

Florida

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ended June 30, 2020

**JIMMY PATRONIS CHIEF FINANCIAL OFFICER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES**



ACKNOWLEDGEMENTS

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SPECIAL APPRECIATION

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

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

STATE OF FLORIDA

COMPREHENSIVE

ANNUAL

FINANCIAL REPORT

Fiscal Year Ended June 30, 2020



Ron DeSantis
GOVERNOR

Jimmy Patronis
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, 2020

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	6
Organizational Chart and Principal Officials	9
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	13
MANAGEMENT'S DISCUSSION AND ANALYSIS	19
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	28
Statement of Activities	29
Governmental Fund Financial Statements	
Fund Descriptions	31
Balance Sheet	32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	34
Statement of Revenues, Expenditures, and Changes in Fund Balances	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	38
Proprietary Fund Financial Statements	
Fund Descriptions	40
Statement of Net Position	42
Statement of Revenues, Expenses, and Changes in Fund Net Position	44
Statement of Cash Flows	46
Fiduciary Fund Financial Statements	
Fund Descriptions	50
Statement of Fiduciary Net Position	51
Statement of Changes in Fiduciary Net Position	52
Component Unit Financial Statements	
Component Unit Descriptions	54
Statement of Net Position	56
Statement of Activities	58
Notes to the Financial Statements	
Table of Contents	60
Note 1 - Summary of Significant Accounting Policies	61
Note 2 - Deposits and Investments	73
Note 3 - Receivables and Payables	115
Note 4 - Taxes and Tax Abatements	119
Note 5 - Capital Assets	127
Note 6 - Pensions and Other Postemployment Benefits	130
Note 7 - Commitments and Operating Leases	145
Note 8 - Bonds Payable and Certificates of Participation	147
Note 9 - Installment Purchases, Capital Leases, and Public-Private Partnerships	158
Note 10 - Changes in Long-term Liabilities	161

Note 11 - Interfund Balances and Transfers.....	165
Note 12 - Risk Management.....	170
Note 13 - Florida Prepaid College Program.....	172
Note 14 - Insurance Enterprises.....	173
Note 15 - Contingencies.....	177
Note 16 - Litigation.....	179
Note 17 - Deficit Fund Balance and Net Position.....	181
Note 18 - Subsequent Events.....	182

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules - General and Major Special Revenue Funds.....	184
Budget to GAAP Reconciliation – General and Major Special Revenue Funds.....	189
Budgetary Reporting.....	190
Schedule of Proportionate Share and Schedule of State Contributions – Florida Retirement System - Pension.....	192
Schedule of Proportionate Share and Schedule of State Contributions – Retiree Health Insurance Subsidy Program - Pension.....	194
Schedule of Changes in Net Pension Liability and Schedule of State Contributions – Florida National Guard Supplemental Retirement Benefit Plan.....	197
Schedule of Changes in Other Postemployment Benefits Liability.....	198
Information About Infrastructure Assets Reported Using the Modified Approach.....	199

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES - NONMAJOR FUNDS

Governmental Funds

Fund Descriptions.....	204
Combining Balance Sheet.....	206
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	207

Special Revenue Funds

Fund Descriptions.....	208
Combining Balance Sheet.....	210
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	216
Budgetary Comparison Schedules.....	221

Capital Projects Funds

Fund Descriptions.....	237
Combining Balance Sheet.....	238
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	239

Debt Service Funds

Fund Descriptions.....	241
Combining Balance Sheet.....	242
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	243

Proprietary Funds

Enterprise Funds

Fund Descriptions.....	245
Combining Statement of Net Position.....	246
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	247
Combining Statement of Cash Flows.....	248

Internal Service Funds

Fund Descriptions.....	251
Combining Statement of Net Position.....	252
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	253
Combining Statement of Cash Flows.....	254

Fiduciary Funds

Private-purpose Trust Funds

Fund Descriptions	259
Combining Statement of Fiduciary Net Position	260
Combining Statement of Changes in Fiduciary Net Position	262

Pension and Other Employee Benefits Trust Funds

Fund Descriptions	265
Combining Statement of Fiduciary Net Position	266
Combining Statement of Changes in Fiduciary Net Position	268

Investment Trust Funds

Fund Descriptions	271
Combining Statement of Fiduciary Net Position	272
Combining Statement of Changes in Fiduciary Net Position	273

Agency Funds

Fund Descriptions	275
Combining Statement of Fiduciary Net Position	277
Combining Statement of Changes in Assets and Liabilities	278

Component Units

Component Unit Descriptions	281
Combining Statement of Net Position	283
Combining Statement of Activities	284

STATISTICAL SECTION

Table of Contents	289
Schedule A-1 Net Position by Component	290
Schedule A-2 Changes in Net Position	292
Schedule A-3 Fund Balances - Governmental Funds	296
Schedule A-4 Changes in Fund Balances - Governmental Funds	298
Schedule B-1 Revenue Base/Rate	300
Schedule B-2 Principal Sales Tax Payers by Industry	302
Schedule C-1 Ratios of Outstanding Debt by Type	304
Schedule C-2 Ratios of Net General Bonded Debt Outstanding	306
Schedule C-3 Legal Debt Margin	307
Schedule C-4 Pledged-Revenue Coverage	308
Schedule D-1 Demographic and Economic Statistics	314
Schedule D-2 Industry Sector Employment	316
Schedule E-1 Full-Time Equivalent State Employees by Function	318
Schedule E-2 Operating Indicators by Function	320
Schedule E-3 Capital Assets by Function	322

INTRODUCTORY SECTION



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

February 26, 2021

Citizens of the State of Florida
The Honorable Ron DeSantis, Governor
The Honorable Wilton Simpson, President of the Senate
The Honorable Chris Sprowls, Speaker of the House of Representatives

To the Citizens of Florida, Governor DeSantis, President Simpson, and Speaker Sprowls:

I am pleased to submit the State of Florida's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020, 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, 2020. 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

After recording nine consecutive years of positive growth in General Fund collections, Florida moved significantly into negative territory as the state's fiscal year ended on June 30, 2020. By coincidence, the National Bureau of Economic Research (NBER) announced in the same month that the peak in the current business cycle occurred in February 2020, marking the end of the longest economic expansion on record and placing the United States into a declared recession. While all Florida industries have been impacted in the near term by the pandemic-induced economic contraction, Florida's leisure and hospitality industry has borne the brunt of the longer-term consequences. The key drivers underlying the Florida-specific forecasts are discussed in greater detail below and show the sharp delineation between pre-pandemic and post-onset conditions.

Fluctuations in the state's Real Gross Domestic Product (GDP) data provide the best evidence of Florida's economic turmoil. Prior to the onset of the pandemic, the state's GDP for the 2019 calendar year showed positive growth that had slowed slightly from the prior year, but remained above the national average for the seventh consecutive year. With the beginning of the new year, circumstances changed. Even though the state's first two cases were not officially confirmed by the Department of Health until March 2nd, Florida's GDP declined by 4.3 percent at a seasonally adjusted annual rate in the first quarter of the 2020 calendar year (January, February and March 2020) as the virus spread throughout the rest of the United States. During the second quarter (April, May and June 2020), state and local governments undertook stringent protective measures, causing the state's GDP to plunge 30.1 percent, nearly matching the rate for the nation as a whole. Newly released GDP data for the third quarter of 2020 (July, August and September), when the reopening began in earnest, came in at +33.4 percent, exactly matching the rate for the United States. Even so, given the overall soaring numbers among states during this quarter, Florida's real growth at a seasonally adjusted annual rate only ranked 27th in the country. The latest Economic Estimating Conference projections are for -0.5 percent growth for the just completed 2019-20 fiscal year and +0.5 percent for the current fiscal year. The latest forecast then shows a 2.0 percent increase for the 2021-22 fiscal year and a subsequent return to the positive 2.2 to 2.8 percent range more typically found in Florida.

State employment conditions reveal a similar story. The job market in Florida experienced an unprecedented contraction in the second quarter of 2020 when many businesses either shut down or sent workers home to slow the spread of the coronavirus. Prior to that quarter, Florida's unemployment rate had dropped to 2.8 percent in January and February 2020, which, together with November 2019, became the months with the lowest recorded unemployment rates since the series began in 1976. With the onset of the pandemic, the unemployment rate spiked to 13.8 percent in April 2020, handily surpassing the prior peak rate of 11.3 percent experienced in January 2010 during the Great Recession. The change was breathtaking. Over the space of two months, the unemployment rate shifted from a near 50-year low to a near 50-year high. The Economic Estimating Conference believes that the unemployment rate peaked in the last quarter of the state's 2019-20 fiscal year at 13.8 percent and expects it to drop gradually to 5.8 percent by the last quarter of this fiscal year. Thereafter, the rate continues its slow downward drift until it plateaus at 3.7 percent from fiscal year 2025-26 through fiscal year 2027-28, moving in unison with the national rate and near the full-employment level of about 4 percent. In a related manner, employment dropped by nearly 1.2 million jobs from February 2020 to April 2020, a decline of 13.0 percent. As of November, Florida had regained 694,700 jobs out of the 1,178,100 million lost, or about 59 percent. After a 1.0 percent decline in the 2019-20 fiscal year, the Conference expects total non-farm employment to decline by 0.8 percent in the 2020-21 fiscal year and then rebound by 4.3 percent in the 2021-22 fiscal year. Given the unique circumstances wrought by the pandemic, jobs in leisure and hospitality are not expected to reach pre-pandemic levels until the 2023-24 fiscal year.

Prior to the confirmation of Florida's first cases, key state analysts had begun to develop potential scenarios for the possible course of the disease and its economic impact to the state. Over the summer months, the state's official estimating conferences met for the first time as collegial bodies to formally adopt forecasts based on the most likely path offered by those scenarios. After adopting new economic and population forecasts, the Revenue Estimating Conference convened in August 2020 to make substantial adjustments to the pre-pandemic forecast adopted in January 2020. Anticipated revenues were revised downward by \$3.4 billion for the 2020-21 fiscal year and by \$2.0 billion for the upcoming 2021-22 fiscal year, for a two-year combined decrease of \$5.4 billion. Shortly after the adoption of that forecast, consumers escalated the redirection of spending from the hard-hit service sector to purchases of goods, with some consumers also spending down the atypically large savings that built up during the pandemic. In addition, record low interest rates resulting from the Federal Reserve's actions to stem the severity of the pandemic's economic disruption triggered a surge in home buying and

refinancing. Reflecting these rapidly evolving events, revenue collections gained slightly over \$1.0 billion to the Conference expectations through November.

The Conference met again in December. Because the continuing risk to the forecast was still high due to the pandemic-induced economic effects on Florida's tourism-sensitive economy, it largely banked the year-to-date overage and assumed that the rest of the year would perform in accordance with the prior forecast. Anticipated revenues were revised upward by nearly \$1.5 billion in the 2020-21 fiscal year and by \$623 million in the 2021-22 fiscal year, for a two-year combined increase of \$2.1 billion—restoring 39.0 percent of the \$5.4 billion reduction taken in August. Overshadowing the positive aspects of the new forecast, the Conference was aware that the outbreak had recently intensified and, in so doing, introduced new risks to the forecast.

These risks are most acute for the sales tax forecast. As the pandemic took hold, sales tax collections plunged, falling by just over \$1.6 billion from the estimate for the last quarter of the state's 2019-20 fiscal year. A large part of the loss was related to declines in the tourism and hospitality-related industries. This is because Florida's tourism-sensitive economy is particularly vulnerable to the longer-term effects of the pandemic. Previous economic studies of disease outbreaks have shown that it can take as much as twelve to fifteen months after the outbreak ends for tourism to return to pre-disease levels. The magnitude of this event is greater. The total number of tourists declined 60.3 percent from the prior year in the second quarter of 2020. After that historic decline, tourism in the third quarter managed to recover to 35.4 percent of the prior year's level, buttressed by the stronger than anticipated number of domestic visitors travelling by car. Several industry groups have already predicted that it will take at least two years to reach recovery from this pandemic. Current expectations are that leisure driving vacations will recover first, and then—in order—business travel, domestic air travel, and international travel. The timing will be further influenced by the actual course of the disease and the recovery from the global recession. Bearing this in mind, the Economic Estimating Conference expects a continued contraction during the 2020-21 fiscal year, with a projected overall decline of 16.4 percent from the already suppressed 2019-20 level. Even nascent recovery in this industry is strongly linked to the widespread distribution of a vaccine. Since the Conference expects an effective vaccine to be widely deployed by the end of the 2020-21 fiscal year, the annual growth rate surges thereafter, albeit from an extremely low level. The new forecast levels never exceed pre-pandemic forecast levels, but come close towards the end of the ten-year forecast horizon.

According to the state's Long-Range Financial Outlook adopted in September 2020, the state is anticipating a large budget gap for the upcoming 2021-22 fiscal year, meaning the projected revenues will not meet all anticipated needs. At the time the report was adopted by the state's Legislative Budget Commission, the gap was projected to be as large as \$2,977.4 million, but with certain specified revenue adjustments could be reduced to \$2,749.9 million. Since the release of that document, a new round of estimating conferences has been held which generally improved the revenue outlook, but substantially increased the expected expenditures for programs such as Medicaid. In addition, the Long-Range Financial Outlook identifies potential future 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

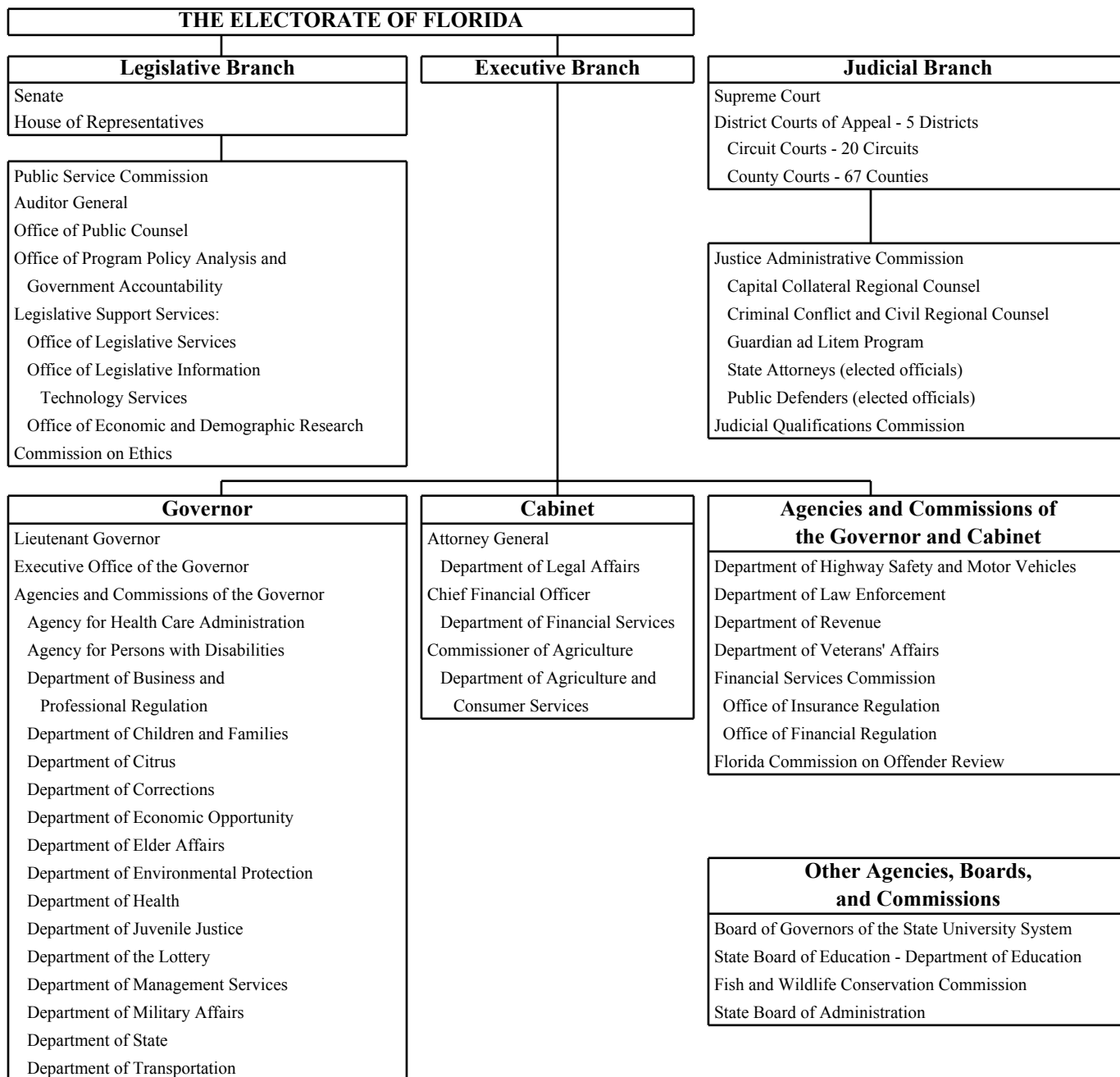
Preparation of the CAFR requires a significant investment of time and resources of fiscal and accounting personnel throughout the state. We appreciate all the contributions made to this effort.

Sincerely,



Jimmy Patronis
Chief Financial Officer

ORGANIZATION AT JUNE 30, 2020



PRINCIPAL OFFICIALS AT JUNE 30, 2020

Legislative Branch

Senate
 Bill Galvano, President
House of Representatives
 Jose R. Oliva, Speaker

Executive Branch

Ron DeSantis, Governor
Jeanette Nuñez, Lieutenant Governor
Cabinet
 Ashley Moody, Attorney General
 Jimmy Patronis, Chief Financial Officer
 Nicole "Nikki" Fried, Commissioner of Agriculture

Judicial Branch

Charles T. Canady, Chief Justice

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FINANCIAL SECTION

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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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Tallahassee, Florida 32399-1450



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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida, as of and for the fiscal year ended June 30, 2020, 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 34 percent and 9 percent, respectively, of the assets and revenues of the business-type activities.
- The Florida Turnpike System, which represents 80 percent and 89 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 28 percent and 9 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 6 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 91 percent and 48 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 63 percent and 36 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 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 unmodified and qualified audit opinions.

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Unmodified
Business-Type Activities	Qualified
Aggregate Discretely Presented Component Units	Unmodified
General Fund	Unmodified
Natural Resources, Environment, and Growth Management Fund	Unmodified
Public Education Fund	Unmodified
Health and Family Services Fund	Unmodified
Governmental - Transportation Fund	Unmodified
Proprietary - Transportation Fund	Unmodified
Lottery Fund	Unmodified
Hurricane Catastrophe Fund	Unmodified
Prepaid College Program Fund	Unmodified
Reemployment Assistance Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinions on Business-Type Activities and Reemployment Assistance Fund

During the fourth quarter of the 2019-20 fiscal year, Florida Department of Economic Opportunity (FDEO) management bypassed a key Reemployment Assistance Claims and Benefits Information System (RA System) internal control to expedite unemployment insurance (UI) benefit payments, thereby increasing the risk of improper UI benefit payments and undetected material misstatements. According to FDEO records, 2,365,513 initial UI benefit claims were processed through the key RA System internal control and benefit payments totaling \$8,921,910,565 were recorded during the period March 16, 2020, through June 30, 2020. However, despite the surge in UI benefit claims and RA System processing limitations that necessitated the bypass, FDEO records indicated that only 137,195 UI benefit claims, with associated payments totaling \$623,028,301, bypassed the key internal control during the period March 16, 2020, through June 30, 2020. Because of this, we were unable to obtain sufficient appropriate audit evidence to conclude that the Receivables, net, Operating Revenues – Other, and Net Position – Restricted for Reemployment Assistance in the Reemployment Assistance Fund were free from material misstatement. Accounting principles generally accepted in the United States of America (GAAP) require that an asset and a revenue be recognized for the amount of UI benefit payments expected to be reclaimed when eligibility requirements are no longer met and that net position be restricted when constraints on use are either imposed by laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The amount by which these GAAP departures would affect the Reemployment Assistance Fund's Receivables, net, Operating Revenues – Other, and Net Position – Restricted for Reemployment Assistance and, consequently, the Business-Type Activities has not been determined.

Qualified Opinions

In our opinion, except for the effects of the matters described in the “Basis for Qualified Opinions on Business-Type Activities and Reemployment Assistance Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Business-Type Activities and Reemployment Assistance Fund of the State of Florida, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities; the aggregate discretely presented component units; the General Fund; Natural Resources, Environment, and Growth Management Fund; Public Education Fund; Health and Family Services Fund; Transportation Governmental Fund; Transportation Proprietary Fund; Lottery Fund; Hurricane Catastrophe Fund; Prepaid College Program Fund; and the aggregate remaining fund information of the State of Florida, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis on pages 19 through 25 and the budgetary information, funding and contribution information for pension and other postemployment benefits, and information on infrastructure using the modified approach on pages 184 through 200 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 9 and the combining and individual fund statements, related budgetary comparison schedules, and Statistical Section on pages 204 through 323 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and related budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's 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 26, 2021

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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, 2020 (fiscal year 2019-20). 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.

	Government-wide Financial Statements	Fund Financial Statements		
		<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
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	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • All assets and liabilities, both financial and capital, and short-term and long-term • All deferred outflows and deferred inflows of resources 	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • All assets and liabilities, both financial and capital, and short-term and long-term • All deferred outflows and deferred inflows of resources 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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, 2020, and 2019, derived from the government-wide Statement of Net Position. The state's net position at the close of the fiscal year was \$69.7 billion for governmental activities and \$29.5 billion for business-type activities which was a combined total of \$99.2 billion for the primary government. The three components of net position include net investments in capital assets; restricted; and unrestricted. The largest component, totaling \$87 billion as of June 30, 2020, 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 \$26.7 billion as of June 30, 2020. 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 \$15.5 billion at June 30, 2020. This deficit primarily results from education-related bonds for which the state is responsible for the liability while the related assets are owned by local school districts and are therefore not included in the state's financial statements. Refer to Note 8 to the financial statements, Governmental Activities – Unrestricted Net Position Deficit, for more information.

Business-type activities reflect a restricted net position of \$16.6 billion at June 30, 2020, a decrease of \$2.1 billion over the prior year. The decrease 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 34,148	\$ 29,069	\$ 39,440	\$ 41,489	\$ 73,588	\$ 70,558
Capital assets, net	81,110	78,538	15,236	14,141	96,346	92,679
Total assets	115,258	107,607	54,676	55,630	169,934	163,237
Total deferred outflows of resources	5,023	4,115	122	103	5,145	4,218
Other liabilities	8,712	3,889	9,450	3,764	18,162	7,653
Noncurrent liabilities	39,060	38,156	15,639	20,975	54,699	59,131
Total liabilities	47,772	42,045	25,089	24,739	72,861	66,784
Total deferred inflows of resources	2,839	2,854	215	220	3,054	3,074
Net position						
Net investments in capital assets	75,163	72,832	12,022	10,934	87,185	83,766
Restricted	10,057	10,232	16,627	18,702	26,684	28,934
Unrestricted	(15,550)	(16,241)	845	1,138	(14,705)	(15,103)
Total net position	\$ 69,670	\$ 66,823	\$ 29,494	\$ 30,774	\$ 99,164	\$ 97,597

Statement of Activities

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2019-20 and fiscal year 2018-19, 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 \$1.6 billion. The net position of governmental activities increased by \$2.8 billion, and the net position of business-type activities decreased by \$1.3 billion. The majority of the increase in total program expenses for governmental activities relates to a \$1.7 billion increase in General Government expense after \$2.8 billion increase in Human Services expenses, while the largest increase in business-type activities expenses is the \$8.8 billion increase in Reemployment Assistance 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	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 8,184	\$ 8,571	\$ 12,141	\$ 12,973	\$ 20,325	\$ 21,544
Operating grants and contributions	34,671	29,280	6,847	5	41,518	29,285
Capital grants and contributions	2,077	2,310	14	13	2,091	2,323
Total program revenues	44,932	40,161	19,002	12,991	63,934	53,152
General revenues and payments						
Sales and use tax	26,936	27,999	—	—	26,936	27,999
Other taxes	14,064	14,678	—	—	14,064	14,678
Investment earnings (loss)	887	662	11	13	898	675
Miscellaneous	—	—	3	3	3	3
Total general revenues and payments	41,887	43,339	14	16	41,901	43,355
Total revenues	86,819	83,500	19,016	13,007	105,835	96,507
Program expenses						
General government	9,615	7,881	—	—	9,615	7,881
Education	23,297	23,157	—	—	23,297	23,157
Human services	39,400	36,579	—	—	39,400	36,579
Criminal justice and corrections	5,179	4,829	—	—	5,179	4,829
Natural resources and environment	3,187	3,291	—	—	3,187	3,291
Transportation	4,301	4,394	843	774	5,144	5,168
Judicial branch	695	621	—	—	695	621
Lottery	—	—	5,653	5,234	5,653	5,234
Hurricane Catastrophe Fund	—	—	1,556	4,019	1,556	4,019
Prepaid College Program	—	—	899	1,016	899	1,016
Reemployment Assistance	—	—	9,191	386	9,191	386
Nonmajor enterprise funds	—	—	389	407	389	407
Indirect interest on long term debt	67	38	—	—	67	38
Total program expenses	85,741	80,790	18,531	11,836	104,272	92,626
Excess (deficiency) before gain (loss) and transfers	1,078	2,710	485	1,171	1,563	3,881
Gain (loss) on sale of capital assets	5	(290)	(1)	(2)	4	(292)
Transfers	1,763	1,865	(1,763)	(1,865)	—	—
Change in net position	2,846	4,285	(1,279)	(696)	1,567	3,589
Beginning net position, as restated (Note 1)	66,824	62,538	30,773	31,470	97,597	94,008
Ending net position	\$ 69,670	\$ 66,823	\$ 29,494	\$ 30,774	\$ 99,164	\$ 97,597

Major Fund Analysis

Governmental Funds

The state's governmental funds reported a combined ending fund balance of \$20.6 billion at June 30, 2020, a \$458 million or 2.3 percent increase from the prior year. Revenues increased by \$3.6 billion or 4.3 percent, other financing sources and uses decreased by \$109 million or 3.5 percent, and expenditures increased by \$4.9 billion or 5.8 percent. Overall increases in revenues and expenditures were primarily attributable to a rise in grants and donations.

Proprietary Funds

The state's proprietary funds report combined ending net position of \$29.5 billion at June 30, 2020, of which \$12.0 billion is the net investment in capital assets, and \$16.6 billion is restricted for specific purposes. The remaining \$845 million was unrestricted and available for purposes of the various funds. Information is provided below regarding major funds with significant variances relative to the prior year.

Lottery – This fund reported a net position of \$89 million at June 30, 2020, an increase of \$4 million or 4.8 percent. Assets increased \$189.7 million or 28.1 percent while liabilities increased \$185.7 million or 31.4 percent. Assets increased primarily due to increases in receivables and pooled investments with State Treasury. Liabilities increased primarily due to increases in amounts owed to prizewinners and the Education Enhancement Trust Fund.

Reemployment Assistance – This fund reported a net position of \$2.3 billion at June 30, 2020, a decrease of \$1.8 billion or 44.1 percent. Revenues increased by \$6.8 billion or 1,148.7 percent while expenses and operating transfers out increased by \$8.8 billion or 2,210.6 percent. Revenues increased as result of the COVID-19 pandemic during the fiscal year. The increase in expenses and operating transfers out were due to higher reemployment assistance during the COVID-19 pandemic.

Hurricane Catastrophe Fund – The net position at June 30, 2020, totaled \$10.4 billion, an increase of \$64 million or 0.6 percent. Liabilities decreased \$1.5 billion or 23 percent while expenditures decreased by \$2.5 billion or 62 percent due to no additional hurricane loss events attributable to the Fund occurring in fiscal year ending 2020 and the estimate of the ultimate loss for Hurricane Irma not increasing as much as in prior fiscal years.

Prepaid College Program – The net position at June 30, 2020, totaled \$3.6 billion, a decrease of \$134 million or 3.6 percent. Revenues decreased by \$998.5 million or 56.6 percent. The decrease in revenues and net position was primarily due to the \$719 million rollback refund in January 2020 and the impacts of COVID-19 related decisions, one of which was the extension and deferment of all contract payments for three months.

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 \$26 million decrease between the original and final estimated revenues. Final budgeted total expenditures increased by \$1 billion 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, 2020, the state reported \$81.1 billion in net capital assets for governmental activities and \$15.2 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2018-19 to fiscal year 2019-20 by approximately 4.0 percent. The increase is primarily due to the capitalization of construction costs for infrastructure projects. Capitalized infrastructure projects include additions to and/or enhancements of roadways and bridges on the state's highway system. Construction commitments by the Florida Department of Transportation were approximately \$12.8 billion. Construction commitments by other state agencies for major projects including office buildings and correctional facilities decreased by \$81 million compared to the prior year. Refer to Note 5 to the financial statements for information on capital assets and Note 7 to the financial statements for information on construction commitments.

Long-term Debt Activity

Total bonded debt outstanding decreased by \$1.6 billion, or approximately 8.5 percent, from the prior fiscal year to a total of \$17.1 billion at June 30, 2020 due to new debt issued being less than scheduled amortization and debt service payments. The

majority of the outstanding bonded debt serves to finance educational facilities (\$8.9 billion), the Florida Hurricane Catastrophe Fund (\$1.7 billion) and transportation (\$5 billion). New and refinanced bonded debt issues for 2020 totaled \$2.0 billion. Public-Private Partnership (PPP) contracts outstanding increased from the prior year by \$84 million or 2.9 percent to a total of \$2.8 billion. The annual debt service requirements increased from \$2 billion in 2019 to \$2.3 billion in 2020. The increase in debt service in Fiscal Year 2020 reflected the impact of PPP payments. The annual debt service is projected to decrease to approximately \$2.3 billion through Fiscal Year 2022, then continue to decrease to approximately \$1.8 billion in Fiscal Year 2023, reflecting the payment obligations for the PPP I-395 and I-4 Projects.

Pursuant to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the State of Florida recorded \$8.8 billion in pension liabilities for the defined benefit plans it administers for the fiscal year ended June 30, 2020. The \$8.8 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.)

Pursuant to the provisions of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the State of Florida recorded \$9.2 billion in other postemployment benefits liabilities for the fiscal year ended June 30, 2020. This resulted in a increase of \$1.4 billion or 17.4 percent. (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, 2020, all three major rating agencies (Standard & Poor’s Rating Services, Fitch Ratings and Moody’s Investors Services) rated the state in the highest rating category and have affirmed the State’s AAA general obligation rating and Stable outlooks. The state’s benchmark debt ratio increased in Fiscal Year 2020 to 5.49 percent and is projected to remain below the 6 percent policy 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 2020 Debt 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 2019-20 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

The national economy contracted at its greatest rate in postwar history during the second quarter of the calendar year (April, May and June 2020) as unprecedented shutdowns closed businesses and left millions of Americans out of work during the pandemic. As a result of the pandemic-induced economic contraction, General Fund tax collections for the state’s fiscal year ended June 30, 2020, came in 6.1 percent lower than the prior fiscal year, the largest year-over-year decline since the worst years of the Great Recession (the 2007-08 and 2008-09 fiscal years). Prior to the pandemic, the state had been expecting a 0.5 percent decline in final collections that was related to the known loss of the Indian Gaming revenue share payment. The last payment from the Seminole Tribe was received in April 2019. Because formal stay-at-home orders were in place statewide for a significant part of the last quarter of the state’s fiscal year and are not anticipated to be reinstated, the negative growth rate for fiscal year 2019-20 is not projected to continue into future years. The state’s official forecast contains elevated annual growth rates after the expected widespread distribution of a vaccine early in the 2021-22 fiscal year that gradually drop back to the 3.5 percent annual growth projected for the long run.

A significant portion (38.8 percent) of the year-over-year net decline in General Fund receipts (total revenue minus refunds) came from the loss in sales tax collections. Over the past 15 years, this revenue source's share of the fund has grown from 70.6 percent in fiscal year 2004-05 to 78.4 percent in fiscal year 2019-20, which means that even a modest reduction in collections from the prior year translates into a nontrivial dollar loss. As the economy faltered during the pandemic, total sales tax liability declined 3.2 percent from fiscal year 2018-19 to fiscal year 2019-20, with four of the state's six sales tax categories used for reporting purposes (nondurables, tourism and recreation, autos and accessories, and other durables) showing negative growth over the prior year. This equates to an \$888.7 million retreat from the prior year's level for this source, of which \$794.0 million impacted the General Fund. Because the state's Revenue Estimating Conference had previously expected sales tax growth of 3.2 percent, the loss from that estimate was even greater—nearly \$1.6 billion or 6.1 percent from the anticipated level.

In addition to sales tax, collections of three other general fund sources were materially affected by the state's Safer at Home orders or other limitations on activity: article V fees and transfers; beverage taxes; and pari-mutuel taxes. The loss in article V fees was largely related to the closure of courts and various other state and local government offices, as well as federal and state actions to provide forbearance on delinquent payments and foreclosures. Reduced collections of beverage taxes were caused by activity limitations on bars and restaurants, while reduced collections of pari-mutuel taxes were caused by the temporary closure of those facilities.

Altogether, nearly two-thirds of the state's general fund sources posted losses over the prior year, with four of those sources (corporate income tax; highway safety fees; corporate filing fees; and other taxes, licenses and fees) affected by formal state orders delaying payment of the applicable taxes or fees until June 2020 or later. Prior to the onset of the pandemic, each of these revenue sources had been coming in close to or over the monthly estimates adopted by the state's Revenue Estimating Conference. While a portion of the induced losses had begun to be recaptured in June 2020, final recoupment spilled over into the next fiscal year.

Rather than harmed, several revenue sources performed better than expected or benefited from government actions to provide relief and support during the first crucial stage of the pandemic. Among these sources, collections of both the documentary stamp and intangibles taxes rely predominantly on activity in the state's real estate market. To provide an important firewall between the turmoil in the economy at-large and the financial system, the Federal Reserve aggressively instituted rate cuts to near-zero percent, backstopped credit markets and created new facilities to buy corporate debt. One result was record low interest rates that set off a surge of home buying and refinancing. This market environment enabled total documentary stamp tax collections to experience 8.4 percent growth in fiscal year 2019-20 over fiscal year 2018-19, despite dampened activity after the imposition of the first Safer at Home order. Total collections from this source finally ended the year at 70.8 percent of the peak level in fiscal year 2005-06, an improvement over prior years. Reflecting a slightly different aspect of the market, intangibles tax collections, which entirely benefit the General Fund, strengthened as refinancing activity surged in response to the low interest rates, ultimately posting a 28.0 percent gain over the prior year.

Similarly, Earnings on Investments benefited from the enactment of federal legislation to provide relief during the pandemic. One such law, the Coronavirus Aid, Relief, and Economic Security [CARES] Act, provided substantial federal government support to individuals, businesses, hospitals, and specific industries dealing with the pandemic and its associated economic consequences. [Public Law No: 116-136; enacted 03/27/2020] Among other things, the legislation created the Coronavirus Relief Fund within the U.S. Department of the Treasury to fund necessary state and local government expenditures incurred due to the COVID-19 public health emergency. Florida's total allocation was \$8,328.2 million, of which \$2,472.4 million was distributed by the U.S. Department of the Treasury directly to Florida local governments with populations greater than 500,000. The remaining \$5,855.8 million was transferred to the State of Florida and deposited in the state treasury. The large cash infusion into the General Fund and the resulting temporary increase in the state's daily balance produced unanticipated opportunities for investment earnings that contributed to a 65.2 percent gain over the prior year.

The remaining revenue sources were either only marginally affected by the negative effects of the Coronavirus outbreak or behaved as forecast by the state's Revenue Estimating Conference prior to the pandemic. At the end of the 2019-20 state fiscal year, net General Fund collections ended with a loss from the estimate for the General Revenue Fund of nearly \$1.9 billion, down 5.7 percent from the estimate adopted in January 2020 when the last pre-pandemic forecast was made.

The Revenue Estimating Conference met in December 2020 to revise the General Fund forecast for fiscal years 2020-21 and 2021-22. Through November, revenue collections had gained slightly over \$1.0 billion to the Conference expectations at its prior meeting, with reason to believe that December collections would add to the overage. Because the continuing risk to the forecast is still high due to the pandemic-induced economic effects on Florida's tourism-sensitive economy, the Revenue Estimating Conference largely banked the year-to-date overage and assumed that the rest of the year would perform in accordance with the prior forecast. As a result, the Conference made sizeable adjustments to the forecast adopted in

August 2020. Anticipated revenues were revised upward by nearly \$1.5 billion in fiscal year 2020-21 and by \$623 million in fiscal year 2021-22, for a two-year combined increase of \$2.1 billion—restoring 39.0 percent of the \$5.4 billion reduction taken in August. These changes reflect increases over the previous estimates of 4.8 percent in fiscal year 2020-21 and 1.8 percent in fiscal year 2021-22.

As a buffer against the ongoing financial shock wrought by the pandemic, the latest General Revenue Outlook shows that there will be \$1,947.0 million 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 \$1,674.2 million. The fund cash balance is now at the highest recorded level in its history. The other source most frequently mentioned as part of the state's informal reserve system is the Lawton Chiles Endowment Fund (LCEF). The LCEF had an estimated market value of \$862.0 million as of September 30, 2020, bringing the total of all reserves to \$4,483.2 million or 13.8 percent of the state's estimated General Fund tax collections for the current year (after payment of refunds). According to the state's Long-Range Financial Outlook adopted in September 2020, the state is anticipating a large budget gap for the upcoming fiscal year (2021-22), meaning the projected revenues will not meet all anticipated needs. At the time the report was adopted by the state's Legislative Budget Commission, the gap was projected to be as large as \$2,977.4 million, but with certain specified revenue adjustments could be reduced to \$2,749.9 million. Since the release of that document, a new round of estimating conferences has been held which generally improved the revenue outlook but substantially increased the expected expenditures for programs such as Medicaid.

Contact the State's Financial Management

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

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

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**FINANCIAL
SECTION:
BASIC FINANCIAL
STATEMENTS**

**STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and cash equivalents	\$ 72,169	\$ 46,156	\$ 118,325	\$ 2,315,239
Pooled investments with State Treasury	22,778,300	4,048,567	26,826,867	3,648,571
Other investments	1,388,044	30,848,848	32,236,892	17,358,197
Receivables, net	5,612,678	2,119,581	7,732,259	2,094,123
Internal balances	368,802	(368,802)	—	—
Due from component units/primary	13,050	500	13,550	558,699
Inventories	45,750	11,793	57,543	117,437
Restricted cash and cash equivalents	—	156	156	558,049
Restricted pooled investments with State Treasury	—	204,890	204,890	879,036
Restricted investments	—	571,833	571,833	7,021,147
Advances to other entities	792,217	—	792,217	—
Other loans and notes receivable, net	3,074,129	1,913,677	4,987,806	2,323,901
Other assets	2,294	42,413	44,707	719,516
Capital assets, net	81,110,399	15,236,069	96,346,468	26,645,952
Total assets	115,257,832	54,675,681	169,933,513	64,239,867
DEFERRED OUTFLOWS OF RESOURCES				
Accum. decrease in fair value - hedging derivatives	—	—	—	73,571
Grants paid in advance	—	—	—	15
Amount deferred on refunding of debt	88,979	25,304	114,283	56,032
Pension-related items	3,506,810	57,279	3,564,089	1,586,666
Other postemployment benefits	1,426,951	39,760	1,466,711	658,289
Asset retirement obligations	—	—	—	8,883
Total deferred outflows of resources	5,022,740	122,343	5,145,083	2,383,456
LIABILITIES				
Accounts payable and accrued liabilities	3,030,724	2,124,850	5,155,574	2,663,336
Due to other governments	—	11,552	11,552	—
Due to component units/primary	70,080	431	70,511	76,386
Obligations under security lending agreements	1,602,500	2,529,535	4,132,035	—
Long-term liabilities				
Due within one year	4,008,740	4,783,717	8,792,457	2,256,992
Due in more than one year	39,059,709	15,638,479	54,698,188	17,539,201
Total liabilities	47,771,753	25,088,564	72,860,317	22,535,915
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement receipts	—	134,632	134,632	114,186
Grants received in advance	—	—	—	1,535
Amount deferred on refunding of debt	99,647	16,625	116,272	2,361
Pension-related items	878,419	16,003	894,422	403,043
Other postemployment benefits liability	1,860,536	48,029	1,908,565	595,704
Irrevocable split-interest agreements	—	—	—	57,815
Total deferred inflows of resources	2,838,602	215,289	3,053,891	1,174,644
NET POSITION				
Net investments in capital assets	75,163,014	12,022,039	87,185,053	22,316,177
Restricted for				
Natural resources, environment, and growth management	4,170,683	—	4,170,683	—
Public Education	405,676	—	405,676	—
Health and Family Services	1,781,785	—	1,781,785	—
Transportation	1,698,367	249,847	1,948,214	—
Nonmajor governmental funds	1,269,395	—	1,269,395	—
Debt service	30,391	—	30,391	42,874
Lottery	—	139,270	139,270	—
Prepaid College Program	—	3,566,380	3,566,380	—
Hurricane Catastrophe Fund	—	10,351,755	10,351,755	—
Reemployment Assistance	—	2,318,051	2,318,051	—
Other	700,498	2,132	702,630	8,073,842
Funds held for permanent endowment				
Expendable	—	—	—	1,030,666
Nonexpendable	—	—	—	3,687,250
Unrestricted	(15,549,592)	844,697	(14,704,895)	7,761,955
Total net position	\$ 69,670,217	\$ 29,494,171	\$ 99,164,388	\$ 42,912,764

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

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 9,614,755	\$ 4,631,524	\$ 4,203,924	\$ 9,953	\$ (769,354)
Education	23,297,022	293,948	2,438,758	93	(20,564,223)
Human services	39,400,204	2,186,607	26,438,632	28,461	(10,746,504)
Criminal justice and corrections	5,178,908	272,613	157,720	615	(4,747,960)
Natural resources and environment	3,187,110	387,081	1,336,635	—	(1,463,394)
Transportation	4,301,255	318,386	94,037	2,037,737	(1,851,095)
Judicial branch	694,616	93,555	1,791	—	(599,270)
Indirect interest on long-term debt	66,581	—	—	—	(66,581)
Total governmental activities	85,740,451	8,183,714	34,671,497	2,076,859	(40,808,381)
Business-type activities:					
Transportation	842,859	1,189,112	—	—	346,253
Lottery	5,653,279	7,570,838	—	—	1,917,559
Hurricane Catastrophe Fund	1,556,717	1,631,661	—	—	74,944
Prepaid College Program	898,935	764,072	—	—	(134,863)
Reemployment Assistance	9,191,215	526,593	6,846,162	—	(1,818,460)
Nonmajor enterprise funds	388,942	459,066	646	14,170	84,940
Total business-type activities	18,531,947	12,141,342	6,846,808	14,170	470,373
Total primary government	\$ 104,272,398	\$ 20,325,056	\$ 41,518,305	\$ 2,091,029	\$ (40,338,008)
Component units					
Florida Housing Finance Corporation	\$ 194,772	\$ 259,819	\$ —	\$ —	\$ 65,047
University of Florida	6,464,824	4,225,924	1,073,015	60,688	(1,105,197)
Citizens Property Insurance Corporation	764,734	617,888	—	—	(146,846)
Nonmajor component units	13,796,903	3,535,802	4,263,283	572,683	(5,425,135)
Total component units	\$ 21,221,233	\$ 8,639,433	\$ 5,336,298	\$ 633,371	\$ (6,612,131)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net (expense) revenue	\$ (40,808,381)	\$ 470,373	\$ (40,338,008)	\$ (6,612,131)
General revenues:				
Taxes				
Sales and use tax		26,936,491	—	26,936,491
Fuel taxes		3,048,047	—	3,048,047
Corporate income tax		2,509,887	—	2,509,887
Documentary stamp tax		2,829,050	—	2,829,050
Intangible personal property tax		488,765	—	488,765
Communications service tax		927,396	—	927,396
Beverage and tobacco taxes		1,398,145	—	1,398,145
Insurance premium tax		1,225,176	—	1,225,176
Gross receipts utilities tax		732,663	—	732,663
Property taxes		—	—	498,201
Other taxes		904,529	—	904,529
Investment earning (loss)		886,544	11,173	897,717
Gain (loss) on sale of capital assets		5,111	(998)	4,113
Payments from the State of Florida		—	—	4,764,824
Emergency assessments		—	—	—
Miscellaneous		1	3,174	3,175
Transfers		1,762,981	(1,762,981)	—
Contributions to permanent funds		—	—	107,685
Total general revenues, transfers and contributions	43,654,786	(1,749,632)	41,905,154	7,633,685
Changes in net position	2,846,405	(1,279,259)	1,567,146	1,021,554
Net position - beginning, as restated (Note 1)	66,823,812	30,773,430	97,597,242	41,891,210
Net position - ending	\$ 69,670,217	\$ 29,494,171	\$ 99,164,388	\$ 42,912,764

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

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

Major Funds

GENERAL FUND

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

NATURAL RESOURCES, ENVIRONMENT, AND GROWTH MANAGEMENT

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 204.

**BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 19,577	\$ 9,783	\$ —	\$ 5,699
Pooled investments with State Treasury	12,701,541	2,388,730	888,921	1,710,729
Other investments	1,099,784	—	—	—
Receivables, net	1,961,384	236,874	28,241	2,199,130
Due from other funds	235,973	59,357	157,577	173,360
Due from component units/primary	344	432	10,905	—
Inventories	7,725	748	—	27,068
Other	1,826	—	—	—
Total current assets	16,028,154	2,695,924	1,085,644	4,115,986
<u>Noncurrent assets</u>				
Long-term investments	—	—	—	—
Advances to other funds	1,125	—	—	—
Advances to other entities	3,759	736	747,012	—
Other loans and notes receivable, net	5,365	1,759,394	1,268	32,782
Total noncurrent assets	10,249	1,760,130	748,280	32,782
Total assets	16,038,403	4,456,054	1,833,924	4,148,768
DEFERRED OUTFLOWS OF RESOURCES				
Grants paid in advance	—	—	—	—
Total deferred outflows of resources	—	—	—	—
Total assets and deferred outflows	16,038,403	4,456,054	1,833,924	4,148,768
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	708,196	55,086	26,542	693,351
Due to other funds	626,056	10,866	4,077	66,012
Due to component units/primary	16,264	36,540	179	14,888
Compensated absences	17,054	2,699	1	1,804
Claims payable	103,482	—	—	610,442
Deposits	6,897	22,484	9,077	729
Obligations under security lending agreements	1,257,407	79,584	45,540	3,734
Total current liabilities	2,735,356	207,259	85,416	1,390,960
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	986,684	—
Deposits	3,896,767	—	—	—
Total noncurrent liabilities	3,896,767	—	986,684	—
Total liabilities	6,632,123	207,259	1,072,100	1,390,960
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	163,250	2,334	—	932,203
Total deferred inflows of resources	163,250	2,334	—	932,203
FUND BALANCES				
Nonspendable	11,959	748	—	27,068
Restricted	73,252	2,828,858	1,239,797	270,298
Committed	1,293,157	1,416,855	380,604	1,528,239
Unassigned	7,864,662	—	(858,577)	—
Total fund balances	9,243,030	4,246,461	761,824	1,825,605
Total liabilities, deferred inflows and fund balances	\$ 16,038,403	\$ 4,456,054	\$ 1,833,924	\$ 4,148,768

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

Transportation	Nonmajor Governmental Funds	Totals 6/30/20
\$ 784	\$ 24,425	\$ 60,268
2,243,914	2,024,988	21,958,823
—	206,039	1,305,823
339,826	655,970	5,421,425
253,708	157,424	1,037,399
—	1	11,682
7,777	2,432	45,750
8	460	2,294
<u>2,846,017</u>	<u>3,071,739</u>	<u>29,843,464</u>
—	37,926	37,926
116,795	—	117,920
40,710	—	792,217
493,032	782,288	3,074,129
<u>650,537</u>	<u>820,214</u>	<u>4,022,192</u>
<u>3,496,554</u>	<u>3,891,953</u>	<u>33,865,656</u>
—	—	—
—	—	—
<u>3,496,554</u>	<u>3,891,953</u>	<u>33,865,656</u>
692,338	347,313	2,522,826
34,453	197,540	939,004
—	2,209	70,080
384	1,205	23,147
—	4,447	718,371
609,142	151,732	800,061
108,711	70,387	1,565,363
<u>1,445,028</u>	<u>774,833</u>	<u>6,638,852</u>
—	737	987,421
—	11,368	3,908,135
—	12,105	4,895,556
<u>1,445,028</u>	<u>786,938</u>	<u>11,534,408</u>
353,160	301,079	1,752,026
<u>353,160</u>	<u>301,079</u>	<u>1,752,026</u>
7,785	6,912	54,472
50	1,502,513	5,914,768
1,690,531	1,294,511	7,603,897
—	—	7,006,085
<u>1,698,366</u>	<u>2,803,936</u>	<u>20,579,222</u>
<u>\$ 3,496,554</u>	<u>\$ 3,891,953</u>	<u>\$ 33,865,656</u>

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

Total fund balances for governmental funds		\$ 20,579,222
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	20,447,216	
Nondepreciable infrastructure	52,713,027	
Buildings, equipment and other depreciable assets	7,091,920	
Accumulated depreciation	(4,781,162)	
Construction work in progress	4,686,302	
	80,157,303	
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(743,726)	
Installment purchases/capital leases/public-private partnership agreements	(2,801,520)	
Claims payable	(1,751,030)	
Bonds payable	(12,610,314)	
Certificates of participation payable	(63,860)	
Pension liability	(8,540,746)	
Other postemployment benefits	(8,812,976)	
Due to other governments	(358,529)	
Other	(17,492)	
	(35,700,193)	
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.		(6,829)
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.		2,601,913
Deferred amounts for other postemployment 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.		(424,588)
Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Position.		(29,181)
Assets (receivables) not available to provide current resources are offset with deferred inflows of resources in the fund statements. The reduction of the deferred inflow and recognition of revenue increases net position in the Statement of Net Position.		1,752,026
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.		740,544
Net position of governmental activities		\$ 69,670,217

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

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STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services
REVENUES				
Taxes	\$ 35,915,086	\$ 290,135	\$ 1,062,063	\$ 730,581
Licenses and permits	256,563	50,142	990	37,072
Fees and charges	1,417,351	151,024	61,415	1,427,941
Grants and donations	1,873,588	250,405	2,484,170	26,272,780
Investment earnings (losses)	787,493	93,965	77,035	10,067
Fines, forfeits, settlements and judgments	284,197	4,589	131,397	41,730
Other	65	17,181	17,548	595,660
Total revenues	40,534,343	857,441	3,834,618	29,115,831
EXPENDITURES				
Current:				
General government	5,353,432	21,015	—	183,391
Education	17,529,269	—	5,263,593	—
Human services	8,875,809	—	—	30,044,276
Criminal justice and corrections	3,940,581	—	—	—
Natural resources and environment	599,169	1,215,455	—	—
Transportation	80,199	—	—	—
Judicial branch	459,762	—	—	—
Capital outlay	112,036	105,894	15	18,815
Debt service:				
Principal retirement	9,391	—	—	—
Interest and fiscal charges	4,159	—	—	—
Total expenditures	36,963,807	1,342,364	5,263,608	30,246,482
Excess (deficiency) of revenues over expenditures	3,570,536	(484,923)	(1,428,990)	(1,130,651)
OTHER FINANCING SOURCES (USES)				
Proceeds of bond issues	2,958	—	43,206	—
Proceeds of refunding bonds	—	—	—	—
Proceeds of financing agreements	23,562	—	—	—
Operating transfers in	856,514	1,109,710	2,402,509	1,639,982
Operating transfers out	(4,032,832)	(346,416)	(1,179,269)	(496,396)
Payments to refunded bond agent	—	—	—	—
Total other financing sources (uses)	(3,149,798)	763,294	1,266,446	1,143,586
Net change in fund balances	420,738	278,371	(162,544)	12,935
Fund balances - beginning, as restated (Note 1)	8,822,292	3,968,090	924,368	1,812,670
Fund balances - ending	\$ 9,243,030	\$ 4,246,461	\$ 761,824	\$ 1,825,605

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

Transportation	Nonmajor Governmental Funds	Totals 6/30/20
\$ 2,762,052	\$ 220,924	\$ 40,980,841
14,327	1,682,343	2,041,437
391,066	707,050	4,155,847
2,107,979	3,971,797	36,960,719
94,607	95,132	1,158,299
2,748	474,333	938,994
21,832	75,184	727,470
<u>5,394,611</u>	<u>7,226,763</u>	<u>86,963,607</u>
193,229	3,844,191	9,595,258
—	210,188	23,003,050
—	429,953	39,350,038
—	592,236	4,532,817
—	1,239,805	3,054,429
4,071,849	128	4,152,176
—	89,089	548,851
2,741,942	149,653	3,128,355
410,800	1,087,084	1,507,275
60,830	559,069	624,058
<u>7,478,650</u>	<u>8,201,396</u>	<u>89,496,307</u>
<u>(2,084,039)</u>	<u>(974,633)</u>	<u>(2,532,700)</u>
348,000	3,597	397,761
—	1,381,184	1,381,184
496,421	—	519,983
1,979,919	3,419,043	11,407,677
(784,515)	(2,495,719)	(9,335,147)
—	(1,381,184)	(1,381,184)
<u>2,039,825</u>	<u>926,921</u>	<u>2,990,274</u>
<u>(44,214)</u>	<u>(47,712)</u>	<u>457,574</u>
<u>1,742,580</u>	<u>2,851,648</u>	<u>20,121,648</u>
<u>\$ 1,698,366</u>	<u>\$ 2,803,936</u>	<u>\$ 20,579,222</u>

**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, 2020
(in thousands)**

Net change in fund balance - total governmental funds	\$	457,574
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.		
		190,695
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	3,128,352	
Capital asset transfers, net	(302,371)	
Depreciation expense	(285,170)	
		2,540,811
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.		
		50,915
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.		
		26,748
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences	(23,892)	
Decrease in accrued interest	7,043	
Decrease in claims payable	181,675	
Increase in other postemployment benefits	(350,448)	
Increase in net pension related items	(1,008,912)	
Decrease in due to other governments	19,720	
Increase in other liabilities	(4,440)	
		(1,179,254)
The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayments 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 amortized in the Statement of Activities.		
Bond proceeds	(397,761)	
Refunding bond proceeds	(1,381,184)	
Financing agreement proceeds	(519,983)	
Repayment of bonds	1,083,737	
Repayment of capital leases/installment purchase contracts	423,537	
Payment to refunded bond escrow agent	1,381,184	
Amortization of bond premium	195,718	
Amortization of amount deferred on refunding of debt	(7,921)	
Accrued interest payable at refunding	(18,411)	
		758,916
Change in net position of governmental activities	\$	<u>2,846,405</u>

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

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PROPRIETARY FUND FINANCIAL STATEMENTS

Major Funds

TRANSPORTATION

This fund primarily 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 used 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 245.

Internal Service Funds

Internal service funds are presented on page 251.

