



FLORIDA
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
FISCAL YEAR ENDED JUNE 30, 2021



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

ANNUAL

COMPREHENSIVE

FINANCIAL REPORT

Fiscal Year Ended June 30, 2021



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

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

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INTRODUCTORY SECTION



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

March 29, 2022

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021, 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, 2021. 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 ending last year with its first year of negative growth in General Fund collections in a decade, Florida moved deep into positive territory as the state's fiscal year ended on June 30, 2021. Economic disruption is still evident over the next few years, with some economic variables increasing from abnormally low activity and others dropping back from artificially high activity; however, the most recent forecast solidifies the outlook for a sustained recovery from the pandemic. In this regard, economic activity continues to increase from the depths of the "Safer-at-Home" period almost two years ago. Since then, consumers have cautiously resumed spending in the hard-hit service sector while continuing their collective splurge on goods, with a notable number of consumers spending down the atypically

large savings that built up during the pandemic, along with the direct relief funds provided by the various stimulus packages. While all Florida industries were impacted by the pandemic-induced economic contraction, Florida's leisure and hospitality industry has borne the brunt of the longer-term consequences. Further overshadowing the more positive aspects of the most recent forecast, the Economic Estimating Conference highlighted the substantial risk arising from the current inflationary pressures on its outlook for consumer spending. This risk is exacerbated by the continuing waves of COVID-19, particularly the Omicron variant. The key economic drivers most relevant to the state's revenue forecasts are discussed in greater detail below.

One measure for assessing the economic health of states is the year-to-year change in real Gross Domestic Product (that is, all goods and services produced or exchanged within a state). During the early period of the pandemic, the change in Florida's Gross Domestic Product (GDP) each quarter almost matched the nation as a whole. While the state's GDP slumped -0.3 percent in fiscal year 2019-20 and grew only 1.8 percent in fiscal year 2020-21, the Economic Estimating Conference anticipates that the state will expand at more than double the pre-pandemic rate for this fiscal year, posting 4.8 percent growth before decelerating to 3.1 percent in fiscal year 2022-23. Starting with fiscal year 2023-24, annual growth will average a more characteristic 2.0 percent.

Normally, personal income growth is another important gauge of the state's economic health; however, its changes have been in stark contrast to GDP, driven largely by the ebb and flow of federal dollars into Florida households. For example, in the first quarter of the 2021 calendar year, Florida's personal income growth shot up 65.1 percent, largely due to two different federal stimulus and relief programs converging in the quarter. As the federal support measures began to expire, the state's personal income plummeted to an annualized -19.6 percent in the second quarter of the 2021 calendar year to produce a final growth rate for the 2020-21 fiscal year of 7.5 percent, the highest rate since 2015. The Economic Estimating Conference expects personal income to increase by 4.0 percent in the current fiscal year as furloughed and laid off workers continue to return to their jobs or find new opportunities, with wage growth offsetting much of the loss of the massive government relief measures. Thereafter, annual growth rates are expected to remain solidly at or above 4.0 percent.

The key measures of employment are job growth and the unemployment rate. After a -1.1 percent decline in fiscal year 2019-20, total non-farm employment declined by another -3.1 percent in the 2020-21 fiscal year. By November 2021, about 91 percent of the jobs lost during the pandemic had returned. As the recovery continues to near completion, employment is expected to regain its fiscal year 2018-19 peak in the current fiscal year. Following the other extremes experienced during the pandemic, the projected +5.5 percent growth will be the highest annual growth rate since the series began in 1991. After two more fiscal years of above-trend job increases in 2022-23 and 2023-24, annual growth moderates to slightly above 1 percent, a more typical rate in the pre-pandemic forecasts. Lagging behind the general recovery, jobs in the hard-hit and service-intensive leisure and hospitality industry are not expected to reach their pre-pandemic levels until fiscal year 2023-24.

From September through December 2019, Florida's unemployment rate dropped to 3.2 percent, collectively registering the second lowest recorded unemployment rate since the series began in 1976. With the onset of the pandemic, the unemployment rate spiked to 14.2 percent in May 2020, handily surpassing the prior peak rate of 10.9 percent experienced in January to April 2010 during the Great Recession. By December 2020, the state's unemployment rate had dropped back to 5.1 percent, and by November 2021 to 4.5 percent. The Conference projects that the unemployment rate will average 4.3 percent in fiscal year 2021-22. Thereafter, the rate continues its downward drift until it reaches 3.4 percent in the 2022-23 and 2023-24 fiscal years, after which it slowly rises to plateau at 4.0 percent. The Economic Estimating Conference assumes the "full employment" unemployment rate is about this level.

Two areas of the state's economy indirectly benefited from the Federal Reserve's actions to protect the economy from the worst of the pandemic effects, but with a future payback: real estate and construction. Throughout the worst of the crisis, these economic sectors thrived as the federal funds rate neared zero and pushed interest rates to historical lows. By the second quarter of calendar year 2021, single-family starts were +62.9 percent higher than the same period in the prior year, while multi-family starts were +84.0 percent higher. Total private housing starts reached a 15-year high of almost 204,000 units in fiscal year 2020-21. They are expected to easily pass that level in the current fiscal year, yet they are still far from the housing boom peak of over 272,000 units in fiscal year 2004-05. Total starts grew by 21.0 percent in fiscal year 2020-21, and they are projected to grow by another 5.6 percent in fiscal year 2021-22 from that already elevated level. Consecutive annual declines are expected over the remaining nine years of the forecast as interest rates and residential construction activity return to the levels expected pre-pandemic. At the end of the ten-year forecast period, total private housing starts achieve only 53.6 percent of the peak in fiscal year 2004-05, but similar projections were made in the pre-pandemic forecast. Construction employment does not get back to its peak level from fiscal year 2005-06 in the ten-year forecast window.

Finally, 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, and the timing is less clear due to the continuously emerging new variants of COVID-19. The total number of tourists declined nearly -70.0 percent from the prior year in the second quarter of 2020. After that dramatic drop, tourism improved to 96.0 percent of the last full pre-COVID quarter by the third quarter of 2021 calendar year, buttressed by the increased number of domestic visitors travelling to Florida by air or car. While the number of tourists is high, the mix and type of tourist are abnormal. Several industry groups have already predicted that it will take at least two years to reach full recovery from the

pandemic. The ultimate timing will be influenced by the actual course of the disease over the next few months, as well as the widespread distribution of vaccines globally. Even so, the Conference expects robust growth during fiscal year 2021-22, with a projected overall increase of 36.3 percent from the extremely suppressed level in fiscal year 2020-21. As the final pieces of the recovery fall into place, the 2022-23 and 2023-24 fiscal years will also exhibit above average growth of 7.6 and 5.7 percent, respectively. The annual growth rate moderates thereafter to an average of 4.1 percent per year. While the new forecast levels never exceed the pre-pandemic forecast levels for those years, they come close in the latter part of the 10-year forecast horizon.

While this information will become the foundation of its work, the Revenue Estimating Conference did not meet to update its General Revenue forecast until January 21, 2022. In its recent publications, the Florida Legislature's Office of Economic and Demographic Research notes that much of the current strength in the state's revenue collections is related to time-limited factors and, as such, introduce new risks to the forecast as the underlying conditions realign and return to normal patterns.

These risks are most acute for the sales tax forecast. Since the last Revenue Estimating Conference for General Revenue in August, collections have run \$1.62 billion over estimate through November 2021. Over two-thirds of the increase has come from sales tax receipts. While the collection impact from the online tax changes made during the 2021 Legislative Session (Ch. 21-002, Laws of Fla.) is slightly stronger than expected, the year-to-date overage is more related to the time-limited benefits from:

1. The most recent round of stimulus checks to households. All else being equal, this boost has likely begun to wane. However, some of this negative impact has been ameliorated by the Advance Child Tax Credit payments which began monthly installments in July 2021 and continued through December 2021.
2. Redirected spending from the hard-hit service sector. Relative to "normal" times, the mix is still heavily tilted toward goods and away from services.
3. Some consumers' ability to draw down atypically large savings that built up during the pandemic. After increasing to a historic peak rate of 33.7 percent in April 2020 from the 7.9 percent for the entire 2018-19 fiscal year, just released personal income data indicated that the personal savings rate was below normal at 6.9 percent for November 2021. This was the second month of subpar savings.

Inflation is an oddity from a tax perspective. The Consumer Price Index increased for November 2021, with the all items index for the last 12 months increasing 6.8 percent before seasonal adjustment. This was the largest 12-month increase since June 1982. The immediate response to inflation is an increase in sales tax collections that reflects the higher prices, but—to the extent that consumers expect the higher prices to persist—they adjust their purchasing patterns to incorporate cheaper products and/or reductions in purchases. Over several months, collections end up back at the level they started from, but with a slightly different mix. If inflation noticeably worsens (relative to what it is now), it would become a drag on sales tax collections as consumers have to spend more money on non-taxable necessities like food and healthcare.

ACKNOWLEDGEMENTS

Preparation of the ACFR 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.

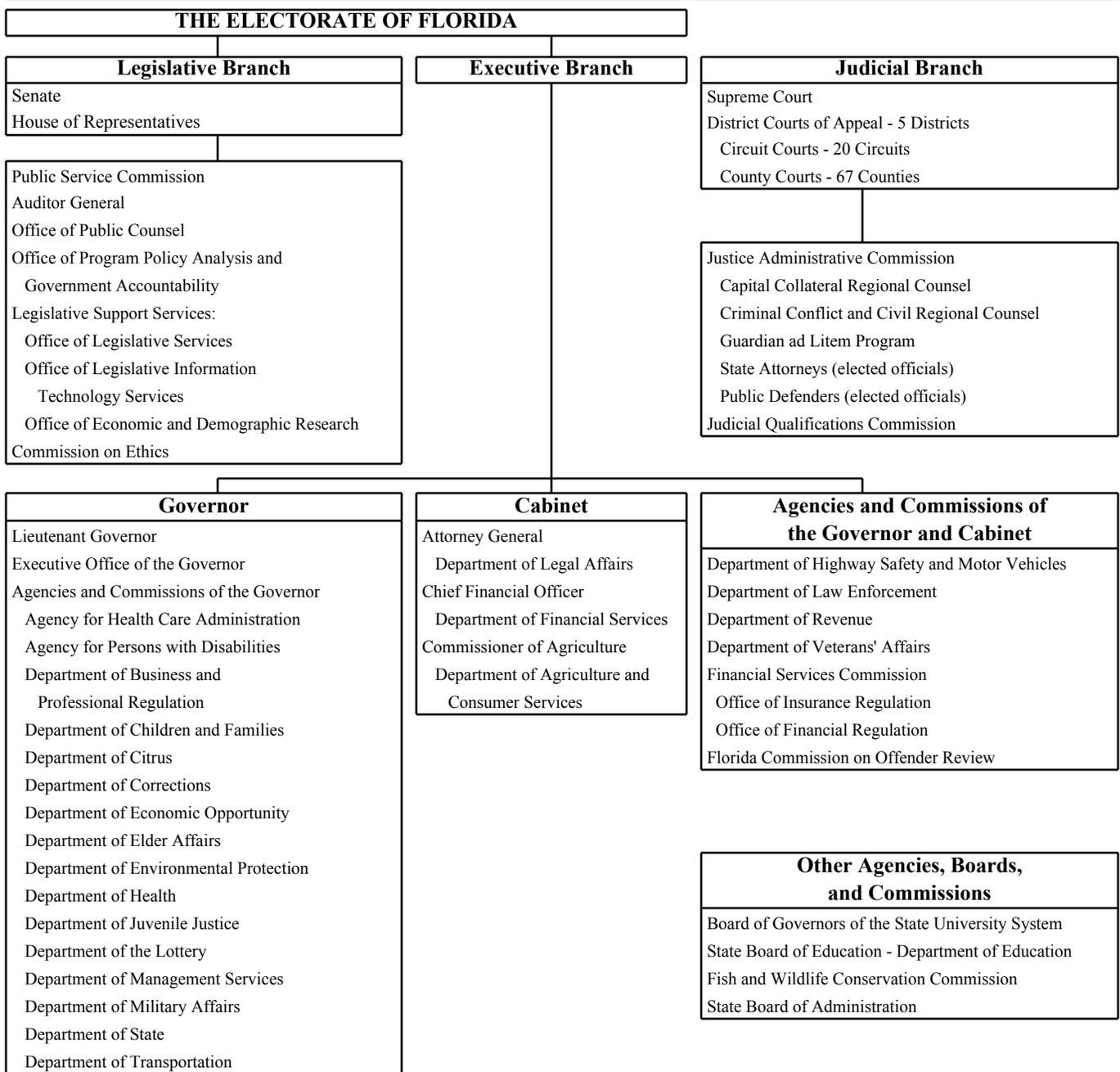
Sincerely,



Jimmy Patronis
Chief Financial Officer

JP:pjb

ORGANIZATION AT JUNE 30, 2021



PRINCIPAL OFFICIALS AT JUNE 30, 2021

Legislative Branch

Senate
Wilton Simpson, President
House of Representatives
Chris Sprowls, 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

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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, 2021, 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 3 percent, respectively, of the assets and revenues of the business-type activities.
- The Florida Turnpike System, which represents 80 percent and 90 percent, respectively, of the assets and revenues of the Transportation major enterprise fund.
- The Hurricane Catastrophe Fund, which is a major enterprise fund and represents 30 percent and 4 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 4 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 81 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 42 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 first three quarters of the 2020-21 fiscal year, Florida Department of Economic Opportunity (FDEO) management continued to bypass a key Reemployment Assistance Claims and Benefits Information System (RA System) internal control, thereby increasing the risk of improper unemployment insurance (UI) benefit payments and undetected material misstatements. During the 2020-21 fiscal year, the FDEO paid UI benefit payments totaling \$20,982,950,043. However, as of January 6, 2022, FDEO management was unable to provide the number of initial UI benefit payments processed through the bypass procedure during the 2020-21 fiscal year. Consequently, the FDEO was unable to estimate or record a receivable or revenue for potentially fraudulent claims. 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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the State implemented Government Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which is a change in accounting principle that addresses the accounting and financial reporting for fiduciary funds. This affects the comparability of amounts reported in the 2020-21 fiscal year with amounts reported for the 2019-20 fiscal year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 201 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 205 through 321 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 March 29, 2022, 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
March 29, 2022

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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, 2021 (fiscal year 2020-21). Please read the MD&A in conjunction with the state's financial statements that are presented in the Financial Section of this Annual Comprehensive Financial Report (ACFR).

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, 2021, and 2020, derived from the government-wide Statement of Net Position. The state's net position at the close of the fiscal year was \$77.9 billion for governmental activities and \$29.6 billion for business-type activities which was a combined total of \$107.5 billion for the primary government. The three components of net position include net investments in capital assets; restricted; and unrestricted. The largest component, totaling \$90 billion as of June 30, 2021, reflects net investments in capital assets. The state uses these capital assets to provide services to the citizens and businesses in the state; consequently, this component of net position is not available for future spending. Restricted net position is the next largest component, totaling \$27.5 billion as of June 30, 2021. 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 \$10.7 billion at June 30, 2021. This deficit primarily results from education-related bonds for which the state is responsible for the liability while the related assets are owned by local school districts and are therefore not included in the state's financial statements. Refer to Note 8 to the financial statements, Governmental Activities – Unrestricted Net Position Deficit, for more information.

Business-type activities reflect a restricted net position of \$16.3 billion at June 30, 2021, a decrease of \$319 million 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 43,645	\$ 34,148	\$ 40,562	\$ 39,440	\$ 84,207	\$ 73,588
Capital assets, net	83,491	81,110	15,927	15,236	99,418	96,346
Total assets	<u>127,136</u>	<u>115,258</u>	<u>56,489</u>	<u>54,676</u>	<u>183,625</u>	<u>169,934</u>
Total deferred outflows of resources	4,980	5,023	121	122	5,101	5,145
Other liabilities	15,683	8,712	8,758	9,450	24,441	18,162
Noncurrent liabilities	34,083	39,060	18,037	15,639	52,120	54,699
Total liabilities	<u>49,766</u>	<u>47,772</u>	<u>26,795</u>	<u>25,089</u>	<u>76,561</u>	<u>72,861</u>
Total deferred inflows of resources	4,414	2,839	250	215	4,664	3,054
Net position						
Net investments in capital assets	77,435	75,163	12,591	12,022	90,026	87,185
Restricted	11,168	10,057	16,308	16,627	27,476	26,684
Unrestricted	(10,667)	(15,550)	666	845	(10,001)	(14,705)
Total net position	<u>\$ 77,936</u>	<u>\$ 69,670</u>	<u>\$ 29,565</u>	<u>\$ 29,494</u>	<u>\$ 107,501</u>	<u>\$ 99,164</u>

Statement of Activities

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2020-21 and fiscal year 2019-20, 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 \$8.9 billion. The net position of governmental activities increased by \$8.8 billion, and the net position of business-type activities increased by \$61 million. The majority of the \$11.8 billion increase in total program expenses for governmental activities relates to a \$7.5 billion increase in Human Services expenses, while the largest increase in business-type activities expenses is the \$11.8 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	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 8,556	\$ 8,184	\$ 14,181	\$ 12,141	\$ 22,737	\$ 20,325
Operating grants and contributions	46,653	34,671	18,685	6,847	65,338	41,518
Capital grants and contributions	2,152	2,077	1	14	2,153	2,091
Total program revenues	57,361	44,932	32,867	19,002	90,228	63,934
General revenues and payments						
Sales and use tax	30,452	26,936	—	—	30,452	26,936
Other taxes	16,700	14,064	—	—	16,700	14,064
Investment earnings (loss)	(415)	887	(7)	11	(422)	898
Miscellaneous	21	—	1	3	22	3
Total general revenues and payments	46,758	41,887	(6)	14	46,752	41,901
Total revenues	104,119	86,819	32,861	19,016	136,980	105,835
Program expenses						
General government	11,254	9,615	—	—	11,254	9,615
Education	25,506	23,297	—	—	25,506	23,297
Human services	46,913	39,400	—	—	46,913	39,400
Criminal justice and corrections	5,156	5,179	—	—	5,156	5,179
Natural resources and environment	3,473	3,187	—	—	3,473	3,187
Transportation	4,491	4,301	822	843	5,313	5,144
Judicial branch	702	695	—	—	702	695
Lottery	—	—	6,861	5,653	6,861	5,653
Hurricane Catastrophe Fund	—	—	1,383	1,556	1,383	1,556
Prepaid College Program	—	—	(39)	899	(39)	899
Reemployment Assistance	—	—	21,013	9,191	21,013	9,191
Nonmajor enterprise funds	—	—	420	389	420	389
Indirect interest on long term debt	77	67	—	—	77	67
Total program expenses	97,572	85,741	30,460	18,531	128,032	104,272
Excess (deficiency) before gain (loss) and transfers	6,547	1,078	2,401	485	8,948	1,563
Gain (loss) on sale of capital assets	(14)	5	(3)	(1)	(17)	4
Transfers	2,337	1,763	(2,337)	(1,763)	—	—
Change in net position	8,870	2,846	61	(1,279)	8,931	1,567
Beginning net position, as restated (Note 1)	69,066	66,824	29,504	30,773	98,570	97,597
Ending net position	\$ 77,936	\$ 69,670	\$ 29,565	\$ 29,494	\$ 107,501	\$ 99,164

Major Fund Analysis

Governmental Funds

The state's governmental funds reported a combined ending fund balance of \$27.0 billion at June 30, 2021, a \$7.0 billion or 35.3 percent increase from the prior year. Revenues increased by \$17.2 billion or 19.8 percent, other financing sources and uses increased by \$544 million or 18.2 percent, and expenditures increased by \$11.2 billion or 12.5 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 \$29.6 billion at June 30, 2021, of which \$12.6 billion is the net investment in capital assets, and \$16.3 billion is restricted for specific purposes. The remaining \$666 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 \$52 million at June 30, 2021, a decrease of \$37 million or 42 percent. The decrease in net position was primarily due to a decrease in the amount restricted for undistributed appreciation on restricted investments, a decrease in the amount of restricted for Multi-State Lottery Association and an increase in the amount of restricted for future prizes or special prize promotions.

Reemployment Assistance – This fund reported a net position of \$1.0 billion at June 30, 2021, a decrease of \$1.3 billion or 56.6 percent. Revenues increased by \$12.5 billion or 169 percent while expenses and operating transfers out increased by \$11.9 billion or 129.2 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, 2021, totaled \$10.2 billion, a decrease of \$156.6 million or 1.5 percent. Assets increased by \$1.8 billion or 12 percent, and liabilities increased \$2 billion or 39.9 percent. The decrease in net position was primarily due to ongoing reimbursements to participating insurers for losses from hurricanes in 2017 and 2018. The increase in assets and liabilities was primarily due to the issuance of bonds in September 2020.

Prepaid College Program – The net position at June 30, 2021, totaled \$4.7 billion, an increase of \$1.1 billion or 32.1 percent. Revenues increased by \$342.8 million or 44.84 percent, and expenses decreased by \$937.9 million or 104.33 percent. Net position and revenues increased primarily due to several key COVID-19 related actions taken by the Prepaid College Program Board during 2019-20 fiscal year as well as an increase in the actuarial reserve due to earnings on the reserve portfolio and tuition not increasing as anticipated for the 2021-22 fiscal year. Expenses decreased primarily due to the increases in the discount rate during the period from 1.59 percent to 2.13 percent and to decreases in investment expense and securities lending expense.

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 \$3.3 billion increase between the original and final estimated revenues. Final budgeted total expenditures increased by \$3.2 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 ACFR.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2021, the state reported \$83.5 billion in net capital assets for governmental activities and \$15.9 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2019-20 to fiscal year 2020-21 by approximately 3.2 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 \$11.3 billion. Construction commitments by other state agencies for major projects including office buildings and correctional facilities increased by \$99 million compared to the prior year. Refer to Note 5 to the financial statements for information on capital assets and Note 7 to the financial statements for information on construction commitments.

Long-term Debt Activity

Total bonded debt outstanding increased by \$2.0 billion, or approximately 11.7 percent, from the prior fiscal year to a total of \$19.3 billion at June 30, 2021 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 (\$8.3 billion), the Florida Hurricane Catastrophe Fund (\$4.2 billion) and transportation (\$5.4 billion). New and refinanced bonded debt issues for 2021 totaled \$6 billion. Public-Private Partnership (PPP) contracts outstanding decreased from the prior year by \$60 million or 2.0 percent to a total of \$2.9 billion. The annual debt service requirements decreased from \$2.3 billion in 2020 to \$2.0 billion in 2021. The decrease in debt service in Fiscal Year 2021 reflected the significant rebound in revenues generated by the State's strong economic recovery. The annual debt service is projected to decrease to approximately \$1.8 billion through Fiscal Year 2023, then continue to decrease to approximately \$1.7 billion in Fiscal Year 2024, 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 \$10.2 billion in pension liabilities for the defined benefit plans it administers for the fiscal year ended June 30, 2021. The \$10.2 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 \$7.2 billion in other postemployment benefits liabilities for the fiscal year ended June 30, 2021. This resulted in a decrease of \$2.0 billion or 21.9 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, 2021, 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 decreased in Fiscal Year 2021 to 4.3 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 2021 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 2020-21 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 ACFR for information on FDOT's established condition standards, recent condition assessments, and other information on infrastructure reported on the modified approach.

Economic Factors

Largely following the national economy, economic disruption was still evident as the state's fiscal year ended June 30, 2021, but signs of improvement were widespread. General Fund tax collections came in 15.7 percent higher than the prior fiscal year, which had seen the largest year-over-year decline since the worst years of the Great Recession (the 2007-08 and 2008-09 fiscal years). The turnaround was led by a stronger than anticipated response to the back-to-back federal stimulus packages in

December 2020 and March 2021, coupled with the earlier than expected resumption of economic activity in the last quarter of the fiscal year. The state's official forecast moves notably above the pre-pandemic forecasted levels for fiscal year 2021-22 and fiscal year 2022-23 by approximately \$1.2 billion each year; however, about one-half of the annual difference is attributable to the current addition of Indian Gaming Revenues and retained online sales tax dollars which were previously not included. The annual growth rates for the General Fund are expected to go through a multiyear period of adjustment prior to stabilizing at the 3.7 percent annual growth projected for the long run.

A significant portion (52.2 percent) of the year-over-year net increase in General Fund receipts (total revenue minus refunds) came from the gain in sales tax collections. Over the past 17 years, this revenue source's share of the fund has changed from a 70.6 percent in fiscal year 2004-05 to 78.4 percent in fiscal year 2020-21, which means that even a modest increase in collections from the prior year translates into a nontrivial dollar gain. As the economy regained its footing in tandem with the vaccine becoming more available, total sales tax liability increased 10.6 percent from fiscal year 2019-20 to fiscal year 2020-21, with five of the state's six sales tax categories used for reporting purposes (consumer nondurables, autos and accessories, other durables, construction and building investment, and business investment) showing positive growth over the hard-hit prior year. This equates to a \$2.86 billion increase from the fiscal year 2019-20 level for this source, of which \$2.57 billion flowed through to the General Fund. Because the state's Revenue Estimating Conference had previously expected much of the sales tax recovery to occur in fiscal year 2021-22, the final strength of that gain to the General Fund came as a windfall of \$1.33 billion or 5.2 percent of the anticipated level for the year.

Several revenue sources continued to perform better than expected, still benefiting from government actions to provide relief and support during the first crucial stages 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 that began in the last quarter of fiscal year 2019-20. These effects continued into the next year, with total Documentary Stamp Tax collections in fiscal year 2020-21 topping the fiscal year 2005-06 peak reached at the height of Florida's housing boom. This milestone was particularly remarkable considering the prior year (fiscal year 2019-20) registered only 70.8 percent of that level after steadily increasing for ten years from a low of 26.6 percent. 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 42.3 percent gain over the prior year.

Similarly, corporate income tax collections surged 37.3 percent over the prior year. Part of the increase clearly related to the pandemic-influenced timing delay built into the prior's receipts; however, underlying profits are also up significantly as witnessed by the 37.7 percent growth since the last full pre-pandemic quarter. The precise reasons for this—and, therefore, its persistence into future years—are presently less clear. Echoing the comments included in a recent tax analysis by the Congressional Budget Office, "Those collections were more robust than the amounts implied by currently available data on the economy given the past relationship between the level of economic activity and revenues."

In addition to the revenue sources discussed above, collections of two other General Fund sources showed material growth over the prior year: insurance premium tax and corporate filing fees. Receipts for the latter were boosted as a result of the delay in payment authorized by a formal state order in the last quarter of fiscal year 2019-20. Altogether, over three-fourths of the state's General Fund sources posted gains over the prior year. Of the four sources that lost ground (severance taxes, parimutuel taxes, Article V fees and transfers, and earnings on investments), only Article V fees were directly related to the continuing effects of the pandemic. One of its principal financial inputs, foreclosure filing fees, has been suppressed by both the temporary court office closings and the moratoriums on foreclosures issued at the state and federal levels—a trend that is expected to continue through the first half of fiscal year 2021-22.

The Revenue Estimating Conference last met in August 2021 to revise the General Fund forecast for fiscal years 2021-22 and 2022-23. Through June 2021, revenue collections had gained \$2.3 billion to the Conference expectations in April 2021, with July 2021 expected to add to the overage. Because the economy was largely returning to normal, the Conference had gained confidence in adding to the prior forecast for fiscal year 2021-22 and fiscal year 2022-23, even though some areas will be backing down from heightened activity levels associated with the federal response to the pandemic. As a result, the Conference made sizeable adjustments to its prior forecast. Anticipated revenues were revised upward by \$1.4 billion in fiscal year 2021-22 and by \$1.2 billion in fiscal year 2022-23, for a two-year combined increase of \$2.6 billion. These changes reflect increases over the previous estimates of 4.0 percent in fiscal year 2021-22 and 3.2 percent in fiscal year 2022-23.

As a buffer against any financial implications associated with the continuing waves of COVID-19, particularly the Omicron variant, the latest General Revenue Outlook shows that there will be \$8 billion in unallocated general revenue remaining at the end of the current fiscal year. In addition, the state's major reserve for emergencies, the Budget Stabilization Fund, has a

planned balance of \$2.7 billion. The fund cash balance is now at the highest recorded level in its history, boosted in part by the transfer of \$1.0 billion from the legislatively closed Lawton Chiles Endowment Fund. Between the two funds, reserves total \$10.7 billion or 29.0 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 2021, the state will not have a budget gap in the upcoming fiscal year (2022-23), meaning the projected revenues will meet all anticipated needs. At the time the report was adopted by the state's Legislative Budget Commission, the surplus of revenues over needs was almost \$7 billion, but 70.8 percent of this was nonrecurring dollars. The long-range analysis was adopted prior to the inclusion of an additional \$662.6 million that was first recognized as unallocated general revenue by the Revenue Estimating Conference on January 4, 2022.

Contact the State's Financial Management

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

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

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**FINANCIAL
SECTION:
BASIC FINANCIAL
STATEMENTS**

STATEMENT OF NET POSITION
JUNE 30, 2021
(in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and cash equivalents	\$ 67,069	\$ 107,672	\$ 174,741	\$ 3,281,794
Pooled investments with State Treasury	31,838,609	2,173,834	34,012,443	4,128,386
Other investments	1,771,000	33,320,820	35,091,820	18,341,217
Receivables, net	5,852,819	2,465,877	8,318,696	2,425,428
Internal balances	222,915	(222,915)	—	—
Due from component units/primary	2,472	1,068	3,540	545,426
Inventories	48,436	10,418	58,854	116,507
Restricted cash and cash equivalents	—	169	169	850,412
Restricted pooled investments with State Treasury	—	98,584	98,584	484,909
Restricted investments	—	546,118	546,118	8,641,027
Advances to other entities	876,240	—	876,240	—
Other loans and notes receivable, net	2,964,200	1,985,219	4,949,419	2,423,104
Other assets	1,264	75,454	76,718	772,718
Capital assets, net	83,490,549	15,927,327	99,417,876	27,149,567
Total assets	127,135,573	56,489,645	183,625,218	69,160,495
DEFERRED OUTFLOWS OF RESOURCES				
Accum. decrease in fair value - hedging derivatives	—	—	—	53,096
Grants paid in advance	39,454	—	39,454	15
Amount deferred on refunding of debt	73,877	21,281	95,158	52,845
Pension-related items	3,625,493	62,398	3,687,891	1,720,003
Other postemployment benefits	1,241,274	36,798	1,278,072	973,397
Asset retirement obligations	—	—	—	8,542
Total deferred outflows of resources	4,980,098	120,477	5,100,575	2,807,898
LIABILITIES				
Accounts payable and accrued liabilities	3,302,292	2,182,840	5,485,132	2,643,436
Due to other governments	—	11,083	11,083	—
Due to component units/primary	136,473	98	136,571	77,911
Unearned revenue	6,260,143	—	6,260,143	—
Obligations under security lending agreements	1,907,064	2,214,018	4,121,082	—
Long-term liabilities				
Due within one year	4,077,408	4,350,008	8,427,416	2,591,287
Due in more than one year	34,083,100	18,037,458	52,120,558	18,039,249
Total liabilities	49,766,480	26,795,505	76,561,985	23,351,883
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement receipts	—	127,758	127,758	111,594
Grants received in advance	—	—	—	1,143
Amount deferred on refunding of debt	117,482	16,347	133,829	2,088
Pension-related items	582,735	10,974	593,709	227,318
Other postemployment benefits liability	3,713,420	94,519	3,807,939	1,407,040
Irrevocable split-interest agreements	—	—	—	75,694
Total deferred inflows of resources	4,413,637	249,598	4,663,235	1,824,877
NET POSITION				
Net investments in capital assets	77,434,619	12,590,918	90,025,537	23,040,463
Restricted for				
Natural resources, environment, and growth management	4,577,465	—	4,577,465	—
Public Education	380,668	—	380,668	—
Health and Family Services	1,985,463	—	1,985,463	—
Transportation	1,888,355	285,126	2,173,481	—
Nonmajor governmental funds	1,523,668	—	1,523,668	—
Debt service	32,607	—	32,607	39,832
Lottery	—	105,007	105,007	—
Prepaid College Program	—	4,712,304	4,712,304	—
Hurricane Catastrophe Fund	—	10,195,203	10,195,203	—
Reemployment Assistance	—	1,005,981	1,005,981	—
Other	779,833	4,216	784,049	8,725,138
Funds held for permanent endowment				
Expendable	—	—	—	2,226,575
Nonexpendable	—	—	—	3,841,590
Unrestricted	(10,667,124)	666,264	(10,000,860)	8,918,035
Total net position	\$ 77,935,554	\$ 29,565,019	\$ 107,500,573	\$ 46,791,633

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

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ 11,253,544	\$ 5,087,572	\$ 5,056,349	\$ 2,535	\$ (1,107,088)
Education	25,505,514	447,607	5,170,984	—	(19,886,923)
Human services	46,912,818	2,099,760	33,363,504	8,794	(11,440,760)
Criminal justice and corrections	5,156,439	331,010	1,367,285	2,917	(3,455,227)
Natural resources and environment	3,473,198	294,541	1,589,887	4,196	(1,584,574)
Transportation	4,491,160	198,573	96,617	2,133,354	(2,062,616)
Judicial branch	702,302	96,723	8,323	—	(597,256)
Indirect interest on long-term debt	76,838	—	—	—	(76,838)
Total governmental activities	97,571,813	8,555,786	46,652,949	2,151,796	(40,211,282)
Business-type activities:					
Transportation	821,716	1,111,855	—	—	290,139
Lottery	6,861,283	9,061,022	—	—	2,199,739
Hurricane Catastrophe Fund	1,383,434	1,240,225	—	—	(143,209)
Prepaid College Program	(38,945)	1,107,314	—	—	1,146,259
Reemployment Assistance	21,013,137	1,145,159	18,684,257	—	(1,183,721)
Nonmajor enterprise funds	419,997	515,831	1,051	999	97,884
Total business-type activities	30,460,622	14,181,406	18,685,308	999	2,407,091
Total primary government	\$ 128,032,435	\$ 22,737,192	\$ 65,338,257	\$ 2,152,795	\$ (37,804,191)
Component units					
Florida Housing Finance Corporation	\$ 313,872	\$ 214,967	\$ —	\$ —	\$ (98,905)
University of Florida	6,738,704	4,668,870	1,160,426	91,243	(818,165)
Citizens Property Insurance Corporation	894,097	754,520	—	—	(139,577)
Nonmajor component units	13,877,684	3,330,873	5,015,521	558,361	(4,972,929)
Total component units	\$ 21,824,357	\$ 8,969,230	\$ 6,175,947	\$ 649,604	\$ (6,029,576)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net (expense) revenue	\$ (40,211,282)	\$ 2,407,091	\$ (37,804,191)	\$ (6,029,576)
General revenues:				
Taxes				
Sales and use tax	30,451,674	—	30,451,674	—
Fuel taxes	3,160,743	—	3,160,743	—
Corporate income tax	3,153,000	—	3,153,000	—
Documentary stamp tax	4,137,123	—	4,137,123	—
Intangible personal property tax	708,962	—	708,962	—
Communications service tax	901,874	—	901,874	—
Beverage and tobacco taxes	1,438,733	—	1,438,733	—
Insurance premium tax	1,491,830	—	1,491,830	—
Gross receipts utilities tax	780,822	—	780,822	—
Property taxes	—	—	—	507,400
Other taxes	927,067	—	927,067	—
Investment earning (loss)	(415,279)	(6,989)	(422,268)	2,884,602
Gain (loss) on sale of capital assets	(14,195)	(2,704)	(16,899)	5,931
Payments from the State of Florida	—	—	—	4,920,529
Emergency assessments	—	—	—	—
Miscellaneous	21,303	1,092	22,395	1,511,692
Transfers	2,337,291	(2,337,291)	—	—
Contributions to permanent funds	—	—	—	110,419
Total general revenues, transfers and contributions	49,080,948	(2,345,892)	46,735,056	9,940,573
Changes in net position	8,869,666	61,199	8,930,865	3,910,997
Net position - beginning, as restated (Note 1)	69,065,888	29,503,820	98,569,708	42,880,636
Net position - ending	\$ 77,935,554	\$ 29,565,019	\$ 107,500,573	\$ 46,791,633

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 205.

**BALANCE SHEET
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ 8,105	\$ 4,358	\$ —	\$ 8,301
Pooled investments with State Treasury	19,631,409	2,836,975	1,278,940	1,916,250
Other investments	1,343,429	—	—	—
Receivables, net	2,504,519	249,723	1,960	2,128,542
Due from other funds	210,817	98,049	178,698	142,176
Due from component units/primary	200	141	853	—
Inventories	9,541	708	—	27,380
Other	268	—	—	—
Total current assets	23,708,288	3,189,954	1,460,451	4,222,649
<u>Noncurrent assets</u>				
Long-term investments	—	—	—	—
Advances to other funds	1,350	—	—	—
Advances to other entities	2,665	1,449	871,081	—
Other loans and notes receivable, net	419	1,811,984	809	40,648
Total noncurrent assets	4,434	1,813,433	871,890	40,648
Total assets	23,712,722	5,003,387	2,332,341	4,263,297
DEFERRED OUTFLOWS OF RESOURCES				
Grants paid in advance	—	—	—	—
Total deferred outflows of resources	—	—	—	—
Total assets and deferred outflows	23,712,722	5,003,387	2,332,341	4,263,297
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	771,811	63,709	10,684	733,081
Due to other funds	527,807	23,085	3,558	30,907
Due to component units/primary	16,198	106,046	—	12,079
Compensated absences	16,530	1,976	38	1,381
Claims payable	135,381	—	—	599,996
Deposits	4,403	90,149	14,095	1,149
Unearned revenues	6,260,143	—	—	—
Obligations under security lending agreements	1,602,305	64,070	43,879	2,898
Total current liabilities	9,334,578	349,035	72,254	1,381,491
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	1,111,439	—
Deposits	—	—	—	—
Other	—	—	133	—
Total noncurrent liabilities	—	—	1,111,572	—
Total liabilities	9,334,578	349,035	1,183,826	1,381,491
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	174,046	1,318	—	831,225
Total deferred inflows of resources	174,046	1,318	—	831,225
FUND BALANCES				
Nonspendable	11,130	708	—	27,380
Restricted	64,503	2,984,990	1,320,181	245,825
Committed	1,509,709	1,667,336	738,714	1,777,376
Unassigned	12,618,756	—	(910,380)	—
Total fund balances	14,204,098	4,653,034	1,148,515	2,050,581
Total liabilities, deferred inflows and fund balances	\$ 23,712,722	\$ 5,003,387	\$ 2,332,341	\$ 4,263,297

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

Transportation	Nonmajor Governmental Funds	Totals 6/30/21
\$ 873	\$ 17,122	\$ 38,759
2,621,405	2,669,557	30,954,536
—	360,905	1,704,334
340,000	472,228	5,696,972
312,705	130,594	1,073,039
—	50	1,244
8,230	2,577	48,436
—	230	498
<u>3,283,213</u>	<u>3,653,263</u>	<u>39,517,818</u>
—	34,207	34,207
132,848	—	134,198
1,045	—	876,240
<u>462,763</u>	<u>647,577</u>	<u>2,964,200</u>
<u>596,656</u>	<u>681,784</u>	<u>4,008,845</u>
<u>3,879,869</u>	<u>4,335,047</u>	<u>43,526,663</u>
39,454	—	39,454
<u>39,454</u>	<u>—</u>	<u>39,454</u>
<u>3,919,323</u>	<u>4,335,047</u>	<u>43,566,117</u>
889,103	359,866	2,828,254
149,459	250,768	985,584
—	2,150	136,473
433	893	21,251
—	19,526	754,903
493,149	203,982	806,927
—	—	6,260,143
<u>93,881</u>	<u>67,091</u>	<u>1,874,124</u>
<u>1,626,025</u>	<u>904,276</u>	<u>13,667,659</u>
75,000	951	1,187,390
—	111	111
—	—	133
<u>75,000</u>	<u>1,062</u>	<u>1,187,634</u>
<u>1,701,025</u>	<u>905,338</u>	<u>14,855,293</u>
329,943	342,745	1,679,277
<u>329,943</u>	<u>342,745</u>	<u>1,679,277</u>
8,230	6,798	54,246
50	1,567,369	6,182,918
1,880,075	1,512,797	9,086,007
—	—	11,708,376
<u>1,888,355</u>	<u>3,086,964</u>	<u>27,031,547</u>
<u>\$ 3,919,323</u>	<u>\$ 4,335,047</u>	<u>\$ 43,566,117</u>

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

Total fund balances for governmental funds \$ 27,031,547

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	20,880,361	
Nondepreciable infrastructure	54,233,452	
Buildings, equipment and other depreciable assets	7,216,536	
Accumulated depreciation	(4,917,126)	
Construction work in progress	5,163,041	
		82,576,264

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

Compensated absences	(790,696)	
Installment purchases/capital leases/public-private partnership agreements	(2,740,979)	
Claims payable	(1,695,248)	
Bonds payable	(12,124,411)	
Certificates of participation payable	(48,628)	
Pension liability	(9,952,931)	
Other postemployment benefits	(6,878,114)	
Due to other governments	(340,000)	
Other	(19,352)	
		(34,590,359)

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. (39,482)

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. 3,014,390

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. (2,439,644)

Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Position. (25,243)

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. 1,679,277

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. 728,804

Net position of governmental activities \$ 77,935,554

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, 2021
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services
REVENUES				
Taxes	\$ 41,873,817	\$ 286,072	\$ 1,110,208	\$ 721,223
Licenses and permits	272,136	59,136	1,416	37,562
Fees and charges	1,629,633	161,340	75,988	1,348,528
Grants and donations	3,068,898	227,886	3,986,456	33,428,991
Investment earnings (losses)	(398,287)	(16,117)	(126,940)	1,296
Fines, forfeits, settlements and judgments	526,221	4,531	204,459	42,896
Other	16,770	2,954	150,976	663,469
Total revenues	46,989,188	725,802	5,402,563	36,243,965
EXPENDITURES				
Current:				
General government	4,241,011	14,204	—	152,575
Education	18,113,925	—	6,934,970	—
Human services	9,728,416	—	—	36,550,984
Criminal justice and corrections	3,981,348	—	—	—
Natural resources and environment	585,437	1,303,543	—	—
Transportation	—	—	—	—
Judicial branch	479,173	—	—	—
Capital outlay	125,822	145,856	32	18,583
Debt service:				
Principal retirement	19,732	—	—	—
Interest and fiscal charges	3,099	—	46	—
Total expenditures	37,277,963	1,463,603	6,935,048	36,722,142
Excess (deficiency) of revenues over expenditures	9,711,225	(737,801)	(1,532,485)	(478,177)
OTHER FINANCING SOURCES (USES)				
Proceeds of bond issues	3,398	—	310,554	—
Proceeds of refunding bonds	49	—	—	—
Proceeds of financing agreements	5,296	—	—	—
Operating transfers in	892,979	1,498,423	2,759,067	1,639,268
Operating transfers out	(5,164,155)	(352,465)	(1,150,445)	(933,705)
Payments to refunded bond agent	(49)	—	—	—
Total other financing sources (uses)	(4,262,482)	1,145,958	1,919,176	705,563
Net change in fund balances	5,448,743	408,157	386,691	227,386
Fund balances - beginning, as restated (Note 1)	8,755,355	4,244,877	761,824	1,823,195
Fund balances - ending	\$ 14,204,098	\$ 4,653,034	\$ 1,148,515	\$ 2,050,581

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

Transportation	Nonmajor Governmental Funds	Totals 6/30/21
\$ 2,873,845	\$ 260,144	\$ 47,125,309
14,914	1,856,846	2,242,010
367,592	734,504	4,317,585
2,258,567	5,733,151	48,703,949
(47,931)	104,778	(483,201)
2,535	547,235	1,327,877
24,464	81,899	940,532
<u>5,493,986</u>	<u>9,318,557</u>	<u>104,174,061</u>
197,415	6,354,657	10,959,862
—	191,907	25,240,802
—	515,871	46,795,271
—	563,711	4,545,059
—	1,442,441	3,331,421
4,356,141	160	4,356,301
—	91,298	570,471
2,361,475	90,676	2,742,444
325,187	1,190,101	1,535,020
74,333	498,642	576,120
<u>7,314,551</u>	<u>10,939,464</u>	<u>100,652,771</u>
<u>(1,820,565)</u>	<u>(1,620,907)</u>	<u>3,521,290</u>
352,000	220,177	886,129
—	1,652,077	1,652,126
266,878	735	272,909
2,301,171	4,629,244	13,720,152
(834,166)	(2,910,022)	(11,344,958)
—	(1,652,077)	(1,652,126)
<u>2,085,883</u>	<u>1,940,134</u>	<u>3,534,232</u>
265,318	319,227	7,055,522
1,623,037	2,767,737	19,976,025
<u>\$ 1,888,355</u>	<u>\$ 3,086,964</u>	<u>\$ 27,031,547</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, 2021**

(in thousands)

Net change in fund balance - total governmental funds	\$	7,055,522
<p>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.</p>		
		(10,609)
<p>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.</p>		
Capital outlay expenditures	2,742,444	
Capital asset transfers, net	(25,464)	
Depreciation expense	<u>(278,803)</u>	
		2,438,177
<p>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.</p>		
		(19,217)
<p>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.</p>		
		(72,790)
<p>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.</p>		
Increase in compensated absences	(46,969)	
Decrease in accrued interest	3,905	
Decrease in claims payable	55,782	
Increase in other postemployment benefits	(80,194)	
Increase in net pension related items	(999,709)	
Decrease in due to other governments	(18,529)	
Increase in other liabilities	<u>(1,860)</u>	
		(1,087,574)
<p>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.</p>		
Bond proceeds	(886,129)	
Refunding bond proceeds	(1,652,126)	
Financing agreement proceeds	(272,909)	
Repayment of bonds	1,070,438	
Repayment of capital leases/installment purchase contracts	464,583	
Payment to refunded bond escrow agent	1,652,126	
Amortization of bond premium	193,593	
Amortization of amount deferred on refunding of debt	(5,008)	
Accrued interest payable at refunding	<u>1,589</u>	
		<u>566,157</u>
Change in net position of governmental activities	<u>\$</u>	<u>8,869,666</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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2021 STATE OF FLORIDA ACFR

