



FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal year ended June 30, 2019

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

ACKNOWLEDGEMENTS

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SPECIAL APPRECIATION

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

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

STATE OF FLORIDA

COMPREHENSIVE

ANNUAL

FINANCIAL REPORT

Fiscal Year Ended June 30, 2019



Ron DeSantis
GOVERNOR

Jimmy Patronis
CHIEF FINANCIAL OFFICER

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION



February 21, 2020

Citizens of the State of Florida
The Honorable Ron DeSantis, Governor
The Honorable Bill Galvano, President of the Senate
The Honorable Jose R. Oliva, Speaker of the House of Representatives

To the Citizens of Florida, Governor DeSantis, President Galvano, and Speaker Oliva:

I am pleased to submit the State of Florida's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019, 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, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE STATE

Florida's Constitution divides the governmental structure of the state into three independent branches. The Legislative Branch has exclusive lawmaking power for the state. The Executive Branch, consisting of the Governor, Cabinet, and their agencies, administers the laws made by the Legislature. The Governor shares executive power and responsibility with the Cabinet, which is composed of the Attorney General, Chief Financial Officer, and Commissioner of Agriculture. The Judicial Branch interprets the law and applies the Constitution. The organizational chart following this letter provides an overview of the state's structure. Florida's government provides a range of services to its citizens including education, health and family services, transportation, public safety, law and corrections, natural resources and environmental protection.

The financial reporting entity of the state includes the primary government as well as component units for which the state is either financially accountable or a relationship exists with the state such that exclusion would cause the financial statements to be misleading. Refer to Note 1 to the financial statements for a listing of Florida's component units and the Financial Section of the report to obtain an overview of their financial positions.

Florida's budget is prepared using the processes set forth in Chapter 216, F.S. The major phases of the budget process are detailed in the Other Required Supplementary Information Section of this report. Florida law strictly prohibits overspending and requires budgetary control to be maintained at the individual appropriation account level.

ECONOMIC CONDITION

Florida marked the conclusion of its tenth consecutive year of positive growth in General Fund collections in June 2019. While the state's recovery from the Great Recession was protracted, most of the key measures of the Florida economy had returned to or surpassed their prior peaks by the close of the 2016-17 fiscal year and have now moved well beyond those levels. The drags—particularly construction—have proven to be more persistent than past events, but the strength in tourism is compensating for this, allowing overall healthy economic conditions to first be achieved three years ago and continue through today. In this regard, the state's Economic Estimating Conference confirmed in mid-December that Florida's overall economy improved as expected in the first half of the 2019-20 fiscal year, although modest slowing of economic growth is expected in the latter part of the 2020 calendar year. This is largely due to national events beyond the state's control and produces a u-shaped pattern, with some variables (primarily related to construction) exhibiting stronger growth rates in fiscal year 2019-20 than in 2020-21. The key drivers underlying the Florida-specific forecasts are discussed in greater detail below.

Notably, Florida's population growth and other key indicators continue to show strength. Florida's real Gross Domestic Product (GDP) in 2018 showed healthy growth of 3.2 percent, remaining above the national average for the sixth consecutive year. Newly released data for the second quarter (GDP for 2019:Q2) indicated some slowing in the current year, ranking Florida seventeenth in the nation in real growth and matching the national average (2.0 percent). The Economic Estimating Conference projects that Florida's GDP will grow 2.5 percent for the entire 2019-20 fiscal year, but continue slowing in the near term to 1.6 percent in the 2022-23 and 2023-24 fiscal years. In the longer term, growth is expected to average 2.0 percent per year. On the more real-time measure of personal income, the calendar year results were stronger: Florida ended 2018 with 6.2 percent growth over 2017—above the national growth rate of 5.6 percent. However, Florida's pace for the third quarter of 2019 (2019:Q3) sharply decelerated: Florida ranked 29th in the country with 3.5 percent growth over the prior quarter, which was below the reported growth of 3.8 percent for the United States as a whole. In the near term, the annual growth rates for the state are expected to drift from 5.1 percent (fiscal year 2019-20) down to 4.1 percent (2020-21 and 2022-23 fiscal years). In the longer term, growth is expected to average 4.3 percent per year. Underpinning the projected growth in personal income is continued population growth; these projections were slightly strengthened in December 2019 by the Demographic Estimating Conference. In addition, tourist visits continue to contribute strongly to Florida's economy. The Revenue Estimating Conference met in January in response to the new economic and population forecasts, indicating that the state's revenue collections for the General Fund are still expected to fall below the prior year by 0.5 percent this year; however, this is an improvement from the projected loss of 1.4 percent in August that was mostly caused by the loss of Indian Gaming revenue sharing. This improvement is largely related to the strength of collections in the first half of the fiscal year—some of which is not expected to continue through the remainder of the year.

The level of employment in Florida also continues to improve from the low levels of the Great Recession. For the third quarter of the 2019 calendar year, total non-farm employment stood at just over 9.0 million jobs. The forecast indicates that non-farm employment will add approximately 237,500 jobs during the course of the 2019-20 fiscal year, representing a 2.7 percent increase over the prior fiscal year. At 3.1 percent in November, Florida's unemployment rate was 0.4 percentage point below the national rate of 3.5 percent and matched the lowest unemployment rate ever achieved in Florida (March 2006). The Economic Estimating Conference believes Florida is now below the "full employment" unemployment rate (about 4.0 percent), and will stay there through the 2022-23 fiscal year.

While typical economic recoveries are led by increases in lending and housing construction; the recovery from the Great Recession has behaved differently in Florida. Overall, Florida's economic growth rates are healthy *in spite of* subdued construction activity, particularly in the residential sector. For now, tourism strength is overwhelming this persistent weakness. In the current forecast, tourism remains at record-breaking levels, while none of the key residential construction measures pass their prior peaks in the forecast horizon, an anticipated slowdown that has been built into all of the recent forecasts.

Even though it remains at relatively low levels, the construction sector is improving. Single-Family building permit activity, an indicator of new construction, remains in positive territory, with strong percentage growth rates in six of the last seven calendar years. Single family data was higher than the prior year by 20.3 percent in 2015, 11.1 percent in 2016, 13.5 percent in 2017, and 13.8 percent in 2018. Despite these strong percentage growth rates, the level is still low by historic standards—just over 63 percent of the long-run per capita level. The year-to-date data for the 2019 calendar year is showing marginal growth (4.1 percent)

compared to the recent past. The latest forecast calls for continuing improvement in these starts, reaching annual rates of 95.9 thousand units in the 2019-20 fiscal year and 95.9 thousand units in the 2020-21 fiscal year. To put these numbers in perspective, the peak year for single-family starts was the 2004-05 fiscal year at nearly 182 thousand units.

Because the most recent sales tax forecast relies heavily on strong tourism growth, the Legislative Office of Economic and Demographic Research (EDR) feels tourism-related revenue losses pose the greatest potential risk to the economic outlook in the near-term. In terms of magnitude, a recent study by EDR found an estimated 13.4 percent of the state's sales tax collections for the General Fund was directly attributable to purchases made by tourists. In the new forecast, meaningful improvement in the housing market is expected to continue to lag behind the rest of Florida's economy as homeownership rates remain low, mortgage rates increase, and housing affordability becomes a challenge. The latest downward revisions to the national economic forecast for many of these measures have further slowed the construction-related growth rates seen in Florida in the recent past. This means that tourism will need to continue its outsized performance in order for the broader economic measures to stay in normal territory.

According to the state's Long-Range Financial Outlook adopted in September 2019, the state is not anticipating a budget gap for the upcoming fiscal year, meaning the projected revenues should meet all anticipated needs. However, this assessment comes with one caveat. The projections for the subsequent years indicate that a structural imbalance is beginning to occur and that the Legislature will need to take future action to head it off. Of note, the nature of the problem has changed over the past year. In the 2018 Outlook, the recurring General Revenue demands exceeded the amount of recurring General Revenue available in the outer years. This year, there is no visible recurring issue, but the projected out-year deficits remain. In addition, the Long-Range Financial Outlook identifies potential future obligations of the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation as significant risks to the forecast. Refer to Note 14 to the financial statements for additional information related to the state's insurance enterprises.

ACKNOWLEDGEMENTS

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

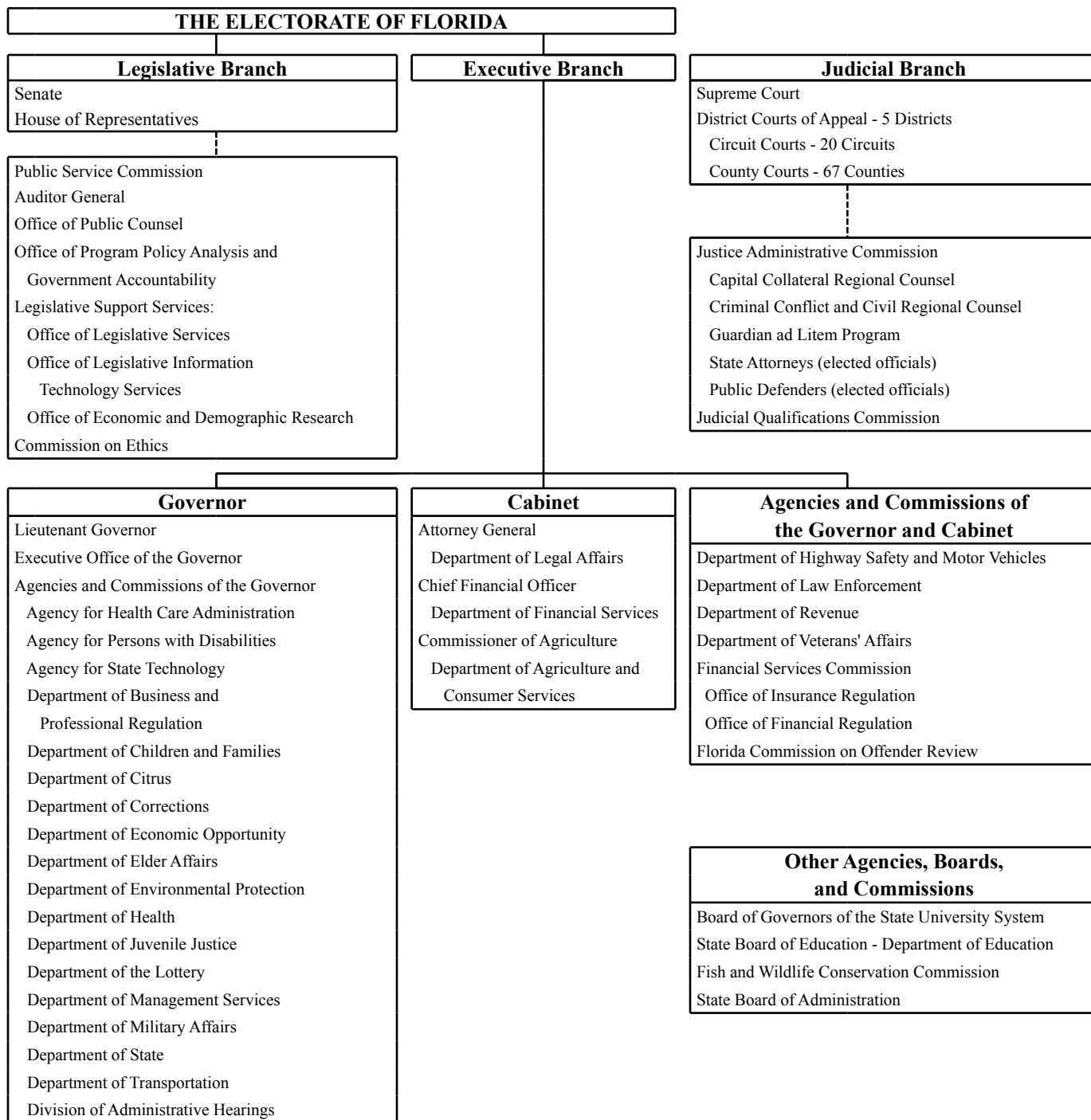
Sincerely,



Jimmy Patronis
Chief Financial Officer

JP:pjb

ORGANIZATION AT JUNE 30, 2019



PRINCIPAL OFFICIALS AT JUNE 30, 2019

Legislative Branch

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

Executive Branch

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

Judicial Branch

Charles T. Canady, Chief Justice

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FINANCIAL SECTION

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Sherrill F. Norman, CPA
Auditor General

AUDITOR GENERAL STATE OF FLORIDA

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Tallahassee, Florida 32399-1450



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

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida, as of and for the fiscal year ended June 30, 2019, 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 32 percent and 14 percent, respectively, of the assets and revenues of the business-type activities.
- The Florida Turnpike System, which represents 80 percent and 89 percent, respectively, of the assets and revenues of the Transportation major enterprise fund.
- The Hurricane Catastrophe Fund, which is a major enterprise fund and represents 30 percent and 12 percent, respectively, of the assets and revenues of the business-type activities.
- The College Savings Plan and the trust fund maintained by the State Board of Administration to account for the investments of the Public Employee Optional Retirement Program, which collectively represent 6 percent of the assets and 3 percent of the revenues/additions of the aggregate remaining fund information.
- The Florida Retirement System Trust Fund maintained by the State Board of Administration to account for the assets and investment income of the Florida Retirement System Defined Benefit Pension Plan which represent 91 percent and 47 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 62 percent and 33 percent, respectively, of the assets and revenues of the discretely presented component units.

The financial statements for the above-listed funds and entities were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for these funds and entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Florida, as of June 30, 2019, 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 and Note 10 to the financial statements, the State implemented Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is a change in accounting principle that provides for additional note disclosures. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, certain State universities' component units changed from the Financial Accounting Standards Board accounting and financial framework to the GASB accounting and financial framework. This affects the comparability of amounts reported by the State universities' component units for the 2018-19 fiscal year with amounts reported for the 2017-18 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 16 through 21 and the budgetary information, funding and contribution information for pension and other postemployment benefits, and information on infrastructure using the modified approach on pages 180 through 193 be presented to supplement the basic financial statements. Such information, although not

a part of the basic financial statements, is required by the GASB 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 197 through 315 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2020, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, administrative rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance. That report will be included as part of our separately issued report entitled *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards*.

Respectfully submitted,



Sherrill F. Norman, CPA
Tallahassee, Florida
February 21, 2020

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, 2019 (fiscal year 2018-19). Please read the MD&A in conjunction with the state's financial statements that are presented in the Financial Section of this Comprehensive Annual Financial Report (CAFR).

Financial Statements Overview

The state's basic financial statements are comprised of the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the state's overall financial condition. Changes in the state's financial position may be measured over time by increases and decreases in the Statement of Net Position. Information on how the state's net position changed during the fiscal year is presented in the Statement of Activities. Financial information for the state's component units is also presented.

Fund Financial Statements

Fund financial statements for governmental and proprietary funds focus on individual parts of the state, reporting the state's operations in more detail than the government-wide financial statements. Fund financial statements for fiduciary funds are also included to provide financial information related to the state's fiduciary activities.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the government-wide and fund financial statements. Refer to Note 1 to the financial statements for more information on the elements of the financial statements. Table 1 below summarizes the major features of the basic financial statements.

Table 1: Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire state government (except fiduciary funds) and the state's component units	Activities of the state that are not proprietary or fiduciary	Activities of the state that are operated similar to private businesses	Instances in which the state is the trustee or agent for someone else's resources
Required financial statements	<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, 2019, and 2018, derived from the government-wide Statement of Net Position. The state's net position at the close of the fiscal year was \$66.8 billion for governmental activities and \$30.8 billion for business-type activities which was a combined total of \$97.6 billion for the primary government. The three components of net position include net investments in capital assets; restricted; and unrestricted. The largest component, totaling \$83.8 billion as of June 30, 2019, 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 \$28.9 billion as of June 30, 2019. 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 \$16.2 billion at June 30, 2019. This deficit primarily results from education-related bonds for which the state is responsible for the liability while the related assets are owned by local school districts and are therefore not included in the state's financial statements. Refer to Note 8 to the financial statements, Governmental Activities – Unrestricted Net Position Deficit, for more information.

Business-type activities reflect a restricted net position of \$18.7 billion at June 30, 2019, a decrease of \$1.3 billion over the prior year. The decrease in the restricted net position over that reported in prior years is explained in the Major Fund Analysis, Proprietary Funds section that follows.

Table 2: Condensed Statement of Net Position

As of June 30

(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 29,069	\$ 26,811	\$ 41,489	\$ 40,642	\$ 70,558	\$ 67,453
Capital assets, net	78,538	76,037	14,141	13,493	92,679	89,530
Total assets	107,607	102,848	55,630	54,135	163,237	156,983
Total deferred outflows of resources	4,115	4,049	103	101	4,218	4,150
Other liabilities	3,889	4,027	3,764	3,481	7,653	7,508
Noncurrent liabilities	38,156	38,240	20,975	19,077	59,131	57,317
Total liabilities	42,045	42,267	24,739	22,558	66,784	64,825
Total deferred inflows of resources	2,854	2,135	220	208	3,074	2,343
Net position						
Net investments in capital assets	72,832	70,555	10,934	10,521	83,766	81,076
Restricted	10,232	9,627	18,702	19,962	28,934	29,589
Unrestricted	(16,241)	(17,687)	1,138	987	(15,103)	(16,700)
Total net position	\$ 66,823	\$ 62,495	\$ 30,774	\$ 31,470	\$ 97,597	\$ 93,965

Statement of Activities

Table 3 presents the state's Condensed Statement of Activities for fiscal year 2018-19 and fiscal year 2017-18, 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 \$3.6 billion. The net position of governmental activities increased by \$4.3 billion, and the net position of business-type activities decreased by \$696 million. The majority of the increase in total program expenses for governmental activities relates to a \$760 million increase in General Government expense after an offsetting \$1.1 billion increase and decrease in Education and Human Services expenses, respectively, while the largest increase in business-type activities expenses is the \$1.4 billion increase in Hurricane Catastrophe Fund 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	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 8,571	\$ 8,322	\$ 12,973	\$ 11,030	\$ 21,544	\$ 19,352
Operating grants and contributions	29,280	29,889	5	12	29,285	29,901
Capital grants and contributions	2,310	2,491	13	43	2,323	2,534
Total program revenues	40,161	40,702	12,991	11,085	53,152	51,787
General revenues and payments						
Sales and use tax	27,999	26,781	—	—	27,999	26,781
Other taxes	14,678	13,677	—	—	14,678	13,677
Investment earnings (loss)	662	231	13	4	675	235
Miscellaneous	—	—	3	3	3	3
Total general revenues and payments	43,339	40,689	16	7	43,355	40,696
Total revenues	83,500	81,391	13,007	11,092	96,507	92,483
Program expenses						
General government	7,881	7,121	—	—	7,881	7,121
Education	23,157	22,087	—	—	23,157	22,087
Human services	36,579	37,656	—	—	36,579	37,656
Criminal justice and corrections	4,829	4,641	—	—	4,829	4,641
Natural resources and environment	3,291	3,348	—	—	3,291	3,348
Transportation	4,394	4,384	774	656	5,168	5,040
Judicial branch	621	605	—	—	621	605
Lottery	—	—	5,234	4,956	5,234	4,956
Hurricane Catastrophe Fund	—	—	4,019	2,578	4,019	2,578
Prepaid College Program	—	—	1,016	50	1,016	50
Reemployment Assistance	—	—	386	451	386	451
Nonmajor enterprise funds	—	—	407	376	407	376
Indirect interest on long term debt	38	87	—	—	38	87
Total program expenses	80,790	79,929	11,836	9,067	92,626	88,996
Excess (deficiency) before gain (loss) and transfers	2,710	1,462	1,171	2,025	3,881	3,487
Gain (loss) on sale of capital assets	(290)	(49)	(2)	(6)	(292)	(55)
Transfers	1,865	1,087	(1,865)	(1,087)	—	—
Change in net position	4,285	2,500	(696)	932	3,589	3,432
Beginning net position, as restated (Note 1)	62,538	59,995	31,470	30,538	94,008	90,533
Ending net position	\$ 66,823	\$ 62,495	\$ 30,774	\$ 31,470	\$ 97,597	\$ 93,965

Major Fund Analysis

Governmental Funds

The state's governmental funds reported a combined ending fund balance of \$20.1 billion at June 30, 2019, a \$1.9 billion or 10.7 percent increase from the prior year. Revenues increased by \$2.1 billion or 2.6 percent, other financing sources and uses increased by \$360 million or 13.2 percent, and expenditures increased by \$1.0 billion or 1.2 percent. Overall increases in revenues and expenditures were primarily attributable to a rise in tax revenues.

Proprietary Funds

The state's proprietary funds report combined ending net position of \$30.8 billion at June 30, 2019, of which \$10.9 billion is the net investment in capital assets, and \$18.7 billion is restricted for specific purposes. The remaining \$1.1 billion was unrestricted and available for purposes of the various funds. Information is provided below regarding major funds with significant variances relative to the prior year.

Lottery – This fund reported a net position of \$85 million at June 30, 2019, an increase of \$36 million or 75.3 percent. Revenues increased by \$488 million or 7.3 percent while expenses and operating transfers out increased by \$446 million or 6.6 percent. Revenues increased as result of an increase on ticket sales, prompted by higher jackpots and introduction of new games during the fiscal year. The increase in expenses and operating transfers out were due to higher ticket sales, which increased related prize expense and transfers to the Educational Enhancement Trust Fund. Also, the increase in net position was due to an increase in the market value of investments.

Hurricane Catastrophe Fund – The net position at June 30, 2019, totaled \$10.3 billion, a decrease of \$2.4 billion or 18.99 percent. Revenues increased by \$312 million or 23.8 percent while expenses and operating transfers out increased by \$1.4 billion or 55.8 percent. The decrease in net position was primarily due to a \$1.6 billion increase for the recorded loss reserves for Hurricanes Irma and Michael. Revenues increased over the prior year, primarily due to a \$327 million increase in investment income. This increase mainly resulted from changes made to the Fund's guidelines allowing for longer investment maturities.

Prepaid College Program – The net position at June 30, 2019, totaled \$3.7 billion, an increase of \$747 million or 25.3 percent. Revenues increased by \$1.1 billion or 176.9 percent while expenses increased by \$967 million or 1,948.0 percent. The increase in net position was primarily due to an increase in the market value of invested assets. The increase in revenues was primarily due to an increase in investment income from the fixed income investments and increase in the actuarial determination of the present value of future contract premiums, both resulted from a declining treasury rate environment. Expenses increased over the prior year primarily because of an increase in actuarial determination of the present value of future benefit payments, also as a result of a declining treasury rate environment.

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 \$706 million increase between the original and final estimated revenues. Final budgeted total expenditures increased by \$899 million from the original budget. Variances between the original and final budget or between the final budgeted and actual amounts are not expected to significantly affect future services or liquidity. For additional information on the budget variances, refer to the Budgetary Comparison Schedule for the General Fund in the Other Required Supplementary Information section of the CAFR.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

At June 30, 2019, the state reported \$78.5 billion in net capital assets for governmental activities and \$14.1 billion in net capital assets for business-type activities. Net capital assets for governmental and business-type activities increased from fiscal year 2017-18 to fiscal year 2018-19 by approximately 3.5 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 \$14.8 billion. Construction commitments by other state agencies for major projects including office buildings and correctional facilities increased by \$16 million compared to the prior year. Refer to Note 5 to the financial statements for information on capital assets and Note 7 to the financial statements for information on construction commitments.

Long-term Debt Activity

Total bonded debt outstanding decreased by \$915 million, or approximately 4.7 percent, from the prior fiscal year to a total of \$18.7 billion at June 30, 2019 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 (\$9.8 billion), the Florida Hurricane Catastrophe Fund (\$2.2 billion) and transportation (\$5.1 billion). New and refinanced bonded debt issues for 2019 totaled \$2.5 billion. Public-

Private Partnership (PPP) contracts outstanding increased from the prior year by \$222 million or 8.3 percent to a total of \$2.9 billion. The annual debt service requirements decreased from \$2.3 billion in 2018 to \$2.0 billion in 2019. The decrease in debt service in Fiscal Year 2019 reflected the impact of PPP payments. The annual debt service is projected to increase to approximately \$2.3 billion through Fiscal Year 2022, then decrease to approximately \$1.9 billion in Fiscal Year 2023, reflecting the payment obligations for the PPP I-395 and I-4 Projects.

Pursuant to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, the State of Florida recorded \$7.7 billion in pension liabilities for the defined benefit plans it administers for the fiscal year ended June 30, 2019. The \$7.7 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 \$7.8 billion in other postemployment benefit liabilities for the fiscal year ended June 30, 2019. This resulted in a decrease of \$192 million or 2.4 percent. (See Note 6 to the Financial Statements for further information.)

The state maintained its credit ratings during the past year. During the fiscal year ended June 30, 2019, 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 improved in Fiscal Year 2019 to 4.64 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 2019 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 2018-19 show that the roadways and bridges of the State Highway System are being maintained at or near FDOT standards. These condition assessments were consistent with condition assessments conducted during past years. In addition, FDOT makes annual estimates of the amounts that must be expended to maintain the roadways and bridges included on the State Highway System at the predetermined condition levels. These estimates are based on the FDOT five-year plan that is revised as projects are added, deleted, adjusted, or postponed. Refer to the Other Required Supplementary Information of the CAFR for information on FDOT's established condition standards, recent condition assessments, and other information on infrastructure reported on the modified approach.

Economic Factors

General Fund tax collections for the fiscal year ended June 30, 2019, came in 5.8 percent higher than the prior fiscal year, the highest level of growth seen since fiscal year 2012-13 when an unexpected large payment from the National Mortgage Settlement Agreement boosted collections. Ten years after the back-to-back negative growth rates seen during the collapse of the housing boom and entry into the Great Recession, Florida has left its long recovery period behind and returned to normalcy on nearly every measure. However, the growth in final collections going forward will be negatively affected by the loss of the Indian Gaming revenue share payment. The last payment was received from the Seminole Tribe in April 2019. This means that the growth rate for fiscal year 2018-19 is at the top-end of the range moving toward the 3.5 percent annual growth projected for the long-run.

Most (59.0 percent) of the year-over-year net increase in General Fund receipts (total revenue minus refunds) came from gains in sales tax collections. For fiscal year 2018-19, this revenue source noticeably increased its dominant share of the fund, ending the year with 67.9 percent of total revenue received. As the economy remained strong with gains in the state's Gross Domestic Product and personal income over the prior year, signs of a fully recovered economy were clear in the widespread improvement across all areas of sales tax collections (nondurables, tourism and recreation, autos and accessories, other durables, building investment and business investment). Total sales tax liability grew a solid 5.3 percent from fiscal year 2017-18 to fiscal year 2018-19. This equates to \$1.40 billion in growth for this source, with nearly \$1.25 billion flowing through to the General Fund.

Including sales tax, just over three-fourths of the state's general revenue sources posted gains over the prior year, with a few continuing to make progress against strong headwinds. In this respect, several key revenue sources have continued to track the ebb and flow of the state's one lagging sector, the construction industry. Among them, documentary stamp and intangibles tax collections predominantly rely on activity in the state's real estate market. After the end of the housing boom in 2005-06, Florida's sizable inventory of unsold homes, home prices discounted for quick sale, and towering foreclosures hindered a return to normal conditions in the real-estate market. Thirteen years after the boom's peak, each metric still has a unique story to tell. For statewide existing single-family home sales and their associated median sales price, the magnitude of the growth was uneven with sales growing 3 percent and the median price growing 4.4 percent. This divergence is expected to be even greater in the 2019-20 fiscal year (8.7 percent and 2.8 percent, respectively). The results also remained in positive territory for single-family private housing starts (up 6.7 percent) and total construction expenditures (up 2.8 percent), with the expected growth in both categories softening in fiscal year 2019-20. However, with the major drivers all showing gains in fiscal year 2018-19, total documentary stamp taxes grew 5.2 percent. This growth brought documentary stamp taxes to 65.3 percent of their prior peak in fiscal year 2005-06. Reflecting a slightly different aspect of the market, intangibles tax collections, which entirely benefit the General Fund, strengthened as refinancing activity responded to low interest rates, ultimately posting a 3.8 percent gain over the prior year. Overall, the collection levels are still low by historic standards for the two sources, sometimes distorting the magnitude of percentage changes.

As a result of the federal law changes passed as part of the Tax Cuts and Jobs Act of 2017 and the Bipartisan Budget Act of 2018, Florida saw significantly higher collections from its Corporate Income Tax during fiscal year 2018-19. Corporate Income Tax receipts exceeded the monthly estimates adopted by the state's Revenue Estimating Conference in eleven of the twelve months in the fiscal year, making this source the state's second strongest contributor to real revenue growth. Moving well above their prior peak collection level in fiscal year 2006-07, corporate income tax receipts (prior to refunds) posted 30.1 percent growth over fiscal year 2017-18. After accounting for corporate refunds, net collections had even stronger growth of 31.4 percent. In anticipation of the higher collection rate resulting from the federal legislation, the Florida Legislature passed Chapter 2018-119, L.O.F. (HB 7093) which had the practical effect of retroactively reducing the tax rate for taxable years beginning on or after January 1, 2019, if net collections exceed forecasted collections by at least seven percent during fiscal year 2018-2019. The provisions in this bill were only effective for one year, but the Legislature has since extended these provisions to additional years.

At the end of the 2018-19 state fiscal year, net General Fund collections were \$507.2 million above the estimate for the year, a gain of 1.5 percent and over the plus or minus one percent range the Conference usually attributes to statistical noise. However, this was largely due to the induced outsized performance of the Corporate Income Tax. Removing Corporate Income Tax from the calculation shows that the state otherwise would have had its fourth consecutive year of ending the fiscal year within one percent of the estimate, signaling the underlying stability in the economy. Further, General Fund sources collectively performed better than the class of total revenue for the state. Including federal dollars and state trust funds, total revenue increased by 7.4 percent over this period.

The Revenue Estimating Conference last met in January 2020 to revise the General Fund forecast for fiscal years 2019-20 and 2020-21. The near-term National and Florida Economic Forecasts were weaker in several key areas compared to August; however, revenue collections had run above monthly estimates by a combined \$414.9 million since the last conference. Focusing on the year-to-date gains to the forecast, anticipated revenues were revised upward by \$306.0 million in fiscal year 2019-20 and by \$86.0 million in fiscal year 2020-21, for a two-year total of \$392.0 million, a change of less than one percent (0.9%) in fiscal year 2019-20 and less than one-half of one percent (0.3%) in fiscal year 2020-21. The relatively small size of the increase recognizes that there is an elevated level of risk to any forecast due to the mature stage of the current economic expansion and geopolitical pressures to global growth.

As a buffer against future financial shocks, the latest General Revenue Outlook shows that there will be just over \$1.934 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 \$1.574 billion on June 30, 2020. The fund cash balance is now at the highest recorded level in its history. The other source most frequently mentioned as part of the state's informal reserve system is the Lawton Chiles Endowment Fund (LCEF). The LCEF had an estimated market value of \$812.0 million as of October 31, 2019, bringing the total of all reserves to nearly \$4.320 billion or 13.0 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 2019, the state is not anticipating a budget gap for the upcoming fiscal year, meaning the projected revenues should meet all anticipated needs. However, this assessment comes with one caveat. The projections for the subsequent years indicate that a structural imbalance is beginning to occur and that the Legislature will need to take future action. Of note, the nature of the problem has changed over the past year. In the 2018 Outlook, the recurring General Revenue demands exceeded the amount of recurring General Revenue available in the outer years. This year, there is no visible recurring issue, but the projected out-year deficits remain.

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, 2019
(in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and cash equivalents	\$ 68,612	\$ 58,004	\$ 126,616	\$ 1,392,113
Pooled investments with State Treasury	17,874,236	5,872,638	23,746,874	3,612,950
Other investments	1,423,804	30,894,069	32,317,873	17,236,742
Receivables, net	5,674,941	1,973,391	7,648,332	1,951,973
Internal balances	267,940	(267,940)	—	—
Due from component units/primary	13,253	548	13,801	525,680
Inventories	56,278	7,511	63,789	93,489
Restricted cash and cash equivalents	—	—	—	580,495
Restricted pooled investments with State Treasury	—	193,162	193,162	691,027
Restricted investments	—	606,975	606,975	6,722,177
Advances to other entities	771,274	—	771,274	—
Other loans and notes receivable, net	2,915,917	2,108,683	5,024,600	2,210,946
Other assets	2,285	42,399	44,684	690,251
Capital assets, net	78,538,185	14,141,072	92,679,257	25,816,463
Total assets	107,606,725	55,630,512	163,237,237	61,524,306
DEFERRED OUTFLOWS OF RESOURCES				
Accum. decrease in fair value - hedging derivatives	—	—	—	65,951
Grants paid in advance	71,500	—	71,500	33
Amount deferred on refunding of debt	99,784	27,553	127,337	29,882
Pension-related items	3,646,468	64,748	3,711,216	1,766,282
Other postemployment benefits	296,906	10,618	307,524	69,426
Asset retirement obligations	—	—	—	9,184
Total deferred outflows of resources	4,114,658	102,919	4,217,577	1,940,758
LIABILITIES				
Accounts payable and accrued liabilities	2,759,078	1,544,328	4,303,406	2,455,701
Due to other governments	—	7,437	7,437	—
Due to component units/primary	71,715	190	71,905	96,642
Obligations under security lending agreements	1,057,677	2,212,526	3,270,203	—
Obligations under reverse repurchase agreements	—	—	—	170
Long-term liabilities				
Due within one year	4,624,468	5,121,120	9,745,588	2,024,858
Due in more than one year	33,531,568	15,854,278	49,385,846	16,224,090
Total liabilities	42,044,506	24,739,879	66,784,385	20,801,461
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement receipts	—	141,507	141,507	116,783
Accum. increase in fair value - hedging derivatives	—	—	—	3,101
Grants received in advance	—	—	—	3,723
Amount deferred on refunding of debt	91,930	16,864	108,794	2,572
Pension-related items	1,061,455	18,245	1,079,700	418,613
Other postemployment benefits liability	1,700,165	43,347	1,743,512	568,930
Irrevocable split-interest agreements	—	—	—	56,129
Total deferred inflows of resources	2,853,550	219,963	3,073,513	1,169,851
NET POSITION				
Net investments in capital assets	72,831,994	10,933,870	83,765,864	21,732,858
Restricted for				
Natural resources, environment, and growth management	3,895,031	—	3,895,031	—
Public Education	533,623	—	533,623	—
Health and Family Services	1,759,456	—	1,759,456	—
Transportation	1,742,579	432,848	2,175,427	—
Nonmajor governmental funds	1,451,488	—	1,451,488	—
Debt service	80,368	—	80,368	131,712
Lottery	—	130,558	130,558	—
Prepaid College Program	—	3,700,748	3,700,748	—
Hurricane Catastrophe Fund	—	10,288,180	10,288,180	—
Reemployment Assistance	—	4,144,120	4,144,120	—
Other	769,906	5,744	775,650	7,748,209
Funds held for permanent endowment				
Expendable	—	—	—	1,142,921
Nonexpendable	—	—	—	3,592,331
Unrestricted	(16,241,118)	1,137,521	(15,103,597)	7,145,721
Total net position	\$ 66,823,327	\$ 30,773,589	\$ 97,596,916	\$ 41,493,752

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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	\$ 7,880,707	\$ 5,150,621	\$ 2,087,716	\$ 21,003	\$ (621,367)
Education	23,156,683	351,836	2,593,379	674	(20,210,794)
Human services	36,578,683	2,043,492	22,955,734	9,710	(11,569,747)
Criminal justice and corrections	4,829,124	274,257	128,152	224	(4,426,491)
Natural resources and environment	3,291,238	398,537	1,502,522	9,186	(1,380,993)
Transportation	4,393,614	252,861	10,744	2,269,237	(1,860,772)
Judicial branch	621,300	98,834	1,321	—	(521,145)
Indirect interest on long-term debt	37,977	—	—	—	(37,977)
Total governmental activities	80,789,326	8,570,438	29,279,568	2,310,034	(40,629,286)
Business-type activities:					
Transportation	774,282	1,278,487	—	17	504,222
Lottery	5,233,699	7,197,221	—	—	1,963,522
Hurricane Catastrophe Fund	4,019,088	1,618,782	—	—	(2,400,306)
Prepaid College Program	1,016,432	1,762,853	—	—	746,421
Reemployment Assistance	386,497	583,516	4,523	—	201,542
Nonmajor enterprise funds	406,593	532,419	663	12,886	139,375
Total business-type activities	11,836,591	12,973,278	5,186	12,903	1,154,776
Total primary government	\$ 92,625,917	\$ 21,543,716	\$ 29,284,754	\$ 2,322,937	\$ (39,474,510)
Component units					
Florida Housing Finance Corporation	\$ 184,235	\$ 149,150	\$ —	\$ —	\$ (35,085)
University of Florida	5,919,440	3,913,302	1,075,673	98,828	(831,637)
Citizens Property Insurance Corporation	967,082	624,562	—	—	(342,520)
Nonmajor component units	13,156,419	3,547,089	4,036,288	697,943	(4,875,099)
Total component units	\$ 20,227,176	\$ 8,234,103	\$ 5,111,961	\$ 796,771	\$ (6,084,341)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net (expense) revenue	\$ (40,629,286)	\$ 1,154,776	\$ (39,474,510)	\$ (6,084,341)
General revenues:				
Taxes				
Sales and use tax	27,999,274	—	27,999,274	—
Fuel taxes	3,254,839	—	3,254,839	—
Corporate income tax	3,114,711	—	3,114,711	—
Documentary stamp tax	2,648,213	—	2,648,213	—
Intangible personal property tax	386,168	—	386,168	—
Communications service tax	941,415	—	941,415	—
Beverage and tobacco taxes	1,445,638	—	1,445,638	—
Insurance premium tax	1,178,214	—	1,178,214	—
Gross receipts utilities tax	806,447	—	806,447	—
Property taxes	—	—	—	491,802
Other taxes	902,273	—	902,273	—
Investment earning (loss)	661,924	13,106	675,030	808,941
Gain (loss) on sale of capital assets	(289,470)	(2,494)	(291,964)	(5,668)
Payments from the State of Florida	—	—	—	4,642,182
Emergency assessments	—	81	81	—
Miscellaneous	—	2,810	2,810	870,770
Transfers	1,864,750	(1,864,750)	—	—
Contributions to permanent funds	—	—	—	98,818
Total general revenues, transfers and contributions	44,914,396	(1,851,247)	43,063,149	6,906,845
Changes in net position	4,285,110	(696,471)	3,588,639	822,504
Net position - beginning, as restated (Note 1)	62,538,217	31,470,060	94,008,277	40,671,248
Net position - ending	\$ 66,823,327	\$ 30,773,589	\$ 97,596,916	\$ 41,493,752

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 197.

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019
(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	\$ 17,020	\$ 2,004	\$ 2	\$ 5,920
Pooled investments with State Treasury	7,619,088	2,317,940	1,046,751	1,904,805
Other investments	1,079,266	—	—	—
Receivables, net	2,099,799	224,618	64,915	2,059,544
Due from other funds	167,183	29,473	98,797	189,677
Due from component units/primary	281	483	11,814	—
Inventories	8,908	767	—	36,787
Other	2,022	—	—	—
Total current assets	10,993,567	2,575,285	1,222,279	4,196,733
<u>Noncurrent assets</u>				
Long-term investments	—	—	—	—
Advances to other funds	1,125	—	—	—
Advances to other entities	4,936	1,159	764,161	—
Other loans and notes receivable, net	5,030	1,575,035	1,535	23,511
Total noncurrent assets	11,091	1,576,194	765,696	23,511
Total assets	11,004,658	4,151,479	1,987,975	4,220,244
DEFERRED OUTFLOWS OF RESOURCES				
Grants paid in advance	—	—	—	—
Total deferred outflows of resources	—	—	—	—
Total assets and deferred outflows	11,004,658	4,151,479	1,987,975	4,220,244
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	628,562	54,127	8,957	565,493
Due to other funds	412,311	26,026	3,668	25,625
Due to component units/primary	8,852	28,418	23,252	8,515
Compensated absences	8,956	1,843	117	1,680
Claims payable	202,160	—	—	998,234
Deposits	6,716	7,825	11,245	95
Obligations under security lending agreements	776,638	64,236	43,400	3,305
Total current liabilities	2,044,195	182,475	90,639	1,602,947
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	972,968	—
Deposits	—	—	—	—
Total noncurrent liabilities	—	—	972,968	—
Total liabilities	2,044,195	182,475	1,063,607	1,602,947
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	138,656	914	—	804,627
Total deferred inflows of resources	138,656	914	—	804,627
FUND BALANCES				
Nonspendable	15,768	767	—	36,787
Restricted	55,171	2,644,571	1,395,685	193,224
Committed	1,274,538	1,322,752	349,733	1,582,659
Unassigned	7,476,330	—	(821,050)	—
Total fund balances	8,821,807	3,968,090	924,368	1,812,670
Total liabilities, deferred inflows and fund balances	\$ 11,004,658	\$ 4,151,479	\$ 1,987,975	\$ 4,220,244

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

Transportation	Nonmajor Governmental Funds	Totals 6/30/19
\$ 2,639	\$ 29,150	\$ 56,735
2,236,251	2,095,530	17,220,365
—	211,290	1,290,556
445,697	651,047	5,545,620
189,844	145,980	820,954
—	7	12,585
7,226	2,590	56,278
8	255	2,285
2,881,665	3,135,849	25,005,378
—	84,068	84,068
90,779	—	91,904
1,018	—	771,274
526,357	784,449	2,915,917
618,154	868,517	3,863,163
3,499,819	4,004,366	28,868,541
71,500	—	71,500
71,500	—	71,500
3,571,319	4,004,366	28,940,041
780,231	294,919	2,332,289
48,810	190,528	706,968
—	2,655	71,692
2,863	861	16,320
—	5,626	1,206,020
557,430	152,511	735,822
83,200	63,367	1,034,146
1,472,534	710,467	6,103,257
—	698	973,666
—	16,678	16,678
—	17,376	990,344
1,472,534	727,843	7,093,601
356,205	424,875	1,725,277
356,205	424,875	1,725,277
7,234	7,118	67,674
50	1,759,182	6,047,883
1,735,296	1,085,348	7,350,326
—	—	6,655,280
1,742,580	2,851,648	20,121,163
\$ 3,571,319	\$ 4,004,366	\$ 28,940,041

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**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION
JUNE 30, 2019
(in thousands)**

Total fund balances for governmental funds	\$	20,121,163
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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	20,101,360	
Nondepreciable infrastructure	51,084,214	
Buildings, equipment and other depreciable assets	6,924,433	
Accumulated depreciation	(4,588,913)	
Construction work in progress	<u>4,047,000</u>	
		77,568,094

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

Compensated absences	(719,836)	
Installment purchases/capital leases/public-private partnership agreements	(2,698,817)	
Claims payable	(1,932,706)	
Bonds payable	(13,488,365)	
Certificates of participation payable	(69,115)	
Pension liability	(7,482,908)	
Other postemployment benefits	(7,500,953)	
Due to other governments	(378,248)	
Other	<u>(13,052)</u>	
		(34,284,000)

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.	12,345
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Deferred amounts for pension-related items are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources (to be amortized as pension expense) but are not reported in the funds.	2,552,988
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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.	(1,386,163)
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Accrued interest payable on bonds that is not recognized on the fund statements but is recognized on the Statement of Net Position.	(36,226)
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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.	1,725,277
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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.	<u>549,849</u>
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Net position of governmental activities	<u>\$</u>	<u>66,823,327</u>
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The notes to the financial statements are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services
REVENUES				
Taxes	\$ 37,333,820	\$ 324,429	\$ 1,148,404	\$ 670,752
Licenses and permits	532,363	51,888	1,229	35,430
Fees and charges	1,597,796	169,026	60,433	1,417,868
Grants and donations	17,740	235,821	2,389,033	23,089,875
Investment earnings (losses)	536,802	86,824	112,151	4,920
Fines, forfeits, settlements and judgments	342,050	4,037	184,227	63,137
Other	45,143	3,954	14,224	574,111
Total revenues	40,405,714	875,979	3,909,701	25,856,093
EXPENDITURES				
Current:				
General government	4,453,684	20,979	—	155,761
Education	17,214,551	—	5,368,572	—
Human services	8,978,150	—	—	27,000,694
Criminal justice and corrections	3,837,422	—	—	—
Natural resources and environment	613,276	1,116,732	—	—
Transportation	177,657	—	—	—
Judicial branch	452,529	—	—	—
Capital outlay	83,569	63,871	555	10,838
Debt service:				
Principal retirement	10,416	—	—	2,650
Interest and fiscal charges	4,301	—	—	—
Total expenditures	35,825,555	1,201,582	5,369,127	27,169,943
Excess (deficiency) of revenues over expenditures	4,580,159	(325,603)	(1,459,426)	(1,313,850)
OTHER FINANCING SOURCES (USES)				
Proceeds of bond issues	2,513	—	156,091	—
Proceeds of refunding bonds	—	—	—	—
Proceeds of financing agreements	—	—	—	—
Operating transfers in	827,726	1,055,588	2,471,950	1,637,290
Operating transfers out	(3,725,995)	(310,713)	(1,272,220)	(419,895)
Payments to refunded bond agent	—	—	—	—
Total other financing sources (uses)	(2,895,756)	744,875	1,355,821	1,217,395
Net change in fund balances	1,684,403	419,272	(103,605)	(96,455)
Fund balances - beginning	7,137,404	3,548,818	1,027,973	1,909,125
Fund balances - ending	\$ 8,821,807	\$ 3,968,090	\$ 924,368	\$ 1,812,670

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

Transportation	Nonmajor Governmental Funds	Totals 6/30/19
\$ 2,934,122	\$ 272,889	\$ 42,684,416
14,500	1,586,188	2,221,598
425,167	709,879	4,380,169
2,317,192	3,329,843	31,379,504
82,540	97,692	920,929
3,396	511,815	1,108,662
13,276	62,855	713,563
5,790,193	6,571,161	83,408,841
208,222	2,906,821	7,745,467
—	220,882	22,804,005
—	434,622	36,413,466
—	614,168	4,451,590
—	1,385,068	3,115,076
4,055,066	143	4,232,866
—	87,585	540,114
3,002,964	128,575	3,290,372
205,894	1,097,945	1,316,905
31,679	614,415	650,395
7,503,825	7,490,224	84,560,256
(1,713,632)	(919,063)	(1,151,415)
264,100	203,249	625,953
—	1,229,094	1,229,094
429,892	—	429,892
1,760,763	3,283,653	11,036,970
(699,441)	(2,565,690)	(8,993,954)
—	(1,229,094)	(1,229,094)
1,755,314	921,212	3,098,861
41,682	2,149	1,947,446
1,700,898	2,849,499	18,173,717
\$ 1,742,580	\$ 2,851,648	\$ 20,121,163

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**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, 2019
(in thousands)**

Net change in fund balance - total governmental funds	\$	1,947,446
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.		(43,632)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful lives of the assets and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation in the current period.		
Capital outlay expenditures	3,290,372	
Capital asset transfers, net	(174,302)	
Depreciation expense	(285,825)	
		2,830,245
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.		(345,879)
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.		73,142
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Decrease in compensated absences	8,904	
Decrease in accrued interest	8,056	
Decrease in claims payable	53,877	
Increase in other postemployment benefits	(227,638)	
Increase in net pension related items	(460,082)	
Decrease in due to other governments	18,818	
Increase in other liabilities	(625)	
		(598,690)
The incurrence of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayments of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, deferred amounts on refundings when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Bond proceeds	(625,953)	
Refunding bond proceeds	(1,229,094)	
Financing agreement proceeds	(429,892)	
Repayment of bonds	1,097,394	
Repayment of capital leases/installment purchase contracts	219,512	
Payment to refunded bond escrow agent	1,229,094	
Amortization of bond premium	190,046	
Amortization of amount deferred on refunding of debt	(11,309)	
Accrued interest payable at refunding	(17,320)	
		422,478
Change in net position of governmental activities	\$	4,285,110
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 237.

Internal Service Funds

Internal service funds are presented on page 243.

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
ASSETS					
Current assets					
Cash and cash equivalents	\$ 3,717	\$ 330	\$ —	\$ 8,168	\$ 131
Pooled investments with State Treasury	1,186,734	209,882	—	—	4,077,539
Other investments	—	—	6,274,667	2,698,603	—
Receivables, net	67,857	55,245	996,401	601,778	93,408
Due from other funds	124,737	—	—	3,156	488
Due from component units/primary	—	—	—	—	358
Inventories	6,301	1,209	—	—	—
Other	—	2,256	6	—	—
Total current assets	1,389,346	268,922	7,271,074	3,311,705	4,171,924
Noncurrent assets					
Restricted pooled investments with State Treasury	141,717	51,445	—	—	—
Restricted investments	305,199	301,776	—	—	—
Long-term investments	—	—	9,535,563	12,308,680	—
Other loans and notes receivable, net	75,182	—	—	2,030,004	—
Capital assets					
Land and other non-depreciable assets	1,219,254	3,887	—	—	—
Non-depreciable infrastructure	10,326,312	—	—	—	—
Buildings, equipment, and other depreciable assets	1,542,448	13,547	106	132	—
Accumulated depreciation	(460,064)	(10,264)	(48)	(61)	—
Construction work in progress	1,371,755	—	—	—	—
Other	—	33,745	—	—	—
Total noncurrent assets	14,521,803	394,136	9,535,621	14,338,755	—
Total assets	15,911,149	663,058	16,806,695	17,650,460	4,171,924
DEFERRED OUTFLOWS OF RESOURCES					
Amount deferred on refunding of debt	27,553	—	—	—	—
Pension-related items	—	10,582	760	1,280	—
Other postemployment benefits	—	1,386	51	31	—
Total deferred outflows of resources	27,553	11,968	811	1,311	—
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	74,129	9,819	866,547	523,272	19,301
Accrued prize liability	—	190,301	—	—	—
Due to other governments	—	—	—	—	7,437
Due to other funds	97,019	75,548	283	3,974	1,066
Due to component units/primary	—	—	—	—	—
Compensated absences	—	765	83	92	—
Installment purchases/capital leases	1,647	—	—	—	—
Bonds payable	—	—	550,000	—	—
Bonds payable from restricted assets	138,575	—	—	—	—
Deposits	99,699	—	—	—	—
Claims payable	—	—	3,450,132	—	—
Obligations under security lending agreements	58,331	11,530	—	2,127,637	—
Certificates of participation payable	—	—	—	—	—
Tuition and housing benefits payable	—	—	—	644,981	—
Pension liability	—	151	9	13	—
Other postemployment benefits	—	556	7	8	—
Total current liabilities	469,400	288,670	4,867,061	3,299,977	27,804
Noncurrent liabilities					
Advances from other funds	90,706	—	—	—	—
Accrued prize liability	—	238,132	—	—	—
Bonds payable	2,706,343	—	1,650,000	—	—
Certificates of participation payable	—	—	—	—	—
Installment purchases/capital leases	213,594	—	—	—	—
Deposits	302	—	—	—	—
Compensated absences	—	2,849	175	309	—
Tuition and housing benefits payable	—	—	—	10,647,912	—
Pension liability	—	21,858	1,412	2,010	—
Other postemployment benefits liability	—	29,862	403	465	—
Other	—	—	—	—	—
Total noncurrent liabilities	3,010,945	292,701	1,651,990	10,650,696	—
Total liabilities	3,480,345	581,371	6,519,051	13,950,673	27,804
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	141,507	—	—	—	—
Amount deferred on refunding of debt	16,864	—	—	—	—
Pension-related items	—	2,878	134	176	—
Other postemployment benefits	—	6,214	83	103	—
Total deferred inflows of resources	158,371	9,092	217	279	—
NET POSITION					
Net investment in capital assets	10,808,309	7,170	58	71	—
Restricted for Reemployment Assistance	—	—	—	—	4,144,120
Restricted for Lottery	—	130,558	—	—	—
Restricted for Hurricane Catastrophe Fund	—	—	10,288,180	—	—
Restricted for Prepaid College Program	—	—	—	3,700,748	—
Restricted for Transportation	432,848	—	—	—	—
Restricted - other	—	—	—	—	—
Unrestricted	1,058,829	(53,165)	—	—	—
Total net position	\$ 12,299,986	\$ 84,563	\$ 10,288,238	\$ 3,700,819	\$ 4,144,120

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

Nonmajor Enterprise Funds	Totals 6/30/19	Internal Service Funds
\$ 45,658	\$ 58,004	\$ 11,877
398,483	5,872,638	653,871
7,510	8,980,780	49,180
23,168	1,837,857	44,355
12,830	141,211	14,889
190	548	668
1	7,511	—
<u>1,513</u>	<u>3,775</u>	<u>—</u>
489,353	16,902,324	774,840
—	193,162	—
—	606,975	—
69,046	21,913,289	—
3,497	2,108,683	—
—	1,223,141	319
—	10,326,312	—
159,533	1,715,766	1,579,863
(71,845)	(542,282)	(622,435)
46,380	1,418,135	12,344
<u>4,879</u>	<u>38,624</u>	<u>—</u>
211,490	39,001,805	970,091
<u>700,843</u>	<u>55,904,129</u>	<u>1,744,931</u>
—	27,553	3,755
52,126	64,748	44,534
<u>9,150</u>	<u>10,618</u>	<u>5,184</u>
61,276	102,919	53,473
47,196	1,540,264	232,017
—	190,301	—
—	7,437	—
9,085	186,975	25,221
190	190	23
5,730	6,670	2,661
15,536	17,183	3,596
—	550,000	15,060
—	138,575	—
18,885	118,584	177,344
—	3,450,132	—
15,028	2,212,526	23,531
—	—	25,845
—	644,981	—
928	1,101	483
<u>3,022</u>	<u>3,593</u>	<u>1,664</u>
115,600	9,068,512	507,445
—	90,706	500
—	238,132	—
—	4,356,343	178,298
—	—	326,661
—	213,594	5,548
49,602	49,904	—
14,131	17,464	9,638
—	10,647,912	—
111,147	136,427	88,026
162,599	193,329	89,404
<u>1,173</u>	<u>1,173</u>	<u>—</u>
338,652	15,944,984	698,075
<u>454,252</u>	<u>25,013,496</u>	<u>1,205,520</u>
—	141,507	—
—	16,864	8,246
15,057	18,245	12,509
<u>36,947</u>	<u>43,347</u>	<u>22,280</u>
52,004	219,963	43,035
118,262	10,933,870	416,121
—	4,144,120	—
—	130,558	—
—	10,288,180	—
—	3,700,748	—
—	432,848	—
5,744	5,744	49,444
<u>131,857</u>	<u>1,137,521</u>	<u>84,284</u>
\$ 255,863	\$ 30,773,589	\$ 549,849

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program
OPERATING REVENUES				
Sales - nonstate	\$ 25,399	\$ 7,157,163	\$ 1,052,027	\$ 415,250
Change in actuarial value of contract premiums	—	—	—	209,216
Fees	1,175,814	—	—	2,154
Sales - state	—	—	43	225
Rents and royalties - nonstate	9,126	560	—	—
Rents - state	—	—	—	—
Fines, forfeits, settlements and judgments	1,787	144	—	—
Other	—	—	—	—
Total operating revenues	1,212,126	7,157,867	1,052,070	626,845
OPERATING EXPENSES				
Benefit payments	—	—	—	—
Payment of lottery winnings	—	4,638,488	—	—
Commissions on lottery sales	—	398,162	—	—
Contractual services	529,145	145,855	4,214	400,428
Change in actuarial value of contract benefit payments	—	—	3,950,000	560,298
Insurance claims expense	—	—	—	—
Personal services	19,591	31,273	1,782	2,362
Depreciation	90,697	1,078	14	22
Materials and supplies	21,572	2,015	9	33
Repairs and maintenance	—	636	—	7
Basic services	—	4,402	260	198
Interest and fiscal charges	—	—	1	24
Total operating expenses	661,005	5,221,909	3,956,280	963,372
Operating income (loss)	551,121	1,935,958	(2,904,210)	(336,527)
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	17	—	—	—
Investment earnings (losses)	64,829	39,338	566,712	1,136,008
Interest and fiscal charges	(113,201)	(11,789)	(62,808)	(53,060)
Fines, forfeits, judgments and settlements	1,144	—	1,460	197
Property disposition gain (loss)	(3,297)	5	—	—
Grant expense and client benefits	—	—	—	—
Emergency assessment funds received	—	—	81	—
Other	3,561	16	—	—
Total nonoperating revenues (expenses)	(46,947)	27,570	505,445	1,083,145
Income (loss) before transfers and contributions	504,174	1,963,528	(2,398,765)	746,618
Operating transfers in	85,675	—	—	—
Operating transfers out	(50,103)	(1,927,200)	(13,500)	—
Capital contributions	174,296	—	—	—
Change in net position	714,042	36,328	(2,412,265)	746,618
Total net position - beginning	11,585,944	48,235	12,700,503	2,954,201
Total net position - ending	\$ 12,299,986	\$ 84,563	\$ 10,288,238	\$ 3,700,819

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

Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/19	Internal Service Funds
\$ —	\$ 124,240	\$ 8,774,079	\$ 41,589
—	—	209,216	—
477,904	261,091	1,916,963	4
—	42,059	42,327	2,566,223
—	1	9,687	3
—	158	158	145,374
—	12,146	14,077	13
—	67,981	67,981	19,745
477,904	507,676	11,034,488	2,772,951
350,116	—	350,116	—
—	—	4,638,488	—
—	—	398,162	—
—	145,871	1,225,513	572,477
—	—	4,510,298	—
—	—	—	2,088,624
—	208,837	263,845	110,516
—	8,624	100,435	37,584
—	6,143	29,772	6,888
—	1,625	2,268	2,106
—	29,173	34,033	8,230
—	3,420	3,445	609
350,116	403,693	11,556,375	2,827,034
127,788	103,983	(521,887)	(54,083)
4,523	13,550	18,090	8
103,174	17,311	1,927,372	28,195
—	(847)	(241,705)	(24,717)
—	9	2,810	—
—	(6)	(3,298)	(295)
—	(1,276)	(1,276)	—
—	—	81	—
(33,945)	(763)	(31,131)	2
73,752	27,978	1,670,943	3,193
201,540	131,961	1,149,056	(50,890)
2,565	25,702	113,942	25,502
(11,699)	(131,269)	(2,133,771)	(18,397)
—	6	174,302	153
192,406	26,400	(696,471)	(43,632)
3,951,714	229,463	31,470,060	593,481
\$ 4,144,120	\$ 255,863	\$ 30,773,589	\$ 549,849

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Transportation	Lottery	Hurricane Catastrophe Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,210,169	\$ 7,154,287	\$ 1,042,150
Cash paid to vendors	(564,699)	(550,630)	(4,419)
Cash paid to employees	(19,496)	(28,851)	(1,616)
Cash received/(paid) for grants	—	—	—
Lottery prizes	—	(4,634,368)	—
Cash paid for insurance claims	—	—	(2,396,503)
Reemployment assistance	—	—	—
Net cash provided (used) by operating activities	625,974	1,940,438	(1,360,388)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	135,627	(1,919,930)	(13,501)
Advances from or repayment from other funds	18,338	—	—
Advances, grants or loans (to) from or repayment from others	(75,919)	—	—
Payment of bonds or loans (principal and interest)	—	—	(564,261)
Cash received from noncapital grants or donations	—	—	—
Emergency assessment funds received	—	—	(27)
Net cash provided (used) by noncapital financing activities	78,046	(1,919,930)	(577,789)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Cash received from the issuance of debt	321,274	—	—
Cash received from capital grants and donations	17	—	—
Payment of bond principal	(145,485)	—	—
Payment of principal on installment purchase/capital lease	—	—	—
Payment of interest on bonds/installment purchase/capital lease	(127,822)	—	—
Purchase or construction of capital assets	(476,743)	(1,256)	(67)
Line of credit draws/(payments)	—	—	—
Net cash provided (used) by capital and related financing activities	(428,759)	(1,256)	(67)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	(17,770)	(4,865)	—
Proceeds from the sale or maturity of investments	2,698,498	21,955	83,859,426
Cash paid to grand prize winners upon maturity of grand prize investments	—	(21,955)	—
Investment earnings	63,202	12,533	285,292
Purchase of investments	(2,750,844)	—	(82,210,483)
Net cash provided (used) by investing activities	(6,914)	7,668	1,934,235
Net increase (decrease) in cash and cash equivalents	268,347	26,920	(4,009)
Cash and cash equivalents - beginning	1,063,821	234,737	4,009
Cash and cash equivalents - ending	\$ 1,332,168	\$ 261,657	\$ —

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

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/19	Internal Service Funds
\$ 562,046	\$ 461,891	\$ 420,784	\$ 10,851,327	\$ 2,772,893
(545,023)	—	(188,597)	(1,853,368)	(570,580)
(2,059)	—	(185,749)	(237,771)	(101,098)
—	—	68,216	68,216	—
—	—	—	(4,634,368)	—
—	—	—	(2,396,503)	(2,060,028)
—	(347,154)	—	(347,154)	—
14,964	114,737	114,654	1,450,379	41,187
—	(9,136)	(106,995)	(1,913,935)	6,451
—	—	—	18,338	—
—	—	(1,355)	(77,274)	—
—	—	—	(564,261)	—
—	4,523	663	5,186	8
—	—	—	(27)	—
—	(4,613)	(107,687)	(2,531,973)	6,459
—	—	—	321,274	—
—	—	12,881	12,898	—
—	—	(13,160)	(158,645)	(84,016)
—	—	—	—	(3,864)
—	—	—	(127,822)	(30,491)
(27)	—	(32,429)	(510,522)	(12,733)
—	—	2,716	2,716	—
(27)	—	(29,992)	(460,101)	(131,104)
2,341	—	(9,270)	(29,564)	(18,042)
12,460,513	—	123,781	99,164,173	—
—	—	—	(21,955)	—
155,003	103,174	16,493	635,697	26,153
(12,635,702)	—	(124,076)	(97,721,105)	—
(17,845)	103,174	6,928	2,027,246	8,111
(2,908)	213,298	(16,097)	485,551	(75,347)
11,076	3,864,372	460,238	5,638,253	741,095
\$ 8,168	\$ 4,077,670	\$ 444,141	\$ 6,123,804	\$ 665,748

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)
Reconciliation of operating income (loss) to net cash
provided (used) by operating activities

	Transportation	Lottery	Hurricane Catastrophe Fund
Operating income (loss)	\$ 551,121	\$ 1,935,958	\$ (2,904,210)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	90,697	1,078	14
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(56,416)	(4,572)	(10,095)
(Increase) decrease in due from other funds	52,001	—	—
Increase (decrease) in allowance for uncollectibles	—	1,035	562
(Increase) decrease in inventories	562	65	—
(Increase) decrease in future contract premiums and other receivables	—	—	—
(Increase) decrease in other noncurrent assets	—	(7,069)	—
Increase (decrease) in accounts payable	781	(301)	(293)
Increase (decrease) in compensated absences	—	(129)	31
Increase (decrease) in due to other funds	(16,710)	—	—
Increase (decrease) in tuition and housing benefits payable	—	—	—
Increase (decrease) in other noncurrent liability	—	—	—
(Increase) decrease in deposits and prepaid items	—	633	—
Increase (decrease) in unearned revenue	3,938	—	—
Increase (decrease) in prize liability	—	11,189	—
Increase (decrease) in pension liability and deferrals	—	1,511	114
Increase (decrease) in OPEB liability and deferrals	—	1,040	20
Increase (decrease) in claims payable	—	—	1,553,469
Net cash provided (used) by operating activities	\$ 625,974	\$ 1,940,438	\$ (1,360,388)
Noncash investing, capital, and financing activities			
Borrowing under capital lease or installment purchase	\$ 58,333	\$ —	\$ —
Change in fair value of investments	25,479	18,466	153,700
Contribution of capital assets	8,901	—	—
Other noncash items	35,081	—	—

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

Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds	Totals 6/30/19	Internal Service Funds
\$ (336,527)	\$ 127,788	\$ 103,983	\$ (521,887)	\$ (54,083)
22	—	8,624	100,435	37,584
(4,283)	(14,769)	(6,087)	(96,222)	(17,908)
(3,150)	(51)	672	49,472	8,801
—	(110)	6,560	8,047	271
—	—	2	629	—
(209,216)	—	(389)	(209,605)	—
—	—	(48)	(7,117)	—
3,594	1,857	5,650	11,288	50,377
72	—	500	474	(864)
3,918	22	(270)	(13,040)	(28)
560,298	—	—	560,298	—
—	—	276	276	—
3	—	(17,990)	(17,354)	—
—	—	(2,053)	1,885	8,326
—	—	—	11,189	—
215	—	9,744	11,584	5,953
18	—	5,480	6,558	2,758
—	—	—	1,553,469	—
\$ 14,964	\$ 114,737	\$ 114,654	\$ 1,450,379	\$ 41,187

\$ —	\$ —	\$ —	\$ 58,333	\$ —
669,740	—	7,341	874,726	12,079
—	—	—	8,901	—
—	—	(561)	34,520	—

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FIDUCIARY FUND FINANCIAL STATEMENTS

PRIVATE-PURPOSE TRUST FUNDS

Individual fund descriptions and financial statements begin on page 251.

PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS

Individual fund descriptions and financial statements begin on page 257.

INVESTMENT TRUST FUNDS

Individual fund descriptions and financial statements begin on page 263.

AGENCY FUNDS

Individual fund descriptions and financial statements begin on page 267.

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019
(in thousands)

	Private- Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Agency Funds	Totals 6/30/19
ASSETS					
Cash and cash equivalents	\$ 4,713	\$ 105,937	\$ 978,084	\$ 77,850	\$ 1,166,584
Pooled investments with State Treasury	416,626	137,314	492,871	1,102,404	2,149,215
Total cash and cash equivalents	421,339	243,251	1,470,955	1,180,254	3,315,799
Investments					
Certificates of deposit	—	324,980	3,104,293	—	3,429,273
U.S. government & federally guaranteed obligations	53,925	14,083,952	—	809,571	14,947,448
Federal agencies	74,626	8,455,145	—	—	8,529,771
Commercial paper	—	3,121,322	4,462,148	—	7,583,470
Repurchase agreements	—	800,000	2,275,096	—	3,075,096
Bonds and notes	103,704	9,383,712	37,022	—	9,524,438
International bonds and notes	23,810	2,070,560	—	—	2,094,370
Real estate contracts	—	12,095,897	—	—	12,095,897
Mutual fund investments	12,404	11,342,787	—	—	11,355,191
Money market and short-term investments	120,950	1,279,279	671,599	—	2,071,828
Domestic equity	307,912	48,634,097	—	—	48,942,009
Alternative investments	—	27,784,000	—	—	27,784,000
International equity	63,219	32,486,898	—	—	32,550,117
International equity commingled	—	8,401,273	—	—	8,401,273
Deferred compensation annuities	—	16,430	—	—	16,430
Self-directed brokerage investments	—	700,874	—	—	700,874
Other investments	—	23,895	—	100	23,995
Total investments	760,550	181,005,101	10,550,158	809,671	193,125,480
Receivables					
Accounts receivable	3,429	39,680	—	556,163	599,272
State contributions receivable	—	11,931	—	—	11,931
Nonstate contributions receivable	—	315,960	—	—	315,960
Interest receivable	6,159	158,135	15,286	6,284	185,864
Dividends receivable	1,075	249,428	—	—	250,503
Pending investment sales	17,168	2,669,415	—	92,676	2,779,259
Foreign currency contracts receivable	112	93,339	—	—	93,451
Due from state funds	4,107	64,821	—	154,117	223,045
Due from other governments	5,564	—	—	—	5,564
Total receivables	37,614	3,602,709	15,286	809,240	4,464,849
Security lending collateral	—	505,785	—	—	505,785
Advances to other funds	972,968	—	—	—	972,968
Advances to other entities	38,205	—	—	—	38,205
Capital assets	290	1,278	—	—	1,568
Accumulated depreciation	(230)	(757)	—	—	(987)
Other assets	2,158	7,716	27	—	9,901
Total assets	2,232,894	185,365,083	12,036,426	2,799,165	202,433,568
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related items	2,421	152	—	—	2,573
Other postemployment benefits	102	854	—	—	956
Total deferred outflows of resources	2,523	1,006	—	—	3,529
LIABILITIES					
Accounts payable and accrued liabilities	6,573	133,404	690	608,258	748,925
Due to other funds	4,711	68,315	94	207,815	280,935
DROP	—	265,706	—	—	265,706
Pending investment purchases	50,644	4,194,975	114,576	—	4,360,195
Short sell obligations	—	224,059	—	—	224,059
Foreign currency contracts payable	112	93,326	—	—	93,438
Broker rebate fees	—	2,076	—	—	2,076
Due to other governments	3,023	—	—	809,028	812,051
Obligations under security lending agreements	17,597	538,078	22,047	10,240	587,962
Claims payable	128	—	—	19,511	19,639
Deposits payable	24,245	11,705	—	1,144,207	1,180,157
Compensated absences	576	1,025	—	—	1,601
Other liabilities	—	—	—	106	106
Pension liability	2,628	346	—	—	2,974
Other postemployment benefits liability	4,468	13,682	—	—	18,150
Total liabilities	114,705	5,546,697	137,407	2,799,165	8,597,974
DEFERRED INFLOWS OF RESOURCES					
Pension-related items	245	279	—	—	524
Other postemployment benefits	1,112	2,708	—	—	3,820
Total deferred inflows of resources	1,357	2,987	—	—	4,344
NET POSITION					
Restricted for pension benefits and other purposes	\$ 2,119,355	\$ 179,816,405	\$ 11,899,019	\$ —	\$ 193,834,779

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, 2019
(in thousands)

	Private- Purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investments Trust Funds	Totals 6/30/19
ADDITIONS				
Contributions and other deposits				
Pension fund employer contributions - state	\$ —	\$ 740,158	\$ —	\$ 740,158
Pension fund employer contributions - nonstate	—	3,366,351	—	3,366,351
Pension fund employee contributions	—	1,052,062	—	1,052,062
Other contributions	—	178,672	—	178,672
Purchase of time by employees	—	6,234	—	6,234
Fees	3,595	1,848	—	5,443
Grants and contributions	141,138	—	—	141,138
Flexible benefits contributions	—	407,540	—	407,540
Fines, forfeits, settlements and judgments	173	—	5,146	5,319
Unclaimed property remittances	538,653	—	—	538,653
Receivership assets acquired	22,661	—	—	22,661
Transfers in from state funds	1,760	664,452	—	666,212
Total contributions and other deposits	707,980	6,417,317	5,146	7,130,443
Investment income				
Interest income	27,170	1,415,362	287,930	1,730,462
Dividends	7,684	1,973,708	—	1,981,392
Other investment income (loss)	(250)	2,249,814	—	2,249,564
Net increase (decrease) in fair market value	25,413	5,125,551	590	5,151,554
Total investment income (loss)	60,017	10,764,435	288,520	11,112,972
Investment activity expense	(3,013)	(596,884)	(3,995)	(603,892)
Net income (loss) from investing activity	57,004	10,167,551	284,525	10,509,080
Security lending activity				
Security lending income	—	68,289	—	68,289
Security lending expense	—	(37,155)	—	(37,155)
Net income from security lending	—	31,134	—	31,134
Total net investment income (loss)	57,004	10,198,685	284,525	10,540,214
Other additions	3,097	22,023	—	25,120
Total additions	768,081	16,638,025	289,671	17,695,777
DEDUCTIONS				
Benefit payments	—	12,445,946	—	12,445,946
Insurance claims expense	49,503	7,867	—	57,370
Supplemental insurance payments	—	91,322	—	91,322
Flexible reimbursement payments	—	23,049	—	23,049
Life insurance premium payments	—	32,853	—	32,853
Remittances to annuity companies	—	205,597	—	205,597
Program contribution refunds	—	18,326	—	18,326
Interest expense	361	2	—	363
Student loan default payments	54,032	—	—	54,032
Payments to unclaimed property claimants	316,778	—	—	316,778
Distribution to State School Fund	182,718	—	—	182,718
Administrative expense	22,470	24,781	53	47,304
Property disposition gain (loss)	2	—	—	2
Transfers out to state funds	3,620	692,884	—	696,504
Other deductions	51,494	9	—	51,503
Total deductions	680,978	13,542,636	53	14,223,667
Depositor activity				
Deposits	36,197	—	22,988,687	23,024,884
Withdrawals	(23,284)	—	(20,985,862)	(21,009,146)
Excess (deficiency) of deposits over withdrawals	12,913	—	2,002,825	2,015,738
Change in net position	100,016	3,095,389	2,292,443	5,487,848
Net position - beginning	2,019,339	176,721,016	9,606,576	188,346,931
Net position - ending	\$ 2,119,355	\$ 179,816,405	\$ 11,899,019	\$ 193,834,779

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 273.

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STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2019
(in thousands)

	Florida Housing Finance Corporation	University of Florida	Citizens Property Insurance Corporation	Nonmajor Component Units	Totals 6/30/19
ASSETS					
Cash and cash equivalents	\$ 184,943	\$ 247,468	\$ 439,080	\$ 520,622	\$ 1,392,113
Pooled investments with State Treasury	1,029,119	961,611	—	1,622,220	3,612,950
Other investments	1,490,300	1,285,064	8,623,059	5,838,319	17,236,742
Receivables, net	187,915	637,176	141,392	985,490	1,951,973
Due from component units/primary	—	101,158	—	424,522	525,680
Inventories	—	58,246	—	35,243	93,489
Restricted cash and cash equivalents	—	98,614	8,381	473,500	580,495
Restricted pooled investments with State Treasury	—	156,939	—	534,088	691,027
Restricted investments	—	2,572,446	—	4,149,731	6,722,177
Other loans and notes receivable, net	2,080,536	27,717	—	102,693	2,210,946
Other assets	1,676	217,601	7,748	463,226	690,251
Capital assets, net	—	3,740,867	5,922	22,069,674	25,816,463
Total assets	4,974,489	10,104,907	9,225,582	37,219,328	61,524,306
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value-hedging derivatives	—	51,006	—	14,945	65,951
Grants paid in advance	—	—	—	33	33
Amount deferred on refunding of debt	—	295	—	29,587	29,882
Pension-related items	—	381,083	—	1,385,199	1,766,282
Other postemployment benefits	—	17,993	—	51,433	69,426
Asset retirement obligations	—	9,184	—	—	9,184
Total deferred outflows of resources	—	459,561	—	1,481,197	1,940,758
LIABILITIES					
Accounts payable and accrued liabilities	51,740	571,396	812,517	1,020,048	2,455,701
Due to component units/primary	—	44,392	—	52,250	96,642
Obligations under reverse repurchase agreements	—	—	—	170	170
Long-term liabilities					
Due within one year	248,177	236,881	838,916	700,884	2,024,858
Due in more than one year	2,051,510	3,355,849	1,511,916	9,304,815	16,224,090
Total liabilities	2,351,427	4,208,518	3,163,349	11,078,167	20,801,461
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	—	—	—	116,783	116,783
Accum. increase in fair value-hedging derivatives	—	3,101	—	—	3,101
Grants received in advance	—	—	—	3,723	3,723
Amount deferred on refunding of debt	—	2,325	—	247	2,572
Pension-related items	—	87,794	—	330,819	418,613
Other postemployment benefits	—	217,048	—	351,882	568,930
Irrevocable split-interest agreements	—	19,140	—	36,989	56,129
Total deferred inflows of resources	—	329,408	—	840,443	1,169,851
NET POSITION					
Net investment in capital assets	—	2,399,220	5,922	19,327,716	21,732,858
Restricted for					
Debt service	—	5,575	—	126,137	131,712
Other	2,463,234	480,035	8,381	4,796,559	7,748,209
Funds held for permanent endowment					
Expendable	—	561,490	—	581,431	1,142,921
Nonexpendable	—	1,362,686	—	2,229,645	3,592,331
Unrestricted	159,828	1,217,536	6,047,930	(279,573)	7,145,721
Total net position	\$ 2,623,062	\$ 6,026,542	\$ 6,062,233	\$ 26,781,915	\$ 41,493,752

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

STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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	\$ 184,235	\$ 149,150	\$ —	\$ —	\$ (35,085)
University of Florida	5,919,440	3,913,302	1,075,673	98,828	—
Citizens Property Insurance Corporation	967,082	624,562	—	—	—
Nonmajor component units	13,156,419	3,547,089	4,036,288	697,943	—
Total component units	<u>\$ 20,227,176</u>	<u>\$ 8,234,103</u>	<u>\$ 5,111,961</u>	<u>\$ 796,771</u>	<u>(35,085)</u>
<u>General revenues</u>					
Property taxes					—
Investment earnings (losses)					—
Gain (loss) on sale of capital assets					—
Payments from the State of Florida					—
Miscellaneous					160,090
Contributions to permanent funds					—
Total general revenues and contributions					<u>160,090</u>
Change in net position					125,005
Net position - beginning, as restated (Note 1)					<u>2,498,057</u>
Net position - ending					<u>\$ 2,623,062</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 6/30/19
\$ —	\$ —	\$ —	\$ (35,085)
(831,637)	—	—	(831,637)
—	(342,520)	—	(342,520)
—	—	(4,875,099)	(4,875,099)
(831,637)	(342,520)	(4,875,099)	(6,084,341)
—	—	491,802	491,802
273,335	65,882	469,724	808,941
2,063	—	(7,731)	(5,668)
801,475	—	3,840,707	4,642,182
74,696	—	635,984	870,770
53,828	—	44,990	98,818
1,205,397	65,882	5,475,476	6,906,845
373,760	(276,638)	600,377	822,504
5,652,782	6,338,871	26,181,538	40,671,248
\$ 6,026,542	\$ 6,062,233	\$ 26,781,915	\$ 41,493,752

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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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:

- CareerSource Florida, Inc.
- Corrections Foundation, Inc.
- Florida Board of Governors
- Florida Citrus Commission (Department of Citrus)
- Florida Clerks of Court Operations Corporation
- Florida Commission on Community Service (Volunteer Florida)
- Florida Department of Transportation Financing Corporation
- Florida Engineers Management Corporation
- Florida Intergovernmental Relations Foundation*
- Florida Prepaid College Board
- Florida School for the Deaf and the Blind
- Florida Surplus Lines Service Office
- Florida Water Pollution Control Financing Corporation
- Inland Protection Financing Corporation
- Prescription Drug Monitoring Program Foundation*
- Scripps Florida Funding Corporation
- Space Florida
- State Board of Administration (SBA)
- State Board of Education (SBE)
- Wireless Emergency Telephone System

Blended component units that are considered major funds are reported in separate columns in the fund financial statements. Other blended component units that are considered non-major funds are reported with other funds in the appropriate columns in the fund financial statements. In addition, the financial data for some blended component units are reported in more than one fund type, some of which are considered major and others that are considered non-major. Refer to Section D of this note for more information on the determination criteria for major funds and a list of major funds and fund types.

* The state's financial statements do not include amounts relating to these component units. The assets of these component units at June 30, 2019, are approximately \$1,584,332.

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, 2019. 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 2018-19 fiscal year between the University of Florida and the state totaled \$875 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 2018-19 fiscal year between the Florida Housing Finance Corporation and the state included revenues of state documentary stamp taxes totaling \$312.8 million and transfers to state agencies of \$154.4 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 Birth-Related Neurological Injury Compensation Plan
- Florida Board of Governors Foundation, Inc.*
- Florida Concrete Masonry Education Council*
- Florida Corrections Accreditation Commission, Inc.*
- Florida Education Foundation, Inc.*
- Florida Education Fund, Inc.
- Florida Fund for Minority Teachers, Inc.*
- Florida Healthy Kids Corporation
- Florida Is For Veterans, Inc.*
- Florida Mobile Home Relocation Corporation*
- Florida Patient's Compensation Fund
- Florida State Fair Authority
- Florida Telecommunications Relay, Inc.*

- Florida Tourism Industry Marketing Corporation, Inc.
- Florida Veterans Foundation, Inc.*
- Florida Virtual School
- Forestry Arson Alert Association, Inc.*
- Friends of Florida State Forests, Inc.*
- Higher Educational Facilities Financing Authority
- Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE)
- South Florida Regional Transportation Authority
- The Florida College System Foundation, Inc.*
- The Florida Endowment Foundation for Vocational Rehabilitation, Inc.
- Triumph Gulf Coast, Inc.
- Wildlife Alert Reward Association*
- Wildlife Foundation of Florida, Inc.*

* The state's financial statements do not include amounts relating to several component units. The assets and revenues relating to these component units totaled \$112 million and \$35 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., provided for the creation of an interstate administrative agency to promote interstate comity, remove causes of present and future controversies, equitably apportion the surface waters of the ACFRB, and engage in water planning. Operational funding required by the Commission is equally shared among the party states.

Board of Control for Southern Regional Education. Section 1000.32, F.S., promotes the development and maintenance of regional education services and facilities in the southern states to provide greater educational advantages and facilities for the citizens in the region. The states established a joint agency called the Board of Control for Southern Regional Education to submit plans and recommendations to the states from time to time for their approval and adoption by appropriate legislative action for the development, establishment, acquisition, operation, and maintenance of educational facilities in the region.

Regional Planning Councils. Sections 186.501 through 186.513, F.S., the "Florida Regional Planning Council Act," provide for the creation of regional planning agencies to assist local governments in resolving their common problems. The regional planning councils are designated as the primary organizations to address problems and plan solutions that are of greater-than-local concern or scope. Participants in these councils are required by statutes to contribute to the support of these programs.

Southern States Energy Compact. Section 377.711, F.S., enacted this compact into law joining the State of Florida and other states to recognize that the proper employment and conservation of energy, and the employment of energy-related facilities, materials, and products can assist substantially in the industrialization of the South and the development of a balanced economy in the region. The State of Florida appropriates funds to support Florida's participation in the compact.

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

Related Organizations

Organizations for which the state is accountable because the state appoints a voting majority of the board, but for which the state is not financially accountable, are deemed "related organizations." The state's related organizations include certain transportation authorities, hospital districts, port authorities, aviation authorities and a financing corporation. The state is not financially accountable for any of these organizations; therefore, applicable financial data is not included in the state's financial statements.

Contact

Financial statements of the component units that issue separate statements and other financial statement-related information may be obtained from:

Department of Financial Services
Bureau of Financial Reporting
Statewide Financial Reporting Section
200 East Gaines Street
Tallahassee, Florida 32399-0364
Telephone: (850) 413-5511
Department Website: <http://www.myfloridacfo.com>

Joint ventures may be contacted directly for their financial statements.

B. Basic Financial Statements

The state's financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB. The basic financial statements of the state, including its component units, are presented in the required format discussed below.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from its discretely presented component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable to a specific function. Some functions may include administrative overhead that is essentially indirect expenses of other functions. The state currently does not allocate those indirect expenses to other functions. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; (2) grants and contributions that are restricted to meeting the operational requirements of a particular function; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function. Taxes and other items not included in program revenues are reported in general revenues.

Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, while expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual, generally when they are both measurable and available. Revenues collected within 60 days of the end of the current fiscal year are considered available, with the exception of certain tax revenues, which are considered available when collected within 30 days of year-end. For governmental funds, certain long-term liabilities, such as compensated absences, due within 60 days of the end of the current fiscal year are expected to be liquidated with expendable financial resources and are recognized within the applicable governmental fund. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures for insurance and similar services extending over more than one fiscal year generally are accounted for as expenditures of the fiscal year of acquisition. Further, principal and interest on general long-term debt are recognized when due.

D. Basis of Presentation

Major Funds

GASB Codification Section 2200, *Comprehensive Annual Financial Report*, sets forth minimum criteria (percentage of the total assets and deferred outflows of resources, total liabilities and deferred inflows of resources, revenues, or expenditures/expenses for either fund category or the governmental and enterprise funds combined) for the determination of major funds. GASB Codification Section 2200 further requires that the reporting government's main operating fund (the General Fund) always be reported as a major fund. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The non-major funds are combined in a column in the fund financial statements and detailed in the combining statements. The state reports the following major funds:

Major Governmental Funds

General Fund – a fund that accounts for the financial resources of the state, except those required to be accounted for in another fund. This is the state's primary operating fund.

Natural Resources, Environment, and Growth Management – a special revenue fund that accounts for the operations of various programs such as air pollution control, water quality assurance, ecosystem management, and marine resources conservation. Transfers from other funds, pollutant tax collections, and federal grants are its major sources of revenue. Prior to 6/30/2018, this fund was reported as the Environment, Recreation, and Conservation Fund.

Public Education – a special revenue fund that includes funds used to operate education-related programs. Significant sources of revenue for this fund are federal grants, transfers from the Florida Lottery, and utility taxes.

Health and Family Services – a special revenue fund that includes funds used to operate various health and family service-related programs such as health care, elder affairs, and public assistance. Federal grants are the predominant sources of revenue for this fund.

Transportation – a special revenue fund that accounts for the maintenance and development of the state highway system and other transportation-related projects. It accounts for federal grants, motor fuel and aviation fuel taxes, automobile registration fees, and other revenues that are used for transportation purposes.

Major Business-type Funds

Transportation – an enterprise fund that primarily accounts for operations of Florida's Turnpike System.

Lottery – an enterprise fund that accounts for state lottery operations, which include sale of lottery tickets, payment of lottery prizes, and transfers to the Educational Enhancement Trust Fund.

Florida Hurricane Catastrophe Fund – an enterprise fund that accounts for operations of the Florida Hurricane Catastrophe Fund, which was created to help cover insurers' losses in the event of a hurricane disaster.

Prepaid College Program – an enterprise fund that accounts for payments from purchasers of the Florida Prepaid College Program. This program was created to provide a medium through which the cost of state post-secondary education may be paid in advance of enrollment at a rate lower than the projected corresponding costs at the time of enrollment.

Reemployment Assistance – an enterprise fund that accounts for contributions, benefit payments, grants, loans, and investments for the Unemployment Compensation Fund, which was created to pay reemployment assistance benefits to eligible individuals.

Fund Types

Additionally, the state reports the following fund types:

Internal Service Funds

These proprietary-type funds are primarily used to report activities that provide goods or services to other funds or agencies within the state, rather than to the general public. Internal service funds are classified into the following categories:

- **Employee Health and Disability** – includes funds that account for state employees' health and disability plans.
- **Data Centers** – includes funds that account for services provided by data processing centers operated by various agencies.

- **Communications and Facilities** – includes funds that primarily account for services provided by the Department of Management Services such as those related to the construction, operation, and maintenance of public facilities, and management and operation of the SUNCOM (state communication) Network.
- **Other** – includes funds that account for services provided to other state agencies such as legal services, records management, and community services (inmate work squads).

Fiduciary Fund Types

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the state's own programs.

Private-Purpose Trust Funds – funds that are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments including funds accounting for unclaimed property, federally guaranteed higher education loans, contributions to a college savings plan, and various others.

Pension and Other Employee Benefits Trust Funds – funds that are used to report resources that are required to be held in trust for the members and beneficiaries of the state's pension plans and other employee benefit plans.

Agency Funds – funds that are used to report resources held by the state in a purely custodial capacity. For example, these funds account for asset and liability balances related to retiree health care, taxes collected and held by the Department of Revenue for other entities, and student funds held by the Florida School for the Deaf and the Blind.

Investment Trust Funds – funds that are used to report the external portion of investment pools reported by the state.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The state's cash includes cash on hand and on deposit in banks, including demand deposits, certificates of deposit, and time deposits. Most deposits are held by financial institutions qualified as public depositories under Florida law. Cash equivalents are short-term, highly liquid investments. For the purposes of GASB Codification Section 2450, *Cash Flows Statements*, pooled investments with the State Treasury are considered cash equivalents. Details of deposits are included in Note 2.

Investments

Florida Statutes authorize the state to invest in various instruments. The state reports investments in accordance with GASB Codification Section I50, *Investments*.

Investments with the State Treasury are reported at fair value which is obtained from independent pricing service providers. Independent pricing service providers use quoted market prices when available and employ various, sometimes proprietary, multifactor models for determining a security's fair value if it is not available from quoted market prices. Some securities, including U.S. government, municipal bonds, and mortgage-backed and asset-backed securities, are priced using evaluated bid prices. Evaluated bid prices are determined by taking bid prices and adjusting them by an evaluated adjustment factor derived from the independent pricing service's multifactor model. If values are not available using the above methods, secondary methods such as non-evaluated mid-price and bid price are used. If no source of values is available, cost or last available price from any source is used, or other pricing methodology as directed by the State Treasury.

Investments managed by the State Board of Administration (SBA) are reported in various funds. Investments of the Debt Service Escrowed Fund, which meet the requirements of a legal or in-substance defeasance, are reported at cost. Investments of the Local Government Surplus Funds Trust Fund are reported based on amortized cost. Other investments managed by the SBA, including those related to the state's defined benefit and defined contribution pension plans, are reported at fair value at the reporting date.

For SBA-managed investments, fair values are obtained or estimated in accordance with the Global Pricing Guidelines established with the SBA's custodian, BNY Mellon Bank. BNY Mellon Bank uses a variety of independent pricing vendors and designates certain vendors as the primary source based on asset type, class or issue. BNY Mellon Bank monitors prices supplied by primary sources and may use a supplemental price source or change the primary price source if any of the following occurs:

- The price of a security is not received from the primary price source.
- The primary price source no longer prices a particular asset type, class or issue.
- The SBA or its portfolio investment manager challenges a price and BNY Mellon Bank reviews the price with the vendor, who agrees that the price provided by that vendor may not be appropriate.

- The price from the primary source exceeds BNY Mellon Bank's price tolerance checkpoints and results in a vendor comparison review where another source is deemed to be more appropriate by the BNY Mellon Bank.

When a portfolio includes securities or instruments for which BNY Mellon Bank does not receive fair value information from its vendor price sources, BNY Mellon Bank uses a "non-vendor price source." Examples include, but are not limited to, limited partnerships or similar private investment vehicles that do not actively trade through established exchange mechanisms; other private placements where there is limited or no information in the market place; and unique fixed income and equity instruments. The SBA does not provide direction regarding the substitution of prices in such instances where securities or instruments are in the portfolio of an investment manager appointed by the SBA. In such cases where the SBA directed the purchase of such securities or instruments, BNY Mellon may obtain the non-vendor prices by contacting the SBA only if it is not commercially reasonable to directly obtain the non-vendor price information from the broker of record, as identified by the SBA.

For private market investments, where no readily ascertainable market value exists (including limited partnerships, hedge funds, directly-owned real estate, and real estate pooled funds), fair values for the individual investments are based on the net asset value (capital account balance) at the closest available reporting period, as communicated by the general partner and/or investment manager, adjusted for subsequent contributions and distributions. The valuation techniques vary based upon investment type and involve a certain degree of judgment. The most significant input into the net asset value of an entity is the value of its investment holdings. The net asset value is provided by the general partner and/or investment manager and reviewed by management.

Annually, the financial statements of all private market investments are audited by independent auditors. Private market investments in which the SBA has a controlling interest are also required to be valued annually by independent, licensed external appraisers selected by an appraisal management company retained by the SBA.

All derivative financial instruments are reported at fair value in the statements of net position. The instruments are adjusted to fair value at least monthly, with valuation changes recognized in investment earnings. Gains and losses are recorded in the statements of changes in net position as "net increase (decrease) in fair market value" during the period.

Because of the inherent uncertainty of the valuation using pricing methodologies other than the quoted market prices, the estimated fair values may differ from the values that would have been used had a ready market existed.

Investment detail is included in Note 2.

Inventories

Inventories primarily consist of expendable supplies. Inventories are recorded according to the consumption method as expenditures when consumed. At the end of the fiscal year, inventory is reported as an asset and identified in fund balance as non-spendable. The method used to determine the cost of inventories varies by agency responsible for the inventories.

Capital Assets

Capital assets are real, personal, and intangible property that have a cost equal to or greater than an established capitalization threshold and have an estimated useful life extending beyond one year. For additional information, refer to Note 5.

Deferred Outflows of Resources

A consumption of net assets by the government that is applicable to a future reporting period is presented as a deferred outflow of resources.

Long-term Liabilities

Refer to Note 6 for information on pension and other postemployment benefit (OPEB) liabilities; Note 8 for information on bonds payable and certificates of participation; Note 9 for information on installment purchases, capital leases, and public-private partnership agreements; and Note 10 for changes in long-term liabilities.

Compensated Absences Liability

Employees earn the right to be compensated during absences for vacation and illness, as well as, for unused special compensatory leave earned for hours worked on legal holidays and other specifically authorized overtime. Compensated absences for annual leave are recorded as a liability when the benefits are earned. Compensated absences for sick leave are calculated based on the vesting method. Within the limits established by law or rule, the value of unused leave benefits will be paid to employees upon separation from state service. The amounts reported for compensated absences are based on current year-end salary rates and include employer Social Security and Medicare tax and pension contributions at current rates.

Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period.

Components of Net Position

The government-wide statement of net position classifies net position into the following categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. The “net investment in capital assets” component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. “Restricted” net position is reported when constraints are placed on net position that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. “Unrestricted” net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.” When both restricted and unrestricted resources are to be used for the same purpose, the agency responsible for administering the resources determines the flow assumption used to identify the portion of expenses paid from restricted resources. At June 30, 2019, the government-wide statement of net position reported a restricted net position of \$28.9 billion, of which \$15.2 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, 2019 (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	\$ 10,930	\$ 767	\$ —	\$ 36,787	\$ 7,234	\$ 2,836	\$ 58,554
Long-term Receivables and Advances	4,838	—	—	—	—	—	4,838
Permanent Fund Principal	—	—	—	—	—	4,282	4,282
Total	15,768	767	—	36,787	7,234	7,118	67,674
Restricted:							
Grantors/Contributors	611	55,055	—	39,374	—	32,179	127,219
Enabling Legislation	16,176	10,525	100,686	27,689	50	441,608	596,734
Constitutional Provision	—	81,413	515,631	—	—	443	597,487
Creditors	9,956	4,927	752,916	—	—	1,206,945	1,974,744
Federal Government	28,428	2,492,651	26,452	126,161	—	78,007	2,751,699
Total	55,171	2,644,571	1,395,685	193,224	50	1,759,182	6,047,883
Committed:	1,274,538	1,322,752	349,733	1,582,659	1,735,296	1,085,348	7,350,326
Unassigned:	7,476,330	—	(821,050)	—	—	—	6,655,280
Total Fund Balances	\$ 8,821,807	\$ 3,968,090	\$ 924,368	\$ 1,812,670	\$ 1,742,580	\$ 2,851,648	\$ 20,121,163

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 2019 General Appropriations Act as being unappropriated June 30, 2019, cash balances that are to be transferred to and from the funds indicated during the 2019-20 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	\$ 152,000	\$ (70,000)	\$ —	\$ (58,500)	\$ —	\$ (23,500)	\$ —
Transfer from Non-Governmental Funds	169,500	—	—	—	—	—	169,500
Total	\$ 321,500	\$ (70,000)	\$ —	\$ (58,500)	\$ —	\$ (23,500)	\$ 169,500

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. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

The state implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

Effective July 1, 2018, certain State Universities component units, which had previously reported under the Financial Accounting Standards Board (FASB) standards of accounting and financial reporting for not-for-profit organizations, transitioned to GASB standards of accounting and financial reporting as a result of Chapter 2018-004, Laws of Florida.

J. Net Position Reclassifications and Restatements

Net position at June 30, 2018 have been adjusted as follows (in thousands):

	Governmental Activities	Component Units	
		University of Florida	Nonmajor Component Units
Net Position, June 30, 2018, as previously reported	\$ 62,495,258	\$ 5,735,558	\$ 26,327,879
To increase net position as a result of corrections removing duplicative pension entries.	1,580		
To increase net position as a result of corrections to prior year ending construction work in progress.	41,379		
To decrease net position due to conversion from FASB to GASB.		(82,776)	(116,424)
To decrease net position as a result of the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".			(28,629)
To decrease net position as a result of the implementation of GASB Statement No. 81, "Irrevocable Split-Interest Agreements".			(342)
To decrease net position as a result of the implementation of GASB Statement No. 87, "Leases".			(373)
To decrease net position due to pension adjustments.			(573)
Net Position, June 30, 2018, as restated	\$ 62,538,217	\$ 5,652,782	\$ 26,181,538

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 \$1.48 billion in cash at June 30, 2019. During fiscal year 2018-19, the General Revenue Fund was authorized to transfer \$66.5 million to the Budget Stabilization Fund. There were no disbursements made from the fund.

NOTE 2 - DEPOSITS AND INVESTMENTS

A. Deposits

At June 30, 2019, the state's deposits in financial institutions totaled approximately \$2.3 billion for primary government and \$2.0 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, 2019, 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, 2019**

Custodial Credit Risk	Bank Statement Balance (in U.S. \$)	
	Primary Government	Component Units
(1)	\$ 1,085,178	\$ 462,212
(2)	10,523	229,730
(3)	—	9,132
Total deposits subject to custodial credit risk	<u>\$ 1,095,701</u>	<u>\$ 701,074</u>

2. Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Under Section 215.47, F.S., and subject to the limitations and conditions of the State Constitution or of the trust agreement relating to a trust fund, moneys available for investment by the State Board of Administration (SBA) may be invested in fixed income obligations or stocks denominated in foreign currency. The SBA has developed total fund investment policies for the investment of assets in the Florida Retirement System (FRS) Pension Trust Fund and the Lawton Chiles Endowment Fund (LCEF) that set ranges on investments by asset class in each fund. Under the FRS Pension Trust Fund and LCEF investment policy statements approved by SBA Trustees effective July 1, 2018, and June 17, 2014, respectively, foreign and domestic equity securities are included in the global equity

asset class. The FRS Pension Trust Fund and LCEF have target allocations to global equities of 53% and 71%, respectively, with policy ranges from 45-70% for FRS and 61-81% for LCEF, but within these ranges there are no limits on the amount of foreign equity securities that are denominated in foreign currency. The FRS Pension Trust Fund is not limited to holding securities in foreign currency only in the global equity asset class. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. The Florida Prepaid Program's comprehensive investment plan limits investment in foreign equities to 25% of total equities, with the target for total equities to be 70% of the actuarial reserve. In all cases, Florida law limits the exposure to foreign securities held outside of commingled funds to 50% of the total fund. The investment plans may be modified in the future if the SBA or Florida Prepaid adopts changes. This investment activity in foreign investments resulted in deposits in foreign currency as of June 30, 2019, as illustrated in the following schedule (in thousands):

Schedule of Investments with State Board of Administration
Foreign Currency Deposits Held As of June 30, 2019

Currency	Bank Statement Balance (in U.S. \$)			
	FRS Pension Trust Fund	LCEF	Florida Prepaid Program and Investment Plan	Total
Australian dollar	\$ 2,593	\$ 1	\$ 15	\$ 2,609
Bangladesh taka	18	—	—	18
Brazilian real	1,365	98	—	1,463
British pound sterling	7,870	95	94	8,059
Canadian dollar	3,508	282	—	3,790
Chilean peso	167	—	—	167
Chinese yuan renminbi	3,598	84	—	3,682
Colombian peso	4	—	—	4
Czech koruna	12	4	—	16
Danish krone	392	—	—	392
Egyptian pound	—	11	—	11
Euro currency unit	19,872	—	229	20,101
Hong Kong dollar	10,342	75	57	10,474
Hungarian forint	167	26	—	193
Indian rupee	2,287	—	—	2,287
Indonesian rupiah	360	73	—	433
Israeli shekel	1,029	8	2	1,039
Japanese yen	18,316	214	1,023	19,553
Malaysian ringgit	354	36	—	390
Mexican peso	996	9	—	1,005
Moroccan dirham	8	—	—	8
New Taiwan dollar	7,313	—	—	7,313
New Zealand dollar	762	—	—	762
New Zimbabwe dollar	127	—	—	127
Norwegian krone	1,167	—	65	1,232
Pakistan rupee	124	—	—	124
Philippines peso	164	23	—	187
Polish zloty	108	—	—	108
Qatari riyal	13	—	—	13
Russian ruble	94	—	—	94
Singapore dollar	1,040	17	96	1,153
South African rand	642	107	—	749
South Korean won	5,656	2	—	5,658
Sri Lanka rupee	186	—	—	186
Swedish krona	663	5	—	668
Swiss franc	896	—	—	896
Thailand baht	4	6	—	10
Turkish lira	250	55	—	305
United Arab Emirates dirham	469	—	—	469
Vietnam dong	795	—	—	795
Total deposits subject to foreign currency risk	\$ 93,731	\$ 1,231	\$ 1,581	\$ 96,543

B. Investments

At June 30, 2019, the state's investments reported in governmental and business-type activities and fiduciary funds totaled \$252.6 billion, consisting of pooled investments with the State Treasury in the amount of \$26.1 billion and other investments in the amount of \$226.5 billion. The State Treasury also had holdings at June 30, 2019, of \$4.3 billion for discretely presented component units in total. These investments are not reported as part of the primary government and may be different from the amounts reported by some component units due to different reporting periods. Other investments for discretely presented component units, excluding those investments held by SBA, totaled \$22.8 billion.

Pooled Investments with the State Treasury

Unless specifically exempted by statute, all cash of the state must be deposited in the State Treasury. The State Treasury, in turn, keeps the funds fully invested to maximize earnings. In addition, the State Treasury may invest funds of any board, association, or entity created by the State Constitution, or by law. As a result, pooled investments with the State Treasury contains deposits from funds and component units of the reporting entity (internal portion) as well as deposits from certain legally separate organizations outside the reporting entity (external portion). The external portion of pooled investments with the State Treasury is reported in a governmental external investment pool.

Pooled investments with the State Treasury are not registered with the Securities and Exchange Commission. Oversight of the pooled investments with the State Treasury is provided by the Treasury Investment Council per Section 17.575, F.S. The authorized investment types are set forth in Section 17.57, F.S.

Redemptions are on a dollar in/dollar out basis adjusted for distributed income. The fair value of the pooled investments with the State Treasury is determined at fiscal year-end for financial reporting purposes. See Note 1E, Investments, for further detail on fair value.

The State Treasury does not contract with an outside insurer in order to guarantee the value of the portfolio, or the price of shares redeemed.

Per Section 17.61(1), F.S., the State Treasury shall invest all general revenue funds, trust funds, all agency funds of each state agency, and of the judicial branch. As a result, state agencies and the judicial branch are considered involuntary participants in pooled investments with the State Treasury. The total involuntary participation as of June 30, 2019, was \$24 billion or 79% 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, 2019

ASSETS

Current and Other Assets	\$ 31,362,664
Total Assets	<u>31,362,664</u>

LIABILITIES

Other Liabilities	<u>2,160,085</u>
Total Liabilities	<u>2,160,085</u>

NET POSITION

Net position held for Internal Pool Participants	28,730,408
Net position held for External Pool Participants	<u>472,171</u>
	<u>\$ 29,202,579</u>

Condensed Statement of Changes of Fiduciary Net Position
June 30, 2019

ADDITIONS

Net income (loss) from investing activity	<u>\$ 1,137,256</u>
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DEDUCTIONS

Distributions paid and payable	<u>(1,137,256)</u>
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DEPOSITOR ACTIVITY

Deposits	115,514,858
Withdrawals	(112,800,744)
Excess (deficiency) of deposits over withdrawals	<u>2,714,114</u>
Change in net position	2,714,114
Net position, beginning	<u>26,488,465</u>
Net position, ending	<u>\$ 29,202,579</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	\$ 236,000	\$ 235,880	2.291% - 2.364%	7/1/2019 - 7/18/2019
Money market funds	124,073	124,073	2.398% - 2.398%	N/A
Repurchase agreements	2,214,441	2,214,441	2.320% - 2.530%	7/1/2019 - 7/18/2019
U.S. guaranteed obligations	6,247,073	6,169,888	0.278% - 8.500%	7/22/2019 - 4/1/2065
Federal agencies	6,985,169	6,794,630	0.144% - 11.060%	7/1/2019 - 8/25/2058
Bonds and notes - domestic	6,244,537	6,305,864	0.001% - 9.455%	7/1/2019 - 8/1/2118
Bonds and notes - international	1,237,489	1,261,600	1.125% - 9.625%	7/2/2019 - 2/26/2055
Federal agencies discounted securities	1,046,990	1,044,544	2.131% - 3.510%	7/10/2019 - 3/25/2042
U.S. guaranteed obligations discounted securities	1,655,646	1,628,578	1.808% - 2.509%	7/11/2019 - 5/15/2039
Commingled STIF	492,398	492,398	N/A	N/A
Unemployment compensation	4,060,087	4,060,087	N/A	N/A
Totals	<u>\$ 30,543,903</u>	<u>\$ 30,331,983</u>		

* The coupon rate in effect at June 30, 2019, 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, 2019, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Pooled Investments with State Treasury
As of June 30, 2019**

Investment type	Fair Value
Commercial paper	\$ 235,880
Money market funds	124,073
U.S. guaranteed obligations	7,798,466
Federal agencies	7,473,094
Bonds and notes - domestic	5,968,798
Bonds and notes - international	1,065,602
Repurchase agreements	1,925,000
Commingled STIF	492,398
Unemployment compensation funds pooled with U. S. Treasury	4,060,087
Total investments excluding security lending collateral**	<u>29,143,398</u>
Lending collateral investments:	
Repurchase agreements	289,441
Federal agencies	366,079
Bonds and notes - domestic	337,067
Bonds and notes - international	195,998
Total lending collateral investments	<u>1,188,585</u>
Total investments	<u>30,331,983</u>
Cash on deposit	<u>1,029,612</u>
Total State Treasury holdings	<u>31,361,595</u>
Adjustments:	
Outstanding warrants	(612,320)
Deposits in transit	1,069
SPIA Revolving Account*	(6,345)
Unsettled securities liability	(352,200)
Reconciled balance, June 30, 2019	<u><u>\$ 30,391,799</u></u>
Reconciliation to the basic financial statements (in thousands):	
Pooled investments with State Treasury	
Governmental activities	\$ 17,874,236
Business-type activities	5,872,638
Fiduciary funds	2,149,215
Component units	3,612,950
Component units timing difference	(1,429)
Total pooled investments with State Treasury	<u>29,507,610</u>
Restricted pooled investments with State Treasury	
Business-type activities	193,162
Component units	691,027
Total restricted pooled investments with State Treasury	<u>884,189</u>
Total pooled investments with State Treasury	<u><u>\$ 30,391,799</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 72.6% of total other investments at June 30, 2019. Investments in the FRS Investment Plan Trust Fund (Defined Contribution Pension Fund) represents 4.9% of total other investment, while investments in the Florida Hurricane Catastrophe Fund and the Florida Prepaid College Trust Fund represented another 6.9% and 6.6%, 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, 2019, as well as reconciliation to the basic financial statements (in thousands):

**Schedule of Other Investments
As of June 30, 2019**

Investment types	Carrying Value ¹			
	FRS Pension Trust Fund	Other funds		Total
		Managed by SBA	Not managed by SBA	
Certificates of deposit	\$ 324,980	\$ 3,950,008	\$ 3,299	\$ 4,278,287
Commercial paper	3,121,322	5,273,469	686	8,395,477
Money market funds	54,944	3,034,202	815	3,089,961
Repurchase agreements	800,000	2,675,000	—	3,475,000
U.S. guaranteed obligations	13,968,174	18,874,075	8,100	32,850,349
Federal agencies	8,366,295	2,224,171	3,178	10,593,644
Domestic bonds and notes	7,386,905	4,148,675	1,885,804	13,421,384
Commingled domestic bonds and notes funds	—	1,920,481	—	1,920,481
International bonds and notes	2,057,940	2,028,863	641	4,087,444
Domestic stocks	48,025,526	2,888,009	51,932	50,965,467
Commingled domestic equity funds	—	4,015,721	—	4,015,721
International stocks	32,463,861	836,075	4,629	33,304,565
Commingled international equity funds	8,401,273	2,178,564	—	10,579,837
Commingled real asset funds	—	787,711	—	787,711
Alternative investments	27,784,000	—	—	27,784,000
Real estate investments (directly owned)	9,699,428	—	—	9,699,428
Commingled real estate investments funds	2,396,469	—	792	2,397,261
Self-Directed brokerage accounts	—	700,874	—	700,874
Derivative instruments, net: ²				
Forward currency contracts	(4,391)	—	—	(4,391)
Futures (debt and equity)	35,097	16	—	35,113
Option contracts purchased	—	—	2,447	2,447
Swap contracts (debt related)	(6,811)	—	—	(6,811)
Mutual funds	—	—	2,689,097	2,689,097
Deferred compensation annuities	—	—	16,430	16,430
Total investments excluding lending collateral	164,875,012	55,535,914	4,667,850	225,078,776
Lending collateral investments:				
Certificates of deposit	—	1,073,086	—	1,073,086
Commercial paper	—	434,745	—	434,745
Money market funds	145,168	4,244	—	149,412
Repurchase agreements	310,000	593,000	—	903,000
Domestic bonds and notes	50,617	—	—	50,617
International bonds and notes	—	20,048	—	20,048
Total lending collateral investments	505,785	2,125,123	—	2,630,908
Total investments for all types	\$ 165,380,797	\$ 57,661,037	\$ 4,667,850	\$ 227,709,684

% of total other investments

73%

25%

2%

¹ Investments of the Local Government Surplus Funds Trust Fund are reported based on amortized cost which approximates fair value. See the Local Government Surplus Funds Trust Fund disclosure on page 78 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	\$ 1,339,736	\$ 8,980,780	\$ —	\$ 1,190,866	\$ 11,511,382
Restricted investments	—	606,975	—	—	606,975
Long-term investments	84,068	21,913,289	193,125,480	—	215,122,837
Security lending collateral ²	—	—	505,785	—	505,785
Timing and other differences ³	(22,835)	(6,693)	(24,437)	16,670	(37,295)
Total other investments	<u>\$ 1,400,969</u>	<u>\$ 31,494,351</u>	<u>\$ 193,606,828</u>	<u>\$ 1,207,536</u>	<u>\$ 227,709,684</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, 2019.

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, 2019

Investment Type	Fair Value
U.S. guaranteed obligations	\$ 74,634
Federal agencies	13,450
Total	<u>\$ 88,084</u>

In addition, cash and foreign currency required to open futures and swap contracts (i.e. initial margin) in the FRS Pension Trust Fund may be pledged as collateral with the SBA's futures and swap counterparties. Pursuant to these types of contracts, and also pending foreign currency contracts and commitments to purchase (TBAs), the FRS Pension Trust Fund agrees to receive or pay to the counterparties an amount of cash equal to the daily fluctuation in the value of the contract. Such receivables and payables are known as variation margin. All initial and variation margin amounts held by counterparties, and the variation margins held by the FRS Pension Trust Fund as of June 30, 2019, 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, 2019

	Fair Value
Margin receivable from counterparties:	
Futures contracts	\$ 16,116
Swap contracts	7,645
Foreign currency contracts	9,480
Commitments to purchase (TBAs)	371
Total margin receivable	<u>\$ 33,612</u>
Margin payable to counterparties:	
Futures contracts	30,649
Swap contracts	5,606
Commitments to purchase (TBAs)	556
Total margin payable	<u>\$ 36,811</u>

The FRS Pension Trust Fund also held short positions in investments at June 30, 2019. 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, 2019 (in thousands):

**FRS Pension Trust Fund
Short Investment Position
As of June 30, 2019**

Investment Type	Fair Value
U.S. guaranteed obligations	\$ (26,607)
Federal agencies	(197,452)
Total	<u>\$ (224,059)</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, 2019. 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, 2019, 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, 2019, are excluded.

**Schedule of Other Investments
For Discretely Presented Component Units
As of June 30, 2019**

Investment type	Fair Value
Certificates of deposit	\$ 23,708
Commercial paper	31,453
Repurchase agreements	1,054
Money market funds	263,095
U.S. guaranteed obligations	3,638,068
Federal agencies	1,571,029
Domestic bonds & notes	7,165,462
International bonds & notes	785,252
Domestic stocks	1,219,166
International stocks	839,303
Real estate investments	89,955
Mutual funds	2,640,355
Investment agreements	4,500,153
Total other investments for all types	<u>\$ 22,768,053</u>
Reconciliation of fair value to the basic financial statements:	
Other investments	\$ 17,236,742
Restricted investments	6,722,177
Less SBA Investments*	<u>(1,190,866)</u>
Total other investment for component units	<u>\$ 22,768,053</u>

* Investment types for component units with investments held by SBA are disclosed on the Schedule of Other Investments on page 76.

At June 30, 2019, 61.29% 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, 2019, were rated by the nationally recognized statistical rating organizations (NRSRO) Standard and Poor's (S&P) and Moody's. S&P ratings were primarily used. If S&P did not rate a security, or if the Moody's rating was lower for a security, then Moody's ratings were used. The ratings are presented below using the applicable rating scale (in thousands):

State Treasury Credit Quality Ratings As of June 30, 2019

S&P rating ²	Moody's rating ²	Total ¹	Commercial paper	Federal agencies	Domestic bonds & notes	International bonds & notes	Repurchase agreements	Money Market funds
AAAm		\$ 124,073	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 124,073
AAA		978,307	—	13,252	755,433	209,622	—	—
AA		8,276,599	—	7,315,380	618,842	342,377	—	—
A		2,705,859	—	—	2,332,990	372,869	—	—
A-1		235,880	235,880	—	—	—	—	—
BBB		1,163,113	—	—	1,025,320	137,793	—	—
BB		1,440	—	—	1,440	—	—	—
B		4,784	—	—	4,784	—	—	—
Below B		9	—	—	9	—	—	—
	Aaa	1,071,545	—	295,267	707,490	68,788	—	—
	Aa	112,507	—	—	112,507	—	—	—
	A	284,988	—	—	282,497	2,491	—	—
	Baa	472,414	—	—	414,732	57,682	—	—
	Ba	44,878	—	—	38,354	6,524	—	—
	B	42	—	—	42	—	—	—
	Below B	3	—	—	3	—	—	—
Not Rated	Not Rated	2,215,150	—	215,274	11,422	63,454	1,925,000	—
		<u>17,691,591</u>	<u>\$ 235,880</u>	<u>\$ 7,839,173</u>	<u>\$ 6,305,865</u>	<u>\$ 1,261,600</u>	<u>\$ 1,925,000</u>	<u>\$ 124,073</u>
Not rated ³	Not rated ³	7,798,466	U.S. guaranteed obligations					
Not rated	Not rated	492,398	Commingled STIF					
Not rated ³	Not rated ³	289,441	Repurchase agreements					
		<u>\$ 26,271,896</u>						

¹ The remaining \$4,060,087 (in thousands) reported for Pooled Investments with State Treasury is comprised primarily of investments with the U.S. Treasury Unemployment Compensation Funds Pool.

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

³ U.S. guaranteed obligations and collateral for repurchase agreements which are explicitly guaranteed by the U.S. government do not require disclosure of credit quality.

The State Treasury's investment policies allow for unlimited investments in U.S. obligations and certain Federal Agency obligations. For other investments, the investment policies address concentration of credit risk by placing limits on amounts invested per issuer (taking into account the maturity date and duration of the investment). In addition, the policies also address limits on certain investments by credit ratings. Limits on amounts invested are expressed in dollar amounts per issuer and also in total amounts per investment type as a percentage of the investment pool's market value. As of June 30, 2019, more than five percent of the State Treasury's investment pool is invested in the Federal National Mortgage Association (FNMA), Federal Home Loan Bank System (FHLB), and the Federal Home Loan Mortgage Corporation (FHLMC). These investments are approximately 8 percent, 10 percent, and 8 percent of the of the State Treasury's investments pool, respectively.