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2020 STATE OF FLORIDA CAFR

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 1,585	\$ 255	\$ —	\$ 10,486	\$ 404
Pooled investments with State Treasury	907,575	377,480	—	—	2,366,240
Other investments	85,627	—	5,338,170	3,152,596	—
Receivables, net	13,127	76,776	804,058	361,615	679,960
Due from other funds	144,183	—	—	384	210
Due from component units/primary	—	—	—	—	346
Inventories	8,944	2,848	—	—	—
Other	—	2,382	—	—	—
Total current assets	1,161,041	459,741	6,142,228	3,525,081	3,047,160
<u>Noncurrent assets</u>					
Restricted cash and cash equivalents	156	—	—	—	—
Restricted pooled investments with State Treasury	180,651	24,239	—	—	—
Restricted investments	247,837	323,996	—	—	—
Long-term investments	—	—	9,219,007	12,979,108	—
Other loans and notes receivable, net	74,061	—	—	1,836,467	—
Capital assets					
Land and other non-depreciable assets	1,234,550	4,249	—	—	—
Non-depreciable infrastructure	11,122,875	—	—	—	—
Buildings, equipment, and other depreciable assets	1,567,634	13,005	116	129	—
Accumulated depreciation	(547,496)	(9,981)	(59)	(74)	—
Construction work in progress	1,591,334	—	—	—	—
Other	—	34,181	—	—	—
Total noncurrent assets	15,471,602	389,689	9,219,064	14,815,630	—
Total assets	16,632,643	849,430	15,361,292	18,340,711	3,047,160
DEFERRED OUTFLOWS OF RESOURCES					
Amount deferred on refunding of debt	25,304	—	—	—	—
Pension-related items	—	9,619	712	1,323	—
Other postemployment benefits	—	5,722	123	132	—
Total deferred outflows of resources	25,304	15,341	835	1,455	—
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	93,367	13,468	673,928	556,565	717,010
Accrued prize liability	—	307,053	—	—	—
Due to other governments	—	—	—	—	11,552
Due to other funds	118,928	127,439	251	29,286	547
Due to component units/primary	—	—	—	—	—
Compensated absences	—	751	90	100	—
Installment purchases/capital leases	1,974	—	—	—	—
Bonds payable	—	—	1,000,000	—	—
Bonds payable from restricted assets	148,335	—	—	—	—
Deposits	102,753	—	—	—	—
Claims payable	—	—	2,683,491	—	—
Obligations under security lending agreements	59,691	22,230	—	2,429,016	—
Certificates of participation payable	—	—	—	—	—
Tuition and housing benefits payable	—	—	—	509,224	—
Pension liability	—	117	7	11	—
Other postemployment benefits	—	460	7	8	—
Total current liabilities	525,048	471,518	4,357,774	3,524,210	729,109
<u>Noncurrent liabilities</u>					
Advances from other funds	116,683	—	—	—	—
Accrued prize liability	—	232,696	—	—	—
Bonds payable	2,722,174	—	650,000	—	—
Certificates of participation payable	—	—	—	—	—
Installment purchases/capital leases	211,634	—	—	—	—
Deposits	252	—	—	—	—
Compensated absences	—	2,739	219	373	—
Tuition and housing benefits payable	—	—	—	11,247,787	—
Pension liability	—	24,592	1,628	2,508	—
Other postemployment benefits liability	—	35,100	500	577	—
Other	—	—	—	—	—
Total noncurrent liabilities	3,050,743	295,127	652,347	11,251,245	—
Total liabilities	3,575,791	766,645	5,010,121	14,775,455	729,109
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	134,632	—	—	—	—
Amount deferred on refunding of debt	16,625	—	—	—	—
Pension-related items	—	2,564	109	156	—
Other postemployment benefits	—	6,919	85	119	—
Total deferred inflows of resources	151,257	9,483	194	275	—
NET POSITION					
Net investment in capital assets	11,889,482	7,273	57	56	—
Restricted for Reemployment Assistance	—	—	—	—	2,318,051
Restricted for Lottery	—	139,270	—	—	—
Restricted for Hurricane Catastrophe Fund	—	—	10,351,755	—	—
Restricted for Prepaid College Program	—	—	—	3,566,380	—
Restricted for Transportation	249,847	—	—	—	—
Restricted - other	—	—	—	—	—
Unrestricted	791,570	(57,900)	—	—	—
Total net position	\$ 12,930,899	\$ 88,643	\$ 10,351,812	\$ 3,566,436	\$ 2,318,051

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

2020 STATE OF FLORIDA CAFR

Nonmajor Enterprise Funds	Totals 6/30/20	Internal Service Funds
\$ 33,426	\$ 46,156	\$ 11,901
397,272	4,048,567	819,477
14,318	8,590,711	44,295
31,966	1,967,502	77,185
11,336	156,113	26,580
154	500	1,368
1	11,793	—
1,353	3,735	—
<u>489,826</u>	<u>14,825,077</u>	<u>980,806</u>
—	156	—
—	204,890	—
—	571,833	—
60,022	22,258,137	—
3,149	1,913,677	—
—	1,238,799	314
—	11,122,875	—
326,323	1,907,207	1,582,728
(81,412)	(639,022)	(656,383)
14,876	1,606,210	26,437
4,497	38,678	—
<u>327,455</u>	<u>40,223,440</u>	<u>953,096</u>
<u>817,281</u>	<u>55,048,517</u>	<u>1,933,902</u>
—	25,304	3,414
45,625	57,279	38,094
33,783	39,760	17,646
<u>79,408</u>	<u>122,343</u>	<u>59,154</u>
41,028	2,095,366	223,194
—	307,053	—
—	11,552	—
9,186	285,637	14,311
431	431	—
6,040	6,981	2,248
773	2,747	2,344
—	1,000,000	15,710
—	148,335	—
19,300	122,053	220,036
—	2,683,491	—
18,598	2,529,535	37,137
—	—	27,150
—	509,224	—
711	846	365
2,512	2,987	1,327
<u>98,579</u>	<u>9,706,238</u>	<u>543,822</u>
—	116,683	500
—	232,696	—
—	3,372,174	158,838
—	—	292,852
7,444	219,078	3,248
166,519	166,771	—
15,956	19,287	9,749
—	11,247,787	—
122,584	151,312	96,713
191,748	227,925	101,278
1,449	1,449	—
<u>505,700</u>	<u>15,755,162</u>	<u>663,178</u>
<u>604,279</u>	<u>25,461,400</u>	<u>1,207,000</u>
—	134,632	—
—	16,625	7,253
13,174	16,003	11,616
40,906	48,029	26,643
<u>54,080</u>	<u>215,289</u>	<u>45,512</u>
125,171	12,022,039	454,707
—	2,318,051	—
—	139,270	—
—	10,351,755	—
—	3,566,380	—
—	249,847	—
2,132	2,132	53,538
111,027	844,697	232,299
<u>\$ 238,330</u>	<u>\$ 29,494,171</u>	<u>\$ 740,544</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program
OPERATING REVENUES				
Sales - nonstate	\$ 15,239	\$ 7,510,911	\$ 1,130,110	\$ (265,597)
Change in actuarial value of contract premiums	—	—	—	(305,864)
Fees	1,096,977	—	—	1,481
Sales - state	—	—	43	225
Rents and royalties - nonstate	8,773	560	—	—
Rents - state	—	—	—	—
Fines, forfeits, settlements and judgments	433	156	—	—
Other	—	—	—	—
Total operating revenues	1,121,422	7,511,627	1,130,153	(569,755)
OPERATING EXPENSES				
Benefit payments	—	—	—	—
Payment of lottery winnings	—	5,030,240	—	—
Commissions on lottery sales	—	420,843	—	—
Contractual services	592,156	150,843	3,940	394,899
Change in actuarial value of contract benefit payments	—	—	1,499,999	464,118
Insurance claims expense	—	—	—	—
Personal services	19,341	33,047	2,046	2,823
Depreciation	100,334	857	13	24
Materials and supplies	20,774	571	20	71
Repairs and maintenance	—	679	—	—
Basic services	—	4,616	163	185
Interest and fiscal charges	—	—	—	51
Total operating expenses	732,605	5,641,696	1,506,181	862,171
Operating income (loss)	388,817	1,869,931	(376,028)	(1,431,926)
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	—	—	—	—
Investment earnings (losses)	68,227	59,700	501,508	1,333,827
Interest and fiscal charges	(113,607)	(11,584)	(50,536)	(33,119)
Fines, forfeits, judgments and settlements	563	—	2,130	479
Property disposition gain (loss)	1,034	(16)	—	—
Grant expense and client benefits	—	—	—	—
Other	—	—	—	—
Total nonoperating revenues (expenses)	(43,783)	48,100	453,102	1,301,187
Income (loss) before transfers and contributions	345,034	1,918,031	77,074	(130,739)
Operating transfers in	84,704	—	—	—
Operating transfers out	(101,008)	(1,913,951)	(13,500)	(3,644)
Capital contributions	302,342	—	—	—
Change in net position	631,072	4,080	63,574	(134,383)
Total net position - beginning, as restated (Note 1)	12,299,827	84,563	10,288,238	3,700,819
Total net position - ending	\$ 12,930,899	\$ 88,643	\$ 10,351,812	\$ 3,566,436

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

2020 STATE OF FLORIDA CAFR

Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/20	Internal Service Funds
\$ —	\$ 82,161	\$ 8,472,824	\$ 41,837
—	—	(305,864)	—
422,082	260,873	1,781,413	1
—	42,276	42,544	2,712,510
—	2	9,335	—
—	49	49	141,003
—	8,047	8,636	36
—	39,941	39,941	15,039
422,082	433,349	10,048,878	2,910,426
9,154,376	—	9,154,376	—
—	—	5,030,240	—
—	—	420,843	—
—	113,045	1,254,883	555,724
—	—	1,964,117	—
—	—	—	2,031,502
—	224,742	281,999	105,603
—	12,021	113,249	36,159
—	5,146	26,582	5,239
—	1,694	2,373	1,745
—	27,561	32,525	8,686
—	2,307	2,358	11
9,154,376	386,516	18,283,545	2,744,669
(8,732,294)	46,833	(8,234,667)	165,757
6,846,162	15,197	6,861,359	815
101,989	17,160	2,082,411	30,304
—	(1,003)	(209,849)	(11,802)
—	2	3,174	—
—	(20)	998	(791)
—	(1,087)	(1,087)	—
(34,298)	(161)	(34,459)	—
6,913,853	30,088	8,702,547	18,526
(1,818,441)	76,921	467,880	184,283
1,894	26,719	113,317	24,482
(9,522)	(121,202)	(2,162,827)	(18,196)
—	29	302,371	126
(1,826,069)	(17,533)	(1,279,259)	190,695
4,144,120	255,863	30,773,430	549,849
\$ 2,318,051	\$ 238,330	\$ 29,494,171	\$ 740,544

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Transportation	Lottery	Hurricane Catastrophe Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,165,148	\$ 7,490,092	\$ 1,122,282
Cash paid to vendors	(579,483)	(575,701)	(4,206)
Cash paid to employees	(20,162)	(28,313)	(1,730)
Cash received/(paid) for grants	—	—	—
Lottery prizes	—	(4,914,226)	—
Cash paid for insurance claims	—	—	(2,266,595)
Reemployment assistance	—	—	—
Net cash provided (used) by operating activities	565,503	1,971,852	(1,150,249)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	(14,989)	(1,862,023)	(13,500)
Advances from or repayment from other funds	16,823	—	—
Advances, grants or loans (to) from or repayment from others	(69,073)	—	(24)
Payment of bonds or loans (principal and interest)	—	—	(603,045)
Cash received from noncapital grants or donations	—	—	—
Net cash provided (used) by noncapital financing activities	(67,239)	(1,862,023)	(616,569)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from sale or lease of capital assets	—	—	—
Cash received from the issuance of debt	190,386	—	—
Cash received from capital grants and donations	—	—	—
Payment of bond principal	(140,245)	—	—
Payment of interest on bonds/installment purchase/capital lease	(132,260)	—	—
Purchase or construction of capital assets	(701,157)	(739)	(12)
Line of credit draws/(payments)	—	—	—
Net cash provided (used) by capital and related financing activities	(783,276)	(739)	(12)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	1,360	22,230	—
Proceeds from the sale or maturity of investments	3,376,327	22,297	44,190,659
Cash paid to grand prize winners upon maturity of grand prize investments	—	(22,297)	—
Investment earnings	69,711	20,767	267,893
Purchase of investments	(3,404,587)	(11,770)	(42,691,722)
Net cash provided (used) by investing activities	42,811	31,227	1,766,830
Net increase (decrease) in cash and cash equivalents	(242,201)	140,317	—
Cash and cash equivalents - beginning	1,332,168	261,657	—
Cash and cash equivalents - ending	\$ 1,089,967	\$ 401,974	\$ —

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

2020 STATE OF FLORIDA CAFR

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/20	Internal Service Funds
\$ 462,708	\$ 400,195	\$ 392,572	\$ 11,032,997	\$ 2,927,565
(807,723)	—	(156,148)	(2,123,261)	(576,493)
(2,339)	—	(195,834)	(248,378)	(91,159)
—	—	31,074	31,074	—
—	—	—	(4,914,226)	—
—	—	—	(2,266,595)	(2,032,153)
—	(9,051,763)	—	(9,051,763)	—
(347,354)	(8,651,568)	71,664	(7,540,152)	227,760
(3,644)	(7,609)	(95,671)	(1,997,436)	5,664
—	—	(1,111)	15,712	(25,315)
—	—	—	(69,097)	—
—	—	—	(603,045)	—
—	6,846,162	646	6,846,808	—
(3,644)	6,838,553	(96,136)	4,192,942	(19,651)
—	—	—	—	434
—	—	—	190,386	—
—	—	6,725	6,725	—
—	—	(7,113)	(147,358)	(51,965)
—	—	—	(132,260)	(10,857)
(8)	—	(9,128)	(711,044)	(23,421)
—	—	(1,574)	(1,574)	—
(8)	—	(11,090)	(795,125)	(85,809)
6,019	—	3,570	33,179	13,605
20,391,954	—	128,479	68,109,716	—
—	—	—	(22,297)	—
175,202	101,989	16,904	652,466	29,725
(20,219,851)	—	(126,834)	(66,454,764)	—
353,324	101,989	22,119	2,318,300	43,330
2,318	(1,711,026)	(13,443)	(1,824,035)	165,630
8,168	4,077,670	444,141	6,123,804	665,748
\$ 10,486	\$ 2,366,644	\$ 430,698	\$ 4,299,769	\$ 831,378

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)
Reconciliation of operating income (loss) to net cash
provided (used) by operating activities

	Transportation	Lottery	Hurricane Catastrophe Fund
Operating income (loss)	\$ 388,817	\$ 1,869,931	\$ (376,028)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	100,334	857	13
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	29,738	(22,831)	(2,003)
(Increase) decrease in due from other funds	(3,145)	—	—
Increase (decrease) in allowance for uncollectibles	—	1,296	(562)
(Increase) decrease in inventories	(2,643)	(1,639)	—
(Increase) decrease in future contract premiums and other receivables	—	—	—
(Increase) decrease in other noncurrent assets	—	(435)	—
Increase (decrease) in accounts payable	19,657	3,490	(5,348)
Increase (decrease) in compensated absences	—	(124)	51
Increase (decrease) in due to other funds	31,664	—	—
Increase (decrease) in tuition and housing benefits payable	—	—	—
Increase (decrease) in other noncurrent liability	—	—	—
(Increase) decrease in deposits and prepaid items	—	—	6
Increase (decrease) in unearned revenue	1,081	—	—
Increase (decrease) in prize liability	—	116,449	—
Increase (decrease) in pension liability and deferrals	—	—	237
Increase (decrease) in OPEB liability and deferrals	—	1,511	27
Increase (decrease) in claims payable	—	3,347	(766,642)
Net cash provided (used) by operating activities	<u>\$ 565,503</u>	<u>\$ 1,971,852</u>	<u>\$ (1,150,249)</u>
Noncash investing, capital, and financing activities			
Borrowing under capital lease or installment purchase	\$ 36,058	\$ —	\$ —
Change in fair value of investments	14,620	39,324	79,835
Contribution of capital assets	6,062	—	—
Other noncash items	71,174	—	—

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

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/20	Internal Service Funds
\$ (1,431,926)	\$ (8,732,294)	\$ 46,833	\$ (8,234,667)	\$ 165,757
24	—	12,021	113,249	36,159
17,531	(626,320)	23,103	(580,782)	(26,129)
2,772	—	(8,642)	(9,015)	(569)
—	5,142	(22,938)	(17,062)	338
—	—	1	(4,281)	—
305,864	—	22	305,886	—
—	—	527	92	—
268,418	701,824	(1,831)	986,210	(8,343)
72	—	2,101	2,100	(299)
25,312	80	(217)	56,839	601
464,118	—	—	464,118	—
—	—	276	276	—
—	—	(113)	(107)	—
—	—	(3,283)	(2,202)	42,691
—	—	—	116,449	—
435	—	15,840	16,512	14,113
26	—	7,964	9,528	3,441
—	—	—	(763,295)	—
<u>\$ (347,354)</u>	<u>\$ (8,651,568)</u>	<u>\$ 71,664</u>	<u>\$ (7,540,152)</u>	<u>\$ 227,760</u>

\$ —	\$ —	\$ —	\$ 36,058	\$ —
490,259	—	(128)	623,910	11,912
—	—	135,927	141,989	—
—	—	—	71,174	—

FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS

Individual fund descriptions and financial statements begin on page 259.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

Individual fund descriptions and financial statements begin on page 265.

INVESTMENT TRUST FUNDS

Individual fund descriptions and financial statements begin on page 271.

AGENCY FUNDS

Individual fund descriptions and financial statements begin on page 275.

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Private- Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Agency Funds	Totals 6/30/20
ASSETS					
Cash and cash equivalents	\$ 5,955	\$ 93,021	\$ 1,776,700	\$ 66,388	\$ 1,942,064
Pooled investments with State Treasury	689,305	184,902	827,544	945,719	2,647,470
Total cash and cash equivalents	695,260	277,923	2,604,244	1,012,107	4,589,534
Investments					
Certificates of deposit	—	—	2,671,483	—	2,671,483
U.S. government & federally guaranteed obligations	35,465	14,927,086	1,250,934	37,414	16,250,899
Federal agencies	62,477	8,293,660	—	—	8,356,137
Commercial paper	—	1,127,836	5,580,276	—	6,708,112
Repurchase agreements	—	800,000	1,447,681	—	2,247,681
Bonds and notes	119,630	11,169,224	31,257	—	11,320,111
International bonds and notes	13,185	2,474,291	—	—	2,487,476
Real estate contracts	—	11,996,483	—	—	11,996,483
Mutual fund investments	403,311	11,387,389	—	—	11,790,700
Money market and short-term investments	122,568	1,680,114	715,976	—	2,518,658
Domestic equity	100,861	48,832,803	—	—	48,933,664
Alternative investments	—	28,780,594	—	—	28,780,594
International equity	8,977	31,158,211	—	—	31,167,188
International equity commingled	—	7,089,845	—	—	7,089,845
Deferred compensation annuities	—	14,270	—	—	14,270
Self-directed brokerage investments	—	817,186	—	—	817,186
Other investments	—	15,838	—	200	16,038
Total investments	866,474	180,564,830	11,697,607	37,614	193,166,525
Receivables					
Accounts receivable	11,533	22,075	—	713,204	746,812
State contributions receivable	—	666	—	—	666
Nonstate contributions receivable	—	337,082	—	—	337,082
Interest receivable	4,989	138,402	4,354	955	148,700
Dividends receivable	363	209,099	—	—	209,462
Pending investment sales	8,954	1,127,239	—	—	1,136,193
Foreign currency contracts receivable	—	97,986	—	—	97,986
Due from state funds	29,496	68,263	—	254,481	352,240
Due from other governments	4,970	—	—	—	4,970
Total receivables	60,305	2,000,812	4,354	968,640	3,034,111
Security lending collateral	—	1,830,474	—	—	1,830,474
Advances to other funds	986,684	—	—	—	986,684
Advances to other entities	41,296	—	—	—	41,296
Capital assets	12,450	1,337	—	—	13,787
Accumulated depreciation	(256)	(711)	—	—	(967)
Other assets	2,080	5,346	21	—	7,447
Total assets	2,664,293	184,680,011	14,306,226	2,018,361	203,668,891
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	2,058	134	—	—	2,192
Other postemployment benefits	980	2,664	—	—	3,644
Total deferred outflows of resources	3,038	2,798	—	—	5,836
LIABILITIES					
Accounts payable and accrued liabilities	42,572	183,781	745	757,086	984,184
Due to other funds	1,238	77,231	110	254,801	333,380
DROP	—	298,096	—	—	298,096
Pending investment purchases	38,962	3,756,587	176,328	—	3,971,877
Short sell obligations	—	64,604	—	—	64,604
Foreign currency contracts payable	—	98,021	—	—	98,021
Broker rebate fees	—	58	—	—	58
Due to other governments	1,447	—	—	714,629	716,076
Obligations under security lending agreements	35,799	1,848,298	46,272	15,979	1,946,348
Claims payable	—	—	—	17,212	17,212
Deposits payable	35,202	42,177	—	258,494	335,873
Compensated absences	673	1,137	—	—	1,810
Other liabilities	—	—	—	160	160
Pension liability	2,848	364	—	—	3,212
Other postemployment benefits liability	5,580	15,123	—	—	20,703
Total liabilities	164,321	6,385,477	223,455	2,018,361	8,791,614
DEFERRED INFLOWS OF RESOURCES					
Pension-related items	238	211	—	—	449
Other postemployment benefits	1,111	3,659	—	—	4,770
Total deferred inflows of resources	1,349	3,870	—	—	5,219
NET POSITION					
Restricted for pension benefits and other purposes	\$ 2,501,661	\$ 178,293,462	\$ 14,082,771	\$ —	\$ 194,877,894

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, 2020
(in thousands)**

	Private- Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investments Trust Funds	Totals 6/30/20
ADDITIONS				
<u>Contributions and other deposits</u>				
Pension fund employer contributions - state	\$ —	\$ 735,927	\$ —	\$ 735,927
Pension fund employer contributions - nonstate	—	3,664,610	—	3,664,610
Pension fund employee contributions	—	1,082,588	—	1,082,588
Other contributions	—	185,725	—	185,725
Purchase of time by employees	—	4,341	—	4,341
Fees	1,400	1,874	—	3,274
Grants and contributions	151,866	—	—	151,866
Flexible benefits contributions	—	264,973	—	264,973
Fines, forfeits, settlements and judgments	264	6	291	561
Unclaimed property remittances	503,173	—	—	503,173
Receivership assets acquired	110,150	—	—	110,150
Transfers in from state funds	5,038	665,247	—	670,285
Total contributions and other deposits	771,891	6,605,291	291	7,377,473
<u>Investment income</u>				
Interest income	37,888	1,449,426	248,905	1,736,219
Dividends	8,053	1,767,095	—	1,775,148
Other investment income (loss)	—	2,292,632	—	2,292,632
Net increase (decrease) in fair market value	9,294	950,823	362	960,479
Total investment income (loss)	55,235	6,459,976	249,267	6,764,478
Investment activity expense	(3,126)	(619,673)	(4,774)	(627,573)
Net income (loss) from investing activity	52,109	5,840,303	244,493	6,136,905
<u>Security lending activity</u>				
Security lending income	—	38,259	—	38,259
Security lending expense	—	(10,684)	—	(10,684)
Net income from security lending	—	27,575	—	27,575
Total net investment income (loss)	52,109	5,867,878	244,493	6,164,480
Other additions	3,018	20,721	—	23,739
Total additions	827,018	12,493,890	244,784	13,565,692
DEDUCTIONS				
Benefit payments	—	12,900,838	—	12,900,838
Insurance claims expense	6,368	7,436	—	13,804
Supplemental insurance payments	—	92,997	—	92,997
Flexible reimbursement payments	—	26,395	—	26,395
Life insurance premium payments	—	33,902	—	33,902
Remittances to annuity companies	—	212,447	—	212,447
Program contribution refunds	—	18,888	—	18,888
Interest expense	703	2	—	705
Student loan default payments	53,464	—	—	53,464
Payments to unclaimed property claimants	321,914	—	—	321,914
Distribution to State School Fund	130,289	—	—	130,289
Administrative expense	23,930	27,138	51	51,119
Transfers out to state funds	2,814	696,777	—	699,591
Other deductions	55,369	13	—	55,382
Total deductions	594,851	14,016,833	51	14,611,735
<u>Depositor activity</u>				
Deposits	196,845	—	26,864,146	27,060,991
Withdrawals	(46,706)	—	(24,925,127)	(24,971,833)
Excess (deficiency) of deposits over withdrawals	150,139	—	1,939,019	2,089,158
Change in net position	382,306	(1,522,943)	2,183,752	1,043,115
Net position - beginning	2,119,355	179,816,405	11,899,019	193,834,779
Net position - ending	\$ 2,501,661	\$ 178,293,462	\$ 14,082,771	\$ 194,877,894

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

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COMPONENT UNIT FINANCIAL STATEMENTS

Major Component Units

FLORIDA HOUSING FINANCE CORPORATION

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

UNIVERSITY OF FLORIDA

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

CITIZENS PROPERTY INSURANCE CORPORATION

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

Nonmajor Component Units

Nonmajor component units are presented beginning on page 281.

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**STATEMENT OF NET POSITION
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/20
ASSETS					
Cash and cash equivalents	\$ 201,360	\$ 537,318	\$ 503,327	\$ 1,073,234	\$ 2,315,239
Pooled investments with State Treasury	983,742	888,897	—	1,775,932	3,648,571
Other investments	1,795,800	1,637,415	8,538,881	5,386,101	17,358,197
Receivables, net	188,552	715,354	230,628	959,589	2,094,123
Due from component units/primary	—	106,881	—	451,818	558,699
Inventories	—	80,178	—	37,259	117,437
Restricted cash and cash equivalents	—	54,131	8,534	495,384	558,049
Restricted pooled investments with State Treasury	—	211,567	—	667,469	879,036
Restricted investments	—	2,833,104	—	4,188,043	7,021,147
Other loans and notes receivable, net	2,202,197	23,486	—	98,218	2,323,901
Other assets	1,878	295,796	31,241	390,601	719,516
Capital assets, net	—	4,147,670	3,854	22,494,428	26,645,952
Total assets	5,373,529	11,531,797	9,316,465	38,018,076	64,239,867
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value-hedging derivatives	—	52,395	—	21,176	73,571
Grants paid in advance	—	—	—	15	15
Amount deferred on refunding of debt	—	27,175	—	28,857	56,032
Pension-related items	—	323,933	—	1,262,733	1,586,666
Other postemployment benefits	—	172,648	—	485,641	658,289
Asset retirement obligations	—	8,883	—	—	8,883
Total deferred outflows of resources	—	585,034	—	1,798,422	2,383,456
LIABILITIES					
Accounts payable and accrued liabilities	32,024	901,390	772,279	957,643	2,663,336
Due to component units/primary	—	33,546	—	42,840	76,386
Long-term liabilities					
Due within one year	325,129	231,831	1,014,502	685,530	2,256,992
Due in more than one year	2,168,367	3,993,584	1,005,809	10,371,441	17,539,201
Total liabilities	2,525,520	5,160,351	2,792,590	12,057,454	22,535,915
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	—	—	—	114,186	114,186
Grants received in advance	—	—	—	1,535	1,535
Amount deferred on refunding of debt	—	2,121	—	240	2,361
Pension-related items	—	125,490	—	277,553	403,043
Other postemployment benefits	—	226,520	—	369,184	595,704
Irrevocable split-interest agreements	—	17,077	—	40,738	57,815
Total deferred inflows of resources	—	371,208	—	803,436	1,174,644
NET POSITION					
Net investment in capital assets	—	2,450,640	3,854	19,861,683	22,316,177
Restricted for					
Debt service	—	4,536	—	38,338	42,874
Other	2,674,469	577,810	8,534	4,813,029	8,073,842
Funds held for permanent endowment					
Expendable	—	542,562	—	488,104	1,030,666
Nonexpendable	—	1,425,766	—	2,261,484	3,687,250
Unrestricted	173,540	1,583,958	6,511,487	(507,030)	7,761,955
Total net position	\$ 2,848,009	\$ 6,585,272	\$ 6,523,875	\$ 26,955,608	\$ 42,912,764

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

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**STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

Functions/Programs	Expenses	Program Revenues			Florida Housing Finance Corporation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Florida Housing Finance Corporation	\$ 194,772	\$ 259,819	\$ —	\$ —	\$ 65,047
University of Florida	6,464,824	4,225,924	1,073,015	60,688	—
Citizens Property Insurance Corporation	764,734	617,888	—	—	—
Nonmajor component units	13,796,903	3,535,802	4,263,283	572,683	—
Total component units	\$ 21,221,233	\$ 8,639,433	\$ 5,336,298	\$ 633,371	65,047

General revenues

Property taxes	—
Investment earnings (losses)	—
Gain (loss) on sale of capital assets	—
Payments from the State of Florida	—
Miscellaneous	159,900
Contributions to permanent funds	—
Total general revenues and contributions	159,900
Change in net position	224,947
Net position - beginning, as restated (Note 1)	2,623,062
Net position - ending	\$ 2,848,009

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 6/30/20
\$ —	\$ —	\$ —	\$ 65,047
(1,105,197)	—	—	(1,105,197)
—	(146,846)	—	(146,846)
—	—	(5,425,135)	(5,425,135)
(1,105,197)	(146,846)	(5,425,135)	(6,612,131)
—	—	498,201	498,201
179,817	608,488	456,931	1,245,236
(3,099)	—	(19,014)	(22,113)
803,311	—	3,961,513	4,764,824
226,362	—	653,590	1,039,852
61,457	—	46,228	107,685
1,267,848	608,488	5,597,449	7,633,685
162,651	461,642	172,314	1,021,554
6,422,621	6,062,233	26,783,294	41,891,210
\$ 6,585,272	\$ 6,523,875	\$ 26,955,608	\$ 42,912,764

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

NOTE	<u>PAGE</u>
1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	61
2 DEPOSITS AND INVESTMENTS	73
3 RECEIVABLES AND PAYABLES	115
4 TAXES AND TAX ABATEMENTS	119
5 CAPITAL ASSETS	127
6 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS	130
7 COMMITMENTS AND OPERATING LEASES	145
8 BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION	147
9 INSTALLMENT PURCHASES, CAPITAL LEASES, AND PUBLIC-PRIVATE PARTNERSHIPS ..	158
10 CHANGES IN LONG-TERM LIABILITIES	161
11 INTERFUND BALANCES AND TRANSFERS	165
12 RISK MANAGEMENT	170
13 FLORIDA PREPAID COLLEGE PROGRAM	172
14 INSURANCE ENTERPRISES	173
15 CONTINGENCIES	177
16 LITIGATION	179
17 DEFICIT FUND BALANCE AND NET POSITION	181
18 SUBSEQUENT EVENTS	182

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:

- Career Source 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 Department of Transportation Financing Corporation
- Florida Engineers Management Corporation
- Florida Intergovernmental Relations Foundation*
- 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 these component units. The assets of these component units at June 30, 2020, are approximately \$1,481,355.

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, 2020. 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 Florida¹

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
- The College of the Florida Keys
- Florida State College at Jacksonville
- Florida SouthWestern State College
- Gulf Coast State College
- Hillsborough Community College
- Indian River State College
- Lake-Sumter State College
- Miami Dade College
- North Florida 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

¹ Significant transactions occurring during the 2019-20 fiscal year between the University of Florida and the state totaled \$849 million. These funds represent state appropriated funds to the University of Florida.

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. Significant transactions occurring during the 2019-20 fiscal year between the Florida Housing Finance Corporation and the state included revenues of state documentary stamp taxes totaling \$340.2 million and transfers to state agencies of \$182 million.

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.

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

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 Alliance to End Human Trafficking*
- Florida Birth-Related Neurological Injury Compensation Plan
- Florida Board of Governors Foundation, Inc.*
- Florida Concrete Masonry Education Council*
- Florida Corrections Accreditation Commission, Inc.*
- 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.
- Triumph Gulf Coast, 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 \$112 million and \$31 million, respectively. These amounts represent less than one percent of total aggregate component unit assets and revenues.

Joint Ventures

A joint venture is an organization that results from 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., provides 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.

Interstate Commission of Nurse Licensure Compact Administrators. Section 464.0095, F.S., enacted this compact into law joining the State of Florida and other states with the general purpose to facilitate the states' responsibility to protect the public's health and safety with regard to nurse licensure and regulation. This compact is additionally purposed with facilitating the exchange of information among party states in the areas of nurse regulation, investigation, and adverse actions, promote compliance with the laws governing the practice of nursing, and decrease redundancies in the consideration and issuance of nurse licenses.

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, aviation authorities and a financing corporation. The state is not financially accountable for any of these organizations; 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.

Natural Resources, Environment, and Growth Management – 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. Prior to 6/30/2018, this fund was reported as the Environment, Recreation, and Conservation Fund.

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 Florida's Turnpike System.

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 operations of 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. 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 6 for information on pension and other postemployment benefit (OPEB) liabilities; 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, 2020, the government-wide statement of net position reported a restricted net position of \$26.7 billion, of which \$17.1 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, 2020 (in thousands).

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Fund balances:							
Nonspendable:							
Inventory and Prepaid Items	\$ 9,550	\$ 748	\$ —	\$ 27,068	\$ 7,785	\$ 2,884	\$ 48,035
Long-term Receivables and Advances	2,409	—	—	—	—	—	2,409
Permanent Fund Principal	—	—	—	—	—	4,028	4,028
Total	11,959	748	—	27,068	7,785	6,912	54,472
Restricted:							
Grantors/Contributors	611	54,885	—	48,494	—	34,420	138,410
Enabling Legislation	35,871	10,611	100,111	68,345	50	297,101	512,089
Constitutional Provision	—	76,100	382,227	—	—	61	458,388
Creditors	10,268	3,490	737,952	—	—	1,092,128	1,843,838
Federal Government	26,502	2,683,772	19,507	153,459	—	78,803	2,962,043
Total	73,252	2,828,858	1,239,797	270,298	50	1,502,513	5,914,768
Committed:	1,293,157	1,416,855	380,604	1,528,239	1,690,531	1,294,511	7,603,897
Unassigned:	7,864,662	—	(858,577)	—	—	—	7,006,085
Total Fund Balances	\$ 9,243,030	\$ 4,246,461	\$ 761,824	\$ 1,825,605	\$ 1,698,366	\$ 2,803,936	\$ 20,579,222

Section 215.32(2)(b)4.a., F.S., provides that the unappropriated cash balances from selected trust funds may be authorized by the Legislature for transfer to the Budget Stabilization Fund and the General Revenue Fund through the General Appropriation Act. The amounts indicated below were identified in the State's 2020 General Appropriations Act as being unappropriated June 30, 2020, cash balances that are to be transferred to and from the funds indicated during the 2020-21 fiscal year (in thousands).

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Transfer to (from) Fund	\$ 139,500	\$ (86,500)	\$ —	\$ (45,000)	\$ —	\$ (8,000)	\$ —
Transfer from Non-Governmental Funds	31,500	—	—	—	—	—	31,500
Total	\$ 171,000	\$ (86,500)	\$ —	\$ (45,000)	\$ —	\$ (8,000)	\$ 31,500

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 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. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations*
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

* The State of Florida implemented GASB Statements No. 83 and 88 during the fiscal year ended June 30, 2019.

J. Net Position Reclassifications and Restatements

Net position at June 30, 2019 have been adjusted as follows (in thousands):

	<u>Governmental Activities</u>	<u>Transportation Proprietary Fund</u>	<u>Pension and Other Employee Benefits Trust Funds</u>
Net Position, June 30, 2019, as previously reported	\$ 66,823,327	\$ 12,299,986	\$ 179,816,405
To decrease fund balance to correct accounting errors.		(159)	(941)
To increase net position as result of change in accounting principle.			
To increase fund balance to correct accounting errors.	485		941
To increase fund balance due to the acquisition of Central Florida Health.			
Net Position, June 30, 2019, as restated	<u>\$ 66,823,812</u>	<u>\$ 12,299,827</u>	<u>\$ 179,816,405</u>

(Continued Below)

	<u>Component Units</u>	
	<u>University of Florida</u>	<u>Nonmajor Component Units</u>
Net Position, June 30, 2019, as previously reported	\$ 6,026,542	\$ 26,781,915
To decrease fund balance to correct accounting errors.		(33,077)
To increase net position as result of change in accounting principle.		6,000
To increase fund balance to correct accounting errors.		28,456
To increase fund balance due to the acquisition of Central Florida Health.	396,079	
Net Position, June 30, 2019, as restated	<u>\$ 6,422,621</u>	<u>\$ 26,783,294</u>

K. Budget Stabilization Fund

The State Constitution mandates the creation and maintenance of a Budget Stabilization Fund, in an amount not less than 5 percent nor more than 10 percent of the last complete fiscal year's net revenue collections for the General Revenue Fund. Monies in the Budget Stabilization Fund may be transferred to the General Revenue Fund to offset a deficit therein or to provide emergency funding, including payment of up to \$38 million with respect to certain uninsured losses to state property. Monies in this fund are constitutionally prohibited from being obligated or otherwise committed for any other purposes, in accordance with Section 216.222, F.S. 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.

The Budget Stabilization Fund had \$1.57 billion in cash at June 30, 2020. During fiscal year 2019-20, the General Revenue Fund was authorized to transfer \$91.2 million to the Budget Stabilization Fund. There were no disbursements made from the fund.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2020, the state's deposits in financial institutions totaled approximately \$2.7 billion for primary government and \$2.9 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, 2020, 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, 2020

Custodial Credit Risk	Bank Statement Balance (in U.S. \$)	
	Primary Government	Component Units
(1)	\$ 106,930	\$ 710,949
(2)	10	225,755
(3)	—	—
Total deposits subject to custodial credit risk	\$ 106,940	\$ 936,704

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 investment 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 July 1, 2018, 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 70% of 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, 2020, as illustrated in the following schedule (in thousands):

**Schedule of Investments with State Board of Administration
Foreign Currency Deposits Held As of June 30, 2020**

Currency	Bank Statement Balance (in U.S. \$)			
	FRS Pension Trust Fund	LCEF	Florida Prepaid Program and Investment Plan	Total
Australian dollar	\$ 760	\$ 163	\$ —	\$ 923
Brazilian real	920	18	—	938
British pound sterling	3,980	74	72	4,126
Canadian dollar	1,855	48	—	1,903
Chilean peso	260	—	—	260
Chinese yuan renminbi	3,378	14	—	3,392
Czech koruna	16	—	—	16
Danish krone	373	—	—	373
Egyptian pound	22	22	—	44
Euro	26,969	3	7	26,979
Hong Kong dollar	7,021	13	1	7,035
Hungarian forint	79	185	—	264
Indian rupee	3,271	—	—	3,271
Indonesian rupiah	298	12	—	310
Israeli shekel	332	—	2	334
Japanese yen	17,767	233	573	18,573
Kenyan shilling	321	—	—	321
Kuwaiti dinar	1,137	—	—	1,137
Malaysian ringgit	269	88	—	357
Mexican peso	391	167	—	558
Moroccan dirham	8	—	—	8
New Taiwan dollar	7,035	80	—	7,115
New Zealand dollar	340	310	—	650
New Zimbabwe dollar	35	—	—	35
Nigerian naira	1,118	—	—	1,118
Norwegian krone	411	139	—	550
Pakistan rupee	206	—	—	206
Philippines peso	140	93	—	233
Polish zloty	146	11	—	157
Qatari riyal	120	—	—	120
Russian ruble	1,174	—	—	1,174
Saudi Arabian riyal	411	—	—	411
Singapore dollar	2,680	—	—	2,680
South African rand	587	39	—	626
South Korean won	2,273	—	—	2,273
Sri Lanka rupee	—	—	—	—
Swedish krona	603	12	—	615
Swiss franc	4,506	—	—	4,506
Thailand baht	8	2	—	10
Turkish lira	259	13	—	272
United Arab Emirates dirham	298	—	—	298
Vietnam dong	894	—	—	894
Total deposits subject to foreign currency risk	<u>\$ 92,671</u>	<u>\$ 1,739</u>	<u>\$ 655</u>	<u>\$ 95,065</u>

B. Investments

At June 30, 2020, the state's investments reported in governmental and business-type activities and fiduciary funds totaled \$257.4 billion, consisting of pooled investments with the State Treasury in the amount of \$29.7 billion and other investments in the amount of \$227.7 billion. The State Treasury also had holdings at June 30, 2020, 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, excluding those investments held by SBA, totaled \$23.8 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 Council 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. See Note 1E, Investments, for further detail on fair value.

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, 2020, was \$31.2 billion or 89% 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, 2020**

ASSETS

Current and Other Assets	\$ 35,379,603
Total Assets	<u>35,379,603</u>

LIABILITIES

Other Liabilities	3,028,319
Total Liabilities	<u>3,028,319</u>

NET POSITION

Net position held for Internal Pool Participants	31,568,569
Net position held for External Pool Participants	782,715
Total net position, ending	<u>\$ 32,351,284</u>

**Condensed Statement of Changes of Fiduciary Net Position
June 30, 2020**

ADDITIONS

Net income (loss) from investing activity	\$ 1,413,644
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DEDUCTIONS

Distributions paid and payable	<u>(1,413,644)</u>
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DEPOSITOR ACTIVITY

Deposits	129,772,189
Withdrawals	(126,623,484)
Excess (deficiency) of deposits over withdrawals	<u>3,148,705</u>
Change in net position	3,148,705
Net position, beginning	<u>29,202,579</u>
Net position, ending	<u>\$ 32,351,284</u>

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

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

	Par	Fair Value	Range of Interest Rates*	Range of Maturity Dates
Commercial paper	\$ 50,000	\$ 49,995	0.14%	7/29/2020
Money market funds	1,566,294	1,566,294	0.162%	N/A
Repurchase agreements	2,511,885	2,511,885	0.070% - 0.130%	7/1/2020 - 7/24/2020
U.S. guaranteed obligations	7,334,493	7,485,897	0.125% - 8.500%	7/21/2020 - 4/1/2065
Federal agencies	6,038,422	5,949,986	0.070% - 18.001%	7/9/2020 - 8/25/2059
Bonds and notes - domestic	6,595,234	6,848,265	0.001% - 9.455%	7/1/2020 - 9/15/2119
Bonds and notes - international	1,010,010	1,061,090	0.250% - 9.625%	7/13/2020 - 4/20/2055
Federal agencies discounted securities	1,809,009	1,805,569	0.095% - 1.900%	7/2/2020 - 3/25/2042
U.S. guaranteed obligations discounted securities	4,183,476	4,170,219	0.092% - 2.511%	7/2/2020 - 11/15/2044
Commingled STIF	715,386	715,386	N/A	N/A
Unemployment compensation	2,548,264	2,548,264	N/A	N/A
Totals	<u>\$ 34,362,473</u>	<u>\$ 34,712,850</u>		

* The coupon rate in effect at June 30, 2020, is reported. If a security is discounted, the purchase yield is reported.

The State Treasury records, as an investment, funds credited to the state’s account in the Federal Unemployment Compensation Trust Fund pursuant to Section 904 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, 2020, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Pooled Investments with State Treasury
As of June 30, 2020**

Investment type	Fair Value
Commercial paper	\$ 49,995
Money market funds	1,461,359
U.S. guaranteed obligations	11,656,116
Federal agencies	7,306,148
Bonds and notes - domestic	6,781,188
Bonds and notes - international	996,547
Repurchase agreements	1,400,000
Commingled STIF	715,386
Unemployment compensation funds pooled with U. S. Treasury	2,548,264
Total investments excluding security lending collateral**	<u>32,915,003</u>
Lending collateral investments:	
Commercial paper	—
Repurchase agreements	1,111,885
Money market funds	104,935
Federal agencies	449,407
Bonds and notes - domestic	67,077
Bonds and notes - international	64,543
Total lending collateral investments	<u>1,797,847</u>
Total investments	34,712,850
Cash on deposit	664,594
Total State Treasury holdings	<u>35,377,444</u>
Adjustments:	
Outstanding warrants	(907,968)
Deposits in transit	2,159
SPIA Revolving Account*	(7,494)
Unsettled securities liability	(315,010)
Reconciled balance, June 30, 2020	<u>\$ 34,149,131</u>
Reconciliation to the basic financial statements (in thousands):	
Unrestricted Pooled investments with State Treasury	
Governmental activities	\$ 22,778,300
Business-type activities	4,048,567
Fiduciary funds	2,647,470
Component units	3,648,571
Component units timing difference	(57,703)
Total unrestricted pooled investments with State Treasury	<u>33,065,205</u>
Restricted Pooled investments with State Treasury	
Business-type activities	204,890
Component units	879,036
Total restricted pooled investments with State Treasury	<u>1,083,926</u>
Total pooled investments with State Treasury	<u>\$ 34,149,131</u>

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

** This amount excludes the Florida Birth-Related Neurological Injury Compensation Association's (NICA) participation in Treasury's Short Term Investment Fund (STIF). 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 73.0% of total other investments at June 30, 2020. Investments in the FRS Investment Plan Trust Fund (Defined Contribution Pension Fund) represents 5.1% of total other investment, while investments in the Florida Hurricane Catastrophe Fund and the Florida Prepaid College Trust Fund represented another 6.4% and 7.1%, 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 at June 30, 2020, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Other Investments
As of June 30, 2020**

Investment types	Carrying Value ¹			Total
	FRS Pension Trust Fund	Other funds		
		Managed by SBA	Not managed by SBA	
Certificates of deposit	\$ —	\$ 3,044,834	\$ 1,733	\$ 3,046,567
Commercial paper	1,127,836	6,380,134	—	7,507,970
Money market funds	238,806	3,481,223	—	3,720,029
Repurchase agreements	800,000	1,650,000	—	2,450,000
U.S. guaranteed obligations	14,837,162	18,439,864	8,946	33,285,972
Federal agencies	8,169,761	1,292,402	4,369	9,466,532
Domestic bonds and notes	9,023,625	8,067,121	2,017,589	19,108,335
Commingled domestic bonds and notes funds/mutual funds	—	—	—	—
International bonds and notes	2,448,364	1,828,950	557	4,277,871
International bonds and notes mutual fund	—	—	—	—
Domestic stocks	48,275,740	2,644,778	88,804	51,009,322
Commingled domestic equity funds/mutual funds	—	4,095,043	—	4,095,043
International stocks	31,129,943	761,864	6,114	31,897,921
Commingled international equity funds/mutual funds	7,089,845	2,318,559	—	9,408,404
Commingled real asset funds	—	769,608	—	769,608
Alternative investments	28,780,594	—	—	28,780,594
Real estate investments (directly owned)	9,752,973	—	720	9,753,693
Commingled real estate investments funds	2,243,510	—	—	2,243,510
Self-Directed brokerage accounts	—	817,186	—	817,186
Derivative instruments, net: ²				
Forward currency contracts	(4,800)	—	—	(4,800)
Futures (debt and equity)	21,583	—	—	21,583
Option contracts	—	—	2,434	2,434
Swap contracts	(946)	—	—	(946)
Mutual funds	—	—	2,719,307	2,719,307
Deferred compensation annuities	—	—	14,720	14,720
Total investments excluding lending collateral	<u>163,933,996</u>	<u>55,591,566</u>	<u>4,865,293</u>	<u>224,390,855</u>
Lending collateral investments:				
Certificates of deposit	—	671,418	—	671,418
Commercial paper	—	677,994	—	677,994
Money market funds	1,785,715	4,925	1,031	1,791,671
Repurchase agreements	—	1,021,000	—	1,021,000
Federal agencies	—	50,025	—	50,025
Domestic bonds and notes	44,759	—	—	44,759
International bonds and notes	—	—	—	—
Total lending collateral investments	<u>1,830,474</u>	<u>2,425,362</u>	<u>1,031</u>	<u>4,256,867</u>
Total investments for all types	<u>\$165,764,470</u>	<u>\$ 58,016,928</u>	<u>\$ 4,866,324</u>	<u>\$ 228,647,722</u>
% of total other investments	73 %	25 %	2 %	

¹ Investments of the Local Government Surplus Funds Trust Fund are reported based on amortized cost which approximates fair value. See the Local Government Surplus Funds Trust Fund disclosure on page 81 to obtain investment details of the Local Government Surplus Funds Trust Fund. In addition, investments of the Debt Service Escrowed Fund, which meet the requirements of a legal or in-substance defeasance, are reported at cost.

² Refer to Note 2.B.6. for detailed information regarding derivatives.

Reconciliation to the basic financial statements (in thousands):

	Governmental activities	Business-type activities	Fiduciary funds	Component Units ¹	Total
Other investments	\$ 1,350,118	\$ 8,590,711	\$ —	\$ 551,680	\$ 10,492,509
Restricted investments	—	571,833	—	—	571,833
Long-term investments	37,926	22,258,137	193,166,525	—	215,462,588
Security lending collateral ²	—	—	1,830,474	—	1,830,474
Timing and other differences ³	(35,982)	(10,732)	(48,530)	385,562	290,318
Total other investments	<u>\$ 1,352,062</u>	<u>\$ 31,409,949</u>	<u>\$ 194,948,469</u>	<u>\$ 937,242</u>	<u>\$ 228,647,722</u>

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, 2020.

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, 2020

Investment Type	Fair Value
U.S. guaranteed obligations	\$ 118,767
Federal agencies	1,101
Total	<u>\$ 119,868</u>

In addition, cash and foreign currency required to open futures and swap contracts (i.e. initial margin) in the FRS Pension Trust Fund may be pledged as collateral with the SBA's futures and swap counterparties. Pursuant to these types of contracts, and also pending foreign currency contracts and commitments to purchase (TBAs), the FRS Pension Trust Fund agrees to receive or pay to the counterparties an amount of cash equal to the daily fluctuation in the value of the contract. Such receivables and payables are known as variation margin. All initial and variation margin amounts held by counterparties, and the variation margins held by the FRS Pension Trust Fund as of June 30, 2020, 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, 2020

	Fair Value
Margin receivable from counterparties:	
Futures contracts	\$ 6,654
Swap contracts	5,187
Foreign currency contracts	2,092
Total margin receivable	<u>\$ 13,933</u>
Margin payable to counterparties:	
Futures contracts	\$ 14,327
Swap contracts	224
Commitments to purchase (TBAs)	1,354
Total margin payable	<u>\$ 15,905</u>

The FRS Pension Trust Fund also held short positions in investments at June 30, 2020. Short investment positions are reported as liabilities on the Statement of Fiduciary Net Position. The schedule below presents the short investment positions at fair value at June 30, 2020 (in thousands):

**FRS Pension Trust Fund
Short Investment Position
As of June 30, 2020**

Investment Type	Fair Value
U.S. guaranteed obligations	\$ (27,400)
Federal agencies	(37,204)
Total	\$ (64,604)

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, 2020. 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, as of June 30, 2020, 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, 2020, are excluded.

**Schedule of Other Investments
For Discretely Presented Component Units
As of June 30, 2020**

Investment type	Fair Value
Certificates of deposit	\$ 33,713
Commercial paper	12,202
Money market funds	261,910
U.S. guaranteed obligations	3,821,705
Federal agencies	1,493,358
Domestic bonds & notes	7,469,505
International bonds & notes	699,284
Domestic stocks	1,469,211
International stocks	920,445
Real estate investments	162,650
Mutual funds	2,530,362
Investment agreements	4,953,319
Total other investments for all types	\$ 23,827,664
Reconciliation of fair value to the basic financial statements:	
Other investments	\$ 17,358,197
Restricted investments	7,021,147
Less SBA Investments*	(551,680)
Total other investment for component units	\$ 23,827,664

* Investment types for component units with investments held by SBA are disclosed on the Schedule of Other Investments on page 79.

At June 30, 2020, 61.14% 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, 2020, were rated by the nationally recognized statistical rating organizations (NRSRO) Standard and Poor's (S&P) and Moody's. S&P ratings were primarily used. If S&P did not rate a security, or if the Moody's rating was lower for a security, then Moody's ratings were used. The ratings are presented below using the applicable rating scale (in thousands):

State Treasury Credit Quality Ratings As of June 30, 2020

S&P rating ²	Moody's rating ²	Total ¹	Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes	Repurchase agreements	Money Market funds
AAAm		\$ 1,461,359	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,461,359
AAA		1,018,121	—	9,252	802,428	101,506	—	104,935
AA		7,974,867	—	7,211,941	543,951	218,975	—	—
A		3,165,041	—	—	2,746,343	418,698	—	—
A-1		196,356	49,995	146,361	—	—	—	—
BBB		1,497,640	—	—	1,355,396	142,244	—	—
BB		29,132	—	—	27,809	1,323	—	—
B		11,075	—	—	11,075	—	—	—
Below B		8	—	—	8	—	—	—
	Aaa	889,704	—	83,198	765,706	40,800	—	—
	Aa	112,314	—	—	112,314	—	—	—
	A	120,905	—	—	119,584	1,321	—	—
	Baa	360,259	—	—	307,877	52,382	—	—
	Ba	60,738	—	—	39,965	20,773	—	—
	B	1,177	—	—	1,177	—	—	—
	Below B	28	—	—	28	—	—	—
Not Rated	Not Rated	2,403,417	—	304,803	14,604	63,068	2,020,942	—
		<u>19,302,141</u>	<u>\$ 49,995</u>	<u>\$ 7,755,555</u>	<u>\$ 6,848,265</u>	<u>\$ 1,061,090</u>	<u>\$ 2,020,942</u>	<u>\$ 1,566,294</u>
Not rated ³	Not rated ³	11,656,116	U.S. guaranteed obligations					
Not rated	Not rated	715,386	Commingled STIF					
Not rated ³	Not rated ³	490,943	Repurchase agreements					
		<u>\$ 32,164,586</u>						

¹ The remaining \$2,548,264 (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool.

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

³ 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, 2020, more than five percent of the State Treasury's investment pool is invested in the Federal National Mortgage Association (FNMA), Federal Home Loan Bank System (FHLB), and the Federal Home Loan Mortgage Corporation (FHLMC). These investments are approximately 8 percent, 6 percent, and 5 percent of the 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 NRSROs. For long-term investment ratings, this is defined as a minimum A rating from one of the NRSROs. Securities of a single issuer are generally limited to 5% of the market value of the portfolio (excluding U.S. Treasuries and Agencies).

Generally, securities in other major portfolios, such as the Mortgage Index Portfolio, Intermediate Aggregate Less MBS Index Portfolio and the Core Portfolio, should be rated investment grade by at least one of the NRSROs at the time of purchase allowing a very small allocation to below investment grade (down to BB-/Ba3) for the Core Portfolio. Securities for a single issuer are generally limited to 5% of the fair value 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 and the Core Portfolio – These portfolios allow U.S. Treasuries, U.S. Government agencies, corporates, mortgage and asset backed securities, foreign sovereign debt, and municipals.

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

- Tri-party qualified repurchase agreement transactions 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 NRSRO and
- U.S. Treasury bills, notes, and bonds.

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

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 at least two 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 backed by the United States Government

and have a maximum maturity of 762 days. A “long-term obligation” means any eligible security or instrument (other than a repurchase agreement) which has a remaining maturity of greater than 397 days at the time of purchase and is not subject to a demand feature in 397 days or less.

The FRS Pension Trust Fund did not hold any investments with a single issuer representing 5% or more of the fund’s fair market value at June 30, 2020. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2020 (in thousands):

**FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2020**

Credit Rating ¹		Total ²	Commercial paper	Money market funds	Repurchase agreements	Federal agencies ⁴	Domestic bonds & notes	International bonds & notes
S&P	Moody's							
A-1/AAAm		\$ 2,773,649	\$ 749,128	\$ 2,024,521	\$ —	\$ —	\$ —	\$ —
A-2		290,928	290,928	—	—	—	—	—
A-3		19,881	19,881	—	—	—	—	—
AAA		1,042,586	—	—	—	—	596,606	445,980
AA		1,064,635	—	—	50,024	411,964	426,338	176,309
A		2,596,413	—	—	—	—	2,008,854	587,559
BBB		4,285,977	—	—	—	—	3,658,002	627,975
BB		240,024	—	—	—	—	190,578	49,446
B		93,218	16,110	—	—	—	64,186	12,922
CCC		18,207	—	—	—	—	9,292	8,915
CC		12,416	—	—	—	—	10,865	1,551
C		456	—	—	—	—	456	—
D		3,948	—	—	—	—	1,479	2,469
	P-2	49,998	49,998	—	—	—	—	—
	P-3	1,791	1,791	—	—	—	—	—
	Aaa	1,081,531	—	—	—	4,193	881,644	195,694
	Aa	75,775	—	—	—	—	56,182	19,593
	A	179,897	—	—	—	—	141,579	38,318
	Baa	571,008	—	—	—	—	446,380	124,628
	Ba	200,702	—	—	—	—	153,189	47,513
	B	33,019	—	—	—	—	29,909	3,110
	Caa	7,680	—	—	—	—	7,083	597
Not rated	Not rated	8,535,571	—	—	290,420	7,753,604	385,762	105,785
Total ratable investments		23,179,310	\$ 1,127,836	\$ 2,024,521	\$ 340,444	\$ 8,169,761	\$ 9,068,384	\$ 2,448,364
Ratings not Applicable:								
Repurchase agreements ³		459,556						
U.S. guaranteed obligations ³		14,837,162						
Domestic stocks		48,275,740						
International stocks		31,129,943						
Commingled international equity funds		7,089,845						
Alternative investments		28,780,594						
Real estate (directly owned)		9,752,973						
Real estate commingled		2,243,510						
Derivative instruments, net:								
Forward currency contracts		(4,800)						
Futures (debt and equity)		21,583						
Swaps		(946)						
Total investments		\$ 165,764,470						

¹ S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, 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 the ratings presented for commercial paper and money market funds.

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

³ U.S. guaranteed obligations and repurchase agreements collateralized by securities explicitly guaranteed by the U.S. Government do not require disclosure of credit quality.

⁴ Federal agency TBAs and mortgage-backed securities are classified as "Not Rated" because they do not have explicit credit ratings on individual securities.