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021
 (in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 1,634	\$ 265	\$ —	\$ 72,168	\$ 46
Pooled investments with State Treasury	579,056	409,557	—	—	769,197
Other investments	90,892	—	4,541,017	2,806,521	—
Receivables, net	8,890	29,535	433,344	1,054,033	747,309
Due from other funds	245,293	7	—	98	2,103
Due from component units/primary	—	—	—	—	970
Inventories	7,974	2,443	—	—	—
Other	24,998	2,725	2	1,220	—
Total current assets	958,737	444,532	4,974,363	3,934,040	1,519,625
<u>Noncurrent assets</u>					
Restricted cash and cash equivalents	169	—	—	—	—
Restricted pooled investments with State Treasury	66,189	32,395	—	—	—
Restricted investments	254,191	291,927	—	—	—
Long-term investments	—	—	12,228,528	13,578,378	—
Advances to other funds	75,000	—	—	—	—
Other loans and notes receivable, net	72,861	—	—	1,909,270	—
<u>Capital assets</u>					
Land and other non-depreciable assets	1,265,369	4,516	—	—	—
Non-depreciable infrastructure	11,585,803	—	—	—	—
Buildings, equipment, and other depreciable assets	1,598,622	13,027	123	138	—
Accumulated depreciation	(639,155)	(9,979)	(74)	(97)	—
Construction work in progress	1,861,279	—	—	431	—
Other	—	32,278	—	—	—
Total noncurrent assets	16,140,328	364,164	12,228,577	15,488,120	—
Total assets	17,099,065	808,696	17,202,940	19,422,160	1,519,625
DEFERRED OUTFLOWS OF RESOURCES					
Amount deferred on refunding of debt	21,281	—	—	—	—
Pension-related items	—	9,865	756	1,483	—
Other postemployment benefits	—	4,718	105	104	—
Total deferred outflows of resources	21,281	14,583	861	1,587	—
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	73,759	14,199	289,146	1,210,556	497,978
Accrued prize liability	—	328,966	—	—	—
Due to other governments	—	—	—	—	11,082
Due to other funds	153,148	107,749	299	45,901	4,584
Due to component units/primary	—	—	—	—	—
Compensated absences	—	790	70	91	—
Installment purchases/capital leases	1,624	—	—	—	—
Bonds payable	—	—	650,000	—	—
Bonds payable from restricted assets	140,855	—	—	—	—
Deposits	105,072	—	—	—	—
Claims payable	—	—	2,566,223	—	—
Obligations under security lending agreements	29,559	20,645	—	2,147,909	—
Certificates of participation payable	—	—	—	—	—
Tuition and housing benefits payable	—	—	—	521,466	—
Pension liability	—	68	5	7	—
Other postemployment benefits	—	439	7	7	—
Total current liabilities	504,017	472,856	3,505,750	3,925,937	513,644
<u>Noncurrent liabilities</u>					
Advances from other funds	132,747	—	—	—	—
Accrued prize liability	—	224,566	—	—	—
Bonds payable	2,756,190	—	3,500,000	—	—
Certificates of participation payable	—	—	—	—	—
Installment purchases/capital leases	210,508	—	—	—	—
Deposits	203	—	—	—	—
Compensated absences	—	2,902	202	495	—
Tuition and housing benefits payable	—	—	—	10,780,577	—
Pension liability	—	27,762	1,963	3,246	—
Other postemployment benefits liability	—	26,637	405	405	—
Other	—	—	—	—	—
Total noncurrent liabilities	3,099,648	281,867	3,502,570	10,784,723	—
Total liabilities	3,603,665	754,723	7,008,320	14,710,660	513,644
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	127,758	—	—	—	—
Amount deferred on refunding of debt	16,347	—	—	—	—
Pension-related items	—	2,367	49	44	—
Other postemployment benefits	—	14,651	180	267	—
Total deferred inflows of resources	144,105	17,018	229	311	—
NET POSITION					
Net investment in capital assets	12,466,785	7,564	49	472	—
Restricted for Reemployment Assistance	—	—	—	—	1,005,981
Restricted for Lottery	—	105,007	—	—	—
Restricted for Hurricane Catastrophe Fund	—	—	10,195,203	—	—
Restricted for Prepaid College Program	—	—	—	4,712,304	—
Restricted for Transportation	285,126	—	—	—	—
Restricted - other	—	—	—	—	—
Unrestricted	620,665	(61,033)	—	—	—
Total net position	\$ 13,372,576	\$ 51,538	\$ 10,195,252	\$ 4,712,776	\$ 1,005,981

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

2021 STATE OF FLORIDA ACFR

Nonmajor Enterprise Funds	Totals 6/30/21	Internal Service Funds
\$ 33,559	\$ 107,672	\$ 28,310
416,024	2,173,834	884,073
13,114	7,451,544	32,459
40,815	2,313,926	43,158
13,009	260,510	18,212
98	1,068	1,228
1	10,418	—
1,775	30,720	—
<u>518,395</u>	<u>12,349,692</u>	<u>1,007,440</u>
—	169	—
—	98,584	—
—	546,118	—
62,370	25,869,276	—
—	75,000	—
3,088	1,985,219	—
—	1,269,885	314
—	11,585,803	—
337,092	1,949,002	1,582,141
(90,710)	(740,015)	(689,780)
942	1,862,652	21,610
12,454	44,732	—
<u>325,236</u>	<u>44,546,425</u>	<u>914,285</u>
<u>843,631</u>	<u>56,896,117</u>	<u>1,921,725</u>
—	21,281	3,040
50,294	62,398	43,658
31,871	36,798	27,023
<u>82,165</u>	<u>120,477</u>	<u>73,721</u>
48,215	2,133,853	241,186
—	328,966	—
1	11,083	—
11,031	322,712	35,454
98	98	—
6,150	7,101	1,894
1,060	2,684	979
—	650,000	13,510
—	140,855	—
24,121	129,193	230,018
—	2,566,223	—
15,905	2,214,018	32,940
—	—	28,515
—	521,466	—
440	520	211
2,547	3,000	1,291
<u>109,568</u>	<u>9,031,772</u>	<u>585,998</u>
—	132,747	500
—	224,566	—
—	6,256,190	142,170
—	—	258,175
6,522	217,030	2,241
165,374	165,577	—
18,377	21,976	7,181
—	10,780,577	—
146,198	179,169	111,030
154,427	181,874	78,270
10,499	10,499	—
<u>501,397</u>	<u>18,170,205</u>	<u>599,567</u>
<u>610,965</u>	<u>27,201,977</u>	<u>1,185,565</u>
—	127,758	—
—	16,347	6,260
8,514	10,974	15,291
79,421	94,519	59,526
<u>87,935</u>	<u>249,598</u>	<u>81,077</u>
116,048	12,590,918	468,695
—	1,005,981	—
—	105,007	—
—	10,195,203	—
—	4,712,304	—
—	285,126	—
4,216	4,216	43,494
106,632	666,264	216,615
<u>\$ 226,896</u>	<u>\$ 29,565,019</u>	<u>\$ 728,804</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program
OPERATING REVENUES				
Sales - nonstate	\$ 8,623	\$ 9,082,375	\$ 1,205,944	\$ 405,471
Change in actuarial value of contract premiums	—	—	—	112,101
Fees	1,108,849	—	—	998
Sales - state	—	—	43	225
Rents and royalties - nonstate	10,597	565	—	—
Rents - state	—	—	—	—
Fines, forfeits, settlements and judgments	111	105	—	—
Other	—	—	—	—
Total operating revenues	1,128,180	9,083,045	1,205,987	518,795
OPERATING EXPENSES				
Benefit payments	—	—	—	—
Payment of lottery winnings	—	6,135,198	—	—
Commissions on lottery sales	—	509,861	—	—
Contractual services	570,442	165,705	4,594	394,261
Change in actuarial value of contract benefit payments	—	—	1,300,000	(454,969)
Insurance claims expense	—	—	—	—
Personal services	26,828	32,015	2,046	3,131
Depreciation	100,633	380	15	24
Materials and supplies	14,316	1,590	16	33
Repairs and maintenance	—	383	—	—
Basic services	—	4,835	118	177
Interest and fiscal charges	—	—	—	22
Total operating expenses	712,219	6,849,967	1,306,789	(57,321)
Operating income (loss)	415,961	2,233,078	(100,802)	576,116
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	—	—	—	—
Investment earnings (losses)	(18,604)	(22,022)	34,239	588,519
Interest and fiscal charges	(109,555)	(11,317)	(76,647)	(10,469)
Fines, forfeits, judgments and settlements	861	—	150	81
Property disposition gain (loss)	(2,789)	(50)	—	—
Grant expense and client benefits	—	—	—	—
Other	—	—	—	—
Total nonoperating revenues (expenses)	(130,087)	(33,389)	(42,258)	578,131
Income (loss) before transfers and contributions	285,874	2,199,689	(143,060)	1,154,247
Operating transfers in	117,968	7	—	—
Operating transfers out	(63,383)	(2,236,801)	(13,500)	(7,907)
Capital contributions	25,465	—	—	—
Change in net position	365,924	(37,105)	(156,560)	1,146,340
Total net position - beginning, as restated (Note 1)	13,006,652	88,643	10,351,812	3,566,436
Total net position - ending	\$ 13,372,576	\$ 51,538	\$ 10,195,252	\$ 4,712,776

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

2021 STATE OF FLORIDA ACFR

Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/21	Internal Service Funds
\$ —	\$ 104,873	\$ 10,807,286	\$ 45,114
—	—	112,101	—
1,097,153	282,633	2,489,633	—
—	46,832	47,100	2,779,162
—	—	11,162	—
—	53	53	141,261
—	7,383	7,599	15
—	57,575	57,575	18,299
1,097,153	499,349	13,532,509	2,983,851
20,982,949	—	20,982,949	—
—	—	6,135,198	—
—	—	509,861	—
—	137,159	1,272,161	607,817
—	—	845,031	—
—	—	—	2,181,125
—	225,349	289,369	129,134
—	13,730	114,782	34,960
—	4,992	20,947	2,935
—	1,893	2,276	1,969
—	29,976	35,106	7,768
—	2,671	2,693	1
20,982,949	415,770	30,210,373	2,965,709
(19,885,796)	83,579	(16,677,864)	18,142
18,684,257	2,050	18,686,307	2,199
40,130	(7,781)	614,481	(16,684)
—	(1,255)	(209,243)	(10,726)
—	—	1,092	—
—	135	(2,704)	(4,314)
—	(1,367)	(1,367)	—
(22,327)	(1,590)	(23,917)	—
18,702,060	(9,808)	19,064,649	(29,525)
(1,183,736)	73,771	2,386,785	(11,383)
9,740	26,347	154,062	22,171
(72,217)	(111,305)	(2,505,113)	(21,477)
—	—	25,465	80
(1,246,213)	(11,187)	61,199	(10,609)
2,252,194	238,083	29,503,820	739,413
\$ 1,005,981	\$ 226,896	\$ 29,565,019	\$ 728,804

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Transportation	Lottery	Hurricane Catastrophe Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,126,216	\$ 9,129,780	\$ 1,211,474
Cash paid to vendors	(686,926)	(681,781)	(4,758)
Cash paid to employees	(26,828)	(28,882)	(1,834)
Cash received/(paid) for grants	—	—	—
Lottery prizes	—	(6,111,563)	—
Cash paid for insurance claims	—	—	(1,417,259)
Reemployment assistance	—	—	—
Net cash provided (used) by operating activities	412,462	2,307,554	(212,377)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	54,808	(2,256,299)	(13,500)
Advances from or repayment from other funds	10,357	—	—
Advances, grants or loans (to) from or repayment from others	(73,149)	—	—
Cash received from sale of bonds	—	—	3,491,639
Payment of bonds or loans (principal and interest)	—	—	(1,049,535)
Cash received from noncapital grants or donations	—	—	—
Net cash provided (used) by noncapital financing activities	(7,984)	(2,256,299)	2,428,604
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	(140,885)	—	—
Payment of principal on installment purchase/capital lease	—	—	—
Payment of interest on bonds/installment purchase/capital lease	(133,008)	—	—
Purchase or construction of capital assets	(710,177)	(721)	(7)
Line of credit draws/(payments)	—	—	—
Net cash provided (used) by capital and related financing activities	(793,684)	(721)	(7)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	(30,134)	20,645	—
Proceeds from the sale or maturity of investments	3,387,087	22,615	30,961,570
Cash paid to grand prize winners upon maturity of grand prize investments	—	(22,615)	—
Investment earnings	(17,207)	(8,706)	188,336
Purchase of investments	(3,393,459)	(22,230)	(33,366,126)
Net cash provided (used) by investing activities	(53,713)	(10,291)	(2,216,220)
Net increase (decrease) in cash and cash equivalents	(442,919)	40,243	—
Cash and cash equivalents - beginning	1,089,967	401,974	—
Cash and cash equivalents - ending	\$ 647,048	\$ 442,217	\$ —

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

2021 STATE OF FLORIDA ACFR

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/21	Internal Service Funds
\$ 549,200	\$ 1,018,160	\$ 448,372	\$ 13,483,202	\$ 3,041,343
(589,174)	—	(177,614)	(2,140,253)	(640,823)
(2,573)	—	(198,829)	(258,946)	(118,903)
—	—	46,630	46,630	(256)
—	—	—	(6,111,563)	—
—	1	—	(1,417,258)	(2,140,548)
—	(21,277,472)	—	(21,277,472)	—
(42,547)	(20,259,311)	118,559	(17,675,660)	140,813
(7,907)	(62,477)	(86,261)	(2,371,636)	28,068
—	—	—	10,357	—
—	—	—	(73,149)	—
—	—	—	3,491,639	—
—	—	—	(1,049,535)	—
—	18,684,257	728	18,684,985	1,156
(7,907)	18,621,780	(85,533)	18,692,661	29,224
—	—	191	191	1
—	—	138	190,524	—
—	—	999	999	—
—	—	—	(140,885)	(52,799)
—	—	—	—	(5,141)
—	—	(773)	(133,781)	(7,226)
(9)	—	(2,057)	(712,971)	(2,733)
—	—	—	—	—
(9)	—	(1,502)	(795,923)	(67,898)
6,798	—	(2,695)	(5,386)	(4,197)
18,002,990	—	78,958	52,453,220	—
—	—	—	(22,615)	—
168,948	40,130	(8,022)	363,479	(16,937)
(18,066,591)	—	(80,880)	(54,929,286)	—
112,145	40,130	(12,639)	(2,140,588)	(21,134)
61,682	(1,597,401)	18,885	(1,919,510)	81,005
10,486	2,366,644	430,698	4,299,769	831,378
\$ 72,168	\$ 769,243	\$ 449,583	\$ 2,380,259	\$ 912,383

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)
Reconciliation of operating income (loss) to net cash
provided (used) by operating activities

	Transportation	Lottery	Hurricane Catastrophe Fund
Operating income (loss)	\$ 415,961	\$ 2,233,078	\$ (100,802)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	100,633	380	15
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	4,126	46,489	5,526
(Increase) decrease in due from other funds	(82,972)	—	—
Increase (decrease) in allowance for uncollectibles	—	235	—
(Increase) decrease in inventories	970	405	—
(Increase) decrease in future contract premiums and other receivables	—	—	—
(Increase) decrease in other noncurrent assets	—	1,903	—
Increase (decrease) in accounts payable	(19,607)	705	(55)
Increase (decrease) in compensated absences	—	202	(37)
Increase (decrease) in due to other funds	18,509	—	—
Increase (decrease) in tuition and housing benefits payable	—	—	—
Increase (decrease) in other noncurrent liability	—	—	—
(Increase) decrease in deposits and prepaid items	(25,000)	(505)	(2)
Increase (decrease) in unearned revenue	(158)	—	—
Increase (decrease) in prize liability	—	21,732	—
Increase (decrease) in pension liability and deferrals	—	2,678	228
Increase (decrease) in OPEB liability and deferrals	—	252	19
Increase (decrease) in claims payable	—	—	(117,269)
Net cash provided (used) by operating activities	<u>\$ 412,462</u>	<u>\$ 2,307,554</u>	<u>\$ (212,377)</u>
Noncash investing, capital, and financing activities			
Change in fair value of investments	\$ —	\$ 30,731	\$ (246,368)
Other noncash items	—	—	—

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

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/21	Internal Service Funds
\$ 576,116	\$ (19,885,796)	\$ 83,579	\$ (16,677,864)	\$ 18,142
24	—	13,730	114,782	34,960
(9,934)	(85,716)	(4,044)	(43,553)	45,988
286	—	(10,828)	(93,514)	2,060
—	6,724	4,708	11,667	(682)
—	—	—	1,375	—
(100,800)	—	—	(100,800)	—
—	—	(7,959)	(6,056)	—
(69,245)	(294,523)	6,540	(376,185)	20,616
114	—	2,532	2,811	(2,920)
16,615	—	1,933	37,057	(72)
(454,969)	—	—	(454,969)	—
—	—	7,947	7,947	—
(1,219)	—	(410)	(27,136)	—
—	—	3,676	3,518	9,982
—	—	—	21,732	—
462	—	14,014	17,382	12,276
3	—	3,141	3,415	463
—	—	—	(117,269)	—
<u>\$ (42,547)</u>	<u>\$ (20,259,311)</u>	<u>\$ 118,559</u>	<u>\$ (17,675,660)</u>	<u>\$ 140,813</u>
\$ (598,815)	\$ —	\$ 14,253	\$ (800,199)	\$ 28,012
—	—	88	88	—

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.

CUSTODIAL 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, 2021 (in thousands)**

	Private- Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Custodial Funds	Totals 6/30/21
ASSETS					
Cash and cash equivalents	\$ 6,933	\$ 100,958	\$ 2,820,283	\$ 136,497	\$ 3,064,671
Pooled investments with State Treasury	712,174	214,926	1,091,817	1,615,583	3,634,500
Total cash and cash equivalents	719,107	315,884	3,912,100	1,752,080	6,699,171
<u>Investments</u>					
Certificates of deposit	—	—	2,834,231	—	2,834,231
U.S. government & federally guaranteed obligations	84,794	18,025,673	154,601	—	18,265,068
Federal agencies	73,673	9,551,123	—	—	9,624,796
Commercial paper	—	2,828,161	8,054,084	—	10,882,245
Repurchase agreements	—	1,000,000	113,947	—	1,113,947
Bonds and notes	124,673	11,593,167	29,570	—	11,747,410
International bonds and notes	23,616	3,171,265	—	—	3,194,881
Real estate contracts	—	10,663,262	—	—	10,663,262
Mutual fund investments	699,477	25,390,936	—	—	26,090,413
Money market and short-term investments	155,272	1,528,097	1,401,653	350	3,085,372
Domestic equity	6,800	62,822,491	—	—	62,829,291
Alternative investments	—	39,472,450	—	—	39,472,450
International equity	—	39,328,283	—	—	39,328,283
Deferred compensation annuities	—	13,427	—	—	13,427
Self-directed brokerage investments	—	1,219,127	—	—	1,219,127
Other investments	—	946	—	200	1,146
Total investments	1,168,305	226,608,408	12,588,086	550	240,365,349
<u>Receivables</u>					
Accounts receivable	362	48,660	—	657,867	706,889
State contributions receivable	—	63,329	—	—	63,329
Nonstate contributions receivable	—	383,594	—	—	383,594
Interest receivable	3,752	129,754	2,449	447	136,402
Dividends receivable	187	264,360	—	—	264,547
Pending investment sales	19,796	1,108,967	—	—	1,128,763
Foreign currency contracts receivable	—	344,222	—	—	344,222
Due from state funds	46,423	90,949	—	208,471	345,843
Due from other governments	3,285	—	—	548	3,833
Total receivables	73,805	2,433,835	2,449	867,333	3,377,422
Security lending collateral	—	1,983,381	—	—	1,983,381
Advances to other funds	1,111,439	—	—	—	1,111,439
Advances to other entities	—	—	—	84,714	84,714
Capital assets	334	1,455	—	10	1,799
Accumulated depreciation	(249)	(784)	—	—	(1,033)
Other assets	64	5,725	21	2,622	8,432
Total assets	3,072,805	231,347,904	16,502,656	2,707,309	253,630,674
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	1,896	156	—	—	2,052
Other postemployment benefits	818	2,348	—	—	3,166
Total deferred outflows of resources	2,714	2,504	—	—	5,218
LIABILITIES					
Accounts payable and accrued liabilities	8,367	194,111	904	752,033	955,415
Due to other funds	5,128	98,651	130	249,945	353,854
DROP	—	308,788	—	—	308,788
Pending investment purchases	83,121	4,970,401	—	—	5,053,522
Short sell obligations	—	76,584	—	—	76,584
Foreign currency contracts payable	—	344,928	—	—	344,928
Broker rebate fees	—	63	—	—	63
Due to other governments	14,330	—	2,525	1,060,326	1,077,181
Obligations under security lending agreements	41,393	2,016,742	51,503	13,825	2,123,463
Claims payable	423	—	—	21,943	22,366
Deposits payable	43,233	44,020	—	247,012	334,265
Compensated absences	786	1,286	—	—	2,072
Other liabilities	—	—	—	352	352
Pension liability	3,271	474	—	—	3,745
Other postemployment benefits liability	4,310	11,940	—	—	16,250
Total liabilities	204,362	8,067,988	55,062	2,345,436	10,672,848
DEFERRED INFLOWS OF RESOURCES					
Pension-related items	190	148	—	—	338
Other postemployment benefits	2,271	6,639	—	—	8,910
Total deferred inflows of resources	2,461	6,787	—	—	9,248
NET POSITION					
Restricted for pension benefits	—	216,985,615	—	—	216,985,615
Restricted for other postemployment benefits	—	6,290,018	—	—	6,290,018
Restricted for individuals, organizations and other governments	2,868,696	—	16,447,594	361,873	19,678,163
Total Net Position	\$ 2,868,696	\$ 223,275,633	\$ 16,447,594	\$ 361,873	\$ 242,953,796

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, 2021
(in thousands)

	Private- Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investments Trust Funds	Custodial Funds	Totals 6/30/21
ADDITIONS					
<u>Contributions and other deposits</u>					
Pension fund employer contributions - state	\$ —	\$ 851,347	\$ —	\$ —	\$ 851,347
Pension fund employer contributions - nonstate	—	4,087,524	—	—	4,087,524
Pension fund employee contributions	—	1,111,096	—	—	1,111,096
Other contributions	—	186,510	—	—	186,510
Purchase of time by employees	—	5,971	—	—	5,971
Fees	869	1,867	—	1,726,175	1,728,911
Grants and contributions	161,966	—	—	2,067	164,033
Flexible benefits contributions	—	346,163	—	—	346,163
Fines, forfeits, settlements and judgments	192	12	—	22,197	22,401
Unclaimed property remittances	679,610	—	—	—	679,610
Receivership assets acquired	—	—	—	102,320	102,320
Transfers in from state funds	9,677	826,109	—	770	836,556
Total contributions and other deposits	852,314	7,416,599	—	1,853,529	10,122,442
<u>Investment income</u>					
Interest income	(12,800)	1,188,088	12,406	5,490	1,193,184
Dividends	8,746	1,818,603	—	—	1,827,349
Other investment income (loss)	—	3,848,829	—	(159)	3,848,670
Net increase (decrease) in fair market value	167,224	46,163,135	187	2	46,330,548
Total investment income (loss)	163,170	53,018,655	12,593	5,333	53,199,751
Investment activity expense	(2,651)	(697,378)	(5,722)	—	(705,751)
Net income (loss) from investing activity	160,519	52,321,277	6,871	5,333	52,494,000
<u>Security lending activity</u>					
Security lending income	—	25,318	—	—	25,318
Security lending expense	—	(3,080)	—	—	(3,080)
Net income from security lending	—	22,238	—	—	22,238
Total net investment income (loss)	160,519	52,343,515	6,871	5,333	52,516,238
Other additions	1,787,073	26,772	—	8,981,000	10,794,845
Total additions	2,799,906	59,786,886	6,871	10,839,862	73,433,525
DEDUCTIONS					
Benefit payments	—	13,520,205	—	—	13,520,205
Insurance claims expense	—	4,250	—	36,477	40,727
Supplemental insurance payments	—	99,239	—	—	99,239
Flexible reimbursement payments	—	27,271	—	—	27,271
Life insurance premium payments	—	35,409	—	—	35,409
Remittances to annuity companies	—	215,289	—	—	215,289
Program contribution refunds	—	21,590	—	—	21,590
Interest expense	571	2	—	278	851
Student loan default payments	29,661	—	—	—	29,661
Payments to unclaimed property claimants	343,550	—	—	—	343,550
Distribution to State School Fund	203,794	—	—	—	203,794
Administrative expense	10,697	28,965	50	12,044	51,756
Transfers out to state funds	4,157	852,487	—	4,749	861,393
Other deductions	1,848,147	8	—	10,712,931	12,561,086
Total deductions	2,440,577	14,804,715	50	10,766,479	28,011,821
<u>Depositor activity</u>					
Deposits	534,114	—	26,496,129	2,531	27,032,774
Withdrawals	(263,299)	—	(24,138,127)	(2,532)	(24,403,958)
Excess (deficiency) of deposits over withdrawals	270,815	—	2,358,002	(1)	2,628,816
Change in net position	630,144	44,982,171	2,364,823	73,382	48,050,520
Net position - beginning, restated	2,238,552	178,293,462	14,082,771	288,491	194,903,276
Net position - ending	\$ 2,868,696	\$ 223,275,633	\$ 16,447,594	\$ 361,873	\$ 242,953,796

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 279.

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**STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2021
(in thousands)**

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/21
ASSETS					
Cash and cash equivalents	\$ 288,867	\$ 523,976	\$ 540,593	\$ 1,928,358	\$ 3,281,794
Pooled investments with State Treasury	1,269,405	946,072	—	1,912,909	4,128,386
Other investments	1,716,604	1,781,322	8,737,017	6,106,274	18,341,217
Receivables, net	131,445	886,815	229,932	1,177,236	2,425,428
Due from component units/primary	—	114,611	—	430,815	545,426
Inventories	—	81,770	—	34,737	116,507
Restricted cash and cash equivalents	—	38,059	—	812,353	850,412
Restricted pooled investments with State Treasury	—	256,563	—	228,346	484,909
Restricted investments	—	3,959,237	—	4,681,790	8,641,027
Other loans and notes receivable, net	2,293,388	20,361	—	109,355	2,423,104
Other assets	1,609	305,735	7,876	457,498	772,718
Capital assets, net	—	4,307,982	1,987	22,839,598	27,149,567
Total assets	5,701,318	13,222,503	9,517,405	40,719,269	69,160,495
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value-hedging derivatives	—	37,286	—	15,810	53,096
Grants paid in advance	—	—	—	15	15
Amount deferred on refunding of debt	—	25,575	—	27,270	52,845
Pension-related items	—	350,588	—	1,369,415	1,720,003
Other postemployment benefits	—	215,767	—	757,630	973,397
Asset retirement obligations	—	8,542	—	—	8,542
Total deferred outflows of resources	—	637,758	—	2,170,140	2,807,898
LIABILITIES					
Accounts payable and accrued liabilities	89,004	622,787	839,505	1,092,140	2,643,436
Due to component units/primary	—	28,980	—	48,931	77,911
Long-term liabilities					
Due within one year	290,794	663,032	864,101	773,360	2,591,287
Due in more than one year	2,140,898	4,203,941	830,480	10,863,930	18,039,249
Total liabilities	2,520,696	5,518,740	2,534,086	12,778,361	23,351,883
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	—	—	—	111,594	111,594
Grants received in advance	—	—	—	1,143	1,143
Amount deferred on refunding of debt	—	1,917	—	171	2,088
Pension-related items	—	72,811	—	154,507	227,318
Other postemployment benefits	—	471,947	—	935,093	1,407,040
Irrevocable split-interest agreements	—	23,717	—	51,977	75,694
Total deferred inflows of resources	—	570,392	—	1,254,485	1,824,877
NET POSITION					
Net investment in capital assets	—	2,626,142	1,987	20,412,334	23,040,463
Restricted for					
Debt service	—	6,849	—	32,983	39,832
Other	3,000,409	657,238	—	5,067,491	8,725,138
Funds held for permanent endowment					
Expendable	—	1,024,720	—	1,201,855	2,226,575
Nonexpendable	—	1,479,743	—	2,361,847	3,841,590
Unrestricted	180,213	1,976,437	6,981,332	(219,947)	8,918,035
Total net position	\$ 3,180,622	\$ 7,771,129	\$ 6,983,319	\$ 28,856,563	\$ 46,791,633

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, 2021
(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	\$ 313,872	\$ 214,967	\$ —	\$ —	\$ (98,905)
University of Florida	6,738,704	4,668,870	1,160,426	91,243	—
Citizens Property Insurance Corporation	894,097	754,520	—	—	—
Nonmajor component units	13,877,684	3,330,873	5,015,521	558,361	—
Total component units	<u>\$ 21,824,357</u>	<u>\$ 8,969,230</u>	<u>\$ 6,175,947</u>	<u>\$ 649,604</u>	<u>(98,905)</u>
<u>General revenues</u>					
Property taxes					—
Investment earnings (losses)					—
Gain (loss) on sale of capital assets					—
Payments from the State of Florida					—
Miscellaneous					431,518
Contributions to permanent funds					—
Total general revenues and contributions					<u>431,518</u>
Change in net position					332,613
Net position - beginning, as restated (Note 1)					2,848,009
Net position - ending					<u>\$ 3,180,622</u>

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 6/30/21
\$ —	\$ —	\$ —	\$ (98,905)
(818,165)	—	—	(818,165)
—	(139,577)	—	(139,577)
—	—	(4,972,929)	(4,972,929)
(818,165)	(139,577)	(4,972,929)	(6,029,576)
—	—	507,400	507,400
898,150	598,864	1,387,588	2,884,602
(10,981)	—	16,912	5,931
856,856	—	4,063,673	4,920,529
209,197	—	870,977	1,511,692
51,896	—	58,523	110,419
2,005,118	598,864	6,905,073	9,940,573
1,186,953	459,287	1,932,144	3,910,997
6,584,176	6,524,032	26,924,419	42,880,636
\$ 7,771,129	\$ 6,983,319	\$ 28,856,563	\$ 46,791,633

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The State of Florida's (the state's) financial reporting entity includes the primary government (i.e., legislative agencies, the Governor and Cabinet, departments and agencies, commissions and boards of the Executive Branch, and various offices relating to the Judicial Branch) and its component units.

Component units, as defined in Governmental Accounting Standards Board (GASB) Codification Section 2100, *Defining the Financial Reporting Entity*, and Section 2600, *Reporting Entity and Component Unit Presentation and Disclosure*, are legally separate organizations for which the elected officials of the state are financially accountable. Financial accountability is the ability of the state to appoint a voting majority of an organization's governing board and to impose its will upon the organization. When the state does not appoint a voting majority of an organization's governing body, GASB standards require inclusion in the financial reporting entity if: (1) an organization is fiscally dependent upon the state because its resources are held for the direct benefit of the state or can be accessed by the state and (2) the potential exists for the organization to provide specific financial benefits to, or impose specific financial burdens on the state. In addition, component units can be other organizations for which the nature and significance of their relationship with the state are such that exclusion would cause the state's financial statements to be misleading.

Blended Component Units

A component unit is reported as blended when either (1) the component unit's governing body is substantively the same as the governing body of the state, *and* (a) there is a financial benefit or burden relationship between the governing body of the state and the component unit, *or* (b) management of the governing body of the state has operational responsibility for the component unit, *or* (2) the component unit provides services entirely, or almost entirely, to the state or otherwise exclusively, or almost exclusively, benefits the state, *or* (3) the component unit's outstanding debt is expected to be repaid entirely or almost entirely with resources of the state.

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

- 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 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, 2021, are approximately \$1,289,862.

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, 2021. 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 2020-21 fiscal year between the University of Florida and the state totaled \$910 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 2020-21 fiscal year between the Florida Housing Finance Corporation and the state included revenues of state documentary stamp taxes totaling \$400 million and transfers to state agencies of \$125 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 Foundation for Correctional Excellence*
- 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 \$127 million and \$37 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.myfloridaacfo.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.

Custodial Funds – funds that are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. 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, 2021, the government-wide statement of net position reported a restricted net position of \$27.5 billion, of which \$16.7 billion is restricted by enabling legislation.

Components of Fund Balance

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

Restricted fund 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, 2021 (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	\$ 9,801	\$ 708	\$ —	\$ 27,380	\$ 8,230	\$ 2,770	\$ 48,889
Long-term Receivables and Advances	1,329	—	—	—	—	—	1,329
Permanent Fund Principal	—	—	—	—	—	4,028	4,028
Total	11,130	708	—	27,380	8,230	6,798	54,246
Restricted:							
Grantors/Contributors	611	60,077	—	76,952	—	43,940	181,580
Enabling Legislation	37,434	6,394	88,575	48,965	50	264,414	445,832
Constitutional Provision	—	73,210	360,362	—	—	910	434,482
Creditors	—	3,074	857,036	—	—	1,180,656	2,040,766
Federal Government	26,458	2,842,235	14,208	119,908	—	77,449	3,080,258
Total	64,503	2,984,990	1,320,181	245,825	50	1,567,369	6,182,918
Committed:	1,509,709	1,667,336	738,714	1,777,376	1,880,075	1,512,797	9,086,007
Unassigned:	12,618,756	—	(910,380)	—	—	—	11,708,376
Total Fund Balances	\$ 14,204,098	\$ 4,653,034	\$ 1,148,515	\$ 2,050,581	\$ 1,888,355	\$ 3,086,964	\$ 27,031,547

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 2021 General Appropriations Act as being unappropriated June 30, 2021, cash balances that are to be transferred to and from the funds indicated during the 2021-22 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. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities focusing on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. Activities meeting the criteria are reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. GASB Statement No. 84 describes four fiduciary funds that should be reported, if applicable:

- a. pension and other employee benefit trust funds,
- b. investment trust funds,
- c. private-purpose trust funds, and
- d. custodial funds.

The state implemented GASB Statement No. 90, *Majority Equity Interests*, which improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. GASB Statement No. 90:

- a. Defines a majority equity interest and specifies that a majority equity interest in a legally separate organization is reported as an investment if a government's holding of the equity interest meets the definition of an investment.
- b. Establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.
- c. Requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit.

The state implemented GASB Statement No. 93, *Replacement of Interbank Offered Rates*, which establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments.

The state implemented paragraphs 4 and 5 of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*. The statement clarifies how the absence of a governing board should be considered in determining whether a primary government is financially accountable for purposes of evaluating potential component units. For purposes of determining whether a primary government is financially accountable, the absence of a governing board (when the government is performing the duties a governing board normally would perform) should be treated the same as the appointment of a voting majority of a governing board, except for defined contribution (DC) pension plans, DC other postemployment benefit plans, or other employee benefit plans. Paragraph 5 amended the financial burden criterion in paragraph 7 of Statement 84 to apply only to defined benefit (DB) pension plans and DB other postemployment benefit plans.

The adoption of paragraphs 4 and 5 of this Statement was done in conjunction with the adoption of GASB Statement No. 84, *Fiduciary Activities*.

The state implemented GASB Statement No. 98, *The Annual Comprehensive Financial Report*, which establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replaces references of the term comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The adoption of this Statement did not have a material effect on the financial statements.

J. Net Position Reclassifications and Restatements

Net position at June 30, 2020 have been adjusted as follows (in thousands):

	Governmental Activities	Proprietary Funds		
		Transportation	Reemployment Assistance	Nonmajor Enterprise
Net Position, June 30, 2020, as previously reported	\$ 69,670,217	\$ 12,930,899	\$ 2,318,051	\$ 238,330
To increase/(decrease) fund balance to correct accounting errors.	(36,835)			
To decrease fund balance related to payables - toll facilities.	(61,174)			
To decrease fund balance related to reclassification of Covid-19 CARES Act funding.	(506,320)			
To increase net position related to toll facilities.		74,293		
To increase net position related to amortization of Skyway revenue bonds.		1,460		
To decrease net position related to reclassification of unemployment compensation.			(65,857)	
To decrease net position related to Covid-19 CARES Act funding.				(247)
Net Position, June 30, 2020, as restated	\$ 69,065,888	\$ 13,006,652	\$ 2,252,194	\$ 238,083

(Continued Below)

	Fiduciary Funds	Component Units		
		University of Florida	Citizens Property Insurance	Nonmajor Component Units
Net Position, June 30, 2020, as previously reported	\$ 194,877,894	\$ 6,585,272	\$ 6,523,875	\$ 26,955,608
To decrease net position related to Covid-19 CARES Act funding.	(9)			
To decrease fund balance related to payables - toll facilities.				
To increase/(decrease) net position as a result of GASB 84.	25,391	(1,096)		
To increase/(decrease) net position to correct accounting errors.			157	(31,189)
Net Position, June 30, 2020, as restated	\$ 194,903,276	\$ 6,584,176	\$ 6,524,032	\$ 26,924,419

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 \$1.67 billion in cash at June 30, 2021. During fiscal year 2020-21, the General Revenue Fund was authorized to transfer \$100 million to the Budget Stabilization Fund. There were no disbursements made from the fund.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2021, the state's deposits in financial institutions totaled approximately \$3.7 billion for primary government and \$4.1 billion for discretely presented component units.

1. Custodial Credit Risk

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

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

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

At June 30, 2021, 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, 2021

Custodial Credit Risk	Bank Statement Balance (in U.S. \$)	
	Primary Government	Component Units
(1)	\$ 3,000,451	\$ 779,453
(2)	—	322,985
(3)	—	—
Total deposits subject to custodial credit risk	\$ 3,000,451	\$ 1,102,438

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 October 1, 2020, 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, 2021, as illustrated in the following schedule (in thousands):

**Schedule of Investments with State Board of Administration
Foreign Currency Deposits Held As of June 30, 2021**

Currency	Bank Statement Balance (in U.S. \$)			
	FRS Pension Trust Fund	LCEF	Florida Prepaid Program and Investment Plan	Total
Australian dollar	\$ 1,378	\$ 97	\$ 53	\$ 1,528
Brazilian real	3,807	306	—	4,113
British pound sterling	5,473	240	17	5,730
Canadian dollar	1,638	44	—	1,682
Chilean peso	473	—	—	473
Chinese yuan renminbi	2,547	4	—	2,551
Colombian peso	4	—	—	4
Czech koruna	12	—	—	12
Danish krone	1,319	—	—	1,319
Egyptian pound	28	47	—	75
Euro	16,690	30	42	16,762
Hong Kong dollar	11,329	125	—	11,454
Hungarian forint	181	3	—	184
Indian rupee	3,462	—	—	3,462
Indonesian rupiah	121	54	—	175
Israeli shekel	448	18	2	468
Japanese yen	15,921	154	655	16,730
Malaysian ringgit	313	89	—	402
Mexican peso	1,430	202	—	1,632
Moroccan dirham	9	—	—	9
New Taiwan dollar	592	142	—	734
New Zealand dollar	102	178	—	280
New Zimbabwe dollar	578	—	—	578
Pakistan rupee	61	—	—	61
Peruvian sol	3	—	—	3
Philippines peso	724	73	—	797
Polish zloty	186	47	—	233
Qatari riyal	30	—	—	30
Russian ruble	15	—	—	15
Saudi Arabian riyal	987	—	—	987
Singapore dollar	1,560	4	26	1,590
South African rand	709	—	—	709
South Korean won	6,548	335	—	6,883
Swedish krona	2,245	—	—	2,245
Swiss franc	2,334	—	—	2,334
Thailand baht	—	1	—	1
Turkish lira	389	—	—	389
Vietnam dong	191	—	—	191
Total deposits subject to foreign currency risk	<u>\$ 83,837</u>	<u>\$ 2,193</u>	<u>\$ 795</u>	<u>\$ 86,825</u>

B. Investments

At June 30, 2021, the state's investments reported in governmental and business-type activities and fiduciary funds totaled \$315.5 billion, consisting of pooled investments with the State Treasury in the amount of \$37.7 billion and other investments in the amount of \$277.8 billion. The State Treasury also had holdings at June 30, 2021, of \$6.3 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 \$26.3 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, 2021, was \$39.2 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, 2021**

ASSETS

Current and Other Assets	\$ 47,679,404
Total Assets	<u>47,679,404</u>

LIABILITIES

Other Liabilities	\$ 5,751,396
Total Liabilities	<u>5,751,396</u>

NET POSITION

Net position held for Internal Pool Participants	\$ 40,886,829
Net position held for External Pool Participants	<u>1,041,179</u>
Total net position, ending	<u>\$ 41,928,008</u>

**Condensed Statement of Changes of Fiduciary Net Position
June 30, 2021**

ADDITIONS

Net income (loss) from investing activity	\$ (986,786)
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DEDUCTIONS

Distributions paid and payable	986,786
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DEPOSITOR ACTIVITY

Deposits	152,875,599
Withdrawals	(143,298,875)
Excess (deficiency) of deposits over withdrawals	<u>9,576,724</u>
Change in net position	9,576,724
Net position, beginning	<u>32,351,284</u>
Net position, ending	<u>\$ 41,928,008</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	\$ 100,000	\$ 99,998	0.04%	7/15/2021
Money market funds	1,025,002	1,025,002	0.040% - 0.101%	N/A
Repurchase agreements	3,983,064	3,983,064	0.005% - 0.060%	7/1/2021 - 7/15/2021
U.S. guaranteed obligations	19,287,973	19,328,717	0.086% - 8.500%	7/21/2021 - 4/01/2065
Federal agencies	5,073,284	5,128,568	0.070% - 18.001%	7/1/2021 - 11/25/2060
Bonds and notes - domestic	6,726,208	6,933,839	0.000% - 9.455%	7/12/2021 - 9/15/2119
Bonds and notes - international	1,190,503	1,243,906	0.050% - 9.625%	7/20/2021 - 4/20/2055
Federal agencies discounted securities	2,833,786	2,829,415	0.003% - 2.380%	7/01/2021 - 3/25/2042
U.S. guaranteed obligations discounted securities	4,846,411	4,828,059	0.010% - 2.22%	7/01/2021 - 2/15/2045
Commingled STIF	969,594	969,594	N/A	N/A
Unemployment compensation	858,822	858,822	N/A	N/A
Totals	<u>\$ 46,894,647</u>	<u>\$ 47,228,984</u>		

* The coupon rate in effect at June 30, 2021, 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, 2021, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Pooled Investments with State Treasury
As of June 30, 2021**

Investment type	Fair Value
Commercial paper	\$ 99,998
Money market funds	825,888
U.S. guaranteed obligations	24,156,776
Federal agencies	7,735,052
Bonds and notes - domestic	6,871,554
Bonds and notes - international	1,204,910
Repurchase agreements	2,425,000
Commingled STIF	969,594
Unemployment compensation funds pooled with U. S. Treasury	858,822
Total investments excluding security lending collateral**	<u>45,147,594</u>
Lending collateral investments:	
Commercial paper	—
Repurchase agreements	1,558,064
Money market funds	199,114
Federal agencies	222,931
Bonds and notes - domestic	62,285
Bonds and notes - international	38,996
Total lending collateral investments	<u>2,081,390</u>
Total investments	47,228,984
Cash on deposit	449,767
Total State Treasury holdings	<u>47,678,751</u>
Adjustments:	
Outstanding warrants	(1,408,537)
Deposits in transit	653
SPIA Revolving Account*	(8,378)
Unsettled securities liability	(2,253,091)
Reconciled balance, June 30, 2021	<u><u>\$ 44,009,398</u></u>
Reconciliation to the basic financial statements (in thousands):	
Unrestricted Pooled investments with State Treasury	
Governmental activities	\$ 31,838,609
Business-type activities	2,173,834
Fiduciary funds	3,634,500
Component units	4,128,386
Component units timing difference	1,650,576
Total unrestricted pooled investments with State Treasury	<u>43,425,905</u>
Restricted Pooled investments with State Treasury	
Business-type activities	98,584
Component units	484,909
Total restricted pooled investments with State Treasury	<u>583,493</u>
Total pooled investments with State Treasury	<u><u>\$ 44,009,398</u></u>

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

** This amount excludes the Florida Birth-Related Neurological Injury Compensation Association's (NICA) participation in Treasury's Short Term Investment Fund (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 74.0% of total other investments at June 30, 2021. Investments in the FRS Investment Plan Trust Fund (Defined Contribution Pension Fund) represents 5.3% of total other investment, while investments in the Florida Hurricane Catastrophe Fund and the Florida Prepaid College Trust Fund represented another 6.0% and 6.3%, 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, 2021, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Other Investments
As of June 30, 2021**

Investment types	Carrying Value ¹			Total
	FRS Pension Trust Fund	Other funds		
		Managed by SBA	Not managed by SBA	
Certificates of deposit	\$ —	\$ 3,208,650	\$ 1,787	\$ 3,210,437
Commercial paper	2,828,161	9,168,078	—	11,996,239
Money market funds	55,851	4,196,198	1,323	4,253,372
Repurchase agreements	1,000,000	129,000	—	1,129,000
U.S. guaranteed obligations	17,884,329	18,098,411	7,333	35,990,073
Federal agencies	9,467,240	761,372	1,612	10,230,224
Domestic bonds and notes	9,359,596	6,823,230	2,122,083	18,304,909
Commingled domestic bonds and notes funds/mutual funds	—	2,738,401	—	2,738,401
International bonds and notes	3,152,081	2,739,349	—	5,891,430
International bonds and notes mutual fund	—	21,102	—	21,102
Domestic stocks	62,378,794	1,065,145	86,989	63,530,928
Commingled domestic equity funds/mutual funds	—	8,046,709	—	8,046,709
International stocks	39,304,609	667,865	11,873	39,984,347
Commingled international equity funds/mutual funds	7,724,138	3,345,039	—	11,069,177
Commingled real asset funds	—	1,044,057	1,089	1,045,146
Alternative investments	39,472,450	—	—	39,472,450
Real estate investments (directly owned)	10,663,262	—	1,089	10,664,351
Commingled real estate investments funds	2,273,591	—	—	2,273,591
Self-Directed brokerage accounts	—	1,219,127	—	1,219,127
Derivative instruments, net: ²				
Forward currency contracts	10,250	—	—	10,250
Futures (debt and equity)	(10,296)	—	—	(10,296)
Option contracts	—	—	736	736
Swap contracts	992	—	—	992
Mutual funds	—	—	3,653,939	3,653,939
Deferred compensation annuities	—	—	13,427	13,427
Total investments excluding lending collateral	<u>205,565,048</u>	<u>63,271,733</u>	<u>5,903,280</u>	<u>274,740,061</u>
Lending collateral investments:				
Certificates of deposit	—	495,577	—	495,577
Commercial paper	—	548,213	—	548,213
Money market funds	1,941,641	—	—	1,941,641
Repurchase agreements	—	983,200	—	983,200
Federal agencies	—	50,012	—	50,012
Domestic bonds and notes	41,740	—	—	41,740
Total lending collateral investments	<u>1,983,381</u>	<u>2,077,002</u>	<u>—</u>	<u>4,060,383</u>
Total investments for all types	<u>\$207,548,429</u>	<u>\$ 65,348,735</u>	<u>\$ 5,903,280</u>	<u>\$ 278,800,444</u>
% of total other investments	74.4 %	23.4 %	2.2 %	

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	\$ 1,736,793	\$ 7,451,544	\$ —	\$ 705,923	\$ 9,894,260
Restricted investments	—	546,118	—	—	546,118
Long-term investments	34,207	25,869,276	240,365,349	—	266,268,832
Security lending collateral ²	—	—	1,983,381	—	1,983,381
Timing and other differences ³	(56,029)	(13,272)	(86,617)	263,771	107,853
Total other investments	<u>\$ 1,714,971</u>	<u>\$ 33,853,666</u>	<u>\$ 242,262,113</u>	<u>\$ 969,694</u>	<u>\$ 278,800,444</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, 2021.