Other Investments

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

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

Short-term Portfolio – Securities must be high quality at the time of purchase. For short-term investment ratings, this is defined as the highest applicable rating from one of the NRSROs. For long-term investment ratings, this is defined as a minimum mid-single A rating from one of the NRSROs. Securities of a single issuer are generally limited to 5% of the market value of the portfolio (excluding U.S. Treasuries and Agencies).

Generally, securities in other major portfolios, such as the Mortgage Index Portfolio, Intermediate Aggregate Less MBS Index Portfolio and the Core Portfolio, should be rated investment grade by at least one of the NRSROs at the time of purchase [allowing a very small allocation to below investment grade (down to BB-/Ba3) for the Core Portfolio]. Securities for a single issuer are generally limited to 5% of the fair value of the portfolio (excluding U.S. Treasuries and Agencies).

Mortgage Index Portfolio – Securities are generally limited to those issued by the Government National Mortgage Association (GNMA), FNMA, and FHLMC. No specific credit rating criteria are listed.

Intermediate Aggregate Less MBS Index Portfolio and the Core Portfolio – These portfolios allow U.S. Treasuries, U.S. Government agencies, corporates, mortgage and asset backed securities, foreign sovereign debt, and municipals.

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

- Tri-party qualified repurchase agreement transactions collateralized by U.S. Treasury bills, notes, bonds, and/or strips, U.S. Government Agency securities, U.S. Government Agency mortgage-backed securities, and U.S. equity securities. Collateral consisting of U.S. Treasury and Government Agencies must maintain a market value of at least 102% of the market value of the securities subject to being repurchased. Collateral consisting of U.S. equities must maintain a market value of at least 110% of the market value of the securities subject to being repurchased,
- Money market mutual funds regulated by SEC rule 2a-7 and rated the highest applicable rating by at least one NRSRO and
- U.S. Treasury bills, notes, and bonds.

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

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

Florida Prepaid College Program Lending Program – Short-term obligations should be limited to obligations rated in the highest rating category by all NRSROs or, if only rated by one NRSRO, rated at the time of purchase in the highest rating category by that NRSRO (S&PA-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, 2019. The schedule below discloses credit quality ratings on investments held in the FRS Pension Trust Fund at June 30, 2019 (in thousands):

**FRS Pension Trust Fund
Credit Quality Ratings
As of June 30, 2019**

Credit Rating ¹		Total ²	Certificates of deposit	Commercial paper	Money market funds	Repurchase agreements	Federal agencies ⁴	Domestic bonds & notes	International bonds & notes
S&P	Moody's								
A-1/AAAm		\$ 2,777,203	\$ —	\$ 2,577,091	\$ 200,112	\$ —	\$ —	\$ —	\$ —
A-2		411,630	—	411,630	—	—	—	—	—
A-3		87,528	—	87,528	—	—	—	—	—
AAA		927,965	—	—	—	—	—	603,819	324,146
AA		1,066,589	—	—	—	—	471,490	406,158	188,941
A		2,138,333	—	—	—	—	—	1,587,884	550,449
BBB		3,472,403	—	—	—	—	—	2,852,176	620,227
BB		130,076	—	—	—	—	—	71,593	58,483
B		13,974	—	—	—	—	—	13,974	—
CCC		1,724	—	—	—	—	—	1,724	—
CC		13,075	—	—	—	—	—	13,075	—
D		1,906	—	—	—	—	—	1,906	—
	P-2	17,979	—	17,979	—	—	—	—	—
	P-3	27,094	—	27,094	—	—	—	—	—
	Aaa	811,445	—	—	—	—	1,321	749,215	60,909
	Aa	73,463	—	—	—	—	—	60,662	12,801
	A	164,399	—	—	—	—	—	132,430	31,969
	Baa	577,501	—	—	—	—	—	497,603	79,898
	Ba	141,081	—	—	—	—	—	122,998	18,083
	Caa	2,224	—	—	—	—	—	2,224	—
Not rated	Not rated	8,922,654	324,980	—	—	272,075	7,893,484	320,081	112,034
		<u>21,780,246</u>	<u>\$ 324,980</u>	<u>\$ 3,121,322</u>	<u>\$ 200,112</u>	<u>\$ 272,075</u>	<u>\$ 8,366,295</u>	<u>\$ 7,437,522</u>	<u>\$ 2,057,940</u>
Ratings not Applicable:									
Repurchase agreements ³		837,925							
U.S. guaranteed obligations ³		13,968,174							
Domestic stocks		48,025,526							
International stocks		32,463,861							
Commingled international equity funds		8,401,273							
Alternative investments		27,784,000							
Real estate (directly owned)		9,699,428							
Real estate commingled		2,396,469							
Derivative instruments, net:									
Forward currency contracts		(4,391)							
Futures (debt and equity)		35,097							
Options		—							
Swaps		(6,811)							
Total investments		<u>\$ 165,380,797</u>							

¹ S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated." Long-term ratings are presented except for the ratings presented for commercial paper and money market funds.

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

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

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

All futures, options, and swaps contracts held by the FRS Pension Trust Fund at June 30, 2019, were exchange traded, therefore minimizing counterparty credit risk through the use of futures and swaps clearing merchants and clearing houses. The FRS Pension Trust Fund may enter into contracts that allow for close-out netting with certain counterparties. In the event of default or early termination, the contract permits the non-defaulting party the right to close-out all transactions in a single net settlement to one net amount payable by one counterparty to the other. The aggregate fair value of non-exchange traded derivatives subject to close-out netting totaled \$(4.9) million as of June 30, 2019.

Counterparty credit ratings related to credit risk for forward foreign currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2019, are listed below (in thousands):

FRS Pension Trust Fund
Forward Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2019

Counterparty Credit Rating (Long /Short) ¹		Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)
S&P	Moody's			
AA/A-1		\$ 323	\$ (942)	\$ (619)
A/A-1		16,436	(20,568)	(4,132)
	NR/P-1	466	(106)	360
	Total	<u>\$ 17,225</u>	<u>\$ (21,616)</u>	<u>\$ (4,391)</u>

¹ S&P or Moody ratings indicative of the greatest degree of credit risk were reported. If no rating exists, "NR" is reported.

Counterparty credit ratings related to credit risk for spot currency exchange contracts held in the FRS Pension Trust Fund at June 30, 2019, are listed below (in thousands):

FRS Pension Trust Fund
Spot Foreign Currency Exchange Contract Counterparty Credit Ratings
As of June 30, 2019

Counterparty Credit Rating (Long /Short) ¹		Receivable Fair Value	Payable Fair Value	Net Unrealized Gain (Loss)
S&P	Moody's			
AA/A-1		\$ 9,479	\$ (9,463)	\$ 16
A/A-1		36,739	(36,734)	5
BBB/A-2		516	(518)	(2)
	A/P-1	5,415	(5,413)	2
NR	NR	41,190	(41,198)	(8)
	Total	<u>\$ 93,339</u>	<u>\$ (93,326)</u>	<u>\$ 13</u>

¹ S&P or Moody ratings indicative of the greatest degree of credit risk were reported. If no rating exists, "NR" is reported.

The schedule below discloses credit quality ratings on investments held in all funds managed by the SBA (except the FRS Pension Trust Fund) at June 30, 2019, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
Credit Quality Ratings
As of June 30, 2019

Credit Rating ¹										
S&P	Moody's	Total ²	Certificates of deposit	Commercial paper	Money market funds	Repurchase agreements	Federal agencies	Domestic bonds and notes	Commingled domestic bonds and notes funds	International bonds and notes
AAAm		\$ 2,064,116	\$ —	\$ —	\$ 2,064,116	\$ —	\$ —	\$ —	\$ —	\$ —
A-1		5,482,210	—	5,482,210	—	—	—	—	—	—
AAA		322,835	—	—	—	875	6,331	283,333	—	32,296
AA		2,593,715	—	—	—	69,569	292,812	1,012,790	—	1,218,544
A		1,650,483	—	—	—	23,285	—	1,026,652	—	600,546
BBB		1,060,142	—	—	—	75,622	—	849,792	—	134,728
BB		13,234	—	—	—	—	—	11,365	—	1,869
B		1,712	—	—	—	—	—	1,712	—	—
	P-2	226,969	—	226,969	—	—	—	—	—	—
	Aaa	373,895	—	—	—	—	92,525	256,171	—	25,199
	Aa	24,354	—	—	—	—	497	23,857	—	—
	A	452,404	—	—	—	1,262	—	448,459	—	2,683
	Baa	157,587	—	—	—	6,809	—	145,512	—	5,266
	Ba	56,227	—	—	—	—	—	50,291	—	5,936
	Not rated	11,207,570	5,024,642	—	974,505	1,395,351	1,832,006	38,741	1,920,481	21,844
		<u>25,687,453</u>	<u>\$ 5,024,642</u>	<u>\$ 5,709,179</u>	<u>\$ 3,038,621</u>	<u>\$ 1,572,773</u>	<u>\$ 2,224,171</u>	<u>\$ 4,148,675</u>	<u>\$ 1,920,481</u>	<u>\$ 2,048,911</u>
Ratings not applicable										
Repurchase agreements ³		1,695,227								
U.S. guaranteed obligations		18,874,621								
Domestic stocks		2,888,009								
Commingled domestic equity funds		4,015,721								
International stocks		836,075								
Commingled international equity funds		2,178,564								
Commingled real asset funds		787,711								
Self-directed brokerage accounts		700,874								
Futures contracts		16								
Total investments		<u>\$ 57,664,271</u>								

¹ S&P ratings were primarily used. If S&P did not provide a rating or did not provide the rating with the greatest degree of credit risk, then Moody's ratings were used. If neither rating agency issued a rating, the security was listed as "Not rated." Long-term ratings are presented except for the ratings presented for commercial paper and money market funds.

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

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

The Florida Prepaid Investment Plan held investments with the FNMA (8.66%) in excess of 5% of the Florida Prepaid Investment Plan's fair value.

Component Units

Investment policies with regard to credit risk of debt securities vary from component unit to component unit. In addition, investment policies vary among Universities' direct support organizations. Investment policies may be obtained separately from component units. Presented below are reported credit quality ratings for debt securities of major component units (in thousands). Amounts shown below represent only that portion of debt investments required to be disclosed by component units reporting under the GASB reporting model.

**Major Component Units
Credit Quality Ratings
As of June 30, 2019**

Component Unit*	Federal agencies	Bonds & notes	Money market funds	Bond Mutual funds	Investment Agreements	Certificates of Deposits	Commercial paper	Other Investments	Total	S&P rating
Florida Housing Finance Corporation (FHFC)	\$ —	\$ 17,797	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,294	\$ 21,091	AAA-AA+
FHFC (continued)	—	43,205	—	—	—	—	—	—	43,205	AAA-AA
FHFC (continued)	—	8,212	—	—	—	—	—	—	8,212	AAA-BBB+
FHFC (continued)	—	151,466	—	—	—	—	—	—	151,466	AAA-BBB-
FHFC (continued)	110,814	—	—	—	—	—	—	—	110,814	AA+
FHFC (continued)	—	—	—	—	—	—	3,505	—	3,505	A 1
FHFC (continued)	—	—	—	—	3,452	—	—	—	3,452	Unrated
University of Florida (UF)	1,111	9,509	5,141	63,213	—	—	—	—	78,974	AAA
UF (continued)	779	2,945	—	60,967	—	—	—	—	64,691	AA
UF (continued)	—	7,853	—	31,025	—	—	—	—	38,878	A
UF (continued)	—	18,835	72	23,678	—	—	—	—	42,585	Less than A
Citizens Property Insurance Corporation (CPIC)	925,463	—	—	—	—	—	—	—	925,463	AA+
CPIC (continued)	—	—	—	—	—	751	—	—	751	AA-
CPIC (continued)	—	6,062,969	—	—	—	—	—	—	6,062,969	A-A+
Total Investments	\$ 1,038,167	\$ 6,322,791	\$ 5,213	\$ 178,883	\$ 3,452	\$ 751	\$ 3,505	\$ 3,294	\$ 7,556,056	

* 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, 2019. 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, 2019**

	Fair value
Invested security lending collateral:	
Repurchase agreements	\$ 289,441
Federal agencies	366,079
Bonds and notes - domestic	337,067
Bonds and notes - international	195,998
Total	<u>\$ 1,188,585</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 private equity or real estate investments. As required by negotiated trust and custody contracts, many of the state's investments were held in the state's name or in the case of certain foreign investments, in an omnibus client account, by the SBA's custodial financial institutions at June 30, 2019. 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, 2019**

	FRS Pension Trust Fund	Other funds
Invested security lending collateral:		
Certificates of deposit	\$ —	\$ 1,073,086
Commercial paper	—	434,745
Repurchase agreements	10,000	593,000
Domestic bonds and notes	50,617	—
International bonds and notes	—	20,048
Total	<u>\$ 60,617</u>	<u>\$ 2,120,879</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, 2019**

<u>Component unit / Investment type</u>	<u>Fair value</u>
University of Florida	
Federal agencies	\$ 24,349
Bonds and notes	5,473
U.S. guaranteed obligations	1,390
Total	<u>\$ 31,212</u>

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, 2019

Investment type	Fair value	Effective weighted duration (in years)	Security Lending Market Value	Weighted average maturity (in days)
Commercial paper	\$ 235,880	0.02	\$ —	N/A
Money market funds	124,073	0.36	—	N/A
Repurchase agreements	1,925,000	0.03	289,441	1
U.S. guaranteed obligations:				
U.S. Treasury bonds and notes	5,542,537	3.80	—	N/A
U.S. Treasury strips	835,855	1.31	—	N/A
U.S. Treasury bills	792,724	0.23	—	N/A
GNMA mortgage-backed pass-through	410,984	3.09	—	N/A
GNMA TBA pass-through	18,805	2.85	—	N/A
GNMA collateralized mortgage obligations (CMO's)	21,230	2.78	—	N/A
GNMA CMO's - interest only	12,235	3.60	—	N/A
NCUA - CMO's	2,516	0.10	—	N/A
SBA asset-backed	161,580	3.94	—	N/A
Federal agencies:				
Discount notes	1,033,632	0.11	—	N/A
Unsecured bonds & notes	3,470,945	1.10	366,079	16
Mortgage-backed pass-through	2,348,379	2.37	—	N/A
TBA mortgage-backed pass-through	124,527	2.07	—	N/A
Mortgage-backed CMO's	486,701	3.91	—	N/A
Mortgage-backed CMO's - principal only	90	3.90	—	N/A
Mortgage-backed CMO's - interest only	8,820	4.30	—	N/A
Bonds and notes - domestic:				
Corporate	4,219,234	5.44	337,067	45
Corporate asset-backed	627,315	1.36	—	N/A
Non-government backed CMO's & CMBS*	772,590	4.24	—	N/A
Non-government backed CMO's & CMBS* - interest only	5,391	1.96	—	N/A
Municipal/provincial	344,268	5.72	—	N/A
Bonds and notes - international:				
Government & Agency	165,542	3.81	—	N/A
Corporate	900,060	3.34	195,998	55
Commingled STIF	492,398	—	—	N/A
Futures contracts - long***	—	9.11	—	N/A
Futures contracts - short***	—	1.26	—	N/A
Total debt investments**	<u>\$ 25,083,311</u>		<u>\$ 1,188,585</u>	

* Commercial Mortgage-Backed Securities (CMBS).

** The remaining \$4,060,087 (in thousands) reported for Pooled Investments with State Treasury is comprised of investments with the U.S. Treasury Unemployment Compensation Funds Pool.

***The futures contracts effective weighted duration was calculated using notional values rather than fair values.

Other Investments

The SBA manages its exposure to interest rate risk through various investment policies. Policies and interest rate risk disclosures for debt investments within the FRS Pension Trust Fund are presented below.

Investments authorized by Section 215.47, F.S., are managed through individual portfolios within various asset classes. The individual portfolios may have different policies regarding interest rate risk. Major types of debt portfolios are listed below.

Short-term Portfolio – Weighted average maturity to final maturity date (WAL) is limited to 120 days in the internally managed FRS Short-term Investment Pool (STIPFRS) portfolio and weighted average time to coupon reset (WAM) is limited to 60 days. For securities without a fixed interest rate, the next coupon reset date is used as the maturity for the reset WAM calculation. No individual security shall have a final maturity date longer than 397 days except for U.S. Treasury and Agency securities, which shall not exceed five years.

Mortgage Index Portfolio – Portfolio duration should be similar to the duration of the mortgage-related fixed income market and should remain within plus or minus 0.25 years of the Barclays Capital U.S. MBS Index duration. Swaps and/or Agency debentures may contribute no more than 25% of the portfolio's total duration.

Intermediate Aggregate Less MBS Index Portfolio – Portfolio duration should remain within plus or minus 0.25 years of the Barclays Capital U.S. Intermediate Aggregate Bond Index duration less the MBS Index component. Interest rate swaps and interest rate futures, on a net basis, may contribute no more than 25% of the portfolio's total duration.

Core Portfolios – Portfolio duration should remain within plus or minus 0.50 years of the Barclays Capital U.S. Intermediate Aggregate Bond Index duration. Interest rate swaps and interest rate futures may contribute no more than 25% of the portfolio's total duration.

The Core Portfolio contains certain investments, known as collateralized mortgage obligations (CMOs), which are more sensitive to interest rate changes than others. Examples of CMO securities that qualify as "highly interest rate sensitive" include interest-only (IOs), principal-only (POs), and inverse floaters (INVs). IO and PO securities are transactions that involve the separation of the interest and principal components of a security. They are highly sensitive to prepayments by mortgagors, which increase the value of a PO and decrease the value of an IO. INVs have an inverse relationship to a benchmark rate, and the coupon payment is adjusted as the interest rate changes. If the benchmark interest rate decreases, the coupon rate increases and vice versa, which allows the bondholder to benefit from declining interest rates. Similar to an IO, an interest-only inverse floater's value increases as interest rates rise.

Security Lending Portfolios – Investment policy guidelines in effect for the FRS Pension Trust Fund allow investment in:

- Tri-party qualified repurchase obligations, with a term to repurchase not to exceed 45 calendar days that are fully collateralized by U.S. Treasury bills, notes, bonds and/or strips, U.S. Government Agency securities, U.S. Government Agency mortgage-backed securities, and U.S. equity securities,
- Money market mutual funds regulated by SEC rule 2a-7, and
- U.S. Treasury bills, notes, and bonds maturing within 92 days or less.

Security lending investments that were purchased prior to the investment policy guidelines established in December 2008, are still held in the FRS Pension Trust Fund lending programs, but are slowly paying down. For investments that had floating interest rates, interest rate reset dates were used to calculate the WAM.

The LCEF allows investment of cash collateral only in overnight repurchase agreements that are fully collateralized by U.S. Government and/or agency securities, and in certain money market funds with a rating of AAAM, Aaammf, or AAAMmf by S&P, Moody's or Fitch, respectively.

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, 2019

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ —	N/A	\$ 324,980	7
Commercial paper	—	N/A	3,121,322	19
Money market funds	—	N/A	200,112	1
Repurchase agreements	—	N/A	1,110,000	8
U.S. guaranteed obligations:				
U.S. Treasury bills	2,407,364	0.39	—	N/A
U.S. Treasury bonds and notes	8,856,777	3.84	—	N/A
Index linked government bonds	383,483	6.93	—	N/A
U.S. government guaranteed bonds and notes	108,656	2.53	—	N/A
Asset-backed	280,966	4.75	—	N/A
GNMA mortgage-backed pass-through	1,419,757	2.94	—	N/A
GNMA TBA mortgage-backed pass-through	177,501	2.06	—	N/A
GNMA CMO's and CMBS ¹	333,670	4.13	—	N/A
Federal agencies:				
Discount notes	34,331	0.04	—	N/A
Unsecured bonds and notes	471,490	2.23	—	N/A
Agency strips	21,687	4.72	—	N/A
Mortgage-backed pass-through	5,256,570	2.34	—	N/A
FNMA, FHLMC TBA mortgage-backed pass-through	1,241,280	1.78	—	N/A
Mortgage-backed CMO's and CMBS ¹	1,340,937	1.58	—	N/A
Domestic bonds and notes:				
Corporate	5,310,259	4.46	—	N/A
Non-government asset and mortgage-backed	795,621	2.01	41,733	38
Non-government backed CMO's and CMBS ¹	1,272,637	3.99	1,618	57
Municipal/provincial	13,041	4.36	—	N/A
Real estate mortgage loans	2,613	0.60	—	N/A
International bonds and notes:				
Government and agency	691,522	2.98	—	N/A
Corporate	1,307,245	3.72	—	N/A
Non-government asset and mortgage-backed	4,740	0.05	—	N/A
Non-government backed CMO's and CMBS ¹	54,433	2.22	—	N/A
Futures contracts - long (debt) ²	35,461	3.74	—	N/A
Futures contracts - short (debt) ²	(12,677)	10.24	—	N/A
Credit default swaps ²	(2,001)	—	—	N/A
Interest rate swap contracts ²	(4,810)	(0.14)	—	N/A
Total debt investments	<u>\$ 31,802,553</u>		<u>\$ 4,799,765</u>	

¹Includes investments in IO's, PO's, and INV's totaling \$56 million at June 30, 2019.

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

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, 2019

Investment type	Fair value (duration)	Effective weighted duration (in years)
GNMA commitments to sell (TBAs)	\$ (26,607)	2.65
FNMA, FHLMC commitments to sell (TBAs)	(197,452)	1.88
Total debt investments sold short ¹	<u>\$ (224,059)</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, 2019 (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, 2019

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	\$ 181,491	\$ 181,491	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
U.S. Treasury bonds, notes, and SLGS*	1,005,321	970,157	5,421	29,743	—	—	—	—
U.S. Treasury strips	301,777	22,078	43,108	42,433	98,907	54,716	21,633	18,902
Total debt investments	<u>\$ 1,488,589</u>	<u>\$ 1,173,726</u>	<u>\$ 48,529</u>	<u>\$ 72,176</u>	<u>\$ 98,907</u>	<u>\$ 54,716</u>	<u>\$ 21,633</u>	<u>\$ 18,902</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, 2019**

Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Certificates of deposit	\$ —	N/A	\$ 5,024,642	37
Commercial paper	—	N/A	5,709,179	45
Money market funds	974,262	0.08	2,064,359	1
Repurchase agreements	—	N/A	3,268,000	2
U.S. guaranteed obligations:				
U.S. Treasury bills	7,680	0.03	4,135,187	148
U.S. Treasury bonds and notes	629,634	6.02	6,695,747	730
U.S. Treasury strips	5,520,626	10.33	—	N/A
Index linked government bonds	141,405	9.09	—	N/A
U.S. government guaranteed	657	4.76	—	N/A
U.S. guaranteed (SBA) asset-backed	14,845	6.50	—	N/A
GNMA mortgage-backed pass through	157,756	3.46	—	N/A
GNMA commitments to purchase (TBAs)	80,712	3.66	—	N/A
GNMA CMO's and CMBS	1,783	4.44	—	N/A
Federal agencies:				
Discount notes	—	N/A	101,304	20
Unsecured bonds and notes	33,697	11.62	340,176	255
Agency strips	657,576	7.74	—	N/A
Mortgage-backed (FNMA, FHLMC)	850,017	3.74	—	N/A
FNMA, FHLMC commitments to purchase (TBAs)	184,492	4.1	—	N/A
Mortgage-backed CMO's	56,909	3.05	—	N/A
Domestic bonds and notes:				
Corporate	1,692,193	6.88	1,927,900	645
Non-government asset and mortgage-backed	259,932	1.43	—	N/A
Non-government backed CMO's and CMBS ¹	250,494	5.38	—	N/A
Municipal/provincial	4,006	14.62	14,150	8
Commingled Domestic bonds and notes funds	1,920,481	5.42	—	N/A
International bonds and notes:				
Government and agency	24,508	6.48	40,544	502
Corporate	236,164	5.51	1,702,548	633
Non-government asset and mortgage-backed	43,823	(0.28)	—	N/A
Non-government backed CMO's and CMBS ¹	1,324	0.07	—	N/A
Total debt investments	<u>\$ 13,744,976</u>		<u>\$ 31,023,736</u>	

¹ Includes Investments in IO's totaling \$14.1 million at June 30, 2019, in the Florida Prepaid College Program and \$114 thousand 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, 2019**

Component unit / Investment type	Total fair value	Investment maturities (in years)			
		Less than or equal to 1	> 1 to 5	> 5 to 10	> 10
Florida Housing Finance Corporation					
Commercial Paper	\$ 3,505	\$ 3,505	\$ —	\$ —	\$ —
U.S. guaranteed obligations	1,148,555	47,747	115,772	3,924	981,112
Federal agencies	110,814	22	10,340	3,820	96,632
Bonds & notes	220,680	20,729	174,737	3,743	21,471
Investment agreements	3,452	2,908	—	—	544
Other investments	3,294	1,049	2,245	—	—
University of Florida					
U.S. guaranteed obligations	14,887	13,315	80	349	1,143
Federal agencies	1,890	1,890	—	—	—
Bonds & notes	39,142	22,666	2,345	14,131	—
Bond Mutual funds	178,883	3,979	157,610	17,294	—
Total debt investments	<u>\$ 1,725,102</u>	<u>\$ 117,810</u>	<u>\$ 463,129</u>	<u>\$ 43,261</u>	<u>\$ 1,100,902</u>

**Major Component Units
Debt Investments
That Use Duration or Weighted Average Maturity Method
As of June 30, 2019**

Component unit / Investment type	Fair value (duration)	Effective weighted duration (in years)	Fair value (WAM)	Weighted average maturity (in days)
Citizens Property Insurance Corporation				
U.S. guaranteed obligations	\$ —	N/A	\$ 1,633,876	1,521
Federal agencies	—	N/A	925,463	1,988
Bonds & notes	—	N/A	5,323,327	1,999
International bonds and notes	—	N/A	739,642	1,582
International CD	—	N/A	751	291
Total debt investments	<u>\$ —</u>		<u>\$ 8,623,059</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, 2019. These funds are managed primarily by the use of “asset classes”.

The FRS Pension Trust Fund investment policy, approved on June 13, 2018 (effective July 1, 2018), by the Trustees, limits the global equity asset class (including domestic and foreign equities) to a policy range of 45-70% and a target allocation of 53%. All asset classes may hold non-U.S. securities, depending on portfolio guidelines. Within the global equity asset class, the FRS Pension Trust Fund also holds units in commingled international equity 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 \$26.7 billion as of June 30, 2019.

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, 2019, 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, 2019

Currency	Investment Type			
	Equity	Alternative Investments	Other	Spot Contracts, Net
Australian dollar	\$ 945,538	\$ —	\$ (71,392)	\$ 428
Bangladesh taka	15,691	—	—	—
Brazilian real	730,566	—	(15,225)	(1,995)
British pound sterling	3,251,615	72,146	24,570	8,199
Canadian dollar	1,368,060	—	(24,544)	462
Chilean peso	31,604	—	—	—
Chinese yuan renminbi	381,517	—	(16,261)	(642)
Colombian peso	8,097	—	5,282	—
Costa rican colon	2,267	—	—	—
Czech koruna	5,345	—	5,243	—
Danish krone	458,157	—	(13,599)	1,115
Egyptian pound	31,920	—	—	—
Euro currency unit	7,115,510	1,022,849	(367,904)	(2,066)
Ghanaian cedi	2,118	—	—	—
Hong Kong dollar	2,756,183	—	(36,567)	(3,260)
Hungarian forint	42,607	—	(9,636)	—
Indian rupee	837,405	—	66,648	—
Indonesian rupiah	199,759	—	66,380	(617)
Israeli shekel	116,483	—	7,372	10
Japanese yen	3,982,234	—	44,687	(3,116)
Kenyan shilling	15,566	—	—	—
Kuwaiti dinar	31,494	—	—	—
Malaysian ringgit	86,235	—	—	(262)
Mauritius rupee	2,669	—	—	—
Mexican peso	189,342	—	31,814	(1)
Moroccan dirham	2,444	—	—	—
New Taiwan dollar	729,243	—	(27,128)	(6,552)
New Zealand dollar	58,366	—	(7,952)	—
Nigerian naira	28,085	—	—	—
Norwegian krone	257,601	—	(38,864)	(248)
Omani rial	1,620	—	—	—
Pakistani rupee	8,736	—	—	—
Peruvian sol	1,698	—	—	—
Philippines peso	99,219	—	25,139	730
Polish zloty	62,796	—	10,422	186
Qatari riyal	13,011	—	—	—
Romanian new leu	19,222	—	5,169	55
Russian ruble	8,476	—	51,205	(8)
Singapore dollar	360,761	—	3	1,550
South African rand	352,952	—	7,608	(2,680)
South Korean won	998,576	—	(58,747)	611
Sri Lankan rupee	8,802	—	—	—
Swedish krona	459,693	23	(6,145)	1,025
Swiss franc	1,585,234	—	(4,844)	(3,154)
Thailand baht	211,555	—	5,226	(593)
Turkish lira	104,308	—	15,519	(120)
United Arab Emirates dirham	57,394	—	—	651
Vietnam dong	37,216	—	—	—
Total foreign currency risk	28,074,990	1,095,018	(326,521)	(10,292)
Other investments with potential exposure to foreign currency risk:				
Alternative investments	—	26,688,982	—	—
P-notes and ETFs	437,879	—	—	—
Commingled international equity funds	8,401,273	—	—	—
Total investments subject to foreign currency risk	\$ 36,914,142	\$ 27,784,000	\$ (326,521)	\$ (10,292)

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 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, 2019, 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, 2019

		In Local Currency			Unrealized Gain/(Loss) (in U.S. \$)
Currency	Number of Contracts	Notional Traded Exposure	Notional Market Exposure	Unrealized Gain/(Loss)	
Stock Index Futures:					
GBP FT SE 100 Index	British pound sterling	48	3,500	3,537	37 \$
Canada S&P/T SE 60 Index	Canadian dollar	19	3,698	3,715	17
DJ Euro STOXX 50	Euro currency unit	211	7,131	7,313	182
TOPIX Index Future	Japanese yen	32	497,071	496,320	(751)
NIKKEI 225 Yen	Japanese yen	29	307,618	308,923	1,305
FTSE China A50 Index ¹	U. S. dollar	381	5,122	5,146	24
MSCI EAFE ¹	U. S. dollar	1,523	144,427	146,459	2,032
MSCI Emerging markets Index ¹	U. S. dollar	337	16,956	17,750	794

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

The FRS Pension Trust Fund also held positions in option contracts that are subject to foreign currency risk at June 30, 2019. 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.

FRS Pension Trust Fund
Options Exposed to Foreign Currency Risk
As of June 30, 2019

Currency	In Local Currency		(In U.S. \$)
	Notional Amount	Total Market Value	Total Market Value
Options purchased:			
Euro currency unit	56,940	621	\$ 707
Japanese yen	55,801	307	350
U.S. dollar ¹	630,924	2,633	2,633
Options sold:			
Euro currency unit	341,471	(369)	(411)
Japanese yen	145,140	(1,948)	(2,035)
U.S. dollar ¹	257,054	(1,244)	(1,244)
Total subject to foreign currency risk			\$ —

¹ Currency options on a currency pair, that are denominated in U.S. dollars, are dependent on the exchange rate of the given foreign currency relative to the U.S. dollar.

The FRS Pension Trust Fund did not hold any positions in swap contracts that were exposed to foreign currency risk at June 30, 2019.

The FRS Pension Trust Fund, LCEF, and the Florida Prepaid Program and Investment Plan also enter into foreign currency exchange contracts which are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. Currently, there are two types of foreign currency contracts being utilized by the FRS Pension Trust Fund. Spot currency contracts are used primarily for trade settlement and currency repatriation and are valued at spot (traded) currency rates. Forward currency contracts are valued at interpolated forward rates and may be used to mitigate currency risk for changes in value associated with foreign holdings, payables and/or receivables. On the Statement of Fiduciary Net Position, individual forward currency contract positions are recorded as net in Other investments, and spot currency contracts are recorded as receivables and payables. In addition, such contracts may be used to seek additional value independent of underlying equity assets. The LCEF and Florida Prepaid Plans currently utilize only spot currency contracts. All of the contracts are subject to foreign currency risk. A schedule of the FRS Pension Trust Fund's foreign currency exchange contracts outstanding at June 30, 2019, is presented below, by currency (in thousands):

FRS Pension Trust Fund
Foreign Currency Exchange Contracts
As of June 30, 2019

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	\$ 43,604	\$ 114,105	\$ (71,392)	\$ (892)	\$ 1,263	\$ (835)	\$ 428	\$ 1
Brazilian real	29,455	44,082	(15,225)	(598)	984	(2,979)	(1,995)	5
British pound	117,265	92,439	24,523	(303)	11,604	(3,405)	8,199	26
Canadian dollar	64,154	88,630	(24,557)	(81)	598	(136)	462	1
Chilean peso	15,170	14,703	—	(467)	—	—	—	—
Chinese yuan	11,712	28,019	(16,261)	46	—	(642)	(642)	(1)
Columbian peso	30,866	24,327	5,282	(1,257)	—	—	—	—
Czech koruna	5,427	263	5,243	78	—	—	—	—
Danish krone	—	13,476	(13,599)	(123)	1,115	—	1,115	2
Euro currency unit	249,363	614,037	(368,407)	(3,734)	7,501	(9,567)	(2,066)	1
Hong Kong dollar	—	36,504	(36,567)	(63)	4,087	(7,347)	(3,260)	(1)
Hungarian forint	20,856	30,637	(9,636)	145	—	—	—	—
Indian rupee	75,886	9,945	66,648	708	—	—	—	—
Indonesian rupiah	65,866	743	66,380	1,257	—	(617)	(617)	(1)
Israeli shekel	20,134	12,749	7,372	(13)	10	—	10	—
Japanese yen	237,948	193,169	46,367	1,588	4,433	(7,549)	(3,116)	(1)
Malaysian ringgit	—	—	—	—	248	(510)	(262)	—
Mexican peso	71,373	40,098	31,814	539	2	(3)	(1)	—
New Taiwan dollar	6,482	33,014	(27,128)	(596)	—	(6,552)	(6,552)	(2)
New Zealand dollar	34,952	42,299	(7,952)	(605)	—	—	—	—
Norwegian krone	80,449	118,186	(38,864)	(1,127)	—	(248)	(248)	—
Philippines peso	25,364	248	25,139	24	730	—	730	(1)
Polish zloty	10,741	473	10,422	154	312	(126)	186	—
Romanian new leu	5,363	236	5,169	43	55	—	55	—
Russian ruble	71,563	21,740	51,205	1,382	—	(8)	(8)	—
Singapore dollar	28,057	27,823	3	(232)	1,831	(281)	1,550	—
South African rand	11,095	3,983	7,608	496	208	(2,888)	(2,680)	(16)
South Korean won	13,233	71,104	(58,747)	(875)	3,264	(2,653)	611	1
Swedish krona	26,028	32,016	(6,145)	(157)	1,041	(16)	1,025	—
Swiss franc	93,429	97,923	(4,844)	(351)	718	(3,872)	(3,154)	—
Thailand baht	5,341	223	5,226	109	855	(1,448)	(593)	(1)
Turkish lira	16,098	1,093	15,519	514	—	(120)	(120)	—
United Arab	—	—	—	—	689	(38)	651	—
U.S. dollar	1,516,763	1,195,750	321,013	—	51,791	(41,486)	10,305	—
Total	\$ 3,004,037	\$ 3,004,037	\$ (4,391)	\$ (4,391)	\$ 93,339	\$ (93,326)	\$ 13	\$ 13

A schedule of the Lawton Chiles Endowment Fund and Florida Prepaid College Fund investments exposed to foreign currency risk as of June 30, 2019, is presented below, by currency (in thousands):

**Lawton Chiles Endowment Fund (LCEF) and Florida Prepaid College Program
Investments Exposed to Foreign Currency Risk (fair values in U.S.\$, in thousands)
As of June 30, 2019**

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	\$ 14,459	\$ —	\$ 43,770	\$ —
Brazilian real	4,488	—	—	—
British pound sterling	27,248	—	73,296	—
Canadian dollar	17,244	—	—	—
Chinese yuan renminbi	4,404	(29)	—	—
Danish krone	3,167	—	14,107	—
Egyptian pound	378	—	—	—
Euro currency unit	50,923	—	163,527	(64)
Hong Kong dollar	20,458	—	9,556	57
Hungarian forint	613	—	—	—
Indonesian rupiah	2,573	—	—	—
Israeli shekel	1,848	—	—	—
Japanese yen	41,698	(89)	109,601	(305)
Malaysian ringgit	1,201	—	—	—
Mexican peso	1,559	—	—	—
New Taiwan dollar	7,331	—	—	—
New Zealand dollar	800	—	965	—
Norwegian krone	2,935	—	2,142	(228)
Philippines peso	499	—	—	—
Polish zloty	1,004	—	—	—
Singapore dollar	1,409	—	7,185	—
South African rand	3,134	—	—	—
South Korean won	11,865	—	—	—
Swedish krona	6,619	—	10,575	—
Swiss franc	16,064	—	40,953	—
Thailand baht	2,588	—	—	—
Turkish lira	990	—	—	—
Total investments subject to foreign currency risk	\$ 247,499	\$ (118)	\$ 475,677	\$ (540)

A Schedule of the Lawton Chiles Endowment Fund's, Florida Prepaid Program's and Investment Plan's foreign currency exchange contracts outstanding at June 30, 2019, is presented below, by currency (in thousands):

Lawton Chiles Endowment Fund, Florida Prepaid Program and Investment Plan
Foreign Currency Exchange Contracts
As of June 30, 2019

Currency	Spot Currency Contracts			
	Receivables	Payables	Net Receivables/ Payables	Net Unrealized Gain/(Loss)
Lawton Chiles Endowment Fund:				
Chinese yuan renminbi	\$ —	\$ (29)	\$ (29)	\$ —
Japanese yen	—	(89)	(89)	—
U.S. dollar	118	—	118	—
Total Lawton Chiles Endowment Fund	<u>\$ 118</u>	<u>\$ (118)</u>	<u>\$ —</u>	<u>\$ —</u>
Florida Prepaid Program:				
Euro currency unit	\$ 147	\$ (203)	\$ (56)	\$ —
Hong Kong dollar	50	—	50	—
Japanese yen	—	(272)	(272)	—
Norwegian krone	—	(202)	(202)	—
U.S. dollar	677	(197)	480	—
Total Florida Prepaid Program	<u>\$ 874</u>	<u>\$ (874)</u>	<u>\$ —</u>	<u>\$ —</u>
Florida Prepaid Investment Plan				
Euro currency unit	\$ 19	\$ (27)	\$ (8)	\$ —
Hong Kong dollar	7	—	7	—
Japanese yen	—	(33)	(33)	—
Norwegian krone	—	(26)	(26)	—
U.S. dollar	86	(26)	60	—
Total Florida Prepaid Investment Plan	<u>\$ 112</u>	<u>\$ (112)</u>	<u>\$ —</u>	<u>\$ —</u>

Component Units

Component unit information regarding foreign currency risk was not readily available.

5. Security Lending

Pooled Investments with the State Treasury

Section 17.61(1), F.S., authorizes the State Treasury to participate in a security lending program. Agents of the State Treasury loan securities, including U.S. government and federally guaranteed obligations, bonds, and notes to broker/dealers for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Collateral for loaned securities cannot be less than 100 percent of the fair value of the underlying security plus accrued interest. Such collateral may consist of cash or government securities. Cash collateral is invested by the agent in investments authorized by Section 17.57, F.S. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned because security loan agreements are generally open-ended with no fixed expiration date. The collateral under security lending agreements (including accrued interest) exceeded the fair value of the securities underlying those agreements (including accrued interest) on June 30, 2019. If a situation occurs where an agent does not receive collateral sufficient to offset the fair value of any securities lent, or the borrowers fail to return the securities or fail to pay the State Treasury for income distributions by the securities' issuers while the securities are on loan, the agent is required to indemnify the State Treasury for any losses that might occur. The State Treasury received \$ 1,189,219,592 cash collateral and \$1,937,782,659 non-cash collateral for securities loaned to others. Since the State Treasury does not have the ability to pledge or sell non-cash collateral securities, any non-cash portion of the collateral is not reported on the balance sheet. Securities held with others under security lending agreements with cash collateral totaled \$1,157,009,469. Securities held with others under security lending agreements with non-cash collateral totaled \$1,889,211,786.

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, 2019, are as follows (in thousands):

**State Treasury Investments on Loan Under Security Lending Agreements
As of June 30, 2019**

Securities on Loan for Cash Collateral, by Security Type	Fair Value of Securities on Loan*
U.S. guaranteed obligations	\$ 678,350
Federal agencies	50,658
Bonds and notes - domestic	363,365
Bonds and notes - international	64,636
Total securities on loan for cash collateral	1,157,009
Securities on Loan for Non-Cash Collateral, by Security Type	
U.S. guaranteed obligations	1,883,837
Bonds and notes - domestic	647
Bonds and notes - international	4,728
Total securities on loan for non-cash collateral	1,889,212
Total securities on loan	\$ 3,046,221

* 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, 2019. 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 \$2,668,946,859 in cash and \$15,278,498,020 in U.S. government securities as collateral for the lending programs as of June 30, 2019. At June 30, 2019, the collateral held for the security lending transactions exceeded the fair value of the securities underlying the agreements (including accrued interest) except with three borrowers in the LCEF totaling \$1,346. Most security lending programs have indemnity clauses requiring the lending agent to assume borrower's risk from default. The FRS Pension Trust Fund also participated indirectly in security lending through investments in four commingled funds that do not offer borrower indemnification. The Fund receives a proportionate share of the security lending income generated from these activities. The SBA does not have the ability to pledge or sell the non-cash collateral securities, so the non-cash portion is not reported on the balance sheet or the Statement of (Fiduciary) Net Position. Maturities of investments made with cash collateral generally are not matched to maturities of the securities loaned because security loan agreements are generally open-ended with no fixed expiration date. As such, investments made with cash collateral are primarily in short-term investments. However, investments purchased for some security lending programs included investments with final maturities of six months or more representing a range of approximately 10% to 47% of total collateral invested. There are no restrictions on the amount of securities that can be loaned at one time to one borrower for most funds.

At June 30, 2019, the collateral re-investment portfolios for the FRS Pension Trust Fund and the LCEF were primarily reinvested in repurchase agreements (repos) or selected money market funds in order to maximize earnings and reduce risk. The portfolios contain some legacy non-repo securities that will remain until they are either sold or mature. At June 30, 2019, 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, 2019 (in thousands):

**Schedule of Other Investments on Loan Under Security Lending Agreements
As of June 30, 2019**

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	\$ 68,399	\$ 1,745,852	\$ 1,814,251
Federal agencies	12,554	93,861	106,415
Domestic bonds and notes	16,248	88,789	105,037
International bonds and notes	42,370	10,260	52,630
Domestic stocks	30,952	135,899	166,851
International Stocks	336,061	15,159	351,220
Total Securities on loan for cash collateral	506,584	2,089,820	2,596,404
Securities on Loan for Non-Cash Collateral, by Security type			
U.S. guaranteed obligations	\$ 2,251,502	\$ 178,448	\$ 2,429,950
Federal agencies	142	—	142
Domestic bonds and notes	27,325	29,398	56,723
International bonds and notes	9,782	4,251	14,033
Domestic stocks	10,422,272	60,643	10,482,915
International stocks	1,718,809	13,131	1,731,940
Total securities on loan for non-cash collateral	14,429,832	285,871	14,715,703
Total securities on loan	\$ 14,936,416	\$ 2,375,691	\$ 17,312,107

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:

- 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.
- 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.
- Net Settlement – Its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Derivative instruments consisted of futures, options, forward currency contracts, and swaps.

Pooled Investments with the State Treasury

Pursuant to the State Treasury's established investment policy guidelines, interest rate futures are used as part of the investment strategy related to interest rate risk, duration adjustments, and yield curve strategies. Although put and call options on any security are permitted under the State Treasury's investment guidelines, interest rate futures were the only type of derivative held as of June 30, 2019. The State Treasury did not utilize derivatives for hedging activities during the fiscal year ending June 30, 2019. All of the State Treasury investment derivatives were reported at fair value in the accompanying financial statements as of June 30, 2019.

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

		Changes in Fair Value		Fair Value at June 30, 2019	
	Notional (in U.S. \$)	Classification	Amount	Classification	Amount
State Treasury					
Investment derivative instruments:					
Futures	\$ (978,800)	Investment Income	\$ (3,475)	Receivable/(Payable)	\$ (1,047)

This schedule includes both long and short positions.

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

Other Investments

The SBA has established investment policy guidelines for each investment portfolio. Pursuant to these guidelines, derivative investment instruments are authorized to be used as tools for managing risk or executing investment strategies more efficiently than could otherwise be done in cash markets, and may only be used as part of a prudent investment process. Various derivative investment instruments are used as part of the investment strategy to hedge against interest rate risk, currency risk in foreign markets, default risk, and mortgaged-backed security prepayment risk, and to effectively manage exposure to domestic and international equities, bonds, and real estate markets.

A futures contract is an agreement between a buyer and a seller to exchange a particular good for a particular price at a particular date in the future, all of which are specified in a contract common to all members in a market on an organized futures exchange. Upon entering into a futures contract, collateral (cash and/or securities) is deposited with the counterparty, in SBA's name, in accordance with the initial margin requirements of the counterparty. Futures contracts are marked to market daily by the board of trade or exchange on which they are traded. The resulting gain/loss is received/paid the following day until the contract expires. The frequency of cash flows depends on specified collateral and margin limits mutually agreed upon by the SBA and third-party counterparty. Future contracts involve, to varying degrees, risk of loss in excess of the variation margin disclosed in the Statement of Fiduciary Net Position. Losses may arise from future changes in the value of the underlying instrument.

An option gives the buyer a stipulated privilege of buying or selling a stated property, security, or commodity at a given price (strike price) within a specified time (for an American-style option, at any time prior to or on the expiration date). A securities option is a negotiable contract in which the seller (writer), for a certain sum of money called the option premium, gives the buyer the right to demand within a specified time the purchase (call) from or sale (put) to the option seller of a specified number of bonds, currency units, index units, or shares of stock, at a fixed price or rate, called the strike price.

A forward currency contract is a contractual obligation, typically over-the-counter, traded between two parties to exchange a particular good or instrument (i.e., currency) at a set price on a future date. The buyer of the forward agrees to pay the price and take delivery of the good or instrument and is said to be "long" the forward contract, while the seller of the forward, or "short", agrees to deliver the good or instrument at the agreed price on the agreed date.

A swap is a contractual agreement to exchange a stream of periodic payments utilizing a central clearing house, whereby, each party in the transaction enters into a contract with the central counterparty. These agreements may be over-the-counter or exchange-traded. Upon entering into a swap contract through a clearing house, collateral is deposited with the counterparty, in SBA's name, in accordance with the initial margin requirements of the counterparty. Swaps are available in and between all active financial markets. Examples include:

Interest rate swap – An agreement between two parties where one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps often exchange a fixed payment for a floating payment that is linked to an interest rate.

Credit default swap – An agreement that allows one party to "buy" protection from another party for losses that might be incurred as a result of default by a specified reference credit (or credits). The "buyer" of protection pays a premium for the protection, and the "seller" of protection agrees to make a payment to compensate the buyer for losses incurred if a defined credit event occurs.

A summary of investment derivatives traded in the FRS Pension Trust Fund is presented below. As of June 30, 2019, all of the SBA investment derivatives were reported at fair value (in thousands).

		Increase/(Decrease) in Fair Value		Fair Value at June 30, 2019	
	Notional (in U.S. \$)	Classification	Amount (in U.S. \$)	Classification	Amount (in U.S. \$)
Fiduciary funds (FRS Pension Trust Fund)					
Investment derivative instruments:					
Futures¹					
Futures (debt)	\$ 3,448,657	Investment Income	\$ 51,999	Investment	\$ 22,784
Futures (equity)	\$ 1,351,839	Investment Income	73,956	Investment	12,313
Total futures			<u>\$ 125,955</u>		<u>\$ 35,097</u>
Forward currency contracts, net	\$ 3,004,037	Investment Income	<u>\$ 34,784</u>	Investment	<u>\$ (4,391)</u>
Options					
Options purchased	\$ 743,665	Investment Income	\$ (100,688)	Investment	\$ 3,690
Options sold	\$ 743,665	Investment Income	57,133	Investment	(3,690)
Total options			<u>\$ (43,555)</u>		<u>\$ —</u>
Swaps					
Interest rate swaps	\$ 2,283,410	Investment Income	\$ (6,863)	Investment	\$ (4,810)
Credit default swaps	\$ 279,705	Investment Income	2,022	Investment	(2,001)
Total swaps			<u>\$ (4,841)</u>		<u>\$ (6,811)</u>

¹The total notional values of long and short fixed income (i.e., debt) futures positions were \$2,914,797,410 and \$533,859,475, respectively. The total notional value of long equity futures positions was \$1,351,838,655.

A summary of investment derivatives traded in the Florida Prepaid College Program and the Florida Prepaid Investment Plan are presented below. As of June 30, 2019, all of the Florida Prepaid investment derivatives were reported at fair value (in thousands).

	Notional (in U.S. \$)	Increase/(Decrease) in Fair Value		Fair Value at June 30, 2019	
		Classification	Amount (in U.S. \$)	Classification	Amount (in U.S. \$)
Investment derivative instruments:					
Enterprise funds (Florida Prepaid Program)					
Futures (equity)	\$ 1,030	Investment Income	\$ 103	Investment	\$ 16
Fiduciary funds (Florida Prepaid Investment Plan)					
Futures (equity) ¹	\$ —	Investment Income	\$ (13)	Investment	\$ —

¹The Florida Prepaid Investment Plan traded equity futures during the fiscal year, but held no positions at June 30, 2019.

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 \$14.0 billion as of June 30, 2019.

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, 2019, the State Treasury had the following recurring fair value measurements:

Investments and Derivative Instruments Measured at Fair Value As of June 30, 2019

Investments by fair value level	Total	Level 1	Level 2	Level 3
Commercial paper	\$ 235,880	\$ —	\$ 235,880	\$ —
U.S. guaranteed obligations	7,798,466	7,165,503	632,963	—
Federal agencies	7,473,094	—	7,473,094	—
Bonds and notes - domestic	5,968,798	—	5,968,798	—
Bonds and notes - international	1,065,602	3,181	1,062,421	—
Commingled STIF	492,398	—	—	492,398
Lending collateral investments:				
Commercial Paper	—	—	—	—
Federal agencies	366,079	—	366,079	—
Bonds and notes - domestic	337,067	—	337,067	—
Bonds and notes - international	195,998	—	195,998	—
Total investments by fair value level	<u>\$ 23,933,382</u>	<u>\$ 7,168,684</u>	<u>\$ 16,272,300</u>	<u>\$ 492,398</u>
Investment derivative instruments				
Futures contracts	\$ (1,047)	\$ (1,047)	\$ —	\$ —
Total investment derivative	<u>\$ (1,047)</u>	<u>\$ (1,047)</u>	<u>\$ —</u>	<u>\$ —</u>

Other Investments

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

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

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

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

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

Private equity funds and real estate direct investments classified as Level 3 are valued using the methodology as described in the footnotes for the *Additional GASB 72 Required Disclosures* table, footnotes 11 and 13, respectively. Other private equity funds are measured at net asset value (NAV).

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

The FRS Pension Trust Fund had the following fair value measurements as of June 30, 2019 (in thousand):

FRS Pension Trust Fund
As of June 30, 2019

Investments by fair value level	Fair Value Measurement Using			
	Total Fair Value	Level 1	Level 2	Level 3
Debt securities				
Certificates of deposit	\$ 324,980	\$ —	\$ 324,980	\$ —
Commercial paper	3,121,322	—	3,121,322	—
U.S. guaranteed obligations	13,968,174	—	13,968,174	—
Federal agencies	8,366,295	—	8,362,963	3,332
Domestic bonds and notes	7,386,905	—	7,374,371	12,534
International bonds and notes	2,057,940	—	2,053,141	4,799
Total debt securities	35,225,616	—	35,204,951	20,665
Equity securities				
Domestic	48,025,526	48,025,506	—	20
International	32,463,861	32,414,624	—	49,237
Commingled international equity funds	224,308	—	224,308	—
Total equity securities	80,713,695	80,440,130	224,308	49,257
Alternative Investments				
Private equity fund	325,711	—	—	325,711
Real Estate direct investments	9,699,428	—	—	9,699,428
Derivative Instruments, net				
Forward currency contracts	(4,391)	—	(4,391)	—
Futures contracts	35,097	35,097	—	—
Option contracts	—	—	—	—
Swap contracts	(6,811)	—	(6,811)	—
Total Investment derivative instruments	23,895	35,097	(11,202)	—
Securities lending collateral investments				
Domestic bonds and notes	50,617	—	43,351	7,266
Total investments by fair value level	126,038,962	\$ 80,475,227	\$ 35,461,408	\$ 10,102,327
Investments Measured at the Net Asset Value (NAV)				
Commingled international equity funds	8,176,965			
Commingled real estate investment funds	2,396,469			
Activist equity funds	927,611			
Hedge funds	4,477,967			
Insurance funds	662,995			
Private debt/credit opportunities funds	3,039,722			
Private equity funds	13,736,947			
Private real asset funds	4,613,047			
Total investments measured at the NAV	38,031,723			
Total investments measured at fair value¹	164,070,685			
Other investments carried at amortized cost				
Money market funds	54,944			
Money market funds - security lending collateral	145,168			
Repurchase agreements	800,000			
Repurchase agreements - security lending collateral	310,000			
Total investments carried at amortized cost	1,310,112			
Total investments	\$ 165,380,797			
Investments sold short (Liabilities) measured at fair value				
U.S. guaranteed obligations	\$ (26,607)	\$ —	\$ (26,607)	\$ —
Federal agencies	(197,452)	—	(197,452)	—
Total investments sold short	\$ (224,059)	\$ —	\$ (224,059)	\$ —

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2019, is presented in the footnotes to the table below (in thousands):

FRS Pension Trust Fund Additional GASB 72 Required Disclosures					
	Fair Value 6/30/2019	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	
Investments Measured at the NAV:					
Commingled international equity funds ¹	\$ 8,176,965	\$ —	Daily, Monthly	1 - 120 days	
Commingled real estate investment funds ²	2,396,469	—	Quarterly	15 - 90 days	
Activist equity funds ³	927,611	—	Monthly, Annually	65 - 90 days	
Hedge funds					
Diversifying strategies (managed futures) ⁴	1,262,007	—	Daily, Monthly	10 - 35 days	
Equity long/short ⁵	487,206	—	Monthly, Quarterly	30 - 125 days	
Event driven ⁶	117,831	—	Quarterly, Biennially	45 - 90 days	
Global macro ⁷	929,845	—	Monthly, Quarterly	5 - 60 days	
Multi-strategy ⁸	711,115	—	Quarterly, Annually, Biennially	60 - 90 days	
Opportunistic debt ⁹	453,662	—	Quarterly, Annually	60 - 90 days	
Relative value ¹⁰	516,301	—	Quarterly	45 - 90 days	
Insurance funds ¹¹	662,995	163,925	Monthly, Biannually	30 - 90 days	
Private debt/credit opportunity funds ¹²	3,039,722	1,970,883			
Private equity funds ¹³	13,736,947	8,285,677			
Private real asset funds ¹⁴	4,613,047	3,224,935			
Total Investments Measured at the NAV	<u>\$ 38,031,723</u>	<u>\$ 13,645,420</u>			
Investments Measured at Level 3:					
Private equity funds ¹³	\$ 325,711	\$ —			
Real estate direct investment ¹⁵	\$ 9,699,428	\$ 363,017			

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

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

³ *Activist Equity Funds.* The three funds in this group invest in public companies with the intent to effect positive change through influencing management. The funds may be structured with a focus on specific domestic or foreign geographic regions. These investments are valued at the NAV per share. One fund (approximately 42% of this strategy) is currently eligible for redemption monthly. Another fund (approximately 34% of this strategy) is eligible for redemption in six months due to annual lock-up restrictions. The remaining fund (approximately 24% of this strategy) is eligible for redemption in nine months due to contractual lock-up restrictions.

⁴ *Diversifying Strategies (Managed Futures) Hedge Funds.* The three funds that make up this group primarily trade equity and commodity futures, but can also participate in indexes, rates and currencies in markets across global markets. These funds use a systematic approach and focus on trends in price and other market signals. These investments are valued at the NAV per share. All funds within this strategy are redeemable within a month or less, as they are not subject to lock-up restrictions.

⁵ *Equity Long/Short Hedge Funds.* Consisting of four funds, this strategy invests both long and short, primarily in U.S. and global stocks that are mispriced by the markets. These managers vary in their use of short selling, leverage and definitions of growth or value. These funds are valued at the NAV per share. Two funds (approximately 32% of the value of this strategy) are currently eligible for redemption monthly, while the remaining two funds (approximately 68% of this strategy) are redeemable in three months or less due to quarterly redemption restrictions.

⁶ *Event Driven Hedge Funds.* The two funds in this group seek to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. These investments are valued at the NAV per share. The funds in this strategy are no longer under contractual lockup, but due to exit restrictions, the redemption period ranges from three to six months.

⁷ *Global Macro Hedge Funds.* Consisting of six funds, which base their holdings (such as long and short positions in various equity, fixed income, currency, and futures markets) primarily on overall economic and political view of various countries. These funds are valued at the NAV per share. All funds in this strategy are no longer subject to contractual lock-up, and are redeemable in three months or less due to monthly and quarterly redemption restrictions.

