contract years that exceeded the participating insurers' individual company retention levels. In addition, a provision for future payments on hurricanes that occurred prior to the end of the fiscal year is included in losses.

Operating Transfers

Pursuant to Section 215.555(7)(c) of the Florida Statutes, beginning in fiscal year 1998, the Florida Legislature will appropriate from the Fund an amount no less than \$10,000,000 and no more than 35% of the investment income from the prior fiscal year, providing that the actuarial soundness of the Fund is not jeopardized, for the purpose of providing funding for governments, agencies, and educational institutions to support programs intended to improve hurricane preparedness or reduce potential losses in the event of a hurricane. For these purposes, in fiscal year 2001, \$10,000,000 was appropriated from the Fund and \$2,222,400 was available from prior years. \$12,200,000 was transferred on October 17, 2000. The remaining \$22,400 available for transfer in fiscal year 2001 has been restricted in the June 30, 2001 ending fund balance for future transfer.

In fiscal year 2000, approximately \$10,000,000 was appropriated from the Fund for these purposes. The transfer of \$8,100,000 was made on September 28, 1999. The remaining \$2,222,400 appropriated from prior fiscal years has been restricted in the June 30, 2000 ending fund balance for future transfer.

Income Taxes

The Fund is exempt from federal and state income taxes. This tax-exempt status was affirmed by a private letter ruling obtained from the Internal Revenue Service in November 1994.

Florida Hurricane Catastrophe Fund

Notes to Financial Statements (continued)

3. Investments

The Fund is authorized to invest in accordance with Section 215.47 of the Florida Statutes, which includes, but is not limited to, certificates of deposit, commercial paper, U.S. government agency notes, U.S. Treasury bills, repurchase agreements, and variable rate notes that enhance the Fund's investment income while maintaining liquidity.

As of June 30, 2001 and 2000, the Fund's deposits are entirely insured or collateralized with securities held by the Fund or by its agent in the FSBA's name. The Fund's investments are classified by level of risk assumed by the Fund at year-end. Custodial credit risk is defined as the risk that the Fund may not recover securities held by another party. The level of custodial credit risk assumed by the Fund is categorized as follows: Category A includes investments that are insured or registered, or securities held by the Fund or its agent in the Fund's name. Category B includes uninsured and unregistered investments for which securities are held by the counterparty's trust department or agent in the Fund's name. Category C includes uninsured and unregistered investments for which securities are held by the counterparty or by its trust department or agent, but not in the Fund's name.

The risk category and fair value of the Fund's investments were as follows (in thousands):

	Risk Category			Fair Value
	A	B	C	
June 30, 2001				
Certificates of deposit, negotiable	\$ 360,004	\$ -	\$ -	\$ 360,004
Federal agencies	2,605	-	-	2,605
Banker's acceptances	18,489	-	-	18,489
Commercial paper	1,796,094	13,767	-	1,809,861
Repurchase agreements	-	-	79	79
Bonds and notes	950,926	157,111	-	1,108,037
Total classifiable investments	\$3,128,118	\$170,878	\$ 79	3,299,075
Investments held by others under security lending agreements:				
Federal agencies				485,124
Invested security lending cash collateral:				
Security lending short-term collateral investment pool				494,616
Total unclassifiable investments				979,740
Total investments				\$4,278,815

Florida Hurricane Catastrophe Fund

Notes to Financial Statements (continued)

3. Investments (continued)

	Risk Category			Fair Value
	A	B	C	
June 30, 2000				
Certificates of deposit, negotiable	\$ 49,996	\$ –	\$ –	\$ 49,996
Federal agencies	172,778	–	–	172,778
Commercial paper	1,834,505	37,722	–	1,872,227
Repurchase agreements	–	100,000	12,375	112,375
Bonds and notes	867,165	67,834	–	934,999
Total classifiable investments	<u>\$2,924,444</u>	<u>\$205,556</u>	<u>\$12,375</u>	<u>\$3,142,375</u>

The fair value of the Fund's investments and security lending collateral at each balance sheet date was as follows (in thousands):

	June 30	
	2001	2000
Short-Term Investments		
Investments:		
Banker's acceptances	\$ 18,489	\$ –
Certificates of deposit	360,004	49,996
Commercial paper	1,809,861	1,872,227
U.S. government agency notes	487,729	124,344
Repurchase agreements	79	112,375
Corporate bonds and notes, fixed rate	57,539	57,666
Corporate bonds and notes, variable rate	284,929	466,047
Total short-term investments	<u>\$3,018,630</u>	<u>\$2,682,655</u>
Long-Term Investments		
Investments:		
U.S. government agency notes	\$ –	\$ 48,434
Corporate bonds and notes, fixed rate	199,918	56,435
Corporate bonds and notes, variable rate	565,651	354,851
Total long-term investments	<u>\$ 765,569</u>	<u>\$ 459,720</u>
Security Lending Short-Term Collateral Investment Pool		
	<u>\$ 494,616</u>	<u>\$ –</u>

Florida Hurricane Catastrophe Fund

Notes to Financial Statements (continued)

4. Unpaid Losses Liability

The reconciliation of the liability for unpaid losses is as follows (in thousands):

	Year Ended June 30	
	2001	2000
Balance at beginning of year	\$139	\$1,177
Incurred related to:		
Current year	–	–
Prior years	329	(390)
Total incurred	329	(390)
Paid related to:		
Current year	–	–
Prior years	239	648
Total paid	239	648
Balance at end of year	\$229	\$ 139

The Fund continually evaluates emerging trends in the development of loss liabilities. Based on this analysis, management periodically adjusts its estimates of ultimate losses.