All futures, options, and swaps contracts held by the FRS Pension Trust Fund at June 30, 2020, were exchange traded, therefore minimizing counterparty credit risk through the use of futures and swaps clearing merchants and clearing houses. The FRS Pension Trust Fund may enter into contracts that allow for close-out netting with certain counterparties. In the event of default or early termination, the contract permits the non-defaulting party the right to close-out all transactions in a single net settlement to one net amount payable by one counterparty to the other. The aggregate fair value of non-exchange traded derivatives subject to close-out netting totaled \$(4.1) million as of June 30, 2020.

Counterparty credit ratings related to credit risk for forward foreign currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2020, are listed below (in thousands):

FRS Pension Trust Fund				
Forward Foreign Currency Exchange Contract Counterparty Credit Ratings				
As of June 30, 2020				
Counterparty Credit Rating (Long /Short) ¹		Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss) ²
S&P	Moody's			
A/A-1		\$ 29,226	\$ (33,448)	\$ (4,222)
	NR/P-1	27	(605)	(578)
Total		<u>\$ 29,253</u>	<u>\$ (34,053)</u>	<u>\$ (4,800)</u>

¹ S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated).

² Forward currency exchange contracts are reported net, as an investment derivative on the Statement of Fiduciary Net Position.

Counterparty credit ratings related to credit risk for spot currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2020, are listed below (in thousands):

FRS Pension Trust Fund				
Spot Foreign Currency Exchange Contract Counterparty Credit Ratings				
As of June 30, 2020				
Counterparty Credit Rating (Long /Short) ¹		Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)
S&P	Moody's			
AA/A-1		\$ 6,600	\$ (6,597)	\$ 3
A/A-1		40,160	(40,189)	(29)
BBB/A-2		30	(30)	—
	A/P-1	202	(202)	—
NR	NR	50,994	(51,003)	(9)
	Total	<u>\$ 97,986</u>	<u>\$ (98,021)</u>	<u>\$ (35)</u>

¹ S&P or Moody ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "NR" (not rated).

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, 2020, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
Credit Quality Ratings
As of June 30, 2020

Credit Rating ¹		Total ²	Certificates of deposit	Commercial paper	Money market funds	Repurchase agreements	Federal agencies	Domestic bonds and notes ³	International bonds and notes
S&P	Moody's								
AAAm		\$ 2,370,018	\$ —	\$ —	\$ 2,370,018	\$ —	\$ —	\$ —	\$ —
A-1		7,015,767	—	7,015,767	—	—	—	—	—
AAA		429,302	—	—	—	—	413,749	15,553	—
AA		2,640,860	—	—	—	54,858	170,576	1,505,565	909,861
A		2,234,936	—	—	—	131,287	—	1,477,011	626,638
BBB		1,655,773	—	—	—	71,483	—	1,402,524	181,766
BB		14,237	—	—	—	—	—	8,587	5,650
B		1,246	—	—	—	—	—	1,246	—
	P-2	—	—	—	—	—	—	—	—
	Aaa	293,894	—	—	—	967	27,648	245,089	20,190
	Aa	24,433	—	—	—	—	—	24,166	267
	A	446,544	—	—	—	925	—	424,562	21,057
	Baa	197,219	—	—	—	6,305	—	181,647	9,267
	Ba	73,859	—	—	—	—	—	65,737	8,122
Note rated	Not rated	8,924,718	3,718,903	49,989	1,116,619	547,186	1,144,202	2,317,239	30,580
Total ratable investments		<u>26,322,806</u>	<u>\$ 3,718,903</u>	<u>\$ 7,065,756</u>	<u>\$ 3,486,637</u>	<u>\$ 813,011</u>	<u>\$ 1,342,426</u>	<u>\$ 8,067,122</u>	<u>\$ 1,828,951</u>
Ratings not applicable									
Repurchase agreements ⁴		1,857,989							
U.S. guaranteed obligations ⁴		18,439,929							
Domestic stocks		2,644,778							
Domestic equity commingled/mutual funds		4,095,043							
International stocks		761,864							
International equity commingled/mutual funds		2,318,560							
Commingled real asset funds		769,608							
Self-directed brokerage accounts		817,186							
Total investments		<u>\$ 58,027,763</u>							

¹ S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, 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 the ratings presented for commercial paper and money market funds.

² All investments are included in this schedule, including security lending collateral investments. Fair value is presented for all investments, except for repurchase agreements and money market funds, which are presented at cost.

³ These columns include several domestic bonds and notes commingled/mutual funds and one international bonds and notes mutual fund with fair values of approximately \$2.2 billion and \$16.3 million, respectively, that do not carry credit ratings.

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 Florida Prepaid Investment Plan held investments with the FNMA (8.66%) 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, 2020								
Component Unit*	Federal agencies	Bonds & notes	Money market funds	Bond Mutual funds	U.S. guaranteed obligations	Other Investments	Total	S&P rating
Florida Housing Finance Corporation (FHFC)	\$ —	\$ 22,601	\$ —	\$ —	\$ —	\$ 5,638	\$ 28,239	AAA-AA+
FHFC (continued)	—	69,393	—	—	—	—	69,393	AAA-AA
FHFC (continued)	—	2,311	—	—	—	—	2,311	AAA-BBB+
FHFC (continued)	—	108,974	—	—	—	—	108,974	AAA-BBB-
FHFC (continued)	—	—	—	—	—	—	—	AAA-D
FHFC (continued)	32,366	—	—	—	153,455	—	185,821	AA+
FHFC (continued)	—	—	—	—	—	—	—	A 1
FHFC (continued)	—	—	—	—	—	—	—	
University of Florida (UF)	—	5,381	4,903	62,465	—	—	72,749	AAA
UF (continued)	19,190	6,163	—	63,510	—	—	88,863	AA
UF (continued)	—	7,729	—	32,327	—	—	40,056	A
UF (continued)	940	95,736	17,974	27,738	—	—	142,388	Less than A
Citizens Property Insurance Corporation (CPIC)	791,482	—	—	—	1,836,762	—	2,628,244	AA+
CPIC (continued)	—	641,540	—	—	—	—	641,540	A+
CPIC (continued)	—	5,269,097	—	—	—	—	5,269,097	A
Total Investments	\$ 843,978	\$ 6,228,925	\$ 22,877	\$ 186,040	\$ 1,990,217	\$ 5,638	\$ 9,277,675	

* State of Florida major component units do not have any investments subject to concentration of credit risk.

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, 2020. 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, 2020**

	<u>Fair value</u>
Invested security lending collateral:	
Repurchase agreements	\$ 1,111,885
Federal agencies	449,407
Bonds and notes - domestic	67,077
Bonds and notes - international	64,543
Total	<u>\$ 1,692,912</u>

Other Investments

The SBA's custodial credit risk policy states that custodial credit risk will be minimized through the use of trust accounts maintained at top tier third party custodian banks. To the extent possible, negotiated trust and custody contracts shall require that all deposits, investments, and collateral be held in accounts in the SBA's name, or in the case of certain foreign investments, in an omnibus client account, but separate and apart from the assets of the custodian banks. This policy applies to investments evidenced by cash or securities, and does not apply to investments evidenced by contractual agreements such as alternative or real estate investments, cleared derivative instruments (futures, options and swaps), external investment pools or open-ended mutual funds. These types of investments are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. 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, 2020. 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, 2020**

	<u>FRS Pension Trust Fund</u>	<u>Other funds</u>
Invested security lending collateral:		
Certificates of deposit	\$ —	\$ 671,418
Commercial paper	—	677,994
Repurchase agreements	—	1,021,000
Federal agencies	—	50,024
Domestic bonds and notes	44,759	—
Total	<u>\$ 44,759</u>	<u>\$ 2,420,436</u>

Component Units

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

Major Component Unit Custodial Credit Risk As of June 30, 2020	
Component unit / Investment type	Fair value
University of Florida	
Federal agencies	\$ 20,130
Bonds and notes	16,838
Total	\$ 36,968

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, 2020**

Investment type	Fair value	Effective weighted duration (in years)	Security Lending Market Value	Weighted average maturity (in days)
Commercial paper	\$ 49,995	0.08	\$ —	N/A
Money market funds	1,461,359	0.33	104,935	1
Repurchase agreements	1,400,000	0.03	1,111,885	1
U.S. guaranteed obligations:				
U.S. Treasury bonds and notes	6,981,398	3.27	—	N/A
U.S. Treasury strips	413,385	2.55	—	N/A
U.S. Treasury bills	3,756,834	0.20	—	N/A
GNMA mortgage-backed pass-through	312,091	3.01	—	N/A
GNMA TBA pass-through	316	3.15	—	N/A
GNMA collateralized mortgage obligations (CMO's)	17,096	2.76	—	N/A
GNMA CMO's - interest only	12,714	2.81	—	N/A
NCUA - CMO's	1,839	0.10	—	N/A
SBA asset-backed	160,443	4.07	—	N/A
Federal agencies:				
Discount notes	1,805,492	0.25	—	N/A
Unsecured bonds & notes	1,898,987	0.86	449,407	5
Mortgage-backed pass-through	2,831,504	2.26	—	N/A
TBA mortgage-backed pass-through	207,228	1.34	—	N/A
Mortgage-backed CMO's	552,294	3.60	—	N/A
Mortgage-backed CMO's - principal only	77	3.50	—	N/A
Mortgage-backed CMO's - interest only	10,566	3.90	—	N/A
Bonds and notes - domestic:				
Corporate	4,826,569	6.40	67,077	31
Corporate asset-backed	615,143	1.48	—	N/A
Non-government backed CMO's & CMBS*	871,862	4.16	—	N/A
Non-government backed CMO's & CMBS* - interest only	11,120	3.24	—	N/A
Municipal/provincial	456,494	7.19	—	N/A
Bonds and notes - international:				
Government & Agency	201,013	3.71	—	N/A
Corporate	795,534	3.90	64,543	41
Commingled STIF	715,386	—	—	N/A
Futures contracts - long***	—	5.42	—	N/A
Futures contracts - short***	—	5.99	—	N/A
Total portfolio effective duration and weighted average maturity	—	2.64	—	5
Total debt investments**	<u>\$ 30,366,739</u>		<u>\$ 1,797,847</u>	

* Commercial Mortgage-Backed Securities (CMBS).

** The remaining \$2,548,264 (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 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. 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, on a net basis, 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 Portfolio contains certain investments, known 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. 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 – Investment policy guidelines in effect for the FRS Pension Trust Fund allow investment in:

- Tri-party qualified repurchase obligations, 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.

Security lending 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. For investments that had floating interest rates, interest rate reset dates were used to calculate the WAM.

The LCEF policy allows cash collateral to be invested only in tri-party repurchase agreements, certain government money market funds and U.S. government securities similar to those allowed for the FRS Pension Fund.

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

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

FRS Pension Trust Fund
Debt Investments
As of June 30, 2020

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Commercial paper	\$ —	N/A	\$ 1,127,836	7
Money market funds	—	N/A	2,024,521	1
Repurchase agreements	—	N/A	800,000	9
U.S. guaranteed obligations:				
U.S. Treasury bills	6,011,490	0.20	—	N/A
U.S. Treasury bonds and notes	6,833,478	4.61	—	N/A
U.S. Treasury strips	34,916	16.92	—	
Index linked government bonds	194,178	11.13	—	N/A
U.S. government guaranteed bonds and notes	79,647	0.97	—	N/A
Asset-backed	88,619	4.01	—	N/A
GNMA mortgage-backed pass-through	1,317,483	1.92	—	N/A
GNMA TBA mortgage-backed pass-through	97,783	1.64	—	N/A
GNMA CMO's and CMBS ¹	179,568	3.42	—	N/A
Federal agencies:				
Unsecured bonds and notes	416,157	4.17	—	N/A
Agency strips	13,597	6.58	—	N/A
Mortgage-backed pass-through	4,667,096	2.20	—	N/A
FNMA, FHLMC TBA mortgage-backed pass-through	1,806,956	1.55	—	N/A
Mortgage-backed CMO's and CMBS ¹	1,265,955	1.72	—	N/A
Domestic bonds and notes:				
Corporate	6,767,555	4.98	—	N/A
Non-government asset and mortgage-backed	660,294	2.10	38,485	27
Non-government backed CMO's and CMBS ¹	1,558,072	3.76	1,282	27
Municipal/provincial	42,696	7.17	—	N/A
International bonds and notes:				
Government and agency	780,628	3.36	—	N/A
Corporate	1,371,367	3.95	—	N/A
Non-government asset and mortgage-backed	271,410	0.13	—	N/A
Non-government backed CMO's and CMBS ¹	24,959	(0.05)	—	N/A
Futures contracts - long (debt) ²	6,697	3.84	—	N/A
Futures contracts - short (debt) ²	(6,857)	7.73	—	N/A
Credit default swaps ²	(978)	—	—	N/A
Interest rate swap contracts ²	32	6.47	—	N/A
Total debt investments	<u>\$ 34,482,798</u>		<u>\$ 3,992,124</u>	

¹ Includes investments in IOs, POs, and INVs totaling \$73 million at June 30, 2020.

² The futures and swap contracts effective weighted duration was calculated using notional values (in U.S. \$) rather than fair values.

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

FRS Pension Trust Fund
Sold Short¹ Debt Investment Positions
As of June 30, 2020

Investment type	Fair value (duration)	Effective weighted duration (in years)
GNMA commitments to sell (TBAs)	\$ (27,400)	1.07
FNMA, FHLMC commitments to sell (TBAs)	(37,204)	1.83
Total debt investments sold short ¹	<u>\$ (64,604)</u>	

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

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, 2020 (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, 2020

Investment type	Total fair value	Investment maturities (in years)						
		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	\$ 373,355	\$ 373,355	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
U.S. Treasury bonds, notes, and SLGS*	58,528	26,146	32,382	—	—	—	—	—
U.S. Treasury strips	323,997	22,599	45,066	46,160	124,289	36,672	26,514	22,697
Total debt investments	<u>\$ 755,880</u>	<u>\$ 422,100</u>	<u>\$ 77,448</u>	<u>\$ 46,160</u>	<u>\$ 124,289</u>	<u>\$ 36,672</u>	<u>\$ 26,514</u>	<u>\$ 22,697</u>

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

**Debt Investments Managed by SBA (except FRS Pension Trust Fund)
That Use Weighted Average Maturity Method or Duration Method
As of June 30, 2020**

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ —	N/A	\$ 3,718,903	71
Commercial paper	—	N/A	7,065,756	80
Money market funds	1,116,372	0.08	2,370,265	1
Repurchase agreements	—	N/A	2,671,000	1
U.S. guaranteed obligations:				
U.S. Treasury bills	—	N/A	4,679,003	100
U.S. Treasury bonds and notes	752,663	7.71	6,487,913	645
U.S. Treasury strips	5,573,006	3.47	—	N/A
Index linked government bonds	55,145	12.64	—	N/A
U.S. government guaranteed	608	4.82	—	N/A
U.S. guaranteed (SBA) asset-backed	12,890	6.55	—	N/A
GNMA mortgage-backed pass through	24,656	1.48	—	N/A
GNMA commitments to purchase (TBAs)	84,232	4.66	—	N/A
GNMA CMO's ¹	13,933	0.85	—	N/A
Federal agencies:				
Discount notes	—	N/A	27,984	124
Unsecured bonds and notes	44,985	11.93	100,442	78
Agency strips	685,185	8.06	—	N/A
Mortgage-backed (FNMA, FHLMC)	224,750	2.25	—	N/A
FNMA, FHLMC commitments to purchase (TBAs)	141,015	3.04	—	N/A
Mortgage-backed CMO's and CMBS ¹	118,065	3.77	—	N/A
Domestic bonds and notes:				
Corporate	2,869,082	9.65	2,266,814	735
Non-government asset and mortgage-backed	256,110	1.83	—	N/A
Non-government backed CMO's and CMBS ¹	381,276	4.46	—	N/A
Municipal/provincial	44,377	9.2	13,980	8
Commingled/mutual funds	2,235,483	5.40	—	N/A
International bonds and notes:				
Government and agency	72,917	6.1	20,751	515
Corporate	300,968	9.61	1,383,161	652
Non-government asset and mortgage-backed	33,826	1.19	—	N/A
Non-government backed CMO's	1,065	0.4	—	N/A
Mutual fund	16,263	7.92	—	N/A
Total debt investments	<u>\$ 15,058,872</u>		<u>\$ 30,805,972</u>	

¹ Includes Investments in IO's and INV IO's totaling \$18.9 million and \$570 thousand, respectively, at June 30, 2020, in the Florida Prepaid College Program, and \$1.9 million in IO's in the Florida Prepaid Investment Plan.

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, 2020**

Component unit / Investment type	Total fair value	Investment maturities (in years)			
		Less than or equal to 1	> 1 to 5	> 5 to 10	> 10
University of Florida					
U.S. guaranteed obligations	\$ 322	\$ —	\$ 322	\$ —	\$ —
Federal agencies	20,130	20,130	—	—	—
Bonds & notes	115,009	11,810	55,476	37,915	9,808
Bond Mutual funds	186,040	4,176	161,366	20,498	—
Total debt investments	<u>\$ 321,501</u>	<u>\$ 36,116</u>	<u>\$ 217,164</u>	<u>\$ 58,413</u>	<u>\$ 9,808</u>

**Major Component Units
Debt Investments
That Use Duration or Weighted Average Maturity Method
As of June 30, 2020**

Component unit / Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Florida Housing Finance Corporation				
U.S. guaranteed obligations	\$ 153,455	2.08	\$ —	N/A
Federal agencies	32,366	1.02	—	N/A
Bonds & notes	203,279	1.26	—	N/A
Others	5,638	2.62	—	N/A
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	—	N/A	1,836,762	3.67
Federal agencies	—	N/A	791,482	5.79
Bonds & notes	—	N/A	5,269,097	6.08
International bonds and notes	—	N/A	641,540	4.24
Total debt investments	<u>\$ 394,738</u>		<u>\$ 8,538,881</u>	

4. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates that 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, 2020. These funds are managed primarily by the use of “asset classes”.

The FRS Pension Trust Fund investment policy, approved on June 13, 2018 (effective July 1, 2018), 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 also 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. Exchange-traded funds (ETFs) are investment funds that hold assets such as stocks or bonds and are traded on the stock exchanges. Participatory notes (P-notes) 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 foreign currency are presented in the foreign currency risk table below by currency. 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 approximately \$27.9 billion as of June 30, 2020.

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 70% of actuarial reserve.

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

Presented below in U.S. dollars are the FRS Pension Trust Fund investments exposed to foreign currency risk as of June 30, 2020, listed in total, by currency (in thousands).

FRS Pension Trust Fund
Investments Exposed to Foreign Currency Risk (fair values in U.S.\$, in thousands)
As of June 30, 2020

Currency	Investment Type				
	Equity	Alternative Investments	Fixed Income	Other	Spot Contracts, Net
Australian dollar	\$ 769,883	\$ —	\$ —	\$ (76,296)	\$ 46
Bangladesh taka	12,821	—	—	—	—
Brazilian real	420,570	—	—	1,827	164
British pound sterling	2,629,332	78,753	990	(68,462)	(3,857)
Canadian dollar	1,041,161	—	—	26,469	1,671
Chilean peso	21,020	—	—	9,347	—
Chinese yuan renminbi	890,417	—	—	4,794	(520)
Colombian peso	4,691	—	—	9,394	—
Costa rican colon	1,646	—	—	—	—
Czech koruna	932	—	—	4,851	—
Danish krone	670,302	—	—	—	243
Egyptian pound	18,806	—	—	—	—
Euro	6,196,449	1,136,111	5,999	(225,288)	(14,842)
Ghanaian cedi	1,265	—	—	—	—
Hong Kong dollar	3,303,132	—	—	(23,940)	1,937
Hungarian forint	28,531	—	—	14,095	—
Indian rupee	638,669	—	—	67,289	—
Indonesian rupiah	87,304	—	—	76,834	229
Israeli shekel	86,018	—	—	(13,952)	(45)
Japanese yen	3,784,549	—	—	7,480	(2,144)
Kenyan shilling	12,875	—	—	—	—
Kuwaiti dinar	16,111	—	—	—	—
Malaysian ringgit	58,716	—	—	—	(786)
Mauritius rupee	1,431	—	—	—	—
Mexican peso	124,785	—	—	60,926	58
Moroccan dirham	5,881	—	—	—	17
New Taiwan dollar	1,135,386	—	—	(12,563)	(6,251)
New Zealand dollar	32,643	—	—	(37,846)	—
New Zimbabwe dollar	4,426	—	—	—	—
Nigerian naira	13,028	—	—	—	—
Norwegian krone	201,833	—	—	(16,123)	(28)
Pakistani rupee	11,658	—	—	—	—
Peruvian sol	3,518	—	—	15,396	—
Philippines peso	57,613	—	—	20,900	454
Polish zloty	48,821	—	—	32,532	(110)
Qatari riyal	25,622	—	—	—	—
Romanian new leu	13,092	—	—	20,745	—
Russian ruble	405	—	—	70,027	—
Saudi Arabian riyal	16,086	—	—	—	—
Singapore dollar	363,335	—	—	3,513	3,361
South African rand	204,639	—	—	7,180	(11)
South Korean won	1,121,823	—	—	9,102	2,679
Sri Lankan rupee	4,590	—	—	—	—
Swedish krona	557,433	9,843	—	47,428	(1,118)
Swiss franc	1,750,075	—	—	(69,629)	491
Thailand baht	88,234	—	—	(50,308)	349
Turkish lira	110,607	—	—	9,288	44
United Arab Emirates dirham	48,768	—	—	—	—
Vietnam dong	32,610	—	—	—	—
Total foreign currency investments	26,673,542	1,224,707	6,989	(74,990)	(17,969)
Other investments with potential exposure to foreign currency risk:					
Alternative investments	—	27,555,887	—	—	—
P-notes and ETFs	240,589	—	—	—	—
Commingled international equity funds	7,089,845	—	—	—	—
Total investments subject to foreign currency risk	\$ 34,003,976	\$ 28,780,594	\$ 6,989	\$ (74,990)	\$ (17,969)

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 counterparty, in the 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 upon specified collateral and margin limits mutually agreed upon by the SBA and the third-party counterparty. The margin payments are exposed to foreign currency risk. The FRS Pension Trust Fund's futures contract positions at June 30, 2020, 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, 2020

	Currency	Number of Contracts	In Local Currency		Unrealized Gain/(Loss)	Unrealized Gain/(Loss) (in U.S. \$)
			Notional Traded Exposure	Notional Market Exposure		
Stock Index Futures:						
GBP FT SE 100 Index	British pound sterling	36	2,227	2,213	(14) \$	(17)
Canada S&P/T SE 60 Index	Canadian dollar	15	2,755	2,785	30	22
DJ Euro STOXX 50	Euro currency unit	122	3,897	3,932	35	39
TOPIX Index Future	Japanese yen	24	383,908	374,040	(9,868)	(91)
MSCI EAFE ¹	U. S. dollar	1,125	99,197	100,035	838	838
MSCI Emerging markets Index ¹	U. S. dollar	210	10,209	10,350	141	141

¹ Futures denominated in U.S. dollars are based on an index that converts the foreign issues to U.S. dollar equivalents at currency market exchange rates.

The FRS Pension Trust Fund also held positions in option contracts during the fiscal year that were subject to foreign currency risk, although no option contracts were held at June 30, 2020. 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.

The FRS Pension Trust Fund did not hold any positions in swap contracts that were exposed to foreign currency risk at June 30, 2020.

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. 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 may be used to mitigate currency risk for changes in value associated with foreign holdings, payables and/or receivables. On the Statement of Fiduciary Net Position, individual forward currency contract positions are recorded as net in Other investments, and spot currency contracts are recorded as receivables and payables. In addition, such contracts may be used to seek additional value independent of underlying equity assets. 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, 2020, is presented below, by currency (in thousands):

FRS Pension Trust Fund
Foreign Currency Exchange Contracts
As of June 30, 2020

Currency	Forward Currency Contracts				Spot Currency Contracts			
	Receivable Notional	Payable Notional	Net Investment Fair Value	Unrealized Gain/ (Loss)	Receivable Fair Value	Payable Fair Value	Net Receivables/ Payables	Unrealized Gain/ (Loss)
Australian dollar	\$ 161,237	\$ 237,067	\$ (76,296)	\$ (466)	\$ 253	\$ (207)	\$ 46	\$ 1
Brazilian real	31,370	29,462	1,827	(81)	1,142	(978)	164	—
sterling	119,372	189,136	(68,445)	1,320	—	(3,857)	(3,857)	—
Canadian dollar	196,124	167,637	26,447	(2,040)	1,710	(39)	1,671	(3)
Chilean peso	21,923	12,539	9,347	(37)	—	—	—	—
renminbi	4,752	—	4,794	42	—	(520)	(520)	—
Columbian peso	9,737	—	9,394	(343)	—	—	—	—
Czech koruna	4,917	—	4,851	(67)	—	—	—	—
Danish krone	2,212	2,111	—	(101)	243	—	243	—
Euro currency unit	251,994	474,706	(225,327)	(2,614)	10,857	(25,699)	(14,842)	(21)
Hong Kong dollar	—	23,919	(23,940)	(21)	4,140	(2,203)	1,937	16
Hungarian forint	14,648	—	14,095	(553)	—	—	—	—
Indian rupee	77,328	9,975	67,289	(64)	—	—	—	—
Indonesian rupiah	78,669	—	76,834	(1,835)	229	—	229	3
Israeli shekel	—	14,055	(13,952)	102	—	(45)	(45)	—
Japanese yen	185,824	178,055	7,571	(198)	9,253	(11,397)	(2,144)	(24)
Malaysian ringgit	—	—	—	—	275	(1,061)	(786)	—
Mexican peso	61,873	3,000	60,926	2,053	108	(50)	58	—
Moroccan dirham	—	—	—	—	17	—	17	—
New Taiwan dollar	9,631	22,200	(12,563)	5	—	(6,251)	(6,251)	13
New Zealand dollar	119,873	155,638	(37,846)	(2,081)	—	—	—	—
Norwegian krone	68,045	88,182	(16,123)	4,015	—	(28)	(28)	—
Peruvian sol	27,610	11,908	15,396	(306)	—	—	—	—
Philippines peso	20,821	—	20,900	79	481	(27)	454	—
Polish zloty	56,261	23,394	32,532	(334)	4	(114)	(110)	—
Romanian new leu	20,908	—	20,745	(164)	—	—	—	—
Russian ruble	68,805	—	70,027	1,222	—	—	—	—
Singapore dollar	3,538	—	3,513	(25)	4,572	(1,211)	3,361	—
South African rand	9,628	2,407	7,180	(41)	1,046	(1,057)	(11)	(3)
South Korean won	34,576	25,696	9,102	222	3,646	(967)	2,679	(15)
Swedish krona	116,900	69,356	47,428	(116)	281	(1,399)	(1,118)	—
Swiss franc	152,530	221,624	(69,629)	(536)	754	(263)	491	(1)
Thailand baht	18,261	66,815	(50,308)	(1,754)	888	(539)	349	(1)
Turkish lira	9,372	—	9,288	(83)	90	(46)	44	—
U.S. dollar	1,307,593	1,237,450	70,143	—	57,997	(40,063)	17,934	—
Total	\$ 3,266,332	\$ 3,266,332	\$ (4,800)	\$ (4,800)	\$ 97,986	\$ (98,021)	\$ (35)	\$ (35)

A schedule of the Lawton Chiles Endowment Fund and Florida Prepaid College Fund investments exposed to foreign currency risk as of June 30, 2020, is presented below, by currency (in thousands):

**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, 2020**

Currency	LCEF Investment Type		Florida Prepaid Program and Investment Plan Investment type	
	Equity	Spot Foreign Currency Contracts, Net	Equity	Spot Foreign Currency Contracts, Net
Australian dollar	\$ 11,226	\$ —	\$ 32,459	\$ —
Brazilian real	3,732	—	—	—
British pound sterling	20,263	—	60,985	(71)
Canadian dollar	14,962	—	—	—
Chinese yuan renminbi	2,677	(14)	—	—
Czech koruna	476	—	—	—
Danish krone	3,342	—	15,989	—
Egyptian pound	136	—	—	—
Euro currency unit	50,790	—	132,074	—
Hong Kong dollar	22,855	—	12,523	—
Hungarian forint	908	—	—	—
Indonesian rupiah	1,243	(7)	—	—
Israeli shekel	974	—	—	—
Japanese yen	40,757	(178)	105,281	—
Malaysian ringgit	1,036	(3)	—	—
Mexican peso	2,290	—	—	—
New Taiwan dollar	11,505	(128)	—	—
New Zealand dollar	1,197	—	1,519	—
Norwegian krone	821	—	—	—
Philippines peso	969	—	—	—
Polish zloty	1,009	—	—	—
Singapore dollar	229	—	2,261	—
South African rand	2,490	—	—	—
South Korean won	10,206	—	—	—
Swedish krona	6,629	—	8,901	—
Swiss franc	19,349	—	41,679	—
Thailand baht	2,534	—	—	—
Turkish lira	938	—	—	—
Total investments subject to foreign currency risk	\$ 235,543	\$ (330)	\$ 413,671	\$ (71)

A Schedule of the Lawton Chiles Endowment Fund's and Florida Prepaid Program's foreign currency exchange contracts outstanding at June 30, 2020, is presented below, by currency (in thousands):

Lawton Chiles Endowment Fund and Florida Prepaid Program
Foreign Currency Exchange Contracts
As of June 30, 2020

Currency	Spot Currency Contracts			
	Receivables	Payables	Net Receivables/ Payables	Net Unrealized Gain/(Loss)
Lawton Chiles Endowment Fund:				
Chinese yuan renminbi	\$ —	\$ (14)	\$ (14)	\$ —
Indonesian rupia	—	(7)	(7)	—
Japanese yen	—	(178)	(178)	—
Malaysian ringgit	—	(3)	(3)	—
New Taiwan dollar	—	(128)	(128)	—
U.S. dollar	330	—	330	—
Total Lawton Chiles Endowment Fund	<u>\$ 330</u>	<u>\$ (330)</u>	<u>\$ —</u>	<u>\$ —</u>
Florida Prepaid Program:				
British pound sterling	\$ —	\$ (71)	\$ (71)	—
U.S. dollar	71	—	71	—
Total Florida Prepaid Program	<u>\$ 71</u>	<u>\$ (71)</u>	<u>\$ —</u>	<u>\$ —</u>

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, 2020. 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 \$ 1,797,962,450 cash collateral and \$3,836,638,090 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 \$1,751,326,801. Securities held with others under security lending agreements with non-cash collateral totaled \$3,744,977,127. 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, 2020, are as follows (in thousands):

**State Treasury Investments on Loan Under Security Lending Agreements
As of June 30, 2020**

Securities on Loan for Cash Collateral, by Security Type	Fair Value of Securities on Loan*
U.S. guaranteed obligations	\$ 1,112,742
Federal agencies	23,436
Bonds and notes - domestic	543,865
Bonds and notes - international	71,284
Total securities on loan for cash collateral	1,751,327
Securities on Loan for Non-Cash Collateral, by Security Type	
U.S. guaranteed obligations	3,743,941
Bonds and notes - domestic	258
Bonds and notes - international	778
Total securities on loan for non-cash collateral	3,744,977
Total securities on loan	\$ 5,496,304

* 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 LCEF, and the Florida Prepaid College Program participate in security lending programs during the fiscal year ended June 30, 2020. 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 approximately \$4.3 billion in cash and \$13.9 billion in U.S. government and federal agency securities as collateral for the lending programs as of June 30, 2020. At June 30, 2020, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest) except with two borrowers in the LCEF and one borrower in the Florida Prepaid College Program totaling approximately \$3 thousand in each fund. Most security lending programs have indemnity clauses requiring the lending agent to assume borrower's risk from default. The FRS Pension Trust Fund also participated indirectly in security lending through investments in four commingled funds that do not offer borrower indemnification. The Fund receives a proportionate share of the security lending income generated from these activities. 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 10% to 47% 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, 2020, 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, 2020, there were four lending agents, including the two master custodians and two third-party agents.

The schedule below discloses the fair value and carrying value of investments on loan at June 30, 2020 (in thousands):

**Schedule of Other Investments on Loan Under Security Lending Agreements
As of June 30, 2020**

Securities on Loan for Cash Collateral, by Security type	Fair value of Securities on Loan ¹		
	FRS Pension Trust Fund	Other funds Managed by SBA	Total
U.S. guaranteed obligations	\$ 903,219	\$ 2,109,093	\$ 3,012,312
Federal agencies	25,752	7,032	32,784
Domestic bonds and notes	47,583	85,268	132,851
International bonds and notes	51,916	17,624	69,540
Domestic stocks	50,807	151,942	202,749
International Stocks	700,415	14,304	714,719
Total Securities on loan for cash collateral	1,779,692	2,385,263	4,164,955
Securities on Loan for Non-Cash Collateral, by Security type			
U.S. guaranteed obligations	\$ 2,211,585	\$ 271,148	\$ 2,482,733
Federal agencies	—	27,060	27,060
Domestic bonds and notes	46,038	1,910	47,948
International bonds and notes	12,290	781	13,071
Domestic stocks	9,695,003	37,573	9,732,576
International stocks	1,323,527	9,114	1,332,641
Total securities on loan for non-cash collateral	13,288,443	347,586	13,636,029
Total securities on loan	\$ 15,068,135	\$ 2,732,849	\$ 17,800,984

¹ The fair value of debt securities on loan includes accrued interest.

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, 2020. The State Treasury did not utilize derivatives for hedging activities during the fiscal year ending June 30, 2020. All of the State Treasury investment derivatives were reported at fair value in the accompanying financial statements as of June 30, 2020.

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

	Notional (in U.S. \$)	Changes in Fair Value		Fair Value at June 30, 2020	
		Classification	Amount	Classification	Amount
State Treasury					
Investment derivative instruments:					
Futures	\$ (202,400)	Investment Income	\$ (7,734)	Receivable/(Payable)	\$ (809)

This schedule includes both long and short positions.

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

Other Investments

The SBA has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are authorized to be used as tools for managing risk or executing investment strategies more efficiently than could otherwise be done in cash markets, 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 effectively manage exposure to domestic and international equities, bonds, and real estate markets.

A futures contract is an agreement between 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 into 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 (i.e., currency) 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, 2020, all of the SBA investment derivatives were reported at fair value (in thousands).

	Notional (in U.S. \$)	Increase/(Decrease) in Fair Value		Fair Value at June 30, 2020	
		Classification	Amount (in U.S. \$)	Classification	Amount (in U.S. \$)
Fiduciary funds (FRS Pension Trust Fund)					
Investment derivative instruments:					
Futures¹					
Futures (debt)	\$ 5,499,791	Investment Income	\$ 34,278	Investment	\$ (160)
Futures (equity)	\$ 1,074,704	Investment Income	39,186	Investment	21,743
Total futures			<u>\$ 73,464</u>		<u>\$ 21,583</u>
Forward currency contracts	\$ 3,266,332	Investment Income	<u>\$ 30,744</u>	Investment	<u>\$ (4,800)</u>
Options					
Options purchased	\$ —	Investment Income	\$ (3,650)	Investment	\$ —
Options sold	\$ —	Investment Income	3,680	Investment	—
Total options			<u>\$ 30</u>		<u>\$ —</u>
Swaps					
Interest rate swaps	\$ 216,000	Investment Income	\$ (11,865)	Investment	\$ (978)
Credit default swaps	\$ 33,925	Investment Income	(13,226)	Investment	32
Total swaps			<u>\$ (25,091)</u>		<u>\$ (946)</u>

¹The total notional values of long and short fixed income futures positions were \$3.6 billion and \$1.9 billion, respectively. The total notional value of long equity futures positions was \$1.1 billion.

During the fiscal year ended June 30, 2020, both the Florida Prepaid College Program and the Florida Prepaid Investment Plan traded investment derivative equity futures, incurring an overall decrease in fair value of approximately \$362 thousand and \$1 thousand, respectively, but neither fund held any open equity futures positions at June 30, 2020.

	Notional (in U.S. \$)	Increase/(Decrease) in Fair Value		Fair Value at June 30, 2020	
		Classification	Amount (in U.S. \$)	Classification	Amount (in U.S. \$)
Investment derivative instruments:					
Enterprise funds (Florida Prepaid Program)					
Futures (equity)	\$ —	Investment Income	\$ (362)	Investment	\$ —
Fiduciary funds (Florida Prepaid Investment Plan)					
Futures (equity)	\$ —	Investment Income	\$ (1)	Investment	\$ —

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 for private equity, real estate and strategic investments not reported on the FRS Pension Trust Fund Statement of Fiduciary Net Position totaled \$13.5 billion as of June 30, 2020.

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, 2020, the State Treasury had the following recurring fair value measurements (in thousands):

Investments and Derivative Instruments Measured at Fair Value As of June 30, 2020

Investments by fair value level	Total	Level 1	Level 2	Level 3
Commercial paper	\$ 49,995	\$ —	\$ 49,995	\$ —
U.S. guaranteed obligations	11,656,116	11,134,322	521,794	—
Federal agencies	7,306,148	—	7,306,148	—
Bonds and notes - domestic	6,781,188	—	6,781,188	—
Bonds and notes - international	996,547	—	996,547	—
Commingled STIF	715,386	—	—	715,386
Lending collateral investments:				
Federal agencies	449,407	—	449,407	—
Bonds and notes - domestic	67,077	—	67,077	—
Bonds and notes - international	64,543	—	64,543	—
Total investments by fair value level	<u>\$ 28,086,407</u>	<u>\$ 11,134,322</u>	<u>\$ 16,236,699</u>	<u>\$ 715,386</u>
Investment derivative instruments				
Futures contracts	\$ (809)	\$ (809)	\$ —	\$ —
Total investment derivative	<u>\$ (809)</u>	<u>\$ (809)</u>	<u>\$ —</u>	<u>\$ —</u>

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, which utilize primary exchanges.

Debt securities classified in Level 2 are valued using evaluated prices from the custodian bank's 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 valued using 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, or broker bids. 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. Other private equity funds are measured at net asset value (NAV).

Certain investments, such as money market funds, repurchase agreements and U.S. guaranteed State and Local Government Series (SLGS) securities are not reported at fair value in the tables below because they are carried at cost and not priced at fair value. Additionally, U.S. guaranteed securities in the Debt Service Escrowed Fund and all investments of the Local Government Surplus Funds Trust Fund are not included at fair value in the tables below because they are carried at cost and amortized cost, respectively. See page 78 for information to obtain the Local Government Surplus Funds Trust Fund investment detail. Commingled investments are measured at the NAV per share (or its equivalent).

The FRS Pension Trust Fund had the following fair value measurements as of June 30, 2020 (in thousand):

FRS Pension Trust Fund				
As of June 30, 2020				
Investments by fair value level	Fair Value Measurement Using			
	Total Fair Value	Level 1	Level 2	Level 3
Debt securities				
Commercial paper	\$ 1,127,836	\$ —	\$ 1,127,836	\$ —
U.S. guaranteed obligations	14,837,162	—	14,837,162	—
Federal agencies	8,169,761	—	8,169,761	—
Domestic bonds and notes	9,023,625	—	8,978,225	45,400
International bonds and notes	2,448,364	—	2,163,023	285,341
Total debt securities	<u>35,606,748</u>	<u>—</u>	<u>35,276,007</u>	<u>330,741</u>
Equity securities				
Domestic	48,275,740	48,275,721	—	19
International	31,129,943	31,087,078	—	42,865
Commingled international equity funds	252,943	—	252,943	—
Total equity securities	<u>79,658,626</u>	<u>79,362,799</u>	<u>252,943</u>	<u>42,884</u>
Alternative Investments				
Private equity fund	302,200	—	—	302,200
Total alternative investments	<u>302,200</u>	<u>—</u>	<u>—</u>	<u>302,200</u>
Real Estate direct investments				
Real estate direct investments	9,752,973	—	—	9,752,973
Total real estate direct investments	<u>9,752,973</u>	<u>—</u>	<u>—</u>	<u>9,752,973</u>
Derivative Instruments, net				
Forward currency contracts	(4,800)	—	(4,800)	—
Futures contracts	21,583	21,583	—	—
Option contracts	—	—	—	—
Swap contracts	(946)	—	(946)	—
Total investment derivative instruments	<u>15,837</u>	<u>21,583</u>	<u>(5,746)</u>	<u>—</u>
Securities lending collateral investments				
Domestic bonds and notes	44,759	—	39,767	4,992
Total securities lending collateral investments	<u>44,759</u>	<u>—</u>	<u>39,767</u>	<u>4,992</u>
Total investments by fair value level	<u>125,381,143</u>	<u>\$ 79,384,382</u>	<u>\$ 35,562,971</u>	<u>\$ 10,433,790</u>
Investments Measured at the Net Asset Value (NAV)				
Commingled international equity funds	6,836,902			
Commingled real estate investment funds	2,243,510			
Activist equity funds	896,488			
Hedge funds	4,463,590			
Insurance funds	838,728			
Private debt/credit opportunities funds	3,016,671			
Private equity funds	14,392,939			
Private real asset funds	4,869,978			
Total investments measured at the NAV	<u>37,558,806</u>			
Total investments measured at fair value	<u>162,939,949</u>			
Other investments carried at amortized cost				
Money market funds	238,806			
Money market funds - security lending collateral	1,785,715			
Repurchase agreements	800,000			
Total investments carried at amortized cost	<u>2,824,521</u>			
Total investments	<u>\$ 165,764,470</u>			
Investments sold short (Liabilities) measured at fair value				
U.S. guaranteed obligations	\$ (27,400)	\$ —	\$ (27,400)	\$ —
Federal agencies	(37,204)	—	(37,204)	—
Total investments sold short	<u>\$ (64,604)</u>	<u>\$ —</u>	<u>\$ (64,604)</u>	<u>\$ —</u>

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2020, is presented in the footnotes to the table below (in thousands):

FRS Pension Trust Fund Additional GASB 72 Required Disclosures						
	Fair Value 6/30/2020		Unfunded Commitments		Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV:						
Commingled international equity funds ¹	\$ 6,836,902	\$	—		Daily, Monthly	2 - 120 days
Commingled real estate investment funds ²	2,243,510		—		Quarterly	15 - 90 days
Activist equity funds ³	896,488		—		Monthly, Annually	65 - 90 days
Hedge funds						
Diversifying strategies (managed futures) ⁴	1,398,836		—		Daily, Monthly	10 - 35 days
Equity long/short ⁵	457,935		—		Monthly, Quarterly	30 - 60 days
Event driven ⁶	143,980		—		Biennially	90 days
Global macro ⁷	711,353		—		Monthly, Quarterly	5 - 45 days
Multi-strategy ⁸	930,263		—		Quarterly, Annually, Biennially	60 - 90 days
Opportunistic debt ⁹	397,819		—		Quarterly, Annually	60 - 90 days
Relative value ¹⁰	423,404		—		Quarterly	45 - 90 days
Insurance funds ¹¹	838,728		103,793		Monthly, Quarterly, Biennially	30 - 90 days
Private debt/credit opportunity funds ¹²	3,016,671		2,776,955			
Private equity funds ¹³	14,392,939		7,180,992			
Private real asset funds ¹⁴	4,869,978		3,289,595			
Total Investments Measured at the NAV	<u>\$ 37,558,806</u>	\$	<u>13,351,335</u>			
Investments Measured at Level 3:						
Private equity funds ¹³	\$ 302,200	\$	—			
Real estate direct investment ¹⁵	\$ 9,752,973	\$	125,556			

¹ *Commingled International Equity Funds.* The six funds in this group are primarily invested in publicly traded international equity securities. Three of these funds focus on emerging markets. Each are valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. Four funds within this strategy are redeemable daily and two funds are redeemable monthly.

² *Commingled Real Estate Investment Funds.* The eight funds in this group consist primarily of real estate investments owned directly or through partnership interests located in the United States. These investments include multi-family, industrial, retail, office, apartments and mortgage loans on income producing property. Each are valued at the NAV of units held at the end of the period based upon the fair value of the underlying investments. All funds within this strategy are eligible for redemption quarterly.

³ *Activist Equity Funds.* The three funds in 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 42% of this strategy) is currently eligible for redemption monthly. Another fund (approximately 34% of this strategy) is eligible for redemption in six months due to annual lock-up restrictions. The remaining fund (approximately 24% of this strategy) is eligible for redemption in nine months due to contractual lock-up restrictions.

⁴ *Diversifying Strategies (Managed Futures) Hedge Funds.* The three funds that make up this group primarily trade equity and commodity futures, but can also participate in indexes, rates and currencies in markets across global markets. 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.

⁵ *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. Two funds (approximately 32% of this strategy) are currently eligible for redemption monthly, while the remaining two funds (approximately 68% of this strategy) are redeemable in three months or less due to quarterly redemption restrictions.

⁶ *Event Driven Hedge Funds.* The two funds in this group 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. The funds in this strategy are no longer under contractual lockup, but due to exit restrictions, the redemption period ranges from three to six months.

⁷ *Global Macro Hedge Funds.* Consisting of six 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. All funds in this strategy are no longer subject to contractual lock-up, and are redeemable in three months or less due to monthly and quarterly redemption restrictions.

⁸ *Multi-Strategy Hedge Funds.* The three 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. One fund (approximately 30% of this strategy) is eligible for redemption in six months or less due to annual redemption restrictions. Another fund (approximately 44% of this strategy) is eligible for redemption biennially with the next redemption date in five months. The remaining fund (approximately 26% of this strategy) is eligible for redemption quarterly with the next redemption in three months.

⁹ *Opportunistic Debt Hedge Funds.* Consisting of four 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 29% of this strategy) is eligible for redemption in six months due to annual redemption restrictions. Three funds (approximately 71% of this strategy) are currently eligible for redemption in three months due to quarterly redemption restrictions.

¹⁰*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. All funds in this strategy are no longer subject to contractual lock-up, and are redeemable in three months or less due to quarterly redemption restrictions.

¹¹*Insurance funds.* The five funds in this group invest primarily in reinsurance contracts and insurance-linked securities. These investments are valued at NAV per share. Two funds (approximately 39%) are eligible for redemption in seven months or less due to biannual redemptions restrictions. One fund (approximately 26%) is eligible for redemption in six months, subject to exit restrictions. One fund (approximately 29%) has varying restrictions due to underlying investment funds and redeemable within one to three months. The remaining fund (approximately 6%) is not eligible for redemption due to contractual lock-up restrictions.

¹²*Private Debt/Credit Opportunity Funds.* There are 54 private debt/credit funds investing primarily in Distressed, Mezzanine and Loans with some exposure to Special Situations. The fair value of these funds has been determined using the NAV at June 30, 2020 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.

¹³*Private Equity funds.* There are 210 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 208 funds has been determined using the NAV at June 30, 2019, or one quarter in arrears adjusted for current quarter cash flows. The fair value of the remaining two funds (approximately 2% of the value of these investments) was based on external appraisals at June 30, 2019, 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.

¹⁴*Private Real Asset Funds.* There are 74 real asset funds, 52 of which 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 22 funds invest in infrastructure, timberland, transportation and commodities. The fair value of these funds has been determined using the NAV at June 30, 2019, 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.

¹⁵*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, 2020, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
As of June 30, 2020

	Fair Value Measurement Using			
	Total Fair Value	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities				
Commercial paper	\$ 19,992	\$ —	\$ 19,992	\$ —
U.S. guaranteed obligations	16,976,693	—	16,976,693	—
Federal agencies	1,292,401	—	1,291,406	995
Domestic bonds and notes	5,796,014	—	5,793,918	2,096
International bonds and notes	1,812,688	—	1,812,688	—
Total debt securities	<u>25,897,788</u>	<u>—</u>	<u>25,894,697</u>	<u>3,091</u>
Equity securities				
Domestic	2,644,778	2,644,778	—	—
International	761,864	761,864	—	—
Total equity securities	<u>3,406,642</u>	<u>3,406,642</u>	<u>—</u>	<u>—</u>
Other investments				
Domestic bonds and notes mutual funds	176,726	176,726	—	—
International bonds and notes mutual funds	16,263	16,263	—	—
Domestic equity mutual funds	594,072	594,072	—	—
International equity mutual funds	633,523	633,523	—	—
Self-directed brokerage account	817,186	—	817,186	—
Total other investments	<u>2,237,770</u>	<u>1,420,584</u>	<u>817,186</u>	<u>—</u>
Securities lending collateral investments				
Certificates of deposit	671,418	—	671,418	—
Commercial paper	677,994	—	677,994	—
Federal agencies	50,025	—	50,025	—
Total securities lending collateral investments	1,399,437	—	1,399,437	—
Total investments by fair value level	<u>32,941,637</u>	<u>\$ 4,827,226</u>	<u>\$ 28,111,320</u>	<u>\$ 3,091</u>
Investments Measured at the Net Asset Value (NAV)				
Commingled domestic bonds and notes funds	2,058,757			
Commingled domestic equity funds	3,500,971			
Commingled international equity fund	1,685,037			
Commingled real asset fund	769,608			
Total investments measured at the NAV	<u>8,014,373</u>			
Total investments measured at fair value	<u>40,956,010</u>			
Other investments carried at cost or amortized cost				
Money market funds	3,481,223			
Money market funds - security lending collateral	4,924			
Certificates of deposit	3,044,834			
Commercial paper	6,360,142			
Repurchase agreements	1,650,000			
Repurchase agreements - security lending collateral	1,021,000			
U.S. guaranteed obligations	1,463,171			
Domestic bonds and notes	35,625			
Total investments carried at cost or amortized cost	<u>17,060,919</u>			
Total investments	<u>\$ 58,016,929</u>			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2020, is presented in the footnotes to the table below (in thousands):

**All SBA Managed Funds (except FRS Pension Trust Fund)
Additional GASB 72 Disclosures**

	6/30/2020	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV				
Commingled domestic bonds and notes funds ¹	\$ 2,058,757	\$ —	Daily	2 - 15 Days
Commingled domestic equity funds ²	3,500,971	—	Daily	1 - 5 Days
Commingled international equity fund ³	1,685,037	—	Daily	2 Days
Commingled real asset funds ⁴	769,608	—	Daily	1 - 15 Days
Total investments measured at the NAV	\$ 8,014,373			

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. The TIPS funds seek long-term real total return and is designed to keep pace with inflation. The six domestic bonds and notes funds utilize various investment strategies such as short/intermediate duration, index/benchmark tracking, high-yield, and corporate/government investment grade debt. Each 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.

²*Commingled Domestic Equity Funds:* Seven domestic equity funds are considered to be commingled in nature. The domestic equity funds utilize various investment strategies such as index/benchmark tracking, small/mid cap, and large cap growth/value seeking appreciation and income. Each 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.

³*Commingled International Equity Fund:* One international equity fund is considered to be commingled in nature. The fund invests in a portfolio of international equity securities whose total rates of return will approximate as closely as practicable the capitalization weighted total rates of return of the markets in certain countries for equity securities traded outside the United States. 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.

⁴*Commingled Real Asset Funds:* These two funds consist of various investments such as commodities, real estate, floating rate loans, energy industry Master Limited Partnerships, global infrastructure and agriculture. These funds are 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, money market funds, and various investment agreements, are not included in the table, because they are carried at cost and not priced at fair value.

The schedule below discloses the fair value measurements for major component units at June 30, 2020, (in thousands):

Major Component Units				
As of June 30, 2020				
Fair Value Measurement Using				
<u>Investment by fair value level</u>	Total Fair Value	Level 1	Level 2	Level 3
Florida Housing Finance Corporation (FHFC)				
<u>Debt securities</u>				
U.S. guaranteed obligations	\$ 1,525,140	\$ —	\$ 1,525,140	\$ —
Federal agencies	6,508	—	6,508	—
Domestic bonds and notes	250,503	—	250,503	—
Total debt securities	<u>1,782,151</u>	<u>—</u>	<u>1,782,151</u>	<u>—</u>
Other investments	13,115	—	13,115	—
Total FHFC investments by fair value level	<u>\$ 1,795,266</u>	<u>\$ —</u>	<u>\$ 1,795,266</u>	<u>\$ —</u>
Citizens Property Insurance Corporation (CPIC)				
<u>Debt securities</u>				
U.S. guaranteed obligations	\$ 1,836,762	\$ 1,836,762	\$ —	\$ —
Federal agencies	791,482	1,894	789,588	—
Domestic bonds and notes	5,269,097	—	5,269,097	—
International bonds and notes	641,540	—	641,540	—
Total CPIC investments by fair value level	<u>\$ 8,538,881</u>	<u>\$ 1,838,656</u>	<u>\$ 6,700,225</u>	<u>\$ —</u>
University of Florida (UF)				
<u>Debt securities</u>				
U.S. guaranteed obligations	\$ 322	\$ —	\$ 322	\$ —
Federal agencies	20,129	15,998	4,131	—
Domestic bonds and notes	114,008	41,372	72,636	—
International bonds and notes	1,001	—	1,001	—
Total debt securities	<u>135,460</u>	<u>57,370</u>	<u>78,090</u>	<u>—</u>
<u>Equity securities</u>				
Domestic	129,898	128,476	29	1,393
Total equity securities	<u>129,898</u>	<u>128,476</u>	<u>29</u>	<u>1,393</u>
Mutual funds	333,115	228,525	104,590	—
Real estate investments	3,054	3,054	—	—
Other investments	31,841	13,871	15,678	2,292
Total UF investments by fair value level	<u>633,368</u>	<u>\$ 431,296</u>	<u>\$ 198,387</u>	<u>\$ 3,685</u>
Investments Measured at the Net Asset Value (NAV)				
University of Florida				
International equity commingled funds ¹	\$ 89	\$ —	Illiquid	N/A
Real estate investments ²	6,635	—	Illiquid	N/A
Hedge funds - Multi-strategy ³	5,646	—	Quarterly	45 Days
Private equity funds ⁴	<u>3,756,975</u>	271,263	Monthly	30 - 45 days
Total investments measured at the NAV	<u>3,769,345</u>			
Total investments measured at fair value	<u>\$ 4,402,713</u>			

¹ *International equity*: This category included an investment in a foreign-based publicly-traded company focused on providing law enforcement with new tools and technology.

² *Real estate investments*: This category includes contributions in the form of real estate with donor restrictions that the properties are to be sold and the proceeds to benefit the University or University of Florida Foundation. The real estate is held at fair value less estimated costs to sell.

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.

⁴ *Private Equity Funds*: This category includes investments in several limited partnership funds that invest in equity securities and debt of private companies.