⁸ *Multi-Strategy Hedge Funds.* The three funds in this group aim to diversify risks and reduce volatility by combining other strategies. These strategies are usually a mix of Equity Long/Short, Event-Driven, or Opportunistic Debt and Relative Value. These funds are valued at the NAV per share. One fund (approximately 30% of this strategy) is eligible for redemption in six months or less due to annual redemption restrictions. Another fund (approximately 44% of this strategy) is eligible for redemption biennially with the next redemption date in five months. The remaining fund (approximately 26% of this strategy) is eligible for redemption quarterly with the next redemption in three months.

⁹ *Opportunistic Debt Hedge Funds.* Consisting of four funds that pursue various strategies and asset classes, with an emphasis on mispriced debt or equity of companies in distress. These managers vary in their focus on early versus late stage situations, senior versus subordinated levels on the capital structure and non-traditional areas including high yield bonds and Emerging Markets debt, and may also pursue relative value and arbitrage strategies with various debt instruments.

These funds are valued at the NAV per share. One fund (approximately 29% of this strategy) is eligible for redemption in six months due to annual redemption restrictions. Three funds (approximately 71% of this strategy) are currently eligible for redemption in three months due to quarterly redemption restrictions.

¹⁰*Relative Value Hedge Funds.* Consisting of three funds, this strategy focuses on benefiting from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing (long) or selling (short) these instruments. These investments are valued at the NAV per share. All funds in this strategy are no longer subject to contractual lock-up, and are redeemable in three months or less due to quarterly redemption restrictions.

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

¹²*Private Debt/Credit Opportunity Funds.* There are 54 private debt/credit funds investing primarily in Distressed, Mezzanine and Loans with some exposure to Special Situations. The fair value of these funds has been determined using the NAV at June 30, 2019 or one quarter in arrears adjusted for current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

¹³*Private Equity funds.* There are 210 private equity funds investing primarily in Leveraged Buyouts funds, Venture Capital funds, Secondary funds and Growth funds with some exposure to Special Situations, Diversifying Strategies and GP Investments. The fair value of 208 funds has been determined using the NAV at June 30, 2019, or one quarter in arrears adjusted for current quarter cash flows. The fair value of the remaining two funds (approximately 2% of the value of these investments) was based on external appraisals at June 30, 2019, and classified as Level 3. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

¹⁴*Private Real Asset Funds.* There are 74 real asset funds, 52 of which invest in real estate assets such as commercial office buildings, retail properties, multi-family residential properties, developments or hotels. In addition, the funds may be structured with a focus on specific geographic domestic or foreign regions. The remaining 22 funds invest in infrastructure, timberland, transportation and commodities. The fair value of these funds has been determined using the NAV at June 30, 2019, or one quarter in arrears adjusted for current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

¹⁵*Direct Real Estate Investments.* There are 69 direct owned/joint venture real estate assets that are valued based on annual external and/or quarterly internal appraisals and are classified as Level 3.

The schedule below discloses the fair value measurements for all other funds managed by the SBA (excluding the FRS Pension Trust Fund) at June 30, 2019, (in thousands):

All SBA Managed Funds (except FRS Pension Trust Fund)
As of June 30, 2019

<u>Investments by fair value level</u>	Fair Value Measurement Using			
	<u>Total Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Debt securities				
Certificates of deposit	\$ 300,060	\$ —	\$ 300,060	\$ —
Commercial paper	26,989	—	26,989	—
U.S. guaranteed obligations	18,064,504	—	18,064,291	213
Federal agencies	2,224,171	—	2,223,276	895
Domestic bonds and notes	4,105,145	—	4,104,969	176
International bonds and notes	2,028,863	—	2,028,863	—
Total debt securities	26,749,732	—	26,748,448	1,284
Equity securities				
Domestic	2,888,009	2,888,009	—	—
International	836,075	835,850	—	225
Total equity securities	3,724,084	3,723,859	—	225
Investment derivative instruments				
Futures contracts	16	16	—	—
Other investments				
Domestic bonds and notes mutual funds	4,307	4,307	—	—
Domestic equity mutual funds	554,579	554,579	—	—
International equity mutual funds	448,441	448,441	—	—
Self-directed brokerage account	700,874	—	700,874	—
Total other investments	1,708,201	1,007,343	700,874	—
Securities lending collateral investments				
Certificates of deposit	1,073,086	—	1,073,086	—
Commercial paper	434,745	—	434,745	—
International bonds and notes	20,048	—	20,048	—
Total securities lending collateral investments	1,527,879	—	1,527,879	—
Total investments by fair value level	33,709,912	\$ 4,731,202	\$ 28,977,201	\$ 1,509
Investments Measured at the Net Asset Value (NAV)				
Commingled domestic bonds and notes funds	1,916,174			
Commingled domestic equity funds	3,461,142			
Commingled international equity fund	1,730,123			
Commingled real asset fund	787,711			
Total investments measured at the NAV	7,895,150			
Total investments measured at fair value	41,605,062			
Other investments carried at cost or amortized cost				
Money market funds	3,034,202			
Money market funds - security lending collateral	4,244			
Certificates of deposit	3,649,948			
Commercial paper	5,246,480			
Repurchase agreements	2,675,000			
Repurchase agreements - security lending collateral	593,000			
U.S. guaranteed obligations	809,571			
Domestic bonds and notes	43,530			
Total investments carried at cost or amortized cost	16,055,975			
Total investments	\$ 57,661,037			

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2019, is presented in the footnotes to the table below (in thousands):

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

	6/30/2019	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments Measured at the NAV				
Commingled domestic bonds and notes funds ¹	\$ 1,916,174	\$ —	Daily	2 - 15 Days
Commingled domestic equity funds ²	3,461,142	—	Daily	1 - 5 Days
Commingled international equity fund ³	1,730,123	—	Daily	2 Days
Commingled real asset funds ⁴	787,711	—	Daily	1 - 15 Days
Total investments measured at the NAV	<u>\$ 7,895,150</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, 2019, (in thousands):

**Major Component Units
As of June 30, 2019**

	Fair Value Measurement Using			
	Total Fair Value	Level 1	Level 2	Level 3
Investment by fair value level				
Florida Housing Finance Corporation (FHFC)				
Debt securities				
Commercial paper	\$ 3,505	\$ —	\$ 3,505	\$ —
U.S. guaranteed obligations	1,148,555	—	1,148,555	—
Federal agencies	110,814	—	110,814	—
Domestic bonds and notes	220,680	—	220,680	—
Total debt securities	1,483,554	—	1,483,554	—
Other investments	3,294	—	3,294	—
Total FHFC investments by fair value level	\$ 1,486,848	\$ —	\$ 1,486,848	\$ —
Citizens Property Insurance Corporation (CPIC)				
Debt securities				
Certificates of deposit	\$ 751	\$ —	\$ 751	\$ —
U.S. guaranteed obligations	1,633,876	1,633,876	—	—
Federal agencies	925,463	—	925,463	—
Domestic bonds and notes	5,323,327	—	5,323,327	—
International bonds and notes	739,642	—	739,642	—
Total CPIC investments by fair value level	\$ 8,623,059	\$ 1,633,876	\$ 6,989,183	\$ —
University of Florida (UF)				
Debt securities				
Commercial paper	\$ 10,576	\$ 10,576	\$ —	\$ —
U.S. guaranteed obligations	14,887	13,315	1,572	—
Federal agencies	1,890	—	1,890	—
Domestic bonds and notes	38,397	13,754	24,643	—
International bonds and notes	745	—	745	—
Total debt securities	66,495	37,645	28,850	—
Equity securities				
Domestic	607	587	20	—
International	—	—	—	—
Total equity securities	607	587	20	—
Mutual funds	329,901	229,875	100,026	—
Private equity funds	2,292	—	—	2,292
Other investments	32,685	18,888	13,797	—
Total UF investments by fair value level	431,980	\$ 286,995	\$ 142,693	\$ 2,292
Investments Measured at the Net Asset Value (NAV)				
University of Florida				
International equity commingled funds ¹	85	\$ —	Illiquid	N/A
Real estate investments	8,424	—	Illiquid	N/A
Hedge funds - Multi-strategy ²	5,661	—	Quarterly	45 Days
Private equity funds ³	3,347,105	271,894	Monthly	30 - 45 days
Total investments measured at the NAV	3,361,275			
Total investments measured at fair value	\$ 3,793,255			

¹ *International equity commingled funds*: Include illiquid stocks. The fair values have been estimated using the NAV per share (or its equivalent) of the investments as practical expedient as of June 30, 2019.

² *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.

³ *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	\$ 235,171	\$ 9,977	\$ 145	\$ 1,202,157	\$ 16,286
Contracts & grants receivable	708	419	376	—	81,836
Due from Federal government	3,567	26,931	3,815	919,826	40,148
Due from other governmental units	533	3,763	—	1,955	45,287
Interest & dividends receivable	54,262	3,691	3,732	341	11,067
Loans & notes receivable	103,233	159,600	—	—	11,304
Fees receivable	117,107	12	—	—	—
Taxes receivable	3,342,709	23,555	56,890	—	257,319
Allowance for uncollectibles	(1,757,491)	(3,330)	(43)	(64,735)	(17,550)
Receivables, net	\$ 2,099,799	\$ 224,618	\$ 64,915	\$ 2,059,544	\$ 445,697
Loans & notes receivable from other governments	\$ —	\$ 1,575,035	\$ —	\$ —	\$ 499,938
Long-term interest receivable	—	—	—	—	390
Other loans & notes receivable	5,034	—	3,631	334,057	63,917
Allowance for uncollectibles	(4)	—	(2,096)	(310,546)	(37,888)
Other loans & notes receivable, net	\$ 5,030	\$ 1,575,035	\$ 1,535	\$ 23,511	\$ 526,357

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts receivable	\$ 425,972	\$ 1,889,708	\$ 39,839	\$ 84,966	\$ 2,014,513
Contracts & grants receivable	37,097	120,436	—	—	120,436
Due from Federal government	203,995	1,198,282	—	—	1,198,282
Due from other governmental units	35,695	87,233	3,513	—	90,746
Interest & dividends receivable	4,677	77,770	2,321	—	80,091
Loans & notes receivable	147,739	421,876	—	—	421,876
Fees receivable	272	117,391	—	—	117,391
Taxes receivable	17,627	3,698,100	—	—	3,698,100
Allowance for uncollectibles	(222,027)	(2,065,176)	(1,318)	—	(2,066,494)
Receivables, net	\$ 651,047	\$ 5,545,620	\$ 44,355	\$ 84,966	\$ 5,674,941
Loans & notes receivable from other governments	\$ 734,676	\$ 2,809,649	\$ —	\$ —	\$ 2,809,649
Long-term interest receivable	—	390	—	—	390
Other loans & notes receivable	59,102	465,741	—	—	465,741
Allowance for uncollectibles	(9,329)	(359,863)	—	—	(359,863)
Other loans & notes receivable, net	\$ 784,449	\$ 2,915,917	\$ —	\$ —	\$ 2,915,917

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts receivable	\$ 31,195	\$ 58,355	\$ 934,464	\$ 209,531	\$ 227,605
Due from Federal government	—	—	—	—	207
Due from other governmental units	206	—	—	—	563
Interest & dividends receivable	4,842	1,015	62,499	34,508	52,345
Loans & notes receivable	—	—	—	357,739	—
Fees receivable	31,614	—	—	—	1,238
Taxes receivable	—	—	—	—	137,818
Allowance for uncollectibles	—	(4,125)	(562)	—	(326,368)
Receivables, net	\$ 67,857	\$ 55,245	\$ 996,401	\$ 601,778	\$ 93,408
Loans & notes receivable	\$ 75,182	\$ —	\$ —	\$ 2,030,004	\$ —
Allowance for uncollectibles	—	—	—	—	—
Future contract premiums and other receivables	—	—	—	—	—
Other loans & notes receivable, net	\$ 75,182	\$ —	\$ —	\$ 2,030,004	\$ —

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts receivable	\$ 74,266	\$ 1,535,416	\$ 135,534	\$ 1,670,950
Due from Federal government	—	207	—	207
Due from other governmental units	19,707	20,476	—	20,476
Interest & dividends receivable	945	156,154	—	156,154
Loans & notes receivable	102	357,841	—	357,841
Fees receivable	109	32,961	—	32,961
Taxes receivable	—	137,818	—	137,818
Allowance for uncollectibles	(71,961)	(403,016)	—	(403,016)
Receivables, net	\$ 23,168	\$ 1,837,857	\$ 135,534	\$ 1,973,391
Loans & notes receivable	\$ 3,730	\$ 2,108,916	\$ —	\$ 2,108,916
Allowance for uncollectibles	(287)	(287)	—	(287)
Future contract premiums and other receivables	54	54	—	54
Other loans & notes receivable, net	\$ 3,497	\$ 2,108,683	\$ —	\$ 2,108,683

COMPONENT UNITS

Accounts receivable	\$ 1,502,622
Contracts & grants receivable	219,352
Due from Federal government	8,333
Due from other governmental units	293,737
Interest & dividends receivable	106,603
Loans & notes receivable	198,119
Allowance for uncollectibles	(376,793)
Receivables, net	\$ 1,951,973
Other loans & notes receivable	\$ 2,417,822
Allowance for uncollectibles	(206,876)
Other loans & notes receivable, net	\$ 2,210,946

“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	\$ 455,173	\$ 40,720	\$ 8,926	\$ 333,535	\$ 473,775
Accrued salaries & wages	110,332	2,504	31	42,338	19,628
Accrued interest payable	—	—	—	—	—
Claims payable	—	—	—	—	—
Construction contracts	26	—	—	—	269,499
Deposits payable	189	808	—	10	8,267
Due to Federal government	—	—	—	181,665	—
Due to other governmental units	62,842	10,095	—	7,945	9,062
Other payables	—	—	—	—	—
Accounts payable and accrued liabilities	\$ 628,562	\$ 54,127	\$ 8,957	\$ 565,493	\$ 780,231

(Continued below)

	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Government-wide Reconciling Balances	Total Governmental Activities
Accounts payable	\$ 217,119	\$ 1,529,248	\$ 44,627	\$ 194,772	\$ 1,768,647
Accrued salaries & wages	15,012	189,845	3,342	—	193,187
Accrued interest payable	472	472	—	—	472
Claims payable	—	—	177,976	—	177,976
Construction contracts	1,591	271,116	—	—	271,116
Deposits payable	121	9,395	—	—	9,395
Due to Federal government	1,332	182,997	—	—	182,997
Due to other governmental units	59,272	149,216	—	—	149,216
Other payables	—	—	6,072	—	6,072
Accounts payable and accrued liabilities	\$ 294,919	\$ 2,332,289	\$ 232,017	\$ 194,772	\$ 2,759,078

BUSINESS-TYPE ACTIVITIES

	Transportation	Lottery	Hurricane Catastrophe Fund	Prepaid College Program	Reemployment Assistance
Accounts payable	\$ 3,058	\$ 7,904	\$ 837,050	\$ 523,272	\$ 13,574
Accrued interest payable	419	—	29,497	—	—
Accrued salaries & wages	—	62	—	—	—
Construction contracts	70,414	—	—	—	—
Deposits payable	238	1,853	—	—	—
Due to Federal government	—	—	—	—	5,727
Accounts payable and accrued liabilities	\$ 74,129	\$ 9,819	\$ 866,547	\$ 523,272	\$ 19,301

(Continued below)

	Nonmajor Enterprise Funds	Total Enterprise Funds	Government-wide Reconciling Balances	Total Business-type Activities
Accounts payable	\$ 39,795	\$ 1,424,653	\$ 4,064	\$ 1,428,717
Accrued interest payable	—	29,916	—	29,916
Accrued salaries & wages	4,554	4,616	—	4,616
Construction contracts	—	70,414	—	70,414
Deposits payable	2,847	4,938	—	4,938
Due to Federal government	—	5,727	—	5,727
Accounts payable and accrued liabilities	\$ 47,196	\$ 1,540,264	\$ 4,064	\$ 1,544,328

COMPONENT UNITS

Accounts payable	\$ 855,426
Accrued interest payable	25,487
Accrued salaries & wages	400,875
Claims payable	828,104
Construction contracts	84,945
Deposits payable	228,615
Due to other governmental units	8,541
Vouchers payable	23,708
Accounts payable and accrued liabilities	\$ 2,455,701

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	\$ 28,006,498	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 28,006,498
Fuel taxes:							
Motor fuel tax	—	—	—	—	2,921,537	—	2,921,537
Pollutant tax	—	286,472	—	—	—	—	286,472
Aviation fuel tax	—	—	—	—	12,585	—	12,585
Solid minerals severance tax	—	31,402	—	—	—	—	31,402
Oil and gas production tax	2,843	—	—	—	—	—	2,843
Total fuel taxes	2,843	317,874	—	—	2,934,122	—	3,254,839
Corporate income tax	3,114,711	—	—	—	—	—	3,114,711
Documentary stamp tax	2,648,213	—	—	—	—	—	2,648,213
Intangible personal property tax	386,168	—	—	—	—	—	386,168
Communications service tax	592,903	—	348,512	—	—	—	941,415
Estate tax	3	—	—	—	—	—	3
Gross receipts utilities tax	—	6,555	799,892	—	—	—	806,447
Beverage and tobacco taxes:							
Alcoholic beverage tax	295,294	—	—	—	—	13,628	308,922
Cigarette tax	1,094,673	—	—	—	—	—	1,094,673
Smokeless tobacco tax	42,043	—	—	—	—	—	42,043
Total beverage and tobacco taxes	1,432,010	—	—	—	—	13,628	1,445,638
Other taxes:							
Insurance premium tax	1,141,855	—	—	—	—	36,359	1,178,214
Hospital public assistance tax	—	—	—	670,752	—	—	670,752
Citrus excise tax	—	—	—	—	—	7,137	7,137
Pari-mutuel wagering tax	8,616	—	—	—	—	215,765	224,381
Total other taxes	1,150,471	—	—	670,752	—	259,261	2,080,484
Total	\$ 37,333,820	\$ 324,429	\$1,148,404	\$670,752	\$ 2,934,122	\$ 272,889	\$ 42,684,416

	Sales and Use Tax
Governmental fund statements	\$ 28,006,498
Government-wide accruals	(7,224)
Government-wide statements	<u>\$ 27,999,274</u>

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, 2019, tax abatement programs are as follows:

Program Name	Entertainment Industry Financial Incentive Program	Entertainment Industry Sales Tax Exemption Program
Program Purpose	To encourage the use of the state as a site for filming, for the digital production of films, and to develop and sustain the workforce and infrastructure for film, digital media, and entertainment production.	To encourage the use of the 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.
Taxes being abated	Corporate Income Tax; Sales and Use Tax	Sales and Use Tax
Authority under which abatements are entered into	Section 288.1254, Florida Statutes (F.S.)	Section 288.1258, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants must meet minimum required Florida qualified expenditures, minimum requirements for hiring Florida employees, requirements for production type, provide proof of financing, and must not be considered obscene under Chapter 847, F.S.	Applicants must be a qualified production company producing specified types of content in Florida.
How taxes are reduced	Tax Credit	Tax Exemption
How amount of abatement is determined	Statutorily defined allocation determines the amount available for award to applicants. Applicants present estimated eligible costs and a total estimated tax credit is awarded. Awardees present actual expenditures to use the credit and an actual credit is certified.	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.
Provisions for recapturing abated taxes	Revocation of tax credits and any taxes exempted are due with interest and penalty.	Revocation of certificate and any taxes exempted are due with interest and penalty.
Type of commitments other than taxes	N/A	N/A
Total tax revenues reduced during fiscal year (in thousands)	\$27,686	\$16,831

Tax abatement programs, continued:

Program Name	Hope Scholarship Credit	Florida Tax Credit Scholarship Program
Program Purpose	To provide public-school students, who were subjected to incidents of violence or bullying at school, the opportunity to apply for a scholarship to attend an eligible private school rather than remain in an unsafe school environment.	To encourage private, voluntary contributions to nonprofit scholarship-funding organizations to expand educational opportunities for children of families that have limited financial resources.
Taxes being abated	Sales and Use Tax	Sales and Use Tax; Corporate Income Tax; Severance Taxes; Insurance Premium Tax
Authority under which abatements are entered into	Sections 212.1832 and 1002.40, F.S.	Section 1002.395, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	Applicants who must purchase or register a motor vehicle qualifying for the Hope Scholarship Program in Florida may designate \$105 of the state sales tax due at the time of purchase or registration to an eligible nonprofit scholarship-funding organization 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.	A taxpayer must apply for approval and be issued an approval letter by the State. Taxpayer must make an eligible contribution to an eligible nonprofit scholarship-funding organization by the end of the tax year to earn the credit on the return.
How taxes are reduced	Tax Credit	Tax Credit
How amount of abatement is determined	Contribution is paid to a qualifying scholarship-funding organization for use in the Hope Scholarship Program.	Statutorily defined tax credit cap determines the amount available for award to applicants. The applicant must specify in the application each tax for which the taxpayer requests a credit and the applicable taxable year for a credit. The state approves tax credits on a first-come, first-served basis.
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)	\$39,075	\$309,358

Tax abatement programs, continued:

Program Name	Capital Investment Tax Credit	New Markets Development Program
Program Purpose	To 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 low-income community investments in qualified active low-income community businesses to create and retain jobs.
Taxes being abated	Corporate Income Tax; Premium Tax	Corporate Income Tax; Insurance Premium Tax
Authority under which abatements are entered into	Section 220.191, F.S.	Section 288.9916, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	The business must establish a qualified project certified by the State and meet minimum capital investment, job creation, and wage requirements.	Qualified Community Development Entities (CDEs) apply to the 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 equal 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)	\$61,055	\$48,586

Tax abatement programs, continued:

Program Name	Contaminated Site Rehabilitation Tax Credit	Research and Development Tax Credit
Program Purpose	To encourage voluntary 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	Sections 220.1845 and 376.30781, F.S.	Section 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 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)	\$16,186	\$13,850

Tax abatement programs, continued:

Program Name	Qualified Target Industry Tax Refund Program	Florida Renew Production Credit
Program Purpose	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.	To encourage the production of renewable energy in the state.
Taxes being abated	Sales and Use Tax; Corporate Income Tax; Intangible Personal Property Tax; Excise Tax; Ad Valorem Tax; Insurance Premium Tax; Communication Service Tax	Corporate Income Tax
Authority under which abatements are entered into	Section 288.106, F.S.	Section 220.193, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	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.	The credit equals to \$0.01 per kilowatt-hour (kWh) of electricity produced and sold by the taxpayer to an unrelated party during a given tax year. The credit may be claimed for electricity produced and sold on or after January 1, 2013, through June 30, 2016. The combined total amount of tax credits which may be granted for all taxpayers under this section is limited to \$5 million in state fiscal year 2012-2013 and \$10 million per state fiscal year in state fiscal years 2013-2014 through 2016-2017.
How taxes are reduced	Tax Refund	Tax Credit
How amount of abatement is determined	Demonstrate minimum Florida job creation, maintenance and wages paid.	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 and sold.
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)	\$15,833	\$13,689

Tax abatement programs, continued:

Program Name	Community Contribution Tax Credit Program	Florida Renew Tech Credit
Program Purpose	To 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.	To encourage investments in the production, storage and distribution of biodiesel, ethanol, and other renewable fuel in the state.
Taxes being abated	Corporate Income Tax; Insurance Premium Tax; Sales and Use Tax	Corporate Income Tax
Authority under which abatements are entered into	Sections 212.08(5)(p); 220.183; and 624.5105, F.S.	Sections 220.192, F.S.
Criteria to be eligible to receive abatements and commitment of the taxpayer	A taxpayer must apply for approval and be issued an approval letter by the state. A community contribution by a person must be in the following form: (a) Cash or other liquid assets; (b) Real property, including 100 percent ownership of a real property holding company; (c) Goods or inventory; or (d) Other physical resources identified by the state.	A taxpayer must provide the capital costs, operation and maintenance costs, and research and development costs incurred in connection with an investment in the production, storage and distribution of renewable fuels for transportation in the state.
How taxes are reduced	Tax Credit or Refund	Tax Credit
How amount of abatement is determined	The credit is equal to 50 percent of the value of the donation, with a limit of \$200,000 per year. Annual limit of entire program is \$24.9 million.	Eligible costs must be incurred between July 1, 2012, and June 30, 2016. This program allows \$1 million per state fiscal year for each taxpayer with a limit of \$10 million per state fiscal year.
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)	\$18,120	\$10,403

The state had additional tax abatement programs, each amounting to less than \$8 million in revenue and estimated to be reduced in fiscal year 2018-19. In total, these programs resulted in \$22.5 million in estimated tax abatements and include the Brownfield Redevelopment Bonus Tax Refund, Qualified Defense and Space Contractor Tax Refund Program, ROA Building Materials Sales Tax Refund, Urban High-Crime Area Job Tax Credit Program, Rural Job Tax Credit Program, Enterprise Zone Jobs Credit, Enterprise Zone Business Property, Enterprise Zone Property Credit, New and Expanding Business, Semi-Conductor Defense and Space Technology Tax Exemption, Redevelopment Projects, Child Care Tax Credit, State Housing Credit, Hazardous Waste Facility Credit, Florida AMT Credit, Emergency Excise Tax Credit, and the Energy Economic Zone Tax Credit.

NOTE 5 - CAPITAL ASSETS

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

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

Capital Asset Category	Financial Statement Capitalizing Threshold	Estimated Useful Life (in Years)
Land and other nondepreciable assets	Capitalize all	Not depreciable
Nondepreciable infrastructure	Capitalize all	Not depreciable
Construction work in progress	\$100,000 when work is completed	Not depreciable
Buildings, equipment, and other depreciable assets		
Buildings and building improvements	\$100,000	5 - 50
Infrastructure and infrastructure improvements (depreciable)	\$100,000	3 - 50
Leasehold improvements	\$100,000	2 - 15
Intangible assets	\$4,000,000	2 - 30
Property under capital lease	Threshold correlates to asset category	2 - 20
Furniture and equipment	\$1,000 and \$250 for non-circulated books	2 - 25
Works of art and historical treasures	Items capitalized as of June 30, 1999, remain capitalized; capitalize unless considered a collection	5 - 50
Library resources	\$25	5 - 50
Other capital assets	\$1,000	3 - 20

The state has elected to use the modified approach for accounting for its roadways, bridges and other infrastructure assets included in the State Highway System. Under this approach, the Department of Transportation has made the commitment to maintain these assets at levels established by the Department of Transportation and approved by the Florida Legislature. No depreciation expense is reported for such assets, nor are amounts capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential. The Department of Transportation maintains an inventory of these assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. In addition, the Department of Transportation makes annual estimates of the amounts that must be expended to maintain these assets at the predetermined condition levels. Refer to the Other Required Supplementary Information for additional information on infrastructure using the modified approach.

Not included in the reported capital assets are the irreplaceable collections at various historic sites and museums throughout the state. For example, the Museum of Florida History, located in Tallahassee, currently has artifacts illustrating the history of Florida since the arrival of human beings on the peninsula. It also has access to collections that include Florida upland and underwater archaeology, Florida archives, and Florida and Spanish colonial numismatics.

Depreciation expense charged to functions of governmental activities for the year ended June 30, 2019, is as follows (in thousands):

General Government	\$ 90,943
Education	11,518
Human Services	29,303
Criminal Justice & Corrections	87,267
Natural Resources & Environment	59,881
Transportation	38,251
Judicial Branch	6,246
Total depreciation expense (governmental activities)	\$ 323,409

Primary government capital asset activities for the fiscal year ended June 30, 2019, are as follows (in thousands):

GOVERNMENTAL ACTIVITIES

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets, not being depreciated:				
Land and other nondepreciable assets	\$ 19,601,363	\$ 519,631	\$ 19,315	\$ 20,101,679
Infrastructure and infrastructure improvements - nondepreciable	49,942,915	1,146,762	5,463	51,084,214
Construction work in progress	3,035,499	1,558,058	534,213	4,059,344
Total capital assets, not being depreciated	72,579,777	3,224,451	558,991	75,245,237
Capital assets, being depreciated:				
Buildings and building improvements	5,592,516	148,487	173,894	5,567,109
Infrastructure and infrastructure improvements	814,030	22,068	7,009	829,089
Leasehold improvements	6,739	3,914	2,299	8,354
Property under capital lease	174,809	86	26	174,869
Furniture and equipment	1,799,770	173,660	154,255	1,819,175
Works of art and historical treasures	1,919	1	2	1,918
Library resources	25,899	303	2	26,200
Other	76,970	882	270	77,582
Total capital assets, being depreciated	8,492,652	349,401	337,757	8,504,296
Less accumulated depreciation for:				
Buildings and building improvements	2,982,464	162,378	46,178	3,098,664
Infrastructure and infrastructure improvements	508,381	29,323	4,577	533,127
Leasehold improvements	2,831	2,671	271	5,231
Property under capital lease	106,297	9,520	22	115,795
Furniture and equipment	1,356,354	115,723	96,230	1,375,847
Works of art and historical treasures	1,173	65	3	1,235
Library resources	17,038	661	2	17,697
Other	60,768	3,068	84	63,752
Total accumulated depreciation	5,035,306	323,409	147,367	5,211,348
Total capital assets, being depreciated, net	3,457,346	25,992	190,390	3,292,948
Governmental activities capital assets, net	\$ 76,037,123	\$ 3,250,443	\$ 749,381	\$ 78,538,185

BUSINESS-TYPE ACTIVITIES

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets, not being depreciated:				
Land and other nondepreciable assets	\$ 1,162,724	\$ 554,552	\$ 494,135	\$ 1,223,141
Infrastructure and infrastructure improvements - nondepreciable	9,614,944	2,441,918	1,730,550	10,326,312
Construction work in progress	1,806,787	17,600,161	17,988,813	1,418,135
Total capital assets, not being depreciated	12,584,455	20,596,631	20,213,498	12,967,588
Capital assets, being depreciated:				
Buildings and building improvements	499,604	78,242	42,521	535,325
Infrastructure and infrastructure improvements	306,715	601,701	291,786	616,630
Leasehold improvements	66	—	7	59
Furniture and equipment	380,119	42,175	31,018	391,276
Library resources	12	4	1	15
Other	186,884	38,223	52,646	172,461
Total capital assets, being depreciated	1,373,400	760,345	417,979	1,715,766
Less accumulated depreciation for:				
Buildings and building improvements	177,220	16,124	742	192,602
Infrastructure and infrastructure improvements	1,784	27,346	53	29,077
Leasehold improvements	30	—	5	25
Furniture and equipment	208,979	51,857	16,262	244,574
Library resources	7	1	—	8
Other	76,705	14,295	15,004	75,996
Total accumulated depreciation	464,725	109,623	32,066	542,282
Total capital assets, being depreciated, net	908,675	650,722	385,913	1,173,484
Business-type activities capital assets, net	\$ 13,493,130	\$ 21,247,353	\$ 20,599,411	\$ 14,141,072

Component units' capital asset activities for the fiscal year ended June 30, 2019, are as follows (in thousands):

	COMPONENT UNITS			
	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets, not being depreciated:				
Land and other non-depreciable assets	\$ 6,837,630	\$ 5,706,263	\$ 5,645,156	\$ 6,898,737
Construction work in progress	1,564,408	1,608,579	1,206,413	1,966,574
Total capital assets, not being depreciated	8,402,038	7,314,842	6,851,569	8,865,311
Capital assets, being depreciated:				
Buildings and building improvements	20,362,819	1,205,171	741,419	20,826,571
Infrastructure and infrastructure improvements	3,652,226	1,991,143	1,795,567	3,847,802
Leasehold improvements	457,964	109,024	1,838	565,150
Property under capital lease	141,930	152,790	4,752	289,968
Furniture and equipment	3,822,155	451,969	321,546	3,952,578
Works of art and historical treasures	3,785	21	—	3,806
Library resources	1,003,547	35,061	7,925	1,030,683
Other	473,280	84,967	52,630	505,617
Total capital assets, being depreciated	29,917,706	4,030,146	2,925,677	31,022,175
Less accumulated depreciation for:				
Buildings and building improvements	7,651,824	710,487	234,241	8,128,070
Infrastructure and infrastructure improvements	1,450,410	487,563	397,734	1,540,239
Leasehold improvements	167,610	41,561	1,327	207,844
Property under capital lease	59,958	46,985	3,543	103,400
Furniture and equipment	2,724,121	435,249	301,270	2,858,100
Works of art and historical treasures	2,031	169	—	2,200
Library resources	837,212	38,207	6,984	868,435
Other	339,644	122,758	99,667	362,735
Total accumulated depreciation	13,232,810	1,882,979	1,044,766	14,071,023
Total capital assets, being depreciated, net	16,684,896	2,147,167	1,880,911	16,951,152
Component units capital assets, net	\$ 25,086,934	\$ 9,462,009	\$ 8,732,480	\$ 25,816,463

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, 2019, the Department administered three defined benefit plans, two defined contribution plans, a supplemental funding of defined benefit plans for municipal police officers and firefighters, and various general revenue funded pension programs. Beginning with the fiscal year ended June 30, 2014, the Department issued a publicly-available, audited comprehensive annual financial report (CAFR) that includes financial statements, notes and required supplementary information for each of the pension plans which it administers. Detailed information about the plans is provided in the FRS CAFR which is available online or by contacting the Department.

Copies of 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 32315-9000; by telephone toll free at 877-377-1737 or 850-488-5706; by email at rep@dms.myflorida.com; or at the Division's website (www.frs.myflorida.com).

1. Defined Benefit Plans

The Florida Retirement System

The 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 specified employees in the State University System and Florida College System institutions. Provisions relating to the FRS are also contained in Chapter 112, F.S.

Membership

FRS membership is compulsory for eligible employees filling a regularly established position in a state agency, county agency, state university, state college, or district school board, unless restricted from FRS membership under Sections 121.053 or 121.122, F.S., or allowed to participate in a non-integrated defined contribution plan in lieu of FRS membership. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after election to participate is made. Members hired into certain positions may be eligible to withdraw from the FRS altogether or elect to participate in the non-integrated optional retirement programs in lieu of the FRS except faculty of a medical college in a state university who must participate in the State University System Optional Retirement Program (SUSORP). Retirees initially reemployed in regularly established positions on or after July 1, 2010, may not participate in the FRS except for defined contribution plan retirees employed in a regularly established position on or after July 1, 2017. FRS Pension Plan retirees remain ineligible for renewed membership.

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

There are five general classes of membership, as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Senior Management Service Class* – Members in senior management level positions in state and local governments as well as assistant state attorneys, assistant statewide prosecutors, assistant public defenders, assistant attorneys general, deputy court administrators, and assistant capital collateral representatives. Members of the EOC may elect to withdraw from the FRS or participate in the SMSC in lieu of the EOC.
- *Special Risk Class* – Members who are employed as law enforcement officers, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, youth custody officers (from July 1, 2001, through June 30, 2014), certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency, and meet the criteria to qualify for this class.
- *Special Risk Administrative Support Class* – Former Special Risk Class members who are transferred or reassigned to nonspecial risk law enforcement, firefighting, emergency medical care, or correctional administrative support positions within an FRS special risk-employing agency.
- *Elected Officers' Class* – Members who are elected state or county officers and the elected officers of cities and special districts that choose to place their elected officials in this class.

Beginning July 1, 2001, through June 30, 2011, the FRS Pension Plan provided for vesting of benefits after six years of creditable service for members working on or after July 1, 2001, and initially enrolled before July 1, 2011. Members not actively working in a position covered by the FRS Pension Plan on July 1, 2001, must return to covered employment for up to one work year to be eligible to vest with less service than was required under the law in effect before July 1, 2001. Members initially enrolled on or after July 1, 2011, vest after eight years of creditable service. Members are eligible for normal retirement when they have met the requirements listed below. Early retirement may be taken any time after vesting within 20 years of normal retirement age; however, there is a 5% benefit reduction for each year prior to the normal retirement age.

- *Regular Class, Senior Management Service Class, and Elected Officers' Class Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of creditable service and age 62, or the age after completing six years of creditable service if after age 62. Thirty years of creditable service regardless of age before age 62.

For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of creditable service and age 65, or the age after completing eight years of creditable service if after age 65. Thirty-three years of creditable service regardless of age before age 65.

- *Special Risk Class and Special Risk Administrative Support Class Members* – For members initially enrolled in the FRS Pension Plan before July 1, 2011, six or more years of Special Risk Class service and age 55, or the age after completing six years of Special Risk Class service if after age 55. Twenty-five years of special risk service regardless of age before age 55. A total of 25 years of service including special risk service and up to four years of active duty wartime service and age 52. Without six years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

For members initially enrolled in the FRS Pension Plan on or after July 1, 2011, eight or more years of Special Risk Class service and age 60, or the age after completing eight years of Special Risk Class service if after age 60. Thirty years of special risk service regardless of age before age 60. Without eight years of Special Risk Class service, members of the Special Risk Administrative Support Class must meet the requirements of the Regular Class.

Benefits

The Florida Legislature establishes and amends the benefit terms of the FRS Pension Plan. Benefits under the FRS Pension Plan are computed on the basis of age, average final compensation, creditable years of service, and accrual value per year by membership class. Members are also provided in-line-of-duty or regular disability and survivors' benefits. Pension benefits of eligible retirees and annuitants are increased each July 1 by a cost-of-living adjustment. If the member is initially enrolled in the FRS Pension Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. This individually calculated annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. FRS Pension Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

The DROP became effective July 1, 1998, subject to provisions of Section 121.091(13), F.S. FRS Pension Plan members who reach normal retirement are eligible to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in the DROP for a maximum of 60 months. Authorized instructional personnel may participate in the DROP for up to 36 additional months beyond their initial 60-month participation period. Monthly retirement benefits remain in the FRS Trust Fund during DROP participation and accrue interest until the member terminates to finalize retirement. As of June 30, 2019, the FRS Trust Fund held in trust \$2,542,917,693 in accumulated benefits and interest for 33,490 DROP participants. Of these 33,490 DROP participants, 31,749 were active in the DROP with balances totaling \$2,277,211,830. The remaining participants were no longer active in the DROP and had balances totaling \$265,705,863 to be processed after June 30, 2019.

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, 2019, was \$163,573,726,217. 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, 2018, 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, 2017 for Fiscal Year 2018-2019	July 1, 2018 Statutory Rates (Ch. 121, F.S.)
Regular	6.54%	6.54%
Senior Management Service	22.34%	22.34%
Special Risk	22.78%	22.78%
Special Risk Administrative Support	33.26%	33.26%
Elected Officers - Judges	39.05%	39.05%
Elected Officers - Legislators/Attorneys/Cabinet	55.03%	55.03%
Elected Officers - County	46.98%	46.98%
DROP - applicable to members from all of the above classes or plans	12.37%	12.37%

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, 2019, 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, 2019, the contribution rate was 1.66% of payroll pursuant to Section 112.363, F.S. The state contributed 100% of its statutorily required contributions for the current and preceding two years. HIS contributions are deposited in a separate trust fund from which HIS payments are authorized. HIS benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, the legislature may reduce or cancel HIS payments.

The Florida National Guard Supplemental Retirement Benefit Plan

The Florida National Guard Supplemental Retirement Benefit Plan (National Guard Benefit) is a single-employer, non-qualified defined benefit pension plan established under Section 250.22, F.S., and is administered by the Division. The Florida Legislature establishes and amends the plan. Florida National Guard retirees must have at least 30 years of Florida National Guard service. Normal retirement is at age 62 with early retirement available beginning at age 60. The monthly benefit is equal to 50% of the federal military pay table for the highest rank held while in the Florida National Guard less the benefit received from the Federal Government for military service. The benefit amount is recalculated whenever the federal military pay table is increased or the federal benefit is increased by a cost of living adjustment. The benefit is payable for the lifetime of the retiree without a survivor benefit option. The table below shows the number of employees covered by the benefit terms.

Active Members	10,954
Retirees	753
Terminated Vested Members	299
Total	<u>12,006</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, 2019, the State reported a total liability of \$7,709,641,876 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, 2018, and the fiduciary net position of the National Guard Benefit as of the measurement date of June 30, 2019:

	FRS Pension Plan	HIS	National Guard Benefit	Total
Plan total pension liability (A)	\$ 191,317,399,000	\$ 10,816,575,623	\$ 818,492,864	
Plan fiduciary net position (B)	(161,196,880,609)	(232,463,369)	—	
Plan net pension liability (A-B)	30,120,518,391	10,584,112,254	818,492,864	
State's proportion	17.733845390%	14.641028104%	100.00%	
State's proportionate share	<u>\$ 5,341,526,162</u>	<u>\$ 1,549,622,850</u>	<u>\$ 818,492,864</u>	<u>\$ 7,709,641,876</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:

	FRS	HIS
State's proportion at prior measurement date, June 30, 2017	17.591496280%	14.470956524%
State's proportion at measurement date, June 30, 2018	17.733845390%	14.641028104%
Increase / (decrease) in proportion	0.142349110%	0.170071580%

The table below shows the changes in National Guard Benefit net pension liability for the fiscal year ended June 30, 2019:

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, 2018	\$ 732,441,066	\$ —	\$ 732,441,066
Changes for the year:			
Service Cost	11,580,542	—	11,580,542
Interest on total pension liability	28,506,155	—	28,506,155
Effect of economic/demographic gains or losses	—	—	—
Effect of assumptions changes or inputs	60,964,398	—	60,964,398
Benefit payments	(14,999,297)	(14,999,297)	—
Employer contributions	—	15,044,297	(15,044,297)
Administrative expenses	—	(45,000)	45,000
Balances as of June 30, 2019	\$ 818,492,864	\$ —	\$ 818,492,864

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 2014 for the period July 1, 2008, through June 30, 2013. 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, 2018, using the entry age normal actuarial cost method. Inflation increases for the FRS Pension Plan and the HIS is assumed at 2.60%. Payroll growth for both plans is assumed at 3.25%.

Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at the statutorily required rates. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return and was applied to all periods of projected benefit payments to determine the total pension liability.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.87% was used to determine the total pension liability for the program. Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

There were changes in benefit terms for the FRS Investment Plan prior to the measurement date that affected the total pension liability. An in-line-of-duty presumption was created for firefighters whose death or total and permanent disability results from 21 specified cancers or from the treatment of the cancer. 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 2018:

- FRS Pension Plan: The long-term expected rate of return was reduced from 7.10% to 7.00%.
- HIS: The municipal rate used to determine total pension liability increased from 3.58% to 3.87%.

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%	2.9%
Fixed income	18.0%	4.4%
Global equity	54.0%	7.6%
Real estate (property)	11.0%	6.6%
Private equity	10.0%	10.7%
Strategic investments	6.0%	6.0%
	100.0%	

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, 2018, using the individual entry age normal actuarial cost method. The inflation rate was assumed at 2.60%, the annual increase in Federal Military Pay tables is assumed at 2.00%, and the Cost-of-Living adjustments are assumed at 2.60%.

Because the National Guard Benefit uses a pay-as-you-go funding structure, a municipal bond rate of 3.50% was used to determine the total pension liability for the program. Mortality assumptions for the plan was based on the Generational RP-2000 with Projection Scale BB tables.

There were no changes in benefit terms to the National Guard Benefit that affected the total pension liability since the prior measurement date.

The following changes in actuarial assumptions occurred in 2019 for the National Guard Benefit:

- The municipal bond rate used to determine total pension liability decreased from 3.87% to 3.50%.

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 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
\$9,748,509,282	\$5,341,526,162	\$1,681,266,148	\$1,764,929,625	\$1,549,622,850	\$1,370,152,176

<i>National Guard Benefit</i>		
1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
\$1,021,008,541	\$818,492,864	\$667,496,239

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, 2018, was 6.4 years for FRS Pension Plan and 7.2 years for HIS.

The State's proportionate share of the components of collective pension expense and deferred outflows and inflows of resources reported in the pension allocation schedules for the measurement date year ended June 30, 2018, are presented below for each plan.

FRS Pension Plan

	Recognized in Expense Reporting Period Ending June 30, 2019	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 429,866,095	Current	\$ —	\$ —
Interest cost	2,278,432,046	Current	—	—
Effect of plan changes	—	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	114,663,564	6.4 years	452,507,563	(16,423,899)
Effect of assumptions changes or inputs	413,992,411	6.4 years	1,745,350,980	—
Member contributions	(132,360,175)	Current	—	—
Projected investment earnings	(1,897,476,936)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	27,074,001	6.4 years	297,162,320	(274,994,209)
Net difference between projected and actual investment earnings	(294,622,450)	5 years	—	(412,698,019)
Contributions subsequent to the measurement date	—	1 year	543,394,529	—
Administrative expenses	3,578,253	Current	—	—
<i>Total</i>	<i>\$ 943,146,809</i>		<i>\$ 3,038,415,392</i>	<i>\$ (704,116,127)</i>

Health Insurance Subsidy

	Recognized in Expense Reporting Period Ending June 30, 2019	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 37,839,804	Current	\$ —	\$ —
Interest cost	57,056,841	Current	—	—
Effect of plan changes	—	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	3,199,613	7.2 years	23,724,039	(2,632,750)
Effect of assumptions changes or inputs	17,769,106	7.2 years	172,337,205	(163,839,084)
Member contributions	(34,678)	Current	—	—
Projected investment earnings	(1,066,684)	Current	—	—
Changes in proportion and differences between contributions and proportionate share of contributions	(11,245,634)	7.2 years	98,074,153	(138,671,997)
Net difference between projected and actual investment earnings	514,664	5 years	935,389	—
Contributions subsequent to the measurement date	—	1 year	80,050,945	—
Administrative expenses	24,644	Current	—	—
<i>Total</i>	<i>\$ 104,057,676</i>		<i>\$ 375,121,731</i>	<i>\$ (305,143,831)</i>

The average expected remaining service life of all employees provided with pensions through the National Guard defined benefit single-employer plan at June 30, 2019, was 11.6 years. The State's pension expense and deferred outflows and deferred inflows of resources reported for the fiscal year ended June 30, 2019, are presented below for the plan.

National Guard Benefit Plan

	Recognized in Expense Reporting Period Ending June 30, 2019	Recognition Period	Deferred Outflows of Resources	Deferred Inflows of Resources
Service cost	\$ 11,580,542	Current	\$ —	\$ —
Interest cost	28,506,155	Current	—	—
Effect of economic/demographic gains or losses (difference between expected and actual experience)	5,754,902	11.6 years	50,232,319	—
Effect of assumptions changes or inputs	21,365,686	11.6 years	248,573,385	(70,649,940)
Administrative expenses	45,000	Current	—	—
<i>Total</i>	<i>\$ 67,252,285</i>		<i>\$ 298,805,704</i>	<i>\$ (70,649,940)</i>

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, 2019. 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
2020	\$ 712,357,000	\$ 10,073,463	\$ 27,120,588
2021	474,773,592	9,994,605	27,120,588
2022	60,977,861	5,892,533	27,120,588
2023	303,502,409	(3,661,416)	27,120,588
2024	206,778,933	(24,618,264)	27,120,588
Thereafter	32,514,941	(7,753,966)	92,552,824
<i>Total</i>	<i>\$ 1,790,904,736</i>	<i>\$ (10,073,045)</i>	<i>\$ 228,155,764</i>

Payables to the Pension Plans

The State reported payables of \$7.2 million to the FRS Pension Plan, and \$1.7 million to the HIS Program as of June 30, 2019, 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 2018, through June 2019. In accordance with Chapter 60U-2, Florida Administrative Code, 0.01% of the employer contribution rate was used for the administration of the SUSORP program and 5.14% was distributed to the provider companies designated by the participant. SUSORP members are not eligible to receive HIS Payments from the HIS Trust Fund. There is a HIS component included in the employer's contribution deposited in the members' accounts. Effective July 1, 2011, there is a mandatory employee contribution of 3.00%. A participant may contribute by salary reduction an amount not to exceed the percentage contributed by the university. In addition to the employer funding to the participants' accounts, the employing universities are required to make a contribution as a percent of covered payroll that is transferred to the FRS Trust Fund to help amortize any UAL. The required UAL contribution rate for fiscal year 2018-19 was 3.50%.

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 2018 through June 2019. The employers' contributions were paid to the provider companies designated by the participant. Effective July 1, 2011, there is a mandatory employee contribution of 3%. A participant may contribute by salary reduction or deduction an amount not to exceed the percentage contributed by the employer. In addition to the employer funding to the participants' accounts, the state agencies are required to make a contribution as a percent of covered payroll that is transferred to the FRS Trust Fund to help amortize the UAL. The required UAL contribution rate for fiscal year 2018-19 was 17.89%.

Pension Amounts for Defined Contribution Plans

As of June 30, 2019, the State reported the following pension amounts related to the defined contribution plans:

Reporting Period Ended June 30, 2019	FRS Investment Plan	Optional Retirement Plan	Optional Annuity Program
<i>Pension Expense</i> ^{1,2}	\$ 70,259,823	\$ 46,380,396	\$ 71,153
<i>Forfeitures</i>	5,079,654	—	—
<i>Pension Liability</i>	2,965,352	—	—

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, 2017, there were 190,666 employees covered by the OPEB Plan, as shown in the following table:

Active members	137,962
No coverage active members	15,658
Retired and inactive members	37,046
Total employees	190,666

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, 2019, the State reported a total OPEB liability of \$10,551,552,000 of which the State (primary government) and its component units reported \$7,807,094,000 and \$2,744,458,000, respectively, for its proportionate share of the total OPEB liability measured as of June 30, 2018. The table below presents the State and its component units proportion change since the prior measurement date:

	<u>State</u>	<u>Component Units</u>
Proportion at prior measurement date, June 30, 2017	73.99%	26.01%
Proportion at measurement date, June 30, 2018	73.99%	26.01%
Increase / (Decrease) in proportion	<u>—%</u>	<u>—%</u>

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, 2017
Measurement date	June 30, 2018
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	3.87%
Healthcare cost trend rates	7.8% and 5.2% for PPO and HMO respectively for 2018, increasing to 10.6% and 8.0% by 2022, then decreasing to 5.2% for both PPO and HMO by 2044. Afterward decreasing by 0.1% for each per year to an ultimate rate of 3.8% by 2076 and thereafter.
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees
Medical aging factors	4% per year prior to age 65 3% per year between ages 65 and 75 2% per year between ages 75 and 85 0% per year thereafter
Marital status	80% assumed married, with male spouses 3 years older than female spouses
Health care participation (HMO)	50% participation assumed, with 25% electing spouse coverage. Members who elected no coverage as actives are assumed to elect coverage in the same proportion as active members with coverage
Health care participation (PPO)	50% participation assumed, with 35% electing spouse coverage. Members who elected no coverage as actives are assumed to elect coverage in the same proportion as active members with coverage

The discount rate of 3.87% was based on the Bond Buyer General Obligation 20-year Municipal Bond Index. The discount rate changed from 3.58% for the opening balance as of June 30, 2017 to 3.87% as of June 30, 2018 actually resulting in an overall decrease in total OPEB liability.

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

The demographic actuarial assumptions for retirement, disability, withdrawal and salary merit scales used in the June 30, 2017 OPEB valuation were based on the results of an actuarial experience study for the period January 1, 2010, through December 31, 2014, adopted by the Florida Retirement System July 1, 2016 Actuarial Valuation. Comparing with the previous valuation as of July 1, 2015, all the demographic assumptions remain unchanged except active mortality which was based on the Generational RP-2000 with Projected Improvement Scale BB and updated using the rates mandated by Chapter 2015-17, Florida Statutes for pension plans. The overall effect of the mortality change was an increase in the actuarial liability and normal cost.

The healthcare trend rates for the first five years used in this valuation were consistent with the Report on the Financial Outlook for the Fiscal Years Ending June 30, 2017 through June 30, 2023 as presented on August 3, 2017 at the Self-Insurance Estimating Conference. For out years, the long-term healthcare trends were generated by the Getzen Model, but no longer reflect the potential impact of the excise tax due to its uncertainty. The actuarial liability increased, and normal cost decreased slightly due to the changes in healthcare trend rate assumptions.

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, 2018	\$ 7,999,457	\$ 2,811,628	\$ 10,811,085
Changes for the year:			
Service cost	333,334	117,178	450,512
Interest	295,937	104,032	399,969
Changes of benefit terms	—	—	—
Difference between expected and actual experience	—	—	—
Changes of assumptions or other inputs	(689,139)	(242,256)	(931,395)
Benefit payments	(137,236)	(41,383)	(178,619)
Changes of proportionate shares to the total OPEB liability and difference between the actual benefit payments and expected benefit payments	4,741	(4,741)	—
Other changes	—	—	—
Net changes	(192,363)	(67,170)	(259,533)
Reporting period ending June 30, 2019	\$ 7,807,094	\$ 2,744,458	\$ 10,551,552

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 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
State	\$ 9,495,469	\$ 7,807,094	\$ 6,492,624
Component Units	3,337,980	2,744,458	2,282,381
Total	\$ 12,833,449	\$ 10,551,552	\$ 8,775,005

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	\$ 6,315,220	\$ 7,807,094	\$ 9,809,426
Component Units	2,220,013	2,744,458	3,448,346
Total	\$ 8,535,233	\$ 10,551,552	\$ 13,257,772

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

For the fiscal year ended June 30, 2019, the State of Florida recognized OPEB expense of \$385,246,000 and \$135,427,000 for primary governments and the component units respectively. At June 30, 2019, 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
Changes of assumptions or other inputs	\$ —	\$ 1,572,098	\$ —	\$ 552,644
Changes of proportionate shares to the total OPEB liability and difference between the actual benefit payments and expected benefit payments	4,148	16,418	16,418	4,148
Transaction subsequent to the measurement date	145,516	—	51,229	—
Total	\$ 149,664	\$ 1,588,516	\$ 67,647	\$ 556,792

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, 2020. 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
2020	\$ (249,802)	\$ (84,917)	\$ (334,719)
2021	(249,802)	(84,917)	(334,719)
2022	(249,802)	(84,917)	(334,719)
2023	(249,802)	(84,917)	(334,719)
2024	(249,802)	(84,917)	(334,719)
Thereafter	(335,358)	(115,789)	(451,147)
Total	\$ (1,584,368)	\$ (540,374)	\$ (2,124,742)

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, 2019, the Department had available approximately \$14.8 billion in budget authority committed on executed contracts arising from both current and prior year projects. Other major construction commitments of the State of Florida at June 30, 2019, totaled \$469 million. Refer to Note 5 for additional disclosures relating to construction in progress. Construction commitments for component units totaled \$3.0 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 \$633,150,916 for the fiscal year ended June 30, 2019. The table below represents the Florida Ports Financing Commission revenue bonds outstanding as of June 30, 2019:

Series	Amount
2011A	\$ 6,370,000
2011B	85,345,000
2011A (Intermodal)	49,245,000
2011B (Intermodal)	34,780,000
Total	\$ 175,740,000

C. Operating Leases

Operating leases are not recorded on the balance sheets or statements of net assets; however, operating lease payments are recorded as expenditures/expenses when incurred. Total operating lease payments for the state's governmental activities, business-type activities, and component units were \$136.8 million, \$9.5 million, and \$78.3 million, respectively, for the year ended June 30, 2019. The following is a schedule of future non-cancelable operating lease payments for the primary government and component units at June 30, 2019 (in thousands):

	Primary Government		Component Units
	Governmental Activities	Business-type Activities	
2020	\$ 138,570	\$ 8,965	\$ 79,180
2021	132,552	9,057	62,575
2022	120,238	9,036	55,648
2023	110,176	7,441	43,514
2024	98,851	6,947	38,278
2025-2029	197,818	22,798	128,134
2030-2034	75,715	3,098	32,002
2035-2039	33,061	—	11,501
2040-2044	20,691	—	4,185
2045-2049	3,945	—	7,295
2050-2054	—	—	212
2055-2059	—	—	212
2060-2064	—	—	212
2065-2069	—	—	212
2070-2074	—	—	212
2075-2079	—	—	212
2080-2084	—	—	212
2085-2089	—	—	85
Total	\$ 931,617	\$ 67,342	\$ 463,881

D. Encumbrances

As of June 30, 2019, 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>\$ 153,035</u>	<u>\$ 27,047</u>	<u>\$ 101,750</u>	<u>\$ 90,805</u>	<u>\$ 45,844</u>	<u>\$ 795,247</u>	<u>\$ 1,213,728</u>

NOTE 8 - BONDS PAYABLE AND CERTIFICATES OF PARTICIPATION**A. Bonds Payable****1. Outstanding Bonds**

Bonds payable at June 30, 2019, are as follows (in thousands):

Bond Type	Original Amount	Amount Outstanding	Interest Rates	Annual Maturity To
Governmental Activities:				
Road and Bridge Bonds	\$ 2,207,285	\$ 1,906,500	2.500%-5.000%	2048
Florida DOT Financing Corporation	164,005	154,800	4.000%-5.000%	2033
SBE Capital Outlay Bonds	305,990	101,430	2.000%-5.000%	2030
Lottery Education Bonds	1,676,320	971,465	3.000%-5.000%	2032
Public Education Bonds	9,796,425	7,367,140	2.000%-6.000%	2048
State University System Bonds	119,845	96,860	3.000%-5.000%	2033
University Auxiliary Bonds	974,970	764,161	2.120%-7.500%	2043
Inland Protection Bonds	60,615	39,600	4.850%-5.400%	2024
Florida Forever Bonds	1,096,985	669,285	2.000%-5.000%	2029
Water Pollution Control Bonds	564,775	276,575	3.500%-5.250%	2031
Florida Facilities Pool Bonds	190,835	176,670	3.000%-5.000%	2039
State Infrastructure Bank Bonds	123,615	16,965	4.250%-5.000%	2027
Seaport Investment Bonds	138,145	120,100	4.000%-5.000%	2043
Everglades Restoration Bonds	255,220	179,535	1.850%-5.000%	2035
	17,675,030	12,841,086		
Unamortized premiums (discounts) on bonds payable		840,637		
Total Bonds Payable	<u>\$ 17,675,030</u>	<u>\$ 13,681,723</u>		
Business-type Activities:				
Road and Bridge Bonds	\$ 3,730,480	\$ 2,685,070	2.500%-5.250%	2048
Florida Hurricane Catastrophe Fund Bonds	3,200,000	2,200,000	2.163%-2.995%	2022
	6,930,480	4,885,070		
Unamortized premiums (discounts) on bonds payable		159,848		
Total Bonds Payable	<u>\$ 6,930,480</u>	<u>\$ 5,044,918</u>		

2. Types of Bonds

Road and Bridge Bonds are issued to finance the cost of acquiring real property, or the rights to real property for state roads, or to finance the cost of state bridge construction. The bonds, serial and term, are secured by a pledge of a portion of the state-assessed motor fuel tax revenues, and by a pledge of the full faith and credit of the state.