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, 2021

Investment Type	Fair Value
U.S. guaranteed obligations	\$ 161,993
Total	<u>\$ 161,993</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 broker 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, 2021, 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, 2021

	Fair Value
Margin receivable from counterparties:	
Futures contracts	\$ 19,230
Swap contracts	19,328
Foreign currency contracts	1,060
Commitments to purchase (TBAs)	1,988
Total margin receivable	<u>\$ 41,606</u>
Margin payable to counterparties:	
Futures contracts	\$ 10,910
Swap contracts	12,673
Foreign currency contracts	5,600
Total margin payable	<u>\$ 29,183</u>

The FRS Pension Trust Fund also held short positions in investments at June 30, 2021. 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, 2021 (in thousands):

**FRS Pension Trust Fund
Short Investment Position
As of June 30, 2021**

Investment Type	Fair Value
U.S. guaranteed obligations	\$ (837)
Federal agencies	(75,747)
Total	<u>\$ (76,584)</u>

The SBA issued a separate report (financial statements and notes) pertaining to the Local Government Surplus Funds Trust Fund (an external investment pool) within the state's Investment Trust Fund for the period ended June 30, 2021. 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, 2021, 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, 2021, are excluded.

**Schedule of Other Investments
For Discretely Presented Component Units
As of June 30, 2021**

Investment type	Fair Value
Certificates of deposit	\$ 30,860
Commercial paper	33,576
Repurchase agreements	521
Money market funds	163,105
U.S. guaranteed obligations	3,689,697
Federal agencies	1,715,096
Domestic bonds & notes	7,750,338
International bonds & notes	708,778
Domestic stocks	1,867,101
International stocks	1,037,828
Real estate investments	88,657
Mutual funds	2,803,261
Investment agreements	6,387,503
Total other investments for all types	<u>\$ 26,276,321</u>
Reconciliation of fair value to the basic financial statements:	
Other investments	\$ 18,341,217
Restricted investments	8,641,027
Less SBA Investments*	(705,923)
Total other investment for component units	<u>\$ 26,276,321</u>

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

At June 30, 2021, 60.72% 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, 2021, were rated by the nationally recognized statistical rating organizations (NRSRO) Standard and Poor’s (S&P) and Moody’s, and the ratings are presented below using the applicable rating scale (in thousands):

**State Treasury
Credit Quality Ratings
As of June 30, 2021**

S&P rating ²	Moody's rating ²	Total ¹	Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes	Repurchase agreements ³	Money Market funds
AAAm		\$ 825,888	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 825,888
AAA		1,194,810	—	4,511	856,460	134,725	—	199,114
AA		8,956,132	—	7,455,700	515,351	112,411	872,670	—
A		2,903,589	—	—	2,251,778	651,811	—	—
A-1		99,998	99,998	—	—	—	—	—
BBB		1,825,299	—	—	1,662,352	162,947	—	—
BB		29,473	—	—	20,659	8,814	—	—
B		7,029	—	—	7,029	—	—	—
Below B		7	—	—	7	—	—	—
	Aaa	928,259	—	—	907,705	20,554	—	—
	Aa	108,468	—	—	108,468	—	—	—
	A	130,662	—	—	126,564	4,098	—	—
	Baa	424,815	—	—	351,740	73,075	—	—
	Ba	71,814	—	—	53,768	18,046	—	—
	B	—	—	—	—	—	—	—
	Below B	14	—	—	14	—	—	—
Not Rated	Not Rated	3,052,141	—	497,772	71,944	57,425	2,425,000	—
		<u>20,558,398</u>	<u>\$ 99,998</u>	<u>\$ 7,957,983</u>	<u>\$ 6,933,839</u>	<u>\$ 1,243,906</u>	<u>\$ 3,297,670</u>	<u>\$ 1,025,002</u>
Not Rated ⁴	Not Rated ⁴	24,156,776	U.S. guaranteed obligations					
Not Rated	Not Rated	969,594	Commingled STIF					
Not Rated	Not Rated	685,394	Repurchase agreements					
		<u>\$ 46,370,162</u>	¹					

¹ The remaining \$858,822 (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 Collateral underlying the repurchase agreements was not rated.

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

The State Treasury's investment policies allow for unlimited investments in U.S. obligations and certain Federal Agency obligations. For other investments, the investment policies address concentration of credit risk by placing limits on amounts invested per issuer (taking into account the maturity date and duration of the investment). In addition, the policies also address limits on certain investments by credit ratings. Limits on amounts invested are expressed in dollar amounts per issuer and also in total amounts per investment type as a percentage of the investment pool's market value. As of June 30, 2021, more than five percent of the State Treasury's investment pool is invested in the Federal Home Loan Bank System (FHLB) and the Federal National Mortgage Association (FNMA). These investments are approximately 6 percent, and 6.5 percent of the State Treasury's investments pool, respectively.

Other Investments

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

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

Short-term Portfolio – Securities must be high quality at the time of purchase. For short-term investment ratings, this is defined as the highest applicable rating from one of the NRSROs. For long-term investment ratings, this is defined as a minimum rating of A 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, 2021. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2021 (in thousands):

**FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2021**

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		\$ 4,582,655	\$ 2,585,163	\$ 1,997,492	\$ —	\$ —	\$ —	\$ —
A-2		242,998	242,998	—	—	—	—	—
AAA		1,218,999	—	—	—	—	625,768	593,231
AA		920,978	—	—	—	507,901	293,899	119,178
A		2,195,070	—	—	—	—	1,573,028	622,042
BBB		4,774,611	—	—	—	—	3,945,578	829,033
BB		433,757	—	—	—	—	312,854	120,903
B		138,347	—	—	—	—	99,671	38,676
CCC		25,546	—	—	—	—	19,229	6,317
CC		9,914	—	—	—	—	9,914	—
D		1,191	—	—	—	—	1,191	—
	Aaa	1,281,554	—	—	—	—	918,156	363,398
	Aa	126,895	—	—	—	—	97,992	28,903
	A	195,568	—	—	—	—	156,233	39,335
	Baa	569,461	—	—	—	—	418,398	151,063
	Ba	252,308	—	—	—	—	180,328	71,980
	B	65,592	—	—	—	—	54,727	10,865
	Caa	16,364	—	—	—	—	9,463	6,901
	Ca	199	—	—	—	—	199	—
NR	NR	10,428,149	—	—	633,846	8,959,339	684,708	150,256
Total ratable investments		<u>27,480,156</u>	<u>\$ 2,828,161</u>	<u>\$ 1,997,492</u>	<u>\$ 633,846</u>	<u>\$ 9,467,240</u>	<u>\$ 9,401,336</u>	<u>\$ 3,152,081</u>
Ratings not Applicable:								
Repurchase agreements ³		366,154						
U.S. guaranteed obligations ³		17,884,329						
Domestic stocks		62,378,794						
International stocks		39,304,609						
Commingled international equity funds		7,724,138						
Alternative investments		39,472,450						
Real estate (directly owned)		10,663,262						
Commingled real estate investment funds		2,273,591						
Derivative instruments, net:								
Forward currency contracts		10,250						
Futures (debt and equity)		(10,296)						
Swaps		992						
Total investments		<u>\$ 207,548,429</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). Long-term ratings are presented except 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 "NR" because they do not have explicit credit ratings on individual securities.

All futures, and swaps contracts held by the FRS Pension Trust Fund at June 30, 2021, 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 \$10.2 million as of June 30, 2021.

Counterparty credit ratings related to credit risk for forward foreign currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2021, are listed below (in thousands):

FRS Pension Trust Fund
Forward Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2021

Counterparty Credit Rating (Long /Short) ¹		Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss) ²
S&P	Moody's			
AA/A-1		\$ 110	\$ (29)	\$ 81
A/A-1		34,240	(24,107)	10,133
	NR/P-1	141	(105)	36
Total		<u>\$ 34,491</u>	<u>\$ (24,241)</u>	<u>\$ 10,250</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, 2021, are listed below (in thousands):

FRS Pension Trust Fund
Spot Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2021

Counterparty Credit Rating (Long /Short) ¹		Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)
S&P	Moody's			
AA/A-1		\$ 10,273	\$ (10,278)	\$ (5)
A/A-1		259,195	(259,891)	(696)
	A/P-1	384	(384)	—
NR	NR	74,370	(74,375)	(5)
	Total	<u>\$ 344,222</u>	<u>\$ (344,928)</u>	<u>\$ (706)</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, 2021, (in thousands):

**All SBA Managed Funds (except FRS Pension Trust Fund)
Credit Quality Ratings
As of June 30, 2021**

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		\$ 3,118,354	\$ —	\$ —	\$ 3,118,354	\$ —	\$ —	\$ —	\$ —
A-1		9,696,754	—	9,696,754	—	—	—	—	—
AAA		586,272	—	—	—	472	—	510,814	74,986
AA		2,806,201	—	—	—	38,852	88,093	1,862,300	816,956
A		3,347,351	—	—	—	5,894	—	1,854,959	1,486,498
BBB		1,947,179	—	—	—	109,510	—	1,580,662	257,007
BB		26,373	—	—	—	—	—	16,560	9,813
B		3,605	—	—	—	—	—	3,605	—
	Aaa	205,116	—	—	—	302	—	175,607	29,207
	Aa	33,150	—	—	—	—	—	29,322	3,828
	A	426,625	—	—	—	549	—	380,428	45,648
	Baa	232,897	—	—	—	17,802	—	205,629	9,466
	Ba	79,281	—	—	—	—	—	77,419	1,862
NR	NR	8,546,988	3,704,227	19,537	1,077,844	132,583	723,291	2,864,326	25,180
Total ratable investments		<u>31,056,146</u>	<u>\$ 3,704,227</u>	<u>\$ 9,716,291</u>	<u>\$ 4,196,198</u>	<u>\$ 305,964</u>	<u>\$ 811,384</u>	<u>\$ 9,561,631</u>	<u>\$ 2,760,451</u>
Ratings not applicable									
Repurchase agreements ⁴		474,236							
Repurchase agreement(collateralized by stocks)		332,000							
U.S. guaranteed obligations ⁴		18,098,411							
Domestic stocks		1,065,145							
Commingled domestic equity funds/mutual funds		8,046,709							
International stocks		667,865							
Commingled international equity fund//mutual funds		3,345,039							
Commingled real asset funds		1,044,057							
Self-directed brokerage accounts		1,219,127							
Total investments		<u>\$ 65,348,735</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). Long-term ratings are presented except 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 commingled domestic bonds and notes funds/mutual funds and one international bonds and notes mutual fund with fair values of approximately \$2.5 billion and \$222.7 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 (5.82%) 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.

Component Unit*	Major Component Units Credit Quality Ratings As of June 30, 2021							S&P rating
	Federal agencies	Bonds & notes	Money market funds	Bond mutual funds	U.S. guaranteed obligations	Other investments	Total	
Florida Housing Finance Corporation (FHFC)	\$ —	\$ 76,483	\$ —	\$ —	\$ —	\$ —	\$ 76,483	AAA-AAA+
FHFC (continued)	—	18,408	—	—	—	8,969	\$ 27,377	AAA-A+
FHFC (continued)	—	26,712	—	—	—	—	26,712	AAA-A-
FHFC (continued)	—	127,783	—	—	—	—	127,783	AAA-BBB+
FHFC (continued)	71,782	—	—	—	78,521	—	150,303	AA+
University of Florida (UF)	—	10,789	4,724	71,998	—	—	87,511	AAA
UF (continued)	4,420	516	—	63,684	—	—	68,620	AA
UF (continued)	—	3,789	—	32,868	—	—	36,657	A
UF (continued)	1,737	133,719	15,091	38,795	—	—	189,342	Less than A
Citizens Property Insurance Corporation (CPIC)	953,245	—	—	—	1,591,065	—	2,544,310	AA+
CPIC (continued)	—	659,895	—	—	—	—	659,895	A+
CPIC (continued)	—	5,532,812	—	—	—	—	5,532,812	A
Total Investments	<u>\$ 1,031,184</u>	<u>\$ 6,590,906</u>	<u>\$ 19,815</u>	<u>\$ 207,345</u>	<u>\$ 1,669,586</u>	<u>\$ 8,969</u>	<u>\$ 9,527,805</u>	

* 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, 2021. 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, 2021**

	<u>Fair value</u>
Invested security lending collateral:	
Repurchase agreements	\$ 1,558,064
Money market funds	199,114
Federal agencies	222,931
Bonds and notes - domestic	62,285
Bonds and notes - international	38,996
Total	<u>\$ 2,081,390</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, 2021. 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, 2021**

	<u>FRS Pension Trust Fund</u>	<u>Other funds</u>
Invested security lending collateral:		
Certificates of deposit	\$ —	\$ 495,577
Commercial paper	—	548,213
Repurchase agreements	—	983,200
Federal agencies	—	50,012
Domestic bonds and notes	41,740	—
Total	<u>\$ 41,740</u>	<u>\$ 2,077,002</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, 2021	
Component unit / Investment type	Fair value
University of Florida	
Federal agencies	\$ 6,157
Bonds and notes	15,321
Total	\$ 21,478

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, 2021**

Investment type	Fair value	Effective weighted duration (in years)	Security Lending Market Value	Weighted average maturity (in days)
Commercial paper	\$ 99,998	0.04	\$ —	N/A
Money market funds	825,888	0.23	199,114	1.00
Repurchase agreements	2,425,000	0.01	1,558,064	1.00
U.S. guaranteed obligations:				
U.S. Treasury bonds and notes	18,767,747	2.36	—	N/A
U.S. Treasury strips	35,026	18.92	—	N/A
U.S. Treasury bills	4,793,034	0.25	—	N/A
GNMA mortgage-backed pass-through	314,403	4.49	—	N/A
GNMA TBA pass-through	50,369	5.16	—	N/A
GNMA collateralized mortgage obligations (CMO's)	28,159	3.08	—	N/A
GNMA CMO's - interest only	13,236	2.81	—	N/A
SBA asset-backed	154,802	3.86	—	N/A
Federal agencies:			222,931	3.95
Discount notes	2,829,355	0.21	—	N/A
Unsecured bonds & notes	1,038,040	0.66	—	N/A
Mortgage-backed pass-through	3,036,019	4.27	—	N/A
TBA mortgage-backed pass-through	343,282	4.53	—	N/A
Mortgage-backed CMO's	481,542	3.28	—	N/A
Mortgage-backed CMO's - principal only	60	3.27	—	N/A
Mortgage-backed CMO's - interest only	6,754	4.12	—	N/A
Domestic bonds and notes:			62,285	27.72
Corporate	4,632,684	6.45	—	N/A
Corporate asset-backed	641,384	1.62	—	N/A
Non-government backed CMO's & CMBS*	1,106,989	3.75	—	N/A
Non-government backed CMO's & CMBS* - interest only	9,612	3.13	—	N/A
Municipal/provincial	480,885	7.08	—	N/A
International bonds and notes:			38,996	41.13
Government & Agency	225,500	3.89	—	N/A
Corporate	979,410	3.86	—	N/A
Commingled STIF	969,594	—	—	N/A
Futures contracts - long***	—	2.53	—	N/A
Futures contracts - short***	—	3.25	—	N/A
Total portfolio effective duration and weighted average maturity		2.47		2.87
Total debt investments**	<u>\$ 44,288,772</u>		<u>\$ 2,081,390</u>	

* Commercial Mortgage-Backed Securities (CMBS).

** The remaining \$858,822(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.

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, on a net basis, 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 other debt instruments. 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, and 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, 2021

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Commercial paper	\$ —	N/A	\$ 2,828,161	14
Money market funds	—	N/A	1,997,493	1
Repurchase agreements	—	N/A	1,000,000	3
U.S. guaranteed obligations:				
U.S. Treasury bills	5,802,859	0.17	—	N/A
U.S. Treasury bonds and notes	10,480,831	4.01	—	N/A
U.S. Treasury strips	19,261	23.02	—	
Index linked government bonds	201,743	8.65	—	N/A
U.S. government guaranteed bonds and notes	10,973	1.83	—	N/A
Asset-backed	9,674	2.94	—	N/A
GNMA mortgage-backed pass-through	841,603	3.53	—	N/A
GNMA TBA mortgage-backed pass-through	379,785	5.05	—	N/A
GNMA CMO's and CMBS ¹	137,600	3.65	—	N/A
Federal agencies:				
Unsecured bonds and notes	507,901	3.95	—	N/A
Agency strips	13,754	5.56	—	N/A
Mortgage-backed pass-through	4,871,867	4.69	—	N/A
FNMA, FHLMC TBA mortgage-backed pass-through	3,062,980	4.93	—	N/A
Mortgage-backed CMO's and CMBS ¹	1,010,738	3.42	—	N/A
Domestic bonds and notes:				
Corporate	6,846,502	4.91	—	N/A
Non-government asset and mortgage-backed	761,674	2.16	37,403	26
Non-government backed CMO's and CMBS ¹	1,732,524	3.21	992	26
Municipal/provincial	22,241	6.03	—	N/A
International bonds and notes:				
Government and agency	769,839	3.71	—	N/A
Corporate	1,650,953	4.05	—	N/A
Non-government asset and mortgage-backed	643,204	0.33	—	N/A
Non-government backed CMO's and CMBS ¹	88,085	(0.05)	—	N/A
Futures contracts - long (debt) ²	4,865	3.86	—	N/A
Futures contracts - short (debt) ²	(17,627)	6.64	—	N/A
Credit default swaps ²	5,164	—	—	N/A
Interest rate swap contracts ²	(4,172)	7.65	—	N/A
Total debt investments	<u>\$ 39,854,821</u>		<u>\$ 5,864,049</u>	

¹ Includes investments in IOs, POs, and INVs totaling \$80 million at June 30, 2021.

² The futures and swap contracts effective weighted duration was calculated using notional values (in U.S. dollars) 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, 2021**

Investment type	Fair value (duration)	Effective weighted duration (in years)
GNMA commitments to sell (TBAs)	\$ (837)	2.47
FNMA, FHLMC commitments to sell (TBAs)	(75,747)	3.11
Total debt investments sold short ¹	<u>\$ (76,584)</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, 2021 (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, 2021**

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	\$ 137,362	\$ 137,362	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
U.S. Treasury bonds, notes, and SLGS*	306,261	276,518	29,743	—	—	—	—	—
U.S. Treasury strips	291,927	22,796	46,217	47,805	104,914	31,348	22,643	16,204
Total debt investments	<u>\$ 735,550</u>	<u>\$ 436,676</u>	<u>\$ 75,960</u>	<u>\$ 47,805</u>	<u>\$ 104,914</u>	<u>\$ 31,348</u>	<u>\$ 22,643</u>	<u>\$ 16,204</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, 2021**

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ —	N/A	\$ 3,705,057	84
Commercial paper	—	N/A	9,716,754	67
Money market funds	1,077,854	0.08	3,118,601	1
Repurchase agreements	—	N/A	1,112,200	1
U.S. guaranteed obligations:				
U.S. Treasury bills	29,699	0.07	3,043,642	154
U.S. Treasury bonds and notes	1,071,295	7.97	7,470,908	713
U.S. Treasury strips	5,536,026	11.09	—	N/A
Index linked government bonds	82,301	5.31	—	N/A
U.S. government guaranteed	511	4.39	—	N/A
U.S. guaranteed (SBA) asset-backed	10,629	5.78	—	N/A
GNMA mortgage-backed pass through	16,515	3.67	—	N/A
GNMA commitments to purchase (TBAs)	92,120	3.78	—	N/A
GNMA CMO's ¹	9,196	1.35	—	N/A
Federal agencies:				
Unsecured bonds and notes	19,320	8.41	50,012	26
Agency strips	303,513	8.68	—	N/A
Mortgage-backed (FNMA, FHLMC)	100,965	3.78	—	N/A
FNMA, FHLMC commitments to purchase (TBAs)	274,217	4.83	—	N/A
Mortgage-backed CMO's and CMBS ¹	63,357	3.66	—	N/A
Domestic bonds and notes:				
Corporate	2,819,139	12.49	3,393,269	677
Non-government asset and mortgage-backed	243,746	1.71	—	N/A
Non-government backed CMO's and CMBS ¹	311,515	3.51	—	N/A
Municipal/provincial	41,526	9.2	14,036	8
Commingled funds/mutual funds	2,738,401	6.24	—	N/A
International bonds and notes:				
Government and agency	67,469	9.25	88,797	966
Corporate	317,497	10.79	2,181,223	692
Non-government asset and mortgage-backed	83,523	2.31	—	N/A
Non-government backed CMO's	841	0.22	—	N/A
Mutual fund	21,102	8.4	—	N/A
Total debt investments	<u>\$ 15,332,277</u>		<u>\$ 33,894,499</u>	

¹ Includes Investments in IO's and INV IO's totaling \$19.3 million and \$384 thousand, respectively, at June 30, 2021, in the Florida Prepaid College Program, and \$2.8 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, 2021**

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	\$ 388	\$ 40	\$ 315	\$ 33	\$ —
Federal agencies	6,157	1,600	1,472	3,085	—
Bonds & notes	148,813	9,717	7,130	37,064	94,902
Bond Mutual funds	207,345	4,265	183,634	19,446	—
Total debt investments	<u>\$ 362,703</u>	<u>\$ 15,622</u>	<u>\$ 192,551</u>	<u>\$ 59,628</u>	<u>\$ 94,902</u>

**Major Component Units
Debt Investments
That Use Duration or Weighted Average Maturity Method
As of June 30, 2021**

Component unit / Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in years)
Florida Housing Finance Corporation				
U.S. guaranteed obligations	\$ 78,521	1.80	\$ —	N/A
Federal agencies	71,782	1.37	—	N/A
Bonds & notes	249,385	1.67	—	N/A
Others	8,969	1.53	—	N/A
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	—	N/A	1,591,064	3.78
Federal agencies	—	N/A	953,245	7.77
Bonds & notes	—	N/A	5,532,812	6.37
International bonds and notes	—	N/A	659,896	5.36
Total debt investments	<u>\$ 408,657</u>		<u>\$ 8,737,017</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, 2021. These funds are managed primarily by the use of “asset classes”.

The FRS Pension Trust Fund investment policy, approved on September 22, 2020 (effective October 1, 2020), 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 \$37.7 billion as of June 30, 2021.

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, 2021, 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, 2021

Currency	Investment Type				
	Equity	Alternative Investments	Fixed Income	Other	Spot Contracts, Net
Australian dollar	\$ 1,006,211	\$ —	\$ —	\$ (130,375)	\$ (226)
Brazilian real	684,376	—	—	—	(1,552)
British pound sterling	3,441,186	111,669	19,939	(70,977)	12,322
Canadian dollar	1,403,652	—	3,962	67,311	2,670
Chilean peso	32,196	—	—	—	—
Chinese yuan renminbi	1,083,278	—	—	49,586	(93)
Colombian peso	917	—	—	22,496	—
Czech koruna	1,088	—	—	45,542	—
Danish krone	675,407	—	—	—	(202)
Egyptian pound	10,590	—	—	—	—
Euro	8,319,691	1,604,304	102,508	(500,657)	98,330
Hong Kong dollar	4,044,101	—	—	(18,773)	18,474
Hungarian forint	8,644	—	—	10,427	—
Indian rupee	1,231,137	—	6	64,718	(94)
Indonesian rupiah	77,623	—	—	89,131	(5)
Israeli shekel	107,048	—	—	(19,618)	478
Japanese yen	4,102,818	1,812	—	(138,769)	(12,037)
Kenyan shilling	6,109	—	—	—	—
Kuwaiti dinar	2,756	—	—	—	—
Malaysian ringgit	56,291	—	—	—	(5)
Mexican peso	165,744	—	—	(4,015)	108
New Taiwan dollar	1,778,993	—	—	(102,766)	48,031
New Zealand dollar	17,118	—	—	36,156	—
New Zimbabwe dollar	8,393	—	—	—	—
Norwegian krone	291,877	—	—	5,900	(911)
Pakistani rupee	1,053	—	—	—	—
Peruvian sol	61	—	—	—	—
Philippines peso	44,857	—	—	21,014	419
Polish zloty	67,428	—	—	20,887	234
Qatari riyal	10,011	—	—	—	—
Romanian new leu	—	—	—	10,471	—
Russian ruble	9,843	—	—	83,624	—
Saudi Arabian riyal	136,036	—	—	—	—
Singapore dollar	424,269	—	—	2,278	648
South African rand	341,729	—	—	(3,811)	(1,049)
South Korean won	1,834,183	—	—	(9,993)	—
Swedish krona	804,106	55,096	—	(37,575)	(4,942)
Swiss franc	1,915,226	—	—	(54,578)	(7,454)
Thailand baht	126,045	—	—	3,384	10
Turkish lira	67,573	—	—	10,267	(190)
United Arab Emirates dirham	33,699	—	—	—	—
Vietnam dong	12,508	—	—	—	—
Total foreign currency investments	34,385,871	1,772,881	126,415	(548,715)	152,964
Other investments with potential exposure to foreign currency risk:					
Alternative investments	—	37,699,569	—	—	—
P-notes and ETFs	59,574	—	—	—	—
Commingled international equity funds	7,724,138	—	—	—	—
Total investments subject to foreign currency risk	\$ 42,169,583	\$ 39,472,450	\$ 126,415	\$ (548,715)	\$ 152,964

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, 2021, 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, 2021

	Currency	Number of Contracts	In Local Currency			Unrealized Gain/(Loss) (in U.S. \$)
			Notional Traded Exposure	Notional Market Exposure	Unrealized Gain/(Loss)	
Stock Index Futures:						
GBP FTSE 100	British pound sterling	10	707	698	(9) \$	(13)
Canada S&P/TSE 60	Canadian dollar	4	956	962	6	5
DJ Euro STOXX 50	Euro	40	1,648	1,622	(26)	(31)
Topix Index Future	Japanese yen	8	156,439	155,440	(999)	(9)
MSCI EAFE ¹	U. S. dollar	4,536	536,156	522,570	(13,586)	(13,586)
MSCI Emerging Markets ¹	U. S. dollar	239	16,303	16,309	6	6

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 did not hold any positions in option or swap contracts that were exposed to foreign currency risk at June 30, 2021.

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 valued at spot(traded) currency rates and are used primarily for trade settlement and currency repatriation. 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, 2021, is presented below, by currency (in thousands):

FRS Pension Trust Fund
Foreign Currency Exchange Contracts
As of June 30, 2021

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	\$ 207,958	\$ 338,623	\$ (130,375)	\$ 291	\$ 1,975	\$ (2,201)	\$ (226)	\$ (3)
Brazilian real	22,259	21,705	—	(555)	—	(1,552)	(1,552)	—
British pound sterling	125,986	198,095	(70,964)	1,145	22,208	(9,886)	12,322	(142)
Canadian dollar	328,752	260,675	67,306	(771)	3,527	(857)	2,670	3
Chilean peso	12,495	12,174	—	(320)	—	—	—	—
Chinese yuan	49,924	—	49,586	(337)	—	(93)	(93)	—
Colombian peso	35,388	12,029	22,496	(862)	—	—	—	—
Czech koruna	46,495	—	45,542	(953)	—	—	—	—
Danish krone	—	—	—	—	—	(202)	(202)	—
Euro	235,963	744,957	(500,626)	8,368	132,511	(34,181)	98,330	(674)
Hong Kong dollar	5,132	23,927	(18,773)	22	27,058	(8,584)	18,474	(4)
Hungarian forint	10,850	—	10,427	(423)	—	—	—	—
Indian rupee	78,003	12,147	64,718	(1,139)	—	(94)	(94)	—
Indonesian rupiah	90,744	—	89,131	(1,613)	—	(5)	(5)	—
Israeli shekel	1,506	21,137	(19,618)	13	478	—	478	—
Japanese yen	35,962	176,512	(138,760)	1,790	2,093	(14,130)	(12,037)	28
Malaysian ringgit	—	—	—	—	—	(5)	(5)	—
Mexican peso	12,202	16,217	(4,015)	—	108	—	108	—
New Taiwan dollar	6,500	108,971	(102,766)	(295)	48,064	(33)	48,031	80
New Zealand dollar	252,223	215,987	36,156	(80)	—	—	—	—
Norwegian krone	184,773	179,797	5,900	923	—	(911)	(911)	1
Philippines peso	21,451	—	21,014	(437)	419	—	419	(2)
Polish zloty	21,689	—	20,887	(801)	234	—	234	—
Romanian new leu	10,735	—	10,471	(264)	—	—	—	—
Russian ruble	81,421	834	83,624	3,037	—	—	—	—
Singapore dollar	2,299	—	2,278	(21)	2,924	(2,276)	648	(2)
South African rand	—	3,817	(3,811)	5	2,004	(3,053)	(1,049)	(4)
South Korean won	29,324	39,680	(9,993)	363	—	—	—	—
Swedish krona	155,687	195,368	(37,575)	2,106	5,126	(10,068)	(4,942)	(10)
Swiss franc	206,298	261,928	(54,578)	1,052	—	(7,454)	(7,454)	24
Thailand baht	21,576	18,007	3,384	(186)	21	(11)	10	—
Turkish lira	10,075	—	10,267	192	—	(190)	(190)	(1)
U.S. dollar	1,608,209	1,049,292	558,917	—	95,472	(249,142)	(153,670)	—
Total	\$ 3,911,879	\$ 3,911,879	\$ 10,250	\$ 10,250	\$ 344,222	\$ (344,928)	\$ (706)	\$ (706)

A schedule of the Lawton Chiles Endowment Fund and Florida Prepaid College Fund investments exposed to foreign currency risk as of June 30, 2021, 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. \$)
As of June 30, 2021**

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	\$ 15,086	\$ —	\$ —	\$ (28,802)
Brazilian real	7,030	—	—	—
British pound sterling	23,923	—	29,879	(25,513)
Canadian dollar	18,142	—	24,637	2,068
Chinese yuan renminbi	6,127	(4)	—	—
Czech koruna	498	—	—	—
Danish krone	5,605	—	12,579	(7,576)
Egyptian pound	1,034	—	—	—
Euro	65,126	—	105,189	(21,556)
Hong Kong dollar	29,653	—	25,450	19,309
Hungarian forint	728	—	—	—
Indonesian rupiah	1,082	—	—	—
Israeli shekel	1,462	—	—	(1,741)
Japanese yen	46,614	(76)	50,735	(47,259)
Malaysian ringgit	2,411	—	—	—
Mexican peso	2,041	—	—	—
New Taiwan dollar	16,111	—	—	—
New Zealand dollar	1,621	—	—	(1,692)
Norwegian krone	1,399	—	—	(3,403)
Philippines peso	1,365	—	—	—
Polish zloty	4,683	—	—	—
Singapore dollar	1,493	—	—	(3,188)
South African rand	2,625	—	3,862	3,912
South Korean won	15,425	—	—	—
Swedish krona	9,265	—	8,399	(9,295)
Swiss franc	19,831	—	7,663	(31,541)
Thailand baht	3,491	—	—	—
Turkish lira	354	—	—	—
Total investments subject to foreign currency risk	\$ 304,225	\$ (80)	\$ 268,393	\$ (156,277)

A Schedule of the Lawton Chiles Endowment Fund's and Florida Prepaid Program's foreign currency exchange contracts outstanding at June 30, 2021, is presented below, by currency (in thousands):

Lawton Chiles Endowment Fund and Florida Prepaid Program
Foreign Currency Exchange Contracts
As of June 30, 2021

Currency	Spot Currency Contracts			
	Receivables	Payables	Net Receivables/ Payables	Net Unrealized Gain/(Loss)
Lawton Chiles Endowment Fund:				
Chinese yuan renminbi	\$ —	\$ (4)	\$ (4)	\$ —
Japanese yen	—	(76)	(76)	—
U.S. dollar	80	—	80	—
Total Lawton Chiles Endowment Fund	<u>\$ 80</u>	<u>\$ (80)</u>	<u>\$ —</u>	<u>\$ —</u>
Florida Prepaid Program				
Australian dollar	\$ —	\$ (28,802)	\$ (28,802)	\$ (29)
British pound sterling	6,525	(32,038)	(25,513)	(4)
Canadian dollar	2,068	—	2,068	(1)
Danish krone	—	(7,576)	(7,576)	(1)
Euro	8,893	(30,449)	(21,556)	(24)
Hong Kong dollar	19,309	—	19,309	1
Israeli shekel	—	(1,741)	(1,741)	(2)
Japanese yen	7,739	(54,998)	(47,259)	120
New Zealand dollar	—	(1,692)	(1,692)	(2)
Norwegian krone	—	(3,403)	(3,403)	(1)
Singapore dollar	—	(3,188)	(3,188)	(1)
South African rand	3,912	—	3,912	(8)
Swedish krona	—	(9,295)	(9,295)	(4)
Swiss franc	—	(31,541)	(31,541)	(40)
U.S. dollar	204,747	(48,466)	156,281	—
Total Florida Prepaid Program	<u>\$ 253,193</u>	<u>\$ (253,189)</u>	<u>\$ 4</u>	<u>\$ 4</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, 2021. 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 \$2,081,405,602 cash collateral and \$1,510,110,036 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 \$2,035,216,590. Securities held with others under security lending agreements with non-cash collateral totaled \$1,471,390,930. 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, 2021, are as follows (in thousands):

**State Treasury Investments on Loan Under Security Lending Agreements
As of June 30, 2021**

Securities on Loan for Cash Collateral, by Security Type	Fair Value of Securities on Loan*
U.S. guaranteed obligations	\$ 1,553,493
Federal agencies	3,617
Domestic bonds and notes	378,402
International bonds and notes	99,705
Total securities on loan for cash collateral	2,035,217
Securities on Loan for Non-Cash Collateral, by Security Type	
U.S. guaranteed obligations	1,459,389
Domestic bonds and notes	4,649
International bonds and notes	7,353
Total securities on loan for non-cash collateral	1,471,391
Total securities on loan	\$ 3,506,608

* 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, 2021, although no loans remained outstanding in the LCEF at the end of the fiscal year. 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 \$4.2 billion in cash and \$11.1 billion in U.S. government and federal agency securities as collateral for the lending programs as of June 30, 2021. At June 30, 2021, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest) except with one borrower in the FRS Pension Trust Fund totaling approximately \$2.5 million. 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 3% to 13% 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, 2021, the collateral re-investment portfolios for the FRS Pension Trust Fund was primarily reinvested in selected money market funds in order to maximize earnings and reduce risk. The portfolios contain some legacy securities that will remain until they are either sold or mature. At June 30, 2021, 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, 2021 (in thousands):

**Schedule of Other Investments on Loan Under Security Lending Agreements
As of June 30, 2021**

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	\$ 1,230,458	\$ 1,855,557	\$ 3,086,015
Federal agencies	26,410	100,876	127,286
Domestic bonds and notes	46,916	111,571	158,487
International bonds and notes	60,606	22,311	82,917
Domestic stocks	89,153	18,887	108,040
International Stocks	493,737	3	493,740
Total Securities on loan for cash collateral	1,947,280	2,109,205	4,056,485
Securities on Loan for Non-Cash Collateral, by Security type			
U.S. guaranteed obligations	\$ 1,134,410	\$ 548,237	\$ 1,682,647
Federal agencies	2,489	—	2,489
Domestic bonds and notes	19,111	5,760	24,871
International bonds and notes	11,226	3,592	14,818
Domestic stocks	8,458,175	8,844	8,467,019
International stocks	678,931	1,579	680,510
Total securities on loan for non-cash collateral	10,304,342	568,012	10,872,354
Total securities on loan	\$ 12,251,622	\$ 2,677,217	\$ 14,928,839

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, forward currency contracts, and swaps. Although allowed in the FRS Pension Trust Fund, no options were traded during the fiscal year ended June 30, 2021.

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, 2021. The State Treasury did not utilize derivatives for hedging activities during the fiscal year ending June 30, 2021. All of the State Treasury investment derivatives were reported at fair value in the accompanying financial statements as of June 30, 2021.

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, 2021	
		Classification	Amount	Classification	Amount
State Treasury					
Investment derivatives:					
Futures	\$ 180,500	Investment Income	\$ 6,862	Receivable/(Payable)	\$ (2,529)

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. There were no option contracts traded during the fiscal year ended June 30, 2021.

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, 2021, 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, 2021	
		Classification	Amount (in U.S. \$)	Classification	Amount (in U.S. \$)
Fiduciary funds (FRS Pension Trust Fund)					
Investment derivative instruments:					
Futures¹					
Futures (debt)	\$ 7,199,391	Investment Income	\$ 5,730	Investment	\$ (12,762)
Futures (equity)	\$ 2,337,517	Investment Income	438,779	Investment	2,466
Total futures			<u>\$ 444,509</u>		<u>\$ (10,296)</u>
Forward currency contracts	\$ 3,911,879	Investment Income	<u>\$ (32,876)</u>	Investment	<u>\$ 10,250</u>
Swaps					
Credit default swaps	\$ 786,630	Investment Income	\$ (1,289)	Investment	\$ 5,164
Interest rate swaps	\$ 135,213	Investment Income	(1,436)	Investment	(4,172)
Total swaps			<u>\$ (2,725)</u>		<u>\$ 992</u>

¹ The total notional values of long and short fixed income futures positions were \$5.1 billion and \$2.1 billion, respectively. The total notional value of long equity futures positions was \$2.3 billion.

During the fiscal year ended June 30, 2021, the Florida Prepaid College Program traded investment derivative equity futures, incurring an overall decrease in fair value of approximately \$108 thousand, but did not hold any open equity futures positions at June 30, 2021.

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 \$18.2 billion as of June 30, 2021.

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, 2021, the State Treasury had the following recurring fair value measurements (in thousands):

Investments and Derivative Instruments Measured at Fair Value				
As of June 30, 2021				
Investments by fair value level	Total	Level 1	Level 2	Level 3
Commercial paper	\$ 99,998	\$ —	\$ 99,998	\$ —
U.S. guaranteed obligations	24,156,776	23,581,018	575,758	—
Federal agencies	7,735,052	—	7,735,052	—
Bonds and notes - domestic	6,871,554	—	6,871,554	—
Bonds and notes - international	1,204,910	27,080	1,177,830	—
Commingled STIF	969,594	—	—	969,594
Lending collateral investments:				
Commercial Paper	—	—	—	—
Federal Agencies	222,931	—	222,931	—
Bonds and notes - domestic	62,285	—	62,285	—
Bonds and notes - international	38,996	—	38,996	—
Total investments by fair value level	<u>\$ 41,362,096</u>	<u>\$ 23,608,098</u>	<u>\$ 16,784,404</u>	<u>\$ 969,594</u>
Investment derivative instruments				
Futures contracts	<u>\$ (2,529)</u>	<u>\$ (2,529)</u>	<u>\$ —</u>	<u>\$ —</u>
Total investment derivative instruments	<u>\$ (2,529)</u>	<u>\$ (2,529)</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 custodial bank's external pricing vendors.

Debt and equity securities classified as Level 3 are valued using 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 13 and 15, 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 81 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, 2021 (in thousand):

FRS Pension Trust Fund				
As of June 30, 2021				
Fair Value Measurement Using				
Investments by fair value level	Total Fair Value	Level 1	Level 2	Level 3
Debt securities				
Commercial paper	\$ 2,828,161	\$ —	\$ 2,828,161	\$ —
U.S. guaranteed obligations	17,884,329	—	17,884,329	—
Federal agencies	9,467,240	—	9,467,240	—
Domestic bonds and notes	9,359,596	—	9,238,984	120,612
International bonds and notes	3,152,081	—	2,481,878	670,203
Total debt securities	42,691,407	—	41,900,592	790,815
Equity securities				
Domestic	62,378,794	62,378,399	—	395
International	39,304,609	39,196,510	—	108,099
Total equity securities	101,683,403	101,574,909	—	108,494
Commingled international equity funds	356,029	—	356,029	—
Alternative Investments				
Private equity fund	329,592	—	—	329,592
Real Estate direct investments	10,663,262	—	—	10,663,262
Derivative Instruments, net				
Forward currency contracts	10,250	—	10,250	—
Futures contracts	(10,296)	(10,296)	—	—
Swap contracts	992	—	992	—
Total Investment derivative instruments	946	(10,296)	11,242	—
Securities lending collateral investments				
Domestic bonds and notes	41,740	—	38,395	3,345
Total investments by fair value level	155,766,379	\$ 101,564,613	\$ 42,306,258	\$ 11,895,508
Investments Measured at the Net Asset Value (NAV)				
Commingled international equity funds	7,368,109			
Commingled real estate investment funds	2,273,591			
Activist equity funds	1,453,192			
Hedge funds	5,018,236			
Insurance funds	972,327			
Private debt/credit opportunities funds	4,306,069			
Private equity funds	21,285,291			
Private real asset funds	6,107,743			
Total investments measured at the NAV	48,784,558			
Total investments measured at fair value	204,550,937			
Other investments carried at amortized cost				
Money market funds	55,851			
Money market funds - security lending collateral	1,941,641			
Repurchase agreements	1,000,000			
Total investments carried at amortized cost	2,997,492			
Total investments	\$ 207,548,429			
Investments sold short (Liabilities) measured at fair value				
U.S. guaranteed obligations	\$ (837)	\$ —	\$ (837)	\$ —
Federal agencies	(75,747)	—	(75,747)	—
Total investments sold short	\$ (76,584)	\$ —	\$ (76,584)	\$ —

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2021, is presented in the footnotes to the table below (in thousands):

FRS Pension Trust Fund Additional GASB 72 Required Disclosures					
	Fair Value 6/30/2021		Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV:					
Commingled international equity funds ¹	\$ 7,368,109	\$	—	Daily, Monthly	2 - 120 days
Commingled real estate investment funds ²	2,273,591		—	Quarterly	15 - 90 days
Activist equity funds ³	1,453,192		—	Monthly, Annually	65 - 90 days
Hedge funds					
Diversifying strategies (managed futures) ⁴	1,482,589		—	Daily, Monthly	10 - 35 days
Equity long/short ⁵	578,678		—	Monthly, Quarterly	30 - 60 days
Event driven ⁶	224,203		60,000	Biennially	90 days
Global macro ⁷	509,951		—	Monthly, Quarterly	5 - 45 days
Multi-strategy ⁸	1,340,509		—	Quarterly, Annually, Biennially	60 - 90 days
Opportunistic debt ⁹	506,749		—	Quarterly, Annually	60 - 90 days
Relative value ¹⁰	375,557		—	Quarterly	60 days
Insurance funds ¹¹	972,327		103,216	Monthly, Quarterly, Biannually	30 - 90 days
Private debt/credit opportunity funds ¹²	4,306,069		3,940,793		
Private equity funds ¹³	21,285,291		9,344,537		
Private real asset funds ¹⁴	6,107,743		4,640,219		
Total Investments Measured at the NAV	\$ 48,784,558		\$ 18,088,765		
Investments Measured at Level 3:					
Private equity funds ¹³	\$ 329,592	\$	—		
Real estate direct investments ¹⁵	\$ 10,663,262	\$	147,710		

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. Three funds within this strategy are redeemable daily, two funds are redeemable monthly, and the remaining fund is currently in the liquidation process with a residual balance remaining.

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 four 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 43% of this strategy) is currently eligible for redemption monthly. Another fund (approximately 27% of this strategy) is eligible for redemption in six months due to annual lock-up restrictions. The remaining two funds (approximately 30% of this strategy) are subject to contractual lock-up restrictions and are not currently eligible for redemption.

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 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 three 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 58% of this strategy) are currently eligible for redemption monthly, while the remaining fund (approximately 42% of this strategy) is subject to contractual lock-up restrictions and is not currently eligible for redemption.

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. One fund (approximately 82% of this strategy) is redeemable in six months due to biennial lock-up restrictions. The remaining fund (approximately 18% of this strategy) is not eligible for redemption due to contractual lock-up restrictions.

⁷ *Global Macro Hedge Funds.* Consisting of three 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 five funds in this group aim to diversify risks and reduce volatility by combining other strategies. These strategies are usually a mix of Equity Long/Short, Event-Driven, or Opportunistic Debt and Relative Value. These funds are valued at the NAV per share. Three funds (approximately 55% of this strategy) are currently eligible for redemption in one to three months due to annual redemption restrictions. One fund (approximately 26% of this strategy) is eligible for redemption biennially (for each commitment) with the next redemption in five months. The remaining fund (approximately 19% of this strategy) is not eligible for redemption due to contractual lock-up restrictions.

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. The funds in this strategy are currently eligible for redemption in three to six months due to quarterly and annual redemption restrictions.

¹⁰*Relative Value Hedge Funds.* Consisting of one fund, 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. The fund in this strategy is no longer subject to contractual lock-up, and redeemable in three months due to quarterly redemption restrictions.