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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	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Accounts receivable	\$ 170,285	\$ 12,282	\$ 106	\$ 1,166,286	\$ 12,276
Contracts & grants receivable	291	554	60	—	2,510
Due from Federal government	3,544	22,896	26,060	1,079,316	55,572
Due from other governmental units	468	3,344	—	1,237	28,274
Interest & dividends receivable	58,374	2,242	1,784	286	11,092
Loans & notes receivable	145,374	179,406	—	—	11,304
Fees receivable	116,336	11	—	—	—
Taxes receivable	3,412,643	21,917	255	—	240,043
Allowance for uncollectibles	(1,945,931)	(5,778)	(24)	(47,995)	(21,245)
Receivables, net	\$ 1,961,384	\$ 236,874	\$ 28,241	\$ 2,199,130	\$ 339,826
Loans & notes receivable from other governments	\$ —	\$ 1,759,394	\$ —	\$ —	\$ 465,443
Long-term interest receivable	—	—	—	—	390
Other loans & notes receivable	5,405	—	3,537	346,060	66,475
Allowance for uncollectibles	(40)	—	(2,269)	(313,279)	(39,275)
Other loans & notes receivable, net	\$ 5,365	\$ 1,759,394	\$ 1,268	\$ 32,781	\$ 493,033

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts receivable	\$ 480,399	\$ 1,841,634	\$ 71,100	\$ 114,068	\$ 2,026,803
Contracts & grants receivable	28,179	31,594	—	—	31,594
Due from Federal government	195,667	1,383,055	—	—	1,383,055
Due from other governmental units	39,738	73,061	6,343	—	79,404
Interest & dividends receivable	2,382	76,160	1,398	—	77,558
Loans & notes receivable	123,616	459,700	—	—	459,700
Fees receivable	355	116,702	—	—	116,702
Taxes receivable	9,610	3,684,468	—	—	3,684,468
Allowance for uncollectibles	(223,976)	(2,244,949)	(1,656)	—	(2,246,605)
Receivables, net	\$ 655,970	\$ 5,421,426	\$ 77,185	\$ 114,068	\$ 5,612,679
Loans & notes receivable from other governments	\$ 746,537	\$ 2,971,374	\$ —	\$ —	\$ 2,971,374
Long-term interest receivable	—	390	—	—	390
Other loans & notes receivable	50,943	472,420	—	—	472,420
Allowance for uncollectibles	(15,192)	(370,055)	—	—	(370,055)
Other loans & notes receivable, net	\$ 782,288	\$ 3,074,129	\$ —	\$ —	\$ 3,074,129

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts receivable	\$ 5,643	\$ 81,186	\$ 754,961	\$ 80,102	\$ 231,097
Due from Federal government	—	—	—	—	599,274
Due from other governmental units	133	—	—	—	562
Interest & dividends receivable	2,974	1,011	49,097	36,101	54,547
Loans & notes receivable	—	—	—	245,412	—
Fees receivable	4,377	—	—	—	1,293
Taxes receivable	—	—	—	—	127,103
Allowance for uncollectibles	—	(5,421)	—	—	(333,916)
Receivables, net	\$ 13,127	\$ 76,776	\$ 804,058	\$ 361,615	\$ 679,960
Loans & notes receivable	\$ 74,061	\$ —	\$ —	\$ 1,836,467	\$ —
Allowance for uncollectibles	—	—	—	—	—
Other loans & notes receivable, net	\$ 74,061	\$ —	\$ —	\$ 1,836,467	\$ —

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts receivable	\$ 51,443	\$ 1,204,432	\$ 152,078	\$ 1,356,510
Due from Federal government	—	599,274	—	599,274
Due from other governmental units	28,441	29,136	—	29,136
Interest & dividends receivable	615	144,345	—	144,345
Loans & notes receivable	102	245,514	—	245,514
Fees receivable	109	5,779	—	5,779
Taxes receivable	—	127,103	—	127,103
Allowance for uncollectibles	(48,744)	(388,081)	—	(388,081)
Receivables, net	\$ 31,966	\$ 1,967,502	\$ 152,078	\$ 2,119,580
Loans & notes receivable	\$ 4,896	\$ 1,915,424	\$ —	\$ 1,915,424
Allowance for uncollectibles	(1,748)	(1,748)	—	(1,748)
Other loans & notes receivable, net	\$ 3,148	\$ 1,913,676	\$ —	\$ 1,913,676

COMPONENT UNITS

Accounts receivable	\$ 1,718,833
Contracts & grants receivable	241,401
Due from Federal government	10,538
Due from other governmental units	247,970
Interest & dividends receivable	94,145
Loans & notes receivable	204,125
Allowance for uncollectibles	(422,889)
Receivables, net	\$ 2,094,123
Other loans & notes receivable	\$ 2,541,743
Allowance for uncollectibles	(217,842)
Other loans & notes receivable, net	\$ 2,323,901

“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	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Accounts payable	\$ 622,468	\$ 39,291	\$ 25,732	\$ 476,941	\$ 368,424
Accrued salaries & wages	45,222	3,178	75	14,579	5,862
Accrued interest payable	—	—	—	—	—
Claims payable	—	—	—	—	—
Construction contracts	403	—	—	—	302,274
Deposits payable	189	735	—	10	9,619
Due to Federal government	—	—	—	195,842	—
Due to other governmental units	39,914	11,881	736	5,979	6,159
Other payables	—	—	—	—	—
Accounts payable and accrued liabilities	\$ 708,196	\$ 55,086	\$ 26,542	\$ 693,351	\$ 692,338

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts payable	\$ 292,814	\$ 1,825,670	\$ 39,046	\$ 284,704	\$ 2,149,420
Accrued salaries & wages	4,323	73,239	1,311	—	74,550
Accrued interest payable	—	—	—	—	—
Claims payable	—	—	177,322	—	177,322
Construction contracts	201	302,878	—	—	302,878
Deposits payable	113	10,666	—	—	10,666
Due to Federal government	1,200	197,042	—	—	197,042
Due to other governmental units	48,662	113,331	—	—	113,331
Other payables	—	—	5,515	—	5,515
Accounts payable and accrued liabilities	\$ 347,313	\$ 2,522,826	\$ 223,194	\$ 284,704	\$ 3,030,724

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts payable	\$ 2,308	\$ 11,498	\$ 650,380	\$ 556,566	\$ 704,871
Accrued interest payable	—	—	23,549	—	—
Accrued salaries & wages	—	120	—	—	—
Construction contracts	90,811	—	—	—	—
Deposits payable	248	1,850	—	—	—
Due to Federal government	—	—	—	—	12,139
Accounts payable and accrued liabilities	\$ 93,367	\$ 13,468	\$ 673,929	\$ 556,566	\$ 717,010

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts payable	\$ 38,393	\$ 1,964,016	\$ 29,484	\$ 1,993,500
Accrued interest payable	—	23,549	—	23,549
Accrued salaries & wages	1,368	1,488	—	1,488
Construction contracts	—	90,811	—	90,811
Deposits payable	1,267	3,365	—	3,365
Due to Federal government	—	12,139	—	12,139
Accounts payable and accrued liabilities	\$ 41,028	\$ 2,095,368	\$ 29,484	\$ 2,124,852

COMPONENT UNITS

Accounts payable	\$ 1,147,156
Accrued interest payable	27,183
Accrued salaries & wages	392,258
Claims payable	787,178
Construction contracts	68,196
Deposits payable	226,707
Due to Federal government	4
Due to other governmental units	9,367
Vouchers payable	5,287
Accounts payable and accrued liabilities	\$ 2,663,336

NOTE 4 – TAXES AND TAX ABATEMENTS

A. 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	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Sales and use tax	\$ 26,917,183	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 26,917,183
Fuel taxes:							
Motor fuel tax	—	—	—	—	2,758,125	—	2,758,125
Pollutant tax	—	257,317	—	—	—	—	257,317
Aviation fuel tax	—	—	—	—	3,927	—	3,927
Solid minerals severance tax	—	27,090	—	—	—	—	27,090
Oil and gas production tax	1,588	—	—	—	—	—	1,588
Total fuel taxes	1,588	284,407	—	—	2,762,052	—	3,048,047
Corporate income tax	2,509,887	—	—	—	—	—	2,509,887
Documentary stamp tax	2,829,050	—	—	—	—	—	2,829,050
Intangible personal property tax	488,765	—	—	—	—	—	488,765
Communications service tax	592,268	—	335,128	—	—	—	927,396
Estate tax	—	—	—	—	—	—	—
Gross receipts utilities tax	—	5,728	726,935	—	—	—	732,663
Beverage and tobacco taxes:							
Alcoholic beverage tax	286,371	—	—	—	—	14,008	300,379
Cigarette tax	1,061,411	—	—	—	—	—	1,061,411
Smokeless tobacco tax	36,355	—	—	—	—	—	36,355
Total beverage and tobacco taxes	1,384,137	—	—	—	—	14,008	1,398,145
Other taxes:							
Insurance premium tax	1,184,213	—	—	—	—	40,963	1,225,176
Hospital public assistance tax	—	—	—	730,581	—	—	730,581
Citrus excise tax	—	—	—	—	—	6,100	6,100
Pari-mutuel wagering tax	7,995	—	—	—	—	159,853	167,848
Total other taxes	1,192,208	—	—	730,581	—	206,916	2,129,705
Total	\$ 35,915,086	\$ 290,135	\$ 1,062,063	\$ 730,581	\$ 2,762,052	\$ 220,924	\$ 40,980,841

	Sales and Use Tax
Governmental fund statements	\$ 26,917,183
Government-wide accruals	19,308
Government-wide statements	\$ 26,936,491

B. Tax Abatements

For financial reporting purposes, a tax abatement is defined as an agreement between the government and an individual or entity through which the government promises to forgo tax revenues and the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the government or its citizens. As of June 30, 2020, tax abatement programs are as follows:

Program Name	Entertainment Industry Credit	New Markets Tax Credit
Program Purpose	The purpose of this program is to encourage the use of this state as a site for filming, for the digital production of films, and to develop and sustain the workforce and infrastructure for film, digital media, and entertainment production.	To promote capital investment in rural and urban low-income communities by allowing taxpayers to earn credits against specified taxes by investing in qualified community development entities that make qualified low-income community investments in qualified active low-income community businesses to create and retain jobs.
Taxes being abated	Corporate Income Tax; Sales and Use Tax	Corporate Income Tax and insurance Premium Tax
Authority under which abatements are entered into	s. 288.1254, F.S.	s. 288.9916, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must meet minimum required Florida qualified expenditures, meet minimum requirements for Florida employees, meet requirements for production type, provide proof of financing, and must not be considered obscene under chapter 847.	Qualified Community Development Entities (CDSa) apply to Department of Economic Opportunity to have investments approved as qualified investments for tax credits. Taxpayers then earn credits by investing in CDEs that make investments in active low-income community businesses.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	Statutorily defined allocation determines the amount available for award to applicants. Applicants present estimated eligible costs and a total estimated tax credit is awarded. Awardees present actual expenditures to use of the credit and an actual credit is certified.	Credit equals to 39 percent of the purchase price of the qualified investment.
Provisions for recapturing abated taxes	Revocation of certificate and any taxes exempted are due with interest and penalty.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$ 20,931	\$ 28,453

Tax abatement programs, continued:

Program Name	Scholarship Funding Organizations	Capital Investment Credit
Program Purpose	To encourage taxpayers to make private, voluntary contributions to nonprofit scholarship-funding organizations and receive dollar for dollar tax credit against specific Florida taxes.	Attract and grow capital-intensive industries in the state
Taxes being abated	Sales and Use Tax; Corporate Income Tax; Severance Taxes; Insurance Premium Tax	Corporate Income Tax; Premium Tax arising from the project
Authority under which abatements are entered into	s. 1002.395, F.S.	s. 220.191, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Qualifying business entity shall apply to the department for approval of an allocation of statewide cap to ensure credits do not exceed the cap. Taxpayer must make the contribution to the Scholarship Funding Organization by the end of the tax year to earn the credit on the return.	Applicants must establish a qualified project certified by the State and meet minimum capital investment, job creation and wage requirements.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	Monetary contribution is made to qualifying Scholarship Funding Organization.	An annual credit may be claimed for up to 20 years in an annual amount up to 5 percent of the eligible capital costs generated by a qualifying project. The annual tax credit shall not exceed specified percentages of the annual tax liability.
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$ 426,719	\$ 77,875

Tax abatement programs, continued:

Program Name	Contaminated Site Credit	Florida Renew Prod Credit
Program Purpose	To promote voluntarily rehabilitation of brownfield sites or sites contaminated with dry-cleaning solvent.	This credit is available for the production of renewable energy.
Taxes being abated	Corporate Income Tax	Corporate Income Tax
Authority under which abatements are entered into	s. 220.1845 and s. 376.30781, F.S.	s. 220.193, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Participants must meet applicable eligibility criteria and enter either a Voluntary Cleanup Agreement or a Brownfield Site Rehabilitation Agreement.	Florida Renewable Energy Production Credit Program provides an annual corporate tax credit equal to \$0.01/kWh of electricity produced and sold by the taxpayer to an unrelated party during a given tax year. The credit may be claimed for electricity produced and sold on or after January 1, 2013, through June 30, 2016. The combined total amount of tax credits which may be granted for all taxpayers under this section is limited to \$5 million in state fiscal year 2012-2013 and \$10 million per state fiscal year in state fiscal years 2013-2014 through 2016-2017.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	The credit is 50 percent of rehabilitation costs, up to \$500,000 per site, per year. To encourage completion of site rehabilitation the applicant may claim an additional 25 percent of the total site rehabilitation costs, not to exceed \$500,000, in the final year of cleanup. To encourage the construction of affordable housing an applicant meeting applicable requirements may claim an additional 25 percent of the total site rehabilitation costs, not to exceed \$500,000.	The Florida Renewable Energy Production Credit, which provided \$5 million for the first fiscal year of the program and \$10 million for subsequent years for an annual corporate tax credit equal to \$0.01/kWh of renewable electricity produced.
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$ 28,276	\$ 21,269

Tax abatement programs, continued:

Program Name	Florida Renew Tech Credit	Enterprise Zone Jobs Credit
Program Purpose	Provides an annual corporate tax credit equal to 75 percent of all capital costs, operation and maintenance costs, and research and development costs in connection with an investment in the production, storage and distribution of biodiesel (B10-B100), ethanol (E10-E100) and other renewable fuel in the state.	The Florida Enterprise Zone Program offers corporate and sales tax credits to businesses located within an enterprise zone for hiring residents of the zones.
Taxes being abated	Corporate Income Tax	Corporate Income Tax
Authority under which abatements are entered into	s. 220.192, F.S.	s. 220.181, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Eligible costs must be incurred between July 1, 2012, and June 30, 2016. This program allows \$1 million per state fiscal year for each taxpayer with a limit of \$10 million per state fiscal year.	Businesses granted an enterprise zone jobs credit against corporate income tax prior to the expiration of the program may continue to claim the credit for the same period of time it would have been available had the Enterprise Zone Program not expired. Carryovers of unused amounts of enterprise zone jobs credits may also be claimed for the same period of time they would have been available had the Enterprise Zone Program not expired. No new enterprise zone jobs credits against corporate income tax will be approved after December 31, 2015, with the exception of those under Department of Economic Opportunity Contract and with their approval.
How taxes are reduced	Tax Credit	Credit against tax due on the tax return
How amount of abatement is determined	Applicants to the Renewable Energy Technologies Investment Tax Credit were required to provide the capital costs, operation and maintenance costs, and research and development costs incurred in connection with an investment in the production, storage and distribution of renewable fuels for transportation in the state. The sum of these costs represents the investment in renewable fuels production that was directly supported by the program.	Hiring of eligible employees within the enterprise zone
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$ 10,935	\$ 9,193

Tax abatement programs, continued:

Program Name	Hope Scholarship Credit	Research and Development Tax Credit
Program Purpose	The Hope Scholarship Program provides a public-school student who was subjected to an incident of violence or bullying at school the opportunity to apply for a scholarship to attend an eligible private school rather than remain in an unsafe school environment.	To encourage target industry business in the State.
Taxes being abated	Sales and Use Tax	Corporate Income Tax
Authority under which abatements are entered into	s. 212.1832 and s. 1002.40, F.S.	s. 220.196, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must purchase or register a motor vehicle qualifying for the Hope Scholarship Program in Florida may designate \$105 of the state sales tax due at the time of purchase or registration to an eligible nonprofit scholarship-funding organization (SFO) participating in the Program. If the state sales tax due is less than \$105, the designated amount would be the state sales tax due. Motor vehicle dealers, private tag agencies, and county tax collectors receiving contributions must remit the contributions directly to the designated nonprofit scholarship-funding organization and tax a credit on their sales and use tax return for the amount of the contributions.	Taxpayer must claim and be allowed a research credit against federal income tax for qualified research expenses under Section 41, Internal Revenue Code, and also meet the definition of a target industry business as defined in Section 288.106, F.S.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	Contribution is paid to a qualifying scholarship-funding organization for use in the Hope Scholarship Program.	The Florida credit is equal to 10 percent of the amount of qualified research expenses incurred in Florida and allowed under s. 41, IRC, which exceeds the base amount, defined as the average of the qualified research expenses incurred in Florida for the four tax years prior to the calendar year for which the credit is determined. The Florida credit may be prorated if the total credits applied for by all applicants exceed the credit cap (currently \$9 million)
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$ 68,690	\$ 17,234

Tax abatement programs, continued:

Program Name	Entertainment Industry Sales Tax Exemption Program	Qualified Target Industry Tax Refund Program
Program Purpose	The purpose of this program is to encourage the use of this state as a site for filming, for the digital production of films, and to develop and sustain the workforce and infrastructure for film, digital media, and entertainment production.	To encourage the growth of higher-wage jobs and a diverse economic base by providing state tax refunds to qualified target industry businesses that originate or expand in the state or that relocate to the state.
Taxes being abated	Sales and Use Tax	Sales and Use Tax; Corporate Income Tax; Intangible Personal Property Tax; Excise Tax; Ad Valorem Tax; Insurance premium tax; Communication services tax.
Authority under which abatements are entered into	s. 288.1258, F.S.	s. 288.106, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must be a production company producing specified types of content in Florida. For the purposes of this section, “qualified production company” means any production company that has submitted a properly completed application to the Department of Revenue and that is subsequently qualified by the Office of Film and Entertainment.	Applicants must be a new or expanding business in Florida, create a minimum number of new full-time jobs within one or more of Florida's designated targeted industries and meet minimum wage requirements.
How taxes are reduced	Tax Exemption	Tax Credit or Refund
How amount of abatement is determined	Point of sale exemption on items used as an integral part of the production process in Florida, including production equipment, set design and construction, props, wardrobe, and real estate rental.	Demonstrate minimum Florida job creation, maintenance and wages paid.
Provisions for recapturing abated taxes	Revocation of certificate and any taxes exempted are due with interest and penalty.	Revocation of certification and interest, penalties, attorneys' fees and expenses. A qualified target industry business that fraudulently claims a refund under this section commits a felony of the third degree and is liable for repayment of the amount of the refund plus a mandatory penalty.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$ 16,070	\$ 19,338

Tax abatement programs, continued:

Program Name	Community Contribution Tax Credit Program	
Program Purpose	Encourage donations and local private support of projects that provide housing opportunities for persons with special needs or home ownership opportunities for low-income or very low income families.	
Taxes being abated	Corporate Income Tax; Insurance Premium Tax; Sales and Use Tax Refund	
Authority under which abatements are entered into	s. 212.08(5)(p); s. 220.183; and s. 624.5105, F.S.	
Criteria to be eligible to receive abatements and commitment of the taxpayer	A taxpayer must apply for approval and be issued an approval letter by the State. A community contribution by a person must be in the following form: (a) Cash or other liquid assets; (b) Real property, including 100 percent ownership of a real property holding company; (c) Goods or inventory; or (d) Other physical resources identified by the State.	
How taxes are reduced	Tax credit against corporate income or insurance premium tax; sales tax refund	
How amount of abatement is determined	The credit is equal to 50 percent of the value of the donation, with a limit of \$200,000 per year.	
Provisions for recapturing abated taxes	If erroneous credits are discovered during an audit of the taxpayer's books and records the amount of tax offset by the credit will be assessed.	
Type of commitments other than taxes	N/A	
Total tax revenues reduced during fiscal year (in thousands)	\$	14,000

The state had additional tax abatement programs, each amounting to less than \$9 million in revenue and estimated to be reduced in fiscal year 2019-20. In total, these programs resulted in \$16.8 million in estimated tax abatements and include the Florida AMT Credit, Enterprise Zone Property Credit, State Housing Credit, Rural Job Tax Credit Program, Hazardous Waste Facility Credit, Emergency Excise Tax Credit, Brownfield Redevelopment Bonus Tax Refund, ROA Building Materials Sales Tax Refund, Semi-Conductor Defense and Space Technology Tax Exemption, and the Urban High-Crime Area Job Tax Credit Program.

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 acquisition 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, 2020, is as follows (in thousands):

General Government	\$ 90,285
Education	8,921
Human Services	28,575
Criminal Justice & Corrections	84,767
Natural Resources & Environment	62,034
Transportation	43,195
Judicial Branch	3,551
Total depreciation expense (governmental activities)	\$ 321,328

Primary government capital asset activities for the fiscal year ended June 30, 2020, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets, not being depreciated:				
Land and other nondepreciable assets	\$ 20,101,679	\$ 358,501	\$ 12,650	\$ 20,447,530
Infrastructure and infrastructure improvements - nondepreciable	51,084,214	1,628,813	—	52,713,027
Construction work in progress	4,059,344	689,526	36,131	4,712,739
Total capital assets, not being depreciated	75,245,237	2,676,840	48,781	77,873,296
Capital assets, being depreciated:				
Buildings and building improvements	5,567,109	185,658	106,304	5,646,463
Infrastructure and infrastructure improvements	829,089	33,244	20,049	842,284
Leasehold improvements	8,354	—	—	8,354
Property under capital lease	174,869	6,440	5,123	176,186
Furniture and equipment	1,819,175	199,699	147,625	1,871,249
Works of art and historical treasures	1,918	39	40	1,917
Library resources	26,200	165	1,042	25,323
Other	77,582	27,947	2,657	102,872
Total capital assets, being depreciated	8,504,296	453,192	282,840	8,674,648
Less accumulated depreciation for:				
Buildings and building improvements	3,098,664	142,509	72	3,241,101
Infrastructure and infrastructure improvements	533,127	29,270	730	561,667
Leasehold improvements	5,231	488	—	5,719
Property under capital lease	115,795	7,760	4,610	118,945
Furniture and equipment	1,375,847	136,648	89,147	1,423,348
Works of art and historical treasures	1,235	93	34	1,294
Library resources	17,697	581	405	17,873
Other	63,752	3,979	133	67,598
Total accumulated depreciation	5,211,348	321,328	95,131	5,437,545
Total capital assets, being depreciated, net	3,292,948	131,864	187,709	3,237,103
Governmental activities capital assets, net	\$ 78,538,185	\$ 2,808,704	\$ 236,490	\$ 81,110,399

BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets, not being depreciated:				
Land and other nondepreciable assets	\$ 1,223,141	\$ 15,658	\$ —	\$ 1,238,799
Infrastructure and infrastructure improvements - nondepreciable	10,326,312	796,563	—	11,122,875
Construction work in progress	1,418,135	298,352	110,277	1,606,210
Total capital assets, not being depreciated	12,967,588	1,110,573	110,277	13,967,884
Capital assets, being depreciated:				
Buildings and building improvements	535,325	186,550	18,160	703,715
Infrastructure and infrastructure improvements	616,630	20,552	1,279	635,903
Leasehold improvements	59	—	—	59
Furniture and equipment	391,276	22,516	18,740	395,052
Library resources	15	3	—	18
Other	172,461	—	1	172,460
Total capital assets, being depreciated	1,715,766	229,621	38,180	1,907,207
Less accumulated depreciation for:				
Buildings and building improvements	192,602	16,986	48	209,540
Infrastructure and infrastructure improvements	29,077	31,064	—	60,141
Leasehold improvements	25	—	—	25
Furniture and equipment	244,574	44,402	16,462	272,514
Library resources	8	1	—	9
Other	75,996	20,797	—	96,793
Total accumulated depreciation	542,282	113,250	16,510	639,022
Total capital assets, being depreciated, net	1,173,484	116,371	21,670	1,268,185
Business-type activities capital assets, net	\$ 14,141,072	\$ 1,226,944	\$ 131,947	\$ 15,236,069

Component units' capital asset activities for the fiscal year ended June 30, 2020, are as follows (in thousands):

	COMPONENT UNITS			Balance June 30, 2020
	Balance July 1, 2019	Increases	Decreases	
Capital assets, not being depreciated:				
Land and other non-depreciable assets	\$ 6,898,737	\$ 5,766,554	\$ 5,686,361	\$ 6,978,930
Construction work in progress	1,966,574	1,632,629	1,645,092	1,954,111
Total capital assets, not being depreciated	8,865,311	7,399,183	7,331,453	8,933,041
Capital assets, being depreciated:				
Buildings and building improvements	20,826,571	1,614,549	336,503	22,104,617
Infrastructure and infrastructure improvements	3,847,802	2,263,379	2,066,869	4,044,312
Leasehold improvements	565,150	50,974	3,052	613,072
Property under capital lease	289,968	32,756	1,938	320,786
Furniture and equipment	3,952,578	863,035	324,794	4,490,819
Works of art and historical treasures	3,806	45	—	3,851
Library resources	1,030,683	36,998	2,153	1,065,528
Other	505,617	58,922	64,169	500,370
Total capital assets, being depreciated	31,022,175	4,920,658	2,799,478	33,143,355
Less accumulated depreciation for:				
Buildings and building improvements	8,128,070	830,087	141,476	8,816,681
Infrastructure and infrastructure improvements	1,540,239	502,063	483,830	1,558,472
Leasehold improvements	207,844	25,766	1,405	232,205
Property under capital lease	103,400	20,434	1,886	121,948
Furniture and equipment	2,858,100	775,675	215,181	3,418,594
Works of art and historical treasures	2,200	145	—	2,345
Library resources	868,435	33,809	1,199	901,045
Other	362,735	108,913	92,494	379,154
Total accumulated depreciation	14,071,023	2,296,892	937,471	15,430,444
Total capital assets, being depreciated, net	16,951,152	2,623,766	1,862,007	17,712,911
Component units capital assets, net	\$ 25,816,463	\$ 10,022,949	\$ 9,193,460	\$ 26,645,952

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 (FRS) Pension Plan and Other State-Administered Systems. For the fiscal year ended June 30, 2020, 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 FRS CAFR which is available online or by contacting the Department.

Copies for this report, as well as the plans' actuarial valuations, can be obtained from the Department of Management Services, Division of Retirement (Division), Research and Education Section, P.O. Box 9000, Tallahassee, Florida 32315-90000; 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 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 the Investment Plan as a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. The FRS Investment Plan is an integrated defined contribution plan administered by the State Board of Administration (SBA). 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 FRS 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 (EOC), and faculty and other specified positions 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 eligible 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 Sections 121.053 or 121.122, F.S., or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program (SUSORP). Retirees initially reemployed in regularly established positions on or after July 1, 2010, may not participate in the FRS except for defined contribution plan retirees employed in a regularly established position on or after July 1, 2017. FRS Pension Plan retirees remain ineligible for renewed membership.

Retirees of the FRS Investment Plan, the SUSORP, the State Community College System Option Retirement Program (SCCSORP), and the Senior Management Service Optional Annuity Program who are initially reemployed on or after July 1, 2010, and who are employed in a regularly established position on or after July 1, 2017, will be enrolled in the FRS Investment Plan, SUSORP, or SCCSORP based upon the position held as renewed members on or after July 1, 2017.

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* – 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 EOC may elect to withdraw from the FRS or participate in the SMSC in lieu of the EOC.
- *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* – Members who are elected state or 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 eligible 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, 2020, the FRS Trust Fund held in trust \$2,673,751,676 in accumulated benefits for 36,181 DROP participants. Of these 36,181 DROP participants, 34,141 were active in the DROP with balances totaling \$2,375,655,885. The remaining participants were no longer active in the DROP and had balances totaling \$298,095,791 to be processed after June 30, 2020.

Administration

The Division administers the FRS Pension Plan. The SBA 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 actuarial 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, 2020, was \$161,568,265,280. 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 (HIS) Program and a 0.06% assessment for the administration of the FRS Investment Plan and the educational program available to all FRS members. In addition, the July 1, 2019, 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, 2018 for Fiscal Year 2019-2020	July 1, 2019 Statutory Rates (Ch. 121, F.S.)
Regular	6.75%	6.75%
Senior Management Service	23.69%	23.69%
Special Risk	23.76%	23.76%
Special Risk Administrative Support	36.87%	36.87%
Elected Officers - Judges	40.28%	40.28%
Elected Officers - Legislators/Attorneys/Cabinet	54.31%	54.31%
Elected Officers - County	47.10%	47.10%
DROP - applicable to members from all of the above classes or plans	12.94%	12.94%

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

Retiree Health Insurance Subsidy Program

The HIS Program is a non-qualified cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, F.S. The Florida Legislature establishes and amends the contribution requirements and 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 Division. For the fiscal year ended June 30, 2020, 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, 2020, 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 Division. 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 50% of the federal military pay table for the highest rank held while in the Florida National Guard less the benefit received from the Federal Government for 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	11,525
Retirees	745
Terminated Vested Members	532
Total	<u>12,802</u>

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

Pension Amounts for Defined Benefit Pension Plans**Net Pension Liability**

At June 30, 2020, the State reported a total liability of \$8,790,430,999 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, 2019, and the fiduciary net position of the National Guard Benefit as of the measurement date of June 30, 2020:

	<u>FRS Pension Plan</u>	<u>HIS</u>	<u>National Guard Benefit</u>	<u>Total</u>
Plan total pension liability (A)	\$ 198,012,334,000	\$ 11,491,043,673	\$ 1,142,129,836	
Plan fiduciary net position (B)	(163,573,726,217)	(302,044,388)	—	
Plan net pension liability (A-B)	<u>34,438,607,783</u>	<u>11,188,999,285</u>	<u>1,142,129,836</u>	
State's proportion	17.524776601 %	14.416053158 %	100.00 %	
State's proportionate share	<u>\$ 6,035,289,078</u>	<u>\$ 1,613,012,085</u>	<u>\$ 1,142,129,836</u>	<u>\$ 8,790,430,999</u>

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

	<u>FRS</u>	<u>HIS</u>
State's proportion at prior measurement date, June 30, 2018	17.733845390%	14.641028104%
State's proportion at measurement date, June 30, 2019	<u>17.524776601%</u>	<u>14.416053158%</u>
Increase / (decrease) in proportion	<u>-0.209068789%</u>	<u>-0.224974946%</u>

The table below shows the changes in National Guard Benefit net pension liability for the fiscal year ended June 30, 2020:

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, 2019	\$ 818,492,864	\$ —	\$ 818,492,864
Changes for the year:			
Service Cost	13,967,283	—	13,967,283
Interest on total pension liability	28,873,760	—	28,873,760
Effect of economic/demographic gains or losses	24,814,991	—	24,814,991
Effect of assumptions changes or inputs	271,102,097	—	271,102,097
Benefit payments	(15,121,159)	(15,121,159)	—
Employer contributions	—	15,128,959	(15,128,959)
Administrative expenses	—	(7,800)	7,800
Balances as of June 30, 2020	\$ 1,142,129,836	\$ —	\$ 1,142,129,836

Actuarial Methods and Assumptions

The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the funding valuations of the defined benefit pension plan pursuant to section 216.136(10), Florida Statutes. The Department determines the assumptions in the valuations for GASB Statement No. 67 reporting purposes. The FRS Pension Plan's GASB Statement No. 67 valuation is performed annually. The HIS program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

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, 2019, 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 6.90%. 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 3.50% 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 FRS that affected the total pension liability since the prior measurement date. There were no changes in benefit terms for 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 2019:

- FRS Pension Plan: The long-term expected rate of return was reduced from 7.00% to 6.90%.
- HIS: The municipal rate used to determine total pension liability decreased from 3.87% to 3.50%.

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%	3.3%
Fixed income	18.0%	4.1%
Global equity	54.0%	8.0%
Real estate (property)	10.0%	6.7%
Private equity	11.0%	11.2%
Strategic investments	6.0%	5.9%
	<u>100.0%</u>	

The 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, 2020, using the individual entry age normal actuarial cost method. The inflation rate was assumed at 2.40%, the annual increase in Federal Military Pay tables is assumed at 2.00%, and the Cost-of-Living adjustments are assumed at 2.80%.

Because the National Guard Benefit uses a pay-as-you-go funding structure, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. Mortality assumptions for the plan was based on the Generational PUB-2010 with Projection Scale MP-2018 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 change in actuarial assumptions occurred in 2020 for the National Guard Benefit:

- The municipal bond rate used to determine total pension liability decreased from 3.50% to 2.21%.

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.

<i>FRS Pension Plan</i>			<i>HIS</i>		
1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
\$10,433,005,062	\$6,035,289,078	\$2,362,452,357	\$1,841,335,985	\$1,613,012,085	\$1,422,844,126

<i>National Guard Benefit</i>		
1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
\$1,455,402,003	\$1,142,129,836	\$912,841,905

Pension Expense and Deferred Outflows / (Inflows) of Resources

In accordance with GASB Statement No. 68, paragraphs 54 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).
- Changes in proportion and differences between contributions and proportionate share of contributions – amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan (active and inactive employee).
- 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, 2019, was 6.4 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, 2019, are presented below for each plan.

FRS Pension Plan

	Recognized in Expense Reporting Period Ending June 30, 2020	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 442,162,459	Current	\$ —	\$ —
Interest cost	2,312,377,055	Current	—	—
Effect of plan changes	1,998,526	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	120,088,435	6.4 years	357,970,252	(3,745,447)
Effect of assumptions changes or inputs	452,530,096	6.4 years	1,550,121,915	—
Member contributions	(131,928,890)	Current	—	—
Projected investment earnings	(1,935,045,423)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	20,492,670	6.4 years	190,959,848	(231,404,926)
Net difference between projected and actual investment earnings	211,957,868	5 years	—	(333,903,690)
Contributions subsequent to the measurement date	—	1 year	564,233,393	—
Administrative expenses	3,431,436	Current	—	—
<i>Total</i>	<i>\$ 1,498,064,232</i>		<i>\$ 2,663,285,408</i>	<i>\$ (569,054,063)</i>

Health Insurance Subsidy

	Recognized in Expense Reporting Period Ending June 30, 2020	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 33,462,261	Current	\$ —	\$ —
Interest cost	60,281,696	Current	—	—
Effect of plan changes	—	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	3,150,447	7.2 years	19,591,834	(1,975,082)
Effect of assumptions changes or inputs	27,829,230	7.2 years	186,771,563	(131,834,462)
Member contributions	(28,072)	Current	—	—
Projected investment earnings	(1,472,092)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	(14,487,656)	7.2 years	79,963,286	(129,416,029)
Net difference between projected and actual investment earnings	461,202	5 years	1,040,853	—
Contributions subsequent to the measurement date	—	1 year	79,916,731	—
Administrative expenses	28,155	Current	—	—
<i>Total</i>	<i>\$ 109,225,171</i>		<i>\$ 367,284,267</i>	<i>\$ (263,225,573)</i>

The average expected remaining service life of all employees provided with pensions through the National Guard defined benefit single-employer plan at June 30, 2020, was 11.9 years. The State's pension expense and deferred outflows and deferred inflows of resources reported for the fiscal year ended June 30, 2020, are presented below for the plan.

National Guard Benefit Plan

	Recognized in Expense Reporting Period Ending June 30, 2020	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 13,967,283	Current	\$ —	\$ —
Interest cost	28,873,760	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	7,840,195	11.9 years	67,207,115	—
Effect of assumptions changes or inputs	44,147,375	11.9 years	467,216,349	(62,338,182)
Administrative expenses	7,800	Current	—	—
<i>Total</i>	<u>\$ 94,836,413</u>		<u>\$ 534,423,464</u>	<u>\$ (62,338,182)</u>

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, 2020. 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
2021	\$ 570,051,069	\$ 16,875,578	\$ 51,987,570
2022	161,000,150	12,871,235	51,987,570
2023	400,622,139	3,494,581	51,987,570
2024	305,115,119	(17,092,131)	51,987,570
2025	75,764,000	(151,024)	51,514,241
Thereafter	17,445,474	8,143,724	212,620,761
<i>Total</i>	<u>\$ 1,529,997,951</u>	<u>\$ 24,141,963</u>	<u>\$ 472,085,282</u>

Payables to the Pension Plans

The State reported payables of \$327 thousand to the FRS Pension Plan, and \$16 thousand to the HIS Program as of June 30, 2020, for legally required contributions to the plans.

2. Defined Contribution Programs

FRS Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Florida Legislature establishes and amends the contribution requirements and 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 0.06% 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 (non-duty or line of duty); 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. Survivor benefit coverage is provided to the surviving spouse or dependent children of members who die in line of duty; the employer pays an employer contribution to fund the survivor benefit which is deposited in the FRS Trust Fund. The member's account balance must be transferred to the FRS Pension Plan when approved for survivor benefits to receive guaranteed lifetime monthly benefits under the FRS Pension Plan for the surviving spouse or on behalf of the dependent children until the youngest unmarried dependent child reaches age 18, or up to age 25 if unmarried and enrolled as a fulltime student.

State University System Optional Retirement Program

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 contribution requirements and 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 2019, through June 2020. 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. SUSORP members are not eligible to receive HIS Payments from the HIS Trust Fund. There is a HIS component included in the employer's contribution deposited in the members' accounts. 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 UAL. The required UAL contribution rate for fiscal year 2019-20 was 3.56%.

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 SMSC. Employees in eligible state positions may make an irrevocable election to participate in the SMSOAP in lieu of the SMSC. The Florida Legislature establishes and amends the contribution requirements and benefit terms of the program, and closed the program to new members effective July 1, 2017.

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 2019 through June 2020. 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 or deduction 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 UAL. The required UAL contribution rate for fiscal year 2019-20 was 19.09%.

Pension Amounts for Defined Contribution Plans

As of June 30, 2020, the State reported the following pension amounts related to the defined contribution plans:

Reporting Period Ended June 30, 2020	FRS Investment Plan	Optional Retirement Plan	Optional Annuity Program
<i>Pension Expense</i> ^{1,2} \$	77,280,549 \$	14,436,884 \$	59,547
<i>Forfeitures</i>	4,089,567	—	—
<i>Pension Liability</i>	318,805	—	—

¹ Pension expense excludes the required UAL which is recognized in the Defined Benefit Pension Plan as 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 Division of State Group Insurance (DSGI) within the Department is responsible for administering the State Employees' Group Health Insurance Program. The program covers retired employees and is considered an other postemployment benefits plan.

Plan Description

The DSGI Other Postemployment Benefits Plan (OPEB Plan) is a multiple-employer defined benefit plan which provides healthcare benefits to retired state and university employees in accordance with Section 110.123, Florida Statutes (F.S.). Pursuant to the provisions of Section 112.0801, F.S., all public employers that offer benefits through a group insurance plan shall allow their retirees and their eligible dependents the option to continue participation in the plan during retirement. As a part of normal retirement, a retiree has 60 days after separation to elect post-retirement health coverage. After 60 days, they are no longer entitled to benefits. A retiree is defined as any officer or employee who retires under a State retirement system or State optional annuity or retirement program or is placed on disability retirement and who begins receiving retirement benefits immediately after retirement from employment. In addition, any officer or employee who retires under the Florida Retirement System Investment Plan is considered a "retiree" if he or she meets the age and service requirements to qualify for normal retirement or has attained the age of 59.5 years and has the years of service required for vesting. 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. As a result, the state implicitly subsidizes the premium rates paid by retirees 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.

There are six participating employers including, the primary government of the state and 14 discretely presented component units which are reported as one employer in the valuation, along with five other governmental entities. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Benefit provisions as described by Section 110.123, F.S., and contributions, can be amended by the Florida Legislature. 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.

Benefits Provided

The benefits provided are the same as those provided for active employees. Spouses and dependents of eligible retirees are also eligible for medical coverage. All non-OPS employees of the State are eligible to receive postemployment health care benefits. Four types of health plans are offered to eligible participants:

- Standard statewide Preferred Provider Organization (PPO) Plan.
- High Deductible PPO Plan.
- Standard Health Maintenance Organization (HMO) Plan.
- High Deductible 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.

Employees covered by benefit terms

At valuation date of July 1, 2019, there were 196,951 employees covered by the OPEB Plan, as shown in the following table:

Active members	138,415
No coverage active members	23,080
Retired and inactive members	<u>35,456</u>
Total employees	<u><u>196,951</u></u>

There are currently zero inactive plan members entitled to but not yet receiving benefits because the OPEB Plan does not provide a vested termination benefit.

Contributions

Retirees participating in the group insurance plans offered by the State of Florida are required to contribute 100% of the premiums. The State of Florida implicitly subsidizes the healthcare premium rates paid by retirees by allowing them to participate in the same health plan offered to active employees. Retirees under age 65 pay the same premium amounts as applicable to the 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 Medicare is the primary payer. Retirees are required to enroll in the Federal Medicare (Medicare) program for their primary coverage as soon as they are eligible.

Note that the projected post-65 employee contributions for the fully-insured HMO plan are assumed to cover the entire cost of the program.

Total OPEB Liability

As of June 30, 2020, the State reported a total OPEB liability of \$12,658,249,434 of which the State (primary government) and its component units reported \$9,167,196,186 and \$3,491,053,248, respectively, for its proportionate share of the total OPEB liability measured as of June 30, 2019. The table below presents the State and its component units proportion change since the prior measurement date:

	<u>State</u>	<u>Component Units</u>
Proportion at prior measurement date, June 30, 2018 ¹	73.993100599986 %	26.006899400014 %
Proportion at measurement date, June 30, 2019	72.420726371349 %	27.579273628651 %
Increase / (Decrease) in proportion	<u>(1.572374228637)%</u>	<u>1.572374228637 %</u>

¹ The proportion of the State and its component units at prior measurement date, June 30, 2018 were modified from 73.99% and 26.01% to 73.993100599986% and 26.00689940014% respectively in *GASB 75 Disclosure Information for the Fiscal Year Ending June 30, 2020*.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2019
Measurement date	June 30, 2019
Actuarial cost method	Entry age normal
Amortization method	The recognition period for the changes in assumption and proportionate share is 8 years
Actuarial value of assets	N/A
Inflation	2.60%
Salary Increases	Varies by FRS Class
Discount rate	2.79%
Healthcare cost trend rates	6.7% for PPO and 5.2% for HMO for 2019, increasing to 8.3% and 6.3% by 2022, then decreasing to 5.6% for PPO and HMO by 2070. Afterward, decreasing to 5.4% for PPO and HMO thereafter
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees
Medical aging factors	4% per year prior to age 65 3% per year between ages 65 and 75 2% per year between ages 75 and 85 0% per year thereafter
Marital status	80% assumed married, with male spouses 3 years older than female spouses
Health care participation (HMO)	50% participation assumed, with 25% electing spouse coverage. Members who elected no coverage as actives are assumed to elect coverage in the same proportion as active members with coverage
Health care participation (PPO)	50% participation assumed, with 35% electing spouse coverage. Members who elected no coverage as actives are assumed to elect coverage in the same proportion as active members with coverage

The discount rate of 2.79% was based on the Bond Buyer General Obligation 20-year Municipal Bond Index. The discount rate changed from 3.87% for the opening balance as of June 30, 2018 to 2.79% as of June 30, 2019 actually resulting in an overall increase in total OPEB liability.

Mortality rates were based on the Generational RP-2000 with Projected Improvement Scale BB. Disabled mortality has not adjusted for mortality improvements.

The same demographic assumptions that were used for the Florida Retirement System July 1, 2018 Actuarial Valuation were used in the June 30, 2019 Actuarial Valuation. The demographic assumptions were based on the 2014 Experience Study prepared by Milliman on September 8, 2014. Updated Assumptions for the FRS July 1, 2018 Actuarial Valuation were approved by the 2018 FRS Actuarial Assumptions Conference. The assumptions are reasonable for valuing the retiree health costs of the Program since the covered populations of both plans are similar. Additionally, the 2016 mortality tables reflect improvements in mortality using the Society of Actuaries most recently published projection scale BB.

The healthcare trends used in this valuation are based on long term healthcare trends generated by the Getzen Model. The Getzen Model is the result of research sponsored by the Society of Actuaries and completed by a committee of economists and actuaries. Medical trend rates consistent with the August 2019 Report on the Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgment were used in the June 30, 2019 Actuarial Valuation. The trend rates for the HMO self-insured and fully insured option were blended to create a single trend assumption for retirees electing HMO coverage. The first five trend rates were developed using the claims and administrative cost information from the August 2019 Report on the Financial Outlook of the Plan.

Retirees participating in the group insurance plans offered by the State of Florida are required to contribute 100% of the premiums. Retiree contributions were not as high as expected based on the expected increases from July 1, 2015, to July 1, 2017. As such, the net implicit subsidy gap further widened and costs increased.

Changes in Total OPEB Liability (in thousands)

See chart below for details.

Changes in Total OPEB Liability	State	Component Units	Total
Reporting period ending June 30, 2019	\$ 7,807,420	\$ 2,744,132	\$ 10,551,552
Changes for the year:			
Service cost	326,632	124,388	451,020
Interest	294,818	112,272	407,090
Changes of benefit terms	—	—	—
Differences between expected and actual experience	(269,732)	(102,719)	(372,451)
Changes of assumptions or other inputs	1,313,594	500,244	1,813,838
Benefit payments	(142,659)	(50,141)	(192,800)
Changes of proportionate shares to the total OPEB liability and difference between the actual benefit payments and expected benefit payments	(162,877)	162,877	—
Other changes	—	—	—
Net changes	1,359,776	746,921	2,106,697
Reporting period ending June 30, 2020	\$ 9,167,196	\$ 3,491,053	\$ 12,658,249

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table demonstrates the sensitivity of the total OPEB liability to changes in the discount rate. The sensitivity analysis shows the impact to the state's proportionate share of the total OPEB liability if the discount rate was 1.00% higher or 1.00% lower than the current discount rate (expressed in thousands):

	1% Decrease 1.79%	Current Discount Rate 2.79%	1% Increase 3.79%
State	\$ 11,472,438	\$ 9,167,196	\$ 7,416,610
Component Units	4,394,520	3,491,053	2,806,831
Total	\$ 15,866,958	\$ 12,658,249	\$ 10,223,441

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following table demonstrates the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The sensitivity analysis shows the impact to the state's proportionate share of the total OPEB liability if the healthcare cost trend rates were 1.00% higher or 1.00% lower than the current healthcare cost trend rate (expressed in thousands):

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
State	\$ 7,223,318	\$ 9,167,196	\$ 11,860,682
Component Units	2,719,060	3,491,053	4,570,826
Total	\$ 9,942,378	\$ 12,658,249	\$ 16,431,508

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the State of Florida recognized OPEB expense of \$512,385,000 and \$195,126,000 for primary governments and the component units respectively. At June 30, 2020, the State of Florida reported deferred outflows of resources and deferred inflows of resources related to OPEB for state primary governments and component units from the following sources (expressed in thousands):

	State		Component Units	
	Deferred Outflows	Deferred Inflows	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ —	\$ (236,016)	\$ —	\$ (89,879)
Changes of assumptions or other inputs	1,149,396	(1,296,347)	437,712	(493,674)
Changes of proportionate shares and difference between the actual benefit payments and expected benefit payments	3,837	(185,432)	185,432	(3,837)
Transactions subsequent to the measurement date	121,576		46,298	
Total	\$ 1,274,809	\$ (1,717,795)	\$ 669,442	\$ (587,390)

Amounts reported as deferred outflows of resources related to OPEB resulting from transactions subsequent to the measurement date as shown in the table above will be recognized as a reduction of the total OPEB liability in the reporting period ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ending June 30,	State	Components Units	Total
2021	\$ (138,556)	\$ (15,990)	\$ (154,546)
2022	(138,556)	(15,990)	(154,546)
2023	(138,556)	(15,990)	(154,546)
2024	(138,556)	(15,990)	(154,546)
2025	(138,553)	(15,994)	(154,547)
Thereafter	128,215	115,708	243,923
Total	\$ (564,562)	\$ 35,754	\$ (528,808)

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, 2020, the Department had available approximately \$12.8 billion in budget authority committed on executed contracts arising from both current and prior year projects. Other major construction commitments of the State of Florida at June 30, 2020, totaled \$388 million. Refer to Note 5 for additional disclosures relating to construction in progress. Construction commitments for component units totaled \$2.6 billion.

B. Florida Ports Financing Commission Revenue Bonds

Section 320.20, Florida Statutes, obligates the state 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 \$679,279,025 for the fiscal year ended June 30, 2020. The table below represents the Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2020:

Series	Amount
2011A	\$ 5,620,000
2011B	75,685,000
2011A (Intermodal)	45,800,000
2011B (Intermodal)	32,365,000
Total	\$ 159,470,000

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 major component units were \$132.4 million, \$9.4 million, and \$51.9 million, respectively, for the year ended June 30, 2020. The following is a schedule of future non-cancelable operating lease payments for the primary government and component units at June 30, 2020 (in thousands):

	Primary Government		Major Component Units
	Governmental Activities	Business-type Activities	
2021	\$ 128,992	\$ 10,732	\$ 41,720
2022	116,868	10,240	35,722
2023	103,631	8,922	31,113
2024	93,880	7,584	28,292
2025	85,130	7,192	25,521
2026-2030	225,666	19,317	79,301
2031-2035	86,855	3,552	21,004
2036-2040	70,765	1,246	12,427
2041-2045	64,469	44	5,610
2046-2050	64,469	—	5,713
2051-2055	64,352	—	—
Total	\$ 1,105,077	\$ 68,829	\$ 286,423

D. Encumbrances

As of June 30, 2020, encumbrances for major and nonmajor governmental funds were (in thousands):

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation	Nonmajor Governmental Funds	Total
Encumbrances:	<u>\$ 353,753</u>	<u>\$ 13,299</u>	<u>\$1,010,006</u>	<u>\$ 163,202</u>	<u>\$ 56,742</u>	<u>\$ 631,630</u>	<u>\$ 2,228,632</u>

NOTE 8 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION

A. Bonds Payable

1. Outstanding Bonds

Bonds payable at June 30, 2020, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
Governmental Activities:				
Road and Bridge Bonds	\$ 2,391,785	\$ 1,994,760	2.500%-5.000%	2049
DOT Financing Corporation Bonds	164,005	146,900	4.000%-5.000%	2033
SBE Capital Outlay Bonds	143,235	81,940	2.000%-5.000%	2048
Lottery Education Bonds	1,452,895	801,295	3.000%-5.000%	2032
Public Education Bonds	9,327,890	6,724,235	2.000%-6.000%	2048
State University System Bonds	119,845	86,565	3.000%-5.000%	2033
University Auxiliary Bonds	996,046	747,012	1.216%-7.500%	2045
Inland Protection Bonds	24,820	21,575	5.000%-5.000%	2024
Florida Forever Bonds	1,096,985	567,550	2.000%-5.000%	2029
Water Pollution Control Bonds	214,220	214,220	3.500%-5.250%	2043
Florida Facilities Pool Bonds	190,835	161,610	3.000%-5.000%	2039
State Infrastructure Bank Bonds	123,615	10,565	4.250%-5.000%	2027
Seaport Investment Bonds	138,145	117,360	4.000%-5.000%	2043
Everglades Restoration Bonds	197,440	157,415	3.000%-5.000%	2035
Federal Highway Reimbursement Bonds	123,225	117,995	5.000%-5.000%	2031
	16,704,986	11,950,997		
Unamortized premiums (discounts) on bonds payable		833,859		
Total Bonds Payable	<u>\$ 16,704,986</u>	<u>\$ 12,784,856</u>		
Business-type Activities:				
Road and Bridge Bonds	\$ 3,336,340	\$ 2,686,860	2.500%-5.250%	2049
Florida Hurricane Catastrophe Fund Bonds	3,200,000	1,650,000	2.638%-2.995%	2021
	6,536,340	4,336,860		
Unamortized premiums (discounts) on bonds payable		183,649		
Total Bonds Payable	<u>\$ 6,536,340</u>	<u>\$ 4,520,509</u>		

2. Types of Bonds

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

Public Education Capital Outlay 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.

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.

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

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

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

Everglades Restoration Bonds are revenue bonds issued to finance 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 documentary stamp tax revenues.

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

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

Federal Highway Reimbursement Bonds are issued to finance projects eligible for federal-aid highway funds. The bonds mature serially and are secured by a pledge of all revenues received pursuant to Federal Aid Authorization that are legally available for the reimbursement of costs of Eligible Projects under Title 23 of the U.S. Code.

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 title certificates to the Seaport Investment Program.

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.

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.

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.

Department of Transportation Financing Corporation Bonds are issued by the Florida Department of Transportation Financing Corporation (a blended component unit) to finance the cost of certain projects within the Department of Transportation's adopted Work Program. The bonds mature serially and are secured by a pledge of moneys deposited in the State Transportation Trust Fund, consisting primarily of revenues derived from fuel taxes, federal aid and motor vehicle fees.

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, serial and term, are secured by a pledge of the loan payments from local governments.

Florida Hurricane Catastrophe Fund Bonds are issued by the State Board of Administration Finance Corporation. Post-event bonds are issued to maximize the Florida Hurricane Catastrophe Fund's (FHCF) ability 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 bonds are also issued to provide the FHFC with a source of funds to reimburse participating insurers for losses relating to future covered events and are secured by reimbursement premiums and emergency assessments.

3. Pledged Revenues

The table below contains information regarding revenues pledged to repay debt obligations (dollars 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.

Bond Type	Revenue ²	Less Operating Expenses	Net Available for Debt Service	Debt Service			Coverage Ratio	Final Maturity	Remaining Debt Service	Revenue Ratio ⁴
				Principal	Interest ³	Total Debt Service				
Florida Turnpike (Toll Facility)	\$ 995,849	\$ 242,882	\$ 752,967	\$ 135,870	\$ 116,025	\$ 251,895	2.99	2049	3,763,338	75.61%
Florida Forever/Everglades ¹	2,874,900	—	2,874,900	116,703	40,943	157,646	18.24	2035	870,846	100.00%
Lottery Education ^{1,2}	1,913,799	—	1,913,799	170,170	47,385	217,555	8.80	2032	956,675	100.00%
Alligator Alley (Toll Facility)	31,290	10,135	21,155	1,895	903	2,798	7.56	2027	19,560	67.61%
Sunshine Skyway	26,348	7,814	18,534	2,480	4,391	6,871	2.70	2038	123,694	70.34%
State Infrastructure Bank ¹	29,607	—	29,607	6,400	808	7,208	4.11	2027	11,887	100.00%
Florida Hurricane Catastrophe ⁵	1,187,643	80,576	1,107,067	—	6,778	6,778	163.33	2021	667,147	93.22%
State University System Bonds ¹	58,796	—	58,796	10,295	4,093	14,388	4.09	2033	105,928	100.00%
University Auxiliary Bonds										
Parking System Revenue Bonds										
Florida International University	13,759	6,963	6,796	2,785	2,487	5,272	1.29	2043	80,888	49.39%
University of South Florida	13,066	8,571	4,495	2,610	330	2,940	1.53	2026	13,216	34.40%
University of Florida	12,660	6,893	5,767	1,810	1,761	3,571	1.61	2028	52,159	45.55%
Florida Atlantic University	7,085	2,131	4,954	1,600	482	2,082	2.38	2032	13,717	69.92%
University of Central Florida	20,278	4,224	16,054	2,776	740	3,516	4.57	2032	19,052	79.17%
Florida State University	12,577	2,881	9,696	3,651	1,091	4,742	2.04	2031	27,250	77.09%
Housing System Revenue Bonds										
Florida Agricultural & Mechanical University	14,953	11,004	3,949	2,998	1,459	4,457	0.89	2045	130,984	26.41%
Florida International University	21,378	10,890	10,488	4,275	3,138	7,413	1.41	2041	106,016	49.06%
University of Florida	47,776	35,057	12,719	4,560	2,332	6,892	1.85	2033	67,620	26.62%
Florida Atlantic University	16,724	7,287	9,437	3,210	2,182	5,392	1.75	2036	57,561	56.43%
University of Central Florida	26,231	18,880	7,351	5,030	3,307	8,337	0.88	2042	102,166	28.02%
Florida State University	45,691	22,824	22,867	8,310	6,990	15,300	1.49	2040	206,112	50.04%
Student Health and Wellness Center Revenue Bonds										
University of Central Florida ^{1,6}	N/A	—	N/A	N/A	N/A	N/A	N/A	N/A	—	N/A
Florida State University ¹	15,452	—	15,452	1,470	908	2,378	6.50	2030	23,803	100.00%
University of North Florida ¹	4,496	—	4,496	505	539	1,044	4.31	2036	19,031	100.00%
Student Services Center Revenue Bonds										
University of Florida ¹	29,504	—	29,504	1,715	1,520	3,235	9.12	2033	42,027	100.00%
DOT Financing Corporation ¹	4,520,651	—	4,520,651	7,900	7,591	15,491	291.82	2033	201,363	100.00%
Federal Highway Reimbursement Bonds ^{1,7}	1,993,118	—	1,993,118	5,230	4,005	9,235	215.83	2031	156,258	100.00%
Water Pollution Control Bonds ¹	93,421	—	93,421	27,790	13,268	41,058	2.28	2043	238,392	100.00%
Inland Protection Bonds ¹	214,563	—	214,563	3,245	4,095	7,340	29.23	2024	24,338	100.00%
Seaport Investment Program ¹	200,000	—	200,000	2,740	5,844	8,584	23.30	2043	197,396	100.00%

¹Operating 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 Refer to Note 8A.2. for information on the sources of pledged revenues.

³ Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.

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

⁵ Florida Hurricane Catastrophe Bonds debt service is reduced by interest earnings on bond proceeds and bond proceeds used to repay principal.

⁶ The UCF Mandatory Fee Bonds were cash defeased on October 30, 2019. As a result, revenue, expense, debt service and coverage information is omitted.

⁷ GARVEE Program issued the first series of Federal Highway Reimbursement Bonds in Fiscal Year 2020.

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 2019-20, the ratio remained below 6%.

5. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2020, are as follows (in thousands):

Year Ending June 30	Primary Government				
	Governmental Activities				
	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2021	\$ 1,045,180	\$ 510,602	\$ 6,105	\$ 2,385	\$ 1,564,272
2022	1,057,120	462,387	6,404	3,158	1,529,069
2023	1,032,410	412,372	6,605	2,976	1,454,363
2024	949,530	362,905	6,834	2,758	1,322,027
2025	898,105	316,638	7,068	2,556	1,224,367
2026-2030	3,199,100	1,060,345	29,721	9,772	4,298,938
2031-2035	2,138,955	493,094	17,916	6,095	2,656,060
2036-2040	1,028,035	179,158	23,654	3,594	1,234,441
2041-2045	318,200	61,955	25,445	937	406,537
2046-2050	154,610	10,681	—	—	165,291
Bonds payable and interest	11,821,245	3,870,137	129,752	34,231	15,855,365
Unamortized premiums (discounts)	833,859	—	—	—	833,859
Total bonds payable and interest	<u>\$ 12,655,104</u>	<u>\$ 3,870,137</u>	<u>\$ 129,752</u>	<u>\$ 34,231</u>	<u>\$ 16,689,224</u>

Year Ending June 30	Primary Government		
	Business-type Activities		
	Bonds		
	Principal	Interest	Total
2021	\$ 1,148,335	\$ 146,880	\$ 1,295,215
2022	787,305	115,915	903,220
2023	135,770	100,524	236,294
2024	142,660	93,735	236,395
2025	149,345	87,068	236,413
2026-2030	620,810	346,721	967,531
2031-2035	602,760	217,780	820,540
2036-2040	437,270	105,687	542,957
2041-2045	226,875	39,343	266,218
2046-2050	85,730	6,773	92,503
Bonds payable and interest	4,336,860	1,260,426	5,597,286
Unamortized premiums (discounts)	183,649	—	183,649
Total bonds payable and interest	<u>\$ 4,520,509</u>	<u>\$ 1,260,426</u>	<u>\$ 5,780,935</u>

Year Ending June 30	Component Units				
	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2021*	\$ 1,091,269	\$ 275,468	\$ 58,161	\$ 36,294	\$ 1,461,192
2022	513,649	155,417	35,037	22,270	726,373
2023	149,829	143,131	33,728	21,264	347,952
2024	142,100	138,604	34,424	20,237	335,365
2025	304,775	93,446	139,867	52,609	590,697
2026-2030	679,725	538,820	144,275	68,160	1,430,980
2031-2035	823,349	411,773	120,612	46,121	1,401,855
2036-2040	597,405	270,648	107,658	22,885	998,596
2041-2045	694,712	147,711	25,260	6,852	874,535
2046-2050	351,123	35,494	18,855	2,449	407,921
2051-2055	15,621	3,625	—	—	19,246
2056-2060	8,658	576	—	—	9,234
Bonds payable and interest	5,372,215	2,214,713	717,877	299,141	8,603,946
Unamortized premiums (discounts)	169,921	—	—	—	169,921
Total bonds payable and interest	<u>\$ 5,542,136</u>	<u>\$ 2,214,713</u>	<u>\$ 717,877</u>	<u>\$ 299,141</u>	<u>\$ 8,773,867</u>

* Some component units have a fiscal year other than June 30 and as a result, June 30, 2021, principal amounts reported will not reconcile with Note 10.

Annual debt service requirements for university capital improvement debt payable at June 30, 2020, are as follows (in thousands):

Year Ending June 30	Universities				
	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2021	\$ 41,525	\$ 22,471	\$ 11,481	\$ 6,242	\$ 81,719
2022	92,631	20,811	11,995	5,739	131,176
2023	38,983	19,139	12,548	5,211	75,881
2024	37,561	17,578	12,229	4,672	72,040
2025	37,343	16,421	12,746	4,172	70,682
2026-2030	176,218	58,101	59,051	13,250	306,620
2031-2035	117,399	27,441	23,160	3,670	171,670
2036-2040	53,629	9,857	7,945	651	72,082
2041-2045	17,597	1,096	—	—	18,693
2046-2050	—	—	—	—	—
2051-2055	—	—	—	—	—
2056-2060	—	—	—	—	—
Total capital improvement debt payable and interest	612,886	192,915	151,155	43,607	1,000,563
Unamortized premiums (discounts)	2,194	—	7,189	—	9,383
Total capital improvement debt payable and interest	<u>\$ 615,080</u>	<u>\$ 192,915</u>	<u>\$ 158,344</u>	<u>\$ 43,607</u>	<u>\$ 1,009,946</u>

6. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2020, 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 into irrevocable trusts and invested in direct obligations of the Federal government and/or obligations guaranteed by the Federal government. The funds deposited along with the interest to be earned will be sufficient to meet the future principal and interest payments on the refunded bonds as they become due.

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

Florida Water Pollution Control Financing Corporation Water Pollution Control Revenue Refunding Bonds, Taxable Series 2019A in the amount of \$214,220,000, in part, along with additional funds of \$18,749,957, were used to advance refund \$125,295,000 of the Florida Water Pollution Control Financing Corporation Water Pollution Control Revenue Bonds, Series 2010A maturing in the years 2020 through 2030. The refunding resulted in debt savings of \$14,895,546, an economic gain of \$11,742,075, and a deferred gain on refunding of \$1,371,707.

Business-type Activities

None.

Current Refundings

Governmental Activities

State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series 2019B, in the amount of \$42,220,000, along with additional funds of \$898,333, were used to refund \$50,270,000 of the State of Florida, Department of Environmental Protection Everglades Restoration Revenue Bonds, Series 2007A-B (Multi-Modal), variable debt obligations maturing in the years 2020 through 2027.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2019 Series B in the amount of \$135,465,000, along with additional funds of \$789,796, were used to refund \$158,505,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2008 Series D Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2039. The refunding resulted in debt savings of \$24,804,625, an economic gain of \$19,267,088, and a deferred loss on refunding of \$794,066.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2019 Series C in the amount of \$234,155,000, along with additional funds of \$4,509,278, were used to refund \$144,520,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2006 Series G Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2039 and \$120,460,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2009 Series F Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2039. The refunding resulted in debt savings of \$43,715,261, an economic gain of \$34,698,560, and a deferred loss on refunding of \$779,832.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2019 Series D in the amount of \$168,825,000, along with additional funds of \$5,036,186, were used to refund \$197,310,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2007 Series G Build

America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2039. The refunding resulted in debt savings of \$38,805,233, an economic gain of \$31,607,455, and a deferred loss on refunding of \$1,048,183.

State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Refunding Bonds, 2020 Series A in the amount of \$20,530,000, along with additional funds of \$36,938, were used to refund \$23,720,000 of the State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2010 Series A maturing in the years 2021 through 2030. The refunding resulted in debt savings of \$3,047,678, an economic gain of \$2,837,695, and a deferred gain on refunding of \$302,277.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2020 Series A in the amount of \$257,730,000, along with additional funds of \$3,745,105 were used to refund \$135,865,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2007 Series H maturing in the years 2021 through 2040 and \$162,680,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2008 Series E maturing in the years 2021 through 2040. The refunding resulted in debt savings of \$105,061,250, an economic gain of \$85,435,118, and a deferred gain on refunding of \$9,364,350.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2020 Series B in the amount of \$95,125,000, along with additional funds of \$1,454,715 were used to refund \$114,805,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2010 Series A maturing in the years 2021 through 2031. The refunding resulted in debt savings of \$25,275,069, an economic gain of \$23,724,282, and a deferred gain on refunding of \$2,079,086.

State of Florida, Inland Protection Financing Corporation Revenue Refunding Bonds, Series 2019A in the amount of \$24,820,000, along with additional funds of \$12,998,752 were used to refund \$39,600,000 of the State of Florida, Inland Protection Financing Corporation Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2024. The refunding resulted in debt savings of \$2,639,247, an economic gain of \$2,126,224, and no deferred gain or loss on refunding.

State of Florida, Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds, Series 2019A in the amount of \$19,805,000, along with additional funds of \$2,564,373, were used to refund \$25,110,000 of the State of Florida, Board of Governors, Florida International University Parking Facility Revenue Bonds, Series 2009B Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2039. The refunding resulted in debt savings of \$6,193,599 an economic gain of \$4,122,977, and no deferred gain or loss on refunding.

State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Refunding Bonds, Series 2019A in the amount of \$6,120,000, along with additional funds of \$1,777,412, were used to refund \$8,980,000 of the State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2029. The refunding resulted in debt savings of \$1,274,454 an economic gain of \$1,089,273, and no deferred gain or loss on refunding.

Florida Water Pollution Control Financing Corporation Water Pollution Control Revenue Refunding Bonds, Taxable Series 2019A in the amount of \$214,220,000, in part, along with additional funds of \$19,548,693, were used to refund \$10,945,000 of the Florida Water Pollution Control Financing Corporation Water Pollution Control Revenue Bonds, Series 2003 maturing in the years 2021 through 2023 and \$112,545,000 of the Florida Water Pollution Control Financing Corporation Water Pollution Control Revenue Bonds, Series 2008A maturing in the years 2021 through 2029. The refunding resulted in debt savings of \$17,406,343, an economic gain of \$13,960,809, and a deferred gain on refunding of \$58,397.

Business-type Activities

State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2020A in the amount of \$190,745,000, along with additional funds of \$11,731,783, were used to refund \$23,525,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2006A maturing in the years 2028 and 2029 and \$203,115,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2010B maturing in the years 2021 through 2040. The refunding resulted in debt savings of \$81,546,253 an economic gain of \$68,390,187, and a deferred loss on refunding of \$2,558,111.

Cash In-substance Defeasance

Governmental Activities

The State of Florida, Florida Education System, University of Central Florida Student Health Center Revenue Bonds, Series 2004A (the "Series 2004A Bonds") in the amount of \$2,685,000 maturing in the years 2020 through 2024 were in-substance defeased on September 27, 2019, when a cash deposit of \$2,727,290 was made to the Sinking Fund. These funds were subsequently held and not invested and used, along with other funds of \$820 held within the Sinking Fund, to redeem the Series 2004A Bonds on October 30, 2019.

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 June 30, 2020
<u>Governmental Activities</u>	
University Auxiliary Bonds	\$ 31,614
Total	\$ 31,614

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, 2020, in the following governmental activities as direct expenses on the Statement of Activities (in thousands):

<u>Governmental Activities</u>	<u>Interest</u>
Education:	
SBE Capital Outlay Bonds	\$ 2,657
Lottery Education Bonds	23,754
Public Education Bonds	222,628
State University System Bonds	2,647
University Auxiliary Bonds	24,856
Total Education	<u>276,542</u>
Natural Resources and Environment:	
Inland Protection Bonds	935
Everglades Restoration Bonds	4,203
Water Pollution Control Bonds	8,538
Florida Forever Bonds	15,755
Total Natural Resources and Environment	<u>29,431</u>
Transportation:	
Road and Bridge Bonds (Right of Way)	63,872
State Infrastructure Bank Bonds	773
Seaport Investment Bonds	5,068
FDOT Financing Corporation Bonds	4,419
DOT Federal Highway Reimbursement Bonds	1,599
Total Transportation	<u>75,731</u>
Total Direct Interest	<u>\$ 381,704</u>

10. Governmental Activities – Unrestricted Net Position Deficit

Governmental activities reflect a negative unrestricted net position balance of \$15.5 billion at June 30, 2020. 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, 2020, of \$9.1 billion. The state has an additional \$0.7 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 a negative \$5.7 billion.

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

The state has issued certificates of participation (original amount of \$462,240,000) to finance privately operated detention and mental health facilities. The certificates of participation's interest rates range from 4.500% - 5.000% and the last maturity date is July 1, 2030. The following is a schedule of future minimum principal and interest payments for certificates of participation for governmental activities at June 30, 2020 (in thousands):

Year Ending June 30	General		Total
	Principal	Interest	
2021	\$ 32,675	\$ 17,234	\$ 49,909
2022	34,325	15,583	49,908
2023	36,885	13,835	50,720
2024	38,775	11,978	50,753
2025	40,705	10,019	50,724
2026-2030	169,570	22,494	192,064
Total	352,935	91,143	444,078
Unamortized premiums (discounts)	30,927	—	30,927
Total certificates of participation payable	\$ 383,862	\$ 91,143	\$ 475,005

2. Component Units

Component units (universities and a water management district) have issued certificates of participation (original amount of \$845,225,000) primarily to finance academic and student facilities, and construction projects for Everglades restoration. The certificates of participation's interest rates range from 1.903% to 5.250% and the last maturity date is July 1, 2048. The following is a schedule of future minimum principal and interest payments for certificates of participation for component units at June 30, 2020 (in thousands):

Year Ending June 30	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2021*	\$ 46,274	\$ 57,718	\$ 5,490	\$ 4,084	\$ 113,566
2022	21,244	22,539	5,695	3,872	53,350
2023	22,208	21,302	5,880	3,652	53,042
2024	23,290	20,194	5,000	3,456	51,940
2025	103,051	61,409	5,140	3,265	172,865
2026-2030	161,535	53,753	28,360	13,209	256,857
2031-2035	107,065	17,020	33,225	7,332	164,642
2036-2040	23,930	4,770	20,300	1,172	50,172
2041-2045	8,295	2,186	—	—	10,481
2046-2050	6,900	565	—	—	7,465
Total	523,792	261,456	109,090	40,042	934,380
Unamortized premiums (discounts)	54,489	—	—	—	54,489
Total certificates of participation payable	\$ 578,281	\$ 261,456	\$ 109,090	\$ 40,042	\$ 988,869

* Some component units have a fiscal year other than June 30 and as a result, June 30, 2021, principal amounts reported will not reconcile with Note 10.

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, 2020, 79% of the state's installment purchase contracts for primary governmental activities were for furniture and equipment, and the remaining 21% 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, 2020 (in thousands):

Year Ending June 30	Primary Government			
	Governmental Activities		Business-type Activities	
	General	Direct Borrowings and Placements	General	Totals
2021	\$ 1,772	\$ 4,791	\$ 1,122	\$ 7,685
2022	1,426	2,978	1,216	5,620
2023	1,288	2,263	1,216	4,767
2024	1,288	2,263	1,216	4,767
2025	1,288	2,158	1,216	4,662
2026-2030	6,439	1,817	3,208	11,464
2031-2035	6,438	—	—	6,438
Total	19,939	16,270	9,194	45,403
Less: Interest	(4,596)	(1,724)	(1,209)	(7,529)
Present value of future minimum payments	\$ 15,343	\$ 14,546	\$ 7,985	\$ 37,874

Year Ending June 30	Component Units		
	General	Direct Borrowings and Placements	Totals
	2021	\$ 1,853	\$ 871
2022	1,171	112	1,283
2023	1,286	73	1,359
2024	1,001	73	1,074
2025	478	—	478
Total	5,789	1,129	6,918
Less: Interest	(54)	(159)	(213)
Present value of future minimum payments	\$ 5,735	\$ 970	\$ 6,705

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, 2020, 100.00% of the state's capital leases for governmental activities were for furniture and equipment. Capital leases for component units consisted of 50.16% for buildings, 48.69% for furniture and equipment, and the remaining 1% for land. The following is a schedule of future minimum capital lease payments for the primary government and component units at June 30, 2020 (in thousands):

Year Ending June 30	Primary Government			
	Governmental Activities		Business-type Activities	
	General	Direct Borrowings and Placements	General	Totals
2021	\$ 710	\$ 2,359	\$ 66	\$ 3,135
2022	707	2,407	66	\$ 3,180
2023	710	2,407	66	\$ 3,183
2024	446	367	67	\$ 880
2025	359	317	—	\$ 676
2026-2030	565	—	—	\$ 565
Total	3,497	7,857	265	\$ 11,619
Less: Interest	(374)	—	(34)	(408)
Present value of future minimum payments	\$ 3,123	\$ 7,857	\$ 231	\$ 11,211

Year Ending June 30	Component Units		
	General	Direct Borrowings and Placements	Totals
2021	\$ 11,095	\$ 4,822	\$ 15,917
2022	10,079	4,827	14,906
2023	7,193	4,935	12,128
2024	5,055	6,726	11,781
2025	2,824	7,726	10,550
2026-2030	22,938	19,160	42,098
2031-2035	14,583	1,045	15,628
2036-2040	6,720	—	6,720
2041-2045	4,723	—	4,723
2046-2050	4,929	—	4,929
2051-2055	5,135	—	5,135
2056-2060	4,803	—	4,803
2061-2065	2,282	—	2,282
2066-2070	2,282	—	2,282
2071-2075	1,826	—	1,826
Total	106,467	49,241	155,708
Less: Interest	(37,243)	(6,912)	(44,155)
Present value of future minimum payments	\$ 69,224	\$ 42,329	\$ 111,553

C. Public-Private Partnerships

Pursuant to Section 334.30, Florida Statutes, the Department of Transportation (Department) 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 PortMiami Tunnel. PortMiami 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. Interstate 595 did not receive any payments during construction, only final acceptance payments. 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 PortMiami 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, 2020, for the Interstate 4 Corridor. The annual availability payments for Interstate 595 Corridor and the PortMiami 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. In October 2015, the Department executed a supplemental agreement with the I-595 concessionaire reflecting overall cost reductions for this project as a result of the concessionaire's debt refinancing. 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 PortMiami Tunnel in March and August 2014, respectively. Construction for the Interstate 4 Corridor is expected to be completed during fiscal year 2021.

The following is a schedule of future maximum payments for the primary government at June 30, 2020 (in thousands):

Year Ending June 30	Primary Government		Totals
	Governmental Activities	Business-type Activities	
2021	\$ 412,494	\$ 16,691	\$ 429,185
2022	434,493	14,682	449,175
2023	134,192	16,844	151,036
2024	129,239	17,347	146,586
2025	132,288	17,874	150,162
2026-2030	700,731	96,521	797,252
2031-2035	717,200	98,720	815,920
2036-2040	821,454	124,970	946,424
2041-2045	700,291	89,009	789,300
2046-2050	204,760	—	204,760
2051-2055	180,306	—	180,306
2056-2060	—	—	—
Total	4,567,448	492,658	5,060,106
Less: Interest	(1,801,205)	(279,051)	(2,080,257)
Present value of future maximum payments	<u>\$ 2,766,243</u>	<u>\$ 213,607</u>	<u>\$ 2,979,849</u>

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2020, are as follows (in thousands):

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Governmental Activities						
Bonds payable:						
Road and Bridge Bonds	\$ 1,906,500	\$ 184,500	\$ 96,240	\$ 1,994,760	\$ 101,460	\$ 1,893,300
FL DOT Financing Corporation	154,800	—	7,900	146,900	8,295	138,605
SBE Capital Outlay Bonds	101,430	20,530	40,020	81,940	13,600	68,340
Lottery Education Bonds	971,465	—	170,170	801,295	136,960	664,335
Public Education Bonds	7,367,140	891,300	1,534,205	6,724,235	544,780	6,179,455
State University System Bonds	96,860	—	10,295	86,565	10,760	75,805
University Auxiliary Bonds	671,710	25,925	80,375	617,260	45,280	571,980
Inland Protection Bonds	39,600	24,820	42,845	21,575	5,005	16,570
Florida Forever Bonds	669,285	—	101,735	567,550	106,830	460,720
Water Pollution Control Bonds	276,575	214,220	276,575	214,220	26,165	188,055
Florida Facilities Pool Bonds	176,670	—	15,060	161,610	15,710	145,900
State Infrastructure Bank Bonds	16,965	—	6,400	10,565	3,560	7,005
Seaport Investment Bonds	120,100	—	2,740	117,360	2,875	114,485
Everglades Restoration Bonds	179,535	42,220	64,340	157,415	15,595	141,820
Federal Reimbursement Bonds	—	123,225	5,230	117,995	8,305	109,690
Bonds from direct borrowings and direct placements ¹	92,451	43,206	5,905	129,752	3,023	126,729
	12,841,086	1,569,946	2,460,035	11,950,997	1,048,203	10,902,794
Unamortized bond premiums (discounts)	840,637	208,999	215,777	833,859	—	833,859
Total bonds payable	13,681,723	1,778,945	2,675,812	12,784,856	1,048,203	11,736,653
Certificates of participation payable	421,621	—	37,759	383,862	32,675	351,187
Deposits	929,844	4,341,820	343,433	4,928,231	1,020,096	3,908,135
Compensated absences	748,455	274,622	244,199	778,878	184,310	594,568
Claims payable	3,138,726	1,405,401	2,074,726	2,469,401	1,231,716	1,237,685
Installment purchases/capital leases	27,340	—	8,874	18,466	1,546	16,920
Public-private partnership agreements	2,680,621	496,422	410,800	2,766,243	321,114	2,445,129
Advances - Due to Unclaimed Prop. TF	972,968	13,716	—	986,684	—	986,684
Due to other governments	378,248	—	19,719	358,529	—	358,529
Other postemployment benefits	7,592,021	1,361,414	37,853	8,915,582	115,295	8,800,287
Pension liability	7,571,417	1,088,428	22,023	8,637,822	47,179	8,590,643
Other liabilities	13,052	5,889	1,449	17,492	—	17,492
Federal Arbitrage Liability	—	—	—	—	—	—
Notes from Direct Borrowings and Direct Placements - Excludes Bonds ²	—	23,504	1,101	22,403	6,606	15,797
Total Governmental Activities	\$ 38,156,036	\$ 10,790,161	\$ 5,877,748	\$ 43,068,449	\$ 4,008,740	\$ 39,059,709

¹Direct borrowings and direct placements have been separately identified due to the implementation of GASB Statement No. 88. Direct borrowings and direct placements for Governmental Activities includes bond issuances from University Auxiliary Bonds.

²Direct borrowings and direct placements includes installment purchase contracts and capital leases.

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.

The Department of Management Services' outstanding \$161.6 million Florida Facilities Pool Bonds provide for acceleration in an event of a payment default, subject to request of the Trustee or the holders of not less than 25% of the outstanding bonds.

The outstanding \$102.1 million Board of Governors, Florida Agricultural and Mechanical University Dormitory Revenue and Revenue Refunding Bonds from direct borrowings provide that, upon any event of default the lender may: (1) declare the principal of, and interest on, the bonds immediately due and payable; (2) exercise any of its rights under the loan agreement; (3) apply for the appointment of receiver, trustee, liquidator, or conservator; or (4) at the request of the Secretary of the United States Department of Education, terminate the loan agreement and declare all amounts advanced to the University, and interest thereon, immediately due and payable. Should the Secretary request the lender to pursue option (4), such funds, including costs of collection, may be collected by administrative offset against payments due to the University from the Federal Government for grants and contracts.

The Department of Management Services' outstanding \$289.1 million certificates of participation provide for acceleration and the surrender of the financed public and private correctional facilities (the projects) in the event of a default. Upon an event of default or an event of non-appropriation, the Corporation may terminate the lease, take possession of the projects, and accelerate the rent payments due for the current fiscal year. If the Corporation elects not to terminate the lease upon an event of default, it may exclude the Department, sell or lease certain equipment, and hold the Department liable for monetary damages. Additionally, following an event of non-appropriation, the lease automatically terminates, and the Department must immediately surrender all projects to the Trustee, who may then liquidate, rent, or lease the projects. The Trustee may also exercise all remedies available to the Corporation or cause the Corporation to pursue such remedies.

The Department of Children and Families' outstanding \$63.9 million certificates of participation provide for acceleration and the surrender of the financed forensic mental health and civil commitment facilities (the projects) in the event of a default. Upon an event of default or event of non-appropriation, the principal of all outstanding certificates may be accelerated at the request of the Trustee or the owners of a majority of the outstanding certificates. Upon an event of default or an event of nonappropriation, the Corporation may terminate the lease and require the Department to vacate, surrender, and transfer possession of the projects to the Corporation. Additionally, upon an event of default, without terminating the lease, it may take possession of the project, exclude the Department, and sublet the project. In each case the Department is liable for monetary damages. The Trustee may exercise all remedies available to the Corporation, and may take possession of the projects, or any portions thereof, and dispose of the Corporation's interest therein for the benefit of the owners of the outstanding certificates.

The State of Florida's governmental and business-type activities also have an unused line of credit in the amount of \$88,439,262 as of June 30, 2020.

Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2020, are as follows (in thousands):

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Business-type Activities						
Bonds payable:						
Toll Facility Bonds	\$ 2,685,070	\$ 368,675	\$ 366,885	\$ 2,686,860	\$ 148,335	\$ 2,538,525
Florida Hurricane Catastrophe Fund						
Bonds	2,200,000	—	550,000	1,650,000	1,000,000	650,000
	<u>4,885,070</u>	<u>368,675</u>	<u>916,885</u>	<u>4,336,860</u>	<u>1,148,335</u>	<u>3,188,525</u>
Unamortized bond premiums						
(discounts)	159,848	55,036	31,235	183,649	—	183,649
Total bonds payable	<u>5,044,918</u>	<u>423,711</u>	<u>948,120</u>	<u>4,520,509</u>	<u>1,148,335</u>	<u>3,372,174</u>
Accrued prize liability	428,433	2,028,604	1,917,288	539,749	307,053	232,696
Deposits	168,488	132,813	12,477	288,824	122,053	166,771
Compensated absences	24,134	10,237	8,103	26,268	6,981	19,287
Tuition and housing benefits payable	11,292,893	1,513,991	1,049,873	11,757,011	509,224	11,247,787
Installment purchases/capital leases	15,536	—	7,318	8,218	773	7,445
Claims payable	3,450,132	1,500,000	2,266,641	2,683,491	2,683,491	—
Public-private partnership agreements ¹	215,241	—	1,634	213,607	1,974	211,633
Other postemployment benefits	196,922	34,680	690	230,912	2,987	227,925
Pension liability	137,528	15,185	555	152,158	846	151,312
Other liabilities	1,173	1,449	1,173	1,449	—	1,449
Total Business-type Activities	\$ 20,975,398	\$ 5,660,670	\$ 6,213,872	\$ 20,422,196	\$ 4,783,717	\$ 15,638,479

¹Public-private partnerships are included in the Installment purchases/capital leases lines of the Proprietary Funds Statement of Net Position.

As of June 30, 2020, the Florida Hurricane Catastrophe Fund's outstanding debt was secured with collateral of \$650 million. This debt contains provisions that, in an event of default, the Trustee may, and upon written request of the holders of a majority of the aggregate principal amount of all outstanding parity obligations shall, declare the principal of all outstanding parity obligations to be due and payable immediately.

2020 STATE OF FLORIDA CAFR

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Component Units						
Bonds payable	\$ 5,444,168	\$ 567,152	\$ 686,241	\$ 5,325,079	\$ 845,471	\$ 4,479,608
Bonds from direct borrowings and direct placements ¹	628,082	313,119	6,267	934,934	45,033	889,901
Deposits	1,192,442	805,833	838,915	1,159,360	865,118	294,242
Compensated absences	732,278	132,522	78,682	786,118	93,587	692,531
Installment purchases/capital leases	79,158	26,930	11,081	95,007	15,399	79,608
Claims payable	1,181,007	151,956	50,744	1,282,219	38,461	1,243,758
Certificates of participation payable	573,069	—	23,395	549,674	24,363	525,311
Due to other governments/primary	790,206	83,325	90,918	782,613	53,007	729,606
Other postemployment benefits	2,929,194	1,348,863	610,456	3,667,601	49,548	3,618,053
Pension liability	3,599,143	1,924,305	1,475,126	4,048,322	20,529	4,027,793
Asset retirement obligations	9,482	500	502	9,480	—	9,480
Other liabilities	711,378	981,813	968,636	724,555	169,380	555,175
Notes from direct borrowings and direct placements - Excludes Bonds ¹	379,341	61,345	9,455	431,231	37,096	394,135
Total Component Units	\$ 18,248,948	\$ 6,397,663	\$ 4,850,418	\$ 19,796,193	\$ 2,256,992	\$ 17,539,201

¹Direct borrowings and direct placements have been separately identified due to the implementation of GASB Statement No. 88.

The outstanding \$101.8 million Board of Governors, Florida Agricultural and Mechanical University Dormitory Revenue and Revenue Refunding Bonds from direct borrowings provide that, upon any event of default the lender may: (1) declare the principal of, and interest on, the bonds immediately due and payable; (2) exercise any of its rights under the loan agreement; (3) apply for the appointment of receiver, trustee, liquidator, or conservator; or (4) at the request of the Secretary of the United States Department of Education, terminate the loan agreement and declare all amounts advanced to the University, and interest thereon, immediately due and payable. Should the Secretary request the lender to pursue option (4), such funds, including costs of collection, may be collected by administrative offset against payments due to the University from the Federal Government for grants and contracts.

The University of Florida Shands Teaching Hospital and Clinic's outstanding \$155.1 million direct placement bonds provide that the principal of all outstanding direct placement bonds may be accelerated upon an event of default.

The University of South Florida Finance Corporation's \$242.9 million certificates of participation, including \$109.1 million of direct placements, provide that the outstanding principal may be accelerated upon an event of default.

The University of Central Florida Foundation, Inc.'s outstanding \$71.5 million long-term debt from direct placements are secured with collateral of capital assets used in operations and provide that in the event of default, all outstanding amounts may be accelerated.

The State's colleges and universities also have unused lines of credit of \$35,100,000 as of June 30, 2020.

NOTE 11 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2020, 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, 2020, consist of the following (in thousands):

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)				
	Governmental Activities				
	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	\$ —	\$ 52,895	\$ 18,609	\$ 160,304	\$ 26,892
Natural Resources, Environment, and Growth Management	5,690	—	—	657	3,689
Public Education	97	—	—	2,853	—
Health and Family Services	49,896	6	—	—	—
Transportation	5,104	2,693	—	—	—
Nonmajor Governmental Funds	75,781	3,763	8,889	6,905	91,003
Internal Service Funds	793	—	—	—	—
Business-type Activities					
Transportation	120	—	—	—	118,808
Lottery	55	—	127,299	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	16	—	—	—	—
Nonmajor Enterprise Funds	7,490	—	—	258	—
Fiduciary Funds					
Private-purpose Trust Funds	183	—	307	—	—
Pension and Other Employee Benefits Trust Funds	4	—	—	—	—
Agency Funds	90,744	—	2,473	2,383	13,316
Investment Trust Funds	—	—	—	—	—
Total	\$ 235,973	\$ 59,357	\$ 157,577	\$ 173,360	\$ 253,708

(Continued Below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)	
	Governmental Activities	
	Nonmajor Governmental Funds	Internal Service Funds
Governmental Activities		
General Fund	\$ 117,566	\$ 10,619
Natural Resources, Environment, and Growth Management	536	274
Public Education	823	103
Health and Family Services	11,691	4,208
Transportation	17,572	2,135
Nonmajor Governmental Funds	5,078	5,814
Internal Service Funds	578	500
Business-type Activities		
Transportation	—	—
Lottery	4	46
Hurricane Catastrophe Fund	—	—
Prepaid College Program	—	—
Reemployment Assistance	362	—
Nonmajor Enterprise Funds	748	689
Fiduciary Funds		
Private-purpose Trust Funds	362	2
Pension and Other Employee Benefits Trust Funds	1	2,190
Agency Funds	2,103	—
Investment Trust Funds	—	—
Total	\$ 157,424	\$ 26,580

(Continued next page)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)			
	Business-type Activities			
	Transportation	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities				
General Fund	\$ —	\$ —	\$ 138	\$ 3,062
Natural Resources, Environment, and Growth Management	—	—	3	17
Public Education	—	—	—	—
Health and Family Services	—	—	30	45
Transportation	404	—	15	—
Nonmajor Governmental Funds	—	—	20	43
Internal Service Funds	—	—	—	—
Business-type Activities				
Transportation	—	—	—	—
Lottery	—	—	3	3
Hurricane Catastrophe Fund	—	—	—	251
Prepaid College Program	—	—	—	—
Reemployment Assistance	—	—	—	—
Nonmajor Enterprise Funds	—	—	1	—
Fiduciary Funds				
Private-purpose Trust Funds	—	384	—	—
Pension and Other Employee Benefits Trust Funds	—	—	—	7,802
Agency Funds	143,779	—	—	3
Investment Trust Funds	—	—	—	110
Total	\$ 144,183	\$ 384	\$ 210	\$ 11,336

(Continued below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)			
	Fiduciary Funds			
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Agency Funds	Total
Governmental Activities				
General Fund	\$ 9	\$ 999	\$ 234,963	\$ 626,056
Natural Resources, Environment, and Growth Management	—	—	—	10,866
Public Education	201	—	—	4,077
Health and Family Services	—	—	136	66,012
Transportation	—	—	6,530	34,453
Nonmajor Governmental Funds	—	—	244	197,540
Internal Service Funds	—	1	12,439	14,311
Business-type Activities				
Transportation	—	—	—	118,928
Lottery	—	29	—	127,439
Hurricane Catastrophe Fund	—	—	—	251
Prepaid College Program	29,286	—	—	29,286
Reemployment Assistance	—	—	169	547
Nonmajor Enterprise Funds	—	—	—	9,186
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	1,238
Pension and Other Employee Benefits Trust Funds	—	67,234	—	77,231
Agency Funds	—	—	—	254,801
Investment Trust Funds	—	—	—	110
Total	\$ 29,496	\$ 68,263	\$ 254,481	\$ 1,572,332

Advances to Other Funds
(in thousands)

Governmental Activities

Advances from Other Funds (in thousands)	General Fund	Transportation
Governmental Activities		
Public Education	\$ —	\$ —
Nonmajor Governmental Funds	625	112
Internal Service Funds	500	—
Business-type Activities		
Transportation	—	116,683
Total	\$ 1,125	\$ 116,795

(Continued below)

Advances to Other Funds
(in thousands)

Fiduciary Funds

Advances from Other Funds (in thousands)	Private-purpose Trust Funds	Total
Governmental Activities		
Public Education	\$ 986,684	\$ 986,684
Nonmajor Governmental Funds	—	737
Internal Service Funds	—	500
Business-type Activities		
Transportation	—	116,683
Total	\$ 986,684	\$ 1,104,604

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

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)				
	Governmental Activities				
	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Governmental Activities					
General Fund	\$ —	\$ 972,132	\$ 283	\$ 1,601,663	\$ 351,883
Natural Resources, Environment, and Growth Management	171,376	—	—	4,348	—
Public Education	884	—	—	13,445	—
Health and Family Services	128,490	—	208,768	—	—
Transportation	129,317	21,392	—	232	—
Nonmajor Governmental Funds	315,390	115,545	279,634	14,635	1,526,622
Internal Service Funds	8,546	641	—	158	406
Business-type Activities					
Transportation	—	—	—	—	101,008
Lottery	3	—	1,913,799	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Reemployment Assistance	—	—	—	—	—
Nonmajor Enterprise Funds	98,903	—	—	5,219	—
Fiduciary Funds					
Private-purpose Trust Funds	14	—	25	282	—
Pension and Other Employee Benefits Trust Funds	3,591	—	—	—	—
Total	\$ 856,514	\$ 1,109,710	\$ 2,402,509	\$ 1,639,982	\$ 1,979,919

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)	
	Nonmajor Governmental Funds	Internal Service Funds
Governmental Activities		
General Fund	\$ 1,086,208	\$ 54
Natural Resources, Environment, and Growth Management	170,635	—
Public Education	1,164,867	—
Health and Family Services	157,438	—
Transportation	548,810	—
Nonmajor Governmental Funds	239,892	627
Internal Service Funds	8,408	—
Business-type Activities		
Transportation	—	—
Lottery	140	—
Hurricane Catastrophe Fund	13,500	—
Reemployment Assistance	9,522	—
Nonmajor Enterprise Funds	17,043	—
Fiduciary Funds		
Private-purpose Trust Funds	2,493	—
Pension and Other Employee Benefits Trust Funds	87	23,801
Total	\$ 3,419,043	\$ 24,482

(Continued next page)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)		
	Business-type Activities		
	Transportation	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities			
General Fund	\$ —	\$ 1,030	\$ 3,122
Natural Resources, Environment, and Growth Management	—	56	1
Public Education	—	7	—
Health and Family Services	—	465	1,235
Transportation	84,704	60	—
Nonmajor Governmental Funds	—	215	3,159
Internal Service Funds	—	11	26
Business-type Activities			
Transportation	—	—	—
Lottery	—	9	—
Hurricane Catastrophe Fund	—	—	—
Reemployment Assistance	—	—	—
Nonmajor Enterprise Funds	—	37	—
Fiduciary Funds			
Private-purpose Trust Funds	—	—	—
Pension and Other Employee Benefits Trust Funds	—	4	19,176
Total	\$ 84,704	\$ 1,894	\$ 26,719

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)		
	Fiduciary Funds		
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Total
Governmental Activities			
General Fund	\$ 1,328	\$ 15,129	\$ 4,032,832
Natural Resources, Environment, and Growth Management	—	—	346,416
Public Education	66	—	1,179,269
Health and Family Services	—	—	496,396
Transportation	—	—	784,515
Nonmajor Governmental Funds	—	—	2,495,719
Internal Service Funds	—	—	18,196
Business-type Activities			
Transportation	—	—	101,008
Lottery	—	—	1,913,951
Hurricane Catastrophe Fund	—	—	13,500
Prepaid College Program	3,644	—	3,644
Reemployment Assistance	—	—	9,522
Nonmajor Enterprise Funds	—	—	121,202
Fiduciary Funds			
Private-purpose Trust Funds	—	—	2,814
Pension and Other Employee Benefits Trust Funds	—	650,118	696,777
Total	\$ 5,038	\$ 665,247	\$ 12,215,761

NOTE 12 - RISK MANAGEMENT

A. State Risk Management Trust Fund

The State Risk Management Trust Fund (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 \$62.75 million per occurrence for named windstorm and flood losses through February 15, 2021, and \$225 million per occurrence for covered perils other than named wind and flood.

The Fund's estimated liability for unpaid property insurance claims at the fiscal year-end is determined by an actuarial method and includes an amount for losses incurred but not yet reported. The amount paid for property claim losses did not exceed the self-insured retentions for the last two fiscal years. Changes in the Fund's property insurance claims liability amount for the fiscal years ended June 30, 2019, and June 30, 2020, 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, 2019	\$ 1,080	\$ 519	\$ (511)	\$ 1,088
June 30, 2020	\$ 1,088	\$ 2,516	\$ (2,569)	\$ 1,035

The estimated liability for unpaid property insurance claims for the fiscal year ended June 30, 2020, does not include outstanding property claim loss payments resulting from Hurricane Sally that made landfall near Gulf Shores, Alabama and impacted Northwest Florida in September of 2020. Estimated loss payments for Hurricane Sally total \$6 million, which will not exceed the aggregate self-insurance retention for named windstorms and flooding.

The 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 in-state workers' compensation coverage. The state purchases an insurance policy for out-of-state workers' compensation coverage.

The estimated liability for unpaid casualty insurance claims at June 30, 2020, was \$1.15 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 \$252.0 million, discounted using a 4 percent annual percentage rate per Section 625.091, Florida Statutes. The undiscounted workers' compensation indemnity claims liability is \$352.8 million.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2019, and June 30, 2020, 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, 2019	\$ 1,143,451	\$ 134,258	\$ (130,233)	\$ 1,147,476
June 30, 2020	\$ 1,147,476	\$ 144,799	\$ (141,457)	\$ 1,150,818

Actual current year claims and changes in estimate for casualty lines of coverage for the fiscal year ended June 30, 2020, increased by \$10.5 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, 2019, and June 30, 2020, 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, 2019	\$ 167,298	\$ 2,118,454	\$ (2,088,265)	\$ 197,487
June 30, 2020	\$ 197,487	\$ 2,028,133	\$ (2,031,086)	\$ 194,534

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, 2020, were transferred from the State Employees Group Health Insurance Trust Fund and reported in Other Agency Funds in accordance with the requirements of GASB Codification Section P53, *Reporting Assets Accumulated for Defined Postemployment Benefits Other Than Pensions not Provided Through Trusts that Meet Specified Criteria*.

NOTE 13 - FLORIDA PREPAID COLLEGE PROGRAM

The Stanley G. Tate Florida Prepaid College Program (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 Florida Prepaid College Board (Board) administers the Program, 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 actuarial present value of future contract benefits reflects the present value of estimated future contract benefits and expenses and is adjusted for the effects of projected tuition and fees increases, dormitory housing fees increases, and termination of contracts. Additional information as of June 30, 2020, is as follows:

Actuarial present value of future contract benefits and expenses payable	\$ 11,757,011,225
Net position available (net of outstanding refund payments and unrealized gain/loss on securities lending portfolio)	\$ 15,348,000,000
Net position as a percentage of future contract benefits and expenses obligation	130.5 %

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 ended May 31, 2020, the industry retention for determining each insurer's retention was \$7.422 billion per hurricane for the two hurricanes with the largest losses and \$2.474 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 is required to contract with each insurer writing covered policies in the state to reimburse the insurer for a specified percentage of losses from covered events in excess of the insurer's retention. The total obligation of the SBA with respect to all contracts covering a particular contract year is statutorily capped at the "actual claims-paying capacity" of the FHCF, defined by law as the sum of the balance of the fund as of December 31 of the contract year, plus any reinsurance purchased by the fund, plus the amount the SBA is able to raise through the issuance of revenue bonds. This amount is determined by the FHCF based on reports of its financial advisors and bond underwriters and is reviewed 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, 2020, the FHCF had a net position of \$10.35 billion, including the net position 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 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, 2020, the FHCF is not levying assessments.

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. During the 2018 hurricane season, the State of Florida experienced Hurricane Michael, which made landfall as a major Category 5 storm on October 10, 2018. As of June 30, 2020, the estimated ultimate loss to the FHCF for this hurricane was \$1.45 billion. Hurricane Irma, which occurred during the 2017 hurricane season, had an estimated ultimate loss as of June 30, 2020 of \$6.5 billion. The estimated ultimate losses from these events are reflected in the FHCF's net position as of June 30, 2020.

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 may be used to pay for losses incurred from future covered events. Investment earnings on these funds were used to pay the debt service requirements of these bonds. The final maturity of these bonds occurred 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. The proceeds from these bonds may 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. \$550 million matured on July 1, 2019, and \$650 million will mature on July 1, 2021.

On May 28, 2020, SBA Trustees authorized the SBA to pursue the issuance of up to \$5.0 billion in pre-event revenue bonds to provide additional funds to maximize the ability of the FHCF to meet future obligations.

In addition to the issuance of bonds, the FHCF has the authority to procure reinsurance for the purpose of maximizing the capacity of the fund. No reinsurance products were purchased for the contract year beginning June 1, 2020, but the FHCF did

purchase aggregate excess catastrophe reinsurance providing coverage to the FHCF for 92% of \$1.0 billion of losses in excess of \$10.5 billion of FHCF losses, effective June 1, 2019 through May 31, 2020.

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 (the Office). Likewise, Citizens is not subject to Risk-Based Capital (RBC) 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), under the Act, 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 of Florida.

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 (collectively, the Accounts). 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 select areas of the State of Florida, was created by an act of the Florida Legislature in 1970 codified as 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 of Florida. 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.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Sections 2100 and 2600. Application of these criteria determines potential component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the primary government's financial statements to be misleading or incomplete. Based on the application of these criteria, Citizens is a component unit of the State of Florida, and its financial activity is reported in the state's Comprehensive Annual Financial Report by discrete presentation.

The financial statements presented herein relate solely to the financial position and results of operations of Citizens and are not intended to present the financial position of the State of Florida or the results of its operations or its cash flows.

Citizens has determined that it has no component units that should be included in its separately reported financial statements. However, the Florida Market Assistance Plan (FMAP) is a financially related entity. FMAP is a 501(c)(6) entity created by Section 627.3515, Florida Statutes. FMAP was created for the purpose of assisting in the placement of applicants who are unable to procure property or casualty insurance coverage from authorized insurers when such insurance is otherwise generally available. As provided in FMAP's enabling legislation, each person serving on the Board of Citizens also serves on the Board of FMAP. In addition, Citizens is required to fund any deficit incurred by FMAP in performing its statutory purpose. No such funding has taken place from FMAP inception through December 31, 2019.

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 the member insurers pursuant to Section 631.56, F.S., and subsequently appointed by the 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, FIGA has 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), F.S., to pay covered claims of insurers rendered insolvent by the effects of a hurricane. FIGA also has the authority to work with an affected municipality, county, or financing conduit organization under Chapter 163, F.S., to issue tax-exempt bonds should the funding need arise for the account specified in Section 631.55(2)(b), F.S. As of June 30, 2020, 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 Section 631.912, F.S., 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 assessment rate is 2% for insurance companies and self-insurance funds. In addition to the regular assessment, the Florida Legislature granted FWCIGA the authority to levy an up to an additional 1.5% of net direct written premiums if the 2% assessment is insufficient to make payments for the calendar year.

FWCIGA's Board of Directors certified the need for a 1% assessment on its member insurers. The 1% assessment was levied on all new and existing renewal policies with effective dates beginning January 1, 2020 through December 31, 2020.

NOTE 15 - CONTINGENCIES

A. Federal Family Education Loan 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, 2020, approximately \$61 million of Program loans were still outstanding from loans that had been made prior to the Program ending on June 30, 2010. The amount of potential liability to the federal fund is indeterminable.

B. Federally Assisted Grant Programs

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 for state fiscal years ended June 30, 2006, through June 30, 2014. The CMS alleged 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 has filed an appeal with the Department Appeals Board (DAB). At this time, the briefing has concluded and a decision is expected to be issued. 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 has filed an appeal with the DAB. At this time the briefing has concluded, and a decision is expected to be issued. If AHCA is ultimately unsuccessful in its challenges, it may be required to return \$63,233,036 to the Federal Government.

Medicaid Program - On July 29, 2016, AHCA posted amended outpatient Medicaid rates for state fiscal year 2016-2017 to its website. Those Medicaid reimbursement rate change forms were dated July 29, 2016 ("July 29 Rate Letters"). The Public Health Trust of Miami-Dade County, Florida filed its Petition for Formal Administrative Determination of Invalidity of Agency Statements and Existing Rule 59G-6.030 on October 31, 2016. The petition was then consolidated with other petitions that challenged the same issue. Petitioners alleged the July 29 Rate Letters and the methodology by which AHCA used to calculate the outpatient Medicaid rates are statements that constitute an unadopted rule. On February 13, 2017, the Division of Administrative Hearings (DOAH) issued an Order Extending Stay of Unadopted Rule Challenge and Rescheduling Final Hearing in Existing Rule Challenge. On February 23, 2017, the final hearing was held at DOAH. The Petitioners were unsuccessful and the Agency prevailed. The hospitals filed an appeal. The appeal concluded and the

Court entered an Order in favor of the Hospitals. At this time the Agency is attempting to calculate the impact of this challenge which could result in a net fiscal impact in excess of \$25 million.

Medicaid Program - This is a statewide class action lawsuit filed in 2005 related to children's access to medical and dental services. After a protracted trial, the court issued findings of fact and conclusions of law in 2014 that were unfavorable to the AHCA, without regard to the fact that in the meantime Florida's Medicaid program had been entirely transformed by the implementation of Statewide Medicaid Managed Care. In 2015, the State entered into a settlement agreement with the Plaintiffs requiring ongoing meetings and performance measures over the next four years. The measures reached in 2019 place AHCA out of compliance with the terms of the settlement agreement. The parties are currently negotiating next steps, including weighing the utility of a corrective action plan versus other means of resolution. The outcome of these negotiations will determine whether the case will conclude or potentially go back to trial. If the parties move forward with a corrective action plan the State may be required to seek an appropriation from the legislature in order to pay all pediatric physicians 100 percent of the Medicare rate. Depending on the outcome of the ongoing settlement negotiations, the cost of this case could reasonably exceed \$25 million going forward.

Supplemental Nutrition Assistance Program (SNAP) - The DHHS has alleged that the State of Florida owes them approximately \$49 million in overpaid SNAP Quality Control bonus money. The State of Florida is not the only state and many other states have already settled with DHHS and the United States Department of Justice. It is reasonably possible that the State of Florida will pay, as all other states sued for this claim have settled. Depending on the outcome of the ongoing settlement negotiations, the cost of this case could reasonably exceed \$25 million.

C. Other

Disability Rights Florida Inc. v. Julie Jones, Secretary, Florida Department of Corrections, Case No. 3:18-cv-179-J-25JRK (U.S. District Court, Middle District of Florida) - Plaintiffs alleged that the Florida Department of Corrections (DOC) denied mental health care to mentally ill inmates confined in the inpatient mental health units, in violation of the Eighth Amendment of the U.S. Constitution, Title II of the Americans with Disabilities Act, and the Rehabilitation Act. In February 2018, the Court approved a consent decree under which DOC agreed to implement widespread changes to its psychiatric treatment system. The parties filed a joint motion to extend jurisdiction and the court issued an order extending the jurisdiction to June 30, 2022. Potential costs to implement this agreement could exceed \$25 million.

Inpatient/Outpatient hospital rate challenges - Approximately 60 petitioner hospitals challenged Notice of Agency Action letters issued by the AHCA in February 2015 regarding inpatient and outpatient hospital rates. The hospitals filed petitions with the Agency Clerk, which were forwarded to the Division of Administrative Hearings. By mutual agreement between AHCA and the petitioners, the cases were relinquished back to AHCA in March 2015 for settlement negotiations, which continue. Approximately half of these petitions have been resolved by final order. An adjustment to inpatient and outpatient reimbursement rates could result in a net fiscal impact exceeding \$25 million.

Disability Rights Florida Inc. (DRF) v. Julie Jones, Florida Department of Corrections; Case No. 4:16cv47 (U.S. District Court, Northern District Florida) - The Plaintiff alleges that DOC consistently violated the laws protecting incarcerated people with disabilities. The parties entered into a settlement agreement and DOC is currently implementing the terms of the settlement agreement. On or about December 4, 2019, DRF filed a breach of contract lawsuit in state court and that case is still pending. Potential costs to implement the suit could exceed \$25 million.

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. *Dellaselva, et al., v. Florida Department of Agriculture and Consumer Services, et al.*, Case No. 03-CA-1947 (20th Cir. Lee County); *Ayers, et al., v. Florida Department of Agriculture and Consumer Services*, Case No. 05-CA-4120 (9th Cir. Orange County); *In re Citrus Canker Litigation*, Case No. 03-CA-8255 (11th Cir. Miami-Dade County) (on appeal as *Lopez-Brignoni v. Florida Department of Agriculture and Consumer Services*, Case No. 3D17-2077 (Fla. 3d DCA)); *Gary M. Mahon d/b/a/ Pokey's Lake Gem Citrus Nursery v. Florida Department of Agriculture and Consumer Services*, Case No. 08-CA-30736 (9th Cir. Orange County); *John L. and Shelby Mahon d/b/a John's Citrus Trees v. Florida Department of Agriculture and Consumer Services*, Case No. 11-CA-3036 (5th Cir. Lake County); *Dooley Groves, Inc. v. Florida Department of Agriculture and Consumer Services, et al.*, Case No. 09-CA-12839 (13th Cir. Hillsborough County).**

Plaintiffs in these actions are homeowners certified as a class or entities seeking compensation for the removal of their canker-exposed citrus trees by the Florida Department of Agriculture and Consumer Services (DACS) after January 1, 2000.

Dellaselva, Case No. 03-CA-1947, concerns homeowners in Lee County. Judgments against DACS were paid by a July 2020 appropriation from the Florida Legislature.

Ayers, Case No. 05-CA-4120, concerns homeowners in Orange County. Plaintiffs were awarded judgments of \$31,534,722 for compensation, and \$614,112 for attorneys' fees and costs, plus interest. These judgments remain unpaid, while accruing post-judgment interest.

In re Citrus Canker Litigation, Case No. 03-CA-8255, concerns homeowners in Miami-Dade County. The circuit court found no liability on behalf of DACS. The Third District Court of Appeal reversed the decision and ordered the case to go to a compensation trial. DACS moved in the appellate court for rehearing *en banc* or for certification of a question of great public importance to the Florida Supreme Court.

In *Gary M. Mahon*, Case No. 08-CA-30736, a nursery owner sued in inverse condemnation for the destruction of nursery citrus plants. The circuit court found no liability as to 400,000 plants and liability as to 152,871 plants. A compensation trial is not currently scheduled.

In *John L. and Shelby Mahon*, Case No. 11-CA-3036, nursery owners sued in inverse condemnation for the destruction of nursery citrus plants. The circuit court found no liability as to 7,200 plants and liability as to 7,700 plants. A compensation trial has not been scheduled.

In *Dooley Grove, Inc.*, Case No. 09-CA-12839, a grove owner sued in inverse condemnation for the destruction of approximately 6,000 citrus trees. The circuit court found liability as to the trees. A compensation trial is not currently scheduled.

- B. *Hoffer, et al., v. Secretary, Florida Department of Corrections*, Case No. 19-11921 (U.S. Court of Appeals, 11th Cir.); *Hoffer, et al., v. Secretary, Department of Corrections*, Case No. 4:17-cv-214-MW-CAS (U.S. District Court, Northern District of Florida)**

Plaintiffs allege that the Florida Department of Corrections (DOC) failed to provide proper medical treatment to inmates with chronic Hepatitis C (HCV), thus violating the Eighth Amendment of the U.S. Constitution, Title II of the Americans with Disabilities Act, and the Rehabilitation Act. In November 2017, the U.S. District Court certified the class and in December 2017 issued a preliminary injunction ordering DOC to provide certain treatment. In April 2019, the District Court issued a final order and permanent injunction requiring DOC to treat all inmates with Hepatitis C and, among other requirements, to improve its identification of people with the disease. In August 2020, the Eleventh Circuit Court of Appeals reversed the District Court's order and vacated the permanent injunction to the extent they mandated treatment of inmates in the early stages of HCV. The Eleventh Circuit also vacated the remainder of the order and injunction and remanded the case for further proceedings. The case is currently pending in the District Court. The claim potentially represents future costs exceeding \$25 million for testing, treatment, and staffing.

- C. *Geffin, et al., v. DeSantis, et al.*, Case No. SC20-27 (Fla. Supreme Court); *DeSantis, et al., v. Geffin, et al.*, Case No. 1D19-928 (Fla. 1st DCA); *Geffin, et al., v. DeSantis, et al.*, No. 2017-CA-1364 (2nd Cir. Leon County) and *Villacorta, et al., v. DeSantis, et al.*, No. 2017-CA-1526 (2nd Cir. Leon County). These two cases have been consolidated under Case No. 2017-CA-1364.**

Plaintiffs alleged that the State of Florida Governor, Board of Governors, Board of Education, Department of Education, and Commissioner of Education were liable for failure to match private donations to public colleges, universities, and their students pursuant to four statutory programs. Plaintiffs alleged breach and impairment of contract and sought declaratory relief and damages of over \$1 billion. The First District Court of Appeal reversed the trial court's denial of Defendants' motions to dismiss on sovereign immunity grounds and the Florida Supreme Court denied review. Plaintiffs voluntarily dismissed the case on October 21, 2020.

D. C&S Wholesale Grocers, Inc. v. Florida Department of Business and Professional Regulation, Division of Alcoholic Beverages and Tobacco, Case No. 2020-CA-565 (2nd Cir., Leon County)

C&S Wholesale Grocers, Inc., a wholesale dealer of cigarette and tobacco products, challenges the Department of Business and Professional Regulation's denial of a refund request for certain excise taxes and surcharges the Plaintiff paid on cigarettes for the period November 2016 through November 2019. Plaintiff alleges that these excise taxes and surcharges violate the Commerce Clause and the Equal Protection Clause of the U.S. Constitution by taxing different kinds of tobacco products disparately, without taxing or levying surcharges on cigars. Plaintiff seeks declaratory and monetary relief, including a refund totaling \$34,482,204. Discovery is ongoing in advance of a trial on the merits of the claim.

E. Florida Education Association, et al., v. Department of Education, et al., Case No. 4-17-cv-414-RH/CAS (U.S. District Court, Northern District of Florida)

Plaintiffs, including the Florida Education Association and seven individual teachers, sought to maintain a class action against the Department of Education and certain school districts. Plaintiffs alleged violations of Title VII of the Civil Rights Act and the Florida Civil Rights Act based on claims of racial and age discrimination related to the application of the Best and Brightest Teacher Scholarship Program. The parties reached a settlement for which the 2019 Florida Legislature appropriated \$15.5 million. The Court approved the settlement agreement, settlement funds have been paid out, and this case has been closed.

F. Christopher Alianiello, et. al, v. State of Florida, Department of Education, et. al, Case No. 2019-CA-1674 (2nd Cir. Leon County)

Plaintiffs, including current and former individual teachers, seek to maintain a class action suit against the Department of Education (DOE) and certain school districts. Plaintiffs allege DOE improperly authorized districts to withhold payroll taxes from awards under the Best and Brightest Teacher Scholarship Program. Plaintiffs raise several contract and tort claims, request declaratory relief, and seek damages of the difference between what they received and the full statutory scholarship amount. In April 2020, the court granted in part DOE's motion to dismiss, dismissing without prejudice the federal taxation claims on federal preemption grounds, and reserved ruling on the remaining issues. The case is currently stayed, pending Plaintiffs' resolution of issues with the Internal Revenue Service related to the federal tax claims. Damages potentially amount to \$35 million.