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.

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.

Lottery 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.

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.

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.

Inland Protection Bonds are issued by the Inland Protection Financing Corporation (a blended component unit) for the purpose of financing the rehabilitation of petroleum contaminated sites. The bonds mature serially and are secured by a pledge of moneys derived from a wholesale excise tax primarily on petroleum products.

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

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 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.

State Infrastructure Bank Bonds are issued primarily to finance loans made for the purpose of financing qualified transportation projects. The bonds mature serially and are secured by a pledge of repayments on pledged loans and moneys and investments held in reserve accounts.

Seaport Investment Program Bonds are issued primarily to finance improvements at various seaports within the State of Florida. The bonds, serial and term, are secured by a first lien on the annual allocation of certain fees derived from motor vehicle title certificates to the Seaport Investment Program.

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.

Toll Facilities Bonds are issued to provide construction funds for roads and bridges. Toll bonds, serial and term, are secured by a pledge of toll facility revenues.

Florida Hurricane Catastrophe Fund Bonds are issued by the State Board of Administration Finance Corporation. Post-event bonds are issued 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 a source of funds to reimburse participating insurers for losses relating to future covered events and are secured by reimbursement premiums.

3. Pledged Revenues

The table below contains information regarding revenues pledged to repay debt obligations (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 ³	Less Operating Expenses	Net Available for Debt Service	Debt Service			Coverage Ratio	Final Maturity	Remaining Debt Service	Revenue Ratio ⁵
				Principal	Interest ⁴	Total Debt Service				
Florida Turnpike (Toll Facility)	\$ 1,078,094	\$ 238,344	\$ 839,750	\$ 143,680	\$ 115,300	\$ 258,980	3.24	2048	3,813,412	77.89%
Florida Forever/Everglades ^{1,2}	2,651,100	—	2,651,100	116,305	45,272	161,577	16.41	2035	1,033,324	100.00%
Lottery Education ¹	1,927,054	—	1,927,054	199,770	57,290	257,060	7.50	2032	1,174,231	100.00%
Alligator Alley (Toll Facility)	34,749	10,416	24,333	1,805	994	2,799	8.70	2027	22,359	70.03%
Sunshine Skyway ⁶	28,809	8,756	20,053	—	—	—	2.92	2038	130,565	69.61%
State Infrastructure Bank ¹	35,362	—	35,362	7,200	1,168	8,368	4.23	2027	19,094	100.00%
Florida Hurricane Catastrophe ⁷	1,559,827	23,544	1,536,283	—	—	—	N/A	2021	2,293,739	98.49%
State University System Bonds ¹	58,547	—	58,547	9,945	4,576	14,521	4.03	2033	120,317	100.00%
University Auxiliary Bonds										
Parking System Revenue Bonds										
Florida International University	15,601	6,296	9,304	3,430	2,893	6,323	1.47	2043	101,723	59.64%
University of South Florida	15,111	8,327	6,784	2,550	386	2,936	2.31	2026	16,156	44.90%
University of Florida	15,744	6,330	9,414	1,020	820	1,840	5.12	2039	55,730	59.79%
Florida Atlantic University	7,325	2,897	4,428	1,515	558	2,073	2.14	2032	15,799	60.45%
University of Central Florida	25,185	4,214	20,971	2,765	973	3,738	5.61	2032	26,214	83.27%
Florida State University	12,174	3,133	9,040	3,506	1,230	4,736	1.91	2031	31,992	74.26%
Housing System Revenue Bonds										
Florida Agricultural & Mechanical University	16,047	9,707	6,340	815	1,731	2,546	2.49	2042	73,980	39.51%
Florida International University	31,728	17,079	14,649	4,100	3,319	7,419	1.97	2041	113,429	46.17%
University of Florida	56,544	39,483	17,061	5,255	2,553	7,808	2.19	2033	74,512	30.17%
Florida Atlantic University	19,698	8,233	11,466	3,045	2,335	5,380	2.13	2036	62,953	58.21%
University of Central Florida	32,299	18,720	13,579	5,040	3,593	8,633	1.57	2042	110,503	42.04%
Florida State University	49,179	23,237	25,942	7,940	7,345	15,285	1.70	2040	221,412	52.75%
Student Health and Wellness Center Revenue Bonds										
University of Central Florida	17,920	—	17,920	465	152	617	29.05	2024	3,092	100.00%
Florida State University	14,901	—	14,901	1,415	965	2,380	6.26	2030	26,181	100.00%
University of North Florida	4,484	—	4,484	490	558	1,048	4.28	2036	20,341	100.00%
Student Services Center Revenue Bonds										
University of Florida	29,263	—	29,263	1,630	1,602	3,232	9.05	2033	45,262	100.00%
DOT Financing Corporation	4,694,931	—	4,694,931	9,205	6,285	15,490	303.10	2033	216,854	100.00%
Water Pollution Control Bonds	84,834	—	84,834	28,030	14,664	42,694	1.99	2031	350,050	100.00%
Inland Protection Bonds	235,565	—	235,565	7,205	1,586	8,791	26.80	2024	45,906	100.00%
Seaport Investment Program	200,000	—	200,000	2,605	5,974	8,579	23.31	2043	205,980	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.

²Remaining debt service assumes 3.25% interest rate on the Everglades Series 2007A-B Bonds (Multi-Modal).

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

⁴Debt service interest is shown net of interest subsidy payments received from the Federal Government for Build America Bonds.

⁵Revenue Ratio is calculated as Net Available for Debt Service divided by Revenue.

⁶Sunshine Skyway Revenue Bonds, Series 2019A were issued in Fiscal Year 2019; however, no debt service will be paid until Fiscal Year 2020. Coverage is shown based on maximum annual debt service of \$6,874,250 for illustrative purpose.

⁷Florida Hurricane Catastrophe Bonds debt service is reduced by interest earnings on bond proceeds and bond proceeds used to repay principal.

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 2018-19, the ratio remained below 6%.

5. Debt Service Requirements

Annual debt service requirements to amortize bonds at June 30, 2019, are as follows (in thousands):

Year Ending June 30	Primary Government Governmental Activities				
	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2020	\$ 1,026,545	\$ 574,765	\$ 4,388	\$ 2,450	\$ 1,608,148
2021	1,047,695	524,015	6,054	2,623	1,580,387
2022	1,059,020	472,610	6,316	2,439	1,540,385
2023	1,034,340	421,813	6,569	2,247	1,464,969
2024	951,430	371,589	6,790	2,048	1,331,857
2025-2029	3,549,880	1,259,956	30,545	7,183	4,847,564
2030-2034	2,315,790	622,790	15,519	3,188	2,957,287
2035-2039	1,270,810	237,794	9,094	1,747	1,519,445
2040-2044	325,410	65,937	7,176	414	398,937
2045-2049	167,715	14,239	—	—	181,954
Bonds payable and interest	12,748,635	4,565,508	92,451	24,339	17,430,933
Unamortized premiums (discounts)	840,637	—	—	—	840,637
Total bonds payable and interest	<u>\$ 13,589,272</u>	<u>\$ 4,565,508</u>	<u>\$ 92,451</u>	<u>\$ 24,339</u>	<u>\$ 18,271,570</u>

Year Ending June 30	Primary Government Business-type Activities		
	Bonds		Total
	Principal	Interest	
2020	\$ 688,575	\$ 171,620	\$ 860,195
2021	1,145,895	143,350	1,289,245
2022	784,745	112,506	897,251
2023	133,085	97,242	230,327
2024	139,840	90,588	230,428
2025-2029	644,515	361,464	1,005,979
2030-2034	585,495	235,007	820,502
2035-2039	462,435	116,304	578,739
2040-2044	225,110	39,839	264,949
2045-2049	75,375	7,087	82,462
Bonds payable and interest	4,885,070	1,375,007	6,260,077
Unamortized premiums (discounts)	159,848	—	159,848
Total bonds payable and interest	<u>\$ 5,044,918</u>	<u>\$ 1,375,007</u>	<u>\$ 6,419,925</u>

Year Ending June 30	Component Units				Total
	General		Direct Borrowings and Direct Placements		
	Principal	Interest	Principal	Interest	
2020	\$ 631,892	\$ 314,162	\$ 31,562	\$ 21,322	\$ 998,938
2021	882,198	157,099	34,539	20,234	1,094,070
2022	522,108	138,702	35,752	19,161	715,723
2023	106,507	127,274	35,404	17,907	287,092
2024	409,007	128,583	35,212	16,781	589,583
2025-2029	583,788	483,047	199,666	65,077	1,331,578
2030-2034	663,985	373,351	134,071	36,207	1,207,614
2035-2039	610,782	237,324	73,760	17,965	939,831
2040-2044	636,823	136,374	33,840	8,250	815,287
2045-2049	243,471	21,393	13,390	703	278,957
2050-2054	19,950	1,546	—	—	21,496
2055-2059	2,195	73	—	—	2,268
2060-2064	—	—	—	—	—
Bonds payable and interest	5,312,706	2,118,928	627,196	223,607	8,282,437
Unamortized premiums (discounts)	131,462	—	886	—	132,348
Total bonds payable and interest	\$ 5,444,168	\$ 2,118,928	\$ 628,082	\$ 223,607	\$ 8,414,785

Annual debt service requirements for university capital improvement debt payable at June 30, 2019, are as follows (in thousands):

Year Ending June 30	Universities		Total
	Principal	Interest	
2020	\$ 52,184	\$ 31,996	\$ 84,180
2021	53,780	29,765	83,545
2022	53,177	27,547	80,724
2023	52,328	25,296	77,624
2024	50,631	23,122	73,753
2025-2029	240,224	84,931	325,155
2030-2034	168,122	40,180	208,302
2035-2039	73,290	14,347	87,637
2040-2044	27,641	2,161	29,802
Total capital improvement debt payable and interest	771,377	279,345	1,050,722
Unamortized premiums (discounts)	16,831	—	16,831
Total capital improvement debt payable and interest	<u>\$ 788,208</u>	<u>\$ 279,345</u>	<u>\$ 1,067,553</u>

6. Advance Refundings and Current Refundings

During the fiscal year ended June 30, 2019, the state took advantage of favorable conditions and issued bonds for the purpose of refunding previously issued bonds. The refundings of these bond series were made in order to obtain lower interest rates and the resulting savings in debt service payments over the life of the bonds. The economic gains obtained by these refundings are the differences between the present value of old debt service and new debt service requirements.

The proceeds of the current refundings were used to immediately call the refunded bonds or deposited in Special Purpose Investment Accounts with the State Treasury and used to call refunded bonds within 90 days of the issuance of the refunding bonds. The proceeds of the advance refundings were deposited into irrevocable trusts and invested in direct obligations of the Federal government, obligations guaranteed by the Federal government, or Special Purpose Investment Accounts with the State Treasury. 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, Department of Management Services Refunding Certificates of Participation, Series 2018A in the amount of \$251,945,000, in part, along with additional funds of \$30,198,935, were used to advance refund \$215,620,000 of the State of Florida, Department of Management Services Certificates of Participation, Series 2009C (Federally Taxable - Build America Bonds - Issuer Subsidy) maturing in the years 2020 through 2029. The refunding resulted in debt savings of \$20,169,965, an economic gain of \$14,902,846, and a deferred loss on refunding of \$2,538,088.

State of Florida, Department of Environmental Protection, Florida Forever Revenue Refunding Bonds, Series 2018A in the amount of \$119,305,000, in part, along with additional funds of \$16,003,980, were used to advance refund \$149,480,000 of the State of Florida, Department of Environmental Protection, Florida Forever Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2029. The refunding resulted in debt savings of \$19,961,738, an economic gain of \$15,367,854, and a deferred loss on refunding of \$2,753,126.

State of Florida, Board of Governors, Florida Agricultural and Mechanical University Dormitory Revenue Refunding Bonds, Series A 2019-3 in the amount of \$36,402,142, along with additional funds of \$3,501,943, were used to advance refund \$35,080,000 of the State of Florida, Board of Governors, Florida Agricultural and Mechanical University Dormitory Revenue Bonds, Series 2012A, maturing in the years 2019 through 2032. The refunding resulted in an increase in debt service of \$5,462,886, and economic gain of \$890,064.

State of Florida, State Board of Education, Lottery Revenue Refunding Bonds, Series 2019A in the amount of \$74,685,000, along with additional funds of \$14,921,762, were used to advance refund \$99,200,000 of the State of Florida, State Board of Education Lottery Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2029. The refunding resulted in debt savings of \$13,386,707, an economic gain of \$10,211,057, and a deferred loss on refunding of \$1,243,521.

Business-type Activities

State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2019A in the amount of \$224,455,000, along with additional funds of \$7,823,434, were used to advance refund \$255,000,000 of the State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2009B Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2039. The refunding resulted in debt savings of \$40,560,145, an economic gain of \$27,820,127, and a deferred loss on refunding of \$4,363,646.

Current Refundings

Governmental Activities

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2018 Series C in the amount of \$149,120,000, along with additional funds of \$1,933,126, were used to refund \$162,390,000 of the State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2007 Series D maturing in the years 2019 through 2038. The refunding resulted in debt savings of \$31,834,854, an economic gain of \$24,124,332, and a deferred loss on refunding of \$2,779,384.

State of Florida, Board of Governors University of Florida Parking Facility Revenue Bonds, Series 2018A in the amount of \$39,070,000, in part, along with additional funds of \$79,500, were used to refund \$11,375,000 of the State of Florida, Board of Governors University of Florida Parking Facility Revenue Bonds, Series 2007A maturing in the years 2019 through 2027. The refunding resulted in debt savings of \$941,375, an economic gain of \$809,736, and a deferred loss on refunding of \$57,912.

State of Florida, Department of Management Services Refunding Certificates of Participation, Series 2018A in the amount of \$251,945,000, in part, along with additional funds of \$13,041,511, were used to refund \$14,205,000 of the State of Florida, Department of Management Services Certificates of Participation, Series 2008A maturing in the years 2019 through 2027 and

\$83,885,000 of the State of Florida, Department of Management Services Certificates of Participation, Series 2009A maturing in the years 2019 through 2028. The refunding resulted in debt savings of \$12,589,192, an economic gain of \$10,036,875, and a deferred loss on refunding of \$1,499,122.

State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Refunding Bonds, 2019 Series A in the amount of \$8,560,000 were used to refund \$9,705,000 of the State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2009 Series A maturing in the years 2020 through 2029. The refunding resulted in debt savings of \$940,603, an economic gain of \$830,548, and a deferred loss on refunding of \$137,660.

State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2019A in the amount of \$240,695,000, along with additional funds of \$3,339,937, were used to refund \$161,850,000 of the State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series 2009A maturing in the years 2020 through 2039 and \$105,345,000 of the State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Refunding Bonds, Series 2009B maturing in the years 2020 through 2028. The refunding resulted in debt savings of \$52,157,039, an economic gain of \$41,265,221, a deferred loss on refunding of \$1,528,971 on the 2009A bonds and a deferred gain on refunding of \$12,969 on the 2009B bonds.

State of Florida, Full Faith and Credit, 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.

State of Florida, Board of Governors, Florida Agricultural and Mechanical University Dormitory Revenue Refunding Bonds, Series A 2019-1 in the amount of \$10,049,090, along with additional funds of \$1,232,305, were used to refund \$10,471,000 of the State of Florida, Board of Governors, Florida Agricultural and Mechanical University Dormitory Revenue Bonds, Series 2010A, maturing in the years 2019 through 2030. The refunding resulted in debt savings of \$1,333,856, and an economic gain of \$1,061,192.

State of Florida, Board of Governors, Florida Agricultural and Mechanical University Dormitory Revenue Refunding Bonds, Series A 2019-2 in the amount of \$6,798,534, were used to refund \$6,265,000 of the State of Florida, Board of Governors, Florida Agricultural and Mechanical University Dormitory Revenue Refunding Bond, Series 2010B, maturing in the years 2019 through 2025. The refunding resulted in debt savings of \$74,149, and an economic gain of \$213,568.

State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2019 Series A in the amount of \$438,900,000, along with additional funds of \$8,459,678, were used to refund \$188,610,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2008 Series C maturing in the years 2020 through 2022, \$42,200,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2009 Series A maturing in the years 2020 through 2022, \$69,690,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2009 Series B maturing in the years 2020 through 2024, \$56,610,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2009 Series C maturing in the years 2020 through 2023, and \$114,250,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2009 Series D maturing in the years 2020 through 2024. The refunding resulted in debt savings of \$36,399,856, an economic gain of \$34,875,638, and a deferred gain on refunding of \$6,585,191.

State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series 2019A in the amount of \$19,570,000, along with additional funds of \$4,467,009, were used to refund \$26,595,000 of the State of Florida, Department of Environmental Protection Everglades Restoration Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy) maturing in the years 2020 through 2029. The refunding resulted in debt savings of \$3,744,179, and an economic gain of \$2,966,797, and no deferred gain or loss on refunding.

Business-type Activities

None.

Cash In-substance Defeasance

Governmental Activities

The State of Florida, Department of Environmental Protection Florida Forever Revenue Bonds, Series 2010A (the “Series 2010A Bonds”) in the amount of \$10,000,000 was in-substance defeased on January 24, 2019, when a cash deposit of \$10,106,278 was made to an irrevocable escrow account. These funds were subsequently invested in direct obligations of the Federal government until used to redeem the Series 2010A Bonds on July 1, 2019.

7. Prior-year Defeased Bonds

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

	Principal at 6/30/2019
<u>Governmental Activities</u>	
University Auxiliary Bonds	\$ 419
Public Education Capital Outlay Bonds	127,325
Total	<u>\$ 127,744</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, 2019, 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	\$ 3,873
Lottery Education Bonds	31,198
Public Education Bonds	259,926
State University System Bonds	2,857
University Auxiliary Bonds	29,419
Total Education	<u>327,273</u>
Natural Resources and Environment:	
Inland Protection Bonds	2,362
Everglades Restoration Bonds	5,898
Water Pollution Control Bonds	12,397
Florida Forever Bonds	22,322
Total Natural Resources and Environment	<u>42,979</u>
Transportation:	
Road and Bridge Bonds (Right of Way)	66,969
State Infrastructure Bank Bonds	1,098
Seaport Investment Bonds	5,109
FDOT Financing Corporation	3,825
Total Transportation	<u>77,001</u>
Total Direct Interest	<u><u>\$ 447,253</u></u>

10. Governmental Activities – Unrestricted Net Position Deficit

Governmental activities reflect a negative unrestricted net position balance of \$16.2 billion at June 30, 2019. 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, 2019, of \$9.1 billion. The state has an additional \$0.7 billion in other bonds, including Florida Forever bonds in which the state does not own the related capital assets. The resources related to the payment of this debt will be provided from future revenue sources. If these bonds were removed, the adjusted unrestricted net position for governmental activities would be a negative \$6.4 billion.

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

The state has issued certificates of participation (original amount of \$462,240,000) to finance privately operated detention and mental health facilities. The certificates of participation's interest rates range from 3.750% - 6.825% 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, 2019 (in thousands):

Year Ending June 30	Principal	Interest	Total
2020	\$ 31,100	\$ 18,340	\$ 49,440
2021	32,675	16,746	49,421
2022	34,325	15,071	49,396
2023	36,885	13,297	50,182
2024	38,775	11,413	50,188
2025-2029	180,630	28,056	208,686
2030-2034	29,645	726	30,371
Total	384,035	103,649	487,684
Unamortized premiums (discounts)	37,586	—	37,586
Total certificates of participation payable	<u>\$ 421,621</u>	<u>\$ 103,649</u>	<u>\$ 525,270</u>

2. Component Units

Component units (universities and a water management district) have issued certificates of participation (original amount of \$845,225,000) primarily to finance academic and student facilities, and construction projects for Everglades restoration. The certificates of participation's interest rates range from 2.500% to 5.250% and the last maturity date is July 1, 2048. The following is a schedule of future minimum principal and interest payments for certificates of participation for component units at June 30, 2019 (in thousands):

Year Ending June 30	General		Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2020	\$ 16,155	\$ 24,363	\$ 6,752	\$ 5,628	\$ 52,898
2021	30,515	40,404	6,979	5,361	83,259
2022	18,995	22,097	7,249	5,083	53,424
2023	19,850	21,166	7,488	4,583	53,087
2024	20,840	20,149	6,670	4,328	51,987
2025-2029	122,605	83,418	36,449	17,648	260,120
2030-2034	155,815	49,529	40,117	10,300	255,761
2035-2039	109,005	11,898	32,785	2,413	156,101
2040-2044	9,055	2,556	—	—	11,611
2045-2049	8,465	873	—	—	9,338
Total	511,300	276,453	144,489	55,344	987,586
Unamortized premiums (discounts)	61,769	—	(42)	—	61,727
Total certificates of participation payable	<u>\$ 573,069</u>	<u>\$ 276,453</u>	<u>\$ 144,447</u>	<u>\$ 55,344</u>	<u>\$ 1,049,313</u>

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, 2019, 58% of the state's installment purchase contracts for primary governmental activities were for furniture and equipment, and the remaining 42% 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, 2019 (in thousands):

Year Ending June 30	Primary Government		Totals
	Governmental Activities	Business-type Activities	
2020	\$ 7,443	\$ 15,599	\$ 23,042
2021	4,975	—	4,975
2022	3,116	—	3,116
2023	2,263	—	2,263
2024	2,263	—	2,263
2025-2029	2,120	—	2,120
2030-2034	1,447	—	1,447
2035-2039	482	—	482
Total	24,109	15,599	39,708
Less: Interest	(2,446)	(63)	(2,509)
Present value of future minimum payments	\$ 21,663	\$ 15,536	\$ 37,199

Year Ending June 30	Component Units		Totals
	General	Direct Borrowings and Placements	
2020	\$ 1,179	\$ 935	\$ 2,114
2021	827	813	1,640
2022	380	88	468
2023	380	—	380
2024	380	—	380
2025-2029	—	—	—
2030-2034	—	—	—
2035-2039	—	—	—
Total	3,146	1,836	4,982
Less: Interest	(94)	(47)	(141)
Present value of future minimum payments	\$ 3,052	\$ 1,789	\$ 4,841

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, 2019, 100% of the state's capital leases for governmental activities were for furniture and equipment. Capital leases for component units consisted of 39% for buildings, 59% for furniture and equipment, and the remaining 2% for land. The following is a schedule of future minimum capital lease payments for the primary government and component units at June 30, 2019 (in thousands):

Year Ending June 30	Primary Government
	Governmental Activities
2020	\$ 2,750
2021	710
2022	707
2023	710
2024	446
2025-2029	924
2030-2034	—
2035-2039	—
2040-2044	—
2045-2049	—
2050-2054	—
2055-2059	—
2060-2064	—
2065-2069	—
2070-2074	—
Total	6,247
Less: Interest	(570)
Present value of future minimum payments	<u>\$ 5,677</u>

Year Ending June 30	Component Units		Totals
	General	Direct Borrowings and Placements	
2020	\$ 11,377	\$ 1,533	\$ 12,910
2021	10,528	1,533	12,061
2022	9,297	1,360	10,657
2023	6,753	1,360	8,113
2024	18,650	1,360	20,010
2025-2029	21,912	5,479	27,391
2030-2034	11,145	—	11,145
2035-2039	2,763	—	2,763
2040-2044	2,282	—	2,282
2045-2049	2,282	—	2,282
2050-2054	2,282	—	2,282
2055-2059	2,282	—	2,282
2060-2064	2,282	—	2,282
2065-2069	2,282	—	2,282
2070-2074	2,282	—	2,282
Total	108,399	12,625	121,024
Less: Interest	(32,293)	(1,386)	(33,679)
Present value of future	<u>\$ 76,106</u>	<u>\$ 11,239</u>	<u>\$ 87,345</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 Port Miami Tunnel. Payments consist of construction-period payments, lump-sum final acceptance payments upon completion of construction, and annual performance-based availability payments to be made during the 30-year operations and maintenance period. The Department executed a 40-year concession agreement in September 2014 for the design, build, finance, operation and maintenance of 21 miles of the Interstate 4 Corridor in Seminole and Orange Counties. Annual availability payments are all-inclusive payments consisting of unpaid portions of construction costs, annual operations costs, and maintenance expenses. The payment schedule below includes the full amount of the estimated payments for the Interstate 595 Corridor and the Port Miami Tunnel and is an estimate of unpaid construction payments during the term of the agreements based on the percentage of completion of the projects at June 30, 2019, for the Interstate 4 Corridor. The annual availability payments for Interstate 595 Corridor and the Port Miami Tunnel are performance-based and are subject to change based on a fixed percentage as defined in the agreement and on the Consumer Price Index, which could impact the payment schedule. 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 Port Miami Tunnel in March and August 2014, respectively. Construction for the Interstate 4 Corridor is expected to be completed during fiscal year 2021. The Department has one other public-private partnership agreement for the design, build, and finance of another transportation project. The unpaid construction costs for this agreement as of June 30, 2019 represents 1% of payments due in 2020. The following is a schedule of future maximum payments for the primary government at June 30, 2019 (in thousands):

Year Ending June 30	Primary Government		Totals
	Governmental Activities	Business-type Activities	
2020	\$ 478,267	\$ 15,240	\$ 493,507
2021	277,955	16,627	294,582
2022	340,313	14,735	355,048
2023	117,938	16,896	134,834
2024	119,393	17,391	136,784
2025-2029	639,500	94,188	733,688
2030-2034	677,290	100,707	777,997
2035-2039	751,674	117,029	868,703
2040-2044	783,112	115,110	898,222
2045-2049	172,940	—	172,940
2050-2054	153,703	—	153,703
2055-2059	14,687	—	14,687
Total	4,526,772	507,923	5,034,695
Less: Interest	(1,846,151)	(292,682)	(2,138,833)
Present value of future maximum payments	\$ 2,680,621	\$ 215,241	\$ 2,895,862

NOTE 10 - CHANGES IN LONG-TERM LIABILITIES

Changes in long-term liabilities for governmental activities during the fiscal year ended June 30, 2019, are as follows (in thousands):

	Balance July 1, 2018	Restatement	Additions	Deletions	Balance June 30, 2019	Due Within One Year (Current)
Governmental Activities						
Bonds payable:						
Road and Bridge Bonds	\$ 1,777,970	\$ —	\$ 485,975	\$ 357,445	\$ 1,906,500	\$ 93,535
FL DOT Financing Corporation	—	—	164,005	9,205	154,800	7,900
SBE Capital Outlay Bonds	122,525	—	8,560	29,655	101,430	16,300
Lottery Education Bonds	1,195,750	—	74,685	298,970	971,465	170,170
Public Education Bonds	7,792,120	—	704,090	1,129,070	7,367,140	508,065
State University System Bonds	106,805	—	—	9,945	96,860	10,295
University Auxiliary Bonds	740,546	—	39,070	107,906	671,710	43,390
Inland Protection Bonds	46,805	—	—	7,205	39,600	7,425
Florida Forever Bonds	810,040	—	119,305	260,060	669,285	101,735
Water Pollution Control Bonds	304,605	—	—	28,030	276,575	27,790
State Infrastructure Bank Bonds	24,165	—	—	7,200	16,965	6,400
Seaport Investment Bonds	122,705	—	—	2,605	120,100	2,740
Everglades Restoration Bonds	202,285	—	19,570	42,320	179,535	15,740
Florida Facilities Pool Bonds	190,835	—	—	14,165	176,670	15,060
Bonds from direct borrowings and direct placements ¹	33,379	—	61,865	2,793	92,451	4,388
	13,470,535	—	1,677,125	2,306,574	12,841,086	1,030,933
Unamortized bond premiums (discounts)	873,565	—	177,919	210,847	840,637	—
Total bonds payable	14,344,100	—	1,855,044	2,517,421	13,681,723	1,030,933
Certificates of participation payable	492,041	—	251,945	322,365	421,621	31,100
Deposits	880,419	—	878,466	829,041	929,844	913,165
Compensated absences	758,177	—	366,116	375,838	748,455	186,760
Claims payable	2,792,477	—	3,324,754	2,978,505	3,138,726	1,844,515
Installment purchases/capital leases	40,432	—	742	13,834	27,340	9,315
Public-private partnership agreements	2,456,625	—	429,892	205,896	2,680,621	414,183
Advances - Due to Unclaimed Prop. TF	936,873	—	36,095	—	972,968	—
Due to other governments	397,066	—	4,035	22,853	378,248	—
Other postemployment benefits	7,782,114	—	1,893	191,986	7,592,021	138,735
Pension liability	7,347,628	—	342,125	118,336	7,571,417	55,762
Other liabilities	12,467	—	625	40	13,052	—
Total Governmental Activities	\$ 38,240,419	\$ —	\$ 7,491,732	\$ 7,576,115	\$ 38,156,036	\$ 4,624,468

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.

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 \$176.7 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 \$61.9 million Board of Governors, Florida Agricultural and Mechanical University Dormitory Revenue and Revenue Refunding Bonds from direct borrowings provide that, upon any event of default the lender may: (1) declare the principal of, and interest on, the bonds immediately due and payable; (2) exercise any of its rights under the loan agreement; (3) apply for the appointment of receiver, trustee, liquidator, or conservator; or (4) at the request of the Secretary of the United States Department of Education, terminate the loan agreement and declare all amounts advanced to the University, and interest thereon, immediately due and payable. Should the Secretary request the lender to pursue option (4), such funds, including costs of collection, may be collected by administrative offset against payments due to the University from the Federal Government for grants and contracts.

The Department of Management Services' outstanding \$314.9 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 \$69.1 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 \$53,704,804 as of June 30, 2019.

Changes in long-term liabilities for business-type activities and component units during the fiscal year ended June 30, 2019, are as follows (in thousands):

	Balance July 1, 2018	Restatement	Additions	Deletions	Balance June 30, 2019	Due Within One Year (Current)
Business-type Activities						
Bonds payable:						
Toll Facility Bonds	\$ 2,474,485	\$ —	\$ 611,070	\$ 400,485	\$ 2,685,070	\$ 138,575
Florida Hurricane Catastrophe Fund						
Bonds	2,700,000	—	—	500,000	2,200,000	550,000
	5,174,485	—	611,070	900,485	4,885,070	688,575
Unamortized bond premiums						
(discounts)	123,107	—	70,570	33,829	159,848	—
Total bonds payable	5,297,592	—	681,640	934,314	5,044,918	688,575
Accrued prize liability	420,611	—	5,722,804	5,714,982	428,433	190,301
Deposits	123,603	—	122,495	77,610	168,488	118,584
Compensated absences	23,669	—	12,314	11,849	24,134	6,670
Tuition and housing benefits payable	10,732,595	—	1,088,992	528,694	11,292,893	644,981
Installment purchases/capital leases	28,697	—	—	13,161	15,536	15,536
Claims payable	1,896,663	—	3,950,000	2,396,531	3,450,132	3,450,132
Public-private partnership agreements ¹	217,682	—	—	2,441	215,241	1,647
Other postemployment benefits	199,176	—	3,081	5,335	196,922	3,593
Pension liability	135,524	—	3,407	1,403	137,528	1,101
Other liabilities	897	—	276	—	1,173	—
Total Business-type Activities	\$ 19,076,709	\$ —	\$ 11,585,009	\$ 9,686,320	\$ 20,975,398	\$ 5,121,120

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

As of June 30, 2019, the Florida Hurricane Catastrophe Fund's outstanding debt was secured with collateral of \$2.2 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.

	Balance July 1, 2018	Restatement	Additions	Deletions	Balance June 30, 2019	Due Within One Year (Current)
Component Units						
Bonds payable	\$ 6,147,076	\$ (610,652)	\$ 191,017	\$ 283,273	\$ 5,444,168	\$ 631,892
Bonds from direct borrowings and direct placements ¹	—	610,652	152,262	134,832	628,082	31,562
Deposits	1,149,319	—	946,702	903,579	1,192,442	916,955
Compensated absences	719,477	—	106,518	93,717	732,278	87,207
Installment purchases/capital leases	82,732	(9,545)	17,537	11,566	79,158	10,420
Claims payable	1,164,378	—	67,920	51,291	1,181,007	34,692
Certificates of participation payable	818,255	(150,810)	50,481	144,857	573,069	16,155
Due to other governments/primary	811,325	—	—	21,119	790,206	52,184
Other postemployment benefits	2,963,726	—	498,623	533,155	2,929,194	48,975
Pension liability	3,489,575	—	1,351,541	1,241,973	3,599,143	24,937
Asset retirement obligations	—	—	9,482	—	9,482	—
Other liabilities	787,418	(182,546)	525,124	418,618	711,378	137,733
Notes from direct borrowings and direct placements - Excludes Bonds ¹	—	342,901	90,924	54,484	379,341	32,146
Total Component Units	\$ 18,133,281	\$ —	\$ 4,008,131	\$ 3,892,464	\$ 18,248,948	\$ 2,024,858

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 \$180.4 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's outstanding \$252.0 million certificates of participation, including \$114.4 million direct placements, provide that the outstanding principal may be accelerated upon an event of default.

The University of Central Florida Foundation, Inc.'s outstanding \$73.6 million long-term debt from direct placements are secured with collateral of capital assets used in operations and provide that in an event of default, all outstanding amounts may be accelerated.

The State's component units also have unused lines of credit of \$66,198,411 as of June 30, 2019.

NOTE 11 - INTERFUND BALANCES AND TRANSFERS

At June 30, 2019, 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, 2019, 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	\$ —	\$ 24,779	\$ 490	\$ 151,740	\$ 10,723
Natural Resources, Environment, and Growth Management	7,192	—	—	989	16,354
Public Education	140	—	—	2,820	—
Health and Family Services	11,879	5	16	—	—
Transportation	5,690	2,225	—	86	—
Nonmajor Governmental Funds	65,054	2,445	20,994	31,539	56,635
Internal Service Funds	259	—	—	—	2
Business-type Activities					
Transportation	124	—	—	—	96,895
Lottery	37	—	75,454	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Prepaid College Program	—	—	—	—	—
Reemployment Assistance	91	—	—	—	—
Nonmajor Enterprise Funds	7,618	—	—	219	—
Fiduciary Funds					
Private-purpose Trust Funds	158	19	939	—	—
Pension and Other Employee Benefits Trust Funds	18	—	—	—	—
Agency Funds	68,923	—	904	2,284	9,235
Investment Trust Funds	—	—	—	—	—
Total	\$ 167,183	\$ 29,473	\$ 98,797	\$ 189,677	\$ 189,844

(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	\$ 92,135	\$ 3,617
Natural Resources, Environment, and Growth Management	963	506
Public Education	282	283
Health and Family Services	10,449	3,076
Transportation	26,772	4,319
Nonmajor Governmental Funds	11,474	2,159
Internal Service Funds	6	178
Business-type Activities		
Transportation	—	—
Lottery	7	44
Hurricane Catastrophe Fund	—	—
Prepaid College Program	—	—
Reemployment Assistance	885	—
Nonmajor Enterprise Funds	615	613
Fiduciary Funds		
Private-purpose Trust Funds	429	3
Pension and Other Employee Benefits Trust Funds	—	91
Agency Funds	1,963	—
Investment Trust Funds	—	—
Total	\$ 145,980	\$ 14,889

(Continued next page)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)			
	Business-type Activities			
	Transportation	Prepaid College Program	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities				
General Fund	\$ —	\$ —	\$ 223	\$ 4,571
Natural Resources, Environment, and Growth Management	—	—	6	—
Public Education	—	—	8	—
Health and Family Services	—	—	147	15
Transportation	266	—	14	34
Nonmajor Governmental Funds	—	—	57	21
Internal Service Funds	—	—	6	—
Business-type Activities				
Transportation	—	—	—	—
Lottery	—	—	3	3
Hurricane Catastrophe Fund	—	—	—	283
Prepaid College Program	—	—	—	1
Reemployment Assistance	—	—	—	—
Nonmajor Enterprise Funds	—	—	20	—
Fiduciary Funds				
Private-purpose Trust Funds	—	3,156	—	7
Pension and Other Employee Benefits Trust Funds	—	—	2	7,768
Agency Funds	124,471	—	2	33
Investment Trust Funds	—	—	—	94
Total	\$ 124,737	\$ 3,156	\$ 488	\$ 12,830

(Continued below)

Due to Other Funds (in thousands)	Due from Other Funds (in thousands)			
	Fiduciary Funds			
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Agency Funds	Total
Governmental Activities				
General Fund	\$ —	\$ 1,018	\$ 123,015	\$ 412,311
Natural Resources, Environment, and Growth Management	—	16	—	26,026
Public Education	134	—	1	3,668
Health and Family Services	—	—	38	25,625
Transportation	—	—	9,404	48,810
Nonmajor Governmental Funds	—	—	150	190,528
Internal Service Funds	—	3,351	21,419	25,221
Business-type Activities				
Transportation	—	—	—	97,019
Lottery	—	—	—	75,548
Hurricane Catastrophe Fund	—	—	—	283
Prepaid College Program	3,973	—	—	3,974
Reemployment Assistance	—	—	90	1,066
Nonmajor Enterprise Funds	—	—	—	9,085
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	4,711
Pension and Other Employee Benefits Trust Funds	—	60,436	—	68,315
Agency Funds	—	—	—	207,815
Investment Trust Funds	—	—	—	94
Total	\$ 4,107	\$ 64,821	\$ 154,117	\$ 1,200,099

Advances to Other Funds
(in thousands)

Governmental Activities

Advances from Other Funds (in thousands)	General Fund	Transportation
Governmental Activities		
Public Education	\$ —	\$ —
Nonmajor Governmental Funds	625	73
Internal Service Funds	500	—
Business-type Activities		
Transportation	—	90,706
Total	\$ 1,125	\$ 90,779

(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	\$ 972,968	\$ 972,968
Nonmajor	—	698
Internal Service Funds	—	500
Business-type Activities		
Transportation	—	90,706
Total	\$ 972,968	\$ 1,064,872

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	\$ —	\$ 968,705	\$ —	\$ 1,564,358	\$ 319,275
Natural Resources, Environment, and Growth Management	132,875	—	—	4,715	—
Public Education	51,300	—	—	12,421	—
Health and Family Services	53,684	—	209,411	—	—
Transportation	68,740	21,689	—	342	—
Nonmajor Governmental Funds	401,711	64,973	335,465	50,355	1,391,127
Internal Service Funds	8,524	221	—	121	258
Business-type Activities					
Transportation	—	—	—	—	50,103
Lottery	1	—	1,927,054	—	—
Hurricane Catastrophe Fund	—	—	—	—	—
Reemployment Assistance	20	—	—	—	—
Nonmajor Enterprise Funds	108,403	—	—	4,713	—
Fiduciary Funds					
Private-purpose Trust Funds	13	—	20	265	—
Pension and Other Employee Benefits Trust Funds	2,455	—	—	—	—
Total	\$ 827,726	\$ 1,055,588	\$ 2,471,950	\$ 1,637,290	\$ 1,760,763

(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	\$ 850,629	\$ 1,884
Natural Resources, Environment, and Growth Management	173,076	—
Public Education	1,208,348	—
Health and Family Services	155,311	—
Transportation	522,929	—
Nonmajor Governmental Funds	318,112	448
Internal Service Funds	8,480	—
Business-type Activities		
Transportation	—	—
Lottery	142	—
Hurricane Catastrophe Fund	13,500	—
Reemployment Assistance	11,679	—
Nonmajor Enterprise Funds	18,035	—
Fiduciary Funds		
Private-purpose Trust Funds	3,322	—
Pension and Other Employee Benefits Trust Funds	90	23,170
Total	\$ 3,283,653	\$ 25,502

(Continued next page)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)			
	Business-type Activities			
	Transportation	Lottery	Reemployment Assistance	Nonmajor Enterprise Funds
Governmental Activities				
General Fund	\$ —	\$ —	\$ 1,233	\$ 3,228
Natural Resources, Environment, and Growth Management	—	—	47	—
Public Education	—	—	16	—
Health and Family Services	—	—	720	769
Transportation	85,675	—	66	—
Nonmajor Governmental Funds	—	—	338	3,161
Internal Service Funds	—	—	22	49
Business-type Activities				
Transportation	—	—	—	—
Lottery	—	—	3	—
Hurricane Catastrophe Fund	—	—	—	—
Reemployment Assistance	—	—	—	—
Nonmajor Enterprise Funds	—	—	118	—
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	—
Pension and Other Employee Benefits Trust Funds	—	—	2	18,495
Total	\$ 85,675	\$ —	\$ 2,565	\$ 25,702

(Continued below)

Transfers to Other Funds (in thousands)	Transfers from Other Funds (in thousands)			
	Fiduciary Funds			
	Private-purpose Trust Funds	Pension and Other Employee Benefits Trust Funds	Investment Trust Funds	Total
Governmental Activities				
General Fund	\$ 1,625	\$ 15,058	\$ —	\$ 3,725,995
Natural Resources, Environment, and Growth Management	—	—	—	310,713
Public Education	135	—	—	1,272,220
Health and Family Services	—	—	—	419,895
Transportation	—	—	—	699,441
Nonmajor Governmental Funds	—	—	—	2,565,690
Internal Service Funds	—	722	—	18,397
Business-type Activities				
Transportation	—	—	—	50,103
Lottery	—	—	—	1,927,200
Hurricane Catastrophe Fund	—	—	—	13,500
Reemployment Assistance	—	—	—	11,699
Nonmajor Enterprise Funds	—	—	—	131,269
Fiduciary Funds				
Private-purpose Trust Funds	—	—	—	3,620
Pension and Other Employee Benefits Trust Funds	—	648,672	—	692,884
Total	\$ 1,760	\$ 664,452	\$ —	\$ 11,842,626

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 \$68.5 million per occurrence for named windstorm and flood losses through February 15, 2020, 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, 2018, and June 30, 2019, 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, 2018	\$ 1,235	\$ 785	\$ (940)	\$ 1,080
June 30, 2019	\$ 1,080	\$ 519	\$ (511)	\$ 1,088

The estimated liability for unpaid property insurance claims for the fiscal year ended June 30, 2019, does not include outstanding property claim loss payments resulting from Hurricane Irma that struck Florida in September of 2017 or outstanding property claim loss payments resulting from Hurricane Michael that struck Florida in October of 2018. Estimated unpaid loss payments for Hurricane Irma and Hurricane Michael total \$16.5 million.

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, 2019, was \$1.15 billion. This amount was determined through an actuarial method based on historical paid and incurred losses and includes an amount for losses incurred but not yet reported. In addition, this amount includes the present value of workers' compensation indemnity claims liability of \$252.5 million, discounted using a 4 percent annual percentage rate per Section 625.091, Florida Statutes. The undiscounted workers' compensation indemnity claims liability is \$352.6 million.

Changes in the Fund's casualty insurance claims liability for the fiscal years ended June 30, 2018, and June 30, 2019, 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, 2018	\$ 1,139,604	\$ 138,379	\$ (134,532)	\$ 1,143,451
June 30, 2019	\$ 1,143,451	\$ 134,258	\$ (130,233)	\$ 1,147,476

Actual current year claims and changes in estimate for casualty lines of coverage for the fiscal year ended June 30, 2019, decreased by \$4.1 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, 2018, and June 30, 2019, 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, 2018	\$ 171,010	\$ 1,946,441	\$ (1,950,153)	\$ 167,298
June 30, 2019	\$ 167,298	\$ 2,118,454	\$ (2,088,265)	\$ 197,487

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, 2019, 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, 2019, is as follows:

Actuarial present value of future contract benefits and expenses payable	\$ 11,292,893,208
Net position available (net of outstanding refund payments and unrealized gain/loss on securities lending portfolio)	\$ 14,990,000,000
Net position as a percentage of future contract benefits and expenses obligation	132.7%

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, 2019, the industry retention for determining each insurer's retention was \$7.255 billion per hurricane for the two hurricanes with the largest losses and \$2.418 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 post-event revenue bonds. This amount is determined by the FHCF based on reports of its financial advisors and bond underwriters and is reviewed by the FHCF Advisory Council. The FHCF has a fiscal year end of June 30 and its reimbursement contracts expire on May 31. As of June 30, 2019, the FHCF had a net position of \$10.29 billion, including the net position of the State Board of Administration Finance Corporation.

If available resources and pre-catastrophe debenture financing are not adequate to satisfy reimbursement claims, the State Board of Administration Finance Corporation may issue revenue bonds secured by emergency assessments. The SBA has the sole authority to direct the Florida Office of Insurance Regulation to levy assessments on most property and casualty insurance policy premiums on behalf of the FHCF. Aggregate assessments may not exceed 10% and assessments in relation to losses in one contract year may not exceed 6%. This assessment authority is neither related to nor restricted by the assessments levied by either Citizens Property Insurance Corporation (Citizens), a discretely presented component unit, or the Florida Insurance Guaranty Association, Inc. (FIGA). As of June 30, 2019, 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 at Mexico Beach, Florida, as a major Category 5 storm on October 10, 2018. As of June 30, 2019, 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 to the FHCF of \$2.50 billion as of June 30, 2018. Due to increased loss development, Hurricane Irma's estimated ultimate loss to the FHCF as of June 30, 2019 was increased to a total of \$5.00 billion, an additional \$2.50 billion increase for fiscal year ended June 30, 2019.

In April 2013, pre-event Series 2013A Revenue Bonds were issued in the amount of \$2.0 billion to maximize the ability of the FHCF to meet future obligations. The proceeds from these bonds may be used to pay for losses incurred from future covered events. Investment earnings on these funds, as well as reimbursement premiums, if necessary, are used to pay the debt service requirements of these bonds. The remaining amount due at maturity and the maturity date for these bonds is \$1.0 billion on July 1, 2020.

In March 2016, pre-event Series 2016A Revenue Bonds were issued in the amount of \$1.2 billion to provide funds, together with other available funds, to maximize the ability of the FHCF to meet future obligations. 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 amounts due at maturity and the maturity dates for these bonds will be \$550 million on July 1, 2019, and \$650 million on July 1, 2021.

In addition to the issuance of bonds, the FHCF purchased aggregate excess catastrophe reinsurance providing coverage to the FHCF for 92% of \$1.0 billion of losses in excess of \$10.5 billion of losses, effective June 1, 2019 through May 31, 2020; and \$1.0 billion of losses in excess of \$10.5 billion of losses, effective June 1, 2018 through May 31, 2019.

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), F.S., to provide certain residential property insurance coverage to qualified risks in the State of Florida for applicants who were in good faith entitled to procure insurance through the private market but were unable to do so. Residential property coverage consists of the types of coverage provided to homeowners, mobile homeowners, tenants, condominium unit owners, and similar policies. The policies provide coverage for all perils covered under a standard residential policy, subject to certain underwriting requirements. Such policies may exclude windstorm coverage on property within eligible areas. This portion of the FRPCJUA's activities became the Personal Lines Account (PLA) under Citizens.

Commercial Lines Account History - The Florida Property and Casualty Joint Underwriting Association (FPCJUA) was activated in early 1994 to provide commercial residential coverage (i.e., coverage for condominium associations, apartment buildings and homeowner associations) to organizations unable to obtain such coverage from a private insurer. During 1995, legislation was enacted to transfer all obligations, rights, assets, and liabilities related to commercial residential coverage from the FPCJUA to the FRPCJUA. The legislation required that the premiums, losses, assets and liabilities be accounted for separately from the FRPCJUA's personal residential business. This portion of the FRPCJUA's activities became the Commercial Lines Account (CLA) under Citizens. In 2006, the FPCJUA was re-activated to provide commercial non-residential wind-only coverage. In 2007, legislation was enacted which resulted in the transfer and assumption of the FPCJUA's commercial non-residential policies by Citizens. These policies were added to the CLA.

Coastal Account History - The FWUA, which was a residual market mechanism for windstorm and hail coverage in select areas of the State of Florida, was created by an act of the Florida Legislature in 1970 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.

ASSESSMENTS

Citizens' enabling legislation and the Plan establish a process by which Citizens is required to levy assessments to recover deficits incurred in a given plan year for any of its three accounts. Deficits are calculated separately, and assessments are levied separately, for each of the three accounts. The Plan provides for deficits to be determined in accordance with standards promulgated by the Governmental Accounting Standards Board, adjusted for certain items.

In the event of a Plan Year Deficit in any Account, Citizens must first levy an assessment against the premium of each Citizens policyholder (the Citizens Policyholder Surcharge) in each of Citizens' Accounts, as a uniform percentage of the premium of the policy of up to 15% of such premium. Citizens Policyholder Surcharges are not subject to commissions, fees, or premium taxes; however, failure to pay a Citizens Policyholder Surcharge will be treated as failure to pay premiums.

If the Citizens Policyholder Surcharge is insufficient to eliminate a deficit in the Coastal Account, Citizens would then levy a Regular Assessment on assessable insurers, as defined in Section 627.351(6), F.S. The assessment is based upon each assessable insurer's share of direct written premium for the Subject Lines of Business in the State of Florida for the calendar year preceding the year in which the deficit occurred, and is applied as a uniform percentage of up to 2% of subject premiums. The Regular Assessment is not available for deficits within the PLA or CLA.

If the deficit in any year in any account is greater than the amount that may be recovered through Citizens' Policyholder Surcharges and Regular Assessments, Citizens is required to levy any remaining Plan Year Deficit as an Emergency Assessment. An Emergency Assessment is to be collected by all assessable insurers, Surplus Lines Agents, and Citizens from policyholders upon the issuance or renewal of policies for Subject Lines of Business for as many years as necessary to cover the Plan Year Deficit in the account.

The primary difference between the assessment base for Regular Assessments and Emergency Assessments is the inclusion of Citizens' direct written premium in the assessment base for Emergency Assessments, in addition to the Regular Assessment being limited to the Coastal account only.

For purposes of Regular Assessments and Emergency Assessments, the "Subject Lines of Business" are all lines of property and casualty insurance, including automobile lines, but excluding accident and health, workers' compensation, and medical malpractice insurance, and also excluding insurance under the National Flood and Federal Crop insurance programs.

In November 2012, Citizens received notice of an assessment from FIGA totaling \$27.8 million. Amounts recouped from policyholders relating to this assessment were \$154 thousand and \$1.1 million during 2018 and 2017, respectively. As of December 31, 2017, Citizens reported an over-collection in the amount of \$152 thousand within other current liabilities on the statements of net position. Citizens discontinued collections effective March 1, 2018 and settled the net over-collection in May 2018 with FIGA pursuant to Section 631.57(3)(f), Florida Statutes, and filed a final reconciliation with the Office.

Effective March 5, 2015, the 2005 Emergency Assessment was terminated for all policies with effective dates on or after July 1, 2015. The 2005 Emergency Assessment was anticipated to be collected over a ten year period commencing July 1, 2007. As of December 31, 2018 and 2017, collections in excess of the Emergency Assessment were \$141.7 million and \$143.6 million, respectively. These balances are reported as the reserve for future assessments on the accompanying statements of net position until such time as the Board approves a change to direct these excess collections to be used for any lawful purpose available within the Plan.

C. FLORIDA INSURANCE GUARANTY ASSOCIATION, INC.

The Florida Insurance Guaranty Association, Inc. (FIGA), a not-for-profit corporation, was established by the Florida Legislature through the Florida Insurance Guaranty Association Act of 1970 (the Act). FIGA was created to provide a mechanism for the payment of covered claims of insolvent insurers and to assist in the detection and prevention of insurers' insolvencies. FIGA operates under the supervision and approval of a board of directors, comprised of five to nine persons, recommended by the member insurers pursuant to Section 631.56, F.S., and subsequently appointed by the Department of Financial Services.

The members of FIGA are all insurers that hold a certificate of authority to provide property and casualty coverage in the State of Florida.

The funding of FIGA's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and, as considered necessary, levied against member insurers on the basis of net direct written premiums in the State of Florida in the classes protected by the Act. FIGA obtains the amount of the net direct written premiums, by company and by class of protection, to use as the basis for assessment calculations. The maximum regular assessment rate is 2%. In addition to the regular assessment, during 2006, the Florida Legislature granted FIGA the authority to levy an emergency assessment up to an additional 2% of net direct written premiums for the account specified in Section 631.55(2)(b), F.S., to pay covered claims of insurers rendered insolvent by the effects of a hurricane. Also in 2006, FIGA was granted the authority to work with an affected municipality, county, or financing conduit organization under Chapter 163, 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, 2019, FIGA has not needed to utilize this bonding authority and no tax-exempt bonds have been issued.

D. FLORIDA WORKERS' COMPENSATION INSURANCE GUARANTY ASSOCIATION, INC.

The Florida Workers' Compensation Insurance Guaranty Association, Inc. (FWCIGA), a not-for-profit corporation, was established by the Florida Legislature in 1997 as a merger of the workers' compensation account of the Florida Insurance Guaranty Association, Inc., and the Florida Self-Insurance Fund Guaranty Association. FWCIGA was created to provide a mechanism for the payment of covered claims of insolvent workers' compensation insurers and to assist in the detection and prevention of insurers' insolvencies. FWCIGA operates under the supervision and approval of a board of directors, comprised of eleven persons. Eight directors are recommended by member insurers pursuant to Section 631.912, F.S., and subsequently appointed by the Florida Department of Financial Services. The remaining three directors are the Florida Insurance Consumer Advocate, designee of the state's Chief Financial Officer, and one person with commercial insurance experience appointed by the Governor.

The members of FWCIGA are all insurers that hold a certificate of authority to provide workers' compensation coverage in the State of Florida.

The funding of FWCIGA's activities is provided by distributions from the estates of insolvent insurers and assessments of members. The assessments are calculated and, as considered necessary, levied against member insurers on the basis of workers' compensation net direct written premiums in the State of Florida without taking into account any applicable discounts or credits for deductibles. FWCIGA obtains the amount of the net direct written premiums, by company, to use as the basis for assessment calculations. The maximum assessment rate is 2% for insurance companies and self-insurance funds. In addition to the regular assessment, the Florida Legislature granted FWCIGA the authority to levy an up to an additional 1.5% of net direct written premiums if the 2% assessment is insufficient to make payments for the calendar year.

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, 2019, approximately \$278 million of Program loans were still outstanding from loans that had been made prior to the Program ending on June 30, 2010. The amount of potential liability to the federal fund is indeterminable.

B. Federally Assisted Grant Programs

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

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

Medicaid Program - On July 29, 2016, AHCA posted amended outpatient Medicaid rates for state fiscal year 2016-2017 to its website. Those Medicaid reimbursement rate change forms were dated July 29, 2016 ("July 29 Rate Letters"). The Public Health Trust of Miami-Dade County, Florida filed its Petition for Formal Administrative Determination of Invalidity of Agency Statements and Existing Rule 59G-6.030 on October 31, 2016. The petition was then consolidated with other petitions that challenged the same issue. Petitioners alleged the July 29 Rate Letters and the methodology by which AHCA used to calculate the outpatient Medicaid rates are statements that constitute an unadopted rule. On February 13, 2017, the Division of Administrative Hearings (DOAH) issued an Order Extending Stay of Unadopted Rule Challenge and Rescheduling Final Hearing in Existing Rule Challenge. On February 23, 2017, the final hearing was held at DOAH. The Petitioners were unsuccessful and the Agency prevailed. The hospitals filed an appeal. The appeal has 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 will determine whether the case will conclude or potentially go back to trial. If certain measurements are not met, 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.

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. Potential costs to implement this agreement exceed \$115 million.

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

NOTE 16 - LITIGATION

Due to its size and broad range of activities, the State is involved in various, though sometimes routine, legal actions. The following are the significant loss contingencies associated with legal proceedings:

- A. Florida Department of Agriculture and Consumer Services, et al., v. Dolliver, et al., Case No. SC19-2047 (Fla. Supreme Court); Florida Department of Agriculture and Consumer Services, et al., v. Dellaselva, et al., Case No. 2D18-1393 (Fla. 1st DCA); Dellaselva, et al., v. Florida Department of Agriculture and Consumer Services, et al., Case No. 03-CA-1947 (20th Cir. Lee County); Ayers, et al., v. Florida Department of Agriculture and Consumer Services, Case No. 05-CA-4120 (9th Cir. Orange County); In re Citrus Canker Litigation, Case No. 03-8255 CA 13 (11th Cir. Miami-Dade County)**

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

Dellaselva (styled Dolliver in the Supreme Court), Case No. 03-CA-1947, concerns homeowners in Lee County. Plaintiffs were awarded judgments of \$13,625,249 for compensation and \$892,886 in attorneys' fees and costs, plus interest. The 2017 Florida Legislature appropriated \$16,475,800 for these judgments, but the Governor vetoed the appropriation and no such appropriation was made in either 2018 or 2019. The trial court issued a writ of mandamus ordering the DACS to pay the judgments, with interest. The Second District Court of Appeal affirmed the writ. The Department's appeal to the Florida Supreme Court is currently pending.

Ayers, Case No. 05-CA-4120, concerns homeowners in Orange County. Plaintiffs were awarded judgments of \$31,534,722 for compensation, and \$770,813 for attorneys' fees and costs, plus interest. These judgments remain unpaid, while accruing post-judgment interest.

In re Citrus Canker Litigation, Case No. 03-8255 CA 13, concerns homeowners in Miami-Dade County. The Court found no liability on behalf of the DACS. Plaintiffs' appeal is pending.