¹¹*Insurance funds.* The six funds in this group invest primarily in reinsurance contracts and insurance-linked securities. These investments are valued at NAV per share. One fund (approximately 29%) has varying restrictions due to underlying investment funds and redeemable within one to three months. Three funds (approximately 59%) are eligible for redemption in seven months or less due to biannual redemptions restrictions. The remaining two funds (approximately 12%) are not eligible for redemption due to contractual lock-up restrictions.

¹²*Private Debt/Credit Opportunity Funds.* There are 71 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, 2021 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 252 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 250 funds has been determined using the NAV at June 30, 2021, or one quarter in arrears adjusted for current quarter cash flows. The fair value of the remaining 2 funds (approximately 2% of the value of these investments) is based on external appraisals at June 30, 2021, 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 94 real asset funds, 63 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 31 funds invest in infrastructure, timberland, transportation and commodities. The fair value of these funds has been determined using the NAV at June 30, 2021, 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 75 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, 2021, (in thousands):

**All SBA Managed Funds (except FRS Pension Trust Fund)
As of June 30, 2021**

Investments by fair value level	Fair Value Measurement Using			
	Total Fair Value	Level 1	Level 2	Level 3
Debt securities				
Commercial paper	\$ 49,999	\$ —	\$ 49,999	\$ —
U.S. guaranteed obligations	17,890,480	—	17,890,480	—
Federal agencies	761,372	—	761,372	—
Domestic bonds and notes	6,789,755	—	6,788,474	1,281
International bonds and notes	2,739,349	—	2,739,349	—
Total debt securities	<u>28,230,955</u>	<u>—</u>	<u>28,229,674</u>	<u>1,281</u>
Equity securities				
Domestic	1,065,145	1,065,145	—	—
International	667,865	667,838	—	27
Total equity securities	<u>1,733,010</u>	<u>1,732,983</u>	<u>—</u>	<u>27</u>
Other investments				
Domestic bonds and notes mutual funds	201,575	201,575	—	—
International bonds and notes mutual funds	21,102	21,102	—	—
Domestic equity mutual funds	2,572,264	2,572,264	—	—
International equity mutual funds	1,092,384	1,092,384	—	—
Self-directed brokerage account	1,219,127	—	1,219,127	—
Total other investments	<u>5,106,452</u>	<u>3,887,325</u>	<u>1,219,127</u>	<u>—</u>
Securities lending collateral investments				
Certificates of deposit	495,577	—	495,577	—
Commercial paper	548,213	—	548,213	—
Federal agencies	50,012	—	50,012	—
Total securities lending collateral investments	<u>1,093,802</u>	<u>—</u>	<u>1,093,802</u>	<u>—</u>
Total investments by fair value level	<u>36,164,219</u>	<u>\$ 5,620,308</u>	<u>\$ 30,542,603</u>	<u>\$ 1,308</u>
Investments Measured at the Net Asset Value (NAV)				
Commingled domestic bonds and notes funds	2,536,825			
Commingled domestic equity funds	5,474,445			
Commingled international equity fund	2,252,655			
Commingled real asset fund	1,044,057			
Total investments measured at the NAV	<u>11,307,982</u>			
Total investments measured at fair value	<u>47,472,201</u>			
Other investments carried at cost or amortized cost				
Money market funds	4,196,198			
Certificates of deposit	3,208,650			
Commercial paper	9,118,079			
Repurchase agreements	129,000			
Repurchase agreements - security lending collateral	983,200			
U.S. guaranteed obligations	207,931			
Domestic bonds and notes	33,476			
Total investments carried at cost or amortized cost	<u>17,876,534</u>			
Total investments	<u>\$ 65,348,735</u>			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2021, is presented in the footnotes to the table below (in thousands):

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

	<u>6/30/2021</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Investments Measured at the NAV				
Commingled domestic bonds and notes funds ¹	\$ 2,536,825	\$ —	Daily	2 - 15 Days
Commingled domestic equity funds ²	5,474,445	—	Daily	1 - 5 Days
Commingled international equity fund ³	2,252,655	—	Daily	2 Days
Commingled real asset funds ⁴	<u>1,044,057</u>	—	Daily	1 - 15 Days
Total investments measured at the NAV	<u>\$ 11,307,982</u>			

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, 2021, (in thousands):

Major Component Units				
As of June 30, 2021				
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>				
Commercial paper	\$ 535	\$ —	\$ 535	\$ —
U.S. guaranteed obligations	1,381,975	—	1,381,975	—
Federal agencies	19,584	—	19,584	—
Domestic bonds and notes	299,431	—	299,431	—
Total debt securities	1,701,525	—	1,701,525	—
Other investments	15,079	—	15,079	—
Total FHFC investments by fair value level	<u>\$ 1,716,604</u>	<u>\$ —</u>	<u>\$ 1,716,604</u>	<u>\$ —</u>
Citizens Property Insurance Corporation (CPIC)				
<u>Debt securities</u>				
U.S. guaranteed obligations	\$ 1,591,065	\$ 1,591,065	\$ —	\$ —
Federal agencies	953,245	—	953,245	—
Domestic bonds and notes	5,532,812	—	5,532,812	—
International bonds and notes	659,895	—	659,895	—
Total CPIC investments by fair value level	<u>\$ 8,737,017</u>	<u>\$ 1,591,065</u>	<u>\$ 7,145,952</u>	<u>\$ —</u>
University of Florida (UF)				
<u>Debt securities</u>				
Certificates of deposit	\$ 2,600	\$ 2,600	\$ —	\$ —
Commercial paper	8,230	8,230	—	—
U.S. guaranteed obligations	388	—	388	—
Federal agencies	6,157	—	6,157	—
Domestic bonds and notes	148,813	128,124	20,689	—
Total debt securities	166,188	138,954	27,234	—
<u>Equity securities</u>				
Domestic	94,282	94,244	38	—
International	43,735	43,735	—	—
Total equity securities	138,017	137,979	38	—
Mutual funds	385,202	267,481	117,721	—
Real estate investments	3,746	3,746	—	—
Other investments	58,865	39,684	16,889	2,292
Total UF investments by fair value level	<u>\$ 752,018</u>	<u>\$ 587,844</u>	<u>\$ 161,882</u>	<u>\$ 2,292</u>
Investments Measured at the Net Asset Value (NAV)				
University of Florida				
International equity ¹	\$ 1,299	\$ —	Illiquid	N/A
Real estate investments ²	5,189	—	Illiquid	N/A
Hedge funds ³	6,710	—	Quarterly	45 days
Private equity funds ⁴	4,682,797	291,945	Monthly	30 days
Total investments measured at the NAV	4,695,995			
Total investments measured at fair value	<u>\$ 5,448,013</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 an investment in the form of real estate with donor restrictions. 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	\$ 136,493	\$ 14,708	\$ 255	\$ 1,130,104	\$ 7,712
Contracts & grants receivable	116	418	—	—	—
Due from Federal government	3,190	23,541	662	1,044,363	49,136
Due from other governmental units	386	3,093	—	604	21,467
Interest & dividends receivable	62,861	1,041	1,044	294	5,150
Loans & notes receivable	106,903	191,678	—	—	—
Fees receivable	133,403	21	—	—	—
Taxes receivable	4,065,318	25,622	—	—	272,040
Allowance for uncollectibles	(2,004,151)	(10,399)	(1)	(46,823)	(15,505)
Receivables, net	\$ 2,504,519	\$ 249,723	\$ 1,960	\$ 2,128,542	\$ 340,000
Loans & notes receivable from other governments	\$ —	\$ 1,811,984	\$ —	\$ —	\$ 436,676
Long-term interest receivable	—	—	—	—	390
Other loans & notes receivable	462	—	3,505	335,314	65,997
Allowance for uncollectibles	(43)	—	(2,696)	(294,666)	(40,300)
Other loans & notes receivable, net	\$ 419	\$ 1,811,984	\$ 809	\$ 40,648	\$ 462,763

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts receivable	\$ 264,216	\$ 1,553,488	\$ 36,538	\$ 112,689	\$ 1,702,715
Contracts & grants receivable	18,792	19,326	—	—	19,326
Due from Federal government	218,522	1,339,414	—	—	1,339,414
Due from other governmental units	44,123	69,673	6,926	—	76,599
Interest & dividends receivable	1,918	72,308	668	—	72,976
Loans & notes receivable	107,640	406,221	—	—	406,221
Fees receivable	218	133,642	—	—	133,642
Taxes receivable	20,555	4,383,535	—	—	4,383,535
Allowance for uncollectibles	(203,756)	(2,280,635)	(974)	—	(2,281,609)
Receivables, net	\$ 472,228	\$ 5,696,972	\$ 43,158	\$ 112,689	\$ 5,852,819
Loans & notes receivable from other governments	\$ 619,970	\$ 2,868,630	\$ —	\$ —	\$ 2,868,630
Long-term interest receivable	—	390	—	—	390
Other loans & notes receivable	42,369	447,647	—	—	447,647
Allowance for uncollectibles	(14,762)	(352,467)	—	—	(352,467)
Other loans & notes receivable, net	\$ 647,577	\$ 2,964,200	\$ —	\$ —	\$ 2,964,200

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts receivable	\$ 5,740	\$ 34,696	\$ 401,580	\$ 747,037	\$ 300,370
Due from Federal government	—	—	—	—	603,100
Due from other governmental units	194	—	—	—	196
Interest & dividends receivable	621	496	31,764	33,587	60,102
Loans & notes receivable	—	—	—	273,409	—
Fees receivable	2,335	—	—	—	1,262
Taxes receivable	—	—	—	—	175,790
Allowance for uncollectibles	—	(5,657)	—	—	(393,511)
Receivables, net	\$ 8,890	\$ 29,535	\$ 433,344	\$ 1,054,033	\$ 747,309
Loans & notes receivable	\$ 72,861	\$ —	\$ —	\$ 1,909,270	\$ —
Allowance for uncollectibles	—	—	—	—	—
Other loans & notes receivable, net	\$ 72,861	\$ —	\$ —	\$ 1,909,270	\$ —

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts receivable	\$ 55,626	\$ 1,545,049	\$ 151,951	\$ 1,697,000
Due from Federal government	—	603,100	—	603,100
Due from other governmental units	38,126	38,516	—	38,516
Interest & dividends receivable	314	126,884	—	126,884
Loans & notes receivable	93	273,502	—	273,502
Fees receivable	124	3,721	—	3,721
Taxes receivable	—	175,790	—	175,790
Allowance for uncollectibles	(53,468)	(452,636)	—	(452,636)
Receivables, net	\$ 40,815	\$ 2,313,926	\$ 151,951	\$ 2,465,877
Loans & notes receivable	\$ 4,885	\$ 1,987,016	\$ —	\$ 1,987,016
Allowance for uncollectibles	(1,797)	(1,797)	—	(1,797)
Other loans & notes receivable, net	\$ 3,088	\$ 1,985,219	\$ —	\$ 1,985,219

COMPONENT UNITS

Accounts receivable	\$ 1,949,217
Contracts & grants receivable	341,939
Due from Federal government	9,276
Due from other governmental units	346,407
Interest & dividends receivable	83,751
Loans & notes receivable	133,626
Allowance for uncollectibles	(438,788)
Receivables, net	\$ 2,425,428
Other loans & notes receivable	\$ 2,639,934
Allowance for uncollectibles	(216,830)
Other loans & notes receivable, net	\$ 2,423,104

“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	\$ 598,256	\$ 44,883	\$ 10,628	\$ 470,622	\$ 284,317
Accrued salaries & wages	56,015	4,762	24	25,561	7,095
Accrued interest payable	—	—	—	—	—
Claims payable	—	—	—	—	—
Construction contracts	173	—	—	—	579,540
Deposits payable	208	769	32	10	9,525
Due to Federal government	1	—	—	229,027	—
Due to other governmental units	117,158	13,295	—	7,861	8,626
Other payables	—	—	—	—	—
Accounts payable and accrued liabilities	\$ 771,811	\$ 63,709	\$ 10,684	\$ 733,081	\$ 889,103

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts payable	\$ 290,253	\$ 1,698,959	\$ 19,430	\$ 232,852	\$ 1,951,241
Accrued salaries & wages	8,187	101,644	1,221	—	102,865
Accrued interest payable	—	—	—	—	—
Claims payable	—	—	217,642	—	217,642
Construction contracts	962	580,675	—	—	580,675
Deposits payable	3,326	13,870	—	—	13,870
Due to Federal government	2,103	231,131	—	—	231,131
Due to other governmental units	55,035	201,975	—	—	201,975
Other payables	—	—	2,893	—	2,893
Accounts payable and accrued liabilities	\$ 359,866	\$ 2,828,254	\$ 241,186	\$ 232,852	\$ 3,302,292

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts payable	\$ 2,135	\$ 11,740	\$ 250,722	\$ 1,210,556	\$ 497,978
Accrued interest payable	—	—	38,424	—	—
Accrued salaries & wages	—	94	—	—	—
Construction contracts	71,376	—	—	—	—
Deposits payable	248	2,365	—	—	—
Accounts payable and accrued liabilities	\$ 73,759	\$ 14,199	\$ 289,146	\$ 1,210,556	\$ 497,978

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts payable	\$ 43,994	\$ 2,017,125	\$ 48,987	\$ 2,066,112
Accrued interest payable	—	38,424	—	38,424
Accrued salaries & wages	2,272	2,366	—	2,366
Construction contracts	—	71,376	—	71,376
Deposits payable	1,949	4,562	—	4,562
Accounts payable and accrued liabilities	\$ 48,215	\$ 2,133,853	\$ 48,987	\$ 2,182,840

COMPONENT UNITS

Accounts payable	\$ 982,609
Accrued interest payable	31,679
Accrued salaries & wages	481,499
Claims payable	851,235
Construction contracts	53,993
Deposits payable	212,285
Due to other governmental units	14,201
Vouchers payable	15,935
Accounts payable and accrued liabilities	\$ 2,643,436

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	\$ 30,425,155	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 30,425,155
Fuel taxes:							
Motor fuel tax	—	—	—	—	2,855,700	—	2,855,700
Pollutant tax	—	257,357	—	—	—	—	257,357
Aviation fuel tax	—	—	—	—	18,145	—	18,145
Solid minerals severance tax	—	28,275	—	—	—	—	28,275
Oil and gas production tax	1,266	—	—	—	—	—	1,266
Total fuel taxes	1,266	285,632	—	—	2,873,845	—	3,160,743
Corporate income tax	3,153,000	—	—	—	—	—	3,153,000
Documentary stamp tax	4,137,123	—	—	—	—	—	4,137,123
Intangible personal property tax	708,962	—	—	—	—	—	708,962
Communications service tax	572,048	—	329,826	—	—	—	901,874
Estate tax	—	—	—	—	—	—	—
Gross receipts utilities tax	—	440	780,382	—	—	—	780,822
Beverage and tobacco taxes:							
Alcoholic beverage tax	323,930	—	—	—	—	14,712	338,642
Cigarette tax	1,058,531	—	—	—	—	—	1,058,531
Smokeless tobacco tax	41,560	—	—	—	—	—	41,560
Total beverage and tobacco taxes	1,424,021	—	—	—	—	14,712	1,438,733
Other taxes:							
Insurance premium tax	1,445,058	—	—	—	—	46,772	1,491,830
Hospital public assistance tax	—	—	—	721,223	—	—	721,223
Citrus excise tax	—	—	—	—	—	7,816	7,816
Pari-mutuel wagering tax	7,184	—	—	—	—	190,844	198,028
Total other taxes	1,452,242	—	—	721,223	—	245,432	2,418,897
Total	\$ 41,873,817	\$ 286,072	\$ 1,110,208	\$ 721,223	\$ 2,873,845	\$ 260,144	\$ 47,125,309

	Sales and Use Tax
Governmental fund statements	\$ 30,425,155
Government-wide accruals	26,519
Government-wide statements	\$ 30,451,674

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, 2021, tax abatement programs are as follows:

Program Name	Entertainment Industry Sales Tax Exemption Program	Community Contribution Tax Credit 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.	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	Sales and Use Tax	Corporate Income Tax; Insurance Premium Tax; Sales and Use Tax Refund
Authority under which abatements are entered into	s. 288.1258, F.S.	s. 212.08(5)(p); 220.183; and 624.5105, 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.	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 Exemption	Tax credit against corporate income or insurance premium tax; sales tax 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.	The credit is equal to 50 percent of the value of the donation, with a limit of \$200,000 per year. For the credits under this authorized program maximum amount limitation is totaling \$14,000,000.
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)	\$19,689	\$14,000

Tax abatement programs, continued:

Program Name	Florida Scholarship Funding Organizations Program	Hope Scholarship Credit
Program Purpose	Allows taxpayers to make private, voluntary contributions to nonprofit scholarship-funding organizations and receive dollar for dollar tax credit against specific Florida taxes.	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.
Taxes being abated	Sales and Use Tax, Corporate Income Tax, Severance Taxes, Insurance Premium Tax	Sales and Use Tax
Authority under which abatements are entered into	s. 1002.395, F.S.	s. 212.1832 and 1002.40, 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. The Department will approve applications and issue an approval letter. 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 purchase or register a motor vehicle qualifying for the Hope Scholarship Program in Florida and 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.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	Contribution is made to qualifying Scholarship Funding Organization	Contribution is paid to a qualifying scholarship-funding organization for use in the Hope Scholarship Program.
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)	\$319,184	\$75,107

Tax abatement programs, continued:

Program Name	Capital Investment Tax Credit	New Markets Tax Credit
Program Purpose	Attract and grow capital-intensive industries in the state.	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; Premium Tax arising from the project	Corporate Income Tax and Insurance Premium Tax
Authority under which abatements are entered into	s. 220.191, F.S.	s. 288.9916, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	<p>Applicants must establish a qualified project certified by the State and meet minimum capital investment, job creation and wage requirements.</p> <p>(1) The business has to be a high-impact sector business; (2) The business has to build or expand a facility within Florida; (3) The business has to incur construction or expansion costs of at least \$25 million; (4) The business has to create and maintain at least 100 new jobs within Florida; and (5) The business has to be approved by the Department of Economic Opportunity.</p>	Qualified Community Development Entities (CDEs) 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	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.	Credit equals to 39 percent of the purchase price of the qualified investment.
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)	\$86,476	\$17,165

Tax abatement programs, continued:

Program Name	Contaminated Site Credit	Research and Development Tax Credit
Program Purpose	To promote voluntarily rehabilitation of brownfield sites or sites contaminated with dry-cleaning solvent.	To encourage target industry business in the State.
Taxes being abated	Corporate Income Tax	Corporate Income Tax
Authority under which abatements are entered into	s. 220.1845 and 376.30781, F.S.	s. 220.196, 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.	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	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 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)	\$12,267	\$9,163

Tax abatement programs, continued:

Program Name	Florida Renew Prod Credit	Qualified Target Industry Tax Refund Program
Program Purpose	This credit is available for the production of renewable energy.	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	Corporate Income 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. 220.193, F.S.	s. 288.106, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	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.	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 Credit	Tax Credit or Refund
How amount of abatement is determined	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.	Demonstrate minimum Florida job creation, maintenance and wages paid.
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.	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)	\$9,380	\$11,568

Tax abatement programs, continued:

Program Name	Professional Sports Franchises	Major League Baseball Spring Training Baseball Franchises
Program Purpose	To attract and retain professional sports franchises by assisting with facility construction and or renovation.	To attract and retain major league baseball franchises and spring training programs.
Taxes being abated	Sales and Use Tax	Sales and Use Tax
Authority under which abatements are entered into	s. 220.20 and 288.1162, F.S.	s. 288.11621 and 288.11631, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	<p>Applicants must meet minimum statutory requirements to be certified and receive funding. Eight governmental entities have been certified and are currently receiving funding.</p> <p>Complete renovations and/or construction of the sports facility as described in the original application.</p>	<p>Applicants must meet minimum statutory requirements to be certified and receive funding. A total of eleven governmental entities have been certified and are currently receiving funding. (Originally, the spring training program was included in s. 288.1162, F.S. A total of ten governmental entities were certified in 2001 and 2006, respectively.)</p>
How taxes are reduced	Tax Refund	Tax Refund
How amount of abatement is determined	The Florida Department of Economic Opportunity shall serve as the state agency for screening applicants for state funding under s. 212.20, F.S. and for certifying an applicant as a facility for the new or retained professional sports franchise.	The Florida Department of Economic Opportunity is responsible for certifying eligible applicants and determining allowable refund amounts.
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)	\$16,000	\$10,500

The state had additional tax abatement programs, each amounting to less than \$9 million in revenue and estimated to be reduced in fiscal year 2020-21. In total, these programs resulted in \$21.4 million in estimated tax abatements and include the Florida AMT Credit, Enterprise Zone Jobs Credit, Enterprise Zone Property Credit, Enterprise Industry Financial Incentive Program, Redevelopment Program, Florida Renewal Tech Credit, Professional Golf Hall Fame Facility, Rural Job Tax Credit Program, Hazardous Waste Facility Credit, Emergency Excise Tax Credit, Brownfield Redevelopment Bonus Tax Refund, ROA Building Materials Sales Tax Refund, Rural Job Tax Credit Program, Semi-Conductor Defense and Space Technology Tax Exemption, New and Expanding Business, Rural Area of Opportunity, and 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	\$5,000 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	\$5,000	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, 2021, is as follows (in thousands):

General Government	\$ 88,191
Education	11,977
Human Services	29,573
Criminal Justice & Corrections	79,943
Natural Resources & Environment	61,898
Transportation	36,897
Judicial Branch	5,284
Total depreciation expense (governmental activities)	\$ 313,763

Primary government capital asset activities for the fiscal year ended June 30, 2021, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES				
	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated:				
Land and other nondepreciable assets	\$ 20,447,530	\$ 433,602	\$ 456	\$ 20,880,676
Infrastructure and infrastructure improvements - nondepreciable	52,713,027	1,785,940	265,515	54,233,452
Construction work in progress	4,712,739	619,511	147,599	5,184,651
Total capital assets, not being depreciated	77,873,296	2,839,053	413,570	80,298,779
Capital assets, being depreciated:				
Buildings and building improvements	5,646,463	118,545	46,275	5,718,733
Infrastructure and infrastructure improvements	842,284	53,227	2,135	893,376
Leasehold improvements	8,354	460	—	8,814
Property under capital lease	176,186	172	21,195	155,163
Furniture and equipment	1,871,249	155,203	140,314	1,886,138
Works of art and historical treasures	1,917	—	34	1,883
Library resources	25,323	40	12	25,351
Other	102,872	7,002	655	109,219
Total capital assets, being depreciated	8,674,648	334,649	210,620	8,798,677
Less accumulated depreciation for:				
Buildings and building improvements	3,241,101	171,780	36,107	3,376,774
Infrastructure and infrastructure improvements	561,667	27,217	1,137	587,747
Leasehold improvements	5,719	135	1,147	4,707
Property under capital lease	118,945	9,698	20,963	107,680
Furniture and equipment	1,423,348	100,343	84,743	1,438,948
Works of art and historical treasures	1,294	60	26	1,328
Library resources	17,873	734	11	18,596
Other	67,598	3,796	267	71,127
Total accumulated depreciation	5,437,545	313,763	144,401	5,606,907
Total capital assets, being depreciated, net	3,237,103	20,886	66,219	3,191,770
Governmental activities capital assets, net	\$ 81,110,399	\$ 2,859,939	\$ 479,789	\$ 83,490,549

BUSINESS-TYPE ACTIVITIES				
	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated:				
Land and other nondepreciable assets	\$ 1,238,799	\$ 31,086	\$ —	\$ 1,269,885
Infrastructure and infrastructure improvements - nondepreciable	11,122,875	484,893	21,965	11,585,803
Construction work in progress	1,606,210	668,315	411,873	1,862,652
Total capital assets, not being depreciated	13,967,884	1,184,294	433,838	14,718,340
Capital assets, being depreciated:				
Buildings and building improvements	703,715	72,461	61,244	714,932
Infrastructure and infrastructure improvements	635,903	12,168	185	647,886
Leasehold improvements	59	—	—	59
Furniture and equipment	395,052	40,075	21,482	413,645
Library resources	18	3	1	20
Other	172,460	39	39	172,460
Total capital assets, being depreciated	1,907,207	124,746	82,951	1,949,002
Less accumulated depreciation for:				
Buildings and building improvements	209,540	27,508	9,015	228,033
Infrastructure and infrastructure improvements	60,141	32,907	6	93,042
Leasehold improvements	25	—	—	25
Furniture and equipment	272,514	43,544	14,732	301,326
Library resources	9	—	—	9
Other	96,793	20,787	—	117,580
Total accumulated depreciation	639,022	124,746	23,753	740,015
Total capital assets, being depreciated, net	1,268,185	—	59,198	1,208,987
Business-type activities capital assets, net	\$ 15,236,069	\$ 1,184,294	\$ 493,036	\$ 15,927,327

Component units' capital asset activities for the fiscal year ended June 30, 2021, are as follows (in thousands):

	COMPONENT UNITS			
	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets, not being depreciated:				
Land and other non-depreciable assets	\$ 6,978,930	\$ 5,841,746	\$ 5,734,876	\$ 7,085,800
Construction work in progress	1,954,111	1,725,104	1,667,848	2,011,367
Total capital assets, not being depreciated	8,933,041	7,566,850	7,402,724	9,097,167
Capital assets, being depreciated:				
Buildings and building improvements	22,104,617	889,469	279,996	22,714,090
Infrastructure and infrastructure improvements	4,044,312	2,454,711	2,143,631	4,355,392
Leasehold improvements	613,072	267,419	17,029	863,462
Property under capital lease	320,786	44,199	182,328	182,657
Furniture and equipment	4,490,819	547,528	352,028	4,686,319
Works of art and historical treasures	3,851	344	—	4,195
Library resources	1,065,528	27,068	10,584	1,082,012
Other	500,370	117,763	117,002	501,131
Total capital assets, being depreciated	33,143,355	4,348,501	3,102,598	34,389,258
Less accumulated depreciation for:				
Buildings and building improvements	8,816,681	698,181	121,801	9,393,061
Infrastructure and infrastructure improvements	1,558,472	575,750	492,467	1,641,755
Leasehold improvements	232,205	29,786	7,064	254,927
Property under capital lease	121,948	14,139	2,909	133,178
Furniture and equipment	3,418,594	429,043	259,615	3,588,022
Works of art and historical treasures	2,345	209	—	2,554
Library resources	901,045	32,968	10,504	923,509
Other	379,154	133,664	112,966	399,852
Total accumulated depreciation	15,430,444	1,913,740	1,007,326	16,336,858
Total capital assets, being depreciated, net	17,712,911	2,434,761	2,095,272	18,052,400
Component units capital assets, net	\$ 26,645,952	\$ 10,001,611	\$ 9,497,996	\$ 27,149,567

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, 2021, 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 annual comprehensive financial report (ACFR) 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 ACFR 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.fl.gov; 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, assistant capital collateral representatives, criminal conflict and civil regional counsels and their assistant regional counsel chiefs, administrative directors, and chief investigators. 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 but their authorized extended DROP participation must conclude at the end of a school year. Authorized school administrators whose DROP participation ends during a school year may be authorized to extend DROP participation until the end of that school year. 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, 2021, the FRS Trust Fund held in trust \$2,684,789,035 in accumulated benefits for 34,338 DROP participants. Of these 34,338 DROP participants, 32,202 were active in the DROP with balances totaling \$2,376,000,615. The remaining participants were no longer active in the DROP and had balances totaling \$308,788,420 to be processed after June 30, 2021.

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, 2021, was \$202,082,182,546. 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, 2020, 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, 2019 for Fiscal Year 2020-2021	July 1, 2020 Statutory Rates (Ch. 121, F.S.)
Regular	8.28%	8.28%
Senior Management Service	25.57%	25.57%
Special Risk	22.73%	22.73%
Special Risk Administrative Support	34.12%	34.12%
Elected Officers - Judges	38.01%	38.01%
Elected Officers - Legislators/Attorneys/Cabinet	57.19%	57.19%
Elected Officers - County	47.46%	47.46%
DROP - applicable to members from all of the above classes or plans	15.32%	15.32%

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, 2021, 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, 2021, 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 as of June 30, 2021.

Active Members	11,834
Retirees	730
Terminated Vested Members	396
Total	<u>12,960</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, 2021, the State reported a total liability of \$10,244,285,290 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, 2020, and the fiduciary net position of the National Guard Benefit as of the measurement date of June 30, 2021:

	<u>FRS Pension Plan</u>	<u>HIS</u>	<u>National Guard Benefit</u>	<u>Total</u>
Plan total pension liability (A)	\$ 204,909,739,000	\$ 12,588,098,255	\$ 1,190,776,748	
Plan fiduciary net position (B)	(161,568,265,280)	(378,261,130)	—	
Plan net pension liability (A-B)	43,341,473,720	12,209,837,125	1,190,776,748	
State's proportion	16.981903225 %	13.868337484 %	100.00 %	
State's proportionate share	<u>\$ 7,360,207,123</u>	<u>\$ 1,693,301,419</u>	<u>\$ 1,190,776,748</u>	<u>\$ 10,244,285,290</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, 2019	17.524776601%	14.416053158%
State's proportion at measurement date, June 30, 2020	<u>16.981903225%</u>	<u>13.868337484%</u>
Increase / (decrease) in proportion	<u>-0.542873376%</u>	<u>-0.547715674%</u>

The table below shows the changes in National Guard Benefit net pension liability for the fiscal year ended June 30, 2021:

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, 2020	\$ 1,142,129,836	\$ —	\$ 1,142,129,836
Changes for the year:			
Service Cost	24,859,084	—	24,859,084
Interest on total pension liability	25,620,062	—	25,620,062
Effect of economic/demographic gains or losses	—	—	—
Effect of assumptions changes or inputs	13,672,669	—	13,672,669
Benefit payments	(15,504,903)	(15,504,903)	—
Employer contributions	—	15,550,903	(15,550,903)
Administrative expenses	—	(46,000)	46,000
Balances as of June 30, 2021	\$ 1,190,776,748	\$ —	\$ 1,190,776,748

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, 2020, using the Individual Entry Age Normal actuarial cost method. Inflation increases for the FRS Pension Plan and the HIS is assumed at 2.40%. 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 6.80%. 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 2.21% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational PUB-2010 with Projection Scale MP-2018 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 2020:

- FRS Pension Plan: The long-term expected rate of return was reduced from 6.90% to 6.80%.
- HIS: The municipal rate used to determine total pension liability decreased from 3.50% to 2.21%.

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%	2.2%
Fixed income	19.0%	3.0%
Global equity	54.2%	8.0%
Real estate (property)	10.3%	6.4%
Private equity	11.1%	10.8%
Strategic investments	4.4%	5.5%
	<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. Liabilities originally calculated as of the actuarial valuation date have been recalculated as of a later GASB measurement date using standard actuarial roll forward procedures. The inflation rate was assumed at 2.40%, the annual increase in Federal Military Pay tables is assumed at 2.00%¹, and the Cost-of-Living adjustments are assumed at 2.80%.

¹ Varied by service; separate tables for officer and enlisted. See July 1, 2020 valuation.

Because the National Guard Benefit uses a pay-as-you-go funding structure, a municipal bond rate of 2.16% 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 2021 for the National Guard Benefit:

- The municipal bond rate used to determine total pension liability decreased from 2.21% to 2.16%.

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 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
\$11,753,013,847	\$7,360,207,123	\$3,691,315,840	\$1,957,380,870	\$1,693,301,419	\$1,477,153,161

<i>National Guard Benefit</i>		
1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
\$1,514,932,086	\$1,190,776,748	\$953,333,234

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, 2020, was 5.9 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, 2020, are presented below for each plan.

FRS Pension Plan

	Recognized in Expense Reporting Period Ending June 30, 2021	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 449,588,441	Current	\$ —	\$ —
Interest cost	2,285,582,326	Current	—	—
Effect of plan changes	—	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	137,750,387	5.9 years	281,690,103	—
Effect of assumptions changes or inputs	464,840,465	5.9 years	1,332,431,665	—
Member contributions	(127,101,884)	Current	—	—
Projected investment earnings	(1,874,365,964)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	(22,926,346)	5.9 years	136,403,917	(292,227,221)
Net difference between projected and actual investment earnings	205,753,898	5 years	438,233,809	—
Contributions subsequent to the measurement date	—	1 year	617,286,070	—
Administrative expenses	3,660,621	Current	—	—
<i>Total</i>	<u>\$ 1,522,781,944</u>		<u>\$ 2,806,045,564</u>	<u>\$ (292,227,221)</u>

Health Insurance Subsidy

	Recognized in Expense Reporting Period Ending June 30, 2021	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 36,823,308	Current	\$ —	\$ —
Interest cost	55,849,006	Current	—	—
Effect of plan changes	—	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	11,747,418	7.2 years	69,266,292	(1,306,279)
Effect of assumptions changes or inputs	36,052,757	7.2 years	182,078,124	(98,458,871)
Member contributions	(51,245)	Current	—	—
Projected investment earnings	(1,636,693)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	(22,610,959)	7.2 years	62,586,376	(147,915,945)
Net difference between projected and actual investment earnings	548,890	5 years	1,351,945	—
Contributions subsequent to the measurement date	—	1 year	80,596,698	—
Administrative expenses	23,904	Current	—	—
<i>Total</i>	<u>\$ 116,746,386</u>		<u>\$ 395,879,435</u>	<u>\$ (247,681,095)</u>

The average expected remaining service life of all employees provided with pensions through the National Guard defined benefit single-employer plan at June 30, 2021, 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, 2021, are presented below for the plan.

National Guard Benefit Plan

	Recognized in Expense Reporting Period Ending June 30, 2021	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 24,859,084	Current	\$ —	\$ —
Interest cost	25,620,062	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	7,840,195	11.9 years	59,366,920	—
Effect of assumptions changes or inputs	45,296,339	11.9 years	427,280,921	(54,026,424)
Administrative expenses	46,000	Current	—	—
<i>Total</i>	<u>\$ 103,661,680</u>		<u>\$ 486,647,841</u>	<u>\$ (54,026,424)</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, 2021. 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
2022	\$ 388,687,985	\$ 21,971,687	\$ 53,136,534
2023	620,773,114	13,026,668	53,136,534
2024	528,424,775	(6,658,924)	53,136,534
2025	306,272,414	9,834,243	52,663,205
2026	52,373,995	16,239,197	49,984,630
Thereafter	—	13,188,773	170,563,980
<i>Total</i>	<u>\$ 1,896,532,283</u>	<u>\$ 67,601,644</u>	<u>\$ 432,621,417</u>

Payables to the Pension Plans

The State reported payables of \$58.9 million to the FRS Pension Plan, and \$1.6 million to the HIS Program as of June 30, 2021, 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 2020, through June 2021. In accordance with Section 121.35, F.S., 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 2020-21 was 3.44%.

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 2020 through June 2021. The employers' contributions were paid to the provider companies designated by the participant. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. 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 2020-21 was 19.18%.

Pension Amounts for Defined Contribution Plans

As of June 30, 2021, the State reported the following pension amounts related to the defined contribution plans:

Reporting Period Ended June 30, 2021	FRS Investment Plan	Optional Retirement Plan	Optional Annuity Program
<i>Pension Expense</i> ^{1,2} \$	83,457,307 \$	69,952,951 \$	53,628
<i>Forfeitures</i>	4,878,210	—	—
<i>Pension Liability</i>	2,882,013	4,253	—

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, 2020, there were 194,496 employees covered by the OPEB Plan, as shown in the following table:

Active members	137,884
No coverage active members	21,032
Retired and inactive members	35,580
Total employees	194,496

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, 2021, the State reported a total OPEB liability of \$10,290,045,182 of which the State (primary government) and its component units reported \$7,158,798,255 and \$3,131,246,927, respectively, for its proportionate share of the total OPEB liability measured as of June 30, 2020. The table below presents the State and its component units proportion change since the prior measurement date:

	State	Component Units
Proportion at prior measurement date, June 30, 2019	72.420726371349 %	27.579273628651 %
Proportion at measurement date, June 2020	69.570134322856 %	30.429865677144 %
Increase / (Decrease) in proportion	(2.850592048493)%	2.850592048493 %

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, 2020
Measurement date	June 30, 2020
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	2.66%
Healthcare cost trend rates	7.78% for PPO and 5.66% for HMO for 2020, decreasing to 7.74% and increasing to 5.91%, respectively, by 2023, then decreasing to 4.04% for PPO and HMO by 2075 and holding going forward.
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 2.66% was based on a 20-year S&P Municipal Bond Index as of the measurement date. The discount rate changed from 2.79% for the opening balance as of June 30, 2019 to 2.66% as of June 30, 2020 actually resulting in an overall increase in total OPEB liability.

Mortality rates were based on the Pub-2010 mortality tables with fully generational improvement using Scale MP-2018.

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 2020 Report on the Financial Outlook of the Plan along with information from the Getzen Model and actuarial judgment were used in the June 30, 2020 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 2020 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, 2020	\$ 9,167,196	\$ 3,491,053	\$ 12,658,249
Changes for the year:			
Service cost	457,436	200,082	657,518
Interest	249,614	109,181	358,795
Changes of benefit terms	—	—	—
Differences between expected and actual experience	(261,255)	(114,272)	(375,527)
Changes of assumptions or other inputs	(1,979,476)	(865,820)	(2,845,296)
Benefit payments	(118,548)	(45,146)	(163,694)
Changes of proportionate shares to the total OPEB liability and difference between the actual benefit payments and expected benefit payments	(356,169)	356,169	—
Other changes	—	—	—
Net changes	(2,008,398)	(359,806)	(2,368,204)
Reporting period ending June 30, 2021	\$ 7,158,798	\$ 3,131,247	\$ 10,290,045

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 1.66%	Current Discount Rate 2.66%	1% Increase 3.66%
State	\$ 8,769,635	\$ 7,158,798	\$ 5,910,345
Component Units	3,912,312	3,131,247	2,540,436
Total	\$ 12,681,947	\$ 10,290,045	\$ 8,450,781

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	\$ 5,751,766	\$ 7,158,798	\$ 9,068,514
Component Units	2,473,760	3,131,247	4,037,274
Total	\$ 8,225,526	\$ 10,290,045	\$ 13,105,788

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

For the fiscal year ended June 30, 2021, the State of Florida recognized OPEB expense of \$282,336,000 and \$123,493,000 for primary governments and the component units respectively. At June 30, 2021, 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	\$ —	\$ (418,269)	\$ —	\$ (182,950)
Changes of assumptions or other inputs	946,417	(2,709,149)	413,961	(1,184,978)
Changes of proportionate shares and difference between the actual benefit payments and expected benefit payments	3,200	(553,926)	553,926	(3,200)
Transactions subsequent to the measurement date	118,434	—	51,803	—
Total	\$ 1,068,051	\$ (3,681,344)	\$ 1,019,690	\$ (1,371,128)

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, 2022. 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
2022	\$ (520,216)	\$ (94,448)	\$ (614,664)
2023	(520,216)	(94,448)	(614,664)
2024	(520,216)	(94,448)	(614,664)
2025	(520,216)	(94,448)	(614,664)
2026	(365,612)	(30,756)	(396,368)
Thereafter	(285,254)	5,310	(279,944)
Total	\$ (2,731,730)	\$ (403,238)	\$ (3,134,968)

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, 2021, the Department had available approximately \$11.3 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, 2021, totaled \$486.5 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 \$793,643,896 for the fiscal year ended June 30, 2021. The table below represents the Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2021:

Series	Amount
2021	\$ 79,145,000
2021 (Intermodal)	75,675,000
2011A (Intermodal)	42,180,000
2011B (Intermodal)	29,830,000
Total	\$ 226,830,000

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 \$128.4 million, \$13.8 million, and \$80.6 million, respectively, for the year ended June 30, 2021. The following is a schedule of future non-cancelable operating lease payments for the primary government and component units at June 30, 2021 (in thousands):

	Primary Government		
	Governmental Activities	Business-type Activities	Component Units
2022	\$ 128,115	\$ 13,868	\$ 83,824
2023	118,199	12,642	68,389
2024	111,327	12,009	60,728
2025	105,585	11,242	50,679
2026	99,793	11,246	39,583
2027-2031	220,287	26,038	114,108
2032-2036	97,163	7,242	51,194
2037-2041	84,662	6,033	21,410
2042-2046	82,632	1,403	9,312
2047-2051	87,049	8	9,356
2052-2056	86,887	—	2,472
2057-2061	91,194	—	212
2062-2066	94,970	—	212
2067-2071	99,719	—	212
2072-2076	—	—	212
2077-2081	—	—	212
2082-2086	—	—	212
2087-2091	—	—	43
Total	\$ 1,507,582	\$ 101,731	\$ 512,370

D. Encumbrances

As of June 30, 2021, 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>\$ 340,771</u>	<u>\$ 47,170</u>	<u>\$1,002,791</u>	<u>\$ 147,495</u>	<u>\$ 67,829</u>	<u>\$ 3,424,063</u>	<u>\$ 5,030,119</u>

NOTE 8 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION

A. Bonds Payable

1. Outstanding Bonds

Bonds payable at June 30, 2021, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
Governmental Activities:				
Road and Bridge Bonds	\$ 2,397,850	\$ 2,005,510	2.000-5.000%	2050
DOT Financing Corporation Bonds	319,605	290,485	3.000-5.000%	2035
SBE Capital Outlay Bonds	143,235	68,340	2.000-5.000%	2030
Lottery Education Bonds	1,096,765	661,265	3.000-5.000%	2032
Public Education Bonds	8,152,490	6,073,030	0.190-6.000%	2048
State University System Bonds	119,845	75,805	3.000-5.000%	2033
University Auxiliary Bonds	1,053,385	861,085	1.540-7.500%	2051
Inland Protection Bonds	24,820	16,570	5.000-5.000%	2024
Florida Forever Bonds	969,065	460,720	2.000-5.000%	2029
Water Pollution Control Bonds	214,220	188,055	3.500-5.250%	2030
Florida Facilities Pool Bonds	190,835	145,900	3.000-5.000%	2039
State Infrastructure Bank Bonds	123,615	7,005	4.250-5.000%	2027
Seaport Investment Bonds	138,145	114,485	4.000-5.000%	2043
Everglades Restoration Bonds	197,440	141,820	3.000-5.000%	2035
Federal Highway Reimbursement Bonds	242,110	226,065	5.000-5.000%	2032
	15,383,425	11,336,140		
Unamortized premiums (discounts) on bonds payable	—	943,951		
Total Bonds Payable	<u>\$ 15,383,425</u>	<u>\$ 12,280,091</u>		
Business-type Activities:				
Road and Bridge Bonds	\$ 3,456,870	\$ 2,722,710	2.000-5.000%	2050
Florida Hurricane Catastrophe Fund Bonds	4,700,000	4,150,000	1.258-2.638%	2031
	8,156,870	6,872,710		
Unamortized premiums (discounts) on bonds payable	—	174,335		
Total Bonds Payable	<u>\$ 8,156,870</u>	<u>\$ 7,047,045</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)	\$ 1,012,690	\$ 252,491	\$ 760,199	\$ 145,130	\$ 112,665	\$ 257,795	2.95	2050	3,746,800	75.07%
Florida Forever/Everglades ¹	4,082,800	—	4,082,800	122,425	35,178	157,603	25.91	2035	713,243	100.00%
Lottery Education ^{1,2}	2,236,639	—	2,236,639	136,873	38,760	175,633	12.73	2032	777,966	100.00%
Alligator Alley (Toll Facility)	33,943	11,109	22,834	1,990	809	2,799	8.16	2027	16,762	67.27%
Sunshine Skyway	26,617	9,264	17,353	3,025	3,848	6,873	2.52	2038	116,822	65.20%
State Infrastructure Bank ¹	29,008	—	29,008	3,560	488	4,048	7.17	2027	7,839	100.00%
Florida Hurricane Catastrophe ⁵	1,205,946	24,120	1,181,826	—	60,725	60,725	19.46	2031	3,907,525	98.00%
State University System Bonds ¹	59,488	—	59,488	10,760	3,619	14,379	4.14	2033	91,549	100.00%
University Auxiliary Bonds										
Parking System Revenue Bonds										
Florida International University	13,502	5,770	7,732	2,920	2,352	5,272	1.47	2043	75,616	57.26%
University of South Florida	9,216	7,886	1,330	2,665	273	2,938	0.45	2026	10,278	14.44%
University of Florida	12,078	6,253	5,825	1,900	1,668	3,568	1.63	2039	48,590	48.23%
Florida Atlantic University	6,202	1,793	4,409	1,670	402	2,072	2.13	2032	11,645	71.09%
University of Central Florida	19,210	3,964	15,246	2,190	688	2,878	5.30	2032	16,174	79.36%
Florida State University	11,717	3,226	8,491	3,791	946	4,737	1.79	2031	20,002	72.46%
Housing System Revenue Bonds										
Florida International University ⁷	17,435	9,786	7,649	4,470	2,816	7,286	1.05	2050	199,230	43.87%
University of Florida	40,161	31,295	8,866	4,765	2,128	6,893	1.29	2051	397,488	22.07%
Florida Atlantic University	13,930	6,535	7,395	3,365	2,022	5,387	1.37	2036	52,174	53.08%
University of Central Florida	22,902	15,304	7,598	5,270	3,064	8,334	0.91	2042	93,832	33.17%
Florida State University ⁶	34,598	20,247	14,351	8,685	6,610	15,295	0.94	2040	181,269	41.48%
Student Health and Wellness Center Revenue Bonds										
Florida State University ¹	15,316	—	15,316	1,530	849	2,379	6.44	2030	15,682	100.00%
University of North Florida ^{1,3}	4,348	—	4,348	540	521	1,061	4.10	2036	17,731	100.00%
Student Services Center Revenue Bonds										
University of Florida ¹	30,157	—	30,157	1,800	1,435	3,235	9.32	2033	38,792	100.00%
DOT Financing Corporation ¹	4,656,544	—	4,656,544	12,015	10,329	22,344	208.41	2035	384,389	100.00%
GARVEE ¹	1,907,826	—	1,907,826	10,815	7,749	18,564	102.77	2032	296,168	100.00%
Water Pollution Control Bonds ¹	75,116	—	75,116	26,165	4,658	30,823	2.44	2030	207,569	100.00%
Inland Protection Bonds ¹	206,486	—	206,486	5,005	1,079	6,084	33.94	2024	18,254	100.00%
Seaport Investment Program ¹	200,000	—	200,000	2,875	5,707	8,582	23.31	2043	188,814	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. University Auxiliary Bond revenues exclude CARES funds received by universities.