G. UMB Bank, National Association, v. Florida Department of Transportation, Case No. 2018-CA-2677 (2d Cir., Leon County); Case No. 1D20-3665 (Fla. 1st DCA)

Plaintiff, as successor trustee of the bonds sold to fund construction of the Garcon Point Bridge, filed suit against the Florida Department of Transportation (DOT), which insures, operates, and maintains the bridge pursuant to a Lease Purchase Agreement with the Santa Rosa Bay Bridge Authority. Plaintiff alleges that a toll increase is necessary to facilitate debt service and seeks damages of \$75 million for failing to increase tolls when initially requested by Plaintiff. In December 2019, the trial court granted Plaintiff's motion for summary judgment as to DOT's counterclaim and ordered DOT to implement the toll recommendations of its independent traffic consultant. DOT raised tolls in March 2020. In November 2020, the trial court entered a final judgment in favor of DOT on the damages claim. This aspect of the judgment is pending before the First District Court of Appeal. Plaintiff's amended claim seeking a declaratory judgment related to the prolonged suspension of tolls remains pending in circuit court.

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

The *Public Education Fund* has a deficit unassigned fund balance of approximately \$858.6 million. The deficit is primarily the result of establishing an advance (long-term liability) on potential future claims by the Department of Financial Services' *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 Services' *Trust Funds Control Fund* and repaid prior to year-end.

B. Proprietary Funds

The Lottery has a deficit unrestricted net position of approximately \$57.9 million. This deficit is the 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 provide services.

The Internal Service Fund, *Data Centers*, has a deficit net position of approximately \$14.7 million. This deficit is primarily due to long-term obligations, consisting mainly of a compensated absences liability and an accrual of pension and other post-employment benefit (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 \$113.8 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.

C. Component Units

The Component Units, *Florida Colleges* and *Other State Universities*, have deficit unrestricted net positions of approximately \$486.0 million and \$911.9 million, respectively. Those deficits are primarily due to long-term obligations, consisting mainly of a compensated absences liability and an accrual of pension and OPEB liabilities. The compensated absences liability will be liquidated on a pay-as-you-go basis. The pension and OPEB liabilities do not require cash flows and have no effect on the ability to provide services.

NOTE 18 - SUBSEQUENT EVENTS

A. Bonds

The following bonds for governmental activities and business-type activities of the primary government were issued or sold subsequent to June 30, 2020:

Agency/Bond	Series	Amount	Matures	Interest Rate
Governmental Activities:				
Board of Governors, Florida International University Dormitory Revenue Bonds	2020A	\$ 71,800,000	07/01/2023-07/01/2050	3.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2020 Series C	\$ 111,545,000	06/01/2021-06/01/2023	5.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds (Taxable)	2020 Series D	\$ 397,440,000	06/01/2021-06/01/2025	0.150% - 0.550%
Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2020A	\$ 187,550,000	07/01/2021-07/01/2050	2.000% - 5.000%
Board of Governors, University of Florida Clinical Translational Research Building Revenue Refunding Bonds (Taxable)	2020A	\$ 19,025,000	01/01/2021-07/01/2030	1.540% - 1.540%
Department of Children and Families, Refunding Certificates of Participation	2021A	\$ 12,945,000	10/01/2021-10/01/2025	5.000% - 5.000%
Department of Children and Families, Refunding Certificates of Participation	2021B	\$ 28,520,000	10/01/2021-10/01/2029	5.000% - 5.000%
Department of Transportation, Financing Corporation Revenue Bonds	2020	\$ 155,600,000	07/01/2021-07/01/2035	3.000%-5.000%
Business-type Activities:				
State Board of Administration Finance Corporation Revenue Bonds	2020A	\$ 3,500,000,000	07/01/2025-07/01/2030	1.258% - 2.154%
Department of Transportation, Turnpike Revenue Bonds	2020B	\$ 194,350,000	07/01/2021-07/01/2050	2.000% - 5.000%

B. Department of Economic Opportunity Lost Wages Assistance Program

In July 2020, President Donald Trump issued an executive order providing Lost Wages Assistance to unemployed Floridians. This program resulted in the Florida Department of Economic Opportunity receiving a grant of \$1.2 billion.

**OTHER REQUIRED
SUPPLEMENTARY
INFORMATION**

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 5,720,478	\$ 5,720,478	\$ 5,720,478	\$ —
Reversions	132,090	132,090	132,090	—
Fund Balances, July 1, 2019, restated	5,852,568	5,852,568	5,852,568	—
REVENUES				
Fees and charges	1,300,381	1,336,981	1,125,692	(211,289)
Licenses	954,868	552,468	249,871	(302,597)
Taxes	37,588,100	38,129,900	36,844,841	(1,285,059)
Miscellaneous	66	66	31,213	31,147
Interest	237,887	237,887	387,691	149,804
Grants	19,535	19,535	5,875,864	5,856,329
Refunds	11,343	11,343	338,161	326,818
Transfers and distributions	3,392,406	3,184,406	3,472,064	287,658
Other	340,322	345,922	428,495	82,573
Total Revenues	43,844,908	43,818,508	48,753,892	4,935,384
Total Available Resources	49,697,476	49,671,076	54,606,460	4,935,384
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	3,956,952	4,102,743	4,044,214	58,529
Other personal services	61,723	72,078	67,601	4,477
Expenses	366,392	406,275	391,829	14,446
Grants and aids	16,143,854	16,219,183	16,166,578	52,605
Operating capital outlay	14,046	15,581	13,352	2,229
Food products	67,483	68,265	67,954	311
Fixed capital outlay	191,516	191,516	191,516	—
Lump sum	624,976	11,698	11,698	—
Special categories	12,494,497	13,082,629	12,936,083	146,546
Financial assistance payments	360,950	363,386	361,841	1,545
Continuing Appropriations	—	768,777	768,777	—
Grants/aids to local governments	230,489	230,489	230,489	—
Data processing services	57,995	62,358	54,448	7,910
Pensions and benefits	2,472	2,472	1,161	1,311
Claim bills and relief acts	—	4,150	4,150	—
Total Operating Expenditures	34,573,345	35,601,600	35,311,691	289,909
Nonoperating expenditures:				
Transfers	5,899,205	5,899,205	5,899,205	—
Refunds	947,098	947,098	947,098	—
Other	2,662,996	2,662,996	2,662,996	—
Total Nonoperating Expenditures	9,509,299	9,509,299	9,509,299	—
Total Expenditures	44,082,644	45,110,899	44,820,990	289,909
Fund Balances, June 30, 2020	\$ 5,614,832	\$ 4,560,177	\$ 9,785,470	\$ 5,225,293

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, 2020
(in thousands)

	Natural Resources, Environment, and Growth Management			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 2,183,287	\$ 2,183,287	\$ 2,183,287	\$ —
Reversions	4,355	4,355	4,355	—
Fund Balances, July 1, 2019, restated	2,187,642	2,187,642	2,187,642	—
REVENUES				
Fees and charges	134,485	189,509	148,729	(40,780)
Licenses	43,077	47,385	51,798	4,413
Taxes	5,343	294,000	298,931	4,931
Miscellaneous	230	600	549	(51)
Interest	33,225	71,012	45,145	(25,867)
Grants	258,771	245,677	246,730	1,053
Refunds	2,256	9,990	1,701	(8,289)
Bond proceeds	183	—	—	—
Transfers and distributions	1,702,686	1,627,819	1,736,835	109,016
Other	146,047	25,250	180,978	155,728
Total Revenues	2,326,303	2,511,242	2,711,396	200,154
Total Available Resources	4,513,945	4,698,884	4,899,038	200,154
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	350,350	359,526	345,469	14,057
Other personal services	26,096	26,244	23,308	2,936
Expenses	59,047	59,008	54,820	4,188
Grants and aids	14,710	14,710	14,710	—
Operating capital outlay	2,104	1,954	1,542	412
Fixed capital outlay	470,648	470,648	470,648	—
Lump sum	500	—	—	—
Special categories	333,791	346,282	310,369	35,913
Grants/aids to local governments	613,768	613,768	613,768	—
Data processing services	892	734	734	—
Total Operating Expenditures	1,871,906	1,892,874	1,835,368	57,506
Nonoperating expenditures:				
Transfers	450,377	450,377	450,377	—
Refunds	31,845	31,845	31,845	—
Other	338,908	338,908	338,908	—
Total Nonoperating Expenditures	821,130	821,130	821,130	—
Total Expenditures	2,693,036	2,714,004	2,656,498	57,506
Fund Balances, June 30, 2020	\$ 1,820,909	\$ 1,984,880	\$ 2,242,540	\$ 257,660

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, 2020
(in thousands)

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 862,951	\$ 862,951	\$ 862,951	\$ —
Reversions	45,471	45,471	45,471	—
Fund Balances, July 1, 2019, restated	908,422	908,422	908,422	—
REVENUES				
Fees and charges	71,223	61,408	62,296	888
Licenses	954	990	990	—
Taxes	806,051	583,193	638,213	55,020
Miscellaneous	606	5	5	—
Interest	34,760	43,740	44,167	427
Grants	2,433,973	2,460,591	2,438,366	(22,225)
Refunds	2,621	16,891	17,250	359
Bond proceeds	—	—	—	—
Transfers and distributions	2,943,002	3,066,299	3,066,299	—
Other	142,644	138,022	152,628	14,606
Total Revenues	6,435,834	6,371,139	6,420,214	49,075
Total Available Resources	7,344,256	7,279,561	7,328,636	49,075
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	37,201	36,877	31,014	5,863
Other personal services	854	855	381	474
Expenses	7,058	6,998	3,542	3,456
Grants and aids	3,292,153	3,307,808	3,292,153	15,655
Operating capital outlay	489	489	23	466
Fixed capital outlay	1,616,991	1,616,991	1,616,991	—
Special categories	1,309,909	1,284,558	1,284,558	—
Financial assistance payments	64,853	64,853	64,821	32
Payments to U.S. Treasury	970	4,422	4,422	—
Data processing services	9,288	9,942	9,255	687
Total Operating Expenditures	6,339,766	6,333,793	6,307,160	26,633
Nonoperating expenditures:				
Transfers	241,433	241,433	241,433	—
Refunds	800	800	800	—
Other	3,300	3,300	3,300	—
Total Nonoperating Expenditures	245,533	245,533	245,533	—
Total Expenditures	6,585,299	6,579,326	6,552,693	26,633
Fund Balances, June 30, 2020	\$ 758,957	\$ 700,235	\$ 775,943	\$ 75,708

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, 2020
(in thousands)

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 1,391,201	\$ 1,391,201	\$ 1,391,201	\$ —
Reversions	—	—	—	—
Fund Balances, July 1, 2019, restated	1,391,201	1,391,201	1,391,201	—
REVENUES				
Fees and charges	1,857,987	1,774,738	1,410,882	(363,856)
Licenses	22,171	22,187	22,093	(94)
Taxes	634,448	634,448	721,797	87,349
Interest	1,886	3,101	4,339	1,238
Grants	20,471,936	20,847,146	20,736,124	(111,022)
Refunds	2,165,010	2,243,640	2,414,062	170,422
Bond proceeds	—	—	—	—
Transfers and distributions	3,013,347	2,465,707	2,915,316	449,609
Other	37,281	37,763	44,560	6,797
Total Revenues	28,204,066	28,028,730	28,269,173	240,443
Total Available Resources	29,595,267	29,419,931	29,660,374	240,443
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,309,391	1,319,635	1,220,531	99,104
Other personal services	121,454	122,800	104,486	18,314
Expenses	287,851	287,579	235,618	51,961
Grants and aids	120,420	120,420	112,100	8,320
Operating capital outlay	16,482	17,225	10,726	6,499
Food products	1,110	1,110	1,064	46
Fixed capital outlay	15,379	15,379	15,379	—
Lump sum	5,000	—	—	—
Special categories	25,123,198	25,123,198	25,123,198	—
Financial assistance payments	30,390	30,390	23,403	6,987
Grants/aids to local governments	1,516	1,516	1,516	—
Data processing services	22,163	21,370	21,370	—
Claim bills and relief acts	—	—	—	—
Total Operating Expenditures	27,054,354	27,060,622	26,869,391	191,231
Nonoperating expenditures:				
Continuing Appropriations	37,619	37,619	37,619	—
Transfers	1,680,427	1,680,427	1,680,427	—
Refunds	61,585	61,585	61,585	—
Other	330,409	330,409	330,409	—
Total Nonoperating Expenditures	2,110,040	2,110,040	2,110,040	—
Total Expenditures	29,164,394	29,170,662	28,979,431	191,231
Fund Balances, June 30, 2020	\$ 430,873	\$ 249,269	\$ 680,943	\$ 431,674

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, 2020
(in thousands)

	Transportation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Fund Balances, July 1, 2019	\$ 286,617	\$ 286,617	\$ 286,617	\$ —
Reversions	2,771	2,771	2,771	—
Fund Balances, July 1, 2019, restated	289,388	289,388	289,388	—
REVENUES				
Fees and charges	162,139	170,000	162,139	(7,861)
Taxes	2,850,605	2,773,500	2,850,603	77,103
Miscellaneous	808,315	—	—	—
Interest	1,572	1,572	3,316	1,744
Grants	—	—	—	—
Refunds	16,346	16,347	16,347	—
Bond proceeds	198,000	198,000	198,000	—
Transfers and distributions	432,791	416,444	383,283	(33,161)
Other	19,830	20,394	13,264	(7,130)
Total Revenues	4,489,598	3,596,257	3,626,952	30,695
Total Available Resources	4,778,986	3,885,645	3,916,340	30,695
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	4,292	4,251	3,974	277
Other personal services	18	71	14	57
Expenses	2,771	2,791	1,881	910
Operating capital outlay	5	5	—	5
Fixed capital outlay	255,348	255,348	255,348	—
Special categories	57,764	67,757	65,177	2,580
Total Operating Expenditures	320,198	330,223	326,394	3,829
Nonoperating expenditures:				
Transfers	216,319	216,319	216,319	—
Refunds	77,947	77,947	77,947	—
Other	3,012,665	3,012,665	3,012,665	—
Total Nonoperating Expenditures	3,306,931	3,306,931	3,306,931	—
Total Expenditures	3,627,129	3,637,154	3,633,325	3,829
Fund Balances, June 30, 2020	\$ 1,151,857	\$ 248,491	\$ 283,015	\$ 34,524

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, 2020
(in thousands)**

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	\$ 9,785,470	2,242,540	\$ 775,943	\$ 680,943	\$ 283,015
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	1,252,482	79,584	45,540	3,734	108,711
Fair value adjustments to investments within the State Treasury	461,360	36,663	20,979	1,720	50,081
Special investments within the State Treasury	20,718	—	—	23,641	—
Non-State Treasury cash and investments	1,127,392	10,119	—	72,109	1,383,884
Adjustment for State Transportation Trust Fund elimination	—	—	—	—	343,075
Adjusted budgetary basis fund balances	12,647,422	2,368,906	842,462	782,147	2,168,766
Adjustments (basis differences):					
Net receivables/(payables) not carried forward	(3,604,446)	1,865,842	(1,090,644)	1,785,391	(181,767)
Net deferred outflows/(inflows) of resources	(163,250)	(2,334)	—	(932,203)	(353,160)
Inventories, prepaid items and deferred charges	9,551	748	—	27,068	7,785
Encumbrances	353,753	13,299	1,010,006	163,202	56,742
GAAP basis fund balances	\$ 9,243,030	\$ 4,246,461	\$ 761,824	\$ 1,825,605	\$ 1,698,366

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. For the fiscal year ended June 30, 2020, State Transportation Trust fund revenues and expenditures totaled \$2.42 billion and \$7.11 billion, respectively, with \$4.60 billion of net other financing sources.

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	2016	2017	2018
Proportion of the net pension liability	17.802202632 %	17.961696240 %	18.150587866 %	17.591496280 %	17.733845390 %
Proportionate share of the net pension liability	\$ 1,086,196	\$ 2,319,994	\$ 4,583,038	\$ 5,203,447	\$ 5,341,526
Covered payroll	\$ 4,538,946	\$ 4,591,628	\$ 4,596,099	\$ 4,621,442	\$ 4,791,286
Proportionate share of the net pension liability as percentage of covered payroll	23.93 %	50.53 %	99.72 %	112.59 %	111.48 %
Plan fiduciary net position as a percentage of the total pension liability	96.09 %	92.00 %	84.88 %	83.89 %	84.26 %

Notes to Schedule:

Changes in actuarial assumptions: The long-term expected rate of return was decreased from 7.00% to 6.90%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

* 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	2017	2018	2019
Statutorily required contributions	\$ 437,921	\$ 442,631	\$ 457,950	\$ 505,400	\$ 543,395
Contributions recognized by the plan	437,921	442,631	457,950	505,400	543,395
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Covered payroll	\$ 4,591,628	\$ 4,596,099	\$ 4,621,442	\$ 4,791,286	\$ 4,829,858
Contributions recognized by the plan as a percentage of covered payroll	9.54 %	9.63 %	9.91 %	10.55 %	11.25 %

* Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore, information was not available for a full 10-year presentation.

2019

17.524776601 %

\$ 6,035,289

\$ 4,829,858

124.96 %

82.61 %

2020

\$ 564,233

564,233

\$ —

\$ 4,826,392

11.69 %

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	2016	2017	2018
Proportion of the net pension liability	15.286183318%	15.144426318 %	14.878355474 %	14.470956524 %	14.641028104 %
Proportionate share of the net pension liability	\$ 1,429,295	\$ 1,544,493	\$ 1,734,011	\$ 1,547,301	\$ 1,549,623
Covered payroll	\$ 4,534,435	\$ 4,588,003	\$ 4,593,175	\$ 4,619,123	\$ 4,789,207
Proportionate share of the net pension liability as percentage of covered payroll	31.52 %	33.66 %	37.75 %	33.50 %	32.36 %
Plan fiduciary net position as a percentage of the total pension liability	0.99 %	0.50 %	0.97 %	1.64 %	2.15 %

Notes to Schedule:

Changes in actuarial assumptions: The municipal bond rate used to determine total pension liability was decreased from 3.87% to 3.50%.

* 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	2017	2018	2019
Statutorily required contributions	\$ 57,891	\$ 76,261	\$ 76,584	\$ 79,399	\$ 80,051
Contributions recognized by the plan	57,891	76,261	76,584	79,399	80,051
Contribution deficiency (excess)	<u>—</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 4,588,003	\$ 4,593,175	\$ 4,619,123	\$ 4,789,207	\$ 4,828,290
Contributions recognized by the plan as a percentage of covered payroll	1.26 %	1.66 %	1.66 %	1.66 %	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.

2019

14.416053158 %

\$ 1,613,012

\$ 4,828,290

33.41 %

2.63 %

2020

\$ 79,916

79,916

0

\$ 4,826,392

1.66 %

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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	2017	2018	2019	2020
<u>Total Pension Liability</u>							
Service cost	\$ 5,979	\$ 7,161	\$ 9,044	\$ 12,904	\$ 9,925	\$ 11,581	\$ 13,967
Interest on total pension liability	18,852	19,164	19,259	19,100	21,080	28,506	28,874
Effect of plan changes	—	—	—	—	—	—	—
Effect of economic/demographic (gains) or losses	—	—	27,462	—	39,056	—	24,815
Effects of assumption changes or inputs	27,926	46,330	118,280	(95,586)	90,989	60,964	271,102
Benefit payments	(14,366)	(14,423)	(14,413)	(14,677)	(14,897)	(14,999)	(15,121)
Net changes in total pension liability	38,391	58,232	159,632	(78,259)	146,153	86,052	323,637
Total pension liability, beginning	408,292	446,683	504,915	664,547	586,288	732,441	818,493
Total pension liability, ending	<u>\$446,683</u>	<u>\$504,915</u>	<u>\$664,547</u>	<u>\$586,288</u>	<u>\$732,441</u>	<u>\$818,493</u>	<u>\$1,142,130</u>
<u>Fiduciary Net Position</u>							
Employer contributions	\$ 14,366	\$ 14,495	\$ 14,423	\$ 14,720	\$ 14,905	\$ 15,044	\$ 15,129
Member contributions	—	—	—	—	—	—	—
Investment income net of investment expenses	—	—	—	—	—	—	—
Benefit payments	(14,366)	(14,423)	(14,413)	(14,677)	(14,897)	(14,999)	(15,121)
Administrative expenses	—	(72)	(10)	(43)	(8)	(45)	(8)
Net change in fiduciary position	—	—	—	—	—	—	—
Fiduciary net position-beginning	—	—	—	—	—	—	—
Fiduciary net position-ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Net pension liability-ending	<u>\$446,683</u>	<u>\$504,915</u>	<u>\$664,547</u>	<u>\$586,288</u>	<u>\$732,441</u>	<u>\$818,493</u>	<u>\$1,142,130</u>
Fiduciary net position as a % of the total pension liability	0.00	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Covered payroll	\$466,939	\$476,278	\$477,549	\$487,100	\$485,666	\$495,379	\$508,895
Net pension liability as a % of covered-payroll	95.66 %	106.01 %	139.16 %	120.36 %	150.81 %	165.23 %	224.43 %

Notes to Schedule:

Changes of assumptions or input: The municipal bond rate used to determine total pension liability decreased from 3.50% to 2.21%.

* 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 SUPPLEMENTAL RETIREMENT BENEFIT PLAN
LAST 10 FISCAL YEARS*

	(in thousands)						
	2014	2015	2016	2017	2018	2019	2020
Statutorily required State contribution	\$ 14,366	\$ 14,495	\$ 14,423	\$ 14,720	\$ 14,905	\$ 15,044	\$ 15,129
Contributions recognized by the plan	14,366	14,495	14,423	14,720	14,905	15,044	15,129
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$466,939	\$476,278	\$477,549	\$487,100	\$485,666	\$495,379	\$508,895
Contributions as a percentage of covered-employee payroll	3.08 %	3.04 %	3.02 %	3.02 %	3.07 %	3.04 %	2.97 %

* 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 OTHER POSTEMPLOYMENT BENEFITS LIABILITY

LAST 10 FISCAL YEARS*

(in thousands)

	2017	2018	2019
<u>Total OPEB Liability</u>			
Service cost	\$ 558,284	\$ 450,512	\$ 451,020
Interest	350,228	399,969	407,090
Changes of Benefit Terms	—	—	—
Difference between expected and actual experience	—	—	(372,451)
Changes of assumptions or other inputs	(1,746,361)	(931,395)	1,813,838
Benefit payments	(162,902)	(178,619)	(192,800)
Other changes	—	—	—
Net Changes in Total OPEB Liability	(1,000,751)	(259,533)	2,106,697
Total OPEB Liability - Beginning	11,811,836	10,811,085	10,551,552
Total OPEB Liability - Ending	<u>\$ 10,811,085</u>	<u>\$ 10,551,552</u>	<u>\$ 12,658,249</u>
Covered-employee payroll ¹	\$ 7,312,101	\$ 7,636,541	\$ 7,644,299
Total OPEB liability as a percentage of covered-employee payroll	147.85 %	138.17 %	165.59 %

*The State of Florida implemented GASB Statement No. 75 in Fiscal Year 2018; therefore, 10-year presentation is not available.

¹ For fiscal year 2017 and 2018, an error noted in the selection criteria for covered-employee payroll data previously presented for compliance with GASB 75 was noted and corrected.

Note to Required Supplementary Information

The Division of State Group Insurance's Other Postemployment Benefits Plan (OPEB) does not have assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 to pay related benefits.

Potential factors that may significantly decrease/increase State's total OPEB liability reported as of June 30, 2019, include discount rate, inflation rate, salary increases, payroll growth, healthcare inflation, retiree contribution increase rate, medical aging factors, healthcare participation, healthcare cost trends, mortality rates, and other demographic assumptions.

The discount rate changed from 3.87% for the opening balance as of June 30, 2018, to the discount rate of 2.79% as of June 30, 2019. This change resulted in an increase in total OPEB liability.

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 12,128 centerline miles of roads and 7,081 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 0 to 100 for each category and overall.

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

Condition Rating for the State Highway System

Percentage of pavement meeting FDOT standards

<u>2020</u>	<u>2019</u>	<u>2018</u>
87%	87%	91 %

Percentage of bridges meeting FDOT standards

<u>2020</u>	<u>2019</u>	<u>2018</u>
95%	95%	95 %

Maintenance Rating

<u>2020</u>	<u>2019</u>	<u>2018</u>
83	83	85

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

Resurfacing Program

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Needed \$	535.0	\$ 555.6	\$ 590.4	\$ 530.8	\$ 619.5
Actual	451.5	479.8	522.6	541.5	610.1

Bridge Repair/Replacement Program

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Needed \$	980.8	\$ 114.3	\$ 239.6	\$ 642.5	\$ 191.4
Actual	1,036.1	104.6	240.3	567.2	199.3

Routine Maintenance Program

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Needed \$	694.6	\$ 690.1	\$ 655.0	\$ 661.3	\$ 627.4
Actual	805.5	817.7	756.1	741.7	723.3

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.

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**FINANCIAL
SECTION:**

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**

NONMAJOR FUNDS

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Individual fund descriptions and financial statements begin on page 208.

CAPITAL PROJECTS FUNDS

Individual fund descriptions and financial statements begin on page 237.

DEBT SERVICE FUNDS

Individual fund descriptions and financial statements begin on page 241.

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.

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**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Funds	Totals 6/30/20
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 22,085	\$ —	\$ 1,497	\$ 843	\$ 24,425
Pooled investments with State Treasury	1,892,088	94,835	—	38,065	2,024,988
Other investments	171,928	—	30,098	4,013	206,039
Receivables, net	655,780	166	23	1	655,970
Due from other funds	89,608	67,816	—	—	157,424
Due from component units/primary	1	—	—	—	1
Inventories	2,432	—	—	—	2,432
Other	460	—	—	—	460
Total current assets	2,834,382	162,817	31,618	42,922	3,071,739
<u>Noncurrent assets</u>					
Long-term investments	32,265	—	5,661	—	37,926
Other loans and notes receivable, net	782,288	—	—	—	782,288
Total noncurrent assets	814,553	—	5,661	—	820,214
Total assets	3,648,935	162,817	37,279	42,922	3,891,953
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	346,535	778	—	—	347,313
Due to other funds	191,442	5,776	—	322	197,540
Due to component units/primary	2,209	—	—	—	2,209
Compensated absences	1,205	—	—	—	1,205
Claims payable	4,447	—	—	—	4,447
Deposits	151,732	—	—	—	151,732
Obligations under security lending agreements	63,098	5,192	—	2,097	70,387
Total current liabilities	760,668	11,746	—	2,419	774,833
<u>Noncurrent liabilities</u>					
Advances from other funds	737	—	—	—	737
Deposits	11,368	—	—	—	11,368
Total noncurrent liabilities	12,105	—	—	—	12,105
Total liabilities	772,773	11,746	—	2,419	786,938
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	301,079	—	—	—	301,079
Total deferred inflows of resources	301,079	—	—	—	301,079
FUND BALANCES					
Nonspendable	2,884	—	—	4,028	6,912
Restricted	1,357,883	80,566	37,279	26,785	1,502,513
Committed	1,214,316	70,505	—	9,690	1,294,511
Total fund balances	2,575,083	151,071	37,279	40,503	2,803,936
Total liabilities, deferred inflows and fund balances	\$ 3,648,935	\$ 162,817	\$ 37,279	\$ 42,922	\$ 3,891,953

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Funds	Totals 6/30/20
REVENUES					
Taxes	\$ 220,924	\$ —	\$ —	\$ —	\$ 220,924
Licenses and permits	1,679,507	—	—	2,836	1,682,343
Fees and charges	699,292	—	7,758	—	707,050
Grants and donations	3,971,797	—	—	—	3,971,797
Investment earnings (losses)	79,587	4,619	9,070	1,856	95,132
Fines, forfeits, settlements and judgments	474,333	—	—	—	474,333
Other	74,590	—	594	—	75,184
Total revenues	7,200,030	4,619	17,422	4,692	7,226,763
EXPENDITURES					
Current:					
General government	3,790,943	51,867	1,381	—	3,844,191
Education	207,722	2,089	—	377	210,188
Human services	428,858	1,095	—	—	429,953
Criminal justice and corrections	518,804	73,432	—	—	592,236
Natural resources and environment	1,239,802	—	—	3	1,239,805
Transportation	—	128	—	—	128
Judicial branch	89,089	—	—	—	89,089
Capital outlay	85,811	63,842	—	—	149,653
Debt service:					
Principal retirement	349	—	1,086,735	—	1,087,084
Interest and fiscal charges	41	—	559,028	—	559,069
Total expenditures	6,361,419	192,453	1,647,144	380	8,201,396
Excess (deficiency) of revenues over expenditures	838,611	(187,834)	(1,629,722)	4,312	(974,633)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	—	—	3,597	—	3,597
Proceeds of refunding bonds	—	—	1,381,184	—	1,381,184
Operating transfers in	1,623,381	173,089	1,622,573	—	3,419,043
Operating transfers out	(2,405,790)	(45,373)	(42,776)	(1,780)	(2,495,719)
Payments to refunded bond agent	—	—	(1,381,184)	—	(1,381,184)
Total other financing sources (uses)	(782,409)	127,716	1,583,394	(1,780)	926,921
Net change in fund balances	56,202	(60,118)	(46,328)	2,532	(47,712)
Fund balances - beginning	2,518,881	211,189	83,607	37,971	2,851,648
Fund balances - ending	\$ 2,575,083	\$ 151,071	\$ 37,279	\$ 40,503	\$ 2,803,936

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.

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**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 263	\$ 1	\$ 185	\$ 42
Pooled investments with State Treasury	331,163	94,640	260,556	424,194
Other investments	6,683	—	—	—
Receivables, net	89,426	178	133,345	50,174
Due from other funds	8,033	1,570	3,835	18,201
Due from component units/primary	—	1	—	—
Inventories	—	—	—	207
Other	—	—	—	61
Total current assets	435,568	96,390	397,921	492,879
<u>Noncurrent assets</u>				
Long-term investments	—	—	50	—
Other loans and notes receivable, net	4,500	—	29	—
Total noncurrent assets	4,500	—	79	—
Total assets	440,068	96,390	398,000	492,879
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	22,924	6,206	78,468	3,121
Due to other funds	6,993	314	33,295	135,556
Due to component units/primary	6	—	—	—
Compensated absences	140	21	22	167
Claims payable	4,447	—	—	—
Deposits	2,592	—	19,956	128,737
Obligations under security lending agreements	17,888	4,687	12,736	11,360
Total current liabilities	54,990	11,228	144,477	278,941
<u>Noncurrent liabilities</u>				
Advances from other funds	—	112	—	—
Deposits	—	—	—	—
Total noncurrent liabilities	—	112	—	—
Total liabilities	54,990	11,340	144,477	278,941
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	—	—	112,497	181
Total deferred inflows of resources	—	—	112,497	181
FUND BALANCES				
Nonspendable	—	—	—	268
Restricted	99,977	6,422	71,276	8,618
Committed	285,101	78,628	69,750	204,871
Total fund balances	385,078	85,050	141,026	213,757
Total liabilities, deferred inflows and fund balances	\$ 440,068	\$ 96,390	\$ 398,000	\$ 492,879

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ —	\$ 122	\$ —	\$ 165	\$ 241	\$ 11
61,662	69,710	20,081	208,392	59,408	60,399
—	—	—	—	—	—
187,867	4,819	545	24,137	37,546	3,054
—	5,818	3,353	1,480	6,438	1,308
—	—	—	—	—	—
—	—	—	—	1,720	—
—	—	—	—	—	—
249,529	80,469	23,979	234,174	105,353	64,772
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
249,529	80,469	23,979	234,174	105,353	64,772
14,921	11,715	820	95,523	39,102	15,256
4	3,371	387	2,082	2,120	368
2,089	12	—	—	—	—
—	89	34	43	569	—
—	—	—	—	—	—
—	381	—	56	10	—
2,345	1,229	469	484	2,709	—
19,359	16,797	1,710	98,188	44,510	15,624
—	625	—	—	—	—
—	—	—	68	—	—
—	625	—	68	—	—
19,359	17,422	1,710	98,256	44,510	15,624
187,797	241	—	363	—	—
187,797	241	—	363	—	—
—	—	—	—	1,720	—
38,960	7,667	6,783	37,236	8,873	40,817
3,413	55,139	15,486	98,319	50,250	8,331
42,373	62,806	22,269	135,555	60,843	49,148
\$ 249,529	\$ 80,469	\$ 23,979	\$ 234,174	\$ 105,353	\$ 64,772

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Courts Operations Corp	Florida Citrus Commission
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 4	\$ 2,290	\$ 1,233	\$ —
Pooled investments with State Treasury	124,220	56,136	—	12,213
Other investments	—	—	—	—
Receivables, net	3,190	5,805	—	1,557
Due from other funds	5,120	17,486	—	132
Due from component units/primary	—	—	—	—
Inventories	—	—	—	500
Other	—	—	1	1
Total current assets	132,534	81,717	1,234	14,403
<u>Noncurrent assets</u>				
Long-term investments	—	—	—	—
Other loans and notes receivable, net	—	—	—	—
Total noncurrent assets	—	—	—	—
Total assets	132,534	81,717	1,234	14,403
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	5,673	2,934	91	2,259
Due to other funds	2,358	480	—	96
Due to component units/primary	—	—	—	102
Compensated absences	93	27	—	—
Claims payable	—	—	—	—
Deposits	—	—	—	—
Obligations under security lending agreements	—	2,571	—	645
Total current liabilities	8,124	6,012	91	3,102
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	—	—
Deposits	—	—	—	—
Total noncurrent liabilities	—	—	—	—
Total liabilities	8,124	6,012	91	3,102
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	—	—	—	—
Total deferred inflows of resources	—	—	—	—
FUND BALANCES				
Nonspendable	—	—	1	501
Restricted	29,066	2,053	1,141	10,371
Committed	95,344	73,652	1	429
Total fund balances	124,410	75,705	1,143	11,301
Total liabilities, deferred inflows and fund balances	\$ 132,534	\$ 81,717	\$ 1,234	\$ 14,403

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
\$ 1,474	\$ 76	\$ —	\$ 11,132	\$ —	\$ —
—	1,033	104,461	—	3,820	—
2,282	16,247	—	—	140,604	2
13,800	372	13,237	2,996	83,693	—
14,597	211	2,026	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	381	—	—
32,153	17,939	119,724	14,509	228,117	2
—	—	—	—	—	—
31,222	—	—	—	746,537	—
31,222	—	—	—	746,537	—
63,375	17,939	119,724	14,509	974,654	2
14,832	295	30,203	1,941	—	—
4,007	—	11	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	5,763	—	212	—
18,839	295	35,977	1,941	212	—
—	—	—	—	—	—
—	—	—	11,300	—	—
—	—	—	11,300	—	—
18,839	295	35,977	13,241	212	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	381	—	—
—	14,216	—	—	974,344	—
44,536	3,428	83,747	887	98	2
44,536	17,644	83,747	1,268	974,442	2
\$ 63,375	\$ 17,939	\$ 119,724	\$ 14,509	\$ 974,654	\$ 2

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020
(in thousands)

	Blended Component Units			Totals 6/30/20
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 3,632	\$ 1,176	\$ 38	\$ 22,085
Pooled investments with State Treasury	—	—	—	1,892,088
Other investments	6,110	—	—	171,928
Receivables, net	39	—	—	655,780
Due from other funds	—	—	—	89,608
Due from component units/primary	—	—	—	1
Inventories	—	5	—	2,432
Other	8	—	8	460
Total current assets	9,789	1,181	46	2,834,382
<u>Noncurrent assets</u>				
Long-term investments	31,689	526	—	32,265
Other loans and notes receivable, net	—	—	—	782,288
Total noncurrent assets	31,689	526	—	814,553
Total assets	41,478	1,707	46	3,648,935
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	240	11	—	346,535
Due to other funds	—	—	—	191,442
Due to component units/primary	—	—	—	2,209
Compensated absences	—	—	—	1,205
Claims payable	—	—	—	4,447
Deposits	—	—	—	151,732
Obligations under security lending agreements	—	—	—	63,098
Total current liabilities	240	11	—	760,668
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	—	737
Deposits	—	—	—	11,368
Total noncurrent liabilities	—	—	—	12,105
Total liabilities	240	11	—	772,773
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	—	—	—	301,079
Total deferred inflows of resources	—	—	—	301,079
FUND BALANCES				
Nonspendable	—	5	8	2,884
Restricted	—	63	—	1,357,883
Committed	41,238	1,628	38	1,214,316
Total fund balances	41,238	1,696	46	2,575,083
Total liabilities, deferred inflows and fund balances	\$ 41,478	\$ 1,707	\$ 46	\$ 3,648,935

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COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 214,823
Licenses and permits	—	—	—	1,655,048
Fees and charges	78,446	28,310	2,453	110,564
Grants and donations	530,724	53,463	1,912,711	14,866
Investment earnings (losses)	15,336	3,322	19,193	8,862
Fines, forfeits, settlements and judgments	16,603	—	—	14,303
Other	31,884	504	1,558	1,334
Total revenues	672,993	85,599	1,935,915	2,019,800
EXPENDITURES				
Current:				
General government	455,654	102,705	1,907,499	277,230
Education	201,501	—	—	—
Human services	—	—	—	—
Criminal justice and corrections	—	—	—	—
Natural resources and environment	—	—	—	—
Judicial branch	—	—	—	—
Capital outlay	3,897	582	1,152	2,565
Debt service:				
Principal retirement	—	25	—	324
Interest and fiscal charges	—	—	9	4
Total expenditures	661,052	103,312	1,908,660	280,123
Excess (deficiency) of revenues over expenditures	11,941	(17,713)	27,255	1,739,677
OTHER FINANCING SOURCES (USES)				
Operating transfers in	79,344	75,630	236,516	72,911
Operating transfers out	(94,187)	(13,865)	(261,140)	(1,796,203)
Total other financing sources (uses)	(14,843)	61,765	(24,624)	(1,723,292)
Net change in fund balances	(2,902)	44,052	2,631	16,385
Fund balances - beginning	387,980	40,998	138,395	197,372
Fund balances - ending	\$ 385,078	\$ 85,050	\$ 141,026	\$ 213,757

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1
—	—	—	—	23,970	—
—	94,314	12,313	3,047	57,367	50,248
—	19,709	16,307	111,169	1,118,193	2,602
2,076	1,144	475	404	2,639	6
335,219	31,518	5	20,222	1,409	1,150
—	2,339	515	19,607	4,715	108
337,295	149,024	29,615	154,449	1,208,293	54,115
49	28,514	—	606,786	—	—
—	—	—	—	—	—
331,003	—	—	—	—	—
—	142,943	15,009	121,323	—	135,577
—	—	—	—	1,239,802	—
—	—	—	—	—	—
—	6,261	256	1,179	10,409	1,706
—	—	—	—	—	—
—	—	—	28	—	—
331,052	177,718	15,265	729,316	1,250,211	137,283
6,243	(28,694)	14,350	(574,867)	(41,918)	(83,168)
8,002	38,012	27,851	669,815	61,773	76,796
(8,435)	(12,928)	(33,777)	(80,771)	(17,623)	(2,324)
(433)	25,084	(5,926)	589,044	44,150	74,472
5,810	(3,610)	8,424	14,177	2,232	(8,696)
36,563	66,416	13,845	121,378	58,611	57,844
\$ 42,373	\$ 62,806	\$ 22,269	\$ 135,555	\$ 60,843	\$ 49,148

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Florida Citrus Commission
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 6,100
Licenses and permits	489	—	—	—
Fees and charges	92,793	37,126	—	13
Grants and donations	14,313	152,105	1,722	3,750
Investment earnings (losses)	—	2,179	1	548
Fines, forfeits, settlements and judgments	53,893	—	—	10
Other	10,915	834	—	7
Total revenues	172,403	192,244	1,723	10,428
EXPENDITURES				
Current:				
General government	2,003	42,670	1,503	12,857
Education	—	—	—	—
Human services	—	97,855	—	—
Criminal justice and corrections	103,278	—	—	—
Natural resources and environment	—	—	—	—
Judicial branch	89,089	—	—	—
Capital outlay	2,002	54,534	—	6
Debt service:				
Principal retirement	—	—	—	—
Interest and fiscal charges	—	—	—	—
Total expenditures	196,372	195,059	1,503	12,863
Excess (deficiency) of revenues over expenditures	(23,969)	(2,815)	220	(2,435)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	39,874	20,784	—	—
Operating transfers out	(10,226)	(19,053)	—	(274)
Total other financing sources (uses)	29,648	1,731	—	(274)
Net change in fund balances	5,679	(1,084)	220	(2,709)
Fund balances - beginning	118,731	76,789	923	14,010
Fund balances - ending	\$ 124,410	\$ 75,705	\$ 1,143	\$ 11,301

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
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	2,411	122,107	—	—	—
—	2,595	—	16,294	—	—
1,035	403	4,826	—	13,180	—
1	—	—	—	—	—
—	109	—	8	—	—
1,036	5,518	126,933	16,302	13,180	—
214,722	—	117,346	16,304	4	—
—	6,221	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	23	20	5	—	—
—	—	—	—	—	—
—	—	—	—	—	—
214,722	6,244	117,366	16,309	4	—
(213,686)	(726)	9,567	(7)	13,176	—
214,524	1,549	—	—	—	—
(16,572)	(44)	(41)	—	(38,327)	—
197,952	1,505	(41)	—	(38,327)	—
(15,734)	779	9,526	(7)	(25,151)	—
60,270	16,865	74,221	1,275	999,593	2
\$ 44,536	\$ 17,644	\$ 83,747	\$ 1,268	\$ 974,442	\$ 2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Blended Component Units			Totals 6/30/20
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 220,924
Licenses and permits	—	—	—	1,679,507
Fees and charges	7,773	7	—	699,292
Grants and donations	—	1,274	—	3,971,797
Investment earnings (losses)	3,945	13	—	79,587
Fines, forfeits, settlements and judgments	—	—	—	474,333
Other	153	—	—	74,590
Total revenues	11,871	1,294	—	7,200,030
EXPENDITURES				
Current:				
General government	5,045	—	52	3,790,943
Education	—	—	—	207,722
Human services	—	—	—	428,858
Criminal justice and corrections	—	674	—	518,804
Natural resources and environment	—	—	—	1,239,802
Judicial branch	—	—	—	89,089
Capital outlay	1,214	—	—	85,811
Debt service:				
Principal retirement	—	—	—	349
Interest and fiscal charges	—	—	—	41
Total expenditures	6,259	674	52	6,361,419
Excess (deficiency) of revenues over expenditures	5,612	620	(52)	838,611
OTHER FINANCING SOURCES (USES)				
Operating transfers in	—	—	—	1,623,381
Operating transfers out	—	—	—	(2,405,790)
Total other financing sources (uses)	—	—	—	(782,409)
Net change in fund balances	5,612	620	(52)	56,202
Fund balances - beginning	35,626	1,076	98	2,518,881
Fund balances - ending	\$ 41,238	\$ 1,696	\$ 46	\$ 2,575,083

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Employment Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 190,081	\$ 190,081	\$ —
Reversions	64,618	64,618	—
Fund Balances, July 1, 2019, restated	254,699	254,699	—
REVENUES			
Fees and charges	72,999	75,915	2,916
Miscellaneous	3,588	3,664	76
Interest	6,853	9,791	2,938
Grants	510,385	508,231	(2,154)
Refunds	20,211	30,531	10,320
Transfers and distributions	83,142	79,632	(3,510)
Other	21,474	16,933	(4,541)
Total Revenues	718,652	724,697	6,045
Total Available Resources	973,351	979,396	6,045
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	137,367	121,203	16,164
Other personal services	24,390	8,259	16,131
Expenses	33,125	31,060	2,065
Grants and aids	4,101	3,871	230
Operating capital outlay	2,580	2,121	459
Food products	200	62	138
Special categories	550,608	543,039	7,569
Data processing services	4,595	4,367	228
Total Operating Expenditures	756,966	713,982	42,984
Nonoperating expenditures:			
Transfers	64,544	64,544	—
Refunds	449	449	—
Other	45,898	45,898	—
Total Nonoperating Expenditures	110,891	110,891	—
Total Expenditures	867,857	824,873	42,984
Fund Balances, June 30, 2020	\$ 105,494	\$ 154,523	\$ 49,029

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Government Administration		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 37,317	\$ 37,317	\$ —
Reversions	1,164	1,164	—
Fund Balances, July 1, 2019, restated	38,481	38,481	—
REVENUES			
Fees and charges	48,057	29,447	(18,610)
Interest	1,115	1,367	252
Grants	31,979	52,578	20,599
Refunds	9	498	489
Transfers and distributions	47,510	75,546	28,036
Other	—	33	33
Total Revenues	128,670	159,469	30,799
Total Available Resources	167,151	197,950	30,799
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	34,199	32,960	1,239
Other personal services	1,031	890	141
Expenses	7,418	6,928	490
Grants and aids	3,125	3,120	5
Operating capital outlay	275	259	16
Fixed capital outlay	2,458	2,458	—
Special categories	61,065	61,065	—
Data processing services	270	270	—
Total Operating Expenditures	109,841	107,950	1,891
Nonoperating expenditures:			
Payments to U.S. Treasury	1,224	1,224	—
Transfers	10,058	10,058	—
Refunds	314	314	—
Other	2,465	2,465	—
Total Nonoperating Expenditures	14,061	14,061	—
Total Expenditures	123,902	122,011	1,891
Fund Balances, June 30, 2020	\$ 43,249	\$ 75,939	\$ 32,690

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Business and Community Development		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 346,555	\$ 346,555	\$ —
Reversions	9,409	9,409	—
Fund Balances, July 1, 2019, restated	355,964	355,964	—
REVENUES			
Fees and charges	2,707	2,736	29
Interest	16,786	17,639	853
Grants	3,000,850	1,948,611	(1,052,239)
Refunds	9,198	10,009	811
Employee/employer contributions	9	9	—
Transfers and distributions	229,098	238,149	9,051
Other	117	520	403
Total Revenues	3,258,765	2,217,673	(1,041,092)
Total Available Resources	3,614,729	2,573,637	(1,041,092)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	16,398	15,660	738
Other personal services	3,238	2,364	874
Expenses	4,512	3,811	701
Grants and aids	9,405	5,370	4,035
Operating capital outlay	128	41	87
Special categories	2,197,245	2,197,245	—
Continuing appropriations	59,802	59,802	—
Grants/aids to local governments	6,714	6,714	—
Data processing services	44	44	—
Total Operating Expenditures	2,297,486	2,291,051	6,435
Nonoperating expenditures:			
Transfers	95,997	95,997	—
Refunds	10,530	10,530	—
Other	798	798	—
Total Nonoperating Expenditures	107,325	107,325	—
Total Expenditures	2,404,811	2,398,376	6,435
Fund Balances, June 30, 2020	\$ 1,209,918	\$ 175,261	\$ (1,034,657)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Regulation and Licensing		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 352,096	\$ 352,096	\$ —
Reversions	4,273	4,273	—
Fund Balances, July 1, 2019, restated	356,369	356,369	—
REVENUES			
Fees and charges	128,176	144,845	16,669
Licenses	1,663,395	1,674,895	11,500
Taxes	208,302	223,026	14,724
Miscellaneous	2,516	963	(1,553)
Interest	684	5,619	4,935
Grants	75	60	(15)
Refunds	214	666	452
Transfers and distributions	16,149	53,011	36,862
Other	3,651	15,052	11,401
Total Revenues	2,023,162	2,118,137	94,975
Total Available Resources	2,379,531	2,474,506	94,975
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	140,617	137,109	3,508
Other personal services	3,888	2,511	1,377
Expenses	21,237	18,752	2,485
Grants and aids	3,819	3,819	—
Operating capital outlay	2,568	2,439	129
Fixed capital outlay	486	486	—
Special categories	81,163	65,411	15,752
Grants/aids to local governments	4,451	4,451	—
Data processing services	3,450	2,114	1,336
Total Operating Expenditures	261,679	237,092	24,587
Nonoperating expenditures:			
Transfers	1,786,321	1,786,321	—
Refunds	3,449	3,449	—
Other	85,851	85,851	—
Total Nonoperating Expenditures	1,875,621	1,875,621	—
Total Expenditures	2,137,300	2,112,713	24,587
Fund Balances, June 30, 2020	\$ 242,231	\$ 361,793	\$ 119,562

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Tobacco Settlement		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 35,816	\$ 35,816	\$ —
Reversions	430	430	—
Fund Balances, July 1, 2019, restated	36,246	36,246	—
REVENUES			
Interest	800	1,328	528
Refunds	53	53	—
Transfers and distributions	346,673	338,573	(8,100)
Other	355,900	342,971	(12,929)
Total Revenues	703,426	682,925	(20,501)
Total Available Resources	739,672	719,171	(20,501)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	336	296	40
Special categories	340,865	339,791	1,074
Total Operating Expenditures	341,201	340,087	1,114
Nonoperating expenditures:			
Transfers	339,023	339,023	—
Total Nonoperating Expenditures	339,023	339,023	—
Total Expenditures	680,224	679,110	1,114
Fund Balances, June 30, 2020	\$ 59,448	\$ 40,061	\$ (19,387)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Public Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 55,742	\$ 55,742	\$ —
Reversions	7,867	7,867	—
Fund Balances, July 1, 2019, restated	63,609	63,609	—
REVENUES			
Fees and charges	99,277	94,540	(4,737)
Miscellaneous	14	14	—
Interest	720	810	90
Grants	24,231	17,651	(6,580)
Refunds	2,141	2,650	509
Transfers and distributions	42,614	38,358	(4,256)
Other	35,337	35,444	107
Total Revenues	204,334	189,467	(14,867)
Total Available Resources	267,943	253,076	(14,867)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	69,953	61,776	8,177
Other personal services	3,485	1,774	1,711
Expenses	29,927	21,857	8,070
Grants and aids	23,110	16,377	6,733
Operating capital outlay	6,782	4,382	2,400
Fixed capital outlay	744	744	—
Special categories	77,109	77,109	—
Data processing services	2	2	—
Total Operating Expenditures	211,112	184,021	27,091
Nonoperating expenditures:			
Transfers	1,864	1,864	—
Refunds	129	129	—
Other	24,191	24,191	—
Total Nonoperating Expenditures	26,184	26,184	—
Total Expenditures	237,296	210,205	27,091
Fund Balances, June 30, 2020	\$ 30,647	\$ 42,871	\$ 12,224

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Corrections		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 11,955	\$ 11,955	\$ —
Reversions	273	273	—
Fund Balances, July 1, 2019, restated	12,228	12,228	—
REVENUES			
Fees and charges	11,440	11,429	(11)
Interest	—	203	203
Grants	14,267	14,268	1
Refunds	450	450	—
Transfers and distributions	21,965	21,960	(5)
Other	6,770	6,766	(4)
Total Revenues	54,892	55,076	184
Total Available Resources	67,120	67,304	184
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	8,012	4,391	3,621
Other personal services	1,336	877	459
Expenses	7,648	4,869	2,779
Operating capital outlay	806	446	360
Food products	76	—	76
Special categories	19,426	19,426	—
Data processing services	99	99	—
Total Operating Expenditures	37,403	30,108	7,295
Nonoperating expenditures:			
Transfers	18,362	18,362	—
Refunds	144	144	—
Other	921	921	—
Total Nonoperating Expenditures	19,427	19,427	—
Total Expenditures	56,830	49,535	7,295
Fund Balances, June 30, 2020	\$ 10,290	\$ 17,769	\$ 7,479

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Consumer Protection and Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 13,283	\$ 13,283	\$ —
Reversions	71,897	71,897	—
Fund Balances, July 1, 2019, restated	85,180	85,180	—
REVENUES			
Fees and charges	3,622	2,898	(724)
Interest	96	259	163
Grants	140,070	102,359	(37,711)
Refunds	17,724	20,020	2,296
Transfers and distributions	832,335	672,600	(159,735)
Other	18,884	20,230	1,346
Total Revenues	1,012,731	818,366	(194,365)
Total Available Resources	1,097,911	903,546	(194,365)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	31,062	26,709	4,353
Other personal services	926	415	511
Expenses	4,526	2,774	1,752
Operating capital outlay	410	87	323
Special categories	904,008	782,181	121,827
Data processing services	36	—	36
Total Operating Expenditures	940,968	812,166	128,802
Nonoperating expenditures:			
Transfers	69,432	69,432	—
Refunds	1,890	1,890	—
Other	3,771	3,771	—
Total Nonoperating Expenditures	75,093	75,093	—
Total Expenditures	1,016,061	887,259	128,802
Fund Balances, June 30, 2020	\$ 81,850	\$ 16,287	\$ (65,563)

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Agriculture		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 18,162	\$ 18,162	\$ —
Reversions	11,708	11,708	—
Fund Balances, July 1, 2019, restated	29,870	29,870	—
REVENUES			
Fees and charges	53,963	53,861	(102)
Licenses	24,746	23,481	(1,265)
Miscellaneous	—	—	—
Interest	18	1,869	1,851
Grants	1,102,988	1,102,985	(3)
Refunds	3,572	3,596	24
Transfers and distributions	127,133	128,418	1,285
Other	2,932	2,975	43
Total Revenues	1,315,352	1,317,185	1,833
Total Available Resources	1,345,222	1,347,055	1,833
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	93,520	85,797	7,723
Other personal services	6,076	4,695	1,381
Expenses	27,358	23,272	4,086
Grants and aids	1,060,354	1,060,354	—
Operating capital outlay	2,783	2,674	109
Fixed capital outlay	3,889	3,889	—
Special categories	84,059	84,059	—
Grants/aids to local governments	1,979	1,979	—
Total Operating Expenditures	1,280,018	1,266,719	13,299
Nonoperating expenditures:			
Payments to U.S. Treasury	3,966	3,966	—
Transfers	22,901	22,901	—
Refunds	3,281	3,281	—
Other	9,908	9,908	—
Total Nonoperating Expenditures	40,056	40,056	—
Total Expenditures	1,320,074	1,306,775	13,299
Fund Balances, June 30, 2020	\$ 25,148	\$ 40,280	\$ 15,132

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Juvenile Justice		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 54,325	\$ 54,325	\$ —
Reversions	7,136	7,136	—
Fund Balances, July 1, 2019, restated	61,461	61,461	—
REVENUES			
Fees and charges	57,809	50,060	(7,749)
Interest	—	6	6
Grants	2,876	2,483	(393)
Refunds	—	217	217
Transfers and distributions	77,231	75,515	(1,716)
Other	1,363	1,160	(203)
Total Revenues	139,279	129,441	(9,838)
Total Available Resources	200,740	190,902	(9,838)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	46,131	36,318	9,813
Other personal services	2,072	938	1,134
Expenses	8,416	5,949	2,467
Grants and aids	1,263	907	356
Operating capital outlay	417	367	50
Food products	2,194	1,324	870
Fixed capital outlay	2,172	2,172	—
Special categories	95,401	95,401	—
Total Operating Expenditures	158,066	143,376	14,690
Nonoperating expenditures:			
Transfers	—	—	—
Refunds	6	6	—
Other	2,300	2,300	—
Total Nonoperating Expenditures	2,306	2,306	—
Total Expenditures	160,372	145,682	14,690
Fund Balances, June 30, 2020	\$ 40,368	\$ 45,220	\$ 4,852

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Judicial Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 114,022	\$ 114,022	\$ —
Reversions	3,524	3,524	—
Fund Balances, July 1, 2019, restated	117,546	117,546	—
REVENUES			
Fees and charges	109,738	86,873	(22,865)
Licenses	490	489	(1)
Miscellaneous	1	1	—
Grants	14,963	13,773	(1,190)
Refunds	10,394	10,324	(70)
Transfers and distributions	99,113	102,008	2,895
Other	59,028	54,017	(5,011)
Total Revenues	293,727	267,485	(26,242)
Total Available Resources	411,273	385,031	(26,242)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	211,348	173,166	38,182
Other personal services	6,598	3,277	3,321
Expenses	3,572	2,721	851
Operating capital outlay	210	142	68
Fixed capital outlay	225	225	—
Special categories	20,188	20,188	—
Data processing services	981	687	294
Total Operating Expenditures	243,122	200,406	42,716
Nonoperating expenditures:			
Transfers	57,376	57,376	—
Refunds	42	42	—
Other	10,628	10,628	—
Total Nonoperating Expenditures	68,046	68,046	—
Total Expenditures	311,168	268,452	42,716
Fund Balances, June 30, 2020	\$ 100,105	\$ 116,579	\$ 16,474

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Military and Veterans' Affairs		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 58,585	\$ 58,585	\$ —
Reversions	1,190	1,190	—
Fund Balances, July 1, 2019, restated	59,775	59,775	—
REVENUES			
Fees and charges	36,889	36,605	(284)
Miscellaneous	4	4	—
Interest	1,476	1,463	(13)
Grants	136,496	136,496	—
Refunds	630	433	(197)
Transfers and distributions	18,451	29,468	11,017
Other	1,162	1,153	(9)
Total Revenues	195,108	205,622	10,514
Total Available Resources	254,883	265,397	10,514
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	84,001	71,206	12,795
Other personal services	3,901	3,003	898
Expenses	31,532	27,056	4,476
Operating capital outlay	3,461	2,969	492
Food products	4,541	4,053	488
Fixed capital outlay	57,014	57,014	—
Special categories	32,771	27,206	5,565
Total Operating Expenditures	217,221	192,507	24,714
Nonoperating expenditures:			
Transfers	19,346	19,346	—
Refunds	825	825	—
Other	7,309	7,309	—
Total Nonoperating Expenditures	27,480	27,480	—
Total Expenditures	244,701	219,987	24,714
Fund Balances, June 30, 2020	\$ 10,182	\$ 45,410	\$ 35,228

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Florida Citrus Commission		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 11,398	\$ 11,398	\$ —
Reversions	767	767	—
Fund Balances, July 1, 2019, restated	12,165	12,165	—
REVENUES			
Taxes	6,019	6,100	81
Miscellaneous	30	10	(20)
Interest	275	(1,715)	(1,990)
Grants	3,950	3,857	(93)
Refunds	—	7	7
Transfers and distributions	—	—	—
Other	—	22	22
Total Revenues	10,274	8,281	(1,993)
Total Available Resources	22,439	20,446	(1,993)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	4,541	2,524	2,017
Other personal services	190	102	88
Expenses	1,156	440	716
Operating capital outlay	371	6	365
Special categories	8,396	8,396	—
Data processing services	62	62	—
Total Operating Expenditures	14,716	11,530	3,186
Nonoperating expenditures:			
Refunds	38	38	—
Other	317	317	—
Total Nonoperating Expenditures	355	355	—
Total Expenditures	15,071	11,885	3,186
Fund Balances, June 30, 2020	\$ 7,368	\$ 8,561	\$ 1,193

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	School for the Deaf and the Blind		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 1,286	\$ 1,286	\$ —
REVENUES			
Grants	1,393	1,274	(119)
Transfers and distributions	1,788	1,743	(45)
Total Revenues	3,181	3,017	(164)
Total Available Resources	4,467	4,303	(164)
EXPENDITURES			
Operating expenditures:			
Special categories	3,134	3,134	—
Total Operating Expenditures	3,134	3,134	—
Nonoperating expenditures:			
Transfers	136	136	—
Total Nonoperating Expenditures	136	136	—
Total Expenditures	3,270	3,270	—
Fund Balances, June 30, 2020	\$ 1,197	\$ 1,033	\$ (164)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Wireless Emergency Telephone System		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2019	\$ 57,410	\$ 57,410	\$ —
Reversions	1,785	1,785	—
Fund Balances, July 1, 2019, restated	59,195	59,195	—
REVENUES			
Interest	2,911	3,059	148
Other	122,379	122,539	160
Total Revenues	125,290	125,598	308
Total Available Resources	184,485	184,793	308
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	395	325	70
Other personal services	270	124	146
Expenses	205	105	100
Grants and aids	127,536	118,504	9,032
Operating capital outlay	4	1	3
Fixed capital outlay	663	663	—
Special categories	1,615	292	1,323
Data processing services	3	3	—
Total Operating Expenditures	130,691	120,017	10,674
Nonoperating expenditures:			
Transfers	40	40	—
Refunds	2	2	—
Total Nonoperating Expenditures	42	42	—
Total Expenditures	130,733	120,059	10,674
Fund Balances, June 30, 2020	\$ 53,752	\$ 64,734	\$ 10,982

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CAPITAL PROJECTS FUNDS

GENERAL GOVERNMENT

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

TRANSPORTATION CAPITAL PROJECTS FUND

This capital projects fund is administered by the Department of Transportation to account for resources used for eligible project costs.