- B. McLane Suneast, Inc. v. Florida Department of Business and Professional Regulation, Case No. 14-CA-372 (9th Cir., Osceola County)**

McLane Suneast, Inc., a major distributor of tobacco products including cigars, cigarettes, and smokeless tobacco, alleged that the State's taxes and surcharges of cigarettes and other tobacco products, including those established by the "Protecting Florida's Health Act" (Chapter 2009-79, Laws of Florida), violate the Commerce Clause and the Equal Protection Clause of the U. S. Constitution, as well as the Due Process Clause and Equal Rights Clause of the Florida Constitution, by taxing different kinds of tobacco products disparately, without taxing or levying surcharges upon cigars. Plaintiff sought declaratory and monetary relief, including a refund of all cigarette and other tobacco taxes and surcharges paid to the Department of Business and Professional Regulation since July 1, 2009, the total amount of which exceeded \$5.5 billion by the beginning of 2019. The Department settled the case in May 2019 as part of a comprehensive settlement involving numerous, unrelated refund claims by Plaintiff, including those based on *Micjo v. Florida Department of Business and Professional Regulation*, 78 So. 3d 124 (Fla. 2nd DCA 2012), previously estimated at \$49 million. The parties settled the case and all unrelated claims for \$42.5 million total, after which Plaintiff dismissed the case in August 2019.

- C. 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, 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 Court certified the class and in December 2017 issued a preliminary injunction ordering DOC to provide certain treatment. On April 18, 2019, the U.S. District Court issued a final order requiring DOC to treat all inmates with Hepatitis C and, among other requirements, to improve its identification of people with the disease. DOC's appeal of the order is pending. The claim potentially represents future costs exceeding \$46 million for testing, treatment and staffing.

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

Plaintiffs allege that the State of Florida Governor, Board of Governors, Board of Education, Department of Education, and Commissioner of Education are liable for failure to match private donations to public colleges, universities, and their students pursuant to four statutory programs. Plaintiffs allege breach and impairment of contract and seek declaratory relief and damages of over \$1 billion. The First District Court of Appeal reversed the trial court's denial of Defendants' motions to dismiss on sovereign immunity grounds. Plaintiffs are currently seeking discretionary review by the Florida Supreme Court.

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

Plaintiffs, including the Florida Education Association and seven individual teachers, sought to maintain a class action against the Department of Education (DOE) and certain school districts. Plaintiffs allege violations of Title VII of the Civil Rights Act and the Florida Civil Rights Act based on claims of racial and age discrimination related to the application of the Best and Brightest Teacher Scholarship Program. The parties reached a settlement for which the 2019 Florida Legislature appropriated \$15.5 million and the Court has issued preliminary approval.

- F. UMB Bank, National Association, v. Florida Department of Transportation, Case No. 2018-CA-2677 (2d Cir., Leon County)**

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. The case remains open as to Plaintiff's claims for damages and attorneys' fees.

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

The *Public Education Fund* has a deficit unassigned fund balance of approximately \$821.1 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 \$53.2 million. This deficit is a result of certain liabilities being recorded for reporting purposes only and being excluded from the calculation of transfers to the *Educational Enhancement Trust Fund*. This deficit does not affect the Lottery's ability to pay prizes or to provide services.

The Internal Service Fund, *Data Centers*, has a deficit net position of approximately \$15.6 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 \$98.9 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 \$358.4 million and \$448.0 million, respectively. Those deficits are primarily due to long-term obligations, consisting mainly of a compensated absences liability and an accrual of pension and OPEB liabilities. The compensated absences liability will be liquidated on a pay-as-you-go basis. The pension and OPEB liabilities do not require cash flows and have no effect on the ability to provide services.

NOTE 18 - SUBSEQUENT EVENTS

A. Bonds

The following bonds for governmental activities and business-type activities of the primary government were issued or sold subsequent to June 30, 2019:

Agency/Bond	Series	Amount	Matures	Interest Rate
Governmental Activities:				
Board of Governors, Florida International University Parking Facility Revenue Refunding Bonds	2019A	\$ 19,805,000	07/01/2020-07/01/2039	4.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2019 Series B	\$ 135,465,000	06/01/2020-06/01/2039	4.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2019 Series C	\$ 234,155,000	06/01/2020-06/01/2039	3.000% - 5.000%
Full Faith and Credit, Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds	2019B	\$ 184,500,000	07/01/2020-07/01/2049	3.000% - 5.000%
Department of Environmental Protection, Everglades Restoration Revenue Refunding Bonds	2019B	\$ 42,220,000	07/01/2020-07/01/2027	5.000% - 5.000%
Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds	2019 Series D	\$ 168,825,000	06/01/2020-06/01/2039	3.000% - 5.000%
Inland Protection Financing Corporation Revenue Refunding Bonds	2019A	\$ 24,820,000	07/01/2020-07/01/2024	5.000% - 5.000%
Department of Transportation, Federal Highway Reimbursement Revenue Bonds (Indirect GARVEEs)	2019A	\$ 123,225,000	07/01/2020-07/01/2031	5.000% - 5.000%
Full Faith and Credit, State Board of Education, Capital Outlay Refunding Bonds	2020 Series A	\$ 20,530,000	01/01/2021-01/01/2030	5.000% - 5.000%
Board of Governors, University of Central Florida Parking Facility Revenue Refunding Bonds	2019A	\$ 6,120,000	07/01/2020-07/01/2029	5.000% - 5.000%
Florida Water Pollution Control Financing Corporation Water Pollution Control Revenue Refunding Bonds	2019A	\$ 214,220,000	01/15/2021-01/15/2030	1.850%-2.600%
Board of Governors Florida Agricultural and Mechanical University Dormitory Revenue Bonds	2019A	\$ 17,929,622	07/01/2031-01/01/2039	1.788%-2.123%
Business-type Activities:				
Department of Transportation, Turnpike Revenue Bonds	2019B	\$ 177,930,000	07/01/2020-07/01/2049	1.110% - 3.000%

CASH DEFEASANCE OF DEBT:

Agency/Bond/Series	Defeasance Date	Amount	Matures	Interest Rate
Governmental Activities:				
Board of Governors, University of Central Florida Student Health Center Revenue Bonds, Series 2004A	9/25/2019	\$ 2,685,000	07/01/2020-07/01/2024	4.750%-5.000%

B. Prepaid College Program

In January 2020, the Florida Prepaid College Board lowered Florida Prepaid College Program prices by \$1.3 billion for 224,000 existing customers who purchased prepaid college plans since 2008 due to successive years of lower than anticipated tuition and fee increases. As a result of the lower prices, the Board will provide refunds exceeding \$500 million to existing customers.

**OTHER REQUIRED
SUPPLEMENTARY
INFORMATION**

BUDGETARY COMPARISON SCHEDULES
GENERAL AND MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 4,444,689	\$ 4,444,689	\$ 4,444,689	\$ —
Reversions	80,319	80,319	80,319	—
Fund Balances, July 1, 2018, restated	4,525,008	4,525,008	4,525,008	—
REVENUES				
Fees and charges	1,277,961	1,314,661	1,342,502	27,841
Licenses	963,753	909,454	531,013	(378,441)
Taxes	35,849,670	36,442,320	37,852,700	1,410,380
Miscellaneous	399	399	1,348	949
Interest	261,637	192,837	165,388	(27,449)
Grants	25,023	25,023	18,431	(6,592)
Refunds	10,139	10,139	338,515	328,376
Transfers and distributions	3,296,150	3,463,550	3,407,822	(55,728)
Other	380,103	412,803	480,511	67,708
Total Revenues	42,064,835	42,771,186	44,138,230	1,367,044
Total Available Resources	46,589,843	47,296,194	48,663,238	1,367,044
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	3,862,852	4,077,535	4,010,718	66,817
Other personal services	58,706	69,737	66,359	3,378
Expenses	356,567	391,506	380,289	11,217
Grants and aids	15,408,936	15,395,083	15,331,912	63,171
Operating capital outlay	13,599	15,975	14,745	1,230
Food products	67,583	66,630	66,458	172
Fixed capital outlay	294,105	294,105	294,105	—
Lump sum	413,271	14,085	14,085	—
Special categories	12,563,657	13,105,499	12,787,988	317,511
Financial assistance payments	349,568	349,568	346,446	3,122
Continuing appropriations	—	508,812	508,812	—
Grants/aids to local governments	175,782	175,782	175,782	—
Data processing services	57,053	56,688	51,226	5,462
Pensions and benefits	17,293	17,293	16,132	1,161
Total Operating Expenditures	33,638,972	34,538,298	34,065,057	473,241
Nonoperating expenditures:				
Transfers	5,936,465	5,936,465	5,936,465	—
Refunds	400,650	400,650	400,650	—
Other	2,540,588	2,540,588	2,540,588	—
Total Nonoperating Expenditures	8,877,703	8,877,703	8,877,703	—
Total Expenditures	42,516,675	43,416,001	42,942,760	473,241
Fund Balances, June 30, 2019	\$ 4,073,168	\$ 3,880,193	\$ 5,720,478	\$ 1,840,285

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, 2019
(in thousands)

	Natural Resources, Environment, and Growth Management			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 2,078,261	\$ 2,078,261	\$ 2,078,261	\$ —
Reversions	2,294	2,294	2,294	—
Fund Balances, July 1, 2018, restated	2,080,555	2,080,555	2,080,555	—
REVENUES				
Fees and charges	126,637	200,366	158,635	(41,731)
Licenses	44,824	52,859	53,840	981
Taxes	5,448	313,500	328,271	14,771
Miscellaneous	151	530	488	(42)
Interest	27,711	52,492	32,124	(20,368)
Grants	286,400	254,940	244,085	(10,855)
Refunds	2,658	3,895	4,266	371
Bond proceeds	177	—	—	—
Transfers and distributions	1,639,683	1,619,279	1,698,430	79,151
Other	130,294	26,930	148,760	121,830
Total Revenues	2,263,983	2,524,791	2,668,899	144,108
Total Available Resources	4,344,538	4,605,346	4,749,454	144,108
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	343,457	357,529	344,299	13,230
Other personal services	25,984	26,254	23,694	2,560
Expenses	59,763	59,469	57,102	2,367
Grants and aids	14,818	14,818	14,818	—
Operating capital outlay	2,177	2,077	1,938	139
Fixed capital outlay	458,213	458,213	458,213	—
Lump sum	500	—	—	—
Special categories	308,897	323,098	288,496	34,602
Grants/aids to local governments	591,683	591,683	591,683	—
Data processing services	911	891	890	1
Total Operating Expenditures	1,806,403	1,834,032	1,781,133	52,899
Nonoperating expenditures:				
Transfers	400,275	400,275	400,275	—
Refunds	22,391	22,391	22,391	—
Other	362,368	362,368	362,368	—
Total Nonoperating Expenditures	785,034	785,034	785,034	—
Total Expenditures	2,591,437	2,619,066	2,566,167	52,899
Fund Balances, June 30, 2019	\$ 1,753,101	\$ 1,986,280	\$ 2,183,287	\$ 197,007

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, 2019
(in thousands)

	Public Education			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 984,231	\$ 984,231	\$ 984,231	\$ —
Reversions	45,863	45,863	45,863	—
Fund Balances, July 1, 2018, restated	1,030,094	1,030,094	1,030,094	—
REVENUES				
Fees and charges	73,905	60,425	60,427	2
Licenses	1,221	1,229	1,229	—
Taxes	814,479	645,568	642,121	(3,447)
Miscellaneous	603	9	7	(2)
Interest	32,663	48,877	45,312	(3,565)
Grants	2,353,255	2,379,954	2,382,451	2,497
Refunds	1,872	3,404	2,980	(424)
Bond proceeds	—	125,046	125,046	—
Transfers and distributions	2,973,706	3,213,459	3,213,459	—
Other	146,484	192,757	228,696	35,939
Total Revenues	6,398,188	6,670,728	6,701,728	31,000
Total Available Resources	7,428,282	7,700,822	7,731,822	31,000
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	38,108	38,493	33,009	5,484
Other personal services	1,088	1,089	357	732
Expenses	8,250	8,000	4,485	3,515
Grants and aids	3,440,187	3,440,187	3,440,187	—
Operating capital outlay	701	701	40	661
Fixed capital outlay	1,802,260	1,802,260	1,802,260	—
Special categories	1,112,637	1,196,921	1,196,921	—
Financial assistance payments	70,199	70,199	70,073	126
Payments to U.S. Treasury	970	121	121	—
Data processing services	10,364	10,394	9,078	1,316
Total Operating Expenditures	6,484,764	6,568,365	6,556,531	11,834
Nonoperating expenditures:				
Transfers	305,524	305,524	305,524	—
Refunds	335	335	335	—
Other	6,481	6,481	6,481	—
Total Nonoperating Expenditures	312,340	312,340	312,340	—
Total Expenditures	6,797,104	6,880,705	6,868,871	11,834
Fund Balances, June 30, 2019	\$ 631,178	\$ 820,117	\$ 862,951	\$ 42,834

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, 2019
(in thousands)

	Health and Family Services			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 1,775,872	\$ 1,775,872	\$ 1,775,872	\$ —
Reversions	460,487	460,487	460,487	—
Fund Balances, July 1, 2018, restated	2,236,359	2,236,359	2,236,359	—
REVENUES				
Fees and charges	1,840,327	1,864,115	1,400,395	(463,720)
Licenses	23,441	23,341	21,918	(1,423)
Taxes	626,895	626,895	679,163	52,268
Interest	1,496	16,963	2,660	(14,303)
Grants	19,599,399	19,048,933	19,048,933	—
Refunds	2,202,746	2,237,213	2,281,921	44,708
Bond proceeds	361	6	—	(6)
Transfers and distributions	2,235,111	2,588,439	2,716,521	128,082
Other	38,512	40,443	68,427	27,984
Total Revenues	26,568,288	26,446,348	26,219,938	(226,410)
Total Available Resources	28,804,647	28,682,707	28,456,297	(226,410)
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	1,313,791	1,325,010	1,210,665	114,345
Other personal services	119,999	123,593	102,974	20,619
Expenses	292,318	290,393	231,865	58,528
Grants and aids	104,890	104,890	95,255	9,635
Operating capital outlay	16,459	17,871	12,005	5,866
Food products	1,110	1,110	911	199
Fixed capital outlay	6,968	6,968	6,968	—
Lump sum	16,223	—	—	—
Special categories	24,249,125	23,661,633	23,496,858	164,775
Financial assistance payments	58,876	57,395	17,023	40,372
Grants/aids to local governments	2,392	2,392	2,392	—
Data processing services	19,828	22,170	22,170	—
Claim bills and relief acts	4,525	4,525	4,525	—
Total Operating Expenditures	26,206,504	25,617,950	25,203,611	414,339
Nonoperating expenditures:				
Continuing appropriations	42,881	42,881	42,881	—
Transfers	1,461,912	1,461,912	1,461,912	—
Refunds	27,964	27,964	27,964	—
Other	328,728	328,728	328,728	—
Total Nonoperating Expenditures	1,861,485	1,861,485	1,861,485	—
Total Expenditures	28,067,989	27,479,435	27,065,096	414,339
Fund Balances, June 30, 2019	\$ 736,658	\$ 1,203,272	\$ 1,391,201	\$ 187,929

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, 2019
(in thousands)

	Transportation			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
Fund Balances, July 1, 2018	\$ 365,691	\$ 365,691	\$ 365,691	\$ —
Reversions	2,502	2,502	2,502	—
Fund Balances, July 1, 2018, restated	368,193	368,193	368,193	—
REVENUES				
Fees and charges	178,678	165,000	178,678	13,678
Taxes	2,974,360	2,781,800	2,974,361	192,561
Miscellaneous	76,934	—	—	—
Interest	2,036	2,036	1,864	(172)
Grants	—	—	2	2
Refunds	17,786	—	17,819	17,819
Bond proceeds	324,396	324,395	264,100	(60,295)
Transfers and distributions	386,072	386,072	367,987	(18,085)
Other	19,100	21,051	21,083	32
Total Revenues	3,979,362	3,680,354	3,825,894	145,540
Total Available Resources	4,347,555	4,048,547	4,194,087	145,540
EXPENDITURES				
Operating expenditures:				
Salaries and benefits	4,225	4,269	3,908	361
Other personal services	18	18	6	12
Expenses	771	769	752	17
Operating capital outlay	5	5	4	1
Fixed capital outlay	343,932	343,932	343,932	—
Special categories	61,876	61,869	61,489	380
Total Operating Expenditures	410,827	410,862	410,091	771
Nonoperating expenditures:				
Transfers	342,262	342,262	342,262	—
Refunds	56,338	56,338	56,338	—
Other	3,098,779	3,098,779	3,098,779	—
Total Nonoperating Expenditures	3,497,379	3,497,379	3,497,379	—
Total Expenditures	3,908,206	3,908,241	3,907,470	771
Fund Balances, June 30, 2019	\$ 439,349	\$ 140,306	\$ 286,617	\$ 146,311

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, 2019
(in thousands)

	General Fund	Natural Resources, Environment, and Growth Management	Public Education	Health and Family Services	Transportation
Budgetary basis fund balances	\$ 5,720,478	\$ 2,183,287	\$ 862,951	\$ 1,391,201	\$ 286,617
Items not included in budgetary basis fund balances:					
Security lending investments within the State Treasury	772,394	64,236	43,400	3,305	83,200
Fair value adjustments to investments within the State Treasury	127,587	14,183	9,582	730	18,370
Special investments within the State Treasury	20,242	—	—	32,657	—
Non-State Treasury cash and investments	1,097,580	2,606	2	19,198	1,254,539
Adjustment for State Transportation Trust Fund elimination	—	—	—	—	524,760
Adjusted budgetary basis fund balances	7,738,281	2,264,312	915,935	1,447,091	2,167,486
Adjustments (basis differences):					
Net receivables/(payables) not carried forward	1,058,216	1,676,878	(93,317)	1,042,614	(193,279)
Net deferred outflows/(inflows) of resources	(138,656)	(914)	—	(804,627)	(284,705)
Inventories, prepaid items and deferred charges	10,931	767	—	36,787	7,234
Encumbrances	153,035	27,047	101,750	90,805	45,844
GAAP basis fund balances	\$ 8,821,807	\$ 3,968,090	\$ 924,368	\$ 1,812,670	\$ 1,742,580

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, 2019, State Transportation Trust fund revenues and expenditures totaled \$2.61 billion and \$7.08 billion, respectively, with \$4.49 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-employee payroll	\$ 4,538,946	\$ 4,591,628	\$ 4,596,099	\$ 4,621,442	\$ 4,791,286
Proportionate share of the net pension liability as percentage of covered payroll	23.93%	50.53%	99.72%	112.59%	111.48%
Plan fiduciary net position as a percentage of the total pension liability	96.09%	92.00%	84.88%	83.89%	84.26%

Notes to Schedule:

Changes in actuarial assumptions: The long-term expected rate of return was decreased from 7.10% to 7.00%.

* 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.

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-employee 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 increased from 3.58% to 3.87%.

* 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)	\$ —	\$ —	\$ —	\$ —	\$ —
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.

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

Notes to Schedule:

Changes of assumptions or input: The municipal bond rate used to determine total pension liability decreased from 3.87% to 3.50%.

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

SCHEDULE OF STATE CONTRIBUTIONS TO PENSION PLAN
FLORIDA NATIONAL GUARD SUPPLEMENTAL RETIREMENT BENEFIT PLAN
LAST 10 FISCAL YEARS*
(in thousands)

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

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

OTHER REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN OTHER POSTEMPLOYMENT BENEFITS LIABILITY

LAST 10 FISCAL YEARS*

(in thousands)

	2017	2018
<u>Total OPEB Liability</u>		
Service cost	\$ 558,284	\$ 450,512
Interest	350,228	399,969
Changes of Benefit Terms	—	—
Difference between expected and actual experience	—	—
Changes of assumptions or other inputs	(1,746,361)	(931,395)
Benefit payments	(162,902)	(178,619)
Other changes	—	—
Net Changes in Total OPEB Liability	(1,000,751)	(259,533)
Total OPEB Liability - Beginning	11,811,836	10,811,085
Total OPEB Liability - Ending	<u>\$ 10,811,085</u>	<u>\$ 10,551,552</u>
Covered-employee payroll	\$ 7,847,743	\$ 8,527,828
Total OPEB liability as a percentage of covered-employee payroll	137.76%	123.73%

*Fiscal Year 2018 was the first year of GASB Statement No. 75 implementation; therefore, information was not available for a full 10-year presentation.

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, 2018, include discount rate, inflation rate, salary increases, payroll growth, healthcare inflation, retiree contribution increase rate, medical aging factors, healthcare participation, healthcare cost trends, mortality rates, and other demographic assumptions.

The discount rate changed from 3.58% for the opening balance as of June 30, 2017, to the discount rate of 3.87% as of June 30, 2018. This change resulted in a decrease in total OPEB liability.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

INFORMATION ABOUT INFRASTRUCTURE ASSETS REPORTED USING THE MODIFIED APPROACH

Pursuant to GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the state has adopted an alternative process to record depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the state expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 12,115 centerline miles of roads and 7,060 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>2019</u>	<u>2018</u>	<u>2017</u>
87%	91%	92%

Percentage of bridges meeting FDOT standards

<u>2019</u>	<u>2018</u>	<u>2017</u>
95%	95%	96%

Maintenance Rating

<u>2019</u>	<u>2018</u>	<u>2017</u>
83	85	86

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

Resurfacing Program

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Needed \$	555.6	\$ 590.4	\$ 530.8	\$ 619.5	\$ 571.6
Actual	479.8	522.6	541.5	610.1	570.6

Bridge Repair/Replacement Program

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Needed \$	114.3	\$ 239.6	\$ 642.5	\$ 191.4	\$ 110.4
Actual	104.6	240.3	567.2	199.3	111.6

Routine Maintenance Program

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Needed \$	690.1	\$ 655.0	\$ 661.3	\$ 627.4	\$ 599.9
Actual	817.7	756.1	741.7	723.3	694.6

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 201.

CAPITAL PROJECTS FUNDS

Individual fund descriptions and financial statements begin on page 229.

DEBT SERVICE FUNDS

Individual fund descriptions and financial statements begin on page 233.

PERMANENT FUNDS

Funds in this category include those administered by the Fish and Wildlife Conservation Commission, used to support fish and wildlife conservation programs of the State, in accordance with Section 379.207, Florida Statutes. The primary source of the principal of the funds includes proceeds of gifts, grants, contributions, and the sale of lifetime licenses. Also included in this category are various private scholarship funds administered by the Department of Education and used to pay scholarship awards as specified by the contributors. Only the interest income received and accrued from the investments of these funds can be used. No disbursement is made from the principal of the funds.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019
(in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Funds	Totals 6/30/19
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ 24,714	\$ —	\$ 3,590	\$ 846	\$ 29,150
Pooled investments with State Treasury	1,926,119	135,045	—	34,366	2,095,530
Other investments	182,046	—	24,977	4,267	211,290
Receivables, net	650,134	361	551	1	651,047
Due from other funds	56,942	89,038	—	—	145,980
Due from component units/primary	7	—	—	—	7
Inventories	2,590	—	—	—	2,590
Other	255	—	—	—	255
Total current assets	2,842,807	224,444	29,118	39,480	3,135,849
<u>Noncurrent assets</u>					
Long-term investments	29,104	—	54,964	—	84,068
Other loans and notes receivable, net	784,449	—	—	—	784,449
Total noncurrent assets	813,553	—	54,964	—	868,517
Total assets	3,656,360	224,444	84,082	39,480	4,004,366
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	290,136	4,310	473	—	294,919
Due to other funds	187,423	3,100	2	3	190,528
Due to component units/primary	2,655	—	—	—	2,655
Compensated absences	861	—	—	—	861
Claims payable	5,626	—	—	—	5,626
Deposits	152,511	—	—	—	152,511
Obligations under security lending agreements	56,016	5,845	—	1,506	63,367
Total current liabilities	695,228	13,255	475	1,509	710,467
<u>Noncurrent liabilities</u>					
Advances from other funds	698	—	—	—	698
Deposits	16,678	—	—	—	16,678
Total noncurrent liabilities	17,376	—	—	—	17,376
Total liabilities	712,604	13,255	475	1,509	727,843
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	424,875	—	—	—	424,875
Total deferred inflows of resources	424,875	—	—	—	424,875
FUND BALANCES					
Nonspendable	2,836	—	—	4,282	7,118
Restricted	1,524,568	124,222	83,607	26,785	1,759,182
Committed	991,477	86,967	—	6,904	1,085,348
Total fund balances	2,518,881	211,189	83,607	37,971	2,851,648
Total liabilities, deferred inflows and fund balances	\$ 3,656,360	\$ 224,444	\$ 84,082	\$ 39,480	\$ 4,004,366

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Permanent Funds	Totals 6/30/19
REVENUES					
Taxes	\$ 272,889	\$ —	\$ —	\$ —	\$ 272,889
Licenses and permits	1,581,118	—	—	5,070	1,586,188
Fees and charges	709,842	—	37	—	709,879
Grants and donations	3,329,843	—	—	—	3,329,843
Investment earnings (losses)	81,070	4,275	9,806	2,541	97,692
Fines, forfeits, settlements and judgments	511,815	—	—	—	511,815
Other	56,959	—	5,896	—	62,855
Total revenues	6,543,536	4,275	15,739	7,611	6,571,161
EXPENDITURES					
Current:					
General government	2,865,798	39,686	1,337	—	2,906,821
Education	211,576	2,248	6,953	105	220,882
Human services	429,818	4,804	—	—	434,622
Criminal justice and corrections	551,432	62,736	—	—	614,168
Natural resources and environment	1,385,065	—	—	3	1,385,068
Transportation	—	143	—	—	143
Judicial branch	87,585	—	—	—	87,585
Capital outlay	72,565	56,010	—	—	128,575
Debt service:					
Principal retirement	551	—	1,097,394	—	1,097,945
Interest and fiscal charges	73	—	614,342	—	614,415
Total expenditures	5,604,463	165,627	1,720,026	108	7,490,224
Excess (deficiency) of revenues over expenditures	939,073	(161,352)	(1,704,287)	7,503	(919,063)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	—	188,101	15,148	—	203,249
Proceeds of refunding bonds	—	—	1,229,094	—	1,229,094
Operating transfers in	1,398,834	194,053	1,690,766	—	3,283,653
Operating transfers out	(2,416,705)	(68,454)	(80,531)	—	(2,565,690)
Payments to refunded bond agent	—	—	(1,229,094)	—	(1,229,094)
Total other financing sources (uses)	(1,017,871)	313,700	1,625,383	—	921,212
Net change in fund balances	(78,798)	152,348	(78,904)	7,503	2,149
Fund balances - beginning	2,597,679	58,841	162,511	30,468	2,849,499
Fund balances - ending	\$ 2,518,881	\$ 211,189	\$ 83,607	\$ 37,971	\$ 2,851,648

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NONMAJOR SPECIAL REVENUE FUNDS

EMPLOYMENT SERVICES

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

GOVERNMENT ADMINISTRATION

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

BUSINESS AND COMMUNITY DEVELOPMENT

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

REGULATION AND LICENSING

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

TOBACCO SETTLEMENT

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

PUBLIC SAFETY

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

CORRECTIONS

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

CONSUMER PROTECTION AND SAFETY

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

AGRICULTURE

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

JUVENILE JUSTICE

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

JUDICIAL SERVICES

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

MILITARY AND VETERANS' AFFAIRS

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

BLENDED COMPONENT UNITS

FLORIDA CLERKS OF COURT OPERATIONS CORPORATION

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

FLORIDA CITRUS COMMISSION

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

STATE BOARD OF ADMINISTRATION

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

FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

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

WIRELESS EMERGENCY TELEPHONE SYSTEM

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

CAREERSOURCE FLORIDA, INC.

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

FLORIDA WATER POLLUTION CONTROL

FINANCING CORPORATION

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

INLAND PROTECTION FINANCING CORPORATION

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

FLORIDA SURPLUS LINES SERVICE OFFICE

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

CORRECTIONS FOUNDATION, INC.

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

SCRIPPS FLORIDA FUNDING CORPORATION

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
ASSETS				
Current assets				
Cash and cash equivalents	\$ 401	\$ 9	\$ 37	\$ 63
Pooled investments with State Treasury	331,519	51,408	438,172	387,299
Other investments	6,195	—	—	—
Receivables, net	67,737	1,890	195,959	56,279
Due from other funds	7,580	—	4,167	1,823
Due from component units/primary	—	7	—	—
Inventories	—	—	—	190
Other	—	—	—	10
Total current assets	413,432	53,314	638,335	445,664
Noncurrent assets				
Long-term investments	—	—	50	—
Other loans and notes receivable, net	2,749	—	77	42
Total noncurrent assets	2,749	—	127	42
Total assets	416,181	53,314	638,462	445,706
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	3,033	9,662	115,541	3,611
Due to other funds	3,921	579	53,915	111,604
Due to component units/primary	29	—	—	1
Compensated absences	135	17	21	157
Claims payable	5,626	—	—	—
Deposits	1,061	—	21,367	123,458
Obligations under security lending agreements	14,390	1,985	17,972	9,068
Total current liabilities	28,195	12,243	208,816	247,899
Noncurrent liabilities				
Advances from other funds	—	73	—	—
Deposits	—	—	—	—
Total noncurrent liabilities	—	73	—	—
Total liabilities	28,195	12,316	208,816	247,899
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	6	—	291,251	435
Total deferred inflows of resources	6	—	291,251	435
FUND BALANCES				
Nonspendable	—	—	—	200
Restricted	106,043	7,055	81,246	7,172
Committed	281,937	33,943	57,149	190,000
Total fund balances	387,980	40,998	138,395	197,372
Total liabilities, deferred inflows and fund balances	\$ 416,181	\$ 53,314	\$ 638,462	\$ 445,706

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ —	\$ 76	\$ —	\$ 14	\$ 249	\$ 9
53,163	79,053	13,580	131,111	62,267	72,269
—	—	—	—	—	—
132,877	4,673	55	16,652	22,230	2,988
—	2,486	1,749	627	3,934	950
—	—	—	—	—	—
—	—	—	—	1,858	—
—	—	—	—	—	—
186,040	86,288	15,384	148,404	90,538	76,216
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
186,040	86,288	15,384	148,404	90,538	76,216
12,579	13,025	1,175	24,207	22,197	17,937
4	4,453	122	2,160	1,123	432
2,567	—	—	—	—	3
—	80	—	11	222	—
—	—	—	—	—	—
—	356	—	92	6,177	—
1,558	1,068	242	364	2,208	—
16,708	18,982	1,539	26,834	31,927	18,372
—	625	—	—	—	—
—	—	—	43	—	—
—	625	—	43	—	—
16,708	19,607	1,539	26,877	31,927	18,372
132,769	265	—	149	—	—
132,769	265	—	149	—	—
—	—	—	—	1,858	—
163,488	8,922	4,303	36,955	3,258	50,680
(126,925)	57,494	9,542	84,423	53,495	7,164
36,563	66,416	13,845	121,378	58,611	57,844
\$ 186,040	\$ 86,288	\$ 15,384	\$ 148,404	\$ 90,538	\$ 76,216

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Courts Operations Corp	Florida Citrus Commission
ASSETS				
Current assets				
Cash and cash equivalents	\$ 79	\$ 880	\$ 948	\$ —
Pooled investments with State Treasury	119,826	71,522	—	14,811
Other investments	—	—	—	—
Receivables, net	2,087	6,678	—	1,853
Due from other funds	3,880	5,998	—	—
Due from component units/primary	—	—	—	—
Inventories	—	—	—	534
Other	—	—	4	2
Total current assets	125,872	85,078	952	17,200
Noncurrent assets				
Long-term investments	—	—	—	—
Other loans and notes receivable, net	—	—	—	—
Total noncurrent assets	—	—	—	—
Total assets	125,872	85,078	952	17,200
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	3,425	4,973	29	2,352
Due to other funds	3,538	1,106	—	144
Due to component units/primary	—	—	—	55
Compensated absences	178	27	—	13
Claims payable	—	—	—	—
Deposits	—	—	—	—
Obligations under security lending agreements	—	2,183	—	626
Total current liabilities	7,141	8,289	29	3,190
Noncurrent liabilities				
Advances from other funds	—	—	—	—
Deposits	—	—	—	—
Total noncurrent liabilities	—	—	—	—
Total liabilities	7,141	8,289	29	3,190
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	—	—	—	—
Total deferred inflows of resources	—	—	—	—
FUND BALANCES				
Nonspendable	—	—	4	535
Restricted	25,370	2,108	919	13,335
Committed	93,361	74,681	—	140
Total fund balances	118,731	76,789	923	14,010
Total liabilities, deferred inflows and fund balances	\$ 125,872	\$ 85,078	\$ 952	\$ 17,200

Blended Component Units					
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	CareerSource Florida, Inc.	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
\$ 2,273	\$ 230	\$ 94	\$ 16,732	\$ —	\$ —
—	1,286	95,241	—	3,592	—
3,024	15,472	—	—	151,972	2
12,380	76	13,656	2,512	109,513	—
21,631	160	1,956	—	—	1
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	224	—	—
39,308	17,224	110,947	19,468	265,077	3
—	—	—	—	—	—
46,906	—	—	—	734,675	—
46,906	—	—	—	734,675	—
86,214	17,224	110,947	19,468	999,752	3
21,637	359	32,519	1,558	—	—
4,307	—	14	—	—	1
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	4,193	—	159	—
25,944	359	36,726	1,558	159	1
—	—	—	—	—	—
—	—	—	16,635	—	—
—	—	—	16,635	—	—
25,944	359	36,726	18,193	159	1
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	224	—	—
—	14,086	—	—	999,558	—
60,270	2,779	74,221	1,051	35	2
60,270	16,865	74,221	1,275	999,593	2
\$ 86,214	\$ 17,224	\$ 110,947	\$ 19,468	\$ 999,752	\$ 3

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019
(in thousands)

	Blended Component Units			
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Totals 6/30/19
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 1,960	\$ 558	\$ 102	\$ 24,714
Pooled investments with State Treasury	—	—	—	1,926,119
Other investments	5,381	—	—	182,046
Receivables, net	39	—	—	650,134
Due from other funds	—	—	—	56,942
Due from component units/primary	—	—	—	7
Inventories	—	8	—	2,590
Other	8	—	7	255
Total current assets	7,388	566	109	2,842,807
<u>Noncurrent assets</u>				
Long-term investments	28,513	541	—	29,104
Other loans and notes receivable, net	—	—	—	784,449
Total noncurrent assets	28,513	541	—	813,553
Total assets	35,901	1,107	109	3,656,360
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	275	31	11	290,136
Due to other funds	—	—	—	187,423
Due to component units/primary	—	—	—	2,655
Compensated absences	—	—	—	861
Claims payable	—	—	—	5,626
Deposits	—	—	—	152,511
Obligations under security lending agreements	—	—	—	56,016
Total current liabilities	275	31	11	695,228
<u>Noncurrent liabilities</u>				
Advances from other funds	—	—	—	698
Deposits	—	—	—	16,678
Total noncurrent liabilities	—	—	—	17,376
Total liabilities	275	31	11	712,604
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	—	—	—	424,875
Total deferred inflows of resources	—	—	—	424,875
FUND BALANCES				
Nonspendable	—	8	7	2,836
Restricted	—	70	—	1,524,568
Committed	35,626	998	91	991,477
Total fund balances	35,626	1,076	98	2,518,881
Total liabilities, deferred inflows and fund balances	\$ 35,901	\$ 1,107	\$ 109	\$ 3,656,360

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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, 2019
(in thousands)

	Employment Services	Government Administration	Business and Community Development	Regulation and Licensing
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 265,751
Licenses and permits	—	—	—	1,556,544
Fees and charges	99,007	21,609	2,223	104,684
Grants and donations	516,803	9,737	1,256,400	—
Investment earnings (losses)	14,956	2,203	23,291	9,752
Fines, forfeits, settlements and judgments	21,824	—	—	17,566
Other	11,689	651	8,273	1,509
Total revenues	664,279	34,200	1,290,187	1,955,806
EXPENDITURES				
Current:				
General government	427,202	126,098	1,303,933	267,960
Education	207,097	—	—	—
Human services	—	—	—	—
Criminal justice and corrections	—	—	—	—
Natural resources and environment	—	—	—	2,560
Judicial branch	—	—	—	—
Capital outlay	2,462	1,851	1,054	2,299
Debt service:				
Principal retirement	—	25	—	526
Interest and fiscal charges	—	—	47	9
Total expenditures	636,761	127,974	1,305,034	273,354
Excess (deficiency) of revenues over expenditures	27,518	(93,774)	(14,847)	1,682,452
OTHER FINANCING SOURCES (USES)				
Operating transfers in	81,956	70,151	226,411	68,498
Operating transfers out	(95,816)	(9,445)	(231,871)	(1,785,868)
Total other financing sources (uses)	(13,860)	60,706	(5,460)	(1,717,370)
Net change in fund balances	13,658	(33,068)	(20,307)	(34,918)
Fund balances - beginning	374,322	74,066	158,702	232,290
Fund balances - ending	\$ 387,980	\$ 40,998	\$ 138,395	\$ 197,372

Tobacco Settlement	Public Safety	Corrections	Consumer Protection and Safety	Agriculture	Juvenile Justice
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1
—	—	—	—	24,028	—
—	99,989	11,073	3,627	55,070	50,885
—	10,352	7,003	95,996	1,266,289	2,385
1,224	1,166	315	368	2,648	—
369,366	32,025	36	6,434	3,849	1,239
—	3,359	516	9,645	11,338	50
370,590	146,891	18,943	116,070	1,363,222	54,560
38	25,361	—	292,631	—	—
—	—	—	—	—	—
335,567	—	—	—	—	—
—	161,371	21,859	115,442	—	153,215
—	—	—	—	1,382,505	—
—	—	—	—	—	—
3	3,965	2,956	399	12,064	891
—	—	—	—	—	—
—	—	—	17	—	—
335,608	190,697	24,815	408,489	1,394,569	154,106
34,982	(43,806)	(5,872)	(292,419)	(31,347)	(99,546)
6,650	37,682	22,669	445,097	61,429	76,246
(7,979)	(25,011)	(20,626)	(120,550)	(18,590)	(10,265)
(1,329)	12,671	2,043	324,547	42,839	65,981
33,653	(31,135)	(3,829)	32,128	11,492	(33,565)
2,910	97,551	17,674	89,250	47,119	91,409
\$ 36,563	\$ 66,416	\$ 13,845	\$ 121,378	\$ 58,611	\$ 57,844

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Judicial Services	Military and Veterans' Affairs	Florida Clerks of Court Operations Corp	Florida Citrus Commission
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 7,137
Licenses and permits	546	—	—	—
Fees and charges	96,056	38,424	—	7
Grants and donations	12,583	125,209	1,508	3,598
Investment earnings (losses)	—	2,444	1	606
Fines, forfeits, settlements and judgments	59,451	2	—	20
Other	8,191	1,577	—	2
Total revenues	176,827	167,656	1,509	11,370
EXPENDITURES				
Current:				
General government	1,896	40,676	1,430	10,857
Education	—	—	—	—
Human services	—	94,251	—	—
Criminal justice and corrections	98,328	—	—	—
Natural resources and environment	—	—	—	—
Judicial branch	87,585	—	—	—
Capital outlay	1,634	42,126	—	24
Debt service:				
Principal retirement	—	—	—	—
Interest and fiscal charges	—	—	—	—
Total expenditures	189,443	177,053	1,430	10,881
Excess (deficiency) of revenues over expenditures	(12,616)	(9,397)	79	489
OTHER FINANCING SOURCES (USES)				
Operating transfers in	38,477	33,571	—	—
Operating transfers out	(16,585)	(14,056)	—	(315)
Total other financing sources (uses)	21,892	19,515	—	(315)
Net change in fund balances	9,276	10,118	79	174
Fund balances - beginning	109,455	66,671	844	13,836
Fund balances - ending	\$ 118,731	\$ 76,789	\$ 923	\$ 14,010

Blended Component Units					
State Board of Administration	School for the Deaf and the Blind	Wireless Emergency Telephone System	CareerSource Florida, Inc.	FL Water Pollution Control Financing Corp	Inland Protection Financing Corp
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
—	1,092	119,171	—	—	—
—	3,306	—	17,343	—	—
2,280	409	4,118	—	15,995	—
3	—	—	—	—	—
—	—	—	7	—	—
2,283	4,807	123,289	17,350	15,995	—
226,824	—	117,899	17,348	10	—
—	4,479	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	118	—	25	—	—
—	—	—	—	—	—
—	—	—	—	—	—
226,824	4,597	117,899	17,373	10	—
(224,541)	210	5,390	(23)	15,985	—
226,494	1,656	—	—	1,847	—
(17,673)	(41)	(37)	—	(41,977)	—
208,821	1,615	(37)	—	(40,130)	—
(15,720)	1,825	5,353	(23)	(24,145)	—
75,990	15,040	68,868	1,298	1,023,738	2
\$ 60,270	\$ 16,865	\$ 74,221	\$ 1,275	\$ 999,593	\$ 2

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Blended Component Units			
	Surplus Lines	Corrections Foundation Inc	Scripps Florida Funding Corp	Totals 6/30/19
REVENUES				
Taxes	\$ —	\$ —	\$ —	\$ 272,889
Licenses and permits	—	—	—	1,581,118
Fees and charges	6,914	11	—	709,842
Grants and donations	—	1,331	—	3,329,843
Investment earnings (losses)	(718)	12	—	81,070
Fines, forfeits, settlements and judgments	—	—	—	511,815
Other	152	—	—	56,959
Total revenues	6,348	1,354	—	6,543,536
EXPENDITURES				
Current:				
General government	5,583	—	52	2,865,798
Education	—	—	—	211,576
Human services	—	—	—	429,818
Criminal justice and corrections	—	1,217	—	551,432
Natural resources and environment	—	—	—	1,385,065
Judicial branch	—	—	—	87,585
Capital outlay	694	—	—	72,565
Debt service:				
Principal retirement	—	—	—	551
Interest and fiscal charges	—	—	—	73
Total expenditures	6,277	1,217	52	5,604,463
Excess (deficiency) of revenues over expenditures	71	137	(52)	939,073
OTHER FINANCING SOURCES (USES)				
Operating transfers in	—	—	—	1,398,834
Operating transfers out	—	—	—	(2,416,705)
Total other financing sources (uses)	—	—	—	(1,017,871)
Net change in fund balances	71	137	(52)	(78,798)
Fund balances - beginning	35,555	939	150	2,597,679
Fund balances - ending	\$ 35,626	\$ 1,076	\$ 98	\$ 2,518,881

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Employment Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 177,044	\$ 177,044	\$ —
Reversions	70,078	70,078	—
Fund Balances, July 1, 2018, restated	247,122	247,122	—
REVENUES			
Fees and charges	97,284	98,933	1,649
Miscellaneous	4,810	4,749	(61)
Interest	5,950	6,688	738
Grants	536,304	516,875	(19,429)
Refunds	10,433	11,092	659
Transfers and distributions	89,840	83,184	(6,656)
Other	21,859	22,051	192
Total Revenues	766,480	743,572	(22,908)
Total Available Resources	1,013,602	990,694	(22,908)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	138,580	123,634	14,946
Other personal services	24,546	9,989	14,557
Expenses	32,559	23,535	9,024
Grants and aids	4,522	3,784	738
Operating capital outlay	1,494	699	795
Food products	200	74	126
Special categories	540,331	519,152	21,179
Data processing services	4,503	4,124	379
Total Operating Expenditures	746,735	684,991	61,744
Nonoperating expenditures:			
Transfers	58,222	58,222	—
Refunds	150	150	—
Other	57,250	57,250	—
Total Nonoperating Expenditures	115,622	115,622	—
Total Expenditures	862,357	800,613	61,744
Fund Balances, June 30, 2019	\$ 151,245	\$ 190,081	\$ 38,836

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Government Administration		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 69,178	\$ 69,178	\$ —
Reversions	503	503	—
Fund Balances, July 1, 2018, restated	69,681	69,681	—
REVENUES			
Fees and charges	51,785	23,210	(28,575)
Interest	857	1,016	159
Grants	10,186	9,955	(231)
Refunds	3	463	460
Transfers and distributions	76,421	76,421	—
Other	30	173	143
Total Revenues	139,282	111,238	(28,044)
Total Available Resources	208,963	180,919	(28,044)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	38,059	37,488	571
Other personal services	1,331	1,171	160
Expenses	6,913	6,562	351
Grants and aids	2,845	2,844	1
Operating capital outlay	216	196	20
Fixed capital outlay	2,097	2,097	—
Special categories	78,996	78,996	—
Data processing services	301	301	—
Total Operating Expenditures	130,758	129,655	1,103
Nonoperating expenditures:			
Payments to U.S. Treasury	177	177	—
Transfers	10,032	10,032	—
Refunds	101	101	—
Other	3,637	3,637	—
Total Nonoperating Expenditures	13,947	13,947	—
Total Expenditures	144,705	143,602	1,103
Fund Balances, June 30, 2019	\$ 64,258	\$ 37,317	\$ (26,941)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Business and Community Development		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 13,991	\$ 13,991	\$ —
Reversions	74,727	74,727	—
Fund Balances, July 1, 2018, restated	88,718	88,718	—
REVENUES			
Fees and charges	1,890	2,638	748
Interest	13,186	15,799	2,613
Grants	2,366,063	1,936,764	(429,299)
Refunds	5,647	9,724	4,077
Employee/employer contributions	4	3	(1)
Transfers and distributions	227,856	227,268	(588)
Other	139	2,128	1,989
Total Revenues	2,614,785	2,194,324	(420,461)
Total Available Resources	2,703,503	2,283,042	(420,461)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	14,517	13,833	684
Other personal services	3,165	2,124	1,041
Expenses	4,285	2,830	1,455
Grants and aids	9,977	6,914	3,063
Operating capital outlay	106	47	59
Special categories	1,740,943	1,740,943	—
Continuing appropriations	62,842	62,842	—
Grants/aids to local governments	7,042	7,042	—
Data processing services	45	39	6
Total Operating Expenditures	1,842,922	1,836,614	6,308
Nonoperating expenditures:			
Transfers	94,427	94,427	—
Refunds	4,818	4,818	—
Other	628	628	—
Total Nonoperating Expenditures	99,873	99,873	—
Total Expenditures	1,942,795	1,936,487	6,308
Fund Balances, June 30, 2019	\$ 760,708	\$ 346,555	\$ (414,153)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Regulation and Licensing		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 378,649	\$ 378,649	\$ —
Reversions	1,969	1,969	—
Fund Balances, July 1, 2018, restated	380,618	380,618	—
REVENUES			
Fees and charges	120,446	139,586	19,140
Licenses	1,614,773	1,570,783	(43,990)
Taxes	258,687	266,083	7,396
Miscellaneous	1,060	1,499	439
Interest	565	4,439	3,874
Grants	14	—	(14)
Refunds	342	457	115
Transfers and distributions	16,230	47,093	30,863
Other	3,733	26,664	22,931
Total Revenues	2,015,850	2,056,604	40,754
Total Available Resources	2,396,468	2,437,222	40,754
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	137,760	122,899	14,861
Other personal services	3,587	2,804	783
Expenses	20,659	18,670	1,989
Grants and aids	9,486	9,486	—
Operating capital outlay	2,137	1,955	182
Fixed capital outlay	694	694	—
Special categories	68,612	57,760	10,852
Grants/aids to local governments	443	443	—
Data processing services	3,448	1,995	1,453
Total Operating Expenditures	246,826	216,706	30,120
Nonoperating expenditures:			
Transfers	1,778,226	1,778,226	—
Refunds	4,572	4,572	—
Other	85,622	85,622	—
Total Nonoperating Expenditures	1,868,420	1,868,420	—
Total Expenditures	2,115,246	2,085,126	30,120
Fund Balances, June 30, 2019	\$ 281,222	\$ 352,096	\$ 70,874

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Tobacco Settlement		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 2,712	\$ 2,712	\$ —
Reversions	410	410	—
Fund Balances, July 1, 2018, restated	3,122	3,122	—
REVENUES			
Interest	2,100	723	(1,377)
Refunds	90	90	—
Transfers and distributions	353,424	344,325	(9,099)
Other	334,500	375,766	41,266
Total Revenues	690,114	720,904	30,790
Total Available Resources	693,236	724,026	30,790
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	333	238	95
Special categories	345,580	343,315	2,265
Total Operating Expenditures	345,913	343,553	2,360
Nonoperating expenditures:			
Transfers	344,657	344,657	—
Total Nonoperating Expenditures	344,657	344,657	—
Total Expenditures	690,570	688,210	2,360
Fund Balances, June 30, 2019	\$ 2,666	\$ 35,816	\$ 33,150

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Public Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 92,474	\$ 92,474	\$ —
Reversions	2,343	2,343	—
Fund Balances, July 1, 2018, restated	94,817	94,817	—
REVENUES			
Fees and charges	97,674	101,283	3,609
Miscellaneous	3,110	16	(3,094)
Interest	533	586	53
Grants	28,095	9,679	(18,416)
Refunds	1,184	2,754	1,570
Transfers and distributions	21,165	42,766	21,601
Other	40,368	36,154	(4,214)
Total Revenues	192,129	193,238	1,109
Total Available Resources	286,946	288,055	1,109
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	82,144	70,770	11,374
Other personal services	3,625	1,560	2,065
Expenses	33,784	25,029	8,755
Grants and aids	25,692	11,068	14,624
Operating capital outlay	7,475	2,902	4,573
Fixed capital outlay	171	171	—
Special categories	84,623	84,623	—
Data processing services	2	2	—
Total Operating Expenditures	237,516	196,125	41,391
Nonoperating expenditures:			
Transfers	11,022	11,022	—
Refunds	306	306	—
Other	24,860	24,860	—
Total Nonoperating Expenditures	36,188	36,188	—
Total Expenditures	273,704	232,313	41,391
Fund Balances, June 30, 2019	\$ 13,242	\$ 55,742	\$ 42,500

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Corrections		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 13,472	\$ 13,472	\$ —
Reversions	877	877	—
Fund Balances, July 1, 2018, restated	14,349	14,349	—
REVENUES			
Fees and charges	10,775	10,720	(55)
Interest	—	92	92
Grants	7,100	7,117	17
Refunds	450	454	4
Transfers and distributions	8,958	8,921	(37)
Other	13,370	13,333	(37)
Total Revenues	40,653	40,637	(16)
Total Available Resources	55,002	54,986	(16)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	4,229	4,229	—
Other personal services	1,329	401	928
Expenses	12,296	8,010	4,286
Operating capital outlay	1,408	1,408	—
Food products	615	—	615
Special categories	15,041	15,041	—
Data processing services	103	103	—
Total Operating Expenditures	35,021	29,192	5,829
Nonoperating expenditures:			
Transfers	12,897	12,897	—
Refunds	111	111	—
Other	831	831	—
Total Nonoperating Expenditures	13,839	13,839	—
Total Expenditures	48,860	43,031	5,829
Fund Balances, June 30, 2019	\$ 6,142	\$ 11,955	\$ 5,813

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Consumer Protection and Safety		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 46,353	\$ 46,353	\$ —
Reversions	20,209	20,209	—
Fund Balances, July 1, 2018, restated	66,562	66,562	—
REVENUES			
Fees and charges	24,132	3,619	(20,513)
Interest	45	170	125
Grants	235,609	97,184	(138,425)
Refunds	817	9,797	8,980
Transfers and distributions	491,658	456,113	(35,545)
Other	12,549	6,546	(6,003)
Total Revenues	764,810	573,429	(191,381)
Total Available Resources	831,372	639,991	(191,381)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	30,492	24,898	5,594
Other personal services	711	262	449
Expenses	4,884	2,785	2,099
Operating capital outlay	540	38	502
Special categories	516,361	472,892	43,469
Data processing services	36	—	36
Total Operating Expenditures	553,024	500,875	52,149
Nonoperating expenditures:			
Transfers	111,409	111,409	—
Refunds	11,314	11,314	—
Other	3,110	3,110	—
Total Nonoperating Expenditures	125,833	125,833	—
Total Expenditures	678,857	626,708	52,149
Fund Balances, June 30, 2019	\$ 152,515	\$ 13,283	\$ (139,232)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Agriculture		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 7,707	\$ 7,707	\$ —
Reversions	7,501	7,501	—
Fund Balances, July 1, 2018, restated	15,208	15,208	—
REVENUES			
Fees and charges	102,189	61,269	(40,920)
Licenses	49,270	24,307	(24,963)
Miscellaneous	—	14	14
Interest	2,282	1,396	(886)
Grants	1,264,780	1,276,143	11,363
Refunds	12,665	2,342	(10,323)
Transfers and distributions	103,427	72,871	(30,556)
Other	9,570	3,791	(5,779)
Total Revenues	1,544,183	1,442,133	(102,050)
Total Available Resources	1,559,391	1,457,341	(102,050)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	92,841	83,085	9,756
Other personal services	6,685	4,573	2,112
Expenses	28,275	24,941	3,334
Grants and aids	1,275,592	1,212,159	63,433
Operating capital outlay	2,638	2,270	368
Fixed capital outlay	4,640	4,640	—
Special categories	72,399	72,399	—
Grants/aids to local governments	750	750	—
Total Operating Expenditures	1,483,820	1,404,817	79,003
Nonoperating expenditures:			
Payments to U.S. Treasury	4,488	4,488	—
Transfers	18,108	18,108	—
Refunds	979	979	—
Other	10,787	10,787	—
Total Nonoperating Expenditures	34,362	34,362	—
Total Expenditures	1,518,182	1,439,179	79,003
Fund Balances, June 30, 2019	\$ 41,209	\$ 18,162	\$ (23,047)

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Juvenile Justice		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 89,677	\$ 89,677	\$ —
Reversions	5,109	5,109	—
Fund Balances, July 1, 2018, restated	94,786	94,786	—
REVENUES			
Fees and charges	58,874	49,152	(9,722)
Grants	3,377	2,352	(1,025)
Refunds	—	45	45
Transfers and distributions	77,854	76,228	(1,626)
Other	1,182	1,245	63
Total Revenues	141,287	129,022	(12,265)
Total Available Resources	236,073	223,808	(12,265)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	56,981	39,459	17,522
Other personal services	2,578	924	1,654
Expenses	8,638	6,087	2,551
Grants and aids	1,263	136	1,127
Operating capital outlay	453	376	77
Food products	2,158	1,304	854
Fixed capital outlay	2,979	2,979	—
Special categories	99,525	99,525	—
Total Operating Expenditures	174,575	150,790	23,785
Nonoperating expenditures:			
Transfers	8,001	8,001	—
Refunds	8	8	—
Other	10,684	10,684	—
Total Nonoperating Expenditures	18,693	18,693	—
Total Expenditures	193,268	169,483	23,785
Fund Balances, June 30, 2019	\$ 42,805	\$ 54,325	\$ 11,520

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Judicial Services		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 105,872	\$ 105,872	\$ —
Reversions	1,307	1,307	—
Fund Balances, July 1, 2018, restated	107,179	107,179	—
REVENUES			
Fees and charges	99,641	90,789	(8,852)
Licenses	550	546	(4)
Miscellaneous	1	1	—
Grants	15,249	12,224	(3,025)
Refunds	10,059	8,041	(2,018)
Transfers and distributions	112,424	112,424	—
Other	61,131	59,384	(1,747)
Total Revenues	299,055	283,409	(15,646)
Total Available Resources	406,234	390,588	(15,646)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	210,957	165,743	45,214
Other personal services	6,538	3,057	3,481
Expenses	3,317	2,783	534
Operating capital outlay	208	33	175
Special categories	19,832	19,832	—
Data processing services	230	—	230
Total Operating Expenditures	241,082	191,448	49,634
Nonoperating expenditures:			
Transfers	74,589	74,589	—
Refunds	112	112	—
Other	10,417	10,417	—
Total Nonoperating Expenditures	85,118	85,118	—
Total Expenditures	326,200	276,566	49,634
Fund Balances, June 30, 2019	\$ 80,034	\$ 114,022	\$ 33,988

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Military and Veterans' Affairs		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 58,167	\$ 58,167	\$ —
Reversions	691	691	—
Fund Balances, July 1, 2018, restated	58,858	58,858	—
REVENUES			
Fees and charges	38,646	38,360	(286)
Miscellaneous	5	5	—
Interest	1,220	1,151	(69)
Grants	123,659	123,659	—
Refunds	1,145	1,153	8
Transfers and distributions	38,065	53,007	14,942
Other	25	14	(11)
Total Revenues	202,765	217,349	14,584
Total Available Resources	261,623	276,207	14,584
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	75,626	70,676	4,950
Other personal services	3,329	3,242	87
Expenses	30,116	27,037	3,079
Operating capital outlay	2,444	2,375	69
Food products	4,090	3,949	141
Fixed capital outlay	42,672	42,672	—
Special categories	29,791	27,031	2,760
Total Operating Expenditures	188,068	176,982	11,086
Nonoperating expenditures:			
Transfers	18,968	18,968	—
Refunds	822	822	—
Other	20,850	20,850	—
Total Nonoperating Expenditures	40,640	40,640	—
Total Expenditures	228,708	217,622	11,086
Fund Balances, June 30, 2019	\$ 32,915	\$ 58,585	\$ 25,670

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Florida Citrus Commission		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 10,485	\$ 10,485	\$ —
Reversions	516	516	—
Fund Balances, July 1, 2018, restated	11,001	11,001	—
REVENUES			
Taxes	7,013	7,137	124
Miscellaneous	33	7	(26)
Interest	209	(1,232)	(1,441)
Grants	3,640	4,606	966
Refunds	—	2	2
Transfers and distributions	—	2	2
Other	—	35	35
Total Revenues	10,895	10,557	(338)
Total Available Resources	21,896	21,558	(338)
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	4,651	2,531	2,120
Other personal services	190	55	135
Expenses	1,406	499	907
Operating capital outlay	371	24	347
Special categories	6,756	6,756	—
Data processing services	45	42	3
Total Operating Expenditures	13,419	9,907	3,512
Nonoperating expenditures:			
Other	253	253	—
Total Nonoperating Expenditures	253	253	—
Total Expenditures	13,672	10,160	3,512
Fund Balances, June 30, 2019	\$ 8,224	\$ 11,398	\$ 3,174