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 Pledged Revenue shortfalls for these programs were covered by the use of other legally available funds. All Fiscal Year 2021 debt service payments for these programs were paid.

⁷ Interest payment excludes \$1.37 million of interest paid from Series 2020A Bond proceeds.

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 2020-21, the ratio remained below 6%.

5. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2021, are as follows (in thousands):

Year Ending June 30	Primary Government Governmental Activities				
	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022	\$ 1,072,880	\$ 468,236	\$ 2,463	\$ 325	\$ 1,543,904
2023	1,045,490	418,470	2,525	282	1,466,767
2024	949,805	369,899	2,591	237	1,322,532
2025	900,145	330,643	2,659	191	1,233,638
2026	763,525	292,669	1,905	144	1,058,243
2027-2031	3,046,925	994,487	7,927	277	4,049,616
2032-2036	2,058,410	449,015	—	—	2,507,425
2037-2041	876,480	170,597	—	—	1,047,077
2042-2046	405,620	70,982	—	—	476,602
2047-2051	196,790	12,970	—	—	209,760
Bonds payable and interest	11,316,070	3,577,968	20,070	1,456	14,915,564
Unamortized premiums (discounts)	943,951	—	—	—	943,951
Total bonds payable and interest	<u>\$ 12,260,021</u>	<u>\$ 3,577,968</u>	<u>\$ 20,070</u>	<u>\$ 1,456</u>	<u>\$ 15,859,515</u>
	Primary Government Business-type Activities				
	Bonds				
	Principal	Interest	Total		
2022	\$ 790,855	\$ 179,753	\$ 970,608		
2023	139,540	164,136	303,676		
2024	146,620	157,159	303,779		
2025	153,495	150,302	303,797		
2026	1,389,800	135,390	1,525,190		
2027-2031	2,878,960	479,652	3,358,612		
2032-2036	632,850	199,635	832,485		
2037-2041	408,490	95,632	504,122		
2042-2046	235,700	36,484	272,184		
2047-2051	96,400	5,478	101,878		
Bonds payable and interest	6,872,710	1,603,621	8,476,331		
Unamortized premiums (discounts)	174,335	—	174,335		
Total bonds payable and interest	<u>\$ 7,047,045</u>	<u>\$ 1,603,621</u>	<u>\$ 8,650,666</u>		

Year Ending June 30	Component Units				
	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022*	\$ 410,971	\$ 134,177	\$ 87,193	\$ 53,534	\$ 685,875
2023	550,650	116,446	64,363	51,312	782,771
2024	87,424	106,059	55,398	49,678	298,559
2025	108,278	103,221	65,809	47,432	324,740
2026	378,744	92,101	55,685	45,844	572,374
2027-2031	468,114	375,937	308,711	201,177	1,353,939
2032-2036	522,783	296,138	374,240	144,677	1,337,838
2037-2041	442,437	211,335	346,783	77,724	1,078,279
2042-2046	571,404	111,890	141,027	30,197	854,518
2047-2051	337,679	25,665	35,506	13,829	412,679
2052-2056	10,165	—	27,522	6,719	44,406
2057-2061	—	—	13,425	2,734	16,159
2062-2066	—	—	230	—	230
Bonds payable and interest	3,888,649	1,572,969	1,575,892	724,857	7,762,367
Unamortized premiums (discounts)	155,061	—	(613)	—	154,448
Total bonds payable and interest	<u>\$ 4,043,710</u>	<u>\$ 1,572,969</u>	<u>\$ 1,575,279</u>	<u>\$ 724,857</u>	<u>\$ 7,916,815</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, 2021, are as follows (in thousands):

Year Ending June 30	Universities				
	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022	\$ 47,399	\$ 21,169	\$ 10,848	\$ 12,596	\$ 92,012
2023	35,823	19,193	11,360	11,976	78,352
2024	34,408	17,645	10,991	11,487	74,531
2025	34,167	16,127	16,089	11,039	77,422
2026	33,876	14,629	15,985	10,337	74,827
2027-2031	159,581	52,274	80,237	41,152	333,244
2032-2036	98,416	24,379	52,520	26,603	201,918
2037-2041	52,921	11,106	47,415	17,940	129,382
2042-2046	22,520	4,013	47,490	11,418	85,441
2047-2051	14,600	1,111	53,960	4,952	74,623
Total capital improvement debt payable and interest	533,711	181,646	346,895	159,500	1,221,752
Unamortized premiums (discounts)	27,141	—	36,363	—	63,504
Total capital improvement debt payable and interest	<u>\$ 560,852</u>	<u>\$ 181,646</u>	<u>\$ 383,258</u>	<u>\$ 159,500</u>	<u>\$ 1,285,256</u>

6. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2021, 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 were deposited into irrevocable trusts and invested in direct obligation of the Federal government or 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 are 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

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2020 Series D (Taxable) in the amount of \$397,440,000, along with additional funds of \$7,019,080, were used to refund \$70,300,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2008 Series G maturing in the year 2024, \$241,825,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2011 Series D maturing in the years 2022 through 2025, \$31,360,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2012 Series A maturing in the years 2022 through 2023, and \$42,275,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2012 Series B maturing in the years 2022 and 2023. The refunding resulted in debt savings of \$50,991,655, an economic gain of \$50,231,291, and a deferred net gain on refunding of \$8,800,860.

Business-type Activities

None.

Current Refundings

Governmental Activities

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2020 Series C in the amount of \$111,545,000, along with additional funds of \$609,166, were used to refund \$80,300,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2011 Series A maturing in the years 2021 through 2023 and \$39,425,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2011 Series B maturing in the years 2021 and 2022. The refunding resulted in debt savings of \$8,430,643, an economic gain of \$8,379,800, and a deferred net gain on refunding of \$296,823.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2021 Series A in the amount of \$134,645,000, along with additional funds of \$1,913,624, were used to refund \$19,760,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2004 Series D maturing in the years 2030 through 2032 and \$157,990,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2011 Series F maturing in the years 2022 through 2032. The refunding resulted in debt savings of \$48,349,384, an economic gain of \$45,530,170, and a deferred net gain on refunding of \$9,869.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2021 Series B in the amount of \$272,615,000, along with additional funds of \$3,948,259, were used to refund \$59,460,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2008 Series F maturing in the years 2022 through 2033, 2036, and 2041, \$110,740,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2011 Series C maturing in the years 2022 through 2029, and \$164,450,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2011 Series E maturing in the years 2022 through 2032. The refunding resulted in debt savings of \$86,031,719, an economic gain of \$81,599,831, and a deferred gain on refunding of \$3,714,037.

State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2021A in the amount of \$46,365,000, along with additional funds of \$508,284, were used to refund \$7,240,000 of the State of Florida, Board of Governors, Florida International University Dormitory Revenue Refunding Bonds, Series 2011A maturing in the years 2022 through 2025 and \$44,490,000 of the State of Florida, Board of Governors, Florida International University Dormitory Revenue Bonds, Series 2012A maturing in the years 2022 through 2030, 2032, 2034, 2037, and 2041. The refunding resulted in debt savings of \$11,973,920, an economic gain of \$10,291,539, and a deferred net loss on refunding of \$657,461.

State of Florida, Board of Governors, Florida State University Dormitory Revenue Refunding Bonds, Series 2021A in the amount of \$24,780,000, along with additional funds of \$1,801,578, were used to refund \$14,370,000 of the State of Florida, Board of Governors, Florida State University Dormitory Revenue Bonds, Series 2010A maturing in the years 2022 through 2025, 2030, 2035, and 2040 and \$16,530,000 of the State of Florida, Board of Governors, Florida State University Dormitory Revenue Bonds, Series 2011A maturing in the years 2022 through 2027, 2029, and 2031. The refunding resulted in debt savings of \$8,391,767, an economic gain of \$7,440,309, and a deferred loss on refunding of \$438,071.

State of Florida, Board of Governors, Florida State University Mandatory Student Fee Revenue Refunding Bonds, Series 2021A in the amount of \$12,330,000, along with additional funds of \$2,769,350, were used to refund \$17,445,000 of the State of Florida, Board of Governors, Florida State University Mandatory Student Fee Revenue Bonds, Series 2010A maturing in the years 2022 through 2030. The refunding resulted in debt savings of \$3,358,400, an economic gain of \$3,129,731, and a deferred loss on refunding of \$83,356.

State of Florida, Board of Governors, Florida State University Parking Facility Revenue Refunding Bonds, Series 2021A in the amount of \$11,850,000, along with additional funds of \$2,593,379, were used to refund \$11,205,000 of the State of Florida, Board of Governors, Florida State University Parking Facility Revenue Bonds, Series 2011A maturing in the years 2021 through 2031 and \$5,406,000 of the State of Florida, Board of Governors, Florida State University Parking Facility Revenue Refunding Bonds, Series 2017A maturing in the years 2021 through 2026. The refunding resulted in debt savings of \$2,510,278, an economic gain of \$2,416,529, and a deferred loss on refunding of \$184,572.

State of Florida, Board of Governors, University of Florida Clinical Translational Research Building Revenue Refunding Bond, Series 2020A (Taxable) in the amount of \$19,025,000 were used to refund \$18,737,000 of the State of Florida, Board of Governors, University of Florida Clinical Translational Research Building Revenue Bonds, Series 2011 maturing in the year 2030. The refunding resulted in debt savings of \$2,886,436, and an economic gain of \$2,671,119.

State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series 2021B in the amount of \$17,240,000, along with additional funds of \$360,488, were used to refund \$4,815,000 of the State of Florida, Board of Governors, University of Florida Dormitory Revenue Refunding Bonds, Series 2011A maturing in the years 2022 through 2025 and 2028 and \$16,205,000 of the State of Florida, Board of Governors, University of Florida Dormitory Revenue Bonds, Series 2012A maturing in the years 2022 through 2029 and 2031. The refunding resulted in debt savings of \$2,934,239, an economic gain of \$2,609,195, and a deferred loss on refunding of \$128,205.

State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2021A in the amount of \$183,810,000, along with additional funds of \$2,278,997, were used to refund \$218,890,000 of the State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series 2011B maturing in the years 2022 through 2037 and 2041. The refunding resulted in debt savings of \$51,065,288, an economic gain of \$46,295,642, and a deferred gain on refunding of \$3,735,478.

State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2021B in the amount of \$145,880,000, along with additional funds of \$1,940,853, were used to refund \$184,110,000 of the State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge

Construction Refunding Bonds, Series 2012A maturing in the years 2022 through 2031 and 2033. The refunding resulted in debt savings of \$38,944,847, an economic gain of \$36,514,657, and a deferred gain on refunding of \$3,798,355.

State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series 2021A in the amount of \$55,940,000, along with additional funds of \$18,960,167, were used to refund \$32,040,000 of the State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series 2010F maturing in the years 2021 and 2022 and \$44,820,000 of the State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series 2011A maturing in the years 2022 and 2023. The refunding resulted in debt savings of \$3,173,449, an economic gain of \$3,151,902, and a deferred net gain on refunding of \$520,582.

Business-type Activities

State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2021A in the amount of \$76,345,000, along with additional funds of \$1,328,379, were used to refund \$84,700,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2011A maturing in the years 2022 through 2039, 2036, 2038, and 2041. The refunding resulted in debt savings of \$31,877,413, an economic gain of \$26,578,922, and a deferred loss on refunding of \$109,685.

Cash In-substance Defeasance

Governmental Activities

The State of Florida, Board of Governors, Florida Agricultural and Mechanical University Revenue and Revenue Refunding Bonds, Series A 2019-1 (the “Series A 2019-1 Bonds”) in the amount of \$9,654,373 as of December 27, 2020, maturing in the years 2021 through 2030 were forgiven by the U.S. Department of Education in connection with The Consolidated Appropriations Act, 2021.

The State of Florida, Board of Governors, Florida Agricultural and Mechanical University Revenue and Revenue Refunding Bonds, Series A 2019-2 (the “Series A 2019-2 Bonds”) in the amount of \$6,271,616 as of December 27, 2020, maturing in the years 2021 through 2025 were forgiven by the U.S. Department of Education in connection with The Consolidated Appropriations Act, 2021.

The State of Florida, Board of Governors, Florida Agricultural and Mechanical University Revenue and Revenue Refunding Bonds, Series A 2019-3 (the “Series A 2019-3 Bonds”) in the amount of \$35,842,947 as of December 27, 2020, maturing in the years 2021 through 2042 were forgiven by the U.S. Department of Education in connection with The Consolidated Appropriations Act, 2021.

The State of Florida, Board of Governors, Florida Agricultural and Mechanical University Revenue and Revenue Refunding Bonds, Series A 2019-4 (the “Series A 2019-4 Bonds”) in the amount of \$62,023,908 as of December 27, 2020, maturing in the years 2021 through 2047 were forgiven by the U.S. Department of Education in connection with The Consolidated Appropriations Act, 2021. The remaining State of Florida, Board of Governors, Florida Agricultural and Mechanical University Revenue and Revenue Refunding Bonds, Series A 2019-4 (the “Series A 2019-4 Bonds”) in the amount of \$7,976,092 maturing in the years 2047 through 2048 were in-substance defeased on June 25, 2021, when a cash deposit of \$4,486,285 was made to the trustee. These funds, along with other funds of \$3,523,122 held by the trustee, were used to redeem the Series A 2019-4 Bonds on June 25, 2021.

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, 2021
<u>Governmental Activities</u>	
University Auxiliary Bonds	\$ 29,420
Total	<u>\$ 29,420</u>

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, 2021, 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	\$ 1,629
Lottery Education Bonds	18,805
Public Education Bonds	189,032
State University System Bonds	2,444
University Auxiliary Bonds	26,046
Total Education	<u>237,956</u>
Natural Resources and Environment:	
Inland Protection Bonds	290
Everglades Restoration Bonds	3,716
Water Pollution Control Bonds	4,309
Florida Forever Bonds	13,603
Total Natural Resources and Environment	<u>21,918</u>
Transportation:	
Road and Bridge Bonds (Right of Way)	65,754
State Infrastructure Bank Bonds	481
Seaport Investment Bonds	5,012
FDOT Financing Corporation Bonds	5,138
DOT Federal Highway Reimbursement Bonds	2,120
Total Transportation	<u>78,505</u>
Total Direct Interest	<u>\$ 338,379</u>

10. Governmental Activities – Unrestricted Net Position Deficit

Governmental activities reflect a negative unrestricted net position balance of \$10.7 billion at June 30, 2021. 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, 2021, of \$7.4 billion. The state has an additional \$0.6 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 \$2.7 billion.

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

The state has issued certificates of participation in an original amount of \$393,035,000. 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, 2021 (in thousands):

Year Ending June 30	General		Total
	Principal	Interest	
2022	\$ 33,420	\$ 14,334	\$ 47,754
2023	35,950	12,600	48,550
2024	37,800	10,756	48,556
2025	39,680	8,819	48,499
2026	41,675	6,785	48,460
2027-2031	114,865	11,050	125,915
Total	303,390	64,344	367,734
Unamortized premiums (discounts)	31,928	—	31,928
Total certificates of participation payable	<u>\$ 335,318</u>	<u>\$ 64,344</u>	<u>\$ 399,662</u>

2. Component Units

Component units (universities and a water management district) have issued certificates of participation (original amount of \$706,105,000) primarily to finance academic and student facilities, and construction projects for Everglades restoration. The certificates of participation's interest rates range from 1.8126% to 5.0313% 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, 2021 (in thousands):

Year Ending June 30	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022*	\$ 23,748	\$ 38,872	\$ 7,249	\$ 5,032	\$ 74,901
2023	34,120	21,166	7,488	4,747	67,521
2024	20,840	20,149	6,670	4,485	52,144
2025	22,160	19,074	6,871	4,220	52,325
2026	23,285	17,938	7,101	3,948	52,272
2027-2031	135,240	70,533	37,929	15,335	259,037
2032-2036	171,225	33,927	42,585	7,313	255,050
2037-2041	40,260	4,627	14,865	502	60,254
2042-2046	7,500	1,853	—	—	9,353
2047-2051	5,275	322	—	—	5,597
Total	483,653	228,461	130,758	45,582	888,454
Unamortized premiums (discounts)	41,774	—	—	—	41,774
Total certificates of participation payable	<u>\$ 525,427</u>	<u>\$ 228,461</u>	<u>\$ 130,758</u>	<u>\$ 45,582</u>	<u>\$ 930,228</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.

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, 2021, 76% of the state's installment purchase contracts for primary governmental activities were for furniture and equipment, and the remaining 24% for buildings. Installment purchase contracts for component units consisted of 100% of furniture and equipment. The following is a schedule of future minimum installment purchase contract payments for the primary government and component units at June 30, 2021 (in thousands):

Year Ending June 30	Primary Government			
	Governmental Activities		Business-type Activities	
	General	Direct Borrowings and Placements	General	Totals
2022	\$ 4,741	\$ 6,094	\$ 1,219	\$ 12,054
2023	4,741	5,407	1,217	11,365
2024	2,392	3,368	1,216	6,976
2025	2,344	3,223	1,216	6,783
2026	1,926	2,094	1,216	5,236
2027-2031	6,437	362	2,129	8,928
2032-2036	5,151	—	—	5,151
Total	27,732	20,548	8,213	56,493
Less: Interest	(4,272)	(1,683)	(810)	(6,765)
Present value of future minimum payments	<u>\$ 23,460</u>	<u>\$ 18,865</u>	<u>\$ 7,403</u>	<u>\$ 49,728</u>

Year Ending June 30	Component Units		
	General	Direct Borrowings and Placements	Totals
	2022	\$ 1,382	\$ 565
2023	1,360	895	2,255
2024	1,229	824	2,053
2025	797	752	1,549
2026	276	792	1,068
2027-2031	837	198	1,035
2032-2036	677	—	677
Total	6,558	4,026	10,584
Less: Interest	(444)	(1,309)	(1,753)
Present value of future minimum payments	<u>\$ 6,114</u>	<u>\$ 2,717</u>	<u>\$ 8,831</u>

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, 2021, 100% of the state's capital leases for governmental activities were for furniture and equipment. Capital leases for component units consisted of 56% for buildings, 43% 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, 2021 (in thousands):

Year Ending June 30	Primary Government		
	Governmental Activities	Business-type Activities	Totals
	General	General	
2022	\$ 707	\$ 66	\$ 773
2023	710	66	776
2024	446	66	512
2025	359	—	359
2026	359	—	359
2027-2031	207	—	207
Total	2,788	198	2,986
Less: Interest	(253)	(20)	(273)
Present value of future minimum payments	<u>\$ 2,535</u>	<u>\$ 178</u>	<u>\$ 2,713</u>

Year Ending June 30	Component Units		Totals
	General	Direct Borrowings and Placements	
2022	\$ 17,072	\$ 2,381	\$ 19,453
2023	13,572	2,295	15,867
2024	13,209	2,254	15,463
2025	12,153	1,974	14,127
2026	23,862	1,378	25,240
2027-2031	31,414	2,758	34,172
2032-2036	17,359	—	17,359
2037-2041	5,133	—	5,133
2042-2046	5,257	—	5,257
2047-2051	5,477	—	5,477
2052-2056	2,618	—	2,618
2057-2061	2,432	—	2,432
2062-2066	2,241	—	2,241
2067-2071	3,126	—	3,126
2072-2076	2,441	—	2,441
Total	157,366	13,040	170,406
Less: Interest	(40,336)	(1,097)	(41,433)
Present value of future minimum payments	<u>\$ 117,030</u>	<u>\$ 11,943</u>	<u>\$ 128,973</u>

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, respectively. PortMiami payments consist of milestone payments and lump-sum final acceptance payments during construction, and performance-based availability payments to be made during the 30-year operations and maintenance period. Interstate 595 payments involve final acceptance payments during construction and performance-based availability payments to be made during the 30-year operations and maintenance period. The Department executed a 40-year concession agreement in September 2014 for the design, build, finance, operation and maintenance of 21 miles of the Interstate 4 Corridor in Seminole and Orange Counties. I-4 payments consist of a combination of milestone payments, final acceptance payments, and performance-based availability payments to be made during the operations and maintenance period. 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, 2021, 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 their respective contracts 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 2022.

The following is a schedule of future maximum payments for the primary government at June 30, 2021 (in thousands):

Year Ending June 30	Primary Government		Totals
	Governmental Activities	Business-type Activities	
2022	\$ 452,786	\$ 16,439	\$ 469,225
2023	141,280	17,024	158,304
2024	142,661	17,532	160,193
2025	145,682	18,083	163,765
2026	149,462	18,552	168,014
2027-2031	781,234	100,775	882,009
2032-2036	844,063	115,999	960,062
2037-2041	917,813	133,049	1,050,862
2042-2046	664,984	72,704	737,688
2047-2051	267,676	—	267,676
2052-2056	184,231	—	184,231
Total	4,691,872	510,157	5,202,029
Less: Interest	(1,983,939)	(298,025)	(2,281,964)
Present value of future maximum payments	<u>\$ 2,707,933</u>	<u>\$ 212,132</u>	<u>\$ 2,920,065</u>

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2021, are as follows (in thousands):

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Governmental Activities						
Bonds payable:						
Road and Bridge Bonds	\$ 1,994,760	\$ 517,240	\$ 506,490	\$ 2,005,510	\$ 103,385	\$ 1,902,125
FL DOT Financing Corporation	146,900	155,600	12,015	290,485	16,590	273,895
SBE Capital Outlay Bonds	81,940	—	13,600	68,340	13,690	54,650
Lottery Education Bonds	801,295	55,940	195,970	661,265	129,920	531,345
Public Education Bonds	6,724,235	916,245	1,567,450	6,073,030	582,375	5,490,655
State University System Bonds	86,565	—	10,760	75,805	11,265	64,540
University Auxiliary Bonds	617,260	399,915	176,160	841,015	42,615	798,400
Inland Protection Bonds	21,575	—	5,005	16,570	5,255	11,315
Florida Forever Bonds	567,550	—	106,830	460,720	90,630	370,090
Water Pollution Control Bonds	214,220	—	26,165	188,055	25,465	162,590
Florida Facilities Pool Bonds	161,610	—	15,710	145,900	13,510	132,390
State Infrastructure Bank Bonds	10,565	—	3,560	7,005	1,865	5,140
Seaport Investment Bonds	117,360	—	2,875	114,485	3,020	111,465
Everglades Restoration Bonds	157,415	—	15,595	141,820	16,385	125,435
Federal Reimbursement Bonds	117,995	118,885	10,815	226,065	16,910	209,155
Bonds from direct borrowings and direct placements ¹	129,752	37,203	146,885	20,070	2,463	17,607
	11,950,997	2,201,028	2,815,885	11,336,140	1,075,343	10,260,797
Unamortized bond premiums (discounts)	833,859	336,909	226,817	943,951	—	943,951
Total bonds payable	12,784,856	2,537,937	3,042,702	12,280,091	1,075,343	11,204,748
Certificates of participation payable	383,862	41,465	90,009	335,318	33,420	301,898
Deposits	4,928,231	637,793	4,537,675	1,028,349	1,028,349	—
Compensated absences	778,878	160,843	118,688	821,033	197,983	623,050
Claims payable	2,469,401	2,917,849	2,937,099	2,450,151	1,220,813	1,229,338
Installment purchases/capital leases	18,466	9,142	1,613	25,995	4,581	21,414
Public-private partnership agreements	2,766,243	266,878	325,188	2,707,933	362,995	2,344,938
Advances - Due to Unclaimed Prop. TF	986,684	124,755	—	1,111,439	—	1,111,439
Due to other governments	358,529	—	18,529	340,000	—	340,000
Other postemployment benefits	8,915,582	14	1,957,921	6,957,675	112,890	6,844,785
Pension liability	8,637,822	1,439,309	12,957	10,064,174	35,655	10,028,519
Other liabilities	17,492	1,993	—	19,485	—	19,485
Notes from Direct Borrowings and Direct Placements - Excludes Bonds ²	22,403	4,473	8,011	18,865	5,379	13,486
Total Governmental Activities	\$ 43,068,449	\$ 8,142,451	\$ 13,050,392	\$ 38,160,508	\$ 4,077,408	\$ 34,083,100

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 amount for Board of Governors, Florida Agricultural and Mechanical University Dormitory Revenue and Revenue Refunding Bonds from direct borrowings has been paid in full.

The Department of Management Services' outstanding \$261.9 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 \$41.5 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 \$53,404,725 as of June 30, 2021.

Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2021, are as follows (in thousands):

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Business-type Activities						
Bonds payable:						
Toll Facility Bonds	\$ 2,686,860	\$ 270,695	\$ 234,845	\$ 2,722,710	\$ 140,855	\$ 2,581,855
Florida Hurricane Catastrophe Fund						
Bonds	1,650,000	3,500,000	1,000,000	4,150,000	650,000	3,500,000
	<u>4,336,860</u>	<u>3,770,695</u>	<u>1,234,845</u>	<u>6,872,710</u>	<u>790,855</u>	<u>6,081,855</u>
Unamortized bond premiums						
(discounts)	183,649	24,913	34,227	174,335	—	174,335
Total bonds payable	<u>4,520,509</u>	<u>3,795,608</u>	<u>1,269,072</u>	<u>7,047,045</u>	<u>790,855</u>	<u>6,256,190</u>
Accrued prize liability	539,749	2,120,789	2,107,006	553,532	328,966	224,566
Deposits	288,824	135,305	129,359	294,770	129,193	165,577
Compensated absences	26,268	13,013	10,204	29,077	7,101	21,976
Tuition and housing benefits payable	11,757,011	44,602	499,570	11,302,043	521,466	10,780,577
Installment purchases/capital leases	8,218	137	773	7,582	1,060	6,522
Claims payable	2,683,491	1,300,000	1,417,268	2,566,223	2,566,223	—
Public-private partnership agreements ¹	213,607	—	1,475	212,132	1,624	210,508
Other postemployment benefits	230,912	5,391	51,429	184,874	3,000	181,874
Pension liability	152,158	28,219	688	179,689	520	179,169
Other liabilities	1,449	9,050	—	10,499	—	10,499
Total Business-type Activities	\$ 20,422,196	\$ 7,452,114	\$ 5,486,844	\$ 22,387,466	\$ 4,350,008	\$ 18,037,458

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

As of June 30, 2021, the Florida Hurricane Catastrophe Fund's outstanding debt was secured with collateral of \$3.5 billion. 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.

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	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year (Current)	Due Beyond One Year (Non-current)
Component Units						
Bonds payable	\$ 5,325,079	\$ 71,540	\$ 1,352,908	\$ 4,043,711	\$ 410,971	\$ 3,632,740
Bonds from direct borrowings and direct placements ¹	934,934	685,617	45,272	1,575,279	87,193	1,488,086
Deposits	1,159,360	1,423,757	766,011	1,817,106	1,513,738	303,368
Compensated absences	786,118	123,063	91,143	818,038	94,084	723,954
Installment purchases/capital leases	95,007	37,605	9,468	123,144	18,454	104,690
Claims payable	1,282,219	237,628	81,041	1,438,806	46,666	1,392,140
Certificates of participation payable	549,674	—	24,247	525,427	23,748	501,679
Due to other governments/primary	782,613	490,227	327,824	945,016	58,247	886,769
Other postemployment benefits	3,667,601	1,593,552	1,932,325	3,328,828	53,858	3,274,970
Pension liability	4,048,322	2,134,975	1,339,919	4,843,378	36,153	4,807,225
Asset retirement obligations	9,480	131	162	9,449	—	9,449
Other liabilities	724,555	1,126,571	1,116,539	734,587	210,028	524,559
Notes from direct borrowings and direct placements - Excludes Bonds ¹	431,231	29,339	32,803	427,767	38,147	389,620
Total Component Units	\$ 19,796,193	\$ 7,954,005	\$ 7,119,662	\$ 20,630,536	\$ 2,591,287	\$ 18,039,249

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

The University of Florida Shands Teaching Hospital and Clinic’s outstanding \$143.7 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 \$240.8 million certificates of participation, including \$103.6 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 \$69.2 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 \$148,313,435 as of June 30, 2021.

NOTE 11 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2021, 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, 2021, 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	\$ —	\$ 91,237	\$ 44,052	\$ 129,361	\$ 12,443
Natural Resources, Environment, and Growth Management	7,195	—	—	637	13,965
Public Education	120	—	—	2,893	—
Health and Family Services	11,563	305	—	—	—
Transportation	8,012	2,074	—	80	—
Nonmajor Governmental Funds	90,936	4,405	19,618	4,352	118,281
Internal Service Funds	1,145	—	—	32	—
Business-type Activities					
Transportation	79	—	—	—	153,069
Lottery	58	—	107,639	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	51	18	—	—	105
Nonmajor Enterprise Funds	8,216	—	—	225	—
Fiduciary Funds					
Private-purpose Trust Funds	221	—	4,805	—	—
Pension and Other Employee Benefits Trust Funds	4	—	—	—	—
Custodial Funds	83,217	10	2,584	4,596	14,842
Investment Trust Funds	—	—	—	—	—
Total	\$ 210,817	\$ 98,049	\$ 178,698	\$ 142,176	\$ 312,705

(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	\$ 74,328	\$ 7,736
Natural Resources, Environment, and Growth Management	1,040	241
Public Education	478	67
Health and Family Services	16,004	2,788
Transportation	25,101	1,427
Nonmajor Governmental Funds	7,845	5,054
Internal Service Funds	7	326
Business-type Activities		
Transportation	—	—
Lottery	7	37
Hurricane Catastrophe Fund	—	—
Prepaid College Program	—	—
Reemployment Assistance	1,388	1
Nonmajor Enterprise Funds	1,989	532
Fiduciary Funds		
Private-purpose Trust Funds	—	1
Pension and Other Employee Benefits Trust Funds	—	2
Custodial Funds	2,407	—
Investment Trust Funds	—	—
Total	\$ 130,594	\$ 18,212

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)				
	Business-type Activities				
	Lottery	Transportation	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities					
General Fund	\$ —	\$ —	\$ —	\$ 1,953	\$ 3,062
Natural Resources, Environment, and Growth Management	—	—	—	7	—
Public Education	—	—	—	—	—
Health and Family Services	—	—	—	94	48
Transportation	—	103,004	—	5	—
Nonmajor Governmental Funds	7	—	—	32	34
Internal Service Funds	—	—	—	3	—
Business-type Activities					
Transportation	—	—	—	—	—
Lottery	—	—	—	3	3
Hurricane Catastrophe Fund	—	—	—	—	299
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	—	—	—	—	—
Nonmajor Enterprise Funds	—	—	—	6	—
Fiduciary Funds					
Private-purpose Trust Funds	—	—	98	—	3
Pension and Other Employee Benefits Trust Funds	—	—	—	—	9,430
Custodial Funds	—	142,289	—	—	—
Investment Trust Funds	—	—	—	—	130
Total	\$ 7	\$ 245,293	\$ 98	\$ 2,103	\$ 13,009

(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	Custodial Funds	Total
Governmental Activities				
General Fund	\$ 522	\$ 381	\$ 162,732	\$ 527,807
Natural Resources, Environment, and Growth Management	—	—	—	23,085
Public Education	—	—	—	3,558
Health and Family Services	—	—	105	30,907
Transportation	—	—	9,756	149,459
Nonmajor Governmental Funds	—	—	204	250,768
Internal Service Funds	—	1,288	32,653	35,454
Business-type Activities				
Transportation	—	—	—	153,148
Lottery	—	2	—	107,749
Hurricane Catastrophe Fund	—	—	—	299
Prepaid College Program	45,901	—	—	45,901
Reemployment Assistance	—	—	3,021	4,584
Nonmajor Enterprise Funds	—	63	—	11,031
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	5,128
Pension and Other Employee Benefits Trust Funds	—	89,215	—	98,651
Custodial Funds	—	—	—	249,945
Investment Trust Funds	—	—	—	130
Total	\$ 46,423	\$ 90,949	\$ 208,471	\$ 1,697,604

Advances to Other Funds (in thousands)

Governmental Activities

Advances from Other Funds (in thousands)	General Fund	Transportation
Governmental Activities		
Public Education	\$ —	\$ —
Nonmajor Governmental Funds	850	101
Internal Service Funds	500	—
Business-type Activities		
Transportation	—	132,747
Total	\$ 1,350	\$ 132,848

(Continued below)

Advances to Other Funds (in thousands)

Business-type Activities

Advances from Other Funds (in thousands)	General Fund	Transportation
Governmental Activities		
Public Education	\$ —	\$ —
Transportation	—	75,000
Nonmajor Governmental Funds	—	—
Internal Service Funds	—	—
Business-type Activities		
Transportation	—	—
Total	\$ —	\$ 75,000

(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	\$ 1,111,439	\$ 1,111,439
Transportation	—	75,000
Nonmajor Governmental Funds	—	951
Internal Service Funds	—	500
Business-type Activities		
Transportation	—	132,747
Total	\$ 1,111,439	\$ 1,320,637

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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	\$ —	\$ 1,391,773	\$ 3	\$ 1,592,115	\$ 467,196
Natural Resources, Environment, and Growth Management	177,175	—	—	4,129	—
Public Education	17,592	—	—	13,349	—
Health and Family Services	79,861	1,518	208,768	—	—
Transportation	125,218	20,988	—	456	—
Nonmajor Governmental Funds	386,972	83,399	313,278	22,562	1,770,298
Internal Service Funds	9,807	745	—	124	294
Business-type Activities					
Transportation	—	—	—	—	63,383
Lottery	—	—	2,236,639	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	497	—	—	—	—
Nonmajor Enterprise Funds	88,598	—	—	6,385	—
Fiduciary Funds					
Private-purpose Trust Funds	23	—	9	148	—
Pension and Other Employee Benefits Trust Funds	3,111	—	—	—	—
Custodial Funds	4,125	—	370	—	—
Total	\$ 892,979	\$ 1,498,423	\$ 2,759,067	\$ 1,639,268	\$ 2,301,171

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)	
	Governmental Activities	
	Nonmajor Governmental Funds	Internal Service Funds
Governmental Activities		
General Fund	\$ 1,685,867	\$ 334
Natural Resources, Environment, and Growth Management	170,992	—
Public Education	1,119,486	—
Health and Family Services	640,646	—
Transportation	569,401	—
Nonmajor Governmental Funds	328,037	1,217
Internal Service Funds	8,944	—
Business-type Activities		
Transportation	—	—
Lottery	141	—
Hurricane Catastrophe Fund	13,500	—
Prepaid College Program	—	—
Reemployment Assistance	71,720	—
Nonmajor Enterprise Funds	16,197	—
Fiduciary Funds		
Private-purpose Trust Funds	3,974	—
Pension and Other Employee Benefits Trust Funds	85	20,620
Custodial Funds	254	—
Total	\$ 4,629,244	\$ 22,171

(Continued next page)

Transfers from Other Funds (in thousands)				
Business-type Activities				
Transfers to Other Funds (in thousands)	Transportation	Lottery	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities				
General Fund	\$ —	\$ —	\$ 6,551	\$ 2,219
Natural Resources, Environment, and Growth Management	—	—	169	—
Public Education	—	—	18	—
Health and Family Services	—	—	1,761	1,151
Transportation	117,968	—	135	—
Nonmajor Governmental Funds	—	7	904	3,348
Internal Service Funds	—	—	40	98
Business-type Activities				
Transportation	—	—	—	—
Lottery	—	—	21	—
Hurricane Catastrophe Fund	—	—	—	—
Prepaid College Program	—	—	—	—
Reemployment Assistance	—	—	—	—
Nonmajor Enterprise Funds	—	—	125	—
Fiduciary Funds				
Private-purpose Trust Funds	—	—	3	—
Pension and Other Employee Benefits Trust Funds	—	—	13	19,531
Custodial Funds	—	—	—	—
Total	\$ 117,968	\$ 7	\$ 9,740	\$ 26,347

(Continued below)

Transfers from Other Funds (in thousands)				
Fiduciary Funds				
Transfers to Other Funds (in thousands)	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Custodial Funds	Total
Governmental Activities				
General Fund	\$ 1,770	\$ 15,557	\$ 770	\$ 5,164,155
Natural Resources, Environment, and Growth Management	—	—	—	352,465
Public Education	—	—	—	1,150,445
Health and Family Services	—	—	—	933,705
Transportation	—	—	—	834,166
Nonmajor Governmental Funds	—	—	—	2,910,022
Internal Service Funds	—	1,425	—	21,477
Business-type Activities				
Transportation	—	—	—	63,383
Lottery	—	—	—	2,236,801
Hurricane Catastrophe Fund	—	—	—	13,500
Prepaid College Program	7,907	—	—	7,907
Reemployment Assistance	—	—	—	72,217
Nonmajor Enterprise Funds	—	—	—	111,305
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	4,157
Pension and Other Employee Benefits Trust Funds	—	809,127	—	852,487
Custodial Funds	—	—	—	4,749
Total	\$ 9,677	\$ 826,109	\$ 770	\$ 14,732,941

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 \$57.5 million per occurrence for named windstorm and flood losses through February 15, 2022, 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, 2020, and June 30, 2021, 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, 2020	\$ 1,088	\$ 2,516	\$ (2,569)	\$ 1,035
June 30, 2021	\$ 1,035	\$ 2,463	\$ (2,186)	\$ 1,312

The estimated liability for unpaid property insurance claims for the fiscal year ended June 30, 2021, does not include outstanding property claim loss payments resulting from Tropical Storm Elsa that made landfall in Florida's Big Bend area on July 7, 2021. Estimated loss payments for Tropical Storm Elsa total \$1.2 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, 2021, was \$1.17 billion. This amount was determined through an actuarial method based on historical paid and incurred losses and includes an amount for losses incurred but not yet reported. In addition, this amount includes the present value of workers' compensation indemnity claims liability of \$251.5 million, discounted using a 4 percent annual percentage rate per Section 625.091, Florida Statutes. The undiscounted workers' compensation indemnity claims liability is \$359.3 million.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2020, and June 30, 2021, 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, 2020	\$ 1,147,476	\$ 144,799	\$ (141,457)	\$ 1,150,818
June 30, 2021	\$ 1,150,818	\$ 143,727	\$ (129,398)	\$ 1,165,147

Actual current year claims and changes in estimate for casualty lines of coverage for the fiscal year ended June 30, 2021, decreased by \$1.1 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, 2020, and June 30, 2021, 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, 2020	\$ 197,487	\$ 2,028,133	\$ (2,031,086)	\$ 194,534
June 30, 2021	\$ 194,534	\$ 2,225,921	\$ (2,180,869)	\$ 239,586

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, 2021, 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, 2021, is as follows (in millions):

Actuarial present value of future contract benefits and expenses payable, and near-term payables	\$11,594
Net position available (net of outstanding refund payments and unrealized gain/loss on security lending portfolio)	\$16,298
Net position as a percentage of future contract benefits and expenses obligation	140.6%

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, 2021, the industry retention for determining each insurer's retention was \$7.832 billion per hurricane for the two hurricanes with the largest losses and \$2.611 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. The FHCF estimates its claims-paying capacity twice a year in May and October based on reports of its financial advisors and bond underwriters, and these amounts are 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, 2021, the FHCF had a net position of \$10.195 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 not 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, 2021, 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, 2021, 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, 2021 of \$7.8 billion. The estimated ultimate losses from these events are reflected in the FHCF's net position as of June 30, 2021.

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. The final maturity of these bonds in the amount of \$650 million occurred on July 1, 2021.

On September 16, 2020, the Corporation issued \$3.5 billion of pre-event Series 2020A Revenue Bonds to maximize the ability of the Fund 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. The Series 2020A Revenue Bonds have maturities of \$1.25 billion on July 1, 2025, \$1.0 billion on July 1, 2027, and \$1.25 billion on July 1, 2030 bearing interest rates of 1.258%, 1.705%, and 2.154%, respectively.

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, or June 1, 2021.

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 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 pursuant to Section 627.351(2), Florida Statutes. FWUA was a Florida unincorporated association, the members of which were all property insurance companies holding a certificate of authority to provide property insurance coverage in the State 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.

To provide relief to policyholders affected by Covid-19, a moratorium on cancellation or non-renewals of insurance policies was established and effected in March 2020. Citizens continued its normal billing for premium, but did not send cancellation and non-renewal notices, resulting in continued coverage for policyholders who could not pay on time. Effective February 1, 2021, this moratorium was lifted, and payment exceptions were curtailed, resulting in the cancellation of policies due to non-payment of premium. At December 31, 2020, premiums receivable was reduced by \$28.2 million for policies with a balance due at December 31, 2020, that subsequently cancelled on or after February 16, 2021, due to non-payment of premium, of which \$21.7 million and \$6.5 million were charged against direct written and to bad debt expense, respectively.

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 Annual Comprehensive 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 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, 2020.

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, pursuant to Section 631.56, F.S. Seven persons are recommended by member insurers, unless Citizens Insurance Corporation represents one of the top ten writers of the residential property insurance market, in which case, six are recommended by member insurers. Two additional Board members, one recommended by Florida domestic members, and the other by the Department of Financial Services (the "Department"). Recommendations to the Board are reviewed and subsequently appointed by the Department.

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 direct written premiums in the State of Florida in the classes protected by the Act. FIGA obtains the amount of the 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 4% of 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, 2021, 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 direct written premiums in the State of Florida prior to reductions for discounts or credits for deductibles in a policy or by any premium adjustment to a retrospectively rated policy. FWCIGA obtains the amount of the 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 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 in 2020. The 1% assessment was levied on all new and existing renewal policies with effective dates beginning January 1, 2020 through December 31, 2020. No assessment was levied in 2021.

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, 2021, approximately \$53 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 filed an appeal with the Department Appeals Board (DAB). At this time, the briefing has concluded, and a decision is expected to be issued. On February 25, 2021, DAB entered an order (HHS DAB Decision No. 3031) upholding the disallowance in full (Board Docket No. A-17-64). AHCA appealed (AHCA v. HHS; Case No. 21-cv-21616). That case is indefinitely stayed pending settlement discussions. However, AHCA also made a series of payments and the amount due (\$97,570,183) has been fully refunded to CMS as of July 1, 2021.

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 the 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 filed an appeal with the DAB. On February 25, 2021, the DAB entered an order (HHS DAB Decision No. 3032) upholding the disallowance, except as related to Jackson Memorial costs, and remanding for CMS for further fact-finding. CMS will need to reissue its demand and disallowance letters. This will provide the Agency another opportunity to challenge the results. Most disallowance actions result in a reduction in the total disallowance. The amount is currently unspecified and remains to be determined, but will not exceed the original disallowance of \$63,233,036 FFP (plus interest).

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.

Medicaid Program – On January 6, 2022, CMS issued a demand letter requesting repayment in the amount of \$270,896,313 for unallowable payments to Jackson Memorial Hospital under its LIP program for the State fiscal years 2010, through 2014. If AHCA is ultimately unsuccessful in its challenges, it may be required to return \$270,896,313 to the Federal Government.

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 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. The parties entered into a new settlement agreement on November 8, 2021. 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. 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-3036A (5th Cir. Lake County) (on appeal Case No. 5D21-3189 (Fla. 5th DCA)); 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.

In Ayers, Case No. 05-CA-4120, concerns homeowners in Orange County. Judgments against DACS were paid by a July 2021 appropriation from the Florida Legislature.

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. The Florida Supreme Court declined to review the case. The parties subsequently entered into a settlement agreement wherein DACS agreed to pay \$76.9 million.

In Gary M. Mahon, Case No. 08-CA-30736, an Orange County 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 scheduled.

In John L. and Shelby Mahon, Case No. 11-CA-3036, Lake County 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. After a compensation trial, the court entered judgment against DACS for \$1.7 million. An appeal is pending before the Fifth District Court of Appeal.

In Dooley Grove, Inc., Case No. 09-CA-12839, a Hillsborough County 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. In August 2021, the case was settled, all claims were voluntarily dismissed, the District Court dismissed the matter with prejudice, and the issue of attorney fee liability was resolved. The 2021-22 fiscal year costs associated with ongoing injunctive relief are not expected to exceed \$25 million for testing, treatment, and staffing.

C. 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. The case is ongoing.

D. 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 was stayed pending Plaintiffs' refund request to the Internal Revenue Service (IRS), which the IRS denied in full in November 2021. The parties are scheduling a case status conference before the court. Damages may exceed \$34 million.

E. 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 was settled on February 21, 2022 by the First District Court of Appeal affirming the trial court's ruling. The remaining claim in this case relates to Plaintiff's claim seeking a declaratory judgment related to the prolonged emergency suspension of tolls (subsequently reinstated) that is pending at the trial court level.