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
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	General Government	Transportation Capital Projects Fund	Other	School for the Deaf and the Blind	Totals 6/30/20
ASSETS					
<u>Current assets</u>					
Pooled investments with State Treasury	\$ 207	\$ 93,699	\$ 381	\$ 548	\$ 94,835
Receivables, net	—	166	—	—	166
Due from other funds	67,653	—	—	163	67,816
Total current assets	67,860	93,865	381	711	162,817
Total assets	67,860	93,865	381	711	162,817
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	577	—	—	201	778
Due to other funds	—	5,776	—	—	5,776
Obligations under security lending agreements	—	5,192	—	—	5,192
Total current liabilities	577	10,968	—	201	11,746
Total liabilities	577	10,968	—	201	11,746
FUND BALANCES					
Restricted	—	80,505	—	61	80,566
Committed	67,283	2,392	381	449	70,505
Total fund balances	67,283	82,897	381	510	151,071
Total liabilities and fund balances	\$ 67,860	\$ 93,865	\$ 381	\$ 711	\$ 162,817

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	General Government	Transportation Capital Projects Fund	Other	School for the Deaf and the Blind	Totals 6/30/20
REVENUES					
Investment earnings (losses)	\$ —	\$ 4,619	\$ —	\$ —	\$ 4,619
Total revenues	—	4,619	—	—	4,619
EXPENDITURES					
Current:					
General government	51,867	—	—	—	51,867
Education	—	—	—	2,089	2,089
Human services	1,095	—	—	—	1,095
Criminal justice and corrections	73,432	—	—	—	73,432
Transportation	—	128	—	—	128
Capital outlay	63,668	—	—	174	63,842
Total expenditures	190,062	128	—	2,263	192,453
Excess (deficiency) of revenues over expenditures	(190,062)	4,491	—	(2,263)	(187,834)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	—	—	—	—	—
Operating transfers in	170,986	—	—	2,103	173,089
Operating transfers out	—	(45,373)	—	—	(45,373)
Total other financing sources (uses)	170,986	(45,373)	—	2,103	127,716
Net change in fund balances	(19,076)	(40,882)	—	(160)	(60,118)
Fund balances - beginning	86,359	123,779	381	670	211,189
Fund balances - ending	\$ 67,283	\$ 82,897	\$ 381	\$ 510	\$ 151,071

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DEBT SERVICE FUNDS

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.

UNIVERSITY DEBT SERVICE FUND

This fund is used to account for resources earmarked to pay principal, interest, and service charges on University long-term debt of the State.

**COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Debt Service Fund	University Debt Service Fund	Totals 6/30/20
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	\$ —	\$ 1,497	\$ 1,497
Other investments	24,832	5,266	30,098
Receivables, net	23	—	23
Total Current Assets	<u>24,855</u>	<u>6,763</u>	<u>31,618</u>
<u>Noncurrent assets</u>			
Long-term investments	5,661	—	5,661
Total noncurrent assets	<u>5,661</u>	<u>—</u>	<u>5,661</u>
Total assets	<u>30,516</u>	<u>6,763</u>	<u>37,279</u>
LIABILITIES			
<u>Current liabilities</u>			
Accounts payable and accrued liabilities	—	—	—
Total current liabilities	<u>—</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES			
Restricted	30,516	6,763	37,279
Total fund balances	<u>30,516</u>	<u>6,763</u>	<u>37,279</u>
Total liabilities and fund balances	<u>\$ 30,516</u>	<u>\$ 6,763</u>	<u>\$ 37,279</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Debt Service Fund	University Debt Service Fund	Totals 6/30/20
REVENUES			
Fees and charges	\$ 265	\$ 7,493	\$ 7,758
Investment earnings (losses)	9,047	23	\$ 9,070
Other	594	—	\$ 594
Total revenues	9,906	7,516	17,422
EXPENDITURES			
Current:			
General government	1,381	—	1,381
Debt service:			
Principal retirement	1,083,737	2,998	1,086,735
Interest and fiscal charges	558,156	872	559,028
Total expenditures	1,643,274	3,870	1,647,144
Excess (deficiency) of revenues over expenditures	(1,633,368)	3,646	(1,629,722)
OTHER FINANCING SOURCES (USES)			
Proceeds of bond issues	3,597	—	3,597
Proceeds of refunding bonds	1,381,184	—	1,381,184
Operating transfers in	1,622,573	—	1,622,573
Operating transfers out	(42,776)	—	(42,776)
Payments to refunded bond agent	(1,381,184)	—	(1,381,184)
Total other financing sources (uses)	1,583,394	—	1,583,394
Net change in fund balances	(49,974)	3,646	(46,328)
Fund balances - beginning	80,490	3,117	83,607
Fund balances - ending	\$ 30,516	\$ 6,763	\$ 37,279

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NONMAJOR ENTERPRISE FUNDS

OTHER

This category includes various internal reporting enterprise funds, most of which 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/20
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 3,071	\$ 335	\$ 30,020	\$ 33,426
Pooled investments with State Treasury	397,272	—	—	397,272
Other investments	10,621	—	3,697	14,318
Receivables, net	3,318	26	28,622	31,966
Due from other funds	11,336	—	—	11,336
Due from component units/primary	154	—	—	154
Inventories	1	—	—	1
Other	27	52	1,274	1,353
Total current assets	425,800	413	63,613	489,826
<u>Noncurrent assets</u>				
Long-term investments	60,022	—	—	60,022
Other loans and notes receivable, net	—	—	3,149	3,149
<u>Capital assets</u>				
Buildings, equipment, and other depreciable assets	32,407	438	293,478	326,323
Accumulated depreciation	(25,851)	(355)	(55,206)	(81,412)
Construction work in progress	256	—	14,620	14,876
Other	—	—	4,497	4,497
Total noncurrent assets	66,834	83	260,538	327,455
Total assets	492,634	496	324,151	817,281
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	45,625	—	—	45,625
Other postemployment benefits	33,783	—	—	33,783
Total deferred outflows of resources	79,408	—	—	79,408
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	5,504	207	35,317	41,028
Due to other funds	9,186	—	—	9,186
Due to component units/primary	277	154	—	431
Compensated absences	5,881	—	159	6,040
Installment purchases/capital leases	—	—	773	773
Deposits	16,378	—	2,922	19,300
Obligations under security lending agreements	18,598	—	—	18,598
Pension liability	711	—	—	711
Other postemployment benefits liability	2,512	—	—	2,512
Total current liabilities	59,047	361	39,171	98,579
<u>Noncurrent liabilities</u>				
Deposits	42,824	—	123,695	166,519
Installment purchases/capital leases	—	—	7,444	7,444
Compensated absences	15,831	—	125	15,956
Pension liability	122,584	—	—	122,584
Other postemployment benefits liability	191,748	—	—	191,748
Other	—	—	1,449	1,449
Total noncurrent liabilities	372,987	—	132,713	505,700
Total liabilities	432,034	361	171,884	604,279
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	13,174	—	—	13,174
Other postemployment benefits	40,906	—	—	40,906
Total deferred inflows of resources	54,080	—	—	54,080
NET POSITION				
Net investment in capital assets	6,812	83	118,276	125,171
Restricted - other	—	52	2,080	2,132
Unrestricted	79,116	—	31,911	111,027
Total net position	\$ 85,928	\$ 135	\$ 152,267	\$ 238,330

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/20
OPERATING REVENUES				
Sales - nonstate	\$ 73,844	\$ —	\$ 8,317	\$ 82,161
Fees	258,838	2,035	—	260,873
Sales - state	42,276	—	—	42,276
Rents and royalties - nonstate	2	—	—	2
Rents - state	49	—	—	49
Fines, forfeits, settlements and judgments	8,047	—	—	8,047
Other	37	—	39,904	39,941
Total operating revenues	383,093	2,035	48,221	433,349
OPERATING EXPENSES				
Contractual services	80,911	368	31,766	113,045
Personal services	212,741	1,267	10,734	224,742
Depreciation	2,370	34	9,617	12,021
Materials and supplies	5,109	37	—	5,146
Repairs and maintenance	1,671	23	—	1,694
Basic services	27,228	333	—	27,561
Interest and fiscal charges	2,307	—	—	2,307
Total operating expenses	332,337	2,062	52,117	386,516
Operating income (loss)	50,756	(27)	(3,896)	46,833
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	1,027	—	14,170	15,197
Investment earnings (losses)	16,938	—	222	17,160
Interest and fiscal charges	(377)	—	(626)	(1,003)
Fines, forfeits, judgments and settlements	2	—	—	2
Property disposition gain (loss)	(20)	—	—	(20)
Grant expense and client benefits	(1,087)	—	—	(1,087)
Other	(161)	—	—	(161)
Total nonoperating revenues (expenses)	16,322	—	13,766	30,088
Income (loss) before transfers and contributions	67,078	(27)	9,870	76,921
Operating transfers in	26,719	—	—	26,719
Operating transfers out	(121,202)	—	—	(121,202)
Capital contributions	29	—	—	29
Change in net position	(27,376)	(27)	9,870	(17,533)
Total net position - beginning	113,304	162	142,397	255,863
Total net position - ending	\$ 85,928	\$ 135	\$ 152,267	\$ 238,330

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/20
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 382,029	\$ 2,156	\$ 8,387	\$ 392,572
Cash paid to vendors	(117,825)	(884)	(37,439)	(156,148)
Cash paid to employees	(190,023)	(1,252)	(4,559)	(195,834)
Cash received/(paid) for grants	—	—	31,074	31,074
Net cash provided (used) by operating activities	74,181	20	(2,537)	71,664
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	(95,671)	—	—	(95,671)
Advances from or repayment from other funds	(1,111)	—	—	(1,111)
Cash received from noncapital grants or donations	646	—	—	646
Net cash provided (used) by noncapital financing activities	(96,136)	—	—	(96,136)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash received from capital grants and donations	—	—	6,725	6,725
Payment of bond principal	—	—	(7,113)	(7,113)
Purchase or construction of capital assets	(1,468)	(28)	(7,632)	(9,128)
Line of credit draws/(payments)	—	—	(1,574)	(1,574)
Net cash provided (used) by capital and related financing activities	(1,468)	(28)	(9,594)	(11,090)
CASH FLOWS FROM INVESTING ACTIVITIES				
Security lending	3,570	—	—	3,570
Proceeds from the sale or maturity of investments	128,479	—	—	128,479
Investment earnings	16,735	—	169	16,904
Purchase of investments	(126,342)	—	(492)	(126,834)
Net cash provided (used) by investing activities	22,442	—	(323)	22,119
Net increase (decrease) in cash and cash equivalents	(981)	(8)	(12,454)	(13,443)
Cash and cash equivalents - beginning	401,324	343	42,474	444,141
Cash and cash equivalents - ending	\$ 400,343	\$ 335	\$ 30,020	\$ 430,698

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

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

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/20
Operating income (loss)	\$ 50,756	\$ (27)	\$ (3,896)	\$ 46,833
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	2,370	34	9,617	12,021
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	22,814	(13)	302	23,103
(Increase) decrease in due from other funds	59	—	(8,701)	(8,642)
Increase (decrease) in allowance for uncollectibles	(22,938)	—	—	(22,938)
(Increase) decrease in other non-current assets	—	—	527	527
(Increase) decrease in inventories	1	—	—	1
(Increase) decrease in future contract premiums and other receivable	—	—	22	22
Increase (decrease) in accounts payable	(3,158)	5	1,322	(1,831)
Increase (decrease) in compensated absences	2,050	—	51	2,101
Increase (decrease) in due to other funds	(217)	—	—	(217)
Increase (decrease) in other non-current liability	—	—	276	276
(Increase) decrease in deposits and prepaid items	(6)	21	(128)	(113)
Increase (decrease) in unearned revenue	(1,354)	—	(1,929)	(3,283)
Increase (decrease) in pension liability and deferrals	15,840	—	—	15,840
Increase (decrease) in OPEB liability and deferrals	7,964	—	—	7,964
Net cash provided (used) by operating activities	<u>\$ 74,181</u>	<u>\$ 20</u>	<u>\$ (2,537)</u>	<u>\$ 71,664</u>

Noncash investing, capital, and financing activities

Change in fair value of investments	\$ —	\$ —	\$ (128)	\$ (128)
Contribution of capital assets	\$ —	\$ —	\$ 135,927	\$ 135,927

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INTERNAL SERVICE FUNDS

EMPLOYEE HEALTH AND DISABILITY

These funds are administered by the Department of Management Services and are used primarily to account for health and disability plans for employees of the state.

DATA CENTERS

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

COMMUNICATIONS AND FACILITIES

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

OTHER

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

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/20
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ —	\$ 126	\$ 11,775	\$ —	\$ 11,901
Pooled investments with State Treasury	719,266	13,173	81,775	5,263	819,477
Other investments	—	—	44,295	—	44,295
Receivables, net	67,444	23	9,666	52	77,185
Due from other funds	2,136	3,861	15,992	4,591	26,580
Due from component units/primary	—	—	1,368	—	1,368
Total current assets	788,846	17,183	164,871	9,906	980,806
<u>Noncurrent assets</u>					
Capital assets					
Land and other non-depreciable assets	—	—	313	1	314
Buildings, equipment, and other depreciable assets	38	36,613	1,542,115	3,962	1,582,728
Accumulated depreciation	(28)	(34,073)	(618,892)	(3,390)	(656,383)
Construction work in progress	—	—	26,437	—	26,437
Total noncurrent assets	10	2,540	949,973	573	953,096
Total assets	788,856	19,723	1,114,844	10,479	1,933,902
DEFERRED OUTFLOWS OF RESOURCES					
Amount deferred on refunding of debt	—	—	3,414	—	3,414
Pension-related items	455	5,529	4,934	27,176	38,094
Other postemployment benefits	370	3,114	4,409	9,753	17,646
Total deferred outflows of resources	825	8,643	12,757	36,929	59,154
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	183,203	3,584	35,035	1,372	223,194
Due to other funds	12,497	352	68	1,394	14,311
Compensated absences	62	385	587	1,214	2,248
Installment purchases/capital leases	—	1,318	1,026	—	2,344
Bonds payable	—	—	15,710	—	15,710
Deposits	216,671	—	3,210	155	220,036
Obligations under security lending agreements	32,974	434	3,638	91	37,137
Certificates of participation payable	—	—	27,150	—	27,150
Pension liability	7	78	85	195	365
Other postemployment benefits liability	17	194	341	775	1,327
Total current liabilities	445,431	6,345	86,850	5,196	543,822
<u>Noncurrent liabilities</u>					
Advances from other funds	—	—	500	—	500
Bonds payable	—	—	158,838	—	158,838
Certificates of participation payable	—	—	292,852	—	292,852
Installment purchases/capital leases	—	28	3,220	—	3,248
Compensated absences	79	2,270	1,620	5,780	9,749
Pension liability	1,212	13,466	14,176	67,859	96,713
Other postemployment benefits liability	1,311	14,774	26,008	59,185	101,278
Total noncurrent liabilities	2,602	30,538	497,214	132,824	663,178
Total liabilities	448,033	36,883	584,064	138,020	1,207,000
DEFERRED INFLOWS OF RESOURCES					
Amount deferred on refunding of debt	—	—	7,253	—	7,253
Pension-related items	679	1,779	1,673	7,485	11,616
Other postemployment benefits	545	4,412	5,971	15,715	26,643
Total deferred inflows of resources	1,224	6,191	14,897	23,200	45,512
NET POSITION					
Net investment in capital assets	10	2,540	451,584	573	454,707
Restricted - other	—	—	53,538	—	53,538
Unrestricted	340,414	(17,248)	23,518	(114,385)	232,299
Total net position	\$ 340,424	\$ (14,708)	\$ 528,640	\$ (113,812)	\$ 740,544

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/20
OPERATING REVENUES					
Sales - nonstate	\$ —	\$ 149	\$ 35,046	\$ 6,642	\$ 41,837
Fees	—	—	1	—	1
Sales - state	2,490,995	74,612	93,474	53,429	2,712,510
Rents - state	—	—	141,003	—	141,003
Fines, forfeits, settlements and judgments	—	—	—	36	36
Other	15,039	—	—	—	15,039
Total operating revenues	2,506,034	74,761	269,524	60,107	2,910,426
OPERATING EXPENSES					
Contractual services	360,672	44,220	140,684	10,148	555,724
Insurance claims expense	2,031,502	—	—	—	2,031,502
Personal services	1,588	23,781	24,896	55,338	105,603
Depreciation	4	3,234	32,647	274	36,159
Materials and supplies	111	387	707	4,034	5,239
Repairs and maintenance	—	567	1,177	1	1,745
Basic services	127	1,732	3,188	3,639	8,686
Interest and fiscal charges	—	—	11	—	11
Total operating expenses	2,394,004	73,921	203,310	73,434	2,744,669
Operating income (loss)	112,030	840	66,214	(13,327)	165,757
NONOPERATING REVENUES/(EXPENSES)					
Grants and donations	—	295	489	31	815
Investment earnings (losses)	25,766	436	4,036	66	30,304
Interest and fiscal charges	(610)	(9)	(11,182)	(1)	(11,802)
Property disposition gain (loss)	—	(38)	(750)	(3)	(791)
Total nonoperating revenues (expenses)	25,156	684	(7,407)	93	18,526
Income (loss) before transfers and contributions	137,186	1,524	58,807	(13,234)	184,283
Operating transfers in	23,801	—	681	—	24,482
Operating transfers out	(908)	(663)	(14,852)	(1,773)	(18,196)
Capital contributions	—	—	39	87	126
Change in net position	160,079	861	44,675	(14,920)	190,695
Total net position - beginning	180,345	(15,569)	483,965	(98,892)	549,849
Total net position - ending	\$ 340,424	\$ (14,708)	\$ 528,640	\$ (113,812)	\$ 740,544

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,520,136	\$ 74,987	\$ 270,955
Cash paid to vendors	(377,020)	(45,557)	(136,686)
Cash paid to employees	(1,616)	(22,009)	(22,941)
Cash paid for insurance claims	(2,032,153)	—	—
Net cash provided (used) by operating activities	109,347	7,421	111,328
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	8,446	22,792	(24,287)
Advances from or repayment from other funds	—	(25,315)	—
Net cash provided (used) by noncapital financing activities	8,446	(2,523)	(24,287)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from sale or lease of capital assets	—	434	—
Payment of bond principal	—	—	(51,965)
Payment of interest on bonds/installment purchase/capital lease	—	—	(10,857)
Purchase or construction of capital assets	(2)	(2,788)	(20,613)
Net cash provided (used) by capital and related financing activities	(2)	(2,354)	(83,435)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	12,147	415	952
Investment earnings	26,125	420	3,116
Net cash provided (used) by investing activities	38,272	835	4,068
Net increase (decrease) in cash and cash equivalents	156,063	3,379	7,674
Cash and cash equivalents - beginning	563,203	9,920	85,876
Cash and cash equivalents - ending	\$ 719,266	\$ 13,299	\$ 93,550

Other	Totals 6/30/20
\$ 61,487	\$ 2,927,565
(17,230)	(576,493)
(44,593)	(91,159)
—	(2,032,153)
(336)	227,760
(1,287)	5,664
—	(25,315)
(1,287)	(19,651)
—	434
—	(51,965)
—	(10,857)
(18)	(23,421)
(18)	(85,809)
91	13,605
64	29,725
155	43,330
(1,486)	165,630
6,749	665,748
\$ 5,263	\$ 831,378

INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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)	\$ 112,030	\$ 840	\$ 66,214
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	4	3,234	32,647
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(31,262)	(2)	3,359
(Increase) decrease in due from other funds	—	224	—
Increase (decrease) in allowance for uncollectibles	336	2	—
Increase (decrease) in accounts payable	(16,810)	342	8,342
Increase (decrease) in compensated absences	57	(180)	172
Increase (decrease) in due to other funds	—	15	—
Increase (decrease) in unearned revenue	45,031	—	(1,930)
Increase (decrease) in pension liability and deferrals	(76)	2,397	1,498
Increase (decrease) in OPEB liability and deferrals	37	549	1,026
Net cash provided (used) by operating activities	<u>\$ 109,347</u>	<u>\$ 7,421</u>	<u>\$ 111,328</u>
Noncash investing, capital, and financing activities			
Change in fair value of investments	\$ 10,591	\$ 196	\$ 1,083

<u>Other</u>	<u>Totals 6/30/20</u>
\$ (13,327)	\$ 165,757
274	36,159
1,776	(26,129)
(793)	(569)
—	338
(217)	(8,343)
(348)	(299)
586	601
(410)	42,691
10,294	14,113
1,829	3,441
<u>\$ (336)</u>	<u>\$ 227,760</u>

\$ 42 \$ 11,912

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PRIVATE-PURPOSE TRUST FUNDS

TRUST ESCROW ADMINISTRATION

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

UNCLAIMED PROPERTY

This fund includes the internal reporting funds administered by the Department of Financial Services that are used to account for unclaimed property pursuant to Section 717.123, Florida Statutes.

STUDENT LOAN GUARANTY RESERVE

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

COLLEGE SAVINGS PLAN

This fund, administered by the State Board of Administration, is used to account for contributions from participants of the College Savings Plan as authorized by Section 1009.981, Florida Statutes. Participant contributions are collected and invested in accordance with the Plan provisions and participant direction.

OTHER

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

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ASSETS				
Cash and cash equivalents	\$ 1,740	\$ 1,181	\$ —	\$ 2,246
Pooled investments with State Treasury	615,989	42,695	29,250	1,371
Total cash and cash equivalents	617,729	43,876	29,250	3,617
<u>Investments</u>				
U.S. government & federally guaranteed obligations	—	—	—	—
Federal agencies	—	—	—	—
Bonds and notes	—	—	—	—
International bonds and notes	—	—	—	—
Mutual fund investments	—	—	—	19,581
Money market and short-term investments	1,366	—	—	7,878
Domestic equity	—	40,317	—	—
International equity	—	—	—	—
Total investments	1,366	40,317	—	27,459
<u>Receivables</u>				
Accounts receivable	9,595	1,913	—	17
Interest receivable	3,778	5	51	—
Dividends receivable	—	—	—	12
Pending investment sales	—	—	—	498
Due from state funds	—	9	201	—
Due from other governments	—	—	4,970	—
Total receivables	13,373	1,927	5,222	527
Advances to other funds	—	986,684	—	—
Advances to other entities	41,296	—	—	—
Capital assets	12,135	309	—	—
Accumulated depreciation	—	(254)	—	—
Other assets	2,080	—	—	—
Total assets	687,979	1,072,859	34,472	31,603
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	—	2,058	—	—
Other postemployment benefits	—	980	—	—
Total deferred outflows of resources	—	3,038	—	—
LIABILITIES				
Accounts payable and accrued liabilities	613	40,317	—	292
Due to other funds	538	6	310	58
Pending investment purchases	—	—	—	448
Due to other governments	—	—	1,447	—
Obligations under security lending agreements	34,102	143	1,554	—
Deposits payable	330	—	—	—
Compensated absences	—	586	—	—
Pension liability	—	2,848	—	—
Other postemployment benefits liability	—	5,580	—	—
Total liabilities	35,583	49,480	3,311	798
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	—	238	—	—
Other postemployment benefits	—	1,111	—	—
Total deferred inflows of resources	—	1,349	—	—
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ 652,396	\$ 1,025,068	\$ 31,161	\$ 30,805

College Savings Plan	Totals 6/30/20
\$ 788	\$ 5,955
—	689,305
<u>788</u>	<u>695,260</u>
35,465	35,465
62,477	62,477
119,630	119,630
13,185	13,185
383,730	403,311
113,324	122,568
60,544	100,861
8,977	8,977
<u>797,332</u>	<u>866,474</u>
8	11,533
1,155	4,989
351	363
8,456	8,954
29,286	29,496
—	4,970
<u>39,256</u>	<u>60,305</u>
—	986,684
—	41,296
6	12,450
(2)	(256)
—	2,080
<u>837,380</u>	<u>2,664,293</u>
—	2,058
—	980
<u>—</u>	<u>3,038</u>
1,350	42,572
326	1,238
38,514	38,962
—	1,447
—	35,799
34,872	35,202
87	673
—	2,848
—	5,580
<u>75,149</u>	<u>164,321</u>
—	238
—	1,111
<u>—</u>	<u>1,349</u>
<u>\$ 762,231</u>	<u>\$ 2,501,661</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ADDITIONS				
<u>Contributions and other deposits</u>				
Fees	\$ —	\$ —	\$ —	\$ 40
Grants and contributions	—	9	52,114	—
Fines, forfeits, settlements and judgments	—	260	—	—
Unclaimed property remittances	—	503,173	—	—
Receivership assets acquired	110,150	—	—	—
Transfers in from state funds	—	—	66	1,328
Total contributions and other deposits	110,150	503,442	52,180	1,368
<u>Investment income</u>				
Interest income	26,073	120	1,353	124
Dividends	—	—	—	372
Net increase (decrease) in fair market value	—	—	—	596
Total investment income (loss)	26,073	120	1,353	1,092
Investment activity expense	(1,864)	(369)	—	—
Net income (loss) from investing activity	24,209	(249)	1,353	1,092
Total net investment income (loss)	24,209	(249)	1,353	1,092
Other additions	—	883	2,135	—
Total additions	134,359	504,076	55,668	2,460
DEDUCTIONS				
Insurance claims expense	6,368	—	—	—
Interest expense	667	3	33	—
Student loan default payments	—	—	53,464	—
Payments to unclaimed property claimants	—	321,914	—	—
Distribution to State School Fund	—	130,289	—	—
Administrative expense	13,160	4,902	—	1,575
Transfers out to state funds	—	2,789	25	—
Other deductions	—	735	793	4,064
Total deductions	20,195	460,632	54,315	5,639
<u>Depositor activity</u>				
Deposits	183,123	—	—	13,722
Withdrawals	(46,706)	—	—	—
Excess (deficiency) of deposits over withdrawals	136,417	—	—	13,722
Change in net position	250,581	43,444	1,353	10,543
Net position - beginning	401,815	981,624	29,808	20,262
Net position - ending	\$ 652,396	\$ 1,025,068	\$ 31,161	\$ 30,805

College Savings Plan	Totals 6/30/20
\$ 1,360	\$ 1,400
99,743	151,866
4	264
—	503,173
—	110,150
3,644	5,038
<u>104,751</u>	<u>771,891</u>
10,218	37,888
7,681	8,053
8,698	9,294
<u>26,597</u>	<u>55,235</u>
(893)	(3,126)
<u>25,704</u>	<u>52,109</u>
25,704	52,109
—	3,018
<u>130,455</u>	<u>827,018</u>
—	6,368
—	703
—	53,464
—	321,914
—	130,289
4,293	23,930
—	2,814
49,777	55,369
<u>54,070</u>	<u>594,851</u>
—	196,845
—	(46,706)
—	150,139
<u>76,385</u>	<u>382,306</u>
685,846	2,119,355
<u>\$ 762,231</u>	<u>\$ 2,501,661</u>

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PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

DEFINED BENEFIT PENSION PLAN

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

OTHER DEFINED CONTRIBUTION PLANS

This category includes those internal reporting funds administered by the Department of Management Services, Division of Retirement, to account for operations of the state's other defined contribution plans.

DEFERRED COMPENSATION PLAN

This category includes those internal reporting funds administered by the Department of Financial Services to account for operations of government employees' 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 employees' 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
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
ASSETS				
Cash and cash equivalents	\$ 92,969	\$ —	\$ —	\$ —
Pooled investments with State Treasury	90,129	16,823	1,775	25,430
Total cash and cash equivalents	183,098	16,823	1,775	25,430
<u>Investments</u>				
U.S. government & federally guaranteed obligations	14,837,162	—	—	—
Federal agencies	8,169,761	—	—	—
Commercial paper	1,127,836	—	—	—
Repurchase agreements	800,000	—	—	—
Bonds and notes	9,023,625	—	2,013,664	—
International bonds and notes	2,448,364	—	—	—
Real estate contracts	11,996,483	—	—	—
Mutual fund investments	—	—	2,693,848	—
Money market and short-term investments	238,806	—	—	—
Domestic equity	48,275,740	—	35,967	—
Alternative investments	28,780,594	—	—	—
International equity	31,129,943	—	3,911	—
International equity commingled	7,089,845	—	—	—
Deferred compensation annuities	—	—	14,270	—
Self-directed brokerage investments	—	—	—	—
Other investments	15,838	—	—	—
Total investments	163,933,997	—	4,761,660	—
<u>Receivables</u>				
Accounts receivable	18,686	—	—	2,131
State contributions receivable	327	4	—	—
Nonstate contributions receivable	242,254	12	—	—
Interest receivable	137,050	17	3	53
Dividends receivable	207,825	—	—	—
Pending investment sales	1,073,650	—	—	—
Foreign currency contracts receivable	97,986	—	—	—
Due from state funds	41,118	—	—	—
Total receivables	1,818,896	33	3	2,184
Security lending collateral	1,830,474	—	—	—
Capital assets	1,315	—	—	22
Accumulated depreciation	(702)	—	—	(9)
Other assets	5,346	—	—	—
Total assets	167,772,424	16,856	4,763,438	27,627
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	—	30	—	104
Other postemployment benefits	2,577	26	—	61
Total deferred outflows of resources	2,577	56	—	165
LIABILITIES				
Accounts payable and accrued liabilities	176,808	129	—	3,244
Due to other funds	26,413	1,388	—	2,146
DROP	298,096	—	—	—
Pending investment purchases	3,657,896	—	—	—
Short sell obligations	64,604	—	—	—
Foreign currency contracts payable	98,021	—	—	—
Broker rebate fees	58	—	—	—
Obligations under security lending agreements	1,846,619	482	95	1,102
Deposits payable	19,101	8,118	—	14,958
Compensated absences	1,069	3	—	65
Pension liability	—	83	—	281
Other postemployment benefits liability	14,503	177	—	443
Total liabilities	6,203,188	10,380	95	22,239
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	—	47	—	164
Other postemployment benefits	3,548	32	—	79
Total deferred inflows of resources	3,548	79	—	243
NET POSITION				
Restricted for pension benefits and other purposes	\$ 161,568,265	\$ 6,453	\$ 4,763,343	\$ 5,310

2020 STATE OF FLORIDA CAFR

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	National Guard Supplemental Retirement Benefit	Totals 6/30/20
\$ 2	\$ 50	\$ —	\$ 93,021
53	50,692	—	184,902
55	50,742	—	277,923
—	89,924	—	14,927,086
—	123,899	—	8,293,660
—	—	—	1,127,836
—	—	—	800,000
—	131,935	—	11,169,224
—	25,927	—	2,474,291
—	—	—	11,996,483
—	8,693,541	—	11,387,389
324,936	1,116,372	—	1,680,114
—	521,096	—	48,832,803
—	—	—	28,780,594
—	24,357	—	31,158,211
—	—	—	7,089,845
—	—	—	14,270
—	817,186	—	817,186
—	—	—	15,838
324,936	11,544,237	—	180,564,830
28	1,230	—	22,075
16	319	—	666
41,026	53,790	—	337,082
—	1,279	—	138,402
—	1,274	—	209,099
—	53,589	—	1,127,239
—	—	—	97,986
12,205	14,940	—	68,263
53,275	126,421	—	2,000,812
—	—	—	1,830,474
—	—	—	1,337
—	—	—	(711)
—	—	—	5,346
378,266	11,721,400	—	184,680,011
—	—	—	134
—	—	—	2,664
—	—	—	2,798
5	3,595	—	183,781
—	47,284	—	77,231
—	—	—	298,096
—	98,691	—	3,756,587
—	—	—	64,604
—	—	—	98,021
—	—	—	58
—	—	—	1,848,298
—	—	—	42,177
—	—	—	1,137
—	—	—	364
—	—	—	15,123
5	149,570	—	6,385,477
—	—	—	211
—	—	—	3,659
—	—	—	3,870
\$ 378,261	\$ 11,571,830	\$ —	\$ 178,293,462

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
ADDITIONS				
<u>Contributions and other deposits</u>				
Pension fund employer contributions - state	\$ 564,233	\$ 14,496	\$ —	\$ —
Pension fund employer contributions - nonstate	2,758,323	93,573	—	—
Pension fund employee contributions	744,128	105,216	—	—
Other contributions	—	—	—	185,725
Purchase of time by employees	4,327	4	—	—
Fees	—	—	1,874	—
Flexible benefits contributions	—	—	264,973	—
Fines, forfeits, settlements and judgments	—	—	—	—
Transfers in from state funds	89,900	—	—	—
Total contributions and other deposits	4,160,911	213,289	266,847	185,725
<u>Investment income</u>				
Interest income	1,432,281	467	75	1,285
Dividends	1,729,372	—	—	—
Other investment income (loss)	2,292,421	—	—	—
Net increase (decrease) in fair market value	470,278	—	241,456	—
Total investment income (loss)	5,924,352	467	241,531	1,285
Investment activity expense	(614,070)	(11)	—	(45)
Net income (loss) from investing activity	5,310,282	456	241,531	1,240
<u>Security lending activity</u>				
Security lending income	38,259	—	—	—
Security lending expense	(10,684)	—	—	—
Net income from security lending	27,575	—	—	—
Total net investment income (loss)	5,337,857	456	241,531	1,240
Other additions	2,052	208	—	326
Total additions	9,500,820	213,953	508,378	187,291
DEDUCTIONS				
Benefit payments	10,906,559	—	361,255	—
Insurance claims expense	—	—	—	7,436
Supplemental insurance payments	—	—	—	92,997
Flexible reimbursement payments	—	—	—	26,395
Life insurance premium payments	—	—	—	33,902
Remittances to annuity companies	—	212,447	—	—
Program contribution refunds	18,888	—	—	—
Interest expense	—	—	2	—
Administrative expense	20,195	262	79	613
Transfers out to state funds	561,567	1	1,828	24,304
Other deductions	13	—	—	—
Total deductions	11,507,222	212,710	363,164	185,647
Change in net position	(2,006,402)	1,243	145,214	1,644
Net position - beginning, as restated (Note 1)	163,574,667	5,210	4,618,129	3,666
Net position - ending	\$ 161,568,265	\$ 6,453	\$ 4,763,343	\$ 5,310

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	National Guard Supplemental Retirement Benefit	Totals 6/30/20
\$ 79,917	\$ 77,281	\$ —	\$ 735,927
496,336	316,378	—	3,664,610
370	232,874	—	1,082,588
—	—	—	185,725
—	10	—	4,341
—	—	—	1,874
—	—	—	264,973
—	6	—	6
—	560,218	15,129	665,247
576,623	1,186,767	15,129	6,605,291
5,054	10,264	—	1,449,426
—	37,723	—	1,767,095
81	130	—	2,292,632
5	239,084	—	950,823
5,140	287,201	—	6,459,976
—	(5,547)	—	(619,673)
5,140	281,654	—	5,840,303
—	—	—	38,259
—	—	—	(10,684)
—	—	—	27,575
5,140	281,654	—	5,867,878
175	17,960	—	20,721
581,938	1,486,381	15,129	12,493,890
505,549	1,112,354	15,121	12,900,838
—	—	—	7,436
—	—	—	92,997
—	—	—	26,395
—	—	—	33,902
—	—	—	212,447
—	—	—	18,888
—	—	—	2
170	5,811	8	27,138
1	109,076	—	696,777
—	—	—	13
505,720	1,227,241	15,129	14,016,833
76,218	259,140	—	(1,522,943)
302,043	11,312,690	—	179,816,405
\$ 378,261	\$ 11,571,830	\$ —	\$ 178,293,462

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INVESTMENT TRUST FUNDS

EXTERNAL TREASURY POOL

This fund, administered by the State Treasury, is used to account for the external portion of the State Treasurer's Investment Pool.

INVESTMENT POOL A

This fund, administered by the State Board of Administration, is used to account for the external portion of the Local Government Surplus Funds Trust Fund (an investment pool) reported by the state.

COMBINING STATEMENT OF FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 (in thousands)

	External Treasury Pool	Investment Pool A	Totals 6/30/20
ASSETS			
Cash and cash equivalents	\$ —	\$ 1,776,700	\$ 1,776,700
Pooled investments with State Treasury	827,544	—	827,544
Total cash and cash equivalents	827,544	1,776,700	2,604,244
<u>Investments</u>			
Certificates of deposit	—	2,671,483	2,671,483
U. S. government & federally guaranteed obligations	—	1,250,934	1,250,934
Commercial paper	—	5,580,276	5,580,276
Repurchase agreements	—	1,447,681	1,447,681
Bonds and notes	—	31,257	31,257
Money market and short-term investments	—	715,976	715,976
Total investments	—	11,697,607	11,697,607
<u>Receivables</u>			
Interest receivable	1,443	2,911	4,354
Total receivables	1,443	2,911	4,354
Other assets	—	21	21
Total assets	828,987	13,477,239	14,306,226
LIABILITIES			
Accounts payable and accrued liabilities	—	745	745
Due to other funds	—	110	110
Pending investment purchases	—	176,328	176,328
Obligations under security lending agreements	46,272	—	46,272
Total liabilities	46,272	177,183	223,455
NET POSITION			
Restricted for pool participants	\$ 782,715	\$ 13,300,056	\$ 14,082,771

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	External Treasury Pool	Investment Pool A	Totals 6/30/20
ADDITIONS			
<u>Contributions and other deposits</u>			
Fines, forfeits, settlements and judgments	\$ —	\$ 291	\$ 291
Total contributions and other deposits	—	291	291
<u>Investment income</u>			
Interest income	36,297	212,608	248,905
Net increase (decrease) in fair market value	—	362	362
Total investment income (loss)	36,297	212,970	249,267
Investment activity expense	(735)	(4,039)	(4,774)
Net income (loss) from investing activity	35,562	208,931	244,493
Total net investment income (loss)	35,562	208,931	244,493
Total additions	35,562	209,222	244,784
DEDUCTIONS			
Administrative expense	—	51	51
Total deductions	—	51	51
<u>Depositor activity</u>			
Deposits	465,780	26,398,366	26,864,146
Withdrawals	(190,797)	(24,734,330)	(24,925,127)
Excess (deficiency) of deposits over withdrawals	274,983	1,664,036	1,939,019
Change in net position	310,545	1,873,207	2,183,752
Net position - beginning	472,170	11,426,849	11,899,019
Net position - ending	\$ 782,715	\$ 13,300,056	\$ 14,082,771

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AGENCY FUNDS

TAX DISTRIBUTION AND ADMINISTRATION

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

OTHER

These agency funds, administered by various agencies, are used to account for resources held in trust for entities outside of the State government and for the asset and liability balance related to retiree health care.

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.

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COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Tax Distribution and Administration	Other	School for the Deaf and the Blind	State Board of Administration	Totals 6/30/20
ASSETS					
Cash and cash equivalents	\$ 89	\$ 66,257	\$ 41	\$ 1	\$ 66,388
Pooled investments with State Treasury	638,515	307,204	—	—	945,719
Total cash and cash equivalents	638,604	373,461	41	1	1,012,107
<u>Investments</u>					
U.S. government & federally guaranteed obligations	—	—	—	37,414	37,414
Other investments	—	200	—	—	200
Total investments	—	200	—	37,414	37,614
<u>Receivables</u>					
Accounts receivable	622,843	90,361	—	—	713,204
Interest receivable	—	519	—	436	955
Due from state funds	241,695	12,786	—	—	254,481
Total receivables	864,538	103,666	—	436	968,640
Total assets	\$ 1,503,142	\$ 477,327	\$ 41	\$ 37,851	\$ 2,018,361
LIABILITIES					
Accounts payable and accrued liabilities	\$ 709,772	\$ 47,273	\$ 41	\$ —	\$ 757,086
Due to other funds	110,785	144,013	—	3	254,801
Due to other governments	682,585	32,044	—	—	714,629
Obligations under security lending agreements	—	15,979	—	—	15,979
Claims payable	—	17,212	—	—	17,212
Deposits payable	—	220,646	—	37,848	258,494
Other liabilities	—	160	—	—	160
Total liabilities	\$ 1,503,142	\$ 477,327	\$ 41	\$ 37,851	\$ 2,018,361

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

	Balance 6/30/2019	Additions	Deductions	Balance 6/30/2020
<u>Tax Distribution and Administration</u>				
ASSETS				
Cash and cash equivalents	\$ 128	\$ 3	\$ 42	\$ 89
Pooled investments with State Treasury	824,611	14,191,232	14,377,328	638,515
Accounts receivable	472,805	306,719	156,681	622,843
Due from state funds	132,547	112,832	3,684	241,695
Total assets	<u>\$ 1,430,091</u>	<u>\$ 14,610,786</u>	<u>\$ 14,537,735</u>	<u>\$ 1,503,142</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 570,746	\$ 139,123	\$ 97	\$ 709,772
Due to other funds	83,056	29,442	1,713	110,785
Due to other governments	776,289	19,065	112,769	682,585
Total liabilities	<u>\$ 1,430,091</u>	<u>\$ 187,630</u>	<u>\$ 114,579</u>	<u>\$ 1,503,142</u>
<u>Other</u>				
ASSETS				
Cash and cash equivalents	\$ 77,679	\$ 286,200	\$ 297,622	\$ 66,257
Pooled investments with State Treasury	277,793	6,877,270	6,847,859	307,204
Other investments	100	100	—	200
Accounts receivable	83,358	31,681	24,678	90,361
Interest receivable	631	536	648	519
Due from state funds	21,570	12,786	21,570	12,786
Total assets	<u>\$ 461,131</u>	<u>\$ 7,208,573</u>	<u>\$ 7,192,377</u>	<u>\$ 477,327</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 37,472	\$ 390,418	\$ 380,617	\$ 47,273
Due to other funds	124,726	144,015	124,727	144,014
Due to other governments	32,739	32,044	32,739	32,044
Obligations under security lending agreements	10,240	5,739	—	15,979
Claims payable	19,511	17,212	19,511	17,212
Deposits payable	236,337	67,859	83,551	220,645
Other liabilities	106	54	—	160
Total liabilities	<u>\$ 461,131</u>	<u>\$ 657,341</u>	<u>\$ 641,145</u>	<u>\$ 477,327</u>
<u>School for the Deaf and the Blind</u>				
ASSETS				
Cash and cash equivalents	\$ 40	\$ 65	\$ 64	\$ 41
Total assets	<u>\$ 40</u>	<u>\$ 65</u>	<u>\$ 64</u>	<u>\$ 41</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 40	\$ 20	\$ 19	\$ 41
Total liabilities	<u>\$ 40</u>	<u>\$ 20</u>	<u>\$ 19</u>	<u>\$ 41</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)

<u>State Board of Administration</u>	Balance 6/30/2019	Additions	Deductions	Balance 6/30/2020
ASSETS				
Cash and cash equivalents	\$ 3	\$ 2,997,521	\$ 2,997,523	\$ 1
U.S. government & federally guaranteed obligations	809,571	2,250	774,407	37,414
Interest receivable	5,653	8,336	13,553	436
Pending investment sales	92,676	1,460,386	1,553,062	—
Total assets	<u>\$ 907,903</u>	<u>\$ 4,468,493</u>	<u>\$ 5,338,545</u>	<u>\$ 37,851</u>
LIABILITIES				
Due to other funds	\$ 33	\$ 24	\$ 54	\$ 3
Deposits payable	907,870	1,441,490	2,311,512	37,848
Total liabilities	<u>\$ 907,903</u>	<u>\$ 1,441,514</u>	<u>\$ 2,311,566</u>	<u>\$ 37,851</u>
<u>Totals - All Agency Funds</u>				
ASSETS				
Cash and cash equivalents	\$ 77,850	\$ 3,283,789	\$ 3,295,251	\$ 66,388
Pooled investments with State Treasury	1,102,404	21,068,502	21,225,187	945,719
U.S. government & federally guaranteed obligations	809,571	2,250	774,407	37,414
Other investments	100	100	—	200
Accounts receivable	556,163	338,400	181,359	713,204
Interest receivable	6,284	8,872	14,201	955
Pending investment sales	92,676	1,460,386	1,553,062	—
Due from state funds	154,117	125,618	25,254	254,481
Total assets	<u>\$ 2,799,165</u>	<u>\$ 26,287,917</u>	<u>\$ 27,068,721</u>	<u>\$ 2,018,361</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 608,258	\$ 529,561	\$ 380,733	\$ 757,086
Due to other funds	207,815	173,481	126,494	254,802
Due to other governments	809,028	51,109	145,508	714,629
Obligations under security lending agreements	10,240	5,739	—	15,979
Claims payable	19,511	17,212	19,511	17,212
Deposits payable	1,144,207	1,509,349	2,395,063	258,493
Other liabilities	106	54	—	160
Total liabilities	<u>\$ 2,799,165</u>	<u>\$ 2,286,505</u>	<u>\$ 3,067,309</u>	<u>\$ 2,018,361</u>

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NONMAJOR COMPONENT UNITS

WATER MANAGEMENT DISTRICTS

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

OTHER STATE UNIVERSITIES

This category includes 11 state universities. Refer to Note 1 for additional information.

FLORIDA COLLEGES

This category includes 28 Florida College System Institutions. Refer to Note 1 for additional information.

OTHER NONMAJOR COMPONENT UNITS

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

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**COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

	Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/20
ASSETS					
Cash and cash equivalents	\$ 72,721	\$ 403,153	\$ 76,810	\$ 520,550	\$ 1,073,234
Pooled investments with State Treasury	83,113	1,451,123	219,634	22,062	1,775,932
Other investments	705,653	1,965,679	995,654	1,719,115	5,386,101
Receivables, net	19,667	472,839	346,401	120,682	959,589
Due from component units/primary	72,743	327,095	36,540	15,440	451,818
Inventories	5,933	9,739	9,399	12,188	37,259
Restricted cash and cash equivalents	—	108,030	284,849	102,505	495,384
Restricted pooled investments with State Treasury	—	268,645	398,824	—	667,469
Restricted investments	433,508	2,550,061	1,103,697	100,777	4,188,043
Other loans and notes receivable, net	—	97,374	—	844	98,218
Other assets	13,047	287,279	83,864	6,411	390,601
Capital assets, net	8,165,442	9,308,702	4,348,308	671,976	22,494,428
Total assets	9,571,827	17,249,719	7,903,980	3,292,550	38,018,076
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value-hedging derivatives	—	21,176	—	—	21,176
Grants paid in advance	15	—	—	—	15
Amount deferred on refunding of debt	1,120	27,737	—	—	28,857
Pension-related items	53,308	714,366	438,418	56,641	1,262,733
Other postemployment benefits	3,388	458,466	20,971	2,816	485,641
Total deferred outflows of resources	57,831	1,221,745	459,389	59,457	1,798,422
LIABILITIES					
Accounts payable and accrued liabilities	145,637	389,259	314,677	108,070	957,643
Due to component units/primary	—	17,468	24,811	561	42,840
Long-term liabilities					
Due within one year	72,950	439,561	137,767	35,252	685,530
Due in more than one year	647,901	6,746,488	1,713,081	1,263,971	10,371,441
Total liabilities	866,488	7,592,776	2,190,336	1,407,854	12,057,454
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	—	113,943	—	243	114,186
Grants received in advance	—	1,535	—	—	1,535
Amount deferred on refunding of debt	—	240	—	—	240
Pension-related items	24,711	113,889	128,863	10,090	277,553
Other postemployment benefits	4,997	338,745	21,341	4,101	369,184
Irrevocable split-interest agreements	—	38,586	1,406	746	40,738
Total deferred inflows of resources	29,708	606,938	151,610	15,180	803,436
NET POSITION					
Net investment in capital assets	7,761,828	7,312,320	4,136,248	651,287	19,861,683
Restricted for					
Debt service	—	35,777	2,561	—	38,338
Other	593,234	1,821,767	1,635,894	762,134	4,813,029
Funds held for permanent endowment					
Expendable	—	258,273	229,831	—	488,104
Nonexpendable	—	1,755,486	502,931	3,067	2,261,484
Unrestricted	378,400	(911,873)	(486,042)	512,485	(507,030)
Total net position	\$ 8,733,462	\$ 10,271,750	\$ 6,021,423	\$ 1,928,973	\$ 26,955,608

**COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(in thousands)**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Water Management Districts	\$ 680,070	\$ 32,199	\$ 116,885	\$ 219,926
Other State Universities	8,111,676	2,447,616	2,386,511	161,354
Florida Colleges	3,780,476	740,333	1,317,851	161,471
Other Nonmajor Component Units	1,224,681	315,654	442,036	29,932
Total component units	<u>\$ 13,796,903</u>	<u>\$ 3,535,802</u>	<u>\$ 4,263,283</u>	<u>\$ 572,683</u>

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 6/30/20
\$ (311,060)	\$ —	\$ —	\$ —	\$ (311,060)
—	(3,116,195)	—	—	(3,116,195)
—	—	(1,560,821)	—	(1,560,821)
—	—	—	(437,059)	(437,059)
<u>(311,060)</u>	<u>(3,116,195)</u>	<u>(1,560,821)</u>	<u>(437,059)</u>	<u>(5,425,135)</u>
498,201	—	—	—	498,201
57,536	179,567	88,881	130,947	456,931
(1)	(10,327)	(8,686)	—	(19,014)
—	2,372,319	1,260,595	328,599	3,961,513
8,915	427,337	129,509	87,829	653,590
—	35,267	10,961	—	46,228
<u>564,651</u>	<u>3,004,163</u>	<u>1,481,260</u>	<u>547,375</u>	<u>5,597,449</u>
253,591	(112,032)	(79,561)	110,316	172,314
8,479,871	10,383,782	6,100,984	1,818,657	26,783,294
<u>\$ 8,733,462</u>	<u>\$ 10,271,750</u>	<u>\$ 6,021,423</u>	<u>\$ 1,928,973</u>	<u>\$ 26,955,608</u>

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STATISTICAL SECTION

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STATISTICAL SECTION

Table of Contents

This section of the State of Florida's CAFR provides additional detailed information for use in assessing the financial condition of the government.

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	290
Schedule A-2 - Changes in Net Position	292
Schedule A-3 - Fund Balances - Governmental Funds	296
Schedule A-4 - Changes in Fund Balances - Governmental Funds	298

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	300
Schedule B-2 - Principal Sales Tax Payers by Industry	302

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	304
Schedule C-2 - Ratios of Net General Bonded Debt Outstanding	306
Schedule C-3 - Legal Debt Margin	307
Schedule C-4 - Pledged-Revenue Coverage	308

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	314
Schedule D-2 - Industry Sector Employment	316

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	318
Schedule E-2 - Operating Indicators by Function	320
Schedule E-3 - Capital Assets by Function	322

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental Activities					
Net investment in capital assets	\$ 57,100,033	\$ 58,403,581	\$ 59,994,370	\$ 61,727,674	\$ 63,937,059
Restricted					
Natural resources, environment, and growth management	2,359,437	2,409,211	2,533,998	2,672,904	2,930,848
Public Education	700,343	593,657	390,829	502,820	778,229
Health and Family Services	2,117,546	1,042,253	1,562,739	1,771,369	1,258,290
Transportation	1,440,141	1,706,083	1,665,701	2,475,460	2,121,855
Nonmajor governmental funds	1,401,380	1,195,232	1,137,373	1,100,467	1,096,687
Debt service	286,787	289,922	280,048	263,030	248,102
Other	173,331	571,203	557,025	482,457	523,957
Unrestricted	(15,117,243)	(13,435,170)	(10,774,051)	(9,773,999)	(12,370,358)
Total governmental activities net position	<u>\$ 50,461,755</u>	<u>\$ 52,775,972</u>	<u>\$ 57,348,032</u>	<u>\$ 61,222,182</u>	<u>\$ 60,524,669</u>
Percent change from prior year	2.46%	4.59 %	8.66 %	6.76 %	-1.14 %
Business-type Activities					
Net investment in capital assets	\$ 5,256,229	\$ 5,365,538	\$ 5,841,079	\$ 6,789,610	\$ 7,543,562
Restricted					
Transportation	—	283,979	168,934	316,989	312,992
Lottery	120,722	135,245	102,088	93,419	95,094
Prepaid College Program	591,401	565,037	829,845	1,792,466	1,507,552
Hurricane Catastrophe Fund	4,729,314	6,424,436	8,295,259	10,160,217	11,632,636
Reemployment Assistance	(1,058,871)	—	1,158,339	2,044,428	2,797,525
Other	279,983	90	4,165	9,144	2,658
Unrestricted	549,270	617,183	889,008	951,037	893,680
Total business-type activities net position	<u>\$ 10,468,048</u>	<u>\$ 13,391,508</u>	<u>\$ 17,288,717</u>	<u>\$ 22,157,310</u>	<u>\$ 24,785,699</u>
Percent change from prior year	19.81%	27.93 %	29.10 %	28.16 %	11.86 %
Total Primary Government					
Net investment in capital assets	\$ 62,356,262	\$ 63,769,119	\$ 65,835,449	\$ 68,517,284	\$ 71,480,621
Restricted					
Natural resources, environment, and growth management	2,359,437	2,409,211	2,533,998	2,672,904	2,930,848
Public Education	700,343	593,657	390,829	502,820	778,229
Health and Family Services	2,117,546	1,042,253	1,562,739	1,771,369	1,258,290
Transportation	1,440,141	1,990,062	1,834,635	2,792,449	2,434,847
Nonmajor governmental funds	1,401,380	1,195,232	1,137,373	1,100,467	1,096,687
Debt service	286,787	289,922	280,048	263,030	248,102
Lottery	120,722	135,245	102,088	93,419	95,094
Prepaid College Program	591,401	565,037	829,845	1,792,466	1,507,552
Hurricane Catastrophe Fund	4,729,314	6,424,436	8,295,259	10,160,217	11,632,636
Reemployment Assistance	(1,058,871)	—	1,158,339	2,044,428	2,797,525
Other	453,314	571,293	561,190	491,601	526,615
Unrestricted	(14,567,973)	(12,817,987)	(9,885,043)	(8,822,962)	(11,476,678)
Total primary government net position	<u>\$ 60,929,803</u>	<u>\$ 66,167,480</u>	<u>\$ 74,636,749</u>	<u>\$ 83,379,492</u>	<u>\$ 85,310,368</u>
Percent change from prior year	5.08%	8.60 %	12.80 %	11.71 %	2.32 %

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.