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	School for the Deaf and the Blind		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 1,373	\$ 1,373	\$ —
REVENUES			
Grants	1,465	1,543	78
Transfers and distributions	2,182	2,120	(62)
Total Revenues	3,647	3,663	16
Total Available Resources	5,020	5,036	16
EXPENDITURES			
Operating expenditures:			
Special categories	3,426	3,426	—
Total Operating Expenditures	3,426	3,426	—
Nonoperating expenditures:			
Transfers	324	324	—
Total Nonoperating Expenditures	324	324	—
Total Expenditures	3,750	3,750	—
Fund Balances, June 30, 2019	\$ 1,270	\$ 1,286	\$ 16

BUDGETARY COMPARISON SCHEDULES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Wireless Emergency Telephone System		
	Budget	Actual	Variance with Final Budget Positive (Negative)
Fund Balances, July 1, 2018	\$ 50,331	\$ 50,331	\$ —
Reversions	4,908	4,908	—
Fund Balances, July 1, 2018, restated	55,239	55,239	—
REVENUES			
Interest	2,165	1,913	(252)
Other	103,822	118,045	14,223
Total Revenues	105,987	119,958	13,971
Total Available Resources	161,226	175,197	13,971
EXPENDITURES			
Operating expenditures:			
Salaries and benefits	390	353	37
Other personal services	102	92	10
Expenses	422	137	285
Grants and aids	115,858	115,858	—
Operating capital outlay	4	3	1
Fixed capital outlay	1,032	1,032	—
Special categories	345	269	76
Data processing services	4	4	—
Total Operating Expenditures	118,157	117,748	409
Nonoperating expenditures:			
Transfers	37	37	—
Refunds	2	2	—
Total Nonoperating Expenditures	39	39	—
Total Expenditures	118,196	117,787	409
Fund Balances, June 30, 2019	\$ 43,030	\$ 57,410	\$ 14,380

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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
JUNE 30, 2019
(in thousands)

	General Government	Transportation Capital Projects Fund	Other	School for the Deaf and the Blind	Totals 6/30/19
ASSETS					
<u>Current assets</u>					
Pooled investments with State Treasury	\$ 207	\$ 132,363	\$ 381	\$ 2,094	\$ 135,045
Receivables, net	—	361	—	—	361
Due from other funds	88,871	—	—	167	89,038
Total current assets	89,078	132,724	381	2,261	224,444
Total assets	89,078	132,724	381	2,261	224,444
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	2,719	—	—	1,591	4,310
Due to other funds	—	3,100	—	—	3,100
Obligations under security lending	—	5,845	—	—	5,845
Total current liabilities	2,719	8,945	—	1,591	13,255
Total liabilities	2,719	8,945	—	1,591	13,255
FUND BALANCES					
Restricted	—	123,779	—	443	124,222
Committed	86,359	—	381	227	86,967
Total fund balances	86,359	123,779	381	670	211,189
Total liabilities and fund balances	\$ 89,078	\$ 132,724	\$ 381	\$ 2,261	\$ 224,444

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	General Government	Transportation Capital Projects Fund	Other	School for the Deaf and the Blind	Totals 6/30/19
REVENUES					
Investment earnings (losses)	\$ —	\$ 4,275	\$ —	\$ —	\$ 4,275
Total revenues	—	4,275	—	—	4,275
EXPENDITURES					
Current:					
General government	39,686	—	—	—	39,686
Education	—	—	—	2,248	2,248
Human services	4,777	—	27	—	4,804
Criminal justice and corrections	62,736	—	—	—	62,736
Transportation	—	143	—	—	143
Capital outlay	53,421	—	—	2,589	56,010
Total expenditures	160,620	143	27	4,837	165,627
Excess (deficiency) of revenues over expenditures	(160,620)	4,132	(27)	(4,837)	(161,352)
OTHER FINANCING SOURCES (USES)					
Proceeds of bond issues	—	188,101	—	—	188,101
Operating transfers in	188,912	—	78	5,063	194,053
Operating transfers out	—	(68,454)	—	—	(68,454)
Total other financing sources (uses)	188,912	119,647	78	5,063	313,700
Net change in fund balances	28,292	123,779	51	226	152,348
Fund balances - beginning	58,067	—	330	444	58,841
Fund balances - ending	\$ 86,359	\$ 123,779	\$ 381	\$ 670	\$ 211,189

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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
JUNE 30, 2019
(in thousands)

	Debt Service Fund	University Debt Service Fund	Totals 6/30/19
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	\$ —	\$ 3,590	\$ 3,590
Other investments	24,977	—	24,977
Receivables, net	551	—	551
Total Current Assets	25,528	3,590	29,118
<u>Noncurrent assets</u>			
Long-term investments	54,964	—	54,964
Total noncurrent assets	54,964	—	54,964
Total assets	80,492	3,590	84,082
LIABILITIES			
<u>Current liabilities</u>			
Accounts payable and accrued liabilities	—	473	473
Due to other funds	2	—	2
Total current liabilities	2	473	475
Total liabilities	2	473	475
FUND BALANCES			
Restricted	80,490	3,117	83,607
Total fund balances	80,490	3,117	83,607
Total liabilities and fund balances	\$ 80,492	\$ 3,590	\$ 84,082

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Debt Service Fund	University Debt Service Fund	Totals 6/30/19
REVENUES			
Fees and charges	\$ 37	\$ —	\$ 37
Investment earnings (losses)	9,806	—	9,806
Other	5,896	—	5,896
Total revenues	15,739	—	15,739
EXPENDITURES			
Current:			
General government	1,337	—	1,337
Education	—	6,953	6,953
Debt service:			
Principal retirement	1,097,394	—	1,097,394
Interest and fiscal charges	612,416	1,926	614,342
Total expenditures	1,711,147	8,879	1,720,026
Excess (deficiency) of revenues over expenditures	(1,695,408)	(8,879)	(1,704,287)
OTHER FINANCING SOURCES (USES)			
Proceeds of bond issues	3,152	11,996	15,148
Proceeds of refunding bonds	1,179,225	49,869	1,229,094
Operating transfers in	1,690,766	—	1,690,766
Operating transfers out	(30,662)	(49,869)	(80,531)
Payments to refunded bond agent	(1,229,094)	—	(1,229,094)
Total other financing sources (uses)	1,613,387	11,996	1,625,383
Net change in fund balances	(82,021)	3,117	(78,904)
Fund balances - beginning	162,511	—	162,511
Fund balances - ending	\$ 80,490	\$ 3,117	\$ 83,607

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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
JUNE 30, 2019
(in thousands)

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/19
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 2,841	\$ 343	\$ 42,474	\$ 45,658
Pooled investments with State Treasury	398,483	—	—	398,483
Other investments	7,510	—	—	7,510
Receivables, net	3,212	13	19,943	23,168
Due from other funds	12,830	—	—	12,830
Due from component units/primary	190	—	—	190
Inventories	1	—	—	1
Other	21	73	1,419	1,513
Total current assets	425,088	429	63,836	489,353
<u>Noncurrent assets</u>				
Long-term investments	65,267	—	3,779	69,046
Other loans and notes receivable, net	—	—	3,497	3,497
<u>Capital assets</u>				
Buildings, equipment, and other depreciable assets	31,864	410	127,259	159,533
Accumulated depreciation	(25,248)	(321)	(46,276)	(71,845)
Construction work in progress	508	—	45,872	46,380
Other	—	—	4,879	4,879
Total noncurrent assets	72,391	89	139,010	211,490
Total assets	497,479	518	202,846	700,843
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	52,126	—	—	52,126
Other postemployment benefits	9,150	—	—	9,150
Total deferred outflows of resources	61,276	—	—	61,276
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	11,455	166	35,575	47,196
Due to other funds	9,085	—	—	9,085
Due to component units/primary	—	190	—	190
Compensated absences	5,601	—	129	5,730
Installment purchases/capital leases	—	—	15,536	15,536
Deposits	18,399	—	486	18,885
Obligations under security lending agreements	15,028	—	—	15,028
Pension liability	928	—	—	928
Other postemployment benefits liability	3,022	—	—	3,022
Total current liabilities	63,518	356	51,726	115,600
<u>Noncurrent liabilities</u>				
Deposits	42,157	—	7,445	49,602
Compensated absences	14,026	—	105	14,131
Pension liability	111,147	—	—	111,147
Other postemployment benefits liability	162,599	—	—	162,599
Other	—	—	1,173	1,173
Total noncurrent liabilities	329,929	—	8,723	338,652
Total liabilities	393,447	356	60,449	454,252
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	15,057	—	—	15,057
Other postemployment benefits	36,947	—	—	36,947
Total deferred inflows of resources	52,004	—	—	52,004
NET POSITION				
Net investment in capital assets	7,124	89	111,049	118,262
Restricted - other	—	73	5,671	5,744
Unrestricted	106,180	—	25,677	131,857
Total net position	\$ 113,304	\$ 162	\$ 142,397	\$ 255,863

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Other	FL Engineers Management Corp	Space Florida	Totals 6/30/19
OPERATING REVENUES				
Sales - nonstate	\$ 98,048	\$ —	\$ 26,192	\$ 124,240
Fees	259,095	1,996	—	261,091
Sales - state	42,059	—	—	42,059
Rents and royalties - nonstate	1	—	—	1
Rents - state	158	—	—	158
Fines, forfeits, settlements and judgments	12,146	—	—	12,146
Other	31	—	67,950	67,981
Total operating revenues	411,538	1,996	94,142	507,676
OPERATING EXPENSES				
Contractual services	87,947	349	57,575	145,871
Personal services	197,473	1,190	10,174	208,837
Depreciation	2,424	34	6,166	8,624
Materials and supplies	6,111	32	—	6,143
Repairs and maintenance	1,603	22	—	1,625
Basic services	28,808	365	—	29,173
Interest and fiscal charges	3,420	—	—	3,420
Total operating expenses	327,786	1,992	73,915	403,693
Operating income (loss)	83,752	4	20,227	103,983
NONOPERATING REVENUES (EXPENSES)				
Grants and donations	669	—	12,881	13,550
Investment earnings (losses)	17,191	—	120	17,311
Interest and fiscal charges	(394)	—	(453)	(847)
Fines, forfeits, judgments and settlements	9	—	—	9
Property disposition gain (loss)	(6)	—	—	(6)
Grant expense and client benefits	(1,276)	—	—	(1,276)
Other	(202)	—	(561)	(763)
Total nonoperating revenues (expenses)	15,991	—	11,987	27,978
Income (loss) before transfers and contributions	99,743	4	32,214	131,961
Operating transfers in	25,702	—	—	25,702
Operating transfers out	(131,269)	—	—	(131,269)
Capital contributions	6	—	—	6
Change in net position	(5,818)	4	32,214	26,400
Total net position - beginning	119,122	158	110,183	229,463
Total net position - ending	\$ 113,304	\$ 162	\$ 142,397	\$ 255,863

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)**

	Other	FL Engineers Management Corporation	Space Florida	Totals 6/30/19
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 408,948	\$ 2,154	\$ 9,682	\$ 420,784
Cash paid to vendors	(131,729)	(962)	(55,906)	(188,597)
Cash paid to employees	(180,360)	(1,187)	(4,202)	(185,749)
Cash received/(paid) for grants	—	—	68,216	68,216
Net cash provided (used) by operating activities	96,859	5	17,790	114,654
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	(106,995)	—	—	(106,995)
Advances, grants or loans (to) from or repayment from others	(1,355)	—	—	(1,355)
Cash received from noncapital grants or donations	663	—	—	663
Net cash provided (used) by noncapital financing activities	(107,687)	—	—	(107,687)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Cash received from capital grants and donations	—	—	12,881	12,881
Payment of bond principal	—	—	(13,160)	(13,160)
Purchase or construction of capital assets	(1,355)	(45)	(31,029)	(32,429)
Line of credit draws/(payments)	—	—	2,716	2,716
Net cash provided (used) by capital and related financing activities	(1,355)	(45)	(28,592)	(29,992)
CASH FLOWS FROM INVESTING ACTIVITIES				
Security lending	(9,270)	—	—	(9,270)
Proceeds from the sale or maturity of investments	123,781	—	—	123,781
Investment earnings	16,373	—	120	16,493
Purchase of investments	(123,623)	—	(453)	(124,076)
Net cash provided (used) by investing activities	7,261	—	(333)	6,928
Net increase (decrease) in cash and cash equivalents	(4,922)	(40)	(11,135)	(16,097)
Cash and cash equivalents - beginning	406,246	383	53,609	460,238
Cash and cash equivalents - ending	\$ 401,324	\$ 343	\$ 42,474	\$ 444,141

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

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

	Other	FL Engineers Management Corporation	Space Florida	Totals 6/30/19
Operating income (loss)	\$ 83,752	\$ 4	\$ 20,227	\$ 103,983
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization expense	2,424	34	6,166	8,624
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(10,278)	(13)	4,204	(6,087)
(Increase) decrease in due from other funds	(7)	—	679	672
Increase (decrease) in allowance for uncollectibles	9,285	—	(2,725)	6,560
(Increase) decrease in other non-current assets	(1)	3	—	2
(Increase) decrease in inventories	—	—	(389)	(389)
(Increase) decrease in future contract premiums and other receivable	—	—	(48)	(48)
Increase (decrease) in accounts payable	(2,091)	(27)	7,768	5,650
Increase (decrease) in compensated absences	458	—	42	500
Increase (decrease) in due to other funds	(270)	—	—	(270)
Increase (decrease) in other non-current liability	—	—	276	276
(Increase) decrease in deposits and prepaid items	3	4	(17,997)	(17,990)
Increase (decrease) in unearned revenue	(1,640)	—	(413)	(2,053)
Increase (decrease) in pension liability and deferrals	9,744	—	—	9,744
Increase (decrease) in OPEB liability and deferrals	5,480	—	—	5,480
Net cash provided (used) by operating activities	\$ 96,859	\$ 5	\$ 17,790	\$ 114,654

Noncash investing, capital, and financing activities

Change in fair value of investments	\$ 7,341	\$ —	\$ —	\$ 7,341
Other noncash items	—	—	(561)	(561)

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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
JUNE 30, 2019
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/19
ASSETS					
<u>Current assets</u>					
Cash and cash equivalents	\$ —	\$ —	\$ 11,877	\$ —	\$ 11,877
Pooled investments with State Treasury	563,203	9,920	73,999	6,749	653,871
Other investments	—	—	49,180	—	49,180
Receivables, net	37,486	9	5,031	1,829	44,355
Due from other funds	5	1,636	9,491	3,757	14,889
Due from component units/primary	—	—	668	—	668
Total current assets	600,694	11,565	150,246	12,335	774,840
<u>Noncurrent assets</u>					
<u>Capital assets</u>					
Land and other non-depreciable assets	—	—	318	1	319
Buildings, equipment, and other depreciable assets	37	38,139	1,537,634	4,053	1,579,863
Accumulated depreciation	(24)	(32,417)	(586,633)	(3,361)	(622,435)
Construction work in progress	—	—	12,344	—	12,344
Total noncurrent assets	13	5,722	963,663	693	970,091
Total assets	600,707	17,287	1,113,909	13,028	1,744,931
DEFERRED OUTFLOWS OF RESOURCES					
Amount deferred on refunding of debt	—	—	3,755	—	3,755
Pension-related items	520	6,966	5,417	31,631	44,534
Other postemployment benefits	214	1,324	1,288	2,358	5,184
Total deferred outflows of resources	734	8,290	10,460	33,989	53,473
LIABILITIES					
<u>Current liabilities</u>					
Accounts payable and accrued liabilities	200,013	3,219	27,252	1,533	232,017
Due to other funds	24,812	34	59	316	25,221
Due to component units/primary	—	23	—	—	23
Compensated absences	41	809	528	1,283	2,661
Installment purchases/capital leases	—	2,266	1,330	—	3,596
Bonds payable	—	—	15,060	—	15,060
Deposits	171,641	—	5,138	565	177,344
Obligations under security lending agreements	20,826	19	2,686	—	23,531
Certificates of participation payable	—	—	25,845	—	25,845
Pension liability	9	107	110	257	483
Other postemployment benefits liability	26	261	415	962	1,664
Total current liabilities	417,368	6,738	78,423	4,916	507,445
<u>Noncurrent liabilities</u>					
Advances from other funds	—	—	500	—	500
Bonds payable	—	—	178,298	—	178,298
Certificates of participation payable	—	—	326,661	—	326,661
Installment purchases/capital leases	—	1,347	4,201	—	5,548
Compensated absences	44	2,025	1,507	6,062	9,638
Pension liability	1,130	12,538	12,757	61,601	88,026
Other postemployment benefits liability	1,389	14,036	22,296	51,683	89,404
Total noncurrent liabilities	2,563	29,946	546,220	119,346	698,075
Total liabilities	419,931	36,684	624,643	124,262	1,205,520
DEFERRED INFLOWS OF RESOURCES					
Amount deferred on refunding of debt	—	—	8,246	—	8,246
Pension-related items	899	1,717	2,052	7,841	12,509
Other postemployment benefits	266	2,745	5,463	13,806	22,280
Total deferred inflows of resources	1,165	4,462	15,761	21,647	43,035
NET POSITION					
Net investment in capital assets	12	2,109	413,307	693	416,121
Restricted - other	—	—	49,444	—	49,444
Unrestricted	180,333	(17,678)	21,214	(99,585)	84,284
Total net position	\$ 180,345	\$ (15,569)	\$ 483,965	\$ (98,892)	\$ 549,849

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Employee Health and Disability	Data Centers	Communications and Facilities	Other	Totals 6/30/19
OPERATING REVENUES					
Sales - nonstate	\$ —	\$ 151	\$ 33,526	\$ 7,912	\$ 41,589
Fees	—	—	4	—	4
Sales - state	2,350,569	74,829	85,505	55,320	2,566,223
Rents and royalties - nonstate	—	—	3	—	3
Rents - state	—	—	145,374	—	145,374
Fines, forfeits, settlements and judgments	—	—	—	13	13
Other	19,737	—	—	8	19,745
Total operating revenues	2,370,306	74,980	264,412	63,253	2,772,951
OPERATING EXPENSES					
Contractual services	382,909	39,494	141,625	8,449	572,477
Insurance claims expense	2,088,624	—	—	—	2,088,624
Personal services	1,739	26,168	21,423	61,186	110,516
Depreciation	4	5,095	32,181	304	37,584
Materials and supplies	43	4,121	813	1,911	6,888
Repairs and maintenance	—	451	1,653	2	2,106
Basic services	119	1,612	2,995	3,504	8,230
Interest and fiscal charges	—	—	609	—	609
Total operating expenses	2,473,438	76,941	201,299	75,356	2,827,034
Operating income (loss)	(103,132)	(1,961)	63,113	(12,103)	(54,083)
NONOPERATING REVENUES/(EXPENSES)					
Grants and donations	—	—	8	—	8
Investment earnings (losses)	23,757	128	4,284	26	28,195
Interest and fiscal charges	(690)	(95)	(23,931)	(1)	(24,717)
Property disposition gain (loss)	(1)	(71)	(53)	(170)	(295)
Other	—	2	—	—	2
Total nonoperating revenues (expenses)	23,066	(36)	(19,692)	(145)	3,193
Income (loss) before transfers and contributions	(80,066)	(1,997)	43,421	(12,248)	(50,890)
Operating transfers in	23,170	1,486	846	—	25,502
Operating transfers out	(1,608)	(640)	(14,410)	(1,739)	(18,397)
Capital contributions	1	—	14	138	153
Change in net position	(58,503)	(1,151)	29,871	(13,849)	(43,632)
Total net position - beginning	238,848	(14,418)	454,094	(85,043)	593,481
Total net position - ending	\$ 180,345	\$ (15,569)	\$ 483,965	\$ (98,892)	\$ 549,849

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)**

	Employee Health and Disability	Data Centers	Communications and Facilities
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,368,845	\$ 75,367	\$ 256,106
Cash paid to vendors	(368,813)	(47,919)	(138,970)
Cash paid to employees	(1,604)	(22,993)	(20,108)
Cash paid for insurance claims	(2,060,027)	(1)	—
Net cash provided (used) by operating activities	(61,599)	4,454	97,028
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	19,717	(628)	(10,575)
Cash received from noncapital grants or donations	—	—	8
Net cash provided (used) by noncapital financing activities	19,717	(628)	(10,567)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Payment of bond principal	—	—	(84,016)
Payment of principal on installment purchase/capital lease	—	(3,864)	—
Payment of interest on bonds/installment purchase/capital lease	—	(91)	(30,400)
Purchase or construction of capital assets	(7)	(483)	(12,178)
Net cash provided (used) by capital and related financing activities	(7)	(4,438)	(126,594)
CASH FLOWS FROM INVESTING ACTIVITIES			
Security lending	(16,397)	(215)	(1,384)
Investment earnings	21,797	126	4,206
Net cash provided (used) by investing activities	5,400	(89)	2,822
Net increase (decrease) in cash and cash equivalents	(36,489)	(701)	(37,311)
Cash and cash equivalents - beginning	599,692	10,621	123,187
Cash and cash equivalents - ending	\$ 563,203	\$ 9,920	\$ 85,876

Other	Totals 6/30/19
\$ 72,575	\$ 2,772,893
(14,878)	(570,580)
(56,393)	(101,098)
—	(2,060,028)
1,304	41,187
(2,063)	6,451
—	8
(2,063)	6,459
—	(84,016)
—	(3,864)
—	(30,491)
(65)	(12,733)
(65)	(131,104)
(46)	(18,042)
24	26,153
(22)	8,111
(846)	(75,347)
7,595	741,095
\$ 6,749	\$ 665,748

INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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)	\$ (103,132)	\$ (1,961)	\$ 63,113
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	4	5,095	32,181
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(8,721)	1	(9,310)
(Increase) decrease in due from other funds	—	383	—
Increase (decrease) in allowance for uncollectibles	248	—	18
Increase (decrease) in accounts payable	42,858	(591)	8,936
Increase (decrease) in compensated absences	(61)	(355)	(132)
Increase (decrease) in due to other funds	—	(9)	—
Increase (decrease) in unearned revenue	7,009	—	986
Increase (decrease) in pension liability and deferrals	115	1,243	524
Increase (decrease) in OPEB liability and deferrals	81	648	712
Net cash provided (used) by operating activities	<u>\$ (61,599)</u>	<u>\$ 4,454</u>	<u>\$ 97,028</u>
Noncash investing, capital, and financing activities			
Change in fair value of investments	\$ 10,761	\$ 43	\$ 1,267

<u>Other</u>		<u>Totals 6/30/19</u>	
\$	(12,103)	\$	(54,083)
	304		37,584
	122		(17,908)
	8,418		8,801
	5		271
	(826)		50,377
	(316)		(864)
	(19)		(28)
	331		8,326
	4,071		5,953
	1,317		2,758
<u>\$ 1,304</u>		<u>\$ 41,187</u>	
\$	8	\$	12,079

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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
JUNE 30, 2019
(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ASSETS				
Cash and cash equivalents	\$ 416	\$ 166	\$ 10	\$ 363
Pooled investments with State Treasury	371,331	14,665	29,360	1,270
Total cash and cash equivalents	371,747	14,831	29,370	1,633
<u>Investments</u>				
U.S. government & federally guaranteed obligations	—	—	—	—
Federal agencies	—	—	—	—
Bonds and notes	—	—	—	—
International bonds and notes	—	—	—	—
Mutual fund investments	—	—	—	12,404
Money market and short-term investments	1	—	—	6,505
Domestic equity	—	3,710	—	—
International equity	—	—	—	—
Total investments	1	3,710	—	18,909
<u>Receivables</u>				
Accounts receivable	3,042	335	—	44
Interest receivable	4,771	7	75	—
Dividends receivable	—	—	—	10
Foreign currency contracts receivable	—	—	—	—
Pending investment sales	—	—	—	26
Due from state funds	—	—	135	—
Due from other governments	—	—	5,564	—
Total receivables	7,813	342	5,774	80
Advances to other funds	—	972,968	—	—
Advances to other entities	38,205	—	—	—
Capital assets	12	273	—	—
Accumulated depreciation	—	(228)	—	—
Other assets	2,158	—	—	—
Total assets	419,936	991,896	35,144	20,622
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	—	2,421	—	—
Other postemployment benefits	—	102	—	—
Total deferred outflows of resources	—	2,523	—	—
LIABILITIES				
Accounts payable and accrued liabilities	993	3,710	—	335
Due to other funds	600	5	944	6
Pending investment purchases	—	—	—	19
Foreign currency contracts payable	—	—	—	—
Due to other governments	—	—	3,023	—
Obligations under security lending agreements	16,238	118	1,241	—
Claims payable	—	—	128	—
Deposits payable	290	—	—	—
Compensated absences	—	509	—	—
Pension liability	—	2,628	—	—
Other postemployment benefits liability	—	4,468	—	—
Total liabilities	18,121	11,438	5,336	360
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	—	245	—	—
Other postemployment benefits	—	1,112	—	—
Total deferred inflows of resources	—	1,357	—	—
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ 401,815	\$ 981,624	\$ 29,808	\$ 20,262

College Savings Plan	Totals 6/30/19
\$ 3,758	\$ 4,713
—	416,626
3,758	421,339
53,925	53,925
74,626	74,626
103,704	103,704
23,810	23,810
—	12,404
114,444	120,950
304,202	307,912
63,219	63,219
737,930	760,550
8	3,429
1,306	6,159
1,065	1,075
112	112
17,142	17,168
3,972	4,107
—	5,564
23,605	37,614
—	972,968
—	38,205
5	290
(2)	(230)
—	2,158
765,296	2,232,894
—	2,421
—	102
—	2,523
1,535	6,573
3,156	4,711
50,625	50,644
112	112
—	3,023
—	17,597
—	128
23,955	24,245
67	576
—	2,628
—	4,468
79,450	114,705
—	245
—	1,112
—	1,357
\$ 685,846	\$ 2,119,355

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

	Trust Escrow Administration	Unclaimed Property	Student Loan Guaranty Reserve	Other
ADDITIONS				
<u>Contributions and other deposits</u>				
Fees	\$ —	\$ —	\$ —	\$ 33
Grants and contributions	—	—	56,496	26
Fines, forfeits, settlements and judgments	—	171	—	—
Unclaimed property remittances	—	538,653	—	—
Receivership assets acquired	22,661	—	—	—
Transfers in from state funds	—	—	135	1,625
Total contributions and other deposits	22,661	538,824	56,631	1,684
<u>Investment income</u>				
Interest income	16,570	116	1,246	190
Dividends	—	—	—	188
Other investment income (loss)	(250)	—	—	—
Net increase (decrease) in fair market value	—	—	—	574
Total investment income (loss)	16,320	116	1,246	952
Investment activity expense	(1,772)	(115)	—	(35)
Net income (loss) from investing activity	14,548	1	1,246	917
Total net investment income (loss)	14,548	1	1,246	917
Other additions	—	2,008	1,089	—
Total additions	37,209	540,833	58,966	2,601
DEDUCTIONS				
Insurance claims expense	49,503	—	—	—
Interest expense	326	3	32	—
Student loan default payments	—	—	54,032	—
Payments to unclaimed property claimants	—	316,778	—	—
Distribution to State School Fund	—	182,718	—	—
Administrative expense	10,800	4,608	—	1,728
Property disposition gain (loss)	—	2	—	—
Transfers out to state funds	—	3,600	20	—
Other deductions	399	746	2,138	2,495
Total deductions	61,028	508,455	56,222	4,223
<u>Depositor activity</u>				
Deposits	27,556	—	—	8,641
Withdrawals	(23,284)	—	—	—
Excess (deficiency) of deposits over withdrawals	4,272	—	—	8,641
Change in net position	(19,547)	32,378	2,744	7,019
Net position - beginning	421,362	949,246	27,064	13,243
Net position - ending	\$ 401,815	\$ 981,624	\$ 29,808	\$ 20,262

College Savings Plan	Totals 6/30/19
\$ 3,562	\$ 3,595
84,616	141,138
2	173
—	538,653
—	22,661
—	1,760
88,180	707,980
9,048	27,170
7,496	7,684
—	(250)
24,839	25,413
41,383	60,017
(1,091)	(3,013)
40,292	57,004
40,292	57,004
—	3,097
128,472	768,081
—	49,503
—	361
—	54,032
—	316,778
—	182,718
5,334	22,470
—	2
—	3,620
45,716	51,494
51,050	680,978
—	36,197
—	(23,284)
—	12,913
77,422	100,016
608,424	2,019,339
\$ 685,846	\$ 2,119,355

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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
JUNE 30, 2019
(in thousands)

	Defined Benefit Pension Plan	Other Defined Contribution Plans	Deferred Compensation Plan	Life and Other Benefits
ASSETS				
Cash and cash equivalents	\$ 94,880	\$ —	\$ 10,523	\$ —
Pooled investments with State Treasury	66,332	6,716	1,641	15,567
Total cash and cash equivalents	161,212	6,716	12,164	15,567
<u>Investments</u>				
Certificates of deposit	324,980	—	—	—
U.S. government & federally guaranteed obligations	13,968,174	—	—	—
Federal agencies	8,366,295	—	—	—
Commercial paper	3,121,322	—	—	—
Repurchase agreements	800,000	—	—	—
Bonds and notes	7,386,905	—	1,883,384	—
International bonds and notes	2,057,940	—	—	—
Real estate contracts	12,095,897	—	—	—
Mutual fund investments	—	—	2,667,548	—
Money market and short-term investments	54,944	—	602	—
Domestic equity	48,025,526	—	35,631	—
Alternative investments	27,784,000	—	—	—
International equity	32,463,861	—	2,436	—
International equity commingled	8,401,273	—	—	—
Deferred compensation annuities	—	—	16,430	—
Self-directed brokerage investments	—	—	—	—
Other investments	23,895	—	—	—
Total investments	164,875,012	—	4,606,031	—
<u>Receivables</u>				
Accounts receivable	39,648	—	—	—
State contributions receivable	7,239	—	—	—
Nonstate contributions receivable	231,126	—	—	—
Interest receivable	156,303	22	4	82
Dividends receivable	246,926	—	—	—
Pending investment sales	2,641,277	—	—	—
Foreign currency contracts receivable	93,339	—	—	—
Due from state funds	37,267	—	—	3,351
Total receivables	3,453,125	22	4	3,433
Security lending collateral	505,785	—	—	—
Capital assets	1,259	—	—	19
Accumulated depreciation	(752)	—	—	(5)
Other assets	7,716	—	—	—
Total assets	169,003,357	6,738	4,618,199	19,014
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related items	—	33	—	119
Other postemployment benefits	843	3	—	8
Total deferred outflows of resources	843	36	—	127
LIABILITIES				
Accounts payable and accrued liabilities	128,966	11	—	2,150
Due to other funds	24,743	1	—	3
DROP	265,706	—	—	—
Pending investment purchases	4,137,778	—	—	—
Short sell obligations	224,059	—	—	—
Foreign currency contracts payable	93,326	—	—	—
Broker rebate fees	2,076	—	—	—
Obligations under security lending agreements	537,100	295	70	613
Deposits payable	—	—	—	11,705
Compensated absences	959	3	—	63
Pension liability	—	74	—	272
Other postemployment benefits liability	13,161	149	—	372
Total liabilities	5,427,874	533	70	15,178
DEFERRED INFLOWS OF RESOURCES				
Pension-related items	—	59	—	220
Other postemployment benefits	2,600	31	—	77
Total deferred inflows of resources	2,600	90	—	297
NET POSITION				
Restricted for pension benefits and other purposes	\$ 163,573,726	\$ 6,151	\$ 4,618,129	\$ 3,666

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	National Guard Supplemental Retirement Benefit	Totals 6/30/19
\$ —	\$ 534	\$ —	\$ 105,937
32	47,005	21	137,314
32	47,539	21	243,251
—	—	—	324,980
—	115,778	—	14,083,952
—	88,850	—	8,455,145
—	—	—	3,121,322
—	—	—	800,000
—	113,423	—	9,383,712
—	12,620	—	2,070,560
—	—	—	12,095,897
—	8,675,239	—	11,342,787
249,471	974,262	—	1,279,279
—	572,940	—	48,634,097
—	—	—	27,784,000
—	20,601	—	32,486,898
—	—	—	8,401,273
—	—	—	16,430
—	700,874	—	700,874
—	—	—	23,895
249,471	11,274,587	—	181,005,101
32	—	—	39,680
1,727	2,965	—	11,931
38,854	45,980	—	315,960
—	1,724	—	158,135
—	2,502	—	249,428
—	28,138	—	2,669,415
—	—	—	93,339
11,969	12,234	—	64,821
52,582	93,543	—	3,602,709
—	—	—	505,785
—	—	—	1,278
—	—	—	(757)
—	—	—	7,716
302,085	11,415,669	21	185,365,083
—	—	—	152
—	—	—	854
—	—	—	1,006
42	2,228	7	133,404
—	43,554	14	68,315
—	—	—	265,706
—	57,197	—	4,194,975
—	—	—	224,059
—	—	—	93,326
—	—	—	2,076
—	—	—	538,078
—	—	—	11,705
—	—	—	1,025
—	—	—	346
—	—	—	13,682
42	102,979	21	5,546,697
—	—	—	279
—	—	—	2,708
—	—	—	2,987
\$ 302,043	\$ 11,312,690	\$ —	\$ 179,816,405

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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	\$ 543,395	\$ 46,452	\$ —	\$ —
Pension fund employer contributions - nonstate	2,557,327	57,829	—	—
Pension fund employee contributions	746,587	102,080	—	—
Other contributions	—	—	—	178,672
Purchase of time by employees	6,227	—	—	—
Fees	—	—	1,848	—
Flexible benefits contributions	—	—	407,540	—
Transfers in from state funds	83,627	—	—	722
Total contributions and other deposits	3,937,163	206,361	409,388	179,394
<u>Investment income</u>				
Interest income	1,397,687	338	59	978
Dividends	1,923,999	—	—	—
Other investment income (loss)	2,249,710	—	—	—
Net increase (decrease) in fair market value	4,395,370	—	238,530	—
Total investment income (loss)	9,966,766	338	238,589	978
Investment activity expense	(591,471)	(26)	—	(49)
Net income (loss) from investing activity	9,375,295	312	238,589	929
<u>Security lending activity</u>				
Security lending income	68,289	—	—	—
Security lending expense	(37,155)	—	—	—
Net income from security lending	31,134	—	—	—
Total net investment income (loss)	9,406,429	312	238,589	929
Other additions	4,012	197	2	—
Total additions	13,347,604	206,870	647,979	180,323
DEDUCTIONS				
Benefit payments	10,367,808	—	420,669	—
Insurance claims expense	—	—	—	7,867
Supplemental insurance payments	—	—	—	91,322
Flexible reimbursement payments	—	—	—	23,049
Life insurance premium payments	—	—	—	32,853
Remittances to annuity companies	—	205,597	—	—
Program contribution refunds	18,326	—	—	—
Interest expense	—	—	2	—
Administrative expense	18,533	198	38	632
Transfers out to state funds	566,085	1	1,313	23,349
Other deductions	7	—	—	2
Total deductions	10,970,759	205,796	422,022	179,074
Change in net position	2,376,845	1,074	225,957	1,249
Net position - beginning	161,196,881	5,077	4,392,172	2,417
Net position - ending	\$ 163,573,726	\$ 6,151	\$ 4,618,129	\$ 3,666

Retiree Health Insurance Subsidy	Defined Contribution Pension Plan	National Guard Supplemental Retirement Benefit	Totals 6/30/19
\$ 80,051	\$ 70,260	\$ —	\$ 740,158
475,239	275,956	—	3,366,351
195	203,200	—	1,052,062
—	—	—	178,672
—	7	—	6,234
—	—	—	1,848
—	—	—	407,540
—	565,045	15,058	664,452
555,485	1,114,468	15,058	6,417,317
5,971	10,329	—	1,415,362
—	49,709	—	1,973,708
32	72	—	2,249,814
4	491,647	—	5,125,551
6,007	551,757	—	10,764,435
—	(5,338)	—	(596,884)
6,007	546,419	—	10,167,551
—	—	—	68,289
—	—	—	(37,155)
—	—	—	31,134
6,007	546,419	—	10,198,685
174	17,638	—	22,023
561,666	1,678,525	15,058	16,638,025
491,891	1,150,579	14,999	12,445,946
—	—	—	7,867
—	—	—	91,322
—	—	—	23,049
—	—	—	32,853
—	—	—	205,597
—	—	—	18,326
—	—	—	2
194	5,141	45	24,781
1	102,121	14	692,884
—	—	—	9
492,086	1,257,841	15,058	13,542,636
69,580	420,684	—	3,095,389
232,463	10,892,006	—	176,721,016
\$ 302,043	\$ 11,312,690	\$ —	\$ 179,816,405

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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
JUNE 30, 2019
(in thousands)

	External Treasury Pool	Investment Pool A	Totals 6/30/19
ASSETS			
Cash and cash equivalents	\$ —	\$ 978,084	\$ 978,084
Pooled investments with State Treasury	492,871	—	492,871
Total cash and cash equivalents	492,871	978,084	1,470,955
<u>Investments</u>			
Certificates of deposit	—	3,104,293	3,104,293
Commercial paper	—	4,462,148	4,462,148
Repurchase agreements	—	2,275,096	2,275,096
Bonds and notes	—	37,022	37,022
Money market and short-term investments	—	671,599	671,599
Total investments	—	10,550,158	10,550,158
<u>Receivables</u>			
Interest receivable	1,346	13,940	15,286
Total receivables	1,346	13,940	15,286
Other assets	—	27	27
Total assets	494,217	11,542,209	12,036,426
LIABILITIES			
Accounts payable and accrued liabilities	—	690	690
Due to other funds	—	94	94
Pending investment purchases	—	114,576	114,576
Obligations under security lending agreements	22,047	—	22,047
Total liabilities	22,047	115,360	137,407
NET POSITION			
Restricted for pool participants	\$ 472,170	\$ 11,426,849	\$ 11,899,019

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
INVESTMENT TRUST FUNDS
JUNE 30, 2019
(in thousands)

	External Treasury Pool	Investment Pool A	Totals 6/30/19
ADDITIONS			
<u>Contributions and other deposits</u>			
Fines, forfeits, settlements and judgments	\$ —	\$ 5,146	\$ 5,146
Total contributions and other deposits	—	5,146	5,146
<u>Investment income</u>			
Interest income	27,091	260,839	287,930
Net increase (decrease) in fair market value	—	590	590
Total investment income (loss)	27,091	261,429	288,520
Investment activity expense	(665)	(3,330)	(3,995)
Net income (loss) from investing activity	26,426	258,099	284,525
Total net investment income (loss)	26,426	258,099	284,525
Total additions	26,426	263,245	289,671
DEDUCTIONS			
Administrative expense	—	53	53
Total deductions	—	53	53
<u>Depositor activity</u>			
Deposits	171,714	22,816,973	22,988,687
Withdrawals	(386,107)	(20,599,755)	(20,985,862)
Excess (deficiency) of deposits over withdrawals	(214,393)	2,217,218	2,002,825
Change in net position	(187,967)	2,480,410	2,292,443
Net position - beginning	660,137	8,946,439	9,606,576
Net position - ending	\$ 472,170	\$ 11,426,849	\$ 11,899,019

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AGENCY FUNDS

TAX DISTRIBUTION AND ADMINISTRATION

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

OTHER

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

FLORIDA SCHOOL FOR THE DEAF AND THE BLIND

These agency funds, administered by the School for the Deaf and the Blind, are used to account for resources held for students.

STATE BOARD OF ADMINISTRATION

These agency funds, administered by the State Board of Administration, are primarily used to account for escrowed bond funds.

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COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2019
(in thousands)

	Tax Distribution and Administration	Other	School for the Deaf and the Blind	State Board of Administration	Totals 6/30/19
ASSETS					
Cash and cash equivalents	\$ 128	\$ 77,679	\$ 40	\$ 3	\$ 77,850
Pooled investments with State Treasury	824,611	277,793	—	—	1,102,404
Total cash and cash equivalents	824,739	355,472	40	3	1,180,254
<u>Investments</u>					
U.S. government & federally guaranteed obligations	—	—	—	809,571	809,571
Other investments	—	100	—	—	100
Total investments	—	100	—	809,571	809,671
<u>Receivables</u>					
Accounts receivable	472,805	83,358	—	—	556,163
Interest receivable	—	631	—	5,653	6,284
Pending investment sales	—	—	—	92,676	92,676
Due from state funds	132,547	21,570	—	—	154,117
Total receivables	605,352	105,559	—	98,329	809,240
Total assets	\$ 1,430,091	\$ 461,131	\$ 40	\$ 907,903	\$ 2,799,165
LIABILITIES					
Accounts payable and accrued liabilities	\$ 570,746	\$ 37,472	\$ 40	\$ —	\$ 608,258
Due to other funds	83,056	124,726	—	33	207,815
Due to other governments	776,289	32,739	—	—	809,028
Obligations under security lending agreements	—	10,240	—	—	10,240
Claims payable	—	19,511	—	—	19,511
Deposits payable	—	236,337	—	907,870	1,144,207
Other liabilities	—	106	—	—	106
Total liabilities	\$ 1,430,091	\$ 461,131	\$ 40	\$ 907,903	\$ 2,799,165

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

<u>Tax Distribution and Administration</u>	Balance 6/30/2018	Additions	Deductions	Balance 6/30/2019
ASSETS				
Cash and cash equivalents	\$ 1,008	\$ 1	\$ 881	\$ 128
Pooled investments with State Treasury	734,327	729,700	639,416	824,611
Accounts receivable	465,634	343,444	336,273	472,805
Due from state funds	108,186	26,606	2,245	132,547
Total assets	<u>\$ 1,309,155</u>	<u>\$ 1,099,751</u>	<u>\$ 978,815</u>	<u>\$ 1,430,091</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 568,518	\$ 10,146	\$ 7,918	\$ 570,746
Due to other funds	95,831	2,526	15,301	83,056
Due to other governments	644,806	135,176	3,693	776,289
Total liabilities	<u>\$ 1,309,155</u>	<u>\$ 147,848</u>	<u>\$ 26,912</u>	<u>\$ 1,430,091</u>
<u>Other</u>				
ASSETS				
Cash and cash equivalents	\$ 44,190	\$ 260,125	\$ 226,636	\$ 77,679
Pooled investments with State Treasury	243,659	3,616,860	3,582,726	277,793
Other investments	100	—	—	100
Accounts receivable	71,510	25,085	13,237	83,358
Interest receivable	343	482	194	631
Due from state funds	24,113	21,570	24,113	21,570
Due from other governments	71	—	71	—
Total assets	<u>\$ 383,986</u>	<u>\$ 3,924,122</u>	<u>\$ 3,846,977</u>	<u>\$ 461,131</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 30,964	\$ 389,226	\$ 382,718	\$ 37,472
Due to other funds	139,014	124,729	139,017	124,726
Due to other governments	6,926	28,622	2,809	32,739
Obligations under security lending agreements	16,134	5	5,899	10,240
Claims payable	17,920	19,511	17,920	19,511
Deposits payable	172,844	213,762	150,269	236,337
Other liabilities	184	—	78	106
Total liabilities	<u>\$ 383,986</u>	<u>\$ 775,855</u>	<u>\$ 698,710</u>	<u>\$ 461,131</u>
<u>School for the Deaf and the Blind</u>				
ASSETS				
Cash and cash equivalents	\$ 39	\$ 82	\$ 81	\$ 40
Total assets	<u>\$ 39</u>	<u>\$ 82</u>	<u>\$ 81</u>	<u>\$ 40</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 39	\$ 82	\$ 81	\$ 40
Total liabilities	<u>\$ 39</u>	<u>\$ 82</u>	<u>\$ 81</u>	<u>\$ 40</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)

<u>State Board of Administration</u>	<u>Balance 6/30/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2019</u>
ASSETS				
Cash and cash equivalents	\$ 599	\$ 2,420,494	\$ 2,421,090	\$ 3
Pooled investments with State Treasury	—	—	—	—
U.S. government & federally guaranteed obligations	426,651	1,323,230	940,310	809,571
Interest receivable	1,049	13,563	8,959	5,653
Pending investment sales	1,066	963,779	872,169	92,676
Total assets	<u>\$ 429,365</u>	<u>\$ 4,721,066</u>	<u>\$ 4,242,528</u>	<u>\$ 907,903</u>
LIABILITIES				
Due to other funds	\$ 13	\$ 69	\$ 49	\$ 33
Deposits payable	429,352	1,556,131	1,077,613	907,870
Total liabilities	<u>\$ 429,365</u>	<u>\$ 1,556,200</u>	<u>\$ 1,077,662</u>	<u>\$ 907,903</u>
<u>Totals - All Agency Funds</u>				
ASSETS				
Cash and cash equivalents	\$ 45,836	\$ 2,680,702	\$ 2,648,688	\$ 77,850
Pooled investments with State Treasury	977,986	4,346,560	4,222,142	1,102,404
U.S. government & federally guaranteed obligations	426,651	1,323,230	940,310	809,571
Other investments	100	—	—	100
Accounts receivable	537,144	368,529	349,510	556,163
Interest receivable	1,392	14,045	9,153	6,284
Pending investment sales	1,066	963,779	872,169	92,676
Due from state funds	132,299	48,176	26,358	154,117
Due from other governments	71	—	71	—
Total assets	<u>\$ 2,122,545</u>	<u>\$ 9,745,021</u>	<u>\$ 9,068,401</u>	<u>\$ 2,799,165</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 599,521	\$ 399,454	\$ 390,717	\$ 608,258
Due to other funds	234,858	127,324	154,367	207,815
Due to other governments	651,732	163,798	6,502	809,028
Obligations under security lending agreements	16,134	5	5,899	10,240
Claims payable	17,920	19,511	17,920	19,511
Deposits payable	602,196	1,769,893	1,227,882	1,144,207
Other liabilities	184	—	78	106
Total liabilities	<u>\$ 2,122,545</u>	<u>\$ 2,479,985</u>	<u>\$ 1,803,365</u>	<u>\$ 2,799,165</u>

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NONMAJOR COMPONENT UNITS

WATER MANAGEMENT DISTRICTS

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

OTHER STATE UNIVERSITIES

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

FLORIDA COLLEGES

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

OTHER NONMAJOR COMPONENT UNITS

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

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COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
JUNE 30, 2019
(in thousands)

	Water Management Districts	Other State Universities	Florida Colleges	Other Nonmajor Component Units	Totals 6/30/19
ASSETS					
Cash and cash equivalents	\$ 38,520	\$ 288,987	\$ 47,486	\$ 145,629	\$ 520,622
Pooled investments with State Treasury	37,048	1,409,287	153,711	22,174	1,622,220
Other investments	882,304	1,992,822	1,092,185	1,871,008	5,838,319
Receivables, net	29,492	435,233	372,586	148,179	985,490
Due from component units/primary	45,005	344,566	27,576	7,375	424,522
Inventories	6,094	6,985	9,256	12,908	35,243
Restricted cash and cash equivalents	—	82,604	268,054	122,842	473,500
Restricted pooled investments with State Treasury	—	275,901	258,187	—	534,088
Restricted investments	255,542	2,581,954	1,232,867	79,368	4,149,731
Other loans and notes receivable, net	—	94,532	7,317	844	102,693
Other assets	6,986	387,571	62,498	6,171	463,226
Capital assets, net	8,012,219	9,033,208	4,334,097	690,150	22,069,674
Total assets	9,313,210	16,933,650	7,865,820	3,106,648	37,219,328
DEFERRED OUTFLOWS OF RESOURCES					
Accum. decrease in fair value-hedging derivatives	—	14,945	—	—	14,945
Grants paid in advance	33	—	—	—	33
Amount deferred on refunding of debt	1,277	28,310	—	—	29,587
Pension-related items	59,497	783,619	486,582	55,501	1,385,199
Other postemployment benefits	2,833	40,034	7,005	1,561	51,433
Total deferred outflows of resources	63,640	866,908	493,587	57,062	1,481,197
LIABILITIES					
Accounts payable and accrued liabilities	135,561	449,580	291,281	143,626	1,020,048
Due to component units/primary	—	22,377	18,999	10,874	52,250
Obligations under reverse repurchase agreements	—	—	170	—	170
Long-term liabilities					
Due within one year	68,781	432,614	169,806	29,683	700,884
Due in more than one year	658,745	5,921,820	1,580,676	1,143,574	9,304,815
Total liabilities	863,087	6,826,391	2,060,932	1,327,757	11,078,167
DEFERRED INFLOWS OF RESOURCES					
Deferred service concession arrangement receipts	—	116,511	—	272	116,783
Grants received in advance	—	3,723	—	—	3,723
Amount deferred on refunding of debt	—	247	—	—	247
Pension-related items	30,071	138,050	150,873	11,825	330,819
Other postemployment benefits	3,046	333,748	10,636	4,452	351,882
Irrevocable split-interest agreements	—	32,391	3,851	747	36,989
Total deferred inflows of resources	33,117	624,670	165,360	17,296	840,443
NET POSITION					
Net investment in capital assets	7,587,899	6,936,901	4,115,145	687,771	19,327,716
Restricted for					
Debt service	—	42,836	1,575	81,726	126,137
Other	525,426	1,839,648	1,541,810	889,675	4,796,559
Funds held for permanent endowment					
Expendable	—	278,678	302,753	—	581,431
Nonexpendable	—	1,699,415	530,216	14	2,229,645
Unrestricted	367,321	(447,981)	(358,384)	159,471	(279,573)
Total net position	\$ 8,480,646	\$ 10,349,497	\$ 6,133,115	\$ 1,818,657	\$ 26,781,915

**COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(in thousands)**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Water Management Districts	\$ 651,938	\$ 38,515	\$ 113,379	\$ 250,403
Other State Universities	7,790,852	2,567,086	2,263,059	200,348
Florida Colleges	3,619,760	697,946	1,240,944	201,371
Other Nonmajor Component Units	1,093,869	243,542	418,906	45,821
Total component units	<u>\$ 13,156,419</u>	<u>\$ 3,547,089</u>	<u>\$ 4,036,288</u>	<u>\$ 697,943</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 6/30/19
\$ (249,641)	\$ —	\$ —	\$ —	\$ (249,641)
—	(2,760,359)	—	—	(2,760,359)
—	—	(1,479,499)	—	(1,479,499)
—	—	—	(385,600)	(385,600)
(249,641)	(2,760,359)	(1,479,499)	(385,600)	(4,875,099)
491,802	—	—	—	491,802
4,649	276,031	68,933	120,111	469,724
1,983	(11,295)	1,598	(17)	(7,731)
—	2,325,680	1,234,505	280,522	3,840,707
11,598	417,230	123,962	83,194	635,984
—	32,450	12,540	—	44,990
510,032	3,040,096	1,441,538	483,810	5,475,476
260,391	279,737	(37,961)	98,210	600,377
8,220,255	10,069,760	6,171,076	1,720,447	26,181,538
\$ 8,480,646	\$ 10,349,497	\$ 6,133,115	\$ 1,818,657	\$ 26,781,915

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STATISTICAL SECTION

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STATISTICAL SECTION

Table of Contents

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

PAGE

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

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

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Demographic and Economic Information - These schedules include demographic and economic information to communicate the state's socioeconomic environment. These schedules can assist with evaluating financial statement information in context with this historical data as well as among governments.

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

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

SCHEDULE A-1

	Fiscal Year				
	2010	2011	2012	2013	2014
Governmental Activities					
Net investment in capital assets	\$ 56,935,300	\$ 57,100,033	\$ 58,403,581	\$ 59,994,370	\$ 61,727,674
Restricted					
Natural resources, environment, and growth management	2,440,804	2,359,437	2,409,211	2,533,998	2,672,904
Public Education	1,064,284	700,343	593,657	390,829	502,820
Health and Family Services	1,166,423	2,117,546	1,042,253	1,562,739	1,771,369
Transportation	1,092,578	1,440,141	1,706,083	1,665,701	2,475,460
Nonmajor governmental funds	1,666,747	1,401,380	1,195,232	1,137,373	1,100,467
Debt service	247,039	286,787	289,922	280,048	263,030
Other	476,495	173,331	571,203	557,025	482,457
Unrestricted	(15,840,018)	(15,117,243)	(13,435,170)	(10,774,051)	(9,773,999)
Total governmental activities net position	<u>\$ 49,249,652</u>	<u>\$ 50,461,755</u>	<u>\$ 52,775,972</u>	<u>\$ 57,348,032</u>	<u>\$ 61,222,182</u>
Percent change from prior year	4.51%	2.46%	4.59%	8.66%	6.76%
Business-type Activities					
Net investment in capital assets	\$ 4,910,794	\$ 5,256,229	\$ 5,365,538	\$ 5,841,079	\$ 6,789,610
Restricted					
Transportation	—	—	283,979	168,934	316,989
Lottery	132,687	120,722	135,245	102,088	93,419
Prepaid College Program	483,365	591,401	565,037	829,845	1,792,466
Hurricane Catastrophe Fund	3,230,193	4,729,314	6,424,436	8,295,259	10,160,217
Reemployment Assistance	(903,588)	(1,058,871)	—	1,158,339	2,044,428
Other	269,844	279,983	90	4,165	9,144
Unrestricted	613,896	549,270	617,183	889,008	951,037
Total business-type activities net position	<u>\$ 8,737,191</u>	<u>\$ 10,468,048</u>	<u>\$ 13,391,508</u>	<u>\$ 17,288,717</u>	<u>\$ 22,157,310</u>
Percent change from prior year	13.34%	19.81%	27.93%	29.10%	28.16%
Total Primary Government					
Net investment in capital assets	\$ 61,846,094	\$ 62,356,262	\$ 63,769,119	\$ 65,835,449	\$ 68,517,284
Restricted					
Natural resources, environment, and growth management	2,440,804	2,359,437	2,409,211	2,533,998	2,672,904
Public Education	1,064,284	700,343	593,657	390,829	502,820
Health and Family Services	1,166,423	2,117,546	1,042,253	1,562,739	1,771,369
Transportation	1,092,578	1,440,141	1,990,062	1,834,635	2,792,449
Nonmajor governmental funds	1,666,747	1,401,380	1,195,232	1,137,373	1,100,467
Debt service	247,039	286,787	289,922	280,048	263,030
Lottery	132,687	120,722	135,245	102,088	93,419
Prepaid College Program	483,365	591,401	565,037	829,845	1,792,466
Hurricane Catastrophe Fund	3,230,193	4,729,314	6,424,436	8,295,259	10,160,217
Reemployment Assistance	(903,588)	(1,058,871)	—	1,158,339	2,044,428
Other	746,339	453,314	571,293	561,190	491,601
Unrestricted	(15,226,122)	(14,567,973)	(12,817,987)	(9,885,043)	(8,822,962)
Total primary government net position	<u>\$ 57,986,843</u>	<u>\$ 60,929,803</u>	<u>\$ 66,167,480</u>	<u>\$ 74,636,749</u>	<u>\$ 83,379,492</u>
Percent change from prior year	5.75%	5.08%	8.60%	12.80%	11.71%

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.