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

The *Public Education Fund* has a deficit unassigned fund balance of approximately \$910.4 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 \$61 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 \$16.4 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 \$120.2 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 \$381.8 million and \$592.5 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 either issued, sold, or defeased subsequent to June 30, 2021:

ISSUANCE OR SALE OF DEBT:

Agency/Bond	Series	Amount	Matures	Interest Rate
Governmental Activities:				
Board of Governors, University of North Florida Mandatory Student Fee Revenue Refunding Bonds	2021A	\$ 8,875,000	11/01/2021-11/01/2032	5.000% - 5.000%
Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds	2021A	\$ 42,815,000	10/01/2022-10/01/2041	2.000% - 5.000%
Department of Education, Florida College System Capital Improvement Revenue Refunding Bonds	2021A	\$ 17,445,000	07/01/2022-07/01/2032	5.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2022 Series A	\$ 122,705,000	06/01/2023-06/01/2033	5.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2022 Series B	\$ 159,780,000	06/01/2023-06/01/2033	5.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2022 Series C	\$ 151,945,000	06/01/2023-06/01/2032	5.000% - 5.000%
Full Faith and Credit, Department of Transportation, Right- of-Way Acquisition and Bridge Construction Refunding Bonds	2022A	\$ 132,720,000	07/01/2023-07/01/2034	5.000% - 5.000%
Department of Management Services Certificates of Participation	2021A	\$ 134,145,000	11/01/2021-11/01/2040	2.000% - 5.000%
Business-type Activities:				
Department of Transportation, Turnpike Revenue Bonds	2021B	\$ 239,835,000	07/01/2022-07/01/2051	1.750% - 5.000%
Department of Transportation, Turnpike Revenue Bonds	2021C	\$ 272,830,000	07/01/2022-07/01/2051	2.375% - 5.000%

CASH DEFEASANCE OF DEBT:

Agency/Bond/Series	Defeasance Date	Amount	Matures	Interest Rate
Department of Environmental Protection, Florida Forever Revenue Refunding Bonds, Series 2011B	8/17/2021	\$ 10,500,000	7/1/2022	5.00%
Department of Transportation, State Infrastructure Bank Revenue Bonds, Series 2005A	10/20/2021	\$ 5,520,000	07/01/2022-07/01/2026	4.250% - 5.000%
Department of Transportation, State Infrastructure Bank Revenue Bonds, Series 2007	10/20/2021	\$ 1,485,000	07/01/2022-07/01/2027	4.500% - 4.500%

**OTHER REQUIRED
SUPPLEMENTARY
INFORMATION**

**BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 9,785,470	\$ 9,785,470	\$ 9,785,470	\$ —
Reversions	157,331	157,331	157,331	—
Fund Balances, July 1, 2020, restated	9,942,801	9,942,801	9,942,801	—
REVENUES				
Fees and charges	1,334,776	1,296,476	1,364,822	68,346
Licenses	509,074	476,174	269,784	(206,390)
Taxes	40,938,671	40,426,323	41,367,950	941,627
Miscellaneous	66	66	1,166	1,100
Interest	255,613	329,931	251,551	(78,380)
Grants	21,775	4,793,875	6,456,138	1,662,263
Refunds	23,361	24,106	480,007	455,901
Transfers and distributions	3,437,414	5,519,072	4,158,275	(1,360,797)
Other	392,671	429,372	1,380,633	951,261
Total Revenues	46,913,421	53,295,395	55,730,326	2,434,931
Total Available Resources	56,856,222	63,238,196	65,673,127	2,434,931
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	4,080,853	4,310,694	4,209,445	101,249
Other personal services	64,552	73,994	63,173	10,821
Expenses	379,743	408,300	388,350	19,950
Grants and aids	16,561,782	16,578,494	16,566,427	12,067
Operating capital outlay	15,908	16,621	12,907	3,714
Food products	67,483	66,740	64,644	2,096
Fixed capital outlay	119,333	119,333	119,333	—
Lump sum	657,036	9,572	9,572	—
Special categories	12,880,948	15,652,090	14,699,430	952,660
Financial assistance payments	320,550	323,148	320,052	3,096
Continuing Appropriations	—	801,337	801,337	—
Grants/aids to local governments	245,711	245,711	245,711	—
Data processing services	56,439	65,391	55,818	9,573
Pensions and benefits	2,166	2,166	1,096	1,070
Total Operating Expenditures	35,452,504	38,673,591	37,557,295	1,116,296
Nonoperating expenditures:				
Transfers	6,706,682	6,706,682	6,706,682	—
Refunds	824,945	824,945	824,945	—
Other	3,374,054	3,374,054	3,374,054	—
Total Nonoperating Expenditures	10,905,681	10,905,681	10,905,681	—
Total Expenditures	46,358,185	49,579,272	48,462,976	1,116,296
Fund Balances, June 30, 2021	\$ 10,498,037	\$ 13,658,924	\$ 17,210,151	\$ 3,551,227

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, 2021
(in thousands)

	Natural Resources, Environment, and Growth Management			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 2,242,540	\$ 2,242,540	\$ 2,242,540	\$ —
Reversions	4,138	4,138	4,138	—
Fund Balances, July 1, 2020, restated	2,246,678	2,246,678	2,246,678	—
REVENUES				
Fees and charges	127,083	204,747	152,223	(52,524)
Licenses	41,330	51,105	59,672	8,567
Taxes	4,735	280,683	289,318	8,635
Miscellaneous	170	435	343	(92)
Interest	42,166	42,795	22,182	(20,613)
Grants	484,459	243,171	265,967	22,796
Refunds	2,640	1,290	10,388	9,098
Bond proceeds	204	—	—	—
Transfers and distributions	1,714,699	2,031,255	2,071,680	40,425
Other	175,409	15,254	238,472	223,218
Total Revenues	2,592,895	2,870,735	3,110,245	239,510
Total Available Resources	4,839,573	5,117,413	5,356,923	239,510
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	355,649	361,916	346,794	15,122
Other personal services	27,478	26,833	22,532	4,301
Expenses	59,980	59,397	52,479	6,918
Grants and aids	14,890	14,890	14,890	—
Operating capital outlay	2,142	1,705	1,382	323
Fixed capital outlay	522,087	522,087	522,087	—
Lump sum	500	—	—	—
Special categories	301,548	315,879	273,982	41,897
Grants/aids to local governments	612,211	612,211	612,211	—
Data processing services	735	822	787	35
Total Operating Expenditures	1,897,220	1,915,740	1,847,144	68,596
Nonoperating expenditures:				
Transfers	452,590	452,590	452,590	—
Refunds	10,269	10,269	10,269	—
Other	318,872	318,872	318,872	—
Total Nonoperating Expenditures	781,731	781,731	781,731	—
Total Expenditures	2,678,951	2,697,471	2,628,875	68,596
Fund Balances, June 30, 2021	\$ 2,160,622	\$ 2,419,942	\$ 2,728,048	\$ 308,106

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, 2021
(in thousands)

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 775,943	\$ 775,943	\$ 775,943	\$ —
Reversions	9,150	9,150	9,150	—
Fund Balances, July 1, 2020, restated	785,093	785,093	785,093	—
REVENUES				
Fees and charges	79,230	75,958	75,828	(130)
Licenses	1,320	1,416	1,416	—
Taxes	780,968	639,101	640,970	1,869
Miscellaneous	609	29	7	(22)
Interest	33,623	20,890	64	(20,826)
Grants	2,707,011	3,935,483	3,960,851	25,368
Refunds	14,730	37,509	37,230	(279)
Bond proceeds	—	—	—	—
Transfers and distributions	2,894,366	3,282,047	3,418,027	135,980
Other	199,540	214,535	335,184	120,649
Total Revenues	6,711,397	8,206,968	8,469,577	262,609
Total Available Resources	7,496,490	8,992,061	9,254,670	262,609
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	37,572	39,252	31,963	7,289
Other personal services	970	971	277	694
Expenses	6,848	6,598	3,334	3,264
Grants and aids	3,591,697	3,642,535	3,591,697	50,838
Operating capital outlay	489	489	8	481
Fixed capital outlay	1,485,229	1,485,229	1,485,229	—
Special categories	1,549,831	3,183,510	2,659,991	523,519
Financial assistance payments	72,595	72,595	72,564	31
Payments to U.S. Treasury	4,920	3,686	3,686	—
Data processing services	9,183	9,289	7,299	1,990
Total Operating Expenditures	6,759,334	8,444,154	7,856,048	588,106
Nonoperating expenditures:				
Transfers	196,806	196,806	196,806	—
Refunds	2,012	2,012	2,012	—
Other	7,762	7,762	7,762	—
Total Nonoperating Expenditures	206,580	206,580	206,580	—
Total Expenditures	6,965,914	8,650,734	8,062,628	588,106
Fund Balances, June 30, 2021	\$ 530,576	\$ 341,327	\$ 1,192,042	\$ 850,715

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, 2021
(in thousands)

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 680,943	\$ 680,943	\$ 680,943	\$ —
Reversions	247,366	247,366	247,366	—
Fund Balances, July 1, 2020, restated	928,309	928,309	928,309	—
REVENUES				
Fees and charges	1,767,589	1,895,668	1,333,712	(561,956)
Licenses	22,832	22,934	21,604	(1,330)
Taxes	716,715	716,715	761,405	44,690
Interest	3,844	2,207	8,411	6,204
Grants	22,600,954	23,562,602	24,330,403	767,801
Refunds	2,325,625	2,284,813	2,496,517	211,704
Bond proceeds	—	—	—	—
Transfers and distributions	3,375,883	3,930,176	3,436,955	(493,221)
Other	34,258	38,775	45,934	7,159
Total Revenues	30,847,700	32,453,890	32,434,941	(18,949)
Total Available Resources	31,776,009	33,382,199	33,363,250	(18,949)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,320,104	1,374,400	1,218,349	156,051
Other personal services	121,421	123,312	83,582	39,730
Expenses	286,729	287,247	221,162	66,085
Grants and aids	122,087	144,854	135,473	9,381
Operating capital outlay	15,910	16,005	4,498	11,507
Food products	1,110	1,096	871	225
Fixed capital outlay	6,660	6,660	6,660	—
Lump sum	74,852	—	—	—
Special categories	24,488,220	28,654,777	27,788,439	866,338
Financial assistance payments	30,390	30,390	10,404	19,986
Grants/aids to local governments	2,402	2,402	2,402	—
Data processing services	21,386	22,019	21,701	318
Claim bills and relief acts	—	—	—	—
Total Operating Expenditures	26,491,271	30,663,162	29,493,541	1,169,621
Nonoperating expenditures:				
Continuing Appropriations	45,903	45,903	45,903	—
Transfers	2,093,782	2,093,782	2,093,782	—
Refunds	22,650	22,650	22,650	—
Other	330,491	330,491	330,491	—
Total Nonoperating Expenditures	2,492,826	2,492,826	2,492,826	—
Total Expenditures	28,984,097	33,155,988	31,986,367	1,169,621
Fund Balances, June 30, 2021	\$ 2,791,912	\$ 226,211	\$ 1,376,883	\$ 1,150,672

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, 2021
(in thousands)

	Transportation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Fund Balances, July 1, 2020	\$ 283,015	\$ 283,015	\$ 283,015	\$ —
Reversions	8,856	8,856	8,856	—
Fund Balances, July 1, 2020, restated	291,871	291,871	291,871	—
REVENUES				
Fees and charges	115,069	129,013	115,069	(13,944)
Taxes	2,891,035	2,834,999	2,891,035	56,036
Miscellaneous	1,051,631	—	—	—
Interest	969	969	1,975	1,006
Grants	—	—	—	—
Refunds	3,574	106	3,995	3,889
Bond proceeds	180,400	—	200,000	200,000
Transfers and distributions	449,875	630,275	396,269	(234,006)
Other	13,599	20,394	26,497	6,103
Total Revenues	4,706,152	3,615,756	3,634,840	19,084
Total Available Resources	4,998,023	3,907,627	3,926,711	19,084
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	4,288	4,456	4,017	439
Other personal services	68	74	19	55
Expenses	1,171	752	651	101
Operating capital outlay	5	5	—	5
Fixed capital outlay	361,757	361,757	361,757	—
Special categories	71,570	72,723	66,374	6,349
Total Operating Expenditures	438,859	439,767	432,818	6,949
Nonoperating expenditures:				
Transfers	218,434	218,434	218,434	—
Refunds	58,823	58,823	58,823	—
Other	2,869,531	2,869,531	2,869,531	—
Total Nonoperating Expenditures	3,146,788	3,146,788	3,146,788	—
Total Expenditures	3,585,647	3,586,555	3,579,606	6,949
Fund Balances, June 30, 2021	\$ 1,412,376	\$ 321,072	\$ 347,105	\$ 26,033

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, 2021
(in thousands)**

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	\$ 17,210,151	\$ 2,728,048	\$ 1,192,042	\$ 1,376,883	\$ 347,105
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	1,602,305	64,070	43,879	2,898	93,881
Fair value adjustments to investments within the State Treasury	(445,107)	(21,210)	(14,526)	(959)	(31,079)
Special investments within the State Treasury	20,723	—	—	21,663	—
Non-State Treasury cash and investments	1,351,758	4,850	—	74,240	1,519,570
Adjustment for State Transportation Trust Fund elimination	—	—	—	—	609,582
Adjusted budgetary basis fund balances	19,739,830	2,775,758	1,221,395	1,474,725	2,539,059
Adjustments (basis differences):					
Net receivables/(payables) not carried forward	(5,712,266)	1,830,716	(1,075,671)	1,232,206	(436,274)
Net deferred outflows/(inflows) of resources	(174,046)	(1,318)	—	(831,225)	(290,489)
Inventories, prepaid items and deferred charges	9,809	708	—	27,380	8,230
Encumbrances	340,771	47,170	1,002,791	147,495	67,829
GAAP basis fund balances	\$ 14,204,098	\$ 4,653,034	\$ 1,148,515	\$ 2,050,581	\$ 1,888,355

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, 2021, State Transportation Trust fund revenues and expenditures totaled \$2.54 billion and \$6.93 billion, respectively, with \$4.66 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 6.90% to 6.80%.

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

SCHEDULE OF STATE CONTRIBUTIONS TO PENSION PLAN
 FLORIDA 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.

<u>2019</u>	<u>2020</u>
17.524776601 %	16.981903225 %
\$ 6,035,289	\$ 7,360,207
\$ 4,829,858	\$ 4,826,392
124.96 %	152.50 %
82.61 %	78.85 %

<u>2020</u>	<u>2021</u>
\$ 564,233	\$ 617,286
564,233	617,286
<u>\$ —</u>	<u>\$ —</u>
\$ 4,826,392	\$ 4,867,575
11.69 %	12.68 %

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 3.50% 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
 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>				
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	2020
14.416053158 %	13.868337484 %
\$ 1,613,012	\$ 1,693,301
\$ 4,828,290	\$ 4,826,392
33.41 %	35.08 %
2.63 %	3.00 %

2020	2021
\$ 79,917	\$ 80,597
79,917	80,597
—	—
\$ 4,826,392	\$ 4,866,392
1.66 %	1.66 %

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)	90,988	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)	146,152	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>\$732,440</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>						
Net pension liability-ending	<u>\$446,683</u>	<u>\$504,915</u>	<u>\$664,547</u>	<u>\$586,288</u>	<u>\$732,440</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 2.21% to 2.16%.

* 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>						
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.

2021

\$ 24,859
 25,620
 —
 —
 13,673
 (15,505)

48,647
 1,142,130

\$1,190,777

\$ 15,551
 —
 —
 (15,505)
 (46)

—
 —

\$ —
\$1,190,777

0.00 %
 \$ 519,073
 229.40 %

2021

\$ 15,551
 15,551

\$ —
\$519,073

3.00 %

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	\$ 451,019
Interest	350,228	399,969	407,091
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	\$ 7,312,085	\$ 7,636,518	\$ 7,644,191
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 years 2017, 2018 and 2019, errors noted in the selection criteria for covered-employee payroll data previously presented for compliance with GASB 75 were 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, 2020, 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.

An update to the mortality rate tables used and the repeal of the excise ("Cadillac") tax resulted in the significant decrease in OPEB liability for 2020. Other factors such as claims cost and premium rates, medical trend rates, and a change in active medical plan electives resulted in a slight decrease in OPEB liabilities.

	<u>2020</u>
\$	657,518
	358,795
	—
	(375,527)
	(2,845,296)
	(163,694)
	—
	<u>(2,368,204)</u>
	12,658,249
\$	<u><u>10,290,045</u></u>
\$	8,072,906
	127.46 %

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 expends certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 12,120 centerline miles of roads and 7,095 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>2021</u>	<u>2020</u>	<u>2019</u>
84%	87%	87%

Percentage of bridges meeting FDOT standards

<u>2021</u>	<u>2020</u>	<u>2019</u>
94%	95%	95%

Maintenance Rating

<u>2021</u>	<u>2020</u>	<u>2019</u>
83	83	83

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

Resurfacing Program

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Needed	\$669.9	\$ 535.0	\$ 555.6	\$ 590.4	\$ 530.8
Actual	557.0	451.5	479.8	522.6	541.5

Bridge Repair/Replacement Program

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Needed	\$ 386.7	\$ 980.8	\$ 114.3	\$ 239.6	\$ 642.5
Actual	384.5	1,036.1	104.6	240.3	567.2

Routine Maintenance Program

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Needed	\$ 712.6	\$ 694.6	\$ 690.1	\$ 655.0	\$ 661.3
Actual	821.0	805.5	817.7	756.1	741.7

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 209.

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, 2021
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Funds	Totals 6/30/21
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 16,277	\$ —	\$ 2	\$ 843	\$ 17,122
Pooled investments with State Treasury	2,439,139	190,537	—	39,881	2,669,557
Other investments	324,347	—	32,258	4,300	360,905
Receivables, net	471,664	162	398	4	472,228
Due from other funds	75,420	55,174	—	—	130,594
Due from component units/primary	50	—	—	—	50
Inventories	2,577	—	—	—	2,577
Other	230	—	—	—	230
Total current assets	3,329,704	245,873	32,658	45,028	3,653,263
<u>Noncurrent assets</u>					
Long-term investments	34,207	—	—	—	34,207
Other loans and notes receivable, net	647,577	—	—	—	647,577
Total noncurrent assets	681,784	—	—	—	681,784
Total assets	4,011,488	245,873	32,658	45,028	4,335,047
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	358,169	1,697	—	—	359,866
Due to other funds	250,632	24	44	68	250,768
Due to component units/primary	2,150	—	—	—	2,150
Compensated absences	893	—	—	—	893
Claims payable	19,526	—	—	—	19,526
Deposits	203,982	—	—	—	203,982
Obligations under security lending agreements	56,449	8,791	—	1,851	67,091
Total current liabilities	891,801	10,512	44	1,919	904,276
<u>Noncurrent liabilities</u>					
Advances from other funds	951	—	—	—	951
Deposits	111	—	—	—	111
Total noncurrent liabilities	1,062	—	—	—	1,062
Total liabilities	892,863	10,512	44	1,919	905,338
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	342,745	—	—	—	342,745
Total deferred inflows of resources	342,745	—	—	—	342,745
FUND BALANCES					
Nonspendable	2,770	—	—	4,028	6,798
Restricted	1,319,688	180,387	32,614	34,680	1,567,369
Committed	1,453,422	54,974	—	4,401	1,512,797
Total fund balances	2,775,880	235,361	32,614	43,109	3,086,964
Total liabilities, deferred inflows and fund balances	\$ 4,011,488	\$ 245,873	\$ 32,658	\$ 45,028	\$ 4,335,047

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Funds	Totals 6/30/21
REVENUES					
Taxes	\$ 260,144	\$ —	\$ —	\$ —	\$ 260,144
Licenses and permits	1,852,948	—	—	3,898	1,856,846
Fees and charges	724,143	—	10,361	—	734,504
Grants and donations	5,733,151	—	—	—	5,733,151
Investment earnings (losses)	(8,827)	(3,276)	117,421	(540)	104,778
Fines, forfeits, settlements and judgments	547,235	—	—	—	547,235
Other	81,640	—	259	—	81,899
Total revenues	9,190,434	(3,276)	128,041	3,358	9,318,557
EXPENDITURES					
Current:					
General government	6,300,420	52,489	1,748	—	6,354,657
Education	188,780	2,994	—	133	191,907
Human services	513,226	2,645	—	—	515,871
Criminal justice and corrections	503,669	60,042	—	—	563,711
Natural resources and environment	1,442,441	—	—	—	1,442,441
Transportation	—	160	—	—	160
Judicial branch	91,298	—	—	—	91,298
Capital outlay	55,389	35,287	—	—	90,676
Debt service:					
Principal retirement	286	—	1,189,815	—	1,190,101
Interest and fiscal charges	25	—	498,617	—	498,642
Total expenditures	9,095,534	153,617	1,690,180	133	10,939,464
Excess (deficiency) of revenues over expenditures	94,900	(156,893)	(1,562,139)	3,225	(1,620,907)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	—	188,109	32,068	—	220,177
Proceeds of refunding bonds	—	—	1,652,077	—	1,652,077
Proceeds of financing agreements	735	—	—	—	735
Operating transfers in	2,914,059	141,167	1,574,018	—	4,629,244
Operating transfers out	(2,772,698)	(88,093)	(48,612)	(619)	(2,910,022)
Payments to refunded bond agent	—	—	(1,652,077)	—	(1,652,077)
Total other financing sources (uses)	142,096	241,183	1,557,474	(619)	1,940,134
Net change in fund balances	236,996	84,290	(4,665)	2,606	319,227
Fund balances - beginning, as restated	2,538,884	151,071	37,279	40,503	2,767,737
Fund balances - ending	\$ 2,775,880	\$ 235,361	\$ 32,614	\$ 43,109	\$ 3,086,964

NONMAJOR SPECIAL REVENUE FUNDS

EMPLOYMENT SERVICES

This fund includes internal reporting funds used for employee-service related programs of an administrative nature (non risk-related), such as workers' compensation, employment security, and labor market statistics.

GOVERNMENT ADMINISTRATION

This fund includes internal reporting special revenue funds primarily administered by the Department of State, Department of Management Services, and Department of Financial Services.

BUSINESS AND COMMUNITY DEVELOPMENT

This fund includes internal reporting special revenue funds primarily administered by the Executive Office of the Governor and the Department of Economic Opportunity.

REGULATION AND LICENSING

This fund includes internal reporting special revenue funds primarily administered by the Department of Business and Professional Regulation, Department of Highway Safety and Motor Vehicles, and Department of Financial Services.

TOBACCO SETTLEMENT

This fund includes internal reporting special revenue funds established to account for the settlement of *State of Florida, et al., v. American Tobacco Company, et al.*, Case No. 95-1466 AH, filed in the Fifteenth Judicial Circuit, in and for Palm Beach County Florida.

PUBLIC SAFETY

This fund includes internal reporting special revenue funds primarily administered by the Department of Law Enforcement, Department of Highway Safety and Motor Vehicles, Department of Legal Affairs, and Department of Military Affairs.

CORRECTIONS

This fund includes internal reporting special revenue funds administered by the Department of Corrections.

CONSUMER PROTECTION AND SAFETY

This fund includes internal reporting special revenue funds primarily administered by the Executive Office of the Governor, Department of Legal Affairs, Department of Revenue, and Department of Financial Services.

AGRICULTURE

This fund includes internal reporting special revenue funds administered by the Department of Agriculture and Consumer Services.

JUVENILE JUSTICE

This fund includes internal reporting special revenue funds administered by the Department of Juvenile Justice.

JUDICIAL SERVICES

This fund includes internal reporting special revenue funds primarily administered by the Justice Administrative Commission and the State Courts System.

MILITARY AND VETERANS' AFFAIRS

This fund includes internal reporting special revenue funds administered by the Department of Military Affairs and Department of Veterans' Affairs.

BLENDED COMPONENT UNITS

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
Pursuant to Section 28.35, Florida Statutes, this entity was created to recommend legislative changes in various court related fines, fees, service charges, and court costs, establish a process for reviewing and certification of proposed court-related budgets submitted by the clerks of court and establishing a system of uniform performance measures and standards for the clerks.

FLORIDA CITRUS COMMISSION

As authorized in Section 601.04, Florida Statutes, this entity was established to primarily promote the general welfare of the Florida citrus industry.

STATE BOARD OF ADMINISTRATION

This entity includes the following internal reporting special revenue funds administered by the State Board of Administration: Gas Tax Clearing Accounts and the Insurance Capital Build-up Program.

FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

As authorized in Section 1002.36, Florida Statutes, this entity is a State-supported residential school for hearing-impaired and visually impaired students in preschool through 12th grade.

WIRELESS EMERGENCY TELEPHONE SYSTEM

As authorized in Section 365.172, Florida Statutes, this entity was established to promote a comprehensive statewide emergency telephone number system that will provide wireless telephone users with rapid direct access to public safety agencies.

CAREERSOURCE FLORIDA, INC.

This not-for-profit entity was created pursuant to Section 445.004, Florida Statutes, as the principal workforce policy organization for the State and the regional workforce boards.

FLORIDA WATER POLLUTION CONTROL FINANCING CORPORATION

Pursuant to Section 403.1837, Florida Statutes, this entity was created to finance the costs of water pollution control projects and activities described in Sections 403.1835 and 403.8532, Florida Statutes.

INLAND PROTECTION FINANCING CORPORATION

Pursuant to Section 376.3075, Florida Statutes, this entity was created to finance the rehabilitation of petroleum contamination sites pursuant to Sections 376.30-376.317, Florida Statutes, and the payment, purchase and settlement of reimbursement obligations of the Department of Environmental Protection pursuant to Section 376.3071(12), Florida Statutes.

FLORIDA SURPLUS LINES SERVICE OFFICE

Pursuant to Section 626.921, Florida Statutes, this entity was created to establish a system that would permit better access by consumers to approved unauthorized insurers.

CORRECTIONS FOUNDATION, INC.

This entity was organized to initiate developmental projects; raise funds; request and receive grants, gifts, and bequests; acquire, receive, hold, invest and administer securities, funds, or other property as authorized by Section 944.802, Florida Statutes.

SCRIPPS FLORIDA FUNDING CORPORATION

Pursuant to Section 288.955, Florida Statutes, this entity was created to facilitate the establishment and operation of a biomedical research institution for the purposes of enhancing education and research and promoting economic development and diversity.

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 322	\$ —	\$ 126	\$ 242
Pooled investments with State Treasury	302,388	87,776	500,119	477,357
Other investments	8,351	—	—	—
Receivables, net	60,471	786	156,609	60,830
Due from other funds	12,062	376	5,114	6,884
Due from component units/primary	—	—	50	—
Inventories	—	—	—	194
Other	—	—	—	27
Total current assets	383,594	88,938	662,018	545,534
<u>Noncurrent assets</u>				
Long-term investments	—	—	4	—
Other loans and notes receivable, net	4,385	—	27	2,460
Total noncurrent assets	4,385	—	31	2,460
Total assets	387,979	88,938	662,049	547,994
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	2,624	2,881	96,700	3,571
Due to other funds	5,695	839	56,847	163,705
Due to component units/primary	—	—	—	—
Compensated absences	156	42	20	278
Claims payable	3,627	—	—	—
Deposits	9,198	—	22,189	159,304
Obligations under security lending agreements	12,637	3,375	21,200	8,046
Total current liabilities	33,937	7,137	196,956	334,904
<u>Noncurrent liabilities</u>				
Advances from other funds	—	101	—	225
Deposits	—	—	44	—
Total noncurrent liabilities	—	101	44	225
Total liabilities	33,937	7,238	197,000	335,129
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	—	—	335,259	2,540
Total deferred inflows of resources	—	—	335,259	2,540
FUND BALANCES				
Nonspendable	—	—	—	221
Restricted	88,901	6,455	73,168	5,719
Committed	265,141	75,245	56,622	204,385
Total fund balances	354,042	81,700	129,790	210,325
Total liabilities, deferred inflows and fund balances	\$ 387,979	\$ 88,938	\$ 662,049	\$ 547,994

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ —	\$ 122	\$ —	\$ 16	\$ 257	\$ 11
47,729	86,406	24,611	438,809	62,637	69,354
—	—	—	—	—	—
25	10,464	1,133	32,302	38,272	3,256
—	10,125	2,463	1,317	3,404	1,227
—	—	—	—	—	—
—	—	—	—	1,927	—
—	—	—	—	—	—
47,754	107,117	28,207	472,444	106,497	73,848
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
47,754	107,117	28,207	472,444	106,497	73,848
15,529	7,226	689	126,201	21,821	15,640
3	5,479	2,822	3,392	1,713	563
2,037	—	—	—	—	—
—	14	34	31	204	—
15,899	—	—	—	—	—
—	696	—	58	5,989	—
578	867	447	390	2,032	—
34,046	14,282	3,992	130,072	31,759	16,203
—	625	—	—	—	—
—	—	—	67	—	—
—	625	—	67	—	—
34,046	14,907	3,992	130,139	31,759	16,203
—	4,423	—	523	—	—
—	4,423	—	523	—	—
—	—	—	—	1,927	—
12,009	7,213	8,425	37,909	999	37,314
1,699	80,574	15,790	303,873	71,812	20,331
13,708	87,787	24,215	341,782	74,738	57,645
\$ 47,754	\$ 107,117	\$ 28,207	\$ 472,444	\$ 106,497	\$ 73,848

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021
(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	\$ 18	\$ 1,355	\$ 1,608	\$ —
Pooled investments with State Treasury	165,487	55,354	—	10,328
Other investments	—	—	—	—
Receivables, net	3,728	4,799	—	1,639
Due from other funds	9,057	981	—	—
Due from component units/primary	—	—	—	—
Inventories	—	—	—	452
Other	—	27	1	1
Total current assets	178,290	62,516	1,609	12,420
<u>Noncurrent assets</u>				
Long-term investments	—	—	—	—
Other loans and notes receivable, net	—	—	—	—
Total noncurrent assets	—	—	—	—
Total assets	178,290	62,516	1,609	12,420
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	5,180	3,058	93	1,958
Due to other funds	5,067	830	—	146
Due to component units/primary	—	—	—	113
Compensated absences	87	27	—	—
Claims payable	—	—	—	—
Deposits	—	—	—	—
Obligations under security lending agreements	—	1,472	—	456
Total current liabilities	10,334	5,387	93	2,673
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	—	—
Deposits	—	—	—	—
Total noncurrent liabilities	—	—	—	—
Total liabilities	10,334	5,387	93	2,673
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	—	—	—	—
Total deferred inflows of resources	—	—	—	—
FUND BALANCES				
Nonspendable	—	—	1	453
Restricted	45,403	2,226	1,515	9,294
Committed	122,553	54,903	—	—
Total fund balances	167,956	57,129	1,516	9,747
Total liabilities, deferred inflows and fund balances	\$ 178,290	\$ 62,516	\$ 1,609	\$ 12,420

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
\$ 486	\$ 182	\$ —	\$ 6,685	\$ —	\$ —
—	1,617	105,480	—	3,687	—
5,143	30,956	—	—	271,653	2
8,681	194	11,946	2,935	73,577	—
20,229	140	2,041	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	164	—	—
34,539	33,089	119,467	9,784	348,917	2
—	—	—	—	—	—
20,735	—	—	—	619,970	—
20,735	—	—	—	619,970	—
55,274	33,089	119,467	9,784	968,887	2
21,882	186	30,398	1,985	—	—
3,516	—	15	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	6,548	—	—
—	—	4,777	—	172	—
25,398	186	35,190	8,533	172	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
25,398	186	35,190	8,533	172	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	164	—	—
—	14,374	—	—	968,715	—
29,876	18,529	84,277	1,087	—	2
29,876	32,903	84,277	1,251	968,715	2
\$ 55,274	\$ 33,089	\$ 119,467	\$ 9,784	\$ 968,887	\$ 2

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021
(in thousands)**

	Blended Component Units			Totals 6/30/21
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 3,332	\$ 1,497	\$ 18	\$ 16,277
Pooled investments with State Treasury	—	—	—	2,439,139
Other investments	8,242	—	—	324,347
Receivables, net	17	—	—	471,664
Due from other funds	—	—	—	75,420
Due from component units/primary	—	—	—	50
Inventories	—	4	—	2,577
Other	10	—	—	230
Total current assets	11,601	1,501	18	3,329,704
<u>Noncurrent assets</u>				
Long-term investments	33,416	787	—	34,207
Other loans and notes receivable, net	—	—	—	647,577
Total noncurrent assets	33,416	787	—	681,784
Total assets	45,017	2,288	18	4,011,488
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	523	11	13	358,169
Due to other funds	—	—	—	250,632
Due to component units/primary	—	—	—	2,150
Compensated absences	—	—	—	893
Claims payable	—	—	—	19,526
Deposits	—	—	—	203,982
Obligations under security lending agreements	—	—	—	56,449
Total current liabilities	523	11	13	891,801
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	—	951
Deposits	—	—	—	111
Total noncurrent liabilities	—	—	—	1,062
Total liabilities	523	11	13	892,863
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	—	—	—	342,745
Total deferred inflows of resources	—	—	—	342,745
FUND BALANCES				
Nonspendable	—	4	—	2,770
Restricted	—	49	—	1,319,688
Committed	44,494	2,224	5	1,453,422
Total fund balances	44,494	2,277	5	2,775,880
Total liabilities, deferred inflows and fund balances	\$ 45,017	\$ 2,288	\$ 18	\$ 4,011,488

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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, 2021
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 252,313
Licenses and permits	—	—	—	1,826,622
Fees and charges	64,582	34,150	2,106	126,398
Grants and donations	1,745,946	17,345	2,275,154	14,811
Investment earnings (losses)	(5,934)	(2,524)	(3,513)	(4,798)
Fines, forfeits, settlements and judgments	8,681	—	—	15,986
Other	22,707	1,169	21,070	1,854
Total revenues	1,835,982	50,140	2,294,817	2,233,186
EXPENDITURES				
Current:				
General government	1,728,810	116,850	2,170,414	287,533
Education	182,504	—	—	—
Human services	—	—	—	—
Criminal justice and corrections	—	—	—	—
Natural resources and environment	—	—	—	—
Judicial branch	—	—	—	—
Capital outlay	659	1,619	902	1,896
Debt service:				
Principal retirement	—	25	—	261
Interest and fiscal charges	—	—	23	2
Total expenditures	1,911,973	118,494	2,171,339	289,692
Excess (deficiency) of revenues over expenditures	(75,991)	(68,354)	123,478	1,943,494
OTHER FINANCING SOURCES (USES)				
Operating transfers in	140,998	74,443	236,178	76,937
Operating transfers out	(95,879)	(8,027)	(369,805)	(2,010,164)
Proceeds of financing agreements	—	—	—	735
Total other financing sources (uses)	45,119	66,416	(133,627)	(1,932,492)
Net change in fund balances	(30,872)	(1,938)	(10,149)	11,002
Fund balances - beginning , as restated	384,914	83,638	139,939	199,323
Fund balances - ending	\$ 354,042	\$ 81,700	\$ 129,790	\$ 210,325

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ —	\$ —	\$ —	\$ 14	\$ —	\$ 1
—	—	—	—	25,766	—
—	107,123	15,912	4,022	54,555	49,492
—	39,875	246	110,831	1,339,074	2,367
(424)	(468)	(184)	(210)	(959)	1
402,319	30,545	1	31,816	28	1,080
—	3,877	1,053	10,834	3,617	1,246
401,895	180,952	17,028	157,307	1,422,081	54,187
68	21,467	—	1,558,164	—	—
—	—	—	—	—	—
430,037	—	—	—	—	—
—	147,875	25,526	127,985	—	119,743
—	—	—	—	1,442,441	—
—	—	—	—	—	—
—	5,293	665	5,824	6,453	1,825
—	—	—	—	—	—
—	—	—	—	—	—
430,105	174,635	26,191	1,691,973	1,448,894	121,568
(28,210)	6,317	(9,163)	(1,534,666)	(26,813)	(67,381)
8,672	40,513	29,280	1,904,691	53,249	79,182
(9,127)	(21,847)	(18,171)	(162,719)	(11,670)	(3,205)
—	—	—	—	—	—
(455)	18,666	11,109	1,741,972	41,579	75,977
(28,665)	24,983	1,946	207,306	14,766	8,596
42,373	62,804	22,269	134,476	59,972	49,049
\$ 13,708	\$ 87,787	\$ 24,215	\$ 341,782	\$ 74,738	\$ 57,645

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Florida Citrus Commission
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 7,816
Licenses and permits	560	—	—	—
Fees and charges	99,918	29,320	—	8
Grants and donations	16,204	129,791	1,641	3,841
Investment earnings (losses)	—	(1,080)	1	(288)
Fines, forfeits, settlements and judgments	56,759	—	—	20
Other	13,390	742	1	5
Total revenues	186,831	158,773	1,643	11,402
EXPENDITURES				
Current:				
General government	1,977	41,466	1,270	12,364
Education	—	—	—	—
Human services	—	83,189	—	—
Criminal justice and corrections	81,793	—	—	—
Natural resources and environment	—	—	—	—
Judicial branch	91,298	—	—	—
Capital outlay	401	26,655	—	—
Debt service:				
Principal retirement	—	—	—	—
Interest and fiscal charges	—	—	—	—
Total expenditures	175,469	151,310	1,270	12,364
Excess (deficiency) of revenues over expenditures	11,362	7,463	373	(962)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	43,226	10,480	—	—
Operating transfers out	(11,280)	(19,362)	—	(460)
Proceeds of financing agreements	—	—	—	—
Total other financing sources (uses)	31,946	(8,882)	—	(460)
Net change in fund balances	43,308	(1,419)	373	(1,422)
Fund balances - beginning, as restated	124,648	58,548	1,143	11,169
Fund balances - ending	\$ 167,956	\$ 57,129	\$ 1,516	\$ 9,747

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
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	4,858	124,320	—	—	—
—	14,610	—	20,141	—	—
380	424	(2,515)	—	9,454	—
—	—	—	—	—	—
—	—	—	—	—	—
380	19,892	121,805	20,141	9,454	—
214,599	—	120,477	20,130	4	—
—	6,276	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	1	28	—	—
—	—	—	—	—	—
—	—	—	—	—	—
214,599	6,276	120,478	20,158	4	—
(214,219)	13,616	1,327	(17)	9,450	—
214,516	1,694	—	—	—	—
(14,957)	(51)	(797)	—	(15,177)	—
—	—	—	—	—	—
199,559	1,643	(797)	—	(15,177)	—
(14,660)	15,259	530	(17)	(5,727)	—
44,536	17,644	83,747	1,268	974,442	2
\$ 29,876	\$ 32,903	\$ 84,277	\$ 1,251	\$ 968,715	\$ 2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Blended Component Units			Totals 6/30/21
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 260,144
Licenses and permits	—	—	—	1,852,948
Fees and charges	7,339	40	—	724,143
Grants and donations	—	1,274	—	5,733,151
Investment earnings (losses)	3,796	14	—	(8,827)
Fines, forfeits, settlements and judgments	—	—	—	547,235
Other	75	—	—	81,640
Total revenues	11,210	1,328	—	9,190,434
EXPENDITURES				
Current:				
General government	4,786	—	41	6,300,420
Education	—	—	—	188,780
Human services	—	—	—	513,226
Criminal justice and corrections	—	747	—	503,669
Natural resources and environment	—	—	—	1,442,441
Judicial branch	—	—	—	91,298
Capital outlay	3,168	—	—	55,389
Debt service:				
Principal retirement	—	—	—	286
Interest and fiscal charges	—	—	—	25
Total expenditures	7,954	747	41	9,095,534
Excess (deficiency) of revenues over expenditures	3,256	581	(41)	94,900
OTHER FINANCING SOURCES (USES)				
Operating transfers in	—	—	—	2,914,059
Operating transfers out	—	—	—	(2,772,698)
Proceeds of financing agreements	—	—	—	735
Total other financing sources (uses)	—	—	—	142,096
Net change in fund balances	3,256	581	(41)	236,996
Fund balances - beginning, as restated	41,238	1,696	46	2,538,884
Fund balances - ending	\$ 44,494	\$ 2,277	\$ 5	\$ 2,775,880

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Employment Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 154,523	\$ 154,523	\$ —
Reversions	39,811	39,811	—
Fund Balances, July 1, 2020, restated	194,334	194,334	—
REVENUES			
Fees and charges	62,540	66,762	4,222
Miscellaneous	2,532	2,572	40
Interest	5,867	4,822	(1,045)
Grants	1,751,481	1,773,763	22,282
Refunds	16,621	21,626	5,005
Transfers and distributions	140,388	137,988	(2,400)
Other	7,960	8,759	799
Total Revenues	1,987,389	2,016,292	28,903
Total Available Resources	2,181,723	2,210,626	28,903
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	141,635	118,506	23,129
Other personal services	23,980	17,370	6,610
Expenses	32,905	30,070	2,835
Grants and aids	4,101	3,626	475
Operating capital outlay	1,329	462	867
Food products	200	33	167
Special categories	590,204	581,950	8,254
Payments to U.S. Treasury	105	105	—
Data processing services	4,910	4,077	833
Total Operating Expenditures	799,369	756,199	43,170
Nonoperating expenditures:			
Transfers	63,957	63,957	—
Refunds	64	64	—
Other	1,230,214	1,230,214	—
Total Nonoperating Expenditures	1,294,235	1,294,235	—
Total Expenditures	2,093,604	2,050,434	43,170
Fund Balances, June 30, 2021	\$ 88,119	\$ 160,192	\$ 72,073

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Government Administration		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 75,939	\$ 75,939	\$ —
Reversions	1,320	1,320	—
Fund Balances, July 1, 2020, restated	77,259	77,259	—
REVENUES			
Fees and charges	32,902	33,501	599
Interest	547	2,275	1,728
Grants	12,151	16,714	4,563
Refunds	22	1,315	1,293
Transfers and distributions	51,540	79,810	28,270
Other	28,554	90	(28,464)
Total Revenues	125,716	133,705	7,989
Total Available Resources	202,975	210,964	7,989
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	36,152	33,997	2,155
Other personal services	921	585	336
Expenses	6,158	5,584	574
Grants and aids	3,527	3,507	20
Operating capital outlay	540	459	81
Fixed capital outlay	1,570	1,570	—
Special categories	78,411	78,411	—
Grants/aids to local governments	992	992	—
Data processing services	272	218	54
Total Operating Expenditures	128,543	125,323	3,220
Nonoperating expenditures:			
Payments to U.S. Treasury	336	336	—
Transfers	7,173	7,173	—
Refunds	107	107	—
Other	4,651	4,651	—
Total Nonoperating Expenditures	12,267	12,267	—
Total Expenditures	140,810	137,590	3,220
Fund Balances, June 30, 2021	\$ 62,165	\$ 73,374	\$ 11,209

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Business and Community Development		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 175,261	\$ 175,261	\$ —
Reversions	13,164	13,164	—
Fund Balances, July 1, 2020, restated	188,425	188,425	—
REVENUES			
Fees and charges	2,440	2,381	(59)
Interest	16,300	8,827	(7,473)
Grants	5,892,793	4,718,092	(1,174,701)
Refunds	16,839	17,501	662
Employee/employer contributions	11	11	—
Transfers and distributions	225,205	234,676	9,471
Other	156	3,886	3,730
Total Revenues	6,153,744	4,985,374	(1,168,370)
Total Available Resources	6,342,169	5,173,799	(1,168,370)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	18,332	16,007	2,325
Other personal services	3,986	3,108	878
Expenses	4,797	3,696	1,101
Grants and aids	10,377	6,241	4,136
Operating capital outlay	105	5	100
Special categories	4,554,400	4,554,400	—
Continuing appropriations	43,571	43,571	—
Grants/aids to local governments	7,169	7,169	—
Data processing services	51	51	—
Total Operating Expenditures	4,642,788	4,634,248	8,540
Nonoperating expenditures:			
Transfers	102,973	102,973	—
Refunds	11,327	11,327	—
Other	670	670	—
Total Nonoperating Expenditures	114,970	114,970	—
Total Expenditures	4,757,758	4,749,218	8,540
Fund Balances, June 30, 2021	\$ 1,584,411	\$ 424,581	\$ (1,159,830)

**BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Regulation and Licensing		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 361,793	\$ 361,793	\$ —
Reversions	14,024	14,024	—
Fund Balances, July 1, 2020, restated	375,817	375,817	—
REVENUES			
Fees and charges	137,283	163,937	26,654
Licenses	1,685,093	1,866,509	181,416
Taxes	226,482	241,614	15,132
Miscellaneous	1,617	3,449	1,832
Interest	479	3,077	2,598
Grants	40	9	(31)
Refunds	270	856	586
Transfers and distributions	17,159	55,153	37,994
Other	2,161	16,131	13,970
Total Revenues	2,070,584	2,350,735	280,151
Total Available Resources	2,446,401	2,726,552	280,151
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	142,780	128,071	14,709
Other personal services	3,628	2,071	1,557
Expenses	21,295	18,516	2,779
Grants and aids	528	528	—
Operating capital outlay	1,266	898	368
Fixed capital outlay	470	470	—
Special categories	76,181	63,981	12,200
Grants/aids to local governments	2,026	2,026	—
Data processing services	3,502	2,222	1,280
Total Operating Expenditures	251,676	218,783	32,893
Nonoperating expenditures:			
Transfers	1,967,450	1,967,450	—
Refunds	3,204	3,204	—
Other	91,395	91,395	—
Total Nonoperating Expenditures	2,062,049	2,062,049	—
Total Expenditures	2,313,725	2,280,832	32,893
Fund Balances, June 30, 2021	\$ 132,676	\$ 445,720	\$ 313,044

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Tobacco Settlement		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 40,061	\$ 40,061	\$ —
Reversions	803	803	—
Fund Balances, July 1, 2020, restated	40,864	40,864	—
REVENUES			
Interest	800	824	24
Refunds	51	48	(3)
Transfers and distributions	438,232	438,232	—
Other	402,400	410,745	8,345
Total Revenues	841,483	849,849	8,366
Total Available Resources	882,347	890,713	8,366
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	350	337	13
Special categories	439,602	438,696	906
Total Operating Expenditures	439,952	439,033	919
Nonoperating expenditures:			
Transfers	438,721	438,721	—
Total Nonoperating Expenditures	438,721	438,721	—
Total Expenditures	878,673	877,754	919
Fund Balances, June 30, 2021	\$ 3,674	\$ 12,959	\$ 9,285

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Public Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 42,871	\$ 42,871	\$ —
Reversions	12,090	12,090	—
Fund Balances, July 1, 2020, restated	54,961	54,961	—
REVENUES			
Fees and charges	95,713	108,002	12,289
Miscellaneous	90	90	—
Interest	498	382	(116)
Grants	53,711	32,498	(21,213)
Refunds	1,302	3,632	2,330
Transfers and distributions	38,447	38,690	243
Other	36,890	34,378	(2,512)
Total Revenues	226,651	217,672	(8,979)
Total Available Resources	281,612	272,633	(8,979)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	70,796	62,735	8,061
Other personal services	2,820	1,582	1,238
Expenses	29,661	21,391	8,270
Grants and aids	18,903	9,349	9,554
Operating capital outlay	7,084	5,002	2,082
Special categories	76,353	76,353	—
Data processing services	1	—	1
Total Operating Expenditures	205,618	176,412	29,206
Nonoperating expenditures:			
Transfers	912	912	—
Refunds	140	140	—
Other	26,444	26,444	—
Total Nonoperating Expenditures	27,496	27,496	—
Total Expenditures	233,114	203,908	29,206
Fund Balances, June 30, 2021	\$ 48,498	\$ 68,725	\$ 20,227