2020 STATE OF FLORIDA CAFR

SCHEDULE A-1

		Fiscal Year							
		2016	2017	2018	2019	2020			
\$	66,196,839	\$	69,021,627	\$	70,555,222	\$	72,831,994	\$	75,163,014
	3,188,567		3,354,846		3,477,284		3,895,031		4,170,683
	742,292		701,059		597,870		533,623		405,676
	1,592,259		1,796,164		1,850,079		1,759,456		1,781,785
	1,942,833		1,630,744		1,701,574		1,742,579		1,698,367
	1,132,748		1,182,019		1,197,583		1,451,488		1,269,395
	252,056		217,884		162,511		80,368		30,391
	635,617		678,388		639,860		769,906		700,498
	(12,006,653)		(12,401,193)		(17,686,725)		(16,241,118)		(15,549,592)
<u>\$</u>	<u>63,676,558</u>	<u>\$</u>	<u>66,181,538</u>	<u>\$</u>	<u>62,495,258</u>	<u>\$</u>	<u>66,823,327</u>	<u>\$</u>	<u>69,670,217</u>
	5.21 %		3.93 %		-5.57 %		6.93%		4.26%
\$	7,766,815	\$	8,652,433	\$	10,521,410	\$	10,933,870	\$	12,022,039
	317,355		298,572		250,887		432,848		249,847
	121,932		95,499		91,991		130,558		139,270
	1,657,880		2,367,619		2,954,127		3,700,748		3,566,380
	12,771,922		13,980,584		12,700,446		10,288,180		10,351,755
	3,337,397		3,737,155		3,951,714		4,144,120		2,318,051
	1,296		467		12,286		5,744		2,132
	1,282,592		1,274,131		987,199		1,137,521		844,697
<u>\$</u>	<u>27,257,189</u>	<u>\$</u>	<u>30,406,460</u>	<u>\$</u>	<u>31,470,060</u>	<u>\$</u>	<u>30,773,589</u>	<u>\$</u>	<u>29,494,171</u>
	9.97 %		11.55 %		3.50 %		-2.26%		-4.16%
\$	73,963,654	\$	77,674,060	\$	81,076,632	\$	83,765,864	\$	87,185,053
	3,188,567		3,354,846		3,477,284		3,895,031		4,170,683
	742,292		701,059		597,870		533,623		405,676
	1,592,259		1,796,164		1,850,079		1,759,456		1,781,785
	2,260,188		1,929,316		1,952,461		2,175,427		1,948,214
	1,132,748		1,182,019		1,197,583		1,451,488		1,269,395
	252,056		217,884		162,511		80,368		30,391
	121,932		95,499		91,991		130,558		139,270
	1,657,880		2,367,619		2,954,127		3,700,748		3,566,380
	12,771,922		13,980,584		12,700,446		10,288,180		10,351,755
	3,337,397		3,737,155		3,951,714		4,144,120		2,318,051
	636,913		678,855		652,146		775,650		702,630
	(10,724,061)		(11,127,062)		(16,699,526)		(15,103,597)		(14,704,895)
<u>\$</u>	<u>90,933,747</u>	<u>\$</u>	<u>96,587,998</u>	<u>\$</u>	<u>93,965,318</u>	<u>\$</u>	<u>97,596,916</u>	<u>\$</u>	<u>99,164,388</u>
	6.59 %		6.22 %		-2.72 %		3.72%		1.61%

**Changes in Net Position
For the Last Ten Fiscal Years
(in thousands)**

(Accrual Basis of Accounting)

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses					
Governmental activities:					
General government	\$ 6,830,398	\$ 6,342,471	\$ 6,430,345	\$ 6,057,247	\$ 6,451,450
Education	20,423,515	17,695,809	17,807,322	19,316,440	19,642,993
Human services	29,040,946	29,650,274	30,770,664	32,971,959	34,302,877
Criminal justice and corrections	4,534,992	4,245,923	4,186,869	3,847,359	3,863,258
Natural resources and environment	2,339,268	2,265,464	2,374,092	2,497,934	2,537,376
Transportation	3,613,936	3,614,062	3,543,133	3,851,085	4,031,701
Judicial branch	435,153	409,441	455,878	487,056	479,671
Indirect interest on long-term debt	6,751	6,257	5,904	5,814	140,676
Total governmental activities expenses	67,224,959	64,229,701	65,574,207	69,034,894	71,450,002
Business-type activities:					
Transportation	385,564	421,724	426,056	392,138	470,955
Lottery	2,864,709	3,188,011	3,619,597	3,904,940	4,116,009
Hurricane Catastrophe Fund	236,475	113,808	(95,313)	(90,146)	91,173
Prepaid College Program	691,977	2,010,300	(149,009)	(48,662)	760,234
Reemployment Assistance	5,743,471	3,407,135	2,389,913	1,448,606	663,660
Nonmajor enterprise funds	268,936	256,936	287,278	314,276	322,557
Total business-type activities expenses	10,191,132	9,397,914	6,478,522	5,921,152	6,424,588
Total primary government expenses	\$ 77,416,091	\$ 73,627,615	\$ 72,052,729	\$ 74,956,046	\$ 77,874,590
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 4,092,321	\$ 4,680,250	\$ 5,153,314	\$ 4,804,016	\$ 4,577,749
Education	152,217	156,917	243,580	235,756	216,000
Human services	1,491,338	1,901,175	1,363,570	2,443,730	2,271,823
Criminal justice and corrections	775,476	729,837	762,411	261,949	275,308
Transportation	382,261	352,007	336,560	342,489	363,976
Judicial branch	255,995	361,627	485,131	274,205	709,950
Operating Grants and Contributions	232,771	247,645	105,006	99,211	85,598
Capital Grants and Contributions	27,920,491	23,925,002	25,852,502	26,960,994	26,000,382
Total governmental activities program revenues	37,361,323	34,390,924	36,324,503	37,893,240	36,730,123
Business-type activities:					
Charges for services					
Transportation	699,675	715,835	851,997	922,212	993,662
Lottery	4,044,597	4,524,446	5,012,842	5,392,735	5,607,354
Hurricane Catastrophe Fund	1,358,918	1,362,133	1,295,500	1,296,550	1,314,505
Prepaid College Program	799,886	1,983,897	115,727	913,778	475,406
Reemployment Assistance	1,722,484	2,200,841	2,235,316	1,911,442	1,416,939
Nonmajor enterprise funds	362,184	358,972	380,370	406,902	429,789
Operating Grants and Contributions	3,863,733	2,165,114	1,442,864	432,698	35,521
Capital Grants and Contributions	270	289	6,414	19,732	3,350
Total business-type activities program revenues	12,851,747	13,311,527	11,341,030	11,296,049	10,276,526
Total primary government program revenues	\$ 50,213,070	\$ 47,702,451	\$ 47,665,533	\$ 49,189,289	\$ 47,006,649
Net (Expense) Revenue ⁽¹⁾					
Governmental activities	\$ (29,863,636)	\$ (29,838,777)	\$ (29,249,704)	\$ (31,141,654)	\$ (34,719,879)
Business-type activities	2,660,615	3,913,613	4,862,508	5,374,897	3,851,938
Total primary government net (expense)	\$ (27,203,021)	\$ (25,925,164)	\$ (24,387,196)	\$ (25,766,757)	\$ (30,867,941)

⁽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.

2020 STATE OF FLORIDA CAFR

SCHEDULE A-2

Fiscal Year					
2016	2017	2018	2019	2020	
\$ 6,699,521	\$ 6,920,055	\$ 7,121,076	\$ 7,880,707	\$ 9,614,755	
20,162,012	20,805,316	22,087,266	23,156,683	23,297,022	
34,595,840	35,856,581	37,655,551	36,578,683	39,400,204	
4,021,540	4,276,747	4,641,430	4,829,124	5,178,908	
2,852,005	3,137,354	3,348,183	3,291,238	3,187,110	
4,962,377	4,405,444	4,384,174	4,393,614	4,301,255	
521,155	586,606	604,607	621,300	694,616	
78,225	84,311	87,061	37,977	66,581	
<u>73,892,675</u>	<u>76,072,414</u>	<u>79,929,348</u>	<u>80,789,326</u>	<u>85,740,451</u>	
514,248	574,436	655,689	774,282	842,859	
4,389,601	4,522,491	4,956,621	5,233,699	5,653,279	
68,294	80,081	2,578,144	4,019,088	1,556,717	
1,322,406	(251,749)	49,629	1,016,432	898,935	
465,563	414,596	450,662	386,497	9,191,215	
332,551	339,090	375,950	406,593	388,942	
<u>7,092,663</u>	<u>5,678,945</u>	<u>9,066,695</u>	<u>11,836,591</u>	<u>18,531,947</u>	
<u>\$ 80,985,338</u>	<u>\$ 81,751,359</u>	<u>\$ 88,996,043</u>	<u>\$ 92,625,917</u>	<u>\$ 104,272,398</u>	
\$ 4,656,044	\$ 5,182,354	\$ 4,986,966	\$ 5,150,621	\$ 4,631,524	
291,798	250,636	267,724	351,836	293,948	
1,702,416	1,502,243	2,119,895	2,043,492	2,186,607	
312,850	266,759	272,208	274,257	272,613	
367,177	344,710	351,419	398,537	387,081	
256,419	260,096	233,922	252,861	318,386	
77,239	88,213	89,863	98,834	93,555	
27,224,801	27,968,095	29,889,510	29,279,568	34,671,497	
2,503,371	2,250,743	2,490,930	2,310,034	2,076,859	
<u>37,392,115</u>	<u>38,113,849</u>	<u>40,702,437</u>	<u>40,160,040</u>	<u>44,932,070</u>	
1,131,342	1,175,815	1,234,814	1,278,487	1,189,112	
6,108,189	6,150,021	6,709,553	7,197,221	7,570,838	
1,214,518	1,203,757	1,306,875	1,618,782	1,631,661	
1,472,707	457,842	636,471	1,762,853	764,072	
1,031,057	821,223	663,818	583,516	526,593	
431,022	449,732	478,163	532,419	459,066	
10,886	4,948	12,168	5,186	6,846,808	
2,724	5,948	43,022	12,903	14,170	
<u>11,402,445</u>	<u>10,269,286</u>	<u>11,084,884</u>	<u>12,991,367</u>	<u>19,002,320</u>	
<u>\$ 48,794,560</u>	<u>\$ 48,383,135</u>	<u>\$ 51,787,321</u>	<u>\$ 53,151,407</u>	<u>\$ 63,934,390</u>	
\$ (36,500,560)	\$ (37,958,565)	\$ (39,226,911)	\$ (40,629,286)	\$ (40,808,381)	
4,309,782	4,590,341	2,018,189	1,154,776	470,373	
<u>\$ (32,190,778)</u>	<u>\$ (33,368,224)</u>	<u>\$ (37,208,722)</u>	<u>\$ (39,474,510)</u>	<u>\$ (40,338,008)</u>	

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

**General Revenues and Other Changes in
Net Position**

	Fiscal Year				
	2011	2012	2013	2014	2015
Governmental activities:					
Taxes					
Sales and use tax	\$ 17,822,003	\$ 18,632,812	\$ 19,914,591	\$ 21,255,958	\$ 22,916,865
Fuel taxes	2,512,393	2,515,654	2,580,843	2,680,381	2,799,442
Corporate income tax	1,880,365	2,042,537	2,055,440	2,043,380	2,236,690
Documentary stamp tax	1,152,222	1,289,321	1,662,044	1,806,604	2,118,466
Intangible personal property tax	163,553	190,247	279,047	254,236	305,131
Communication service tax	1,427,851	1,389,752	1,422,775	1,317,185	1,261,598
Beverage and tobacco taxes	1,886,065	1,847,468	1,700,095	1,631,109	1,647,809
Insurance premium tax	876,744	884,180	907,004	917,693	914,710
Gross receipts utilities tax	647,558	611,534	588,765	614,337	779,056
Other taxes	1,022,728	1,068,535	1,142,373	1,187,566	1,241,641
Investment earnings (loss)	369,459	288,425	104,112	346,868	138,726
Gain (loss) on sale of capital assets	(3,450)	(21,408)	(62,746)	(36,506)	(94,099)
Miscellaneous	68	—	—	—	—
Transfers	1,318,180	1,452,437	1,534,368	996,993	1,568,396
Total governmental activities	<u>31,075,739</u>	<u>32,191,494</u>	<u>33,828,711</u>	<u>35,015,804</u>	<u>37,834,431</u>
Business-type activities:					
Investment earnings	4,353	5,148	496	3,957	2,212
Gain (loss) on sale of capital assets	(2,732)	(717)	(4,679)	(2,579)	(13,238)
Emergency assessments	386,676	456,797	490,011	498,560	256,884
Miscellaneous	127	1,056	740	1,050	4,223
Transfers	(1,318,180)	(1,452,437)	(1,534,368)	(996,993)	(1,568,396)
Total business-type activities	<u>(929,756)</u>	<u>(990,153)</u>	<u>(1,047,800)</u>	<u>(496,005)</u>	<u>(1,318,315)</u>
Total primary government	<u>\$ 30,145,983</u>	<u>\$ 31,201,341</u>	<u>\$ 32,780,911</u>	<u>\$ 34,519,799</u>	<u>\$ 36,516,116</u>
Change in Net Position					
Governmental activities	\$ 1,212,103	\$ 2,352,717	\$ 4,579,007	\$ 3,874,150	\$ 3,114,552
Business-type activities	1,730,859	2,923,460	3,814,708	4,878,892	2,533,623
Total primary government ⁽²⁾	<u>\$ 2,942,962</u>	<u>\$ 5,276,177</u>	<u>\$ 8,393,715</u>	<u>\$ 8,753,042</u>	<u>\$ 5,648,175</u>

⁽²⁾ See Schedule A-1 for ending net asset balances for reported years.

(Continued)

		Fiscal Year							
		2016	2017	2018	2019	2020			
\$	24,255,828	\$	25,333,464	\$	26,781,181	\$	27,999,274	\$	26,936,491
	2,934,580		3,016,110		3,111,590		3,254,839		3,048,047
	2,181,244		2,383,783		2,412,220		3,114,711		2,509,887
	2,284,854		2,427,903		2,517,733		2,648,213		2,829,050
	341,418		370,421		376,744		386,168		488,765
	1,030,801		933,454		1,031,288		941,415		927,396
	1,589,210		1,521,059		1,465,590		1,445,638		1,398,145
	940,747		959,339		1,084,872		1,178,214		1,225,176
	777,404		767,388		793,809		806,447		732,663
	1,282,545		1,309,079		882,784		902,273		904,529
	327,804		61,669		231,040		661,924		886,544
	90,007		(166,526)		(49,064)		(289,470)		5,111
	—		—		—		—		1
	1,671,350		1,540,720		1,087,452		1,864,750		1,762,981
	<u>39,707,792</u>		<u>40,457,863</u>		<u>41,727,239</u>		<u>44,914,396</u>		<u>43,654,786</u>
	6,594		(696)		4,400		13,106		11,173
	(154,186)		(799)		(6,248)		(2,494)		(998)
	3,064		300		192		81		—
	555		1,018		2,973		2,810		3,174
	<u>(1,671,350)</u>		<u>(1,540,720)</u>		<u>(1,087,452)</u>		<u>(1,864,750)</u>		<u>(1,762,981)</u>
	<u>(1,815,323)</u>		<u>(1,540,897)</u>		<u>(1,086,135)</u>		<u>(1,851,247)</u>		<u>(1,749,632)</u>
\$	<u>37,892,469</u>	\$	<u>38,916,966</u>	\$	<u>40,641,104</u>	\$	<u>43,063,149</u>	\$	<u>41,905,154</u>
\$	3,207,232	\$	2,499,298	\$	2,500,328	\$	4,285,110	\$	2,846,405
	2,494,459		3,049,444		932,055		(696,471)		(1,279,259)
\$	<u>5,701,691</u>	\$	<u>5,548,742</u>	\$	<u>3,432,383</u>	\$	<u>3,588,639</u>	\$	<u>1,567,146</u>

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

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund (Per GASB 54):					
Nonspendable	\$ 76,554	\$ 33,323	\$ 27,518	\$ 36,142	\$ 19,120
Restricted	52,767	49,739	60,359	90,396	89,190
Committed	887,891	982,189	746,914	903,183	921,750
Unassigned	2,609,956	3,735,358	5,322,056	5,444,736	5,878,552
Total general fund	<u>3,627,168</u>	<u>4,800,609</u>	<u>6,156,847</u>	<u>6,474,457</u>	<u>6,908,612</u>
Percent change from prior year	-13.01 %	32.35 %	28.25 %	5.16 %	6.71 %
Other Governmental Funds (Per GASB 54):					
Nonspendable	59,967	74,260	117,133	95,290	47,641
Restricted	4,565,723	4,651,214	5,301,861	5,553,343	5,906,581
Committed	5,598,547	4,389,415	4,880,459	5,920,057	5,350,800
Unassigned	—	—	(743,777)	(808,982)	(883,674)
Total other governmental funds	<u>10,224,237</u>	<u>9,114,889</u>	<u>9,555,676</u>	<u>10,759,708</u>	<u>10,421,348</u>
Total Governmental Funds ⁽¹⁾	<u>\$ 13,851,405</u>	<u>\$ 13,915,498</u>	<u>\$ 15,712,523</u>	<u>\$ 17,234,165</u>	<u>\$ 17,329,960</u>
Percent change from prior year	1.42 %	0.46 %	12.91 %	9.68 %	0.56 %

⁽¹⁾ See Schedule A-4 for changes in fund balances from year to year.

Fiscal Year				
2016	2017	2018	2019	2020
\$ 26,800	\$ 20,932	\$ 16,142	\$ 15,768	\$ 11,959
74,750	71,000	39,684	55,171	73,252
1,032,466	1,168,162	1,239,072	1,274,538	1,293,157
5,694,315	5,419,306	5,842,506	7,476,330	7,864,662
<u>6,828,331</u>	<u>6,679,400</u>	<u>7,137,404</u>	<u>8,821,807</u>	<u>9,243,030</u>
-1.16%	-2.18%	6.86%	23.60%	4.77%
74,129	88,324	73,629	51,906	42,513
5,986,279	5,973,257	5,734,273	5,992,712	5,841,516
5,926,436	5,976,254	6,116,770	6,075,788	6,310,740
(851,275)	(904,334)	(888,359)	(821,050)	(858,577)
<u>11,135,569</u>	<u>11,133,501</u>	<u>11,036,313</u>	<u>11,299,356</u>	<u>11,336,192</u>
<u>\$ 17,963,900</u>	<u>\$ 17,812,901</u>	<u>\$ 18,173,717</u>	<u>\$ 20,121,163</u>	<u>\$ 20,579,222</u>
3.66%	-0.84%	2.03%	10.72%	2.28%

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Revenues					
Taxes	\$ 29,355,780	\$ 30,480,459	\$ 32,173,233	\$ 33,712,162	\$ 36,289,996
Licenses and permits	1,462,002	1,519,256	1,851,362	1,903,517	1,897,328
Fees and charges	4,543,730	5,236,550	4,930,332	4,827,751	4,843,738
Grants and donations	30,231,722	25,891,493	27,596,477	28,886,209	28,744,814
Investment earnings (losses)	495,585	461,343	191,892	481,773	246,533
Fines, forfeits, settlements and judgments	1,183,431	1,234,008	1,537,935	866,209	797,391
Other	119,190	171,866	148,442	565,212	704,131
Total revenues	67,391,440	64,994,975	68,429,673	71,242,833	73,523,931
Expenditures					
Current:					
General government	6,750,211	6,363,177	6,416,211	6,177,769	6,551,304
Education	19,685,314	16,960,772	17,149,935	18,723,050	19,087,014
Human services	29,070,430	29,663,993	30,594,941	32,888,676	34,183,874
Criminal justice and corrections	4,436,318	4,106,400	4,025,052	3,673,356	3,829,083
Natural resources and environment	2,162,579	2,095,042	2,206,123	2,351,663	2,423,631
Transportation	3,504,054	3,183,656	3,730,419	3,726,115	3,910,663
Judicial branch	426,559	401,216	445,686	475,097	497,318
Capital outlay	1,239,097	2,276,467	2,424,648	2,105,023	2,448,442
Gain/(loss) on disposal of general fixed assets	—	—	—	—	—
Debt service:					
Principal retirement	1,153,973	1,310,958	1,270,667	1,012,513	1,448,950
Interest and fiscal charges	1,054,036	1,019,426	960,974	894,496	958,558
Total expenditures	69,482,571	67,381,107	69,224,656	72,027,758	75,338,837
Excess (deficiency) of revenues over expenditures	(2,091,131)	(2,386,132)	(794,983)	(784,925)	(1,814,906)
Other Financing Sources (Uses)					
Proceeds of bond issues	962,333	317,936	229,511	298,118	45,165
Proceeds of refunding bonds	1,540,777	2,799,911	1,759,221	807,336	1,923,687
Operating transfers in	9,413,135	9,611,610	9,648,910	9,215,113	9,364,500
Operating transfers out	(8,091,465)	(8,141,874)	(8,097,250)	(7,590,188)	(7,787,355)
Proceeds of financing agreements	724	662,553	631,503	383,524	288,391
Payments to refunded bond agent	(1,540,777)	(2,799,911)	(1,759,221)	(807,336)	(1,923,687)
Total other financing sources (uses)	2,284,727	2,450,225	2,412,674	2,306,567	1,910,701
Net change in fund balances	\$ 193,596	\$ 64,093	\$ 1,617,691	\$ 1,521,642	\$ 95,795
Debt Service as a Percentage of Noncapital Expenditures	3.2 %	3.5 %	3.3 %	2.7 %	3.3 %

		Fiscal Year							
		2016	2017	2018	2019	2020			
\$	37,650,476	\$	39,034,702	\$	40,473,470	\$	42,684,416	\$	40,980,841
	2,032,352		2,126,261		2,268,941		2,221,598		2,041,437
	3,838,867		3,983,785		4,344,609		4,380,169		4,155,847
	29,696,010		30,103,652		32,243,096		31,379,504		36,960,719
	512,562		112,511		348,503		920,929		1,158,299
	841,078		1,289,474		807,165		1,108,662		938,994
	733,943		616,558		792,758		713,563		727,470
	<u>75,305,288</u>		<u>77,266,943</u>		<u>81,278,542</u>		<u>83,408,841</u>		<u>86,963,607</u>
	6,669,232		6,826,395		6,994,032		7,745,467		9,595,258
	19,662,950		20,324,681		21,679,600		22,804,005		23,003,050
	34,502,757		35,808,456		37,487,402		36,413,466		39,350,038
	3,908,252		4,027,094		4,275,750		4,451,590		4,532,817
	2,717,900		2,970,959		3,215,081		3,115,076		3,054,429
	4,426,536		4,162,072		4,272,185		4,232,866		4,152,176
	504,072		516,516		528,739		540,114		548,851
	2,417,671		2,908,107		2,844,370		3,290,372		3,128,355
	—		—		(319)		—		—
	1,142,026		1,331,004		1,533,293		1,316,905		1,507,275
	849,980		824,928		751,256		650,395		624,058
	<u>76,801,376</u>		<u>79,700,212</u>		<u>83,581,389</u>		<u>84,560,256</u>		<u>89,496,307</u>
	(1,496,088)		(2,433,269)		(2,302,847)		(1,151,415)		(2,532,700)
	57,398		257,400		417,571		625,953		397,761
	1,791,321		1,446,829		1,376,618		1,229,094		1,381,184
	9,735,795		9,858,172		10,176,908		11,036,970		11,407,677
	(7,977,382)		(8,142,270)		(8,296,488)		(8,993,953)		(9,335,147)
	233,131		327,122		440,672		429,892		519,983
	(1,791,321)		(1,446,829)		(1,376,618)		(1,229,093)		(1,381,184)
	<u>2,048,942</u>		<u>2,300,424</u>		<u>2,738,663</u>		<u>3,098,861</u>		<u>2,990,274</u>
\$	<u>552,854</u>	\$	<u>(132,845)</u>	\$	<u>435,816</u>	\$	<u>1,947,446</u>	\$	<u>457,574</u>
	2.7 %		2.8 %		2.8 %		2.4 %		2.4 %

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

Industry	Calendar Year				
	2010	2011	2012	2013	2014
Agriculture	\$ 569,646	\$ 596,792	\$ 593,296	\$ 502,451	\$ 683,513
Mining	285,963	298,240	331,665	316,989	424,416
Construction	2,824,617	2,842,128	3,126,150	2,649,600	3,777,419
Manufacturing	10,663,286	11,266,856	11,662,104	10,836,540	13,703,157
Transportation	8,674,983	8,856,974	8,634,841	7,396,529	9,357,588
Communications ⁽¹⁾	15,538,174	14,763,448	14,512,956	14,133,220	13,664,244
Wholesale	8,425,312	9,229,711	10,112,139	11,115,462	12,987,380
Retail trade	140,597,440	151,111,126	158,134,617	169,417,669	182,082,864
Finance and insurance	37,473,383	38,567,529	39,688,012	41,602,427	45,026,905
Services	69,136,252	73,627,822	77,920,525	80,461,679	89,269,937
Government	308,117	345,639	320,316	315,398	344,302
Other	2,834,740	782,997	3,032,508	1,525,473	3,276,640
Total	\$ 297,331,913	\$ 312,289,262	\$ 328,069,129	\$ 340,273,437	\$ 374,598,365
State direct sales tax rate ⁽²⁾	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⁾ 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

Calendar Year				
2015	2016	2017	2018	2019
\$ 341,849	\$ 368,630	\$ 369,427	\$ 422,984	\$ 435,817
465,381	480,200	457,267	502,548	502,629
3,955,275	4,313,115	4,417,777	4,732,668	4,975,150
14,726,621	16,166,532	16,900,270	18,534,298	19,592,528
9,780,692	9,536,571	10,117,226	10,112,997	10,921,958
13,356,227	12,579,292	12,755,358	12,670,839	12,194,459
14,212,567	15,659,435	17,031,207	19,354,520	20,993,960
196,600,925	204,810,062	211,447,513	221,938,314	228,009,017
48,580,481	52,026,830	55,845,421	61,746,877	65,480,181
96,681,482	101,451,337	105,536,357	110,943,075	115,993,468
447,860	434,667	475,304	530,359	564,072
1,124,777	937,406	395,293	499,328	531,577
<u>\$ 400,274,137</u>	<u>\$ 418,764,077</u>	<u>\$ 435,748,420</u>	<u>\$ 461,988,807</u>	<u>\$ 480,194,816</u>
6.0 %	6.0 %	6.0 %	6.0 %	6.0 %

**Principal Sales Tax Payers by Industry
For Calendar Years 2019 and 2010
(dollars are in thousands)**

SCHEDULE B-2

Industry	Calendar Year 2019			Calendar Year 2010		
	Number of filers	Sales Tax Liability	Percentage of Total	Number of filers	Sales Tax Liability	Percentage of Total
Agriculture	3,044	\$ 30,316	0.09 %	4,878	\$ 37,602	0.19 %
Mining	680	33,912	0.10 %	821	18,552	0.09 %
Construction	11,041	336,576	1.02 %	9,236	185,322	0.94 %
Manufacturing	34,897	1,337,702	4.06 %	31,636	697,965	3.53 %
Transportation and utilities	6,239	791,290	2.40 %	6,306	621,786	3.15 %
Communications ⁽¹⁾	3,228	599,967	1.82 %	3,542	1,050,896	5.32 %
Wholesale	48,212	1,446,114	4.39 %	39,751	557,117	2.82 %
Retail trade	253,906	15,610,218	47.43 %	245,442	9,257,279	46.85 %
Finance and insurance	221,284	4,520,958	13.75 %	189,291	2,491,894	12.61 %
Services	176,147	8,133,556	24.71 %	148,287	4,631,149	23.44 %
Government	289	38,217	0.12 %	165	21,720	0.11 %
Other	2,007	36,202	0.11 %	5,700	188,546	0.95 %
Total	760,974	\$ 32,915,028	100.00 %	685,055	\$ 19,759,828	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.

⁽¹⁾ Communication service tax rate was reduced from 6.65% to 4.92% starting July 2015.

Source: Florida Department of Revenue

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**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in millions, except per capita)**

SCHEDULE C-1

Governmental Activities							
Fiscal Year	Full Faith and Credit	Pledged Revenue	Installment Purchases and Capital Leases	Public-Private Partnerships ⁽¹⁾⁽²⁾	Certificates of Participation	Total Governmental	
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	
2017	9,984	4,395	56	2,396	533	17,364	
2018	9,693	3,778	40	2,457	492	16,460	
2019	9,375	3,466	24	2,681	422	15,968	
2020	9,406	3,379	40	2,766	384	15,975	

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⁾
\$ 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
5,350	262	16	22,992	59.04 %	1,122.43
5,174	218	29	21,881	53.31 %	1,049.92
4,885	215	16	21,084	49.18 %	994.13
4,521	214	15	20,718	50.31 %	959.35

**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⁾
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
2017	9,984	533	10,517	218	10,299	26.45 %	544.78
2018	9,693	492	10,185	163	10,022	24.42 %	480.89
2019	9,375	422	9,797	80	9,717	22.66 %	458.16
2020	9,406	384	9,790	30	9,760	23.70 %	451.92

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)**

Legal debt margin calculated for fiscal year 2019-2020:

Tax-supported revenues ⁽¹⁾	\$41,181
Debt limit ⁽²⁾	2,471
Debt applicable to limit: Aggregate debt service on tax-supported debt	<u>2,263</u>
Legal debt margin	<u>\$ 208</u>

	<u>2011⁽³⁾</u>	<u>2012⁽³⁾</u>	<u>2013⁽³⁾</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt limit ⁽²⁾	\$1,773	\$1,843	\$1,940	\$2,022	\$2,121	\$2,255	\$2,337	\$2,463	\$2,572	\$2,471
Total debt applicable to limit	<u>2,204</u>	<u>2,191</u>	<u>2,196</u>	<u>1,887</u>	<u>1,971</u>	<u>2,053</u>	<u>2,178</u>	<u>2,295</u>	<u>1,989</u>	<u>2,263</u>
Legal debt margin	<u>\$ (431)</u>	<u>\$ (348)</u>	<u>\$ (256)</u>	<u>\$ 135</u>	<u>\$ 150</u>	<u>\$ 202</u>	<u>\$ 159</u>	<u>\$ 168</u>	<u>\$ 583</u>	<u>\$ 208</u>
Total net debt applicable to the limit as a percentage of debt limit.	124.31 %	118.88 %	113.20 %	93.32 %	92.93 %	91.03 %	93.20 %	93.18 %	77.33 %	91.58 %

⁽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, 2020, the total outstanding balance of tax-supported debt was approximately \$15,620,600,000.

⁽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 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)

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		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
Florida Turnpike						
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	132,991	2.82
2016	987,149	192,458	794,691	129,620	131,805	3.04
2017	1,044,530	208,198	836,332	133,590	123,804	3.25
2018	1,063,729	233,020	830,709	140,640	115,874	3.24
2019	1,078,094	238,344	839,750	143,680	115,300	3.24
2020	995,849	242,882	752,967	135,870	116,025	2.99
Florida Forever/Preservation 2000/Everglades						
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
2017	2,417,800	—	2,417,800	110,955	58,213	14.29
2018	2,510,000	—	2,510,000	112,810	51,784	15.25
2019	2,651,100	—	2,651,100	116,305	45,272	16.41
2020	2,874,900	—	2,874,900	116,703	40,943	18.24
Lottery Education ⁽³⁾						
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	1,495,409	—	1,495,409	194,105	118,649	4.78
2015	1,496,371	—	1,496,371	203,389	108,556	4.80
2016	1,692,551	—	1,692,551	211,921	98,398	5.45
2017	1,656,348	—	1,656,348	219,805	85,327	5.43
2018	1,758,329	—	1,758,329	244,688	71,054	5.57
2019	1,927,054	—	1,927,054	199,770	57,290	7.50
2020	1,913,799	—	1,913,799	170,170	47,385	8.80
Alligator Alley						
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	28,601	8,525	20,076	1,830	1,620	5.82
2016	30,656	8,757	21,899	1,920	1,529	6.35
2017	32,383	8,594	23,789	2,015	1,433	6.90
2018	33,003	9,973	23,030	1,765	1,031	8.24
2019	34,749	10,416	24,333	1,805	994	8.70
2020	31,290	10,135	21,155	1,895	903	7.56
Sunshine Skyway						
2019	28,809	8,756	20,053	—	—	2.92 ⁽⁴⁾
2020	26,348	7,814	18,534	2,480	4,391	2.70

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
State Infrastructure Bank						
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
2017	47,269	—	47,269	8,655	2,009	4.43
2018	43,041	—	43,041	8,160	1,576	4.42
2019	35,362	—	35,362	7,200	1,168	4.23
2020	29,607	—	29,607	6,400	808	4.11
Florida Hurricane Catastrophe Fund Finance Corporation⁽⁵⁾						
2011	1,714,728	15,644	1,699,084	269,485	122,919	4.32
2012	1,791,238	14,642	1,776,596	282,660	121,597	4.38
2013	1,746,135	17,071	1,729,064	3,796,795	80,687	0.44 ⁽⁶⁾
2014	1,789,748	17,650	1,772,098	300,000	83,746	4.61
2015	1,564,480	18,687	1,545,793	325,000	65,194	3.95
2016	1,205,500	18,774	1,186,726	—	44,052	26.93
2017	1,181,244	19,505	1,161,739	—	46,758	24.84
2018	1,252,540	19,548	1,232,992	—	34,590	35.64
2019	1,559,827	23,544	1,536,283	—	—	N/A
2020	1,187,643	80,576	1,107,067	—	6,778	163.330
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
2017	56,193	—	56,193	9,390	6,740	3.48
2018	58,324	—	58,324	9,525	5,765	3.81
2019	58,547	—	58,547	9,945	4,576	4.03
2020	58,796	—	58,796	10,295	4,093	4.09
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	14,377	5,676	8,702	3,000	3,321	1.38
2017	15,651	6,202	9,449	3,135	3,192	1.49
2018	15,275	5,600	9,675	3,280	3,047	1.53
2019	15,601	6,296	9,304	3,430	2,893	1.47
2020	13,759	6,963	6,796	2,785	2,487	1.29
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	13,905	7,942	5,964	2,380	1,179	1.68
2016	14,150	8,148	6,002	2,485	1,075	1.69
2017	13,977	7,880	6,097	2,340	717	1.99
2018	14,701	8,526	6,175	2,495	441	2.10
2019	15,111	8,327	6,784	2,550	386	2.31
2020	13,066	8,571	4,495	2,610	330	1.53

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		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
<i>Florida Agricultural & Mechanical University</i>						
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
2017	1,877	1,171	706	210	23	3.03
2018	1,922	1,597	325	220	12	1.40 ⁽⁷⁾
<i>University of Florida</i>						
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
2017	13,920	7,811	6,109	1,640	662	2.63
2018	14,801	6,197	8,604	980	537	5.67
2019	15,744	6,330	9,414	1,020	820	5.12
2020	12,660	6,893	5,767	1,810	1,761	1.61
<i>Florida Atlantic University</i>						
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
2017	7,327	3,135	4,192	1,405	672	2.02
2018	7,230	2,977	4,253	1,460	616	2.05
2019	7,325	2,897	4,428	1,515	558	2.14
2020	7,085	2,131	4,954	1,600	482	2.38
<i>University of Central Florida</i>						
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	3,445	17,803	3,410	1,505	3.62
2016	21,972	4,204	17,768	3,540	1,374	3.62
2017	22,189	3,962	18,227	3,150	1,218	4.17
2018	22,597	3,890	18,707	3,280	1,081	4.29
2019	25,185	4,214	20,971	2,765	973	5.61
2020	20,278	4,224	16,054	2,776	740	4.57
<i>Florida State University</i>						
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
2017	12,175	3,515	8,660	3,165	1,549	1.84
2018	12,241	3,248	8,993	3,389	1,351	1.90
2019	12,174	3,133	9,040	3,506	1,230	1.91
2020	12,577	2,881	9,696	3,651	1,091	2.04

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
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
2017	14,524	6,608	7,916	3,110	2,811	1.34
2018	16,219	8,031	8,188	3,266	2,658	1.38
2019	16,047	9,707	6,340	815	1,731	2.49
2020	14,953	11,004	3,949	2,998	1,459	0.89
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	29,110	14,529	14,582	5,390	4,312	1.50
2016	30,611	13,141	17,469	5,465	3,840	1.88
2017	29,939	16,856	13,083	3,750	3,668	1.76
2018	31,280	17,720	13,560	3,915	3,503	1.83
2019	31,728	17,079	14,649	4,100	3,319	1.97
2020	21,378	10,890	10,488	4,275	3,138	1.41
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	54,588	35,076	19,512	4,580	3,509	2.41
2016	59,717	38,192	21,524	4,705	3,346	2.67
2017	57,787	39,120	18,667	4,800	3,058	2.38
2018	56,893	37,308	19,585	5,045	2,779	2.50
2019	56,544	39,483	17,061	5,255	2,553	2.19
2020	47,776	35,057	12,719	4,560	2,332	1.85
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
2017	17,859	8,844	9,015	3,130	2,434	1.62
2018	18,072	7,676	10,396	2,935	2,452	1.93
2019	19,698	8,233	11,466	3,045	2,335	2.13
2020	16,724	7,287	9,437	3,210	2,182	1.75
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	30,882	16,641	14,241	4,395	4,400	1.62
2017	31,063	16,274	14,789	4,580	4,210	1.68
2018	30,085	16,417	13,668	4,795	3,987	1.56
2019	32,299	18,720	13,579	5,040	3,593	1.57
2020	26,231	18,880	7,351	5,030	3,307	0.88

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		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
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
2017	43,690	22,736	20,955	6,010	7,971	1.50
2018	49,798	24,695	25,103	7,605	7,691	1.64
2019	49,179	23,237	25,942	7,940	7,345	1.70
2020	45,691	22,824	22,867	8,310	6,990	1.49
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
2017	17,116	—	17,116	425	191	27.79
2018	17,519	—	17,519	445	172	28.40
2019	17,920	—	17,920	465	152	29.05
2020	N/A	—	N/A	N/A	N/A	N/A
Florida State University						
2011	8,734	—	8,734	—	—	3.67 ⁽⁸⁾
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
2017	14,941	—	14,941	1,310	1,072	6.27
2018	15,026	—	15,026	1,360	1,019	6.32
2019	14,901	—	14,901	1,415	965	6.26
2020	15,452	—	15,452	1,470	908	6.50
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	4,179	—	4,179	450	600	3.98
2017	4,187	—	4,187	460	586	4.00
2018	4,281	—	4,281	475	572	4.09
2019	4,484	—	4,484	490	558	4.28
2020	4,496	—	4,496	505	539	4.31
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

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
Student Services Center Revenue Bonds						
<i>University of Florida</i>						
2014	21,347	—	21,347	1,045	1,571	8.16
2015	23,952	—	23,952	1,340	1,891	7.41
2016	25,861	—	25,861	1,410	1,824	8.00
2017	28,012	—	28,012	1,480	1,754	8.66
2018	28,504	—	28,504	1,555	1,680	8.81
2019	29,263	—	29,263	1,630	1,602	9.05
2020	29,504	—	29,504	1,715	1,520	9.12
DOT Financing Corporation Bonds						
2019	4,694,931	—	4,694,931	9,205	6,285	303.10
2020	4,520,651	—	4,520,651	7,900	7,591	291.82
Federal Highway Reimbursement Bonds						
2020	1,993,118	—	1,993,118	5,230	4,005	215.83
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	90,986	—	90,986	34,840	22,025	1.60
2015	96,548	—	96,548	34,875	20,534	1.74
2016	86,109	—	86,109	32,930	19,001	1.66
2017	79,218	—	79,218	31,700	17,500	1.61
2018	78,977	—	78,977	28,770	16,077	1.76
2019	84,834	—	84,834	28,030	14,664	1.99
2020	93,421	—	93,421	27,790	13,268	2.28
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	206,566	—	206,566	6,485	2,323	23.45
2017	212,852	—	212,852	6,810	2,000	24.16
2018	222,483	—	222,483	7,000	1,802	25.28
2019	235,565	—	235,565	7,205	1,586	26.80
2020	214,563	—	214,563	3,245	4,095	29.23
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
2017	200,000	—	200,000	2,365	6,217	23.31
2018	200,000	—	200,000	2,485	6,098	23.30
2019	200,000	—	200,000	2,605	5,974	23.31
2020	200,000	—	200,000	2,740	5,844	23.30

⁽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 \$6,874,250 for illustrative purposes.

⁽⁵⁾ Florida Hurricane Catastrophe Bonds debt service is reduced by interest earnings on bond proceeds and bond proceeds used to repay principal.

⁽⁶⁾ 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.

⁽⁷⁾ FAMU Parking Bonds, Series 1997 final payment was in Fiscal Year 2018.

⁽⁸⁾ Coverage shown based on maximum annual debt service of \$2,382,950 for illustrative purposes.

**Demographic and Economic Statistics
For the Last Ten Calendar Years**

SCHEDULE D-1

Year	Population			Personal Income (in millions)		
	Florida - April 1	Percent Change from Prior Year	U.S. - July 1	Percent Change from Prior Year	Florida	U.S.
2011	18,905,070	0.55%	311,556,874	0.50%	\$ 764,634	\$ 13,326,770
2012	19,074,434	0.90%	313,830,990	0.73%	793,429	14,010,140
2013	19,259,543	0.97%	315,993,715	0.69%	795,425	14,181,095
2014	19,507,369	1.29%	318,301,008	0.73%	856,162	14,991,715
2015	19,815,183	1.58%	320,635,163	0.73%	914,928	15,724,240
2016	20,148,654	1.68%	322,941,311	0.72%	949,718	16,160,714
2017	20,484,142	1.67%	324,985,539	0.63%	1,016,819	16,948,592
2018	20,840,568	1.74%	326,687,501	0.52%	1,082,702	17,851,832
2019	21,208,589	1.77%	328,239,523	0.48%	1,125,984	18,551,503
2020	21,596,068	1.83%	329,877,505	0.50%	1,212,817	19,630,533

⁽¹⁾ Unemployment 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, National Economic, and Florida Economic Estimating Conferences (November 2020)

Sources: Florida Legislature, Florida Department of Education

**State of Florida
Population by Age**

Age Group	2000 Census	Percent	2010 Census	Percent	2021 Estimate	Percent
0 - 14	3,034,656	18.99%	3,284,608	17.47%	3,642,832	16.87%
15 - 24	1,942,430	12.15%	2,457,140	13.07%	2,587,000	11.98%
25 - 44	4,569,515	28.59%	4,720,799	25.11%	5,365,241	24.84%
45 - 64	3,628,573	22.70%	5,079,161	27.01%	5,588,566	25.88%
65 and Over	2,807,650	17.57%	3,259,602	17.34%	4,412,429	20.43%
Total	15,982,824	100.00%	18,801,310	100.00%	21,596,068	100.00%

Source: 2020 total population estimate adjusted by age percentages from Florida Population Studies, Bulletin 187, June 2020, 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 Rate ⁽¹⁾		Median Age	Public School Enrollment ⁽²⁾
Florida	U.S.	Florida	U.S.	Florida	Florida
\$ 40,446	\$ 42,775	10.0%	8.9%	40.9	2,643,396
41,596	44,642	8.5%	8.1%	41.0	2,667,830
41,300	44,878	7.2%	7.4%	41.1	2,691,322
43,889	47,099	6.3%	6.2%	41.3	2,720,074
46,173	49,041	5.5%	5.3%	41.5	2,756,127
47,136	50,042	4.8%	4.9%	41.6	2,791,244
49,639	52,152	4.2%	4.4%	41.6	2,817,076
51,952	54,645	3.6%	3.9%	41.7	2,833,115
53,091	56,518	3.1%	3.7%	41.7	2,846,857
56,159	59,509	7.9%	8.1%	41.8	2,858,949

**Industry Sector Employment
For Calendar Years 2019 and 2010
(in thousands)**

SCHEDULE D-2

Industry	Calendar Year 2019		Calendar Year 2010	
	Employment	Percentage of Total Employment ⁽¹⁾	Employment	Percentage of Total Employment ⁽¹⁾
Health Care and Social Assistance	1,167	12.94 %	936	12.90 %
Retail Trade	1,109	12.29 %	934	12.87 %
Accommodation and Food Services	1,015	11.25 %	746	10.28 %
Local Government	722	8.00 %	724	9.98 %
Administrative and Waste Services	683	7.57 %	494	6.81 %
Professional and Technical Services	594	6.59 %	437	6.02 %
Construction	566	6.27 %	351	4.84 %
Finance and Insurance	395	4.38 %	328	4.52 %
Manufacturing	385	4.27 %	309	4.26 %
Wholesale Trade	353	3.91 %	308	4.24 %
Total	6,989	77.48 %	5,567	76.71 %

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 2019, Florida's seasonally adjusted total nonagricultural employment was 9,031,400, an increase of 167,200 jobs (+1.9 percent) over the year. Florida's annual job growth rate had been positive for 112 out of 113 months. The only month not positive was due to Hurricane Irma that hit the state in September 2017. Prior to August 2010, the state had been losing jobs for three years. In December 2019, eight of the ten major industries gained jobs over the year with education and health services (+36,600 jobs) gaining the most followed by trade, transportation, and utilities (+30,600 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:

	2019	2010
Total non-agricultural employment (in thousands)	8,953	7,175
Total agricultural employment (in thousands)	67	82
Total employment	9,020	7,257

Sources: Florida Department of Economic Opportunity, Bureau of Workforce Statistics and Economic Research, Quarterly Census of Employment and Wages Program (for agricultural employment) and the U.S. Bureau of Labor Statistics, Current Employment Statistics Program (for all other industry data)

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

SCHEDULE E-1

Function (state) ⁽²⁾	Fiscal Year						
	2011	2012	2013	2014	2015	2016	2017
General Government	—	—	—	—	—	—	—
Education	—	—	—	—	—	—	—
Human Services	—	—	—	—	—	—	—
Criminal Justice and Corrections	—	—	—	—	—	—	—
Natural Resources and Environment	—	—	—	—	—	—	—
Transportation	—	—	—	—	—	—	—
Judicial Branch	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—
Function (federal)							
Financial administration	15,212	16,778	25,974	25,856	25,596	25,713	25,906
Streets and highways	6,751	6,116	5,821	5,827	5,810	5,685	5,647
Public welfare	12,278	14,148	13,784	13,736	13,829	13,852	13,817
Police protection	4,981	5,201	5,181	5,314	5,395	5,306	5,384
Natural resources and environment	7,481	7,437	7,245	7,185	7,143	7,126	6,995
Health	16,303	15,437	14,957	14,414	13,448	13,418	13,104
Housing and community development ⁽¹⁾	31	39	87	44	42	78	73
Community development ⁽¹⁾	278	53	37	36	34	—	—
Criminal justice and corrections	39,051	35,875	25,524	24,114	25,376	24,661	24,858
Utility and transportation	301	270	269	259	257	245	253
Employee security	1,481	1,563	1,384	1,446	1,346	1,295	1,279
Education	2,272	2,251	2,184	2,147	2,185	2,109	2,090
Judicial branch	4,009	4,042	4,097	4,112	4,055	4,098	4,098
Other	1,724	2,698	999	1,025	1,020	782	1,002
Total	112,153	111,908	107,543	105,515	105,536	104,368	104,506

Note: FTE's are calculated based on a 40 hours 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 prorated 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.

⁽²⁾ In fiscal year 2018-19, reporting by federal function was changed to reporting by state function to mirror the primary government functions presented within the Government-Wide Statement of Activities financial statement of the State of Florida's Comprehensive Annual Financial Report.

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

Fiscal Year		
2018	2019	2020
—	31,692	32,235
—	2,624	2,626
—	22,743	22,557
—	30,495	30,443
—	5,000	5,891
—	5,333	5,223
—	3,305	3,173
—	101,192	102,148

25,869	—	—
5,662	—	—
13,998	—	—
5,452	—	—
7,094	—	—
13,156	—	—
79	—	—
—	—	—
25,174	—	—
246	—	—
1,265	—	—
2,094	—	—
4,142	—	—
974	—	—
105,205	—	—

**Operating Indicators by Function
Last Ten Fiscal Years**

	Fiscal Year				
	2011	2012	2013	2014	2015
General Government					
Department of Revenue					
Total administered taxes (<i>in millions \$</i>)	31,391	31,989	34,659	41,095	43,589
Department of Management Services ⁽¹⁾					
Number of retired members covered	318,881	333,870	347,147	362,216	377,671
Education					
Universities					
University enrollments	321,503	329,737	334,989	337,750	341,044
Degrees awarded	76,021	79,323	81,260	83,001	84,445
Human Services					
Department of Health ⁽²⁾					
Number of live births	213,237	212,954	215,194	219,905	224,273
Number of deaths	172,856	175,849	180,014	185,038	191,488
Department of Children and Families					
Supplemental Nutrition Assistance Program (SNAP) recipients	3,170,445	3,326,637	3,581,136	3,565,520	3,693,396
SNAP households	1,725,855	1,815,239	1,962,933	1,946,026	2,029,951
Criminal Justice and Corrections					
Department of Corrections					
Inmate admissions	34,992	32,279	33,295	32,442	30,985
Community supervision admissions	92,258	90,880	88,819	86,369	83,064
Facility population	102,319	100,527	100,884	100,942	100,050
Natural Resources and Environment					
Department of Environmental Protection					
State park and trail visitations	20,442,212	24,983,179	25,575,794	27,170,451	31,108,245
Florida Fish and Wildlife Conservation Commission					
Fishing and hunting licenses ⁽³⁾	1,534,518	1,638,055	1,544,549	2,350,586	2,406,822
Transportation					
Department of Highway Safety & Motor Vehicles					
Registrations ⁽⁴⁾	19,197,024	20,024,942	20,259,599	21,357,026	22,695,334
Titles issued ⁽⁴⁾	5,361,258	5,039,215	5,362,575	6,014,150	6,615,964
Traffic crashes ⁽²⁾⁽⁵⁾	227,998	281,340	316,943	344,170	374,342
Department of Transportation ⁽²⁾					
Daily vehicle miles traveled (<i>in thousands</i>)	288,007	284,051.8	287,977	288,398	307,532
Judicial Branch					
Judicial Branch System					
Number of cases filed/added:					
Circuit criminal defendants	196,453	188,669	186,117	176,768	171,414
County criminal	405,248	367,478	361,046	355,981	341,499
County civil	459,538	477,024	438,963	417,323	431,868
Traffic	483,644	472,662	383,776	280,102	285,716
Family court	349,222	322,854	289,752	281,154	284,629
Circuit civil	293,415	305,732	294,124	198,856	181,222
Probate	100,849	101,606	107,144	114,024	115,746

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

Fiscal Year				
2016	2017	2018	2019	2020
44,528	46,148	48,502	51,689	49,939
394,527	406,018	415,483	424,612	431,998
345,672	352,116	358,522	362,157	365,447
86,118	87,845	91,390	93,962	96,925
225,018	223,579	221,508	220,010	Unavailable
197,236	203,353	205,461	206,975	Unavailable
3,597,030	3,270,816	3,168,733	2,995,799	2,972,154
1,971,469	1,736,445	1,692,603	1,582,961	1,637,833
30,289	28,783	27,916	28,782	21,276
83,176	83,293	83,820	84,497	65,822
99,119	97,794	96,256	95,626	87,737
31,840,658	32,219,989	28,178,773	29,446,353	24,837,900
2,532,883	2,562,063	2,543,028	2,570,014	2,608,004
22,546,058	22,783,727	23,337,413	23,630,831	23,014,926
6,098,475	6,122,750	6,527,961	6,578,659	6,143,073
395,785	402,385	403,626	401,864	Unavailable
322,051	322,835	334,216	343,628	Unavailable
171,670	169,529	170,117	177,592	158,200
317,587	316,029	293,282	308,438	253,511
428,401	470,957	536,779	619,737	633,952
282,362	278,528	196,313	254,973	193,929
288,430	286,659	277,239	268,870	238,264
176,740	171,515	164,776	208,433	184,223
118,989	122,498	117,356	132,856	132,283

**Capital Assets by Function
Last Ten Fiscal Years**

	Fiscal Year				
	2011	2012	2013	2014	2015
<u>General Government</u>					
Department of Management Services					
Buildings ⁽¹⁾	84	86	88	88	90
<u>Education</u>					
Universities and colleges⁽²⁾					
Assignable square feet (in thousands)	54,488	54,890	56,277	57,938	58,122
<u>Human Services</u>					
Department of Health					
Buildings	57	73	36	38	38
Vehicles	328	323	315	378	353
Department of Children and Families					
Buildings	530	296	211	211	211
<u>Criminal Justice and Corrections</u>					
Department of Corrections					
Correctional institutions	61	63	55	56	55
Work camps, forestry camps	41	40	39	38	44
Work release centers	34	33	32	35	34
Other facilities	4	7	16	16	17
<u>Natural Resources and Environment</u>					
Division of Recreation and Parks					
Number of state parks, greenways, and trails	160	171	171	171	201
Acres of land owned	704,139	788,982	789,059	788,619	792,999
Department of Environmental Protection					
Acres of land owned ⁽³⁾	4,563,632	4,239,023	4,245,742	4,268,885	4,281,419
Florida Fish and Wildlife Conservation Commission					
Vehicles	1,637	1,876	1,637	1,800	1,835
<u>Transportation</u>					
Department of Transportation					
Highway lane miles	42,883	43,138	43,337	43,514	43,665
Vehicles	4,683	4,607	4,703	4,406	4,188
Buildings ⁽⁴⁾	1,745	391	385	383	417
<u>Judicial Branch</u>					
Judicial Branch System					
Machinery and equipment ⁽⁵⁾	9,697	9,199	10,495	10,656	12,295

⁽¹⁾ Beginning with fiscal year 2019, the count included state-owned buildings occupied by full-time equivalent State employees. Previously, the count included certain State-owned buildings not occupied by full-time equivalent employees.

⁽²⁾ Universities and colleges are presented in the CAFR as discretely presented component units of the state.

⁽³⁾ 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.

⁽⁴⁾ Beginning with fiscal year 2020, the count included state-owned buildings occupied by full-time equivalent State employees. Previously, the count included State-owned buildings not occupied by full-time equivalent employees.

⁽⁵⁾ In fiscal year 2020, the COVID-19 pandemic caused the purchase increase of machinery and equipment.

Sources: Florida Department of Management Services, Florida Department of Education, Florida Department of Health, Florida Department of Corrections, Florida Division of Recreation and Parks, Florida Department of Transportation, Florida Department of Financial Services, Division of Risk Management, Florida State Courts, Florida Fish and Wildlife Conservation Commission

Fiscal Year				
2016	2017	2018	2019	2020
91	91	91	72	72
61,706	62,210	62,786	63,056	63,653
36	34	34	36	36
369	370	367	371	365
227	227	227	227	223
56	57	57	57	57
43	42	41	41	41
33	32	29	30	30
17	17	17	17	17
174	174	175	175	175
791,145	790,852	793,882	796,021	797,181
4,284,333	4,319,159	4,345,489	4,377,710	4,428,156
1,787	2,050	2,050	2,050	2,042
43,819	44,064	44,311	44,701	45,031
4,170	4,170	4,145	4,004	4,004
571	478	435	471	214
12,949	12,659	12,505	11,651	14,192

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