2019 STATE OF FLORIDA CAFR

SCHEDULE A-1

Fiscal Year				
2015	2016	2017	2018	2019
\$ 63,937,059	\$ 66,196,839	\$ 69,021,627	\$ 70,555,222	\$ 72,831,994
2,930,848	3,188,567	3,354,846	3,477,284	3,895,031
778,229	742,292	701,059	597,870	533,623
1,258,290	1,592,259	1,796,164	1,850,079	1,759,456
2,121,855	1,942,833	1,630,744	1,701,574	1,742,579
1,096,687	1,132,748	1,182,019	1,197,583	1,451,488
248,102	252,056	217,884	162,511	80,368
523,957	635,617	678,388	639,860	769,906
(12,370,358)	(12,006,653)	(12,401,193)	(17,686,725)	(16,241,118)
<u>\$ 60,524,669</u>	<u>\$ 63,676,558</u>	<u>\$ 66,181,538</u>	<u>\$ 62,495,258</u>	<u>\$ 66,823,327</u>
-1.14%	5.21%	3.93%	-5.57%	6.93%
\$ 7,543,562	\$ 7,766,815	\$ 8,652,433	\$ 10,521,410	\$ 10,933,870
312,992	317,355	298,572	250,887	432,848
95,094	121,932	95,499	91,991	130,558
1,507,552	1,657,880	2,367,619	2,954,127	3,700,748
11,632,636	12,771,922	13,980,584	12,700,446	10,288,180
2,797,525	3,337,397	3,737,155	3,951,714	4,144,120
2,658	1,296	467	12,286	5,744
893,680	1,282,592	1,274,131	987,199	1,137,521
<u>\$ 24,785,699</u>	<u>\$ 27,257,189</u>	<u>\$ 30,406,460</u>	<u>\$ 31,470,060</u>	<u>\$ 30,773,589</u>
11.86%	9.97%	11.55%	3.50%	-2.26%
\$ 71,480,621	\$ 73,963,654	\$ 77,674,060	\$ 81,076,632	\$ 83,765,864
2,930,848	3,188,567	3,354,846	3,477,284	3,895,031
778,229	742,292	701,059	597,870	533,623
1,258,290	1,592,259	1,796,164	1,850,079	1,759,456
2,434,847	2,260,188	1,929,316	1,952,461	2,175,427
1,096,687	1,132,748	1,182,019	1,197,583	1,451,488
248,102	252,056	217,884	162,511	80,368
95,094	121,932	95,499	91,991	130,558
1,507,552	1,657,880	2,367,619	2,954,127	3,700,748
11,632,636	12,771,922	13,980,584	12,700,446	10,288,180
2,797,525	3,337,397	3,737,155	3,951,714	4,144,120
526,615	636,913	678,855	652,146	775,650
(11,476,678)	(10,724,061)	(11,127,062)	(16,699,526)	(15,103,597)
<u>\$ 85,310,368</u>	<u>\$ 90,933,747</u>	<u>\$ 96,587,998</u>	<u>\$ 93,965,318</u>	<u>\$ 97,596,916</u>
2.32%	6.59%	6.22%	-2.72%	3.72%

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

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses					
Governmental activities:					
General government	\$ 6,882,931	\$ 6,830,398	\$ 6,342,471	\$ 6,430,345	\$ 6,057,247
Education	18,946,684	20,423,515	17,695,809	17,807,322	19,316,440
Human services	27,692,169	29,040,946	29,650,274	30,770,664	32,971,959
Criminal justice and corrections	4,448,382	4,534,992	4,245,923	4,186,869	3,847,359
Natural resources and environment	2,588,478	2,339,268	2,265,464	2,374,092	2,497,934
Transportation	3,176,790	3,613,936	3,614,062	3,543,133	3,851,085
Judicial branch	427,319	435,153	409,441	455,878	487,056
Indirect interest on long-term debt	18,759	6,751	6,257	5,904	5,814
Total governmental activities expenses	64,181,512	67,224,959	64,229,701	65,574,207	69,034,894
Business-type activities:					
Transportation	383,106	385,564	421,724	426,056	392,138
Lottery	2,747,599	2,864,709	3,188,011	3,619,597	3,904,940
Hurricane Catastrophe Fund	362,318	236,475	113,808	(95,313)	(90,146)
Prepaid College Program	1,523,217	691,977	2,010,300	(149,009)	(48,662)
Reemployment Assistance	7,656,494	5,743,471	3,407,135	2,389,913	1,448,606
Nonmajor enterprise funds	264,580	268,936	256,936	287,278	314,276
Total business-type activities expenses	12,937,314	10,191,132	9,397,914	6,478,522	5,921,152
Total primary government expenses	\$ 77,118,826	\$ 77,416,091	\$ 73,627,615	\$ 72,052,729	\$ 74,956,046
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 3,938,356	\$ 4,092,321	\$ 4,680,250	\$ 5,153,314	\$ 4,804,016
Education	229,149	152,217	156,917	243,580	235,756
Human services	1,156,988	1,491,338	1,901,175	1,363,570	2,443,730
Criminal justice and corrections	772,557	775,476	729,837	762,411	261,949
Natural resources and environment	400,700	382,261	352,007	336,560	342,489
Transportation	343,782	255,995	361,627	485,131	274,205
Judicial branch	421,501	232,771	247,645	105,006	99,211
Operating Grants and Contributions	26,831,434	27,920,491	23,925,002	25,852,502	26,960,994
Capital Grants and Contributions	1,974,293	2,058,453	2,036,464	2,022,429	2,470,890
Total governmental activities program revenues	36,068,760	37,361,323	34,390,924	36,324,503	37,893,240
Business-type activities:					
Charges for services					
Transportation	700,803	699,675	715,835	851,997	922,212
Lottery	4,006,864	4,044,597	4,524,446	5,012,842	5,392,735
Hurricane Catastrophe Fund	1,524,012	1,358,918	1,362,133	1,295,500	1,296,550
Prepaid College Program	1,661,241	799,886	1,983,897	115,727	913,778
Reemployment Assistance	1,242,684	1,722,484	2,200,841	2,235,316	1,911,442
Nonmajor enterprise funds	386,372	362,184	358,972	380,370	406,902
Operating Grants and Contributions	5,453,925	3,863,733	2,165,114	1,442,864	432,698
Capital Grants and Contributions	6,055	270	289	6,414	19,732
Total business-type activities program revenues	14,981,956	12,851,747	13,311,527	11,341,030	11,296,049
Total primary government program revenues	\$ 51,050,716	\$ 50,213,070	\$ 47,702,451	\$ 47,665,533	\$ 49,189,289
Net (Expense) Revenue ⁽¹⁾					
Governmental activities	\$ (28,112,752)	\$ (29,863,636)	\$ (29,838,777)	\$ (29,249,704)	\$ (31,141,654)
Business-type activities	2,044,642	2,660,615	3,913,613	4,862,508	5,374,897
Total primary government net (expense)	\$ (26,068,110)	\$ (27,203,021)	\$ (25,925,164)	\$ (24,387,196)	\$ (25,766,757)

⁽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.

2019 STATE OF FLORIDA CAFR

SCHEDULE A-2

Fiscal Year				
2015	2016	2017	2018	2019
\$ 6,451,450	\$ 6,699,521	\$ 6,920,055	\$ 7,121,076	\$ 7,880,707
19,642,993	20,162,012	20,805,316	22,087,266	23,156,683
34,302,877	34,595,840	35,856,581	37,655,551	36,578,683
3,863,258	4,021,540	4,276,747	4,641,430	4,829,124
2,537,376	2,852,005	3,137,354	3,348,183	3,291,238
4,031,701	4,962,377	4,405,444	4,384,174	4,393,614
479,671	521,155	586,606	604,607	621,300
140,676	78,225	84,311	87,061	37,977
71,450,002	73,892,675	76,072,414	79,929,348	80,789,326
470,955	514,248	574,436	655,689	774,282
4,116,009	4,389,601	4,522,491	4,956,621	5,233,699
91,173	68,294	80,081	2,578,144	4,019,088
760,234	1,322,406	(251,749)	49,629	1,016,432
663,660	465,563	414,596	450,662	386,497
322,557	332,551	339,090	375,950	406,593
6,424,588	7,092,663	5,678,945	9,066,695	11,836,591
\$ 77,874,590	\$ 80,985,338	\$ 81,751,359	\$ 88,996,043	\$ 92,625,917
\$ 4,577,749	\$ 4,656,044	\$ 5,182,354	\$ 4,986,966	\$ 5,150,621
216,000	291,798	250,636	267,724	351,836
2,271,823	1,702,416	1,502,243	2,119,895	2,043,492
275,308	312,850	266,759	272,208	274,257
363,976	367,177	344,710	351,419	398,537
709,950	256,419	260,096	233,922	252,861
85,598	77,239	88,213	89,863	98,834
26,000,382	27,224,801	27,968,095	29,889,510	29,279,568
2,229,337	2,503,371	2,250,743	2,490,930	2,310,034
36,730,123	37,392,115	38,113,849	40,702,437	40,160,040
993,662	1,131,342	1,175,815	1,234,814	1,278,487
5,607,354	6,108,189	6,150,021	6,709,553	7,197,221
1,314,505	1,214,518	1,203,757	1,306,875	1,618,782
475,406	1,472,707	457,842	636,471	1,762,853
1,416,939	1,031,057	821,223	663,818	583,516
429,789	431,022	449,732	478,163	532,419
35,521	10,886	4,948	12,168	5,186
3,350	2,724	5,948	43,022	12,903
10,276,526	11,402,445	10,269,286	11,084,884	12,991,367
\$ 47,006,649	\$ 48,794,560	\$ 48,383,135	\$ 51,787,321	\$ 53,151,407
\$ (34,719,879)	\$ (36,500,560)	\$ (37,958,565)	\$ (39,226,911)	\$ (40,629,286)
3,851,938	4,309,782	4,590,341	2,018,189	1,154,776
\$ (30,867,941)	\$ (32,190,778)	\$ (33,368,224)	\$ (37,208,722)	\$ (39,474,510)

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				
	2010	2011	2012	2013	2014
Governmental activities:					
Taxes					
Sales and use tax	\$ 17,102,054	\$ 17,822,003	\$ 18,632,812	\$ 19,914,591	\$ 21,255,958
Fuel taxes	2,505,193	2,512,393	2,515,654	2,580,843	2,680,381
Corporate income tax	1,785,291	1,880,365	2,042,537	2,055,440	2,043,380
Documentary stamp tax	1,077,836	1,152,222	1,289,321	1,662,044	1,806,604
Intangible personal property tax	158,643	163,553	190,247	279,047	254,236
Communication service tax	1,515,675	1,427,851	1,389,752	1,422,775	1,317,185
Beverage and tobacco taxes	1,872,646	1,886,065	1,847,468	1,700,095	1,631,109
Insurance premium tax	862,520	876,744	884,180	907,004	917,693
Gross receipts utilities tax	673,013	647,558	611,534	588,765	614,337
Other taxes	971,197	1,022,728	1,068,535	1,142,373	1,187,566
Investment earnings (loss)	555,053	369,459	288,425	104,112	346,868
Gain (loss) on sale of capital assets	(59,943)	(3,450)	(21,408)	(62,746)	(36,506)
Miscellaneous	—	68	—	—	—
Transfers	1,352,669	1,318,180	1,452,437	1,534,368	996,993
Total governmental activities	30,371,847	31,075,739	32,191,494	33,828,711	35,015,804
Business-type activities:					
Investment earnings	9,526	4,353	5,148	496	3,957
Gain (loss) on sale of capital assets	(2,374)	(2,732)	(717)	(4,679)	(2,579)
Emergency assessments	329,341	386,676	456,797	490,011	498,560
Miscellaneous	—	127	1,056	740	1,050
Transfers	(1,352,669)	(1,318,180)	(1,452,437)	(1,534,368)	(996,993)
Total business-type activities	(1,016,176)	(929,756)	(990,153)	(1,047,800)	(496,005)
Total primary government	\$ 29,355,671	\$ 30,145,983	\$ 31,201,341	\$ 32,780,911	\$ 34,519,799
Change in Net Position					
Governmental activities	\$ 2,259,095	\$ 1,212,103	\$ 2,352,717	\$ 4,579,007	\$ 3,874,150
Business-type activities	1,028,466	1,730,859	2,923,460	3,814,708	4,878,892
Total primary government ⁽²⁾	\$ 3,287,561	\$ 2,942,962	\$ 5,276,177	\$ 8,393,715	\$ 8,753,042

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

Fiscal Year				
2015	2016	2017	2018	2019
\$ 22,916,865	\$ 24,255,828	\$ 25,333,464	\$ 26,781,181	\$ 27,999,274
2,799,442	2,934,580	3,016,110	3,111,590	3,254,839
2,236,690	2,181,244	2,383,783	2,412,220	3,114,711
2,118,466	2,284,854	2,427,903	2,517,733	2,648,213
305,131	341,418	370,421	376,744	386,168
1,261,598	1,030,801	933,454	1,031,288	941,415
1,647,809	1,589,210	1,521,059	1,465,590	1,445,638
914,710	940,747	959,339	1,084,872	1,178,214
779,056	777,404	767,388	793,809	806,447
1,241,641	1,282,545	1,309,079	882,784	902,273
138,726	327,804	61,669	231,040	661,924
(94,099)	90,007	(166,526)	(49,064)	(289,470)
—	—	—	—	—
1,568,396	1,671,350	1,540,720	1,087,452	1,864,750
37,834,431	39,707,792	40,457,863	41,727,239	44,914,396
2,212	6,594	(696)	4,400	13,106
(13,238)	(154,186)	(799)	(6,248)	(2,494)
256,884	3,064	300	192	81
4,223	555	1,018	2,973	2,810
(1,568,396)	(1,671,350)	(1,540,720)	(1,087,452)	(1,864,750)
(1,318,315)	(1,815,323)	(1,540,897)	(1,086,135)	(1,851,247)
\$ 36,516,116	\$ 37,892,469	\$ 38,916,966	\$ 40,641,104	\$ 43,063,149
\$ 3,114,552	\$ 3,207,232	\$ 2,499,298	\$ 2,500,328	\$ 4,285,110
2,533,623	2,494,459	3,049,444	932,055	(696,471)
\$ 5,648,175	\$ 5,701,691	\$ 5,548,742	\$ 3,432,383	\$ 3,588,639

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

	Fiscal Year				
	2010	2011	2012	2013	2014
General Fund (Per GASB 54)⁽¹⁾:					
Nonspendable	\$ —	\$ 76,554	\$ 33,323	\$ 27,518	\$ 36,142
Restricted	—	52,767	49,739	60,359	90,396
Committed	—	887,891	982,189	746,914	903,183
Unassigned	—	2,609,956	3,735,358	5,322,056	5,444,736
Total general fund	—	3,627,168	4,800,609	6,156,847	6,474,457
Percent change from prior year	—	-13.01%	32.35%	28.25%	5.16%
Other Governmental Funds (Per GASB 54)⁽¹⁾:					
Nonspendable	—	59,967	74,260	117,133	95,290
Restricted	—	4,565,723	4,651,214	5,301,861	5,553,343
Committed	—	5,598,547	4,389,415	4,880,459	5,920,057
Unassigned	—	—	—	(743,777)	(808,982)
Total other governmental funds	—	10,224,237	9,114,889	9,555,676	10,759,708
Total Governmental Funds⁽²⁾	\$ —	\$ 13,851,405	\$ 13,915,498	\$ 15,712,523	\$ 17,234,165
Percent change from prior year	—	1.42%	0.46%	12.91%	9.68%
General Fund (Prior to GASB 54):					
Reserved for:					
Encumbrances	\$ 67,330	\$ —	\$ —	\$ —	\$ —
Inventories	11,779	—	—	—	—
Advances	54,904	—	—	—	—
Long-term receivables	137	—	—	—	—
Capital outlay	91,868	—	—	—	—
Budget Stabilization Fund	274,916	—	—	—	—
Other	684,063	—	—	—	—
Unreserved	2,984,775	—	—	—	—
Total general fund	4,169,772	—	—	—	—
Percent change from prior year	23.80%	—	—	—	—
Other Governmental Funds (Prior to GASB 54):					
Reserved for:					
Encumbrances	190,104	—	—	—	—
Inventories	44,172	—	—	—	—
Advances	1,064,894	—	—	—	—
Long-term receivables	2,433,814	—	—	—	—
Capital outlay	2,424,194	—	—	—	—
Debt service	247,039	—	—	—	—
Other	233,217	—	—	—	—
Unreserved, reported in:					
Special revenue funds	2,829,255	—	—	—	—
Capital projects funds	19,072	—	—	—	—
Permanent funds	2,276	—	—	—	—
Total other governmental funds	9,488,037	—	—	—	—
Total Governmental Funds⁽²⁾	\$ 13,657,809	\$ —	\$ —	\$ —	\$ —
Percent change from prior year	12.80%	—	—	—	—

⁽¹⁾ The state implemented GASB Statement 54 in Fiscal Year 2011, which significantly changed the fund balance classifications. Fiscal year 2011 fund balance classifications are not comparable to prior years' classifications.

⁽²⁾ See Schedule A-4 for changes in fund balances from year to year.

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

SCHEDULE A-4

	Fiscal Year				
	2010	2011	2012	2013	2014
Revenues					
Taxes	\$ 28,391,262	\$ 29,355,780	\$ 30,480,459	\$ 32,173,233	\$ 33,712,162
Licenses and permits	1,396,105	1,462,002	1,519,256	1,851,362	1,903,517
Fees and charges	4,507,761	4,543,730	5,236,550	4,930,332	4,827,751
Grants and donations	28,302,772	30,231,722	25,891,493	27,596,477	28,886,209
Investment earnings (losses)	776,902	495,585	461,343	191,892	481,773
Fines, forfeits, settlements and judgments	1,231,959	1,183,431	1,234,008	1,537,935	866,209
Other	54,325	119,190	171,866	148,442	565,212
Total revenues	64,661,086	67,391,440	64,994,975	68,429,673	71,242,833
Expenditures					
Current:					
General government	6,830,572	6,750,211	6,363,177	6,416,211	6,177,769
Education	18,201,985	19,685,314	16,960,772	17,149,935	18,723,050
Human services	27,506,447	29,070,430	29,663,993	30,594,941	32,888,676
Criminal justice and corrections	4,293,598	4,436,318	4,106,400	4,025,052	3,673,356
Natural resources and environment	2,353,990	2,162,579	2,095,042	2,206,123	2,351,663
Transportation	3,050,317	3,504,054	3,183,656	3,730,419	3,726,115
Judicial branch	430,980	426,559	401,216	445,686	475,097
Capital outlay	2,171,050	1,239,097	2,276,467	2,424,648	2,105,023
Gain/(loss) on disposal of general fixed assets	—	—	—	—	—
Debt service:					
Principal retirement	1,093,865	1,153,973	1,310,958	1,270,667	1,012,513
Interest and fiscal charges	1,024,211	1,054,036	1,019,426	960,974	894,496
Total expenditures	66,957,015	69,482,571	67,381,107	69,224,656	72,027,758
Excess (deficiency) of revenues over expenditures	(2,295,929)	(2,091,131)	(2,386,132)	(794,983)	(784,925)
Other Financing Sources (Uses)					
Proceeds of bond issues	1,705,534	962,333	317,936	229,511	298,118
Proceeds of refunding bonds	1,961,934	1,540,777	2,799,911	1,759,221	807,336
Operating transfers in	10,203,770	9,413,135	9,611,610	9,648,910	9,215,113
Operating transfers out	(8,841,850)	(8,091,465)	(8,141,874)	(8,097,250)	(7,590,188)
Proceeds of financing agreements	9,594	724	662,553	631,503	383,524
Payments to refunded bond agent	(1,961,934)	(1,540,777)	(2,799,911)	(1,759,221)	(807,336)
Total other financing sources (uses)	3,077,048	2,284,727	2,450,225	2,412,674	2,306,567
Net change in fund balances	\$ 781,119	\$ 193,596	\$ 64,093	\$ 1,617,691	\$ 1,521,642
Debt Service as a Percentage of Noncapital Expenditures	3.3%	3.2%	3.5%	3.3%	2.7%

		Fiscal Year			
2015		2016	2017	2018	2019
\$	36,289,996	\$ 37,650,476	\$ 39,034,702	\$ 40,473,470	\$ 42,684,416
	1,897,328	2,032,352	2,126,261	2,268,941	2,221,598
	4,843,738	3,838,867	3,983,785	4,344,609	4,380,169
	28,744,814	29,696,010	30,103,652	32,243,096	31,379,504
	246,533	512,562	112,511	348,503	920,929
	797,391	841,078	1,289,474	807,165	1,108,662
	704,131	733,943	616,558	792,758	713,563
	73,523,931	75,305,288	77,266,943	81,278,542	83,408,841
	6,551,304	6,669,232	6,826,395	6,994,032	7,745,467
	19,087,014	19,662,950	20,324,681	21,679,600	22,804,005
	34,183,874	34,502,757	35,808,456	37,487,402	36,413,466
	3,829,083	3,908,252	4,027,094	4,275,750	4,451,590
	2,423,631	2,717,900	2,970,959	3,215,081	3,115,076
	3,910,663	4,426,536	4,162,072	4,272,185	4,232,866
	497,318	504,072	516,516	528,739	540,114
	2,448,442	2,417,671	2,908,107	2,844,370	3,290,372
	—	—	—	(319)	—
	1,448,950	1,142,026	1,331,004	1,533,293	1,316,905
	958,558	849,980	824,928	751,256	650,395
	75,338,837	76,801,376	79,700,212	83,581,389	84,560,256
	(1,814,906)	(1,496,088)	(2,433,269)	(2,302,847)	(1,151,415)
	45,165	57,398	257,400	417,571	625,953
	1,923,687	1,791,321	1,446,829	1,376,618	1,229,094
	9,364,500	9,735,795	9,858,172	10,176,908	11,036,970
	(7,787,355)	(7,977,382)	(8,142,270)	(8,296,488)	(8,993,954)
	288,391	233,131	327,122	440,672	429,892
	(1,923,687)	(1,791,321)	(1,446,829)	(1,376,618)	(1,229,094)
	1,910,701	2,048,942	2,300,424	2,738,663	3,098,861
\$	95,795	\$ 552,854	\$ (132,845)	\$ 435,816	\$ 1,947,446
	3.3%	2.7%	2.8%	2.8%	2.4%

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

Industry	Calendar Year				
	2009 ⁽²⁾	2010	2011	2012	2013
Agriculture	\$ 657,905	\$ 569,646	\$ 596,792	\$ 593,296	\$ 502,451
Mining	316,675	285,963	298,240	331,665	316,989
Construction	2,954,631	2,824,617	2,842,128	3,126,150	2,649,600
Manufacturing	11,305,256	10,663,286	11,266,856	11,662,104	10,836,540
Transportation	9,043,445	8,674,983	8,856,974	8,634,841	7,396,529
Communications ⁽¹⁾	16,004,525	15,538,174	14,763,448	14,512,956	14,133,220
Wholesale	8,431,902	8,425,312	9,229,711	10,112,139	11,115,462
Retail trade	137,307,959	140,597,440	151,111,126	158,134,617	169,417,669
Finance and insurance	38,037,440	37,473,383	38,567,529	39,688,012	41,602,427
Services	66,161,944	69,136,252	73,627,822	77,920,525	80,461,679
Government	331,573	308,117	345,639	320,316	315,398
Other	657,869	2,834,740	782,997	3,032,508	1,525,473
Total	\$ 291,211,124	\$ 297,331,913	\$ 312,289,262	\$ 328,069,129	\$ 340,273,437
State direct sales tax rate ⁽³⁾	6.0%	6.0%	6.0%	6.0%	6.0%

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

⁽¹⁾ Taxable sales associated with communications services tax.

⁽²⁾ As of the 2018-2019 fiscal year, figures and summaries provided for calendar year 2009 and future reporting periods are presented based upon the North American Industry Classification System (NAICS) classifications. Prior to 2018-2019, the taxable sales by industry data based on the NAICS classification system was only available for years 2012 or later.

⁽³⁾ The sales tax rate on non-residential electricity was 7.0% for utility service provided prior to July 1, 2014. For utility service on or after July 1, 2014, the state sales tax rate is 4.35%. The sales tax rate on communication services (nonresidential phone and all cable) was 6.8% from October 1, 2001 until August 1, 2010 when it was reduced to 6.65%. It was further reduced to 4.92% effective July 1, 2015. The sales tax rate on amusement machines is 4.0%. Farm equipment is tax-exempt.

Source: Florida Department of Revenue

Calendar Year				
2014	2015	2016	2017	2018
\$ 683,513	\$ 341,849	\$ 368,630	\$ 369,427	\$ 422,984
424,416	465,381	480,200	457,267	502,548
3,777,419	3,955,275	4,313,115	4,417,777	4,732,668
13,703,157	14,726,621	16,166,532	16,900,270	18,534,298
9,357,588	9,780,692	9,536,571	10,117,226	10,112,997
13,664,244	13,356,227	12,579,292	12,755,358	12,670,839
12,987,380	14,212,567	15,659,435	17,031,207	19,354,520
182,082,864	196,600,925	204,810,062	211,447,513	221,938,314
45,026,905	48,580,481	52,026,830	55,845,421	61,746,877
89,269,937	96,681,482	101,451,337	105,536,357	110,943,075
344,302	447,860	434,667	475,304	530,359
3,276,640	1,124,777	937,406	395,293	499,328
<u>\$ 374,598,365</u>	<u>\$ 400,274,137</u>	<u>\$ 418,764,077</u>	<u>\$ 435,748,420</u>	<u>\$ 461,988,807</u>
6.0%	6.0%	6.0%	6.0%	6.0%

**Principal Sales Tax Payers by Industry
For Calendar Years 2018 and 2009
(dollars are in thousands)**

SCHEDULE B-2

Industry	Calendar Year 2018			Calendar Year 2009		
	Number of filers	Sales Tax Liability	Percentage of Total	Number of filers	Sales Tax Liability	Percentage of Total
Agriculture	2,944	\$ 28,674	0.09%	5,137	\$ 43,806	0.23%
Mining	679	33,198	0.11%	880	20,553	0.11%
Construction	10,725	311,989	1.02%	9,350	193,300	1.00%
Manufacturing	34,082	1,227,079	4.00%	31,818	740,025	3.82%
Transportation and utilities	6,216	721,516	2.35%	6,383	652,445	3.36%
Communications ⁽¹⁾	3,212	623,405	2.03%	3,569	1,088,308	5.61%
Wholesale	47,365	1,289,724	4.20%	38,518	557,358	2.87%
Retail trade	252,244	14,735,413	48.00%	252,007	9,057,896	46.71%
Finance and insurance	220,889	4,125,818	13.44%	182,541	2,530,762	13.05%
Services	172,964	7,533,037	24.54%	146,873	4,438,876	22.89%
Government	289	34,374	0.11%	160	23,468	0.12%
Other	1,764	33,559	0.11%	3,668	44,077	0.23%
Total	753,373	\$ 30,697,786	100.00%	680,904	\$ 19,390,874	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.

As of the 2018-2019 fiscal year, figures and summaries provided for calendar year 2009 and future reporting periods are presented based upon the North American Industry Classification System (NAICS) classifications. Prior to 2018-2019, the taxable sales by industry data based on the NAICS classification system was only available for years 2012 or later.

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

Source: Florida Department of Revenue

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

SCHEDULE C-1

Governmental Activities						
Fiscal Year	Full Faith and Credit	Pledged Revenue	Installment Purchases and Capital Leases	Public-Private Partnerships ⁽¹⁾⁽²⁾	Certificates of Participation	Total Governmental
2010	\$ 13,782	\$ 7,362	\$ 70	\$ —	\$ 846	\$ 22,060
2011	14,067	7,235	53	—	807	22,162
2012	13,405	6,760	60	1,649	766	22,640
2013	12,656	6,014	69	2,280	723	21,742
2014	11,816	6,104	69	2,308	676	20,973
2015	11,080	5,395	62	2,202	615	19,354
2016	10,712	5,099	63	2,388	573	18,835
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

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

- ⁽¹⁾ This column accounts for Public-Private Partnership agreements initially recorded in fiscal year 2012, and each fiscal year thereafter.
- ⁽²⁾ Refer to Notes 9 and 10 for further detail.
- ⁽³⁾ Tax-supported revenues are comprised of State General Revenue receipts, including primarily sales and use tax revenues, and revenues generated from taxes specifically pledged for repayment of debt. See Schedule C-3 for a more complete description of tax-supported revenues.
- ⁽⁴⁾ Population data used in calculation of this ratio can be found in Schedule D-1.

SCHEDULE C-1

Business-type Activities

Pledged Revenue	Public- Private Partnerships ⁽¹⁾⁽²⁾	Installment Purchases and Capital Leases	Total Primary Government	Debt as a Percentage of Tax-supported Revenues ⁽³⁾	Debt Per Capita ⁽⁴⁾
\$ 8,600	\$ —	\$ —	\$ 30,660	108.16%	\$ 1,630.74
8,230	—	—	30,392	102.83%	1,607.61
7,990	—	—	30,630	99.75%	1,605.88
6,107	—	4	27,853	86.14%	1,446.18
5,823	345	21	27,162	80.60%	1,392.40
4,808	376	19	24,557	69.47%	1,239.31
6,001	321	17	25,174	66.97%	1,249.41
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

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⁾
2010	\$ 13,782	\$ 846	\$ 14,628	\$ 247	\$ 14,381	50.73%	\$ 764.89
2011	14,067	807	14,874	287	14,587	49.35%	771.59
2012	13,405	766	14,171	290	13,881	45.20%	727.76
2013	12,656	723	13,379	280	13,099	40.51%	680.13
2014	11,816	676	12,492	263	12,229	36.29%	626.89
2015	11,080	615	11,695	248	11,447	32.38%	577.69
2016	10,712	573	11,285	252	11,033	29.35%	547.58
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

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

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

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

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

SCHEDULE C-3

Legal debt margin calculated for fiscal year 2018-2019:

Tax-supported revenues ⁽¹⁾	\$42,874
Debt limit ⁽²⁾	2,572
Debt applicable to limit:	
Aggregate debt service on tax-supported debt	<u>1,989</u>
Legal debt margin	<u><u>\$ 583</u></u>

	2010 ⁽³⁾	2011 ⁽³⁾	2012 ⁽³⁾	2013 ⁽³⁾	2014	2015	2016	2017	2018	2019
Debt limit ⁽²⁾	\$ 1,701	\$ 1,773	\$ 1,843	\$ 1,940	\$ 2,022	\$ 2,121	\$ 2,255	\$ 2,337	\$ 2,463	\$ 2,572
Total debt applicable to limit	<u>2,095</u>	<u>2,204</u>	<u>2,191</u>	<u>2,196</u>	<u>1,887</u>	<u>1,971</u>	<u>2,053</u>	<u>2,178</u>	<u>2,295</u>	<u>1,989</u>
Legal debt margin	<u><u>\$ (394)</u></u>	<u><u>\$ (431)</u></u>	<u><u>\$ (348)</u></u>	<u><u>\$ (256)</u></u>	<u><u>\$ 135</u></u>	<u><u>\$ 150</u></u>	<u><u>\$ 202</u></u>	<u><u>\$ 159</u></u>	<u><u>\$ 168</u></u>	<u><u>\$ 583</u></u>
Total net debt applicable to the limit as a percentage of debt limit.	123.16%	124.31%	118.88%	113.20%	93.32%	92.93%	91.03%	93.20%	93.18%	77.33%

⁽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, 2019, the total outstanding balance of tax-supported debt was approximately \$16,958,800,000.

⁽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 2010, 2011, 2012, and 2013 tax-supported debt service exceeded 7% of tax-supported revenues.

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

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

SCHEDULE C-4

The schedules below contain information regarding revenues pledged to repay debt obligations. For each bond type, the schedules disclose Gross Revenue, Operating Expenses, Net Revenue Available for Debt Service, Principal, Interest, and Coverage Ratio. The bond types with operating expenses are considered self-supporting debt and are paid from the associated facilities being financed. If operating expenses are not shown, the bond type is considered to be Net Tax Supported Debt and serviced by dedicated tax or fee revenues.

Year Ended 6/30	Debt Service					Coverage Ratio
	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service Principal	Interest ⁽²⁾	
Florida Turnpike						
2010	611,596	172,422	439,174	91,405	132,816	1.96
2011	611,946	180,060	431,886	99,000	144,061	1.78
2012	620,201	173,704	446,497	105,060	138,179	1.84
2013	767,985	157,388	610,597	111,680	133,549	2.49
2014	808,374	157,343	651,031	116,398	130,033	2.64
2015	894,589	177,160	717,429	120,990	132,991	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
Florida Forever/Preservation 2000/Everglades						
2010	622,282	—	622,282	275,925	127,008	1.54
2011	669,440	—	669,440	308,085	125,948	1.54
2012	729,901	—	729,901	321,675	104,460	1.71
2013	950,700	—	950,700	345,485	88,253	2.19
2014	1,049,500	—	1,049,500	97,960	72,963	6.14
2015	1,229,100	—	1,229,100	102,715	67,113	7.24
2016	2,276,900	—	2,276,900	106,415	63,456	13.40
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
Lottery Education ⁽³⁾						
2010	1,247,150	—	1,247,150	156,660	145,787	4.12
2011	1,184,000	—	1,184,000	168,607	146,329	3.76
2012	1,321,663	—	1,321,663	176,845	134,745	4.24
2013	1,424,307	—	1,424,307	185,661	125,883	4.57
2014	1,495,409	—	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
Alligator Alley						
2010	19,948	6,360	13,588	1,460	1,988	3.94
2011	19,737	7,059	12,678	1,525	1,923	3.68
2012	19,647	7,243	12,404	1,590	1,858	3.60
2013	25,115	7,409	17,706	1,660	1,790	5.13
2014	26,755	8,272	18,483	1,740	1,707	5.36
2015	28,601	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
Sunshine Skyway						
2019	28,809	8,756	20,053	—	—	2.92 ⁽⁴⁾

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						
2010	48,924	—	48,924	7,075	5,296	3.95
2011	56,698	—	56,698	8,265	4,962	4.29
2012	76,531	—	76,531	11,200	4,548	4.86
2013	64,368	—	64,368	9,955	3,988	4.62
2014	69,407	—	69,407	10,710	3,491	4.89
2015	56,750	—	56,750	10,085	2,955	4.35
2016	51,131	—	51,131	8,845	2,451	4.53
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
Florida Hurricane Catastrophe Fund Finance Corporation ⁽⁵⁾						
2010	1,798,380	15,467	1,782,913	256,655	115,739	4.78
2011	1,714,728	15,644	1,699,084	269,485	122,919	4.32
2012	1,791,238	14,642	1,776,596	282,660	121,597	4.38
2013	1,746,135	17,071	1,729,064	3,796,795	80,687	0.44 ⁽⁶⁾
2014	1,789,748	17,650	1,772,098	300,000	83,746	4.61
2015	1,564,480	18,687	1,545,793	325,000	65,194	3.95
2016	1,205,500	18,774	1,186,726	—	44,052	26.93
2017	1,181,244	19,505	1,161,739	—	46,758	24.84
2018	1,252,540	19,548	1,232,992	—	34,590	35.64
2019	1,559,827	23,544	1,536,283	—	—	N/A
State University System Bonds						
2011	37,798	—	37,798	16,240	11,306	1.37
2012	40,055	—	40,055	16,495	10,766	1.47
2013	51,730	—	51,730	17,335	9,614	1.92
2014	55,766	—	55,766	12,835	8,796	2.58
2015	53,960	—	53,960	13,460	8,032	2.51
2016	55,768	—	55,768	14,010	7,352	2.61
2017	56,193	—	56,193	9,390	6,740	3.48
2018	58,324	—	58,324	9,525	5,765	3.81
2019	58,547	—	58,547	9,945	4,576	4.03
University Auxiliary Bonds						
Parking System Revenue Bonds						
Florida International University						
2011	10,009	3,212	6,797	2,230	2,165	1.55
2012	11,435	4,673	6,762	2,710	2,865	1.21
2013	12,663	4,062	8,601	2,815	2,151	1.73
2014	13,762	5,032	8,730	2,655	3,023	1.54
2015	13,845	4,863	8,982	2,875	3,457	1.42
2016	14,377	5,676	8,702	3,000	3,321	1.38
2017	15,651	6,202	9,449	3,135	3,192	1.49
2018	15,275	5,600	9,675	3,280	3,047	1.53
2019	15,601	6,296	9,304	3,430	2,893	1.47
University of South Florida						
2011	12,544	7,277	5,267	1,990	1,570	1.48
2012	13,549	7,944	5,605	2,130	1,429	1.57
2013	13,187	7,799	5,388	2,205	1,354	1.51
2014	13,783	7,661	6,122	2,285	1,272	1.72
2015	13,905	7,942	5,964	2,380	1,179	1.68
2016	14,150	8,148	6,002	2,485	1,075	1.69
2017	13,977	7,880	6,097	2,340	717	1.99
2018	14,701	8,526	6,175	2,495	441	2.10
2019	15,111	8,327	6,784	2,550	386	2.31

**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 Agricultural & Mechanical University						
2011	2,628	1,338	1,290	155	77	5.56
2012	2,708	1,261	1,447	160	70	6.29
2013	2,422	1,538	884	170	61	3.82
2014	2,216	1,501	715	180	53	3.07
2015	2,195	1,118	1,077	190	43	4.62
2016	1,942	1,039	903	200	33	3.87
2017	1,877	1,171	706	210	23	3.03
2018	1,922	1,597	325	220	12	1.40 ⁽⁷⁾
University of Florida						
2011	12,276	7,388	4,888	1,905	1,225	1.56
2012	12,255	7,320	4,935	2,075	1,055	1.58
2013	11,988	7,545	4,443	2,165	965	1.42
2014	12,499	7,176	5,323	2,260	870	1.70
2015	12,530	7,294	5,236	1,510	791	2.28
2016	13,093	7,298	5,794	1,570	729	2.52
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
Florida Atlantic University						
2011	5,708	2,233	3,475	750	508	2.76
2012	6,962	3,486	3,476	805	456	2.76
2013	7,324	2,821	4,503	835	544	3.27
2014	7,161	3,164	3,997	1,300	779	1.92
2015	7,072	4,103	2,969	1,325	753	1.43
2016	7,277	4,208	3,069	1,365	713	1.48
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
University of Central Florida						
2011	16,181	3,379	12,801	2,235	1,567	3.37
2012	18,576	3,149	15,427	2,880	1,833	3.27
2013	19,199	3,545	15,654	3,065	1,674	3.30
2014	19,251	3,335	15,916	3,275	1,639	3.24
2015	21,248	3,445	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
Florida State University						
2011	9,857	2,145	7,712	2,605	1,901	1.71
2012	11,104	2,347	8,757	3,395	2,223	1.56
2013	11,879	2,660	9,219	3,515	2,112	1.64
2014	11,045	3,027	8,018	3,620	1,994	1.43
2015	11,892	3,204	8,688	3,025	1,903	1.76
2016	11,669	3,298	8,371	3,050	1,771	1.74
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
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

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
Florida International University						
2011	23,518	12,418	11,099	3,430	3,694	1.56
2012	25,069	14,049	11,020	3,765	3,395	1.54
2013	25,991	14,149	11,842	3,975	4,691	1.37
2014	30,469	16,622	13,847	5,175	4,521	1.43
2015	29,110	14,529	14,582	5,390	4,312	1.50
2016	30,611	13,141	17,469	5,465	3,840	1.88
2017	29,939	16,856	13,083	3,750	3,668	1.76
2018	31,280	17,720	13,560	3,915	3,503	1.83
2019	31,728	17,079	14,649	4,100	3,319	1.97
University of Florida						
2011	44,885	27,209	17,676	2,235	2,625	3.64
2012	45,673	33,519	12,154	2,630	2,265	2.48
2013	48,964	32,770	16,194	3,680	3,125	2.38
2014	52,210	35,004	17,206	3,500	3,040	2.63
2015	54,588	35,076	19,512	4,580	3,509	2.41
2016	59,717	38,192	21,524	4,705	3,346	2.67
2017	57,787	39,120	18,667	4,800	3,058	2.38
2018	56,893	37,308	19,585	5,045	2,779	2.50
2019	56,544	39,483	17,061	5,255	2,553	2.19
Florida Atlantic University						
2011	14,802	6,119	8,683	2,405	3,357	1.51
2012	16,299	6,419	9,880	2,585	3,177	1.71
2013	16,498	7,481	9,017	2,690	3,077	1.56
2014	15,898	7,153	8,745	2,795	2,971	1.52
2015	14,828	7,574	7,254	2,900	2,862	1.26
2016	16,665	8,136	8,529	3,020	2,746	1.48
2017	17,859	8,844	9,015	3,130	2,434	1.62
2018	18,072	7,676	10,396	2,935	2,452	1.93
2019	19,698	8,233	11,466	3,045	2,335	2.13
University of Central Florida						
2011	22,872	11,509	11,363	2,740	3,766	1.75
2012	24,712	11,910	12,802	2,985	3,382	2.01
2013	25,577	14,208	11,369	3,125	5,117	1.38
2014	29,316	17,450	11,866	3,125	5,117	1.44
2015	29,455	14,831	14,624	4,225	4,565	1.66
2016	30,882	16,641	14,241	4,395	4,400	1.62
2017	31,063	16,274	14,789	4,580	4,210	1.68
2018	30,085	16,417	13,668	4,795	3,987	1.56
2019	32,299	18,720	13,579	5,040	3,593	1.57
Florida State University						
2011	32,671	16,925	15,745	3,215	5,628	1.78
2012	35,639	16,416	19,223	3,815	5,998	1.96
2013	39,011	15,963	23,048	4,140	5,652	2.35
2014	42,203	18,193	24,010	4,285	6,886	2.15
2015	43,194	19,302	23,892	4,675	6,774	2.09
2016	45,281	21,230	24,051	6,065	7,841	1.73
2017	43,690	22,736	20,955	6,010	7,971	1.50
2018	49,798	24,695	25,103	7,605	7,691	1.64
2019	49,179	23,237	25,942	7,940	7,345	1.70
Student Health and Wellness Center Revenue Bonds University of Central Florida						
2011	10,856	—	10,856	320	299	17.55
2012	12,754	—	12,754	345	271	20.70
2013	13,243	—	13,243	360	256	21.50
2014	14,127	—	14,127	375	242	22.90
2015	16,610	—	16,610	395	226	26.76
2016	16,992	—	16,992	410	209	27.45
2017	17,116	—	17,116	425	191	27.79
2018	17,519	—	17,519	445	172	28.40
2019	17,920	—	17,920	465	152	29.05

SCHEDULE C-4
(Continued)

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
Florida State University						
2011	8,734	—	8,734	—	—	3.67 ⁽⁸⁾
2012	13,404	—	13,404	1,075	1,305	5.63
2013	14,232	—	14,232	1,110	1,272	5.97
2014	13,851	—	13,851	1,155	1,228	5.81
2015	14,842	—	14,842	1,200	1,182	6.23
2016	14,794	—	14,794	1,245	1,134	6.22
2017	14,941	—	14,941	1,310	1,072	6.27
2018	15,026	—	15,026	1,360	1,019	6.32
2019	14,901	—	14,901	1,415	965	6.26
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
Bookstore Revenue Bonds						
University of Central Florida						
2011	1,978	434	1,543	195	95	5.31
2012	1,788	485	1,303	220	76	4.40
2013	1,880	401	1,479	230	65	5.02
2014	1,840	548	1,292	240	53	4.41
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
DOT Financing Corporation Bonds						
2019	4,694,931	—	4,694,931	9,205	6,285	303.10
Water Pollution Control Bonds						
2011	96,063	—	96,063	21,285	19,019	2.38
2012	120,674	—	120,674	25,405	24,721	2.41
2013	87,796	—	87,796	34,155	23,514	1.52
2014	90,986	—	90,986	34,840	22,025	1.60
2015	96,548	—	96,548	34,875	20,534	1.74
2016	86,109	—	86,109	32,930	19,001	1.66
2017	79,218	—	79,218	31,700	17,500	1.61
2018	78,977	—	78,977	28,770	16,077	1.76
2019	84,834	—	84,834	28,030	14,664	1.99
Inland Protection Bonds						
2011	211,533	—	211,533	5,080	4,695	21.64
2012	189,683	—	189,683	5,335	3,403	21.71
2013	188,346	—	188,346	5,605	3,181	21.44
2014	192,444	—	192,444	5,885	2,931	21.83
2015	198,432	—	198,432	6,180	2,637	22.50
2016	206,566	—	206,566	6,485	2,323	23.45
2017	212,852	—	212,852	6,810	2,000	24.16
2018	222,483	—	222,483	7,000	1,802	25.28
2019	235,565	—	235,565	7,205	1,586	26.80

Year Ended 6/30	Revenue ⁽¹⁾	Less Operating Expenses	Net Available for Debt Service	Debt Service		Coverage Ratio
				Debt Service Principal	Interest ⁽²⁾	
<i>Seaport Investment Program</i>						
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

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

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

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

⁽⁴⁾ Coverage shown based on maximum annual debt service of \$6,874,250 for illustrative purposes.

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

⁽⁶⁾ In Fiscal Year 2008, Florida Hurricane Catastrophe Fund executed a \$3.5 billion liquidity bond issue. The proceeds of the issue were used to redeem the bonds at maturity in Fiscal Year 2013. The coverage ratio shown is based only on the net revenue and does not include the bond proceeds used to redeem the bonds. Including the bond proceeds, the coverage ratio is 1.35.

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

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

**Demographic and Economic Statistics
For the Last Ten Calendar Years**
SCHEDULE D-1

Year	Population				Personal Income (in millions)	
	Florida - April 1	Percent Change from Prior Year	U.S. - July 1	Percent Change from Prior Year	Florida	U.S.
2010	18,801,332	0.61%	309,326,085	1.72%	\$ 725,074	\$ 12,551,597
2011	18,905,070	0.55%	311,580,009	0.73%	764,634	13,326,770
2012	19,074,434	0.90%	313,874,218	0.74%	793,429	14,010,140
2013	19,259,543	0.97%	316,057,727	0.70%	795,425	14,181,095
2014	19,507,369	1.29%	318,386,421	0.74%	856,162	14,991,715
2015	19,815,183	1.58%	320,742,673	0.74%	915,896	15,717,760
2016	20,148,654	1.68%	323,071,342	0.73%	942,461	16,121,183
2017	20,484,142	1.67%	325,147,121	0.64%	1,004,144	16,878,796
2018	20,840,568	1.74%	327,167,434	0.62%	1,066,447	17,819,158
2019	21,208,589	1.77%	329,158,518	0.61%	1,123,269	18,620,382

⁽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 Estimating Conference (December 2019), and the National and Florida Economic Estimating Conferences (December 2019).

Sources: Florida Legislature, Florida Department of Education

**State of Florida
Population by Age**

Age Group	2000 Census	Percent	2010 Census	Percent	2020 Projection	Percent
0 - 14	3,034,656	18.99%	3,284,608	17.47%	3,633,855	16.86%
15 - 24	1,942,430	12.15%	2,457,140	13.07%	2,580,927	11.97%
25 - 44	4,569,515	28.59%	4,720,799	25.11%	5,356,422	24.85%
45 - 64	3,628,573	22.70%	5,079,161	27.01%	5,579,028	25.88%
65 and Over	2,807,650	17.57%	3,259,602	17.34%	4,405,754	20.44%
Total	15,982,824	100.00%	18,801,310	100.00%	21,555,986	100.00%

Source: Forecast from December 2019 Florida Demographic Estimating Conference adjusted by age percentages from Florida Population Studies, Bulletin 184, June 2019, University of Florida, Bureau of Economic and Business Research. Year 2000 Census data incorporates adjustments for age misreporting prepared by the University of Florida, Bureau of Economic and Business Research.

SCHEDULE D-1

Per Capita Personal Income		Unemployment Rate ⁽¹⁾		Median Age	Public School Enrollment ⁽²⁾
Florida	U.S.	Florida	U.S.	Florida	Florida
\$ 38,565	\$ 40,577	11.1%	9.6%	40.6	2,634,382
40,446	42,772	10.0%	8.9%	40.9	2,643,396
41,596	44,636	8.5%	8.1%	41.0	2,667,830
41,300	44,869	7.2%	7.4%	41.1	2,691,322
43,889	47,087	6.3%	6.2%	41.3	2,720,074
46,222	49,004	5.5%	5.3%	41.5	2,756,127
46,775	49,900	4.8%	4.9%	41.6	2,791,244
49,021	51,911	4.2%	4.4%	41.6	2,817,076
51,172	54,465	3.6%	3.9%	41.7	2,833,115
52,963	56,570	3.4%	3.7%	41.7	2,846,857

Industry Sector Employment
For Calendar Years 2018 and 2009
(in thousands)

SCHEDULE D-2

Industry	Calendar Year 2018		Calendar Year 2009	
	Employment	Percentage of Total Employment ⁽¹⁾	Employment	Percentage of Total Employment ⁽¹⁾
Health Care and Social Assistance	1,137	12.85%	923	12.60%
Retail Trade	1,132	12.79%	933	12.74%
Accommodation and Food Services	994	11.23%	742	10.13%
Local Government	716	8.09%	747	10.20%
Administrative Support and Waste Services	687	7.76%	482	6.58%
Professional, Scientific, and Technical Services	572	6.46%	435	5.94%
Construction	541	6.11%	397	5.42%
Finance and Insurance	387	4.37%	333	4.55%
Manufacturing	372	4.20%	324	4.42%
Other Services ⁽²⁾	354	4.00%	301	4.11%
Total	6,892	77.86%	5,617	76.69%

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 2018, Florida's seasonally adjusted total nonagricultural employment was 8,989,900, an increase of 211,900 jobs (+2.4 percent) over the year. Florida's annual job growth rate had been positive for 100 out of 101 months. The only month not positive was due to Hurricane Irma that hit the state in September 2017. Prior to August 2010, the state had been losing jobs for three years. In December 2018, all ten major industries gained jobs over the year with professional and business services (+43,500 jobs) gaining the most followed by education and health services (+40,100 jobs).

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

	2018	2009
Total non-agricultural employment (in thousands)	8,782	7,235
Total agricultural employment (in thousands)	68	88
Total employment	8,850	7,323

⁽²⁾ "Other Services" include the following: Automotive repair and maintenance, personal and laundry services, and religious, grantmaking, civic, professional, and similar organizations.

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						
	2010	2011	2012	2013	2014	2015	2016
General Government	—	—	—	—	—	—	—
Education	—	—	—	—	—	—	—
Human Services	—	—	—	—	—	—	—
Criminal Justice and Corrections	—	—	—	—	—	—	—
Natural Resources and Environment	—	—	—	—	—	—	—
Transportation	—	—	—	—	—	—	—
Judicial Branch	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—

Function (federal)	2010	2011	2012	2013	2014	2015	2016
Financial administration	15,542	15,212	16,778	25,974	25,856	25,596	25,713
Streets and highways	7,048	6,751	6,116	5,821	5,827	5,810	5,685
Public welfare	12,723	12,278	14,148	13,784	13,736	13,829	13,852
Police protection	5,079	4,981	5,201	5,181	5,314	5,395	5,306
Natural resources and environment	7,687	7,481	7,437	7,245	7,185	7,143	7,126
Health	16,917	16,303	15,437	14,957	14,414	13,448	13,418
Housing and community development ⁽¹⁾	28	31	39	87	44	42	78
Community development ⁽¹⁾	256	278	53	37	36	34	—
Criminal justice and corrections	41,229	39,051	35,875	25,524	24,114	25,376	24,661
Utility and transportation	315	301	270	269	259	257	245
Employee security	1,439	1,481	1,563	1,384	1,446	1,346	1,295
Education	2,251	2,272	2,251	2,184	2,147	2,185	2,109
Judicial branch	4,117	4,009	4,042	4,097	4,112	4,055	4,098
Other	1,802	1,724	2,698	999	1,025	1,020	782
Total	116,433	112,153	111,908	107,543	105,515	105,536	104,368

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

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

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

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

SCHEDULE E-1

Fiscal Year		
2017	2018	2019
—	—	31,692
—	—	2,624
—	—	22,743
—	—	30,495
—	—	5,000
—	—	5,333
—	—	3,305
—	—	101,192

25,906	25,869	—
5,647	5,662	—
13,817	13,998	—
5,384	5,452	—
6,995	7,094	—
13,104	13,156	—
73	79	—
—	—	—
24,858	25,174	—
253	246	—
1,279	1,265	—
2,090	2,094	—
4,098	4,142	—
1,002	974	—
104,506	105,205	—

Operating Indicators by Function
Last Ten Fiscal Years

SCHEDULE E-2

	Fiscal Year				
	2010	2011	2012	2013	2014
General Government					
Department of Revenue					
Total administered taxes (<i>in millions \$</i>)	29,677	31,391	31,989	34,659	41,095
Department of Management Services ⁽¹⁾					
Number of retired members covered	302,978	318,881	333,870	347,147	362,216
Education					
Universities					
University enrollments	312,259	321,503	329,737	334,989	337,750
Degrees awarded	73,579	76,021	79,323	81,260	83,001
Human Services					
Department of Health ⁽²⁾					
Number of live births	214,519	213,237	212,954	215,194	219,905
Number of deaths	172,509	172,856	175,849	180,014	185,038
Department of Children and Families					
Supplemental Nutrition Assistance Program (SNAP) recipients	2,726,167	3,170,445	3,326,637	3,581,136	3,565,520
SNAP households	1,452,191	1,725,855	1,815,239	1,962,933	1,946,026
Criminal Justice and Corrections					
Department of Corrections					
Inmate admissions	36,992	34,992	32,279	33,295	32,442
Community supervision admissions	94,387	92,258	90,880	88,819	86,369
Facility population	102,232	102,319	100,527	100,884	100,942
Natural Resources and Environment					
Department of Environmental Protection					
State park and trail visitations	20,110,021	20,442,212	24,983,179	25,575,794	27,170,451
Florida Fish and Wildlife Conservation Commission					
Fishing and hunting licenses ⁽³⁾	1,576,518	1,534,518	1,638,055	1,544,549	2,350,586
Transportation					
Department of Highway Safety & Motor Vehicles					
Registrations ⁽⁴⁾	19,496,005	19,197,024	20,024,942	20,259,599	21,357,026
Titles issued ⁽⁴⁾	5,104,919	5,361,258	5,039,215	5,362,575	6,014,150
Traffic crashes ⁽²⁾⁽⁵⁾	235,461	227,998	281,340	316,943	344,170
Department of Transportation ⁽²⁾					
Daily vehicle miles traveled (<i>in thousands</i>)	286,902	288,007	284,051.8	287,977	288,398
Judicial Branch					
Judicial Branch System					
Number of cases filed/added:					
Circuit criminal defendants	201,785	196,453	188,669	186,117	176,768
County criminal	433,437	405,248	367,478	361,046	355,981
County civil	483,521	459,538	477,024	438,963	417,323
Traffic	500,316	483,644	472,662	383,776	280,102
Family court	347,049	349,222	322,854	289,752	281,154
Circuit civil	490,092	293,415	305,732	294,124	198,856
Probate	98,553	100,849	101,606	107,144	114,024

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

⁽¹⁾ The Florida Retirement System includes retirees from the following employer groups: State Agencies, County Agencies, District School Boards, Universities, State Colleges, Cities, Special Districts, Hospitals, and Other. Refer to Note 6 and Other Required Supplementary Information for further details.

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

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

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

⁽⁵⁾ Effective July 1, 2012, Section 316.066, F.S., was amended to require all law enforcement agencies to report additional crash data to the Department of Highway Safety and Motor Vehicles. The 2012 data reflects six months of the reporting change in crashes and the 2013 data reflects a full year of the reporting change in crashes. The statutory change resulted in more crash reports being received for reporting.

Sources: Florida Department of Revenue, Florida Retirement System, Florida Board of Governors, Florida Department of Health, Florida Department of Children and Families, Florida Department of Corrections, Florida Department of Environmental Protection, Florida Department of Agriculture and Consumer Services, Florida Department of Highway Safety and Motor Vehicles, Florida Department of Transportation, Florida State Courts

Fiscal Year				
2015	2016	2017	2018	2019
43,589	44,528	46,148	48,502	51,689
377,671	394,527	406,018	415,483	424,612
341,044	345,672	352,116	358,522	362,157
84,445	86,118	87,845	91,390	93,962
224,273	225,018	223,579	221,508	Unavailable
191,488	197,236	203,353	205,461	Unavailable
3,693,396	3,597,030	3,270,816	3,168,733	2,995,799
2,029,951	1,971,469	1,736,445	1,692,603	1,582,961
30,985	30,289	28,783	27,916	28,782
83,064	83,176	83,293	83,820	84,497
100,050	99,119	97,794	96,256	95,626
31,108,245	31,840,658	32,219,989	28,178,773	29,446,353
2,406,822	2,532,883	2,562,063	2,543,028	2,570,014
22,695,334	22,546,058	22,783,727	23,337,413	23,630,831
6,615,964	6,098,475	6,122,750	6,527,961	6,578,659
374,342	395,785	402,385	403,626	Unavailable
307,532	322,051	322,835	334,216	Unavailable
171,414	171,670	169,529	170,117	177,592
341,499	317,587	316,029	293,282	308,438
431,868	428,401	470,957	536,779	619,737
285,716	282,362	278,528	196,313	254,973
284,629	288,430	286,659	277,239	268,870
181,222	176,740	171,515	164,776	208,433
115,746	118,989	122,498	117,356	132,856

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

SCHEDULE E-3

	Fiscal Year				
	2010	2011	2012	2013	2014
<u>General Government</u>					
Department of Management Services					
Buildings ⁽¹⁾	85	84	86	88	88
<u>Education</u>					
Universities and colleges⁽²⁾					
Assignable square feet (in thousands)	51,787	54,488	54,890	56,277	57,938
<u>Human Services</u>					
Department of Health					
Buildings	57	57	73	36	38
Vehicles	327	328	323	315	378
Department of Children and Families					
Buildings	223	530	296	211	211
<u>Criminal Justice and Corrections</u>					
Department of Corrections					
Correctional institutions	62	61	63	55	56
Work camps, forestry camps	43	41	40	39	38
Work release centers	34	34	33	32	35
Other facilities	5	4	7	16	16
<u>Natural Resources and Environment</u>					
Division of Recreation and Parks					
Number of state parks, greenways, and trails	160	160	171	171	171
Acres of land owned	702,730	704,139	788,982	789,059	788,619
Department of Environmental Protection					
Acres of land owned ⁽³⁾	4,535,931	4,563,632	4,239,023	4,245,742	4,268,885
Florida Fish and Wildlife Conservation Commission					
Vehicles	1,669	1,637	1,876	1,637	1,800
<u>Transportation</u>					
Department of Transportation					
Highway lane miles	42,711	42,883	43,138	43,337	43,514
Vehicles	5,125	4,683	4,607	4,703	4,406
Buildings	1,774	1,745	391	385	383
<u>Judicial Branch</u>					
Judicial Branch System					
Machinery and equipment	9,760	9,697	9,199	10,495	10,656

⁽¹⁾ Beginning with fiscal year 2019, the count included state-owned buildings occupied by full-time equivalent State employees. Previously, the count included certain State-owned buildings not occupied by full-time equivalent employees.

⁽²⁾ Universities and colleges are presented in the CAFR as discretely presented component units of the state.

⁽³⁾ Acreage information includes a cumulative total of acres acquired through each program and by donations and exchanges. The Water Management Districts have acquired and hold title to lands through other programs that are not included in this schedule.

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				
2015	2016	2017	2018	2019
90	91	91	91	72
58,122	61,706	62,210	62,786	63,056
38	36	34	34	36
353	369	370	367	371
211	227	227	227	227
55	56	57	57	57
44	43	42	41	41
34	33	32	29	30
17	17	17	17	17
201	174	174	175	175
792,999	791,145	790,852	793,882	796,021
4,281,419	4,284,333	4,319,159	4,345,489	4,377,710
1,835	1,787	2,050	2,050	2,050
43,665	43,819	44,064	44,311	44,701
4,188	4,170	4,170	4,145	4,004
417	571	478	435	471
12,295	12,949	12,659	12,505	11,651

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