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Corrections		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 17,769	\$ 17,769	\$ —
Reversions	824	824	—
Fund Balances, July 1, 2020, restated	18,593	18,593	—
REVENUES			
Fees and charges	15,155	15,154	(1)
Interest	—	139	139
Grants	50	51	1
Refunds	825	934	109
Transfers and distributions	26,515	26,511	(4)
Other	2,180	2,181	1
Total Revenues	44,725	44,970	245
Total Available Resources	63,318	63,563	245
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	6,038	4,597	1,441
Other personal services	819	565	254
Expenses	8,254	7,717	537
Operating capital outlay	945	945	—
Special categories	13,487	13,487	—
Data processing services	162	133	29
Total Operating Expenditures	29,705	27,444	2,261
Nonoperating expenditures:			
Transfers	13,217	13,217	—
Refunds	487	487	—
Other	1,181	1,181	—
Total Nonoperating Expenditures	14,885	14,885	—
Total Expenditures	44,590	42,329	2,261
Fund Balances, June 30, 2021	\$ 18,728	\$ 21,234	\$ 2,506

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Consumer Protection and Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 16,287	\$ 16,287	\$ —
Reversions	78,193	78,193	—
Fund Balances, July 1, 2020, restated	94,480	94,480	—
REVENUES			
Fees and charges	5,378	4,170	(1,208)
Interest	52	140	88
Grants	235,494	101,020	(134,474)
Refunds	14,107	10,642	(3,465)
Transfers and distributions	3,273,522	3,190,152	(83,370)
Other	22,360	32,192	9,832
Total Revenues	3,550,913	3,338,316	(212,597)
Total Available Resources	3,645,393	3,432,796	(212,597)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	32,297	27,169	5,128
Other personal services	904	453	451
Expenses	5,032	2,939	2,093
Operating capital outlay	385	29	356
Special categories	3,312,548	3,108,015	204,533
Data processing services	36	—	36
Total Operating Expenditures	3,351,202	3,138,605	212,597
Nonoperating expenditures:			
Transfers	150,889	150,889	—
Refunds	7,121	7,121	—
Other	4,687	4,687	—
Total Nonoperating Expenditures	162,697	162,697	—
Total Expenditures	3,513,899	3,301,302	212,597
Fund Balances, June 30, 2021	\$ 131,494	\$ 131,494	\$ —

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Agriculture		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 40,280	\$ 40,280	\$ —
Reversions	65,337	65,337	—
Fund Balances, July 1, 2020, restated	105,617	105,617	—
REVENUES			
Fees and charges	47,551	47,762	211
Licenses	18,801	26,132	7,331
Interest	—	938	938
Grants	1,332,971	1,310,263	(22,708)
Refunds	2,480	2,702	222
Transfers and distributions	56,275	56,275	—
Other	1,839	2,668	829
Total Revenues	1,459,917	1,446,740	(13,177)
Total Available Resources	1,565,534	1,552,357	(13,177)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	96,640	96,640	—
Other personal services	6,198	6,198	—
Expenses	27,119	21,577	5,542
Grants and aids	1,207,079	1,207,079	—
Operating capital outlay	2,686	1,746	940
Fixed capital outlay	4,734	4,734	—
Special categories	181,991	181,991	—
Grants/aids to local governments	371	371	—
Total Operating Expenditures	1,526,818	1,520,336	6,482
Nonoperating expenditures:			
Payments to U.S. Treasury	4,108	4,108	—
Transfers	13,504	13,504	—
Refunds	776	776	—
Other	10,947	10,947	—
Total Nonoperating Expenditures	29,335	29,335	—
Total Expenditures	1,556,153	1,549,671	6,482
Fund Balances, June 30, 2021	\$ 9,381	\$ 2,686	\$ (6,695)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Juvenile Justice		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 45,220	\$ 45,220	\$ —
Reversions	6,479	6,479	—
Fund Balances, July 1, 2020, restated	51,699	51,699	—
REVENUES			
Fees and charges	55,308	50,534	(4,774)
Grants	2,946	2,047	(899)
Refunds	—	88	88
Transfers and distributions	76,632	79,142	2,510
Other	1,265	1,085	(180)
Total Revenues	136,151	132,896	(3,255)
Total Available Resources	187,850	184,595	(3,255)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	41,480	31,288	10,192
Other personal services	2,097	1,496	601
Expenses	10,674	9,197	1,477
Grants and aids	1,263	982	281
Operating capital outlay	417	369	48
Food products	1,702	1,169	533
Fixed capital outlay	1,050	1,050	—
Special categories	80,346	80,346	—
Total Operating Expenditures	139,029	125,897	13,132
Nonoperating expenditures:			
Refunds	4	4	—
Other	1,971	1,971	—
Total Nonoperating Expenditures	1,975	1,975	—
Total Expenditures	141,004	127,872	13,132
Fund Balances, June 30, 2021	\$ 46,846	\$ 56,723	\$ 9,877

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Judicial Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 116,579	\$ 116,579	\$ —
Reversions	5,266	5,266	—
Fund Balances, July 1, 2020, restated	121,845	121,845	—
REVENUES			
Fees and charges	103,020	94,505	(8,515)
Licenses	561	560	(1)
Miscellaneous	2	2	—
Grants	14,377	13,828	(549)
Refunds	12,747	12,804	57
Transfers and distributions	60,271	47,097	(13,174)
Other	54,118	56,668	2,550
Total Revenues	245,096	225,464	(19,632)
Total Available Resources	366,941	347,309	(19,632)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	221,382	155,675	65,707
Other personal services	7,515	2,534	4,981
Expenses	3,540	745	2,795
Operating capital outlay	268	27	241
Fixed capital outlay	207	207	—
Special categories	17,886	17,886	—
Data processing services	1,046	472	574
Total Operating Expenditures	251,844	177,546	74,298
Nonoperating expenditures:			
Transfers	496	496	—
Refunds	123	123	—
Other	9,425	9,425	—
Total Nonoperating Expenditures	10,044	10,044	—
Total Expenditures	261,888	187,590	74,298
Fund Balances, June 30, 2021	\$ 105,053	\$ 159,719	\$ 54,666

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Military and Veterans' Affairs		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 45,410	\$ 45,410	\$ —
Reversions	1,619	1,619	—
Fund Balances, July 1, 2020, restated	47,029	47,029	—
REVENUES			
Fees and charges	29,308	29,203	(105)
Miscellaneous	6	7	1
Interest	591	595	4
Grants	112,619	113,640	1,021
Refunds	705	472	(233)
Transfers and distributions	15,993	12,236	(3,757)
Other	55	60	5
Total Revenues	159,277	156,213	(3,064)
Total Available Resources	206,306	203,242	(3,064)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	94,284	69,647	24,637
Other personal services	4,748	1,738	3,010
Expenses	25,102	17,699	7,403
Operating capital outlay	1,459	570	889
Food products	5,795	3,554	2,241
Fixed capital outlay	27,167	27,167	—
Special categories	30,828	26,625	4,203
Total Operating Expenditures	189,383	147,000	42,383
Nonoperating expenditures:			
Transfers	6,636	6,636	—
Refunds	554	554	—
Other	769	769	—
Total Nonoperating Expenditures	7,959	7,959	—
Total Expenditures	197,342	154,959	42,383
Fund Balances, June 30, 2021	\$ 8,964	\$ 48,283	\$ 39,319

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Florida Citrus Commission		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 8,561	\$ 8,561	\$ —
Reversions	587	587	—
Fund Balances, July 1, 2020, restated	9,148	9,148	—
REVENUES			
Taxes	7,926	7,816	(110)
Miscellaneous	30	11	(19)
Interest	180	—	(180)
Grants	3,971	3,569	(402)
Refunds	—	4	4
Other	—	36	36
Total Revenues	12,107	11,436	(671)
Total Available Resources	21,255	20,584	(671)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	3,986	2,653	1,333
Other personal services	190	80	110
Expenses	1,156	413	743
Operating capital outlay	371	—	371
Special categories	7,329	7,329	—
Data processing services	24	24	—
Total Operating Expenditures	13,056	10,499	2,557
Nonoperating expenditures:			
Other	285	285	—
Total Nonoperating Expenditures	285	285	—
Total Expenditures	13,341	10,784	2,557
Fund Balances, June 30, 2021	\$ 7,914	\$ 9,800	\$ 1,886

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	School for the Deaf and the Blind		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 1,033	\$ 1,033	\$ —
REVENUES			
Grants	1,604	1,798	194
Transfers and distributions	1,828	2,000	172
Total Revenues	3,432	3,798	366
Total Available Resources	4,465	4,831	366
EXPENDITURES			
Operating expenditures:			
Special categories	2,929	2,929	—
Total Operating Expenditures	2,929	2,929	—
Nonoperating expenditures:			
Transfers	228	228	—
Total Nonoperating Expenditures	228	228	—
Total Expenditures	3,157	3,157	—
Fund Balances, June 30, 2021	\$ 1,308	\$ 1,674	\$ 366

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Wireless Emergency Telephone System		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2020	\$ 64,734	\$ 64,734	\$ —
Reversions	2,436	2,436	—
Fund Balances, July 1, 2020, restated	67,170	67,170	—
REVENUES			
Interest	1,722	1,696	(26)
Other	123,826	125,500	1,674
Total Revenues	125,548	127,196	1,648
Total Available Resources	192,718	194,366	1,648
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	410	389	21
Other personal services	271	190	81
Expenses	455	111	344
Grants and aids	133,286	117,632	15,654
Operating capital outlay	4	—	4
Special categories	4,662	2,430	2,232
Data processing services	3	3	—
Total Operating Expenditures	139,091	120,755	18,336
Nonoperating expenditures:			
Transfers	788	788	—
Refunds	14	14	—
Total Nonoperating Expenditures	802	802	—
Total Expenditures	139,893	121,557	18,336
Fund Balances, June 30, 2021	\$ 52,825	\$ 72,809	\$ 19,984

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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, 2021
(in thousands)**

	General Government	Transportation Capital Projects Fund	Other	School for the Deaf and the Blind	Totals 6/30/21
ASSETS					
<u>Current assets</u>					
Pooled investments with State Treasury	\$ 207	\$ 188,130	\$ 323	\$ 1,877	\$ 190,537
Receivables, net	—	162	—	—	162
Due from other funds	55,174	—	—	—	55,174
Total current assets	55,381	188,292	323	1,877	245,873
Total assets	55,381	188,292	323	1,877	245,873
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	735	—	—	962	1,697
Due to other funds	—	24	—	—	24
Obligations under security lending agreements	—	8,791	—	—	8,791
Total current liabilities	735	8,815	—	962	10,512
Total liabilities	735	8,815	—	962	10,512
FUND BALANCES					
Restricted	—	179,477	—	910	180,387
Committed	54,646	—	323	5	54,974
Total fund balances	54,646	179,477	323	915	235,361
Total liabilities and fund balances	\$ 55,381	\$ 188,292	\$ 323	\$ 1,877	\$ 245,873

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	General Government	Transportation Capital Projects Fund	Other	School for the Deaf and the Blind	Totals 6/30/21
REVENUES					
Investment earnings (losses)	\$ —	\$ (3,276)	\$ —	\$ —	\$ (3,276)
Total revenues	—	(3,276)	—	—	(3,276)
EXPENDITURES					
Current:					
General government	52,489	—	—	—	52,489
Education	—	—	—	2,994	2,994
Human services	2,587	—	58	—	2,645
Criminal justice and corrections	60,042	—	—	—	60,042
Transportation	—	160	—	—	160
Capital outlay	32,222	—	—	3,065	35,287
Total expenditures	147,340	160	58	6,059	153,617
Excess (deficiency) of revenues over expenditures	(147,340)	(3,436)	(58)	(6,059)	(156,893)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	—	188,109	—	—	188,109
Operating transfers in	134,703	—	—	6,464	141,167
Operating transfers out	—	(88,093)	—	—	(88,093)
Total other financing sources (uses)	134,703	100,016	—	6,464	241,183
Net change in fund balances	(12,637)	96,580	(58)	405	84,290
Fund balances - beginning	67,283	82,897	381	510	151,071
Fund balances - ending	\$ 54,646	\$ 179,477	\$ 323	\$ 915	\$ 235,361

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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, 2021
(in thousands)**

	Debt Service Fund	University Debt Service Fund	Totals 6/30/21
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	\$ 2	\$ —	\$ 2
Other investments	32,258	—	32,258
Receivables, net	398	—	398
Total Current Assets	<u>32,658</u>	<u>—</u>	<u>32,658</u>
<u>Noncurrent assets</u>			
Long-term investments	—	—	—
Total noncurrent assets	<u>—</u>	<u>—</u>	<u>—</u>
Total assets	<u>32,658</u>	<u>—</u>	<u>32,658</u>
LIABILITIES			
<u>Current liabilities</u>			
Due to other funds	44	—	44
Total current liabilities	<u>44</u>	<u>—</u>	<u>44</u>
Total liabilities	<u>44</u>	<u>—</u>	<u>44</u>
FUND BALANCES			
Restricted	32,614	—	32,614
Total fund balances	<u>32,614</u>	<u>—</u>	<u>32,614</u>
Total liabilities and fund balances	<u>\$ 32,658</u>	<u>\$ —</u>	<u>\$ 32,658</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Debt Service Fund	University Debt Service Fund	Totals 6/30/21
REVENUES			
Fees and charges	\$ 8,897	\$ 1,464	\$ 10,361
Investment earnings (losses)	6,225	111,196	117,421
Other	259	—	259
Total revenues	15,381	112,660	128,041
EXPENDITURES			
Current:			
General government	1,748	—	1,748
Debt service:			
Principal retirement	1,070,438	119,377	1,189,815
Interest and fiscal charges	498,571	46	498,617
Total expenditures	1,570,757	119,423	1,690,180
Excess (deficiency) of revenues over expenditures	(1,555,376)	(6,763)	(1,562,139)
OTHER FINANCING SOURCES (USES)			
Proceeds of bond issues	32,068	—	32,068
Proceeds of refunding bonds	1,652,077	—	1,652,077
Operating transfers in	1,574,018	—	1,574,018
Operating transfers out	(48,612)	—	(48,612)
Payments to refunded bond agent	(1,652,077)	—	(1,652,077)
Total other financing sources (uses)	1,557,474	—	1,557,474
Net change in fund balances	2,098	(6,763)	(4,665)
Fund balances - beginning	30,516	6,763	37,279
Fund balances - ending	\$ 32,614	\$ —	\$ 32,614

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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, 2021
(in thousands)**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/21
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 4,773	\$ 269	\$ 28,517	\$ 33,559
Pooled investments with State Treasury	416,024	—	—	416,024
Other investments	9,288	—	3,826	13,114
Receivables, net	2,487	—	38,328	40,815
Due from other funds	13,009	—	—	13,009
Due from component units/primary	98	—	—	98
Inventories	1	—	—	1
Other	2	55	1,718	1,775
Total current assets	445,682	324	72,389	518,395
<u>Noncurrent assets</u>				
Long-term investments	62,370	—	—	62,370
Other loans and notes receivable, net	—	—	3,088	3,088
<u>Capital assets</u>				
Buildings, equipment, and other depreciable assets	32,680	463	303,949	337,092
Accumulated depreciation	(27,055)	(385)	(63,270)	(90,710)
Construction work in progress	256	—	686	942
Other	—	—	12,454	12,454
Total noncurrent assets	68,251	78	256,907	325,236
Total assets	513,933	402	329,296	843,631
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	50,294	—	—	50,294
Other postemployment benefits	31,871	—	—	31,871
Total deferred outflows of resources	82,165	—	—	82,165
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	9,476	170	38,569	48,215
Due to other governments	1	—	—	1
Due to other funds	11,031	—	—	11,031
Due to component units/primary	—	98	—	98
Compensated absences	5,965	—	185	6,150
Installment purchases/capital leases	—	—	1,060	1,060
Deposits	21,462	—	2,659	24,121
Obligations under security lending agreements	15,905	—	—	15,905
Pension liability	440	—	—	440
Other postemployment benefits liability	2,547	—	—	2,547
Total current liabilities	66,827	268	42,473	109,568
<u>Noncurrent liabilities</u>				
Deposits	44,242	—	121,132	165,374
Installment purchases/capital leases	—	—	6,522	6,522
Compensated absences	18,209	—	168	18,377
Pension liability	146,198	—	—	146,198
Other postemployment benefits liability	154,427	—	—	154,427
Other	—	—	10,499	10,499
Total noncurrent liabilities	363,076	—	138,321	501,397
Total liabilities	429,903	268	180,794	610,965
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	8,514	—	—	8,514
Other postemployment benefits	79,421	—	—	79,421
Total deferred inflows of resources	87,935	—	—	87,935
NET POSITION				
Net investment in capital assets	5,881	78	110,089	116,048
Restricted - other	—	55	4,161	4,216
Unrestricted	72,379	1	34,252	106,632
Total net position	\$ 78,260	\$ 134	\$ 148,502	\$ 226,896

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/21
OPERATING REVENUES				
Sales - nonstate	\$ 95,064	\$ —	\$ 9,809	\$ 104,873
Fees	280,672	1,961	—	282,633
Sales - state	46,832	—	—	46,832
Rents - state	53	—	—	53
Fines, forfeits, settlements and judgments	7,383	—	—	7,383
Other	20	—	57,555	57,575
Total operating revenues	430,024	1,961	67,364	499,349
OPERATING EXPENSES				
Contractual services	87,341	399	49,419	137,159
Personal services	214,779	1,238	9,332	225,349
Depreciation	2,256	30	11,444	13,730
Materials and supplies	4,956	36	—	4,992
Repairs and maintenance	1,879	14	—	1,893
Basic services	29,731	245	—	29,976
Interest and fiscal charges	2,671	—	—	2,671
Total operating expenses	343,613	1,962	70,195	415,770
Operating income (loss)	86,411	(1)	(2,831)	83,579
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	1,051	—	999	2,050
Investment earnings (losses)	(8,004)	—	223	(7,781)
Interest and fiscal charges	(395)	—	(860)	(1,255)
Property disposition gain (loss)	(56)	—	191	135
Grant expense and client benefits	(1,367)	—	—	(1,367)
Other	(103)	—	(1,487)	(1,590)
Total nonoperating revenues (expenses)	(8,874)	—	(934)	(9,808)
Income (loss) before transfers and contributions	77,537	(1)	(3,765)	73,771
Operating transfers in	26,347	—	—	26,347
Operating transfers out	(111,305)	—	—	(111,305)
Change in net position	(7,421)	(1)	(3,765)	(11,187)
Total net position - beginning, as restated (Note 1)	85,681	135	152,267	238,083
Total net position - ending	\$ 78,260	\$ 134	\$ 148,502	\$ 226,896

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/21
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 435,873	\$ 2,067	\$ 10,432	\$ 448,372
Cash paid to vendors	(122,987)	(897)	(53,730)	(177,614)
Cash paid to employees	(193,068)	(1,211)	(4,550)	(198,829)
Cash received/(paid) for grants	(1,250)	—	47,880	46,630
Net cash provided (used) by operating activities	118,568	(41)	32	118,559
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	(86,261)	—	—	(86,261)
Cash received from noncapital grants or donations	728	—	—	728
Net cash provided (used) by noncapital financing activities	(85,533)	—	—	(85,533)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash received from sale or lease of capital assets	—	—	191	191
Cash received from the issuance of debt	—	—	138	138
Cash received from capital grants and donations	—	—	999	999
Payment of interest on bonds/installment purchase/capital lease	—	—	(773)	(773)
Purchase or construction of capital assets	(628)	(25)	(1,404)	(2,057)
Net cash provided (used) by capital and related financing activities	(628)	(25)	(849)	(1,502)
CASH FLOWS FROM INVESTING ACTIVITIES				
Security lending	(2,695)	—	—	(2,695)
Proceeds from the sale or maturity of investments	78,958	—	—	78,958
Investment earnings	(8,245)	—	223	(8,022)
Purchase of investments	(79,971)	—	(909)	(80,880)
Net cash provided (used) by investing activities	(11,953)	—	(686)	(12,639)
Net increase (decrease) in cash and cash equivalents	20,454	(66)	(1,503)	18,885
Cash and cash equivalents - beginning	400,343	335	30,020	430,698
Cash and cash equivalents - ending	\$ 420,797	\$ 269	\$ 28,517	\$ 449,583

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

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

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/21
Operating income (loss)	\$ 86,411	\$ (1)	\$ (2,831)	\$ 83,579
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	2,256	30	11,444	13,730
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(3,961)	24	(107)	(4,044)
(Increase) decrease in due from other funds	(1,153)	—	(9,675)	(10,828)
Increase (decrease) in allowance for uncollectibles	4,662	—	46	4,708
(Increase) decrease in other non-current assets	(1)	—	(7,958)	(7,959)
Increase (decrease) in accounts payable	3,379	(92)	3,253	6,540
Increase (decrease) in compensated absences	2,463	—	69	2,532
Increase (decrease) in due to other funds	1,933	—	—	1,933
Increase (decrease) in other non-current liability	(1,103)	—	9,050	7,947
(Increase) decrease in deposits and prepaid items	25	(2)	(433)	(410)
Increase (decrease) in unearned revenue	6,502	—	(2,826)	3,676
Increase (decrease) in pension liability and deferrals	14,014	—	—	14,014
Increase (decrease) in OPEB liability and deferrals	3,141	—	—	3,141
Net cash provided (used) by operating activities	<u>\$ 118,568</u>	<u>\$ (41)</u>	<u>\$ 32</u>	<u>\$ 118,559</u>

Noncash investing, capital, and financing activities

Change in fair value of investments	\$ 13,833	\$ —	\$ 420	\$ 14,253
Other noncash items	—	—	88	88

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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, 2021
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/21
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 16,703	\$ —	\$ 11,602	\$ 5	\$ 28,310
Pooled investments with State Treasury	765,998	13,350	97,443	7,282	884,073
Other investments	—	—	32,459	—	32,459
Receivables, net	31,785	10	9,855	1,508	43,158
Due from other funds	453	2,297	12,704	2,758	18,212
Due from component units/primary	—	—	1,228	—	1,228
Total current assets	814,939	15,657	165,291	11,553	1,007,440
<u>Noncurrent assets</u>					
Capital assets					
Land and other non-depreciable assets	—	—	313	1	314
Buildings, equipment, and other depreciable assets	51	35,820	1,542,344	3,926	1,582,141
Accumulated depreciation	(34)	(34,704)	(651,711)	(3,331)	(689,780)
Construction work in progress	—	—	21,610	—	21,610
Total noncurrent assets	17	1,116	912,556	596	914,285
Total assets	814,956	16,773	1,077,847	12,149	1,921,725
DEFERRED OUTFLOWS OF RESOURCES					
Amount deferred on refunding of debt	—	—	3,040	—	3,040
Pension-related items	503	8,871	6,686	27,598	43,658
Other postemployment benefits	616	14,832	3,732	7,843	27,023
Total deferred outflows of resources	1,119	23,703	13,458	35,441	73,721
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	226,980	693	11,402	2,111	241,186
Due to other funds	34,001	38	58	1,357	35,454
Compensated absences	74	512	599	709	1,894
Installment purchases/capital leases	—	—	979	—	979
Bonds payable	—	—	13,510	—	13,510
Deposits	226,362	—	2,684	972	230,018
Obligations under security lending agreements	29,999	192	2,673	76	32,940
Certificates of participation payable	—	—	28,515	—	28,515
Pension liability	4	42	50	115	211
Other postemployment benefits liability	21	182	333	755	1,291
Total current liabilities	517,441	1,659	60,803	6,095	585,998
<u>Noncurrent liabilities</u>					
Advances from other funds	—	—	500	—	500
Bonds payable	—	—	142,170	—	142,170
Certificates of participation payable	—	—	258,175	—	258,175
Installment purchases/capital leases	—	—	2,241	—	2,241
Compensated absences	129	2,171	1,801	3,080	7,181
Pension liability	1,515	12,552	15,766	81,197	111,030
Other postemployment benefits liability	1,299	11,010	20,209	45,752	78,270
Total noncurrent liabilities	2,943	25,733	440,862	130,029	599,567
Total liabilities	520,384	27,392	501,665	136,124	1,185,565
DEFERRED INFLOWS OF RESOURCES					
Amount deferred on refunding of debt	—	—	6,260	—	6,260
Pension-related items	454	9,593	1,089	4,155	15,291
Other postemployment benefits	854	19,892	11,311	27,469	59,526
Total deferred inflows of resources	1,308	29,485	18,660	31,624	81,077
NET POSITION					
Net investment in capital assets	17	1,116	466,966	596	468,695
Restricted - other	—	—	43,494	—	43,494
Unrestricted	294,366	(17,517)	60,520	(120,754)	216,615
Total net position	\$ 294,383	\$ (16,401)	\$ 570,980	\$ (120,158)	\$ 728,804

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/21
OPERATING REVENUES					
Sales - nonstate	\$ —	\$ 81	\$ 40,905	\$ 4,128	\$ 45,114
Fees	—	—	—	—	—
Sales - state	2,531,784	73,541	127,854	45,983	2,779,162
Rents - state	—	—	141,261	—	141,261
Fines, forfeits, settlements and judgments	—	—	—	15	15
Other	18,298	—	—	1	18,299
Total operating revenues	2,550,082	73,622	310,020	50,127	2,983,851
OPERATING EXPENSES					
Contractual services	410,158	44,336	142,998	10,325	607,817
Insurance claims expense	2,181,125	—	—	—	2,181,125
Personal services	7,578	25,929	56,266	39,361	129,134
Depreciation	4	1,849	32,870	237	34,960
Materials and supplies	107	239	1,001	1,588	2,935
Repairs and maintenance	—	541	1,428	—	1,969
Basic services	120	1,257	3,040	3,351	7,768
Interest and fiscal charges	—	—	1	—	1
Total operating expenses	2,599,092	74,151	237,604	54,862	2,965,709
Operating income (loss)	(49,010)	(529)	72,416	(4,735)	18,142
NONOPERATING REVENUES/(EXPENSES)					
Grants and donations	46	382	1,482	289	2,199
Investment earnings (losses)	(15,138)	(102)	(1,392)	(52)	(16,684)
Interest and fiscal charges	(696)	(12)	(10,017)	(1)	(10,726)
Property disposition gain (loss)	—	(17)	(4,295)	(2)	(4,314)
Total nonoperating revenues (expenses)	(15,788)	251	(14,222)	234	(29,525)
Income (loss) before transfers and contributions	(64,798)	(278)	58,194	(4,501)	(11,383)
Operating transfers in	20,620	—	1,551	—	22,171
Operating transfers out	(1,874)	(828)	(16,943)	(1,832)	(21,477)
Capital contributions	11	3	48	18	80
Change in net position	(46,041)	(1,103)	42,850	(6,315)	(10,609)
Total net position - beginning, as restated (Note 1)	340,424	(15,298)	528,130	(113,843)	739,413
Total net position - ending	\$ 294,383	\$ (16,401)	\$ 570,980	\$ (120,158)	\$ 728,804

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,594,800	\$ 73,624	\$ 321,233
Cash paid to vendors	(406,938)	(49,273)	(169,504)
Cash paid to employees	(7,424)	(22,395)	(56,619)
Cash received/(paid) for grants	(256)	—	—
Cash paid for insurance claims	(2,140,548)	—	—
Net cash provided (used) by operating activities	39,634	1,956	95,110
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	41,943	143	(12,137)
Cash received from noncapital grants or donations	45	87	993
Net cash provided (used) by noncapital financing activities	41,988	230	(11,144)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from sale or lease of capital assets	—	—	—
Payment of bond principal	—	—	(52,799)
Payment of principal on installment purchase/capital lease	—	—	(5,141)
Payment of interest on bonds/installment purchase/capital lease	—	—	(7,226)
Purchase or construction of capital assets	(11)	(1,781)	(769)
Net cash provided (used) by capital and related financing activities	(11)	(1,781)	(65,935)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	(2,974)	(242)	(966)
Investment earnings	(15,202)	(112)	(1,570)
Net cash provided (used) by investing activities	(18,176)	(354)	(2,536)
Net increase (decrease) in cash and cash equivalents	63,435	51	15,495
Cash and cash equivalents - beginning	719,266	13,299	93,550
Cash and cash equivalents - ending	\$ 782,701	\$ 13,350	\$ 109,045

Other	Totals 6/30/21
\$ 51,686	\$ 3,041,343
(15,108)	(640,823)
(32,465)	(118,903)
—	(256)
—	(2,140,548)
4,113	140,813
(1,881)	28,068
31	1,156
(1,850)	29,224
1	1
—	(52,799)
—	(5,141)
—	(7,226)
(172)	(2,733)
(171)	(67,898)
(15)	(4,197)
(53)	(16,937)
(68)	(21,134)
2,024	81,005
5,263	831,378
\$ 7,287	\$ 912,383

**INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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)	\$ (49,010)	\$ (529)	\$ 72,416
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	4	1,849	32,870
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	35,707	3	11,737
(Increase) decrease in due from other funds	—	—	—
Increase (decrease) in allowance for uncollectibles	(680)	(2)	—
Increase (decrease) in accounts payable	43,777	(2,890)	(21,011)
Increase (decrease) in compensated absences	62	29	194
Increase (decrease) in due to other funds	—	(12)	—
Increase (decrease) in unearned revenue	9,691	—	(526)
Increase (decrease) in pension liability and deferrals	28	3,522	(781)
Increase (decrease) in OPEB liability and deferrals	55	(14)	211
Net cash provided (used) by operating activities	<u>\$ 39,634</u>	<u>\$ 1,956</u>	<u>\$ 95,110</u>
Noncash investing, capital, and financing activities			
Change in fair value of investments	\$ 25,121	\$ 263	\$ 2,561

Other	Totals 6/30/21
\$ (4,735)	\$ 18,142
237	34,960
(1,459)	45,988
2,060	2,060
—	(682)
740	20,616
(3,205)	(2,920)
(60)	(72)
817	9,982
9,507	12,276
211	463
<u>\$ 4,113</u>	<u>\$ 140,813</u>

\$ 67 \$ 28,012

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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, 2021
(in thousands)**

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ASSETS				
Cash and cash equivalents	\$ —	\$ 189	\$ —	\$ 6,106
Pooled investments with State Treasury	617,425	45,615	47,861	1,273
Total cash and cash equivalents	617,425	45,804	47,861	7,379
<u>Investments</u>				
U.S. government & federally guaranteed obligations	—	—	—	32,907
Federal agencies	—	—	—	—
Bonds and notes	—	—	—	—
International bonds and notes	—	—	—	—
Mutual fund investments	—	—	—	35,273
Money market and short-term investments	—	—	—	9,317
Domestic equity	—	6,800	—	—
Total investments	—	6,800	—	77,497
<u>Receivables</u>				
Accounts receivable	—	280	—	67
Interest receivable	1,893	2	28	401
Dividends receivable	—	—	—	17
Pending investment sales	—	—	—	312
Due from state funds	—	—	—	522
Due from other governments	—	—	3,285	—
Total receivables	1,893	282	3,313	1,319
Advances to other funds	—	1,111,439	—	—
Capital assets	—	328	—	—
Accumulated depreciation	—	(245)	—	—
Other assets	—	—	—	—
Total assets	619,318	1,164,408	51,174	86,195
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	—	1,896	—	—
Other postemployment benefits	—	818	—	—
Total deferred outflows of resources	—	2,714	—	—
LIABILITIES				
Accounts payable and accrued liabilities	—	6,800	—	323
Due to other funds	214	5	4,808	3
Pending investment purchases	—	—	—	303
Due to other governments	—	—	14,330	—
Obligations under security lending agreements	39,824	112	1,457	—
Claims payable	—	—	423	—
Deposits payable	340	—	—	524
Compensated absences	—	639	—	—
Pension liability	—	3,271	—	—
Other postemployment benefits liability	—	4,310	—	—
Total liabilities	40,378	15,137	21,018	1,153
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	—	190	—	—
Other postemployment benefits	—	2,271	—	—
Total deferred inflows of resources	—	2,461	—	—
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ 578,940	\$ 1,149,524	\$ 30,156	\$ 85,042

College Savings Plan	Totals 6/30/21
\$ 638	\$ 6,933
—	712,174
<u>638</u>	<u>719,107</u>
51,887	84,794
73,673	73,673
124,673	124,673
23,616	23,616
664,204	699,477
145,955	155,272
—	6,800
<u>1,084,008</u>	<u>1,168,305</u>
15	362
1,428	3,752
170	187
19,484	19,796
45,901	46,423
—	3,285
<u>66,998</u>	<u>73,805</u>
—	1,111,439
6	334
(4)	(249)
64	64
<u>1,151,710</u>	<u>3,072,805</u>
—	1,896
—	818
<u>—</u>	<u>2,714</u>
1,244	8,367
98	5,128
82,818	83,121
—	14,330
—	41,393
—	423
42,369	43,233
147	786
—	3,271
—	4,310
<u>126,676</u>	<u>204,362</u>
—	190
—	2,271
<u>—</u>	<u>2,461</u>
<u>\$ 1,025,034</u>	<u>\$ 2,868,696</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ADDITIONS				
<u>Contributions and other deposits</u>				
Fees	\$ —	\$ —	\$ —	\$ 70
Grants and contributions	—	9	28,835	—
Fines, forfeits, settlements and judgments	—	192	—	—
Unclaimed property remittances	—	679,610	—	—
Receivership assets acquired	—	—	—	—
Transfers in from state funds	—	—	—	1,770
Total contributions and other deposits	—	679,811	28,835	1,840
<u>Investment income</u>				
Interest income	(21,792)	(63)	(716)	832
Dividends	—	—	—	465
Net increase (decrease) in fair market value	—	—	—	5,434
Total investment income (loss)	(21,792)	(63)	(716)	6,731
Investment activity expense	(1,860)	(152)	—	(14)
Net income (loss) from investing activity	(23,652)	(215)	(716)	6,717
Total net investment income (loss)	(23,652)	(215)	(716)	6,717
Other additions	—	1,837	1,763	1,783,473
Total additions	(23,652)	681,433	29,882	1,792,030
DEDUCTIONS				
Interest expense	534	3	34	—
Student loan default payments	—	—	29,661	—
Payments to unclaimed property claimants	—	343,550	—	—
Distribution to State School Fund	—	203,794	—	—
Administrative expense	—	4,673	—	1,783
Transfers out to state funds	—	4,147	8	2
Other deductions	—	801	1,184	1,792,993
Total deductions	534	556,968	30,887	1,794,778
<u>Depositor activity</u>				
Deposits	512,730	—	—	21,384
Withdrawals	(263,299)	—	—	—
Excess (deficiency) of deposits over withdrawals	249,431	—	—	21,384
Change in net position	225,245	124,465	(1,005)	18,636
Net position - beginning	353,695	1,025,059	31,161	66,406
Net position - ending	\$ 578,940	\$ 1,149,524	\$ 30,156	\$ 85,042

College Savings Plan	Totals 6/30/21
\$ 799	\$ 869
133,122	161,966
—	192
—	679,610
—	—
7,907	9,677
<u>141,828</u>	<u>852,314</u>
8,939	(12,800)
8,281	8,746
<u>161,790</u>	<u>167,224</u>
179,010	163,170
(625)	(2,651)
<u>178,385</u>	<u>160,519</u>
178,385	160,519
—	1,787,073
<u>320,213</u>	<u>2,799,906</u>
—	571
—	29,661
—	343,550
—	203,794
4,241	10,697
—	4,157
53,169	1,848,147
<u>57,410</u>	<u>2,440,577</u>
—	534,114
—	(263,299)
—	270,815
<u>262,803</u>	<u>630,144</u>
762,231	2,238,552
<u>\$ 1,025,034</u>	<u>\$ 2,868,696</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, 2021
(in thousands)**

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
ASSETS				
Cash and cash equivalents	\$ 84,363	\$ —	\$ 15,527	\$ 191
Pooled investments with State Treasury	93,832	17,503	1,903	27,641
Total cash and cash equivalents	178,195	17,503	17,430	27,832
<u>Investments</u>				
U.S. government & federally guaranteed obligations	17,884,329	—	—	—
Federal agencies	9,467,240	—	—	—
Commercial paper	2,828,161	—	—	—
Repurchase agreements	1,000,000	—	—	—
Bonds and notes	9,359,596	—	2,111,500	—
International bonds and notes	3,152,081	—	—	—
Real estate contracts	10,663,262	—	—	—
Mutual fund investments	9,997,729	—	3,622,432	—
Money market and short-term investments	55,851	—	449	—
Domestic equity	62,378,794	—	58,686	—
Alternative investments	39,472,450	—	—	—
International equity	39,304,609	—	7,542	—
International equity commingled	—	—	—	—
Deferred compensation annuities	—	—	13,427	—
Self-directed brokerage investments	—	—	—	—
Other investments	946	—	—	—
Total investments	205,565,048	—	5,814,036	—
<u>Receivables</u>				
Accounts receivable	47,149	—	—	—
State contributions receivable	58,851	4	—	—
Nonstate contributions receivable	272,835	14	—	—
Interest receivable	128,572	10	1	26
Dividends receivable	263,683	—	—	—
Pending investment sales	1,078,133	—	—	—
Foreign currency contracts receivable	344,222	—	—	—
Due from state funds	59,561	10	—	1,289
Total receivables	2,253,006	38	1	1,315
Security lending collateral	1,983,381	—	—	—
Capital assets	1,428	—	—	27
Accumulated depreciation	(771)	—	—	(13)
Other assets	5,725	—	—	—
Total assets	209,986,012	17,541	5,831,467	29,161
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	—	33	—	123
Other postemployment benefits	2,204	103	—	41
Total deferred outflows of resources	2,204	136	—	164
LIABILITIES				
Accounts payable and accrued liabilities	184,700	486	—	5,942
Due to other funds	29,477	145	—	3
DROP	308,788	—	—	—
Pending investment purchases	4,907,134	—	—	—
Short sell obligations	76,584	—	—	—
Foreign currency contracts payable	344,928	—	—	—
Broker rebate fees	63	—	—	—
Obligations under security lending agreements	2,015,247	412	75	1,008
Deposits payable	20,104	8,591	—	15,325
Compensated absences	1,226	9	—	51
Pension liability	—	98	—	376
Other postemployment benefits liability	11,453	209	—	278
Total liabilities	7,899,704	9,950	75	22,983
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	—	31	—	117
Other postemployment benefits	6,330	93	—	216
Total deferred inflows of resources	6,330	124	—	333
NET POSITION				
Restricted for pension benefits	202,082,182	7,603	—	—
Restricted for other postemployment benefits	—	—	5,831,392	6,009
Total Net Position	\$ 202,082,182	\$ 7,603	\$ 5,831,392	\$ 6,009

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	National Guard Supplemental Retirement Benefit	Totals 6/30/21
\$ —	\$ 867	\$ 10	\$ 100,958
51	73,996	—	214,926
51	74,863	10	315,884
—	141,344	—	18,025,673
—	83,883	—	9,551,123
—	—	—	2,828,161
—	—	—	1,000,000
—	122,071	—	11,593,167
—	19,184	—	3,171,265
—	—	—	10,663,262
—	11,770,775	—	25,390,936
393,943	1,077,854	—	1,528,097
—	385,011	—	62,822,491
—	—	—	39,472,450
—	16,132	—	39,328,283
—	—	—	—
—	—	—	13,427
—	1,219,127	—	1,219,127
—	—	—	946
393,943	14,835,381	—	226,608,408
29	1,482	—	48,660
1,592	2,882	—	63,329
42,802	67,943	—	383,594
—	1,145	—	129,754
—	677	—	264,360
—	30,834	—	1,108,967
—	—	—	344,222
14,205	15,884	—	90,949
58,628	120,847	—	2,433,835
—	—	—	1,983,381
—	—	—	1,455
—	—	—	(784)
—	—	—	5,725
452,622	15,031,091	10	231,347,904
—	—	—	156
—	—	—	2,348
—	—	—	2,504
5	2,968	10	194,111
—	69,026	—	98,651
—	—	—	308,788
—	63,267	—	4,970,401
—	—	—	76,584
—	—	—	344,928
—	—	—	63
—	—	—	2,016,742
—	—	—	44,020
—	—	—	1,286
—	—	—	474
—	—	—	11,940
5	135,261	10	8,067,988
—	—	—	148
—	—	—	6,639
—	—	—	6,787
—	14,895,830	—	216,985,615
452,617	—	—	6,290,018
\$ 452,617	\$ 14,895,830	\$ —	\$ 223,275,633

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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	\$ 617,286	\$ 70,007	\$ —	\$ —
Pension fund employer contributions - nonstate	3,192,282	37,798	—	—
Pension fund employee contributions	750,563	108,825	—	—
Other contributions	—	—	—	186,510
Purchase of time by employees	5,967	4	—	—
Fees	—	—	1,867	—
Flexible benefits contributions	—	—	346,163	—
Fines, forfeits, settlements and judgments	—	—	—	—
Transfers in from state funds	140,431	—	—	1,425
Total contributions and other deposits	4,706,529	216,634	348,030	187,935
<u>Investment income</u>				
Interest income	1,180,622	(185)	(42)	(326)
Dividends	1,803,964	—	—	—
Other investment income (loss)	3,848,818	—	—	—
Net increase (decrease) in fair market value	41,787,177	—	1,060,296	—
Total investment income (loss)	48,620,581	(185)	1,060,254	(326)
Investment activity expense	(691,343)	(12)	—	(48)
Net income (loss) from investing activity	47,929,238	(197)	1,060,254	(374)
<u>Security lending activity</u>				
Security lending income	25,318	—	—	—
Security lending expense	(3,080)	—	—	—
Net income from security lending	22,238	—	—	—
Total net investment income (loss)	47,951,476	(197)	1,060,254	(374)
Other additions	3,215	210	—	2,291
Total additions	52,661,220	216,647	1,408,284	189,852
DEDUCTIONS				
Benefit payments	11,435,285	—	338,559	—
Insurance claims expense	—	—	—	4,250
Supplemental insurance payments	—	—	—	99,239
Flexible reimbursement payments	—	—	—	27,271
Life insurance premium payments	—	—	—	35,409
Remittances to annuity companies	—	215,289	—	—
Program contribution refunds	21,590	—	—	—
Interest expense	—	—	2	—
Administrative expense	20,341	207	18	2,196
Transfers out to state funds	670,079	1	1,656	20,788
Other deductions	8	—	—	—
Total deductions	12,147,303	215,497	340,235	189,153
Change in net position	40,513,917	1,150	1,068,049	699
Net position - beginning	161,568,265	6,453	4,763,343	5,310
Net position - ending	\$ 202,082,182	\$ 7,603	\$ 5,831,392	\$ 6,009

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	National Guard Supplemental Retirement Benefit	Totals 6/30/21
\$ 80,597	\$ 83,457	\$ —	\$ 851,347
507,204	350,240	—	4,087,524
55	251,653	—	1,111,096
—	—	—	186,510
—	—	—	5,971
—	—	—	1,867
—	—	—	346,163
—	12	—	12
—	668,696	15,557	826,109
587,856	1,354,058	15,557	7,416,599
824	7,195	—	1,188,088
—	14,639	—	1,818,603
—	11	—	3,848,829
1	3,315,661	—	46,163,135
825	3,337,506	—	53,018,655
—	(5,975)	—	(697,378)
825	3,331,531	—	52,321,277
—	—	—	25,318
—	—	—	(3,080)
—	—	—	22,238
825	3,331,531	—	52,343,515
229	20,827	—	26,772
588,910	4,706,416	15,557	59,786,886
514,361	1,216,495	15,505	13,520,205
—	—	—	4,250
—	—	—	99,239
—	—	—	27,271
—	—	—	35,409
—	—	—	215,289
—	—	—	21,590
—	—	—	2
192	5,959	52	28,965
1	159,962	—	852,487
—	—	—	8
514,554	1,382,416	15,557	14,804,715
74,356	3,324,000	—	44,982,171
378,261	11,571,830	—	178,293,462
\$ 452,617	\$ 14,895,830	\$ —	\$ 223,275,633

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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, 2021
(in thousands)**

	External Treasury Pool	Investment Pool A	Totals 6/30/21
ASSETS			
Cash and cash equivalents	\$ —	\$ 2,820,283	\$ 2,820,283
Pooled investments with State Treasury	1,091,817	—	1,091,817
Total cash and cash equivalents	1,091,817	2,820,283	3,912,100
<u>Investments</u>			
Certificates of deposit	—	2,834,231	2,834,231
U. S. government & federally guaranteed obligations	—	154,601	154,601
Commercial paper	—	8,054,084	8,054,084
Repurchase agreements	—	113,947	113,947
Bonds and notes	—	29,570	29,570
Money market and short-term investments	—	1,401,653	1,401,653
Total investments	—	12,588,086	12,588,086
<u>Receivables</u>			
Interest receivable	864	1,585	2,449
Total receivables	864	1,585	2,449
Other assets	—	21	21
Total assets	1,092,681	15,409,975	16,502,656
LIABILITIES			
Accounts payable and accrued liabilities	—	904	904
Due to other funds	—	130	130
Due to other governments	—	2,525	2,525
Obligations under security lending agreements	51,503	—	51,503
Total liabilities	51,503	3,559	55,062
NET POSITION			
Restricted for pool participants	\$ 1,041,178	\$ 15,406,416	\$ 16,447,594

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	External Treasury Pool	Investment Pool A	Totals 6/30/21
ADDITIONS			
<u>Contributions and other deposits</u>			
Fines, forfeits, settlements and judgments	\$ —	\$ —	\$ —
Total contributions and other deposits	—	—	—
<u>Investment income</u>			
Interest income	(22,452)	34,858	12,406
Net increase (decrease) in fair market value	—	187	187
Total investment income (loss)	(22,452)	35,045	12,593
Investment activity expense	(1,157)	(4,565)	(5,722)
Net income (loss) from investing activity	(23,609)	30,480	6,871
Total net investment income (loss)	(23,609)	30,480	6,871
Total additions	(23,609)	30,480	6,871
DEDUCTIONS			
Administrative expense	—	50	50
Total deductions	—	50	50
<u>Depositor activity</u>			
Deposits	493,267	26,002,862	26,496,129
Withdrawals	(211,195)	(23,926,932)	(24,138,127)
Excess (deficiency) of deposits over withdrawals	282,072	2,075,930	2,358,002
Change in net position	258,463	2,106,360	2,364,823
Net position - beginning	782,715	13,300,056	14,082,771
Net position - ending	\$ 1,041,178	\$ 15,406,416	\$ 16,447,594