5. Premium Revenues

Fiscal year premiums, net of prior contract year adjustments, as reported in the operating statements, relate to contract years as follows (in thousands):

	Year Ended June 30	
	2001	2000
Contract year 2000	\$438,844	\$ –
Contract year 1999	63	437,736
Contract year 1998	(52)	2,259
Contract year 1997	(94)	420
Contract year 1996	1	1,914
Contract year 1995	1	(93)
Contract year 1994	1	(73)
	\$438,764	\$442,163

Florida Hurricane Catastrophe Fund

Notes to Financial Statements (continued)

6. Related Parties

The Fund paid the FSBA approximately \$539,000 and \$501,000 in the fiscal years ended June 30, 2001 and 2000, respectively, for investment advisory services.

7. Security Lending Program

The Fund has a contract with Deutsche Bank to act as a lending agent in the performance of security lending transactions. Under the security lending program, Deutsche Bank delivers various U.S. Treasury securities of the Fund to authorized brokers in return for collateral in the form of cash or U.S. government securities. Borrowers under the transactions must be approved by Deutsche Bank's credit department and Deutsche Bank is required to indemnify the Fund if the borrower fails to return the underlying securities or fails to pay income distributions on them. The Fund is contractually limited from pledging or selling collateral represented by U.S. Treasury securities except in the event of borrower default. No violations of legal or contractual provisions occurred, and no losses were incurred due to borrower or lending agent defaults in 2001.

The collateral held represents 102% of the market value of the securities lent. Deutsche Bank monitors daily the market value of the collateral held on the securities lent and requests additional collateral if the market value of the collateral for any loan is less than 100% of the market value of the underlying securities for that loan. The Fund had no credit risk exposure to borrowers at June 30, 2001, because the amounts the Fund owes the borrowers exceed the amounts the borrowers owe the Fund.

The collateral held as assets are recorded in the balance sheet at fair value in accordance with Statement 31. Obligations under the program are recorded as liabilities based on the cash value of the collateral received. Details of the lending transactions for the Fund at June 30, 2001, are as follows (in thousands):

<u>Securities on Loan</u>	<u>Fair Value of Underlying Securities Lent</u>	<u>Cash Collateral Held</u>	<u>Fair Value of Collateral Investment Pool</u>
U.S. Obligations	\$485,124	\$494,516	\$494,616

Florida Hurricane Catastrophe Fund

Notes to Financial Statements (continued)

7. Security Lending Program (continued)

As of June 30, 2001, the Fund held approximately \$494,516,000 of cash collateral from Deutsch Bank. The cash was reinvested in various short-term instruments as authorized by the security lending agreement. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loans, due to securities loan agreements being open-ended with no fixed expiration date.

Additional Information

Report of Independent Auditors on Other Financial Information

The Trustees of the Florida State Board of Administration
Florida Hurricane Catastrophe Fund

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental revenues, expenditures, and claim development information of the Florida Hurricane Catastrophe Fund (the Fund) is presented for purposes of additional analysis and is not a required part of the Fund's financial statements. Such information has been subjected to the auditing procedures applied in our audit of the Fund's financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the Fund's financial statements taken as a whole.

August 10, 2001

Florida Hurricane Catastrophe Fund

Supplemental Revenues, Expenditures, and Claim Development Information

The table below illustrates how the Fund's earned revenues and investment income compare to related costs of loss and other expenditures assumed by the Fund as of the end of each year since inception of the Fund (in thousands).

	Fiscal Year Ended June 30				
	2001	2000	1999	1998	1997
Net earned required contribution and investment revenues	\$665,390	\$618,968	\$388,668	\$586,922	\$520,546
Unallocated expenditures	10,184	5,682	11,399	12,329	4,759
Estimated incurred claims and expenditures, end of year	13,435	13,105	13,495	13,336	11,117
Paid (cumulative) as of:					
End of policy year	752	752	752	752	752
One year later	9,413	9,413	9,413	9,413	9,413
Two years later	12,056	12,056	12,056	12,056	-
Three years later	12,318	12,318	12,318	-	-
Four years later	12,967	12,967	-	-	-
Five years later	13,206	-	-	-	-
Reestimated incurred claims and expenditures:					
End of policy year	8,801	8,801	8,801	8,801	8,801
One year later	11,117	11,117	11,117	11,117	11,117
Two years later	13,336	13,336	13,336	13,336	-
Three years later	13,495	13,495	13,495	-	-
Four years later	13,105	13,105	-	-	-
Five years later	13,435	-	-	-	-
Increase (decrease) in estimated incurred claims and expenditures from end of policy year	329	(390)	158	2,219	2,316

Report on Compliance and on Internal Control Over
Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards*

The Trustees of the Florida State Board of Administration
Florida Hurricane Catastrophe Fund

We have audited the financial statements of the Florida Hurricane Catastrophe Fund (the Fund) as of and for the year ended June 30, 2001, and have issued our report thereon dated August 10, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be

material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report, “Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Governmental Auditing Standards*,” is intended solely for the information and use of the Florida Auditor General and the management of the Florida State Board of Administration, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

August 10, 2001