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CUSTODIAL 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
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Tax Distribution and Administration	Other	School for the Deaf and the Blind	State Board of Administration	Totals 6/30/21
ASSETS					
Cash and cash equivalents	\$ 21	\$ 136,436	\$ 40	\$ —	\$ 136,497
Pooled investments with State Treasury	1,063,351	552,232	—	—	1,615,583
Total cash and cash equivalents	1,063,372	688,668	40	—	1,752,080
<u>Investments</u>					
Money market and short-term investments	—	350	—	—	350
Other investments	—	200	—	—	200
Total investments	—	550	—	—	550
<u>Receivables</u>					
Accounts receivable	533,450	124,417	—	—	657,867
Interest receivable	—	447	—	—	447
Due from state funds	175,614	32,857	—	—	208,471
Due from other governments	—	548	—	—	548
Total receivables	709,064	158,269	—	—	867,333
Advances to other entities	—	84,714	—	—	84,714
Other assets	—	2,622	—	—	2,622
Capital assets	—	10	—	—	10
Total assets	1,772,436	934,833	40	—	2,707,309
LIABILITIES					
Accounts payable and accrued liabilities	\$ 663,560	\$ 88,473	\$ —	\$ —	\$ 752,033
Due to other funds	107,044	142,901	—	—	249,945
Due to other governments	1,001,157	59,169	—	—	1,060,326
Obligations under security lending agreements	—	13,825	—	—	13,825
Claims payable	—	21,943	—	—	21,943
Deposits payable	—	247,012	—	—	247,012
Other liabilities	—	352	—	—	352
Total liabilities	1,771,761	573,675	—	—	2,345,436
NET POSITION					
Restricted for Individuals, organizations, and other governments	\$ 675	\$ 361,158	\$ 40	\$ —	\$ 361,873

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

	Tax Distribution and Administration	Other	School for the Deaf and Blind	State Board of Administration	Totals
ADDITIONS					
<u>Contributions and other deposits</u>					
Fees	\$ 1,725,050	\$ 1,125	\$ —	\$ —	\$1,726,175
Grants and contributions	—	2,067	—	—	2,067
Fines, forfeits, settlements and judgments	367	21,830	—	—	22,197
Receivership assets acquired	—	102,320	—	—	102,320
Transfers in from state funds	770	—	—	—	770
Total contributions and other deposits	1,726,187	127,342	—	—	1,853,529
<u>Investment income</u>					
Interest income	76	5,414	—	—	5,490
Other investment income (loss)	—	(159)	—	—	(159)
Net increase (decrease) in fair market value	—	—	—	2	2
Total investment income	76	5,255	—	2	5,333
Other additions	8,930,651	3,600	—	46,749	8,981,000
Total additions	10,656,914	136,197	—	46,751	10,839,862
DEDUCTIONS					
Insurance claims expense	—	36,477	—	—	36,477
Interest expense	—	278	—	—	278
Administrative expense	—	12,044	—	—	12,044
Transfers out to state funds	—	4,745	—	4	4,749
Other deductions	10,656,239	9,945	—	46,747	10,712,931
Total deductions	10,656,239	63,489	—	46,751	10,766,479
<u>Depositor activity</u>					
Deposits	—	2,467	64	—	2,531
Withdrawals	—	(2,467)	(65)	—	(2,532)
Excess (deficiency) of deposits over withdrawals	—	—	(1)	—	(1)
Change in net position	675	72,708	(1)	—	73,382
Net position - beginning, as restated (Note 1)	—	288,450	41	—	288,491
Net position - ending	\$ 675	\$ 361,158	\$ 40	\$ —	\$ 361,873

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, 2021
(in thousands)**

	Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/21
ASSETS					
Cash and cash equivalents	\$ 147,632	\$ 456,066	\$ 538,139	\$ 786,521	\$ 1,928,358
Pooled investments with State Treasury	44,431	1,838,286	7,879	22,313	1,912,909
Other investments	908,639	2,192,563	1,045,962	1,959,110	6,106,274
Receivables, net	40,306	616,277	390,815	129,838	1,177,236
Due from component units/primary	72,584	294,877	53,289	10,065	430,815
Inventories	5,860	9,706	7,562	11,609	34,737
Restricted cash and cash equivalents	—	79,741	655,271	77,341	812,353
Restricted pooled investments with State Treasury	—	191,771	36,575	—	228,346
Restricted investments	234,159	3,232,762	1,211,348	3,521	4,681,790
Other loans and notes receivable, net	—	95,613	12,986	756	109,355
Other assets	5,913	299,267	145,761	6,557	457,498
Capital assets, net	8,475,562	9,371,917	4,368,802	623,317	22,839,598
Total assets	9,935,086	18,678,846	8,474,389	3,630,948	40,719,269
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value-hedging derivatives	—	15,810	—	—	15,810
Grants paid in advance	15	—	—	—	15
Amount deferred on refunding of debt	979	26,291	—	—	27,270
Pension-related items	59,598	755,253	487,057	67,507	1,369,415
Other postemployment benefits	7,326	716,621	29,501	4,182	757,630
Total deferred outflows of resources	67,918	1,513,975	516,558	71,689	2,170,140
LIABILITIES					
Accounts payable and accrued liabilities	144,165	415,903	400,592	131,480	1,092,140
Due to component units/primary	41	20,960	27,864	66	48,931
Long-term liabilities					
Due within one year	80,404	476,684	182,702	33,570	773,360
Due in more than one year	675,794	6,805,087	1,947,810	1,435,239	10,863,930
Total liabilities	900,404	7,718,634	2,558,968	1,600,355	12,778,361
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	—	111,377	—	217	111,594
Grants received in advance	—	1,143	—	—	1,143
Amount deferred on refunding of debt	—	171	—	—	171
Pension-related items	15,307	51,907	83,221	4,072	154,507
Other postemployment benefits	6,104	899,390	23,397	6,202	935,093
Irrevocable split-interest agreements	—	49,106	2,213	658	51,977
Total deferred inflows of resources	21,411	1,113,094	108,831	11,149	1,254,485
NET POSITION					
Net investment in capital assets	8,087,671	7,555,434	4,162,399	606,830	20,412,334
Restricted for					
Debt service	—	28,872	4,111	—	32,983
Other	608,695	1,733,367	1,610,686	1,114,743	5,067,491
Funds held for permanent endowment					
Expendable	—	786,519	415,336	—	1,201,855
Nonexpendable	—	1,849,419	512,393	35	2,361,847
Unrestricted	384,823	(592,518)	(381,777)	369,525	(219,947)
Total net position	\$ 9,081,189	\$ 11,361,093	\$ 6,323,148	\$ 2,091,133	\$ 28,856,563

**COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(in thousands)**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Water Management Districts	\$ 604,783	\$ 33,428	\$ 106,213	\$ 256,268
Other State Universities	8,122,012	2,434,717	2,783,923	139,221
Florida Colleges	3,905,902	620,189	1,734,287	127,150
Other Nonmajor Component Units	1,244,987	242,539	391,098	35,722
Total component units	<u>\$ 13,877,684</u>	<u>\$ 3,330,873</u>	<u>\$ 5,015,521</u>	<u>\$ 558,361</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 6/30/21
\$ (208,874)	\$ —	\$ —	\$ —	\$ (208,874)
—	(2,764,151)	—	—	(2,764,151)
—	—	(1,424,276)	—	(1,424,276)
—	—	—	(575,628)	(575,628)
(208,874)	(2,764,151)	(1,424,276)	(575,628)	(4,972,929)
507,400	—	—	—	507,400
36,590	801,241	275,945	273,812	1,387,588
4,218	(48,251)	60,929	16	16,912
—	2,393,880	1,285,587	384,206	4,063,673
8,307	669,061	87,229	106,380	870,977
—	40,422	18,101	—	58,523
556,515	3,856,353	1,727,791	764,414	6,905,073
347,641	1,092,202	303,515	188,786	1,932,144
8,733,548	10,268,891	6,019,633	1,902,347	26,924,419
\$ 9,081,189	\$ 11,361,093	\$ 6,323,148	\$ 2,091,133	\$ 28,856,563

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STATISTICAL SECTION

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STATISTICAL SECTION

Table of Contents

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

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

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

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.

	Fiscal Year				
	2017	2018	2019	2020	2021
\$	69,021,627	\$ 70,555,222	\$ 72,831,994	\$ 75,163,014	\$ 77,434,619
	3,354,846	3,477,284	3,895,031	4,170,683	4,577,465
	701,059	597,870	533,623	405,676	380,668
	1,796,164	1,850,079	1,759,456	1,781,785	1,985,463
	1,630,744	1,701,574	1,742,579	1,698,367	1,888,355
	1,182,019	1,197,583	1,451,488	1,269,395	1,523,668
	217,884	162,511	80,368	30,391	32,607
	678,388	639,860	769,906	700,498	779,833
	(12,401,193)	(17,686,725)	(16,241,118)	(15,549,592)	(10,667,124)
<u>\$</u>	<u>66,181,538</u>	<u>\$ 62,495,258</u>	<u>\$ 66,823,327</u>	<u>\$ 69,670,217</u>	<u>\$ 77,935,554</u>
	3.93 %	-5.57 %	6.93%	4.26%	11.86 %
\$	8,652,433	\$ 10,521,410	\$ 10,933,870	\$ 12,022,039	\$ 12,590,918
	298,572	250,887	432,848	249,847	285,126
	95,499	91,991	130,558	139,270	105,007
	2,367,619	2,954,127	3,700,748	3,566,380	4,712,304
	13,980,584	12,700,446	10,288,180	10,351,755	10,195,203
	3,737,155	3,951,714	4,144,120	2,318,051	1,005,981
	467	12,286	5,744	2,132	4,216
	1,274,131	987,199	1,137,521	844,697	666,264
<u>\$</u>	<u>30,406,460</u>	<u>\$ 31,470,060</u>	<u>\$ 30,773,589</u>	<u>\$ 29,494,171</u>	<u>\$ 29,565,019</u>
	11.55 %	3.50 %	-2.26%	-4.16%	0.24 %
\$	77,674,060	\$ 81,076,632	\$ 83,765,864	\$ 87,185,053	\$ 90,025,537
	3,354,846	3,477,284	3,895,031	4,170,683	4,577,465
	701,059	597,870	533,623	405,676	380,668
	1,796,164	1,850,079	1,759,456	1,781,785	1,985,463
	1,929,316	1,952,461	2,175,427	1,948,214	2,173,481
	1,182,019	1,197,583	1,451,488	1,269,395	1,523,668
	217,884	162,511	80,368	30,391	32,607
	95,499	91,991	130,558	139,270	105,007
	2,367,619	2,954,127	3,700,748	3,566,380	4,712,304
	13,980,584	12,700,446	10,288,180	10,351,755	10,195,203
	3,737,155	3,951,714	4,144,120	2,318,051	1,005,981
	678,855	652,146	775,650	702,630	784,049
	(11,127,062)	(16,699,526)	(15,103,597)	(14,704,895)	(10,000,860)
<u>\$</u>	<u>96,587,998</u>	<u>\$ 93,965,318</u>	<u>\$ 97,596,916</u>	<u>\$ 99,164,388</u>	<u>\$ 107,500,573</u>
	6.22 %	-2.72 %	3.72%	1.61%	8.41 %

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

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

⁽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.

2021 STATE OF FLORIDA ACFR

SCHEDULE A-2
(Continued)

		Fiscal Year							
		2017	2018	2019	2020	2021			
\$	6,920,055	\$	7,121,076	\$	7,880,707	\$	9,614,755	\$	11,253,544
	20,805,316		22,087,266		23,156,683		23,297,022		25,505,514
	35,856,581		37,655,551		36,578,683		39,400,204		46,912,818
	4,276,747		4,641,430		4,829,124		5,178,908		5,156,439
	3,137,354		3,348,183		3,291,238		3,187,110		3,473,198
	4,405,444		4,384,174		4,393,614		4,301,255		4,491,160
	586,606		604,607		621,300		694,616		702,302
	84,311		87,061		37,977		66,581		76,838
	<u>76,072,414</u>		<u>79,929,348</u>		<u>80,789,326</u>		<u>85,740,451</u>		<u>97,571,813</u>
	574,436		655,689		774,282		842,859		821,716
	4,522,491		4,956,621		5,233,699		5,653,279		6,861,283
	80,081		2,578,144		4,019,088		1,556,717		1,383,434
	(251,749)		49,629		1,016,432		898,935		(38,945)
	414,596		450,662		386,497		9,191,215		21,013,137
	339,090		375,950		406,593		388,942		419,997
	<u>5,678,945</u>		<u>9,066,695</u>		<u>11,836,591</u>		<u>18,531,947</u>		<u>30,460,622</u>
\$	<u>81,751,359</u>	\$	<u>88,996,043</u>	\$	<u>92,625,917</u>	\$	<u>104,272,398</u>	\$	<u>128,032,435</u>
\$	5,182,354	\$	4,986,966	\$	5,150,621	\$	4,631,524	\$	5,087,572
	250,636		267,724		351,836		293,948		447,607
	1,502,243		2,119,895		2,043,492		2,186,607		2,099,760
	266,759		272,208		274,257		272,613		331,010
	344,710		351,419		398,537		387,081		294,541
	260,096		233,922		252,861		318,386		198,573
	88,213		89,863		98,834		93,555		96,723
	27,968,095		29,889,510		29,279,568		34,671,497		46,652,949
	2,250,743		2,490,930		2,310,034		2,076,859		2,151,796
	<u>38,113,849</u>		<u>40,702,437</u>		<u>40,160,040</u>		<u>44,932,070</u>		<u>57,360,531</u>
	1,175,815		1,234,814		1,278,487		1,189,112		1,111,855
	6,150,021		6,709,553		7,197,221		7,570,838		9,061,022
	1,203,757		1,306,875		1,618,782		1,631,661		1,240,225
	457,842		636,471		1,762,853		764,072		1,107,314
	821,223		663,818		583,516		526,593		1,145,159
	449,732		478,163		532,419		459,066		515,831
	4,948		12,168		5,186		6,846,808		18,685,308
	5,948		43,022		12,903		14,170		999
	<u>10,269,286</u>		<u>11,084,884</u>		<u>12,991,367</u>		<u>19,002,320</u>		<u>32,867,713</u>
\$	<u>48,383,135</u>	\$	<u>51,787,321</u>	\$	<u>53,151,407</u>	\$	<u>63,934,390</u>	\$	<u>90,228,244</u>
\$	(37,958,565)	\$	(39,226,911)	\$	(40,629,286)	\$	(40,808,381)	\$	(40,211,282)
	4,590,341		2,018,189		1,154,776		470,373		2,407,091
\$	<u>(33,368,224)</u>	\$	<u>(37,208,722)</u>	\$	<u>(39,474,510)</u>	\$	<u>(40,338,008)</u>	\$	<u>(37,804,191)</u>

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

(Accrual Basis of Accounting)

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

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

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

Fiscal Year					
2017	2018	2019	2020	2021	
\$ 25,333,464	\$ 26,781,181	\$ 27,999,274	\$ 26,936,491	\$ 30,451,674	
3,016,110	3,111,590	3,254,839	3,048,047	3,160,743	
2,383,783	2,412,220	3,114,711	2,509,887	3,153,000	
2,427,903	2,517,733	2,648,213	2,829,050	4,137,123	
370,421	376,744	386,168	488,765	708,962	
933,454	1,031,288	941,415	927,396	901,874	
1,521,059	1,465,590	1,445,638	1,398,145	1,438,733	
959,339	1,084,872	1,178,214	1,225,176	1,491,830	
767,388	793,809	806,447	732,663	780,822	
1,309,079	882,784	902,273	904,529	927,067	
61,669	231,040	661,924	886,544	(415,279)	
(166,526)	(49,064)	(289,470)	5,111	(14,195)	
—	—	—	1	21,303	
1,540,720	1,087,452	1,864,750	1,762,981	2,337,291	
<u>40,457,863</u>	<u>41,727,239</u>	<u>44,914,396</u>	<u>43,654,786</u>	<u>49,080,948</u>	
(696)	4,400	13,106	11,173	(6,989)	
(799)	(6,248)	(2,494)	(998)	(2,704)	
300	192	81	—	—	
1,018	2,973	2,810	3,174	1,092	
<u>(1,540,720)</u>	<u>(1,087,452)</u>	<u>(1,864,750)</u>	<u>(1,762,981)</u>	<u>(2,337,291)</u>	
<u>(1,540,897)</u>	<u>(1,086,135)</u>	<u>(1,851,247)</u>	<u>(1,749,632)</u>	<u>(2,345,892)</u>	
<u>\$ 38,916,966</u>	<u>\$ 40,641,104</u>	<u>\$ 43,063,149</u>	<u>\$ 41,905,154</u>	<u>\$ 46,735,056</u>	
\$ 2,499,298	\$ 2,500,328	\$ 4,285,110	\$ 2,846,405	\$ 8,869,666	
3,049,444	932,055	(696,471)	(1,279,259)	61,199	
<u>\$ 5,548,742</u>	<u>\$ 3,432,383</u>	<u>\$ 3,588,639</u>	<u>\$ 1,567,146</u>	<u>\$ 8,930,865</u>	

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

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund (Per GASB 54):					
Nonspendable	\$ 33,323	\$ 27,518	\$ 36,142	\$ 19,120	\$ 26,800
Restricted	49,739	60,359	90,396	89,190	74,750
Committed	982,189	746,914	903,183	921,750	1,032,466
Unassigned	3,735,358	5,322,056	5,444,736	5,878,552	5,694,315
Total general fund	<u>4,800,609</u>	<u>6,156,847</u>	<u>6,474,457</u>	<u>6,908,612</u>	<u>6,828,331</u>
Percent change from prior year	32.35 %	28.25 %	5.16 %	6.71 %	-1.16 %
Other Governmental Funds (Per GASB 54):					
Nonspendable	74,260	117,133	95,290	47,641	74,129
Restricted	4,651,214	5,301,861	5,553,343	5,906,581	5,986,279
Committed	4,389,415	4,880,459	5,920,057	5,350,800	5,926,436
Unassigned	—	(743,777)	(808,982)	(883,674)	(851,275)
Total other governmental funds	<u>9,114,889</u>	<u>9,555,676</u>	<u>10,759,708</u>	<u>10,421,348</u>	<u>11,135,569</u>
Total Governmental Funds ⁽¹⁾	<u>\$ 13,915,498</u>	<u>\$ 15,712,523</u>	<u>\$ 17,234,165</u>	<u>\$ 17,329,960</u>	<u>\$ 17,963,900</u>
Percent change from prior year	0.46 %	12.91 %	9.68 %	0.56 %	3.66 %

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

Fiscal Year				
2017	2018	2019	2020	2021
\$ 20,932	\$ 16,142	\$ 15,768	\$ 11,959	\$ 11,130
71,000	39,684	55,171	73,252	64,503
1,168,162	1,239,072	1,274,538	1,293,157	1,509,709
5,419,306	5,842,506	7,476,330	7,864,662	12,618,756
6,679,400	7,137,404	8,821,807	9,243,030	14,204,098
-2.18%	6.86%	23.60%	4.77%	53.67%
88,324	73,629	51,906	42,513	43,116
5,973,257	5,734,273	5,992,712	5,841,516	6,118,415
5,976,254	6,116,770	6,075,788	6,310,740	7,576,298
(904,334)	(888,359)	(821,050)	(858,577)	(910,380)
11,133,501	11,036,313	11,299,356	11,336,192	12,827,449
\$ 17,812,901	\$ 18,173,717	\$ 20,121,163	\$ 20,579,222	\$ 27,031,547
-0.84%	2.03%	10.72%	2.28%	31.35%

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 30,480,459	\$ 32,173,233	\$ 33,712,162	\$ 36,289,996	\$ 37,650,476
Licenses and permits	1,519,256	1,851,362	1,903,517	1,897,328	2,032,352
Fees and charges	5,236,550	4,930,332	4,827,751	4,843,738	3,838,867
Grants and donations	25,891,493	27,596,477	28,886,209	28,744,814	29,696,010
Investment earnings (losses)	461,343	191,892	481,773	246,533	512,562
Fines, forfeits, settlements and judgments	1,234,008	1,537,935	866,209	797,391	841,078
Other	171,866	148,442	565,212	704,131	733,943
Total revenues	<u>64,994,975</u>	<u>68,429,673</u>	<u>71,242,833</u>	<u>73,523,931</u>	<u>75,305,288</u>
Expenditures					
Current:					
General government	6,363,177	6,416,211	6,177,769	6,551,304	6,669,232
Education	16,960,772	17,149,935	18,723,050	19,087,014	19,662,950
Human services	29,663,993	30,594,941	32,888,676	34,183,874	34,502,757
Criminal justice and corrections	4,106,400	4,025,052	3,673,356	3,829,083	3,908,252
Natural resources and environment	2,095,042	2,206,123	2,351,663	2,423,631	2,717,900
Transportation	3,183,656	3,730,419	3,726,115	3,910,663	4,426,536
Judicial branch	401,216	445,686	475,097	497,318	504,072
Capital outlay	2,276,467	2,424,648	2,105,023	2,448,442	2,417,671
Gain/(loss) on disposal of general fixed assets	—	—	—	—	—
Debt service:					
Principal retirement	1,310,958	1,270,667	1,012,513	1,448,950	1,142,026
Interest and fiscal charges	1,019,426	960,974	894,496	958,558	849,980
Total expenditures	<u>67,381,107</u>	<u>69,224,656</u>	<u>72,027,758</u>	<u>75,338,837</u>	<u>76,801,376</u>
Excess (deficiency) of revenues over expenditures	(2,386,132)	(794,983)	(784,925)	(1,814,906)	(1,496,088)
Other Financing Sources (Uses)					
Proceeds of bond issues	317,936	229,511	298,118	45,165	57,398
Proceeds of refunding bonds	2,799,911	1,759,221	807,336	1,923,687	1,791,321
Proceeds of financing agreements	662,553	631,503	383,524	288,391	233,131
Operating transfers in	9,611,610	9,648,910	9,215,113	9,364,500	9,735,795
Operating transfers out	(8,141,874)	(8,097,250)	(7,590,188)	(7,787,355)	(7,977,382)
Payments to refunded bond agent	(2,799,911)	(1,759,221)	(807,336)	(1,923,687)	(1,791,321)
Total other financing sources (uses)	<u>2,450,225</u>	<u>2,412,674</u>	<u>2,306,567</u>	<u>1,910,701</u>	<u>2,048,942</u>
Net change in fund balances	<u>\$ 64,093</u>	<u>\$ 1,617,691</u>	<u>\$ 1,521,642</u>	<u>\$ 95,795</u>	<u>\$ 552,854</u>
Debt Service as a Percentage of Noncapital Expenditures					
	3.5 %	3.3 %	2.7 %	3.3 %	2.7 %

2021 STATE OF FLORIDA ACFR

SCHEDULE A-4

		Fiscal Year							
		2017	2018	2019	2020	2021			
\$	39,034,702	\$	40,473,470	\$	42,684,416	\$	40,980,841	\$	47,125,309
	2,126,261		2,268,941		2,221,598		2,041,437		2,242,010
	3,983,785		4,344,609		4,380,169		4,155,847		4,317,585
	30,103,652		32,243,096		31,379,504		36,960,719		48,703,949
	112,511		348,503		920,929		1,158,299		(483,201)
	1,289,474		807,165		1,108,662		938,994		1,327,877
	616,558		792,758		713,563		727,470		940,532
	<u>77,266,943</u>		<u>81,278,542</u>		<u>83,408,841</u>		<u>86,963,607</u>		<u>104,174,061</u>
	6,826,395		6,994,032		7,745,467		9,595,258		10,959,862
	20,324,681		21,679,600		22,804,005		23,003,050		25,240,802
	35,808,456		37,487,402		36,413,466		39,350,038		46,795,271
	4,027,094		4,275,750		4,451,590		4,532,817		4,545,059
	2,970,959		3,215,081		3,115,076		3,054,429		3,331,421
	4,162,072		4,272,185		4,232,866		4,152,176		4,356,301
	516,516		528,739		540,114		548,851		570,471
	2,908,107		2,844,370		3,290,372		3,128,355		2,742,444
	—		(319)		—		—		—
	1,331,004		1,533,293		1,316,905		1,507,275		1,535,020
	824,928		751,256		650,395		624,058		576,120
	<u>79,700,212</u>		<u>83,581,389</u>		<u>84,560,256</u>		<u>89,496,307</u>		<u>100,652,771</u>
	(2,433,269)		(2,302,847)		(1,151,415)		(2,532,700)		3,521,290
	257,400		417,571		625,953		397,761		886,129
	1,446,829		1,376,618		1,229,094		1,381,184		1,652,126
	327,122		440,672		429,892		519,983		272,909
	9,858,172		10,176,908		11,036,970		11,407,677		13,720,152
	(8,142,270)		(8,296,488)		(8,993,953)		(9,355,147)		(11,344,958)
	(1,446,829)		(1,376,618)		(1,229,093)		(1,381,184)		(1,652,126)
	<u>2,300,424</u>		<u>2,738,663</u>		<u>3,098,861</u>		<u>2,990,274</u>		<u>3,534,232</u>
\$	<u>(132,845)</u>	\$	<u>435,816</u>	\$	<u>1,947,446</u>	\$	<u>457,574</u>	\$	<u>7,055,522</u>
	2.8 %		2.8 %		2.4 %		2.4 %		2.2 %

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

Industry	Calendar Year				
	2011	2012	2013	2014	2015
Agriculture	\$ 596,792	\$ 593,296	\$ 502,451	\$ 683,513	\$ 341,849
Mining	298,240	331,665	316,989	424,416	465,381
Construction	2,842,128	3,126,150	2,649,600	3,777,419	3,955,275
Manufacturing	11,266,856	11,662,104	10,836,540	13,703,157	14,726,621
Transportation	8,856,974	8,634,841	7,396,529	9,357,588	9,780,692
Communications ⁽¹⁾	14,763,448	14,512,956	14,133,220	13,664,244	13,356,227
Wholesale	9,229,711	10,112,139	11,115,462	12,987,380	14,212,567
Retail trade	151,111,126	158,134,617	169,417,669	182,082,864	196,600,925
Finance and insurance	38,567,529	39,688,012	41,602,427	45,026,905	48,580,481
Services	73,627,822	77,920,525	80,461,679	89,269,937	96,681,482
Government	345,639	320,316	315,398	344,302	447,860
Other	782,997	3,032,508	1,525,473	3,276,640	1,124,777
Total	\$ 312,289,262	\$ 328,069,129	\$ 340,273,437	\$ 374,598,365	\$ 400,274,137
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				
2016	2017	2018	2019	2020
\$ 368,630	\$ 369,427	\$ 422,984	\$ 435,817	\$ 460,372
480,200	457,267	502,548	502,629	546,173
4,313,115	4,417,777	4,732,668	4,975,150	4,888,668
16,166,532	16,900,270	18,534,298	19,592,528	19,312,927
9,536,571	10,117,226	10,112,997	10,921,958	9,996,931
12,579,292	12,755,358	12,670,839	12,194,459	11,826,504
15,659,435	17,031,207	19,354,520	20,993,960	21,693,918
204,810,062	211,447,513	221,938,314	228,009,017	233,194,503
52,026,830	55,845,421	61,746,877	65,480,181	60,487,159
101,451,337	105,536,357	110,943,075	115,993,468	88,780,639
434,667	475,304	530,359	564,072	415,381
937,406	395,293	499,328	531,577	536,148
<u>\$ 418,764,077</u>	<u>\$ 435,748,420</u>	<u>\$ 461,988,807</u>	<u>\$ 480,194,816</u>	<u>\$ 452,139,323</u>
6.0%	6.0%	6.0%	6.0%	6.0%

**Principal Sales Tax Payers by Industry
For Calendar Years 2020 and 2011
(dollars are in thousands)**

SCHEDULE B-2

Industry	Calendar Year 2020			Calendar Year 2011		
	Number of filers	Sales Tax Liability	Percentage of Total	Number of filers	Sales Tax Liability	Percentage of Total
Agriculture	3,167	\$ 32,018	0.10 %	4,700	\$ 38,879	0.19 %
Mining	680	36,796	0.12 %	786	19,355	0.09 %
Construction	11,413	331,959	1.07 %	8,998	185,344	0.90 %
Manufacturing	35,493	1,319,249	4.27 %	31,423	734,518	3.56 %
Transportation and utilities	6,273	725,080	2.34 %	6,237	631,261	3.06 %
Communications ⁽¹⁾	3,220	581,864	1.88 %	3,542	981,769	4.76 %
Wholesale	48,773	1,496,882	4.84 %	40,893	606,425	2.94 %
Retail trade	254,935	15,954,160	51.58 %	245,708	9,898,584	47.98 %
Finance and insurance	215,750	4,113,603	13.31 %	192,275	2,551,138	12.37 %
Services	177,649	6,272,289	20.28 %	149,215	4,906,386	23.78 %
Government	291	27,671	0.09 %	195	24,162	0.12 %
Other	1,884	36,454	0.12 %	3,886	51,724	0.25 %
Total	759,528	\$ 30,928,025	100.00 %	687,858	\$ 20,629,545	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⁾	Certificates of Participation	Total Governmental	
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	
2021	8,798	3,482	45	2,708	335	15,368	

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

⁽¹⁾ Refer to Notes 9 and 10 for further detail.

⁽²⁾ 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.

⁽³⁾ Population data used in calculation of this ratio can be found in Schedule D-1.

Business-type Activities

Pledged Revenue	Public-Private Partnerships ⁽¹⁾	Installment Purchases and Capital Leases	Total Primary Government	Debt as a Percentage of Tax-supported Revenues ⁽²⁾	Debt Per Capita ⁽³⁾
\$ 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
7,047	212	8	22,635	47.64 %	1,033.61

**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⁾
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
2021	8,798	335	9,133	33	9,100	19.15 %	415.56

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 2020-2021:

Tax-supported revenues ⁽¹⁾	\$47,510
Debt limit ⁽²⁾	2,851
Debt applicable to limit:	
Aggregate debt service on tax-supported debt	<u>2,041</u>
Legal debt margin	<u>\$ 810</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>	<u>2021</u>
Debt limit ⁽²⁾	\$1,843	\$1,940	\$2,022	\$2,121	\$2,255	\$2,337	\$2,463	\$2,572	\$2,471	\$2,851
Total debt applicable to limit	<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>	<u>2,041</u>
Legal debt margin	<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>	<u>\$ 810</u>
Total net debt applicable to the limit as a percentage of debt limit.	118.88 %	113.20 %	93.32 %	92.93 %	91.03 %	93.20 %	93.18 %	77.33 %	91.58 %	71.59 %

⁽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, 2021, the total outstanding balance of tax-supported debt was approximately \$14,668,300,000.

⁽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 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						
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
2021	1,012,690	252,491	760,199	145,130	112,665	2.95
Florida Forever/Preservation 2000/Everglades						
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
2021	4,082,800	—	4,082,800	122,425	35,178	25.91
Lottery Education ⁽³⁾						
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
2021	2,236,639	—	2,236,639	136,873	38,760	12.73
Alligator Alley						
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
2021	33,943	11,109	22,834	1,990	809	8.16
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
2021	26,617	9,264	17,353	3,025	3,848	2.52

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						
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
2021	29,008	—	29,008	3,560	488	7.17
Florida Hurricane Catastrophe Fund Finance Corporation⁽⁵⁾						
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	163.33
2021	1,205,946	24,120	1,181,826	—	60,725	19.46
State University System Bonds						
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
2021	59,488	—	59,488	10,760	3,619	4.14
University Auxiliary Bonds						
Parking System Revenue Bonds						
Florida International University						
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
2021	13,502	5,770	7,732	2,920	2,352	1.47
University of South Florida						
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
2021	9,216	7,886	1,330	2,665	273	0.45

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

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>						
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>						
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
2021	12,078	6,253	5,825	1,900	1,668	1.63
<i>Florida Atlantic University</i>						
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
2021	6,202	1,793	4,409	1,670	402	2.13
<i>University of Central Florida</i>						
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
2021	19,210	3,964	15,246	2,190	688	5.30
<i>Florida State University</i>						
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
2021	11,717	3,226	8,491	3,791	946	1.79

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						
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
2021	17,435	9,786	7,649	4,470	2,816	1.05
University of Florida						
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
2021	40,161	31,295	8,866	4,765	2,128	1.29
Florida Atlantic University						
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
2021	13,930	6,535	7,395	3,365	2,022	1.37
University of Central Florida						
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
2021	22,902	15,304	7,598	5,270	3,064	0.91

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

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						
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
2021	34,598	20,247	14,351	8,685	6,610	0.94
Student Health and Wellness Center Revenue Bonds University of Central Florida						
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
Florida State University						
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
2021	15,316	—	15,316	1,530	849	6.44
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
2021	4,348	—	4,348	540	521	4.10
Bookstore Revenue Bonds University of Central Florida						
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						
University of Florida						
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
2021	30,157	—	30,157	1,800	1,435	9.32
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
2021	4,656,544	—	4,656,544	12,015	10,329	208.41
GARVEE						
2020	1,993,118	—	1,993,118	5,230	4,005	215.83
2021	1,907,826	—	1,907,826	10,815	7,749	102.77
Water Pollution Control Bonds						
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
2021	75,116	—	75,116	26,165	4,658	2.44
Inland Protection Bonds						
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
2021	206,486	—	206,486	5,005	1,079	33.94
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
2021	200,000	—	200,000	2,875	5,707	23.31

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

⁽²⁾ Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.

⁽³⁾ Source: Department of Lottery, Audited Financial Statements.

⁽⁴⁾ Coverage shown based on maximum annual debt service of \$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.

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

**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.
2012	19,134,956	0.98%	313,830,990	0.73%	\$ 800,552	\$ 14,003,346
2013	19,337,590	1.06%	315,993,715	0.69%	802,976	14,189,228
2014	19,585,096	1.28%	318,301,008	0.73%	861,412	14,969,527
2015	19,879,230	1.50%	320,635,163	0.73%	919,835	15,681,233
2016	20,201,450	1.62%	322,941,311	0.72%	954,070	16,092,713
2017	20,524,865	1.60%	324,985,539	0.63%	1,023,131	16,845,028
2018	20,854,945	1.61%	326,687,501	0.52%	1,087,189	17,681,159
2019	21,189,849	1.61%	328,239,523	0.48%	1,139,799	18,402,004
2020	21,538,187	1.64%	331,501,080	0.99%	1,209,996	19,607,447
2021	21,898,945	1.67%	331,893,745	0.12%	1,315,865	21,040,471

⁽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 (December 2021)

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%	3,683,633	16.82%
15 - 24	1,942,430	12.15%	2,457,140	13.07%	2,604,496	11.89%
25 - 44	4,569,515	28.59%	4,720,799	25.11%	5,458,900	24.93%
45 - 64	3,628,573	22.70%	5,079,161	27.01%	5,595,866	25.55%
65 and Over	2,807,650	17.57%	3,259,602	17.34%	4,556,050	20.80%
Total	15,982,824	100.00%	18,801,310	100.00%	21,898,945	100.00%

Source: 2021 total population estimate adjusted by interpolated age percentages from Florida Population Studies, Bulletin 190, June 2021, University of Florida, Bureau of Economic and Business Research. Year 2000 Census data incorporates adjustments for age misreporting prepared by the University of Florida, Bureau of Economic and Business Research.

Per Capita Personal Income		Unemployment Rate ⁽¹⁾		Median Age	Public School Enrollment ⁽²⁾
Florida	U.S.	Florida	U.S.	Florida	Florida
\$ 41,837	\$ 44,621	8.6%	8.1%	41.0	2,667,830
41,524	44,904	7.5%	7.4%	41.1	2,691,322
43,983	47,029	6.4%	6.2%	41.3	2,720,074
46,271	48,907	5.5%	5.3%	41.5	2,756,127
47,228	49,832	4.9%	4.9%	41.6	2,791,244
49,848	51,833	4.2%	4.4%	41.6	2,817,076
52,131	54,123	3.6%	3.9%	41.7	2,833,115
53,790	56,063	3.3%	3.7%	41.7	2,846,857
56,179	59,147	7.7%	8.1%	41.8	2,858,949
60,088	63,395	4.7%	5.4%	41.9	2,791,687

**Industry Sector Employment
For Calendar Years 2020 and 2011
(in thousands)**

SCHEDULE D-2

Industry	Calendar Year 2020		Calendar Year 2011	
	Employment	Percentage of Total Employment ⁽¹⁾	Employment	Percentage of Total Employment ⁽¹⁾
Health Care and Social Assistance	1,142	13.33 %	954	13.00 %
Retail Trade	1,053	12.29 %	955	13.01 %
Accommodation and Food Services	818	9.55 %	768	10.46 %
Local Government	713	8.32 %	711	9.69 %
Administrative and Waste Services	641	7.48 %	517	7.04 %
Professional and Technical Services	601	7.01 %	442	6.02 %
Construction	561	6.55 %	336	4.58 %
Finance and Insurance	406	4.74 %	334	4.55 %
Manufacturing	377	4.40 %	313	4.26 %
Wholesale Trade	344	4.01 %	307	4.18 %
Total	6,656	77.68 %	5,637	76.80 %

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 2020, Florida's seasonally adjusted total nonagricultural employment was 8,492,000, a decrease of 554,000 jobs (-6.1 percent) over the year. Then industry losing the most jobs was leisure and hospitality which was down 271,900 jobs over the year. From February 2020 to April 2020, Florida lost 1,269,200 jobs due to the effects of COVID-19. From April 2020 to December 2020, Florida gained back 689,100 of the jobs lost. December labor statistics reflect the continued effects of COVID-19 and the efforts to reopen businesses and services.

⁽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:

	2020	2011
Total non-agricultural employment (in thousands)	8,499	7,255
Total agricultural employment (in thousands)	69	85
Total employment	8,568	7,340

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						
	2012	2013	2014	2015	2016	2017	2018
General Government	—	—	—	—	—	—	—
Education	—	—	—	—	—	—	—
Human Services	—	—	—	—	—	—	—
Criminal Justice and Corrections	—	—	—	—	—	—	—
Natural Resources and Environment	—	—	—	—	—	—	—
Transportation	—	—	—	—	—	—	—
Judicial Branch	—	—	—	—	—	—	—
Total	—						
Function (federal)							
Financial administration	16,778	25,974	25,856	25,596	25,713	25,906	25,869
Streets and highways	6,116	5,821	5,827	5,810	5,685	5,647	5,662
Public welfare	14,148	13,784	13,736	13,829	13,852	13,817	13,998
Police protection	5,201	5,181	5,314	5,395	5,306	5,384	5,452
Natural resources and environment	7,437	7,245	7,185	7,143	7,126	6,995	7,094
Health	15,437	14,957	14,414	13,448	13,418	13,104	13,156
Housing and community development ⁽¹⁾	39	87	44	42	78	73	79
Community development ⁽¹⁾	53	37	36	34	—	—	—
Criminal justice and corrections	35,875	25,524	24,114	25,376	24,661	24,858	25,174
Utility and transportation	270	269	259	257	245	253	246
Employee security	1,563	1,384	1,446	1,346	1,295	1,279	1,265
Education	2,251	2,184	2,147	2,185	2,109	2,090	2,094
Judicial branch	4,042	4,097	4,112	4,055	4,098	4,098	4,142
Other	2,698	999	1,025	1,020	782	1,002	974
Total	111,908	107,543	105,515	105,536	104,368	104,506	105,205

Note: FTE's are calculated based on a 40 hour work week. A numerical designator is based on 100% for a full-time employee (i.e., 1.00 point for a FTE working 40 hours). All others are 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 Annual Comprehensive Financial Report.

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

**Operating Indicators by Function
Last Ten Fiscal Years**

	Fiscal Year				
	2012	2013	2014	2015	2016
General Government					
Department of Revenue					
Total administered taxes (<i>in millions \$</i>)	31,989	34,659	41,095	43,589	44,528
Department of Management Services ⁽¹⁾					
Number of retired members covered	333,870	347,147	362,216	377,671	394,527
Education					
Universities					
University enrollments	329,737	334,989	337,750	341,044	345,672
Degrees awarded	79,323	81,260	83,001	84,445	86,118
Human Services					
Department of Health ⁽²⁾					
Number of live births	212,954	215,194	219,905	224,273	225,018
Number of deaths	175,849	180,014	185,038	191,488	197,236
Department of Children and Families					
Supplemental Nutrition Assistance Program (SNAP) recipients	3,326,637	3,581,136	3,565,520	3,693,396	3,597,030
SNAP households	1,815,239	1,962,933	1,946,026	2,029,951	1,971,469
Criminal Justice and Corrections					
Department of Corrections					
Inmate admissions	32,279	33,295	32,442	30,985	30,289
Community supervision admissions	90,880	88,819	86,369	83,064	83,176
Facility population	100,527	100,884	100,942	100,050	99,119
Natural Resources and Environment					
Department of Environmental Protection					
State park and trail visitations	24,983,179	25,575,794	27,170,451	31,108,245	31,840,658
Florida Fish and Wildlife Conservation Commission					
Fishing and hunting licenses ⁽³⁾	1,638,055	1,544,549	2,350,586	2,406,822	2,532,883
Transportation					
Department of Highway Safety & Motor Vehicles					
Registrations ⁽⁴⁾	20,024,942	20,259,599	21,357,026	22,695,334	22,546,058
Titles issued ⁽⁴⁾	5,039,215	5,362,575	6,014,150	6,615,964	6,098,475
Traffic crashes ⁽²⁾⁽⁵⁾	281,340	316,943	344,170	374,342	395,785
Department of Transportation ⁽²⁾					
Daily vehicle miles traveled (<i>in thousands</i>)	284,052	287,977	288,398	307,532	322,051
Judicial Branch					
Judicial Branch System					
Number of cases filed/added:					
Circuit criminal defendants	188,669	186,117	176,768	171,414	171,670
County criminal	367,478	361,046	355,981	341,499	317,587
County civil	477,024	438,963	417,323	431,868	428,401
Traffic	472,662	383,776	280,102	285,716	282,362
Family court	322,854	289,752	281,154	284,629	288,430
Circuit civil	305,732	294,124	198,856	181,222	176,740
Probate	101,606	107,144	114,024	115,746	118,989

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

⁽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				
2017	2018	2019	2020	2021
46,148	48,502	51,689	49,939	56,929
406,018	415,483	424,612	431,998	440,069
352,116	358,522	362,157	365,447	370,905
87,845	91,390	93,962	96,925	99,399
223,579	221,508	220,010	209,182	Unavailable
203,353	205,461	206,975	239,294	Unavailable
3,270,816	3,168,733	2,995,799	2,972,154	3,561,924
1,736,445	1,692,603	1,582,961	1,637,833	2,012,027
28,783	27,916	28,782	21,276	18,149
83,293	83,820	84,497	65,822	60,129
97,794	96,256	95,626	87,737	80,495
32,219,989	28,178,773	29,446,353	24,837,900	29,076,725
2,562,063	2,543,028	2,570,014	2,608,004	2,781,975
22,783,727	23,337,413	23,630,831	23,014,926	24,605,792
6,122,750	6,527,961	6,578,659	6,143,073	7,044,193
402,385	403,626	401,864	341,367	Unavailable
322,835	334,216	343,628	312,780	Unavailable
169,529	170,117	177,592	158,200	148,817
316,029	293,282	308,438	253,511	222,187
470,957	536,779	619,737	633,952	858,867
278,528	196,313	254,973	193,929	184,111
286,659	277,239	268,870	238,264	241,027
171,515	164,776	208,433	184,223	173,599
122,498	117,356	132,856	132,283	152,325

**Capital Assets by Function
Last Ten Fiscal Years**

	Fiscal Year				
	2012	2013	2014	2015	2016
<u>General Government</u>					
Department of Management Services					
Buildings ⁽¹⁾	86	88	88	90	91
<u>Education</u>					
Universities and colleges⁽²⁾					
Assignable square feet (in thousands)	54,890	56,277	57,938	58,122	61,706
<u>Human Services</u>					
Department of Health					
Buildings	73	36	38	38	36
Vehicles	323	315	378	353	369
Department of Children and Families					
Buildings	296	211	211	211	227
<u>Criminal Justice and Corrections</u>					
Department of Corrections					
Correctional institutions	63	55	56	55	56
Work camps, forestry camps	40	39	38	44	43
Work release centers	33	32	35	34	33
Other facilities	7	16	16	17	17
<u>Natural Resources and Environment</u>					
Division of Recreation and Parks					
Number of state parks, greenways, and trails	171	171	171	201	174
Acres of land owned	788,982	789,059	788,619	792,999	791,145
Department of Environmental Protection					
Acres of land owned ⁽³⁾	4,239,023	4,245,742	4,268,885	4,281,419	4,284,333
Florida Fish and Wildlife Conservation Commission					
Vehicles	1,876	1,637	1,800	1,835	1,787
<u>Transportation</u>					
Department of Transportation					
Highway lane miles	43,138	43,337	43,514	43,665	43,819
Vehicles	4,607	4,703	4,406	4,188	4,170
Buildings ⁽⁴⁾	391	385	383	417	571
<u>Judicial Branch</u>					
Judicial Branch System					
Machinery and equipment ⁽⁵⁾	9,199	10,495	10,656	12,295	12,949

⁽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 ACFR 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				
2017	2018	2019	2020	2021
91	91	72	72	72
62,210	62,786	63,056	63,779	65,183
34	34	36	36	34
370	367	371	365	377
227	227	227	223	223
57	57	57	57	57
42	41	41	41	40
32	29	30	30	30
17	17	17	17	16
174	175	175	175	175
790,852	793,882	796,021	797,181	798,140
4,319,159	4,345,489	4,377,710	4,428,156	4,475,967
2,050	2,050	2,050	2,042	2,042
44,064	44,311	44,701	45,031	45,146
4,170	4,145	4,004	4,004	3,788
478	435	471	214	215
12,659	12,505	11,651	14,192	14,911

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